

BETA SECURITIES S.A.

Athens, Reg. No. 34042/06/B/95/25
29 ALEXANDRAS AV., P.C. 114-73 ATHENS

Annual Financial Statements
For the period January 1st to December 31st 2016

It is hereby certified that the attached herein Financial Statements which have been issued in accordance with the International Financial Reporting Standards, are those financial statements approved by «BETA SECURITIES S.A.» Board of Directors on February 24th, 2017 and uploaded on the Web site of the company www.beta.gr.

Athens February 24th 2017

Evangelos Charatsis

President & Managing Director

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**MANAGEMENT REPORT
FOR THE 21ST FISCAL YEAR 01/01/2016 - 31/12/2016 OF THE BOARD OF DIRECTORS OF «BETA
SECURITIES S.A.» TO THE GENERAL MEETING OF THE SHAREHOLDERS
(REG. No. 34042/06/B/95/25)**

The Board of Directors has the owner to submit the Management Report along with the Statement of Financial Position of the fiscal year 01/01/2016 - 31/12/2016 and the Statements of comprehensive Income, Changes in Equity and Cash Flows for the year then ended and also a summary of the significant accounting policies and other explanatory notes.

The attached financial statements of the company have been issued according to the requirements of article 135 of the Law 2190/20 according to the International Accounting Standards and the International Financial Reporting Standards as adopted by the European Union and they contain an analytical view of assets and liabilities and also a clear structure of the earnings of the fiscal year and the operations and financial position of the company for the year ended at 31/12/2016.

OPERATIONS

The revenues of the company for the fiscal year 2016 came up to € 2.791.623 decreased by 21% compared to the previous year 2015 of amount € 3.537.343.

The cost of sales of the company for the fiscal year 2016 came up to € 2.474.090 compared to € 2.785.756 in the previous year 2015, decreased by 11%.

The administration expenses of the company for the fiscal year 2016 came up to € 1.060.324 compared to € 1.241.575 in the previous year 2015, decreased by 15%.

The financial earnings of the company for the fiscal year 2016 came up to € 141.364 compared to losses in the previous year 2015 of amount € (7.396).

The Earnings before tax came up to losses of € (535.919) compared to losses of € (387.794) in the previous year 2015.

The Earnings before tax came up to losses of € (541.171) compared to losses of € (305.579) in the previous year 2015.

BASIC ACCOUNTING PRINCIPLES

The financial statements of the company of the 31st December 2016 have been issued based on the principle of historical cost, as modified by the re-adjustment of certain assets and liabilities at fair values and the principle of going concern and are in accordance with the International Financial Reporting Standards (I.F.R.S.) including the International Accounting Standards (I.A.S.).

Property

Property, plant and equipment are presented in the financial statements at cost, minus accumulated depreciation and impairment if any. The cost of tangible assets includes all directly attributable expenses for their acquisition.

Portfolio

The portfolio of the company as at 31/12/2016, includes shares listed in the Athens Stock Exchange and foreign capital markets, which are classified as «Financial assets at fair value through the income statement» and have been valued at their current price in the Stock market as at 30/12/2016.

Client credit balances deposited in company bank accounts

According to the announcement No. 12/2016 of the Hellenic Accounting and Auditing Standards Oversight Board called «Accounting treatment of client credit balances held by securities on bank accounts», the company is no longer obliged to present on balance sheet the cash amounts deposited by clients in order for the company to execute transactions on their behalf and according to their orders. Those cash balances are monitored accordingly in the accounting system of the company and their management and reconciliation is completely assured. Based on this provision the company has reclassified the comparative figures of the previous year without causing any change to the Equity and the Income statement of the year.

ANALYSIS OF THE FIGURES OF THE FINANCIAL STATEMENT

A further analysis of the figures of the financial statements of the year 2016 is provided in the notes of them.

SIGNIFICANT RISKS

Market risk

The main volume of the transactions of the company is denominated in Euro, but there are also transactions in foreign capital markets therefore there is an exposure to exchange rate risk.

Interest rate risk

The company enters in loan agreements with banks, therefore there is an exposure at interest rate risk.

Credit risk

The company is exposed to credit risk, which refers to the possibility that the counterparty will not be able to pay in full the amounts due. Especially for the company this risk is concentrated mainly to client debit balances.

This kind of credit risk is not considered significant, since the price of purchases by clients is received in two days (T+2) from the date of transaction. In case of clients with open positions not covered by their portfolio, the company has already proceeded to the impairment of the receivables.

Credit risk for cash and cash equivalents is considered very small, since are considered to be directly liquidated and also because they refer to well known banks with high credit ratings.

Liquidity risk

Management considers that the major part of the assets can be easily liquidated in a short time period.

BASIC FINANCIAL RATIOS

Certain basic financial ratios are presented below:

Current assets to Total Assets 66%

Equity to Total Liabilities 238%

Current Assets to Short Term Liabilities 120%.

SUBSEQUENT EVENTS

There were no significant subsequent events from the reporting date of the financial statements up to the date of this report.

FUTURE OPERATIONS OF THE COMPANY

The management taking into consideration the current course of the company operations and the expected negative conditions in both local and international level estimates that revenues and earnings could be reduced in the mid-term period.

BRANCHES

The company does not own any branches.

FINANCIAL POSITION

The financial position of the company is considered satisfactory, but there are further areas for improvement.

ATHENS, 24.02.2017

THE PRESIDENT OF THE BOARD OF DIRECTORS & MANAGING DIRECTOR

EVANGELOS CHARATSI

INDEPENDENT AUDITOR’S REPORT

To the shareholders of the company “BETA SECURITIES S.A.”

Report on the Financial Statements

We have audited the accompanying financial statements of « BETA SECURITIES S.A. », which comprise the Statement of financial position as at December 31, 2016, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting principles and other explanatory notes.

Management’s Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable, but not absolute, assurance whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor’s assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial statements as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation and disclosures.

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

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of “BETA SECURITIES SA” as of December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration the fact that the Management is responsible for issuing the Board of Directors Report, according to the provisions of par. 5 of article 2 (part B) of Law 4336/2015 we note the following :

- a) In our opinion the Board of Directors Report has been issued according to the current legal provisions of article 43a of Law 2190/1920 and its content is consistent to the attached financial statements of the year ended at 31/12/2016.
- β) Based on our opinion from our audit for the company “BETA SECURITIES S.A.” and its environment, we have not identified any substantial inaccuracies in the Board of Directors Report.

Athens, February 28, 2017
The chartered Accountant

Georgios Petropoulos
SOEL Reg. No 35021



Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Ζεφύρου 56, 175 64, Παλαιό Φάληρο
Α.Μ.Σ.Ο.Ε.Λ 127

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	<u>31/12/16</u>	<u>31/12/15</u>
Non current assets			
Property, plant and equipment	6.1	46.614	80.416
Intangible assets	6.2	39.934	15.280
Deferred tax assets	6.3	92.324	97.576
Long term receivables	6.4	1.579.644	1.421.958
		1.758.516	1.615.230
Current assets			
Trade and other receivables *	6.5	3.078.512	5.161.653
Financial assets at fair value through income statement	6.6	153.411	93.432
Cash and cash equivalents *	6.7	178.843	1.317.773
		3.410.766	6.572.858
Total assets		5.169.282	8.188.088
EQUITY AND LIABILITIES			
Equity			
Share capital	6.8	6.976.143	6.976.143
Reserves	6.9	1.259.134	1.259.134
Retained earnings		-4.597.603	-4.056.432
Total Equity		3.637.674	4.178.844
Long term liabilities			
Retirement benefit obligation	6.10	62.725	82.725
Total long term liabilities		62.725	82.725
Short term liabilities			
Trade and other payables *	6.11	1.468.883	3.926.519
Total short term liabilities		1.468.883	3.926.519
Total liabilities		1.531.608	4.009.244
Total Equity and liabilities		5.169.282	8.188.088

* Analysis regarding the re-classification of the figures "Trade and other receivables", "Cash and cash equivalents" and "Trade and other payables" of the fiscal year 1/1 – 31/12/2015, can be found at Note. 7.

STATEMENT OF COMPREHENSIVE INCOME

		<u>1/1 - 31/12/2016</u>	<u>1/1 - 31/12/2015</u>
Revenues	6.12	2.791.623	3.537.343
Cost of sales	6.13	-2.474.090	-2.785.756
Gross Profit		317.533	751.587
Administrative expenses	6.14	-1.060.324	-1.241.575
Other income/expenses	6.15	65.508	109.590
Earnings before income and tax		-677.283	-380.398
Financial income	6.16	772.757	11.205.697
Financial expenses	6.17	-631.393	-11.213.093
Earnings before tax		-535.919	-387.794
Income tax	6.18	-5.252	82.215
Earnings of year		-541.171	-305.579

Athens, February 24th 2017

The President of the B.o.D. and Managing
Director

Evangelos Charatsis
I.D. No. AB 649034

The member of the B.o.D.

Petros Papathanasiou
I.D. No. X 080706

The Chief Accounting Officer

Fotios Tzigos
I.D. No. AK 082458

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Retained earnings	Total
Changes in Equity of year 1/1 - 31/12/2015				
Balance at January 1st 2015	6.976.143	1.259.134	-3.791.624	4.443.653
Total comprehensive income of year 1/1 - 31/12/15	0	0	-295.463	-295.463
Distribution of reserve from securities sale	0		30.655	30.655
Total recognized income/expense of year	0	0	-264.808	-264.808
Balance at December 31st 2015	6.976.143	1.259.134	-4.056.432	4.178.845
Changes in Equity of year 1/1 - 31/12/2016				
Balance at January 1st 2016	6.976.143	1.259.134	-4.056.432	4.178.845
Total comprehensive income of year 1/1 - 31/12/16	0	0	-541.171	-541.171
Total recognized income/expense of year	0	0	-541.171	-541.171
Balance at December 31st 2016	6.976.143	1.259.134	-4.597.603	3.637.674

CASH FLOW STATEMENT

	<u>31/12/16</u>	<u>31/12/15</u>
Operating activities		
Earnings before tax	-535.919	-387.794
Plus / minus adjustments for:		
Depreciation	39.841	38.243
Provisions	-20.000	41.907
Earnings (income, expenses, profit and loss) of investing activities	-270.186	7.931
Debit interest and related expenses	47.173	88.164
Plus/ minus adjustments for changes in accounts related to working capital or operating activities:		
Decrease / (increase) of receivables *	1.929.782	10.540.408
(Decrease) /increase of liabilities (except for banks) *	-2.457.646	-7.989.769
Minus:		
Debit interest and related expenses paid	-47.173	-88.164
Taxes paid	0	-30.655
Total inflows/ outflows from operating activities (a)	-1.314.128	2.220.272
Investing activities		
Sale / (purchase) of securities	118.511	459.886
Purchase of tangible and intangible assets	-30.693	-32.858
Interest received	87.380	17.176
Total inflows/ outflows from investing activities (b)	175.198	444.204
Financing activities		
Loan payments	0	-1.710.000
Total inflows/ outflows from financing activities (γ)	0	-1.710.000
Net increase (decrease) in cash and cash equivalents of the year (a)+(b)+(c)	-1.138.930	954.476
Cash and cash equivalents at the beginning of year *	1.317.773	363.298
Cash and cash equivalents at the end of year *	178.843	1.317.773

* Analysis regarding the re-classification of the figures "Trade and other receivables", "Cash and cash equivalents" and "Trade and other payables" of the fiscal year 1/1 – 31/12/2015, can be found at Note. 7.

EXPLANATORY NOTES OF THE FINANCIAL STATEMENTS

1. General information for the company

The company «BETA SECURITIES S.A.» (there on «the company») presents its financial statements along with the explanatory notes which comprise an integral part of them for the fiscal year 1/1/2016 – 31/12/2016.

The company was established in 1995 (Government Journal 4880/21.08.1995), by the license provided by the Securities and Exchange Committee of Greece No. 44/6-6-1995, with Societe Anonyme registration No. 34042/06/B/95/25 and operates according to the provisions of Law 3606/2007 and according to the Decision No. 9/473/5-6-2008 of the Securities and Exchange Committee by which the operation license of the company has been modified.

The financial statements of the company are available at the web site www.betasecurities.com

The company's shareholders and their shares are presented below:

SHAREHOLDERS	PARTICIPATION
Evangelos Charatsis	50,00 %
Nikolaos Ritsonis	50,00 %
Total	100,00 %

The duration of the company has been set at ninety nine (99) years by the recording date in the Register of Societe anonymes.

The company has occupied in the fiscal years 1/1 – 31/12/16 and 1/1 – 31/12/15 an average of forty five (45) and forty eight (48) employees respectively.

The financial statements are presented in euro (€). All amounts are presented without rounding's, unless stated differently.

The company offers the following services:

- a) Execution of transactions in shares, bonds and derivatives in the Greek and foreign capital markets (the company holds a trading license for derivatives).
- b) Portfolio management and investment advice.
- c) Credit for margin accounts.
- d) Undertaking of financial means or placement of financial means and related services.
- e) Safekeeping and management of financial assets on account of clients including services of custody and other related services like cash management or safety.
- f) Offer advice in companies for capital structure, segment strategy and related issues and also offer advice for merger and acquisitions.
- g) Research on investing sector and financial analysis

2. Preparation of financial statements

The attached financial statements (there on «financial statements»), have been prepared by the Management based on the principal of historical cost, as modified by the re-adjustment of certain assets and liabilities at fair values through the income statement and the principal of going concern and are in agreement with the International Financial Reporting Standards (thereon I.F.R.S.) and the International Accounting Standards (there on I.A.S.), as adopted by the European Union (according to Regulation (E.U.) No.1606/2002 of the European Parliament and the Board of the European Union of the July 19th 2002) and have been published by the International Accounting Standards Board (IASB), and also their Interpretations, as published by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of the IASB. The period of adaptation of every I.A.S./I.F.R.S. is defined by the related regulations published by the committee of the European Union.

The financial statements are presented in Euro, which is the operational currency of the company. All amounts are presented in Euro unless stated differently.

Any differences in amounts of figures of the financial statements and the explanatory notes are caused by roundings.

The preparation of financial statements according to the I.F.R.S. requires the adaptation of assessments, principles and assumptions which affect the valuation of assets, liabilities, the recognition of contingent liabilities and also the recognition of revenues and expenses in the financial statements.

It also requires judgment by Management at the procedures of applying the accounting principles of the company.

The current financial statements reflect a fair presentation of the financial position of the company at the date of preparation.

3. Basic accounting principles

The major accounting principles adopted and followed at the preparation of the attached financial statements according to the IF.R.S. are presented in the following paragraphs and have been applied consistently in all reporting periods, unless stated differently:

3.1. Property, plant and equipment

Tangible assets are initially recognized at cost, minus their accumulated depreciation and impairment if any. The cost of tangible assets includes all directly attributable purchase expenses.

Subsequent expenses are recorded in addition to the accounting value of tangible assets, or as a separate asset only at the extent that those expenses increase the future economic benefits expected to inflow from the use of the asset and its cost can be reliably measured. The cost of repairs and maintenance is recorded in the income statement when realized.

Depreciation is recorded in order to reduce cost minus the residual value of tangible assets, according to the useful life, by using the straight line method.

The expected useful life of tangible assets are the following:

Vehicles	5 - 7 years
Furniture & Other equipment	5 years
Computers	4 years
Telecom equipment	5 years
Other tangible assets	5 years

Residual values and useful lives of tangible assets are subject to a reassessment in every reporting date. In case the accounting values of tangible assets are considered to be higher than their recoverable value, then the difference (impairment) is recorded directly as an expense in the income statement.

At the time of sale of tangible assets, the differences between the price received and the accounting value are recorded as earnings or losses in the income statements.

3.2. Intangible assets

Intangible assets include software, which are recognized at cost minus depreciation. Depreciation is calculated according to the straight line method during the useful life of the assets, which has been set at five years.

3.3. Impairment of assets

Assets with indefinite useful life are not depreciated and are subject to impairment test annually or when events occur that indicate that the accounting value may not be recoverable. Assets depreciated are also subject to impairment test when there are indications that their accounting value is not recoverable. The recoverable value is the greater amount among the net selling value and the value in use. The difference between the net value of the asset and the directly recoverable value of the underlying asset consists an impairment loss. Tangible assets are classified to the lowest level in order to be connected to separate cash flow units, for impairment reasons.

3.4. Financial assets

As a financial asset is defined every contract that creates a financial asset in one company and a financial liability or a participation to another one.

The financial assets of the company are classified in the following categories based on the essence of the contract and the purpose of acquisition. Management defines the category for every financial asset at the initial date of recognition and reassess this classification at every reporting date.

3.4.1. Financial assets at fair value through the income statement

This category includes financial assets which satisfy any of the following conditions:

- Financial assets acquired in order to be sold in short time or have been defined as financial assets by management.
- Upon initial recognition, the entity defines them as assets being valued at fair value with changes recognized in profit or loss

Assets in this category are included in current assets either because they are intended for sale or they are intended to be liquidated within twelve months since the end of the reporting period. The financial assets at fair value through the income statement refer to the trade portfolio of the company which includes mainly shares and derivatives traded in organized capital markets, acquired in order to be liquidated in the near future. The fair value of financial assets traded in active markets (e.g. derivatives, shares, bonds, mutual funds), is estimated by the published prices referring at each reporting date. The fair value of those financial assets not traded in active markets can be estimated by the use of valuation techniques and assumptions based on market data at the reporting date.

The financial assets at fair value through the income statement of the company are included in the current assets of the Statement of Financial Position.

3.4.2. Cash and cash equivalents

Cash and cash equivalents include short term highly liquidated investments, close to maturity facing very low risk for changes in valuation at the time of liquidation and also sight deposits.

3.4.3. Loans and receivables

This category comprises any non-derivative financial asset with fixed or determinable payments. However, a financial asset that is quoted in an active market does not qualify for classification as a loan or receivable. This category does not comprise:

- Receivables that do not result transfer of cash or other financial assets.
- Advances for purchases of goods, tangible and intangible assets or services because they will not be covered by cash or other financial assets. They will be covered by inventories, tangible or intangible assets or services.

- Prepaid expenses which do not constitute conventional obligations for receiving or delivery of cash or other financial non current assets.
- Requirements that they are not conventional; they are imposed by government regulations.
- Requirements which are related with tax transactions and which have been imposed with law by the government,
- Anything not covered by a contract so as to give the entity the right to receive cash or other financial non- current assets.

Loans and Receivables with a fixed term are valued at net book value cost based on the interest rate method, while Loans and Receivables without fixed term are valued at cost. Revenues or expenses that arise from revaluation are recognized in profit or loss.

The Loans and Receivables of the company are included in the Current Assets of the Statement of Financial Position in the figures «Trade and other Receivables» and «Other Long term Receivables».

3.4.4. Investments held to maturity

This category includes non derivatives financial assets with fixed of determined payments and certain expiration and which the company has the intention and ability to hold until expiration.

Investments held to maturity are valued at amortized cost based on the method of real interest. The profit or loss from this valuation are recorded in the income statement.

The company does not own any investments held to maturity.

3.5. Financial liabilities

It comprises contractual obligations that concern:

- Delivery of cash or another financial asset to another entity
- The exchange of financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- A contract which will or may be settled in the entity's own equity instruments and is: a) a non derivative for which the entity is obliged or may be obliged to deliver a variable number of entity's own equity instruments or b) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Upon initial recognition, financial liabilities are valued at fair value after deducting the expenses which are directly attributable to the conduct of a particular transaction. As fair value, generally is regarded the net cash inflow from the issue of financial instrument or the fair value of the asset which is acquired during the creation of the liability.

Besides some exemptions (such as the case of financial liabilities via results), financial liabilities are valued at net book value cost using the method of effective interest.

The financial liabilities at amortized cost are included in the Short term Liabilities of the Statement of Financial Position in the figure «**Trade and other payables**» and «**Other Liabilities**».

3.6. Income tax & deferred tax

Income tax appearing in the Statement of Comprehensive Income comprises from both current income tax and deferred income tax related to transactions and events recognized in the income statement.

Payable income tax is based on taxable Income Statement. However, taxable profits may differ from the profit or loss presented in the income statement because they do not include non-taxable revenue or non deductible taxable expenses, as well as, they do not include revenue or expenses which are taxable or deductible in next periods.

The current (payable) tax of the company is calculated according to the tax rate effective at each reporting date over the taxable profits.

Deferred tax is recorded either as an asset (regarding taxes expected to be returned or offset in the future with tax liabilities) or as a liability (for taxes expected to be paid in the future) related to all temporary (tax wise) differences between book value and recognized tax basis of assets or liabilities, by the use of the liability method.

Deferred tax liabilities are recorded for all temporary tax (tax wise) differences, while deferred tax assets are recorded for all deductible tax differences, to the extent that tax benefits are expected.

The current tax is calculated based on the applicable tax rate, while deferred taxes are calculated at the rate expected to occur when the assets or liabilities are settled.

The company records the tax effects of transactions and other events and further the amount of deferred tax by the same way it records the transactions themselves. This means that for transactions and other events recognized in the income statement, the respective tax effects will be recognized in the income statement as well. Regarding transactions and other events recognized otherwise (in the comprehensive income or directly in Equity), any kind of tax effects are recognized similarly (either in the comprehensive income or directly in equity, respectively).

Tax assets and liabilities are offset when they refer to a temporary (tax wise) difference derived by assets or liabilities of the same nature.

3.7. Employee benefits

Short term employee benefits:

Short term employee benefits include items such as:

- Wages, salaries and social security contributions
- Short term compensated absences such as paid annual leave and paid sick leave where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service.

Short term employee benefits (besides benefits from ceasing employment) in cash and in item are recognized as expense when they accrue. The undiscounted amount of the benefits shall be recognized as a liability, while if the paid exceeds the undiscounted amount of the benefits, the entity shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Termination benefits

These benefits are created, when an entity is engaged to terminate the occupation of the employee or employees, before the normal retirement date.

These benefits are recorded as a liability and as an expense when and only when the entity is engaged to provide them. When these benefits fall due more than twelve months from balance sheet date, they shall be discounted.

In the case of an offer that concerns voluntary redundancy the valuation of the benefits of employment relationship shall be based on the number of the employees that is expected to accept the offer.

When these benefits become payable over a period of twelve months from the balance sheet date, then these benefits are discounted based on the yields of high quality of corporate bonds or government bonds. In the case of the termination of employment that there cannot be easily defined the number of employees who will make use of these benefits, the benefits are not recognized, but they are disclosed as possible liability.

Post employment benefits

The defined benefit plan pertains to the legal obligation of the company to pay a compensation to the staff at the time of retirement from service. The liability recorded in the statement of financial position for this plan, is equal to the present value of the obligation for the defined compensation related to the accrued right of the employees and the time it is expected to be paid.

The state-defined obligations for employee benefits are accounted for as liabilities, such as those relating to defined benefit plans. The company records a liability equal to the present value of future cash flows for legal or moral obligations to those employees regarding retirement, firing or voluntary redundancy. The present value of this liability, will be estimated by an actuarial report referring to each reporting date. Increases or decreases in these state-defined obligations for employee benefits are accounted for through the income statement of each year.

3.8. Provisions

A provision shall be recognized when:

An entity has a present obligation (legal or constructive) as a result of a past event

b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation

c) A reliable estimate can be made of the amount of the obligation.

Whenever there are similar liabilities, the possibility of an outflow at settlement, is defined by the examination of the category of liabilities in total. A provision is recognized even when the possibility of an outflow related to any element included in the same liability category may be rather small.

Provisions are estimated at the present value of the expenses which, based on the best management estimation, are required to cover the present liability at the end of the reporting period. The discounting rate used for the calculation of present value reflects the current market expectations for the time value of money and may be increased depending on the specific liability.

3.9. Leasing

A lease is defined as financial, when the terms of the related contracts transfer substantially all the risks and rewards related to a leased asset to the lessee.

Financial leases are capitalized at the beginning of the lease at the lowest among the fair value of the asset or the present value of the minimum lease payments. Every lease payment is divided to the liability part and the financial expenses part in order to achieve a stable interest rate for the remaining financial liability. The respective liabilities from lease payments, net of financial expenses, are presented as borrowing liabilities. The part of financial expense referring to a financial lease is recognized in the income statement during the lease. Assets acquired by a financial lease are depreciated in the shortest period between their useful life and the period of lease, if they are classified as tangible assets, while if they refer to investment property they are not subject to depreciation and they are recorded at fair value.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognized as an expense on a straight-line over the lease terms unless another systematic basis is more representative of the time pattern of the user's benefit, even if the payments are not on that basis

The company does not operate as a leaser with financial or operating leases.

3.10. Revenues and expenses recognition

Revenues: revenues include the fair value of rendering services, net of Value Added Tax or transaction tax over brokerage, rebates or returns. Revenues are recognized as follows:

- Services: The revenue of sales of services is accounted at the period, in which the service is rendered, based on the percentage of completion method. Brokerage and other fees are recognized at the date in which those services are rendered. Brokerage and other fees include mainly commissions from brokerage in the Athens Stock Exchange, the Athens Derivatives Exchange and also foreign capital markets. The clients cover all possible categories (foreign and domestic investors, listed entities, persons and also clients executing orders through affiliated investment entities). The company also holds a license for acting as a market maker for shares in the Athens Stock Exchange and for Derivatives in the Athens Derivatives Exchange.
- Revenues from the use of company assets by third parties that offers interest or dividends, are recorded when:
 - (a) it is considered possible that the economic benefits related to the contract will inflow to the company and
 - (b) the amount of revenue may be reliably measured.

Expenses: Expenses are recognized in the income statement on an accrued basis. Expenses from interest are recognized on accrued basis also.

3.11. Related party transactions

Related parties include entities over which the company applies a substantial influence in their management and financial policy. Related parties are also considered to be the members of management of related entities, their relatives of 1st degree and also companies owned by them or companies in which they apply a substantial influence in business decisions.

All transactions between the company and the related parties are executed by the same financial terms, as referring to similar transactions with non related parties at the same period.

3.12. Dividends

Dividends distributed to shareholders are recognized as a liability in the financial statements at the date of approval by the General Meeting of shareholders.

3.13. Currency

Financial statements are presented in euro (€), which is the operating currency and the currency of presentation.

Transactions in foreign currencies are translated in the operating currency by the use of exchange rates effective at the date of transaction.

Earnings and losses from exchange rate differences are recorded in the income statement, when derived by the settlement of such transactions during the fiscal year as well as when they refer to the translation of assets denominated in foreign currency by the effective exchange rates at reporting date. Exchange rate differences from non currency elements at fair value, are considered as part of the fair value and therefore they are recorded similarly to the differences of fair value.

3.14. Significant accounting estimates and assumptions

The preparation of financial statements requires from the management to apply judgment, assessment and assumptions which affect the published assets and liabilities at the reporting date of the financial statements. They also affect the disclosures of contingent claims and liabilities at the reporting date of financial statements and also the published amounts of revenues and expenses.

Those assessments and judgment are based on past experience and other factors, including anticipations for future events which are considered reasonable under certain conditions, while they are reevaluated constantly by the use of every available information.

Assessments and assumptions involving significant risk to cause substantial adjustments to the book values of assets and liabilities in the following 12 months refer to:

• **Income tax**

The company is subject to taxation, so a judgment is required for the estimation of the provision for income tax. Several transactions and calculations exist that make the final calculation of income tax uncertain. The company recognizes liabilities from expected tax audits, based on estimations for a possible charge of additional taxes. In case the final outcome of such an audit is different than the initially recognized provision, the difference derived will affect the income tax and the provision for deferred tax of the period.

The measurement of deferred tax liabilities and deferred tax assets reflects the subsequent tax effects derived by the way the company expects at the end of the reporting period, to recover or settle the book value of assets and liabilities.

• **Impairment test of assets**

The company examines events and indications pointing if the book value of tangible and intangible assets might not be recoverable. In this case an impairment test is applied in order to define the recoverable amount of the asset. The recoverable amount of an asset is estimated as the greater amount between its net selling price (if there is an active market) and its value in use.

• **Useful life of tangible assets**

The company examines the useful lives of tangible assets in every reporting period. Management estimates at the end of the reporting period of the attached financial statements that the useful lives of tangible assets represent the expected utility of those assets.

• **Recoverability of receivables**

When there are objective indications that the company will not be able to receive all receivables from clients or debtors, then an impairment of those is recorded. The amount of impairment is derived from the difference among the accounting value of the receivables and the present value of their expected future cash flows which are discounted by the real interest rate. The amount of the impairment is recorded in the income statement.

4. Changes in accounting policies

4.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- **Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions" (effective for annual periods starting on or after 01/02/2015)**

In November 2013, the IASB published narrow scope amendments to IAS 19 "Employee Benefits" entitled Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments do not affect the company financial statements.

- **Annual Improvements to IFRSs – 2010-2012 Cycle (effective for annual periods starting on or after 01/02/2015)**

In December 2013, the IASB issued Annual Improvements to IFRSs - 2010-2012 Cycle, a collection of amendments to IFRSs, in response to seven issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 16 /IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel services.

- **Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the company financial statements.

- **Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortization" (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the company financial statements.

- **Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)**

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments do not affect the company financial statements.

- **Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the company financial statements.

- **Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19: Discount rate: regional market issue, and IAS 34: Disclosure of information "elsewhere in the interim financial report". The amendments do not affect the company financial statements.

- **Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the company financial statements.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidation Exception" (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 12 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The amendments do not affect the company financial statements.

4.2 New Standards, Interpretations and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union, until the issuance of the final Standard.

- **IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 “Construction Contracts”, IAS 18 “Revenue” and several revenue related Interpretations. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union with effective date of 01/01/2018.

- **Amendments to IFRS 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (the IASB postponed the effective date of this amendment indefinitely)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB postponed the effective date of these amendments indefinitely pending the outcome of its research project on the equity method of accounting. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 16 “Leases” (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 12: “ Recognition of Deferred Tax Assets for Unrealized Losses” (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 7: “Disclosure Initiative” (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Clarification to IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendment to IFRS 2: “Classification and Measurement of Share-based Payment Transactions” (effective for annual periods starting on or after 01/01/2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 4: “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” (effective for annual periods starting on or after 01/01/2018)**

In September 2016, the IASB published amendments to IFRS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the “temporary exemption”) and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the “overlay approach”). The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Annual Improvements to IFRSs – 2014-2016 Cycle (effective for annual periods starting on or after 01/01/2017 and 01/01/2018)**

In December 2016, the IASB issued Annual Improvements to IFRSs – 2014-2016 Cycle, a collection of amendments to IFRSs, in response to several issues addressed during the 2014-2016 cycle. The issues included in this cycle are the following: IFRS 12: Clarification of the scope of the Standard, IFRS 1: Deletion of short-term exemptions for first-time adopters, IAS 28: Measuring an associate or joint venture at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12, and 1 January 2018 for IFRS 1 and IAS 28. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 40: “Transfers of Investment Property” (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. The company will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

5. Risk management

5.1 Use of financial assets

The company uses financial means for trading, financial and investing purposes, as well as for hedging risks. The use of financial means affects materially the financial position, the earnings and its cash flows.

At the note No. 6.20 the company presents an analysis of the value and the categories of its financial means and the respective figures where they are included in the financial statements. At the note No. 3.4 there is information related to recognition and valuation of those financial means, while below in the current note there is information about risks related to the ownership of those financial means.

Factors of financial risk

The most significant risks related to the financial means of the company are the following:

- Credit risk
- Market risk (exchange rate risk, interest rate risk and price risk)
- Liquidity risk

Risk management process is assigned to the «Risk management division» of the company. This division is responsible to define, assess and hedge all financial risks in co-operation with the services that face those risks. In case of applying hedging processes there is a requirement for approval by those directors responsible for committing the company to counterparties.

5.2 Credit risk

The company is exposed to credit risk, which refers to the inability of a counterparty to respond to its financial obligations.

This risk affects the company especially in the event of clients that do not cover their open positions.

This kind of credit risk is not considered significant because the company:

- Receives the price of purchases by clients in two days (T+2) from the transaction, according to specific provisions of the legislation for brokerage
- Has already impaired all open positions of clients not covered by their portfolios
- Monitors consistently any delays in payment and enters information directly into the credit control system.

Credit risk for cash (cash and cash equivalents) is considered very small, since they are highly liquidated investments and easily convertible in cash and also because counterparties are banks well known with high credit ratings.

Credit risk management is taken also into account the possible exposure to market fluctuations.

5.2.1 Commitments related to credit

According to the effective provisions of supervisory authorities.

The ability to offer credit to clients in order for them to purchase stocks(margin account), was initially introduced by Law 2843/2000.

This credit model is based on the general principle that credit is offered only by a certain contract among the company and a client and only if this client is able to offer insurance of this credit.

Margin account offers to investors the ability to purchase more shares than they could otherwise by using only their own capital, by using the leverage technique. Nevertheless the purchase of shares by credit is a technique used by investors familiar enough to this tool and its operation.

Special terms and conditions for the process of margin accounts is defined by legislation, and special provisions of the Security and Exchange Committee and the Central bank of Greece, so the company is not exposed to significant credit risk from this operation.

5.2.2 Credit risk for T+2

According to Law 2843/2000 and Decision No. 2/363/30.11.2005 (as modified by Decision No. 8/370/26.1.06) of the Securities and Exchange Committee, the client must pay the price of purchases within two days. In different case the company has to sell the acquired shares the following day (T+ 3) in order to eliminate the risk of loss, so the actual credit risk is rather low.

5.2.3 Deposits in banks of client money

The Securities and Exchange Committee in order to secure the free cash balances of clients, has imposed to the securities firms according to the Decision No. 2/306/22.06.2004 as effective, to maintain the client cash balances to separate bank accounts.

At the note no.6.21 there is a table presenting the maximum exposure of the company to credit risk related to its financial assets.

5.3 Market risk

The company is exposed to market risk which refers to the possibility that the fair value or future cash flows of the financial means of the company to present fluctuations caused by changes in market prices.

This risk for the company includes mainly the following special risks: (I) exchange rate risk (II) interest rate risk and (III) price risk.

5.3.1 Exchange rate risk

Exchange rate risk is derived by the fluctuation of fair value or future cash flows of a financial mean from changes in exchange rates of foreign currencies.

The majority of the transactions of the company is denominated in euro. The exposure of the company to exchange rate risk is derived by cash balances in foreign currency or securities traded in foreign capital markets.

At the note no.6.22 there is a table presenting the maximum exposure of the company to exchange rate risk.

5.3.2 Interest rate risk

Interest rate risk is derived by the fluctuation of fair value or future cash flows of a financial mean, by changes in market interest rates.

The company is exposed to this risk because of its loans and cash deposits.

At the note no.6.23 there is a table presenting the maximum exposure of the company to the interest rate risk.

5.3.3 Price risk

This risk is related to fluctuations of fair value or future cash flows of the company's own investments (stocks, mutual funds etc.). The company uses derivatives in order to partially hedge this risk.

At the note no.6.24 there is a table presenting the maximum exposure of the company to the risk of fluctuations of the market prices of its securities.

5.4 Liquidity risk

Liquidity risk refers to the inability of the company to respond to obligations related to financial liabilities.

The company manages its liquidity needs by careful monitoring of scheduled payments for long term liabilities, and also cash outflows by day to day operations. Liquidity needs are monitored in different time periods (daily, weekly, monthly basis). The company maintains cash and highly liquidated investments, in order to cover its liquidity needs for a period up to 30 days. The ability to finance long term needs is secured by an adequate number of credit lines and the ability to sell long term financial assets.

At the note no.6.25 there is a table presenting information regarding the expiry of the company's financial liabilities.

5.5 Risk management procedures

The Board of Directors is responsible for the risk exposure of the company and the constant monitoring of it, as well as the monitoring of capital adequacy requirements.

The Board of Directors has assigned to a risk manager the following tasks:

a) The risk manager is responsible for setting and applying policies and procedures that allow to track risks related to the company's operations, procedures and systems (mainly credit risk, market risk and operational risk). The tolerable risk level is set by the provisions of Law 3606/2007 and the respective Decisions of the Securities and Exchange Committee.

(b) the risk manager monitors systematically the suitability and effectiveness of policies and procedures applied by the company related to the risk management process.

(c) the risk manager takes care that the company possess the required technical and software support, in order to monitor, supervise and apply the appropriate procedures for the calculation of capital adequacy and risk management in general.

(d) the risk manager is responsible to keep up the internal procedure of capital adequacy valuation of the company. Analytically, the basic principles of risk management related to each separate risk is presented below:

5.5.1 Principles of credit risk management

The risk manager in order to manage the credit risk, forms the appropriate procedures and policies for the effective prevention and management of credit risk. This includes the effective application of procedures and settings such as:

- Evaluation capital requirements towards credit risk, according to Laws and Securities and Exchange Commission's decisions.
- dividing receivables and other open positions to: a) receivables past due and b) impaired receivables.
- Application of the policy of approaching and methods of estimating the value of open positions (e.g. standardized, marked to market method, original exposure method, internal model method) and the adjustment of value and related provisions.
- Setting techniques of reducing credit risk
- Setting policies and procedures of settlement of in balance sheet and off balance sheet assets.
- Setting policies and procedures of valuation and management of guarantees and the type of guarantees acceptable by the company
- Analysis the various categories of open positions per economic segment or type of counterparty (e.g. Banks, companies, institutions)
- Analysis the various categories of open positions based on expiry.
- Evaluates the guarantees offered to the company.
- Consistent application of the method of calculating open positions.
- Examination of the integrity, validity and accuracy of data sources used and the procedure of their update.
- Evaluation of the credibility of counterparties.
- Application of a stress testing program.

The reduction of credit risk includes the credibility of counterparties, the country risk and also the economic sector of operations along with qualitative and quantitative elements.

The monitoring of open positions of the company is executed in a daily basis, while every open position higher than the 10% of equity of the company is disclosed to the Securities and Exchange Committee.

Furthermore and according to the provisions of Law 2843/2000 and the Decisions No. 2/363/30.11.2005 and 8/370/26.01.2006 of the Securities and Exchange Committee as effective, the client must pay the price of purchases in two days (T+2). Otherwise the company must sell the client's acquired shares the third day, in order to minimize credit risk.

5.5.2 Principles of liquidity risk management

Liquidity risk refers to the inability of finding adequate cash in order to cover the liabilities of the company. Liquidity risk is maintained at low levels by maintaining adequate cash and easily liquidated securities.

5.5.3 Principles of market risk management

The company's own investments in securities are exposed to the risk of price changes. The company estimates the market risk of positions owned for own account by applying the method VaR (Value at Risk) based on different assumptions for market changes.

The risk manager applies policies and procedures appropriate for the effective management of this risk and also takes care of the effective implementation of the appropriate procedures such as:

- Monitoring the capital adequacy of the company to remain in the range required by legislation
- Recording the policy of approaching and estimating the value of open positions (e.g. standardized, mark to market method, original exposure method, internal model method) and the adjustment of the value of those provisions.
- Applying a stress testing program.

6. ANALYSIS OF FIGURES AND OTHER NOTES

6.1 Property, plant and equipment

Property, plant and equipment has been valued at the initial acquisition cost minus accumulated depreciation. Depreciation has been recalculated based on their real useful life. There are no encumbrances over the tangible assets of the company. The analysis of property:

Amounts in €	Buildings	Machinery	Vehicles	Furniture & Other Equipment	Total
A. Acquisition cost					
Balance at 01/01/2015	404.074	28.384	48.339	1.439.684	1.920.482
Additions	1.033	0	0	20.929	12.759
sales	0	0	0	0	0
Balance at 31/12/2015	405.107	28.384	48.339	1.460.613	1.942.444
Additions		0	0		0
sales	0	0	0	0	0
Balance at 31/12/2016	405.107	28.384	48.339	1.460.613	1.942.444
B. Depreciation					
Balance at 1/1/2015	340.592	28.384	46.675	1.412.839	1.828.489
Depreciation	20.117	0	1.665	11.757	25.630
Balance at 31/12/2015	360.709	28.384	48.340	1.424.596	1.862.028
Depreciation	20.152			13.650	33.802
Balance at 31/12/2016	380.861	28.384	48.340	1.438.246	1.895.830
Net balance at 31/12/15	44.398	0	0	36.018	80.416
Net balance at 31/12/16	24.246	0	0	22.368	46.614

6.2 Intangible assets

Intangible assets include software and are analyzed as follows:

A. Acquisition cost	Software licenses
Balance at 1/1/2015	912.154
Additions	10.896
sales	0
Balance at 31/12/2015	923.050
Additions	30.693
sales	0
Balance at 31/12/2016	953.744
B. Depreciation	
Balance at 1/1/2015	903.067
Depreciation	4.704
Balance at 31/12/2015	907.771
Depreciation	6.039
Balance at 31/12/2016	913.810
Net balance at 31/12/15	15.280
Net balance at 31/12/16	39.934

6.3 Deferred tax assets

Deferred tax assets are recoverable in a period that exceeds one year, as well as deferred tax liabilities are payable after one year. Deferred tax assets and liabilities are offset when the company has the legal right to do it and all deferred taxes refer to the same tax authority.

The balances of deferred tax assets of the company after the offset of deferred liabilities are the following:

Deferred tax assets	98.583	125.585
Deferred tax liabilities	-6.259	-28.009
Net balance	92.324	97.576

Deferred tax assets	Depreciation of tangible and intangible assets	Retirement benefit obligation	Valuation of financial assets	Impairment of receivables	Total
Balance at 1/1/2015	4.060	1.622	-12.981	67.284	59.985
(Debit) / Credit in Income statement	4.355	4.523	45.275	15.579	69.732
Debit in Equity	0	-4.132	0	0	-4.132
Total change of period	4.355	391	45.275	15.579	65.600
Balance at 31/12/2015	8.415	2.012	32.294	82.863	125.585
(Debit) / Credit in Income statement	3.851	-5.800	-25.053		-27.002
Debit in Equity	0	0	0	0	0
Total change of period	3.851	-5.800	-25.053	0	-27.002
Balance at 31/12/2016	12.267	-3.788	7.241	82.863	98.583

Deferred tax liabilities	Provision for tax audit charges	Leasing	Accrued income	Total
Balance at 1/1/2015	6.259	433	33.800	40.492
(Debit) / Credit in Income statement	0	-433	-12.050	-12.483
Debit in Equity	0	0	0	0
Total change of period	0	-433	-12.050	-12.483
Balance at 31/12/2015	6.259	0	21.750	28.009
(Debit) / Credit in Income statement	0		-21.750	-21.750
Debit in Equity	0	0	0	0
Total change of period	0	0	-21.750,00	-21.750
Balance at 31/12/2016	6.259	0	0	6.259

Balance after offset 31/12/2015	97.576
Balance after offset 31/12/2016	92.324

6.4 Long term receivables

Long term receivables are analyzed as follows:

	31/12/16	31/12/15
Participation to Auxiliary Fund of Athens Stock Exchange	151.418	49.912
Participation to Guarantee Fund of Athens Stock Exchange	850.594	888.820
Participation to Auxiliary Fund of Athens Derivatives Exchange	38.094	43.856
Participation to Auxiliary Fund of Cuprys stock Exchange	50.048	50.000
Guarantee of General Clearing Member	100.000	0
Other guarantees	389.490	389.370
Total	1.579.644	1.421.958

The Participation to the Auxiliary Fund of the Athens Stock Exchange refers to payment of contribution to this fund according to the provisions of Law 2471/1997 and Law 3371/2005. The Athens Stock Exchange operates as both the administrator and the custodian of this fund.

The Participation to the Guarantee Fund of the Athens Stock Exchange refers to the payment of a guarantee according to the provisions of Law 2533/1997.

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There are also the guarantees paid for the clearing of transactions in derivatives according to the E.U. Directive E.M.I.R. The company also co-operates with a bank operating as a general clearing member. The book value of those receivables reflects their fair value as well.

6.5 Trade and other receivables

Trade and other receivables are analyzed as follows:

Client accounts	31/12/16	31/12/15
Clients	1.761.747	4.457.541
Foreign brokers	1.019.799	184.656
Clearing houses	73.865	440.206
Impairment of receivables	(1.106.070)	(1.106.070)
Total	<u>1.749.341</u>	<u>3.976.333</u>
Other receivables	31/12/16	31/12/15
Prepayments to suppliers	712.381	548.332
Personnel prepayments	0	430
Advanced and retained taxes	61.965	96.834
Personnel on account	192.855	188.940
Accrued expenses	12.892	16.378
Accrued income	169.812	204.956
Other debtors	176.157	126.341
Other debtors in court	3.109	3.109
Total	<u>1.329.171</u>	<u>1.185.319</u>
Grand total	<u>3.078.512</u>	<u>5.161.653</u>

Additionally to the above cash of the company, the bank accounts include also the cash deposited by clients in order for the company to execute transactions on their behalf and according to their orders.

This client cash has been transferred off balance sheet, according to the announcement No. 12/2016 of the Hellenic Accounting and Auditing Standards Oversight Board called «Accounting treatment of client credit balances held by securities on bank accounts», by which the company is no longer obliged to present on balance sheet since those are considered not assets of the company according to the recognition criteria of the International Financial Reporting Standards, the current legislation for securities and also the European Directive 91/674.

Those cash balances of the clients of the company came up to € 18.573.739 as at 31.12.2016 and to € 10.265.584 as at 31.12.2015, respectively.

6.6 Financial assets at fair value through the income statement

Financial assets at fair value through the income statement are analyzed below:

	31/12/16	31/12/15
Shares listed in the Athens Stock Exchange	130.176	69.144
Shares listed in foreign Stock Exchanges	23.235	24.288
Total	<u>153.411</u>	<u>93.432</u>

6.7 Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31/12/16	31/12/15
Cash at hand	12.496	10.022
Sight deposits	6.504	11.218
Restrained deposits	20.000	30.000
Repos	139.843	1.266.533
Total	<u>178.843</u>	<u>1.317.773</u>

Additionally to the above cash of the company, the bank accounts include also the cash deposited by clients in order for the company to execute transactions on their behalf and according to their orders.

This client cash has been transferred off balance sheet, according to the announcement No. 12/2016 of the Hellenic Accounting and Auditing Standards Oversight Board called «Accounting treatment of client credit balances held by securities on bank accounts», by which the

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company is no longer obliged to present on balance sheet since those are considered not assets of the company according to the recognition criteria of the International Financial Reporting Standards, the current legislation for securities and also the European Directive 91/674.

Those cash balances of the clients of the company came up to € 4.410.078 as at 31.12.2016 and to € 3.666.887 at 31.12.2015, respectively.

6.8 Share capital

The company shares are anonymous and not traded in the capital market. An analysis of the number and value of them is given:

	Number of shares	Nominal value	Share Capital
Balance at 01/01/2015	237.688	29,35	6.976.143
Change	0	0	0
Balance at 31/12/2015	237.688	29,35	6.976.143
Change	0	0	0
Balance at 31/12/2016	237.688	29,35	6.976.143

6.9 Reserves

Reserves are analyzed below:

	31/12/16	31/12/15
Statutory reserve	690.418	690.418
Other reserves	47.507	47.507
Tax free reserves	521.209	521.209
Total	1.259.134	1.259.134

The Statutory Reserve is recorded according to the provisions of the Greek legislation (Law 2190/20, articles 44 and 45) which requires an amount of at least 5% of annual earnings (after tax), to be transferred to reserves until the accumulated amount reaches the 33% of share Capital. The statutory reserve can be used for the coverage of losses if decided by the General Meeting of the shareholders and cannot be used for any other reason.

6.10 Retirement benefit obligations

The provision for retirement benefit obligation of the personnel of the company is presented below:

	31/12/16	31/12/15
Provision according to Law 2112/20	62.725	82.725
Total	62.725	82.725

6.11 Trade and other payables

Trade and other payables are analyzed as follows:

	31/12/16	31/12/15
Clients credit balances		
Credit balances under clearing	723.311	896.282
Clearing houses	47.410	2.514.325
Total	770.721	3.410.608
Suppliers and other creditors		
Personnel salaries payable	98.769	33.652
Other creditors	80.534	87.916
Prepayments from debtors	7.545	5.235
Additional payment to Auxiliary Fund of Athens Stock Exchange	7.595	66.352
Other short term liabilities	367.192	202.182
Withholding taxes	99.785	78.163
Social security	36.742	42.410
Total	698.162	515.911
Grand total	1.468.883	3.926.519

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It must be pointed that according to the announcement No. 12/2016 of the Hellenic Accounting and Auditing Standards Oversight Board as mentioned above, at Note 6.7 «Cash and cash equivalents» the client credit balances (the cash deposited by clients in order for the company to execute transactions on their behalf and according to their orders) of amount € 18.573.739,01 as at 31.12.2016 and € 10.265.584,10 as at 31.12.2015 have been transferred off balance sheet.

Accordingly client cash balances of € 4.410.078 as at 31.12.2016 and € 3.666.887 as at 31.12.2015 have been also transferred off balance sheet. Both those transfers off balance sheet caused a total reduction of the figure «Trade and other payables» of amount € 22.983.816,86 and € 13.932.460,91 as at 31.12.2016 and 31.12.2015 respectively.

6.12 Sales

Sales are analyzed as follows:

	<u>1/1 -</u> <u>31/12/16</u>	<u>1/1 -</u> <u>31/12/15</u>
Brokerage from Athens Stock Exchange	1.433.913	1.865.327
Brokerage from foreign markets	772.619	858.938
Other brokerage charges	208.036	358.517
Portfolio management fees	86.336	89.136
Brokerage from derivatives	290.719	365.425
Total	<u>2.791.623</u>	<u>3.537.343</u>

6.13 Cost of sales

Cost of sales is analyzed below:

	<u>1/1 -</u> <u>31/12/16</u>	<u>1/1 -</u> <u>31/12/15</u>
Salaries – Wages and Personnel Expenses	933.291	1.095.883
Third party services	887.039	959.240
Utilities	137.370	213.172
Taxes - Duties	14.630	7.541
Various expenses	473.872	483.151
Depreciation of property, plant & equipment	23.661	23.477
Depreciation of intangible assets	4.228	3.293
Total	<u>2.474.090</u>	<u>2.785.756</u>

6.14 Administration expenses

Administration expenses are analyzed below:

	<u>1/1 -</u> <u>31/12/16</u>	<u>1/1 -</u> <u>31/12/15</u>
Salaries – Wages and Personnel Expenses	399.982	469.664
Third party services	380.159	411.103
Utilities	58.873	91.359
Taxes - Duties	6.270	3.232
Various expenses	203.088	207.065
Depreciation of property, plant & equipment	10.141	10.062
Depreciation of intangible assets	1.812	1.411
Provision for retirement obligations	0	47.680
Total	<u>1.060.324</u>	<u>1.241.575</u>

6.15 Other income / expenses

Other income and expenses are analyzed below:

	<u>1/1 -</u> <u>31/12/16</u>	<u>1/1 -</u> <u>31/12/15</u>
Other income		
Income from previous years	991	8.343
Other extraordinary income	14.540	32.831
State subsidies	0	5.720
Foreign exchange differences	425.397	131.334
Total other income	<u>440.928</u>	<u>178.228</u>

Other expenses

Impairment provisions	0	26.953
Foreign exchange differences	306.633	0
Tax fines and surcharges	2.093	3.427
Other extraordinary expenses	3.565	4.330
Expenses from previous years	63.130	33.930
Total other expenses	375.420	68.639

Other income after offset	65.508	109.590
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6.16 Financial income

Financial income is analyzed below:

	<u>1/1- 31/12/16</u>	<u>1/1- 31/12/15</u>
Gains from sale of shares and derivatives	598.986	11.099.207
Margin interest	0	88.699
Credit interest	173.771	17.176
Income from securities	0	616
Total	772.757	11.205.697

6.17 Financial expenses

Financial expenses are analyzed below:

	<u>1/1- 31/12/16</u>	<u>1/1- 31/12/15</u>
Expenses and losses from shares and derivatives	584.220	11.124.929
Interest for bonds	0	48.941
Loan interest	15.083	5.337
Commissions for letters of guarantee	26.085	23.545
Other bank charges	6.005	10.341
Total	631.393	11.213.093

6.18 Income tax

Income tax recorded in the income statement is analyzed below:

	<u>1/1- 31/12/16</u>	<u>1/1- 31/12/15</u>
Income tax	0	0
Deferred tax	-5.252	82.215
Tax audit differences	0	0
Total	-5.252	82.215

Deferred tax is derived from differences between accounting basis and tax basis in the figures presented below:

	<u>1/1- 31/12/16</u>	<u>1/1- 31/12/15</u>
Depreciation	3.851	4.368
Leasing	0	483
Retirement benefits	-5.800	4.337
Valuation of financial assets	-25.053	46.772
Impairment of receivables	0	7.816
Adjustment of deferred tax to current tax rates	0	18.744
Accrued income	21.750	-305
Total deferred tax	-5.252	82.215

6.19 Basic earnings/losses per share

The basic earnings/losses per share have been calculated as follows:

	<u>1/1 - 31/12/16</u>	<u>1/1 - 31/12/15</u>
Earnings/losses of period	-541.171	-305.579
Weighted average of shares	237.688	237.688
Basic earnings/losses per share	<u>-2,2768</u>	<u>-1,2856</u>

6.20 Categories of financial assets

The financial assets owned by the company as at 31/12/2016 and 31/12/2015 are the following:

<u>Financial assets</u>	<u>Statement of financial position</u>	<u>31/12/2016</u>	<u>31/12/2015</u>
Loan and other debtors	Long term receivables	1.190.154	1.032.588
	Trade and other receivables (*)	2.098.419	4.310.739
Financial assets available for sale	Financial assets available for sale	0	0
Financial assets at fair value through the income statement	Financial assets at fair value through the income statement	153.411	93.432
	Cash and cash equivalents	178.843	1.317.773
	Total financial assets	<u>3.620.827</u>	<u>6.754.533</u>
<u>Liabilities</u>			
Financial liabilities at amortized cost	Trade and other payables (*)	1.324.811	3.800.711
	Long term loans	0	0
	Short term loans	0	0
	Total financial liabilities	<u>1.324.811</u>	<u>3.800.711</u>

(*) This figure may be different from the respective amount in the Statement of Financial Position by the below elements:

- Receivables or liabilities not settled in cash or by transfer of other financial asset.
- Prepayments for purchases of goods, tangible and intangible assets or services, because those are not expected to be settled in cash or by the transfer of other financial asset.
- Prepayments received by clients for future services
- Prepaid expenses or pre collected income, not consisting contractual liabilities for the receipt or payment of cash or other financial assets.
- Receivables not contractual, but imposed by state provisions.

6.21 Credit risk

The table below presents the maximum exposure of the company towards credit risk of its financial assets:

31/12/2016

	<u>Amounts covered by portfolio</u>	<u>Amounts covered by insurance</u>	<u>Amounts covered by bank guarantees/public or other institutions</u>	<u>Amounts covered by respective liability</u>	<u>Other amounts</u>	<u>Total</u>
Loan and other debtors	1.675.476	0	73.865	0	1.539.232	3.288.573
Total	<u>1.675.476</u>	<u>0</u>	<u>73.865</u>	<u>0</u>	<u>1.539.232</u>	<u>3.288.573</u>

31/12/2015

	<u>Amounts covered by portfolio</u>	<u>Amounts covered by insurance</u>	<u>Amounts covered by bank guarantees/public or other institutions</u>	<u>Amounts covered by respective liability</u>	<u>Other amounts</u>	<u>Total</u>
Loan and other debtors	3.536.127	0	440.206	0	1.366.994	5.343.328
Total	<u>3.536.127</u>	<u>0</u>	<u>440.206</u>	<u>0</u>	<u>1.366.994</u>	<u>5.343.328</u>

The above figures «Other amounts» of € 1.539.232 as at 31/12/16 and € 1.366.994 as at 31/12/15 respectively, which are not covered by any insurance, include the Long term Participations in the Auxiliary and Guarantee Funds of the Athens and Cuprous Stock Exchanges by the amount of € 1.190.154 and € 1.032.588, respectively.

More information on those figures is presented at Note No.6.4. An analytical table of financial assets and liabilities along with their expiry is given below.

The above receivables are considered without any risk of collection.

The risk exposure of the company to client receivables covered by their portfolio of amount € 1.675.476 and € 3.536.127 as at 31/12/16 and 31/12/15 respectively, changes according to market conditions related to market risk.

6.22 Exchange rate risk

The table below presents the maximum exposure of the company towards exchange rate risk as at December 31st 2016. The table presents the financial assets per currency in accounting values in Euro.

31/12/2016

Short term financial assets

(a) Financial assets

	Euro	USD	Other currencies	Total
Loans and other debtors	1.534.906	561.828	1.685	2.098.419
Financial assets available for sale	0	0	0	0
Financial assets at fair value through the income statement	309.019	23.235		332.254
Total (a)	1.843.924	585.063	1.685	2.430.673

(b) Financial liabilities

Financial liabilities at amortized cost	1.324.811	0	0	1.324.811
Total (b)	1.324.811	0	0	1.324.811
Short term exposure (a) - (b)	519.114	585.063	1.685	1.105.862

Long term financial assets

(a) Financial assets

	Euro	USD	Other currencies	Total
Loans and other debtors	1.190.154	0	0	1.190.154
Financial assets available for sale	0	0	0	0
Financial assets at fair value through the income statement	0	0	0	0
Total (a)	1.190.154	0	0	1.190.154

(b) Financial liabilities

Financial liabilities at amortized cost	0	0	0	0
Total (b)	0	0	0	0
Long term exposure (a) - (b)	0	0	0	0
Total exposure	585.063	1.685	586.749	

31/12/2015

Short term financial assets

(a) Financial assets

	Euro	USD	Other currencies	Total
Loans and other debtors	4.205.393	105.308	38	4.310.739
Financial assets available for sale	0	0	0	0
Financial assets at fair value through the income statement	213.113	1.196.998	1.094	1.411.205
Total (a)	4.418.505	1.302.306	1.133	5.721.944

(b) Financial liabilities

Financial liabilities at amortized cost	3.800.532	179	0	3.800.711
Total (b)	3.800.532	179	0	3.800.711
Short term exposure (a) - (b)	617.973	1.302.128	1.133	1.921.234

Long term financial assets

(a) Financial assets

	Euro	USD	Other currencies	Total
Loans and other debtors	1.032.588	0	0	1.032.588
Financial assets available for sale	0	0	0	0
Financial assets at fair value through the income statement	0	0	0	0
Total (a)	1.032.588	0	0	1.032.588

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(b) Financial liabilities

Financial liabilities at amortized cost		0	0	0	0
	Total (b)	0	0	0	0
	Long term exposure (a) - (b)		0	0	0
	Total exposure		1.302.128	1.133	1.303.260

As presented in the tables above, the financial assets of the company are mainly denominated in euro. The exposure of the company to exchange rate risk is derived by transactions and balances in USD. The following table presents the sensitivity of earnings and equity, related to a change in the exchange rate among euro and USD.

The company makes the assumption of a change of +/- 5% of the exchange rate euro/USD. Sensitivity analysis is based on the amount of financial means in USD owned by the company at every reporting date (31/12/16 and 31/12/15).

In case the exchange rate of euro/USD changed by +/-5% and +/5% for 2016 and 2015, respectively, the effect would be:

		31/12/2016	31/12/2015
Earnings	+/-	29.253	65.106
Equity	+/-	29.253	65.106

The exposure of the company to exchange rate risk, is different during the year depending on the volume of transactions in foreign currencies. Even so, the above analysis is considered representative of the company exposure to exchange rate risk.

6.23 Interest rate risk

The following table summarizes the company exposure to interest rate risk as at 31/12/16 and 31/12/15.

31/12/2016
(a) Financial assets

	Floating interest	Fixed interest	Without interest	Total
Loans and other debtors	0	0	3.288.573	3.288.573
Financial assets available for sale	0	0	0	0
Financial assets at fair value through the income statement	146.347	0	185.907	332.254
	Total (a)	146.347	0	3.474.480

(b) Financial liabilities

	Floating interest	Fixed interest	Without interest	Total
Trade and other payables	0	0	1.324.811	1.324.811
Financial liabilities at fair value through the income statement	0	0	0	0
	Total (b)	0	1.324.811	1.324.811
	Exposure	146.347		

31/12/2015
(a) Financial assets

	Floating interest	Fixed interest	Without interest	Total
Loans and other debtors	0	0	5.343.328	5.343.328
Financial assets available for sale	0	0	0	0
Financial assets at fair value through the income statement	1.307.751		103.454	1.411.205
	Total (a)	1.307.751	0	5.446.781

(b) Financial liabilities

	Floating interest	Fixed interest	Without interest	Total
Trade and other payables	0	0	3.800.711	3.800.711
Financial liabilities at fair value through the income statement	0	0	0	0
	Total (b)	0	3.800.711	3.800.711
	Exposure	1.307.751		

As concluded by the above table, the company is exposed as at 31/12/2016 to the changes of the interest rate market, because of its cash which is subject to floating interest rates.

The table below presents the sensitivity of earnings and equity against a reasonable change in the interest rates of amount +/- 1,0%.

	31/12/2016	31/12/2015
Earnings	1.463	13.078
Equity	1.463	13.078

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The exposure of the company to the interest rate risk, is different during the year depending on the volume of transactions and balances bearing interest. Despite that the above analysis is considered adequate for the presentation of the company's exposure to interest rate risk.

6.24 Risk of prices

The following table presents the company's exposure to the risk derived by the volatility of fair value or future cash flows of the shares owned by the company.

31/12/2016

	Shares	Mutual funds	Total
Financial assets at fair value through the income statement	153.411	0	153.411
Financial instruments for hedging	0	0	0
Exposure	153.411	0	153.411

31/12/2015

	Shares	Mutual funds	Total
Financial assets at fair value through the income statement	93.432	0	93.432
Financial instruments for hedging	0	0	0
Exposure	93.432	0	93.432

The following table presents the sensitivity of earnings and equity towards a reasonable change of the stock prices of about +/-20%. Calculations have been based on the shares owned by the company at each reporting date (31/12/16 and 31/12/15).

	31/12/2016	31/12/2015
Earnings after tax	30.682	18.686
Equity	30.682	18.686

The company's exposure to price risk is different during the fiscal year depending on the volume of transactions in financial means subject to the risk of price changes. The above analysis is still considered as representative more or less, of the level of exposure to the risk of changes in prices of financial means.

6.25 Liquidity risk

The table below presents the expiry of financial liabilities and the liquidity of financial assets.

31/12/2016

(a) Financial assets

	Short term		Long term		Total
	within 6 months	6 to 12 months	Between 1 and 5 years	Above 5 years	
Loans and other debtors	2.098.419	0	1.190.154	0	3.288.573
Financial assets at fair value through the income statement	332.254	0	0	0	332.254
Total (a)	2.430.673	0	1.190.154	0	3.620.827

(b) Financial liabilities

	Short term		Long term		Total
	within 6 months	6 to 12 months	Between 1 and 5 years	Above 5 years	
Trade and other payables	1.324.811	0	0	0	1.324.811
Financial liabilities at fair value	0	0	0	0	0
Total (b)	1.324.811	0	0	0	1.324.811
Net amount (a) - (b)	1.105.862	0	1.190.154	0	2.296.016

31/12/2015

(a) Financial assets

	Short term		Long term		Total
	within 6 months	6 to 12 months	Between 1 and 5 years	Above 5 years	
Loans and other debtors	4.310.739	0	1.032.588	0	5.343.328
Financial assets at fair value through the income statement	1.411.205	0	0	0	1.411.205
Total (a)	5.721.944	0	1.032.588	0	6.754.533

(b) Financial liabilities

	Short term		Long term		Total
	within 6 months	6 to 12 months	Between 1 and 5 years	Above 5 years	
Trade and other payables	3.800.711	0	0	0	3.800.711
Short term loans	0	0	0	0	0
Financial liabilities at fair value	0	0	0	0	0
Total (b)	3.800.711	0	0	0	3.800.711
Net amount (a) - (b)	1.921.234	0	1.032.588	0	2.953.822

6.26 Related party transactions

The company is not part of a Group and does not own any subsidiaries or related companies.

The transactions and balances of the company with the members of the management are presented below:

	<u>1/1 -</u> <u>31/12/16</u>	<u>1/1 -</u> <u>31/12/15</u>
Revenues	0	0
Expenses (rents for buildings)	70.000	144.000
Receivables (rents guarantee)	385.758	385.758
Receivables (rents prepayments)	600.018	518.538
Transactions and remuneration of management	298.287	260.309
	<u>1/1 -</u> <u>31/12/16</u>	<u>1/1 -</u> <u>31/12/15</u>
Receivables from management	184.026	186.940

6.27 Commitments

The company rents a building by an operating lease. Leases have various terms, adjustment conditions and renewal rights. The company is obliged to offer a warning before the termination of its contract as defined by legislation for rentals. The rent expense recorded in the income statement has been allocated among the cost of sales and the administration expenses and came up to € 70.000,00 for the year 1/1 – 31/12/2016 and € 144.000 for the year 1/1 - 31/12/2015 respectively. The future payable rents according to the contract are presented below:

	31/12/16
	Buildings
Up to 1 year	72.000
Between 2 and 5 years	72.000
Above 5 years	0
	<u>144.000</u>
	31/12/15
	Buildings
Up to 1 year	48.000
Between 2 and 5 years	0
Above 5 years	0
	<u>48.000</u>

6.28 Contingent liabilities

The company has not been audited by the tax authorities for the fiscal year 2010. Regarding to the unaudited year 2010 the company has recorded a provision of amount € 6.259. This provision has been estimated based on the outcome of tax audits in previous years. From the year 2011 and later the company has been subject to the tax audit of its Certified auditors according the provisions of article 65A paragraph 1 of the Law 4174/2013 and the Decision of the Ministry of Economics No. 1124/18-6-2015. The tax audit of the year 2016 is still in progress and the respective tax report is expected to be issued in September of the current year 2017. Management estimates that any additional tax charges imposed by the completion of this tax audit will not have material effect on financial statements.

The Participation of the company to the Guarantee Fund of the Athens Stock Exchange (see note no. 6.4) regards amounts paid according to the provisions of Law 2533/1997, article 74 § 4 which defines that in case of termination of the company's operations, the Fund will return those guarantees paid, reduced by the amount of any compensation paid to creditors of the company, if there is such a case.

There are no legal disputes or arbitrations expected to have significant effect to the financial position or operation of the company.

The guarantees offered by the company to third parties are the following:

Category of Letter of Guarantee	Value
To Guarantee Fund of Athens Stock Exchange	349.594

7. RECLASSIFICATION OF COMPARATIVE FIGURES

According to the announcement No. 12/2016 of the Hellenic Accounting and Auditing Standards Oversight Board called «Accounting treatment of client credit balances held by securities on bank accounts», the company is no longer obliged to present on balance sheet the cash amounts deposited by clients in order for the company to execute transactions on their behalf and according to their orders. Those cash balances are monitored accordingly in the accounting system of the company and their management and reconciliation is completely assured. Based on this provision the company has reclassified the comparative figures of the previous year without causing any change to the Equity and the Income statement of the year. Those changes are analyzed below:

STATEMENT OF FINANCIAL POSITION		
	31/12/2015	
	Published figures	Reclassified figures
ASSETS		
<u>Current assets</u>		
Trade and other receivables	15.427.236,89	5.161.652,79
Cash and cash equivalents	4.984.650,17	1.317.773,36
Total current assets	20.505.318,82	6.572.857,91
Total assets	22.120.549,19	8.188.088,28
LIABILITIES		
<u>Short term liabilities</u>		
Trade and other payables	17.858.979,64	3.926.518,73
Total short term liabilities	17.858.979,64	3.926.518,80
Total liabilities	17.858.979,71	4.009.243,81
Total equity and liabilities	22.120.549,19	8.188.088,28

CASH FLOW STATEMENT		
	31/12/2015	
	Published figures	Reclassified figures
Decrease / (increase) of receivables	3.675.407,91	10.540.408,20
(Decrease) / increase of liabilities (except for banks)	-15.909.528,00	-7.989.768,67
Total inflows/ outflows from operating activities (a)	-12.564.488,04	2.220.271,58
Cash and cash equivalents at the beginning of period	18.814.934,06	363.297,56
Cash and cash equivalents at the end of period	4.984.650,17	1.317.773,36

8. OTHER DISCLOSURES

There are no subsequent events of the reporting date, which affected the company and should be reported according to the requirements of the International Financial Reporting Standards.

9. DISCLOSURES ACCORDING TO ARTICLE 81 AND 82 OF LAW 4261/2014 (articles 89-90 of Directive 2013/36/E.U.)**9.1 ARTICLE 81, of Law 4261/2014****A) NAME - OPERATIONS - DOMICILE**

The company's name is «BETA SECURITIES S.A.».

The company is based in Athens, 29 Alexandras Avenue.

The nature of its operations refer to:

Investment services and activities:

- a) Execution of transactions in shares, bonds and derivatives in the Greek and foreign capital markets (the company holds a trading license for derivatives).
- b) Portfolio management and investment advice.
- c) Credit for margin accounts.
- d) Undertaking of financial means or placement of financial means and related services.
- e) Safekeeping and management of financial assets on account of clients including services of custody and other related services like cash management or safety.
- f) Offer advice in companies for capital structure, segment strategy and related issues and also offer advice for merger and acquisitions.
- g) Research on investing sector and financial analysis

B) REVENUES

Revenues of the fiscal year 2016 came up to € 2.791.623,7.

C) EMPLOYEES

The number of full time employees during 2016 came up to 45 persons.

D) EARNINGS BEFORE TAX

Losses of amount -535.919,08 €.

E) INCOME TAX

Deferred tax of amount -5.251,87 €.

F) GOVERNMENT GRANTS

There was no government grant received in 2016.

9.2 ARTICLE 82, OF LAW 4261/2014

Asset performance ratio

The company discloses its asset performance ratio, calculated by net earnings divided to assets, as required by article 82 of Law 4261/2014. For the year 2016 this ratio came up to -10,5%.