EUROBANK EQUITIES INVESTMENT FIRM S.A.
General Commercial Register No. 003214701000

Financial statements for the period from 1 January to 31 December 2018 in line with the International Financial Reporting Standards as adopted by the European Union.

Table of Contents

**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY
EUROBANK EQUITIES INVESTMENT FIRM S.A.
FOR THE 19TH ACCOUNTING PERIOD 1.1.2018 - 31.12.2018
TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

It is our honour to submit along with this report the Financial Statements prepared in line with the International Financial Reporting Standards for the 19th accounting period 1.1.2018 to 31.12.2018 which consist of the statement of financial position as at 31.12.2018, the income statement and statement of comprehensive income, statement of changes in equity and the cash flow statement for the period which ended on that date, and a summary of the main accounting policies and methods as well as other explanatory information.
The financial statements provide a detailed picture of the assets, liabilities and equity, the structure of the financial result and the Company's actual financial status at the end of the 19th accounting period to which they relate.

The new standards which apply on 31.12.2018 have been taken into account.

Looking back briefly at 2018, the stock exchange market, viewed from the perspective of the General Index, fell by 23.6% with average daily turnover at € 55.1 million, which was down around 5.5% compared to 2017. However, the market's key feature was its volatility and during the first half of the year, an intense link between trading activity and the progress of reviews of the ESM support programme, and during the second half, the progress of markets globally. It should be noted that the market continues to be constrained by capital controls, thereby significantly limiting our ability to offer all our services.

More specifically,

• During Q1 and during negotiations to close the 3rd review of the programme, overall daily turnover rose to € 71 million, but there was no particular change in the performance of the Athens Exchange General Index (-2.7%). Then during 2018 Q2, once it became clear that the bank stress tests would not have negative results, the dynamic was retained to May. The 4th review was completed and decisions about the debt were taken in June, though the markets remained unconvinced, so the investment mood declined significantly, resulting in a drop in activity, meaning that in Q2 the volume of transactions fell to € 63.9 million whereas there was a marginal shift in the market overall (-2.94%).
• In the second half of the year, trading activity fell further to € 43.7 million, given that Greece's exit from the programmes was not accompanied by uninterrupted access to the markets, and the General Index fell significantly with losses of -19% against a negative global backdrop.
• At the same time due to the ongoing capital controls, the ability to channel operations to international markets was also limited.
• Total market capitalisation stood at € 44.9 billion at the end of 2018, compared to € 54.0 billion at the end of 2017.
• During 2018 overall, 37% of companies on the Athens Exchange General Index reported a rise whereas 63% reported losses.

For the 10th consecutive year Eurobank Equities Investment Firm S.A. once again held prime position among securities firms. According to Athens Exchange data in 2018 it was in top place, accounting for 17.26% of the total volume of transactions on the Athens Exchange, meaning it was once again the number one choice for the largest and most important institutional investors and 15,000 private investors.

In 2018 Eurobank Equities was once again recognised as the leading stock market firm in Greece based on the European-wide EXTEL survey. According to the same survey the company's Analysis Department was also acclaimed the best on the Greek market.
That Department provides active, ongoing support to all the Company's investment service units, offering well-researched studies and estimates about 22 listed companies which account for 75% of total capitalisation on the Athens Exchange. The Department also has a specialist section dedicated to international markets.

Having held a leading position in the stock exchange sector for 16 years now, the Company offers a comprehensive range of services including transactions in equities, derivatives, bonds and mutual funds traded around the globe. The Company's services are accessible via eurobanktrader, its online trading platform, and through an extensive staff of experts, exclusive tied agents, and associated investment brokers and investment service firms, allowing it to cover almost all of Greece in geographical terms.
Thanks to the new easy-to-use online trading platform customers can trade equities and derivatives directly and with complete security. Just some of the interesting new features offered by the online trading platform are the ability to create lists to monitor equities and derivatives in real time and a wider range of technical analysis tools.

Earnings net of tax stood at € 602,144 compared to € 8,188,991 in the previous period (2017). The drop in net profits in the period ended compared to the previous one (2017) was due to Investment Banking revenues that were not easily repeatable.

Financial position and growth in Company business

Equity on 31.12.2018 stood at € 72,450,573, compared to € 71,846,544 on 31.12.2017. Assets stood at € 134,796,302 on that date compared to € 149,045,490 the previous year.

Key indices and ratios

The key financial indices and ratios based on the financial statements are presented below.

	Key indices and ratios	**2018**	**2017**
1	Current Assets Total assets	94.01%	95.04%
2	Non-Current Assets Total assets	5.99%	4.96%
3	Equity Total Liabilities	116.21%	93.07%
4	Current Assets Short-term liabilities	204.52%	185.76%
5	Earnings before tax Equity	1.15%	16.13%
6	Net results before income tax Total assets	0.62%	7.78%

Financial risk management

The Company calculates its capital adequacy for risks assumed in accordance with the applicable regulatory framework. In 2018 capital adequacy was between 24% and 43%, which is much higher than the 8% threshold.

Market Risk

The Company measures and manages the level of potential and actual risks due to changes in prices and exchange rates on capital markets and money markets, and the fluctuations in their correlations. There are adequate internal procedures in place to identify and manage and measure them.

Credit Risk
The Company has specific procedures for offering credit to private investors (margin accounts, 2 day credit) and trading limits to institutional investors and monitors the amounts daily which affect credit risk and also effectively determines and suitably manages problematic credit.

Operational risk
The Company has recorded all potential forms of operational risk it is exposed to, and uses specific measures and mechanisms to prevent, evaluate and address those risks to ensure it remains a going concern and to limit losses if there is a disturbance in its operations and in emergencies.

Liquidity Risk
Liquidity risk refers to the Company's potential inability to meet its cash flow obligations due to a lack of liquid capital or inability to obtain financing from credit institutions.
Such risk is managed by taking into account all short-term and future liabilities, as well as prevailing conditions in the money and capital markets, to set liquid cash limits which are available to cover exposure and achieve business objectives.

Other information

The Company has a limited number of branches.
On 31.12.2018 it had financial assets at fair value through profit and loss of € 20,581,497 in its assets accounts and € 124,111 in its liabilities accounts.
Group policies have been adopted and there are no labour and environmental problems, social issues or problems with respect for human rights and diversity, anti-corruption and bribery issues. At the Company, respect for human rights, equal opportunities and diversity also extends to customers, suppliers and employees.

Environmental protection
The Company acknowledges the environmental impacts of its operations and encourages customers, suppliers and employees to adopt best environmental practices in line with the Group's guidelines.

Commitment to Staff
Company employees are its most precious capital in its success and growth. The Company has adopted a number of policies to ensure equal, problem-free management of its human resources.
In the context to ensuring continuous briefing, development and training of its human resources, the company implements a cutting edge training and professional development programme. Particular emphasis is place on anti-fraud, Hellenic Capital Market Commission certification, on improving positive attitudes and on collaboration.

Prospects

2019 is expected to be a volatile year for the Greek stock exchange, since Greece continues not to have unimpeded access to the markets. Market access is an important element of investor trust in Greece, which is a key condition for ensuring a dynamic increase in trading activity on the Athens Exchange. At the same time, we remain hopeful about a boost in economic activity coupled with a gradual restoration of market trust, which will allow for a gradual rolling back of the capital controls. Potential volatility on international markets is also expected to significantly affect the Greek market.
Eurobank Equities' Management team considers that during 2019, provided there are no extraneous conditions which could negatively affect the Greek economy, the Company will perform well, with its market share and organic profit growth rising further, thanks to continued excellence in the provision of all investment services and a constantly expanding clientèle.

Dear Shareholders, in the particularly demanding environment which has emerged, our priority is to continue to expand our operations while keeping operating costs down as much as possible (note that they dropped 17% compared to 2017, and since 2013 have gradually reduced to a significant degree as part of a well-coordinated plan to rationalise them).
The environment will remain tough and demanding, and concerted efforts will be required. We do though have the strategy and means, and above all capable staff who have repeatedly demonstrated that they can handle any adversities and generate the desired results.

We assure you that to date there have been no events which undermine the Company's financial position as it stood on 31.12.2018 which have not been included in the financial statements attached hereto and the notes thereon.

Dear shareholders, we would therefore call upon you to approve the attached financial statements and the detailed notes contained therein and take a position on the items on the agenda for the forthcoming Ordinary General Meeting of Shareholders.

THE BOARD OF DIRECTORS

Nikolaos Andrianopoulos
Chairman of the Board of Directors

Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
Eurobank Equities S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Eurobank Equities S.A. (the "Company") which comprise the Statement of Financial Position as at 31 December 2018, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Eurobank Equities S.A. as at 31 December 2018 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), which have been incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our ethical responsibilities in accordance with the requirements of the applicable legislation and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs which have been incorporated in Greek legislation will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report, pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Article 150 of L. 4548/2018 and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2018.

(b) Based on the knowledge acquired during our audit, relating to the Company and its environment, we have not identified any material misstatements in the Board of Directors’ Report.

Athens, 28 February 2019

KPMG Certified Auditors S.A.
AM SOEL 114

Anastasios Kyriacoulis, Certified Auditor Accountant
AM SOEL 39291

Statement of financial position

All amounts are in Euro.

	Note	31/12/2018	31/12/2017
ASSETS			
Non-Current Assets			
Intangible assets	16	783.513	694.271
Tangible assets	16	554.522	509.675
Other long-term assets	17	6.045.409	6.067.563
Investment securities portfolio	18	119.821	119.825
Deferred tax	11	573.304	-
		8.076.569	**7.391.334**
Current Assets			
Receivables from customers - brokers - stock exchange	15	36.064.100	35.809.919
Receivables from the Greek State	20	723.262	1.021.553
Other assets	19	470.199	473.470
Financial assets presented at fair value through profit and loss	13	20.581.497	29.041.418
Derivative financial instruments - receivables	14	74.524	91.128
Cash and cash equivalents	12	68.806.151	75.216.669
		126.719.733	**141.654.156**
Total assets		**134.796.302**	**149.045.490**
EQUITY			
Share capital	23	43.865.543	43.865.543
Reserves	24	22.452.359	22.428.729
Retained earnings		6.132.671	5.552.273
Total equity		**72.450.573**	**71.846.544**
LIABILITIES			
Long-term liabilities			
Personnel termination liabilities	21	387.398	375.203
Deferred tax	11	-	568.780
		387.398	**943.983**
Short-term liabilities			
Liabilities to customers - brokers - stock exchange	15	57.427.730	73.126.802
Derivative financial instruments - liabilities	14	486.291	293.509
Financial assets presented at fair value through profit and loss	13	124.111	-
Current tax liabilities		337.299	285.156
Income tax		1.005.391	-
Other liabilities	22	2.577.509	2.549.495
		61.958.331	**76.254.963**
Total Liabilities		**62.345.729**	**77.198.946**
Total liabilities & equity		**134.796.302**	**149.045.490**

Athens, 22/02/2019

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
NIKOLAOS ANDRIANOPOULOS ID Card No. AA 075630	THEODOROS FRANGOPOULOS ID Card No. AI 024384	FOTINI KOULIAKI ID Card No. Π 146458	IOANNA KARKAZI ID Card No. T 506157 Lic. No. 14597 1st Class

The notes on pages 14 to 31 constitute an integral part of these financial statements

Income statement and statement of comprehensive income

All amounts are in Euro.

	Note	01/01-31/12/2018	01/01-31/12/2017
Net income from fees/commission	6	6.853.035	21.496.515
Income from dividends		877.494	527.915
Results from financial transactions	5	1.535.707	(104.152)
Income from operating activities		**9.266.236**	**21.920.277**
Staff salaries and expenses	7	4.600.802	6.704.799
Other operating expenses	8	4.103.390	3.549.573
Depreciation	16	305.752	550.111
Expenses from operating activities		**9.009.944**	**10.804.482**
Income from interest	9	825.002	582.269
Less interest expenses	9	247.290	107.128
Earnings before tax		**834.004**	**11.590.936**
(Less) Current and deferred tax	10	**(231.860)**	**(3.401.945)**
Earnings after tax		**602.144**	**8.188.991**
Other total income			
Amounts not reclassified in the income statement			
Actuarial gains from obligation to compensate staff leaving service (after tax)		**22.172**	**92.774**
Total comprehensive income		**624.316**	**8.281.766**

Athens, 22/02/2019

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
NIKOLAOS ANDRIANOPOULOS ID Card No. AA 075630	THEODOROS FRANGOPOULOS ID Card No. AI 024384	FOTINI KOULIAKI ID Card No. Π 146458	IOANNA KARKAZI ID Card No. T 506157 Lic. No. 14597 1st Class

The notes on pages 14 to 31 constitute an integral part of these financial statements

Statement of changes in equity
All amounts are in Euro.

	Corresponding to Company shareholders			
	Share capital	Special reserves	Retained earnings	Total
Balance on 1.1.2017	43.865.543	22.324.064	(2.624.828)	63.564.779
Earnings for the year after tax	-	-	8.188.991	8.188.991
Other total income	-	92.774		92.774
Total comprehensive income for the period	**43.865.543**	**22.416.839**	**5.564.163**	**71.846.544**
Transfer of reserves	-	11.890	(11.890)	-
Balance on 31.12.2017	**43.865.543**	**22.428.729**	**5.552.273**	**71.846.544**
Impact of adopting IFRS 9 on 1.1.2018	-	-	(20.288)	(20.288)
Balance on 1.1.2018 Adjusted	**43.865.543**	**22.428.729**	**5.531.985**	**71.826.257**

	Share capital	Special reserves	Retained earnings	Total
Balance on 1.1.2018	**43.865.543**	**22.428.729**	**5.531.985**	**71.826.257**
Earnings for the year after tax	-	-	602.144	602.144
Other total income	-	22.172	-	22.172
Total comprehensive income for the period	**43.865.543**	**22.450.901**	**6.134.129**	**72.450.573**
Transfer of reserves	-	1.458	(1.458)	-
Balance on 31.12.2018	**43.865.543**	**22.452.359**	**6.132.671**	**72.450.573**

Athens, 22/02/2019

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
NIKOLAOS ANDRIANOPOULOS ID Card No. AA 075630	THEODOROS FRANGOPOULOS ID Card No. AI 024384	FOTINI KOULIAKI ID Card No. Π 146458	IOANNA KARKAZI ID Card No. T 506157 Lic. No. 14597 1st Class

The notes on pages 14 to 31 constitute an integral part of these financial statements

Cash flow statement
All amounts are in Euro.

	NOTE:	01/01-31/12/2018	01/01-31/12/2017
Cash flow from operating activities			
Earnings / (losses) before tax		**834.004**	**11.590.936**
Profit/(loss) adjustments in relation to the following transactions:			
Foreign exchange differences		(405.821)	1.365.686
Depreciation	16	305.752	550.111
Provisions for customer credit risks and receivables		1.597.004	(2.241.387)
Other adjustments		252.824	430.695
		2.583.763	11.696.041
Changes in accounts related to operating activities			
Decrease / (increase) in receivables from customers and other assets		6.030.737	(14.137.668)
Increase/(decrease) in current liabilities (excluding banks)		(15.524.431)	14.536.900
Net cash flow from / (to) operating activities		(6.909.931)	12.095.273
Cash flow from investing activities			
Purchase of intangible and tangible assets	16	(439.842)	(746.109)
Dividends collected		544.650	368.718
Net cash flow from / (to) investing activities		104.808	(377.390)
Cash flow from financing activities			
Net increase / (decrease) in loans		7.000.000	-
Loan payments		(7.000.000)	-
Net cash flow from / (to) financing activities		-	-
Increase/(decrease) in cash assets		**(6.805.123)**	**11.717.882**
Cash assets at beginning of period		**75.216.669**	**64.864.473**
Impact of foreign exchange differences		*405.821*	*(1.365.686)*
Cash assets at end of period	12	**68.817.367**	**75.216.669**

Athens, 22/02/2019

THE CHAIRMAN OF THE BOARD	THE CEO & 1st VICE CHAIRMAN	THE CFO	THE CHIEF ACCOUNTANT
NIKOLAOS ANDRIANOPOULOS ID Card No. AA 075630	THEODOROS FRANGOPOULOS ID Card No. AI 024384	FOTINI KOULIAKI ID Card No. Π 146458	IOANNA KARKAZI ID Card No. T 506157 Lic. No. 14597 1st Class

The notes on pages 14 to 31 constitute an integral part of these financial statements

Notes to the Financial Statements

1 General Information

The company is active in conducting brokerage and investment banking of any kind on stock and derivatives exchanges and in providing main and ancillary investment services in line with the legislation in force from time to time. The company has been incorporated and operates in Greece. The company is a 100% subsidiary of the bank Eurobank Ergasias S.A.

The financial statements were approved by Company Management on 22/02/2019.

2 Basic accounting policies

The basic accounting policies followed in preparing the financial statements, which were consistently applied in all years which are presented unless otherwise stated, are as follows:

2.1 Basis of preparation of the financial statements

The standards applied are those issued by the International Accounting Standards Board and approved by the European Union by 31.12.2018. They are in line with the IFRS, including interpretations by the IFRS Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB) which have been adopted by the European Union.
The financial statements have been prepared based on the historical cost convention which has been modified to include valuation at fair value of financial assets and liabilities (including derivative financial instruments) through profit and loss. The financial statements have been prepared on the assumption that the Company is a going concern, having taken into account the macroeconomic and fiscal developments in Greece.

Preparation of financial statements in line with the IFRS requires the adoption of estimates and assumptions which affect the valuation of assets and liabilities, the recognition of contingent liabilities on the date the financial statements are prepared and the posting of income and expenses in the period under examination. Consequently, the actual results may differ from assessments despite the fact that these are based on Management's best knowledge of current conditions and activities. Areas entailing a high degree of subjectivity or which are complex or where assumptions and estimates are significant for the financial statements are cited in Note 3.

Going concern

The financial statements have been prepared on the basis that the company is a going concern, which was deemed an appropriate choice by the Board of Directors having taken into account the following:

Macroeconomic and financial environment

In 2018 Greece's actual rate of economic growth was estimated at 2.1% according to the 2019 budget compared to 1.5% in 2017. Based on data from the Hellenic Statistical Authority (ELSTAT), the unemployment rate in October 2018 was 18.6% compared to 21% in the same month in 2017. In the fiscal arena, the primary surplus in 2018 was estimated at 4% of GDP according to the 2019 budget (2017: 3.9% of GDP according to ELSTAT data). According to the 3rd Financial Stability Programme for the 2018-2022 period, the primary surplus target was set at 3.5% of GDP for each year.Greece successfully completed its 3rd Financial Stability Programme on 20 August 2018. According to the European Commission, Greece received around € 61.9 billion of the € 86 billion under the 3rd Financial Stability Programme loan agreement. The other € 24.1 billion was returned to the European Stability Mechanism (ESM) when the programme ended. Around € 11 billion of the € 61.9 billion was used to create a cash buffer, to help the country return to the global markets after the end of the programme. According to the Public Debt Management Agency (PDMA), cash reserves stood at € 26.5 billion at the end of September 2018, which is sufficient to meet the country's loan obligations for 4 years after the end of the programme, provided that Greek treasury interest-bearing notes remain at current levels, or 2 years if the interest-bearing notes are partially paid off.

In the period after August 2018, under Eurogroup decisions taken on 21 June 2018, an Enhanced Surveillance Programme was put in place with quarterly reviews, and a specific sequence in which the prior action reforms must be implemented. The main objective of enhanced surveillance after the end of the programme is to ensure the financial sector remains stable and to continue the process of structural reforms, which in turn seek, among other things, to bolster the domestic rate of growth, create jobs and modernise the public sector.

The main risks and uncertainty factors in the macroeconomic environment are related to: (a) compliance with reforms already enacted and potential delays in implementing reforms already agreed to achieve the targets and meet the milestones while Greece remains under surveillance after the end of the programme, (b) the impact on economic activity and on attracting direct investments, of fiscal and social security measures which were agreed as part of the 3rd Financial Stability Programme reviews, (c) the ability to attract new direct investments into Greece, (d) achieving a reduction in the non-performing exposures reserve, (e) implementation of the schedule to complete lifting of the capital controls and the consequent impact on economic activity, (f) the potential slow rate of deposits flowing back into the country and/or potential delays in effectively managing non-performing loans as a result of macroeconomic conditions in Greece and (g) geopolitical conditions in the near or wider area and external reverberations from the slowdown in the regional and/or global economy.

Management is constantly monitoring developments in the macroeconomic environment and the potential impact they could have, in order to minimise their effect on Company operations, and taking into account the adequacy of the Eurobank Ergasias Group's capital structure, demonstrated by its performance in the stress tests, over-achievement of the target to reduce non-performing exposures (NPEs) and the expected continuation of access to the Eurosystem financing mechanism in the near future, Management considers that the Company's financial statements can be prepared on the basis that it is a going concern.

2.2. Foreign Exchange differences from conversion

(a) Functional and presentation currency

The figures in the Company's financial statements are measured in the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Assets and liabilities with balances at the end of the period in a foreign currency are converted to Euro based on foreign exchange prices applicable on the date of the reference period and foreign exchange differences are recognised in the income statement. Transactions in a foreign currency are posted based on the foreign exchange prices which apply on the transaction date. All foreign exchange differences are posted to the income statement.
Transactions in a foreign currency are posted based on the foreign exchange prices which apply on the transaction date. All foreign exchange differences are posted to the income statement.

2.3. Setting off financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when there is a legal right to set off the amounts recognised and in parallel the intention is to achieve net settlement, or recognition of the asset and settlement of the liability occur simultaneously.

2.4 Revenue recognition

IFRS 15, Revenue from Contracts with Customers and IFRS 15 Amendment

IFRS 15 establishes a single easy-to-use model for recognising revenues, for identifying the time of recognition and amount of revenue and replaces existing guidance on recognition contained in IAS 18 "Revenue", IAS 11 "Construction contracts", and IFRIC 13 "Customer loyalty programmes".IFRS 15 applies to all contracts with customers apart from those which fall within the scope of other standards such as:• - financial instruments and other contractual rights or obligations within the scope of IFRS 9 Financial Instruments IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IAS 27 Separate Financial Statements, and IAS 28 Investments in Associates and Joint Ventures, • leases within the scope of IAS 17 Leases (or IFRS 16 Leases) and • insurance contracts within the scope of IFRS 4 Insurance Contracts.

IFRS 15 makes it clear that revenue should be recognised at an amount that reflects the consideration to which the economic entity expects to be entitled in exchange for transferring those goods or services. It introduces the concept of revenue recognition based on performance obligations as they are performed and control of the goods or services (in other words the ability to direct use and acquisition of the gain from them) is acquired by the customer. For commission from services provided over time, such as commission for portfolio management services and investment advice and variable fees based on the performance of the underlying asset on a particular date, the fee is recognised as and when the service is provided to the customer, provided that there is likely to be no significant price reversal.Extensive disclosures will be required in relation to revenues recognised and those expected to be recognised under existing contracts.IFRS 15 was amended in April 2016 to provide clarifications, including how to identify a performance obligation in a contract.

Fees and commission

The adoption of the standard and its amendment did not have any impact on the Company's financial statements as net commission income, which is a key source of revenue for the Company, is not affected by the adoption of IFRS 15 because, since Company revenues from contracts with customers, including commission income and interest relate to services not performed over time or transactions entered into at a given point in time, there was no change in the accounting method employed as it was consistent with the Company's current accounting policy.

Fees and commission are recognised on the date the relevant services are provided. Indicatively, the structure of fees and commission is primarily comprised of commission from entering into stock exchange transactions on the Athens Exchange, the Athens Derivatives Exchange and other foreign exchanges. The company's customer base covers the entire range of potential customer categories (foreign institutional investors, Greek institutional investors, foreign investors, listed companies, private customers and customers whose orders are received and processed by associated brokerage firms or other investment firms and credit institutions) or tied agents. The company is also authorised to engage in transactions as a market maker for stocks on the Athens Exchange and is a Type B market maker on the Athens Derivatives Exchange.

2.5 Intangible assets

Software

Software licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight line method over the useful life of the assets which has been estimated at between 5 and 7 years. Expenses required to develop and maintain software are posted as expenses when incurred.

2.6 Tangible assets

Real estate property, facilities and equipment are presented at acquisition cost having deducted accumulated depreciation and accumulated value decline losses. The cost of acquisition includes expenses relating directly to the acquisition of tangible assets. Subsequent expenditure is either included in the book value of the tangible assets or, if necessary, is recognised as a separate fixed asset only where it is considered likely that future financial benefits will flow to the company, provided that the cost of the fixed assets can be reliably allocated. Property, plant and equipment is tested periodically for impairment and any impairment loss is recognised directly in the income statement.

Depreciation on these assets has been calculated on the basis of the fixed line depreciation method over their useful lifespan as follows:

Improvements to third party property	during the lease or estimated useful life if shorter
Computers and software	4 - 7 years
Other furniture and equipment:	4 - 20 years

Expenses related to in-house development and maintenance of existing software and other fixed assets are charged to the income statement when they arise. Expenses payable to third parties related to the development and implementation of new software and other fixed assets are recognised as capital improvements, are added to the cost of new software and other fixed assets and are treated in the same way.

2.7. Financial assets

On 1.1.2018 the Company adopted IFRS 9 "Financial Instruments" which replaced IAS 39 "Financial Instruments: Recognition and Measurement". The adoption of IFRS 9 in 2018 Q1 resulted in changes in accounting policies in two main areas: classification and measurement of financial assets and financial liabilities and impairment of financial assets.The differences arising from the adoption of IFRS 9 have been recognised directly in the retained earnings from 1.1.2018, and are presented below. The Company has not adjusted the 2017 comparative information in terms of the financial instruments which fall within the scope of IFRS 9.

Financial assets - classification and measurement

The Company classifies all financial assets based on its business model for managing them and the features of their contractual cash flows. Consequently, the financial assets fall into the following two measurement categories: amortised cost and fair value through profit and loss.

Financial assets measured at amortised cost (AC)

The Company classifies and measures a financial asset at amortised cost only if both of the following conditions are met:(a) the financial asset is held in the context of a business model the objective of which is to hold financial assets in order to collect contractual cash flows (hold-to-collect business model) and (b) under the terms of the contract which governs the financial asset, cash flows are created at specific dates that consist solely of payments of principal and interest (SPPI) from the outstanding principal.

These financial assets are initially recognised at fair value plus direct and additional transaction costs and are subsequently measured at amortised cost using the effective interest rate (EIR) method after provisioning for expected credit losses (ECL).Interest income, realised gains and losses on derecognition and changes in impairment losses on assets classified as measured at amortised cost are included in the income statement.

Financial assets measured at fair value through profit & loss (FVTPL)

The Company classifies and measures all financial assets that are not classified at amortised cost at fair value through profit & loss. Consequently, this measurement category includes loans and other debt securities held on the basis of hold-to-collect (HTC), but failed in the SPPI assessment, assets held for trading and derivative financial instruments.In addition, a financial asset that meets the above conditions for being classified at amortised cost may be designated by the Company as measured at fair value through profit & loss on initial recognition if this significantly eliminates or significantly reduces accounting inconsistency that would otherwise arise.Financial assets measured at FVTPL are initially recognised at their fair value and any unrealised gains or losses arising from changes in fair value are included in the income statement.

Credit and advance payments to customers are non-derivative financial assets with fixed or specified payments which are not traded on an active market. Credit and advance payments occur when the Company provides money or services directly to a creditor.

Purchases and sales of financial assets at fair value presented in the income statement are posted on the transaction date, in other words the date on which the Company undertakes to purchase or sell the said assets. Financial assets not presented at fair value in the income statement are initially recognised at fair value plus transaction costs. Financial assets cease to be recognised when cash flow collection rights expire or when the Company has in effect transferred the risks and rewards associated with ownership.

Dividends from investments are recognised in the income statement when the right to collect a dividend is approved by shareholders.

The fair value of investments traded on active markets is determined by the current offer price on the stock exchange. The fair value of non-listed securities and other financial assets in cases where purchase is not active is determined using valuation techniques. These techniques include the use of recent transactions entered into on a purely commercial basis, reference to the current price of comparable assets traded and discounted cash flow methods, the valuation of options and other valuation methods frequently used on the market.

Interest income and expenses are recognised in the income statement on an accrued basis for all interest-bearing instruments using the actual interest rate method. The actual interest rate is the interest rate which precisely discounts the estimated future cash payments or receipts over the expected life of the financial instrument.

2.8. Impairment of financial assets

The Company recognises the expected credit loss (ECL) that reflects changes in credit quality from the initial recognition of financial assets measured at amortised cost, including loans, finance lease receivables, debt securities, financial collateral and loan commitments. No expected credit loss is recognised for equity instruments. Expected credit losses are a probability-weighted average estimate of credit losses that reflects the value of money over time. Upon initial recognition of the financial instruments that are subject to the impairment policy, the Company forms an impairment provision equal to the expected credit losses over their lifetime, which arise from default events that are probable during the expected duration of the instrument. Therefore, the Company applies the simplified approach in IFRS 9 to calculate expected credit losses, according to which the impairment provision is always measured at the amount of expected lifetime losses of customer receivables.

The impact of applying IFRS 9 to receivables from financial institutions after tax was € 20,288, which was entered directly in equity.

2.9 Fixed asset impairment

Assets with an indefinite useful life are not depreciated and are subject to annual or more frequent impairment testing, when some events indicate that the book value may not be recoverable. Assets subject to depreciation are tested for impairment, when there are indications that their book value cannot be recovered. The recoverable value is either the fair value less the amount required for the cost of sale or the usage value of the asset whichever is higher. To assess impairment losses assets are placed in the smallest possible cash-generating units. Impairment losses are presented as expenses in the income statement when they arise.

2.10 Sell- buy back agreements

(a) Sell- buy back agreements

Securities sold on the basis of re-purchase agreements (repos) are posted to the financial statements as pledged assets when the recipient is entitled under the agreement to sell or re-assign the pledged assets. The obligation to the counterparty includes the amounts owed to the bank or to customers, as suitably determined. Securities purchased via reverse repos are recognised as loans and advances to the bank or customers accordingly. The difference between the sale price and the repurchase price is recognised as interest during the repo's term using the effective interest rate method.

(b) Lending of securities

Securities lent by the Company to third parties remain in the financial statements. Securities borrowed by the Company are not recognised in the financial statements unless sold to third parties in which case the purchase and sale are posted and the profit or loss included in the transaction portfolio results. The obligation to return securities is posted at fair value as a trading liability.

2.11 Borrowing

Borrowing-related obligations are initially recognised at fair value determined from the incoming capital including issue expenses. Subsequent borrowing-related liabilities are valued at non-depreciated cost and the difference between the initial incoming capital and the value at the end of the loan is posted to the income statement during the term of borrowing using the effective interest rate method. If the Company redeemed its liabilities these are deleted from the financial reporting statements and the difference between the current level of liabilities and the amount paid is included in the results.

2.12 Leased Assets

Leases of tangible assets where the Company in effect retains all risks and rewards associated with ownership are recorded as finance leases. Finance leases are capitalised at the start of the rental at the lowest value between fair value of the asset leased and the present value of minimum rental fees payable. Each rental fee is allocated between the liability and financing expenses so as to achieve a fixed interest rate in relation to the financing balance which is outstanding. The corresponding liability from rental fees after deducting the cost of financing is included in long-term liabilities. That part of financial expenses relating to leasing is recognised in the income statement during the term of the lease. Assets acquired on the basis of a finance lease are depreciated over their useful life or the lease term, whichever is shorter.

Leases where in effect the risk and rewards associated with ownership remain with the lessor are posted as operating leases. Payments relating to operating leases (having deducted incentives collected by the lessor) are recognised in the income statement pro rata over the term of the lease.

2.13 Current and deferred taxation

Deferred tax is calculated on the basis of the full liability method for all interim differences which arise between the taxation basis for assets and liabilities and their corresponding book value as shown in the financial statements using the expected future tax rates. The main interim differences arise from pensions and other staff retirement benefits and from the revaluation of certain financial assets and liabilities.

Deferred tax liabilities are recognised to the extent that it is possible that there will be future taxable profits in respect of which interim differences can be used. The taxation impact of tax losses carried forward is recognised as an asset when it is likely that there will be adequate future taxable profits against which these losses can be used.

Income tax on profits is calculated based on current Greek taxation legislation and is recognised as an expense in the period for which the profits arose.

2.14 Employee benefits

(a) Pension obligations

Post-employment benefits include both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is posted as an expense in the period to which the cost relates.

The liability recorded in the statement of financial position for defined benefit plans is the current value of the defined benefit obligation less the fair value of the plan's assets. The defined benefit obligation is calculated each year by independent actuaries using the projected unit credit method.

Under Greek labour law when employees remain in service until the normal retirement age they are entitled to lump sum compensation which is calculated based on their length of service and their pay at the date of retirement. A provision has been formed on the actuarial value of the compensation lump sum using the projected unit credit method. Under this method the cost for termination compensation is recognised in the income statement over the employees' length of service based on actuarial valuations made each year. The obligation to pay retirement compensation is calculated as the present value of expected future cash outflows using the interest rate for government bonds with terms to maturity approximating the terms of the related obligation. In countries where there is not a large market in such bonds, government bond rates at year-end are used. The currency and maturity date of the bonds used matches the currency and estimated duration of the pension obligations. Actuarial gains or losses which result from calculating the retirement compensation for the Company are recognised directly in Other Comprehensive Income in the year they are incurred and are not transferred to the income statement in subsequent periods.

The cost of current service and interest expenses are recognised directly in the results.

(b) Personnel termination compensation

The Company has improved this forecast by taking into account possible personnel terminations before the normal retirement date based on the terms of previous voluntary retirement schemes. The Company recognises termination compensation when it has specific commitments either based on detailed official plans announced which cannot be withdrawn or as a result of mutually agreed termination terms. The compensation payable after the passage of 12 months from the date of the statement of financial position is discounted at present value.

(c) Profit-sharing and benefit schemes

Management may periodically pay cash bonuses to employees who perform well. Cash bonuses through the payroll are recognised as accrued personnel expenses. Profit-sharing with employees is recognised as a personnel expense in the year in which it is approved by Company shareholders.

2.15 Transactions with related parties

Related parties include companies associated with the Company, directors, close relatives, companies held or controlled by them and companies over which significant influence can be asserted over their financial and operational policy. Transactions of a similar nature are presented overall. All transactions entered into with related parties are within the normal business of the company and are entered into on purely commercial terms.

2.16 Provisions

Provisions are recognised when the Company has a current legal or substantiated obligation as a result of events in the past and it is likely that a resource outflow will be required to settle the liability, the level of which can be reliably assessed.

2.17 Share capital

Ordinary shares are posted as equity.

Share capital increase expenses are presented (net of taxes) deducted from equity as a reduction to the proceeds of the issue.

The distribution of dividends from ordinary shares is recognised as reducing Company equity when approved by Company shareholders.

2.18 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits in banks, and other short-term highly-realisable, low-risk investments with maturity dates of three months or less.

2.20 Derivative Financial Instruments and Hedging

Derivative financial instruments include futures and options, and are entered in the statement of financial position at fair value and are subsequently valued at fair value. Actual and valuation gains and losses are entered in the income statement.

2.21 New standards, amendments to standards and interpretations

The principles presented below have been applied in accordance with the new and amended standards and interpretations as adopted by the International Accounting Standards Board (IASB) and approved by the European Union (EU) and effective from 1.1.2018:

Amendments to standards adopted by the Company

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 sets out the requirements about which exchange rate should be used to present foreign currency transactions which include advance consideration. The interpretation makes it clear that in this case the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the relevant asset, expense or revenue, is the prepayment date, namely the date on which the economic entity initially recognised the non-monetary asset (non-current receivables from current income) or the non-monetary liability (unearned and deferred income) which arose from prepaying the price. If there are multiple payments or receipts in advance, the economic entity must establish a date of transaction for each payment or receipt.

IFRIC 22 sets out the requirements about which exchange rate should be used to present foreign currency transactions which include advance consideration. The interpretation makes it clear that in this case the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the relevant asset, expense or revenue, is the prepayment date, namely the date on which the economic entity initially recognised the non-monetary asset (non-current receivables from current income) or the non-monetary liability (unearned and deferred income) which arose from prepaying the price. If there are multiple payments or receipts in advance, the economic entity must establish a date of transaction for each payment or receipt.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

New standards, amendments to standards and interpretations not yet adopted by the Company

A range of new standards, amendments to existing standards and interpretations will take effect after 2018, given that they have not yet been adopted for use by the European Union or the Company has not adopted them earlier than the mandatory adoption date. Those which may be relevant to the Company are as follows:

IFRS 9 Amendment - Prepayment Features with Negative Compensation (effective from 1.1.2019)

This amendment changes the requirements of IFRS 9 to allow a financial asset to be measured at amortised cost or at fair value through profit and loss depending on the business model, even in the case of prepayment entitlements which could result in party terminating early having to pay compensation to the other party (negative compensation). Consequently, measurement of those financial assets must be independent of the event or circumstance which caused early termination of the contract and irrespective of who pays or receives fair compensation for early termination. Implementation of IFRS 9 prior to the amendment would in all likelihood have resulted in the financial assets being measured at fair value through profit and loss. The amendment also confirms how financial liabilities are to be accounted for in accordance with IFRS 9. In particular, when a financial liability measured at amortised cost is modified without it leading to derecognition, then the gain or loss calculated as the difference between the original contractual cash flows and the changed cash flows discounted at the original effective interest rate, should be recognised in the income statement.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

IFRIC 23 - Uncertainty over Income Tax Treatments (effective from 1.1.2019)

The interpretation provides clarifications about the application of recognition and measurement requirements in IAS 12 Income Tax when there is uncertainty over income tax treatments. In this case recognition and measurement of current or deferred tax assets or liabilities is based on the taxable profit (tax loss), the tax base, unused tax losses and tax credits and tax rates which are specified by applying IFRIC 23. According to the interpretation, any uncertainty about tax treatments is examined individually or overall as a group, depending on which approach provides the best resolution of the uncertainty and the economic entity must assume that a tax authority which has the right to examine tax treatments will examine them and will have full knowledge of all relevant information.If an entity concludes that it is likely that the tax authority will accept an uncertain tax treatment, it must specify how income tax is to be accounted for in line with that tax treatment. If it concludes that it is likely that the treatment will be accepted, the result of uncertainly on the accounting for income tax must be presented in the period in which this determination was made, using the method which provides the best resolution of the uncertainty (in other words the most likely amount or the expected value method). Judgements and estimates made in order to recognise and measure uncertain tax treatments must be reassessed if circumstances change or there is new information which affects those assumptions (such as measures taken by the tax authority, information that the authority has taken a specific stance in relation to a similar issue or that its right to examine a specific tax treatment has expired).

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

IFRS 16, Leases (effective from 1.1.2019)

IFRS 16, which supersedes IAS 17 and the relevant interpretations, introduces a single accounting model for leases in the balance sheet according to which the classification of leases by the lessee as either operating or finance leases is done away with, and all leases are treated the same as finance leases in accordance with IAS 17.The new standard provides for recognition of a right to use an asset and a lease liability, when the lease commences in the case where there is a contract or part of a contract which gives the lessee the right to use an asset for a period of time in return for the price paid.

The right to use a leased asset is initially measured at cost, which consists of the lease amount plus the rent paid to the lessor on or before the date of the lease, less any incentives to the lessee received, the original estimate of remediation costs and initial direct costs incurred by the lessee, and then is subsequently measured at cost, minus accumulated depreciation and impairment. The lease obligation is initially recognised at the present value of the lease payments during the lease term which have not yet been paid.

Consequently the straight-line recognition method for operating lease expenses under IAS 17 is replaced by depreciation of the right to use the leased assets and the interest-expenses from the lease liability. Recognition of assets and liabilities by lessees, as described above, is not required for certain short-term leases and leases for low value assets. In addition, accounting for lessors is not substantially affected by the requirements of IFRS 16.

The Company is examining the impacts that adoption of this standard would have on the financial statements. The Company estimated the impact that applying the standard would have to the Financial Statements for 2019. Based on available information, the Company considers that it would recognise additional liabilities under finance leases of € 1.22 million on 1.1.2019 and would record assets of equal value against operating leases for buildings, cars and other equipment.

IAS 19, Amendment - Plan Amendment, Curtailment or Settlement (effective from 1.1.2019, not yet adopted by the EU)

This amendment clarifies that if there is a change to a defined benefit plan, namely an amendment, curtailment or settlement, the net obligation or defined benefit requirement must be remeasured and the revised actuarial assumptions must be used in the remeasurement in order to calculate the cost of current employment and the net interest for the period remaining after the change in the plan. In addition, the amendment includes clarifications about the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

Adoption of this amendment is not expected to have an effect on the Company's financial statements.

Annual improvements to the IFRS 2015-2017 (effective from 1.1.2019, not yet adopted by the EU)

The improvements introduce major changes to various standards since:

The amendments to IFRS 3 "Business Combinations" and IFRS 11 "Joint Arrangements" clarified the way in which an economic entity recognises an increase in its participation in a joint activity that meets the definition of business. To be more specific, where an economic entity acquires control of a business which is a joint activity, then the transaction is a business combination which is achieved in stages, and the acquiror remeasures the entire participation previously held in the assets and liabilities of the joint activity at fair value. On the contrary, where a party acquires joint control in a business which is considered to be a joint activity, then the participation held previously is not re-measured.

The improvements to IAS 12 "Income Tax" clarified that all effects on income tax from dividends, including payments from financial instruments recorded in equity, must be recognised in results in the statement of comprehensive income or equity, depending on where the initial transaction or event which gave rise to the distributed profits that resulted in the dividend had been recognised.

The amendments to IAS 23 "Borrowing Costs" made it clear that any borrowing obtained initially to develop an asset that met the conditions must be treated as part of the general borrowing when in effect all necessary activities to prepare the asset for its intended use or for sale have been completed.

Amendments to the conceptual framework of the IFRS (effective from 1.1.2020, not yet adopted by the EU)

In March 2018, the International Accounting Standards Board issued the Revised Conceptual Framework. This framework replaces the previous version, which was issued in 2010.
The revisions made by the International Accounting Standards Board introduced a new chapter on measurement, updated definitions for assets, derecognition obligations and criteria, as well as provided clarifications on other important areas. Adoption of this amendment is not expected to have an effect on the Company's financial statements.

IFRS 3 "Business Combinations" (effective from 1.1.2020, not yet adopted by the EU)

The International Accounting Standards Board has adopted amendments to the definition of a business in IFRS 3 "Business Combinations" in order to assist entities to determine whether the set of acquired activities and assets constitute a business or not. They clarify the minimum requirements for the definition of a business, remove the assessment of whether market participants can replace missing assets, add guidance to help economic entities assess whether the processes that are acquired are important, restrict the definitions of business and outflows, and introduce an optional control relating to the fair value concentration test. Adoption of this amendment is not expected to have an effect on the Company's financial statements.

Amendments to IAS 1 and IAS 8 regarding the definition of "material" (effective from 1.1.2020, not yet adopted by the EU)

The amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" seek to bring all standards into line with the definition of "material" and clarify specific aspects of it. The new definition states that, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature and scale of the information. At present, the Company is assessing the impact of adopting this on its financial statements.

The financial statements have been prepared on the basis of the historical cost convention with the exception of investment securities available for sale and financial assets and liabilities (including derivative financial instruments) which are measured at fair value.Preparation of financial statements in line with the IFRS requires the adoption of estimates and assumptions which affect the valuation of assets and liabilities, and the disclosures of contingent liabilities on the date the financial statements are prepared and the income and expenses balances in the reporting period. Despite the fact that these estimates are based on Management's best knowledge of current conditions and actions, the actual results may differ. The financial statements are presented in Euro, which is the Company's transactional currency.

3 Important accounting estimates and assumptions in implementing the accounting policies

In implementing the Company's accounting policies, Management makes estimates and assumptions which affect the amounts shown in asset and liability accounts in the statement of financial position during the next financial year. These estimates and assumptions are constantly evaluated and are based on historical experience and on other factors including expected future events which, under current conditions, are expected to occur.

3.1 Provision for bad debt

Customer debit balances are valued at amortised cost less expected credit losses. The amount of the expected credit loss provision is recognised as an expense in the provisions in the income statement for the period.

4 Financial risk management

4.1 Use of financial instruments

By their nature, Company activities are primarily related to the use of financial instruments, including derivatives.

The Company primarily trades in financial instruments and from time to time acquires exposure to over-the-counter instruments including derivatives to exploit short-term fluctuations in the equity market and due to its leading role as a Type B market maker in the domestic listed derivatives market. Company Management in cooperation with the Management Committees of the Eurobank Ergasias Group specify the transaction limits for the size of exposure that can be accepted.

4.2 Financial risk factors

Company activities expose it to various financial risks: credit risk, market risk, liquidity risk and concentration risk. General Company risk management policy focuses on the uncertainty of financial markets and seeks to minimise possible negative impacts on financial performance, financial status and Company cash flows.

4.2.1 Credit Risk

The Company is exposed to credit risk which is the risk that the counterparty is unable to fully pay the amounts it owes when these become due. Provisions for impairment are recognised for losses incurred on the date of the statement of financial position. Consequently, Management carefully manages its exposure to credit risk in the context of the regulatory provisions laid down by the supervisory authority (the Hellenic Capital Market Commission).

(a) Derivatives

The Company imposes limits to control net exposure to derivatives, in other words the difference between purchase and sale agreements, in terms of amount and terms. At any point the amount subject to credit risk is limited to the current fair value of instruments which are favourable for the Company (in other words derivatives with a positive fair value) which -in relation to derivatives- are only a small part of the theoretical amount of contracts used to express the volume of outstanding instruments. Managing exposure to credit risk is done by taking into account possible exposure to market fluctuations. Collateral or other securities are not usually included for exposure to credit risk for these instruments unless the Company requires a margin deposit from counterparties.

(b) Credit-related commitments

These are maintained in line with the regulatory provisions of the supervisory authorities from time to time.

The ability of members of ATHEX to grant credit to customers to enable stock exchange transactions to be carried out (via a margin account) was regulated for the first time by Law 2843/2000 and is now provided for by Law 4141/2013 and decision No. 6/675/27.02.2014 of the Hellenic Capital Market Commission.

The loan provision model is based on the general principle that credit is extended only on the basis of a written agreement between the member and the customer where the latter provides the member with corresponding collateral for the loan over which the member maintains a lawful pledge.

The margin account enables investors to purchase more shares than those which their available capital would permit by utilising leverage techniques. However, the purchase of shares on credit is a technique used by investors skilled in handling this tool and who know how it operates.

The specific terms and conditions for members of ATHEX to grant credit are laid down by law and in the regulatory decisions of the Hellenic Capital Market Commission and Acts of the Governor of the Bank of Greece issued pursuant to such laws. Consequently, the Company is not exposed to significant credit risk from its activities.

The debt balance of customers with a margin on 31.12.2018 amounted to € 9,932,855 and the current value of the margin portfolio is € 20,392,266.

(c) Credit risk for 2-day credit up to the time of settlement

Pursuant to Law 4141/2013 and Hellenic Capital Market Commission Decision No. 6/675/27.02.2014 the customer should have paid the purchase price by the end of T+2. If this is not done the ATHEX Member may make necessary sales to minimise risk on T+3 or make advances for part of the purchase price and in general is not exposed to significant credit risk. Alternatively, after signing an additional agreement with the Company, the customer may obtain 2-day credit which relates to operations and the risks entailed by the margin account.

The debt balance of customers with 2- day credit on 31.12.2018 amounted to € 973,697 and the current value of the margin portfolio is € 137,380,899.

(d) Deposits with mature loan balance financial institutions

In order to safeguard the unencumbered cash assets of customers, in decision No.2/452/01.11.2007, as in force, the Hellenic Capital Market Commission required members of the Athens Exchange to keep their customers' monies in special bank accounts with credit institutions of recognised repute.

4.2.2. Market Risk

The Company is exposed to market risk. Market risk arises from exposure to securities, which are exposed to general and specific fluctuations in the market and to exposure risk, FX risk and interest rate risk. The Company takes position for commercial reasons in shares, derivatives where the underlying securities are shares or share indexes. These assets are listed on regulated markets, are directly realisable and suitable for market risk hedging.

(i) Exposure risk

On 31.12.2018 the Company's total exposure (Delta equivalent exposure) was € 1,234,024. (The amount can be broken down into: Derivatives with an underlying security on FTSE/ATHEX Large Cap Index: € -3,601,317, Derivatives with underlying equities: € -15,622,045 Shares: €20,457,386). Market risk based on the in-house value at risk (VaR) model and with VaR parameters at 10 days / 99% confidence interval, was € 208,891. If the Company needed to fully realise its portfolio, the maximum possible loss from such realisation has been computed at € 18,796 based on the internal model, and this amount has been recorded in its books.

(ii) Foreign exchange risk

The Company's financial status and cash flows are exposed to risk from the impact of fluctuations in current exchange rates. More details can be found in Note 25.

(iii) Interest rate risk

The Company's financial status and cash flows are exposed to risk from the impact of fluctuations in exchange rates that currently apply on the market. Interest rate risk for cash flows is the risk that future cash flows from a loan which has been granted will fluctuate due to changes in market rates. In the case of credit granted via margin accounts or 2-day credit lines, the interest rate risk is rolled over to customers in most cases by contract. Overall Company exposure to interest rate risk is considered to be negligible.

4.2.3. Liquidity Risk

The Company is exposed to daily liquidity risk. The Company does not have cash assets to cover all its needs since experience shows that the minimum level of capital reinvestment upon maturity can be forecast with a high degree of certainty. Management sets limits on the minimum amount of capital to mature which is available to cover such liquidity gaps using stress tests.

The maturity of assets and liabilities and the ability to replace interest-bearing liabilities at acceptable cost upon maturity are factors in determining company liquidity and its exposure to interest rate fluctuations (note 26).

4.2.4 Concentration risk

Concentration risk refers to the case where the loan portfolio or company exposure correspond to a large degree to a single counterparty or a group of associated counterparties with common characteristics or the same collateral issuer in relation to the credit risk. As far as retail customers with similar characteristics are concerned, the company's loan portfolio is diversified across a wide range of customers. In the case of institutional customers or groups of associated companies, where exposure is particularly short-term, the most important form of risk is considered to be the risk related to the size of the exposure or the overall exposure of associated companies, and other risks (such as country risk) are considered to be not very important.

4.2.5 Capital adequacy

The initial capital management objectives were to ensure that the Company maintains satisfactory capital adequacy ratios in order to allow it to continue its operations and maximise the benefits for shareholders.

The Company manages its capital structure and adjusts it depending on economic conditions and the risk characteristics of its activities. The Company can adjust its capital structure by adjusting the level of dividend distributed to shareholders, by returning capital to shareholders or by issuing equity instruments.

On 31.12.2018 the Company's capital adequacy indicator was 43%. The minimum limit is 8%.

Amounts are expressed in € '000.

	31/12/2018	31/12/2017
Tier 1 capital		
Share capital	43.866	43.866
Statutory reserve and other reserves	22.452	22.429
Retained earnings	6.133	5.552
Total Tier 1 Capital	72.451	71.847
Less: Total regulatory adjustments to intrinsic equity	(766)	(2.638)
Total regulatory capital	71.685	69.209
Total weighted assets	165.591	188.584
Basel III capital adequacy index	43,29%	36,70%

4.3 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchange or a liability settled by informed and willing parties in a purely commercial transaction. The market price (where there is an active market such as a recognised exchange) is the best indicator of fair value for a financial instrument. In cases where there are no indicative market prices, the fair value of financial assets and liabilities is computed using their present value or other valuation methods, where all significant variables are observable in the market.

The values resulting using these methods are significantly affected by assumptions about the level and timing of future cash flows and discounting rates used. The fair values of financial assets and liabilities approximate their book value for the following reasons:

a. Financial assets held for commercial purposes, derivatives and other transactions entered into for commercial reasons, and interest-bearing notes, investment instruments available for sale and financial assets and liabilities valued at fair value through profit and loss are valued at fair value by reference to stock exchange prices, if they are available. If stock exchange prices are not available, the fair values are computed using valuation methods.

b. All financial assets valued at fair value are categorised at year end into one of the three fair value ranking levels depending on whether valuation is based on data observable or non-observable in the market.

Level 1 - Stock exchange prices on active markets for financial assets with the same characteristics. These prices must be available from a stock exchange or active index / market directly and at regular intervals and must represent real, frequent transactions on a purely commercial basis. This level includes listed shares, debt instruments and negotiable derivatives.

Level 2 - Financial assets valued using valuation methods where all the most important data comes from observable values. This level includes OTC derivatives and complex financial assets and liabilities.

Level 3 - Financial assets valued using valuation methods where the most important data comes from non-observable values.

The remaining financial assets which are short-term or are valued again at regular time intervals their book value approximates their fair value.

	31/12/2018			
	Stock exchange prices on active markets (Level 1)	Valuation model, observable values (Level 2)	Valuation model, non-observable values (Level 3)	Total
	€ '000	€ '000	€ '000	€ '000
Financial assets presented at fair value through profit and loss	20.581	-	-	20.581
Derivatives	75	-	-	75
Investment securities portfolio	-	-	120	120
Total financial assets	**20.656**	**-**	**120**	**20.776**
Financial liabilities at fair value through profit and loss:				
Open sales of shares on ATHEX	486	-	-	486
Derivatives	124	-	-	124
Total Liabilities	**610**	**-**	**-**	**610**

	31/12/2017			
	Stock exchange prices on active markets (Level 1)	Valuation model, observable values (Level 2)	Valuation model, non-observable values (Level 3)	Total
	€ '000)0	€ '000	€ '000	€ '000
Financial liabilities at fair value through profit and loss:	29.041	-	-	29.041
Derivatives	91	-	-	91
Investment securities portfolio	-	-	120	120
Total financial assets	**29.133**	**-**	**120**	**29.253**
Financial liabilities at fair value through profit and loss:				
Open sales of shares on ATHEX	-	-	-	-
Derivatives	294	-	-	294
Total Liabilities	**294**	**-**	**-**	**294**

5 Results from financial transactions

All amounts are in Euro.

	1/1 - 31/12/2018	1/1 - 31/12/2017
Profits/ (losses) from financial transactions - shares	(10.774.209)	7.793.167
Profits/ (losses) from financial transactions - derivatives	11.197.542	(7.272.674)
Profits/ (losses) from financial transactions - bonds	877.964	-
Gains/(losses) from foreign exchange differences	234.410	(624.645)
	1.535.707	**(104.152)**

6 Net income from fees/commission

All amounts are in Euro.

	1/1 - 31/12/2018	1/1 - 31/12/2017
Share purchase/sale commission	5.923.842	7.247.153
Derivatives commission	610.279	493.937
Investment banking revenues	-	13.283.102
Other income	318.914	472.323
	6.853.035	**21.496.515**

During the previous year Investment Banking revenues related to company revenues from the provision of consultancy services to the Greek State about the privatisation programme.

7 Staff salaries and expenses

All amounts are in Euro.

	1/1 - 31/12/2018	1/1 - 31/12/2017
Employee salaries, wages and benefits	3.194.461	4.446.279
Social security contributions	771.733	891.297
Retirement pay and other post-service benefits	261.643	984.045
Other staff expenses	372.965	383.178
	4.600.802	**6.704.799**

The number of staff employed on 31.12.2018 was 75 compared to 76 on 31.12.2017.

8 Other operating expenses

All amounts are in Euro.

	1/1 - 31/12/2018	1/1 - 31/12/2017
Third party fees and	1.345.873	1.335.083
Subscriptions and contributions	1.221.301	1.206.505
Other benefits	911.215	765.383
Miscellaneous other expenses	347.568	283.815
Operating leases rents	193.745	203.411
Provisions for extraordinary and general risks	83.688	(244.624)
	4.103.390	**3.549.573**

9 Interest income - expenses

All amounts are in Euro.

Income from interest

	1/1 - 31/12/2018	1/1 - 31/12/2017
Interest on deposits and other interest	825.002	582.269
	825.002	**582.269**

Interest expenses	1/1 - 31/12/2018	1/1 - 31/12/2017
Interest on loans	149.531	2.451
Negative interest (Bank of Greece) on Auxiliary Fund levies	48.755	60.490
Other interest	49.004	44.186
	247.290	**107.128**

10 Income tax

All amounts are in Euro.	1/1 - 31/12/2018	1/1 - 31/12/2017
Income tax for the period	(1.381.627)	(921.336)
Income tax for prior periods	18.573	-
Deferred tax (Note 11)	1.131.194	(2.480.608)
Total	**(231.860)**	**(3.401.945)**

Total provision for income tax shown in results

The tax rate in Greece is 2018 was 29% (2017: 29%). The reconciliation between income tax on EBT based on current rates and tax expenses is as follows:

	1/1 - 31/12/2018	1/1 - 31/12/2017
Results before tax	834.004	**11.590.936**
Tax at applicable rate (29% in 2018 and in 29% in 2017)	241.861	3.361.371
Tax impact:		
Untaxed income / Untaxed deductible expenditure	107.121	46.838
Impact of change in income tax rate	(36.470)	-
Income tax for prior periods	(18.573)	-
Deferred tax asset on prior period tax losses	-	(3.496)
Other tax adjustments	(62.080)	(2.768)
Total	**231.860**	**3.401.945**
Effective tax rate	**27,80%**	**29,35%**

The company has been audited for taxation purposes up to and including 2010.

Under Greek tax law and the relevant Ministerial Decisions, the tax administration may issue an administrative decision levying tax (estimated amount or corrective assessment) within 5 years of the end of the year in which the deadline for submitting a tax return expires. Due to the 5-year period elapsing on 31.12.2018, the financial years which ended up 31.12.2012 became statute-barred.
From the period ending 31.12.2011 onwards, Article 65A of Law 4174/2013 (which is in force now, and as Article 82 of Law 2238/1994 previously in force also required), Greek societes anonyme and limited liability companies whose annual financial statements are audited of necessity are obliged from fiscal years commencing before 1.1.2016 to obtain an annual tax certificate issued after a tax audit is carried out by the statutory auditor or auditing firm which audits the annual financial statements. For periods commencing from 1.1.2016 onwards the annual tax certificate is optional but the Company has opted to obtain it.

The Company has obtained unconditional tax certificates for the periods 2011 to 2017. For 2018 the tax audit to obtain the tax certificate is under way. Upon completion of the tax audit, Company Management does not expect there to be major tax liabilities other than those entered in and already presented in the financial statements.

Under the provisions of Article 23 of Law 4579/2018 (Government Gazette 201/A) the tax rate for profits from business activity generated by legal persons and legal entities will begin to reduce by 1% per year, starting from income in the 2019 tax year.
To be more specific, income for the 2018 tax year will be subject to the current tax rate (29%), whereas income for the 2019 tax year will have a tax rate of 28%, income for the 2020 tax year will have a rate of 27%, income for the 2021 tax year will have a rate of 26% and income for the 2022 tax year and thereafter will have a rate of 25%.Deferred income tax is calculated on deductible interim differences and on unused tax losses at the tax rate expected to apply in the period in which the asset or liability is settled.

11 Deferred tax

All amounts are in Euro.

Deferred income tax is calculated for all interim differences based on the full liability method with an expected effective tax rate ranging from 28% to 25% as stated in Note 10.

The deferred tax account is presented below:
All amounts are in Euro.

	31/12/2018
Balance on 1 January	**(568.780)**
Impact of adopting IFRS 9 on 1 January	8.287
Balance on 1 Jan (adjusted)	**(560.493)**
(Debit)/Credit to income statement	1.167.664
(Debit)/Credit to income statement due to reduction in tax rate	(36.470)
(Debit)/Credit to statement of changes in equity	2.603
Balance at end of period/year	**573.304**
Deferred tax liabilities are attributable to the following:	
Pensions and other post-employment benefits	96.849
Financial assets presented at fair value through profit and loss	378.112
Other interim differences	98.343
Deferred tax assets – (liabilities)	**573.304**

	31/12/2017
Balance on 1 January	1.949.722
(Debit)/Credit to income statement	(2.480.608)
(Debit)/Credit to statement of changes in equity	(37.894)
Balance at end of period/year	**(568.780)**

Deferred tax liabilities are attributable to the following:

Pensions and other post-employment benefits	108.809
Set off of prior period tax losses against current profits and other interim differences	(677.589)
Deferred tax assets – (liabilities)	**(568.780)**

Tax profits in the previous year (2017) were reduced by the tax losses for the 2015 and 2016 periods.

12 Cash and cash equivalents

All amounts are in Euro.
For the purpose of preparing the cash flow statement, cash and cash equivalents are the following balances which mature within a 90-day period:

	31/12/2018	31/12/2017
Cash on hand	6	12
Company sight deposits	17.386.806	15.106.134
Sight deposits for customer mature credit balances	51.430.555	60.110.523
	68.817.367	**75.216.669**
Impairment of receivables from financial institutions due to the adoption of IFRS 9	(11.216)	-
Total	**68.806.151**	**75.216.669**

13 Financial assets presented at fair value through profit and loss

All amounts are in Euro.

Shares	31/12/2018	31/12/2017
- Listed on the Athens Exchange and foreign exchanges (Receivables)	20.581.497	29.041.418
- Listed on the Athens Exchange and foreign exchanges (Liabilities)	(124.111)	-
	20.457.386	**29.041.418**

Of these shares, shares worth € 11,923,234 **in the assets are** blocked in favour of the Athens Exchange Clearing House to cover the margin.
The entire listed share portfolio is characterised as held for trade.

	31/12/2018	31/12/2017
Opening balance (1 Jan)	29.041.418	10.546.977
Additions /(reductions)	(7.076.086)	15.734.744
Adjustment to fair value	(1.507.946)	2.759.697
Closing balance (31 Dec)	**20.457.386**	**29.041.418**

14 Derivatives

All amounts are in Euro.

	31/12/2018		
	Contract/ nominal value	Fair value Assets	Fair value Liabilities
Derivatives held for trade			
Negotiable futures	19.328.492	53.195	484.938
Negotiable options	745.500	21.329	1.353
		74.524	486.291

This exposure arose from hedging exposure to futures that arose from our obligations as a market maker for shares and index futures.

	31/12/2017		
	Contract/ nominal value	Fair value Assets	Fair value Liabilities
Derivatives held for trade			
Negotiable futures	35.276.071	21.403	253.912
Negotiable options	8.060.900	69.725	39.597
		91.128	293.509

15 Receivables - liabilities from customers - brokers - stock exchange

All amounts are in Euro.

	31/12/2018	31/12/2017
Receivables from customers	15.457.478	14.831.210
Receivables brokers - stock exchange	20.606.622	20.978.709
	36.064.100	**35.809.919**
Liabilities to customers - brokers - stock exchange	5.997.175	13.016.279
Liabilities to customers for cleared transactions	51.430.555	60.110.523
	57.427.730	**73.126.802**

Receivables from customers can be broken down as follows:	31/12/2018	31/12/2017
Customer balances	17.318.725	16.666.998
Less: Provisions for impairment of receivables	(1.861.247)	(1.835.788)
Total	**15.457.478**	**14.831.210**

The changes in the provisions account can be broken down as follows:

	31/12/2018	31/12/2017
Opening balance	1.835.789	1.811.578
Plus: Provision formed for year	86.858	47.315
Less: Receivables written off via provisions	(61.400)	(23.104)
Balance at the end of year	**1.861.247**	**1.835.789**

The table below shows the change in customer receivables over time:

	31/12/2018	31/12/2017
Receivables from customers up to 3 months	6.998.685	7.570.483
Receivables from customers from 3 to 12 months	3.622.802	3.313.725
Receivables from customers over 1 year	6.697.238	5.782.790
	17.318.725	**16.666.998**
Less: Provisions for impairment of receivables	(1.861.247)	(1.835.789)
Closing balance	**15.457.478**	**14.831.210**

The amounts not covered by the impairment provision related to margin and 2-day credit products. The current value of the margin portfolio of customers with a debt balance on 31.12.2018 was € 997,068,350 compared to a portfolio value of € 912,674,389 on 31.12.2017.

The fair value of these assets approximate their book value.

16 Tangible and intangible assets

Intangible assets
All amounts are in Euro.

	31.12.2018 Software
Acquisition cost :	
Balance on 1.1.2018	4.406.228
Additions	297.280
Sales - Deletions	-
Balance on 31.12.2018	**4.703.508**
Accumulated depreciation:	
Balance on 1.1.2018	(3.711.957)
Depreciation for the period	(208.038)
Sales - Deletions	-
Balance on 31.12.2018	**(3.919.995)**
Carried value on 31.12.2018	**783.513**

	31.12.2017 Software
Acquisition cost :	
Balance on 1.1.2017	3.693.077
Additions	713.151
Sales - Deletions	-
Balance on 31.12.2017	**4.406.228**
Accumulated depreciation:	
Balance on 1.1.2017	(3.282.611)
Depreciation for the period	(429.346)
Sales - Deletions	-
Balance on 31.12.2017	**(3.711.957)**
Carried value on 31.12.2017	**694.271**

Tangible assets

All amounts are in Euro.

	31/12/2018			
	Improvements to third party property	Furniture and other equipment	Computers	Total tangible assets
Acquisition cost :				
Balance on 1.1.2018	1.038.271	1.646.289	2.096.383	4.780.943
Additions	95.083	43.170	4.308	142.561
Sales - Deletions	-	(43.334)	-	(43.334)
Balance on 31.12.2018	1.133.354	1.646.125	2.100.691	4.880.170
Accumulated depreciation:				
Balance on 1.1.2018	(717.857)	(1.614.737)	(1.938.674)	(4.271.268)
Sales - Deletions	-	43.334	-	43.334
Depreciation for the period	(34.095)	(3.740)	(59.879)	(97.714)
Balance on 31.12.2018	(751.952)	(1.575.143)	(1.998.553)	(4.325.648)
Carried value on 31.12.2018	**381.402**	**70.982**	**102.138**	**554.522**

All amounts are in Euro.

	31/12/2017			
	Improvements to third party property	Furniture and other equipment	Computers	Total tangible assets
Acquisition cost :				
Balance on 1.1.2017	1.038.271	1.646.244	2.174.897	4.859.412
Additions	-	2.306	30.654	32.959
Sales - Deletions	-	(2.261)	(109.168)	(111.428)
Balance on 31.12.2017	1.038.271	1.646.289	2.096.383	4.780.943
Accumulated depreciation:				
Balance on 1.1.2017	(686.639)	(1.585.027)	(1.990.264)	(4.261.930)
Sales - Deletions	-	2.261	109.166	111.426
Depreciation for the period	(31.218)	(31.971)	(57.576)	(120.765)
Balance on 31.12.2017	(717.857)	(1.614.737)	(1.938.674)	(4.271.268)
Carried value on 31.12.2017	**320.414**	**31.551**	**157.709**	**509.675**

17 Other long-term assets

All amounts are in Euro.

	31/12/2018	31/12/2017
Participation in the Auxiliary Fund	3.543.923	3.566.077
Participation in the Guarantee Fund	2.501.486	2.501.486
	6.045.409	**6.067.563**

These participations include the following sums: a) € 960,870 which relates to payment of a guarantee to the Auxiliary Fund for equities and € 1,853,053 paid as a guarantee for levies to the Auxiliary Fund for derivatives, b) € 730,000 in levies to the Cyprus Stock Exchange's Liquidation Fund, and c) € 2,501,486 which relates to payment of a guarantee to the Investment Services Guarantee Fund in accordance with the provisions of Law 2533/1997. A letter of guarantee of € 2,001,486 has also been issued for the same purpose.

The following points should be noted in relation to the Auxiliary Fund:

Transaction limits and the Auxiliary Fund were introduced at the end of 1996 and start of 1997 to handle problems with transaction clearing. Law 3371/2005 amended the original law and bolstered the role of the Auxiliary Fund and how it operates. In cooperation with the Guarantee Fund, and having obtained approval from the HCMC after examining risk hedging methods applied on European markets, the HELEX Group concluded that it was necessary to implement a modern counterparty risk management and hedging method on the Greek equities market with a change in the method for calculating the daily transaction limits for ATHEX members.

The Auxiliary Fund is run by ATHEXCLEAR S.A. And operates in accordance with Law 3606/2007 and the provisions of Regulation (EU) No 648/2012 and Articles 29 to 31 of Regulation (EU) No 153/2013. Application of the new model in line with the EMIR regulation took effect for the equities market on 16.2.2015.

18 Investment securities portfolio

All amounts are in Euro.

	31/12/2018	31/12/2017
Shares not listed on ATHEX	261	264
Greek corporate bonds	119.560	119.560
	119.821	**119.825**

19 Other assets

All amounts are in Euro.

	31/12/2018	31/12/2017
Income receivable	17.725	18.790
Prepaid expenses	257.558	261.889
Other receivables	19.150	20.134
Sundry debtors	175.766	172.656
	470.199	**473.470**

The fair value of these assets approximate their book value.

20 Receivables from the Greek State

All amounts are in Euro.

	31/12/2018	31/12/2017
Receivables from taxes withheld for specially taxed reserves.	723.262	1.021.553

During the year ended the Greek State refunded the sum of € 298,868 relating to settlement of income tax for the previous year (2017).

21 Personnel termination liabilities

All amounts are in Euro.

The impact of the amendments in the revised IAS 19 on the statement of comprehensive income for 2018 are presented below:

	31/12/2018	31/12/2017
Balance on 1 January	375.203	531.129
Benefits paid during year	(599.246)	(1.009.303)
(Credit) / Debit to income statement	631.010	984.045
Recognition of actuarial loss / (gain) in comprehensive income	(19.569)	(130.668)
Balance at year end	**387.398**	**375.203**

Cost of current employment	32.430	37.696
Interest costs	6.679	9.348
Cost of cutbacks/settlements/termination of service	591.901	937.001
	631.010	**984.045**

In order to form the provision for personnel termination compensation the following assumptions were used: a) discount rate of 1.86% and b) future increases for 2019: 0.50%, 2020: 0.70 % 2021: 1.30 %, 2022: 1.70 % 2023: 2.70 %, c) Expected remaining working life: 21.04 years

Thus on the valuation date (31.12.2018) use of a 0.5% higher discount rate would result in the present value of the actuarial obligation being 9% lower while use of a 0.5% lower discount rate would result in the present value of the actuarial obligation being 10% higher.

22 Other liabilities

	31/12/2018	31/12/2017
Suppliers	503.036	291.381
Insurance and pension fund dues	188.454	202.695
Liabilities to related enterprises	1.020.408	1.040.569
Pre-collected income and expenses payable	165.813	139.486
Other liabilities	585.630	875.365
Liabilities under finance leases	114.168	-
	2.577.509	**2.549.495**

The fair value of these assets approximate their book value.

23 Share Capital

All amounts are in Euro.

	31/12/2017 Ordinary shares No. of shares	31/12/2017 Share Capital
1.1.2017 & 31.12.2017	**1.390.350**	**43.865.543**

	31/12/2018 Ordinary shares No. of shares	31/12/2018 Share Capital
1.1.2018 & 31.12.2018	**1.390.350**	**43.865.543**

24 Reserves

All amounts are in Euro.

31/12/2017	Ordinary Reserves	Untaxed reserve for securities losses to be offset	Other Reserves	Extraordinary Reserves	Total
Balance on 1.1.2017	14.621.847	(29.658)	7.585.141	146.735	22.324.065
Actuarial losses	-	-	92.774	-	92.774
Transfer of reserves	-	-	11.890	-	11.890
Balance on 31.12.2017	**14.621.847**	**(29.658)**	**7.689.805**	**146.735**	**22.428.729**

31/12/2018	Ordinary Reserves	Untaxed reserve for securities losses to be offset	Other Reserves	Extraordinary Reserves	Total
Balance on 1.1.2018	14.621.847	(29.658)	7.689.805	146.735	22.428.729
Actuarial gains	-	-	22.172	-	22.172
Transfer of reserves	-	-	1.458	-	1.458
Balance on 31.12.2018	**14.621.847**	**(29.658)**	**7.713.435**	**146.735**	**22.452.359**

The statutory reserve formed in accordance with the provisions of Greek law (Articles 44 and 45 of Codified Law 2190/1920) under which at least 5% of the annual net earnings (net of tax) must be placed in the statutory reserve until that reserve reaches 1/3 of the paid-up share capital. The statutory reserve may be used to cover losses following a decision of the Ordinary General Meeting of Shareholders and consequently cannot be used for any other purpose. On 31.12.2018 the statutory reserve stood at € 14,621,847 (1/3 of the paid-up share capital).

Reserves from tax preference items were formed in line with the provisions of various laws. Under Greek tax law, those reserves are exempt from income tax so long as they are not distributed to shareholders, whereas if distributed or capitalised, they will be taxed at the tax rate applicable at the time of distribution.

25 Foreign exchange risk

The table below summarises Company exposure to interest rate risk on 31.12.2018 and 31.12.2017. The table presents assets and liabilities, per currency, at book values expressed in euro.

All amounts are in Euro.	31/12/2018			
	Euro	**USD**	**Other currencies**	**Total**
ASSETS				
Non-Current Assets				
Intangible assets	783.513	-	-	783.513
Tangible assets	554.522	-	-	554.522
Other long-term assets	6.045.409	-	-	6.045.409
Investment securities portfolio	119.821	-	-	119.821
Deferred tax	573.304	-	-	573.304
	8.076.569	-	-	**8.076.569**
Current Assets				
Receivables from clients - brokers - stock exchange	31.813.002	3.803.409	447.689	36.064.100
Other assets	470.199	-	-	470.199
Receivables from the Greek State	723.262	-	-	723.262
Financial assets presented at fair value through profit and loss	20.581.497	-	-	20.581.497
Derivative financial instruments - receivables	74.524	-	-	74.524
Cash and cash equivalents	56.957.588	9.462.890	2.385.673	68.806.151
	110.620.072	**13.266.299**	**2.833.362**	**126.719.733**
Total assets	**118.696.641**	**13.266.299**	**2.833.362**	**134.796.302**
LIABILITIES				
Equity	**65.160.625**	**5.405.214**	**1.884.733**	**72.450.573**
Long-term liabilities				
Staff post-employment benefits liability	387.398	-	-	387.398
Short-term liabilities				
Liabilities from clients - brokers - stock exchange	48.684.174	7.795.682	947.874	57.427.730
Derivative financial instruments - liabilities	486.291	-	-	486.291
Financial assets presented at fair value through profit and loss	124.111	-	-	124.111
Tax Liabilities	1.342.690	-	-	1.342.690
Other liabilities	2.511.352	65.403	754	2.577.509
Total Liabilities	**53.536.016**	**7.861.085**	**948.628**	**62.345.729**
Total liabilities & equity	**118.696.642**	**13.266.299**	**2.833.361**	**134.796.302**

	31/12/2017			
	Euro	**USD**	**Other currencies**	**Total**
ASSETS				
Non-Current Assets				
Intangible assets	694.271	-	-	694.271
Tangible assets	509.675	-	-	509.675
Other long-term assets	6.067.563	-	-	6.067.563
Investment securities portfolio	119.825	-	-	119.825
	7.391.334	-	-	**7.391.334**
Current Assets				
Receivables from clients - brokers - stock exchange	31.887.503	3.470.975	451.440	35.809.919
Other assets	473.470	-	-	473.470
Receivables from the Greek State	1.021.553	-	-	1.021.553
Financial assets presented at fair value through profit and loss	29.041.418	-	-	29.041.418
Derivative financial instruments - receivables	91.128	-	-	91.128
Cash and cash equivalents	64.264.069	9.192.464	1.760.136	75.216.669
	126.779.141	**12.663.439**	**2.211.576**	**141.654.156**
Total assets	**134.170.475**	**12.663.439**	**2.211.576**	**149.045.490**
LIABILITIES				
Equity	**66.192.483**	**4.037.451**	**1.616.610**	**71.846.544**
Long-term liabilities				
Personnel termination liabilities	375.203	-	-	375.203
Deferred tax	568.780	-	-	568.780
Short-term liabilities				
Liabilities from clients - brokers - stock exchange	63.932.563	8.601.386	592.853	73.126.802
Derivative financial instruments - liabilities	293.509	-	-	293.509
Financial assets presented at fair value through profit and loss	-	-	-	-
Tax Liabilities	285.156	-	-	285.156
Other liabilities	2.522.780	24.602	2.113	2.549.495
Total Liabilities	**67.977.992**	**8.625.988**	**594.966**	**77.198.946**
Total liabilities & equity	**134.170.475**	**12.663.439**	**2.211.576**	**149.045.490**

26 Breakdown of liabilities based on maturity

All amounts are in Euro.

The table below presents Company liabilities in categories based on the time remaining to maturity on the date of the statement of financial position.

31/12/2018	up to 1 month	1-3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
LIABILITIES						
Long-term liabilities						
Personnel termination liabilities	-	-	-	-	387.398	387.398
Short-term liabilities						
Liabilities from customers - brokers - stock exchange	57.427.730	-	-	-	-	57.427.730
Financial instruments - liabilities	486.291	124.111	-	-	-	610.402
Tax Liabilities	337.299	-	1.005.391	-	-	1.342.690
Other liabilities	2.577.509	-		-	-	2.577.509
Total liabilities	**60.828.829**	**124.111**	**1.005.391**	**-**	**387.398**	**62.345.729**

31/12/2017	up to 1 month	1-3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
LIABILITIES						
Short-term liabilities						
Long-term liabilities						
Deferred tax	-	-	-	568.780	-	568.780
Personnel termination liabilities	-	-	-	-	375.203	375.203
Short-term liabilities						
Liabilities from customers - brokers - stock exchange	73.126.802	-	-	-	-	73.126.802
Derivative financial instruments - liabilities	293.509	-	-	-	-	293.509
Other taxes	285.156	-	-	-	-	285.156
Other liabilities	1.784.555	-	265.481	499.459	-	2.549.495
Total liabilities	**75.490.022**	**-**	**265.481**	**1.068.239**	**375.203**	**77.198.946**

27 Transactions with related parties

All amounts are in Euro.

The company is controlled by the bank Eurobank Ergasias S.A. (whose registered offices are in Athens and which is listed on ATHEX) which holds 100% of the company's share capital.

Since November 2015 the percentage of ordinary shares with voting rights in the Bank held by the Hellenic Financial Stability Fund (HFSF) has been 2.38%. HFSF is considered to exert material influence over the Bank under the provisions of Law 3864/2010, as in force, and the new framework agreement signed by the Bank with HFSF on 4.12.2015, which replaced the previous one that had been signed on 26.8.2014. Further information about HFSF's rights under that framework is set out in note 50 of the consolidated financial statements for the period ended on 31.12.2017.

The Company engages in banking transactions with related parties within the normal context of its operations on a purely commercial basis. The volume of transactions with related parties and the end of year balances are shown below:

Receivables - Liabilities	31/12/2018 Eurobank Ergasias S.A.	31/12/2018 Other related parties
Receivables		
Cash assets	66.012.098	716.171
Other receivables	94.239	49
Liabilities		
Other liabilities	990.504	174.089

	1/1- 31/12/2018	
Income - Expenses	**Eurobank Ergasias S.A.**	**Other related parties**
Income from commission	139.423	279
Expenses from commission	(819.619)	(76)
Staff salaries and expenses	366.848	-
Overheads	(698.315)	(294.995)
Income from interest	43.310	839
Interest expenses	(186.259)	-
Total	**(1.154.612)**	**(293.953)**

	31/12/2017	
Receivables - Liabilities	**Eurobank Ergasias S.A.**	**Other related parties**
Receivables		
Cash assets	72.457.991	455.381
Other receivables	109.214	1.081
Liabilities		
Other liabilities	1.004.578	37.977

	1/1- 31/12/2017	
Income - Expenses	**Eurobank Ergasias S.A.**	**Other related parties**
Income from commission	614.598	1.620
Expenses from commission	(798.748)	-
Staff salaries and expenses	83.051	2.282
Overheads	(707.860)	(313.336)
Income from interest	51.109	-
Interest expenses	(34.241)	(839)
Total	**(792.092)**	**(310.272)**

The fees for the Company's key management executives for the period 1.1.2018 - 31.12.2018 stood at € 666,290 (2017: € 690,155).

28 Dividend per share

The Company's Board of Directors will decide at its next meeting on whether to propose distribution of profits for the 2018 period to the Ordinary General Meeting of Shareholders. The final amount to be distributed will be determined in the decision of the Annual Ordinary General Meeting of Shareholders.

29 Commitments

Operating lease commitments of the company as lessee

The Company rents buildings and cars via non-cancellable operating leases. The leases have various terms, adjustment clauses and renewal rights, and the Company is required to give notice of termination of the arrangements based on the notice period laid down by law for commercial leases as in force. The cost of leases entered in the income statement for the period is disclosed in Note 8. The total future rents payable under those non-cancellable operating leases are as follows:

		31/12/2018	
All amounts are in Euro.	**Buildings**	**Cars**	**Total**
Up to 1 year	177.011	77.540	254.551
From 1 to 5 years	699.582	46.821	746.403
More than 5 years	328.128	-	328.128
	1.204.721	**124.361**	**1.329.082**

		31/12/2017	
	Buildings	**Cars**	**Total**
Up to 1 year	197.607	78.953	276.560
From 1 to 5 years	745.025	121.666	866.691
More than 5 years	480.887	-	480.887
	1.423.519	**200.618**	**1.624.138**

30 Contingent liabilities

- Guarantee letters

The Company has contingent liabilities relating to banks, other guarantees and other issues arising in the context of its normal activities. It is not expected that there will be substantial charges from contingent liabilities. The Company has issued guarantee letters in the context of its normal activities worth € 2,001,486 (to cover the Guarantee Fund).

- Pending litigation

In the case of customer balances not covered by the valuation value of their portfolio and for pending lawsuits against the Company (including any fines from normal operations) as well as any proceedings instituted by the Company with respect to tax issues, the company has formed a provision which Management considers adequate. The value of these provisions is calculated from time to time based on individualised projections in each case.

Management is in direct and ongoing contact with its legal advisors and relying on their view it does not consider that particular amounts will be payable by the company from pending lawsuits other than the amounts already covered by the provisions formed.

31 Events occurring after the date of the statement of financial position

No other events have occurred after the date of the statement of financial position (31.12.2018) which could significantly impact on the Company's current financial position apart from the events referred to in Note 2 concerning developments in the Greek economy.