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

SIX MONTH FINANCIAL REPORT

For the period 1 January 2016 – 30 June 2016

In accordance with the International Financial Reporting Standards

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1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

ON THE INTERIM SUMMARY FINANCIAL STATEMENTS OF 30.6.2016 AND THE SIX MONTH REPORT OF THE BOARD OF DIRECTORS

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

WE DECLARE THAT

1. to the best of our knowledge, the attached six month 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 30.06.2016 and the results for the first half 2016 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 the first half 2016 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 first half 2016 Financial Statements are those that have been approved by the Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX) on 25.07.2016 and have been published by being uploaded on the internet, at www.athexgroup.gr.

Athens, July 25th 2016

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

2. MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

OF HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. FOR THE FIRST HALF 2016

(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 the six month separate and consolidated Financial Statements for the period that ended on 30.06.2016, in accordance with article 136 of Codified Law 2190/1920 and articles 4 & 5 of Law 3556/2007.

The six month 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 30.06.2016 at 542.1 points, reduced by 32% from the 797.5 points at the end of the first half 2015. The average capitalization of the market was €41.1bn, reduced by 13.9% compared to the first half 2015 (€47.7bn).

The total value of transactions (€9.2bn) is lower by 22.8%, compared to the first half 2015 (€11.9bn), while the average daily value of transactions in the first half 2016 was €76m compared to €101.8m in the first half 2015, posting a 25.4% reduction. It is noted that, during the last two days of the first half of 2015 the market was closed due to the bank holiday and the imposition of capital controls.

In the derivatives market, the 38.3% drop in the average revenue per contract (first half 2016: €0.116, first half 2015: €0.188), due to the drop in the prices in the underlying securities, was combined with the 25.1% reduction of the average daily volume in the first half 2016 (71.2 thousand contracts) compared to the first half 2015 (95 thousand contracts).

Business Development

Organized market – significant corporate actions

During the first half 2016, two listed companies (NEXANS HELLAS S.A. and EUROCONSULTANTS S.A.) increased their share capital by exercising the preemption right of old shareholders, raising €21.8m.

ATHENA S.A. increased its share capital by capitalizing liabilities and waiving the preemption right of old shareholders in favor of J. & P. - AVAX S.A., raising €35m.

GEK TERNA S.A. and NIREUS S.A. listed new shares from the conversion of an existing convertible bonds.

COCA-COLA HBC AG listed new shares from a share capital increase due to the exercise of stock options.

Four corporate transformations took place. In particular:

- SIDMA S.A. STEEL PRODUCTS absorbed the non-listed company PANELCO S.A.
- VIOHALCO SA/NV absorbed the listed company ELVAL and the non-listed companies DIATOUR, MANAGEMENT AND TOURISM S.A., ALCOMET S.A. and EUFINA S.A.
- NIREUS S.A. absorbed the non-listed company SEAFARM IONIAN S.A.
- AUTOHELLAS S.A. absorbed the non-listed companies TECHNOCAR SA and VELMAR SA.

Market promotion

In order to further promote the Greek capital market, inform companies – listed and non-listed – about the new tools and trends for financing that are taking shape in Europe, as well as to widen the investment network and improve the contact of listed companies with fund managers abroad, the Athens Exchange organized the following:

- In June 2016, in cooperation with the Hellenic American Chamber of Commerce, it organized the 5th Greek Investment Forum in New York. At the Investment Forum, 20 Athens Exchange listed companies participated, and during the approximately 250 meetings held with institutional investors, they had the opportunity to present their strategy and investment plans.

- As part of the Forum, a presentation took place titled “The Greek Economy at a glance”, in which the Minister of Finance, Development and Tourism Mr. George Stathakis participated. The presentation covered concerned the prospects of the Greek economy, investment opportunities, the main reforms that have been implemented in order to achieve sustainable development, as well as the strategy for managing public and private debt.

- In March 2016, together with the European Bank of Reconstruction and Development (EBRD), it organized an event titled “The capital market touch – financing businesses and projects. Trends, tools and solutions. Attracting international liquidity through capital markets.” The aim of the event was to promote the solutions, tools and showcase the trends for financing small and medium sized enterprises.

- In January 2016, as part of the initiative to promote non-listed companies to market participants, it welcomed the companies B&T Composites, Chaitoglou Bros and Pindos, as distinguished businesses in the Federation of Industries of Northern Greece “Greek Value – Northern Greece 2015 awards; in May 2016 it welcomed the companies Systems Sunlight, Demo, Raymetrics and Sychem as distinguished businesses in the “Greek Exports Awards 2015.”

At the same time, the Athens Exchange continued to have contact with the business community, and actively participated in a number of events, where it had the opportunity to present its products and services, as well as its markets (Main Market and Alternative Market – EN.A), both to companies at different levels of preparation, as well as to local and foreign institutional investors who desire portfolio differentiation and new products.

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, 12 listed companies presented their results, their strategy for development and prospects for growth.

Migration of the DSS to a web environment

The migration of the Dematerialized Securities System (DSS) – a core IT system of the Group – to a modern technological platform (WEB) was completed.

In order to complete the project and put the platform into production, a full review of the system (forms, processes, reports) was required, in order to ensure its correct operation. The review of the subsystems for clearing, risk management and settlement was carried out by DDKE, which was also responsible for the coordination of the whole project and testing of the new version.

During the first six months of 2016, the audit of the applications was completed, and issues with the translation and with the transition to the new environment were corrected.

In addition, in order to familiarize users to the new environment, Clearing Members and DSS Operators were given the opportunity to carry out tests over a two month period (March & April) in the test environment.

Lastly, a general test was carried out, in order for Clearing Members and DSS Operators to have the opportunity to carry out technical controls, so as to try out the new version before its activation in the production environment. In order to support the general test, a number of scenaria had to be prepared, and the manuals that described the clearing procedures had to be updated in order to be consistent with the changes.

On 23.5.2016 the new environment for internal users went into production; on 30.5.2016 it went into production for external users.

Supporting the rebalancing of the FTSE Large Cap index for derivatives market products

Following requests by Members, and in order to stimulate investor interest and increase market liquidity, it was decided to rebase the FTSE/ATHEX Large Cap index.

At the same time, it was decided to increase the nominal value of the Index Futures by a factor of four. This adjustment significantly increased the cost of trading in this particular product (as a percentage of its face value).

The abovementioned rebase required that changes be made in the IT systems, as well as the comprehensive provision of information and coordination with market participants.

Improvement in the tax withholding process for OTC securities lending transactions

In collaboration with the tax authorities, the non-withholding for a second time for OTC lending transactions when intermediaries are involved was implemented.

Following the implementation of this new functionality, the process for taxing these transactions is rationalized, and the relevant request by market participants is satisfied.

Annual certification of the risk management models

As part of the annual update of the risk management models, in accordance with Article 49 of Regulation (EU) 648/2012 (EMIR), ATHEXClear was audited by an independent specialized external consultant. During the audit, that was carried out in accordance with the provisions of Article 47 of Regulation (EU) 153/2013 concerning Technical Standards, no deviation was found for the provisions and requirements of EMIR; the results of the audit were found to be very satisfactory.

Participation in the EU-Wide Stress-Test for Central Counterparties

ATHEXClear participated in the second phase of the EU-wide stress test for counterparty credit risk that was carried out by the European Securities and Markets Authority (ESMA). ESMA demanded that supervised Central Counterparties calculate possible losses that could arise from clearing member default under new, increased extreme market condition factors. ATHEXClear completed these test successfully, as there was no essential weakness in the ability to absorb losses under these extreme scenarios.

Improvements in the ATHEXClear risk management procedures

As part of the continuous improvement and automation of the risk management operation, improvements were made in the Risk Management System (RMS). Indicatively noted are the display of cash collateral requested by a member in order to more reflect risk more transparently, and the creation of new reports to audit the degree of concentration of clearing members.

The aim behind the continuing development in the RMS is to increase automation in the daily monitoring of risks.

Improvements in the EMIR-TR services

In order to ensure compatibility with ESMA requirements concerning the obligation to report trades (EMIR Trade Reporting Level II Validation), as well as to improve the service provided to Members, a number of actions were implemented mainly in the IT system that supports the service. In particular:

- Deletion of the special characters from the position account codes in the derivatives market.
- Addition of a series of controls in the IT system in order to increase the accuracy of the data that is entered, in accordance with ESMA instructions.
- Automation of the sending and receiving of trade report files on derivatives transactions that are not cleared by ATHEXClear. The reason is to reduce human interaction or reduce operating risk, and increase the safety of the system.
- Automation of the invoicing process through the issuance of invoicing data directly from the IT system of the service. At the same time, the option to produce detailed data on charges per member, client and type of transaction.

The required changes were originally made in the test environment in which member users have access, in order to ensure both the smooth operation of the system, and that users were familiarized before operation in a production environment.

Remote Digital Signing project

The Athens Exchange has installed since 2001 a Public Key Infrastructure (PKI CA), and operates as a provider of Digital Certificate services, in order to cover the business need for digital signatures (initially for the HERMES and TRS services, as well as new digital certification services).

As part of the effort to further develop and promote digital signature services, since the middle of 2016 a project is in progress concerning the completion of PKI CA infrastructure with the technical solution by CoSign – part of DocuSign, a leader worldwide in matters of digital signatures. The aim is to implement a server side (or remote qualified) digital signing and to be able to provide digital signature without the need of intermediary physical means (e.g. SmartCard, USB token etc.). It should be noted that the CoSign platform is the only Remote Digital Signing technical solution that has been certified as a Secure Signature Creation Device by the Hellenic Telecommunications and Post Commission (EETT).

At the same time as the online connection of ATHEX CA with the abovementioned technical solution by DocuSign is implemented, an internal workflow integration project using the ATHEX CA/CoSign technical solution is also being implemented, in order to gradually move from internal paper workflows at the Group, to a new electronic environment of digital signatures.

The abovementioned projects are expected to be completed by the end of 2016.

Finally, it is noted that as part of further promotion and provision of digital signatures / certificates, both in Greece as well as abroad, the Athens Exchange as a Certification Authority (CA), will participate as the only Trusted Service Provider (TSP) from Greece, in a closed TSP network worldwide, that will be connected with the DocuSign digital signature platform.

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

In the first half 2016, 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 7/759/29.06.2016 and decision 1/736/2.11.2015 of the Board of Directors of the Hellenic Capital Market Commission.

In implementation of the abovementioned decisions of the Hellenic Capital Market Commission, during the meeting of the Board of Directors of ATHEXCSD on 27.6.2016 it was decided to amend decision number 6 of the ATHEXCSD BoD, effective on the date the amendment was posted (30.06.2016). Since then, implementation is in progress, with the aim of successfully completing them, in stages, by 02.01.2017.

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 the first half 2016 the investigation continued on the timely adjustment, within 2016-2017, 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.

Hellenic Corporate Governance Council (HCGC)

During the first six months of 2016, the Hellenic Corporate Governance Council (HCGC), following the publication of the "Hellenic Corporate Governance Code for Listed Companies," moved a step further in the development, promotion and dissemination of good corporate governance in Greece. It prepared "Special Practices of Good Corporate Governance for Non-Listed Companies" that is addressed to all forms of non-listed companies, such as start-ups, companies with a single shareholder that is the manager at the same time, family business, joint ventures, as well as subsidiaries of listed companies. The sectors covered by the Special Practices of Good Corporate Governance for Non-Listed Companies are: the Board of Directors and its Members, remuneration, internal audit system, risk management, regulatory compliance, relations with shareholders, relations with other stakeholders, IT systems and family companies.

HCGC organized a special even on March 23rd 2016 at the Athens Exchange in order to present the draft of the "Special Practices of Good Corporate Governance for Non-Listed Companies." Following the end of the event, the draft was put to open consultation for a period of ten (10) weeks. After the comments that were received are taken into consideration and discussed by the work group, the "Special Practices of Good Corporate Governance for Non-Listed Companies" is expected to be published in October 2-16, following a meeting of the 15-member Council of the HCGC.

In order to inform, train and raise awareness among young people in matters of corporate governance, HCGC organized in May a special two-day conference on the "Hellenic Corporate Governance Code" for students in the "Audit and taxation" post-graduate program of Panteion University.

At the same time, HCGC in cooperation with the Athens Exchange continues to develop the internet platform for monitoring and evaluating the implementation of the Hellenic Corporate Governance Code by listed companies, and is collaborating 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

First half 2016 results

Turnover in the first half 2016 for the Athens Exchange Group amounted to €14.9m compared to €18.5m in the first half 2015, posting a 19.5% drop. 57% of the turnover of the Group is from fees on trading, clearing and settlement of transaction on the Athens Exchange.

At the EBITDA level, first half 2016 was at €5.8m compared to €8.4m in the corresponding period last year, reduced by 30.7%.

The reduction in the bottom line is due to the 25.3% drop in the average daily traded value, to €76m vs. €101.8m last year.

The earnings before interest and taxes (EBIT) for the first half 2016 amounted to €4.5m vs. €7.4m in the corresponding period last year, reduced by 39.8%.

Following the subtraction of €1.588 thousand in income tax, the net after tax profits of the Athens Exchange Group amounted to €3.2m vs. €5.43m, reduced by 41.3%. If other comprehensive income is included (share valuation loss), net after tax profits amount to €2.08m, corresponding to three cents (€0.03) per share against seven cents (€0.07) per share in the corresponding period last year, reduced by 57%.

It should be noted that the income tax rate used by the Group is 29%.

Parent Company of the Athens Exchange Group

For the parent company Athens Exchange, the turnover in the first half 2016 amounted to €7.5m reduced by 11.8% compared to the corresponding period last year, while the net after tax profits amounted to €5.5m in the first half 2016 compared to €11.4m in first half 2015, posting a 51.5% drop.

Significant events

- The 15th Annual General Meeting of Athens Exchange shareholders on 25.5.2016 decided to distribute dividend amounting to €0.10 per share or €6,536,856.00 in total for fiscal year 2015. Because of the existence of treasury stock, the dividend per share increased to €0.1026.
- The 1st Repetitive General Meeting of 9.6.2016 decided to return capital of €0.22 per share, or €14,381,083.86 in total. Because of the existence of treasury stock, the capital return per share increased to €0.2275.
- As a result of the revaluation of the 13,365,316 shares of Piraeus Bank that the Company possessed on 30.6.2016, a loss of €1,563,741.97 in H1 2016 was booked to Other Comprehensive Income (OCI), in accordance with IAS 39.

- Following on the decision by the 14th Annual general Meeting of shareholders of 20.5.2015, implementation of the share buyback program by the Company began on 9.2.2016. Up until 30.6.2016, 2,155,008 shares (3.3% of the number of shares outstanding of the Company) had been purchased, at an average cost of €4.82, at a total cost of €10,388,944.

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 30.06.2016. In the Statement of Financial Position of 30.06.2017, 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 30.06.2016.

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.

With the decision of the 1st Repetitive General Meeting of 9.6.2016 to return €0.22 per share with an equal reduction in the stock’s par value, equity amounted to €70,598,048.04 divided into 65,368,563 shares with a par value of €1.08 each.

The Equity of the Group on 30.06.2016 was €148,672 thousand and the Company’s €137,011 thousand.

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).

Share buybacks began on 09.02.2016 and up to 30.06.2016 2,155,008 shares (3.3% of the share capital) had been purchased, at an average price of €4.82 at a total cost of €10.388.944. The share buyback program continued after 30.06.2016. Up until 22.07.2016, 2.474.350 shares (3.79% of the number of shares outstanding) had been purchased, at an average price of €4.74 per share, and a total cost of €11.7m.

Dividend policy

The Annual General Meeting of Athens Exchange shareholders on 25.5.2016 decided to distribute dividend amounting to €6,536,856.3 or €0.10 per share to shareholders.

The ex-date of the right to the dividend was on 31.5.2016, and the dividend was paid on 6.6.2016. The dividend per share was increased to €0.1026 due to the existence of treasury stock.

The Repetitive General Meeting of 9.6.2016 approved the proposal of the BoD to return capital amounting to €14,381,083.86 or €0.22 per share. The ex-date of the right to the capital return was on 4.7.2016, and payment took place on 11 July 2016. The capital return per share was increased to €0.2275 due to the existence of treasury stock.

In total, the payout ratio on the consolidated earnings for fiscal year 2015 was 231% compared to 98% in fiscal year 2014.

Transactions between associated parties

All transactions with associated parties amount to €664 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 €463 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 30.06.2016.

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 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.

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.

The economic crisis in the Greek economy in recent years has increased the risks for foreign and local investors resulting in a significant reduction in both trading activity on the exchange, as well as corporate actions by listed companies other than banks.

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 qualified 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 2016 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

- Credit risk (mainly counterparty credit risk from the operation of ATHEXClear as Central Counterparty, and from the investment of own assets)

- Liquidity risk (mainly cash flows risk)

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

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.

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.

Significant events after 30.06.2016

Following the decision of the General Meeting of shareholders of the Company on 20.5.2015, the share buyback program continued after 30.06.2016. Up until 22.07.2016, 2.474.350 shares (3.79% of the number of shares outstanding) had been purchased, at an average price of €4.74 per share, and a total cost of €11.7m.

On the 15th of July 2016, the capital market regulator in the USA “Securities and Exchange Commission (SEC)” recognized the Athens Exchange as a “Designated Offshore Securities Market” under Rule 902(b) of Regulation S of the 1933 Securities Act of the USA.

As a result of this recognition, transferable securities that are traded in the Athens Exchange (stocks, corporate bonds and ETF shares), can now be resold, without the seller having the burden of forming reasonable certainty that the buyer is located outside the United States, under the assumption that these transactions have not been pre-agreed with a buyer located in the United States. As a result, trading on transferable securities on the Athens Exchange will be further facilitated, and a more liquid resale market be created, which may render private placements of Greek transferable securities listed on the Athens Exchange more attractive to investors in the USA.

There are no significant events in the results of the Group and the Company which has taken place or was completed after 30.06.2016, the date of the first half 2016 financial statements and up until the approval of the first half 2016 financial statements by the Board of Directors of the Company on 25.07.2016.

Athens, July 25th 2016

The Board of Directors

3. AUDIT REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of

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

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of **"HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA ("ATHEX")"** (the "Company") as at 30 June 2016, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying financial information.

Athens, 25 July 2016

The Certified Auditor Accountants

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

VASSILIOS KAMINARIS
S.O.E.L R.N. 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
Chimarras 8B, 151 25, Marousi Athens
COMPANY S.O.E.L. R.N. 107

4. INTERIM SUMMARY FINANCIAL STATEMENTS FOR THE FIRST HALF 2016

for the period 1 January 2016 – 30 June 2016

In accordance with the International Financial Reporting Standards

4.1. Interim Summary Six Month Statement of Comprehensive Income

	Notes	GROUP				COMPANY			
		01.01 30.06.2016	01.01 30.06.2015	01.04 30.06.2016	01.04 30.06.2015	01.01 30.06.2016	01.01 30.06.2015	01.04 30.06.2016	01.04 30.06.2015
Revenue									
Trading	5.9	2,729	3,746	1,417	1,633	2,729	3,746	1,417	1,633
Clearing	5.10	5,055	7,307	2,613	3,172	0	0	0	0
Settlement	5.11	669	694	337	306	0	0	0	0
Exchange services	5.12	1,541	1,725	647	739	1,541	1,725	647	739
Depository services	5.13	1,160	1,232	490	586	0	0	0	0
Clearinghouse services	5.14	119	111	38	40	0	0	0	0
Market Data	5.15	1,739	1,811	842	961	1,897	1,980	921	1,055
IT services	5.16	157	169	82	53	134	117	70	59
Revenue from re-invoiced expenses	5.17	427	465	253	268	427	465	253	268
New Services (XNET, CP CSE - Sibex, IT etc)	5.18	917	867	455	575	406	264	207	183
Other services	5.19	379	377	67	100	394	241	68	124
Total turnover		**14,892**	**18,504**	**7,241**	**8,433**	**7,528**	**8,538**	**3,583**	**4,061**
Hellenic Capital Market Commission fee	5.22	(648)	(857)	(346)	(371)	(250)	(334)	(132)	(144)
Total revenue		**14,244**	**17,647**	**6,895**	**8,062**	**7,278**	**8,204**	**3,451**	**3,917**
Expenses									
Personnel remuneration and expenses	5.23	4,559	4,685	2,259	2,416	2,206	2,194	1,103	1,162
Third party remuneration and expenses	5.24	279	248	132	123	201	214	99	112
Utilities	5.25	407	421	213	209	63	53	28	14
Maintenance / IT support	5.26	594	599	245	256	403	404	157	160
Other Taxes	5.27	458	944	223	658	336	721	206	618
Building / equipment management	5.28	283	314	136	158	53	52	28	27
Marketing and advertising expenses	5.29	102	85	35	42	95	79	34	38
Participation in organizations expenses	5.30	226	204	42	111	202	192	31	111
Insurance premiums	5.31	216	176	87	64	203	167	78	59
Operating expenses	5.32	182	212	110	127	253	280	136	159
BoG - cash settlement	5.33	30	27	15	10	0	0	0	0
Other expenses	5.34	64	49	47	27	25	25	14	11
Total operating expenses		**7,400**	**7,964**	**3,544**	**4,201**	**4,040**	**4,381**	**1,914**	**2,471**
Re-invoiced expenses	5.35	502	436	395	293	483	429	378	290
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.36	541	532	349	341	33	35	23	23
Provision for bad debts	5.37	0	350	0	350	0	0	0	0
Total operating expenses, including new activities		**8,443**	**9,282**	**4,288**	**5,185**	**4,556**	**4,845**	**2,315**	**2,784**
Earnings before Interest, Taxes, Depreciation & Amortization(EBITDA)		**5,801**	**8,365**	**2,607**	**2,877**	**2,722**	**3,359**	**1,136**	**1,133**
Depreciation	5.38 & 5.39	(1,344)	(964)	(688)	(504)	(669)	(465)	(349)	(245)
Earnings Before Interest and Taxes (EBIT)		**4,457**	**7,401**	**1,919**	**2,373**	**2,053**	**2,894**	**787**	**888**
Capital income	5.43	375	1,081	169	495	280	828	126	369
Dividend income		0	0	0	0	4,013	9,069	4,013	9,069
Provision to cover other risk	5.48	0	(300)	0	(300)	0	(300)	0	(300)
Financial expenses	5.43	(55)	(42)	(30)	(40)	(2)	(4)	(1)	(2)
Earnings Before Tax (EBT)		**4,777**	**8,140**	**2,058**	**2,528**	**6,344**	**12,487**	**4,925**	**10,024**
Income tax	5.51	(1,588)	(2,710)	(725)	(1,162)	(802)	(1,061)	(322)	(408)
Profits after tax		**3,189**	**5,430**	**1,333**	**1,366**	**5,542**	**11,426**	**4,603**	**9,616**

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

The notes on chapter 5 form an integral part of these financial statements of 30.06.2016.

(Amounts in thousand euro unless otherwise noted) 22

	Notes	GROUP				COMPANY			
		01.01 30.06.2016	01.01 30.06.2015	01.04 30.06.2016	01.04 30.06.2015	01.01 30.06.2016	01.01 30.06.2015	01.04 30.06.2016	01.04 30.06.2015
Net profit after tax (A)		**3,189**	**5,430**	**1,333**	**1,366**	**5,542**	**11,426**	**4,603**	**9,616**
Other comprehensive income/(losses)									
Available for sale financial assets									
Other comprehensive income transferred to results in the following fiscal years									
Available for sale financial assets								0	0
Valuation profits / (losses) during the period	5.42	(1,564)	(1,063)	(884)	(280)	(1,564)	(1,063)	(884)	(280)
Income tax included in other comprehensive income / (losses)		454	308	256	105	454	308	256	105
		(1,110)	**(755)**	**(628)**	**(175)**	**(1,110)**	**(755)**	**(628)**	**(175)**
Other comprehensive income no transferred to results in the following fiscal years									
Effect in tax income		0	20	0	20	0	20	0	20
Total other income / (loss) after taxes not transferred to other fiscal years (B)		**(1,110)**	**(735)**	**(628)**	**(155)**	**(1,110)**	**(735)**	**(628)**	**(155)**
Total comprehensive income (A) + (B)		**2,079**	**4,695**	**705**	**1,211**	**4,432**	**10,691**	**3,975**	**9,461**

Distributed to:			
Company shareholders		2.079	4.695
Profits after tax per share (basic & impaired; in €)		0,03	0,07

The notes on chapter 5 form an integral part of these financial statements of 30.06.2016.

(Amounts in thousand euro unless otherwise noted) 23

4.2. Interim Summary Six Month Statement of Financial Position

	Note	GROUP		COMPANY	
		30.06.2016	31.12.2015	30.06.2016	31.12.2015
ASSETS					
Non-Current Assets					
Tangible assets for own use	5.38	23,104	23,122	955	413
Intangible assets	5.38	5,295	5,209	4,100	4,168
Real Estate Investments	5.39	3,098	3,200	3,098	3,200
Investments in subsidiaries & other long term receivables	5.40	65	68	58,115	58,118
Deferred tax asset	5.45	1,681	1,315	1,613	1,245
		33,243	**32,914**	**67,881**	**67,144**
Current Assets					
Trade receivables	5.41	5,965	6,520	2,866	2,666
Other receivables	5.41	8,728	12,931	5,644	5,758
Income tax receivable	5.41& 5.51	2,338	3,715	633	1,155
Financial assets available for sale	5.42	2,152	3,716	2,152	3,716
Third party balances in Group bank account	5.44	307,146	447,816	1,195	1,008
Cash and cash equivalents	5.43	124,686	137,235	78,476	89,174
		451,015	**611,933**	**90,966**	**103,477**
Total Assets		**484,258**	**644,847**	**158,847**	**170,621**
EQUITY & LIABILITIES					
Equity & Reserves					
Share capital	5.46	70,598	84,979	70,598	84,979
Treasury stock	5.46	(10,389)	0	(10,389)	0
Share premium	5.46	157	157	157	157
Reserves	5.46	68,089	62,584	64,929	59,699
Retained earnings		20,217	30,180	11,716	19,051
Total Equity		**148,672**	**177,900**	**137,011**	**163,886**
Non-current liabilities					
Grants and other long term liabilities	5.47	87	87	50	50
Provisions	5.48	3,192	3,151	2,263	2,243
Deferred tax liability	5.45	1,789	1,873	0	0
		5,068	**5,111**	**2,313**	**2,293**
Current liabilities					
Trade and other payables	5.49	22,753	13,245	17,814	2,880
Third party balances in Group bank account	5.50	307,146	447,816	1,195	1,008
Social Security		619	775	514	554
		330,518	**461,836**	**19,523**	**4,442**
Total Liabilities		**335,586**	**466,947**	**21,836**	**6,735**
Total Equity & Liabilities		**484,258**	**644,847**	**158,847**	**170,621**

The notes on chapter 5 form an integral part of these financial statements of 30.06.2016.

(Amounts in thousand euro unless otherwise noted) 24

4.3. Interim Summary Six Month Statement of Changes in Equity

4.3.1. Group

	Share Capital	Treasury stock	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2015	**48,373**	**0**	**43,954**	**61,598**	**35,283**	**189,208**
Profit for the period					5,430	5,430
Other comprehensive income after taxes				(735)	0	(735)
Total comprehensive income after taxes	**0**	**0**	**0**	**(735)**	**5,430**	**4,695**
Profit distribution to reserves				533	(533)	0
Share Premium increase (note 5.46)	43,797		(43,797)	0	0	0
Return of share capital (note 5.46)	(7,191)					(7,191)
Dividends payable					(13,727)	(13,727)
Balance 30.06.2015	**84,979**	**0**	**157**	**61,396**	**26,453**	**172,985**
Profit for the period					3,608	3,608
Other comprehensive income after taxes				526	119	645
Total comprehensive income after taxes	**0**		**0**	**526**	**3,727**	**4,253**
Bond derecognition				662		662
Balance 31.12.2015	**84,979**	**0**	**157**	**62,584**	**30,180**	**177,900**
Profit for the period					3,189	3,189
Other comprehensive income after taxes				(1,110)	0	(1,110)
Total comprehensive income after taxes	**0**		**0**	**(1,110)**	**3,189**	**2,079**
Profit distribution to reserves				6,615	(6,615)	0
Share buyback (5.46)	0	(10,389)	0	0		(10,389)
Return of share capital (note 5.46)	(14,381)					(14,381)
Dividends paid (note 5.55)					(6,537)	(6,537)
Balance 30.06.2016	**70,598**	**(10,389)**	**157**	**68,089**	**20,217**	**148,672**

The notes on chapter 5 form an integral part of these financial statements of 30.06.2016.

(Amounts in thousand euro unless otherwise noted) 25

4.3.2. Company

	Share Capital	Treasury stock	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2015	**48,373**	**0**	**43,954**	**59,246**	**19,839**	**171,412**
Profit for the period					11,426	11,426
Other comprehensive income after taxes				(735)	0	(735)
Total comprehensive income after taxes	**0**		**0**	**(735)**	**11,426**	**10,691**
Share Premium increase (note 5.46)			(43,797)	0		0
Return of share capital (note 5.46)	(7,191)					(7,191)
Dividends paid					(13,727)	(13,727)
Balance 30.06.2015	**84,979**	**0**	**157**	**58,511**	**17,538**	**161,185**
Profit for the period					1,451	1,451
Other comprehensive income after taxes			0	526	62	588
Total comprehensive income after taxes	**0**		**0**	**526**	**1,513**	**2,039**
Bond derecognition				662		662
Balance 31.12.2015	**84,979**	**0**	**157**	**59,699**	**19,051**	**163,886**
Profit for the period					5,542	5,542
Other comprehensive income after taxes				(1,110)		(1,110)
Total comprehensive income after taxes	**0**		**0**	**(1,110)**	**5,542**	**4,432**
Profit distribution to reserves				6,340	(6,340)	0
Share buyback (5.46)		(10,389)				(10,389)
Return of share capital (note 5.46)	(14,381)					(14,381)
Dividends paid (note 5.55)					(6,537)	(6,537)
Balance 30.6.2016	**70,598**	**(10,389)**	**157**	**64,929**	**11,716**	**137,011**

The notes on chapter 5 form an integral part of these financial statements of 30.06.2016.

(Amounts in thousand euro unless otherwise noted) 26

4.4. Interim Summary Cash Flow Statement

	Notes	Group		Company	
		1.1-30.06.2016	1.1-30.06.2015	1.1-30.06.2016	1.1-30.06.2015
Cash flows from operating activities					
Profit before tax		4,777	8,140	6,344	12,487
Plus / (minus) adjustments for					
Depreciation	5.38	1,344	964	669	465
Staff compensation provisions	5.23	42	53	20	25
Net provisions	5.48		300		300
Interest Income	5.43	(375)	(1,081)	(280)	(828)
Dividends received				(4,013)	(9,069)
Interest and related expenses paid	5.43	55	47	2	4
Plus/ (minus) adjustments for changes in working capital accounts or concerning operating activities					
Reduction/Increase in receivables		4,761	413	(50)	228
Reduction/Increase in liabilities (except loans)		9,294	9,075	14,885	9,201
Reduction/Total adjustments for changes in working capital		**19,898**	**17,911**	**17,577**	**12,813**
Interest and related expenses paid	5.43	(55)	(47)	(2)	(4)
Severance payments to personnel		62		62	
Taxes paid		(212)	(594)	(280)	(421)
Net inflows / outflows from operating activities (a)		**19,693**	**17,270**	**17,357**	**12,388**
Investing activities					
Purchases of tangible and intangible assets	5.38& 5.39	(1,310)	(1,080)	(1,041)	(768)
Interest received	5.43	375	1,081	280	828
Dividends received		0	0	4,013	9,069
Total inflows / (outflows) from investing activities (b)		**(935)**	**1**	**3,252**	**9,129**
Financing activities					
Special dividend (share capital return)	5.46	(14,381)	(7,191)	(14,381)	(7,191)
Share buyback	5.46	(10,389)	0	(10,389)	0
Dividend payments	5.55	(6,537)	(13,268)	(6,537)	(13,268)
Total outflows from financing activities (c)		**(31,307)**	**(20,459)**	**(31,307)**	**(20,459)**
Net increase/ (decrease) in cash and cash equivalents from the beginning of the period (a) + (b) + (c)		**(12,549)**	**(3,188)**	**(10,698)**	**1,058**
Cash and cash equivalents at start of the period	**5.43**	**137,235**	**151,551**	**89,174**	**96,057**
Cash and cash equivalents at end of the period	**5.43**	**124,686**	**148,363**	**78,476**	**97,115**

The notes on chapter 5 form an integral part of these financial statements of 30.06.2016.

(Amounts in thousand euro unless otherwise noted) 27

5. NOTES TO THE FIRST HALF 2016 INTERIM SUMMARY 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 six month financial statements of the Group and the Company for 2016 have been approved by the Board of Directors on 25.07.2016. 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	Provision of support services for the operation of organized markets. Settlement of off-exchange transfers on 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	**30.06.2016**	**31.12.2015**
ATHEX	100%	100%
ATHEX GROUP	100%	100%

(Amounts in thousand euro unless otherwise noted) 29

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	**30.06.2016**	**31.12.2015**
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 interim 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.

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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 judgments 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, it is required that the published data for the corresponding period last year be adjusted accordingly, in order to make the two periods comparable.

In particular, in the Statement of Comprehensive Income for the first half 2015, the non-recurrent expenses account was €650 thousand and included a €350 thousand provision for bad debts as well as a €300 thousand provision against other risks. In the Statement of Comprehensive Income of 31.12.2015 a reclassification of this amount took place, and the amount of the provision for €300 thousand against other risks is reported after the Earnings Before Interest and Taxes (EBIT).

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

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.

Notes 5.38 and 5.39 report 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 (4110/2013, , §24, article 3), 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.

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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 and 30.06.2016. In the Statement of Financial Position of 31.12.2015 and 30.06.2016, 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 30.06.2016 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 Company 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. Treasury stock

Treasury stock concerns the shares of the Company that are purchased on the Exchange by the Company or subsidiary of the group, following, following a decision by the Annual General Meeting of shareholders. Treasury stock is shown in equity, reducing share capital. With the acquisition cost of treasury stock at the end of each period, an treasury stock reserve of equal amount if formed that is shown in equity.

5.3.24. New standards, modified standards and interpretations

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2016:

- **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 is in the process of examining 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 is in the process of examining the impact of the amendment in the financial statements.

- **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 is in the process of examining the 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 is in the process of examining the 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 is in the process of examining the 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 is in the process of examining the impact of the amendments 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.

- ***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.

- ***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.

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

- **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 is in the process of examining the 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. Management of the Group is in the process of examining the impact of the amendment in the financial statements.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**

  The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. Management of the Group is in the process of examining the impact of the amendment in the financial statements.

- **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. Management of the Group is in the process of examining the impact of the amendment in the financial statements.

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

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

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

  The amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. The objective of these amendments is to clarify the accounting for deferred tax assets for unrealized 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 unrealized losses for tax purposes or when it has the ability and intention to hold the debt instruments until the unrealized loss reverses. Management of the Group is in the process of examining the impact of the amendments 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. Management of the Group is in the process of examining the impact of the amendments in the financial statements.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**

  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Management of the Group is in the process of examining the impact of the amendments 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 qualified 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 the first half 2016 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

- Credit risk (mainly counterparty credit risk from the operation of ATHEXClear as Central Counterparty, and secondarily from investing own assets)
- Liquidity risk (mainly cash flows risk)

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

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.

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 30.06.2016 the Group held (through Hellenic Exchanges – Athens Stock Exchange) shares in Piraeus Bank 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 30.06.2016 was €0.161, and as a result there is a valuation loss of €1,563,741.97 which was transferred to equity in accordance with IAS 39. If the price of the stock deviates by more than 10 basis points on 30.06.2016 (from €0.161 to €0.161161) the valuation difference revenue would change by ±€21 thousand.

Credit counterparty risk

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. However, since ATHEXClear is not willing to assume any losses from this operation (zero risk appetite), it reduces potential losses that may arise following the default by one or more clearing members under extreme market conditions, with the requirement that clearing members post margin for their positions.

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.

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 the first half 2016 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.
- *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.

[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.

Specifically for ATHEXClear, 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.

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 30.06.2016, total capital requirements amounted to €8m or 27.4% of the total capital maintained by ATHEXClear.

Capital requirements are comprised of the individual measurement of the capital requirements for the following risks (see 5.46):

- 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.

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:

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.

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.

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.

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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Suppliers and other commercial liabilities	22,753	13,245	17,814	2,880
Other long term liabilities	87	87	50	50
Other short term liabilities	619	775	514	554
Less Cash and cash equivalents	(124,686)	(137,235)	(78,476)	(89,174)
Net borrowing (a)	**(101,227)**	**(123,128)**	**(60,098)**	**(85,690)**
Shareholder equity (b)	148,672	177,900	137,011	163,886
Equity and net borrowing (a + b)	**47,445**	**54,772**	**76,913**	**78,196**
Borrowing leverage index (a/(a+b))	**(2.13)**	**(2.25)**	**(0.78)**	**(1.10)**

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 June 30th 2016 the core activities of the Group broken down by business sector were as follows:

GROUP	Segment information on 30.06.2016									
	Trading	Clearing	Settlement	Data feed	IT	Exchange services	Depository services	Clearinghouse services	Other*	Total
Revenue	2,729	5,055	669	1,739	157	1,541	1,160	119	1,723	14,892
Capital income	69	127	17	44	4	39	29	3	43	375
Expenses	(1,676)	(3,105)	(411)	(1,068)	(96)	(946)	(712)	(73)	(1,059)	(9,146)
Depreciation	(246)	(456)	(60)	(157)	(14)	(139)	(105)	(11)	(156)	(1,344)
Taxes	(291)	(539)	(71)	(185)	(17)	(164)	(124)	(13)	(184)	(1,588)
Profit after tax	**585**	**1,082**	**144**	**373**	**34**	**331**	**248**	**25**	**367**	**3,189**
Assets	5,772	10,691	1,415	3,678	332	3,259	2,453	252	3,644	31,497
Cash and cash equivalents	22,849	42,324	5,601	14,560	1,315	12,902	9,712	996	14,426	124,686
Other assets	60,121	111,363	14,738	38,311	3,459	33,949	25,555	2,622	37,958	328,075
Total assets	**88,742**	**164,378**	**21,754**	**56,549**	**5,106**	**50,110**	**37,720**	**3,870**	**56,028**	**484,258**
Total liabilities	**61,497**	**113,913**	**15,076**	**39,188**	**3,538**	**34,726**	**26,140**	**2,682**	**38,826**	**335,586**

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GROUP	Segment information on 30.06.2015									
	Trading	Clearing	Settlement	Data feed	IT	Exchange services	Depository services	Clearinghouse services	Other*	Total
Revenue	3,746	7,307	694	1,811	169	1,725	1,232	111	1,709	18,504
Capital income	219	427	41	106	10	101	72	6	98	1,081
Expenses	(2,122)	(4,139)	(393)	(1,026)	(96)	(977)	(698)	(63)	(967)	(10,481)
Depreciation	(195)	(381)	(36)	(94)	(9)	(90)	(64)	(6)	(89)	(964)
Taxes	(549)	(1,070)	(102)	(265)	(25)	(253)	(180)	(16)	(250)	(2,710)
Profit after tax	**1,099**	**2,144**	**204**	**532**	**49**	**506**	**362**	**32**	**501**	**5,430**
Assets	6,414	12,512	1,188	3,101	289	2,954	2,110	190	2,927	31,685
Cash and cash equivalents	30,035	58,587	5,564	14,520	1,355	13,831	9,878	890	13,703	148,363
Other assets	66,337	129,398	12,290	32,071	2,993	30,548	21,817	1,966	30,263	327,683
Total assets	**102,786**	**200,497**	**19,042**	**49,692**	**4,637**	**47,333**	**33,805**	**3,046**	**46,893**	**507,731**
Total liabilities	**67,767**	**132,187**	**12,555**	**32,762**	**3,057**	**31,206**	**22,287**	**2,008**	**30,917**	**334,746**

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.

5.8. Capital Market and first half results

Capital Market

The Athens Exchange General Index closed on 30.06.2016 at 542.1 points, reduced by 32% from the 797.5 points at the end of the first half 2015. The average capitalization of the market was €41.1bn, reduced by 13.9% compared to the first half 2015 (€47.7bn).

The total value of transactions (€9.2bn) is lower by 22.8%, compared to the first half 2015 (€11.9bn), while the average daily value of transactions in the first half 2016 was €76m compared to €101.8m in the first half 2015, posting a 25.4% reduction. It is noted that, the last two days of the first half 2015 the market was closed due to the bank holiday and the imposition of capital controls.

In the derivatives market, the 38.3% drop in the average revenue per contract (first half 2016: €0.116, first half 2015: €0.188), due to the drop in the prices in the underlying securities, was combined with the 25.1% reduction of the average daily volume in the first half 2016 (71.2 thousand contracts) compared to the first half 2015 (95 thousand contracts).

Comment on the results

First half 2016 results

Turnover in the first half 2016 for the Athens Exchange Group amounted to €14.9m compared to €18.5m in the first half 2015, posting a 19.5% drop. 57% of the turnover of the Group is from fees on trading, clearing and settlement of transaction on the Athens Exchange.

At the EBITDA level, first half 2016 was at €5.8m compared to €8.4m in the corresponding period last year, reduced by 30.7%.

The reduction in the bottom line is due to the 25.3% drop in the average daily traded value, to €76m vs. €101.8m last year.

The earnings before interest and taxes (EBIT) for the first half 2016 amounted to €4.5m vs. €7.4m in the corresponding period last year, reduced by 39.8%.

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Following the subtraction of €1.588 thousand in income tax, the net after tax profits of the Athens Exchange Group amounted to €3.2m vs. €5.43m, reduced by 41.3%. If other comprehensive income is included (share valuation loss), net after tax profits amount to €2.08m, corresponding to three cents (€0.03) per share against seven cents (€0.07) per share in the corresponding period last year, reduced by 57%.

It should be noted that the income tax rate used by the Group is 29%.

Parent Company of the Athens Exchange Group

For the parent company Athens Exchange, the turnover in the first half 2016 amounted to €7.5m reduced by 11.8% compared to the corresponding period last year, while the net after tax profits amounted to €5.5m in the first half 2016 compared to €11.4m in first half 2015, posting a 51.5% drop.

5.9. Trading

Total revenue from trading in the first half 2016 amounted to €2.73m vs. €3.75m in the corresponding period last year, posting a 27.1% reduction. Revenue is broken down in the table below:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Shares	2,430	3,114	2,430	3,114
Derivatives	299	630	299	630
ETFs	0	2	0	2
Total	**2,729**	**3,746**	**2,729**	**3,746**

Revenue from stock trading amounted to €2.4m vs. €3.1m in in the corresponding period last year, decreased by 22%. This drop is due to the decrease in trading activity in the first half of 2016.

In the first half 2016 the total traded value in the cash market was €9.19bn compared to €11.9bn in the first half 2015, decreased by 22.8%. The average daily traded value in the first half 2016 was €76m vs. €101.8m in the corresponding period last year, decreased by 25.4%.

In the derivatives market, revenue from trading amounted to €299 thousand compared to €630 thousand in the first half 2015, reduced by 52.5%, due to a 25.1% reduction in the average daily number of contracts (71.2 thousand vs. 95 thousand in the first half 2015), as well as due to a reduction in the average revenue per contract by 38.3%.

5.10. Clearing

Revenue from clearing amounted to €5.06m in the first half 2016 vs. €7.31 in the first half 2015, posting a 30.8% decrease, and is broken down in the following table:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Shares	3,696	4,747	0	0
Derivatives	699	1,474	0	0
ETFs	1	3	0	0
Transfers - Allocations (Special settlement instruction)	218	396	0	0
Trade notification instructions	441	687	0	0
Total	**5,055**	**7,307**	**0**	**0**

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Revenue from stock clearing, which consists of revenue from the organized market and the Common Platform, amounted to €3.7m, posting a 22.14% reduction compared to the first half 2015.

In the first half 2016 the total traded value in the cash market was €9.2bn compared to €11.9bn in the first half 2015, decreased by 22.8%. The average daily traded value was €76m in the first half 2016 vs. €101.8m in the first half 2015, decreased by 25.4%.

In the derivatives market, revenue from clearing amounted to €699 thousand compared to €1.474 thousand in the first half 2015, reduced by 52.6%, due to a 25.1% reduction in the average daily number of contracts (71.2 thousand vs. 95.0 thousand in the first half 2015), as well as due to a reduction in the average revenue per contract by 38.3%.

Revenue from transfers – allocations amounted to €218 thousand, decreased by 44.95% compared to the first half 2015, while trade notification instructions amounted to €441 thousand, decreased by 35.80%.

5.11. Settlement

Revenue from settlement amounted to €669 thousand vs. €694 thousand in the corresponding period last year, posting a 3.6% reduction, and is broken down in the following table:

	GROUP		COMPANY	
	30.06.2016	**30.06.2015**	**30.06.2016**	**30.06.2015**
Off-exchange transfers OTC (1)	639	684	0	0
Off-exchange transfers (2)	28	8	0	0
Rectification trades	2	2	0	0
Total	**669**	**694**	**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 the first half 2016 amounted to €1.54m vs. €1.73m in the corresponding period last year, posting a 10.7% reduction. It is analyzed in the table below:

	GROUP		COMPANY	
	30.06.2016	**30.06.2015**	**30.06.2016**	**30.06.2015**
Rights issues by listed companies (1)	219	239	219	239
Quarterly subscriptions by listed companies (2)	989	1,099	989	1,099
Member subscriptions (3)	304	370	304	370
Subscriptions of ENA company advisors	10	0	10	0
Other services (Issuers)	19	17	19	17
Total	**1,541**	**1,725**	**1,541**	**1,725**

(1) Fees on rights issues by listed companies amounted to €219 thousand (ATTICA BANK - €183 thousand; ATHENA S.A.- €17.5 thousand; NEXANS - €10.5 thousand etc.) vs. €239 thousand (BANK OF CYPRUS - €205 thousand; SELONTA - €28 thousand) in the corresponding period last year, decreased by 8.4%.

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(2) Revenue from listed company subscriptions amounted to €989 thousand in the first half 2016 vs. €1.1m in the corresponding period last year, posting a 10.1% reduction 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 €269 thousand in the first half 2016 vs. €332 thousand in the corresponding period last year, decreased by 18.97%. Revenue from member subscriptions in the derivatives market amounted to €35 thousand in the first half 2016 vs. €33 thousand in the corresponding period of 2015.

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 the first half 2016 amounted to €1.16m vs. €1.23m in the first half 2015, posting a 5.8% drop. Revenue is broken down in the following table:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Issuers (Rights issues - AXIA LINE) (1)	505	463	0	0
Bonds - Greek government securities	31	15	0	0
Investors	87	71	0	0
Operators (2)	537	683	0	0
Total	**1,160**	**1,232**	**0**	**0**

(1) Fees on rights issues by listed companies in the first half 2016 amounted to €298 thousand (ATTICA BANK - €180 thousand; ATHENA S.A. - €37 thousand; NEXANS - €30 thousand; NIREUS - €21.5 thousand; PLASTIKA KRITIS - €14.5 thousand; HERTZ - €3 thousand; AUDIOVISUAL - €3 thousand; TELETIPOS - €3 thousand; EUROCONSULTANTS - €3 thousand; GEK-TERNA - €3 thousand) vs. €221 thousand (BANK OF CYPRUS - €103 thousand; SELONTA - €45 thousand; TECHNICAL OLYMPIC - €38 thousand; GEK-TERNA - €26 thousand; LAMDA - €3 thousand; HERTZ - €3 thousand; MEDICON - €3 thousand), increased by 34.8%. Revenue from the provision of information to listed companies through electronic means amounted to €116 thousand in the first half 2016 vs. €168 thousand in the first half 2015. Revenue from notifications of beneficiaries for cash distributions amounted to €43.4 thousand in the first half 2016 vs. €69 thousand in the first half 2015.

(2) Revenue from operators includes revenues from monthly subscriptions amounting to €399 thousand vs. €483 thousand in the corresponding period in 2015, and is calculated based on the value of the portfolio of the operators; revenue from authorization number usage amounted to €45 thousand vs. €61 thousand in the first half 2015; revenue from opening investor accounts €36 thousand vs. €78 thousand in first half 2015 and other revenue from operators.

5.14. Clearing House Services

Revenue in this category amounted to €119 thousand vs. €111 thousand in the corresponding period last year, posting a 7.2% increase and is broken down in the table below:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Member subscriptions	119	111	0	0
Total	**119**	**111**	**0**	**0**

(Amounts in thousand euro unless otherwise noted) 59

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 €1.74m vs. €1.81m in the corresponding period last year, posting a 4.0% increase, and is broken down in the following table:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Revenue from Data Feed	1,725	1,790	1,882	1,958
Revenue from publication sales	14	21	15	22
Total	**1,739**	**1,811**	**1,897**	**1,980**

5.16. IT services

Revenue from this category which amounted to €157 thousand vs. €169 thousand in the corresponding period last year, posting a 7.1% reduction, and is broken down in the table below:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
DSS terminal use licenses (1)	86	106	63	54
Services to Members (2)	71	63	71	63
Total	**157**	**169**	**134**	**117**

(1) Revenue from DSS terminal licenses amounted to €86 thousand, which include €22.5 thousand fees for retaining an extra operator code where in 2016 are recorded in actual figures per quarter (compared to €106 thousand recorded in budgeted figures for the year 2015) posting a reduction of 18.9%.

(2) Revenue from services to Members includes revenue from TRS services - €22.6 thousand, as well as €25.8 thousand from the use of additional terminals, and is increased by 12.4% compared to the corresponding period last year. In the first half 2016 there was FIX protocol revenue of €20 thousand compared to €10 thousand in the corresponding period last year.

5.17. Revenue from re-invoiced expenses

The expenses that were re-invoiced to clients in the first half 2016 amounted to €427 thousand decreased by 8.2% compared to the corresponding period last year.

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
ATHEXNet	255	283	255	283
General Meeting Services to listed companies (SODALI)	66	41	66	41
Revenue from sponsorships-NY roadshow	105	140	105	140
Travel revenue	1	1	1	1
Total	**427**	**465**	**427**	**465**

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ATHEXnet revenue €255 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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Revenue from X-NET/InBroker	315	388	16	28
Support of other markets (CSE, SIBEX)	21	43	37	33
Co-location Services (2)	380	197	324	140
Market Suite	81	80	29	63
UNAVISTA LEI - EMIR TR (1)	120	159	0	0
Total	**917**	**867**	**406**	**264**

(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 the first half 2016 amounted to €120 thousand vs. €159 thousand in the corresponding period last year.

(2) The Group offers co-location services from which it received €380 thousand in the first half 2016 (BLOOMBERG, PANTELAKIS SECURITIES, AXIA VENTURES, FORTHNET, MEDNET CITIGROUPGLOBAL MARKETS, UBS LIMITED, DEUTSCHE BANK A.G, OBRELA SECURITY INDUSTRIES, CREDIT SUISSE SECURITIES, OPAP) vs. €197 thousand in the corresponding period last year. The first half of 2016 includes €46 thousand in revenue from the consumption of electricity for collocation compared to €0 in the corresponding period last year.

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.

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 the first half 2016 revenue from the InBrokerPlus® system amounted to €315 thousand, decreased by 18.8% compared to the corresponding period last year, and is analyzed in the table below:

(Amounts in thousand euro unless otherwise noted) 61

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Revenue from X-NET	35	68	15	28
Revenue from Inbroker	280	320	1	0
Total	**315**	**388**	**16**	**28**

5.19. Other services

Revenue from other services increased by 0.5%, amounting to €379 thousand vs. €377 thousand in the corresponding period last year. The breakdown of this category is shown in the table below:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Education (1)	76	59	75	56
Rents	161	131	125	125
Provision of support services	0	0	53	53
Guarantee forfeitures – penalties (2)	0	186	0	0
Reversal of old unused provisions	18	0	18	0
Other (3)	124	1	123	7
Total	**379**	**377**	**394**	**241**

(1) Concerns revenue from seminars and certifications.

(2) The amount of €186 thousand in the first half 2015 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.

(3) Other revenue includes €118.5 thousand and concerns Vineyard Grant agreement no 687628.

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.

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.

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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 €23,841,165.00 and is in effect until 31.07.2016.

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 (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 01.07.2016 to 31.07.2016 is €8,247,245.00. 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 the first half 2016 do not include the Hellenic Capital Market Commission (HCMC) fee, which amounted to €648 thousand compared to €857 thousand in the corresponding period last year. 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 the first half 2016 amounted to €250 thousand compared to €334 thousand in the corresponding period last year.

5.23. Personnel remuneration and expenses

Personnel remuneration and expenses in the first half 2016 amounted to €4.56m vs. €4.69m in the corresponding period last year, posting a reduction of 2.7%.

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 the first half 2016 amounts to €387 thousand at the Group level (2015: €391 thousand), while for the Company it amounts to €214 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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Salaried staff	227	236	98	103
Total Personnel	**227**	**236**	**98**	**103**

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	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Personnel remuneration	3,270	3,464	1,549	1,619
Social security contributions	692	692	310	317
Severance payments to personnel	62	20	62	13
Net change in the compensation provision(actuarial valuation)	42	53	20	25
Other benefits (insurance premiums etc.)	493	456	265	220
Total	**4,559**	**4,685**	**2,206**	**2,194**

During the first half 2016 the amount of €62 thousand was paid in severance payments to departing staff.

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.

The changes in the provision for the first half 2016 are shown in detail in the following table:

Accounting Presentation in accordance with IAS 19 (amounts in €)	Group	
	30.06.2016	30.06.2015
Amounts recognized in the Balance Sheet		
Present values liabilities	1,832,181	2,018,031
Net obligation recognized on the Balance Sheet	**1,832,181**	**2,018,031**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	17,908	32,684
Net Interest on the liability/asset	23,636	20,726
Regular expense in the Profit & Loss Statement	**41,544**	**53,410**
Cost of personnel reduction / mutual agreements/retirement	0	0
Total expense recognized in the Profit & Loss Statement	**41,544**	**53,410**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,790,637	1,964,621
Cost of current employment	17,908	32,684
Interest expense	23,636	20,726
Present value of the liability at the end of the period (note 5.48)	**1,832,181**	**2,018,031**
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	1,790,637	1,964,621
Total expense recognized in the Profit & Loss Statement	41,544	53,410
Net Liability at the end of the year(note 5.48)	**1,832,181**	**2,018,031**

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Accounting Presentation in accordance with IAS 19 (amounts in €)	Company	
	30.06.2016	**30.06.2015**
Amounts recognized in the Balance Sheet		
Present values liabilities	962,947	1,037,061
Net obligation recognized on the Balance Sheet	**962,947**	**1,037,061**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	7,090	14,396
Net Interest on the liability/asset	12,454	10,676
Regular expense in the Profit & Loss Statement	**19,544**	**25,072**
Cost of personnel reduction / mutual agreements/retirement	0	0
Total expense recognized in the Profit & Loss Statement	**19,544**	**25,072**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	943,403	1,011,989
Cost of current employment	7,090	14,396
Interest expense	12,454	10,676
Present value of the liability at the end of the period (note 5.48)	**962,947**	**1,037,061**
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	943,403	1,011,989
Total expense recognized in the Profit & Loss Statement	19,544	25,072
Net Liability at the end of the year (note 5.48)	**962,947**	**1,037,061**

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

Actuarial assumptions	**Valuation dates**	
	30.06.2016	**30.06.2015**
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.

5.24. Third party fees & expenses

In the first half 2016 third party fees and expenses amounted to €279 thousand vs €248 thousand increased by 12.50% 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 €201 thousand (2015: €214 thousand).

(Amounts in thousand euro unless otherwise noted) 66

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
BoD member remuneration	27	32	23	26
Attorney remuneration and expenses	30	15	30	15
Fees to auditors	48	47	23	22
Fees to consultants (1)	93	72	44	68
Fees to FTSE (ATHEX)	75	79	75	79
Total	**279**	**248**	**201**	**214**

(1) Consultancy fees include consultancy services, actuarial study fees, fees for tax and legal services. In the first half 2016, fees for the ATHEXClear systems audit in accordance with EMIR, amounting to €18 thousand were booked, as well as fees for the real estate estimator - €8 thousand; there were no corresponding fees in 2015.

5.25. Utilities

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Fixed - mobile telephony - internet	81	87	28	26
Leased lines - ATHEXNet	71	71	29	22
PPC (Electricity)	253	260	6	5
EYDAP (water)	2	3	0	0
Total	**407**	**421**	**63**	**53**

Expenses in this category include electricity, water, fixed line and mobile telephony and telecommunications networks, and amounted to €407 thousand in the first half 2016 vs. €421 thousand in the corresponding period last year, decreased by 3.3%.

For the company these expenses amounted to €63 thousand in the first half 2016 compared to €53 thousand in the first half 2015, posting a 18.9% increase.

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 €594 thousand in the first half 2016 (2015: €599 thousand), decreased by 0.8% compared to the corresponding period last year, while for the company amounted to €403 thousand in the first half 2016 vs. €404 thousand in the first half 2015.

5.27. Other taxes

Non-deductible Value Added Tax, and other taxes (Property Tax) that burden the cost of services amounted to €458 thousand compared to €944 thousand in the first half 2015. In the first half 2015 other taxes included €438 thousand - concentration tax and €102 thousand - fees to the Hellenic Capital Market Commission as part of the ATHEXClear licensing process.

For the Company, other taxes amounted to €336 thousand vs. €721 thousand in the corresponding period last year.

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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 the first half 2016 amounted to €283 thousand, reduced by 9.9% compared to the corresponding period last year.

For the Company, building and equipment management expenses amounted to €53 thousand.

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Cleaning and building security services	179	179	49	49
Building repair and maintenance - other equipment	89	116	4	3
Fuel and other generator materials	7	9	0	0
Communal expenses	8	10	0	0
Total	**283**	**314**	**53**	**52**

5.29. Marketing and advertising expenses

Marketing and advertising expenses amounted to €102 thousand in the first half 2016 vs. €85 thousand, increased by 20.0% compared to the corresponding period last year. For the Company, these expenses amounted to €95 thousand in the first half 2016 vs. €79 thousand in the first half 2015.

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Promotion, reception and hosting expenses	66	39	66	38
Event expenses	36	46	29	41
Total	**102**	**85**	**95**	**79**

The increase in promotion expenses is due the frequent promotional events organized by ATHEX during the first half 2016.

5.30. Participation in organizations expenses

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Subscriptions to professional organizations & contributions	211	185	188	173
Hellenic Capital Market Commission subscription	15	19	14	19
Total	**226**	**204**	**202**	**192**

Subscriptions in professional organizations include participation in WFE and FESE, as well as SIIA, EACH, Reuters, Bloomberg, magazines, newspapers etc. The difference compared to the corresponding period last year is due to the booking of ECSDA subscription amounting to €10 thousand in the first half 2016, while in 2015 it had been booked in the second half; in addition the subscription to Gartner (13 thousand) was booked in the first half 2016, while in 2015 the subscription was booked only in the last month of the year (€2 thousand), as the subscription began in December 2015.

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5.31. Insurance premiums

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Electronic equipment fire insurance	10	8	10	8
Building fire insurance premiums	18	12	5	3
BoD member civil liability ins. Premiums (D&O, DFL & PI)	185	156	185	156
Total	**216**	**176**	**203**	**167**

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 the first half 2016 amounting to €185 thousand, increased compared to the corresponding premium in 2015, due to the inclusion of an invoice in the amount of €30 thousand that concerns the second half of 2015.

5.32. Operating expenses

Operating expenses in the first half 2016 amounted to €182 thousand vs. €212 thousand in the corresponding period last year, reduced by 14.2%, while for the company the expenses amounted to €253 thousand vs. €280 thousand in the corresponding period in 2015.

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Stationery	3	4	3	3
Consumables	19	25	19	25
Travel expenses	81	88	51	61
Postal expenses	1	2	0	0
Transportation expenses	25	26	19	21
Storage fees	7	5	5	3
Operation support services	0	0	51	51
Automobile leases	10	12	10	12
DR site rent	30	28	93	91
Other expenses	6	22	2	13
Total	**182**	**212**	**253**	**280**

Travel expenses concern participation in conferences abroad, as well as for educational purposes.

5.33. BoG cash settlement

In the first half 2016 fees amounting to €30 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 ATHEXCSD. The corresponding amount for the first half 2015 was €27 thousand.

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5.34. Other expenses

Other expenses in the first half 2016 amounted to €64 thousand vs. €49 thousand in the corresponding period last year, increased by 30.6% and concern fees to ascertain the eligibility of BoD members, fees and various expenses. The difference is due to the €25 thousand administrative expenses of the pension plan which had been booked in the third quarter last year. For the Company other expenses amounted to €25 thousand in the first half, at the same level as last year.

5.35. Re-invoiced expenses

The expenses on this category in the first half 2016 amounted to €502 thousand vs €436 thousand in the corresponding period last year, while for the company these expenses amounted to €483 thousand vs. €429 thousand in the corresponding period last year.

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Leased Lines(ATHEXNet)	246	225	228	220
Sodali expenses (General Meetings)	50	31	50	31
VAT on re-invoiced expenses	65	64	65	63
Promotion, reception and hosting expenses (NY roadshow)	140	115	139	114
Other	1	1	1	1
Total	**502**	**436**	**483**	**429**

5.36. Expenses for new activities

The expenses on this category for the Group amounted to €541 thousand vs €532 thousand in the corresponding period last year; for the company these expenses amounted to €33 thousand vs. €35 thousand in the first half 2015. The breakdown of this category is shown in the table below:

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
X-NET Expenses	276	264	28	20
Expenses on IT Services to third parties	265	268	5	15
Total	**541**	**532**	**33**	**35**

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 €153 thousand (plus VAT on all the services in this category) vs. €160 thousand in the corresponding period last year (the corresponding revenue UNAVISTA LEI is described in note 5.18). This category includes Singular Securities ERP - €6.8 thousand, and Oracle - €4.7 thousand.

XNET expenses are analyzed in the table below:

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	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Expenses concerning foreign securities	39	37	28	19
Inbroker Plus data feed expenses	237	227	0	1
Total	**276**	**264**	**28**	**20**

5.37. Provisions for bad debts

This category includes the provisions in the amount of €350 thousand that have been taken by the Group to safeguard it against bad debts in the first half 2015. For the first half 2016, it was deemed that there was no reason for taking such provisions (see note 5.2).

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 book value of the assets of the Group per building on 30.06.2016 is summarily presented in the following table:

Analysis of the Assets of the Group per category in the Statement of Financial Position of 30.06.2016				
	Own use			Real Estate investments
	Athinon Ave. building	Katouni building (Thessaloniki)	Total	Mayer building (note 5.31)
Plots of land	3,000	1,500	4,500	1,000
Construction	17,011	502	17,513	2,098
Means of transportation	24	0	24	0
Electronic systems	802	0	802	0
Communication & other equipment	265	0	265	0
Intangibles	5,295	0	5,295	0
Total	**26,397**	**2,002**	**28,399**	**3,098**

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Analysis of the Assets of the Group per category in the Statement of Financial Position of 31.12.2015				
	Own use			Real Estate investments
	Athinon Ave. building	Katouni building (Thessaloniki)	Total	Mayer building (note 5.31)
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**

The tangible and intangible assets of the Group on 30.06.2016 and 31.12.2015 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 31.12.2014	**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**
Revoluation due to estimate by independent estimator	(7,300)	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**

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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 31.12.2015	**4,500**	**26,991**	**800**	**165**	**7,317**	**7,866**	**47,639**
Additions in 2016	0	0	0	3	659	648	**1,310**
Reductions in 2016	0	(132)	(776)	0	(723)	(818)	**(2,449)**
Acquisition and valuation on 30.06.2016	**4,500**	**26,859**	**24**	**168**	**7,253**	**7,696**	**46,500**
Accumulated depreciation on 31.12.2015	**0**	**8,941**	**800**	**136**	**6,774**	**2,657**	**19,308**
Depreciation in 2016	0	537	0	8	135	562	**1,242**
Accumulated depreciation reduction in 2016	0	(132)	(776)	0	(723)	(818)	**(2,449)**
Accumulated depreciation on 30.06.2016	**0**	**9,346**	**24**	**144**	**6,186**	**2,401**	**18,101**
Book value							
on 31.12.2015	4,500	18,050	0	29	543	5,209	**28,331**
on 30.06.2016	**4,500**	**17,513**	**0**	**24**	**1,067**	**5,295**	**28,399**

The tangible and intangible assets of the Company on 30.06.2016 and 31.12.2015 are presented in the table below:

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**

(Amounts in thousand euro unless otherwise noted) 73

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 31.12.2015	**0**	**0**	**103**	**154**	**5,243**	**5,841**	**11,341**
Additions in 2016	0	0	0	3	655	383	**1,041**
Reductions in 2016	0	0	(103)	0	(361)	(162)	**(626)**
Acquisition and valuation on 30.06.2016	**0**	**0**	**0**	**157**	**5,537**	**6,062**	**11,756**
Accumulated depreciation on 31.12.2015	**0**	**0**	**103**	**130**	**4,854**	**1,673**	**6,760**
Depreciation in 2016	0	0	0	8	108	451	**567**
Accumulated depreciation reduction in 2016	0	0	(103)	0	(361)	(162)	**(626)**
Accumulated depreciation on 30.06.2016	**0**	**0**	**0**	**138**	**4,601**	**1,962**	**6,701**
Book value							
on 31.12.2015	0	0	0	24	389	4,168	**4,581**
on 30.06.2016	**0**	**0**	**0**	**19**	**936**	**4,100**	**5,055**

Intangible assets include the amounts of €387 thousand for the Group and €214 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.

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 book value of the investments in real estate for the Group and the Company on 30.06.2016 and 31.12.2015 is shown in the following table:

(Amounts in thousand euro unless otherwise noted) 74

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 31/12/2015	**2,100**	**5,100**	**88**	**7,288**
Accumulated depreciation on 31/12/2014	0	2,706	0	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**

GROUP-COMPANY	TANGIBLE ASSETS			
	Plots of Land	Buildings and Construction	Furniture and fixtures	Total
Acquisition and valuation on 31/12/2015	**1,000**	**5,110**	**88**	**6,198**
Additions in 2016	0	0	0	0
Reductions in 2016	0	0	(52)	(52)
Acquisition and valuation on 30/06/2016	**1,000**	**5,110**	**36**	**6,146**
Accumulated depreciation on 31/12/2015	0	2,910	88	2,998
Depreciation in 2016	0	102	0	102
Accumulated depreciation reduction in 2016	0	0	(52)	(52)
Accumulated depreciation on 30/06/2016	**0**	**3,012**	**36**	**3,048**
Book value				
on 31/12/2015	1,000	2,200	0	3,200
on 30/06/2016	**1,000**	**2,098**	**0**	**3,098**

5.40. Investments in subsidiaries and other long term claims

	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Participation in ANNA	1	1	1	1
Participation 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	227
Rent guarantees	53	56	7	10
Total	**65**	**68**	**58,115**	**58,118**

The breakdown of the participations of the parent company in the subsidiaries of the Group on 30.06.2016 is shown below:

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	% of direct participation	Number of shares/total number of shares	Valuation	Valuation
			30.06.2016	31.12.2015
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**

From its participation in the subsidiary ATHEXCSD, the Company received dividends of €4,013,000 (802,600 shares x €5.00 per share) for fiscal year 2015; for fiscal year 2014 it received €9,069,480 (802,600 shares x €11.30 per share).

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:

	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Clients	8,113	8,668	4,560	4,360
Less: provisions for bad debts	(2,148)	(2,148)	(1,694)	(1,694)
Net commercial receivables	**5,965**	**6,520**	**2,866**	**2,666**
Other receivables				
Tax withheld on dividends for offsetting (1)	4,721	4,721	4,421	4,421
Tax (0.20%) (2)	2,644	6,671	0	0
HCMC fee claim	453	453	453	453
Taxes withheld on deposits	74	262	53	202
Accrued income (interest)	25	46	22	36
Letter of guarantee for NSRF (ESPA) seminars	185	185	185	185
Other withheld taxes	0	12	0	10
Prepaid non-accrued expenses	174	144	91	43
Other debtors (3)	452	437	419	408
Total	**8,728**	**12,931**	**5,644**	**5,758**
Income tax claim (4)	**2,338**	**3,715**	**633**	**1,155**

(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 which 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 Mayer building €62 thousand.

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(4) The Group has a tax claim of €2,338 thousand which breaks down as follows: ATHEXClear - €1,298 thousand; ATHEXCSD - €407 thousand; ATHEX (parent company) - €633 thousand. On 31.12.2015, the tax claim amounted to €3,715 thousand and concerned: ATHEXClear - €1,332 thousand; ATHEXCSD - €1,228 thousand and ATHEX - €1,155 thousand.

Provisions for bad debts	Group	Company
Balance on 31.12.2014	**2,297**	**1,394**
Bad debts write off	-514	-284
Released provisions	-219	0
Additional provisions in 2015	**584**	**584**
Balance on 31.12.2015	2,148	1,694
Bad debts write off 2016	0	0
Balance on 30.06.2016	**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 30.06.2016.

Trade and other receivables are classified in Level 2.

During first half 2016, there were no transfers between Levels 1, 2, 3.

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 €4,009,594.8.

On 30.06.2016 the share price of Piraeus Bank that is listed on the Athens Exchange was €0.161 (total value of the shares: €2,152 thousand), and as a result the Company is recording a securities valuation loss of €1,564 thousand (13,365,316 x (0.278-0.161) compared to 31.12.2015.

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.

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 €375 thousand in the first half 2016 (first half 2015: €1,081 thousand); for the Company, the corresponding income was €280 thousand (first half 2015: €828 thousand).

A significant portion (24%) of the cash of the Group is, due to the adjustment of ATHEXClear to the EMIR Regulation, kept at the Bank of Greece.

The Group was informed by the Bank of Greece (BoG) that, deposits at the BoG carry a negative interest rate of 0.1% for the time period 11.06.2014-09.09.2014, negative 0.2% from 10.09.2014-8.12.2015, negative 0.3% from 9.12.2015 and 0.4% from 16.3.2016 onwards.

Expenses and bank commissions over the same period amounted to €55 thousand (30.06.2015: €42 thousand) for the Group and €2 thousand for the Company (30.06.2015: €4 thousand). The breakdown of the cash at hand and at bank of the Group is as follows:

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	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Deposits at the Bank of Greece	29,628	29,598	0	0
Sight deposits in commercial banks	31,983	31,443	30,690	30,759
Time deposits < 3 months	63,059	76,161	47,781	58,406
Cash at hand	16	33	5	9
Total	**124,686**	**137,235**	**78,476**	**89,174**

Out of the total cash balance of the Group, the amount of €8.0m or 23.8% 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 in note 5.46.

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 on 30.06.2016 is shown in both assets and liabilities in the Statement of Financial Position of ATHEXClear and the Group.

	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Clearing Fund collaterals – Cash Market	31,492	12,918	0	0
Additional Clearing Fund collaterals – Cash Market	230,043	380,517	0	0
Clearing Fund collaterals – Derivatives Market	8,624	7,616	0	0
Additional Clearing Fund collaterals – Derivatives Market	35,792	45,757	0	0
Members Guarantees in cash for X-NET (1)	1,195	1,008	1,195	1,008
Third party balances in ATHEXClear Account	**307,146**	**447,816**	**1,195**	**1,008**

(1) Concerns cash collaterals by members for XNET 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 €307,146 thousand on 30.06.2016 and €447,816 thousand on 31.12.2015 shown above and in the Statement of Financial Position, concern exclusively Member collaterals in the cash, derivatives and XNET markets respectively.

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5.45. Deferred Tax

The deferred taxes accounts are analyzed as follows:

Deferred taxes	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Deferred tax claims	1,681	1,315	1,613	1,245
Deferred tax liabilities	(1,789)	(1,873)	0	0
Total	**(108)**	**(558)**	**1,613**	**1,245**

Changes in deferred income tax	Group		Company	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Starting balance	1,315	2,929	1,245	802
Effect on other comprehensive income	366	(1,614)	368	443
Amount from deferred tax claims	**1,681**	**1,315**	**1,613**	**1,245**
Starting balance	(1,873)	(3,603)	0	0
(Charge)/Credit to the results	84	1,730	0	0
Amount from deferred tax liabilities	**(1,789)**	**(1,873)**	**0**	**0**
Balance	**(108)**	**(558)**	**1,613**	**1,245**

Analysis of deferred tax table	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Deferred tax changes - actuarial study result	(11)	(74)	(5)	(38)
Deferred tax changes - Other temporary differences	15	131	90	(36)
Total	**4**	**57**	**85**	**(74)**

Other data concerns the tax corresponding to the valuation and sale of participations and securities.

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

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The Repetitive General Meeting of shareholders of 9.6.2016 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 €14,381,083.86 or €0.22 per share for the 65,368,563 shares outstanding. Thus, the share capital of the Company amounts to €70,598,048.04, divided into 65,368,563 shares with a par value of €1.08 per share.

	Number of shares	Par value (€)	Share Capital (€)	Share Premium (€)
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
Reduction of share capital (June 2016)	-	(0.22)	(14,381,083.86)	0
TOTAL 30.06.2016	**65,368,563**	**1.08**	**70,598,048.04**	**157,111.15**

Following the decision of the General Meeting of shareholders of the Company on 20.5.2015 the share buyback program of the Company began (see below note c).

b) Reserves

	GROUP		COMPANY	
	30.06.2016	**31.12.2015**	**30.06.2016**	**31.12.2015**
Regular Reserve (1)	29,336	28,418	28,116	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	15,819	15,819	14,383	14,383
Other	6,331	634	5,876	179
Special securities valuation reserve (2)	(1,319)	(209)	(1,319)	(209)
Reserve from stock option plan to employees	1,385	1,385	1,336	1,337
Total	**68,089**	**62,584**	**64,929**	**59,699**

(1) ATHEXClear regular reserve: €217 thousand; ATHEXCSD regular reserve: €1,003 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 30.06.2016 was a loss of €1,564 thousand which was recognized directly in a special reserve (less the corresponding tax of €454 thousand) (note 5.42).

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c) Share Buyback program

The company is in progress of implementing a share buyback program. The proposed program was approved by the 14th Annual General Meeting of shareholders on 20.5.2015 with the following terms:

- Buyback price per share: from €1.50 to €7.00
- Duration of the program: 2 years (until end of May 2017)
- Purpose of the program: at least 95% of the shares that will be bought back will be cancelled - the remaining 5% of the shares may be distributed to the personnel of the Group.

The implementation of the share buyback program was delayed due to the imposition of capital controls.

Following the decision of the BoD on 9.2.2016, the share buyback program begun to be implemented on 9.2.2016, where the stock brokerage firms that will conduct the buyback of the shares were appointed. Until 30.06.2016, 2,155,008 own shares were purchased (3.3% of outstanding shares of the company) at an average price of €4.82 per share and total transaction cost €10,388,944.

The Company reports the cost of the share buyback (treasury stock) as reducing equity. The share buyback program continues after 30.06.2016.

d) Capital Requirements

According to EMIR Regulation (article 45 of the EU 20. 648/2012) a clearing house must keep lines of defense in case of member's default (default water fall).

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 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 30.06.2016 are broken down in the table below:

Capital requirements	
Risk type	**Capital requirements**
Credit risk (total)	206
Derivatives market	0
Cash market	0
Investment of own assets	206
Market risk	0
Exchange rate risk	0
Operating risk	120
Winding down risk	5.125
Business risk	2.563
Total Capital requirements	**8.014**
Notification Threshold (110% of capital requirements)	8.815
Additional special resources (25% of capital requirements of 31.12.2015 as amended)	2.007

The equity of ATHEXClear, as reported in the statement of financial position of ATHEXClear on 30.6.2016 exceeded its capital requirements, as calculated above.

The additional special resources of €2,007 thousand that correspond to 25% of the capital requirements are distributed as follows: €1,576 thousand in the cash market and €431 thousand in the derivatives market as of 30.06.2016.

5.47. Grants and other long term liabilities

The Group shows an amount of €87 thousand in the first half 2016 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	
		30.06.2016	31.12.2015	30.06.2016	31.12.2015
Staff retirement obligation (5.23)		1,832	1,791	963	943
Other provisions		1,360	1,360	1,300	1,300
Total		**3,192**	**3,151**	**2,263**	**2,243**

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GROUP	Balance on 31.12.2015	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 30.06.2016
Staff retirement obligations	1,791	0	18	23	0	0	0	0	0	0	0	1,832
Provisions for other risk	1,360	0	0	0	0	0	0	0	0	0	0	1,360
Total	**3,151**	**0**	**18**	**23**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,192**

Staff retirement obligations	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	Used provision	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**

COMPANY	Balance on 31.12.2015	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 30.06.2016
Staff retirement obligations	943	0	8	12	0	0	0	0	0	0	0	963
Provisions for other risk	1,300	0	0	0	0	0	0	0	0	0	0	1,300
Total	**2,243**	**0**	**8**	**12**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,263**

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	Used provision	Additional provision in the period	Revenue from unused provisions	Balance on 31.12.2015
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**

The Group and the Company are, by taking provisions, trying to protect themselves against potential future risks.

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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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Suppliers	2,093	2,210	1,648	1,460
Hellenic Capital Market Commission Fee (1)	648	499	250	183
Tax on stock sales 0.20% (2)	3,160	8,713	0	0
Dividends payable (3)	514	23	514	23
Accrued third party services	942	644	525	604
Employee holiday payment provision	534	342	240	148
Share capital return to shareholders (3)	14,430	49	14,430	49
Tax on salaried services	167	278	92	148
Tax on external associates	2	1	1	1
VAT-Other taxes	179	314	104	223
Various creditors	84	172	10	41
Total	**22,753**	**13,245**	**17,814**	**2,880**

(1) The Hellenic Capital Market Commission fee €648 thousand (vs. €499 thousand in 2015) 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 first half of 2016.

(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 €3.2m corresponds to the tax (0.20%) on stock sales that has been collected for June 2016 and will be turned over to the Greek State in July 2016. Starting on 1.4.2011 the tax rate on stock sales increased to 0.20% (from 0.15%).

(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.

During the first half 2016 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.

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 €307,146 thousand on 30.06.2016 and €447,816 thousand on 31.12.2015 shown below and in the Statement of Financial Position, concern exclusively Member collaterals in the cash and derivatives market respectively (see note 5.44).

(Amounts in thousand euro unless otherwise noted) 84

	GROUP		COMPANY	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Clearing Fund collaterals – Cash Market	31,492	12,918	0	0
Additional Clearing Fund collaterals – Cash Market	230,043	380,517	0	0
Clearing Fund collaterals – Derivatives Market	8,624	7,616	0	0
Additional Clearing Fund collaterals – Derivatives Market	35,792	45,757	0	0
Members Guarantees in cash for X-NET (1)	1,195	1,008	1,195	1,008
Third party balances in ATHEXClear Account	**307,146**	**447,816**	**1,195**	**1,008**

(1) Collaterals received by the company for XNET on 30.06.2016 were placed in commercial bank accounts

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	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Liabilities 31.12	0	2,531	(1,155)	(808)
Claims 31.12	(3,715)	(1,677)	0	0
Income tax expense	1,584	4,657	717	2,460
Taxes paid	(207)	(9,226)	(195)	(2,807)
Liabilities / (claims)	**(2,338)**	**(3,715)**	**(633)**	**(1,155)**

The amount of €2,338 thousand shown as Group income tax claim on 30.06.2016 breaks down as follows: ATHEXClear - €1,298 thousand; ATHEXCSD - €407 thousand; ATHEX (parent company) - €633 thousand.

For the first half of 2016, the change in income tax liability was a debit balance (liability) and as such was transferred to assets in income tax payable (note 5.41).

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Income Tax	1,584	2,653	717	1,135
Deferred Tax (note 5.45)	4	57	85	(74)
Income tax expense	**1,588**	**2,710**	**802**	**1,061**

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

(Amounts in thousand euro unless otherwise noted) 85

Income tax	Group		Company	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Profits before taxes	4,777	8,140	6,344	12,487
Income tax rate	29%	29%	29%	29%
Expected income tax expense	1,385	2,361	1,840	3,621
Tax effect of non-taxable income	0	0	(1,038)	(2,560)
Tax effect of non-deductible expenses	203	349	0	0
Income tax expense	**1,588**	**2,710**	**802**	**1,061**

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. Fiscal year 2010 is unaudited for ATHEXCSD and ATHEXClear. In July 2016 the tax audit for fiscal years 2008, 2009 and 2010 of Athens Exchange (parent company) was completed and the audit report provided in accordance with Law 4174/2013 (articles 28 and 62).

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 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 in the third quarter 2016 by the auditors.

Law 4334/2015 increased the corporate income tax rate from 26% to 29%, and the income tax prepayment from 80% to 100%.

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:

(Amounts in thousand euro unless otherwise noted) 86

	GROUP		COMPANY	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
Remuneration of executives and members of the BoD	664	702	463	469

The balances and the intra-Group transactions of the companies of the Group on 30.06.2016 are shown in the following tables:

INTRA-GROUP BALANCES (in €) 30-06-2016

		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	243,514.60	49,332.10
	Liabilities	0	120,138.08	0
ATHEXCSD	Claims	120,139.48	0	2,329,755.91
	Liabilities	243,516.00	0	1,600.00
ATHEXCLEAR	Claims	0	1,600.00	0
	Liabilities	49,332.10	2,329,755.91	0

INTRA-GROUP BALANCES (in €) 31-12-2015

		HELEX-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 REVENUES-EXPENSES (in €) 30-06-2016

		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	184,280.27	26,666.00
	Expenses	0	146,065.01	0
	Dividend Income	0	4,013,000.00	0
ATHEXCSD	Revenue	146,065.01	0	4,219,636.00
	Expenses	184,280.27	0	0
ATHEXCLEAR	Revenue	0	0	0
	Expenses	26,666.00	4,219,636.00	0

(Amounts in thousand euro unless otherwise noted) 87

INTRA-GROUP REVENUES-EXPENSES (in €) 30-06-2015				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	195,449.63	26,666.00
	Expenses	0	143,781.96	0
	Dividend Income		9,069,380.00	
ATHEXCSD	Revenue	143,781.96	0	6,124,598.30
	Expenses	195,449.63	0	0
ATHEXCLEAR	Revenue	0	0	0
	Expenses	26,666.00	6,124,598.30	0

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

5.53. Hellenic Corporate Governance Council (HCGC)

During the first six months of 2016, the Hellenic Corporate Governance Council (HCGC), following the publication of the “Hellenic Corporate Governance Code for Listed Companies,” moved a step further in the development, promotion and dissemination of good corporate governance in Greece. It prepared “Special Practices of Good Corporate Governance for Non-Listed Companies” that is addressed to all forms of non-listed companies, such as start-ups, companies with a single shareholder that is the manager at the same time, family business, joint ventures, as well as subsidiaries of listed companies. The sectors covered by the Special Practices of Good Corporate Governance for Non-Listed Companies are: the Board of Directors and its Members, remuneration, internal audit system, risk management, regulatory compliance, relations with shareholders, relations with other stakeholders, IT systems and family companies.

HCGC organized a special even on March 23rd 2016 at the Athens Exchange in order to present the draft of the “Special Practices of Good Corporate Governance for Non-Listed Companies.” Following the end of the event, the draft was put to open consultation for a period of ten (10) weeks. After the comments that were received are taken into consideration and discussed by the work group, the “Special Practices of Good Corporate Governance for Non-Listed Companies” is expected to be published in October 2-16, following a meeting of the 15-member Council of the HCGC.

In order to inform, train and raise awareness among young people in matters of corporate governance, HCGC organized in May a special two-day conference on the “Hellenic Corporate Governance Code” for students in the “Audit and taxation” post-graduate program of Panteion University.

At the same time, HCGC in cooperation with the Athens Exchange continues to develop the internet platform for monitoring and evaluating the implementation of the Hellenic Corporate Governance Code by listed companies, and is collaborating 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:

(Amounts in thousand euro unless otherwise noted) 88

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	Non-executive member
Dimitrios Karaiskakis	Executive member
Sofia Kounenaki – Efraimoglou	Independent non-executive member
Ioannis Kyriakopoulos (*)	Non-executive member
Adamantini Lazari	Independent non-executive member
Nikolaos Milonas	Independent non-executive member
Alexios Pilavios	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.

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

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

5.55. Profits per share and dividends payable

The BoD of the Athens Exchange decided to propose the distribution of €0. 10 per share, i.e. a payout of €6,536,856.30, as dividend from the profits of fiscal year 2015, as well as the return of capital to shareholders of €0.22 per share. The proposals of the BoD for the distribution of dividend and the return of capital were approved by shareholders during the 15th Annual General meeting on 25.5.2016 and the 1st Repetitive GM on 9.6.2016 respectively.

The net after tax profit of the Group for the first half 2016 amounted to €3.2m or €0,05 per share; if other comprehensive income is included, net after tax profit amounted to €2.08m or €0.03 per share.

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

The share buyback program continued after 30.06.2016. Up until 22.07.2016, 2.474.350 shares (3.79% of the number of shares outstanding) had been purchased, at an average price of €4.74 per share, and a total cost of €11,721,955. Share buybacks are expected to continue after the publication of the results for the first half 2016.

On the 15th of July 2016, the capital market regulator in the USA “Securities and Exchange Commission (SEC)” recognized the Athens Exchange as a “Designated Offshore Securities Market” under Rule 902(b) of Regulation S of the 1933 Securities Act of the USA.

As a result of this recognition, transferable securities that are traded in the Athens Exchange (stocks, corporate bonds and ETF shares), can now be resold, without the seller having the burden of forming the reasonable certainty that the buyer is located outside the United States, under the assumption that these transactions have not been pre-agreed with a buyer located in the United States. As a result, trading on transferable securities on the Athens Exchange will be further facilitated, and a more liquid resale market be created, which may render private placements of Greek transferable securities listed on the Athens Exchange more attractive to investors in the USA.

There are no significant events in the results of the Group and the Company which has taken place or was completed after 30.06.2016, the date of the first half 2016 interim financial statements and up until the approval of the first half 2016 financial report by the Board of Directors of the Company on 25.07.2016.

Athens, July 25th 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 ____________________________