Auditor's report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of European Commodity Clearing AG, Leipzig, for the financial year from 1 January to 31 December 2015. The Company's management is responsible for the accounting records and for the preparation and fair presentation of these financial statements and management report in accordance with the regulations of German commercial law. Our responsibility is to express an opinion on the financial statements, together with the accounting records and the management report based on our audit.

We conducted our audit of the financial statements in accordance with Section 317 of the German Commercial Code [HGB – Handelsgesetzbuch] and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [Institut der Wirtschaftsprüfer – IDW]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. An audit involves performing procedures to obtain audit evidence about the Company's business activities, economic and legal environment as well as assessments of the risk of material misstatement. An audit includes examining, primarily on a test basis, evidence supporting the amounts and disclosures in the accounting records, financial statements and management report, and the effectiveness of the internal control system. The audit includes assessing the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the management report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the financial statements and, as a whole, provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 7 March 2016

Dielehner	Blankenheim
Wirtschaftsprüfer [German public auditor]	Wirtschaftsprüferin [German public auditor]

European Commodity Clearing AG, Leipzig

Balance sheet as of 31 December 2015

Assets

		31.12.2015	31/12/2014
	€	€	€
1. Cash reserves			
Balances with central banks	1.072.561.774	1.072.561.774	102.024.287
of which eligible as collateral at Deutsche Bundesbank: EUR 1,072,561,774 (previous year: EUR 102,024,287)			
2. Due from banks			
a) due on demand	19.050.404		644.527.468
b) Other receivables	593.785	19.644.189	553.315
3. Receivables from other customers	6.113.712	6.113.712	5.757.249
4. Shares in affiliated companies	18.500	18.500	18.500
5. Intangible fixed assets			
a) Licenses for rights and assets	15.600.312		816.189
b) Goodwill	-		
c) Prepayments	837.459	16.437.771	215.817
6. Tangible fixed assets	29.881	29.881	30.192
7. Other assets	29.518.801	29.518.801	5.037.908
8. Prepaid expenses and deferred charges	994.649	994.649	743.892
9. Net asset in respect of pension obligations	15.666	15.666	26.665
Total assets		**1.145.334.943**	**759.751.483**

Equity and liabilities

		31.12.2015	31/12/2014
	€	€	€
1. Liabilities to other banks			
due daily	514.906.283	514.906.283	397.127.538
2. Amounts due to customers	514.186.181	514.186.181	301.897.392
3. Other liabilities	63.562.123	63.562.123	3.385.517
4. Provisions			
a) Provisions for pensions and similar obligations	-		1.532
b) Tax provisions	-		1.778.181
c) other provisions	3.745.505	3.745.505	2.524.955
5. Shareholders' equity			
a) Subscribed capital	1.015.227		1.015.227
b) Capital reserve	14.300.495		14.300.495
c) Retained earnings			
other retained earnings	33.619.129		17.586.196
d) Distributable profit	-	48.934.851	20.134.450
Total equity and liabilities		**1.145.334.943**	**759.751.483**
1. Contingent liabilities			
Liabilities from guarantees and warranties	116.225.779	116.225.779	65.780.830

European Commodity Clearing AG, Leipzig

Income statement
for the Period from 1 January to 31 December 2015

		2015 €	2015 €	2015 €	2014 €
1.	Interest income on				
	a) Lending and Money Market Transactions		87.417		397.493
2.	Interest expenses		1.863.136	-1.775.719	295.374
3.	Current income from shares in affiliated companies			32.837	62.260
4.	Fee and commission income		54.804.057		37.137.000
5.	Fee and commission expenses		4.562.014	50.242.043	2.275.301
6.	Other operating income			3.470.451	2.050.802
7.	General administrative expenses				
	a) Personnel expenses				
	aa) Wages and salaries	4.185.001			3.562.821
	b) Social security, pension and other benefits	824.782	5.009.784		710.253
	of which:				
	for retirement benefits EUR 309,983 (previous year: EUR 263,163)				
	b) other administrative expenses		13.518.435	18.528.219	11.395.618
8.	Write-downs and impairments for investments in intangible and tangible assets			430.035	1.167.434
9.	Other operating expenses			780.115	663.202
10.	**Profit from ordinary activities**			**32.231.244**	**19.577.552**
11.	Extraordinary expenses			0	
12.	Taxes on income and revenue			-16.766	6.399.614
13.	Profit transfer			-32.248.010	
14.	**Net income for the year**			**0**	**13.177.938**
15.	Retained earnings brought forward				7.706.512
16.	Additions to revenue reserves				
	a) to other revenue reserves				750.000
17.	**Net profit for the year**			**0**	20.134.450

European Commodity Clearing AG, Leipzig

NOTES TO THE FINANCIAL STATEMENTS 2015

The financial statements of European Commodity Clearing AG (ECC) for the year ended 31 December 2015 were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch; HGB) and the Directive on the Accounting of Banks and Financial Services Institutions (Kreditinstituts-Rechnungslegungsverordnung; RechKredV). The income statement uses the vertical structure in compliance with RechKredV (Form 3). The development of the individual asset items is stated separately.

ECC is a subsidiary of European Energy Exchange AG (EEX), Leipzig. It is included in the consolidated financial statements of EEX and Deutsche Börse AG (Deutsche Börse), Frankfurt am Main. Both can be obtained from the electronic Federal gazette (Bundesanzeiger) at www.ebundesanzeiger.de.

ECC is the sole shareholder of European Commodity Clearing Luxembourg S.à r.l. (ECC Luxembourg). ECC Luxembourg is included in the supply chain (electricity and gas and the transfer of emission certificates). The Company exercises the option not to prepare subgroup financial statements in accordance with Section 291(1) of the German Commercial Code (Handelsgesetzbuch; HGB).

In financial year 2015, ECC and EEX concluded a profit and loss transfer agreement.

1. <u>Accounting policies</u>

General principles

The accounting and valuation principles comply with the general accounting and valuation regulations for stock corporations of the German Commercial Code (Handelsgesetzbuch; HGB), the additional regulations of the German Stock Corporation Act (Aktiengesetz; AktG) and the Directive on the Accounting of Banks and Financial Services Institutions (Kreditinstituts-Rechnungslegungsverordnung; RechKredV). The Company applies the accounting policies for large stock corporations in accordance with Section 340a(1) HGB. The Company is expected to continue as a going concern and assets and liabilities are valued individually. The valuation is conservative and includes all identifiable risks and losses that arose until the reporting date.

Amounts denominated in foreign currency were reported in income at the translation rate on the reporting date.

Intangible and tangible fixed assets

Intangible and tangible fixed assets are carried at cost less scheduled amortisation/depreciation. Fixed assets were written down over their useful lives, taking into consideration their useful lives permitted by tax law. Additions are amortised/depreciated using the straight-line method.

Low-value assets acquired in the reporting period for up to EUR 410 net were written off in the year of acquisition.

Receivables and other assets

Receivables and other assets are stated at cost less specific allowances.

The trade receivables from and payables to ECC Luxembourg in existence on the reporting date are stated as totals as the requirements for netting have been met. The actual netting situation with regard to ECC Luxembourg complies with the clearing conditions of ECC at the time of the redemption and repayment of the corresponding transaction with the respective trading participants. The total reported provides clarity and an easier overview in the financial statements.

Balances with central banks

Balances are stated at face value.

Shares in affiliated companies

Affiliated companies were stated at cost.

Liabilities

Liabilities were stated at their settlement amounts.

Provisions

Provisions account for all discernible risks, uncertain liabilities and impending losses known by the time of the preparation of the financial statements. They are stated at their expected settlement amounts.

Liabilities

The Company had issued one letter of comfort and one guarantee as of the reporting date. For further details, go to "Contingent liabilities".

Deferred taxes

Deferred taxes are recognised for temporary differences between the carrying amounts of assets, liabilities, accruals and deferrals as at reporting date and their tax bases. Deferred taxes are calculated on the basis of a combined income tax rate of 32%. The Company chooses not to state surplus deferred tax assets in accordance with the option in Section 274 HGB.

2. Notes to the balance sheet

Receivables from other banks and customers

Receivables from other banks and customers have a remaining maturity of less than one year.

Shares in affiliated companies

The Company held the following investments in accordance with the German Commercial Code as of 31 December 2015:

Name	Head office	Shareholding in %
European Commodity Clearing Luxembourg S.à r.l.	Luxembourg, Luxembourg	100.00

Intangible fixed assets

As at 31 December 2015, intangible fixed assets were stated at EUR 16,438 thousand (previous year: EUR 1,032 thousand). In the reporting period, ECC acquired the right to assume the clearing of the transactions of APX Group (EUR 14,743 thousand).

Tangible fixed assets

As at 31 December 2015, tangible fixed assets were stated at EUR 30 thousand (previous year: EUR 30 thousand).

Other assets

As at reporting date, other assets amounted to EUR 29,519 thousand (previous year: EUR 5,038 thousand) This amount is primarily comprised of receivables from credit facilities issued to affiliated companies (EUR 25,225 thousand), receivables from affiliated companies for clearing services (EUR 2,640 thousand) and receivables from the nomination items open as of the reporting date (EUR 1,220 thousand).

Accruals and deferrals

Prepayments and accrued income concern expenses recognised before the reporting date for costs incurred after the reporting date. As of 31 December 2015, they amounted to EUR 995 thousand (previous year: EUR 744 thousand).

Plan surplus

The plan surplus of EUR 16 thousand (previous year: EUR 27 thousand) is the result after netting pension provisions with the corresponding plan assets.

Liabilities to other banks

The existing liabilities to other banks are due on demand.

Liabilities to customers

Liabilities to customers are due on demand.

Other liabilities

Other liabilities amount to EUR 63,562 thousand (previous year: EUR 3,386 thousand).

Major items are liabilities to shareholders in the amount of EUR 32,556 thousand (previous year: EUR 176 thousand) from the transfer of profit and loss and for the transfer of the cost of materials, liabilities to affiliated companies in the amount of EUR 30,572 thousand (previous year: EUR 352 thousand) from securities provided and as yet unpaid purchase price payments and trade payables in the amount of EUR 371 thousand (previous year: EUR 421 thousand).

There are no liabilities falling due in more than one year.

Provisions

	31/12/2015 EUR thousand	31/12/2014 EUR thousand
Pension provisions	0	2
Tax provisions	0	1,778
Trade tax	0	997
Corporation tax/solidarity surcharge	0	750
VAT	0	31
Other provisions	3,746	2,525
Staff liabilities	1,788	1,387
Outstanding invoices	1,651	659
Legal risks and auditor's fees	98	279
Indemnity claims	90	90
Supervisory Board bonuses	100	86
Other provisions	19	24
Total	**3,746**	**4,305**

The provisions for staff liabilities primarily resulted from bonus payments for the past financial year. The provisions for indemnity claims relate to uncertain liabilities resulting from a system breakdown.

The provisions for the obligation to store business documents are calculated on the basis of interest rates in the amount of 3.62% (six-year storage period) and 4.15% (ten-year storage period).

Equity

ECC's equity amounts to EUR 1,015,227. It is divided into 1,015,227 no-par value bearer shares. The shares can only be assigned with the approval of the shareholders.

The capital reserve amounted to EUR 14,300 thousand as of 31 December 2015 and remained unchanged year-on-year.

Retained earnings

Other retained earnings amount to EUR 33,619 thousand (previous year: EUR 17,586 thousand). As per resolution of the shareholders' meeting on the appropriation of profits in 2014, EUR 4,102 thousand was distributed and EUR 16,033 thousand carried forward to new account. Within retained earnings, EUR 500 thousand was added to the reserve pursuant to Article 45 EMIR during the year.

3. Notes to the income statement

Commission income as well as other operating income and interest expenses were generated exclusively in Germany and the Company therefore chose not to divide them by geographical markets in accordance with Section 34(2)(1) RechKredV.

Interest income amounted to EUR 87 thousand in 2015. In the previous year, interest income amounted to EUR 397 thousand. The cash collateral provided generated interest expenses of EUR 1,863 thousand (previous year: EUR 295 thousand), which was compensated by administration fees charged to the clearing banks.

Commission income

The commission income of EUR 54,804 thousand (previous year: EUR 37,137 thousand) pertains to fees for clearing services provided by ECC. The commission income breaks down by the following factual criteria:

Commission income	**2015 EUR thousand**	**2014 EUR thousand**
Clearing fees futures market	29,685	18,616
Clearing fees spot market	24,536	18,066
Annual fees and other clearing income	583	455
Total	**54,804**	**37,137**

Commission expenses

Commission expenses in the amount of EUR 4,562 thousand (previous year: EUR 2,275 thousand) mainly comprise volume-dependent system costs.

Other operating income

Other operating income amounts to EUR 3,470 thousand (previous year: EUR 2,051 thousand), primarily resulting from charging a fee for the administration of the cash collateral provided by the clearing banks (EUR 1,905 thousand) and business management services for affiliated companies and shareholders (EUR 495 thousand). In addition, non-period income totals EUR 463 thousand, primarily resulting from the reversal of provisions.

General administrative expenses

General administrative expenses amount to EUR 18,528 thousand (previous year: EUR 15,669 thousand) and include the following items:

General administrative expenses	**2015 EUR thousand**	**2014 EUR thousand**
Personnel expenditure	5,010	4,273
Wages and salaries	4,185	3,563
Social security contributions	825	710
Other administrative expenses	13,518	11,396
Expenses for business management services	5,761	5,372
System expenses	2,957	2,246
Consulting	1,611	1,518
Overheads and marketing	3,189	2,260
Total	**18,528**	**15,669**

Personnel expenses development reflects the increase in the number of employees. The increased expenses for overheads and marketing mainly resulted from IT infrastructure costs.

Other operating expenses

Other operating expenses amount to EUR 780 thousand (previous year: EUR 663 thousand) and mainly comprise expenses from the adjustment of input tax (EUR 762 thousand) due to sales revenues that did not incur VAT.

Taxes on income and revenue

In 2015, ECC and EEX concluded a profit and loss transfer agreement. No trade and corporation tax is therefore due for financial year 2015. Tax in the amount of EUR 17 thousand results from previous periods.

4. <u>Other notes</u>

Collateral structure

To secure the risk incurred by ECC from the default of a clearing member, the clearing members agree, according to the clearing terms and conditions, to provide cash or securities as collateral once or several times per day in an amount determined by ECC. This collateral broke down as follows as of the reporting date:

Collateral	**31/12/2015 million €**	**31/12/2014 million €**
Cash	900	684
Securities and rights in securities (after deduction of collateral)	323	475
Total	**1,223**	**1,159**

As of 31 December 2015, the clearing fund of ECC held EUR 191 million (previous year: EUR 134 million).

Other financial liabilities

The table below shows the other financial liabilities:

Financial liabilities	**Total EUR thousand**	**2016 EUR thousand**	**2017 to 2020 EUR thousand**	**2021 to 2025 EUR thousand**
Business management services	6,835	6,835	0	0
System expenses / maintenance	7,241	2,843	4,398	0
Index costs	535	254	233	48
Rental payments	2,054	205	822	1,027
Vehicles	31	16	15	0
Total	**16,696**	**10,153**	**5,468**	**1,075**

Contingent liabilities

As of the reporting date and as in the previous year, ECC and transpower stromübertragungs GmbH were parties to a letter of comfort for the liabilities of ECC Luxembourg up to a maximum amount of EUR 986 thousand.

As of the reporting date, ECC guaranteed trade payables of ECC Luxembourg in the amount of EUR 115,240 thousand (previous year: EUR 64,795 thousand).

The guarantee secures existing liabilities from electricity and gas supplies for which collateral was provided so that they do not pose a risk to ECC.

Amounts barred from distribution

No amounts have been barred for distribution in accordance with Section 268(8) HGB. The costs of the plan surplus arising from the netting of assets corresponds with the fair value.

HR development

The average number of employees in the financial year was 41.5 (previous year: 37.85).

Executive Board

Peter Reitz, Leipzig	Chairman (CEO)
Steffen Köhler, Oberursel	Member (COO)
Dr. Thomas Siegl, Eschborn	Member (CRO)
Iris Weidinger, Leipzig	Member (CFO)

In the past reporting period, total remuneration of the Executive Board amounted to EUR 1,404 thousand (previous year: EUR 1,152 thousand).

Related party transactions under Section 285(21) HGB

During the financial year, no transactions with related parties were concluded under terms other than at arm's length.

Auditor's fee under Section 285 (17) HGB

The auditors' fee is disclosed in the consolidated financial statements of EEX.

Supervisory Board

The Supervisory Board members are:

Dr. Jürgen Kroneberg (Chairman)	Lawyer, Cologne
Jürg Spillmann (Deputy Chairman)	Member of the Board of Directors, Eurex Zürich AG, Zurich, Switzerland
Roland Werner (Deputy Chairman)	Dresden

Prof. Harald R. Pfab (since 11/06/2015)	Managing Director, HHP Beratung GmbH, Fronreute
Josef Rahmen (until 11/06/2015)	Leipzig
Hans E. Schweickardt	Chairman of the Supervisory Board, Polenergia S.ar.l., Warsaw, Poland
Vincent van Lith	Director, Deutsche Bank AG, Frankfurt am Main

As of the reporting date, the Supervisory Board of ECC had an Audit Committee composed of all Supervisory Board members and a HR and Remuneration Committee with the following members: Dr. Jürgen Kroneberg, Jürg Spillmann, Roland Werner.

The members of the Supervisory Board received remuneration of EUR 100 thousand (previous year: EUR 86 thousand) for the past reporting period.

Leipzig, 7 March 2016

Peter Reitz	Steffen Köhler
Chairman of the Executive Board (CEO)	Member of the Executive Board (COO)
Iris Weidinger	Dr. Thomas Siegl
Member of the Executive Board (CFO)	Member of the Executive Board (CRO)

Management Report of European Commodity Clearing AG, Leipzig, for Financial Year 2015

Business profile

1. Business activities and company structure

European Commodity Clearing AG (ECC), headquartered in Leipzig, Germany, was founded in 2006 as a result of the outsourcing of the clearing and settlement services of European Energy Exchange AG (EEX) and is the leading clearing bank for energy and energy-related products in Europe. The company employed 43 people as of 31 December 2015.

By organising both clearing and settlement in one independent company regulated by the financial supervisory authorities, it is possible to react flexibly to the requirements in the market and at the same time provide the security of a regulated environment.

ECC is a bank and holds a banking license as a central counterparty within the meaning of Section 1(1)(12) of the German Banking Act (Kreditwesengesetz; KWG) in conjunction with Section 1(31) KWG. Since 2014, ECC also holds a license as central counterparty within the meaning of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR). In its function as a central counterparty, ECC processes transactions concluded between the trading participants in the linked markets or transactions registered for clearing and guarantees their fulfilment, even in the case of one counterparty defaulting. European Commodity Clearing Luxembourg S.à r.l. (ECC Lux), a wholly-owned subsidiary of ECC, processes physical deliveries.

As a clearing bank, the company's objective is the stable and contractually compliant processing of transactions as well as to increase the efficiency of clearing and settlement transactions by integrating various markets, products and goods in one standardised system. ECC performs the clearing for all markets of the EEX Group, including EPEX SPOT SE (EPEX) and Powernext SA (Powernext). Since 2006, the Company has also entered into numerous cooperations with other trading places outside of EEX Group. The focus is on creating an energy clearing portfolio that crosses markets and products. At present, ECC is cooperating with Central European Gas Hub AG (CEGH), HUPX Hungarian Power Exchange Ltd. (HUPX), Power Exchange Central Europe a.s. (PXE), Gaspoint Nordic A/S (GPN) and NOREXECO A/S (NOREXECO).

ECC is wholly owned by EEX. Powernext sold its share of 1.5% in financial year 2015.

In 2015, ECC and EEX concluded a profit and loss transfer agreement.

Company management

As a German stock corporation, ECC's executive bodies comprise a shareholders' meeting, Supervisory Board and Executive Board with their own responsibilities. The Company also has a Risk Committee, a body which advises the Executive Board, in accordance with EMIR.

The shareholders' meeting appoints the members of the Supervisory Board and resolves the approval of the actions of the members of the Executive Board and Supervisory Board.

The Supervisory Board appoints, monitors and advises the members of the Executive Board and is involved in decisions of fundamental importance for the Company. The Supervisory Board also approves the financial statements prepared by the Executive Board. The Supervisory Board currently comprises six members. In 2015, three members of the Supervisory Board were replaced or reappointed as it was the end of their term.

The Company is represented externally by the members of the Executive Board who are responsible for managing the Company. The Executive Board is comprised of a Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Risk Officer (CRO) and Chief Financial Officer (CFO). The members of the Executive Board also act as members of the Executive Board of EEX.

Strategy and management

Strategy

ECC's strategic orientation focuses strongly on customer and market requirements. The success of this model confirms the Company's leading position as a clearing bank for energy and energy-related products in Europe and, increasingly, also for other commodities which are characterised by the extensive international network of clearing participants and the close links between physical processing of commodities by relevant partners (e.g. network operators). Integrated clearing, i.e. several markets, products and goods integrated in one standardised system, is another component of the Company's strategy for further developing its business. ECC primarily focuses on the following aspects:

- maximising the use of clearing for participants across partner exchanges, markets and products
- integrating further partner exchanges to increase the trading partner base
- diversifying the business model for the clearing bank
- establishing the Company as an important market component with regard to the physical delivery of energy transactions along the entire trade chain, from short-term, to long-term trade.

ECC is increasingly focusing on regulatory issues due to the substantial increase in legal requirements. By closely monitoring and participating in regulatory discussions, the Company can implement targeted measures at an early stage to ensure its competitive position and to meet customer requirements.

The Company also focuses on its risk strategy. The serious impact of the energy turnaround on suppliers has increased the importance of adequate collateralisation of default risks, clearing efficiency and therefore, in particular, efficient margins.

Management

ECC primarily uses sales revenues, costs, EBT and liquidity as key performance indicators for managing the Company. The risk indicators in accordance with EMIR are also of great importance to the clearing bank.

Commission income (transaction and annual fees) and other operating income particularly affect ECC's income. Expenses are broken down into commission expenses, interest expenses, general administrative expenses, other operating expenses and write-downs. Whereas commission expenses are of a variable character, in other words they correlate with the amounts of the transaction fees, the other expense items have a fixed-cost character (see 'Results of operations' for further details).

Around 81% of ECC's expenses do not depend on sales revenue. Economies of scale and scope enable ECC to also process additional business volumes without any significant increase in costs. On the other hand, a decrease in business volume has a direct effect on ECC's profitability.

Internal control system (ICS)

EEX Group has an internal control system (ICS) which ensures process security and therefore indirectly assists in achieving the Company's targets. It is also applied at ECC. The ICS is monitored by Internal Audit. Material operational events are reported regularly and on an ad-hoc basis to the Executive Board and Supervisory Board (see 'Risk management' for further details).

Economic and industry-related situation

This section outlines the economic and industry-specific conditions with a crucial impact on the business activities of the EEX Group companies and particularly the development of the resulting clearing volumes.

The development of the energy market primarily depends on the following general conditions:

- price development in the commodity markets, particularly volatility (price fluctuations)
- relative attractiveness of the clearing portfolio compared with the uncleared OTC market
- regulatory requirements for market participants and the clearing bank
- energy turnaround and structural changes in the energy markets, such as adjustments to the electricity market structure

ECC cannot influence the first two factors, which both boost volume. The Company is able to participate in shaping both regulatory requirements and structural changes through political lobbying as well as targeted product and service management.

Considerable volatility and simultaneous price slump in the energy and commodities markets

As in the previous years, the price in the commodities markets continued to slump in the reporting period. Market participants purchasing baseload electricity in the futures market(Phelix Baseload annual futures) only paid EUR 30.97 per MWh on average (previous year: EUR 35.09 per Mwh). One of the main reasons for this development is the continuously low prices in the markets for fossil fuels (e.g. coal), freight and emission certificates. The oversupply of electricity resulting from the subsidised feed-in tariffs for green electricity also put pressure on the prices.

Attractiveness of the clearing portfolio compared with the uncleared OTC market

As a result of factors such as the debate about the causes of the financial and economic crisis, regulators and the public have become increasingly aware of the advantages of clearing through central counterparties. Central clearing primarily lowers risks of products previously traded bilaterally (such as OTC derivatives) and prevents systemic risks in these markets. This could increase the percentage of cleared transactions in the total trading volume. However, changes to the regulatory conditions, such as implemented by EMIR, are not an absolute requirement in this respect. The deciding factor is rather that an increasing number of trading participants aim to minimise risks and recognise and use the advantages provided by cleared transactions in this respect. Particularly in markets with potentially high counterparty default risks, clearing through ECC provides market participants with significant advantages within the scope of strict risk management. Trading participants have only one counterparty in the form of the clearing bank for all of their transactions, whereas they would have to implement risk management for each of their trading partners for uncleared OTC transactions. A transparent presentation of the cost advantages by ECC, both for market participants and political and regulatory institutions, coupled with the continuous expansion of clearing and risk management services also provides the opportunity of significantly and sustainably increasing the volume of transactions cleared by ECC.

Comprehensive regulatory measures continue to be implemented

In 2015, the energy markets once again witnessed discussions regarding the amendment of existing and the launch of new regulatory requirements. The plans most important for the energy trade are:

- wording of the amended Markets in Financial Instruments Directive (MiFID II) and the related EU Regulation MIFIR
- developing a new EU directive with binding regulations for the creation of indices used as benchmarks for market players (Benchmark Regulation) to prevent conflicts of interest and misuse
- discussing the electricity market structure in terms of the further integration of renewable energies, flexibilisation of the market and ensuring supply security

The amended Markets in Financial Instruments Directive MiFID II implement significant changes to the trade of commodity derivatives. The previous rule regarding the exception of commodity derivatives from the directive's scope of application has been rescinded and replaced by an exception for secondary jobs. As a result, only trading participants with comparatively little trading activity will be exempted from the requirements of MiFID II in the future. This may lead to a number of energy traders seeing themselves forced to reduce their trading activities in financial instruments accordingly due to MiFID II. In addition, transactions conducted at an organised trading facility (OTF), a new trading place category introduced by MiFID II, will be excluded from MiFID II. In contrast, similar transactions conducted in a regulated market and/or an exchange fall within the scope of applicability of MiFID II. It cannot be ruled out that such regulatory discrimination will cause volume shifts from the regulated market to OTFs.

Adjustments to the electricity market design due to political or regulatory resolutions could impact the importance of the stock market prices and therefore also lead to a decrease in liquidity in the energy markets. In addition, the discussion about potential adjustments is already creating uncertainty among market players with regard to future general conditions and their reliability. This also includes the discussed re-allocation of bidding zones in the electricity market due to network bottlenecks and insufficient network development.

These projects, in particular, and the resulting uncertainty regarding their exact details could impact the activities of market participants.

Energy turnaround creates challenges for electricity market participants and exchange

Particularly established energy and supply companies, which account for the majority of the trading participant base, are faced with considerable strategic and financial challenges caused by the energy turnaround. The decrease in income that goes hand in hand with the energy turnaround and the simultaneous write-downs and expenses for provisions for the decrease in conventional electricity production and storage infrastructure are having a significant negative impact on the profitability of these companies. The current situation is affecting the willingness to pay for exchange trading activities of energy and supply companies as well as their credit assessments performed by external lenders and therefore their ability to provide collateral for their exchange transactions. This development was the main reason for the withdrawal of individual market participants in 2015. In contrast, the deteriorating credit ratings of market participants is resulting in the decrease of bilateral credit facilities, which are commonly used in OTC trading. This is part of the reason why trade is shifting from OTC to exchanges and therefore has a positive effect on the clearing business.

The effects of the general conditions at the respective partner exchanges and ECC in 2015 are explained in 'Business trend' and 'Opportunities and risks' with regard to future development.

2. Business trend

The business trend of ECC as a clearing and settlement service provider is linked to the success of the affiliated partner exchanges. The developments in the respective markets therefore play an important role for ECC and are summarised below.

EEX Power Derivatives GmbH

Compared to the previous year, the electricity futures market trading volumes of EEX Power Derivatives GmbH increased significantly by 62%. Particularly the increase in shares in the existing markets, electricity futures Germany and France, and the further development of and expansion in additional European markets were therefore the main drivers of this successful trend. The very successful Italian market should be pointed out in this respect. In 2015, the strategy of changing to a pan-European portfolio through regional expansion resulted in a significant increase in sales revenue as well as considerable diversification within the electricity futures market.

In 2015, 937 TWh traded in the German electricity futures market (previous year: 812 TWh) pertained to stock market trade. This corresponds to an increase of 15% year-on-year. 877 TWh (previous year: 557 TWh) pertained to the registration of OTC transactions (trade registration), corresponding to a significant increase of 58%. The share of the German futures in the total electricity futures market of EEX Power Derivatives GmbH amounted to 71%, which despite still being considerable was less than in the previous reporting period (previous year: 87%). In the German electricity futures market, competitors recorded an increase in volumes, albeit still at a low level compared with the total trading volume in this region. Particularly Nasdaq OMX increased its volume, but CME also offers products in the German electricity futures market.

The volume traded in the French electricity futures market increased significantly and totalled 300 TWh in 2015, which significantly exceeds the previous high at 83 TWh in 2014 by 263%. In the reporting period, the French electricity market was the fastest growing market in Europe and has now become the second-largest market after Germany based on total market volume. The main reason for this development is the decreasing wholesale price, which has become an attractive alternative to the regulated tariff (ARENH tariff). The number of active participants in the French electricity futures market therefore doubled compared with 2014. In the reporting period, the percentage of the volume of French futures in total trade in the electricity futures market was 12% of the total volume of EEX Power Derivatives GmbH (previous year: 5%).

Day and weekend futures were added to the product portfolio for the also very successful trade in Italian electricity products. Since 2015, EEX Power Derivatives GmbH has also been offering options on Italian electricity futures. In 2015, the total volume amounted to 396 TWh, corresponding to a share of 16% in the total electricity futures market volume of EEX Power Derivatives GmbH (previous year: 116 TWh; 7%).

EEX Power Derivatives GmbH's product portfolio for paid-up electricity futures contracts in new markets was further expanded in 2015. An exchange order book was launched for the Spanish, Scandinavian and Swiss markets. EEX Power Derivatives GmbH started offering clearing services for the British market in November 2015. The trading volume was low in the beginning. After taking over the clearing business for the transactions of APX in the first quarter of 2016, ECC is expecting substantial growth impulses in this market segment. The same applies with regard to the products for hedging specific price risks during the production of renewable energies launched by EEX Power Derivatives GmbH within the scope of the energy turnaround.

EPEX SPOT SE (EPEX)

The electricity spot markets for Germany, France, Austria and Switzerland pooled in EPEX continued to develop positively in the reporting period. The volume processed by ECC in 2015 increased by 54 TWh, from 382 TWh in the previous year to 436 TWh.

The trading volumes in the EPEX day-ahead markets developed positively in 2015. Compared with the previous year, the French day-ahead market gained significantly (+57%). In the calendar year 2015, liquidity in the intraday segment also improved further, particularly in the German intraday market, where the volume increased by 41% year-on-year.

EPEX further profited from the obligation of the transfer network operators to market a green electricity quota at the electricity exchange, which came into effect in 2010 as part of the Renewable Energies Act (Erneuerbare-Energien-Gesetzes; EEG) and was specified in greater detail in the compensation mechanism ordinance (Ausgleichsmechanismusverordnung; AusglMechV) and their obligation to engage in direct marketing, which has become the primary route for the electricity volumes produced in the context of the Renewable Energies Act onto the market. Although there is no obligation to sell electricity on an exchange within the scope of direct marketing, EPEX has established itself as a strong market platform in this field as well, partially because of its service portfolio, and is expecting further growth.

In 2015, the previously coupled markets in north-west and south-west Europe were coupled with the Italian and Slovenian markets using the Price Coupling of Regions (PoR) solution. As a result, market participants from Portugal to Finland and Italy to the United Kingdom are using a communal auction mechanism. At these so-called implicit auctions, cross-border capacities are allocated to the market participants who only submit bids at their local exchanges. The cooperating exchanges then use the available capacities at the coupling points between the countries to minimise price differences between two or several market regions. The expansion of the European market coupling makes it easier to trade electricity across borders and has also contributed to the positive development of the electricity spot market.

In 2015, EPEX successfully shortened the lead times in all intraday markets in cooperation with ECC. Since July 2015, it has been possible to trade electricity in Germany, France and Austria up to 30 minutes before delivery.

In May 2015, EPEX acquired all of the shares in the Dutch APX Group. This acquisition added the spot markets in the Netherlands, Belgium and United Kingdom to EPEX's product portfolio. Once the clearing of the APX markets migrates to ECC in the first quarter of 2016, ECC will take over all of APX's clearing business and generate additional commission income from electricity spot market transactions.

Powernext SA (Powernext)

The PEGAS cooperation was founded in 2013 and significantly restructured in 2015. As part of the transfer of the majority share in Powernext SA to EEX AG, the markets previously offered through EGEX European Gas Exchange GmbH (EGEX) were integrated in the regulations of Powernext. At the end of 2015, a total of nine market regions were available for trading on the PEGAS platform operated by Powernext:

	Spot market	Futures market
GPL (Germany)	x	x
NCG (Germany)	x	x
TTF (Netherlands)	x	x
PEG Nord (France)	x	x
TRS (France)	x	x
NBP (United Kingdom)	x	x
ZEE (Belgium)	x	x
ZTP (Belgium)	x	x
PSV (Italy)		x

The natural gas volumes traded at the partner exchange Powernext and processed by ECC in 2015 amounted to 441 TWh in the spot market and 584 TWh in the futures market. In the previous year's period, a total of 290 TWh was traded in the spot market and 278 TWh in the futures market through Powernext and EGEX.

The natural gas trading volumes increased significantly, particularly in the gas spot market across all market regions as well as in the gas futures market, and here particularly in TTF.

In the reporting period, the UK gas market (NBP), the Belgium gas market in Zeebrugge (ZEE) and the Italian gas futures market (PSV) were set up for PEGAS trade. The trade in price differences between these and existing gas markets through location spreads also became possible. Powernext also launched further innovative trading products in the gas spot market in the form of local products in the GASPOOL and PEG market regions. The trading functionalities were improved significantly in terms of simplified trade registration, the introduction of spot market trading limits and the launch of 24/7 trade in the French spot market.

Global Environmental Exchange GmbH (GEEX)

In 2015, the volumes in the emission certificate trade organised by GEEX increased by 27% year-on-year. The volumes in the emission certificate spot market increased by 23% year-on-year, mainly due to the primary auctions where backloading had less of an effect on auction volumes than in the previous year. In 2014, the pan-European auction volumes were reduced by 400 billion tonnes of emission certificates (EUA). In 2015 and 2016, they were cut to 300 million and 200 million tonnes respectively. The number of auctions conducted on the central auction platform for 25 EU member countries as well as Germany and Poland remained the same.

The trading volumes in the secondary market increased significantly (spot: 41%; futures: 81%).

European Energy Exchange AG (EEX)

EEX's product portfolio includes certificates of origin for green electricity. These are certificates that prove the origin of the production of one MWh of green electricity. Certificates of origin for hydroelectric power in the Scandinavian region (Nordic Hydro) and Alpine region (Alpine Hydro) as well as certificates of origin for wind power from the North Sea region (Central Northern Europe Wind) are offered for trading on the EEX futures market. In 2015, a total of 0.1 TWh was traded (previous year: 0.1 TWh).

Unfortunately, the development of the coal market was unsuccessful in the past reporting period. In 2015, the market did not generate any volumes (2014: 165,000 t). The main reason for the still unsatisfactory development in the coal business segment is the high competitive pressure in this market. In 2016, the focus will be on registering OTC clearing transaction.

The Trade Registration Service for Brent-901 oil price formula futures launched in September 2014 did not generate any volumes in the past reporting period.

EEX and ECC plan to gradually roll out the products offered by CLTX to participants registered for other commodities as well in 2016. For this purpose, EEX plans to offer selected products for trade registration on the regulated market of EEX, so that transactions brokered for CLTX can be transferred by EEX for clearing by ECC.

Agricultural Commodity Exchange GmbH (ACEX)

On 11 May 2015, ACEX took over the trade of agricultural futures previously traded on the Eurex exchange. In this context, ECC added financially paid-up agricultural index futures for potatoes, butter, skimmed milk powder, whey powder, piglets and hogs to its product portfolio.

In 2015, ECC cleared 36,564 contracts. The positive development of the agricultural index futures is mainly due to great uncertainty regarding the quantity and quality of the processing potato harvest in 2015 setting in around the middle of the year caused by weather conditions, which was reflected in significant price volatility. Processing potatoes are potatoes for the production of chips in the European Economic Area. In 2015, the European markets for skimmed milk powder, butter and whey powder did not recover sustainably from the negative price trend which started in 2014. This led to increased interest in price risk management instruments.

HUPX Hungarian Power Exchange Ltd. (HUPX)

The cleared volumes in the Hungarian electricity market developed positively, particularly as from the second quarter of the reporting period, with record highs in both the spot and futures market. Particularly the spot market profited from the expansion of the Central European market coupling between the Czech Republic, Slovakia, Hungary and Romania. In November 2015, financial trading limits for HUPX auctions were added to ECC's risk management services. In the current reporting period, the volumes cleared by ECC of the transactions concluded on the HUPX increased by 31% to 22 TWh (previous year: 16 TWh).

Central European Gas Hub (CEGH)

As in the previous years, the partner exchange CEGH recorded a positive volume trend in the reporting period. Compared with the previous year, the CEGH spot market grew by 21% to 23 TWh and the CEGH futures market by 69% to 4 TWh.

CEGH expanded its spot market product portfolio. Saturday and Sunday day contracts were launched as an addition to weekend contracts as well as additional products with reduced contract sizes (1MW instead of 10MW) to meet the requirements of the almost 100 spot market members.

Power Exchange Central Europe a.s. (PXE)

Since 2013, ECC has been providing clearing and settlement services for the PXE exchange in Prague, which operates the regulated Czech market and also facilitates the trade in Czech, Polish, Romanian, Slovakian and Hungarian electricity futures as well as Czech gas futures.

In 2015, the traded volumes in PXE's electricity futures markets were up year-on-year at 24 TWh. Following a temporary decrease in volumes in the second quarter, there has been a clear upward trend again since the third quarter of 2015.

PXE has been cooperating with CEGH in the Czech gas market since December 2013 offering physically paid-in gas futures as well as spot market products for trading since May 2015. During the course of 2015, 3 TWh of gas contracts supplied in the Czech market region were concluded and this volume has been continuously increasing every month since the third quarter. Compared with the previous year, the number of participants registered in this market almost doubled to 18.

Gaspoint Nordic A/S (Gaspoint Nordic)

The cooperation with Gaspoint Nordic, which is headquartered in Denmark and offers natural gas trading in the Denmark market region, started in October 2014.

Since 2011, Gaspoint Nordic's trading volumes have been increasing continuously, reaching the monthly all-time high of 1.8 TWh in December 2015.

At 17 TWh, the volumes cleared by ECC in the reporting period exceeded the volumes in previous years by 285% (previous year: 4 TWh). The volume increased primarily due to the full-year effect as well as increased trading activities.

NOREXECO AS (NOREXECO)

ECC cooperated with its Norwegian exchange partner NOREXECO, which offers commodity derivatives for fibre and recycled paper for trading. On 15 September 2015, NOREXECO started trading pulp commodity derivatives, supplemented by ECC's clearing services. The first participants have already been registered for trading at NOREXECO and others are going through the registration process. No volumes were generated during the reporting period.

South Eastern European Power Exchange (SEEPEX)

In July 2015, Elektromreža Srbije (EMS), the Serbian transfer network operator, and EPEX entered into a joint venture for servicing the Serbian electricity spot market. The companies are planning to start trading in February 2016. ECC will assume clearing and settlement services for the transactions of SEEPEX and therefore provide services for a new partner exchange.

Open interest development

Open interest is the value of all open option and futures contracts as of the reporting date. As of 31 December 2015, the open interest of ECC denominated in euros totalled EUR 49 billion (previous year: EUR 32 billion), an increase of 53%. This result is primarily boosted by the electricity futures market, which once again generated a record open interest in 2015. The increase of the open interest in the natural gas futures market also confirms the growing attractiveness of this market.

in EUR thousand	**2015**	**2014**
Futures (electricity)	44,048,119	29,331,705
Futures (natural gas)	4,636,386	2,439,362
Futures (EUA)	272,169	162,515

Futures (GoO)	5	2
Futures (coal)	2,452	3,306
Futures (agricultural)	23,367	0
Options (electricity)	16,041	3,279
Total	**48,998,537**	**31,940,169**

Due to calculation reasons, the tables may contain rounding differences in the amount of plus/minus one unit (TWh, EUR, %, etc.).

Future development

New services

In 2015, ECC further expanded its straight-through-processing (STP) services, i.e. the fully automated transmission and confirmation of brokered OTC transactions for clearing registration. For the STP solution, ECC cooperates with the two system service providers EFETnet B.V. and Trayport Ltd. and also works closely with the brokers. Since March 2015, Powernext participants have been able to register OTC transactions as exchange transactions for subsequent clearing by ECC through all major gas brokers. In May 2015, STP services were also launched for electricity options.

ECC launched an initiative to introduce trading limits to lower the market entry barriers for smaller participants and provide clearing members with even more effective risk management than non-clearing members. At the beginning of 2015, ECC's risk management services were expanded by introducing financial trading limits in the EPEX auction trade and in May 2015, the natural gas spot markets pooled in Powernext were also added.

New cooperations and product categories

ECC is negotiating clearing service portfolios with a number of exchange initiatives, which it regards as further confirmation of its strategic partner exchange policy.

With the assistance of ECC Lux, ECC now performs the physical delivery of gas and electricity contracts for 25 network and/or hub operators in the energy sector in 12 countries. This is a unique selling point in the competition with other clearing banks. The Company also plans to expand the partner exchange base by starting to provide clearing services for the electricity spot markets of APX and SEEPEX in 2016.

Regulation and margining

ECC supports the active pan-European, standardised regulation of clearing banks and actively and openly cooperates with the regulators authorities.

In 2015, ECC continued to optimise the margin models and adjusted them to meet current requirements. Customers profited from cross-market and cross-product margining and reduced complexity.

Participants

As of 31 December 2015, the number of general clearing members of ECC totalled 23 compared with 21 as of 31 December 2014. Three new general clearing members were admitted and one deregistered during the course of the year. The number of clearing participants (including non-clearing members) increased to 428 at the end of the year (previous year: 392).

3. Results of operations

The development in the individual markets of the partner exchanges plays an important role for ECC and determines the results of operations of the clearing bank. ECC's commission income amounted to EUR 50,242 thousand, a significant increase of 44% year-on-year. The positive earnings trend in financial year 2015 was boosted considerably by the increase in clearing income in the electricity futures market of EEX Power Derivatives GmbH as well as a further increase in income from the natural gas spot and futures markets of Powernext. The partner exchange EPEX also developed very positively.

Commission income, consisting of transaction and annual fees (share of annual fees in commission income: 0.4%) amounted to EUR 54,804 thousand, up EUR 17,667 thousand, or 48%, on the previous year's figure of EUR 37,137 thousand.

In 2015, the electricity futures market once again was the main income driver and increased its share in commission income to 44% (previous year: 42%). Sales revenue from the clearing of electricity futures transactions increased by 58% to EUR 24,096 thousand year-on-year (previous year: EUR 15,258 thousand).

The commission income from the electricity clearing and spot markets increased by 30%, from EUR 11,530 thousand to EUR 14,954 thousand, and at 27% (previous year: 31%), made up the second largest income segment of ECC.

The share of clearing income in the natural gas spot and futures market increased significantly by pooling the natural gas activities in Powernext. The clearing services for the natural gas transactions of Powernext generated income of EUR 12,668 thousand (previous year: EUR 8,017 thousand, including EGEX). In the reporting period, the share in clearing income amounted to 23% (previous year: 22%).

In 2015, the income from the clearing of emission certificates was on par with the previous year and at EUR 458 thousand contributed 1% to ECC's commission income (previous year: EUR 434 thousand; 1%).

In financial year 2015, total income from the cooperation with the CEGH of the gas exchange in Vienna increased by 21% to EUR 508 thousand year-on-year, thus continuing the positive trend in the previous years (previous year: EUR 418 thousand).

The clearing of the Hungarian electricity spot and futures markets of HUPX also showed a positive trend. Commission income totalled EUR 558 thousand (previous year: EUR 469 thousand).

The cooperation with PXE generated income of EUR 552 thousand in 2015, thus exceeding the previous year's figure by EUR 84 thousand.

The cooperation with Gaspoint Nordic entered into in October 2014 generated commission income of EUR 347 thousand in 2015.

Commission expenses increased from EUR 2,275 thousand in the previous year to EUR 4,562 thousand in 2015. This development was primarily caused by an increase in variable expenses due to the significant increase in commission income.

In financial year 2015, interest income amounted to EUR 1,776 thousand, thus significantly down year-on-year. The result, which was negative for the first time, was caused by the base rate policy of the European Central Bank. The negative interest on Central Bank deposits exceeding the minimum reserve determined the interest result of ECC. In 2015, ECC generated interest income from a loan issued to EEX in the reporting period.

In the reporting period, other operating income increased considerably to EUR 3,470 thousand, up 69% on the previous year's figure of EUR 2,051 thousand. This item included internal netting, project costs reimbursed by the partner exchanges, securities management fee and administration fee for cash collateral, which increased significantly in 2015 in line with the increase in interest expenses.

General administrative expenses increased by 18% year-on-year to EUR 18,528 thousand (previous year: EUR 15,669 thousand), boosted by increased personnel expenses and increased expenses for clearing systems, volume-dependent index costs, etc. Personnel expenses increased from EUR 4,273 thousand in the previous year to EUR 5,010 thousand. This increase reflects the increase in staff numbers as well as provisions created for management and employee bonuses. Other administrative expenses primarily comprise expenses for systems and advisory services as well as internal netting.

Other operating expenses increased to EUR 780 thousand in 2015 (previous year: EUR 663 thousand) due to an increase in non-deductible input tax.

Write-downs in the amount of EUR 430 thousand are significantly down on the previous year's figure of EUR 1,167 thousand as the previous year's figure was increased by an impairment of the spot market clearing system. In 2015, write-downs exclusively comprised scheduled write-downs of capitalised software and systems.

EBT reflects the successful development in the reporting period and at EUR 32,231 thousand significantly exceeded the previous year's figure by 65% (previous year: EUR 19,578 thousand). Net income for the year in the amount of EUR 32,248 thousand more than doubled year-on-year on account of the tax unit formed with EEX since the conclusion of the profit and loss transfer agreement which pools the tax liabilities in EEX.

The profit and loss transfer from ECC to EXX renders the calculation of return on equity obsolete. ECC does not retain any net income for the year.

<u>Comparison of the results of operations with the forecast for 2015</u>

The bandwidth of EUR 36,330 thousand to EUR 38,257 thousand assumed for commission income in 2015 was exceeded due to the unforeseeable and extraordinarily successful development of the electricity futures market of EEX Power Derivatives GmbH and the natural gas spot and futures markets of Powernext as well as the electricity spot market of EPEX.

The result expected for 2015 was also exceeded significantly due to the positive development of commission income. Due to economies of scale, the majority of the increased commission income is reported directly in the income statement due to the largely stable cost block. The 2015 bandwidth for the Company's result was EUR 15,856 thousand to EUR 17,891 thousand.

4. Net assets

ECC's net assets are shaped by the Company's business activities as a central counterparty for energy exchange trading. The receivables on the asset side of the balance sheet are offset by liabilities of almost the same amount.

As of the reporting date, total assets amounted to EUR 1,145,335 thousand, thus EUR 385,583 thousand up on the previous year's total assets of EUR 759,751 thousand.

Assets primarily include cash at bank and central banks. This primarily originated from the investment of the cash collateral received in the amount of EUR 1,043,095 thousand (previous year: EUR 684,032 thousand) for securing transactions that were offset by liabilities to clearing members for the spot and futures markets in the same amount. As at 31 December 2015, cash reserves were stated at EUR 1,072,562 thousand (previous year: EUR 102,024 thousand). The extraordinary increase in cash reserves resulted from barely any overnight transactions being conducted as of the reporting date compared with the previous year.

Intangible fixed assets totalled EUR 16,438 thousand, thus EUR 15,406 thousand up on EUR 1,032 thousand in the previous year. The reason for this development was the capitalisation of the acquisition of the clearing business of APX in the amount of EUR 14,743 thousand. As of the reporting date, other assets amounted to EUR 29,519 thousand and primarily comprised loans to and receivables from affiliated companies, ECC's input tax claims from the responsible tax office in Luxembourg and ECC Lux's transaction fee receivables for the physical delivery of the transactions registered for clearing.

Accruals and deferrals amounted to EUR 995 thousand, up EUR 251 thousand year-on-year, and primarily resulted from the capitalisation of change requests, in other words modifications to the software and systems of Deutsche Börse AG. Additions were recorded in 2015.

Liabilities to other banks primarily contained cash collateral received from clearing members that are banks and totalled EUR 514,906 thousand (previous year: EUR 397,128 thousand).

Liabilities to customers included the cash collateral received from clearing members (that are not banks) by ECC in the amount of EUR 514,186 thousand (previous year: EUR 301,897 thousand).

The Company's equity stated in the balance sheet decreased from EUR 53,036 thousand to EUR 48,935 thousand. ECC's dividend distribution for financial year 2014 was the reason for this development. Subscribed capital and capital reserves remained the same at EUR 1,015 thousand and EUR 14,300 thousand respectively. The Company does not retain any earnings due to the profit and loss transfer agreement with EEX.

The debt ratio, a performance indicator that shows the percentage of long-term and short-term debt in total assets (adjusted for cash collateral), is of only limited value in 2015. Compared with the previous year, liabilities contain the following aspects:

- presentation of the profit and loss transfer to EEX as a liability to shareholders
- presentation of the liabilities to APX regarding the payment for the acquisition of the clearing business, which was waived as part of the migration

A letter of comfort was issued for liabilities of the subsidiary ECC Lux. ECC also guarantees the repayment of the liabilities of ECC Lux to trading participants in the spot markets for which ECC Lux delivers and receives goods.

5. Financial position

In accordance with Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, ECC must reserve sufficient liquid equity to comply with the capital requirements stated in Article 16 of the EU Regulation at all times. A report must be filed to the responsible regulators immediately if the ratio between equity and capital requirements drops below the limit of 110%. The ratio between equity and capital requirements was between 133% and 198% as of the monthly reporting dates (January to December 2015), thus always significantly above the reporting limit of 110%.

In accordance with Article 43 of Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories, ECC also must reserve sufficient liquid financial resources to cover the default of the two clearing members with the largest liquidity consumption. In accordance with Article 44 of the same regulation, ECC compares the existing liquid resources with liquidity requirements on a daily basis. If the ratio between liquid resources and liquidity requirements drops below the specified reporting limit of 1.1, the Executive Board must be informed immediately and measures implemented for strengthening the liquid resources in accordance with the liquidity plan. The daily ratios were between 1.15 and 5.58, thus always above the statutory minimum value of 1.

ECC's liquid equity stated in the balance sheet amounted to EUR 48,517 thousand at the end of the reporting period. Thanks to the strong internal financing power and existing liquidity, the Company is able to implement most of the investments required to maintain its good competitive position using its own funds.

Summary

The business figures confirm ECC's success. Despite the sometimes difficult market environment described previously, the Company increased its commission income and maintained its solid capital base.

6. Employees

The Company employed 43 people at the end of the reporting period. At the end of the previous year, 39 employees worked for ECC.

Their age structure is as follows:

Age group	Number Employees	Percentage
< 30 years	7	16%
30-39 years	25	58%
40-49 years	8	19%
>/= 50 years	3	7%
Total	**43**	**100%**

Due to calculation reasons, the tables may contain rounding differences in the amount of plus/minus one unit (TWh, EUR, %, etc.).

The academics in the Company accounted for 84% of the workforce (previous year: 82%). This percentage represents the number of employees with a degree from a university, university of applied sciences or vocational academy. Female employees accounted for 44% as of the reporting date (previous year: 56%). Two of the Company's five management positions were held by women, as in the previous year.

Opportunities and risks

7. Risk management

Risk management system and targets

ECC is a central counterparty in accordance with Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories. The corresponding license was issued on 11 June 2014 by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). ECC is also a bank with the exclusive license to act as a central counterparty within the meaning of Section 1(1)(12) of the German banking Act (Kreditwesengesetz; KWG) in conjunction with Section 1(31) KWG.

The Executive Board of ECC is jointly and severally responsible for formulating and implementing the business and risk strategy, which provides the basis for developing ECC's risk management system. Its exact design depends on the requirements of Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories and the supplementary technical standards in accordance with Commission Delegated Regulation (EU) No. 153/2013 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties.

Organisational structure

In accordance with the provisions of Section 91(2) AktG, ECC has a monitoring system for recognising developments that could endanger the Company's existence as a going concern at an early stage. EEC's Chief Risk Officer (CRO) is responsible for developing the risk early warning system.

A monthly risk report for all risk classes is prepared for ECC and presented to ECC's Executive Board. The CRO also provides the Supervisory Board with quarterly reports. The Company also uses mandatory ad-hoc reporting for any material changes in the risk situation.

ECC also has a Risk Committee comprising representatives of clearing members, non-clearing members and independent representatives. This committee advises the Executive Board of ECC on questions relating to risk management.

8. Material risks

In the reporting period, ECC identified the relevant risks in the risk classes below that could have a relevant negative effect on ECC and its net assets, financial position and results of operations upon their occurrence.

<u>Counterparty default risk</u>

In its role as central counterparty between buyer and seller, ECC carries both parties' default risk. The counterparty default risk is therefore one of the key risks incurred by ECC and hedging against it ECC's main task.

ECC's risk strategy aims to fully collateralise the counterparty default risk at all times by accruing risk cover potential (lines of defence). The lines of defence comprise the following key components:

- **Admission conditions**
  Only institutions with head offices in the European Economic Area, Switzerland, and certain institutions in the European Economic Area with sufficient financial strength, credit rating and operational facilities for the processing of clearing transactions are admitted as general and direct clearing members of ECC. This status is checked during the admission process and monitored on an ongoing basis.
- **Guarantees issued by clearing members**: Clearing members guarantee all of the liabilities of trading participants that are not clearing members themselves. These liabilities could arise, for example, from the provision of collateral, goods deliveries and daily profit and loss accounts. This guarantee only excludes the clearing fees owed. Clearing members always collect all payments directly.
- **Daily profit and loss accounts** Accumulated profits and losses and payments due are netted daily and credited or debited to the clearing member.
- **Individual margins**: Individual margins cover the potential losses from an open position with a security level of 99% over a specified holding period.
- **Intraday margin calls**: ECC may execute intraday margin calls and demand additional collateral at any time if required by the market or risk situation.
- **Allocated own funds held by ECC**: ECC holds allocated own funds in the statutory amount at all times. These allocated own funds are used for covering potential losses not covered by individual margins. The allocated own funds are used after the contribution of the defaulted clearing member paid into the clearing fund, but before the use of the entire clearing fund.
- **Clearing fund**: The clearing fund is a joint collateral measure between all clearing members. It covers potential losses not covered by individual margins. The amount of the clearing fund is determined on the basis of daily stress tests in accordance with the stipulations of EMIR. The stress test simulates the effects of the default of the largest as well as the two largest clearing members with the greatest exposure and assumes various extreme, but plausible market price developments. In addition, an individual minimum amount is determined on the basis of the historic, individual subsequent margin assessments of a clearing member (including its non-clearing members and customer positions) over the past 12 months. Depending on the risk assessment of clearing members, ECC determines an absolute minimum contribution to the clearing fund for clearing members.
- **Duty to replenish the clearing fund**: The clearing fund must be replenished to its original amount within 10 working days of being drawn down. If a clearing member is in arrears, clearing fund contributions are released no earlier than one month after all liabilities of the clearing member in arrears or the direct clearing member have been paid.
- **Other own funds held by ECC**: The other own funds held by ECC cover potential losses not covered by allocated own funds of ECC, individual margins or the clearing fund.
- **Collateral requirements and deductions** ECC accepts cash collateral, highly liquid securities from issuers with a low credit risk and emission certificates as collateral. The market price fluctuations are covered by adequate collateral deductions. The collateral is revalued at least once a day at market value. Guarantees from certain issuers with a low credit risk are also accepted to cover collateral requirements in spot markets. Concentration risks are managed by issuing concentration limits.

Own funds are only invested in assets with a minimal risk (e.g. as secured investments and/or with counterparties with a zero rating issued by the regulators) and the highest possible liquidity.

The potential losses from the default of clearing fees owed are low and are accounted for in the risk coverage.

A reverse stress test is performed based on the worst-case stress scenario, which serves to determine the clearing fund volume to identify the stress scenario which would consume the individual margin requirements, the clearing fund (including EEC's own contribution) and ECC's risk coverage.

Operational risks

ECC regards operational risks to be all potential damage resulting from:

- disruptions to the IT systems used
- inappropriate design of internal processes
- mistakes made by employees
- mistakes made by or absences of external service providers
- Legal risks

One of the major aims of ECC's risk strategy is to minimise operational risks by implementing comprehensive automated processes in connection with recognised system development methods and detailed test methods. ECC provides core services and uses external service providers for increasing economies of scale, particularly for the operation of its system. The quality of the service providers is checked as part of a selection process and on an ongoing basis in accordance with service level agreements. Backup processes are implemented for critical business processes. The quality of the internal control system is checked regularly through internal and external audits.

Physical delivery risks are minimised by attempting to implement preferential rules regarding the nomination of ECC when concluding balancing group agreements, insofar as available, or by securing them with margins. The continuous investment in ECC's processing infrastructure also substantially contributes to managing this risk.

In addition, ECC has concluded errors and omissions insurance (E&O insurance) to cover any events of damage. The potential losses from operational risks remaining after the insurance payment are accounted for in the statutory contributions in the risk-bearing capacity concept.

Internal processes are explained in ECC'S 'Written Policy'. It includes process descriptions and control measures for all major processes. They are documented in check lists to reduce the probability of human error.

Legal risks are minimised by using the standard policy of ECC in conjunction with standardised contract forms.

A damage database is maintained to monitor and report operating damages on an ongoing basis. All operating events, even those not resulting in any direct financial damage, are recorded locally in this database and assessed every month together with the members of the Executive Board. If necessary, measures are resolved and implemented.

Liquidity risk

Liquidity risks can arise during the processing of the current business (uncovered risk) and in the case of a clearing member defaulting (covered risk).

The processing of current business does not result in any material mismatching maturities due to the business strategy.

The aim of ECC's risk strategy is to avoid mismatching maturities in the balance sheet through the investment policy. The financing requirements for current expenses (including distributions) and investments are planned and obtained within the scope of medium-term planning. Any unplanned financing gaps, primarily from taxation issues, are closed by retaining liquidity reserves. The liquidity risk is monitored and reported on the basis of

- a rolling 12-month liquidity forecast,
- an analysis of business risks based on various business development scenarios (which have an effect on liquidity due to the assumed discontinuation of cash inflows in the form of transaction fees), and
- the expected wind down period (time of survival of ECC in months if all cash inflows were to discontinue, which constitutes a stress test)

.

The default of a clearing member and its effects on liquidity are managed by implementing the following measures in accordance with the requirements of Article 44 EMIR in conjunction with Commission Delegated Regulation (EU) No. 153/2013 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties:

- tough requirements with regard to the options for liquidating collateral provided,
- appropriate collateral deductions for collateral provided,
- retaining liquid resources which at a minimum cover liquidity requirements if two clearing members which create the greatest liquidity requirement under extreme but plausible market conditions were to default at once (stress test), and
- retaining credit facilities with various banks and the group parent as well as access to intraday credit at Bundesbank.

ECC prepares a daily liquidity report on the existing liquid resources and the liquidity requirements if two clearing members which create the greatest liquidity requirement under extreme but plausible market conditions were to default at once. The potential sources of liquidity risks are also recorded in the quarterly liquidity plan and presented to the entire Executive Board.

<u>Market price risks</u>

Market price risks do not occur due to positions generally being closed in the clearing business. The market price risks arising from the other operations (mainly foreign currency risks) are immaterial and are managed for each individual situation.

<u>Compliance risks</u>

ECC is exposed to compliance risks, particularly in terms of VAT fraud, damaged trust resulting from the unauthorised publication of information and misuse in the form of money laundering. As a bank, ECC also has to ensure that no business is conducted with natural persons or legal entities included in the sanction lists of various organisations.

ECC processes all transactions via clearing members. As they are institutions and as such subject to the regulations of the German Banking Act (or other equivalent European regulations) in the implementation of measures for the prevention of money laundering, terrorism financing and other criminal acts, ECC has a low risk of being misused for money laundering, terrorism financing and other criminal acts. The risk is re-assessed annually in a risk analysis.

The aim of ECC's risk strategy is to identify counterparties with an increased risk profile during the initial business negotiation phase by using a standardised know-your-customer questionnaire and scoring method developed in cooperation with the exchanges and markets cleared by ECC. During the admission process for exchanges, markets and clearing members, all potential counterparties are also assessed.

ECC asks clearing members if they implement adequate anti-money laundering measures during the admission process. If ECC's admission process leaves any doubt, ECC's Executive Board is requested to make a decision.

ECC also carries out a monthly automated search for all business partners, including their important participating interests, in known sanction lists.

ECC carefully protects any sensitive and confidential information. ECC also employs anti-fraud and corruption policies.

<u>Business and processing risk</u>

The main business risks are the Company's dependence on markets with a weak income situation and the decrease of income with fixed costs remaining unchanged as the majority of ECC's income depends on sales revenue.

The aim of ECC's risk strategy is to manage this risk by including it in risk reporting, comparisons of the competition and monthly financial reporting in the form of target/actual comparisons.

ECC monitors regulatory changes in cooperation with the interest group EACH and the auditors and has developed the skills required for assessing and managing these strategic risks.

The business and processing risk is also accounted for in the risk-bearing capacity calculation. In accordance with the requirements of Commission Delegated Regulation (EU) No. 153/2013 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties, ECC retains a minimum amount of capital corresponding to operating expenses for nine months, based on the last audited financial statements, for covering business and processing risks. A complete breakdown of the business model is accounted for in the scenario for calculating the wind down period (reverse stress test).

The key risks to the business development of ECC result from the following areas:

- intensified competition and
- stricter regulations in the financial and energy sector.

ECC is an established central clearing bank for energy and energy-related products in Europe. As a clearing and settlement service provider, ECC is in direct competition with other clearing banks. As the majority of products are processed via technical systems which do not necessarily require a great deal of personal contact between the clearing bank and its trading participants, ECC is faced with an international competitive environment.

In addition to direct competition from competing clearing banks and brokers, the competitors of the exchanges which cooperate with ECC have an impact on ECC's business success, as changing trading volumes in the market places linked to ECC have a direct effect on the processing volume. Indirect competition is therefore created by the potential shifts of trading volumes to market places not serviced by ECC. The future development of the market places for energy and energy-related products in Europe is therefore of crucial importance to ECC.

The tougher regulations in the financial and energy sector are a key risk.

- *EU Markets in Financial Instruments Directive MiFID*

The definition of financial instruments in the European Markets in Financial Instruments Directive MiFID II is of crucial importance to trading participants. The amendment to the EU Markets in Financial Instruments Directive MiFID changes the rules for the trade in financial instruments, and therefore also goods derivatives. The general exception for goods derivatives included in MiFID I is rescinded and replaced by a so-called exception for secondary jobs in MiFID II. As a result, only trading participants with comparatively little trading activity will be exempted from the requirements of MiFID II in the future. However, those who are subject to MiFID II as they exceed a certain limit are classed as banks. As a result, these companies must meet a number of additional requirements, such as organisational and capital requirements, for instance. It therefore is to be expected that the implementation will also have significant effects on the energy markets.

In addition, certain physical OTC gas and power derivatives are not classed as financial instruments, meaning that their trade is not regulated by MiFID II. Theses less regulated products can only be traded on platforms called organised trading facilities (OTFs). OTF transactions are excluded from MiFID II, whereas similar transactions concluded on a regulated market and/or exchange fall within the scope of applicability of MiFID II.

Furthermore, EMIR refers back to the definition of financial instruments in MiFID, meaning that these physical OTC derivatives are also not regulated by EMIR. As a result, the trade in such physical derivatives provides significant regulatory advantages compared to EEX's products (no acquisition of a financial services licence and need to maintain the related equity base, no position limits, no reporting obligations, no mandatory clearing under the EMIR, etc.). Volumes registered for clearing by way of trade registration are therefore also subject to this risk, as OTC derivatives are converted into financial instruments through the trade registration process. This is providing OTFs with a regulatory advantage in terms of physical electricity and gas derivatives trading and there is a risk of a massive volume shift away from the exchanges and toward the OTFs. This may lead to a general reluctance among market players in terms of trading in exchange products. Trading activities may also generally decrease.

- *Financial transaction tax*

The introduction of a financial transaction tax in some EU countries remains an open issue. The if and when of the introduction of a financial transaction tax and the questions if it would apply to commodity derivatives and if there would be a transitional period remain at the centre of political negotiations. Such tax could have a sustainable negative impact on derivatives trading and cause its shift to trading places in countries not affected by such tax.

To provide an overview, risk management compiles this information on risks from various classes. Despite uncertainties, particularly caused by the negative financial impact on the major energy groups, which are key trading participants of ECC's partner exchanges, and increasing regulatory developments in the financial sector, the risk analysis for financial year 2015 did not indicate any danger to the Company's existence as a going concern, either from individual risks or from accumulated risk positions. In view of the deteriorating general conditions in the energy sector and an increase in competition, the Company's management estimates that ECC's risk exposure has increased year-on-year. However, the Executive Board is confident that the Company's established risk management system recognises risks at an early stage, thus making it possible to successfully implement measures to counteract the existing risk situation.

Risk indicators in accordance with EMIR

The equity available for covering risks is calculated in accordance with the EMIR regulations on the basis of ECC's equity stated in the balance sheet. As of 31 December 2015, EMIR equity amounted to EUR 48,517 thousand (previous year: EUR 39,858 thousand).

Potential losses from the default of a clearing member of ECC are covered by ECC's multi-level margin system. In order to meet the allocate equity requirements of Article 45(4) of Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories in conjunction with Article 35 of Commission Delegated Regulation (EU) No. 153/2013 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties, ECC has created a special-purpose revenue reserve. This risk class is therefore not covered by any other funds in addition to this revenue reserve.

The equity requirement for covering the credit risk, in other words the risk exceeding the default risks from trading participants stated above, amounted to EUR 2,983 thousand as of the reporting date (previous year: EUR 595 thousand).

In accordance with the stipulations of Commission Delegated Regulation (EU) No. 153/2013 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties, capital requirements of EUR 4,493 thousand (previous year: EUR 3,739 thousand) were reported.

The capital requirements for the business risks and processing risks (wind down costs) are calculated in accordance with the stipulations of Commission Delegated Regulation (EU) No. 153/2013 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties. As of the reporting date, capital required for business risks amounted to EUR 5,018 thousand (previous year: EUR 4,163 thousand) and EUR 10,035 thousand (previous year: EUR 8,327 thousand) for processing risks.

The funds retained for covering risks are regarded as sufficient for covering all of the expected risks.

9. Material opportunities

In order to obtain a complete and true view of ECC's business activities, risks as well as opportunities have to be considered.

Opportunities are managed as part of strategic management, company development and the continuous improvement process. Based on a regular strength and weaknesses analysis, opportunities for technological development, new price strategies and potential partnerships are identified. The projects are prioritised during events such as the annual strategy discussion and planning process. The added value from a customer's perspective as well as the strategic targets and available resources are taken into consideration. Key opportunities have a significant impact on net assets, financial position and results of operations and therefore go through a regular profitability analysis during the prioritisation phase.

ECC's positioning as a specialist clearing house for energy and energy-related products with an integrated business model is a unique selling point that sets it apart from its competitors. This creates opportunities for acquiring exchanges that are not yet linked to ECC as new cooperation partners. It is crucial in this respect to identify energy market-specific advantages of ECC's clearing systems, develop them further on an ongoing basis and to communicate them to potential new partners. The strategic integrated clearing approach is a major advantage the Company has over its competitors. This model provides significant cost advantages, particularly for trading participants active in several market places, as contrary positions can be offset during the calculation of the collateral to be provided (cross-margining). Compared with OTC trade, continuous improvements to the IT infrastructure, such as the so-called straight-through processing, which facilitates the automated transfer of bilaterally negotiated contracts to ECC, provide some advantages, which could cause a shift of the OTC volume toward the cleared market.

Within the scope of innovations, the use of trading limits at the partner exchanges is a key element for reducing access barriers to the clearing market, thus enabling clearing members to effectively manage the risks of their non-clearing members. As from 2016, ECC is providing a central, cross-exchange limit management, an innovative tool for the efficient determination and management of trading limits, thus increasing its attractiveness for clearing members. Together with the partner exchanges, ECC continuously develops the limit functionalities. As from spring 2016, the Company also plans to implement an online solution for managing and reporting limits in the ECC Member Area.

The importance of the clearing business could increase further, even in view of the regulatory requirements. The expansion of the current clearing services to other countries and trading times, for instance, could significantly simplify access for new trading participants and provide ECC with an improved position in the global clearing market. The broadening of the type of collateral accepted by ECC and the expansion, and simplification wherever possible, of the clearing access conditions provide further opportunities to increase the clearing business.

10. Overall statement on the opportunities and risk situation

Due to the increasing number of partner exchanges and diversified income structure as well as its profitability and financial stability, ECC regards itself to be in a good position overall to achieve its goals and further strengthen its position as the leading clearing bank. This optimism results from the competitive value added chain within EEX Group with its liquid trading platforms and cost-effective clearing solutions. The Executive Board is confident that the Company's established opportunities and risk management system will continue to recognise opportunities and risks at an early stage, thus enabling the Company to successfully counteract the existing risk situation and use potential opportunities.

11. Forecast report

The forecast report describes the anticipated development of ECC in financial year 2016. It contains statements and information on future processes and is based on current expectations, assumptions and forecasts by the Executive Board as well as on information available to the latter at the time of publication.

Plans are to further increase sales revenue in the coming reporting period. This is primarily due to the takeover of APX's clearing business in the first quarter of 2016 and the related increase in commission income in the electricity spot market. As from February, ECC is also taking over the processing of the transactions of the Serbian South European Power Exchange (SEEPEX) and therefore providing services for a new partner exchange.

The following additional assumptions were made regarding the economic, regulatory and competitive environment in 2016.

- Potential changes in the regulatory environment (particularly with regard to OTF) will not disadvantage regulated platforms
- Regulatory changes for financial markets (such as tougher capital requirements for clearing members, no introduction of a financial transaction tax) do not have any negative effects
- No significant change in ECC's risk profile

Commission income is expected to amount to between EUR 55,267 thousand and EUR 60,813 thousand in 2016, thus 1% to 11% up year-on-year. The calculation of this bandwidth is based on the realistic and optimistic scenarios in the 2016 budget plan. In 2016, the main source of income will be the clearing services for the electricity spot and futures markets. Commission income from natural gas business will also gain in importance, thus supporting ECC's diversification strategy.

In 2016, ECC's operating expenses will increase within the double digit percentage range year-on-year. This due to increased overheads as well as significant expenses incurred within the scope of the IT strategy for the maintenance and optimisation of the IT infrastructure and processes and for the further development of existing clearing systems to achieve future sales revenue increases and economies of scale. Personnel expenses are expected to increase as a result of the planned new hires for market and product development and pay rises. Sales revenue-related expenses for externally purchased indices and balancing groups are also expected to increase in connection with the growing volumes.

Write-downs are expected to increase moderately year-on-year in 2016 due to the successful investments in software and systems.

Depending on the development of commission income described above, ECC expects EBT with a bandwidth of EUR 29,768 thousand to EUR 35,307 thousand.

Should the general conditions develop to the disadvantage of ECC, the Company believes that it will remain able to operate a profitable business thanks to its successful business model. Sensitivity analyses have indicated that a decrease in commission income of 10% compared with plan figures would reflect a decrease in income of approximately 16%. It was assumed, among other factors, that the variable costs would develop according to transaction income and that all other cost positions remained constant. Based on these assumptions, the Company would be able to cope with a 62% decrease in sales revenue without generating a loss before taxes.

ECC believes that its integrated clearing model continues to place the Company in a very good position and expected results of operations to show a positive trend in the coming year and in the medium term.

12. Significant events after the reporting date

No events of material importance to the Company's financial performance, financial position and cash flows occurred after the end of financial year 2015.

13. Other disclosures

Disclaimer regarding forward-looking statements

This report contains forward-looking statements. These statements are based on the current expectations, assumptions and forecasts of the Executive Board and the information currently available to it. The forward-looking statements should not be regarded as guarantees that the mentioned future developments and results will materialise. The future developments and events depend on numerous factors. They include various risks and uncertainties and are based on assumptions which may turn out to be incorrect. We accept no obligation to update the forward-looking statements included in this report.

Leipzig, 7 March 2016

Peter Reitz	Steffen Köhler
Chairman of the Executive Board (CEO)	Member of the Executive Board (COO)
Iris Weidinger	Dr. Thomas Siegl
Member of the Executive Board (CFO)	Member of the Executive Board (CRO)