SIX MONTH FINANCIAL REPORT

For the period 1 January 2017 – 30 June 2017

In accordance with the International Financial Reporting Standards

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Table of contents

1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS 4
2. REPORT OF THE BOARD OF DIRECTORS 6
3. REVIEW REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS 23
4. INTERIM SUMMARY FINANCIAL STATEMENTS FOR THE FIRST HALF 2017 26
4.1. Interim Statement of Comprehensive Income 27
4.2. Interim Statement of Financial Position 29
4.3. Interim Statement of Changes in Equity 30
4.4. Interim Cash Flow Statement 32
5. NOTES TO THE FIRST HALF 2017 INTERIM SUMMARY FINANCIAL STATEMENTS 33
5.1. General information about the Company and its subsidiaries 34
5.2. Basis of preparation of the annual financial statements 34
5.3. Basic Accounting Principles 38
5.4. Risk Management 51
5.5. Capital Management 56
5.6. Segment Information 57
5.7. Capital Market and fiscal year results 58
5.8. Trading 59
5.9. Clearing 59
5.10. Settlement 60
5.11. Exchange services 60
5.12. Depository Services 61
5.13. Clearing House Services 62
5.14. Market data 62
5.15. IT services 62
5.16. Revenue from re-invoiced expenses 63
5.17. New Activities (Xnet, CSE-Sibex Common Platform, IT) 63
5.18. Other services 64
5.19. Hellenic Capital Market Commission fee 64
5.20. Personnel remuneration and expenses 65
5.21. Third party fees & expenses 67
5.22. Utilities 67
5.23. Maintenance / IT Support 68
5.24. Other taxes 68
5.25. Building / equipment management 68
5.26. Marketing and advertising expenses 68
5.27. Participation in organizations expenses 69
5.28. Insurance premiums 69

5.29. Operating expenses 69
5.30. BoG cash settlement 70
5.31. Other expenses 70
5.32. Re-invoiced expenses 70
5.33. Expenses for new activities 71
5.34. Provisions for bad debts 71
5.35. Owner occupied tangible assets and intangible assets 71
5.36. Real Estate Investments 74
5.37. Investments in subsidiaries and other long term claims 75
5.38. Trade receivables, other receivables and prepayments 76
5.39. Financial assets available for sale 77
5.40. Cash and cash equivalents 77
5.41. Third party balances in bank accounts of the Group 78
5.42. Deferred Tax 79
5.43. Equity and reserves 79
5.44. Grants and other long term liabilities 82
5.45. Provisions 82
5.46. Trade and other payables 83
5.47. Third party balances in bank accounts of the Group 84
5.48. Social security organizations 85
5.49. Current income tax payable 85
5.50. Related party disclosures 87
5.51. Composition of the BoDs of the companies of the Group 88
5.52. Profits per share and dividends payable 89
5.53. Contingent Liabilities 89
5.54. Alternative Performance Measures (APMs) 90
5.55. Events after the date of the financial statements 95

1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

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

WE DECLARE THAT

1. to the best of our knowledge, the 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 30.6.2017 and the results for the first half 2017 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 2017 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 2017 Financial Statements are those that have been approved by the Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX) on 31.7.2017 and have been published by being uploaded on the internet, at www.athexgroup.gr.

Athens, 31 July 2017

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

2. REPORT OF THE BOARD OF DIRECTORS

OF

“HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A.”

FOR THE FIRST HALF 2017

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

The Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE SA (Athens Exchange or ATHEX or the Company) publishes its report on the six month separate and consolidated Financial Statements for the period that ended on 30.06.2017, 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 that were adopted by the European Union.

The Greek capital market

The Athens Exchange General Index closed on 30.06.2017 at 819.72 points, 51.2% higher than the 542.12 points at the end of the corresponding period in 2016. The average capitalization of the market was €47.5bn, increased by 15.7% compared to H1 2016 (€41.1bn).

The total value of transactions in H1 2017 (€7.31bn) is 20.5% lower compared to H1 2016 (€9.19bn). The average daily value of transactions in H1 2017 was €58.9m compared to €76m in H1 2016, reduced by 22.4%. The average daily traded volume dropped by 32.9% to 85.5m shares compared to 127.3m shares.

The drop in trading activity is mainly due to the low levels of the first quarter of 2017 compared to the corresponding period last year. In the second quarter of 2017 the average daily traded value was down 4.1% (€76.9% vs €80.2%).

In the derivatives market, total trading activity increased by 21.2% (2017: 10.4m contracts, 2016: 8.6m), while the average daily traded volume increased by 18.3% (84.2 thousand contracts vs. 71.2 thousand).

Business Development

Organized market – new listings

In June 2017 the listing of the ADMIE HOLDINGS in the Main Market of the Athens Exchange took place. The listing took place through a reduction in the share capital of DEI (PPC) and return-in-kind to shareholders, of the shares in the newly formed ADMIE HOLDINGS, proportionally to their participation in the share capital of DEI.

In addition, the following corporate bonds were listed in the Fixed Income Segment:

- In March 2017 the bonds of OPAP were listed. Subscription was through a public offer, using the EBB service, and the issue raised €200m.
- In June 2017 the bonds of SYSTEMS SUNLIGHT were listed. Subscription was through a public offer, using the EBB service, and the issue raised €50m.
- In June 2017 the bonds of MYTILINEOS HOLDINGS were listed. Subscription was through a public offer using the EBB service. The total amount raised was €300m.

Significant corporate actions – Rights issues

During the first half of 2017, NIKAS increased its share capital through the exercise of the preemption right of old shareholders, raising €23.3m.

ALPHA BANK, DIONIC and FORTHNET listed new shares resulting from the conversion of existing convertible bonds.

SARANTIS, FOURLIS and COCA-COLA HBC AG listed new shares resulting from share capital increases due to the exercise of stock options.

Market promotion

In order to further promote the Greek capital market, expand the investor network and strengthen the contacts between listed companies and fund managers abroad, the Athens Exchange organized in June 2017 the 6th Greek Investment Forum in New York, in collaboration with the American-Hellenic Chamber of Commerce and Enterprise Greece.

In the Greek delegation 20 companies listed on the Athens Exchange participated, whose representatives had the opportunity during the approximately 400 meetings that took place, to present their strategy and investment plans to 65 institutional investors.

During the Forum, a Briefing Session was organized titled “The Greek Economy in a recovery phase”. At that Briefin Sessions, the keynote speakers were the Minister of Economy and Development Mr. Dimitris Papadimitriou, who spoke on the subject “The Greek Economy at a glance”, and the US Ambassador in Greece Mr. Geoffrey Pyatt on the subject “The US perspective on the Greek economy.”

The organization of the Forum was combined with a visit to Washington DC where delegates attended both the “2017 Select USA Investment Summit”, as well as a number of meetings with institutions such as the US Chamber of Commerce and the US Council of Competitiveness. As part of this business visit to Washington, targeted meetings with institutional investors, interest groups and companies representing important businesses and investors such as Hogan Lovells also took place.

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

Maintaining the high level of unimpeded operation

In order to ensure a high degree of unimpeded and effective operation, ATHEX implemented the following:

- Process analysis and design in conjunction with the use of modern electronic service desk for supporting market participants (members, CSE, Sibex, data vendors and software vendors) in order to improve the level of support and more effectively deal with operational matters that arise.
- Optimization of the support of data vendors, in order to have more effective and proactive response to operational matters, especially with the design and operation of the new system “System for Monitoring and Auditing IOCP.V”.

In addition, ATHEX participated in the following projects so as, with the experience possessed in the operation of markets, to ensure the best possible result, always having as the ultimate aim of ensuring uninterrupted and efficient operation:

OASIS projects: Testing the new closing algorithms, coordinating the new OASIS v4.2, organizing the procedures for supporting the EBB (Electronic Book Building) service, changes in the bond market (volatility interrupters & market making).

XNET projects: Support the London market in euro, the Frankfurt Exchange and AIM in London and Italy, trading on clearing holidays, procedure adjustment due to a change in obtaining currency rates.

Energy Exchange and Clearing House

Recently Greece created the regulatory framework (Law 4425/2016) which sets out the steps and timeframe in order to adjust the local electricity market to the requirements of the European model (Target model).

The existing institutions of the Greek energy market – LAGIE as Nominated Electricity Market Operator (NEMO), ADMIE (IPTO) as Power Transmission Operator and Balancing Markets, and RAE (Regulatory Authority for Energy) as the Regulator – have assumed the responsibility for operating, supporting and developing the Greek energy market, based on both the national and the European regulatory frameworks, with the goal of unifying the European market.

Based on the above, and following European practice, a framework of collaboration has been agreed between the Athens Exchange Group and these two entities with the aim of creating a competitive and viable Greek energy market.

The key points of this collaboration are:

- The creation of two new corporate vehicles, an Energy Exchange and the corresponding Clearinghouse.
- Their creation as multi-stakeholder companies, giving the right to participate in the share capital to all market participants that wish to do so.

The core aim for these two corporate structures, besides their contribution to the more effective and direct adjustment of the Greek market to the European target, is to ensure the viability under competitive terms of the whole undertaking, while satisfying market participants to the benefit of the end-consumer.

The expectation that the abovementioned undertaking will serve as the guide for the organization and operation of other energy products and markets is an additional key objective of this collaboration.

Regional cooperation

Collaboration of ATHEX with the SEE Link platform for the execution of cross-border trades in SE European countries: Following the signing of the required agreement, ATHEX formally joined SEE Link, the consortium of SE European Exchanges. The SEE Link Company was founded in May 2014 with the support of EBRD and represents an effort at collaboration by SE European Exchanges, with the aim of coordinating collaborating Exchanges to jointly create the conditions that will allow:

- Easy access for investors in the exchanges of the SE European countries to the markets of the region, and at the same time
- The products that are traded in these markets, as a whole, will attract interest by international investors

For the ATHEX Group the creation of collaborations through which its international presence as well as the international presence of SE Europe is enhanced is a strategic choice. Given that SEE Link is an important development for capital markets in SE Europe, ATHEX's know-how and international client network are expected to contribute to the implementation of SEE Link's goals. The immediate goals for ATHEX from this collaboration are:

- To allow members of Exchanges that participate in SEE Link to trade on ATHEX markets; and
- To add participating SEE Link markets to the XNET network markets.

CSE: While turnover in the two exchanges remains at the same level as last year, cross-border activity between the two exchanges is at slightly lower levels:

- CSE members to ATHEX: reduction from 4.7% to 3.2%
- ATHEX members to CSE: reduction from 10.1% to 8.9%

During the first half of 2017, the Athens Exchange Group, in close collaboration with CSE made significant progress or completed a number of issues that were pending, or arose as business needs and were related to the operation of the two exchanges.

SIBEX: During the first half of 2017, the negotiations concerning the merger of SIBEX by the Bucharest Stock Exchange (BVB) were completed. As a result of the merger, the SIBEX markets gradually terminated their operations as of June 2017.

As a result of the above the provision of clearing services by ATHEXClear to SIBEX was terminated and SIBEX clearing members resigned.

Out of the 6 markets that were supported in OASIS, only the Alternative Market (ATS) remained, which is expected to terminate its operation by the end of July.

Following the ceasing of the operation of ATS, the collaboration between the Group and SIBEX will be terminated.

XNET Network:

The main points of note concerning the activity of the XNET network during the first half of 2017 are as follows:

- The transfer of trade settlement in euro for the XNET markets (except Belgium) to a commercial account at Alpha Bank was implemented as a solution to the problem of being unable to execute trades in euro as a result of the imposition of capital controls.
- The London market in euro was activated to execute trades in Bank of Cyprus which, since January 2017 is traded on the London market in euro. During this period, trades in Bank of Cyprus were 30% of all XNET trades and the UK market in euro is 2nd by value traded, after the USA.

The conclusion of the agreement with SEE Link is expected to positively contribute to the increase in turnover in 2018.

Completion of the migration of the DSS to a web environment

As the last step to the complete migration of the DSS [Dematerialized Securities System] to a WEB environment, development and auditing of the client applications used for clearing trades, as well as cash settlement in Euro and foreign currencies was completed.

In particular as far as the second application is concerned, the migration to the new platform, which is significantly upgraded in matters of reliability and security and was implemented by the collaborating settlement bank, was completed.

Implementation of a benchmarking project for ATHEXClear

As the European Union is gradually leading the existing centralized trading and post-trading structures into homogeneity, competition increases while at the same time opportunities arise for the provision of these services at the cross-border level.

At the same time, the cost of creating, operating and supporting clearing services increases, due to the homogenization of the organizational, operation and capital requirements, and the legislation of strict operating standards.

Based on the above, it was considered that ATHEXClear should obtain an understanding:

- of the relative competitiveness of the direct cost of providing clearing services to its members
- of the total cost of providing clearing services to the Greek market compared to other markets; and
- comparting the direct cost of providing margins and collaterals

For this purpose, a benchmarking project was implemented with the assistance of a specialized external consultant. The results of the project were evaluated internally by ATHEXClear management and will be used in the development of its strategy and in specific future actions.

Improvements in the EMIR-TR service

As part of the effort to reduce the cost of the EMIR-TR service both for ATHEXClear as well for participants in the derivatives market, the migration to a new Trade Repository was completed in January 2017.

In order to improve support to ATHEXClear customers, the EMIR-TR service was integrated to the unified customer service system of the Group. Through this communication on matters of sending files, user administration, invoicing, problem reporting etc. was standardized.

Due to the change in the encoding of CFI (ISO 10692), ATHEXClear issued new specifications to clearing members and customers of the service, and the necessary changes were implemented in the TRC application.

In addition, due to the implementation, starting on 01.11.2017, of the European Directive (104/2017) that determines new specification for sending reports, it is necessary to implement extensive changes to the service. For this purpose, the evaluation of the changes and their detailed description were completed during the first half of 2017, in order for implementation to follow over the next few months.

Development of the Electronic Book Building service

The aim of the EBB (Electronic Book Building) service is the provision by ATHEX of the necessary logistical support to businesses that want to raise capital from investors.

The EBB service is provided to underwriters, advisors and financial firms for use during the capital raising process. It is a transparent mechanism for investors to express their interest to participate it capital raises, and attempts to effectively exploit the Member network of the Exchange (banks and brokerage companies) and their clients in order to provide liquidity to business proposal of companies that seek financing.

During the first half of 2017 the Hellenic Capital Market Commission issued Decision 19/776/13.02.2017 "Determining the yield and interest rate for bonds distributed through a public offering and allocated to investors" which created the need to modify this service.

ATHEXClear actively participated in the modification of the regulatory framework for provide this service, describing the required technical modification and auditing its implementation.

Annual certification of the risk management models

In accordance with article 49 of Regulation (EU) 648/2012 (EMIR), an annual audit of the risk management models applied by ATHEXClear must be carried out by a specialized independent consultant.

The Risk Management Division completed the hiring of a consultant following a competition. The work of the consultant is in the final stage of implementation and the relevant findings will be delivered and will be taken into consideration in potential improvements in the models going forward.

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

ATHEXClear participates in the second phase of the EU-wide stress test for counterparty credit risk that is being carried out by the European Securities and Markets Authority (ESMA). ESMA requested that supervised Central Counterparties calculate potential losses and liquidity requirements that could arise from clearing member default under specific extreme scenarios.

ATHEXClear completed these audits and the results submitted to ESMA were considered completely satisfactory, since no material weakness was detected in the ability to absorb losses or in the liquidity sufficiency under these extreme scenarios. Over the next period ESMA will carry out quality audits of the results that were sent.

Improvements in the IT Risk Management System

As part of the continuous improvement and automation of the risk management operation, improvements were made in the Risk Management System (RMS). Indicatively noted is the further automation of the verification of the predictive capacity of the margin model.

The aim behind the continuing development in the RMS is to increase automation in the daily monitoring of risks and to reduce manual actions in order to avoid errors.

Development of a data warehouse for risk management data

The project of developing a data warehouse continues in order to make possible the storage and handling of a large volume of historical data that concern risk management.

Besides maintaining date, the aim is to make it possible to gather combine information from different sources, reduce the time required for staff, and create reports in order to expand the amount of information being disseminated.

The audit of the data that has been gathered will continue in the second half of 2017 followed by the use of the system to create reports.

Regulation (EU) 909/2014 (CSDR) – Strategic adjustment by ATHEXCSD to the new environment

Regulation (EU) 909/2014 (CSDR) "on improving securities settlement in the European Union and on central securities depositories" is part of the EU's European integration package in the field of post-trading services and the establishment of single market conditions. This Regulation affects the operation of the Greek capital market by introducing significant changes through: a) the liberalization of the Central Security Depository services being introduced at the EU level, and b) through the adoption of omnibus accounts for safekeeping securities.

Within the abovementioned framework, ATHEXCSD actively participates in the adjustment of the Greek capital market to the new environment, especially concerning the timely licensing of the company in accordance with the Regulation – to the extent possible – within the 2nd quarter of 2018.

In particular, during the first half of 2017 ATHEXCSD actively participated or completed the following tasks:

- Participation in the work of the Committee headed by Prof. Stavros Thomadakis which was set up by the Athens Exchange Group and the Hellenic Capital Market Commission in order to study the tasks for the strategic adjustment to the new environment.
- Review the CSDR Level 2 regulatory & technical standards that went into effect on 30.03.2017, as well as the relevant ESMA Level 3 Measures (Q&A, Guidelines, et al.) for the purposes of analyzing the impact and designing/implementing the compliance tasks.
- Participation in the Legislative Committee of the Ministry of Finance for the adjustment of the local legal system to the CSDR Regulation.
- Procurement of consulting services from recognized firms on specialized issues and compliance requirements of ATHEXCSD (CPMI/IOSCO PFMI Assessment, CSD Account Structure, CSD Links, Capital requirements & Risk Management Framework)
- Preliminary briefing and start of consultation with DSS Operators on the required regulatory adjustments and the proposed corresponding technical adjustments to systems and procedures.

Improvement and expansion of existing Depository services on foreign securities ("Investor CSD services") by Hellenic Central Securities Depository (ATHEXCSD) as part of expanding XNET Network services being provided

The actions and projects in question concern:

- Improvements in the operational infrastructure for providing services to existing XNET Network markets, especially to cover the needs under the existing framework of capital controls.
- The expansion of services to new markets, in SE Europe (Romania, Bulgaria, FYROM, Croatia, Serbia) as part of the SEE Link, as well as in the Middle East (Iran).

Upgrading the technological infrastructure for connecting ATHEXCSD to the cash settlement bank (Alpha Bank)

During the first half of 2017 the implementation of the project of replacing the Alphaline and Alphadirect applications and infrastructure with the more modern Alpha Web Banking and the new service providing an interconnection through web services between the ATHEXCSD and Alpha Bank systems began. It should be noted that Alpha Bank has been appointed as the cash settlement bank for trades that are carried out in foreign securities as part of the Investor CSD service provided by ATHEXCSD.

Systems development projects

During the first half of 2017 the following activities were implemented in various systems of the Group:

- Oasis v4.2: on 29.1.2017 Oasis version 4.2 went into production, with the main changes concerning covered sales and changes in the closing algorithms

- MiFID II / MiFIR requirements analysis
- Publication of requirements to the specifications of MiFID II / MiFIR for ODL API, FIX Protocol, RDS, Feed Server & IOCP
- Reference Data Server (RDS): analysis and development of a new system and service for providing reference data. The service will go into production with the release of OASIS 5.0.

For the Risk Management system the following were carried out: a) EU-Wide Stress Test, b) Clean Back Test.

For the Surveillance System – Hellenic Capital Market Commission (HCMC) System: Separation of online surveillance system from offline surveillance; adaptation of online and offline surveillance to Oasis v4.1; update other clearing entities (except DSS); new stock categorization in accordance with decision 22; assessment of Market Makers; support to the HCMC.

For TRS: Adaptation of TRS to OASIS v4.1; drafting a proposal to the HCMC for undertaking the MiFID II project; drafting a proposal for ongoing maintenance to HCMC for MiFID II; upgrading and developing external TRS (system & database); support to the HCMC.

Among the other new system development projects that have been undertaken and whose development continues include: improvements in corporate actions; certificates for cash distributions; upgrading the code for T2 (contingency); supporting new functionality for EBB (data interface with the EBB system; stock ex for EBB; new records); option to exclude securities from OTC/Stock ex; improvements in managing Joint Securities Accounts; option for the user to execute functions that are usually automated in emergencies (updating CDB, sending limits to XNET); and migration of the cash clearing application to a web environment, ISIN-CIF in APEX environment.

Development Projects - applications / products

- MarketOrder OMS: The work on MarketORderOMS concern the core of the system and the main trading workstation accompanying it, XNetTrader.
- Development and support of MarketOrder OMS, especially concerning the operation of the XNET network and EBB [Electronic Book Building].
- Development and support of MarketOrder OMS, especially concerning support for MiFID II / MiFIR Impact analysis for MiFID II on MarketOrder, XNET (under development)

Development Projects - data dissemination

- Upgrading client InBroker / InBroker+ installations to IB Desktop/IB Lite/Xnet Trader. The old InBroker java-based in browsers is being replaced as java no longer works well with many browsers and with mobile devices.
    - The use of InBroker at the Hellenic Capital Market Commission was upgraded
    - Piraeus Bank’s Winbank upgrade to IB Desktop / IB Lite is under development
- Development and support for the demo of the Commodities Exchange project, and participation in the project proposals by the Agricultural University of Athens and FING [Federation of Industry of Northern Greece].
- Implementation of significant new functionality to IB lite client: data streaming with web sockets (in the friends & family release); improved display of derivatives by category; redesign of the display of cash data; display of credit field in derivatives accounts; option to snap-off widgets in IR mode; improvement of OMS integration with facilities for order taking.

Plan to Administer Information Security

The initial flow of deliverables took place, and the first large scale processes began being implemented, with the most significant one being Information Classification. Based on the execution of repeating processes so far, an improvement has taken place in terms of deficiencies and findings, while on the other hand an increasing number of security incidents have been recorded (as a result of a similar trend worldwide, either because of a better implementation of procedures, or both).

In particular:

- As part of the Information Security and Classification Project (the project) the following were delivered: “Individual Information Resource Classification”, “Information Resource Classification Process”, “”Individual Logical Access Policy.”
- As part of the same project, the “Archer” Governance, Risk and Compliance system that was procured by the Group, is in the process of being adapted to the Group by a) interconnecting it with other systems for accessing the Organizational Structure, b) modeling the categorization and classification of information, c) developing the classification process and d) interconnecting Archer with the Information Asset Management system.
- Finally, also as part of the same project, the categorization of information by the initial working group was completed, and the results were announced to the management team of the Group, and the classification of various type of information is close to being completed. The classification of IT assets (systems etc.) will follow.
- Significant progress has been made on integration to the core infrastructure IDM and SSO (implementation of password access policies, development of password self-service operation for external website users, inclusion of Jira Service Desk, delivery of operating infrastructure and inclusion of specific internal operating applications of the Group). In addition, significant progress was made in the related automation processes (development of interconnection between the CRM and IDM systems, and automation of entry from IDM of CRM contacts as users of the infrastructure and Site/Service Desk), as well as the mass inclusion of users from the Data Feed Services and Market Data Systems departments to these new automated processes.
- Following findings and the explosion of security incidents internationally (including incidents recorded at the Group), the IT departments began upgrading older operating systems and a system developed in house by the Group (TRS) on a mass scale.

Comment on the results

First half 2017 results of the Group

Turnover in the first half of 2017 for the Athens Exchange Group was €13.0m compared to €14.9m in 2016, decreased by 12.4%. Almost 51.1% of the turnover of the Group is from fees on trading, clearing and settlement of trades on the Athens Exchange.

At the EBITDA level, H1 2017 was at €3.8m compared to €5.8m in the corresponding period in 2016, reduced by 34.5%.

The reduction in the bottom line is mainly due to the 22.4% drop in the average daily traded value, to €58.9m vs. €76.0m last year.

Earnings Before Interest and Taxes (EBIT) in H1 2017 were €2.3m vs. €4.6m in H1 2016, reduced by 49%.

After deducting €821 thousand in income tax, the net after tax profits of the Athens Exchange Group amounted to €1,526 thousand vs. €3,189 thousand, reduced by 52.2%. After including Other Comprehensive Income (valuation of shares), profits amount to €1.58m vs. €2.1m in H1 2016, reduced by 23.9%.

Parent Company of the Athens Exchange Group

For the parent company Athens Exchange, turnover was €6.8m vs. €7.5m, decreased by 10% compared to the first half of 2016, while net after tax profits were €1.5m in H1 2017 compared to €5.5m in H1 2016, decreased by 73%.

Available-for-sale financial assets

The valuation of the 13,365,316 shares of Piraeus Bank that resulted from the exchange of bonds resulted in a gain of €80.2 thousand on 30.06.2017 as the share price closed at €0.215, i.e. higher that the closing price of €0.209 on 31.12.2016. The valuation gain during the first half of 2017 is, in accordance with IAS 39, shown in Other Comprehensive Income (OCI), this increasing the corresponding reserve that had been formed on 31.12.2016.

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 it maintains at the Bank of Greece (BoG) 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 30.06.2017. 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 30.06.2017.

On 30.06.2017 at the BoG bank account cash market margins of €142.4m and derivatives market margins of €46.8m had been deposited.

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 09.06.2017 to a) return €0.24 per share with an equal reduction in the stock’s par value and b) cancel 4,769,563 shares in treasury stock, the share capital is €50,903,160.00 divided into 60,599,000 shares with a par value of €0.84 each.

The Equity of the Group on 30.06.2017 was €118,054 thousand and the Company’s €106,758 thousand.

Treasury Stock

At the 14th Annual General Meeting on 20.05.2015, 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 until the end of the program on 20.04.2017 5,020,563 shares (7.68% of the share capital) had been purchased, at an average price of €4.63 at a total cost of €23,244,794. Out of the abovementioned number of shares, 95% corresponding to 4,769,563 shares were cancelled by the decision of the 1st Repetitive General Meeting of shareholders on 09.06.2017. Following the cancellation of the abovementioned number of shares, 251,000 shares remain as treasury stock, and the total number of shares outstanding is 60,599,000. The Company reports the purchase cost of treasury stock as reducing equity (treasury stock).

Dividend policy

The Annual General Meeting of Hellenic Exchanges-Athens Stock Exchange shareholders on 24.05.2017 decided to distribute dividend amounting to €3,922,113.70 or €0.06 per share to shareholders.

The ex-date of the right to the dividend was on 30.05.2017, and the dividend was paid on 06.06.2017. The dividend per share was increased to €0.06499 due to the existence of treasury stock.

The Repetitive General Meeting of 9.6.2017 approved the proposal of the BoD to return capital amounting to €15,688,455.12 or €0.24 per share. The ex-date of the right to the capital return was on 24.07.2017, and payment began on 31 July 2017. The capital return per share was increased to €0.25997 due to the existence of treasury stock.

In total, the payout ratio on the consolidated earnings for fiscal year 2016 was 919% compared to 234% in fiscal year 2015.

Related party transactions

Related party transactions amount to €649 thousand and concern the remuneration of executives and members of the Boards of Directors of the companies of the Group; for the Company the amount is €476 thousand (for more information see note 5.51). Besides these transactions, there are no other related party transactions, as defined by IAS 24, which could materially affect the financial position or the performance of the Group during the period in question. There is no (credit or debit) balance from these transactions on 30.06.2017.

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 2017

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 on the possibility of financing small and medium sized enterprises in Europe with equity, due to the continuing deleveraging in the banking system, the developments in general 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 Group, 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 deterioration of the Greek economy during the last few years significantly impacted trading activity and prices on the Athens Exchange. The drop in share prices negatively affected trading values in the cash and derivatives markets, on which a large portion of the revenue of the Athens Exchange Group 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 negatively affects the profitability of the Group; however it is estimated that, with the agreement of the Greek government as part of the EU and within the Eurosystem, all 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, in order to improve the financial results of the Group even under adverse market conditions.

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.

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

Athens Exchange Clearing House (ATHEXClear) belongs to the Group; it operates as a central counterparty (CCP) in the clearing of cash and derivatives products, and as such is obliged to satisfy the strict requirements of the EMIR regulatory framework concerning risk management, under which it has been licensed since 2015. Even though risk management at the Group concerns all companies and risk categories, it is recognized that because of its role in the market, ATHEXClear faces and must manage the most significant risk.

The internal and external 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 regulatory requirements, the Group applies 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, contain costs for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the overall measures to ensure the continuous operation of the Group's systems, each organizational unit of the Group is responsible for monitoring and managing potential risk in such a way as to immediately and effectively react in case risk events arise.

Continuing the efforts made in previous years, in 2017 efforts have been made to strengthen the operation of managing risk by ATHEXClear, in order to continue to remain in compliance with the EMIR Regulation and to follow international best practices.

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 responsibility and accountability regarding the administration of the risk management operation of the Company. In particular, the Board of Directors defines, 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 the Board of Directors on matters of risk management.
- *Investments Committee*, which determines 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 implements the risk management framework through the policies and procedures that the Board of Directors enacts.
- *Organizational Units* which are responsible for recognizing and managing risks within their scope and participate in overall risk management in the Group.

Unified risk management

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

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

of the company on a continuous basis using specialized and approved risk management methods. The main assumptions, the data sources and the processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit and the validation framework.

Risk categories

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

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

Financial Risk

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

Operating risk

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

Business risk

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

Hellenic Corporate Governance Council (HCGC)

In aiming to provide uninterrupted information, training and education to the business, investment and student community in matters of corporate governance, HCGC organized and participated in seminars on corporate governance for listed and non-listed companies. In particular, it organized a special two-day seminar at the Institute of Internal Auditors Greece, as well to post-graduate students in the Financial and Bank Administration programs of the Athens University of Economics and Business.

At the same time, as part of the internship program, HCGC hired and assigned to a student from the Athens University of Economics and Business, working in conjunction with HCGC executives, to coordinate the effort to collect data in order to draft a study analyzing and evaluating the application of corporate governance by the listed companies that comprise the FTSE/ATHEX Large Cap index.

As part of the new regulatory framework of non-financial reporting HCGC began a collaboration with CSR Hellas by organizing information and educational workshops titled “CSR Accountability and financial impact” and “Let’s combine Sustainability with Compliance, in order to support businesses in implementing Law 4403/2016 on the disclosure of non-financial information and in incorporating the principles of sustainability in their corporate strategy.

In order to promote corporate governance, inform the European Commission, and promote its work, HCGC participates in the “European wide Corporate Governance Study” of the European Confederation of Directors Associations (ecoDa) and Mazars. As part of this effort, on 23 February 2017 HCGC organized a special event at the Athens Exchange, in collaboration with the Listings Division of the Athens Exchange Group and Mazars Greece with the participation of selected listed companies in the electronic study on the 2nd phase of the project titled “The Board’s Role in Designing an Effective Framework of Corporate Governance.” The 2nd phase of the project was completed in April 2017, with a large participation by listed companies.

As part of the abovementioned framework, during the first half of 2017 HCGC participated in the meetings of the European Corporate Governance Codes Network (ECGCN), of which it is a member, in the BUSINESSEUROPE working groups (Company Law and Financial Affairs), as well as in the annual Doing Business survey “Protecting Minority Investors” index of the WORLD BANK.

Finally, concerning the project undertaken by HCGC in November 2016 for the provision of consulting services in matters of corporate governance to a public interest corporate entity, the final drafts have been prepared (Corporate Governance Code, auditing and submitting reports, audit framework), while the relevant training workshop is pending, which is expected to be completed in July 2017.

Corporate Responsibility

Corporate Responsibility is a core 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 businesses 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 corporate social responsibility 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 Responsibility is directly related to the concept of sustainable development, consists of voluntary actions and is our strategic choice. We have created, and continue with an action plan that concerns the environment, human beings and education:

- We try to alleviate poverty by supporting the work of volunteer organizations that support our fellow human beings.
- We continue our efforts to protect the environment through daily recycling actions, and through the adoption of simple and practical rules of operating the building in order to save energy.
- We promote and support an information and educational program for high school and university students, as well as market professionals, in order to improve knowledge about capital markets.
- 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 strike a balance between generating profits and sustainable development.

Tax audit of the Company for fiscal years 2008, 2009 and 2010

On 11.7.2016 the Company was notified about the acts of temporary corrective tax determination and audit findings note by the Large Corporation Audit Center (KEMEP). This particular tax audit was carried out for tax years 2008, 2009 and 2010 in accordance with audit order 760/4/1118/22.12.2015. In total, the audit resulted in taxes and additional taxes for submitting an incorrect tax declaration amounting to €1,689 thousand, out of which €603 thousand are additional taxes.

On 29.7.2016 the Company submitted an opinion report – memo to KEMEP, expressing its opposing view to the abovementioned Note. In its reply, KEMEP reduced the accounting differences tax by €127 thousand, reducing the total amount to €1,562 thousand.

On 30.9.2016, within the time limits of the law, the Company filed an administrative appeal in accordance with article 63 of Law 4174/2013 at the Dispute Settlement Directorate (DED) of the General Secretariat of Public Revenue (GGDE), against the findings of the tax audit, and at the same time paid 100% of the amount due i.e. €1,562 thousand, which is shown in other claims in the statement of financial position of 31.12.2016, in order to avoid the accumulation, calculation and assessment of interest for the duration of the suspension of the sum due (article 53 §1 of law 4174/2013).

The DED finding, which was received on 15.2.2017, reduces the total amount by €579 thousand, to €983 thousand. This difference has already been offset with an equal amount of ATHEX tax obligations by the appropriate tax office. The Company has further appealed (16.03.2017) to the Administrative Courts in order to reduce the tax and penalties assessed by the tax audit.

Significant events after 30.06.2017

On 03.07.2017 the Independent Authority for Public Revenue (AADE) issued to ATHEXClear a separate tax return notice for €976,720.73.

The amount concerns an income tax claim for fiscal year 2013 which is returned to the Company following a tax audit. The Company has taken all necessary action for its immediate return.

In accordance with decision 1702/2017 of the Council of State, ATHEX was exonerated in its appeal against the Greek State and as a result the amount of €432,209.27 will be returned concerning the tax on the deduction of the Hellenic Capital Market Commission fee as an expense in fiscal year 2022 (economic year 2003) which had not been recognized by the tax auditor. ATHEX will take all necessary steps in order to immediately offset this amount.

There is no other event that has a significant effect in the results of the Group and the Company which has taken place or was completed after 30.06.2017, the date of the first half 2017 interim financial statements and up until the approval of the first half 2017 financial statements by the Board of Directors of the Company on 31.7.2017.

ALTERNATIVE PERFORMANCE MEASURES

By the European Securities and Markets Authority (ESMA/2015/1415el)

The European Securities and Markets Authority (ESMA/2015/1415el) published the final guidelines on the Alternative Performance Measures (APMs) that apply starting on 3 July 2016 to companies with transferable securities traded in organized exchanges. APMs are published by the issuers during the publication of regulated information, and aim to improve transparency and promote usability as well as provide correct and comprehensive information to investors.

An Alternative Performance Measure is an adjusted financial measurement of past or future financial performance, financial position or cash flows that is different from the financial measurement defined in the applicable financial reporting framework. In other words an APM on the one hand is not exclusively based on financial statement standards, and on the other it provides material supplementary information, excluding items that may potentially differentiate from the operating results or the cash flows.

Transactions with a non-operational or non-cash valuation that have a significant effect in the Statement of Comprehensive Income are considered items that affect the adjustment of the indices to APMs. These, non-recurring in most cases, items may arise among others from:

- Asset impairments
- Restructuring measures
- Consolidation measures
- Sale or transfer of assets
- Changes in legislation, compensation for damages or legal claims

APMs must always be taken into consideration in conjunction with the financial results that have been drafted based on IFRS, and in no instance should they be considered as replacing them. The Athens Exchange Group used APMs for the first time in fiscal year 2016, in order to better reflect the financial and operational performance related to the activity of the Group as such in the fiscal year in question, as well as the previous comparable period.

Items affecting the adjustment

In accordance with the financial statements of the first half 2017, essentially the only items affecting the adjustment of the measures used by the Group in order to calculate APMs are the provisions against bad debts and the valuation of the shares of a listed bank that it possesses.

The itemized data that affect the adjustment of APMs on 30.06.2017 and 30.06.2016 are shown in the table below:

in € thousand	01.01-30.06.2017	01.01-30.06.2016
Statement of Comprehensive Income		
Provisions against bad debts	(400)	0
Total	**(400)**	**0**
Other Comprehensive Income		
Share valuation	57	(1,110)
Grand total	**(343)**	**(1,110)**

Based on the above table of adjustment items, the APMs used by the Athens Exchange Group are as follows:

Adjusted Measures

Adjusted Measure	Improvement / Deterioration	Amount
EBITDA	Improvement	20.0%
EBIT	Improvement	18.4%
EBT	Improvement	17.6%
EAT	Improvement	15.4%
Cash flows after investments	Improvement	25.0%
Return on Investment (ROI)	Improvement	18.0%
Return on Equity (ROE)	Improvement	25.6%
Degree of financial self-sufficiency	Improvement	20.0%
Adjusted EPS	Deterioration	110.5%

Greater analysis concerning the definition and basis for calculation of the APMs is provided in note 5.54.

Athens, 31 July 2017

The Board of Directors

3. REVIEW REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of "HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A"

Introduction

We have reviewed the accompanying company and consolidated statement of financial position of "HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A" (the "Company") as of 30 June 2017 and the related company and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and summary of accounting policies and other explanatory notes, that comprise the interim financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with 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 financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards, as adopted by the European Union.

Other Matter

The company and consolidated financial statements of the Company for the year ended 31 December 2016 had been audited by another auditor, who expressed an unqualified opinion on 27 March 2017 on the aforementioned company and consolidated financial statements.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim financial information.

Athens, 31 July 2017

Certified Public Accountants

PricewaterhouseCoopers
268, Kifisias Avenue
152 32 Halandri
Reg. No 113

Despina Marinou	**Fotis Smyrnis**
Reg N.17681	**Reg N. 52861**

4. INTERIM SUMMARY FINANCIAL STATEMENTS FOR THE FIRST HALF 2017

for the period 1 January 2017 – 30 June 2017

In accordance with the International Financial Reporting Standards

4.1. Interim Statement of Comprehensive Income

	Notes	GROUP 01.01 30.06.2017	GROUP 01.01 30.06.2016	GROUP 01.04 30.06.2017	GROUP 01.04 30.06.2016	COMPANY 01.01 30.06.2017	COMPANY 01.01 30.06.2016	COMPANY 01.04 30.06.2017	COMPANY 01.04 30.06.2016
Revenue									
Trading	5.8	2,161	2,729	1,357	1,417	2,166	2,729	1,356	1,417
Clearing	5.9	4,007	5,055	2,501	2,613	0	0	0	0
Settlement	5.10	495	669	299	337	0	0	0	0
Exchange services	5.11	1,617	1,617	908	679	1,617	1,617	908	679
Depository services	5.12	1,285	1,160	728	490	0	0	0	0
Clearinghouse services	5.13	125	119	42	38	0	0	0	0
Market Data	5.14	1,461	1,659	657	808	1,604	1,816	722	887
IT services	5.15	157	161	77	83	134	138	66	72
Revenue from re-invoiced expenses	5.16	650	473	446	277	603	473	423	277
New Services (XNET, CP CSE - Sibex, IT etc)	5.17	875	871	399	431	355	361	161	184
Other services	5.18	212	379	112	67	291	394	159	68
Total turnover		**13,045**	**14,892**	**7,526**	**7,240**	**6,770**	**7,528**	**3,795**	**3,584**
Hellenic Capital Market Commission fee	5.19	(511)	(648)	(325)	(346)	(197)	(250)	(126)	(132)
Total revenue		**12,534**	**14,244**	**7,201**	**6,894**	**6,573**	**7,278**	**3,669**	**3,452**
Expenses									
Personnel remuneration and expenses	5.20	4,630	4,559	2,354	2,259	2,623	2,206	1,363	1,103
Third party remuneration and expenses	5.21	320	279	214	132	163	201	95	100
Utilities	5.22	334	407	198	213	44	63	34	29
Maintenance / IT support	5.23	583	594	249	245	408	403	174	158
Other Taxes	5.24	424	458	182	249	250	336	145	232
Building / equipment management	5.25	275	283	134	136	53	53	26	28
Marketing and advertising expenses	5.26	143	102	83	35	127	95	75	34
Participation in organizations expenses	5.27	223	226	51	42	195	202	40	31
Insurance premiums	5.28	199	216	116	87	185	203	106	78
Operating expenses	5.29	197	182	95	110	281	253	134	137
BoG - cash settlement	5.30	27	30	12	15	0	0	0	0
Other expenses	5.31	57	64	35	44	29	25	17	13
Total operating expenses before new activities and depreciation		**7,412**	**7,400**	**3,723**	**3,567**	**4,358**	**4,040**	**2,209**	**1,943**
Re-invoiced expenses	5.32	545	502	401	370	463	483	364	353
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.33	415	541	231	349	36	33	13	23
Provision for bad debts	5.34	400	0	400	0	0	0	0	0
Total operating expenses, including new activities before depreciation		**8,772**	**8,443**	**4,755**	**4,286**	**4,857**	**4,556**	**2,586**	**2,319**
Earnings before Interest, Taxes, Depreciation & Amortization(EBITDA)		**3,762**	**5,801**	**2,446**	**2,608**	**1,716**	**2,722**	**1,083**	**1,133**
Depreciation	5.35& 5.36	(1,488)	(1,344)	(750)	(688)	(757)	(669)	(381)	(349)
Earnings Before Interest and Taxes (EBIT)		**2,274**	**4,457**	**1,696**	**1,920**	**959**	**2,053**	**702**	**784**
Capital income	5.40	156	375	84	169	90	280	51	126
Dividend income	5.37	0	0	0	0	803	4,013	803	4,013
Financial expenses	5.40	(83)	(55)	(53)	(30)	(25)	(2)	(23)	(1)
Earnings Before Tax (EBT)		**2,347**	**4,777**	**1,727**	**2,059**	**1,827**	**6,344**	**1,533**	**4,922**
Income tax	5.49	(821)	(1,588)	(637)	(725)	(320)	(802)	(230)	(322)
Earnings after tax		**1,526**	**3,189**	**1,090**	**1,334**	**1,507**	**5,542**	**1,303**	**4,600**

Certain figures of the previous fiscal year have been restated (see note 5.2).

The notes in chapter 5 form an integral part of these financial statements of 30.06.2017.

(Amounts in thousand euro unless otherwise noted) 27

		GROUP				COMPANY			
		01.01	01.01	01.04	01.04	01.01	01.01	01.04	01.04
	Notes	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Earnings after tax (A)		**1,526**	**3,189**	**1,090**	**1,334**	**1,507**	**5,542**	**1,303**	**4,600**
Other comprehensive income/(losses)									
Items that may later be classified in the income statement:									
Other comprehensive income transferred to results in future fiscal years									
Available for sale financial assets								0	0
Valuation profits / (losses) during the period	5.39	80	(1,564)	601	(884)	80	(1,564)	601	(884)
Income tax included in other comprehensive income / (losses)		(23)	454	(174)	257	(23)	454	(174)	257
Total other income / (loss) after taxes not transferred to other fiscal years(B)		**57**	**(1,110)**	**427**	**(627)**	**57**	**(1,110)**	**427**	**(627)**
Total comprehensive income (A) + (B)		**1,583**	**2,079**	**1,517**	**707**	**1,564**	**4,432**	**1,730**	**3,973**

Distributed to:			
Company shareholders		1,583	2,079
Profits after tax per share (basic & diluted; in €)	5.52	0.026	0.032
Weighted average number of shares		60,659,599	64,516,399

The notes in chapter 5 form an integral part of these financial statements of 30.06.2017.

(Amounts in thousand euro unless otherwise noted) 28

4.2. Interim Statement of Financial Position

	Note	GROUP		COMPANY	
		30.06.2017	31.12.2016	30.06.2017	31.12.2016
ASSETS					
Non-Current Assets					
Tangible assets for own use	5.35	22,106	22,707	842	928
Intangible assets	5.35	5,524	5,440	3,883	4,113
Real Estate Investments	5.36	2,894	2,996	2,894	2,996
Investments in subsidiaries & other long term receivables	5.37	68	68	58,118	58,118
Deferred tax asset	5.42	948	983	884	915
		31,540	**32,194**	**66,621**	**67,070**
Current Assets					
Trade receivables	5.38	4,645	5,117	2,634	2,851
Other receivables	5.38	9,593	10,107	6,658	7,221
Income tax receivable	5.38	2,418	3,312	740	1,052
Financial assets available for sale	5.39	2,874	2,793	2,874	2,793
Cash and cash equivalents	5.40	96,006	100,017	48,598	53,547
Third party balances in Group bank accounts	5.41	190,780	206,080	1,519	1,228
		306,316	**327,426**	**63,023**	**68,692**
Total Assets		**337,856**	**359,620**	**129,644**	**135,762**
EQUITY & LIABILITIES					
Equity & Reserves					
Share capital	5.43	50,903	70,598	50,903	70,598
Own Shares	5.43	(1,162)	(18,634)	(1,162)	(18,634)
Share premium	5.43	157	157	157	157
Reserves	5.43	52,402	70,119	49,187	66,958
Retained earnings		15,754	18,452	7,673	10,336
Total Equity		**118,054**	**140,692**	**106,758**	**129,415**
Non-current liabilities					
Grants and other long term liabilities	5.44	63	63	50	50
Provisions	5.45	3,392	3,360	2,443	2,429
Deferred tax liability	5.42	1,627	1,711	0	0
		5,082	**5,134**	**2,493**	**2,479**
Current liabilities					
Trade and other payables	5.46	23,180	6,805	18,221	1,964
Third party balances in Group bank accounts	5.47	190,780	206,080	1,518	1,228
Social Security	5.48	760	909	654	676
		214,720	**213,794**	**20,393**	**3,868**
Total Liabilities		**219,802**	**218,928**	**22,886**	**6,347**
Total Equity & Liabilities		**337,856**	**359,620**	**129,644**	**135,762**

The notes in chapter 5 form an integral part of these financial statements of 30.06.2017.

(Amounts in thousand euro unless otherwise noted) 29

4.3. Interim Statement of Changes in Equity

4.3.1. Group

	Share Capital	Own Shares	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2016	**84,979**	**0**	**157**	**62,584**	**30,180**	**177,900**
Earnings for the period					3,189	3,189
Profits/(losses) from valuation of financial assets available for sale				(1,110)	0	(1,110)
Total comprehensive income after taxes	**0**	**0**	**0**	**(1,110)**	**3,189**	**2,079**
Profit distribution to reserves				6,615	(6,615)	0
Share buy back		(10,389)				(10,389)
Return of share capital (note 5.43)	(14,381)					(14,381)
Dividends paid					(6,537)	(6,537)
Balance 30.06.2016	**70,598**	**(10,389)**	**157**	**68,089**	**20,217**	**148,672**
Earnings for the period					(1,760)	(1,760)
Actuarial profit/ (loss) from defined benefit pension plans					(5)	(5)
Profits/(losses) from valuation of financial assets available for sale				1,821		1,821
Reclassification of valuation provision				209		209
Total comprehensive income after taxes	**0**		**0**	**2,030**	**(1,765)**	**265**
Share buy back (note 5.43)	0	(8,245)	0	0		(8,245)
Balance 31.12.2016	**70,598**	**(18,634)**	**157**	**70,119**	**18,452**	**140,692**
Earnings for the period					1,526	1,526
Total comprehensive income after taxes	**0**	**0**	**0**	**0**	**1,526**	**1,526**
Profit distribution to reserves				302	(302)	0
Share valuation reserve				57	0	57
Share buy back		(604)				(604)
Own shares reserve		18,076				0
Cancellation of own shares	(4,006)					(4,006)
Return of share capital (note 5.43)	(15,689)					(15,689)
Dividends paid (note 5.52)					(3,922)	(3,922)
Balance 30.06.2017	**50,903**	**(1,162)**	**157**	**52,402**	**15,754**	**118,054**

The notes in chapter 5 form an integral part of these financial statements of 30.06.2017.

(Amounts in thousand euro unless otherwise noted) 30

4.3.2. Company

	Share Capital	Own Shares	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2016	**84,979**	**0**	**157**	**59,699**	**19,051**	**163,886**
Earnings for the period					5,542	5,542
Profits/(losses) from valuation of financial assets available for sale				(1,110)		(1,110)
Total comprehensive income after taxes	**0**	**0**	**0**	**(1,110)**	**5,542**	**4,432**
Profit distribution to reserves				6,339	(6,339)	0
Share buy back		(10,389)				(10,389)
Return of share capital (note 5.43)	(14,381)					(14,381)
Dividends paid					(6,537)	(6,537)
Balance 30.06.2016	**70,598**	**(10,389)**	**157**	**64,928**	**11,717**	**137,011**
Earnings for the period					(1,374)	(1,374)
Actuarial profit/ (loss) from defined benefit pension plans				0	(7)	(7)
Profits/(losses) from valuation of financial assets available for sale				1,821		1,821
Reclassification of valuation provision				209		209
Total comprehensive income after taxes	**0**	**0**	**0**	**2,030**	**(1,381)**	**649**
Share buy back		(8,245)				(8,245)
Balance 31.12.2016	**70,598**	**(18,634)**	**157**	**66,958**	**10,336**	**129,415**
Earnings for the period					1,507	1,507
Total comprehensive income after taxes	**0**	**0**	**0**	**0**	**1,507**	**1,507**
Profit distribution to reserves				248	(248)	0
Share valuation reserve				57	0	57
Share buy back		(604)				(604)
Own shares reserve		18,076		(18,076)		0
Cancellation of own shares	(4,006)					(4,006)
Return of share capital (note 5.43)	(15,689)					(15,689)
Dividends paid (note 5.52)					(3,922)	(3,922)
Balance 30.06.2017	**50,903**	**(1,162)**	**157**	**49,187**	**7,673**	**106,758**

The notes in chapter 5 form an integral part of these financial statements of 30.06.2017.

(Amounts in thousand euro unless otherwise noted) 31

4.4. Interim Cash Flow Statement

	Notes	Group		Company	
		1.1-30.06.2017	1.1-30.06.2016	1.1-30.06.2017	1.1-30.06.2016
Cash flows from operating activities					
Profit before tax		2,347	4,777	1,827	6,344
Plus / (minus) adjustments for					
Depreciation	5.35 & 5.36	1,488	1,344	757	669
Staff compensation provisions		31	42	14	20
Interest Income	5.40	(156)	(375)	(90)	(280)
Dividends received				(803)	(4,013)
Interest and related expenses paid	5.40	83	55	25	2
Plus/ (minus) adjustments for changes in working capital accounts or concerning operating activities					
Reduction/Increase in receivables		986	4,761	778	(50)
Reduction/Increase in liabilities (except loans)		16,227	9,294	16,235	14,885
Reduction/Total adjustments for changes in working capital		**21,006**	**19,898**	**18,743**	**17,577**
Interest and related expenses paid	5.40	(83)	(55)	(25)	(2)
Staff compensation payments		0	62	0	62
Taxes paid			(212)		(280)
Net inflows / outflows from operating activities (a)		**20,923**	**19,693**	**18,718**	**17,357**
Investing activities					
Purchases of tangible and intangible assets	5.35& 5.36	(869)	(1,310)	(339)	(1,041)
Interest received	5.40	156	375	90	280
Dividends received			0	803	4,013
Total inflows / (outflows) from investing activities (b)		**(713)**	**(935)**	**554**	**3,252**
Financing activities					
Special dividend (share capital return)	5.43	(15,688)	(14,381)	(15,688)	(14,381)
Share buy back	5.43	(4,611)	(10,389)	(4,611)	(10,389)
Dividend payments	5.52	(3,922)	(6,537)	(3,922)	(6,537)
Total outflows from financing activities (c)		**(24,221)**	**(31,307)**	**(24,221)**	**(31,307)**
Net increase/ (decrease) in cash and cash equivalents from the beginning of the period (a) + (b) + (c)		**(4,011)**	**(12,549)**	**(4,949)**	**(10,698)**
Cash and cash equivalents at start of the period	**5.40**	**100,017**	**137,235**	**53,547**	**89,174**
Cash and cash equivalents at end of the period	**5.40**	**96,006**	**124,686**	**48,598**	**78,476**

The notes in chapter 5 form an integral part of these financial statements of 30.06.2017.

(Amounts in thousand euro unless otherwise noted) 32

5. NOTES TO THE FIRST HALF 2017 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 STOCK 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.

The interim financial statements of the Group and the Company for the first half 2017 have been approved by the Board of Directors on 31.07.2017. 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	
% of direct participation	**30.06.2017**	**31.12.2016**
ATHEX	100%	100%
ATHEX GROUP	100%	100%

Company	**Athens Exchange Clearing House (ATHEXClear)**	
Head Office	Athens	
% of direct participation	**30.06.2017**	**31.12.2016**
ATHEX	100%	100%
ATHEX GROUP	100%	100%

5.2. Basis of preparation of the annual financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and their interpretations as 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 2016. 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, 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 and profitability of the Group; however it is estimated that, with the agreed actions of the 3rd memorandum signed by the Greek government as part of the EU and within the Euro system, any obstacles will be overcome and the country will return to growth, supported by the necessary structural changes that are gradually being legislated.

(Amounts in thousand euro unless otherwise noted) 34

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 anticipation of future events that are 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

Current tax obligations, both for the current as well as for previous fiscal years, are calculated based on the amounts that are expected to the paid to the tax authorities, using the tax rates that have been legislated up until the balance sheet date. Income tax in the income statement includes the tax for the current year, as expected to be declared in the income tax declaration, as well as estimated additional tax assessments that may be imposed by the tax authorities during the auditing of the unaudited fiscal years. These assumptions take into consideration past experience and an analysis of current facts and circumstances. As such, the final income tax settlement may deviation from the income tax booked in the financial statements.

If the final tax figure is different than the amount initially recognized, the difference will affect the income tax in the fiscal year the determination of the tax differences takes place (note 5.49).

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 in the cases that it handles (note 5.38).

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 5.35 & 5.36).

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 of salary increases, and mortality rates. Due to the long term nature of these plans, these assumptions are subject to significant uncertainty and are reevaluated on each reporting date.

Management strives to estimate in the best possible manner these parameters on every reporting date when this provision is revised (notes 5.20 & 5.45).

Impairment check for participations

The Company carries out the relevant impairment check of their participations when there are impairment indications. 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 5.37).

Deferred tax claims

Deferred tax claims are recognized for all deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profits will be available in the future to be used against those deductible temporary differences and tax losses carried forward. 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 5.42).

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 5.45).

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 underlying financial information and, where appropriate, compliance with the medium-term budgets, together with the existing loan conditions, if available, to conclude 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 providing greater transparency and more substantial information to investors, amounts in the Statement of Comprehensive Income were reclassified. As a result of the changes, the information of the previous fiscal year must also be reclassified, in order to make comparison among them possible.

The changes below do not alter either total turnover or the profits of the Group or the Company.

	note	GROUP		COMPANY	
		01.01 30.06.2016	01.01 30.06.2016	01.01 30.06.2016	01.01 30.06.2016
		Modified	Published	Modified	Published
Revenue					
Trading	5.8	2,729	2,729	2,729	2,729
Clearing	5.9	5,055	5,055	0	0
Settlement	5.10	669	669	0	0
Exchange services	5.11	1,617	1,541	1,617	1,541
Depository services	5.12	1,160	1,160	0	0
Clearinghouse services	5.13	119	119	0	0
Data feed	5.14	1,659	1,739	1,816	1,897
IT services	5.15	161	157	138	134
Revenue from re-invoiced expenses	5.16	473	427	473	427
New Services (XNET, CP CSE - Sibex, IT etc)	5.17	871	917	361	406
Other services	5.18	379	379	394	394
Total turnover		**14,892**	**14,892**	**7,528**	**7,528**
Hellenic Capital Market Commission fee	5.19	(648)	(648)	(250)	(250)
Total Operating revenue		**14,244**	**14,244**	**7,278**	**7,278**
Costs & Expenses					
Personnel remuneration and expenses	5.20	4,559	4,559	2,206	2,206
Third party remuneration and expenses	5.21	279	279	201	201
Utilities	5.22	407	407	63	63
Maintenance / IT support	5.23	594	594	403	403
Other Taxes	5.24	458	458	336	336
Building / equipment management	5.25	283	283	53	53
Marketing and advertising expenses	5.26	102	102	95	95
Participation in organizations expenses	5.27	226	226	202	202
Insurance premiums	5.28	216	216	203	203
Operating expenses	5.29	182	182	253	253
BoG - cash settlement	5.30	30	30	0	0
Other expenses	5.31	64	64	25	25
Total operating expenses		**7,400**	**7,400**	**4,040**	**4,040**
Re-invoiced expenses	5.32	502	502	483	483
Expenses from new activities (XNET, CSE-SIBEX CP, IT)	5.33	541	541	33	33
Total operating expenses, including new activities		**8,443**	**8,443**	**4,556**	**4,556**
Earnings before Interest, Taxes, Depreciation & Amortization(EBITDA)		**5,801**	**5,801**	**2,722**	**2,722**
Depreciation	5.35 & 5.36	(1,344)	(1,344)	(669)	(669)
Earnings Before Interest and Taxes (EBIT)		**4,457**	**4,457**	**2,053**	**2,053**
Capital income	5.40	375	375	280	280
Dividend income	5.37	0	0	4,013	4,013
Financial expenses	5.40	(55)	(55)	(2)	(2)
Earnings Before Tax (EBT)		**4,777**	**4,777**	**6,344**	**6,344**
Income tax	5.49	(1,588)	(1,588)	(802)	(802)
Profits after tax		**3,189**	**3,189**	**5,542**	**5,542**

(Amounts in thousand euro unless otherwise noted) 37

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.

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, 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 consideration paid 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.

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 part of the fair value and are therefore booked just like differences in fair value.

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 taxes and other direct costs.

Following 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 fair value 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 drop in the value of plots of land and buildings, the Group decided to assign the study of determining the market value of its property, in accordance with IFRS 13, to independent recognized estimators. The study was delivered at the beginning of March 2016, while the Group adjusted the value of the property in line with the results of the study, in order to record on the balance sheet the fair value of the property.

Tangible owner-occupied assets

Real estate (plots of land – buildings) belonging to fixed assets are recorded at their adjusted values, during the first application of IFRS, and subsequently at fair value.

The Group assigned the study of determining the market value of the properties of the Group, in accordance with IFRS 13, to independent recognized estimators. The study was completed and turned over at the beginning of March 2016, and the Group correspondingly adjusted the value of its 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 in particular buildings, as well as significant value differences between the plots of land and the buildings on those properties. In particular 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.

Other owner-occupied tangible assets are presented in the financial statements at their acquisition values less accumulated depreciation and 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 if it is estimated that future financial benefits will flow to the Group, and the cost can be reliably measured.

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

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

The Group and the parent company harmonized the useful life of tangible assets with that of the tax law. In accordance with the Income Tax Code (4172/23.7.2013, article 24, §4), which went into effect on 1.1.2014, depreciation rates were once again modified. The useful lives of tangible assets are shown below:

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

(Amounts in thousand euro unless otherwise noted) 40

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

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

Intangible assets

Intangible assets include software licenses valued at the acquisition cost minus accumulated depreciation and any impairment. Depreciation is calculated using the straight line method during the useful life of these assets, which is estimated to be approximately 5 years. It is noted that the depreciation rates applied by the Group for copyrights/patents and capitalized systems development expenses is 10%.

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, based on which the value of the real estate was adjusted on 31.12.2015; there were no further impairment indications until the publication date of the present report.

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.

For the Group, securities were initially characterized as securities available for sale. 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 results, 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 the results are initially recognized at fair value plus transaction costs. Financial assets cease being recognized when the rights to collect their cash flows expire, or when the Group has essentially transferred the risks and returns or rewards that ownerships entails.

Investment titles available-for-sale and financial assets at fair value through the results 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 results" 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 derecognized or impaired, in which case the accumulated profit or loss, which was up until then recognized in 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 ("Income Statement") when the right to collect the dividend is approved by 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.

The Company ceases to recognize (i.e. retires from the Statement of Financial Position) a financial asset (or whenever appropriate, part of the financial asset or part of a group of similar financial assets) when:

- The contractual rights on the cash flows of the financial asset expire, or
- The contractual rights on the cash flows of the financial asset are transferred or a contractual obligation is undertaken to pay all those cash flows on behalf of the eventual recipients, without substantial delay through a rollover agreement and either (a) the Company has essentially transferred all risk and benefits of ownership of the financial asset, or (b) the Company has not transferred nor essentially maintained all risks and benefits of ownership of the asset, but has transferred control of the asset.

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.

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.

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.

Cash and cash equivalents

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

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

Third party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework defined 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 30.06.2017 and 31.12.2016. In the Statement of Financial Position of 30.06.2017 and 31.12.2016, 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 30.06.2017 and 31.12.2016 respectively.

Share Capital

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

Current and deferred income tax

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

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

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

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

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

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

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 concerns its legal obligation to pay a lump sum indemnity to each employee upon retirement.

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

The 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 "iBox rated" bond indices, 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 when they occur (note 5.20).

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 when 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.

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 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.

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.

If the effect of the time value of money is significant, the provisions are recognized on a discounted basis by using an interest rate before taxes that reflects that current market estimates about the time value of money and the risks associated with the liability. When provisions are discounted, the increase in the provision due to the passing of time is recognized as a borrowing cost.

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.

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)

Collections of transactions in the cash market, takes place on the day following the settlement date or on the third working day of the following month, provided that the member submits such a request. Collection for the derivatives Market takes place on the day following the settlement date. Both in the cash and derivatives markets 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.

Commercial and other liabilities

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

Expenses

Expenses are recognized in the Statement of Comprehensive Income (“Income Statement”) 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.

Profits / (losses) per share

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

The adjusted profits / (losses) per share are calculated by dividing the net profit that is distributed to 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), excluding the average of the common stock that was acquired by the Group as treasury stock.

Research and development

Expenditures for research activities that take place with the intention that the Group acquire new technical knowledge and expertise are recognized in the Statement of Comprehensive Income as an expense when they occur. Development activities presuppose the drafting of a study or a plan for the production of new or significantly improved products, services and processes. Development costs are capitalized only when the cost of development can be reliably measured, the product or the process is productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, 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 and there is no impairment indication.

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 straight line method for the duration of the expected useful life of intangible assets, starting on the date they are available for use. The useful life for the current and the comparative period in the capitalization of development costs is 10 years.

The profit or loss that arises from the derecognition 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 derecognized.

Treasury stock

Treasury stock concerns the shares of the Company (EXAE) that are purchased on the Exchange by the Company or subsidiary of the group, following a decision by the Annual General Meeting of shareholders. The acquisition cost as well as expenses for acquiring treasury stock are, based on IFRS, depicted in equity as reducing equity.

Lease policy

The determination of whether an arrangement contains a lease or not is based on the substance of the transaction on the date the relevant contract is concluded, namely on whether fulfilment of the arrangement depends on the use of one or more assets or whether the arrangement assigns the right to use the asset.

The Group as lessee

Asset leases by third parties where the Group does not assume all risk and asset ownership benefits are treated as operating, and the lease payments are recognized as an expense in the income statement on a consistent basis during the lease.

All leases of the Group are treated as operating leases. They concern office rentals etc.

The Group as lessor

Asset leases to third parties where the Group does not transfer all risks and asset ownerships benefits are treated as operating, and the lease payments are recognized as revenue in the income statement on a consistent basis during the lease.

Initial direct costs incurred by lessors during the negotiation of an operating lease are added to the book value of the leased asset and are recognized over the lease duration on the same basis as the lease revenue.

The Group leases office space. These leases are treated as operating leases.

Determination of fair value

The fair value of a financial asset is the price that someone would obtain from the sale of an asset, or someone would pay for transferring the obligation in a real transaction between market participants at the measurement date. The fair value of financial assets in the financial statements on 30 June 2017 was determined using the best possible estimates by management. When there is no data available, or data is limited to active markets, the fair value valuations are derived from management estimates in accordance with the information available.

The Company uses the following hierarchy for determining and disclosing the fair value of financial means by measurement technique:

Level 1: Traded (non-adjusted) prices in active markets for similar assets or liabilities,

Level 2: Other techniques for which all inflows that have a significant impact in recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use data that have a significant impact on the recorded fair value and are not based on observable market data.

During the fiscal year there were no transfers between levels 1 and 2, nor transfers into and out of level 3 when measuring fair value. In addition, during the same period there was no change in the purpose of any financial asset that would lead to a different classification of this asset.

The amounts that are shown in the Statement of Financial Position, cash & cash equivalents, claims and short term liabilities, approach their corresponding fair values due to their short term maturity. As a result, there are no differences between fair values and the corresponding book values of financial assets and liabilities. The Company does not use financial derivative products.

1.1.1. New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2017. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

There are no new standards, amendments to standards and interpretations that are mandatory for periods beginning on 1.1.2017.

Standards and Interpretations effective for subsequent periods

- **IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7** *(effective for annual periods beginning on or after 1 January 2018)*

  IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements.

- **IFRS 15 "Revenue from Contracts with Customers"** *(effective for annual periods beginning on or after 1 January 2018)*

  IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements.

- **IFRS 16 "Leases"** *(effective for annual periods beginning on or after 1 January 2019)*

  IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

- **IFRS 17 "Insurance contracts"** *(effective for annual periods beginning on or after 1 January 2021)*

  IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

- **IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"** *(effective for annual periods beginning on or after 1 January 2017)*

  These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

- **IAS 7 (Amendments) "Disclosure initiative"** *(effective for annual periods beginning on or after 1 January 2017)*

  These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

- **IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"** *(effective for annual periods beginning on or after 1 January 2018)*

  The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

- **IFRS 4 (Amendments) "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"** *(effective for annual periods beginning on or after 1 January 2018)*

  The amendments introduce two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard—IAS 39. The amendments have not yet been endorsed by the EU.

- **IAS 40 (Amendments) "Transfers of Investment Property"** *(effective for annual periods beginning on or after 1 January 2018)*

  The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

- **IFRIC 22 "Foreign currency transactions and advance consideration"** *(effective for annual periods beginning on or after 1 January 2018)*

  The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

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

  The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

- **IFRS 12 "Disclosures of Interests in Other Entities"**

  The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

- **IAS 28 "Investments in associates and Joint ventures"**

  The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

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 the strict requirements of the EMIR regulatory framework concerning risk management, under which it has been licensed since 2015. Even though risk management at the Group concerns all companies and risk categories, it is recognized that because of its role in the market, ATHEXClear faces and must manage the most significant risk.

The internal and external 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 regulatory requirements, the Group applies 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, limit cost for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the overall measures to ensure the uninterrupted operation of the systems of the Group, each organizational unit of the Group is responsible to monitor and manage potential risks in such a way so as to react quickly and effectively in case risk events arise.

In the first half of 2017, continuing the effort of previous years, efforts were made to strengthen the risk management function of ATHEXClear, in order for it to remain in line with the EMIR Regulation and to follow international best practices.

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 responsibility and accountability regarding the management of the risk management operation of the company. In particular, the Board of Directors defines, 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 the Board of Directors on matters of risk management.
- *Investments Committee*, which determines 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 implements the risk management framework through the policies and procedures that the Board of Directors enacts.
- *Organizational Units* which are responsible for recognizing and managing risks within their scope and participate in overall risk management in the Group.

Unified risk management

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

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

Risk categories

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

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

Financial Risk

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

Operating risk

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

Business risk

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

Description of categories and main risk factors

Market risk

The Group is exposed to limited market risk in its activities. ATHEXClear, as central counterparty in the clearing of cash and derivatives products, places its financial assets only in cash at the Bank of Greece. ATHEX and ATHEXCSD invest their cash exclusively in time deposits in Greek systemic banks as well as foreign banks with an excellent rating. 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.

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 maintain against foreign exchange risk.

Credit risk

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

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 scale 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,” in the “Risk Management Framework,” as well as the relevant Decisions 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 towards its clearing members, ATHEXClear monitors and calculates on a daily basis (end-of-day but also during the day in almost real time) the margin for each clearing account of the Clearing Members, and blocks additional guarantees in the form of cash and/ or transferable securities.

In addition, it manages the Clearing Funds of the two markets that operate 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 on a monthly basis, 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 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 plausible scenarios (Margin/Haircut Back-Testing, Default Fund Coverage under Stress).

Besides credit counterparty risk faced by ATHEXClear, the Group faces credit risk from the investment of its own assets. As part of the Investment policy, specific principles for the placement of its cash in banks that operate in Greece are determined. In particular for ATHEXClear, asset placements are as a rule made at the Bank of Greece, a fact that minimizes its risk exposure.

Liquidity risk

Liquidity risk as a whole for the Group is maintained at low levels by maintaining adequate cash.

The main liquidity risk for the Group mainly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

In particular for ATHEXClear, the aim is to maintain an adequate 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 on potential, yet unforeseen, events.

ATHEXClear’s liquidity is monitored based on the criteria imposed by EMIR. On a daily basis, and under extreme but plausible market scenaria, it is examined whether cash required will be sufficient, following the default by two (2) groups of clearing members to which ATHEXClear has the greatest demand for liquidity to close-out their positions separately for each market (equities, derivatives). In addition, the overall liquidity needs of ATHEXClear are monitored on a daily basis using liquidity gap analysis.

Operating risk

The Group does not seek to assume operating risk, but accepts that operating risk may arise as a result from system, internal procedure 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 audits and tolerance structures.

In the first half of 2017 there were no cases of disruption of the Group’s activities (trading, clearing, settlement, registry) due to failure or unavailability of systems or human error. There were no major 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.

The Internal Audit Department of the Group assesses the degree of compliance and effectiveness of the processes in place for risk management and regulatory compliance by the Company, and monitors whether any irregularities, fraud or breaches have been observed, or are likely to occur, based on what is stated in the legal-regulatory framework of the Company.

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 of reducing operating risk are the implementation of a business continuity plan, taking-out insurance contracts as well as measures for ensuring compliance to new regulations. In particular, ATHEXClear follows a specific methodology for managing operating risk, in accordance with which it carries out on a regular basis an RCSA[1] in order to categorize risk and determine KRIs, update the loss data base[2], create regular reports and plan actions to improve risk management.

Business continuity plan

The Group has processed and put into operation an 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. Specific responsibilities have been determined and have been assigned to specially trained Group executivs.
- *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 continuous systems operation.

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 supervisory 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:

[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.

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

In particular for ATHEXClear, policies were implemented concerning conflicts of interest, outsourcing, managing complaints by clearing members, remuneration of staff, executives and members of the BoD and management of its records 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 and in technology 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 taking shape.

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

5.5. 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 during the first half of 2017.

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Suppliers and other commercial liabilities	23,180	6,805	18,221	1,964
Other long term liabilities	63	63	50	50
Other short term liabilities	760	909	654	676
Less Cash and cash equivalents	(96,006)	(100,017)	(48,598)	(53,547)
Net borrowing (a)	**(72,003)**	**(92,240)**	**(29,673)**	**(50,857)**
Shareholder equity (b)	118,054	140,692	106,758	129,415
Equity and net borrowing (a + b)	**46,051**	**48,452**	**77,085**	**78,558**
Borrowing leverage index (a/(a+b))	**(1.56)**	**(1.90)**	**(0.38)**	**(0.65)**

(Amounts in thousand euro unless otherwise noted) 56

5.6. 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, 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 30 June 2017 the core activities of the Group broken down by business sector were as follows:

GROUP	Segment information on 30.06.2017									
	Trading	Clearing	Settlement	Data feed	IT	Exchange services	Depository services	Clearinghouse services	Other*	Total
Revenue	2,161	4,007	495	1,461	157	1,617	1,285	125	1,737	13,045
Capital income	26	48	6	17	2	19	15	1	22	156
Expenses	(1,552)	(2,877)	(355)	(1,049)	(113)	(1,161)	(923)	(90)	(1,246)	(9,366)
Depreciation	(246)	(457)	(56)	(167)	(18)	(184)	(147)	(14)	(199)	(1,488)
Taxes	(136)	(252)	(31)	(92)	(10)	(102)	(81)	(8)	(109)	(821)
Profit after tax	**253**	**469**	**59**	**170**	**18**	**189**	**149**	**14**	**206**	**1,526**
Assets	5,057	9,376	1,158	3,419	367	3,784	3,007	292	4,064	30,524
Cash and cash equivalents	15,904	29,490	3,643	10,752	1,155	11,900	9,457	920	12,785	96,006
Other assets	35,008	64,912	8,019	23,668	2,543	26,195	20,817	2,025	28,139	211,326
Total assets	**55,969**	**103,778**	**12,820**	**37,839**	**4,065**	**41,879**	**33,281**	**3,237**	**44,988**	**337,856**
Total liabilities	**36,412**	**67,516**	**8,341**	**24,617**	**2,645**	**27,246**	**21,652**	**2,106**	**29,267**	**219,802**

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	1,659	161	1,617	1,160	119	1,723	14,892
Capital income	69	127	17	42	4	41	29	3	43	375
Expenses	(1,676)	(3,105)	(411)	(1,019)	(99)	(993)	(712)	(73)	(1,059)	(9,147)
Depreciation	(246)	(456)	(60)	(150)	(15)	(146)	(105)	(11)	(156)	(1,345)
Taxes	(291)	(539)	(71)	(177)	(17)	(172)	(124)	(13)	(184)	(1,588)
Profit after tax	**585**	**1,082**	**144**	**355**	**34**	**347**	**248**	**25**	**367**	**3,187**
Assets	5,772	10,691	1,415	3,509	341	3,420	2,453	252	3,645	31,498
Cash and cash equivalents	22,849	42,324	5,601	13,890	1,348	13,539	9,712	996	14,427	124,686
Other assets	60,121	111,363	14,738	36,548	3,547	35,623	25,555	2,622	37,957	328,074
Total assets	**88,742**	**164,378**	**21,754**	**53,947**	**5,236**	**52,582**	**37,720**	**3,870**	**56,029**	**484,258**
Total liabilities	**61,497**	**113,913**	**15,076**	**37,385**	**3,628**	**36,439**	**26,140**	**2,682**	**38,826**	**335,586**

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.

Certain figures of the previous fiscal year have been reclassified (see note 5.2).

(Amounts in thousand euro unless otherwise noted) 57

5.7. Capital Market and fiscal year results

Capital Market

The Athens Exchange General Index closed on 30.06.2017 at 819.72 points, 51.2% higher than the 542.12 points at the end of the corresponding period in 2016. The average capitalization of the market was €47.5bn, increased by 15.7% compared to H1 2016 (€41.1bn).

The total value of transactions in H1 2017 (€7.31bn) is 20.5% lower compared to H1 2016 (€9.19bn). The average daily value of transactions in H1 2017 was €58.9m compared to €76m in H1 2016, reduced by 22.4%. The average daily traded volume decreased by 32.9% (85.5m shares vs. 127.3m shares).

The drop in trading activity is mainly due to the low levels of the first quarter of 2017 compared to the corresponding period last year. In the second quarter of 2017 the average daily traded value was down 4.1% (€76.9m vs €80.2m).

In the derivatives market, total trading activity increased by 21.2% (2017: 10.4m contracts, 2016: 8.6m), while the average daily traded volume increased by 18.3% (84.2 thousand contracts vs. 71.2 thousand).

Comment on the results

First Half results of the Group

Turnover in the first half of 2017 for the Athens Exchange Group was €13.0m compared to €14.9m in 2016, decreased by 12.4%. Almost 51.1% of the turnover of the Group is from fees on trading, clearing and settlement of trades on the Athens Exchange.

At the EBITDA level, H1 2017 was at €3.8m compared to €5.8m in the corresponding period in 2016, reduced by 35.2%.

The reduction in the bottom line is mainly due to the 22.4% drop in the average daily traded value, to €58.9m vs. €76.0m last year.

Earnings Before Interest and Taxes (EBIT) in H1 2017 were €2.3m vs. €4.6m in H1 2016, reduced by 49%.

After deducting €821 thousand in income tax, the net after tax profits of the Athens Exchange Group amounted to €1,526 thousand vs. €3,189 thousand, reduced by 52.2%. After including Other Comprehensive Income (valuation of shares), profits amount to €1.58m vs. €2.1m in H1 2016, reduced by 23.9%.

Parent Company of the Athens Exchange Group

For the parent company Athens Exchange, turnover was €6.8m vs. €7.5m, decreased by 10% compared to the first half of 2016, while net after tax profits were €1.5m in H1 2017 compared to €5.5m in H1 2016, decreased by 73%. The drop in net profits is due on the one hand to the drop in revenue from trading due to the drop in trading activity, and on the other due to the €3.2m reduction in dividends received from its subsidiary ATHEXCSD.

5.8. Trading

Total revenue from trading in the first half of 2017 amounted to €2.16m vs. €2.73m in H1 2016 decreased by 20.8%. Revenue is broken down in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Shares	1,888	2,430	1,894	2,430
Derivatives	269	299	269	299
ETFs	(2)	0	(2)	0
Bonds	6	0	5	0
Total	**2,161**	**2,729**	**2,166**	**2,729**

Revenue from stock trading amounted to €1.9m vs. €2.4m in H1 2016, decreased by 22.2%. This drop is due to the decrease in trading activity in H1 2017.

In H1 2017 total traded value was €7.3bn vs. €9.2bn in H1 2016, decreased by 20.5%. The average daily traded value in H1 2017 was €58.9m vs. €76.0m in H1 2016, decreased by 22.4%.

The average daily traded volume dropped by 32.9% (85.5m shares in H1 2017 vs. 127.3m shares in H1 2016).

In the derivatives market, the average daily traded volume was 84.2 thousand contracts vs. 71.2 thousand contracts in H1 2016, increased by 18.3%, while revenue from derivatives trading dropped by 10% (€269 thousand in H1 2017 vs. €299 thousand in 2016). Average revenue per contract dropped by 26.0% (to €0.086 in H1 2017 compared to €0.116 in H1 2016).

5.9. Clearing

Revenue from clearing amounted to €4.01m in the first half of 2017 vs. €5.06m in H1 2016, decreased by 20.7%, and is broken down in the following table:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Shares	2.849	3.696	0	0
Bonds	5	0	0	0
Derivatives	629	699	0	0
ETFs	3	1	0	0
Transfers - Allocations (Special settlement instruction)	146	218	0	0
Trade notification instructions	375	441	0	0
Total	**4.007**	**5.055**	**0**	**0**

Revenue from share clearing, which consists of revenue from the organized market and the Common Platform, amounted to €2.85m, decreased by 22.8%.

In H1 2017 total traded value was €7.3bn vs. €9.2bn in H1 2016, decreased by 20.5%. The average daily traded value in H1 2017 was €58.9m vs. €76.0m in H1 2016, decreased by 22.4%.

The average daily traded volume dropped by 32.9% (85.5m shares in H1 2017 vs. 127.3m shares in H1 2016).

(Amounts in thousand euro unless otherwise noted) 59

In the derivatives market, the average daily traded volume was 84.2 thousand contracts vs. 71.2 thousand contracts in H1 2016, increased by 18.3%, while revenue from clearing derivatives trades dropped by 10% (€629 thousand in H1 2017 vs. €699 thousand in 2016). Average revenue per contract dropped by 26.0% (to €0.086 in H1 2017 compared to €0.116 in H1 2016).

Revenue from transfers – allocations amounted to €146 thousand, decreased by 33.0% compared to H1 2016, while trade notification instructions amounted to €375 thousand, decreased by 15.0%.

5.10. Settlement

Revenue from settlement amounted to €495 thousand vs. €669 thousand in H1 2016, decreased by 26.0%, and is broken down in the following table:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Off-exchange transfers OTC (1)	473	639	0	0
Off-exchange transfers (2)	21	28	0	0
Rectification trades	1	2	0	0
Total	**495**	**669**	**0**	**0**

(1) Transactions through DSS operators.

(2) Transfers, public offers, donations.

5.11. 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 H1 2017 was €1.62m vs. €1.62m in H1 2016, unchanged from last year. It is analyzed in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Rights issues by listed companies (1)	93	220	93	220
Quarterly subscriptions by listed companies (2)	1.024	988	1.024	988
Member subscriptions (3)	243	304	243	304
IPO'S (4)	192	0	192	0
Subscriptions of ENA company advisors	1	10	1	10
Revenue from corresponding ETF index (5)	29	76	29	76
Other services (Issuers)	35	19	35	19
Total	**1.617**	**1.617**	**1.617**	**1.617**

(1) Fees on rights issues by listed companies amounted to €93 thousand (ALPHA BANK - €50 thousand; NIKAS - €12 thousand; TRASTOR - €10 thousand; etc. as well as from the listing of corporate bonds: MYTILINEOS - €3 thousand; SUNLIGHT - €3 thousand; OPAP - €3 thousand) vs. €220 thousand in H1 2016 (ATTICA BANK - €183 thousand; ATHINA - €17.5 thousand; NEXANS - €10.5 thousand etc.), decreased by 57.7%.

(Amounts in thousand euro unless otherwise noted) 60

(2) Revenue from listed company subscriptions amounted to €1.0m in H1 2017 vs. €988 thousand in H1 2016, increased by 3.6% due to the increase in the market capitalization of listed companies.

(3) Revenue from member subscriptions in the cash market, which depends on members' annual trading activity, amounted to €209 thousand in H1 2017 vs. €270 thousand in H1 2016, decreased by 22.3%. Revenue from member subscriptions in the derivatives market amounted to €34 thousand in H1 2017, unchanged compared to the corresponding period in 2016.

(4) Revenue from one-off ATHEX listing fees amounted to €192 thousand and concerns the listing of ADMIE on ATHEX. In H1 2016 there was no corresponding revenue.

(5) Revenue from corresponding ETF index was €29 thousand in H1 2017 compared to €76 thousand in H1 2016, reduced by 61.8%.

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

5.12. 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 of 2017 amounted to €1.29m vs. €1.16m in H1 2016, increased by 10.8%. Revenue is broken down in the following table:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Issuers (Rights issues - AXIA LINE) (1)	346	505	0	0
Bonds - Greek government securities	71	31	0	0
Investors	45	87	0	0
IPO'S (2)	180			
Operators (3)	643	537	0	0
Total	**1,285**	**1,160**	**0**	**0**

(1) Fees on rights issues by listed companies in H1 2017 amounted to €199 thousand (ALPHA BANK - €95 thousand; NIKAS - €31 thousand; TRASTOR - €30 thousand; BANK OF CYPRUS - €4 thousand; DIONIC - €4 thousand; FOURLIS - €3.5 thousand; SARANTIS - €3 thousand, AUDIOVISUAL - €3 thousand etc., as well as corporate bond listings: MYTILINEOS - €10 thousand; SUNLIGHT - €10 thousand; OPAP - €10 thousand) vs. €334 thousand (ATTICA BANK - €180 thousand; ATHINA - €37 thousand; SELONDA - €36 thousand; NEXANS - €30 thousand; NIREUS - €21.5 thousand; PLASTIKA KRITIS - €14.5 thousand; HERTZ - €3 thousand; AUDIOVISUAL - €3 thousand; GEK - €3 thousand; EUROCONSULTANTS - €3 thousand), decreased by 40.4%. Revenue from the provision of information to listed companies through electronic means was €101 thousand in H1 2017 vs. €116 thousand in H1 2016. Revenue from notifications of beneficiaries for cash distributions was €33 thousand vs. €43 thousand last year.

(2) Revenue from one-off ATHEX listing fees was €180 thousand and concerns the listing of ADMIE on ATHEX. In H1 2016 there were no listing fees.

(3) Revenue from operators includes revenues from monthly subscriptions amounting to €469 thousand vs. €399 thousand in H1 2016, and is calculated based on the value of the portfolio of the operators; revenue from authorization number usage amounted to €54 thousand vs. €45 thousand revenue from opening investor accounts €58 thousand vs. €36 thousand in 2016, as well as other revenue from operators.

(Amounts in thousand euro unless otherwise noted) 61

5.13. Clearing House Services

Revenue in this category amounted to €125 thousand vs. €119 thousand in H1 2016, increased by 5.0% and concern clearing member subscriptions in the derivatives market.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Derivatives market clearing Member subscriptions	125	119	0	0
Total	**125**	**119**	**0**	**0**

5.14. 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 decreased by 11.9% and amounted to €1.46m vs. €1.66m in H1 2016, and is broken down in the following table:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Revenue from Data Feed	1,448	1,645	1,590	1,801
Revenue from publication sales	13	14	14	15
Total	**1,461**	**1,659**	**1,604**	**1,816**

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

5.15. IT services

Revenue from this category dropped 2.5% and amounted to €157 thousand vs. €161 thousand in H1 2016 and is broken down in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
DSS terminal use licenses (1)	85	85	62	63
Services to Members (2)	72	76	72	75
Total	**157**	**161**	**134**	**138**

(1) Revenue from DSS terminal licenses amounted to €85 thousand, unchanged compared to H1 2016, and includes €22.5 thousand in fees for retaining an extra operator code.

(2) Revenue from services to Members dropped by 5.2% and includes revenue from TRS services - €23 thousand (H1 2016: €22 thousand), revenue from the use of FIX protocol - €20 thousand, unchanged from H1 2016, as well as revenue from the use of additional terminals - €21 thousand (H1 2016: €26 thousand).

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

(Amounts in thousand euro unless otherwise noted) 62

5.16. Revenue from re-invoiced expenses

Expenses that were re-invoiced to clients in the first half of 2017 amounted to €650 thousand vs. €473 thousand in H1 2016, increased by 37.4% compared to the corresponding period last year.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
ATHEXNet	248	255	248	255
General Meeting Services to listed companies (SODALI)	34	66	34	66
Revenue from sponsorships-NY-London roadshows	301	105	301	105
Travel revenue	2	1	2	1
Electricity consumption - Collocation	65	46	18	46
Total	**650**	**473**	**603**	**473**

ATHEXnet revenue of €248 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 5.32).

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

5.17. 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 premises 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	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Revenue from X-NET/InBroker (see table)	324	315	5	16
Support of other markets (CSE, SIBEX)	39	47	30	38
Co-location Services (2)	350	335	293	278
Market Suite	86	54	27	29
UNAVISTA LEI - EMIR TR (1)	76	120	0	0
Total	**875**	**871**	**355**	**361**

(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. 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 H1 2017 amounted to €76 thousand vs. €120 thousand in H1 2016.

(2) The Group offers co-location services from which it received €350 thousand in H1 2017 (BLOOMBERG, PANTELAKIS SECURITIES, AXIA VENTURES, FORTHNET, MEDNET, CITIGROUP GLOBAL MARKETS, UBS LIMITED, DEUTSCHE BANK A.G, OBRELA SECURITY INDUSTRIES, CREDIT SUISSE SECURITIES, OPAP, SHARELINK, GLOBAL CAPITAL, GUARDIAN TRUST,. EGR BROKING LTD) vs. €335 thousand in H1 2016.

(Amounts in thousand euro unless otherwise noted) 63

Inbroker/InBrokerPlus

ATHEX owns and provides the InBrokerPlus® system on a commercial basis to ATHEX members, as a comprehensive real-time price watch and order routing/management service 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.

In H1 2017 revenue from the InBrokerPlus® system amounted to €324 thousand, increased by 2.8% compared to H1 2016, and is analyzed in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Revenue from X-NET	39	34	5	15
Revenue from Inbroker	285	281	0	1
Total	**324**	**315**	**5**	**16**

For the corresponding expenses, refer to 5.33.

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

5.18. Other services

Revenue from other services decreased by 44.1%, amounting to €212 thousand vs. €379 thousand in H1 2016. The breakdown of this category is shown in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Education (1)	44	76	43	75
Rents (2)	139	161	98	125
Provision of support services	0	0	122	53
Reversal of old unused provisions	0	18	0	18
Other (3)	29	124	28	123
Total	**212**	**379**	**291**	**394**

(1) Concerns revenue from seminars and certifications.

(2) Rental income for the Group concern the lease of a store in Thessaloniki (monthly lease: €5 thousand) and the Mayer building (monthly lease: €16.4 thousand). Rental income for the Company is reduced due to the reduction in the monthly lease of the Mayer building to €16.4 thousand starting on 1.7.2016 from €20.8 thousand previously.

(3) Other revenue in H1 2017 includes €23 thousand – currency exchange difference from the provision of liquidity to facilitate XNET settlement. In H1 2016 other revenue includes €118.5 thousand - Vineyard Grant agreement no 687628; there was no corresponding amount in H1 2017.

5.19. Hellenic Capital Market Commission fee

(Amounts in thousand euro unless otherwise noted) 64

The operating results of the Group in the first half of 2017 do not include the Hellenic Capital Market Commission (HCMC) fee, which for the Group amounted to €511 thousand compared to €648 thousand in H1 2016. 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 H1 2017 amounted to €197 thousand compared to €250 thousand in H1 2016.

5.20. Personnel remuneration and expenses

Personnel remuneration and expenses in the first half of 2017 amounted to €4.63m vs. €4.56m in H1 2016, increased by 1.6%.

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 H1 2017 was €276 thousand at the Group level (2016: €387 thousand), while for the Company it was €37 thousand (2016: €214 thousand) and has been transferred from personnel remuneration and expenses (note 5.35).

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. It should be noted that there have been internal personnel transfers among the companies of the Group in order for the Company to comply in the provision of services with EU Regulations and Hellenic Capital Market Commission decisions.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Salaried staff	224	227	114	98
Total Personnel	**224**	**227**	**114**	**98**

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Personnel remuneration	3,373	3,270	1,912	1,549
Social security contributions	749	692	419	310
Termination benefits	17	62	17	62
Net change in the compensation provision (actuarial valuation)	32	42	14	20
Other benefits (insurance premiums etc.)	459	493	261	265
Total	**4,630**	**4,559**	**2,623**	**2,206**

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.

(Amounts in thousand euro unless otherwise noted) 65

The changes in the provision for H1 2017 are shown in detail in the following table:

Accounting Presentation in accordance with IAS 19 (amounts in €)	Group	
	30.06.2017	**30.06.2016**
Amounts recognized in the Balance Sheet		
Present values liabilities	1,881,784	1,832,181
Net obligation recognized on the Balance Sheet	**1,881,784**	**1,832,181**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	15,063	17,908
Net Interest on the liability/asset	16,468	23,636
Regular expense in the Profit & Loss Statement	**31,531**	**41,544**
Cost of personnel reduction / mutual agreements/retirement	0	0
Total expense recognized in the Profit & Loss Statement	**31,531**	**41,544**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,850,253	1,790,637
Cost of current employment	15,063	17,908
Interest expense	16,468	23,636
Present value of the liability at the end of the period (note 5.45)	**1,881,784**	**1,832,181**
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	1,850,253	1,790,637
Total expense recognized in the Profit & Loss Statement	31,531	41,544
Net Liability at the end of the year(note 5.45)	**1,881,784**	**1,832,181**

Accounting Presentation in accordance with IAS 19 (amounts in €)	Company	
	30.06.2017	**30.06.2016**
Amounts recognized in the Balance Sheet		
Present values liabilities	993,251	962,947
Net obligation recognized on the Balance Sheet	**993,251**	**962,947**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	5,546	7,090
Net Interest on the liability/asset	8,713	12,454
Regular expense in the Profit & Loss Statement	**14,259**	**19,544**
Cost of personnel reduction / mutual agreements/retirement	0	0
Total expense recognized in the Profit & Loss Statement	**14,259**	**19,544**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	978,992	943,403
Cost of current employment	5,546	7,090
Interest expense	8,713	12,454
Present value of the liability at the end of the period (note 5.45)	**993,251**	**962,947**
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	978,992	943,403
Total expense recognized in the Profit & Loss Statement	14,259	19,544
Net Liability at the end of the year (note 5.45)	**993,251**	**962,947**

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

(Amounts in thousand euro unless otherwise noted) 66

Actuarial assumptions	Valuation dates	
	30.06.2017	30.06.2016
Discount rate	1.78%	2.64%
Increase in salaries (long term)	1.00%	1.75%
Inflation	1.00%	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

5.21. Third party fees & expenses

In the first half of 2017 third party fees and expenses amounted to €320 thousand vs. €279 thousand, increased by 14.7% compared to H1 2016. 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 €163 thousand (2016: €201 thousand).

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
BoD member remuneration	8	27	6	23
Attorney remuneration and expenses	30	30	30	30
Fees to auditors (2)	38	48	15	23
Fees to consultants (1)	162	93	29	44
Fees to FTSE (ATHEX)	75	75	75	75
Fees to training consultants	7	6	8	6
Total	**320**	**279**	**163**	**201**

(1) Fees to consultants include fees for consultancy services, actuarial study fees, fees for tax and legal services. In 2017 these expenses increased because an additional fee of €100 thousand was paid to a consultant for the annual review of the clearing models, and €8 thousand for auditing third party asset management (no corresponding amount was booked in 2016).

In order to audit ATHEXClear's systems in accordance with EMIR, in H1 2016 €18 thousand in fees was paid, as well as €10 thousand in fees for certifying intragroup transactions; no corresponding fees were paid in 2017. On the other hand, in 2017 €12 thousand were booked for legalizing building code violations.

(2) Concerns the fees for the regular audit by the certified auditors of the Group, as well as the tax certificate.

5.22. Utilities

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Fixed - mobile telephony - internet	74	81	24	28
Leased lines - ATHEXNet	66	71	14	29
PPC (Electricity)	192	253	6	6
EYDAP (water)	2	2	0	0
Total	**334**	**407**	**44**	**63**

(Amounts in thousand euro unless otherwise noted) 67

Expenses in this category include electricity, water, fixed line and mobile telephony and telecommunications networks, and amounted to €334 thousand in the first half of 2017 vs. €407 thousand in H1 2016, reduced by 17.9%.

5.23. 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 €583 thousand in H1 2017 decreased by 1.8% compared to H1 2016 (€594 thousand), while for the company expenses were €408 thousand in H1 2017 increased by 1.2% compared to H1 2016 (€403 thousand).

5.24. Other taxes

Non-deductible Value Added Tax, and other taxes (Property Tax) that burden the cost of services amounted to €424 thousand compared to €458 thousand in the first half of 2016. For the Company, other taxes amounted to €250 thousand vs. €336 thousand in H1 2016.

5.25. 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 H1 2017 amounted to €275 thousand vs. €283 thousand in H1 2016, reduced by 2.8% compared to H1 2016. For the Company, building and equipment management expenses amounted to €53 thousand in H1 2017 compared to €53 thousand in 2016.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Cleaning and building security services	174	179	50	50
Building repair and maintenance - other equipment	88	89	3	3
Fuel and other generator materials	4	7	0	0
Communal expenses	9	8	0	0
Total	**275**	**283**	**53**	**53**

5.26. Marketing and advertising expenses

Marketing and advertising expenses amounted to €143 thousand in the first half of 2017 vs. €102 thousand, increased by 40.2% compared to H1 2016. The increase is due to the frequent marketing events organized at the Athinon Ave. headquarters, as well as due to the promotion expenses for the Exchange in Cyprus amounting to €15.6 thousand based on a signed contract. For the Company, these expenses amounted to €127 thousand in H1 2017 vs. €95 thousand in 2016.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Promotion, reception and hosting expenses	104	66	102	66
Event expenses	39	36	25	29
Total	**143**	**102**	**127**	**95**

(Amounts in thousand euro unless otherwise noted) 68

5.27. Participation in organizations expenses

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Subscriptions to professional organizations & contributions	210	211	181	188
Hellenic Capital Market Commission subscription	13	15	14	14
Total	**223**	**226**	**195**	**202**

Subscriptions in professional organizations include participation in WFE and FESE, SIIA, EACH, Reuters, Bloomberg, magazines, newspapers etc.

5.28. Insurance premiums

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Electronic equipment fire insurance	6	10	6	10
Means of transport insurance	3	4	3	3
Building fire insurance premiums	16	18	2	5
BoD member civil liability ins. Premiums (D&O, DFL & PI)	174	185	174	185
Total	**199**	**216**	**185**	**203**

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 of 2017 amounting to €174 thousand, reduced by €11 thousand compared to the corresponding period in 2016.

5.29. Operating expenses

Operating expenses in the first half of 2017 amounted to €197 thousand vs. €182 thousand in H1 2016, increased by 8.2%; for the company these expenses amounted to €281 thousand vs. €253 thousand in H1 2016.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Stationery	4	3	4	4
Consumables	30	19	30	19
Travel expenses	73	81	52	51
Postal expenses	2	1	1	1
Transportation expenses	25	25	19	18
Storage fees	7	7	4	5
Operation support services	0	0	58	51
Automobile leases	8	10	8	10
Rent expenses	30	30	93	93
Other expenses	18	6	12	1
Total	**197**	**182**	**281**	**253**

(Amounts in thousand euro unless otherwise noted) 69

Travel expenses concern participation in conferences abroad, as well as for educational purposes. Purchases of consumables in the first half of 2016 had been booked at the end of 2015.

Other expenses include the return of a Partnership Agreement for the Development Framework (ESPA) grant amount of €17 thousand to the Manpower Employment Organization (OAED) that had been collected in previous fiscal years.

5.30. BoG cash settlement

In H1 2017 fees amounting to €27 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 ATHEX, ATHEXClear and ATHEXCSD. The amount paid in 2016 was €30 thousand.

5.31. Other expenses

Other expenses for the Group in the first half of 2017 amounted to €57 thousand vs. €64 thousand in H1 2016, reduced by 10.9% and concern pension plan administration expenses, various fees and expenses. For the Company other expenses amounted to €29 thousand in H1 2017 vs. €25 thousand in H1 2016.

5.32. Re-invoiced expenses

The expenses on this category for the Group in the first half of 2017 amounted to €545 thousand vs. €502 thousand in H1 2016, increased by 8.6%, while for the company these expenses amounted to €463 thousand vs. €483 thousand in H1 2016.

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Leased Lines (ATHEXNet)	247	246	242	228
Sodali expenses (General Meetings)	27	50	27	50
VAT on re-invoiced expenses	60	65	51	65
Promotion, reception and hosting expenses (NY-London roadshows)	146	140	143	139
Electricity consumption - Collocation	65	0	0	0
Other	0	1	0	1
Total	**545**	**502**	**463**	**483**

The increase in expense in the category is due to the cost of electricity for the colocation service, which is now re-invoiced to clients.

(Amounts in thousand euro unless otherwise noted) 70

5.33. Expenses for new activities

The expenses on this category for the Group amounted to €415 thousand vs €541 thousand in H1 2016; for the Company these expenses amounted to €36 thousand vs. €33 thousand in H1 2016. The breakdown of this category is shown in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
New services Expenses	15	0	13	0
X-NET Expenses	262	276	21	28
Expenses on IT Services to third parties	138	265	2	5
Total	**415**	**541**	**36**	**33**

InBroker Plus expenses for X-NET (the corresponding revenue is described in note 5.17) 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 and amounted to €58 thousand (plus VAT for all services in the category) vs. €153 thousand (plus VAT for all services in the category) in H1 2016 (the corresponding UNAVISTA LEI revenue is described in note 5.17).

XNET expenses are analyzed in the table below:

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Expenses concerning foreign securities	40	39	21	28
Inbroker Plus data feed expenses	222	237	0	0
Total	**262**	**276**	**21**	**28**

5.34. Provisions for bad debts

This category includes provisions in the amount of €400 thousand that have been taken by the Group against bad debts in the first half of 2017 and concern an old claim from the Greek State. During the first half of 2016 no corresponding provisions were taken.

5.35. Owner occupied tangible assets and intangible assets

The Group decided to assign the study to determine 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.

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 30.06.2017 is summarily presented in the following table:

(Amounts in thousand euro unless otherwise noted) 71

Analysis of the Assets of the Group per category in the Statement of Financial Position of 30.06.2017				
	Own use			Real Estate investments
	Athinon Ave. building	Katouni building (Thessaloniki)	Total	Mayer building (note 5.38)
Plots of land	3,000	1,500	4,500	1,000
Construction	16,048	405	16,453	1,894
Means of transportation	9	0	9	0
Electronic systems	848	0	848	0
Communication & other equipment	296	0	296	0
Intangibles	5,524	0	5,524	0
Total	**25,725**	**1,905**	**27,630**	**2,894**

Analysis of the Assets of the Group per category in the Statement of Financial Position of 31.12.2016				
	Own use			Real Estate investments
	Athinon Ave. building	Katouni building (Thessaloniki)	Total	Mayer building (note 5.38)
Plots of land	3,000	1,500	4,500	1,000
Construction	16,537	454	16,991	1,996
Means of transportation	17	0	17	0
Electronic systems	935	0	935	0
Communication & other equipment	264	0	264	0
Intangibles	5,440	0	5,440	0
Total	**26,193**	**1,954**	**28,147**	**2,996**

The tangible and intangible assets of the Group on 30.06.2017 and 31.12.2016 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 31.12.2015	**4,500**	**26,991**	**800**	**165**	**7,317**	**7,866**	**47,639**
Additions in 2016	0	15	0	5	1,050	1,423	**2,493**
Reductions in 2016	0	(132)	(673)	(2)	(652)	(818)	**(2,277)**
Acquisition and valuation on 31.12.2016	**4,500**	**26,874**	**127**	**168**	**7,715**	**8,471**	**47,855**
Accumulated depreciation on 31.12.2015	**0**	**8,941**	**800**	**136**	**6,774**	**2,657**	**19,308**
Depreciation in 2016	0	1,074	0	17	394	1,192	**2,677**
Accumulated depreciation reduction in 2016	0	(132)	(673)	(2)	(652)	(818)	**(2,277)**
Accumulated depreciation on 31.12.2016	**0**	**9,883**	**127**	**151**	**6,516**	**3,031**	**19,708**
Book value							
on 31.12.2015	4,500	18,050	0	29	543	5,209	**28,331**
on 31.12.2016	**4,500**	**16,991**	**0**	**17**	**1,199**	**5,440**	**28,147**

(Amounts in thousand euro unless otherwise noted) 72

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 31.12.2016	**4,500**	**26,874**	**127**	**168**	**7,715**	**8,471**	**47,855**
Additions in 2017	0	0	0	0	123	746	**869**
Acquisition and valuation on 30.06.2017	**4,500**	**26,874**	**127**	**168**	**7,838**	**9,217**	**48,724**
Accumulated depreciation on 31.12.2016	**0**	**9,883**	**127**	**151**	**6,516**	**3,031**	**19,708**
Depreciation in 2017	0	538	0	8	178	662	**1,386**
Accumulated depreciation reduction in 2017	0	0	0	0	0	0	**0**
Accumulated depreciation on 30.06.2017	**0**	**10,421**	**127**	**159**	**6,694**	**3,693**	**21,094**
Book value							
on 31.12.2016	**4,500**	**16,991**	**0**	**17**	**1,199**	**5,440**	**28,147**
on 30.06.2017	**4,500**	**16,453**	**0**	**9**	**1,144**	**5,524**	**27,630**

The tangible and intangible assets of the Company on 30.06.2017 and 31.12.2016 are analyzed as follows:

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	15	0	5	817	901	**1,738**
Reductions in 2016	0	0	0	0	(290)	(162)	**(452)**
Acquisition and valuation on 31.12.2016	**0**	**15**	**103**	**159**	**5,770**	**6,580**	**12,627**
Accumulated depreciation on 31.12.2015	**0**	**0**	**103**	**130**	**4,854**	**1,673**	**6,760**
Depreciation in 2016	0	0	0	16	306	956	**1,278**
Accumulated depreciation reduction in 2016	0	0	0	0	(290)	(162)	**(452)**
Accumulated depreciation on 31.12.2016	**0**	**0**	**103**	**146**	**4,870**	**2,467**	**7,586**
Book value							
on 31.12.2015	**0**	**0**	**0**	**24**	**389**	**4,168**	**4,581**
on 31.12.2016	**0**	**15**	**0**	**13**	**900**	**4,113**	**5,041**

(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 31.12.2016	**0**	**15**	**103**	**159**	**5,770**	**6,580**	**12,627**
Additions in 2017	0	0	0	0	53	286	**339**
Reductions in 2017	0	0	0	0	0	0	**0**
Acquisition and valuation on 30.06.2017	**0**	**15**	**103**	**159**	**5,823**	**6,866**	**12,966**
Accumulated depreciation on 31.12.2016	**0**	**0**	**103**	**146**	**4,870**	**2,467**	**7,586**
Depreciation in 2017	0	0	0	8	131	516	**655**
Accumulated depreciation reduction in 2017	0	0	0	0	0	0	**0**
Accumulated depreciation on 30.06.2017	**0**	**0**	**103**	**154**	**5,001**	**2,983**	**8,241**
Book value							
on 31.12.2016	**0**	**15**	**0**	**13**	**900**	**4,113**	**5,041**
on 30.06.2017	**0**	**15**	**0**	**5**	**822**	**3,883**	**4,725**

Intangible assets include the amounts of €276 thousand for the Group and €37 thousand for the Company and concern the capitalization of expenses (CAPEX creation) concerning systems development by the Group in the first half of 2017 (note 5.20).

The management of the Group estimates that there are no impairment indications on the owner occupied buildings of the Group.

On 30.06.2017 there were no mortgages on the assets of the companies of the Group.

5.36. Real Estate Investments

Building (at Acharnon & Mayer)

The Group assigned the study to determine the market value of the real estate properties of the Group, in accordance with IFRS, to independent recognized estimators. 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 should 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 valuation methods on the transition date. There were no impairment indications.

The book value of the investments in real estate for the Group and the Company on 30.06.2017 and 31.12.2016 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 31.12.2015	**1,000**	**5,110**	**88**	**6,198**
Additions in 2016	0	0	0	0
Reductions in 2016	0	0	0	0
Acquisition and valuation on 31.12.2016	**1,000**	**5,110**	**88**	**6,198**
Accumulated depreciation on 31.12.2015	**0**	**2,910**	**88**	**2,998**
Depreciation in 2016	0	204	0	204
Accumulated depreciation on 31.12.2016	**0**	**3,114**	**88**	**3,202**
Book value				
on 31.12.2015	**1,000**	**2,200**	**0**	**3,200**
on 31.12.2016	**1,000**	**1,996**	**0**	**2,996**

GROUP-COMPANY	TANGIBLE ASSETS			
	Plots of Land	Buildings and Construction	Furniture and fixtures	Total
Acquisition and valuation on 31.12.2016	**1,000**	**5,110**	**88**	**6,198**
Additions in 2017	0	0	0	0
Reductions in 2017	0	0	0	0
Acquisition and valuation on 30.06.2017	**1,000**	**5,110**	**88**	**6,198**
Accumulated depreciation on 31.12.2016	**0**	**3,114**	**88**	**3,202**
Depreciation in 2017	0	102	0	102
Accumulated depreciation reduction in 2017	0	0	0	0
Accumulated depreciation on 30.06.2017	**0**	**3,216**	**88**	**3,304**
Book value				
on 31.12.2016	**1,000**	**1,996**	**0**	**2,996**
on 30.06.2017	**1,000**	**1,894**	**0**	**2,894**

5.37. Investments in subsidiaries and other long term claims

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
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	56	56	10	10
Total	**68**	**68**	**58,118**	**58,118**

The breakdown of the participations of the parent company in the subsidiaries of the Group on 30.06.2017 is shown below:

(Amounts in thousand euro unless otherwise noted) 75

		% of direct participation	Number of shares/total number of shares	Valuation 30.06.2017	Valuation 31.12.2016
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 in the first half of 2017 dividends of €802,600 (802,600 shares x €1.00 per share) concerning fiscal year 2016.

Despite the worsening of the business climate in Greece, and taking into consideration the latest positive developments, it is expected that the difficult financial conditions will be overcome and that, due to the fact that ATHEX and its subsidiaries continue to be profitable, no impairment loss arises. The gradual recovery of the business environment following the expected positive review and execution of the obligations of the Memorandum will remove all existing restrictions that are hindering business activity.

5.38. 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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Clients	8,017	8,089	4,328	4,545
Less: provisions for bad debts	(3,372)	(2,972)	(1,694)	(1,694)
Net commercial receivables	**4,645**	**5,117**	**2,634**	**2,851**
Other receivables				
Tax withheld on dividends for offsetting (1)	4,721	4,721	4,421	4,421
Tax (0.20%) (2)	2,866	2,444	0	0
HCMC fee claim	453	453	453	453
Taxes withheld on deposits	127	103	86	72
Accrued income (interest) (3)	12	13	77	8
Letter of guarantee for NSRF (ESPA) seminars	97	185	97	185
Other withheld taxes	21	21	9	13
Prepaid non accrued expenses	201	193	118	116
Prepayments & credits accounts	5	0	0	2
Prepayment of tax audit differences (note 5.49) (4)	983	1,559	983	1,559
Other debtors (5)	107	415	414	392
Total	**9,593**	**10,107**	**6,658**	**7,221**
Income tax claim (6)	**2,418**	**3,312**	**740**	**1,052**

(1) Concerns the dividend withholding tax on dividends received by the Company from its former subsidiary ATHEX.

(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. The drop in the tax is due to the significant reduction of trades on the exchange.

(Amounts in thousand euro unless otherwise noted) 76

(3) The amount includes interest of €12 thousand.

(4) Concerns the remaining balance, after offsetting with taxes payable, from the prepayment of the tax resulting from the ATHEX tax audit for the period 2008-2010.

(5) Other debtors include – among others- rent payment claim on the Mayer building - €49 thousand and wrongly paid tax – 40 thousand. For the Company, the amount of €338 thousand is included which concerns a claim for XNET cash settlement by ATHEXCSD.

(6) The Group has a tax claim of €2,418 thousand which breaks down as follows: ATHEXClear - €1,142 thousand; ATHEXCSD - €536 thousand; ATHEX (parent company) - €740thousand. On 31.12.2016, the tax claim amounted to €3,312 thousand and concerned: ATHEXClear - €1,254 thousand; ATHEXCSD - €1,006 thousand and ATHEX (parent company) - €1,052 thousand.

The provisions for bad debts are analyzed in the table below:

Provisions for bad debts	Group	Company
Balance on 31.12.2015	**2,148**	**1,694**
Additional provisions in 2016	824	0
Balance on 31.12.2016	**2,972**	**1,694**
Additional provisions in H1 2017	400	0
Balance on 30.06.2017	**3,372**	**1,694**

The provisions that have been taken in H1 2017 cover part of the claims that the Group has on the Greek State, which are included in receivables on 30.06.2017.

Trade and other receivables are classified in Level 3.

In H1 2017, there were no transfers between Levels 1, 2, 3.

5.39. Financial assets available for sale

Financial assets available for sale include the Bank of Piraeus shares that were obtained in exchange for the bond issued by the same bank that the Group possessed. In particular, 13,365,316 shares of Piraeus Bank were acquired at a par value of €0.30 per share and total value of €4,009,594.80.

The valuation of the 13,365,316 Bank of Piraeus shares from the bond exchange in the possession of the Company resulted in a €80.2 thousand gain on 30.06.2017, due to the share closing at €0.215, i.e. higher than the share price of €0.209 on 31.12.2016. The total valuation of Piraeus Bank shares on 30.06.2017 was €2,873,542.94. In accordance with IAS 39, the share valuation gain is reported in Other Comprehensive Income (OCI), thus increasing the relevant reserve that had been formed on 31.12.2016.

5.40. 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 had income of €156 thousand in H1 2017 (2016: €375 thousand); for the Company, the corresponding income was €90 thousand (2016: €280 thousand).

A significant portion (30.8%) of the cash of the Group is, due to compliance of ATHEXClear with the EMIR Regulation, kept at the Bank of Greece (BoG).

Deposits of the Group at the BoG carry a negative interest rate 0.3% from 9.12.2015 and negative 0.4% from 16.3.2016 onwards.

(Amounts in thousand euro unless otherwise noted) 77

Expenses and bank commissions over the same period amounted to €83 thousand (30.06.2016: €55 thousand) for the Group and €25 thousand for the Company (30.06.2016: €2 thousand). The breakdown of the cash at hand and at bank of the Group is as follows:

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Deposits at the Bank of Greece	29,542	28,101	0	0
Sight deposits in commercial banks	24,488	31,092	23,114	30,505
Time deposits < 3 months	41,967	40,806	25,479	23,037
Cash at hand	9	18	5	5
Total	**96,006**	**100,017**	**48,598**	**53,547**

Out of the total cash balance of the Group, the amount of €5.7m or 19.1% of ATHEXClear assets (totaling €29.7m) is blocked capital requirements (own resources), 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 5.43d).

Cash and cash equivalents are classified in Level 1.

During 2017 there were no transfers among Levels 1, 2, 3.

5.41. 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.

Implementation of the ATHEXClear investment policy begun together with the application of the new clearing model and risk management in the derivatives market on 1.12.2014. The amount of €190,780 thousand on 30.06.2017 and €206,080 thousand on 31.12.2016 shown above and in the Statement of Financial Position, concern exclusively Member collaterals in the cash and derivatives markets as well as XNET respectively (see note 5.47)

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Clearing Fund collaterals – Cash Market	19,710	15,726	0	0
Additional Clearing Fund collaterals – Cash Market	122,702	145,202	0	0
Clearing Fund collaterals – Derivatives Market	9,235	8,207	0	0
Additional Clearing Fund collaterals – Derivatives Market	37,614	35,717	0	0
Members Guarantees in cash for X-NET (1)	1,519	1,228	1,519	1,228
Third party balances in ATHEXClear Account	**190,780**	**206,080**	**1,519**	**1,228**

(1) Margin received by the Company for the XNET market on 30.06.2017 were kept in commercial bank accounts.

Implementation of the new model in the cash market, in accordance with Regulation (EU) 648/12, concerning the Clearing Fund and member guarantees in the cash market, went into effect on 16.02.2015.

(Amounts in thousand euro unless otherwise noted) 78

5.42. Deferred Tax

The deferred taxes accounts are analyzed as follows:

	GROUP		COMPANY	
Deferred taxes	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Deferred tax claims	948	983	884	915
Deferred tax liabilities	(1,627)	(1,711)	0	0
Total	**(679)**	**(728)**	**884**	**915**

	Group		Company	
Changes in deferred income tax	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Starting balance	983	1,315	915	1,245
(Charge)/Credit to the results	(12)	0	(8)	0
Effect on other comprehensive income	(23)	(332)	(23)	(330)
Amount from deferred tax claims	**948**	**983**	**884**	**915**
Starting balance	(1,711)	(1,873)	0	0
(Charge)/Credit to the results	84	162	0	0
Amount from deferred tax liabilities	**(1,627)**	**(1,711)**	**0**	**0**
Balance	**(679)**	**(728)**	**884**	**915**

	GROUP		COMPANY	
Analysis of deferred tax table	**30.6.2017**	**30.6.2016**	**30.6.2017**	**30.6.2016**
Deferred tax changes - actuarial study result	(10)	(11)	(4)	(5)
Deferred tax changes - Other temporary differences	(63)	15	12	90
Total (note 5.49)	**(73)**	**4**	**8**	**85**

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.

5.43. Equity and reserves

a) Share Capital

The 1st Repetitive General Meeting of shareholders of 9.6.2017 approved another share capital return of €0.24 to shareholders, with a corresponding reduction in the share par value, as well as the cancellation of 4,769,563 shares in treasury stock. Thus, the share capital of the Company amounts to €50,903,160.00, divided into 60,599,000 shares with a par value of €0.84 per share.

(Amounts in thousand euro unless otherwise noted) 79

	Number of shares	Par value (€)	Share Capital (€)	Share Premium (€)
TOTAL 31.12.2013	**65,368,563**	**0.76**	**49,680,107.88**	**94,333,658.47**
Reduction/ Return of share capital (June 2014)	-	(0.20)	(13,073,712.60)	
Share capital increase / capitalization of untaxed reserves (December 2014)	-		55,702,157.60	
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**	**43,954,021.36**
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)	
TOTAL 31.12.2015	**65,368,563**	**1.30**	**84,979,131.90**	**157,084.15**
Reduction of share capital (June 2016)	-	(0.22)	(14,381,083.86)	0
TOTAL 31.12.2016	**65,368,563**	**1.08**	**70,598,048.04**	**157,084.15**
Reduction of share capital (May 2017)	0	(0.24)	(15,688,455.12)	
Decrease of Share Capital through cancellation of Own Shares	(4,769,563)	0.84	(4,006,432.92)	
TOTAL 30.06.2017	**60,599,000**	**0.84**	**50,903,160.00**	**157,084.15**

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Regular Reserve (1)	29.392	29.336	28.116	28.116
Tax free and specially taxed reserves	10.595	10.141	10.141	10.141
Treasury stock reserve	(11.681)	6.396	(11.681)	6.396
Real estate revaluation reserve	15.819	15.819	14.383	14.383
Other (3)	6.123	6.330	6.123	5.873
Special securities valuation reserve (2)	769	712	769	712
Reserve from stock option plan to employees	1.385	1.385	1.336	1.337
Total	**52.402**	**70.119**	**49.187**	**66.958**

(1) ATHEXClear regular reserve: €217 thousand; ATHEXCSD regular reserve: €1,059 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 30.09.2016 was a loss of €2,219 thousand and was booked as a securities valuation provision, while the special securities valuation reserve the amount of €1,002,398.67, which concerned the positive difference between the valuations on 30.09.2016 and 31.12.2016, was booked, from which the amount of €290,695.61 (which concerns the deferred tax claim – 29% x €1,002,398.67), and was transferred to deferred taxes. Thus the final amount shown on 31.12.2016 is €711,703.06.

(Amounts in thousand euro unless otherwise noted) 80

On 30.06.2017 the shares posted a valuation gain of €80,191.90 which was charged to the special securities valuation reserve from which the amount of €23,255.65 (29% x 80,191.90) was subtracted and transferred to deferred tax. Thus the end balance on 30.6.2017 was €768,639.31.

(3) Concerns a special dividend reserve for 2015- €5,696 thousand; dividend reserve for 2016- €247 thousand; taxed reserves - €141 thousand; and specially taxed reserves - €39 thousand.

c) Share Buyback program

The company completed a share buyback program on 20.4.2017. The program was approved by the 14th Annual General Meeting of shareholders on 20.5.2015 with the following terms:

- Buy back up to 10% of the share capital
- 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 share buyback program begun on 9.2.2016, and up until 20.4.2017, 5,020,563 own shares were purchased (7.68% of the number of shares outstanding of the company) at an average price of €4.63 per share and a total cost of €23,244,794.

Out of the abovementioned treasury stock, 95% (4,769,563 shares) were cancelled by the 1st Repetitive General Meeting on 9.6.2017. Following the cancellation of the abovementioned number of shares and the €4,006,432.92 reduction in share capital, 251,000 shares in treasury stock, valued at €1,161,717.49 remain in the possession of the Company, while the total number of shares outstanding of the Company is 60,599,000.

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, as a recognized clearing house, ATHEXClear drafted a report "Methodology for calculating capital requirements", in cooperation with consultants, in which the methodology applied was described in order to estimate the capital requirements for credit risk, counterparty risk, market risk, winding down risk, operating risk and business risk. The methodology applied was based on the following:

- Regulations (EU) 648/2012, (EU) 152/2013 and (EU) 153/2013
- Regulation (EU) 575/2013
- FSA: Prudential sourcebook for Banks, Building Societies and Investment Firms
  - BIRBU 13,4 CCR mark to market method
  - BIRBU 5,4 Financial collateral
  - BIRBU 3 Standardized credit risk

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 ATHEXClear equity, 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 30.06.2017 are broken down in the table below:

Capital requirements Risk type	Capital requirements 30.06.2017
Credit risk (total)	212
Derivatives market	0
Cash market	0
Investment of own assets	212
Market risk	0
Exchange rate risk	0
Operating risk	100
Winding down risk	3,585
Business risk	1,793
Total Capital requirements	**5,690**
Notification Threshold (110% of capital requirements)	**6,259**
Additional special resources (25% of capital requirements of 31.12.2016)	1,419

ATHEXClear equity amounting to €29.9m, as reported in the statement of financial position of ATHEXClear on 30.06.2017 exceeded its capital requirements, as calculated above.

The additional special resources of €1,419 thousand that correspond to 25% of the capital requirements are distributed as follows: €966 thousand in the cash market and €453 thousand in the derivatives market on 30.06.2017.

5.44. Grants and other long term liabilities

The Group shows an amount of €63 thousand in the first half of 2017, which concerns grants a) by the Ministry of Northern Greece in the amount of €13 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, which concerns the Company.

5.45. Provisions

		GROUP		COMPANY	
		30.06.2017	31.12.2016	30.06.2017	31.12.2016
Staff retirement obligation (5.20)		1,882	1,850	993	979
Termination provisions		150	150	150	150
Other provisions		1,360	1,360	1,300	1,300
Total		**3,392**	**3,360**	**2,443**	**2,429**

(Amounts in thousand euro unless otherwise noted) 82

The change in provisions on 30.06.2017 and 31.12.2016 for the Group and Company is shown below:

GROUP	Staff retirement obligations	Termination provision	Provisions for other risk	Total
Balance on 31.12.2015	**1,791**	**0**	**1,360**	**3,151**
Cost of current employment	36	0	0	36
Interest expense	47	0	0	47
Employer paid benefits	(129)	0	0	(129)
Redundancy / Settlement / Termination of employment cost	99	0	0	99
Actuarial loss / profit – Economic assumptions	28	0	0	28
Actuarial loss / profit – experience during the period	(22)	0	0	(22)
Additional provision in the period	0	150	0	150
Balance on 31.12.2016	**1,850**	**150**	**1,360**	**3,360**
Cost of current employment	15	0	0	15
Interest expense	17	0	0	17
Balance on 30.06.2017	**1,882**	**150**	**1,360**	**3,392**

COMPANY	Staff retirement obligations	Termination provision	Provisions for other risk	Total
Balance on 31.12.2015	**943**	**0**	**1,300**	**2,243**
Cost of current employment	14	0	0	14
Interest expense	25	0	0	25
Employer paid benefits	(84)	0	0	(84)
Redundancy / Settlement / Termination of employment cost	71	0	0	71
Actuarial loss / profit – Economic assumptions	9	0	0	9
Actuarial loss / profit – experience during the period	1	0	0	1
Additional provision in the period	0	150	0	150
Balance on 31.12.2016	**979**	**150**	**1,300**	**2,429**
Cost of current employment	6	0	0	6
Interest expense	8	0	0	8
Balance on 30.06.2017	**993**	**150**	**1,300**	**2,443**

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

5.46. 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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Suppliers	1,586	2,189	1,002	1,166
Hellenic Capital Market Commission Fee (1)	511	440	197	155
Tax on stock sales 0.20% (2)	3,407	3,125	0	0
Dividends payable	446	31	446	31
Accrued third party services (4)	658	368	394	254
Contributions payable	333	45	178	26
Share capital return to shareholders (3)	15,760	77	15,760	77

(Amounts in thousand euro unless otherwise noted) 83

Tax on salaried services	160	255	93	140
Tax on external associates	1	4	1	2
VAT-Other taxes	209	198	113	113
Various creditors	109	73	37	0
Total	**23,180**	**6,805**	**18,221**	**1,964**

(1) The Hellenic Capital Market Commission fee €511 thousand (vs. €440 thousand in 2016) 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 concerns the first half of 2017.

(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 €3.4m corresponds to the tax (0.20%) on stock sales that has been collected for June 2017 and was turned over to the Greek State in July 2017. Starting on 1.4.2011 the tax rate on stock sales increased to 0.20% (from 0.15%).

(3) Includes the obligation to pay share capital returns to shareholders (65,368,563 shares x €0.24 per share).

(4) Accrued third party services include a provision of €220 thousand for building and equipment maintenance; a provision of €75 thousand for FTSE; a provision of €59 thousand for OASIS et al.

Trade and other payables are classified in Level 3.

In the first half of 2017 there were no transfers among Levels 1, 2, 3.

5.47. Third party balances in bank accounts of the Group

It concerns effectively a memo 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 amount is shown in both assets and liabilities in the Statement of Financial Position of ATHEXClear and the Group on 30.06.2017 and is analyzed as follows:

	GROUP		COMPANY	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Clearing Fund collaterals – Cash Market	19,710	15,726	0	0
Additional Clearing Fund collaterals – Cash Market	122,702	145,202	0	0
Clearing Fund collaterals – Derivatives Market	9,235	8,207	0	0
Additional Clearing Fund collaterals – Derivatives Market	37,614	35,717	0	0
Members Guarantees in cash for X-NET (1)	1,519	1,228	1,519	1,228
Third party balances in ATHEXClear Account	**190,780**	**206,080**	**1,519**	**1,228**

(1) Concerns member collaterals in cash for XNET markets at ALPHA BANK, in effect starting on 16.02.2015.

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

Implementation of the ATHEXClear investment policy begun together with the application of the new clearing model and risk management in the derivatives market on 1.12.2014. The amount of €190,780 thousand on

(Amounts in thousand euro unless otherwise noted) 84

30.06.2017 and €206,080 thousand on 31.12.2016 shown above and in the Statement of Financial Position, concern exclusively Member collaterals in the cash and derivatives markets as well as XNET respectively.

5.48. Social security organizations

The amount for social security organizations for the Group include contributions to [social security organizations] IKA, TSMEDE and to the Occupational Insurance Fund. In H1 2017 the amount was €760 thousand vs. €909 thousand on 31.12.2016, decreased by 16.4%. For the Company, the corresponding amounts were €654 in H1 2017 compared to €676 thousand on 31.12.2016.

5.49. 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 as not justifiable production expenses in a potential tax audit and which are adjusted by management when the income tax is calculated.

Tax liabilities	**Group**		**Company**	
	30.06.2017	**31.12.2016**	**30.06.2017**	**31.12.2016**
Liabilities 31.12	(3,312)	(3,715)	(1,052)	(1,155)
Income tax expense	894	2,140	312	1,168
Taxes paid	0	(1,737)	0	(1,065)
Liabilities / (claims)	**(2,418)**	**(3,312)**	**(740)**	**(1,052)**

The amount of €2,418 thousand shown as Group income tax claim on 30.06.2017 breaks down as follows: ATHEXClear - €1,143 thousand; ATHEXCSD - €535 thousand; ATHEX (parent company) - €740 thousand.

For H1 2017, the change in income tax liability was a debit balance (liability) and as such was transferred to assets in income tax payable (note 5.38).

	GROUP		**COMPANY**	
	30.06.2017	**30.06.2016**	**30.06.2017**	**30.06.2016**
Income Tax	894	1,584	312	717
Deferred Tax (note 5.49)	(73)	4	8	85
Income tax expense	**821**	**1,588**	**320**	**802**

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

	Group		**Company**	
Income tax	**30.06.2017**	**30.06.2016**	**30.06.2017**	**30.06.2016**
Profits before taxes	2,348	4,777	1,826	6,344
Income tax rate	29%	29%	29%	29%
Expected income tax expense	681	1,385	530	1,840
Tax effect of non-taxable income	0	0	(234)	(1,038)
Tax effect of non-deductible expenses	140	203	24	0

(Amounts in thousand euro unless otherwise noted) 85

Income tax expense	**821**	**1,588**	**320**	**802**

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.

Tax audit of the Company for fiscal years 2008, 2009 and 2010

On 30.9.2016, within the time limits of the law, the Company filed an administrative appeal in accordance with article 63 of Law 4174/2013 at the Dispute Settlement Directorate (DED) of the General Secretariat of Public Revenue (GGDE), against the findings of the tax audit, and at the same time paid 100% of the amount due i.e. €1,562 thousand, in order to avoid the accumulation, calculation and assessment of interest for the duration of the suspension of the sum due (article 53 §1 of law 4174/2013).

The DED finding, which was received on 15.2.2017, reduces the total amount by €579 thousand, to €983 thousand. This difference has already been offset with an equal amount of Company tax obligations by the appropriate tax office. The Company has further appealed (16.03.2017) to the Administrative Courts in order to reduce the tax and penalties assessed by the tax audit.

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	2015	2016
ATHENS EXCHANGE (ATHEX)		appeal		x	x	x	x	x	+
ATHEXCSD (former TSEC)	x	x		x	x	x	x	x	+
ATHEXClear	x	x		x	x	x	x	x	+

(-) Tax audit has not begun
(x) Tax audit completed
(+) Tax audit in progress

ATHENS EXCHANGE (ATHEX): The audit order issued by the Audit Center for Large Enterprises (KEMEP) for 2010, the only unaudited fiscal year, has been received.

ATHEX: (see above concerning the tax audit for fiscal years 2008-2010).

The audit for fiscal year 2016 is in progress, and the relevant tax certificate is expected to be issued after the publication of the financial statements for fiscal year 2016. If until the completion of the tax audit additional tax obligations arise, the management of the Company estimates that they will not have a material impact in the financial statements.

(Amounts in thousand euro unless otherwise noted) 86

5.50. Related party disclosures

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

	GROUP		COMPANY	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Remuneration of executives and members of the BoD	649	664	476	463

The balances and the intra-Group transactions of the companies of the Group on 30.06.2017 and 31.12.2016 are shown in the following tables:

INTRA-GROUP BALANCES (in €) 30-06-2017				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	408,388.48	0
	Liabilities	0	2,919.70	0
ATHEXCSD	Claims	2,919.70	0	1,462,107.28
	Liabilities	408,388.48	0	1,600.00
ATHEXCLEAR	Claims	0	1,600.00	0
	Liabilities	0	1,462,107.28	0

INTRA-GROUP BALANCES (in €) 31-12-2016				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	154,864.00	16,532.92
	Liabilities	0	44,399.84	0
ATHEXCSD	Claims	44,399.84	0	33,784.53
	Liabilities	154,864.00	0	1,600.00
ATHEXCLEAR	Claims	0	1,600.00	0
	Liabilities	16,532.92	33,784.53	0

INTRA-GROUP REVENUES-EXPENSES (in €) 30-06-2017				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	215,788.95	50,203.50
	Expenses	0	151,163.59	0
	Dividend Income	0	802,600.00	0
ATHEXCSD	Revenue	151,163.59	0	2,587,744.76
	Expenses	215,788.95	0	6,769.58
ATHEXCLEAR	Revenue	0	6,769.58	0
	Expenses	50,203.50	2,587,744.76	0

(Amounts in thousand euro unless otherwise noted) 87

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

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.

5.51. Composition of the BoDs of the companies of the Group

The current members of the Boards of Directors of the companies of the ATHEX Group are listed in the following tables:

HELLENIC EXCHANGES - ATHENS STOCK EXHANGE S.A. HOLDING	
Name	Position
Iakovos Georganas	Chairman, non-executive member
Socrates Lazaridis	Vice Chairman & Chief Executive Officer
Alexandros Antonopoulos	Independent non-executive member
Konstantinos Vassiliou	Non-executive member
Ioannis Emiris	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

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, Executive member
Andreas Mitafidis	Independent non-executive member
Nikolaos Pimplis	Non-executive member
Charalambos Saxinis	Independent non-executive member
Dionysios Christopoulos	Independent non-executive member

(Amounts in thousand euro unless otherwise noted) 88

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

5.52. Profits per share and dividends payable

The BoD of the Athens Exchange proposed the distribution of €0.06 per share, i.e. a payout of €3,922,113.78, as dividend from the profits of fiscal year 2016, as well as the return of capital to shareholders of €0.24 per share, i.e. a payout of €15,688,455.12. The actual amounts per share are €0.06499 and €0.25997 respectively, due to the existence of treasury stock (which is not entitled to receive cash distributions). The proposals of the BoD for the distribution of dividend and the return of capital were approved by shareholders at the 16th Annual General meeting on 24.5.2017 and the 1st Repetitive GM on 9.6.2017 respectively.

The net after tax profit of the Group in the first half of 2017 was €1.53m or €0.025 per share, while after including other comprehensive income profit was €1.58m or €0.026 per share. The average weighted number of shares on 30.06.2017 was 60,659,599 shares.

5.53. 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.

(Amounts in thousand euro unless otherwise noted) 89

5.54. Alternative Performance Measures (APMs)

Of the European Securities and Markets Authority (ESMA /2015/1415el)

The European Securities and Markets Authority (ESMA/2015/1415el) published the final guidelines on the Alternative Performance Measures (APMs) that apply starting on 3 July 2016 to companies with transferable securities traded in organized exchanges. APMs are published by the issuers during the publication of regulated information, and aim to improve transparency and promote usability as well as provide correct and comprehensive information to investors.

An Alternative Performance Measure is an adjusted financial measurement of past or future financial performance, financial position or cash flows that is different from the financial measurement defined in the applicable financial reporting framework. In other words an APM on the one hand is not exclusively based on financial statement standards, and on the other it provides material supplementary information, excluding items that may potentially differentiate from the operating results or the cash flows.

Transactions with a non-operational or non-cash valuation that have a significant effect in the Statement of Comprehensive Income are considered items that affect the adjustment of the indices to APMs. These, non-recurring in most cases, items may arise among others from:

- Asset impairments
- Restructuring measures
- Consolidation measures
- Sale or transfer of assets
- Changes in legislation, compensation for damages or legal claims

APMs must always be taken into consideration in conjunction with the financial results that have been drafted based on IFRS, and in no instance should they be considered as replacing them. The Athens Exchange Group used APMs for the first time in fiscal year 2016, in order to better reflect the financial and operational performance related to the activity of the Group as such in the fiscal year in question, as well as the previous comparable period.

Items affecting the adjustment

In accordance with the financial statements of the first half 2017, essentially the only items affecting the adjustment of the measures used by the Group in order to calculate APMs are the provisions against bad debts and the valuation of the shares of a listed bank that it possesses.

The itemized data that affect the adjustment of APMs on 30.06.2017 and 30.06.2016 are shown in the table below:

in € thousand	**01.01-30.06.2017**	**01.01-30.06.2016**
Statement of Comprehensive Income		
Provisions against bad debts	(400)	0
Total	**(400)**	**0**
Other Comprehensive Income		
Share valuation	57	(1,110)
Grand total	**(343)**	**(1,110)**

The definition, analysis and calculation basis of the APMs used by the Group is presented below.

1. EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization - items affecting the adjustment

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
EBITDA	**3,762**	**5,801**	**(35)%**
Provisions against bad debts	400	0	
Adjusted EBITDA	**4,162**	**5,801**	**(28)%**
Deviation %	**11%**	**0%**	

In the first half (H1) of 2017 adjusted EBITDA was 11% higher compared to EBITDA, while compared to H1 2016, adjusted EBITDA was 28% lower, an improvement of 20% in the deviation of the two periods being compared.

2. EBIT = Earnings Before Interest & Taxes - items affecting the adjustment

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
EBIT	**2,274**	**4,457**	**(49)%**
Provisions against bad debts	400	0	
Adjusted EBIT	**2,674**	**4,457**	**(40)%**
Deviation %	**18%**	**0%**	

In H1 2017 adjusted EBIT was 18% higher compared to EBIT, while compared to H1 2016, adjusted EBIT was 40% lower, i.e. an improvement of 18.4% in the deviation of the two periods being compared.

3. EBT = Earnings Before Taxes - items affecting the adjustment

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
EBT	**2,347**	**4,777**	**(51)%**
Provisions against bad debts	400	0	
Adjusted EBT	**2,747**	**4,777**	**(42)%**
Deviation %	**17%**	**0%**	

In H1 2017 adjusted EBT was 17% higher compared to EBT, while compared to H1 2016, adjusted EBT was 42% lower, i.e. an improvement of 17.6% in the deviation of the two periods being compared.

4. EAT = Earnings After Taxes - items affecting the adjustment

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
EAT	**1,526**	**3,189**	**(52)%**
Provisions against bad debts	400	0	
Tax on provision for bad debts	(140)	0	
Adjusted EAT	**1,786**	**3,189**	**(44)%**
Deviation %	**17%**	**0%**	

In H1 2017 adjusted EAT was 17% higher compared to EAT, while compared to H1 2016, adjusted EAT was 16% lower, i.e. an improvement of 15.4% in the deviation of the two periods being compared.

5. Cash flows after investments *(cash flows before financial activities in the Statement of Cash Flows)* = Net cash flows from operating activities - Net cash flows from investment activities - items affecting the adjustment

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
Net cash flows from operating activities	20,923	19,693	6%
Net cash flows from investment activities	(713)	(935)	(24)%
Cash flows after investment activities	**20,210**	**18,758**	**8%**
Items affecting the adjustment	400	0	
Adjusted cash flows from investment activities	**20,610**	**18,758**	**10%**
Deviation	**2%**	**0%**	

In H1 2017 adjusted cash flows after investments were 2% higher, while compared to H1 2016 adjusted cash flows after investments were 8% higher, i.e. an improvement of 25% in the deviation of the two periods being compared.

6. Return on Investment (ROI) % = $\dfrac{\text{Profits Before Taxes + Interest \& related expenses – items affecting the adjustment}}{\text{Total liabilities (reduced by third party cash \& cash equivalents) + average interest bearing liabilities during the year}}$ x 100

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
Return on Investment (ROI)	**8%**	**16%**	**(50)%**
Earnings After Tax	2,347	4,777	(51)%
Interest & related expenses	(73)	(320)	(77)%
Items affecting the adjustment	400	0	
Total (a)	**2,674**	**4,457**	**(40)%**
Total liabilities – Third party cash & cash equivalents (b)	**29,022**	**28,440**	**2%**
Adjusted Return on Investment (ROI) (a)/(b)	**9%**	**16%**	**(41)%**
Deviation %	**15%**	**(2)%**	

In H1 2017 adjusted ROI was 15% higher compared to ROI, while compared to H1 2016, adjusted ROI was 41% lower, i.e. an improvement of 18% in the deviation of the two periods being compared.

7. Adjusted Return on Equity (ROE), % = $\dfrac{\text{Profits After Taxes – items affecting the adjustment}}{\text{Total Equity (average)}}$ x 100

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
Return on Equity	**1.20%**	**2%**	**(39)%**
Net earnings for the period	1,526	3,189	(52)%
Items affecting the adjustment	400	0	
Tax on provision for bad debts	(140)	0	
Total	**1,786**	**3,189**	**(44)%**
Average total Equity	**127,586**	**162,092**	**(21)%**
Adjusted Return on Equity	**1.40%**	**1.97%**	**(29)%**
Deviation %	**17%**	**0%**	

In H1 2017 adjusted ROE was 17% higher compared to ROE, while compared to H1 2016, adjusted ROE was 29% lower, i.e. an improvement of 25.6% in the deviation of the two periods being compared.

8. Degree of Financial Self-Sufficiency

$$= \frac{\text{Total Equity} - \text{items affecting the adjustment}}{\text{Total Balance sheet} - \text{third party cash assets}} \times 100$$

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
Degree of Financial Self-Sufficiency	**80%**	**84%**	**(5)%**
Total Equity	118,054	148,672	(21)%
Items affecting the adjustment	400	0	
Tax on provision for bad debts	(140)	0	
Share valuation	(57)	1,110	(105)%
Total (a)	**118,257**	**149,782**	**(21)%**
Total Balance Sheet - Third party cash & cash equivalents	**147,076**	**177,112**	**(17)%**
Adjusted Degree of Financial Self-Sufficiency (a/b)	**80%**	**85%**	**(6)%**
Deviation %	**0%**	**1%**	

In H1 2017 the Adjusted Degree of Financial Self-Sufficiency was at the same level as the Degree of Financial Self-Sufficiency, while compared to H1 2016, the Adjusted Degree of Financial Self-Sufficiency was 5 percentage points lower, a 20% deterioration in the deviation of the two periods being compared.

9. Adjusted EPS

$$= \frac{\text{Net Profit attributable to the owners of the parent Company} - \text{items affecting the adjustment}}{\text{Average number of shares during the period}} \times 100$$

€ thousand	01.01-30.06.2017	01.01-30.06.2016	Deviation %
EPS	**0.026**	**0.03**	**(13)%**
Other comprehensive income	1,583	2,079	(24)%
Provisions against bad debts	400	0	
Tax on provision for bad debts	(140)	0	
Share valuation	(57)	1,110	(105)%
Net adjusted other comprehensive income	**1,786**	**3,189**	**(44)%**
Average number of shares during the period	**60,659,599**	**64,516,399**	**(6)%**
Adjusted EPS deviation	**0.029**	**0.049**	**(40)%**
Deviation %	**13%**	**65%**	

In H1 2017 adjusted EPS was 13% higher compared to EPS, while compared to H1 2016, adjusted EPS was 40% lower, a 110.5% deterioration in the deviation of the two periods being compared.

5.55. Events after the date of the financial statements

On 03.07.2017 the Independent Authority for Public Revenue (AADE) issued to ATHEXClear a separate tax return notice for €976,720.73.

The amount concerns an income tax claim for fiscal year 2013 which is returned to the Company following a tax audit. The Company has taken all necessary action for its immediate return.

In accordance with decision 1702/2017 of the Council of State, ATHEX was exonerated in its appeal against the Greek State and as a result the amount of €432,209.27 will be returned concerning the tax on the deduction of the Hellenic Capital Market Commission fee as an expense in fiscal year 2022 (economic year 2003) which had not been recognized by the tax auditor. ATHEX will take all necessary steps in order to immediately offset this amount.

There is no other event that has a significant effect in the results of the Group and the Company which has taken place or was completed after 30.06.2017, the date of the first half 2017 interim financial statements and up until the approval of the first half 2017 financial statements by the Board of Directors of the Company on 31.7.2017.

Athens, 31 July 2017

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 ____________________________