fintech group

Annual report

2015

A year
of change
and growth

Content

This document is a translation of the audited German annual statement.

Highlights 2015

19.01.2015
FinTech Group AG comes away from historic trading day even stronger

24.03.2015
FinTech Group AG acquires majority stake in XCOM Group

04.05.2015
FinTech Group AG achieves turnaround in the first quarter 2015

16.06.2015
FinTech Group AG and Commerzbank Form Long-Term Strategic CFD Partnership

29.07.2015
Hauck & Aufhäuser raises target share price for FinTech Group AG to EUR 21.00

27.08.2015
FinTech Group AG underpins turnaround and growth strategy with strong half-year operating profit

13.11.2015
Mobile Payment: EUR 1 million has already been transferred with kesh

30.11.2015
Smartphone App kesh Offers an Alternative to ATMs

14.12.2015
FinTech Group AG places capital increase of EUR 10m with institutional investors

Highlights 2016

20.01.2016
FinTech Group AG subsidiary flatex cooperates with Deposit Solutions

03.02.2016
Hauck & Aufhäuser raises FinTech Group AG-'s target price to EUR 27,00 (old EUR 21,00)

15.02.2016
FinTech Group AG Enters Strategic Partnership for Exchange Traded Products with Morgan Stanley

29.03.2016
FinTech Group AG launches credit business

11.04.2016
FinTech Group AG Increases Profitability

29.04.2016
FinTech Group AG sells Aktionärsbank to Obotritia Capital KGaA and Starts Strategic Partnership

31.05.2016
FinTech Group AG publishes final compiled numbers for 2015

01.06.2016
FinTech Group AG and Finotek engage in first German-Korean fintech joint venture

27.06.2016
Brexit: flatex-IT Executed Record 80,000 Trades at Full Load

Group Key
Performance Indicators

Group Key Performance Indicators[1]

Operating business		2015	2014
Transactions executed	Number	10,143,219	6,023,210
Number of retail customers	Number	176,600	134,403
Transactions per customer / year	Number	57.44	44.81
Customer assets under management	MEUR	5,770	4,043
of which: securities account volume	MEUR	4,784	3,236
of which: deposit account volume	MEUR	986	807

Financials		2015	2014
Revenue	KEUR	75,191	17,140
EBITDA	KEUR	19,738	3,624
EBIT	KEUR	17,239	3,220
Net income for the fiscal year (continued business)	KEUR	13,598	5,593
Net income for the fiscal year	KEUR	-2,159	-7,749
Earnings per share* – continued operations	EUR	0.86	-0.58
Earnings per share* – discontinued operations	EUR	-0.99	-
Equity	KEUR	85,856	50,082
Total assets	KEUR	1,208,240	95,281
Equity ratio[1]	in %	7.1	52.6
Employees (average)	Number	415	44

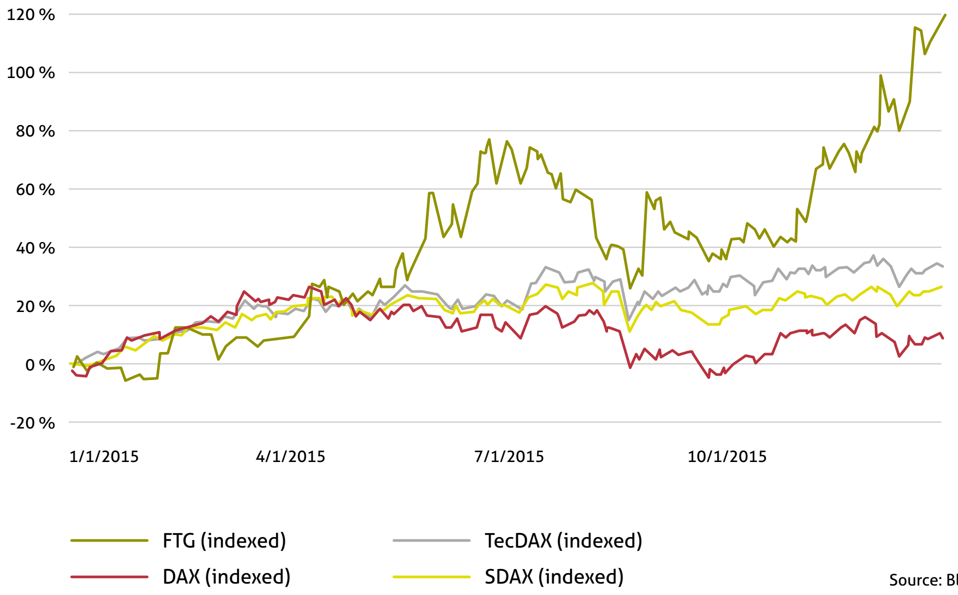
* based on the average number of shares

Segments			2015	2014
Transaction processing & white-label banking services	Revenue	KEUR	45,221	-
	EBITDA	KEUR	8,389	-
Securities trading & financial services	Revenue	KEUR	28,478	17,140
	EBITDA	KEUR	19,637	3,624
Other & Consolidation	Revenue	KEUR	1,492	-
	EBITDA	KEUR	-8,288	-
Total	Revenue	KEUR	75,191	17,140
	EBITDA	KEUR	19,738	3,624

[1] Significant change in 2015 Group's financials and balance sheet due to acquisition of XCOM AG as well as biw AG's banking business, ecspecially affected by large customer cash desposits and corresponding liabilities.

Key figures for the FinTech Group share

Stock performance



Source: Bloomberg

		2015	2014
Shares outstanding as of 12/31	Number	16,810,876	15,394,815
Average shares outstanding	Number	15,862,998	13,474,879
Share capital	KEUR	16,811	15,395
Market capitalization (year-end)	MEUR	334.54	139.94
Year-end price	EUR	19.90	9.09
Annual high	EUR	19.90	10.60
Annual low	EUR	8.60	4.12
Equity per share (undiluted)*	EUR	5.41	3.72
Dividend per share	EUR	0	0

* based on the average number of shares

Foreword

Foreword

Dear shareholders,

FinTech Group achieved a great deal in the 2015 fiscal year. We have advanced rapidly along the path to becoming Europe's leading provider of innovative technologies in the financial sector.

The integration of XCOM AG and its subsidiary bank, biw AG, in our Group was without a doubt 2015's most important milestone. The integration sharpened our technological profile significantly and widened our value chain.

XCOM AG and biw AG are quite clearly among the fintech pioneers in Germany.

Founded in 1988, XCOM AG had already experimented with e-banking in the 1990s and can thus point to a decades-long tradition in financial technology that is virtually unmatched by any other German company.

The bank biw AG, founded in 2005 as subsidiary of XCOM AG, also has more than ten years of market experience. With its highly-automated banking system, biw AG is among the industry's technological front runners.

I am very proud that FinTech Group was able to secure these two hidden champions. They were providing financial technology innovations long before anyone was speaking of fintech. These years of expertise are a convincing argument, in particular in view of the many young fintech start-ups that dominated the public debate about the future of the financial industry in 2015.

XCOM AG and biw AG bring not only technology and B2B business to FinTech Group, but have also already enabled synergies in 2015 from which FinTech Group will benefit over the long term. They play a significant role in the realignment of our Group.

Our online brokerage subsidiary, flatex GmbH, also continued its substantial contribution to the success of FinTech Group's business in 2015. The number of customers again saw double-digit growth, up 15 percent to approximately 150,000 at year's end. Customers of flatex are among the most active traders in the German market and are particularly attracted to flatex's affordable, convenient and transparent offering.

The expansion in Austria also continued to go well, benefiting from the exit of a major Austrian competitor. Many Austrian traders switched to flatex.at.

The overall volatile capital markets had a major impact on trading in 2015. Very early in the year, in mid-January 2015, the Swiss National Bank's decision to unpeg the Swiss franc from the euro led to a historic trading day. And during the rest of the year, interest-rate policies and concerns about the Chinese economy set the tone on the capital markets, which led to continued volatility. The number of trades handled by flatex thus rose by 23 percent to more than 7.1 million. Overall, we processed 10.1 million transactions in the Group.

Last but not least, 2015 was also the year of an abrupt business turnaround. Following a weak year in 2014, we reached our EBITDA guidance of EUR 20 million: at EUR 19.7 million, EBITDA is right on target for 2015.

We have set the right course to reach our ambitious goals. This was also acknowledged on the exchange: the price of our share rose by 118.92 percent during 2015 to EUR 19.90 and reached a 12-month high on December 30, 2015.

We created the necessary conditions in 2015, and we continue to work on writing new chapters in the company's success story. The positive figures in this annual report confirm that we are on our way.

I thank all of our employees for their energetic work. I thank our customers, shareholders and business partners for their trust and support.

Sincerely,

Frank Niehage
CEO
FinTech Group

Interview
with Frank Niehage

Three questions for Frank Niehage, Chief Executive Officer, interview for annual report 2015

Mr. Niehage, much has changed since you took office in August 2014, not only in FinTech Group, but also in the market. Financial technology, known under the buzzword fintech, is now something everyone is talking about. That was very different two years ago. Do you think this is a short-lived trend or has something fundamental changed?

F.N. "Almost everyone has realized that fintech is no flash in the pan. For many large companies technical progress is leading to enormous price pressure and only few can manage a flexible response. We have witnessed similar developments in sectors such as commerce, tourism and media. The far-reaching changes brought by digitization are now gradually taking hold on the financial sector as well. This will be a long and sustained process.

The digitization of the financial sector represents a great opportunity for FinTech Group as a whole. We are ideally positioned between the large institutions and the small startups. The companies in our group were already successful financial technology companies before everyone started talking about the fintech trend.

Large companies need efficient and experienced partners like us more than ever before. In 2016 our online broker, flatex, will be celebrating its tenth birthday and has completely transformed the market with a transparent model that offers top value for money. This is because traditional banks simply could not keep up. That was already fintech even then. Our IT provider, XCOM, was already founded at the end of the 1980s and our B2B bank, biw AG, has plenty of market experience as well.

A further point is that as a fintech enabler we support startups as a partner with expertise in „fin" and „tech". We are therefore able to participate in the rapid upswing of a booming sector and also to benefit from the fresh ideas of the founders.

However, today one can only speculate how the world of finance will change in the long term. At the moment the development is too fast to make even a 10-year forecast. One thing is certain: we will be playing a significant role in the digitization of a sector that has hitherto remained untouched by it."

In 2015 the FinTech-Group positioned itself on a broader basis with the takeover of XCOM AG and its subsidiary bank, biw AG. Can you briefly describe what the core elements of your business model are now?

F.N. "That's right, we have positioned ourselves on a broader basis. Before the takeover we focused on financial services and, above all, on broker services with flatex. That was because we were primarily concerned with business-to-consumer (B2C) activities.

The B2C business, is still among our core business areas. It is also a business that is expandable and scalable on all sides. After our successful market entry in Austria, we are now embarking on expansion in Europe. In addition to expansion in Europe, we want to extend our product range, increase the number of clients and boost trade figures in general. In 2015 we already settled more than 10 million transactions on our highly automated systems – more than 7.1 million with flatex, by the way. The aim here is to become the market leader. We are no longer very far from this goal.

In the new business-to-business (B2B) area, which was added after the takeover, we are very successful in offering our services to other financial institutions and startups. We take on technical and regulatory tasks for many reputable B2B clients.

In 2016 we already gained, among others, two new top-class clients in the B2B sector: Bankhaus Obotritia and Equatex."

On the relocation of the company's headquarters to Frankfurt am Main you at the same time created the new fintech campus in the Westhafen district. Why did you choose that location?

F.N. "First of all, you need to know that we already had two locations in Frankfurt before that – one in the Westend district and the other in the Osthafen quarter. We have now consolidated these two locations and at the same time created a modern working environment. We can see the banking district from our new location, but have slashed our running costs by half, simply due to its position.

We have created a suitable eco system for fintech companies. This has already made a positive impression on many business partners and also on German and international media.

The fintech campus offers a creative working environment directly on the waterfront, on the banks of the Main River, with creative workplaces and a spacious terrace where the staff can work both inside and outdoors. There is a fitness studio for our employees in the basement where they can achieve a harmonious work-life balance and do some sport, after strenuous stints at work. We have bicycles that quickly get you into the city. So we have taken care of everything and we feel very much at home in the Westhafen district. So far there is hardly anything to compare with it in Frankfurt am Main, nor anywhere in Germany either.

Another point is that Frankfurt, as a financial center, is and remains the defining location for the sector. This is another reason why the relocation was the right step to take, in order to be closer to our B2B clients."

Report of the Supervisory Board

Report of the Supervisory Board

Dear Stakeholders,

FinTech Group can look back on a successful fiscal year in 2015, both in terms of its positive financial performance and the successful integration and consolidation of the XCOM Group, of which we became the majority stakeholder in November 2014.

Cooperation with the Executive Board

In fiscal 2015, the Supervisory Board of FinTech Group carried out the duties assigned to it in legislation and the company's by-laws with great care. It regularly advised the Executive Board on corporate management issues and continuously monitored the work of the Executive Board. In addition, the Supervisory Board was directly involved at an early stage in all the main decisions relevant to the business development of FinTech Group.

The Executive Board kept the Supervisory Board regularly, promptly and comprehensively informed about company planning and strategy issues, significant risks, business performance and risk management. Any discrepancies between actual and planned performance were explained in detail. Decisions on all significant transactions entered into during the reporting period were taken in consultation with the Supervisory Board.

The Chairperson of the Supervisory Board maintained regular contact with the Executive Board also outside the scheduled meetings of the Supervisory Board in order to discuss issues relating to the performance of FinTech Group and any significant events. During the year under review there were no conflicts of interest among members of the Supervisory Board or Executive Board that would have had to be disclosed to the Supervisory Board without delay and about which the general meeting of stakeholders would have had to be informed.

Meetings of the Supervisory Board and main focus of Supervisory Board activities

Over the course of the fiscal year, the Supervisory Board held a total of five meetings at which it discussed the company's current performance, important business transactions and Executive Board measures that required approval. In 2015 the Supervisory Board's meetings were attended by all its members. At individual meetings the Supervisory Board gave its consent to Executive Board proposals, where required and requested, in each case after thorough examination and in-depth discussion. The main focus of the Supervisory Board's activities in the year under review was on the integration and consolidation of the XCOM Group, of which FinTech Group became the majority stakeholder in November 2014. The Supervisory Board also discussed status reports on the sale of AKTIONÄRSBANK at length with the Executive Board. Other matters addressed by the Supervisory Board included the cooperation agreements entered into with Commerzbank AG and AboCollect and withdrawal from the deposit protection fund.

At all its meetings, the Supervisory Board regularly discussed strategic issues, sales revenue and earnings and the current performance of FinTech Group and its main subsidiaries.

These discussions focused primarily on the financial situation, the quarterly written reports of the Executive Board on the risk situation, consolidated internal audit reports and significant developments relating to long-term equity investments, cooperation agreements, the operational customer business and trading.

The main topics of discussion at Supervisory Board meetings in the year under review are outlined in the following section.

At our meeting on April 30, 2015, the Executive Board reported first of all on the current situation on the supervisory boards at XCOM AG and Bank für Investments und Wertpapiere AG. The Executive Board also reported on the status of discussions with potential buyers of the CeFDex order flow business and on staff matters at the company's main subsidiaries. Following intensive discussion between the Executive Board and the Supervisory Board on possible scenarios for AKTIONÄRSBANK, the Executive Board presented and outlined its risk report and the consolidated internal audit report for the fourth quarter of 2014.

On June 2, 2015, the Supervisory Board approved a capital increase of 810,000 new shares out of authorized capital at FinTech Group. This decision was taken by circulation. The Supervisory Board then approved a resolution to amend the by-laws following the partial depletion of Authorized Capital 2015.

On June 16, 2015 the Supervisory Board held a teleconference meeting at which the Executive Board reported on the single-entity and consolidated financial statements as at December 31, 2014 and the management report. Next, the statutory auditor, who also took part in the meeting, gave a detailed report on the results of the audit. The audit of the annual single-entity and consolidated financial statements and management reports by the statutory auditor and the subsequent review by the Supervisory Board did not give rise to any objections. After detailed discussion, the Supervisory Board approved the single-entity and consolidated financial statements drawn up by the Executive Board. The Supervisory Board also approved the proposal submitted by the Executive Board for the appropriation of profits. The Supervisory Board approved the single-entity and consolidated financial statements, which were therefore formally adopted, and the 'Report of the Supervisory Board' for the fiscal year 2014.

At the meeting of the Supervisory Board held on September 24, 2015, the Supervisory Board and the Executive Board discussed each element of the financial results of FinTech Group and the outlook for the year in considerable detail. Next, the Executive Board reported on the current state of the sale process for AKTIONÄRSBANK and the progress made in transferring the CeFDex order flow business to a cooperation partner. The Executive Board informed the Supervisory Board about the feedback received from investors at various events. The Executive Board went on to explain in detail the operational situation at Flatex GmbH as well as the risk report of FinTech Group and the consolidated internal audit report. Finally, the Supervisory Board decided on a budget for company integration and discussed staff issues at the company's main subsidiaries. To conclude, the Supervisory Board discussed the capital increase at biw Bank für Investments und Wertpapiere AG in detail and passed a resolution on this matter.

At a teleconference meeting held on 14 December 2015, the Supervisory Board approved a capital increase of 606,061 new shares out of Authorized Capital 2015/II at FinTech Group. The new shares were subscribed by international institutional investors.

The Supervisory Board also adopted a resolution to amend the by-laws following the partial depletion of Authorized Capital 2015/II.

At a meeting of the Supervisory Board on December 16, 2015, the Executive Board reported on the degree to which its targets had been achieved in fiscal 2015 and on the continuing sale negotiations at AKTIONÄRSBANK. The Executive Board also reported on the implementation of AKTIONÄRSBANK's withdrawal from the deposit protection fund and on the planned withdrawal of biw Bank für Investments und Wertpapiere AG from this fund. Following lengthy consultation with the Executive Board, the Supervisory Board approved the purchase of a software application by CeFDex GmbH. It went on to discuss a range of staff issues concerning FinTech Group and its subsidiaries. The Executive Board provided an overview of the company's operating performance in fiscal 2015 and of the budget figures, forward plans, liquidity plans and credit lines for fiscal 2016. Finally the Executive Board gave a detailed report on the status of the cooperation negotiations with Morgan Stanley and on the status of the Group's migration to International Financial Reporting Standards (IFRS).

Organization of the Supervisory Board's work

The Supervisory Board did not form any committees during the reporting period. With the exception of several resolutions which took place by way of circulation, all resolutions of the Supervisory Board were passed at attended meetings or during telephone conferences.

Composition of the Supervisory Board and Executive Board

In accordance with the by-laws of FinTech Group, the Supervisory Board consists of three members. The current members of the Supervisory Board are Martin Korbmacher (Chairperson), Herbert Seuling and Bernd Förtsch.

During the fiscal year under review there were no changes in the composition of the Supervisory Board. However, Achim Lindner stepped down from the Supervisory Board on April 30, 2016. Herbert Seuling was judicially appointed to the company's Supervisory Board on May 2, 2016.

There were no changes in the composition of the Executive Board of FinTech Group. CEO Frank Niehage remains its sole member.

Audit of the single-entity and consolidated financial statements 2015

The accountancy firm BDO AG (Hamburg) audited the single-entity and consolidated financial statements drawn up by the Executive Board as at December 31, 2015 along with the single-entity and consolidated management reports for the fiscal year 2015. In each case the auditor issued an unqualified opinion.

The documents making up the single-entity financial statements and management report and the consolidated financial statements and management report were promptly submitted to the Supervisory Board for inspection together with the reports produced by the auditor.

The Supervisory Board examined the documents produced by of the Executive Board and the reports of the auditor, in particular with regard to their legality, correctness and adequacy.

At the meeting held on June 15, 2016 to discuss the single-entity financial statements and management report and the consolidated financial statements and management report, the auditor explained the main results of the audit in detail and was available to provide additional information. The members of the Supervisory Board acknowledged the audit reports and audit opinions, subjected them to a critical assessment, and discussed them, and the audits on which they were based, with the statutory auditor. This discussion included questions about the type and scope of the tests conducted as well as the results of the audit. The Supervisory Board was satisfied with the audits performed and the corresponding reports produced in line with correct practice. The Supervisory Board acknowledged and approved the audit findings.

The Supervisory Board performed a final review of the single-entity financial statements and management report and the consolidated financial statements and management report, taking into consideration the reports of the auditor, and stated no objections according to the findings of the auditor's review. The Supervisory Board approved the single-entity and consolidated financial statements prepared by the Executive Board for the fiscal year 2015. The single-entity and consolidated financial statements were therefore formally adopted. In its assessment of the situation of the company and the Group, the Supervisory Board agrees with the views of the Executive Board as expressed in its management report.

Examination of the report of the Executive Board on relations with affiliated companies

The report prepared by the Executive Board in accordance with section 312 of the German Stock Corporation Act (Aktiengesetz, AktG) on relations with affiliated companies (dependency report) for the fiscal year 2015 was submitted to the Supervisory Board together with the corresponding audit report prepared by the auditor.
The auditor examined the dependency report in accordance with section 313 of the German Stock Corporation Act and issued the following audit opinion:

> 'Based on our audit and assessment, we confirm that
>
> 1. the information in the report is correct;
>
> 2. in the legal transactions listed in the report, the payment of the company was not unreasonably high.'

The Supervisory Board examined the dependency report of the Executive Board and the corresponding audit report of the auditor. In particular, the Supervisory Board concluded that the audit report and the actual inspection performed by the auditor met the legal requirements. The Supervisory Board examined the dependency report in particular for completeness and accuracy and also satisfied itself that the group of affiliated companies had been determined with due care and that appropriate steps had been taken to identify disclosable transactions and measures. In this review, no indications were found of circumstances that might form the basis of an objection to the dependency report. The Supervisory Board approves the result of the audit of the dependency report by the auditor.

According to the final results of the examination by the Supervisory Board, there are no objections to be raised to the declaration of the Executive Board at the end of the dependency report.

The Supervisory Board wishes to thank the members of the Executive Board and the employees of FinTech Group and its subsidiaries for their hard work and commitment over the past fiscal year.

On behalf of the Supervisory Board
Frankfurt am Main, Germany, 15 June 2016

Martin Korbmacher
Chairperson of the Supervisory Board

Group Management Report

Basis of the presentation

The consolidated management report of FinTech Group (hereinafter either „FinTech Group" or „Group") was prepared in accordance with § 315 and § 315a HGB and with the German Accounting Standard (DRS) 20. All contents of the report and information relates to the balance sheet date December 31, 2015 or the fiscal year ended on that date.

Forward-looking statements

This management report may contain forward-looking statements and information which may be identified by formulations using terms such as "expects", "aims", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or similar terms. Such forward-looking statements are based on the current expectations and certain assumptions which may be subject to a variety of risks and uncertainties. The results actually achieved by FinTech Group may substantially differ from these forward-looking statements. FinTech Group assumes no obligation to update these forward-looking statements or to correct them in case of developments which differ from those anticipated.

1. Fundamentals of the group

1.1. Business model of the group

Overview of the FinTech Group

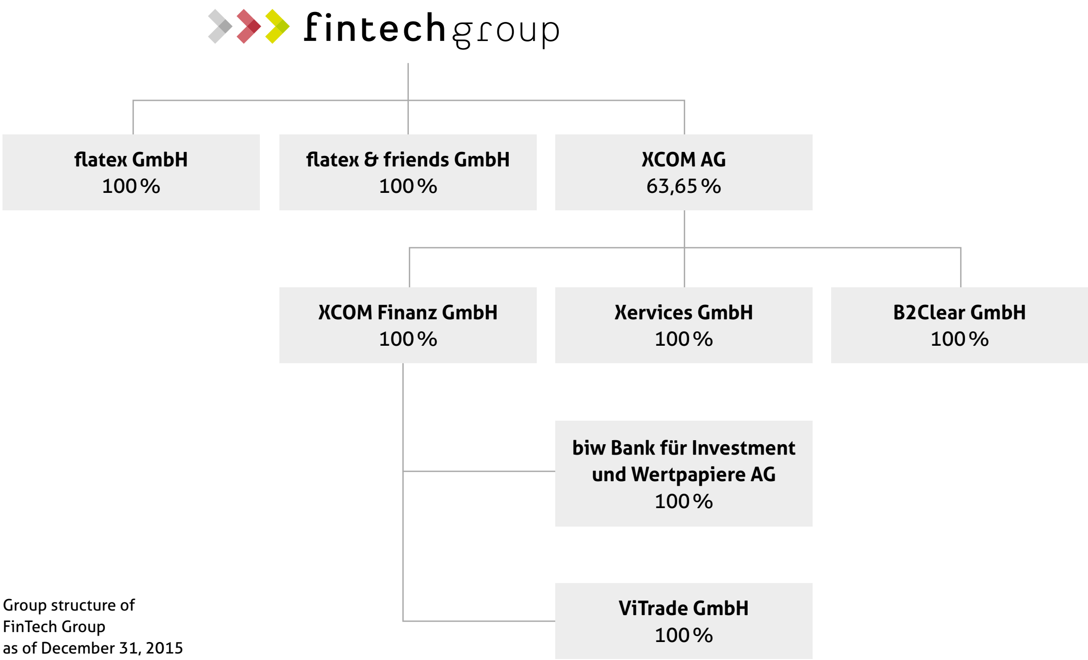
Headquartered in Frankfurt, FinTech Group (WKN 524 960, ISIN: DE0005249601, ticker symbol: FLA.GR) is an innovative financial technology company in Germany. FinTech Group reaches around 200,000 private customers with its services and in the B2B sector it is an important technology partner of German and international banks and financial institutions. As of the end of December 2015, FinTech Group had EUR 5.8 billion in assets under administration group-wide. The group of consolidated companies of FinTech Group as of December 31, 2014 comprised the following companies:

- AKTIONÄRSBANK Kulmbach GmbH, Kulmbach (100 %)
- flatex GmbH, Kulmbach (100 %)
- CeFDex AG (since February 11, 2015: CeFDex GmbH), Frankfurt (100 %)
- flatex & friends GmbH, Kulmbach (100 %)
- MYFONDS.DE GmbH, Kulmbach (100 %)

The following significant changes to the group of consolidated companies relate to the 2015 fiscal year:

XCOM AG, Willich, was included in the group of consolidated companies as of March 31, 2015 due to the investments described below. The direct investment of FinTech Group, CeFDex GmbH, was merged with the direct investment flatex & friends GmbH with effect from November 1, 2015. As a result of the sale of the company in February 2015, MYFONDS.DE GmbH left the group of consolidated companies.

The group structure of FinTech Group is as follows as of December 31, 2015 and corresponds to the group of consolidated companies, excluding discontinued operations:



Group structure of FinTech Group as of December 31, 2015

Additionally, biw Bank für Investment und Wertpapiere AG (hereinafter „biw AG") holds an interest in XCOM AG of over 2.25 %.

The following companies, which represent discontinued operations as of December 31, 2015, are not included:

- AKTIONÄRSBANK Kulmbach GmbH (100 %)
- XCOMpetence AG (63,65 %)
- CeFDeX GmbH (100 %)

In accordance with IFRS 5, AKTIONÄRSBANK Kulmbach GmbH is shown in the consolidated financial statements of FinTech Group as discontinued operations as of December 31, 2015: AKTIONÄRSBANK ceased business operations effective December 30, 2015.

The direct investment CeFDex GmbH ceased business operations on October 31, 2015 and was merged with the direct investment flatex & friends GmbH effective November 1, 2015. The business operations within the group were given up and transferred to an outside partner.

FinTech Group's business operations are concentrated in the financial sector. As parent company, FinTech Group acts as the leading regulatory entity as well as financial and management holding company with centralized group departments (finance, HR, legal, compliance).

flatex GmbH (hereinafter: flatex) has been one of the innovation leaders in the German online brokerage market for years. Over 150,000 private clients both in Germany and internationally have chosen flatex' clear and transparent price-performance model.

The acquisition of XCOM AG in the last fiscal year expanded the business model of FinTech Group:

XCOM AG	biw AG	flatex GmbH / ViTrade GmbH
Technology	Transaction processing	End-customer business
R&D	Securities settlement	Online brokerage
IT services	Account and securities deposit management	

Business model of FinTech Group

XCOM AG was founded in 1988 and is a German pioneer in the area of financial technology.

With its full banking license, biw AG assumes banking services for FinTech Group. It also provides services for private clients in the background as the outsourcing partner of other well-known banks (white-label banking services). Its comprehensive approach makes it one of the most modern online banks in Germany today.

ViTrade GmbH specializes in the customer group professional trading for active investors. It offers customized conditions and fast, innovative and flexible platforms and custom tools for heavy traders.

To ensure the fastest possible order processing and reliable trading systems, ViTrade GmbH relies on professional strategic partners: biw AG and XCOM AG. While biw AG is responsible for the account and securities deposit management and securities settlement, XCOM provides technical solutions for the securities business.

Management of the group

The CEO and sole director of FinTech Group is Frank Niehage, LL.M. He is supported by the solid members of the Executive Committee, which as of December 31, 2015, comprised the following members, some of whom are members of executive bodies of its subsidiaries:

- Sascha Bochartz, Head IT, Board member of XCOM AG
- Muhamad Said Chahrour, Head of Finance, Board member of XCOM AG
- Kay-Hendrik Eichler, Head B2B, Board member of XCOM AG
- Niklas Helmreich, Head B2C, CEO flatex GmbH, CEO ViTrade GmbH, Board member of XCOM AG

- Stefan Müller, Head Regulatory, General Manager, Supervisory Board member of biw AG
- Bernd Würfel, Board member of biw AG, Board member of XCOM AG

As of December 31, 2015 the Supervisory Board comprised the following members:

- Martin Korbmacher (Chairman)
- Bernd Förtsch (Deputy Chairman)
- Achim Lindner

In the current fiscal year, there was no change in the composition of the Supervisory Board.

The staff of FinTech Group increased year-on-year by 334 employees from 113 to the current number of 447 employees. This is due mainly to growth resulting from the new focus of the Group and the expansion of its business operations.

The headquarter functions of sales, marketing, accounting, controlling, legal, human resources and administration are carried out at its headquarters in Frankfurt and at the locations in Kulmbach, Willich and Zwickau. The proportion of female employees in the total number of employees at FinTech Group is 33.8 % (previous year: 64.5 %) The six members of the Executive Committee, which does not include any female employees, comprise the first management level (reporting directly to the Executive Board).

The Group's operations

THE GROUP'S SEGMENTS

FinTech Group divides its business operations into the operational segments Securities trading & financial services (ST & FS) and Transaction processing & white-label banking services (TP & WLBS).

Securities trading & financial services

The main segment of FinTech Group is Securities trading & financial services. Its operations include products and services in the front-end of online brokerages and specialist banking services in the B2C business with customers in Germany (flatex.de, vitrade.de) and Austria (flatex.at). The operations are conducted by the consolidated subsidiaries flatex GmbH and ViTrade GmbH.

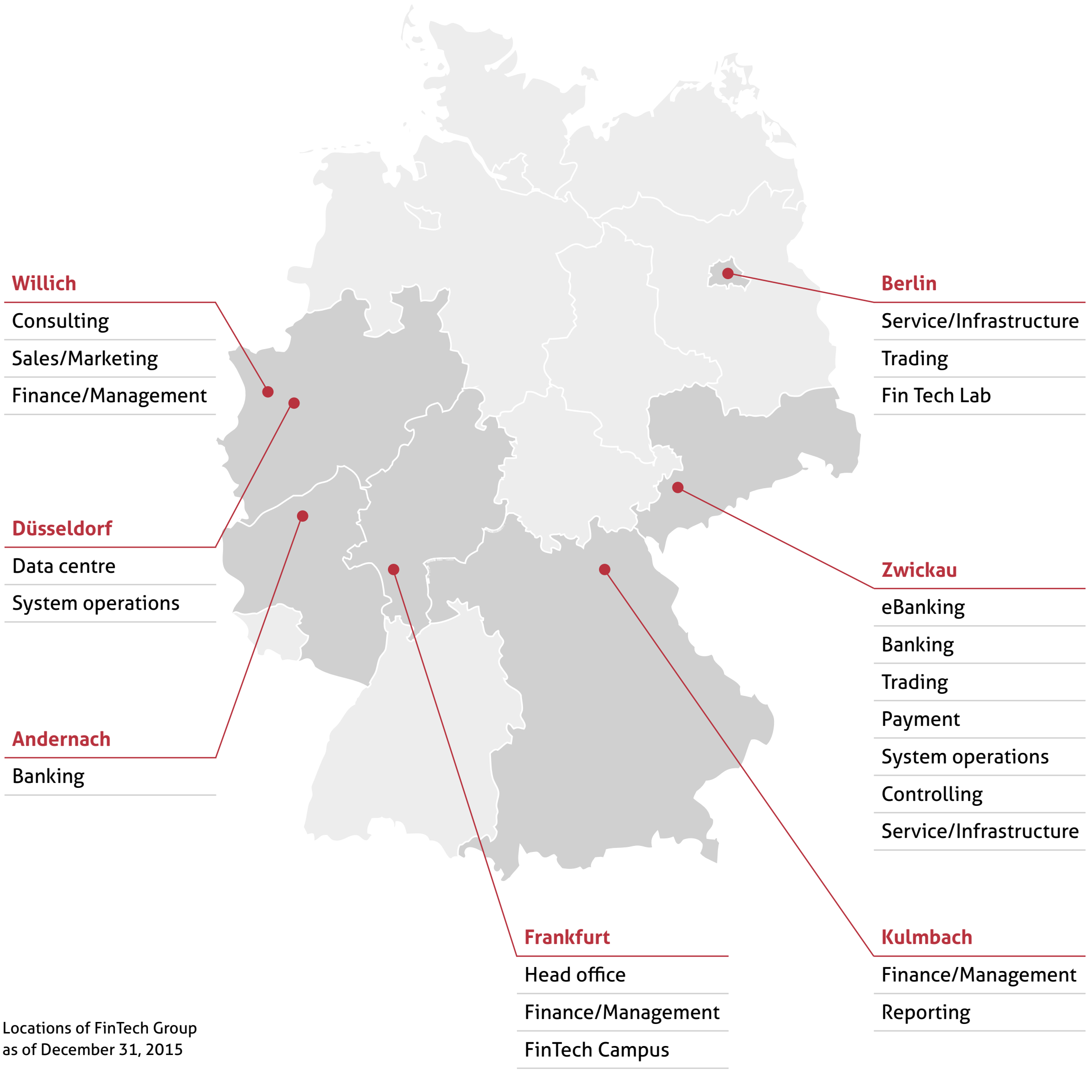
Transaction processing & white-label banking services

The Transaction processing & white-label banking services segment handles upstream operations in the backend of FinTech Group. This segment forms the technological foundation and also provides research and development services („R&D") which ensure long-term benefits from forward-looking solutions for the financial industry. The companies bundled in this segment (mainly biw AG and XCOM AG) are also well-established partners in the B2B business for software solutions and consulting services.

Internal supply and service links exist between the two segments, with XCOM AG/biw AG providing services and processing and backend operations for flatex GmbH/ViTrade GmbH.

LOCATIONS

FinTech Group now has business operation in seven locations in Germany:



Locations of FinTech Group
as of December 31, 2015

PRODUCTS, SERVICES, PLATFORMS AND BUSINESS PROCESSES

As an innovative company in the financial sector, there is strong vertical integration within the Group companies of FinTech Group. From basic research to the development of innovative IT products and transaction processing to the end user business in the online brokerage area, FinTech Group offers everything from one source – a unique feature in the German market.

Products, services, platforms and business processes in the segment Securities Trading & Financial Services

flatex GmbH, the operator of the website www.flatex.de, is an online broker specializing in securities transactions under the flatex brand and targets active, well-informed traders acting and investing independently. The offer covers all security types, all German and many international stock exchanges, off-the-floor trading, and both CFDs and FX trading (currency trading). The service range is characterized by an inexpensive pricing model coupled with a focus on customer-oriented service.

In the 2015 broker poll, flatex GmbH took third place in two categories: „Certificate Broker" and „Daytrade Broker". flatex GmbH achieved another very good result in an independent study of the German Society for Consumer Studies (DtGV) and news channel N24. In a test[2] of 16 online brokers, flatex GmbH took first place. In the test, flatex was able to score points especially in customer service, transparency, and conditions. The magazine €uro again commissioned Germany's largest annual bank test in April 2014. As in 2013 flatex GmbH took first place in the category Brokerage.

Since March 2016, customers of flatex GmbH have been able to make use of the flatex flex-credit. In a quick and convenient process, with no separate loan application, the customer is automatically provided a credit line of up to EUR 25,000 at a guaranteed interest rate of 3.9 %. This has positive effects for the Group in the areas of refinancing and the use of deposits.

[2] See www.flatex.de/wir-ueber-uns/auszeichnungen/

Products, services, platforms and business processes in the Transaction processing & white-label banking services segment

The core business of the newly added XCOM AG, with its subsidiary biw AG, aims at diversified technology solutions in connection with financial services that can be aggregated in the following strategic business segments:

Technology solutions (B2B / R&D)	**Financial services (B2B)**
Banking	Transaction processing
eBanking	White label banking
Trading	Client services
Payment	Payment systems
IT service	Cash logistics

Strategic business areas in the segment Transaction processing & white-label banking services.

Strategic business segments „Technology solutions (B2B/R&D)"

Banking business segment: Bank IT as a customized service

The banking market is changing due to regulatory requirements and new technologies, but changing customer behavior is also playing a role. Speed is increasing. Flexible modern IT and highly automated processes are required for market entry and to remain competitive. XCOM has specialized from early on in providing its customers modern banking IT as a customized service. Together with biw AG, which also belongs to the Group, XCOM AG pursues a broad white-label approach in business process outsourcing (BPO) for financial service providers. XCOM AG is now a leading provider of banking solutions and services in Germany.

Well-known banks and companies in the fintech industry rely on the quality, expertise and experience of the XCOM AG team, which is equally at home in the world of bank processes and in the most advanced technologies. XCOM and its partner companies in the Group offer a full range of services, from software deployment to hosting to complete specialized bank processing from a single source. This business segment include deposits and brokerage as well as payment transactions, cards and loans. Mobile payment, bonus systems and private-to-private solutions complete the range of services offered. The services of XCOM AG are aimed both at bank customers and at financial service providers themselves.

E-banking business segment: Individual e-banking components

Secure communication between customer and bank, well-protected online areas and easy to use interfaces are now indispensable for a successful digital business model. In addition to cross-bank standards for protocols and encryption, companies expect in particular a high degree of flexibility in access and sophisticated integration and automation.

Digitization at banks and industry increases the demands on performance, data management and functionality. XCOM AG has many years of experience in providing well-known banks and companies with its e-banking components, offering a platform that meets these requirements exactly. The framework consists of a multi-channel business server, a flexible frontend for browsers and mobile devices, as well as numerous tools for integration with existing systems. These services are sold in the market under the product names Tradix, Tristan and WebFiliale. It provides secure and standardized data communication and deployment, bank payment transactions and more for both banks and companies.

Trading business segment: Efficient securities trading

XCOM offers solutions for banks and financial service providers in optimizing trading and settlement, because successful electronic trading requires efficient tools. Naturally, the company offers outstanding performance in selection, acquisition and processing. This includes in particular easy use and a high level of clarity and comprehensibility. This applies both to decision-making and to functional topics such as risk assessment and regulatory requirements (MiFID II, HFT). XCOM AG provides proven, innovative and professional solutions for all areas of the securities business, from increased efficiency in order processing to faster reviews of statutory and contractual investment limits in the back office to complete systems for online brokers.

Payment business segment: Solutions for implementing business ideas

The economic potential of online trading and the business ideas of start-ups within the fintech industry are promising. With its technical expertise and years of experience in the professional handling of payment processes, XCOM AG is the innovative and trusted provider of payment solutions for innovative companies. XCOM AG already offers its customers a wide range of options: For example, the settlement of retail payments or mobile payments by smartphone in commerce, in online stores and among friends and acquaintances.

Compliance with the regulatory requirements is also part of this business segment. The combination of an IT company with a bank under the umbrella of XCOM AG makes it possible to implement unique business ideas. This gives XCOM AG an understanding of the business processes of its customers, allowing it to integrate them into the bank's systems at the same time. This makes it much more flexible than its competitors and enables it to offer implementation from a single source.

IT services business segment (infrastructure for data centers, server rooms and buildings)

Today's requirements for IT infrastructure and the jobs of their employees require both cost-consciousness and individual solutions in terms of flexibility, availability and security. These include support in tenders for IT projects, project management, 24-hour services in IT operations, monitoring, certification, building automation, building control and much more.

Strategic business segment „Financial services (B2B)"

In the past 10 years, biw AG has established itself in the market as a leading transaction processor. The success of biw AG in the Transaction Processing & white-label banking segment is based on more than a consistently implemented strategy and technological advantage; the unique abilities, motivation and loyalty of employees play a vital role. For example, biw AG offers expertise, the latest technology, an extensive process landscape and a banking license, which is essential for most financial projects, but whose acquisition is costly and involved.

White-label banking business segment (expansion of activities in retail banking)

In January 2014, biw AG introduced ViTrade GmbH, a retail online banking offer (mybenk.de) under its own brand with new price concepts (subscriptions, separate blocks) and innovative web and mobile products. In addition, the distribution arm of biw AG has added two fixed deposit platforms (Savedo and Zinspilot), which offer investments at banks across Europe.

biw AG, in cooperation with fashioncheque S.A. in the Netherlands, offers gift certificates („fashioncheques") in any amount between EUR 10 and EUR 150 for sale, which can be redeemed at various retail outlets (currently 15,000). As an e-money issuer, biw AG is a cross-border service provider in this context. The credit on the fashioncheques is e-money. During 2015 the business was extended to Germany, Belgium, United Kingdom and Switzerland.

Enhancements were made to „kesh", the banking-centric mobile payment system product operated under the domain www.kesh.de. The market test conducted in Willich showed that while there is significant interest in this product area on the part of customers and traders, this does not inevitably lead to extensive transaction numbers. Overall, however, it has turned out that it makes sense to stick with this product area, because the prevailing opinion in the market is that mobile payment is a technology with a great deal of promise.

Together with the payment business the „SEPA Solution" offer was introduced. This solution makes it possible for companies to operate their own direct debit business, manage their SEPA mandates in line with the rules and to carry out the associated payment transactions. This feature will be expanded as the basis for complete online payment and payment processing at POS (Point of Sale).

Client services business segment (expansion of the business with service clients)

In order to further expand its client business, biw AG applied for status as a general clearing member (GCM) of Eurex Clearing AG for the equity and securities business in 2014. The market of brokers and smaller securities trading banks is currently going through a period of adjustment. The aim here is to convince these companies to use the services of biw AG, on the basis of the lean and efficient processes for securities settlement implemented in the past. For example, biw AG concluded a cooperation agreement with mwb fairtrade Wertpapierhandelsbank AG under which the bank began the settlement of the entire fund business in December 2014 and to over the entire securities settlement in mid-2015.

Payment systems business segment (development of business with intermediary organizations)

The portfolio includes the transfers in the area of payment transactions of everything from simple documents to electronic data carriers. biw AG's highly automated execution ensures the efficient, safe and professional settlement of payment flows. In addition, it allows corporate customers to settle their payments online via a „web branch".

Cash logistics business segment (cash exchange and ATMs)

- Cash exchange

  The cash supply business that was begun in early 2011 together with Prosegur Germany GmbH grew again in 2015. Both the number of customers and the number of rolls of coins delivered increased.

  The cooperation with the partners Prosegur has been intensified in some areas, of which the partners expect positive earnings contributions in subsequent years.

- Automated teller machines (ATMs)

  Working with partners in various sectors and making use of a range of operating models, biw AG further increased the number of ATMs in place in 2015. biw AG's mobile ATMs are operated both by the company itself and in cooperation with partners. In this segment, the company is making intensive investments to further increase the benefits of ATMs, for example by linking them with the mobile payment system „kesh" and by expanding its ATM network.

Other platforms and products

Xervices GmbH, a wholly-owned subsidiary of XCOM AG, operates the over-the-counter trading platform LOX (Limit Order Xervices). LOX was developed in cooperation with Deutsche Bank AG and Commerzbank AG; it expands the over-the-counter quote-based trading of securities to include the option of setting daily and long-term limits on buy and sell orders. Based on bilateral contractual relationships between brokers and issuers, brokers can place market, limit and stop/stop-limit orders on LOX.

MARKETS, CUSTOMERS AND DISTRIBUTION POLICIES

The main market for the products and services of FinTech Group is the German financial and services sector.

Securities trading & financial services segment

In the securities trading & financial services segment, FinTech Group acts as a direct B2C end user contact.

As a pure online broker, flatex GmbH and ViTrade GmbH do not have branches. Instead, they offer trading in securities, CFDs and FX via „web branches" online. This clear and easy to use trading interface ensures that both companies are able to conduct secure and rapid trading of equities, certificates, warrants, bonds, funds, ETFs, CFDs and FX under a permanent discount price model established by its account and custodian cooperation partner especially for customers of flatex GmbH.

Equities and derivatives traders who are dissatisfied with or do not need expensive advice offered by branch banks find direct banks especially appealing and are switching to them to implement their own investment decisions at a favorable price. flatex GmbH's discount pricing model further distinguishes it from most of its competitors, making it an alternative to branch banks or direct banks for everyone from average investors to very active traders. The fee model established in 2006 dispenses with the volume-based fees common in securities trading in favor of a fixed price (flat fee). Only third-party costs incurred in exchange trading are added to this fee.

The company's customers can buy and sell equities, certificates, warrants, bonds, funds and ETFs via exchange trading or over-the-counter direct trading. Exchange trading is possible on all German stock exchanges and on the electronic stock exchange Xetra, Frankfurt Zertifikate AG and EUWAX. The foreign trading of equities is possible on various European exchanges (including Euronext), and in the US and Canada.

In the area of direct over-the-counter trading, the company cooperates with 22 direct trading partners, making it possible for customers to conduct OTC trading of equities, certificates, warrants, funds and ETFs. In addition to this a few direct trading partners, known as premium partners, are offered long-term no-fee trading from a certain order volume for selected certificates, warrants, funds and ETFs. In this case, no fees at all are charged for buying and selling these securities. The premium partners are currently Commerzbank AG, the X-markets team at Deutsche Bank AG, BNP Paribas S.A., Société Générale, DZ Bank AG, HSBC, Vontobel and Tradegate AG.

In addition, flatex GmbH offers its customers an extensive range of services such as a free portfolio, a community for the exchange of investment ideas and all securities information among private investors, the provision of free real-time quotes, additional trading software for particularly active customers, a fully integrated platform for CFD and FX trading as well as telephone customer service.

Customers of ViTrade GmbH are mainly heavy traders (more than 100 trades per month), who place significant demands on the brand, who take a personal approach and who possess the technology.

Transaction processing & white-label banking services segment

In the transaction processing & white-label banking services segment, FinTech Group offers innovative financial IT solutions and financial IT consulting and services for companies with significant requirements in terms of security, performance and quality in the area of financial services and eCommerce. The close cooperation between the financial experts of biw AG and the technology experts of XCOM AG creates a significant technological advantage and makes XCOM AG one of the most modern financial services providers. It offers its partners, with or without a banking license, the entire product range of a universal bank as an insourcing solution. In addition to banks, financial institutions and medium-sized companies, start-ups, young companies and eCommerce firms are also increasingly part of the customer base of XCOM AG. They all make use of the Group's fintech expertise and insourcing services. FinTech Group develops customized IT solutions that allow its well-known customers to focus on their core business and reduce their dependence on external suppliers.

CONDITIONS

The business model of FinTech Group is primarily dependent on the development of the capital and financial markets and on the German macroeconomic situation (especially the development of the gross domestic product and the consumer price index). The conditions for the two operating segments are presented in detail below.

Securities trading & financial services segment

The securities trading & financial services segment is substantially dependent on the number of active trading clients and the transactions they conduct. These conditions are primarily influenced by the current market interest rate and the attractiveness of other investments, and, to a substantial degree, directly by the development of the capital and financial markets and general economic developments. Turbulence on national and international securities markets, a prolonged sideways trend with low volume, and other market risks can lead to a declining interest among investors. The trading activity of the customers of the group companies depends on the general trading volume and market volatility.

The situation on the (inter)national financial markets (in particular the development of the national equity market index „DAX", the development on the currency markets and the price of oil) is of particular importance, since the volatility of the financial markets has an impact on customer behavior in the securities trading & financial services segment. Online banks are reforming the traditional banking sector, because they respond significantly faster and more effectively to customer requests and needs than would be possible for typical branch banks. For this reason, branch banks have increasingly turned their attention to the online business in recent years and founded online subsidiaries that act as additional competitors for companies operating exclusively online. Additionally, many smaller online brokers specialized in only a few or even just one product are meeting the demands of customers. Since there are limits to product diversity, the trend toward an all-in-one solution is increasing price competition.

The topics transaction tax/stamp tax, the EMIR ordinance, and the finalization of interpretation provisions and technical standards which came into force on January 1, 2014 – CRD IV (Capital Requirements Directive IV) and CRR (Capital Requirements Regulation) – may develop into opportunities or risks for the Group's business model depending on the political/regulatory design.

The many online trading customers are distributed among the four largest direct banks operating in Germany. In an environment of limited growth figures, in addition to a compelling price new customers can only be won over if new standards such as easy-to-use platforms, convincing and efficient service, and stable technical infrastructure are fulfilled by the provider.

Transaction processing & white-label banking services segment

The German market for IT services for banks and financial services has oligopoly-like structures in terms of providers, with four or five providers for many customers. In this respect, segment processing and IT services have a high degree of (process) automation, long-term agreements and homogeneous customer structures. The number of customers and, consequently, the number of completed transactions, the contractually fixed remuneration and a willingness to take on additional project-related services shape the business development of the segment transaction processing & white-label banking services.

The segment depends indirectly on the development of the capital and financial markets due to the internal interconnections in terms of supplies and services because XCOM AG/biw AG provides services for the Group companies. Moreover, these developments also have a direct impact on the segment, as biw AG holds a significant number of financial instruments (mainly bonds), which in turn are subject to interest rate effects and market price fluctuations.

In addition, the development of the gross domestic product (GDP) and the development of the consumer price index have an impact on operations. Firstly, the GDP affects the willingness of existing and new customers to place additional orders (mainly IT services). In addition, the development of the consumer price index has a direct influence on the amount of the agreed fees due to the link between the remuneration for IT services and the development of the index.

1.2. Goals and strategies

Goals

FinTech Group's goal is to become the leading European provider of innovative financial sector technologies. The focus is on business models with sustainable, above-average growth and faster market penetration. The EBITDA (earnings before interest, taxes and amortization of tangible and intangible assets), a key performance indicator that expresses the increase in profitability, is being used to measure achievement of this objective. A major[3] rising trend is expected in the 2016 fiscal year.

In particular, the acquisition of a majority interest in XCOM AG further increased the portion of the value chain incorporated in the Group. The strategic objectives of the integrated functional coverage of the activities in the value chain of the online brokerage will continue to be based on business and product policy in the coming years.

The goals for the operating segments, which are explained below, are based on this overall objective:

Securities trading & financial services segment

The strategic goal in this business is to significantly increase trading and customer figures and thus to increase market share, and to maintain a high level of customer satisfaction; this will be done by revitalizing marketing activities and expanding both the product range and the internationalization strategy. The number of customers and transactions of the online brokerage business unit is being used to measure the achievement of this objective.

Transaction processing & white-label banking services segment

The targeted development of biw AG's own end-customer activities in the corporate sector (domestic and foreign payment transactions), opening up previously untapped market potential and the strategic focus on the field of transaction processing are at the forefront of the strategic orientation of this segment.

Another basis is the continued focus on growth in the business of XCOM AG and its partners, the consideration of valid term contracts with customers and third-party providers as well as the general dynamic development in the financial markets.

Moreover, the slight increase in the R&D ratio compared to the previous year is of high importance for the Group. At the core of the R&D activities is the development of innovative services and products, which requires increased activities on the part of XCOM AG, which are discussed in detail in Section 1.4.

[3] slight = 0 – 10 %, major > 10 %

The Group's financial goals

Maintaining the strong capital position of the company and maintaining moderate leverage in a year-on-year comparison are among the key financial[4] objectives of FinTech Group. At the core of all the goals is profitable and sustainable business development with positive effects on the company's value. The Group's financial goals also include ensuring a comfortable liquidity situation.

Strategies for achieving these goals

The key strategies for achieving the objectives are presented below:

- Focus on 0core competence: The symbiosis of technology and banking, coupled with the B2C know-how of the Group companies flatex GmbH and ViTrade GmbH creates an integrated value chain within the Group, which will unleash even more potential for evolution and innovation.

- Entering into collaborations and partnerships: Entering into collaborations and partnerships can, first of all, expand the existing product range (e.g. the cooperation in the ST & FS segment with Morgan Stanley) and, secondly, further expand existing sales activities (e.g. through cross-selling with Zinspilot).

- Meaningful expansion of the product portfolio, for example through the introduction of the „flatex flex loan" from March 2016 in the securities trading & financial services segment.

- Internationalization Targeted internationalization of existing business in the operating segments.

- Innovation: Maintaining the high level of innovation of our IT activities and enhancing the business model with new products in the areas of mobile payment, online brokerage and IT security. The aim is to set new standards through our customer-oriented approach in the area of financial technologies („fintech") and to provide technological support to start-ups in implementing their ideas.

- Employee stock option program: FinTech Group makes it possible for its employees to participate in the company's success in the form of an employee stock option program. In addition, in the future individual targets will be agreed on that are also based on the personal development and skills of the employee.

The development of the business in fiscal 2015 confirmed the general strategic direction of the company's management. The combination of front-end in the B2C business, the processing of a bank, and technology produces tremendous synergies which make a significant contribution to the profitability of the FinTech Group and which will continue to increase. Comprehensive solutions and significant cost advantages for the customer are the basis for the sustained growth of the company.

The success of FinTech Group is based not just on a consistently implemented strategy and technological advantage but also on the exceptional enthusiasm, motivation and loyalty of its employees.

Strong entrepreneurial thinking and action, keeping sight of what is essential and strategic orientation are essential for the executives of FinTech Group. They have an intercultural outlook and include their employees in decision-making processes. This creates a team spirit that strengthens identification with the employer and sparks the potential for innovation.

[4] moderate = +/- 10%

The existing bonus system is being continued in the fiscal year; this system also ensures that employees are informed monthly about the company's development. In connection with the existing incentive systems, additional training and development measures will continue to be taken advantage of both internally and externally by a large number of employees. Due to the tight supply situation in the job market, FinTech Group has further expanded its activities in employee recruitment by attending job fairs, by holding an „Open Day" event, strengthening contacts with universities and increasing the use of cooperative work/study programs.

A Group-wide employee survey conducted on the subject of personnel policy, personnel development and employee satisfaction, the promotion of workplace health through the offer of physiotherapy and an employees-recruit-employees incentive program complement the active human resources policy of FinTech Group in the 2015 fiscal year.

FinTech Group meets macroeconomic challenges primarily through organic growth, but also monitors opportunities for external growth that arise.

To support the environment, FinTech Group largely dispenses with the use of paper-based processes and handles payment processing and customer documents (invoices, bids, etc.) in paperless form. As part of its sustainable corporate management, FinTech Group will continue to meet its social obligations to integrate them into its value management system in the future. This includes the establishment of minimum standards of energy efficiency for the technologies used and the reduction of environmental risks through continuous certification of business processes (e.g. ISO 27001).

1.3. Value-based control system

In order to achieve the above overall corporate objectives, the implementation of the strategy formulated by the CEO is supported by the control cycle of FinTech Group described below.

Control model of FinTech Group

The Group uses the following key performance indicators (KPIs) for its internal control:

The indicator used to control the earnings situation of the two segments is earnings before interest, taxes, depreciation and amortization of tangible and intangible assets (EBITDA). The calculation of this indicator can be found in the Group annex. It should be noted, the addition of net operating interest income from own trading and interest activities in the interest income and expense before EBITDA.

Revenue-related expenses and expenses for staff and other operating expenses are not used for internal control, but only for variance analysis.

For the securities trading & financial services segment, the performance indicator used for internal control is income from commissions and interest.

For purposes of the variance analysis, the number of active customers and the number of transactions carried out are analyzed, although this is not one of the key performance indicators.

The key performance indicators for transaction processing & white-label banking services segment comprise interest income as well as commission income from the settlement of transactions and revenues from IT services.

For purposes of the variance analysis, the number of customers and retained accounts are analyzed, although this is not one of the key performance indicators.

The financial performance indicators are consolidated at Group level and also transferred to the financial results as part of the continuous planning of future business. Monthly reporting and further analysis are central control instruments of Group controlling. The continuous comparison of planned to actual figures makes it possible recognize changes in business trends early on and to introduce countermeasures in good time. As part of a monthly risk reporting and reporting system, the Executive Board and the management of FinTech Group are continuously informed about the development of the performance indicators.

The corporate planning at the levels of the entire Group, the subsidiaries and the segments is ensured by the analysis of the indicators of past performance and the knowledge gained from previous findings. The modeling of the business plan is continuously adapted to the latest findings of accounting, new product developments and structural changes. The individual business segments and departments make a substantial contribution to this, so that their findings can be combined at Group level and the business planning can be finalized there. Newly added business segments are seamlessly integrated into the planning process.

1.4. Research and development activities

The provision of innovative products and services makes it necessary for FinTech Group to increase its activities in the areas of:

- Research into new topics,
- Development of new products and services,
- Further development of existing products and services.

In the previous year there were no significant R&D activities. With the acquisition of XCOM AG in the spring of 2015, R&D activities are concentrated entirely in the newly created segment transaction processing & white-label banking. The Group provides neither R&D services to third parties, nor does it make use of R&D services provided by third parties.

The development of the mobile payment product „kesh", which is nearly ready for the market, is worth special mention in the area of the development of new services and products. In addition, existing products such as „LOX", „Tradix", „Tristan" and „WebFiliale" will be raised to a new level in terms of technology and further developed based on current technological developments and customer needs.

A further development worth special mention is the „BlueTAN" process, for which a patent is pending; in this process, which offers the highest level of security in the banking sector, electronic transactions are authorized by the customer and phishing risks are eliminated.

Total expenses for pure development costs amounted to KEUR 2,400 in the fiscal year and they were fully capitalized. Amortization of capitalized development costs amounted to KEUR 10. The development cost ratio (in relation to total revenue from continuing operations) amounts to 3.1 %. Research expenses amount to KEUR 1,872. In total, around 10.0 % of total staff costs are invested in research, development and enhancement.

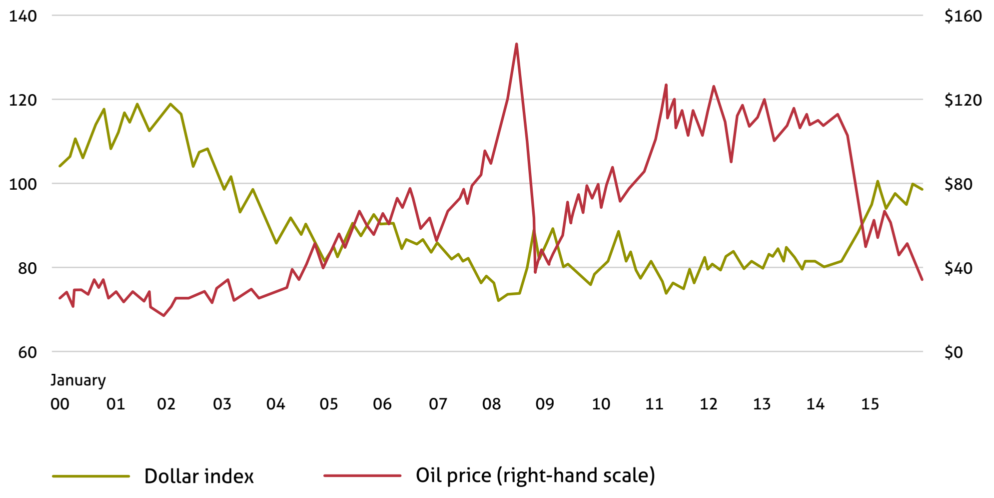
2. Economic report

2.1. Macroeconomic and sectoral conditions

The „DAX", the main German stock exchange index continued the sustained positive development of the previous years as of the balance sheet date, rising from 9,806 to 10,743 as of December 31, 2015 (+9.6 %). The MDAX was 21 % higher for the year, ending 2015 at 20,774. The TecDAX turned in the best performance: It rose by 30 % compared to January 1, 2015 to end of the year at 1,830. The Dow Jones closed 2015 with a slight decline of 2 %, the S&P 500 was unchanged and the NASDAQ recorded an increase of 9 %. The indices have a direct impact on the number of transactions and the risk appetite of customers in the securities trading & financial services segment.

In fiscal year 2015, the German economy continued its moderate growth path of previous years. German GDP increased by 1.7 % over the previous year (previous year's growth: 1.5 %).[5] After a promising start to the year, economic momentum was quickly decreased, forcing adjustments to macroeconomic forecasts during the year. Economic growth was strongly driven by the massive decline in the oil price by more than 50 % since 2014. [6]

Comparison of the dollar and the oil price[7]



Brent oil price; source: Bloomberg

[5] See DESTATIS – German Federal Statistical Office, Press Release No. 056 dated 02/23/2016.

[6] See „The German Federal Government's Economic Report for 2015", p. 7. German Federal Ministry for Economics and Technology; „Invest in Germany and Europe's future", www.bmwi.de.

[7] from „Will the price of oil fall to 20 dollars?", FAZ newspaper article dated 01/12/2016.

In the currency markets, the Swiss Government surprisingly abandoned the Swiss franc's peg to the euro early in the year,[8] triggering „severe turbulence" in the first quarter of 2015. The second quarter of the year was marked by the imminent insolvency of Greece, with heated discussions of a withdrawal of Greece from the euro zone and the consequences this would have on the financial and economic markets. The bond purchase program to buy (risky) government bonds in unlimited quantities decided on by the European Central Bank (ECB) against this backdrop[9] at first prevented panic and uncontrolled reactions on the part of the financial markets. The high point of these developments could be considered the referendum of July 5, 2015, in which a majority of the Greek population voted against a reform packaged developed by the EU to stabilize and sustainably restore the Greek state budget. This situation still poses a significant risk to financial stability in the euro zone and therefore for the overall economic situation in Germany. Both factors have a direct impact on trading behavior and the risk appetite of customers in the securities trading & financial services segment.

During the year the consumer price index[10] rose by 1.5 points from 105.5 to 107.0, and revenues in the transaction processing & white label banking services segment recorded a corresponding performance.

Overall, the developments in the 2015 fiscal year described above had a positive impact on the business performance of FinTech Group.

2.2. Business development and position of FinTech Group (Group)

Business development of the securities trading & financial services segment

A better margin was achieved in the online brokerage business segment through increased transaction numbers and the development of new customer numbers, which is primarily due to the merger with biw AG.

As of December 31, 2015, flatex GmbH managed customer assets amounting to EUR 3,878 million (previous year: EUR 3,527 million). The number of customers increased by 15 % from 130,500 customers as of December 31, 2014 to 150,000 as of December 31, 2015. The number of transactions („orders") increased by 23 % compared with 2014, from 5.7 million to 7.1 million. This contributed to the renewed profitable growth of flatex GmbH in the reporting year. This development was due mainly to the high market volatility during the reporting year.

Business development of the transaction processing & white-label banking services segment

To expand the client services business segment, the bank applied for status as a general clearing member (GCM) of Eurex Clearing AG for the equities and securities business in 2014. The market of brokers and smaller securities trading banks is currently going through a period of adjustment. The aim here is to convince these companies to use the services of biw AG, on the basis of the lean and efficient processes for securities settlement implemented in the past. For example, biw AG concluded a cooperation agreement with mwb fairtrade Wertpapierhandelsbank AG under which the bank began the settlement of the entire fund business in December 2014 and took over the entire securities settlement in mid-2015. In addition, in the third quarter of 2015 biw AG entered into a collaboration with a service provider

[8] See „This is why the currency revolution affects us all", Welt newspaper article dated 01/15/2015.

[9] See „Draghi is printing Europe into bankruptcy", Handelsblatt newspaper article, January 23, 2015.

[10] See www.destatis.de/DE/ZahlenFakten/Indikatoren/Konjunkturindikatoren/Preise/pre110.html.

(Equatex) for the management of German corporate customers, which manages employee participation programs for large corporations worldwide.

The activities from the management of the IKB and pbb direct platforms also experienced a positive trend in 2015. All the areas of biw AG involved benefited from the enhancement of the banking products, which are distributed to the final customer through both platforms. The ongoing automation measures continued to show the desired effects and led to an increase in efficiency.

As in previous fiscal years, the decline in the business segment intermediary organizations continued in 2015. It is assumed that, given the general market situation, this business segment will not rebound.

The cash logistics business segment recorded a positive trend. The cash supply business started with Prosegur at the beginning of 2011 remained at the high level of the previous year and the number of coin rolls moved was again increased over the previous year. The signing of a new multi-year contract further strengthened collaboration with Prosegur.

Working with partners in various sectors and making use of a range of operating models, biw AG increased the number of ATMs in place in 2015 by 8, from 102 as of December 31, 2014, to 110 as of December 31, 2015. ATMs were in operation in many locations again in 2015. The continued production experience with the devices shows a significant improvement in the accessibility of mobile devices where the devices are located.

In the area of deposits, liabilities to customers rose from EUR 886 million at the end of the previous year to EUR 999 million as of December 31, 2015. This figure illustrates the high level of trading conducted by customers of biw AG. The increase further confirms that customers of biw AG mainly use their deposits as the basis for their trading activities. There were no deposit outflows with the end of private deposit insurance as of December 31, 2015.

The „Banking" business segment with its sub-segments „software development", „data center operation" and „§ 25b insourcing" (in accordance with § 25b KWG) remained largely unchanged in fiscal 2015 and continue to be profitable segments of XCOM AG. This business segment includes the client business, the overall banking system offerings and the middleware sub-function, booking core/SAE, scheduling tool, master data management, reporting and archives - basically the insourcing for banks and financial services providers.

The software development business segment „e-banking" with the HBCI standard it initiated more than 15 years ago was also a pillar of success for XCOM AG due to its performance in the reporting year. This product stands out in Germany for its quality, which can be seen in its flexibility and high security standards. XCOM AG's e-banking fully covers the business of both private customers (FinTS) and corporate customers (EBICS) and includes the latest version of the introduction of SEPA. The offer includes the multichannel e-banking server „Tristan", application registration, online account opening and various online/offline clients.

Comparison of the forecasts reported in the previous period with actual business

Please see Section 1.1.1 on FinTech Group's group of consolidated companies as of December 31, 2014. The acquisition of a majority interest in XCOM AG and the associated acquisition of the XCOM subsidiary biw AG by FinTech Group was completed the first half of 2015.

Consequently, the forecasts for fiscal 2015 were subject to considerable uncertainty. The Executive Board forecasted a positive profit for FinTech Group (including only the companies consolidated as of 31/12/2014). This forecast was based on the following assumptions:

- Increasing trading and customer numbers at flatex GmbH
- Overall increase in total sales for all the Group's operations
- Increase in EBITDA

	Group	
	2015 target	**2015 actual**
Revenues	Increase in sales, from EUR 17.1 million	EUR 75.2 million
EBITDA	Increase in EBITDA, from EUR 3.6 million in 2014	EUR 19.7 million
Net profit from continuing operations	Positive annual result, from EUR 5.6 million in 2014	EUR 13.6 million

The deviation of the actual performance of the Group as composed as of December 31, 2014, from the forecast reported in the previous year 2014 is due mainly to one-off effects related to the acquisition of a majority share of XCOM AG, as well as from the discontinued operations of AKTIONÄRSBANK Kulmbach GmbH and CeFDex GmbH and is therefore of only limited significance. In addition, the restructuring measures initiated in the reporting year resulted in significant one-off effects in expenses (KEUR 15,342) and income (KEUR 8,181) and thus on the profitability of the Group as a whole.

Earnings situation

Significant sources of earnings are commission income, interest income, revenue from business with IT service providers and other operating income.

The commission income of the Group amounted to KEUR 52,384 in 2015 (previous year: KEUR 13,742), net commission income, calculated as the amount of commissions earned that exceeded commission expenses, increased from KEUR 13,742 to KEUR 40,852. This significant increase in earnings is attributable to significant expansion in the scope of business resulting from the takeover of the XCOM subsidiary biw AG and the aforementioned change in customer and transaction numbers from the previous year.

Interest income amounted to KEUR 2,666 (previous year: KEUR 22) and results from the operations of biw AG taken over in the fiscal year. Net interest income amounted to KEUR 2,648 (previous year: KEUR -60) and is made up of the net interest income and interest expense in the operating business.

Revenue from business with IT service providers amounted to KEUR 13,102 (previous year: KEUR 0) and results from the core business of XCOM AG acquired in fiscal 2015. After deducting expenses, this results in earnings of KEUR 10,183 (previous year: KEUR 0)

Due to the change in the Group structure, personnel expenses increased to KEUR 23,785 (previous year: KEUR 3,672). For the same reason, other administrative expenses rose to KEUR 15,055 (previous year: KEUR 8,523). Marketing expenses amounted to KEUR 2,878 (previous year: KEUR 823).

All Group income was earned with customers and products from Europe, mainly in Germany, and was in euros. Inflation and exchange rate movements did not have a significant effect on earnings.

In fiscal 2015, EBITDA was KEUR 19,738 (previous year: KEUR 3,624).

The performance indicators used for internal management and the figures used for variance analysis values that are not themselves key performance indicators are shown below:

in KEUR	Group		ST & FS		TP & WLBS	
	2015	2014	2015	2014	2015	2014
Income from commissions and interest	-	-	15,087	13,749	2,702	0
Commission income from the settlement of transactions	-	-	-	-	26,251	0
Revenues from IT services	-	-	-	-	11,941	0
Number of customers	-	-	176,600	130,500	-	-
Number of accounts	-	-	-	-	218,285	0
Number of transactions	-	-	7,100.000	5,772,000	10,143,219	0
EBITDA	19,738	3,624	19,637	3,624	8,389	0

Performance indicators and variance parameters of FinTech Group as of 12/31/2015

A reconciliation offer made to customers of AKTIONÄRSBANK Kulmbach GmbH, which was accepted in 90 % of the cases, also had a positive impact on the development of active customers. Of particular note in the transaction processing & white-label banking services segment is the integration of an international asset manager in the infrastructure of XCOM AG and the use of the banking services of biw AG.

Financial situation

The first priority of financial management is to secure a comfortable level of liquidity and the operational control of financial flows.

Inflation and exchange rate movements did not have a significant effect on the financial situation.

CAPITAL

The Group's capital structure is as follows:

in %	12/31/2015	12/31/2014	Change in %
Equity ratio	7.1	52.6	-86.49
Debt ratio	92.9	47.4	95.98

Capital structure of FinTech Group as of 12/31/2015

The significant changes in the Group structure led to a substantial reduction in the equity ratio, even taking into account the capital increases conducted in the fiscal year.

The equity of FinTech Group recorded an increase of around 71 % from KEUR 50,082 to KEUR 85,856. The increase is due to the change in the Group structure and the capital increases conducted in fiscal 2015.

At the beginning of June 2015, the Executive Board and the Supervisory Board of FinTech Group decided to increase the share capital of the company to EUR 16,204,815 using capital authorized by the 2014 General Meeting by issuing 810,000 new shares with a par value of EUR 1.00 per share. The issue price was EUR 12.45. The buyer's premium of EUR 11.45 was transferred to the capital reserve. The funds collected are used to finance the transformation and growth process to create Europe's leading provider of innovative technologies in the financial sector.

A further capital increase was conducted in December 2015 using capital authorized by the 2015 General Meeting. In this context, the share capital was increased to EUR 16,810,876 by issuing 606,061 shares with a par value of EUR 1.00 each. The issue price was EUR 16.50. The buyer's premium of EUR 15.50 was transferred to the capital reserve. The funds raised were used primarily to indirectly strengthen the equity of biw AG through a capital increase at XCOM AG.

The share capital of FinTech Group amounted to EUR 16,810,876 as of December 31, 2015, and is divided into 16,810,876 shares. Including the capital reserves of EUR 49,367,287.74, the retained earnings of EUR 6,989,164.08 (including the net loss of EUR -2,158,581.13) and minority interests in the amount of EUR 12,689,139.69, Group shareholders' equity amounted to EUR 85,856,467.51 as of December 31, 2015 (previous year: EUR 50,081,932.68).

The minority interests in the equity amounting to EUR 12,689,139.69 are attributable to the other shareholders of XCOM AG and correspond to an equity share of 15 %.

Non-current financial liabilities amount to EUR 11,556,453.00. This mainly includes loans and pension liabilities of XCOM AG, which were recognized as part of the initial consolidation. In addition, deferred tax liabilities amount to EUR 4,767,722.02.

The increase in current liabilities to EUR 1,106,058,935.98 results from the initial consolidation of XCOM AG, especially from customer deposits. Of this amount, EUR 947,278,335.42 is attributable to liabilities to customers of biw AG.

The increase in tax and other provisions to EUR 18,004,922.14 is also attributable to the acquisition of XCOM AG. Tax provisions mainly include obligations to transfer capital gains tax. Other provisions in the amount of EUR 9,471,531.09 includes mainly restructuring expenses and personnel expenses.

The Group's liabilities have the following maturities:

in KEUR	12/31/2015		12/31/2014	
	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit and loss
Within one year	1,074,699	0	41,814	0
More than one year	0	0	0	0
Total	1,074,699	0	41,814	0

Liabilities of FinTech Group as of 12/31/2015

The daily liabilities payable to customers are covered by bank deposits. Other provisions total KEUR 9,472 (previous year: KEUR 1,223), trade payables total KEUR 13,355 (previous year: KEUR 1,624). Interest-bearing liabilities are primarily non-current and were assumed for the acquisition of the shares of XCOM AG. The total increase recorded was thus KEUR 24,328.

The remaining maturities of the liabilities are structured as follows:

in KEUR	12/31/2015	12/31/2014	Change in %
Fixed-interest loans	7,208	0	> 100
Trading portfolio and customer deposits	947,278	42	> 100
Trade payables	13,355	1,624	> 100

Structure of the liabilities of FinTech Group as of 12/31/2015

There is no interest on the trading portfolio, customer deposits or trade payables. In addition, interest-bearing pension obligations total KEUR 4,348 (previous year: KEUR 0). All liabilities are denominated in euro.

Off-balance sheet commitments as of the reporting date result from lease and rental agreements in the amount of KEUR 678 (previous year: KEUR 147). The increase over the previous year resulted solely from changes in the Group structure.

INVESTMENTS

One of the major investments in the fiscal year relates to the acquisition of a majority share of XCOM AG with a purchase price of KEUR 43,558 and the acquisition of the related assets and liabilities. The purpose is the integration of upstream value activities into the Group.

One major investment project is the construction of another data center that meets the current requirements and security standards. This decision was made during the first half of 2016 due to the growth trend. This investment is financed through leasing. With this investment, FinTech Group ensures innovative leadership in the operation of dedicated specialized data centers for banks and financial service providers.

LIQUIDITY

An overview of FinTech Group's cash flow generated in the fiscal year, based on the profit for the period is the cash flow statement, which is part of the consolidated financial statements and which yields the following results:

in KEUR	12/31/2015	12/31/2014
Cash flow from operations	-51,496	23,240
Cash flow from investing activities	-48,307	-331
Cash flow from financing activities	20,158	21,838
Cash and cash equivalents at the beginning of the periods	61,482	16,734
Cash and cash equivalents at the end of the period	541,273	61,482

Cash flow from operating activities is mainly influenced by the changes of customer deposits of biw AG, however does not effect the stable internal financing of current operations. The acquisition of XCOM AG had the biggest impact on cash flow from investment activities. For the same reasons, cash and cash equivalents increased by KEUR 479,791 due to consolidation.

FinTech Group was able to meet its financial obligations at all times. No liquidity shortages occurred in the fiscal year. Nor are any liquidity shortages foreseeable.

Asset situation

in KEUR	12/31/2015	12/31/2014
Assets	**1,208.240**	**95,281**
Non-current assets	64,999	9,354
Current assets	1,142,067	85,927
Assets from discontinued operations	1,174	
Liabilities	**1,208,240**	**95,281**
Equity	85,856	50,082
Non-current liabilities	16,324	36
Current liabilities	1,106,060	45,163

Condensed consolidated balance sheet of FinTech Group as of 12/31/2015

Total assets recorded an increase of KEUR 95,281 to KEUR 1,208,240. In addition to the growth in the operating business, the changes are due primarily to the consolidation during the reporting period of the assets and liabilities acquired as part of the initial full consolidation of the XCOM group, which increased significant balance sheet items.

in KEUR	12/31/2015	in %	12/31/2014	in %	Change in KEUR	Change in %
Goodwill	28,780	43	3,671	39	25,109	> 100
Customer relationships	5,944	9	0	0	5,944	100
Assets under development	2,475	4	0	0	2,475	100
Intangible assets	17,057	26	1,436	15	15,621	> 100
Property, plant and equipment	5,354	8	1,042	11	4,312	> 100
Financial assets and other assets	440	1	0	0	440	100
Deferred taxes	4,949	7	3,205	34	1,744	54,41
Assets from discontinued operations	1,174	2	0	0	1,174	100
Non-current assets	**66,173**	**100**	**9,354**	**100**	**56,819**	**> 100**

Non-current assets of FinTech Group as of 12/31/2015

The increase in goodwill is mainly the result of the acquisition of the majority shareholding in XCOM AG. The increase in intangible assets relates to the assets generated internally by XCOM before the acquisition, which were acquired for consideration as part of the acquisition. Assets under development include the internally generated assets acquired by the FinTech Group following the acquisition of XCOM AG.

The increase in tangible assets includes both the XCOM AG buildings acquired (Willich site) and other operating and office equipment.

Financial investments and other assets include exclusively the active difference from netting assets of acquired plan assets to cover pension obligations of XCOM AG.

Customer relationships are amortized over a period of 16 to 20 years using the straight-line method. Assets in development are amortized over a period of eight years from the date of completion using the straight-line method. The useful life of the intangible assets is between three and ten years. Depreciation takes place on a straight-line basis. The office equipment is depreciated over its estimated useful life, which is three to five years for computer hardware and generally 13 years for office equipment.

in KEUR	12/31/2015	in %	12/31/2014	in %	Change in KEUR	Change in %
Inventories and works in progress	1,085	0	0	0	1,085	100
Trade receivables	30,002	3	5,263	6	24,739	>100
Tax receivables	1,691	0	641	1	1,050	>100
Available-for-sale financial assets	130,572	11	324	0	130,248	>100
Financial instruments carried at fair value through profit or loss	790	0	18,217	21	-17,427	-96
Loans and receivables	436,654	38	0	0	436,654	100
Cash reserve-Cash on hand	36,367	3	4	0	36,363	>100
Cash reserve-Balances with central banks	415,523	36	5,299	6	410,224	>100
Receivables owed by credit institutions maturing daily	89,383	8	56,179	65	33,204	59
Current assets	**1,142,067**	**100**	**85,927**	**100**	**1,056,141**	**>100**

Current assets of FinTech Group as of 12/31/2015

Changes in current assets mainly relate to the segment transaction processing & white-label banking services.

The changes in the items „inventories" and „work in progress" result primarily from the acquisition of IT projects for customers of XCOM AG that were not completed at the time of acquisition.

Trade receivables include the trust assets from customers and securities of biw AG. The trade receivables of XCOM AG are also included here.

Loans and receivables consist mainly of issued cash advances, loans and advances to banking customers and securities lending at biw AG.

The increase in cash reserves and central bank deposits results from the initial consolidation of biw AG. The main feature of the structure of the assets is deposits at European central banks to improve the liquidity situation. In addition, there are receivables from banks from the settlement business of biw AG.

No inflation or exchange rate effects have a material impact on the asset situation.

2.3. General statement on the business development and situation of the Group

FinTech Group experienced profitable growth in the 2015 fiscal year. The Group closed the year with an operating profit before interest, taxes, depreciation and amortization (EBITDA) of KEUR 19,738. With a significant increase in equity, FinTech Group has created a solid capital structure.

In a positive development, the transaction and customer numbers in the securities trading & financial services segment increased by 23 % and 15.0 %, respectively. In the transaction processing & white-label banking services segment, biw AG's own retail activities were expanded and the R&D ratio was increased. The objective of creating a solid equity structure and a consistently comfortable liquidity position at Group level was also achieved.

On the path to becoming Europe's leading provider of innovative technologies in the financial sector, FinTech Group has successfully completed the functional integration of the operations in the online brokerage value chain.

3. Supplementary report

Sale of AKTIONÄRSBANK to Obotritia Capital and start of a strategic partnership

With the sale of the AKTIONÄRSBANK, FinTech Group concludes a year-long process of concentration, which reduced the number of banking licenses from four to one: In June 2015, FinTech Group outsourced the financial flows of the CFD provider CeFDex to Commerzbank AG. The online broker flatex GmbH subsequently surrendered its securities trading permit and conducts its transactions through biw AG. With its full banking license, biw AG will assume all banking services for FinTech Group in the future.

The resulting future revenue streams in the transaction processing & white-label banking services segment will have a lasting positive effect on the asset, financial, and earnings situation of the company.

Investment in new data center

During the first half of 2016, a decision was made to build another data center due to the growth trend; the investment is largely financed through leasing. With this investment, FinTech Group ensures innovative leadership in the operation of dedicated specialized data centers for banks and financial service providers.

Strategic partnership for structured products with Morgan Stanley

As part of a strategic long-term partnership, Morgan Stanley will issue certificates and warrants for the German market under the flatex brand. The customers of flatex GmbH benefit from an extended product range and, in some cases, from lower trading costs. The first products are expected to reach the market in the summer of 2016.

No other significant events had occurred by the time the financial statements of FinTech Group were prepared.

4. Forecast, opportunities, and risk report

4.1. Forecast report

The forecast period for business development refers to the 2016 fiscal year and covers 12 months. Only continued operations are taken into account in the forecast.

In 2016, FinTech Group intends to continue to pursue earnings-oriented growth. Because even with a growing number of customer relationships and the associated increasing transaction volumes, additional economies of scale are expected from the transaction-oriented segment securities trading & financial services and significant synergies are expected from the new corporate structure in the transaction processing & white-label banking services segment. These factors will have a positive impact on the key performance indicator EBITDA.

The development of the main (inter)national stock exchange indices (DAX 30, Dow Jones Industrial and S&P 500) and the development of the currency markets and the oil price in the first months of 2016 confirm the forecasts depicted.

The international financial markets and overall economic development in Germany and Europe continue to offer considerable potential for development. As an accumulator for start-ups in the financial center of Frankfurt, FinTech Group is able to offer innovative solutions for businesses and consumers that take into account both increasing internationalization and complex issues.

In 2016, FinTech Group will leverage further synergies, record significant organic growth and does not rule out further acquisitions.

Expected business development of the securities trading & financial services segment

The securities trading & financial services segment will be shaped into the optimization of the website offer to increase ease of use, the revision of the mobile offer and the effective use of online/offline advertising media. This is intended to win new customers and increase the loyalty of existing customers. The collaboration with Commerzbank AG in contracts for differences (CFD) started in 2015 has produced sales opportunities as income in the mediated order-flow, and is regulated as part of a revenue sharing agreement.

flatex GmbH has entered into a strategic, long-term partnership with Morgan Stanley to jointly offer certificates and warrants to the German market. In a first step, structured products issued by a Morgan Stanley company under its own brand will be on the market by mid-2016 at the latest.

The Executive Board is optimistic for 2016 in terms of the earnings situation. flatex GmbH has successfully established itself in the online brokerage market. In 2016, an increase is expected from commissions and interest which should be generated by growing trading and customer numbers due to increased marketing activities.

Expected business development of the transaction processing & white-label banking services segment

The business of XCOM AG will continue to develop positively in the coming fiscal years. The mobile payment business segment has significant growth potential due to the growing internationalization of the financial industry, but the realization of the growth potential requires a high level of know-how and potential for innovation.

FinTech Group is convinced that its core competence, especially with XCOM AG, gives it this potential and the company considers itself very well equipped to meet future challenges. Within the FinTech Group group of companies, XCOM will achieve noticeable improvements in earnings through synergy and multiplier effects along its entire value chain and thus strengthen its market position in the long term.

For fiscal 2016, biw AG expects to expand to increase its account and customer numbers by adding new trading products to its business operations and working with new business partners from the start-up area. The expansion of the lending business in the first quarter of 2016 in the securities trading & financial services segment („flatex flex loans") has already led to a further improvement in earnings. The stated aim is to achieve a further milestone on the way to becoming Germany's leading transaction processor.

The development in the client business shows positive trends. This was reflected not only in the expansion of the service portfolio with existing customers, but also in the positive business trend with new customers. The development of the client business provides another stable and significant pillar for biw AG's earnings.

biw AG will also continue to act as an innovator in the brokerage business in the coming years. Another focus of its business development is the targeted growth of its end-customer activities in the corporate sector (domestic and foreign payment transactions). These activities involve exploiting previously untapped market potential within the existing white label banking.

Forecast for key financial performance indicators

The forecast for the key performance indicators is based on the following planning assumptions:

Macroeconomic conditions

For the full year 2016, the German Federal Office of Economics forecasts a steady 1.8 % increase in GDP,[11] which is largely identical to the forecast provided by the European Commission for the euro zone in 2016, which foresees an increase of 1.7 %.[12]

[11] See „Government lowers growth forecast to 1.7 percent," Wirtschaftswoche magazine article from 10/14/2015.

[12] See „Winter 2016 Economic Forecast", European Commission, ec.europa.eu/economy_finance/eu/forecasts/2016_winter_forecast_en.htm, retrieved 03/07/2016.

Planning assumptions and forecasts for key performance indicators

The expected earnings situation in the securities trading & financial services segment is based on the assumptions that, based on historical data, the customer base as of December 31, 2015 will be maintained and that most former AKTIONÄRSBANK clients will migrate to flatex GmbH. In addition, increased marketing activities and the collaboration with Morgan Stanley agreed to in March 2016 will result in an increase in trading activities in subsequent years. The expected revenue stream for future years is based on the customer numbers calculated and activities per customer. Specifically, the forecast is based on the assumption that trading and customer figures will rise due to the revival of marketing activities and that customer assets under management will increase (see table below).

The earnings in the transaction processing & white label banking services segment result directly from the planning assumptions for the securities trading & financial services segment (in particular flatex GmbH), as each customer of flatex GmbH also has an account with biw AG. Therefore, the number of customers and accounts retained result in the revenue stream in this segment.

The expected net interest income is based on the assumption that the average deposit per customer will decline slightly in future years. Due to the realignment of the treasury strategy, it is assumed that, despite the continued conservative interest-rate structure, the shifting of customer deposits to alternative products (e.g. B. flatex flex loans) will have a positive effect on interest rates.

The IT services segment takes into account all fixed-contract revenues and all new business expected at the time of planning based on past experience and taking into account the development of prices and of the economy.

The earnings structure of other business segments is extrapolated based on historical data and taking into account all information available at the time of planning.

The forecasts for the Group's key performance indicators for the 2016 fiscal year can be summarized as follows:

quantity / in KEUR	Group		Securities trading & financial services		Transaction processing & white-label banking services	
	2016e	**2015**	**2016e**	**2015**	**2016e**	**2015**
Number of customers	-	-	significant increase	176,600	-	-
Number of accounts	-	-	significant increase	-	moderate increase	218,285
Number of transactions	-	-	major increase	7,100,000	slight increase	10,143,219
EBITDA continuing operations	major increase	19,738	major increase	19,637	major increase	8,389

Forecasts for the 2016 fiscal year.

Legend

Degree of change

moderate	+/- 0.1 to 5 %
slight	+/- 5.1 to 10 %
significant	+/- 10.1 to 20 %
major	+/- > 20.1 %

The Executive Board of FinTech Group is optimistic about the business and expects earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 30 to 35 million in 2016.

The course of business in the first months of 2016 confirms the management estimates and forecasts regarding the company as a whole.

4.2. Opportunities and risk report

Risk management system

FinTech Group operates in a regulated market as a market and innovation leader in the German online brokerage segment. In addition to the continuous changes in the economic environment of the company, therefore, changes in the legal or regulatory framework are of major significance for the company's success. The latest developments are continuously monitored and carefully analyzed. The Executive Board incorporates the emerging opportunities and potential risks in its business and risk strategy and adjusts them accordingly if required. The monitoring and control of risks is a key part of the corporate management tools at FinTech Group.

FinTech Group promotes a risk culture that ensures high ethical standards and a strong risk awareness in all relevant business processes among both the management and the employees of FinTech Group. In addition, the limitation of risks is one of the main objectives for all managers of FinTech Group within their areas of responsibility. In this context, every manager develops effective task-specific control processes and ensures that they are continually applied.

To ensure holistic and comprehensive assessment, limitation and control of risks, FinTech Group has also set up a separate department which has assumed the group-wide tasks of the risk control function in accordance with MaRisk AT 4.4.1. Its staff assume the task of group-wide

- identification,
- assessment,
- control,
- monitoring and
- communication of risks.

To accomplish this, it has complete access to all risk-relevant information and data of FinTech Group and its subsidiaries.

The head of the risk management department is involved in all major risk policy decisions. The Supervisory Board of FinTech Group is informed immediately if there is a change in the head of the risk management department.

Extended risk profile due to acquisition of XCOM AG

With the acquisition of a majority interest in XCOM AG by FinTech Group in the first half 2015 and the related acquisition of XCOM subsidiary biw AG, the risk profile of FinTech Group has significantly expanded.

Beginning in 2015 , FinTech Group has undertaken significant steps to align the risk management processes and systems that exist in the group with the extended risk profile of FinTech Group and to make them uniform throughout the group. In this process components of the existing risk management systems that are no longer needed are discarded in favor of unified and consistent group-wide processes. According to current planning, the completion of the integration process and the concomitant establishment of consistent group-wide risk management are expected in 2017.

Risk identification and risk assessment

FinTech Group conducts a regular risk inventory, which is updated on an ad hoc basis if necessary. The inventory includes risks from the use of financial instruments to which it considers itself exposed as part of its business operations, which are divided into the categories

- Market risks,
- Counterparty credit risks,
- Liquidity risks
- Operational risks and
- Other risks

A risk assessment that takes into account risk-reducing measures carried out and the existing equity situation is also conducted.

The risk inventory of FinTech Group was carried out in the 2015 fiscal year in the form of a heat map which shows the risk assessments for all business segments considered to be material in a consistent way and which should be viewed as a precursor to a detailed risk map. The ongoing risk reporting of FinTech Group reports on the risk estimates included in the heat map. It is also discussed with the supervisory body of FinTech Group during the regular meetings on the Monthly Risk Reports (MRR).

The transition from the heat map to the risk map was initiated in early 2016 and is expected to be completed later in the same year. In addition to providing a more detailed risk analysis than the heat map, the risk map also provides an estimate of the probability of losses and the amount of losses, which are summarized in a risk-based overall assessment. The analyses are used mainly to identify emerging risk concentrations early on so that the necessary preventive measures can be introduced.

Controlling risks

FinTech Group performs scenario-based risk-bearing capacity calculations (including stress testing) on a regular basis by taking into account the potential concentration risks and potential extreme developments in the (market) environment of the Group to ensure the capital adequacy of the Group, even in the event of unfavorable developments in the environment.

FinTech Group uses the findings from these risk-bearing capacity analyses to implement control and risk-limitation requirements for the Group's operational business via an appropriate limit system. Adjustments to the limit system are closely coordinated between the management of the Group and the risk management department.

Ongoing monitoring measures and the implementation of a comprehensive system for the communication of risk („risk reporting") ensure that risk entered into by FinTech Group remains within the strategic objectives and its risk-bearing capacity. They also allow quick reactions when there are signs that control is needed. The monitoring and control instruments used in this process are shown in more detail below in the form of daily, monthly and quarterly reports.

Monitoring and communicating risks

Management receives daily reports with information on the current risk and P&L situation of FinTech Group. These regular reports are supplemented and enhanced by regular ad hoc reporting: The „business segment report" (renamed „cockpit" during the 2015 fiscal year) is a central (risk) management tool that provides daily information about the necessary measures to control performance indicators, risk indicators and limit utilization levels and the development of appropriate early warning indicators. It also contains comments on¬ control-related issues and to make recommendations for necessary control measures. Furthermore, for each business segment that is material from a risk perspective, it includes a presentation of target achievement on a monthly and annual basis, and a comparison with the previous year's P&L („TargetMap").

The business segment report/cockpit is supplemented by the „monthly risk report" ("MRR"), which includes a detailed report and commentary on the P&L and the risk situation of the Group for the month.

Finally, the „quarterly risk report" („QRR") is created. It summarizes the underlying monthly reports for the reporting period and offers additional analyses on the opportunities and risks of FinTech Group.

The monthly risk report and the quarterly risk report are sent to the company's Supervisory Board, among others, and are discussed in detail in regular „finalizing meetings" with the management and the Supervisory Board.

In the company's own assessment, the measures taken to analyze and monitor the risk situation of FinTech Group are appropriate. The risk-bearing capacity was in order at all times during the reporting period. At the time the present risk report was prepared, no risks – including possible concentration risks were recognized that could jeopardize the continued existence of the Company.

Opportunity report

Opportunities for the company are analyzed regularly and reported to the Executive Board and the Executive Committee. The detailed focus of company management is on risk management. Management identified significant opportunities arising from, among other things, synergies from the acquisition of XCOM AG in the past fiscal year. These are likely to lead to significant earnings potential in the next two fiscal years.

Securities trading & financial services segment

The balanced development of the business strategy in the Group's loan portfolio gives the securities trading & financial services segment significant potential. This strategy includes a portfolio that is diversified for the long term across risk classes, regions, asset classes and durations. Customer deposits with a volume totaling more than EUR 1,000 million offer the opportunity to achieve positive contributions to earnings through interest effects and cost savings via efficient asset management.

Furthermore, the management has identified opportunities to diversify the business model taking into account market risks. These opportunities mainly involve expanding the product and sales range, the analysis of further internationalization strategies and entering into additional strategic partnerships in the online brokerage segment.

Business opportunities arise from the optimization and reinforcement of existing marketing activities in order to increase awareness on the market and secure market share. Furthermore, activation of existing less-active customers in particular offers opportunity and thus greater value creation.

Further restructuring of the website to increase ease of use, revision of the mobile offering, and effective use of online/offline advertising are to promote acquisition and retention of customers.

Transaction processing & white-label banking services segment

The transaction processing & white-label banking services segment offers business opportunities to win new business through early participation in external tenders and to expand its existing business with long-term contractual partners and existing customers. The securities settlement business segment has especially high growth potential by winning new clients.

In the banking business segment, there are relevant opportunities offered by the integration of additional contractual partners into the existing banking system as a white-label banking solution and by gaining additional clients in securities settlement. This results in economies of scale in the cost structure of the development of the relevant software and in the settlement of transactions. In the e-banking business segment, there are important opportunities through the digitization of financial services. These may give rise to a large volume of software development projects.

The arbitrage trading in the in the „transaction processing & white-label banking services" segment offers market price opportunities which result from the simultaneous purchase and sale of securities. The opportunities in this area come from exploiting market inefficiencies that result from different buying and selling prices at different stock exchanges.

Risk report including risk reporting in relation to the use of financial instruments

The significant risks to which FinTech Group is exposed in its operating activities are described in more detail below. An assessment methodology described below is used in assessing the probability of occurrence and magnitude of risk:

Probability of occurrence	Description
< 5 %	very low
≥ 5 to 25 %	low
> 25 to 50 %	medium
> 50 %	high

Level of risk	Description
low	Limited negative effects on operations, assets, finances and earnings situation, reputation, < EUR 0.25 million EBITDA individual risk
medium	Some negative effects on operations, assets, finances and earnings situation, reputation, ≥ EUR 0.25 million EBITDA individual risk
high	Significant negative effects on operations, assets, finances and earnings situation, reputation, ≥ EUR 1 million EBITDA individual risk
very high	Damaging negative effects on operations, assets, finances and earnings situation, reputation, ≥ EUR 5 million EBITDA individual risk

Probability of occurrence of risks and extent of risk.

Control and limiting of market price risks

FinTech Group considers market price risks to be the risk of loss due to changes in market prices (equity prices, exchange rates, precious metal/commodity prices, interest rates) and parameters that affect price (e.g. volatilities).

Market price risk arises in FinTech Group from arbitrage trading in the „transaction processing & white-label banking services" segment, in which securities are bought and sold simultaneously and no active positioning is provided for. Unplanned positions due to unforeseen market movements/reactions may lead to overnight positions, which are then fully hedged by offsetting transactions. In order to limit the resulting market risk, FinTech Group has a multi-level limit system which establishes value-at-risk limits („VaR" limits) that limit positions and stop-loss limits on a daily and annual basis. VaR figures are calculated daily based on a historical simulation at a confidence level of 97.5 % with a one-day holding period. It also ensures a daily transfer to the profit and loss account. The calculated risk ratios and P&L figures are compared with the relevant limits every day. Countermeasures can be taken immediately if limits are exceeded.

FinTech Group estimates the remaining market price risks from arbitrage trading as low and their probability of occurrence as very low. The calculated VaR figures were on the order of KEUR 15 in 2015, significantly below the prescribed VaR limit of KEUR 40.

Other market price risks arise in the „transaction processing & white-label banking services" segment as part of the designated sponsor business segment outsourced to FIB Management AG. The necessary liquidity for the continuous trading of certain stocks is made available by setting of binding buying and selling prices. This exposure may result in market risks to a limited degree. These risks are fully covered by cash collateral deposited in the Group. The corresponding provision of securities is monitored daily. In addition, the VaR is calculated daily (using the variance-covariance approach with a confidence level of 99 % and 2-day holding period), which serves as the basis for monitoring the potential need for an increase in cash collateral. FinTech Group estimates the remaining market risks from this segment to be low and their probability of occurrence to be very low. The calculated VaR figures were on the order of KEUR 150 in 2015, well below the cash collateral available to cover losses of at least KEUR 300.

In the transaction processing & white-label banking services segment FinTech Group has at all times stable and extensive customer deposits (biw AG). The not precisely simultaneous investment of these deposits in the market and the resulting limited maturity transformation subjects FinTech Group to other market risks such as interest rate risks. To counter these risks, the Group exercises fundamentally conservative asset-liability management. The ongoing calculation of the modified duration ensures that negative developments in interest rate risk are recognized early on and that countermeasures can be taken. FinTech Group estimates the probability of occurrence for risks entered into to be very low and estimates a medium risk level. The loss estimate made on the basis of the modified duration is on the order of KEUR 260.

The information on the market price risks of FinTech Group that is relevant to controlling is entered daily in the Group's cockpit and is thus transmitted daily to the Group management. The market price risks are also shown in the Group's monthly risk reports (MRR) and quarterly risk reports (QRR), ensuring that there are detailed descriptions and comments on the current risk situation and that control measures can be taken if necessary.

In addition to the comprehensive measures regarding the monitoring of the market risks of the Group, adequate measures are taken to manage the remaining risk categories to which FinTech Group considers itself to be exposed in its operating business. There is ongoing monitoring of the adequacy of these measures. Changes in the assessment of the underlying risks and the necessary adjustments to their management are reflected in periodic updates of the risk inventory of FinTech Group. This is also the basis for a risk-based audit plan of the internal audit division of FinTech Group.

The following table shows the sensitivity of consolidated profit before tax and the equity of the Group to a possible change in market interest rates by +0.5 percentage points and -0.5 percentage points under otherwise constant variables:

The risk of changes in exchange rates (currency risk) arising from financial instruments is not considered significant at FinTech Group.

in KEUR	Change in market interest rate (MIR)	Pre-tax profit (after change in MIR)	Equity (after change in MIR)
2015	+0.5 percentage points	841	85,206
2015	-0.5 percentage points	-5,159	86,506
2014	+0.5 percentage points	-5,349	49,152
2014	-0.5 percentage points	-10,149	51,012

Control and limitation of counterparty credit risks

FinTech Group considers counterparty credit risk to be the risk of losses or forgone profits due to unexpected failures or unforeseeable deterioration in the creditworthiness of counterparties.

Counterparty risks at FinTech Group are partly due to the safe investments selected by the Treasury and a conservatively operated credit business in municipal loans in the „transaction processing & white-label banking services" segment. The investment/credit pursued and the resulting structuring of the limits ensure a broad range of open positions, which keeps concentration risks within strict limits. Besides the safe selection of counterparties, risks are also limited by the ongoing monitoring of credit ratings based on publicly available data. This includes in particular the continuous monitoring of suitable credit default swap rates („CDS prices"), although the Group processes provide for a risk-based adjustment in monitoring frequency when required. Currently, the monitoring of counterparty credit risk is based on CDS prices on a daily basis and is transmitted via the Group's cockpit report daily to the relevant decision-makers within the Group. FinTech Group estimates the extent of the resulting risks to be high, the associated probability of occurrence, however, to be very low.

FinTech Group is also exposed to counterparty credit risk through the granting of Lombard loans in the „transaction processing & white-label banking services" segment. The company's adequate liquidity requirements for the securities accepted as collateral, its conservatively designed lending rates and its ongoing monitoring of lines and securities ensure that Lombard loans taken out by customers are covered by sufficient securities even in the event that prices fall. The Group estimates the probability of the remaining risks to be very low, and the extent of possible losses to be low.

Following the integration of XCOM AG and biw AG, FinTech Group is making substantial efforts to capture counterparty credit risks in its subsidiaries uniformly and to make intercompany control accessible. Corresponding presentations and analyses have been integrated into the monthly risk reports and quarterly risk reports of FinTech Group and are continually enhanced. A comprehensive quantification of risk is provided for by the development of a comprehensive credit portfolio model initiated in 2016. Based on current planning, a corresponding model could be in use for the Group-wide management of counterparty credit risk at FinTech Group later in 2016, which would, in particular, allow the systematic collection and ongoing control of potential concentration risks. Until the implementation of this set of advanced control instruments, which is being developed with a focus on strategic expansion in the lending business, concentration risks are limited by the diversification of positions subject to counterparty credit risk (primarily by domicile of the counterparty, publicly available ratings and maturities) required by the investment strategy pursued.

On December 31, the maturity analysis of trade receivables is as follows:

in KEUR	Total	Impaired receivables	Neither overdue nor impaired	Overdue, but not impaired		
				<31 days	31-60 days	>60 days
12/31/2015	30,002	1,164	28,838	0	0	0
12/31/2015	5,263	0	5,263	0	0	0
1/1/2014	9,291	0	9,291	0	0	0

The age structure of the impaired receivables is as follows:

in KEUR	12/31/2015	12/31/2014	1/1/2014
Up to 3 months	28,838	5,263	9,291
3-6 months	0	0	0

Control and limitation of liquidity risks

FinTech Group defines its liquidity risk as the risk that it cannot fully meet its current or future payment obligations on time from the available financial resources. As a result, any refinancing funds have to be borrowed at higher interest rates or existing assets liquidated at a discount to provide additional (temporary) funding. In addition, FinTech Group in principle subsumes the refinancing risk and market liquidity risk under the term liquidity risk, however, both play only a minor role in the current business model of FinTech Group and both are thus placed in the lowest risk category in terms of the probability of occurrence („very low“) and in terms of extent of loss („low“).

To limit the remaining liquidity risk („liquidity risk in the narrow sense“), FinTech Group pursues a conservative investment strategy that invests customer funds primarily in short-term maturity bonds with daily maturity and makes substantial investments in ECB-eligible securities, which can get short-term refinancing via the central bank if necessary. In addition, there is ongoing duration measurement for all relevant assets of the bank, which are within the target range of less than 15 months. Finally, FinTech Group has regular liquidity monitoring and appropriate financial planning/liquidity planning in the Group's financial accounting. The measures taken in connection with an appropriate „contingency plan liquidity“ ensure comfortable liquidity position that offers safety reserves for the fulfillment of the company's own obligations, especially in the event of unplanned developments, such as unfavorable market developments or payment delays/defaults by business partners.

Given the comfortable liquidity position and the risk-mitigating measures taken, FinTech Group assesses the likelihood of their remaining liquidity risks (in the narrow sense) as very low and also assesses the associated extent of loss as low.

The table below summarizes the maturity profile of the financial liabilities:

in KEUR	12/31/2015		12/31/2014	
	Financial liabilities measured at amortized cost	**Financial liabilities measured at fair value through profit and loss**	**Financial liabilities measured at amortized cost**	**Financial liabilities measured at fair value through profit and loss**
Within one year	1,074,699	0	41,814	0
More than one year	11,566	0	0	0
Total	**1,086,265**	**0**	**41,814**	**0**

More details in relation to financial instruments can be found in the Group annex.

Control and limitation of operational and other risks

FinTech Group defines operational risk as the risk of losses due to human error, the inadequacy of internal processes, systems and external events. Legal and reputational risks are also recognized in this category.

Operational risks

- Dependency on software and IT risks

  For FinTech Group, operational risk arises in particular due to the typical banking dependence of the operating business on the IT infrastructure and the related services. This also includes the dependence on the error-free delivery of services by non-Group service providers („outsourcing“). The operational risks in IT can be divided into hardware, software and process risks. Throughout the group, extensive IT and Internet systems are used, which are essential for proper business operations. The group is dependent on fault-free operation of these systems to a great extent. Despite extensive measures to secure data and bridge system malfunctions, faults and/or complete failures of computer and Internet systems cannot be excluded. Problems in data availability and defects or functional problems in the software and/or server failures due to hardware or software failure, accident, sabotage, phishing, or other reasons could lead to significant image and market disadvantages and compensation payments for the group.

  Throughout the group, considerable investments are made in the computer and IT equipment in order to ensure that the significant growth in business volume can be handled appropriately and that there is adequate protection against failures. The probability of occurrence of an event arising from the dependence on software and IT risk is considered very low, the possible extent of loss is considered low.

- Personnel risks

The extensive Group restructuring of FinTech Group, which continues in 2016, has resulted in changes in the organizational and operational structure and in communication processes that may initially harbor increased potential for errors and loss. FinTech Group uses the monitoring and communication processes established to limit these risks, which are mainly personnel-related risks. However, individual errors by individual employees can never be completely ruled out. We consider the probability of occurrence of an event arising from personnel risks to be very low and the possible extent of loss to be low.

- Legal risks

FinTech Group is a regulated provider of financial services in an environment with a rapidly changing (supervisory) legal framework. As such, legal violations can result in penalties being imposed or in litigation risk. FinTech Group counters these legal risks by continuously monitoring the legal environment, providing internal legal know-how, and by making use of external legal expertise when needed. We consider the probability of occurrence of an event arising from legal risks to be very low and the possible extent of loss to be low.

- Outsourced processes

Outsourcing exists when another company is charged with the exercise of activities and processes related to the implementation of financial services or other institu¬tion-typical services that otherwise would be provided by FinTech Group itself.

"Substantial outsourcing" within the meaning of § 25b para. 1 KWG and the MaRisk (AT 9) is when another company is commissioned with carrying out activities and processes that are essential to the practice of financial services or other institution-typical services. In these situations, increased requirements apply. The group has outsourced various activities of its business operations and allows these to be provided by external companies. FinTech Group has established external controlling which covers all relevant outsourcing contracts and necessary control activities are introduced as needed. All outsourcing contracts are also taken into account in the risk management of the Group. Only with regard to the control intensity is insignificant outsourcing not subject to the same high requirements as essential outsourcing.

In the outsourcing agreements concluded, service level agreements were agreed for all substantial outsourcing contracts. In addition, liability arrangements which enable the shifting of damage were agreed.

To limit its operational risks FinTech Group promotes a risk culture that ensures high ethical standards and a strong risk awareness in all relevant business processes among both the management and the employees of FinTech Group. In addition, the limitation of risks is one of the main objectives for all managers of FinTech Group within their areas of responsibility. In this context, every manager develops task-specific control processes and ensures that they are continually applied. In addition, FinTech Group conducts regular risk inventories which are updated as needed on an ad hoc basis and which are used to ensure the ongoing analysis and assessment of the operational risk of existing business processes.

The risk inventory of FinTech Group is currently still carried out in the form of a heat map which shows the risk assessments for all business segments considered to be material in a consistent form and which should be viewed as a precursor to a detailed risk map. The heat map risk assessments are used in the ongoing risk reporting of FinTech Group; they are also discussed with the supervisory body of the FinTech Group at the regular finalization meetings on the monthly risk reports (MRR).

Until the Group restructuring concludes in 2016, FinTech Group conservatively classifies its operational risks outlined above as having a medium likelihood of occurrence, while cautiously estimating a high level of risk.

Other risks

FinTech Group currently includes as other risks general business risks as well as reputational risks.

- General business risks due to its dependence on technological developments and customer behavior

  General business risks are risks that arise due to changed conditions. These include the market environment, customer behavior and technological progress.

  Technical developments and changing customer behavior can significantly influence the situation on the markets for financial services. This can open up opportunities for the financial products offered by FinTech Group, but on the other hand it may have a negative impact on demand for Group products and have the effect of reducing the Group's financial success.

  FinTech Group monitors the changes in the legal and regulatory environment and in the areas of customer behavior and technological progress with particular attention and is also considering the resulting strategic implications on an ongoing basis. The probability of occurrence of an event arising from the dependence on technological developments and customer behavior is considered very low, the possible extent of loss is considered low.

- Reputational risks

  For FinTech Group, reputational risk is the risk of negative economic impacts that arise from the company's reputation being damaged.

  The group companies are committed to achieving high customer loyalty through an excellent reputation so as to gain a competitive advantage over competitors. In addition to direct financial implications, many of the risks mentioned above involve the risk that the Group's reputation is damaged, with decreased customer loyalty leading to negative financial consequences for the Group.

  FinTech Group takes general business risks and reputational risks into account in its strategic objectives in particular and makes continuous use of its risk control processes to monitor the relevant environment. The associated risk assessments are carried out as part of the assessments of the Group's operational risk, which, until the Group restructuring is concluded in 2016, are conservatively classified as having a medium likelihood of occurrence, while a high level of risk is cautiously estimated.

The Executive Board's assessment of the overall risk and opportunities situation

We consider the assessment of the overall risk situation as a consolidated view of all significant risk categories and individual risks. The overall risk situation in 2015 is similar to the previous year. FinTech Group is convinced that neither any one of these individual risks nor the Group risks pose a threat to the company's continued existence as of the reporting date and the date of the consolidated financial statements.

FinTech Group is convinced that it can seize opportunities in the future without exposing itself to disproportionate risks. The overall aim is to strike a balance between risks and opportunities.

5. Internal control and risk management system in relation to the financial reporting process

The Supervisory Board of FinTech Group generally monitors the effectiveness of the internal control and risk management system (ICS) in accordance with § 107 para. 3 sentence 2 AktG. The scope and structure of the ICS are at the discretion of the Executive Board. The functionality and effectiveness of the ICS in the Group and the individual companies is regularly reviewed by the Executive Board. In addition, as part of a risk-oriented approach, the auditors review the effectiveness of the financial reporting of the relevant parts of the ICS.

The accounting-related ICS includes principles, procedures and measures to ensure the accuracy of financial reporting. It is continually being developed and aims to:

The consolidated financial statements of FinTech Group were prepared for the first time in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union, and the commercial regulations to be additionally observed pursuant to § 315a para. 1 HGB. In addition, the accounting-related ICS also aims to ensure that the financial statements of FinTech Group are prepared in accordance with commercial regulations.

It is generally true of any ICS that, regardless of how it is specifically designed, it does not provide absolute certainty that its objectives will be achieved. This means that the accounting-related ICS can thus give only a relative, not absolute, assurance that material misstatements are prevented or detected in the accounting.

The consolidated accounting and financial accounting and controlling departments control the processes for accounting and management reporting. Laws, accounting standards and other pronouncements are continuously analyzed with respect to whether and to what extent they are relevant and how they affect the accounting. Relevant requirements are written down, communicated and, together with the Group-wide financial reporting calendar, serve as the basis of the financial reporting process. This process is supported by standardized reporting formats, IT systems and IT-supported reporting and consolidation processes to achieve uniform and compliant Group accounting. If necessary, FinTech Group makes use of external service providers, in particular for the measurement of pension obligations. The companies included in the accounting process receive regular training. FinTech Group and the Group companies are responsible for ensuring that they comply with Group policies and procedures. The Group companies ensure their accounting processes and systems function properly and meet deadlines.

Internal controls and the consideration of risk aspects are implemented in the processes in the form of preventive and detective controls, such as

- IT-supported and manual coordination,
- Separation of functions, in particular of external and internal accounting,
- The principle of dual control
- Regularly monitored access system of the IT systems.

During the last fiscal year, the first-time consolidation of XCOM was subject to several controls: The balances taken over and the consolidation entries were tested multiple times and documented by audit-proof internal balance confirmations. A review for hidden reserves and debts took place with the assistance of an external auditing and consulting firm as part of a purchase price allocation which was carried out.

The consolidated accounting department is working on a Group accounting manual, which includes all the accounting rules relevant to the Group and a description of all processes necessary for controlling.

6. Other information

6.1. Responsibility statement by the Executive Board

We hereby affirm that, in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, financial and earnings position of the Group and that the consolidated management report includes a fair view of the development and performance of the business and the position of the Group corresponding to the actual situation of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

6.2. Declaration acc. to § 312 Section 3 of the AktG (German Stock Corporation Act)

Pursuant to § 312 para. 3 AktG, we declare that in all the legal transactions of our company with affiliated companies our company received an appropriate consideration for all legal transactions based on the circumstances known to us at the time at which the legal transactions were conducted. No measures were taken or omitted at the instigation or in the interests of the parent company or one of its affiliated companies.

Frankfurt, May 31, 2016

FinTech Group

Frank Niehage

CEO, Chairman of the Executive Board

Consolidated Financial Statement

IFRS Consolidated Statement of Financial Position as of December 31, 2015

in KEUR	Note	12/31/2015	12/31/2014	01/01/2014
Assets		**1,208,240**	**95,281**	**52,630**
Non-current assets		**64,999**	**9,354**	**8,185**
Intangible assets	23	54,256	5,107	5,387
Property, plant and equipment	24	5,354	1,042	1,299
Financial assets and other assets		440	0	1,000
Deferred taxes	21	4,949	3,205	499
Current assets		**1,142,067**	**85,927**	**44,445**
Inventories and works in progress	22	1,085	0	0
Trade receivables	29	30,002	5,263	9,291
Tax receivables		1,691	641	186
Other current financial assets	12	131,362	18,541	17,980
Cash loans and receivables	28	436,654	0	254
Cash and cash equivalents	13	541,273	61,482	16,734
Assets from discontinued operations	*9*	*1,174*	-	-
Liabilities		**1,208,240**	**95,281**	**52,630**
Equity		**85,856**	**50,082**	**35,993**
Subscribed capital	32	16,811	15,395	12,465
Capital reserves	32	49,367	30,474	16,243
Retained earnings	32	6,989	4,213	7,285
Minority interests	32	12,689	0	0
Non-current liabilities		**16,324**	**36**	**17**
Long-term borrowings	14	7,208	0	0
Other non-current liabilities	16	4,348	0	0
Deferred tax liabilities	21	4,768	36	17
Current liabilities		**1,106,060**	**45,163**	**16,620**
Trade payables		13,356	1,624	3,051
Liabilities to customers	15	947,278	0	0
Other financial liabilities	15	127,421	41,814	13,091
Tax provisions		8,533	502	54
Other provisions	27	9,472	1,223	424

IFRS Consolidated Statement of Financial Position (detailed) as of December 31, 2015

ASSETS in EUR	**as of 12/31/2015**	**as of 12/31/2014**	**as of 1/1/2014**
Non-current assets	**64,998,501.93**	**9,354,629.56**	**8,184,455.98**
Intangible assets	54,255,637.88	5,107,163.21	5,387,302.15
Goodwill	28,779,762.28	3,671,070.45	3,664,370.44
Internally-generated intangible assets	17,153,276.49	83,315.00	0.00
Customer relationships	5,944,062.50	0.00	0.00
other intangible assets	2,378,536.61	1,352,777.76	1,722,931.71
Property, plant and equipment	5,354,294.70	1,042,414.00	1,298,614.00
Financial assets and other assets	439,622.00	0.00	1,000,000.00
Held-to-maturity investments	0.00	0.00	0.00
Active difference from asset allocation	439,622.00	0.00	0.00
Loans and receivables	0.00	0.00	1,000,000.00
Deferred taxes	4,948,947.35	3,205,052.35	498,539.83
Current assets	**1,142,067,357.44**	**85,925,984.28**	**44,445,837.98**
Inventories and works in progress	1,085,176.49	0.00	0.00
Trade receivables	30,001,716.28	5,262,588.82	9,290,554.75
Tax receivables	1,691,158.89	641,135.87	185,863.17
Other current financial assets	568,016,054.23	18,540,707.73	18,235,272.98
Available-for-sale financial assets	130,572,426.89	324,128.00	259,721.23
Financial instruments carried at fair value through profit or loss	790,113.45	18,216,579.73	17,721,119.07
Cash loans and receivables	436,653,513.89	0.00	254,432.68
Cash and cash equivalents	541,273,251.55	61,481,551.86	16,734,147.08
Cash reserve-Cash on hand	36,367,432.54	3,778.04	2,891.04
Cash reserve-Balances with central banks	415,523,256.76	5,298,815.27	100,200.00
Receivables owed by credit institutions maturing daily	89,382,562.25	56,178,958.55	16,631,056.04
Assets from discontinued operations	1,173,719.14		
Total assets	**1,208,239,578.51**	**95,280,613.84**	**52,630,293.96**

LIABILITIES in EUR	**as of 12/31/2015**	**as of 12/31/2014**	**as of 1/1/2014**
Equity	**85,856,467.51**	**50,081,932.68**	**35,993,343.53**
Subscribed capital	16,810,876.00	15,394,815.00	12,465,287.00
Capital reserves	49,367,287.74	30,474,066.24	16,242,711.45
Retained earnings	6,989,164.08	4,213,051.44	7,285,345.08
Minority interests	12,689,139.69	0.00	0.00
Liabilities	**1,122,383,111.00**	**45,198,681.16**	**16,636,950.43**
Non-current liabilities	16,324,175.02	36,303.99	16,961.38
Long-term borrowings	7,208,318.00	0.00	0.00
Other non-current liabilities	4,348,135.00	0.00	0.00
Deferred tax liabilities	4,767,722.02	36,303.99	16,961.38
From discontinued operations	0.00	0.00	0.00
Current liabilities	1,106,058,935.98	45,162,377.17	16,619,989.05
Trade payables	13,355,372.63	1,624,034.26	3,051,214.60
Liabilities to customers	947,278,335.42	0.00	0.00
Other financial liabilities	127,420,305.79	41,813,689.02	13,090,647.85
Tax provisions	8,533,391.05	502,092.16	54,384.93
Other provisions	9,471,531.09	1,222,561.73	423,741.67
Total equity and liabilities	**1,208,239,578.51**	**95,280,613.84**	**52,630,293.96**

IFRS Consolidated Income Statement
for the fiscal year from January 1, 2015 to December 31, 2015

in KEUR	Note	2015	2014
Revenues	17	75,191	17,140
Raw materials and consumables used		13,568	498
Personnel expenses	18	23,785	3,672
Marketing expenses	19	2,878	823
Other administrative expenses	19	15,055	8,523
Impairment of financial assets	28	167	0
Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA)		**19,738**	**3,624**
Depreciation and amortization	23+24	2,499	404
Consolidated earnings before interest and income tax (EBIT)		**17,239**	**3,220**
Financial results	20	-2,670	-115
Consolidated earnings before income tax (EBT)		**14,569**	**3,105**
Income tax expense	21	971	-2,488
Consolidated earnings from continuing operations		**13,598**	**5,593**
Earnings from discontinued operations	11	-15,756	-13,342
Consolidated earnings		**-2,159**	**-7,749**
Of which attributable to:			
the shareholders of FinTech Group		-1,746	-7,749
the minority shareholders		-412	-

IFRS Consolidated Income Statement (detailed) for the fiscal year from January 1, 2015 to December 31, 2015

in EUR	2015	2014
Revenues	75,190,787.31	17,139,748.26
Raw materials and consumables used	13,567,595.84	498,110.61
Staff costs	23,785,224.21	3,671,978.92
Marketing expenses	2,877,750.55	823,036.94
Other operating expenses	15,055,311.90	8,522,713.16
Impairment of financial assets	166,671.53	0.00
Earnings before depreciation (EBITDA)	**19,738,233.28**	**3,623,908.63**
Depreciation expenses	2,498,791.05	403,613.16
Operating results (EBIT)	**17,239,442.23**	**3,220,295.47**
Other financial income	4,899.10	-104,510.00
Other financial expenses	2,675,829.97	11,203.23
Earnings before taxes (EBT)	**14,568,511.36**	**3,104,582.24**
Income taxes	970,666.72	-2,488,296.90
Net profit	**13,597,844.64**	**5,592,879.14**
Income from discontinued activities	-15,756,425.77	-13,342,376.79
Net profit incl. discontinued activities	**-2,158,581.13**	**-7,749,497.65**
Minority shareholders' share of income	-412,421.37	
Majority shareholders' share of income	-1,746,159.76	-7,749,497.65

IFRS Consolidated Statement of Comprehensive Income for the fiscal year from January 1, 2015 to December 31, 2015

in KEUR	Note	2015	2014
Consolidated earnings		-2,159	-7,749
Other earnings, items that will not be reclassified to profit or loss in the future			-
Refunds/revaluation of plan assets	26	-184	-
Actuarial gains	26	6,422	-
Items that will be reclassified to profit or loss in the future:			
Adjustments to the bond portfolio		596	-
Deferred taxes	21	-2,290	-
Comprehensive income		**2,385**	**-7,749**

IFRS Consolidated Cash Flow Statement as of December 31, 2015

in KEUR	2015	2014
Profit for the period (consolidated profit/loss, including profit attributable to other shareholders)	-2,159	-7,750
Depreciation and amortization/appreciation on fixed assets	7,483	779
Increase/decrease in provisions	2,838	799
Other non-cash expenses/income	185	-
Increase/decrease in inventories, trade receivables and other assets that are not attributable to investment or financing activities	15,769	1,561
Increase/decrease in trade liabilities and other liabilities that are not attributable to investment or financing activities	-75,612	27,851
Cash flow from operations	**-51,496**	23,240
Payments for investments in intangible assets	-1,868	-104
Payments for investments in fixed assets	-1,809	-227
Proceeds from the disposal of financial assets	-	-
Payments for investments in financial assets	-1,071	-
Payments for additions to the group of consolidated companies	-43,559	-
Cash flow from investing activities	**-48,307**	-331
Proceeds from equity injections by shareholders of the parent company	20,084	21,838
Proceeds from equity injections by third parties	74	-
Proceeds from issuing bonds and taking out (financial) loans	-	-
Cash flow from financing activities	**20,158**	21,838
Change in cash and cash equivalents	-79,646	44,748
Change in cash and cash equivalents due to a change in the group of consolidated companies	559,437	-
Cash and cash equivalents at the beginning of the periods	61,482	16,734
Cash and cash equivalents at the end of the period	**541,273**	61,482

IFRS Statement of Changes in Group Equity as of December 31, 2015

in KEUR	Subscribed capital	Capital reserves	Consolidated retained earnings	Actuarial gains/ losses	Gains/losses from financial instruments measured at fair value through profit or loss in other earnings	Total	Minority shares	Total equity
As of 1/1/2014	**12,465**	**16,243**	**7,285**	**-**	**-**	**35,993**	**-**	**35,993**
Issue of shares	2,000	14,026	-	-	-	16,026	-	16,026
Purchase/sale of treasury shares	930	205	4,677	-	-	5,812	-	5,812
Consolidated net loss	-	-	-7,750	-	-	-7,750	-	-7,750
As of 12/31/2014	**15,395**	**30,474**	**4,212**	**-**	**-**	**50,081**	**-**	**50,081**
Issue of shares	1,416	18,668	-	-	-	20,084	-	20,084
Contributions into/ withdrawals from capital reserves	-	225	-	-	-	225	-	225
Changes in the group of consolidated companies	-	-	-	-	-	-	13,102	13,102
Comprehensive income	-	-	-	4,127	396	4,523	-	4,523
Consolidated net loss	-	-	-1,746	-	-	-1,746	-413	-2,159
As of 12/31/2015	**16,811**	**49,367**	**2,466**	**4,127**	**396**	**73,167**	**12,689**	**85,856**

List of Abbreviations

AC/PC	Acquisition cost/production cost
AFE situation	Asset, financial and earnings situation
afs	Financial assets "available for sale"
AGM	Annual General Meeting
CfD	Contract for difference
CGU	Cash-generating unit
CODM	Chief Operating Decision Maker
DAX	Deutscher Aktienindex (German stock index)
DCF	Discounted cash flow
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EBT	Earnings before taxes
FTG	FinTech Group
hft	Financial instruments "held for trading" (measured at fair value through profit or loss)
HGB	Handelsgesetzbuch (German Commercial Code)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IFRS IC	IFRS Interpretations Committee
IS	Income Statement
M&A	Mergers & Acquisitions
MIR	Market interest rate
ST & FS	Securities Trading & Financial Services
TecDax	German technology stock index
TP & WLBS	Transaction Processing & White Label Banking
WACC	Weighted average cost of capital
XCOMp	XCOMpetence AG

Notes to the Consolidated Financial Statement as of December 31, 2015

Note 1 Information on the Company

This consolidated financial statement is that of FinTech Group and its subsidiaries (jointly referred to as the “Group”). The direct parent company is GfBk Gesellschaft für Börsenkommunikation mbH, headquartered in Bayreuth, with the ultimate parent company of the corporate group being BFF Holding GmbH, also headquartered in Bayreuth.

FinTech Group is a company established in Germany and having its headquarters at Rotfeder-Ring 5, 60327 Frankfurt.

The group’s business activities relate to the supply of innovative technologies in the financial sector and the online brokerage market, as well as the provision of financial services.

The preparation of the consolidated financial statement was completed on May 31, 2016; the consolidated financial statement will likely be submitted to the Supervisory Board for approval prior to its publication on June 15, 2016. Once it has been published, it will no longer be possible to make any changes to the consolidated financial statement.

Note 2 Fundamentals of the preparation of the consolidated financial statement

This consolidated financial statement is the first consolidated financial statement of FinTech Group prepared in accordance with IFRS and is in full compliance with the IFRS applicable within the European Union and the supplementary provisions of commercial law applicable pursuant to Section 315a of the HGB. The consolidated financial statement of FinTech Group is based on the assumption of its continued existence as a going concern.

Note 3 Scope of consolidation

The consolidated financial statement comprises the financial statements of FinTech Group (up to August 6, 2014: flatex Holding AG) and all of subsidiaries controlled by it. No joint arrangements or associated companies exist.

Overview of scope of consolidation for flatex Holding AG as of January 1, 2014:

- AKTIONÄRSBANK Kulmbach GmbH

- flatex GmbH, Kulmbach (100 %)

- KochBank GmbH, Frankfurt (100 %)
- CeFDex AG, Frankfurt (100 %)
- flatex & friends GmbH, Kulmbach (100 %)
- MYFONDS.DE GmbH, Kulmbach (100 %)

Changes in scope of consolidation in fiscal year 2014:

- The subsidiary KochBank was merged with the subsidiary CeFDex AG.

Overview of scope of consolidation for FinTech Group as of December 31, 2014:

- AKTIONÄRSBANK Kulmbach GmbH, Kulmbach (100 %)
- flatex GmbH, Kulmbach (100 %)
- CeFDex AG (since February 11, 2015: CeFDex GmbH), Frankfurt (100 %)
- flatex & friends GmbH, Kulmbach (100 %)
- MYFONDS.DE GmbH, Kulmbach (100 %)

Changes in scope of consolidation in fiscal year 2015:

- XCOM AG was included within the scope of consolidation as of the closing date March 31, 2015.
- CeFDex GmbH (up to February 11, 2015: CeFDex AG) was merged with flatex & friends GmbH with effect as of November 1, 2015.
- MYFONDS.DE GmbH was excluded from the scope of consolidation as of February 12, 2015.

Overview of scope of consolidation for FinTech Group as of December 31, 2015:

- AKTIONÄRSBANK Kulmbach GmbH, Kulmbach (100 %)
- flatex GmbH, Kulmbach (100 %)
- flatex & friends GmbH, Kulmbach (100 %)
- XCOM AG, Willich (63,65 %)

XCOM AG, for its part, has indirect and direct equity investments in the following companies:

- XCOM Finanz GmbH, Willich (100 %)
- biw Bank für Investments und Wertpapiere AG, Willich (100 %)
- ViTrade GmbH, Willich (100 %)
- XCOMpetence AG, Willich (100 %)
- Xervices GmbH, Willich (100 %)
- BrokerPort AG, Willich (100 %)
- XCOM Trading Services GmbH, Willich (100 %)
- b2clear GmbH, Willich (80 %)

As of December 31, 2015, FinTech Group directly held 63.65 % of the shares in XCOM AG. flatex & friends GmbH for its part also directly holds an interest in XCOM AG, Willich (0.76 %), as does Bank für Investments und Wertpapiere AG (2.25 %), with the result that FinTech Group holds a total of 66.66 % of the shares in XCOM AG.

As was the case as of December 31, 2014, no joint arrangements or associated companies existed as of December 31, 2015.

Note 4 Explanations with regard to accounting policies

Business combinations and consolidation

Business combinations are recorded in accordance with the provisions of IFRS 3.

In the first-time consolidation context, identifiable assets and liabilities are measured at their fair value at the time of their acquisition. Shares of minority shareholders are recognized in the amount of the proportion they represent of the fair value of the assets and liabilities. Acquisition cost is directly recorded as an expense. Where offsetting results in a differential amount under assets, this is reported as derivative goodwill. The results of acquired subsidiaries are included on the basis of the duration of their affiliation with the group, i.e. as of the date of their acquisition (attainment of possibility of exercising control).

Inventories

Inventories are measured at their acquisition or production cost or – where this is lower as of the closing date – at their net realizable value.

Research and development costs

Research costs are recorded as an expense in profit or loss. Development costs are capitalized where they can reliably be ascertained, and the product or process to which they relate is capable of realization in technical and economic terms and is likely to be of economic benefit in the future. The first-time capitalization of these costs will be based on the assumption that such capability of realization in technical and economic terms has been established. This will generally be the case where a project has reached a certain milestone previously defined in the context of the project management model applied by the group. In addition to the availability of sufficient resources, there must be an intention within the Group to conclude the development stage and use or sell the asset in question. Once projects are completed, development costs are depreciated over a period of time commensurate with the duration of the project in question, from the date of the accrual of the economic benefit. Impairment testing is carried out on an annual basis, with future accruals of economic benefit being substantiated through the application of appropriate business cases. Here, the commencement of the product development process may be defined as the outcome of basic research or in the context of a non-exclusive customer order, whereby the corresponding research services are strictly to be recorded under expenses.

Intangible assets acquired for valuable consideration

Acquired software, licenses and industrial property rights are accounted for at their acquisition cost and depreciated on a straight line basis over their expected useful lives.

Various intangible assets were identified and valued in the context of the allocation of the purchase price for the acquisition of XCOM AG in 2015:

- Technology and software: The expected useful life over the course of which these items are depreciated amounts to 8 years.

- Customer relationships: These are depreciated on a straight line basis over a period of between 16 and 20 years.

- Trademarks: These are depreciated on a straight line basis over a period of 10 years.

Where appropriate indications therefor exist, these assets are subjected to impairment testing. However, there were no such indications as of the end of 2015.

Property, plant and equipment

Property, plant and equipment which is subject to wear and tear and is in use for more than one year are measured at their amortized cost. Property, plant and equipment is depreciated on a straight line basis over its useful life. Maintenance and repair costs are recorded as expenses for the period. Where there are indications of impairment and the recoverable amount is lower than the amortized acquisition or production cost, the property, plant and equipment is depreciated to the recoverable amount.

Impairments

The book values of the property, plant and equipment and the intangible assets are examined for indications of impairment as of every reporting date. Where any such indications can be discerned, the recoverable amount for the asset in question is calculated with a view to identifying the extent of any possible impairment expense. To the extent that the recoverable amount cannot be calculated at the level of the individual asset, the calculation is carried out at the level of the cash-generating unit (CGU) to which the asset in question is allocated, with assets being apportioned to the individual CGUs or the smallest grouping of CGUs, as the case may be, on an appropriate and consistent basis.

In the case of intangible assets with an indefinite useful life or those which have not yet been eligible for use, impairment testing is carried out on at least an annual basis, where indications of impairment (triggering events) exist. However, there were no such indications in the fiscal year under review.

The derivative goodwill is not subject to scheduled depreciation, rather is tested for impairment on the basis of the recoverable amount for the CGU to which it is allocated. To this end, the goodwill acquired in the context of a business combination is allocated to each individual CGU which is likely to benefit from synergies resulting from the merger. In this regard, the maximum size of the CGU in question will be commensurate with the significance of the operational segment in the context of the internal procedures for the reporting to the primary decision-making body, thereby establishing a link to the internal reporting system. Impairment testing will be carried out at least once a year as of the balance sheet date, and also where indications of impairment on the part of the CGU exist. However, there were no such indications in the fiscal year under review.

In the event that the book value of the CGU to which the derivative goodwill has been allocated exceeds the recoverable amount therefor, this allocated derivative goodwill will be depreciated in the amount of the ascertained difference between those two amounts. Any impairments carried out on the derivative goodwill may not be reversed. Where the differential amount ascertained for the CGU exceeds the book value of the derivative goodwill allocated to it, the book values of the assets allocated to the CGU will be subjected to impairments on a pro rata basis in the amount of the remaining impairment amount.

Financial instruments

Financial assets and liabilities are recognized where the group has a contractual right to receive cash or other financial assets from another party or is subject to a contractual obligation to transfer a financial asset to another party. Financial assets and financial liabilities are recognized as of the point in time at which the Group becomes a contractual party to the financial instrument. Financial assets which are acquired or disposed of on standard market terms are generally accounted for as of the trading day.

The Group's financial instruments are divided into the following categories, which at the same time may be viewed as classes within the meaning of IFRS 7:

- Loans and receivables
- Financial assets measured at fair value through profit or loss
- Financial assets available for sale

- Financial liabilities measured at amortized cost
- Financial liabilities measured at fair value through profit or loss

There are no financial investments held to maturity.

The categorization of the financial instruments will depend on the type and intended purpose of the financial assets and liabilities and will occur upon accrual. These financial instruments will be measured at their fair value when being reported for the first time.

“Loans and receivables” comprise cash, trade receivables, overdraft facilities granted to customers and issued loans. These are measured at their amortized acquisition cost in accordance with the effective interest rate method. Any impairments are accounted for in profit or loss.

“Financial assets measured at fair value through profit or loss” comprise financial instruments in the trading portfolio. These are measured at their fair value through profit or loss.

“Financial assets available for sale” comprise equity interests, bonds and fixed-income securities. These are measured at their fair value; in the absence of any impairments, any changes in the measurements for the current period will be reported directly in equity.

“Financial liabilities measured at amortized cost” comprise fallen customer deposits, trade payables (accounts payable) and loans payable. These are measured at their amortized acquisition cost in accordance with the effective interest rate method.

“Financial liabilities measured at fair value through profit or loss” comprise financial liabilities in the trading portfolio. These are measured at their fair value through profit or loss.

Income taxes

The income tax expense for the period comprises current taxes, on the one hand, and deferred taxes, on the other hand. Taxes are recorded in the income statement, except where they relate to line items which are recorded under other comprehensive income, in which case the taxes will likewise be recorded under other comprehensive income. Current taxes are calculated on the basis of the profit or loss realized in the fiscal year in question, which is calculated in accordance with the applicable tax regulations.

In the case of deferred taxes, deferred items are established which reflect the difference between the values of the existing assets and liabilities taken as a basis for the consolidated financial statements and the values recognized for tax purposes. Deferred tax assets are recognized to the extent that it is probable that these will generate future income against which the deductible temporary differences, any unused tax losses and any unused tax credits may be offset. The capitalization of deferred tax assets relating to loss carryforwards is subject to a special rule: These may only be capitalized where it is highly likely that sufficient taxable profits will be available in the future for offsetting the losses.

Deferred tax assets and liabilities will be offset where a legally enforceable right exists to offset actual tax assets against actual tax liabilities, and where the deferred tax assets and the deferred tax liabilities relate to income tax levied by one and the same tax authority on one and the same taxpayer or on a number of taxpayers, should the balance to be settled on a net basis.

Defined benefit plans

The Group values claims arising out of defined benefit plans using the projected unit credit method. In calculating the net present value of future benefit claims for services already provided, the Group takes future increases in salary and pensions. Actuarial gains and losses arising out of adjustments to the discount rate, for example, are recorded under other comprehensive income for the period in which they accrue.

Provisions

A provision will be recognized where the Group is subject to a current de facto or legal obligation arising as a result of a past event, the outflow of resources of economic benefit for the satisfaction of the obligation is likely, and it is possible to reliably estimate the extent of the obligation. Provisions with residual maturities of more than one year are discounted.

Recognition of revenues

Revenues are recognized on the basis of a corresponding agreement once the products in question have been placed, the amount of the remuneration can reliably be ascertained, no material obligations exist vis-à-vis the customer and the collection of the receivable is deemed likely. The net amount after deduction of any discounts, customer incentives and rebates is recorded as revenue.

Interest is recorded on a pro rata temporis basis having regard to any period-end accruals. Operating expenses are recorded in profit or loss upon the availability of the service in question or upon their accrual, as the case may be.

Leasing

A lease is an agreement pursuant to which the lessor assigns a right to use an asset to the lessee for a stipulated period of time in return for a payment or a series of payments of consideration. The issue of the attribution of the subject matter of the lease will depend on whether the matter relates to a finance lease or an operating lease. In the case of a finance lease, essentially all of the risks and opportunities associated with ownership of the subject matter of the lease will be assigned to the lessee. Operating leasing – in the sense of a negative delimitation – involves leases which are not finance leases. The group acts solely in the capacity of lessee in this regard.

Earnings per share

The undiluted earnings per share were calculated by dividing the amount of the group results attributable to the shareholders of the parent company by the weighted average number of the shares of the share capital outstanding during each individual period. The diluted earnings per share were calculated by extending the dividing denominator by the weighted average number of additional shares which may potentially have been created during the period in question on the basis of options issued out of authorized or conditional capital.

Note 5

Changes in accounting policies – amended standards and interpretations

The first-time application of the following interpretation is mandatory for consolidated financial statements as of December 31, 2015 prepared in accordance with IFRS:

IFRIC 21 Levies

IFRIC 21 was published on May 20, 2013 and its application is mandatory for fiscal years beginning on or after June 17, 2014. IFRIC 21 contains guidelines for determining when a liability is to be reported in connection with a levy imposed by a governmental body. IFRIC 21 applies to both levies which are accounted for as provisions, contingent liabilities and contingent assets in accordance with IAS 37, and levies where the period to which they relate and their amount are unknown. The provisions of IFRIC 21 are not of relevance for the FinTech Group.

The first-time application of the following amendments of standards and interpretations is mandatory for consolidated financial statements as of December 31, 2015 prepared in accordance with IFRS:

IFRS 1 First-time adoption of International Financial Reporting Standards

The amendment was published on December 12, 2013 and its application is mandatory for fiscal years beginning on or after January 1, 2015. The amendment clarifies the option available to companies to either apply the currently mandatorily applicable IFRS or to apply new or amended IFRS, the application of which is not yet mandatory in the context of the first-time preparation of their financial statements in accordance with IFRS. The provisions of IFRS 1 are fundamentally of relevance for the FinTech Group. The amendment did not give rise to any material changes during the reporting year.

IFRS 3 Business combinations

The amendment was published on December 12, 2013 and its application is mandatory for fiscal years beginning on or after January 1, 2015. The amendment comprises a clarification of the scope of application of IFRS 3, pursuant to which the establishment of all manner of joint arrangements will fall outside of the scope of application of IFRS 3, whereby such exclusion from the scope of application of this standard will apply only to the joint arrangement itself and not to the financial statements of the companies which are party to that joint arrangement. The provisions of IFRS 3 are fundamentally of relevance for the FinTech Group. The amendment did not give rise to any material changes during the reporting year.

IFRS 13 Fair value measurement

The amendment was published on December 12, 2013 and its application is mandatory for fiscal years beginning on or after January 1, 2015. The changes specify the scope of application of the portfolio exceptions in IFRS 13.52. The provisions of IFRS 13 are fundamentally of relevance for the FinTech Group. The amendment did not give rise to any material changes during the reporting year.

IAS 40 Investment property

The amendment was published on December 12, 2013 and its application is mandatory for fiscal years beginning on or after January 1, 2015. The changes specify the delimitation of IFRS 3 und IAS 40. The provisions of IAS 40 are fundamentally of relevance for the FinTech Group. The amendment did not give rise to any material changes during the reporting year.

New standards and interpretations, the application of which is not yet mandatory

The IASB or the IFRS IC, as the case may be, have issued the following standards and interpretations and amendments of existing standards, the application of which is not yet mandatory for the FinTech Group. The group has opted against early application of these standards:

Standard/ Interpretation	Publication date	Amendment/ new regulation	Date of application (EU)	EU endorsement
IFRS 9 "Financial instruments"	July 24, 2014	Guidance on accounting for financial instruments	Fiscal years beginning on or after January 1, 2018	no
IFRS 14 „Regulatory deferral accounts"	January 30, 2014	Accounting requirements for the formation of regulatory deferral accounts	Fiscal years beginning on or after January 1, 2016	no
IFRS 15 „Revenue from contracts with customers"	May 28, 2014	Accounting requirements for the timing and amount of revenue recognition	Fiscal years beginning on or after January 1, 2018	no
Amendment to IFRS 10 and IAS 28	September 11, 2014	Sale or transfer of assets between an investor and an associate or joint venture	Fiscal years beginning on or after January 1, 2016	no
Amendment to IFRS 10, IFRS 12 and IAS 28	December 18, 2014	Application of the exception to the consolidation obligation for investment companies	Fiscal years beginning on or after January 1, 2016	no
Amendment to IAS 19	November 21, 2013	Defined benefit plans: Employee contributions	Fiscal years beginning on or after February 1, 2015	yes
Improvements to IFRS (2010-2012)	December 12, 2013	Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 7, IAS 16/38 and IAS 24	Fiscal years beginning on or after February 1, 2015	yes
Amendment to IAS 16 and IAS 41	June 30, 2014	Accounting for fruit-bearing plants	Fiscal years beginning on or after January 1, 2016	yes
Amendment to IFRS 11	May 6, 2014	Guidance on accounting for the acquisition of interests in jointly controlled operations	Fiscal years beginning on or after January 1, 2016	yes
Amendment to IAS 16 and IAS 38	May 12, 2014	Application of revenue-based depreciation method	Fiscal years beginning on or after January 1, 2016	yes
Improvements to IFRS (2012-2014)	September 25, 2014	Amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	Fiscal years beginning on or after January 1, 2016	yes
Amendment to IAS 1	December 18, 2014	Clarifications of specific notes	Fiscal years beginning on or after January 1, 2016	yes
Amendment to IAS 27	August 12, 2014	Reintroduction of the option to apply the equity method in the individual financial statements of an investor for shares of subsidiaries, joint ventures and associates	Fiscal years beginning on or after January 1, 2016	yes

All of the above-mentioned standards and interpretations and amendments of existing standards are – to the extent that they are of substantive relevance – earmarked for application by the FinTech Group no earlier than the date of their mandatory first-time application. The implications for the consolidated financial statement of the future application of IFRS 9 and IFRS 15 are as yet an unknown quantity and are currently under review. As things currently stand, the Group does not expect the future application of more extensive amendments thereof to have any material effect on its consolidated financial statement.

Note 6 Estimates and assumptions

The preparation of the consolidated financial statement in accordance with IFRS calls for the adoption of assumptions and the use of estimates having an impact on the amount and the disclosure of the assets and liabilities and income and expenses on the balance sheet. All available information is taken into account in this regard. The assumptions and estimates in question largely relate to the stipulation of useful lives in a consistent manner throughout the Group, the calculation of the recoverable amounts for impairment testing of individual CGUs and the recognition and measurement of provisions. The uncertainty affecting estimates arising out of the currently strained interest rate situation in the financial markets is also of particular importance; this particularly relates to the amount of the reported pension provisions. Actual values may thus diverge from the estimates made. New information is taken into account as soon as it becomes available. As at the time of the preparation of the consolidated financial statement, it is not expected that the assumptions or estimates will be subject to material changes.

Note 7 First-time adoption of IFRS und reconciliations

Business combinations

In the case of business combinations undertaken prior to the transition to IFRS, IFRS 1.C4 provides for the simplifying option to dispense with a retrospective application of IFRS 3. The Group has exercised this option and thus retained the consolidation method applied by it to date, such that both the classification of the business combinations and the accounting treatment of the derivative goodwill revealed through the consolidation entries remains unchanged.

The amount of derivative goodwill of KEUR 3,671 reported on the opening balance sheet as of January 1, 2014 prepared in accordance with IFRS differs from that reported in the most recent consolidated financial statement prepared in accordance with the HGB (KEUR 3,603); this discrepancy is largely due to depreciation undertaken in previous years in accordance with the HGB.

The assets and liabilities recognized upon the first-time capital consolidation in accordance with the HGB are viewed as initial measurement values. From this point in time onwards, these are measured as deemed cost in accordance with IFRS and correspondingly included on the opening balance sheet as of January 1, 2014 prepared in accordance with IFRS as amortized deemed cost.

Categorization of financial instruments

The categorization of financial instruments upon their first-time reporting is a decisive factor for their measurement in subsequent periods. Pursuant to IFRS 1.D19, companies have the option of undertaking such categorization on the opening balance sheet prepared in accordance with IFRS in part independently of the previous manner of reporting adopted in accordance with the previously applied rules. The Group exercises this option as follows:

- Allocation to the category "Loans and receivables" only where the criteria for allocation to this category were met upon their being reported for the first time in accordance with IAS 39.
- Allocation to the category "Financial assets measured at fair value through profit or loss" where certain criteria are met as of the date of the opening balance sheet prepared in accordance with IFRS.
- Allocation to the category "Financial assets available for sale" where certain criteria are met as of the date of the opening balance sheet prepared in accordance with IFRS.

The financial instruments allocated to the category "Financial assets available for sale" on the basis of the circumstances prevailing as of the date of the opening balance sheet prepared in accordance with IFRS had the following fair values as of January 1, 2014, and were previously categorized as follows and previously had the following book values:

in KEUR	**Previous classification**	**Previous book value (HGB)**	**Fair value as of 01/01/2014 (IFRS)**
Available-for-sale financial assets	Non-current assets	227	260
Financial instruments carried at fair value through profit or loss	Current assets	17,721	17,721

Reconciliation of closing balance sheet prepared in accordance with HGB (December 31, 2013) to opening balance sheet prepared in accordance with IFRS (January 1, 2014)

in KEUR

Equity according to HGB as of 12/31/2013		**30,501**
Amortization of goodwill	**86**	
Different measurement of securities	**33**	
Deferred taxes on temporary differences	**-11**	
Reclassification of funds for general bank risks into equity	**5,384**	**5,492**
Equity according to IFRS as of 01/01/2014		**35,993**

Reconciliation of balance sheet prepared in accordance with HGB (December 31, 2014) to balance sheet prepared in accordance with IFRS (December 31, 2014)

in KEUR

Equity according to HGB as of 12/31/2014		**44,746**
IFRS adjustments as of 01/01/2014		**5,492**
Amortization of goodwill	**737**	
Different measurement of securities	**-29**	
Deferred taxes	**545**	
Dissolution of the fund for general bank risks	**-634**	
Expenses related to the acquisition of XCOM	**-775**	**-156**
Equity according to IFRS as of 1/1/2015		**50,082**

Reconciliation of income statement prepared in accordance with HGB (2014) to statement of profit or loss and other comprehensive income prepared in accordance with IFRS (2014)

in KEUR	IFRS 2014	HGB 2014	Difference
Expenses related to the acquisition of XCOM	-775	0	**-775**
Amortization of goodwill	0	-737	**737**
Dissolution of the fund for general bank risks	0	634	**-634**
Different measurement of securities	-29	0	**-29**
Deferred taxes	545	0	**545**
Total deviations in earnings			**-156**
Consolidated earnings after taxes	**-7,749**	**-7,593**	**-156**

Explanations with regard to reconciliations of equity and differences in results:

- Derivative goodwill is recognized in accordance with IFRS 3 using the so-called "impairment-only approach". It is subjected not to scheduled depreciation, rather to impairment testing.

- Securities are measured at their fair value directly in equity in line with the categorization in accordance with IAS 39.

- Due to the divergent measurement in accordance with IFRS as compared to the values reported for tax purposes, deferred taxes were recognized on the basis of the resultant temporary differences.

- The "Fund for general bank risks" risk provisioning item established in accordance with Section 340g of the HGB was reclassified under equity on the opening balance sheet as of January 1, 2014 prepared in accordance with IFRS; in the financial statement prepared in accordance with the HGB in 2014, a (partial) dissolution of the fund in profit or loss was undertaken.

- Expenses related to acquisitions are to be recorded in profit or loss in accordance with the provisions of IFRS 3.

Explanations with regard to cash flow statement:

in KEUR	IFRS 2014	HGB 2014	Difference
1. Cash flow from operations	23,240	5,970	**17,270**
2. Cash flow from investing activities	-331	-336	**5**
3. Cash flow from financing activities	21,838	21,838	**0**
4. Change in cash and cash equivalents	44,748	27,472	**17,276**
5. Cash and cash equivalents at the beginning of the period	16,734	19,149	**-2,415**
6. Cash and cash equivalents at the end of the period	61,482	46,621	**14,861**

All receivables owed by credit institutions were allocated to cash and cash equivalents in accordance with IFRS. The amount of the discrepancy as regards the amount of cash and cash equivalents reported in accordance with the HGB relates, in particular, to receivables owed by credit institutions with residual maturity of up to three months, which were reported as "Other receivables" pursuant to HGB accounting rules and not allocated to cash and cash equivalents in the consolidated financial statement prepared in accordance with the HGB.

Securities previously allocated to financial assets in accordance with the HGB have been allocated to current assets in accordance with IFRS. Disbursements for the acquisition of these securities are thus allocated to cash flow from ordinary business activities.

Note 8 Business combinations

No business combinations occurred in fiscal year 2014.

In fiscal year 2015, FinTech Group acquired a majority interest (direct acquisition of 51.12 % of the shares carrying voting rights) in XCOM AG, with the date of acquisition or first-time consolidation being March 31, 2015. In December 2015, the direct shareholding of FinTech Group was increased to 63.65 % by way of capital increase.

Its acquisition of XCOM AG represents a further step by FinTech Group towards becoming one of the leading providers of financial services technology within Europe. The Group expects to realize significant benefits in terms of technological advancement as a result of this acquisition, as well as cost savings due to synergy effects. These qualitative factors were also included in the valuation of the purchase price paid for the acquisition of XCOM AG. Taking account of the deferred taxes in the amount of KEUR 1,150, the derivative goodwill resulting from the transaction amounts to KEUR 28,780. The reported amount of goodwill is not of any relevance from an income tax perspective.

The purchase price for the acquisition of XCOM AG amounted to KEUR 43,559. There were no other purchase price components.

There were the following amounts of acquired identifiable assets and liabilities as of March 31, 2015:

in KEUR	3/31/2015
Cash and cash equivalents	557,653
Property, plant and equipment	4,415
Registered brand names	700
Customer relationships	6,200
Technology and software	16,300
Licenses	802
Held-for-sale financial assets	80,390
Inventories	1,168
Receivables	503,762
Deferred taxes	6,622
Subtotal	**1,178,012**
Trade payables and other liabilities	1,132,636
Pension provisions	16,742
Loans payable	6,083
Deferred taxes	7,772
Subtotal	**1,163,233**
Net assets	**14,779**

The line item "Receivables" comprises the following:

- Trade receivables (KEUR 2,155)
- Receivables from customers and counter-parties (KEUR 492,246)
- Tax receivables (KEUR 926) and
- Other receivables (KEUR 8,435).

Other receivables comprise, in particular, receivables owed by institutional customers in the amount of KEUR 5,020, arising in connection with medium-term capital investments, and receivables owed by entities accepting credit-based customer loyalty cards in the amount of KEUR 3,415.

The gross amount of the trade receivables is KEUR 2,169; it is expected that KEUR 14 of this amount will not be recoverable. The gross amount of the other receivables is KEUR 8,435; the company expects to recover the entire amount.

The minority interests in XCOM AG amounted to KEUR 14,024 on the acquisition date. This corresponds to a shareholding of 48.88 %. The goodwill was calculated using the revaluation method in exercise of the option provided for by IFRS 3.19. The calculation of the share of the minority shareholders was based on the revalued net assets of the acquired sub-group. The assets and liabilities identified and comprised within the revalued net assets were measured at their fair value as of the acquisition date.

Since, April 1, 2015, XCOM AG, including its subsidiaries, has realized KEUR 58,172 of the Group revenues reported in the income statement; its contribution towards the net profit was correspondingly KEUR 6,008.

Had XCOM AG been fully consolidated as of January 1, 2015, the revenues would have amounted to KEUR 76,169 and the net profit KEUR 6,841.

The contributions of the subject matter of the acquisition have been included in the consolidated financial statement of FinTech Group as of December 31, 2015 for a nine-month period (April 1 to December 31, 2015).

in KEUR	Gross amount as of 01/01/2015	Additions	Disposals	Gross amount as of 12/31/2015	Accumulated depreciation as of 01/01/2015	Impairments in the 2015 fiscal year	Accumulated depreciation as of 12/31/2015
Goodwill	3,671	28,780	3,671	28,780	-	3,671	-

The full amount of the derivative goodwill is attributable to continuing operations. No adjustments have been carried out due to subsequently recorded deferred tax assets.

Note 9 Subsidiaries, including share of minority shareholders

Significant minority shareholders exist only at the level of XCOM AG (individual company) (headquarters in Willich). The share of the equity of XCOM AG held by the minority shareholders is equivalent to 33.35 % (commensurate with their share of the voting rights). A share of the profit in the amount of KEUR 192 is thus attributable to the minority shareholders. They received a dividend in the amount of EUR 0.06 per share for fiscal year 2014 at the level of XCOM AG.

The following tables show the combined financial information pertaining to assets, liabilities, profit, losses and cash flows of XCOM AG.

Combined balance sheet

in KEUR	2015	2014
Current		
Assets	**10,690**	12,261
Liabilities	**-10,188**	-11,600
Total current net assets	**502**	661
Non-current		
Assets	**43,215**	30,851
Liabilities	**-7,678**	-6,427
Total non-current net assets	**35,537**	24,424

Combined income statement

in KEUR	2015	2014
Revenues	**28,896**	29,830
Earnings before income taxes	**2,487**	2,081
After-tax earnings from continuing operations	**575**	1,046
Other earnings	**-**	-
Comprehensive income	**575**	1,046
Comprehensive income attributable to minority shareholders	**192**	0
Dividends paid to minority shareholders	**12**	0

Presentation of cash flow

in KEUR	2015	Previous year
Net profit	**+575**	+1,046
Depreciation and amortization on fixed assets	**+1,523**	+1,342
Increase (+)/decrease (-) in the active difference from asset allocation	**+1,268**	+1,216
Increase (+) /decrease (-) in provisions	**+1,251**	+852
Other non-cash expenses (+)/income (-)	**+1**	-846
Gain (-)/loss (+) on disposal of assets	**-116**	-39
Gain (-)/loss (+) on inventories, trade receivables and other assets	**+1,371**	-912
Gain (+)/loss (-) on liabilities to affiliates from current clearing transactions payables and other liabilities	**-3,352**	-3,079
Interest expense (+)/income (-)	**+1,457**	+445
Income tax expense (+)/income (-)	**+1,841**	+917
Income tax payments (+/-)	**+634**	+1,132
Cash outflow/inflow from operations	**+6,453**	+2,074
Proceeds from the disposal of assets (+)	**+1,893**	+279
Payments for investments in assets (-)	**-16,935**	-3,248
Interest received (+)	**+32**	-1
Cash outflow/inflow from investing activities	**-15,010**	-2,970
Issue (-)/repayment (+) of loans to executive bodies	**+1,272**	-699
Taking out (+)/repayment (+) of loans from third parties	**-1,792**	-717
Interest paid (-)	**-232**	-319
Dividend distribution	**-25**	-417
Proceeds from equity injection by the parent company	**+10,404**	0
Cash outflow/inflow from financing activities	**9,627**	-2,152
Change in cash and cash equivalents	**+1,070**	-3,048
Cash and cash equivalents at the beginning of the period	**2,624**	5,672
Cash and cash equivalents at the end of the period	**3,694**	2,624

The information provided in the foregoing relates solely to XCOM AG prior to the carrying out of any intra-group eliminations.

Note 10 Stock option plan

FinTech Group has set up stock option plans to ensure that the total remuneration paid to its managers is competitive. The first such stock option plan was launched in 2014, with subscription rights being issued pursuant thereto for the first time in 2015.

Each subscription right issued pursuant to the share option plan gives the holder the right to acquire one no-par value bearer share of the Company in return for payment of the subscription price stipulated upon issue. The subscription price is determined on the basis of the average closing price for the share over a fixed period of time preceding the adoption of the corresponding resolution by the Annual General Meeting, less a discount.

The term of the subscription rights is six years from the issue date; they may only be exercised upon the expiration of a waiting period (vesting period) of four years and within pre-defined time slots. Such exercise will be contingent upon the stock exchange price for the share being exceeded by at least 100 % on any given trading day within two years of issue date for the subscription rights in question.

A second stock option plan was launched in 2015 by means of a resolution of the Annual General Meeting to that effect. The terms applicable to this plan as regards the conditions for the exercise of the subscription rights were modified in light of the performance of the share price in that the closing stock exchange price for the share must now exceed the subscription price in question by at least 50 % on any given trading day within two years of the issue date for the subscription rights in question. The other terms remain the same as those applicable to the first plan.

Overall, options were granted on the basis of both plans on five different occasions in 2015:

Target	issued on	Number	Price at subscription in EUR
Option plan 2014	1/26/2015	924,000	8.60
Option plan 2014	7/8/2015	84,000	14.81
Option plan 2014	8/24/2015	55,000	11.40
Option plan 2015	9/28/2015	20,000	12.44
Option plan 2015	10/1/2015	5,000	12.37
Total		**1,088,000**	

There were no options in circulation at the beginning of fiscal year 2015 (as was also the case in 2014), nor were there any exercisable options at the end of the 2015 period (as was also the case in 2014). Similarly, there were no options which had been forfeited or had lapsed in fiscal years 2014 and 2015.

Model

An option valuation was specially simulated for each individual subscription date on the basis of a Monte Carlo model, which in turn was based on one of the most significant papers written on the subject of modeling in the context of options models, "Geometric Brownian Motion, Option Pricing, and Simulation: Some Spreadsheet-Based Exercises in Financial Modeling" by Kevin D. Brewer.

Here, the share performance over a period of 6 years is simulated 100,000 times for each commitment date using a Monte-Carlo simulation. It is examined in the context of each simulation whether the share has exceeded the stipulated threshold (condition 1) and is higher than the strike price at the pre-defined exercise dates (assumption: 06/20 for AGM dates and 08/31 for the publication of the half-year financial statement) (condition 2). If this is not the case, the option will be assigned the value 0 upon every exercise date, and thus also the present value of 0 as of the issue date. Should the value of the share be higher than the strike price on one of the pre-defined exercise dates, the option will have an intrinsic value which is discounted down to the present value as of the commitment date in question using the 5-year (assumed average exercise date) risk-free interest rate (source: Deutsche Bundesbank) – assuming that the option is exercised on the first possible exercise date.

Parameters

The first parameter incorporated in the model was the share price (Xetra closing price) upon allocation. The strike price for the options is EUR 7.30 for the 2014 stock option plan and EUR 12.79 for the 2015 stock option plan. These values are calculated on the basis of the average share price for the periods explained above prior to the adoption of the corresponding resolutions by the AGM in 2014 and 2015, less a discount.

The volatility could not be ascertained on the basis of an implied volatility due to the lack of any derivatives on the FinTech Group share. For this reason, historical volatilities were ascertained for the years 2012, 2013, 2014 and 2015 (source: Bloomberg).

As a result of the non-attainment of the requisite number of trading days in 2014, Bloomberg was unable to provide annual volatility data. However, it was possible to also ascertain the average annual volatility for 2014 on the basis of the monthly volatilities for that year.

The historical 6-year volatility on the basis of the first issue date was 32.35 %.

The material restructuring measures implemented within the Group had a significant impact on the volatility of the share in 2014 and 2015, with the result that annual volatility data for 2014 and 2015 cannot be recognized as projections of sustained volatility of the share. The volatility of the share was approximately 30 % in the stable years between 2012 and 2014, with the implied annual DAX and TecDax volatility also falling between 25 % and 30 % in 2015 (source: Comdirect).

Thus, an estimated sustained value of 35 % was recognized for the volatility of the share in calculating the option prices, based on historical share and market information while taking account of a continued dynamic performance of the FinTech Group share in the future.

The risk-free interest rate for the modeling of the 6-year binomial path is based on the 6-year interest rates for the months of issue in question, derived from the yield curve from listed German Federal bonds (source: Deutsche Bundesbank). The number of trading days has been set at 250.

The barrier is governed by the stock option plan in question: it is twice the share price upon issue in the case of the 2014 plan, and one-and-a-half times the share price upon issue in the case of the 2015 plan. On the basis of experience gathered in the operating business context, the transaction costs for options are in the very low percentage range, with the result that these were also not taken into account.

On the basis of the assumption that no dividends will be paid out over the next 6 years, this parameter was likewise excluded from the model.

Result

The simulated average values for the commitment dates in question amounted to:

Target	issued on	Number	Price at subscription	Price per option	Total value of options (KEUR)
Option plan 2014	1/26/2015	924,000	8.60	1.11	1,025
Option plan 2014	7/8/2015	84,000	14.81	2.40	202
Option plan 2014	8/24/2015	55,000	11.40	1.77	97
Option plan 2015	9/28/2015	20,000	12.44	2.60	52
Option plan 2015	10/1/2015	5,000	12.37	2.55	13
Total		**1,088,000**			**1,389**

The options accrue to the participants on a pro rata temporis basis, and at the rate of 100 % upon the expiration of the 4-year vesting period. Should an employee leave the company 30 months following the allocation of the options, he will be entitled to 62.5 % of his confirmed options, by way of example. It may be assumed, due to the low fluctuation rate at the management level and the considerable incentives offered, that approximately 82 % of all allocated and accrued options will actually be exercised, resulting in the amount of equity to be reported on the balance sheet being calculated at KEUR 1,389 x 82 % = KEUR 1,135.

The pro rata amount of the capital reserves to be reported on the balance sheet for 2015 is thus KEUR 225:

Value of options or fair value (KEUR)	Actual allocation	Number of days in 2015	Capital reserves to be posted in 2015 (KEUR)
1,025	approx. 82%	339	194
202	approx. 82%	176	20
97	approx. 82%	129	7
52	approx. 82%	94	3
13	approx. 82%	91	1
1,389	**1,135**		**225**

The amount of the capital reserves to be recorded for fiscal year 2015 is KEUR 225.

Note 11

Discontinued operations

Three areas of operation were discontinued in fiscal year 2015 – AKTIONÄRSBANK, CeFDeX and XCOMpetence. The earnings from discontinued operations can be broken down as follows:

	2015	2014
Revenues	**15,003**	-
Expenses	**21,131**	-
EBITDA	**-6,128**	-
Depreciation and amortization	**1,457**	
Pre-tax gain/loss on the remeasurement of assets and liabilities attributable to discontinued operations	**-8,171**	-
Earnings from discontinued operations in the current fiscal year according to the profit and loss account	**-15,756**	**-**

Hidden charges in the amount of KEUR 4,500 were disclosed with regard to the AKTIONÄRSBANK business area. The book value thereof is commensurate with their fair value, with the result that no further impairments are necessary.

In the case of XCOMpetence AG, the fair value exceeds the corresponding book values of the business area, with the result that no extraordinary impairment is necessary.

In the context of the impairment testing of the derivative goodwill, impairment expense in the amount of KEUR 3,671 accrued as of December 31, 2015 (January 1, 2014 and December 31, 2014: KEUR 0) with regard to the CeFDeX business area. The full amount thereof is attributable to the CGU or the reportable "Trading Activities" segment. The impairments are contained in the consolidated statement of profit or loss and other comprehensive income in the line item "Depreciation of assets".

The net cash flow for the discontinued operations in fiscal comprise the following:

	AKTIONÄRSBANK	CeFDex	XCOMp	Total
Current operations	7,125	14,180	2,624	23,929
Investment activities	-1	-1,190	104	-1,087
Financing activities	0	0	0	0

The shares of the consolidated comprehensive earnings attributable to the shareholders of the parent company are as follows:

in KEUR	2015	2014
From current operations	**13,598**	5,593
From discontinued operations	**-15,757**	-13,342
Total	**-2,159**	-7,749

Revenues from continuing operations in the amount of KEUR 63,912 (previous year: KEUR 17,140) are attributable to the owners of the parent company and KEUR 11,279 (previous year: KEUR 0) to minority shareholders. Revenues from discontinued operations in the amount of KEUR 12,753 (previous year: KEUR 8,118) are attributable to the owners of the parent company and KEUR 2,250 (previous year: KEUR 0) to minority shareholders.

Note 12

Other non-current financial assets

Other non-current financial assets comprise the following:

in KEUR	12/31/2015	12/31/2014	1/1/2014
Available-for-sale financial assets	**130,572**	324	260
Financial instruments carried at fair value through profit or loss	**790**	18,217	17,720
Total	**131,362**	**18,541**	**17,980**

Note 13

Cash and cash equivalents

The cash and cash equivalents reported on the balance sheet comprise cash on hand, balances with central banks and daily receivables owed to credit institutions:

in KEUR	12/31/2015	01/01/2014	01.01.2014
Cash on hand	**36,367**	4	3
Balances with central banks	**415,523**	5,299	100
Receivables owed by credit institutions (falling due on a daily basis)	**89,383**	56,179	16,631
Total	**541,273**	**61,482**	**16,734**

The amounts of cash and cash equivalents contained in the cash flow statement are commensurate with the corresponding items on the balance sheet. There were no material restrictions in place with regard to the disposal of cash and cash equivalents in fiscal years 2014 and 2015.

Payments for the acquisition of subsidiaries amounted to KEUR 43,559 in fiscal year 2015, plus a further KEUR 1,071, i.e. a total of KEUR 44,629 (previous year: KEUR 0). The consideration for the acquisition of subsidiaries consisted solely of cash.

The amount of cash and cash equivalents over which XCOM AG acquired control in fiscal year 2015 amounted to KEUR 557,653.

The amounts of the assets and liabilities, broken down into primary groups (with the exception of: cash and cash equivalents), of XCOM AG, which was acquired in fiscal year 2015, were structured as follows as of March 31, 2015.

Property, plant and equipment	4,415
Registered brand names	700
Customer relationships	6,200
Technology and software	16,300
Licenses	802
Held-for-sale financial assets	80,390
Inventories	1,168
Receivables	503,762
Deferred taxes	6,622
Trade payables and other liabilities	1,132,636
Pension provisions	16,742
Loans payable	6,083
Deferred taxes	7,772

Note 14

Long-term borrowings

Long-term borrowings comprise the following:

in KEUR	12/31/2015	12/31/2014	1/1/2014
Loans with a total term > 5 years	**4,708**	0	0
Loans with a total term > 1 year	**2,500**	0	0
Total	**7,208**	**0**	**0**

Note 15
Financial liabilities

Financial liabilities comprise the following:

in KEUR	12/31/2015	12/31/2014	01/01/2014
Customer deposits	947,278	-	-
Liabilities to customers	**947,278**	**-**	**-**
Trading portfolio	-	8,119	10,176
Liabilities to banks	57,876	424	119
Foreign currency portfolio	5,766	-	-
Other	63,779	33,271	2,796
Other financial liabilities	**127,421**	**41,814**	**13,091**
Total	**1,074,699**	**41,814**	**13,091**

Note 16
Other non-current liabilities

Other non-current liabilities comprise the following:

in TEUR	12/31/2015	12/31/2014	1/1/2014
Unpledged pension liabilities	4,348	0	0
Total	**4,348**	**0**	**0**

Note 17
Revenues

The revenues for fiscal years 2014 and 2015 can be broken down as follows:

in KEUR	2015	2014
Sale of goods	572	0
Provision of services	19,569	3,392
Commission income	52,384	13,742
Interest	2,666	6
Total	**75,191**	**17,140**

Note 18
Personnel expenses

On average, the Company had 414 employees and 1 intern in fiscal year 2015 (previous year: 44). The incurred personnel expenses comprise the following:

in KEUR	2015	2014
Wages and salaries	**20,379**	3,672
Social security contributions and expenses for voluntary support payments	**2,894**	0
Expenses for pension plans and employee pensions	**512**	0
Total	**23,785**	3,672

Note 19
Marketing, advertising and other administrative expenses

Marketing, advertising and other administrative expenses comprise the following:

in KEUR	2015	2014
Travel expenses	**483**	15
Legal and consulting expenses	**2,896**	1,618
Bank-specific contributions	**860**	0
Legal and consulting expenses	**2,363**	1,439
Rental expenses	**2,219**	229
Insurance, contributions and expenses	**1,112**	655
Sales and marketing	**2,878**	1,502
IT expenses	**893**	74
Other expenses	**4,229**	3,814
Total	**17,933**	9,346

Note 20
Other financial expenses

Other financial expenses comprise the following:

in KEUR	2015	2014
Interest expense for current liabilities	1,269	0
Interest expense for deposit facilities	631	0
Interest expense for pensions	195	
Other	581	11
Total	**2,676**	**11**

Note 21

Taxes on income

The income tax expense for the fiscal years ending as of December 31, 2015 and December 31, 2014 largely consists of the following components:

in KEUR	2015	2014
Current income tax		
Current income tax expense	**-1,568**	-199
Income tax reimbursements from previous years	**166**	-
Deferred taxes		
Recognition and reversal of deferred taxes	**431**	2,687
Income tax according the profit and loss account	**-971**	2,488
Comprehensive income		
Deferred taxes recognized directly in other comprehensive earnings	**-2,290**	-
of which actuarial gains/losses from defined benefit plan provisions	***-2,090***	-
of which gains/losses due to the change in value of available-for-sale financial assets	***-200***	-
Income tax recognized in comprehensive income	**-3,261**	2,488

As of the balance sheet date December 31, 2015, an income tax charge in the amount of KEUR 2,090 was attributable to actuarial gains/losses from defined benefit plan provisions (previous year: KEUR 0).

As of the balance sheet date December 31, 2015, an income tax charge in the amount of KEUR 200 was attributable to changes in the value of available-for-sale financial assets (previous year: KEUR 0).

In Germany, current taxes are calculated on the basis of a corporation tax rate of 15 % and a solidarity surcharge accruing thereon in the amount of 5.5 %. In addition to corporation tax, commercial tax is levied on profits generated in Germany, with the total rate of tax being imposed amounting to 33.5% (previous year: 33.5 %).

Tax expense attributable to discontinued operations amounted to KEUR -144 in fiscal year 2015 (previous year: KEUR -4) and related entirely to the ordinary business activities of those discontinued operations.

The following overview depicts the allocation of the tax expense and the product of profit before taxes and the domestic tax rate:

in KEUR	2015	2014
Earnings before taxes	**-1,043**	-10,234
Of which attributable to discontinued operations	*-15,612*	*-13,339*
Expected income tax expense calculated at 33.5% (previous year: 33.5%)	**349**	3,428
Tax effects from:		
Non-tax deductible expenses/non-taxable income	**-1,441**	-570
Of which attributable to discontinued operations	*-1,229*	-
Non-tax deductible expenses from stock-option programs	**-138**	-
Income taxes from previous years/withholding taxes	**162**	-
Effect of different tax rates	**-28**	-274
Other	**-19**	-100
Total income tax	**-1,115**	2,484
Of which attributable to discontinued operations	*-144*	*-4*
Of which attributable to current operations	*-971*	*2,488*

FinTech Group has decided, in connection with its presentation of the income tax data in accordance with IFRS 5, to allocate the deferred tax assets resulting from, among other things, the tax losses relating to the discontinued operations, to the continuing operations, given that they are both deemed to constitute a single entity for income tax purposes. Due to this single-entity status for income tax purposes, any corresponding tax relief will impact the continuing operations. This accounting method selected by the company is to be retained in subsequent years.

The following overview depicts the allocation of the deferred taxes to the underlying balance sheet items:

in KEUR	12/31/2015	12/31/2014	1/1/2014
Intangible assets	**-**	-	-
Loss carryforwards	**3,158**	3,205	499
Financial instruments	**-**	-	-
Pension obligations	**3,598**	-	-
Provisions	**1,843**	-	-
Total deferred tax assets	**8,599**	3,205	499
Offsetting in accordance with IAS 12.74	**-3,650**	-	-
Deferred tax assets according to the balance sheet	**4,949**	3,205	499
Intangible assets	**-7,955**	-	-
Loss carryforwards	**-**	-	-
Financial instruments	**-412**	-36	-17
Pension obligations	**-**	-	-
Provisions	**-51**	-	-
Total deferred tax liabilities	**-8,418**	-36	-17
Offsetting in accordance with IAS 12.74	**-3,650**	-	-
Deferred tax liabilities according to the balance sheet	**-4,768**	-36	-17

The following overview depicts the net changes in the deferred taxes as reported on the balance sheet:

in KEUR	2015	2014
Deferred tax assets/liabilities (-)	3,169	482
Deferred tax recognized through profit or loss	431	2,687
Deferred tax recognized directly in equity	-	-
Change due to the expansion of the group of consolidated companies	-1,129	-
Deferred tax recognized in other comprehensive earnings	-2,290	-
Offset deferred tax assets/liabilities (-)	**181**	**3,169**

There were taxable temporary differences in connection with subsidiaries in an immaterial amount as of the balance sheet date. No deferred tax liabilities were reported on the balance sheet with regard thereto, given that there will be no reversal of these outside basis differences in the foreseeable future. Deferred tax assets in the amount of KEUR 5,001 were reported on the balance sheet as of December 31, 2015 (previous year: KEUR 3,169); the realization of these assets will depend on future taxable results exceeding the impact on results of the dissolution of existing taxable temporary differences. Their realization is assured, given that taxable profits in a sufficient amount are expected to accrue in the future, with these expectations being based on the business plans of the Group companies in question. The loss-generating business area within the Group was sold in April 2016, with the result that no further losses are expected in this context in the future.

Note 22 Inventories

in KEUR	12/31/2015	12/31/2014	1/1/2014
Works in progress	977	-	-
Goods	108	-	-
Total	**1,085**	-	-

Inventories and works in progress are measured at the lower of their acquisition or production cost and their net realizable value. The goods largely comprise purchased hardware components used in the production context.

In fiscal year 2015, depreciation expense in the amount of KEUR 8 (previous year: KEUR 0) was reported with regard to inventories and works in progress recognized at their net realizable value. The book value of the individual inventories and works in progress measured at their net realizable value amounted to KEUR 1,085 as of December 31, 2015 (December 31, 2014: KEUR 0).

Note 23

Intangible assets

Intangible assets with a certain useful life are reported at their acquisition or production cost, less accumulated depreciation and impairments.

The internally generated intangible assets comprise the following:

- Software (depreciation on a straight line basis over a useful life of 8 years)

The other intangible assets comprise the following:

- Industrial property rights and similar rights (depreciation on a straight line basis over a useful life of 3-10 years)

- Customer relationships (depreciation on a straight line basis over a useful life of 16-20 years)

- Trademarks (depreciation on a straight line basis over a useful life of 10 years)

Other than the derivative goodwill, there are no intangible assets with indefinite useful lives.

The intangible assets comprised the following in fiscal years 2014 and 2015:

in KEUR	Cost as of 01/01/2015	Additions	Disposals	Cost as of 12/31/2015	Accumulated depreciation as of 12/31/2015	Book value as of 12/31/2015	Depreciation in the 2015 fiscal year
Industrial property rights and similar rights	3,373	224	108	3,489	1,493	**1,996**	360
Goodwill	3,671	-	3,671	-	-	**-**	-
Payments made	21	32	9	44	-	**44**	-
Acquisition related to a business combination							
Capitalized development costs	-	16,300	-	16,300	1,528	**14,772**	2
Current development costs	-	2,391	-	2,391	9	**2,382**	9
Industrial property rights and similar rights	-	4,371	11	4,360	3,842	**518**	1,631
Goodwill	-	28,780	-	28,780	-	**28,780**	-
Customer relationships	-	6,200	-	6,200	256	**5,944**	256
Trademarks	-	700	-	700	53	**647**	53
Intangible assets	**7,065**	**58,998**	**3,799**	**62,264**	**7,181**	**55,083**	**2,310**
of which from discontinued operations						**827**	
Intangible assets from current operations						**54,256**	

in KEUR	Cost as of 1/1/2014	Additions	Disposals	Cost as of 12/31/2014	Accumulated depreciation as of 12/31/2014	Book value as of 12/31/2014	Deprecia-tion in the 2014 fiscal year
Industrial property rights and similar rights	2,232	1,064	23	3,273	1,117	2,156	474
Goodwill	3,671			3,671	824	2,847	
Capitalized development costs		100		100	17	83	17
Payments made	958	66	1.003	21		21	
Intangible assets (acquired for valuable consideration)	**6,861**	**1,230**	**1.026**	**7,065**	**1,958**	**5,107**	**491**

Scheduled depreciation of intangible assets is reported in the income statement in the line item "Depreciation of assets".

The customer relationship with ViTrade GmbH constitutes an individual material intangible asset. Its book value amounted to KEUR 3,561 as of December 31, 2015 (KEUR 0 as of December 31, 2014 and January 1, 2014). The remaining amortization period is 19 years.

The customer relationship with biw AG constitutes an individual material intangible asset. Its book value amounted to KEUR 2,383 as of December 31, 2015 (KEUR 0 as of December 31, 2014 and January 1, 2014). The remaining amortization period is 15 years.

The intangible asset "technology and software: X-COM" likewise constitutes an individual material intangible asset. This relates to software under development. Its book value amounted to KEUR 14,772 as of December 31, 2015 (KEUR 0 as of December 31, 2014 and January 1, 2014). The remaining amortization period is 7 years.

Impairments are exclusively carried out on the derivative goodwill. These amounted to KEUR 3,671 in fiscal year 2015 (previous year: KEUR 0).

The research costs reported as an expense in fiscal year 2015 amounted to KEUR 1,872 (previous year: 0).

Note 24 Property, plant and equipment

Property, plant and equipment is measured at its amortized acquisition cost. Land and buildings are depreciated on a straight line basis over their expected useful lives of 40 years. Equipment is depreciated on a straight line basis over its expected useful life, which is between three and five years for computer hardware and generally 13 years for office equipment.

The property, plant and equipment comprised the following in fiscal years 2014 and 2015:

in KEUR	Cost as of 01/01/2015	Additions	Disposals	Cost as of 12/31/2015	Accumulated depreciation as of 12/31/2015	Book value as of 12/31/2015	Deprecia-tion in the 2015 fiscal year
Land and buildings, including buildings on third-party land	610	-	-	610	250	360	76
Other plant and equipment	1,515	494	6	2,003	1,105	897	197
Acquisition related to a business combination							
Land and buildings, including buildings on third-party land	-	4,208	3	4.205	2.080	2.126	188
Other plant and equipment	-	12,834	924	11,910	9,593	2,317	97
Property, plant and equipment	**2,125**	**17,536**	**933**	**18,728**	**13,028**	**5,701**	**558**
of which from discontinued operations						347	
Property, plant and equipment from continuing operations						**5,354**	

in TEUR	Cost as of 1/1/2014	Additions	Disposals	Cost as of 12/31/2014	Accumulated depreciation as of 12/31/2014	Book value as of 12/31/2014	Deprecia-tion in the 2014 fiscal year
Land and buildings, including buildings on third-party land	610	-	-	610	174	436	76
Other plant and equipment	1,483	114	82	1,515	908	606	213
Property, plant and equipment	**2,093**	**114**	**82**	**2,125**	**1,083**	**1,042**	**288**

As was also the case in fiscal year 2014, no impairment expense or appreciation in value was recorded in fiscal year 2015.

Note 25 Impairment of derivative goodwill

The derivative goodwill acquired in the context of business combinations was allocated to the existing CGUs for impairment testing purposes. As of January 1, 2014 and December 31, 2014, there were three CGUs – "Banking", "Brokerage" and "Trading Activities".

- CGU "Banking": This CGU was responsible for the provision of banking services typically provided by full-service banks.
- CGU "Brokerage": This CGU was responsible for the provision of front-end online brokerage products and services and also professional banking services in the context of the B2C business with customers in Germany.
- CGU "Trading Activities": This CGU was responsible for the processing of particular contract-for-difference transactions involving the company's own trading portfolio.

The CGU structure underwent changes in fiscal year 2015 in the wake of the acquisition of XCOM AG, the shutting down of the business of CeFDeX (CGU "Trading Activities") and the decision to sell AKTIONÄRSBANK (CGU "Banking"), resulting in the establishment as of December 31, 2015 of the CGUs "Securities Trading & Financial Services" and "Transaction Processing & white-label banking services", which at the same constitute the reportable segment of FinTech Group.

- CGU "Securities Trading & Financial Services": This CGU is responsible for the provision of front-end online brokerage products and services, white-label banking services and professional banking services.
- CGU "Transaction Processing & white-label banking services": This CGU is responsible for the company's electronic securities settlement and deposit management activities, the provision of IT services, and research and development activities.

The group subjected the derivative goodwill to impairment testing as of January 1, 2014, December 31, 2014 and December 31, 2015. In checking for indicators of impairment, the Group takes account of, among other things, rising competitive pressure and changes in its strategic orientation.

No impairment expense arose with regard to the CGUs of the continuing operations as of December 31, 2015 in the context of the impairment testing of the derivative goodwill.

The recoverable amount for all of the CGUs (those existing in both fiscal year 2014 and in fiscal year 2015) was ascertained on the basis of the calculation of their value in use. The cash flow forecasts are based on the detailed four-year budget approved by management. The discount rate before taxes used for the cash flow forecasts amounts to 9.6 % (previous year: 10.6 %). This is based on the concept of average weighted costs of capital. Any cash flows accruing after the detailed budget period are extrapolated applying a growth rate of 1.0 % (previous year: 1.0 %) (perpetuity). This growth rate is commensurate with the long-term average growth rate for the financial technology industry. It thus reflects the expectations with regard to growth in the sectors serviced by the CGU in question. Both past data and forward-looking data, i.e. expectations as to future market developments, are incorporated in the cash flow forecasts. The growth of the company's business operations continues to be taken into account in the forecasts.

No derivative goodwill was allocated to the CGU "Securities Trading & Financial Services" as of December 31, 2015.

The book value of the CGU "Transaction Processing & white-label banking services" amounted to KEUR 99,154 million as of December 31, 2015. The recoverable amount for this CGU amounts to KEUR 126,953. The derivative goodwill allocated to this CGU amounted to KEUR 28,780 as of December 31, 2015. The discount rate before taxes used for the cash flow forecasts amounts to 14.7 %. The long-term growth rate amounts to 1.0 %.

The book value of the CGU "Trading Activities" amounted to KEUR 6,450 as of December 31, 2014 (January 1, 2014: KEUR 6,355). The recoverable amount for this CGU amounts to KEUR 155,954 (January 1, 2014: KEUR 97,230). The derivative goodwill allocated to this CGU amounted to KEUR 3,671 as of January 1, 2014 and KEUR 3,671 as of December 31, 2014. The discount rate before taxes used for the cash flow forecasts amounts to 14.0 % (previous year: 13.9 %). The long-term growth rate amounts to 0.0 % (previous year: 0.0 %).

No derivative goodwill was allocated to the CGUs "Banking" and "Brokerage" as of January 1, 2014 and December 31, 2014.

Basic assumptions for the calculation of the recoverable amount

The calculation of the value in use for the CGUs is subject to uncertainty affecting estimates with regard to the underlying assumptions, in particular with regard to the:

- Discount factor (interest rate)
- Market shares in the reporting period and
- Growth rate taken as a basis for the extrapolation of the cash flow forecasts for outside of the budget period.

Discount rates – The discount rates reflect the current market estimates with regard to the specific risks allocated to the CGUs. The discount rate was estimated on the basis of the weighted average cost of capital (WACC) customary in the industry. The interest rate was further adjusted in line with market estimates as to all of the specific risks allocated to the CGUs with regard to which no adjustments were made to the estimates of future cash flows.

Assumptions as to market share – The assumptions as to market share correspond to the estimates as to growth rates, and this reflect management's understanding of the CGUs' positioning as compared to other competitors during the budget period.

Estimated growth rates – The growth rates are based on published industry-specific market research.

Sensitivity of assumptions made

Management is of the opinion that no fundamentally and reasonably conceivable change in any of the basic assumptions adopted for the purposes of the calculation of the value in use for the CGU XCOM could result in the book value of the CGU significantly exceeding its recoverable amount.

Note 26 Pensions and similar obligations

In acquiring XCOM AG, FinTech Group also assumed the latter's pension obligations. Prior to the business combination undertaken in fiscal year, FinTech Group was not subject to any pension or similar obligations.

XCOM maintains defined benefit pension plans on the basis of individual commitments in fixed amounts. The pension commitments provide for retirement, disability and surviving dependents' benefits, mostly in the form of lifelong pension payments. Reinsurance was taken out for the employees of XCOM AG with Schweizerische Rentenanstalt Swiss Life AG and MV Versicherungsgruppe for the purposes of financing these pension commitments. Some of the insurance policies were pledged to the beneficiaries and meet the criteria for qualification as plan assets, while others meet the criteria for qualification as reimbursement rights.

The amount of the obligations is calculated on an annual basis by independent actuaries using the projected unit credit method provided for by IAS 19, taking account of both the pensions and acquired vested claims established as of the balance sheet date and any increases in the amounts of the vested claims or pensions expected to occur in the future. A number of the commitments provide for increases in the amount of the vested claims in line with inflation or confirmed adjustment rates. Any future adjustments to pension amounts will be governed by the relevant legislative provisions; minimum guaranteed adjustments apply to some extent. The actuarial interest rate to be applied in connection with the discounting of the pension obligations is calculated as of the balance sheet date on the basis of the rates of return on premium fixed-income corporate bonds.

The income from the plan assets and the expense resulting from the discounting of the obligations are reported in net interest income. The service expense is classified as an operating expense. The full amount of any gains and losses resulting from the adjustment and amendment of actuarial assumptions is directly reported in equity in the period in which they accrue.

The following overview shows the parameters applied for the calculations:

	12/31/2015	3/31/2015
Discount rate	2.40%	1.30%
Inflation rate	1.00%	1.00%
Mortality	Heubeck – Tables 2005G	Heubeck – Tables 2005G

The provisions for pensions awarded on the basis of defined benefit plan commitments are calculated as follows:

in KEUR	12/31/2015	3/31/2015
Present value of pension obligations	20,161	25,836
Fair value of plan assets	-15,813	-14,890
Net pension provisions	4,348	10,946

The development of the net pension provisions can be depicted as follows:

in KEUR	2015
Balance sheet value as of 03/31/2015	**10,946**
Service expense	495
Net interest expense	102
Actuarial gains	-6,321
- from changes in demographic assumptions	0
- from changes in financial assumptions	-5,900
- from adjustments made based on experience	-421
Income from plan assets less the amount recognized in the profit and loss account	101
Employer contributions to plan assets	-874
Pension services provided	0
Transfers and corporate actions	0
Balance sheet value at the end of the fiscal year (12/31/2015)	**4,348**

The development of the present value of the pension obligations, the fair value of the plan assets and the reimbursement rights is shown in the following tables:

Scope of obligations

in KEUR	2015
Present value of pension obligations at the beginning of the fiscal year (03/31/2015)	**25,836**
Components recognized in the profit and loss account	**747**
Service expense	495
calculated interest expense	252
Past service expense and gains from plan settlement	0
Components recognized in other earnings	**-6,422**
Actuarial gains	-6,422
- from change in demographic assumptions	0
- from changes in financial assumptions	-5,900
- from adjustments made based on experience	-522
Payments and other changes	**0**
Employee contributions	0
Pension services provided	0
Payments for plan settlements	0
Transfers and corporate actions	0
Present value of pension obligations at the end of the fiscal year (12/31/2015)	**20,161**

Plan assets

in KEUR	2015
Fair value of plan assets at the beginning of the fiscal year (03/31/2015)	**-14,890**
Components recognized in the profit and loss account	**-149**
calculated interest expense	-149
Components recognized in other earnings	101
Income from plan assets less the amount recognized in the profit and loss account	101
Payments and other changes	**-874**
Employee contributions	0
Employer contributions	-874
Payments for plan settlements	0
Pension services provided	0
Transfers and corporate actions	0
Fair value of plan assets at the end of the fiscal year (12/31/2015)	**-15,813**

Reimbursement rights

in KEUR	12/31/2015
Fair value of reimbursement rights at the beginning of the fiscal year (03/31/2015)	**-327**
Components recognized in the profit and loss account	**-4**
calculated interest expense	-4
Components recognized in other earnings	**83**
Income from reimbursement rights less the amount recognized in the profit and loss account	83
Payments and other changes	**-191**
Employee contributions	0
Employer contributions	-191
Fair value of reimbursement rights at the end of the fiscal year (12/31/2015)	**-439**

The following table shows the apportionment of the present value of the pension obligations among the various groups of beneficiaries and the weighted duration of those obligations:

in KEUR	12/31/2015	3/31/2015
Participating employees	**1,094**	10,662
Employees with vested claims leaving the company	**19,067**	15,174
Retirees	**0**	0
Present value of pension obligations	**20,161**	**25,836**
Weighted duration of the obligations in years	**24**	**25**

The plan assets comprise reinsurance policies for which no active market exists. Most of the pension obligations will fall due within the next ten years.

The pension commitments are subject to the provisions of the German Company Pensions Act (Betriebsrentengesetz). Given that the commitments provide for the payment of lifelong pension benefits, there will be exposure to biometric risk in the event of rising life expectancy. To the extent that any increases in the amount of the vested claims and pension benefits are linked to inflation, there will also be exposure to inflation risk. The dependence of the actuarial interest rate and the actual income from plan assets and reimbursement rights on future market developments results in exposure to financing risk in this regard. The inflation and financing risk associated with the pension obligations is also taken into account in the context of FinTech Group's risk management activities.

The sensitivities with regard to changes in the capital markets and the material assumptions are depicted in the table below. These sensitivities were ascertained on the basis of the same portfolio and the same valuation method applied for the measurement of the pension obligations as of the reporting date. Changes in each individual assumption were considered in isolation in the calculation of the sensitivities; thus, no correlations between the individual parameters were taken into account in this regard.

in KEUR	12/31/2015	3/31/2015
Reduction in the pension obligation from increasing the discount rate by 0.25 % p.a.	**19,064**	24,301
Increase in the pension obligation from lowering the discount rate by 0.25 % p.a.	**21,340**	27,493
Increase in the pension obligation from raising the inflation rate by 0.25 % p.a.	**21,219**	27,240
Reduction in the pension obligation from lowering the inflation rate by 0.25 % p.a.	**19,172**	25,266
Increase in the pension obligation from raising the life expectancy of a 65-year-old by 1 year	**20,577**	26,458

Pension payments in the amount of KEUR 3 are expected in the following year (previous year: KEUR 0). Furthermore, payments are expected in the amount of KEUR 621 (previous year: KEUR 874) by way of contribution to the plan assets and in the amount of KEUR 191 (previous year: KEUR 191) in relation to reimbursement rights.

Note 27

Other provisions

The development of the provisions over the course of the fiscal year was as follows:

in KEUR	01/01/2015	Addition*	Use	Reversal	Contribution	12/31/2015
Short-term provision						
Restructuring expenses	-		-	-	1,000	**1,000**
Warranty	-		-	-	248	**248**
Other provisions	1,223	634	1,146	711	8,224	**8,224**
Total	**1,223**	**634**	**1,146**	**711**	**9,472**	**9,472**

* Due to the expansion of the scope of consolidation

in KEUR	1/1/2014	Use	Reversal	Contribution	12/31/2014
Short-term provision					
Other provisions	424	408	16	1,223	**1,223**
Total	**424**	**408**	**16**	**1,223**	**1,223**

The provision for restructuring costs was calculated on the basis of precisely defined measures for improving the efficiency of resource allocation and provides the foundation for increasing potential synergies in accordance with the company's business strategy. The accrual in the coming fiscal year of the payment obligation in this regard is to be categorized as probable.

The calculation of the provision for warranty claims relies on assumptions based on experience, current sales figures and other currently available information. It is expected that the payment obligations with regard to warranty claims will for the most part accrue in fiscal year 2016.

The short-term provisions comprise acquisition costs, stipulated in individual agreements, for the acquisition of the majority shareholding in XCOM AG in the amount of KEUR 776. The increase in other provisions in the amount of approximately KEUR 7,000 in 2015 is attributable to the expansion of the scope of consolidation and largely relates to outstanding invoices. The accrual in the coming fiscal year of the payment obligation in this regard is to be categorized as probable.

No payment of reimbursements is expected with regard to the aforementioned provisions.

Note 28 Financial instruments

The following table shows the book values, reported values and fair values of the financial instruments, broken down according to measurement category, as well the underlying valuation levels for those financial instruments as of December 31, 2015 and December 31, 2014.

in KEUR	Book value 12/31/2015	Fair value 12/31/2015	Book value 12/31/2014	Fair value 12/31/2014	Book value 1/1/2014	Fair value 1/1/2014
Loans and receivables	**436.654**	**436.654**	-	-	254	254
Financial assets measured at fair value through profit or loss	**790**	**790**	18.217	18.217	17.721	17.721
Financial assets available for sale	**130.572**	**130.572**	324	324	260	260
Financial liabilities measured at fair value through profit or loss	**-**	**-**	-	-	-	-
Financial liabilities measured at cost	**1.086.266**	**1.086.266**	41.814	41.814	13.091	13.091

The financial instruments measured at fair value through profit or loss solely comprise financial assets which are “held for trading”.

The extent of the change in the fair value of a financial liability over the course of the reporting period as a result of changes in default risk exposure amounted to KEUR 0 (previous year: KEUR 0). The cumulated amount was KEUR 0 as of December 31, 2015 auf (previous year: KEUR 0).

Provided collateral

FinTech Group has provided collateral for the processing of finance brokering transactions of biw Bank which has been deposited with the clearing and depositary agents commissioned for that purpose. This deposited collateral largely comprises securities collateral. The book value of the provided collateral amounted to KEUR 38,194 as of December 31, 2015 (December 31, 2014: KEUR 0; January 1, 2014: KEUR 0). The material transactions and the underlying contractual terms are as follows:

- A significant portion of the total amount is attributable to Eurex securities trading transactions. Two types of collateral, the so-called “clearing fund” and the “margin”, are to be deposited in this context. The “clearing fund”, which amounted to KEUR 5,001 as of December 31, 2015 (December 31, 2014: KEUR 0; January 1, 2014: KEUR 0), represents the minimum amount of collateral which will be available to the Eurex in the event of default on the part of a clearing member. The amount of the “margin” (December 31, 2015: KEUR 10.001; December 31, 2014: KEUR 0; January 1, 2014: KEUR 0) will depend, in particular, on the level of risk involved in the transactions in question. The “margin” to be deposited serves as security for outstanding Eurex transactions, and is also intended to provide security against potential fluctuations in the market price. Eurex calculates the amount of the “margin” on a daily basis.

- FinTech Group undertakes forward exchange transactions via two of its business partners. Fixed amounts of collateral must be furnished pursuant to contractual arrangements to that effect, as a means of hedging against the default risk arising in this connection. These amounted to KEUR 9,020 as of December 31, 2015 (December 31, 2014: KEUR 0; January 1, 2014: KEUR 0).

- FinTech Group has obtained a line of credit from one of its business partners for securities transactions processed in foreign currencies in the amount of KEUR 14,172 (December 31, 2014: KEUR 0; January 1, 2014: KEUR 0). Securities collateral in the amount of KEUR 14,172 (December 31, 2014: KEUR 0; January 1, 2014: KEUR 0) is to be deposited in connection therewith. FinTech Group is able to dispose of the securities deposited as collateral at any time, however this would entail a corresponding reduction in the amount of the granted line of credit.

Held collateral

The FinTech group does not hold any collateral in the form of financial or non-financial assets.

Net gains/net losses

The net gains/losses from financial instruments are as follows:

in KEUR	Net gains		Net losses	
	2015	2014	2015	2014
Financial assets or liabilities measured at fair value through profit or loss	2,666	7	18	67
Loans and receivables	-	-	1,153	-
Available-for-sale financial assets	90	-	257	-
Financial assets available for sale – Reclassification amount from equity to the profit and loss account	-	-	-	-
Financial liabilities measured at amortized cost	-	-	-	-

The net gains/losses from loans and receivables largely relate to changes in valuation adjustments and accruals of previously depreciated amounts.

The net gains/losses from financial assets available for sale, as well as financial assets or liabilities measured at fair value through profit or loss, largely relate to changes in market value, dividends and interest payments received.

Items of income, expense, profit or loss

The valuation adjustment expenses for each category of financial assets are as follows:

in KEUR	2015	2014
Loans and receivables	1,153	0
Available-for-sale financial assets	257	0

Note 29

Financial risk management

The Executive Board takes account of any emerging opportunities and potential risks in formulating its business and risk management strategies, amending these accordingly as necessary. The monitoring and management of risks is a central component of the corporate management tools deployed by FinTech Group.

FinTech Group continuously maintains a risk inventory – and, where necessary, updates this in line with recent events –, which it uses to address risks to which it is exposed in the course of its business activities. These risks comprise the following risk categories with regard to financial instruments:

- *Counterparty credit risk (also referred to as: default risk or credit risk):* The risk of losses or forgone profits due to unexpected default by or unforeseeable deterioration in the creditworthiness of counterparties, in particular in the case of customers of FinTech Group and bond issuers.

- *Market price risk:* The risk of losses due to changes in market prices, in particular as a result of changes in interest rates.

- *Liquidity risk:* The risk of losses resulting from liquidity shortfalls.

FinTech Group carries out risk assessments with regard to these categories of risk on an ongoing basis, having regard to both measures taken to reduce its risk exposure and the existing equity situation of the group.

The acquisition of XCOM AG in fiscal year 2015, and the associated acquisition of biw Bank, has had the effect of significantly broadening the risk profile of FinTech Group. The company has initiated steps – commencing in fiscal year 2015 – to modify risk management processes and systems in place within the group in line with the broadened risk profile of FinTech Group on a uniform, group-wide basis. As part of this endeavor, which the company plans to complete by 2017, any obsolete components of the existing risk management system will gradually be replaced with processes which are harmonized and consistent throughout the group.

FinTech Group has designated a separate "Risk Management" department for the assessment, limitation and management of the aforementioned risks on an overall and comprehensive basis, and thereby assumes responsibility for the group-wide

- Identification,
- Assessment,
- Management,
- Monitoring and
- Communication

of risks.

This department supplements the extensive precautionary measures taken by the FinTech Group with regard to the organization of its internal structures and procedures, which already ensure the incorporation, on a decentralized basis, of material risk management and control processes in the relevant banking contexts.

Default risk

Default risk generally arises in the context of every transaction entered into FinTech Group with one of its business partners, in particular in the case of trade receivables and also bonds in which FinTech Group has invested. The maximum extent of the credit and default risk is largely commensurate with the book value of the financial assets concerned. No items of collateral received by way or security or other forms of credit collateralization exist.

The need for valuation adjustments is analyzed on an individual basis where warranted in certain circumstances (where impairment triggers are present) and as of every balance sheet date. Valuation adjustments are carried out, for example, in the event that a business partner unexpectedly finds itself in financial difficulty.

Moreover, a number of receivables are divided into homogeneous groups and jointly examined for indications of a need for valuation adjustments. The calculation is carried out on the basis of historical data.

The maturity analysis with regard to trade receivables was as follows:

in KEUR	Total	impaired receivables	Neither overdue nor impaired	Overdue, but not impaired		
				<31 days	31-60 days	>60 days
12/31/2015	**30,002**	**1,164**	**28,838**	**0**	**0**	**0**
12/31/2014	5,263	0	5,263	0	0	0
1/1/2014	9,291	0	9,291	0	0	0

The terms of the value-adjusted receivables are as follows:

in KEUR	12/31/2015	12/31/2014	1/1/2014
Up to 3 months	**28,838**	5,263	9,291
3-6 months	**0**	0	0

Cash loans and other receivables are subject to transaction-specific default risk and are analyzed on a daily basis.

Market price risk

FinTech Group has extensive customer deposits, which remain relatively stable over time. A not precisely contemporaneous investment of these deposits in the market and the resultant maturity transformation exposes FinTech Group to interest rate risk: Changes in market interest rates have a material impact on share prices and the valuation of financial instruments of FinTech Group, and may therefore have a positive or a negative effect on the group's profitability.

A largely contemporaneous investment of its customer deposits in the market ("conservative active/passive management") enables FinTech Group to limit its interest rate risk, such that no hedging transactions are currently required. The FinTech Group management does, however, reserve the right to take measures should the interest rate situation change to its disadvantage or should the risk situation as whole require this.

The following table depicts the sensitivity of the consolidated profit before taxes and of the Group equity in the face of a possible change in the market interest rate of +0.5 percentage points or -0.5 percentage points, with the other variables remaining constant:

in KEUR	Change in market interest rate (MIR)	Pre-tax profit (after change in MIR)	Equity (after change in MIR)
2015	+0.5 percentage points	841	-85,206
2015	-0.5 percentage points	-5,159	-86,506
2014	+0.5 percentage points	-5,349	-49,152
2014	-0.5 percentage points	-10,149	-51,012

The exposure of FinTech Group to the risk arising out of changes in exchange rates (currency risk) in connection with financial instruments is to be considered immaterial.

Liquidity risk

FinTech Group regularly monitors its liquidity situation. FinTech Group ensures the continuity of its sources of financing through the use of debt financing arrangements and operating lease agreements. FinTech Group has implemented measures to secure the financing of its ongoing expansion endeavors. FinTech Group has integrated so-called liquidity coverage ratios into its internal reporting structures to ensure regular monitoring of the risk of insufficient funding.

The following table contains a summary of the maturity profile of the financial liabilities:

in KEUR	12/31/2015		12/31/2014	
	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit and loss	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit and loss
Within one year	1,074,699	0	41,814	0
More than one year	11,566	0	0	0
Total	**1,086,266**	**0**	**41,814**	**0**

Risk concentration

Concentrations of risk are of relevance for FinTech Group, particularly with regard to possible accumulations of counterparty credit risks in the case of bond issuers or partners in the Group's lending business ("cluster risks"). FinTech Group has investment guidelines and a corresponding limit system in place which generally enables the avoidance of concentrations of risks. Furthermore, the Group's risk reporting procedures enable countermeasures to be taken should it emerge that there is a possibility of risk concentrations. Possible risk concentration tendencies relating to particular maturities, the location of the headquarters of counterparties and asset classes, but also particularly in view of possible concentrations in the case of individual counterparties (outside of the central banking sector), are also monitored in this connection: No single receivable owed by an individual counterparty was in excess of the nominal amount of EUR 20 million as of the balance sheet date December 31, 2015.

Note 30 Fair value measurements

FinTech Group carries out regular or recurrent fair value measurements for selected financial instruments, namely all financial instruments allocated to the following categories in accordance with IAS 39:

- Financial assets measured at fair value through profit or loss.
- Financial assets available for sale.
- Financial liabilities measured at fair value through profit or loss.

All financial instruments allocated to one of these categories are to be assigned to Level 1 of the fair value hierarchy.

FinTech Group carries out fair value measurements on a one-off basis or in response to the occurrence of certain events in the following accounting scenarios:

- Measurement of the discontinued operations as of December 31, 2015 at their fair value less disposal costs in accordance with IFRS 5: The fair value is a non-observable parameter which is calculated using the DCF method and is in this respect to be assigned to Level 3 of the fair value hierarchy. The fair value of the three discontinued operations is calculated using the capital value-oriented direct cash flow forecasting method, applying an interest rate of 10.35 % (WACC as of December 31, 2015) in each case. The following parameters were additionally applied in the case of two of the discontinued operations:

  - *"AKTIONÄRSBANK":* The duration of the estimated future payment flows is 1 year, with assumed perpetuity thereafter. The amount of the estimated payment flows is KEUR 10,000.

  - *"XCOMpetence":* The duration of the estimated future payment flows is 5 years, with assumed perpetuity thereafter. The amount of the estimated payment flows is KEUR -300.

- The assets and liabilities identified in the context of the allocation of the purchase price on the date of first-time consolidation (March 31, 2015) are measured at their fair value. The fair value of the transferred assets and liabilities was calculated as followed, and assigned to the following levels in the fair value hierarchy:

  - Cash and cash equivalents (Level 1): The fair value is commensurate with the book value in the amount of KEUR 557,653.

  - Property, plant and equipment (Level 2): Input factors are the replacement prices observable in the relevant commodities markets for identical property, plant and equipment in the amount of KEUR 4,415. The fair value is commensurate with these replacement prices.

  - Registered brand names (Level 3): The fair value is calculated using the capital value-oriented license price analogy method for direct cash flow forecasts, applying an interest rate of 10.6 % (WACC as of March 31, 2015). The duration of the estimated future payment flows is 10 years, with assumed perpetuity thereafter. The amount of the estimated payment flows is KEUR 904. The fair value as of December 31, 2015 amounted to KEUR 700.

  - Customer relationship with ViTrade AG (Level 3): The fair value is calculated using the capital value-oriented direct cash flow forecasting method for, and applying an interest rate of 10.6 % (WACC as of March 31, 2015). The duration of the estimated future payment flows is 28 years, with assumed perpetuity thereafter. The amount of the estimated payment flows is KEUR 7,771. The fair value as of December 31, 2015 amounted to KEUR 3,700.

  - Customer relationship with biw AG (Level 3): The fair value is calculated using the capital value-oriented direct cash flow forecasting method for, and applying an interest rate of 10.6 % (WACC as of March 31, 2015). The duration of the estimated future payment flows is 20 years, with assumed perpetuity thereafter. The amount of the estimated payment flows is KEUR 4,472. The fair value as of December 31, 2015 amounted to KEUR 2,500.

  - Technology and software (Level 3): The fair value is calculated using the capital value-oriented direct cash flow forecasting method for, and applying an interest rate of 10.6 % (WACC as of March 31, 2015). The duration of the estimated future payment flows is 10 years, with assumed perpetuity thereafter. The amount of the estimated payment flows is KEUR 17,774. The fair value as of December 31, 2015 amounted to KEUR 16,300.

- Licenses (Level 2): Input factors are the replacement prices observable in the relevant commodities markets for identical property, plant and equipment in the amount of KEUR 802. The fair value is commensurate with these replacement prices.

- Financial assets held for sale (Level 1): The fair value in the amount of KEUR 80,390 is commensurate with the prices observable in the active market for identical assets.

- Inventories (Level 2): Input factors are the replacement prices observable in the relevant commodities markets for identical inventories in the amount of KEUR 1,168. The fair value is commensurate with these replacement prices.

- Receivables (Level 3): Input factors for the fair value of the receivables are the prices agreed upon for the individual transactions as between FinTech Group and its contractual partners. The fair value is commensurate with the book value in the amount of KEUR 503,762.

- Trade payables and other liabilities (Level 3): Input factors for the fair value of the trade payables and other liabilities are the prices agreed upon for the individual transactions as between FinTech Group and its contractual partners. The fair value is commensurate with the book value in the amount of KEUR 1,126,014.

- Pension provisions (Level 3): The fair value is commensurate with the present value calculated for the pension obligations, less plan assets, in accordance with IAS 19. This value in the amount of KEUR 16,742 was calculated as part of actuarial report prepared in accordance with the provisions of IAS 19.

- Loan payables (Level 3): Input factors for the fair value of the loan payables are the prices agreed upon for the individual transactions as between FinTech Group and its contractual partners. The fair value is commensurate with the book value in the amount of KEUR 6,083.

- Deferred taxes (Level 3): A material input factor for the calculation is the average tax rate. The fair value amounts to KEUR 1,150.

The fair value of any financial instruments not measured at their fair value on the balance sheet must be disclosed. The following table shows the fair value of the cash loans and receivables and the financial liabilities measured at amortized cost:

in KEUR	**Fair value as of 12/31/2015**	**Fair value as of 12/31/2014**	**Fair value as of 01/01/2014**
Cash loans and receivables	436,654	0	254
Financial liabilities measured at amortized cost	1,074,699	41,814	13,091

The fair value of the cash loans and receivables and the financial liabilities measured at amortized cost is largely commensurate with their book value. The fair value to be disclosed in this context for information purposes is to be allocated to Level 3 of the fair value hierarchy. The input factors for the fair value of the receivables and the financial liabilities are the prices agreed upon for the individual transactions as between FinTech Group and its contractual partners.

Note 31 Dividends

No payment of dividends to owners was recorded during the reporting period.

Note 32 Equity

The subscribed capital amounted to KEUR 16,811 as of December 31, 2015 (December 31, 2014: 15.395) and is divided into 16,810,876 no-par bearer shares (December 31, 2014: 15,394,815). The shares are not subject to any special preferential rights or restrictions

Shares outstanding on 01/01/2014	**12,465,287***
Change in 2014	**2,929,528**
Shares outstanding on 12/31/2014	**15,394,815**
Change in 2015	**1,416,061**
Shares outstanding on 12/31/2015	**16,810,876**

* In addition, 930,000 treasury shares on January 1, 2014.

All of the issued shares have been fully paid up. No treasury shares were held by FinTech Group or its subsidiaries as of December 31, 2014 or December 31, 2015.

Authorized capital

2014

As of the beginning of fiscal year 2014, the Authorized Capital, pursuant to an authorization issued on March 30, 2009, still amounted to EUR 1,320,000.

In 2014, the following resolutions were adopted with regard to the issuance of new shares:

1) Resolution of July 18, 2014: Authorization issued by the Executive Board, with the consent of the Supervisory Board, to increase the share capital by a total of up to EUR 6,997,643.00 by means of the issuance of up to 6,997,643 new, no-par bearer shares in return for cash contributions and/or contributions until July 17, 2019.

2015

In 2015, the following resolutions were adopted with regard to the issuance of new shares:

1) Resolution of April 30, 2015: Authorization issued by the Executive Board, with the consent of the Supervisory Board, to increase the share capital by a total of up to EUR 2,099,292.00 by means of the issuance of up to 2,099,292 new, no-par bearer shares in return for cash contributions and/or contributions until April 29, 2020.

2) Resolution of August 28, 2015: Authorization issued by the Executive Board, with the consent of the Supervisory Board, to increase the share capital by a total of up to EUR 2,504,292.00 by means of the issuance of up to 2,504,292 new, no-par bearer shares in return for cash contributions and/or contributions until August 27, 2020.

The following share issues were undertaken:

2014

1) The Executive Board resolved on March 18, 2014 to increase the share capital, on the basis of the authorization issued by the Annual General Meeting on March 30, 2009, by EUR 600,000 by means of the issuance of new shares. The remaining Authorized Capital 2009 in the amount of EUR 720,000 was revoked by way of resolution of March 26, 2014.

2) The Executive Board resolved on December 2, 2014, with the consent of the Supervisory Board, to increase the share capital, on the basis of the resolution adopted on July 18, 2014, by EUR 1,399,528 by means of the issuance of new shares in return for a cash contribution.

The subscribed capital was thus increased by a total of EUR 1,999,528.00 in fiscal year 2014. Moreover, 930,000 treasury shares were sold and thus put into circulation in 2014.

2015

1) The Executive Board resolved on June 2, 2015, with the consent of the Supervisory Board, to increase the share capital, on the basis of the resolution adopted on April 30, 2015, by EUR 810,000 by means of the issuance of new shares in return for a cash contribution. The remaining Authorized Capital 2015 in the amount of EUR 1,289,292 was revoked by way of resolution of August 28, 2015.

2) The Executive Board resolved on December 14, 2015, with the consent of the Supervisory Board, to increase the share capital, on the basis of the resolution adopted on August 28, 2015, by EUR 606,061 by means of the issuance of new shares in return for a cash contribution.

The subscribed capital was thus increased by a total of EUR 1,416,061.00 in fiscal year 2015. As of December 31, 2015, the company had authorized capital in the amount of EUR 7,496,346 (December 31, 2014: EUR 5,598,115):

	1/1/2014	12/31/2014	12/31/2015
Number of approved shares	1,320,000	5,598,115	7,496,346

Conditional capital

1) Resolution of June 27, 2013: Authorization issued by the Executive Board to conditionally increase the share capital by up to EUR 5,425,000.00 by means of the issuance of up to 5,425,000 new no-par shares until June 26, 2018.

2) Resolution of October 30, 2014: Authorization issued by the Executive Board to conditionally increase the share capital by up to EUR 1,390,000 by means of the issuance of up to 1,390,000 new no-par shares until September 30, 2019. The sole purpose of such capital increase is the securing of subscription rights issued, on the basis of the authorization issued on October 30, 2014, as part of the 2014 stock option plan to the members of the Executive Board, employees of the company, members of management and employees of affiliated companies of the company in the period up to and including October 30, 2019.

3) Resolution of August 28, 2015: Authorization issued by the Executive Board to conditionally increase the share capital by up to EUR 230,000 by means of the issuance of up to 230,000 new no-par shares until 27 August, 2020. The sole purpose of such capital increase is the securing of subscription rights issued, on the basis of the authorization issued on August 28, 2015, as part of the 2015 stock option plan to the members of the Executive Board, employees of the company, members of management and employees of affiliated companies of the company in the period up to and including August 27, 2020.

Capital reserves

The capital reserves in the amount of KEUR 49,367 (previous year: KEUR 30,474) comprise the following components:

- The amount that exceeds the nominal amount in the case of an issuance of shares,
- Additional payments into equity made by shareholders, and
- Additional payments made by shareholders in return for granting precedence to their shares.

Retained earnings

The retained earnings serve primarily as a means of compensating net losses. The net loss was offset against the retained earnings in fiscal year 2015.

Capital management

The group's objectives with regard to capital management involve securing the continued operation of the company, with a view to ensuring the satisfaction of the requirements of its shareholders and other stakeholders in relation to the payments owed to them. FinTech Group avails itself of classical forms of equity (for example, by means of the issuance of new shares) and debt financing in this regard. The equity and borrowed capital in its entirety is managed as capital. The control parameter with regard to the strategic capital structure is the equity ratio resulting from the values disclosed on the consolidated balance sheet. The company's stated goal is to reinforce the equity ratio over the next few years, in order to enable the attainment of the capital management objectives over the long term. There were no material changes in the capital management context as compared to the previous year.

Individual subsidiaries were subject to the minimum capital requirements imposed by banking regulations during the reporting period. The associated requirements are directly taken into account in the capital management planning context at the group level. All existing minimum capital requirements have been satisfied on an ongoing basis.

Note 33 Earnings per share

Earnings per share (undiluted)

The undiluted earnings per share are calculated by ascertaining the ratio in question on the basis of the share of the profit to which the shareholders of the parent company are entitled and the average number of issued shares during the fiscal year. With regard to the reporting of the earnings per share for fiscal 2014 and 2015, it should be noted that, as a result of the issuance of new shares in the context of capital increases over the course of the year, the calculation requires the weighting on a pro rata basis of the number of the outstanding shares.

	2015	**2014**
Number of issued shares as of January 1	**15,394,815**	13,395,287
Treasury shares as of January 1	**-**	930,000
Number of issued shares outstanding as of January 1	**15,394,815**	12,465,287
Number of shares issued in the fiscal year	**1,416,061**	1,999,528
Average weighted number of issued shares outstanding	**15,862,998**	13,474,879

	2015	**2014**
Gains attributable to the parent company	13,597,844.64	-7,749,497.65
Gains from discontinued operations attributable to the parent company	-15,756,425.77	0
Total	-2,158,581.13	-7,749,497.65
Average weighted number of issued shares outstanding	15,862,998.00	13,474,879

The undiluted earnings per share from continuing and discontinued operations which are attributable to the shareholders of the parent company are as follows (in EUR per share):

	12/31/2015	12/31/2014
Undiluted earnings per share		
From current operations	0.86	-0.58
From discontinued operations	-0.99	-

Earnings per share (diluted)

The impact of the stock option plan was taken into consideration in calculating the diluted earnings per share for fiscal year 2015 (cf. the terms of the stock option plan under Note 10). The number of shares to be issued is decided at the employer's discretion. Thus, the following potential shares within the meaning of IAS 33 were taken into account in calculating the diluted earnings:

	2015	2014
Average weighted number of issued shares outstanding	**15,862,998**	13,474,879
Adjustments in the stock option plan	**-**	-
Average weighted number of shares for the diluted earnings per share	**15,862,998**	13,474,879

	2015	2014
Gains attributable to the parent company	13,597,844.64	-7,749,497.65
Gains from discontinued operations attributable to the parent company	-15,756,425.77	0
Total	-2,158,581.13	-7,749,497.65
Average weighted number of shares for the diluted earnings per share	**15,862,998.00**	**13,474,879**

The diluted earnings per share from continuing and discontinued operations which are attributable to the shareholders of the parent company are as follows (in EUR per share):

	12/31/2015	12/31/2014
Diluted earnings per share		
From current operations	0.86	-0.58
From discontinued operations	-0.99	-

Note 34 Leasing

The Group has concluded commercial lease agreements in relation to motor vehicles in the capacity of lessee. These lease agreements have an average term of between one and five years. The Group was not subject to any restrictions when concluding these lease agreements.

The future minimum payment obligations pursuant to fixed-term lease agreements as of December 31, 2015 and December 31, 2014 are as follows:

in KEUR	up to 1 year	1-5 years	longer than 5 years
Car leases 2015 (2014)	370 (98)	308 (49)	0 (0)

The total leasing expenses for the fiscal years ending as of December 31, 2015 and December 31, 2014 amounted to KEUR 345 and KEUR 135, respectively. These comprised exclusively amounts for minimum lease payments; there were no conditional rental payments or payments pursuant to sub-lease arrangements, nor did any extension or purchase options or price adjustment clauses apply.

The FinTech Group has not concluded any lease agreements providing for variable lease payments.

Note 35 Presentation of reportable segments in accordance with IFRS 8

FinTech Group is obligated to provide segment reporting pursuant to IFRS 8. The manner of the segmentation is dictated by the so-called management approach. Segments are sub-divisions of the company, with regard to which separate financial information is available which is appraised by the Chief Operating Decision Maker (CODM) in the resource allocation and performance evaluation context. The top level of the reporting system will be authoritative in this regard. No consolidation of business segments has been undertaken.

FinTech Group reports on the performance of two business segments. The segment "Securities Trading & Financial Services" (ST & FS) is responsible for the provision of front-end online brokerage products and services, white-label banking services and professional banking services. The revenues of this segment originate from the sale of the corresponding products and services.

The segment "Transaction Processing & white-label banking services" (TP & WLBS) is responsible for the company's electronic securities settlement and deposit management activities, the provision of IT services, and research and development activities, with its revenues resulting from the provision of the corresponding services.

Segment report for continuing operations 2015

in KEUR	ST & FS	TP & WLBS	Other & consolidation	Total
Revenues	28,478	45,221	1,492	75,191
Raw materials and consumables used	510	13,694	-636	13,568
Personnel expenses	2,242	15,005	6,538	23,785
Marketing expenses	2,625	342	-89	2,878
Other administrative expenses	3,464	7,791	3,800	15,055
Impairment of financial assets	0	0	167	167
EBITDA	**19,637**	**8,389**	**-8,288**	**19,738**
Depreciation and amortization				2,499
Consolidated earnings before interest and income tax (EBIT)				**17,239**
Financial results				-2,670
Consolidated earnings before income tax (EBT)				**14,569**
Income tax expense				971
Consolidated earnings from continuing operations				**13,598**
Earnings from discontinued operations				-15,756
Consolidated net profit				**-2,159**
of which attributable to:				
Minority shareholders' share of income				-412
Majority shareholders' share of income				-1,746

Segment report for continuing operations 2014

in KEUR	ST & FS	TP & WLBS	Other & consolidation	Total
Revenues	17,140	0	0	17,140
Raw materials and consumables used	498	0	0	498
Personnel expenses	3,672	0	0	3,672
Marketing expenses	823	0	0	823
Other operating expenses	8,523	0	0	8,523
Impairment of financial assets	0	0	0	0
EBITDA	**3,624**	**0**	**0**	**3,624**
Depreciation and amortization				404
Consolidated earnings before interest and income tax (EBIT)				**3,220**
Financial results				-116
Consolidated earnings before income tax (EBT)				**3,105**
Income tax expense				2,488
Consolidated earnings from continuing operations				**5,593**
Earnings from discontinued operations				-13,342
Consolidated net profit				**-7,749**
of which attributable to:				
Minority shareholders' share of income				-7,749
Majority shareholders' share of income				0

The foregoing segment reporting shows the financial figures for 2014 and 2015 following the restructuring of the segments undertaken in fiscal year 2015.

Sales as between the segments are carried out at market prices. The accounting basis for all business transactions as between the reportable segments is in line with IFRS Stipulations. Sales relating to external customers which are reported to the CODM are measured in accordance with the same principles as those which apply to the disclosure in the statement of profit or loss and other comprehensive income.

External revenues are generated only by the Group companies based in Germany.

In fiscal year 2015, FinTech Group generated a significant portion of its overall revenues (> 10 %) in the amount of KEUR 18,028 through a single customer serviced by both business segments. There were no other cases of significant portions of the overall revenues being generated through a single customer during the reporting period.

Note 36 Information on relationships with related companies and persons

The balances and business transactions (including any interim profits) as between FinTech Group and its subsidiaries, which constitute related companies/persons, have been eliminated in the context of the consolidation and are accordingly not described in the disclosure contained in these Notes. Details of business transactions as between the Group and other related companies/persons are given below.

FinTech Group is for its part controlled by GfBk Gesellschaft für Börsenkommunikation mbH, which is in turn controlled by the ultimate parent company, BFF Holding GmbH, the sole shareholder of which is Mr. Bernd Förtsch.

Thus, in addition to the subsidiaries of FinTech Group, GfBk Gesellschaft für Börsenkommunikation mbH and BFF Holding GmbH, as well as the companies controlled by them and those over which they exercise significant influence, count among the persons/companies related to FinTech Group. This is also the case for the companies controlled by Mr. Bernd Förtsch and those over which he exercises significant influence.

In addition, the members of the Executive Board and the Supervisory Board of FinTech Group and their immediate family members also qualify as related persons. Companies over which related persons exercise a controlling interest are furthermore classified as related companies.

Directors and persons related thereto in 2015:

- Frank Niehage and his family

Directors and persons related thereto in 2014:

- Frank Niehage and his family
- Stefan Müller and his family

Members of the Supervisory Board and persons related thereto in 2015:

- Martin Korbmacher and his family
- Bernd Förtsch and his family
- Achim Lindner and his family

Members of the Supervisory Board and persons related thereto in 2014:

- Martin Korbmacher and his family
- Bernd Förtsch and his family

- Achim Lindner and his family
- Karl Matthäus Schmidt and his family
- Stefan Feulner and his family

The members of the Supervisory Board of FinTech Group receive only fixed remuneration on an ongoing basis, as well as lump-sum remuneration for their attendance of Board meeting up to and including 2014. The amounts of this remuneration are as follows:

in EUR	2015	2014
Martin Korbmacher	**35,700**	5,000
Achim Lindner	**26,775**	32,725
Bernd Förtsch	**17,850**	31,238
Karl Matthäus Schmidt	**-**	26,775
Stefan Feulner	**-**	5,000

The members of the Executive Board of FinTech Group receive fixed and variable remuneration on an ongoing basis. The amounts of this remuneration are as follows:

in EUR	2015	2014
Frank Niehage	**500,000 (fixed) 100,423 (variable)**	135,117 (fixed) 0 (variable)
Stefan Müller	**-**	154,000 (fixed) 67,000 (variable)

Mr. Frank Niehage also received share-based remuneration in the form of share options in the amount of KEUR 600 (previous year: KEUR 0) in fiscal year 2015.

No payments upon the expiration of their employment contracts have been agreed upon with the members of the Supervisory Board and Executive Board.

Furthermore, the following related persons served on the supervisory boards of subsidiaries of the group and received the following remuneration therefor:

XCOM AG (in EUR)	2015	2014
Frank Niehage (CEO)	**16,269**	-
Martin Korbmacher	**16,336**	-
Bernd Förtsch	**8,135**	-

biw Bank für Investments und Wertpapiere AG (In EUR)	2015	2014
Frank Niehage (CEO)	**40,427**	-
Martin Korbmacher	**7,499**	-
Stefan Müller	**6,301**	-

Moreover, further business transactions were entered into with related companies or persons in fiscal years 2014 and 2015:

- The company Event Horizon Capital & Advisory GmbH (shareholder: Martin Korbmacher) realized revenues in the amount of KEUR 232 in fiscal year 2015 (previous year: KEUR 97) in conjunction with the Group (parent company: KEUR 236, subsidiaries: KEUR 0). These were largely the result of M&A activities.

- Lindner GmbH, Kulmbach (shareholder: Achim Lindner) realized revenues in the amount of KEUR 9 in fiscal year 2015 (2014: KEUR 25) in conjunction with the Group (subsidiaries: KEUR 9).

- Förtsch Grundstücksverwaltung GbR (shareholders: Bernd and Michaela Förtsch) has leased office premises in Kulmbach to the Group (parent company: KEUR 0, subsidiaries: KEUR 95). The rental expense in 2015 amounted to KEUR 95 (previous year: KEUR 92).

- designhouse Gesellschaft für Kommunikationskonzepte mbH, Kulmbach (shareholder: Bernd Förtsch) realized revenues in the amount of KEUR 234 in fiscal year 2015 (previous year: KEUR 698) in conjunction with the Group (parent company: KEUR 30, subsidiaries: KEUR 203). These were largely the result of the onward invoicing of centrally booked TV ads and the development of marketing concepts.

- Börsenmedien AG, Kulmbach (majority shareholder: Bernd Förtsch) realized revenues in the amount of KEUR 925 in fiscal year 2015 (previous year: KEUR 924) in conjunction with the Group (parent company: KEUR 9, subsidiaries: KEUR 916). These were largely the result of the invoicing of advertising space in diverse print and online media.

- Heliad Equity Partners GmbH & Co. KGaA, Frankfurt (indirectly controlled by Bernd Förtsch), granted FinTech Group a loan in 2015 to finance the restructuring of the Group (parent company). Interest expense in the amount of KEUR 524 fell due or was allocated to provisions for this loan in 2015. The full amount of the loan was repaid in January 2016.

- Panthera Capital AG, Frankfurt (indirectly controlled by Bernd Förtsch), as an outsourcing partner of CeFDex GmbH, had provided the latter with a banking system for the trading and processing of CfDs since 2008. The costs accruing in connection with the provision of development and operational services, plus a lump-sum handling fee, were invoiced to CeFDex GmbH in accordance with the contract between the two companies (2015: KEUR 1,958, 2014: KEUR 1,813).

- Applab GmbH, Kulmbach (shareholder: Bernd Förtsch), realized revenues in the amount of KEUR 12 in fiscal year 2015 (2014: KEUR 36) in conjunction with the Group (parent company: KEUR 0, subsidiaries: KEUR 12).

- Finlab AG, Frankfurt (indirectly controlled by Bernd Förtsch), has leased office premises in Frankfurt to the Group (parent company: KEUR 6, subsidiaries: KEUR 4). The rental expense in 2015 amounted to KEUR 10 (2014: KEUR 5).

- Finlab AG, Frankfurt (indirectly controlled by Bernd Förtsch), realized revenues in the amount of KEUR 29 in fiscal year 2015 (2014: KEUR 0) in conjunction with the Group (parent company).

- The Group (parent company: KEUR 93, subsidiaries: KEUR 251) realized further revenues in the amount of KEUR 344 in conjunction with related companies of Bernd Förtsch in fiscal year 2015 (2014: KEUR 280). These largely relate to invoices for services with regard to the marketing of share price data.

- FinTech Group received an undertaking from Mr. Bernd Förtsch on November 23, 2012 to the effect that the former is at all times financially in a position to meet all of its obligations on time, that the occurrence of insolvency and indebtedness will generally be avoided and that its creditors will under all circumstances definitively retain any amounts paid to them (for example, also in the case of a contesting of the transactions undertaken by the insolvent party, to the detriment of its creditors, prior to the commencement of insolvency proceedings). Mr. Bernd Förtsch is entitled to revoke this hard comfort letter with effect for the future at any time. Any claims legally accruing up to the date of the receipt of such declaration of revocation will remain covered by this comfort letter even in the case of such revocation.

As of the final day of the fiscal year, the group had no receivables owed by related companies but owed the following liabilities to related companies:

in KEUR	**2015**	**2014**
Börsenmedien AG	**0**	113
designhouse Gesellschaft für Kommunikationskonzepte mbH	**0**	24
Lindner GmbH	**0**	1
Panthera Capital AG	**2**	0
Event Horizon Capital & Advisory GmbH	**0**	39

The liabilities owed to related companies/persons shown above are the result of the outlined business transactions and fall due within 2 months of the occurrence of those business transactions. They are unsecured and not subject to any interest.

Furthermore, a number of related persons/companies maintained accounts and securities deposit accounts with biw AG. All such transactions (securities transactions and those relating to the lending/deposit business) were processed on terms applicable to end customers.

Note 37 Auditor’s fees

The components of the total fee invoiced by the auditor of the consolidated financial statement are as follows:

in KEUR	2015	2014
Audit of the financial statements	375	60
Other assurance services	-	-
Tax advisory services	-	-
Other services	-	-

Note 38 Events occurring after the balance sheet

Sale of AKTIONÄRSBANK to Obotritia Capital and launch of a strategic partnership

The sale of AKTIONÄRSBANK marks the end of a year-long process of concentration implemented by FinTech Group and resulting in the reduction of the number of banking licenses from four to one: In June 2015, the business of the CfD providers CeFDeX was merged with a collaborative venture with Commerzbank AG. The online broker flatex GmbH subsequently gave up its securities trading permit and joined the ranks of biw AG which, as a holder of a full-service banking license, will in the future assume the provision of all of the banking services of FinTech Group.

Investment in new data processing center

Over the course of the first six months of 2016, the company decided in favor of setting up a further data processing center location in line with the trend towards growth. The investment will be financed by means of leasing, and will make FinTech Group an innovative leader in the operation of designated, specialized data processing center for banks and financial services providers. The implementation of the investment undertaken to date in fiscal year 2015 would have resulted in an increase in non-current assets and a simultaneous decrease in financial resources. The investment undertaken up to May 31, 2016 amounted to KEUR 422, adjusted for depreciation and amortization. Scheduled depreciation and amortization in the amount of KEUR 42 was carried out in this connection in fiscal year 2016.

Strategic partnership with Morgan Stanley for structured products

Morgan Stanley will issue certificates and warrants under the brand name flatex for the German market as part of a strategic long-term partnership. The customers of flatex GmbH will benefit from a broader range of products and in some cases lower trading costs. The first products are set to be launched on the market in the summer of 2016.

No other materially significant events occurred in the run up to the preparation of consolidated financial statement of FinTech Group.

Auditor's Report

We have audited the consolidated financial statements prepared by the FinTech Group, Frankfurt am Main, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the financial year from 1st January 2015 to 31st December 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to §315a(1) of the HGB [„Handelsgesetzbuch": „German Commercial Code"] are the responsibility of the legal representatives of the parent company. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with §317 of the HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the financial information of those components consolidated, the scope of the consolidation, the accounting and consolidation principles used and the significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to §315a(1) of the HGB and full IFRSs and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 15th June 2016

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Otte	signed Streicher
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüferin (German Public Auditor)

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