

15

ANNUAL REPORT AND ACCOUNTS 2015

omiclear

ACRONYMS:

OMIClear

OMIClear, C.C., S.A.

OMIP

OMIP – Pólo Português, S.G.M.R., S.A.

OMIE

OMI – Polo Español, S.A.

OMIP SGPS

OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.

OMEL

Operador del Mercado Iberico de Energía, Polo Español, S.A.

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ANNUAL REPORT AND ACCOUNTS 2015

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MESSAGE FROM THE CHAIRMAN

2015 was a particularly difficult year for the activity of OMIClear.

The alleviation of the financial and economic crisis, price stability in a substantial part of the year, the fact that some banks and investment funds withdrew from commodities markets, and the uncertainties linked to the new MiFID II/MiFIR legislation, together contributed much to a waning of the MIBEL Derivatives Market participants' interest and to the decline in trading and hedging. As a result of this, there was a substantial drop in offset volumes, either through continuous quotation or OTC, reversing the growth trend seen in the four previous years.

The numbers speak for themselves: while the total energy demand in the Iberian Peninsula dropped about 0.84 % to 289.8 TWh, the volume traded in the marked managed by OMIP fell by about 43.5 % to 29.85 TWh. At the same time, the OTC market, according to CNMC data, reached 139.96 TWh, making for a reduction of 49.2 % compared to 2014 (275.45 TWh). Consequently, the total clearing volume of OMIClear was of 61.21 TWh (this includes continuous trading, regulated auctions of special regime generation, and the interconnection capacities on the Portuguese-Spanish border, in addition to the bilateral volume registered in OMIP), resulting in a 40 % reduction compared to 2014 (102.4 TWh)

With its core business strongly affected, OMIClear continued to aim high and diversify its activities, and was thus able to finish the year with a positive net result.

In 2015, we continued with our strategy to expand the portfolio of products accepted for clearing and settlement, both for electricity derivatives outside the Iberian Peninsula, and for natural gas derivatives. However, the implementation of this strategy, focused in the short-term on the approval of the German and French instruments, after nearly a year is still pending the CMVM's authorisation. Notwithstanding the above, we also intend to expand the portfolio of electricity derivatives accepted in OMIClear, for example, Italian contracts and natural gas contracts in the Iberian Peninsula, thereby giving a major boost to the development of the Iberian gas market.

This strategy to expand the portfolio, geared towards meeting the needs of the market agents together with the high level of service always provided by OMIClear, gives our company the trust and courage needed to face the challenges ahead, in particular the fierce increase in competition. The increasing volatility in the prices of the major commodities, seen since December 2015, gave the necessary impetus for the traded volumes registered for clearing and settlement in early 2016 to be frankly encouraging; however, we should not conclude that the pace will continue in the future.

Consequently, our immediate action will be to continue to diversify in order to mitigate risks, most of which are beyond our controls, and to maintain a very tight cost structure, yet flexible enough to efficiently respond to any opportunity.

Finally, we would like to thank the entire OMIClear team, including the non-executive Directors, for their excellent work in these hard times, and to express our thanks to all the shareholders for their constant support and trust.

Lisbon, 30 March 2016

José Isidoro d'Oliveira Carvalho Netto

Chairman of the Board of Directors

Pedro Jesús Mejía Gómez

Deputy-Chairman of the Board of Directors

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RELEVANT FACTS

2015

12 March	XXVI meeting of the Clearing and Settlement Committee, in London.
12 May	OMIClear and OMIP organise two training sessions in Madrid and Lisbon.
19 June	XXVII meeting of the Clearing and Settlement Committee, in Lisbon.
1 September	OMIP and OMIClear extend the trading session closing time to one more hour.
2 September	OMIP and OMIClear launch the trading of Day-Ahead products.
14 September	OMIP and OMIClear launch the Solar products, Mini <i>Swap</i> SPEL Solar Products, open to registration with OMIClear.
29 September	Conclusion of the first solar auction. Amounts awarded are registered with OMIClear for clearing and settlement.
25 November	XXVIII meeting of the Clearing and Settlement Committee, in Barcelona.
25 November	The OMIP Group, including OMIClear, are Platinum-level sponsors of the EMART Energy 2015 event in Barcelona, the largest energy fair in Europe.

Table 1 Relevant facts in 2015

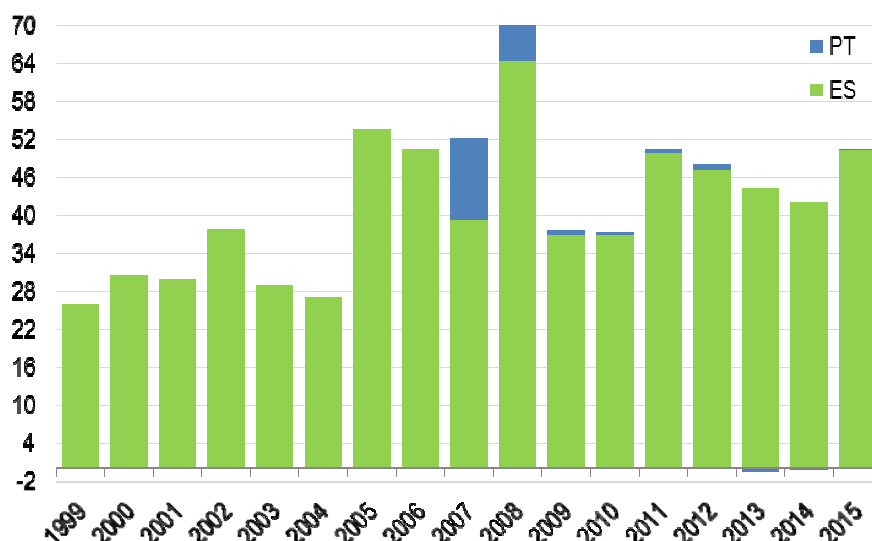
03

DERIVATIVES MARKET

3.1. Framework

In contrast to the previous year, 2015 recorded an increase in average annual spot prices of electricity, with differences compared to last year of 8.19 EUR/MWh and 8.58 EUR/MWh, respectively, in the Spanish and Portuguese MIBEL zones.

Figure 1 Spot prices (EUR/MWh) 1998 to 2015. Annual average. Spanish and Portuguese Zones.



It is also important to note that the average Portuguese price was higher than the Spanish one, this time by 0.11 EUR/MWh, in keeping with the trend noted since 2007, the year when the Iberian market began working in a joint manner.

Aside from the noted rise in spot prices, average future prices again recorded an increase compare to that of 2014. The average futures prices for the Spanish zone was of 48.65 EUR/MWh monthly, and 47.53 EUR/MWh quarterly, with a drop in the average annual price to 46.74 EUR/MWh.

Figure 2 Price of Futures for the first Contracts (EUR/MWh). Spanish Zone.

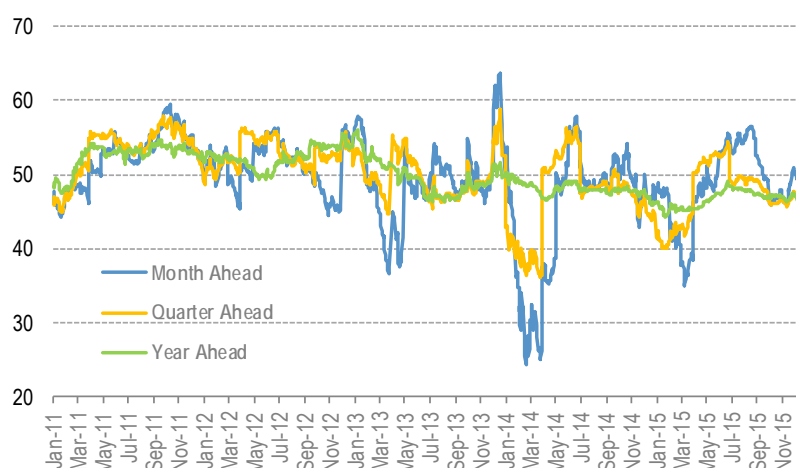
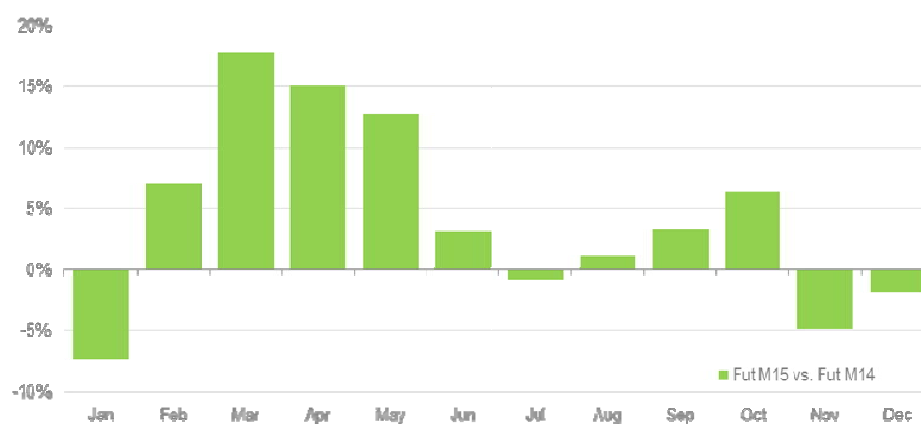


Figure 3 Variation in Average Monthly Futures Prices 2015 vs. 2014. Spanish Zone.



When compared with the French market, the prices of the 2016 products were always higher in Portugal and Spain, also for quarterly contracts for which Iberian prices were higher than French prices.

Figure 4 Prices of the first Quarterly Futures Contract (EUR/MWh). Iberian Market vs. French Market.

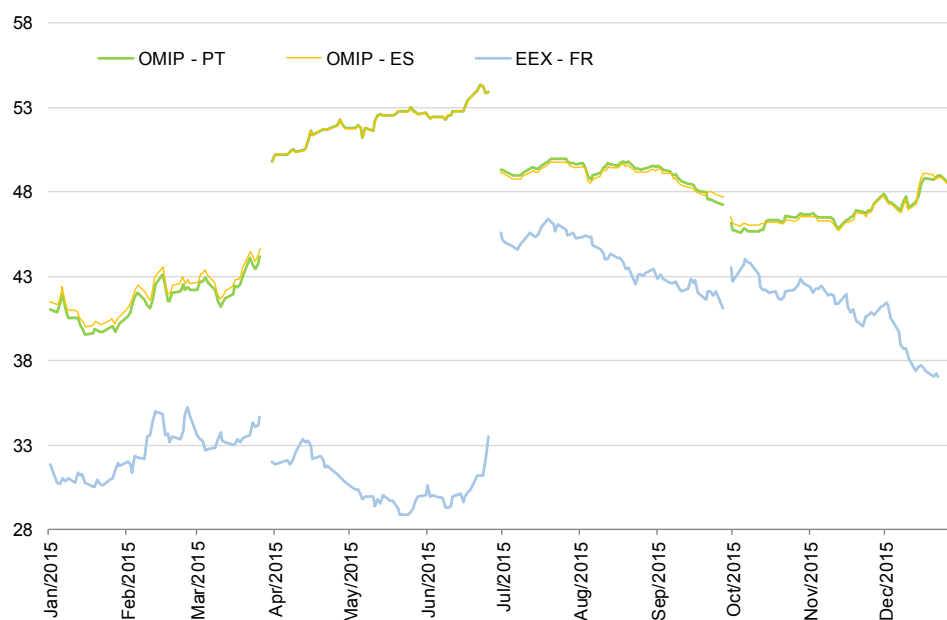
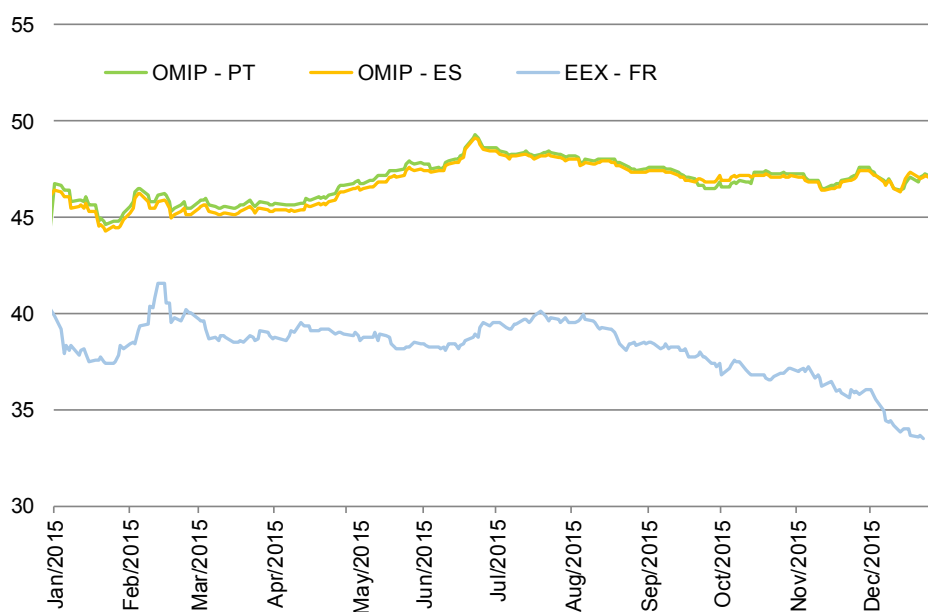


Figure 5 Prices of the Futures Contract 2016 (EUR/MWh). Iberian Market vs. French Market.



3.2. Clearing and Settlement Activity

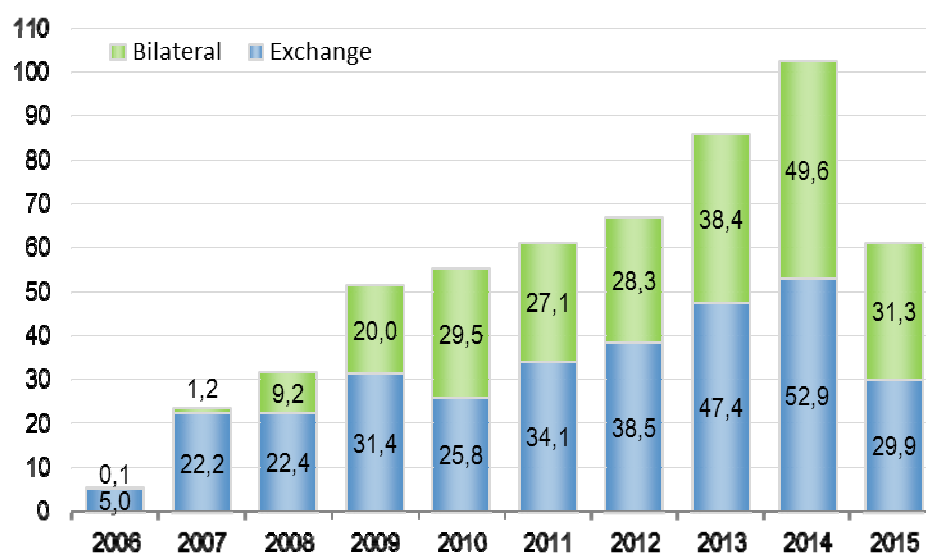
The volume recorded and cleared by OMIClear presented a drop of 40 % compared to the previous year, decreasing from 102.4 TWh to 61.21 TWh, the notional value representing 2 415 million EUR.

Table 2 OMIClear Activity Indicators

	2015	2014
Registered Volume (TWh)	61,21	102,4
Registered Notional Value (Millions EUR)	2 415	4 358

A closer look at the volumes recorded annually shows that in 2015 the trend since the beginning of the market reversed, with OMIClear nevertheless consolidating its position vis-à-vis the central counterparties dedicated to the clearing of electricity derivatives.

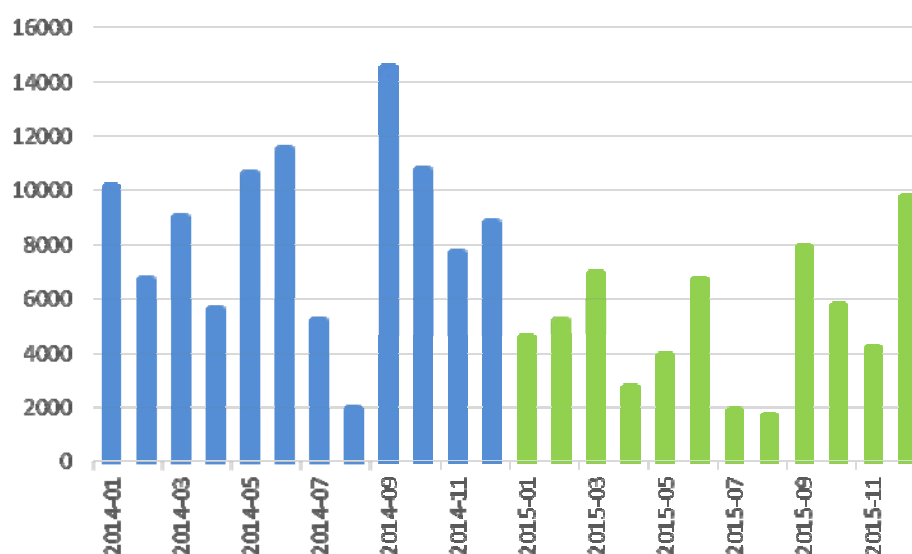
Figur6 Annual volumes cleared by OMIClear (TWh)



In 2015, there was a decrease of 43 % in the clearance of exchange market transactions, and of 37 % in the clearance of registered bilateral transactions (OTC). The volume originating at OMIP represented 48.85 % of the total equivalent to 29.9 TWh, while the remaining 51.14 %, amounting to 31.3 TWh, resulted from the clearance of bilateral operations.

Nevertheless, and when analysing each month separately, cleared volumes still show some volatility throughout the year. September and June were the months with the highest volume.

Figure 7 Monthly Energy Volumes registered at OMIClear (MWh)



With the aim of continuing to promote market liquidity, OMIClear, in collaboration with OMIP, continued to support the *Market Makers* programme.

In this context, the following aspects are particularly relevant:

- > The setting up of an annual contract with all *Market Makers*;
- > The admission of a new *Market Maker*, Endesa, which joined AXPO Energía and EDF Trading, negotiating members that had already been playing this important role in previous years.
- > In 2015, monthly, quarterly and annual contracts had *Market Makers*.
- > The existence of the first *Market Makers*, Axpo Energía, for options products.

Figure 8 Market Making in the OMIP market. Spanish Futures Zone.

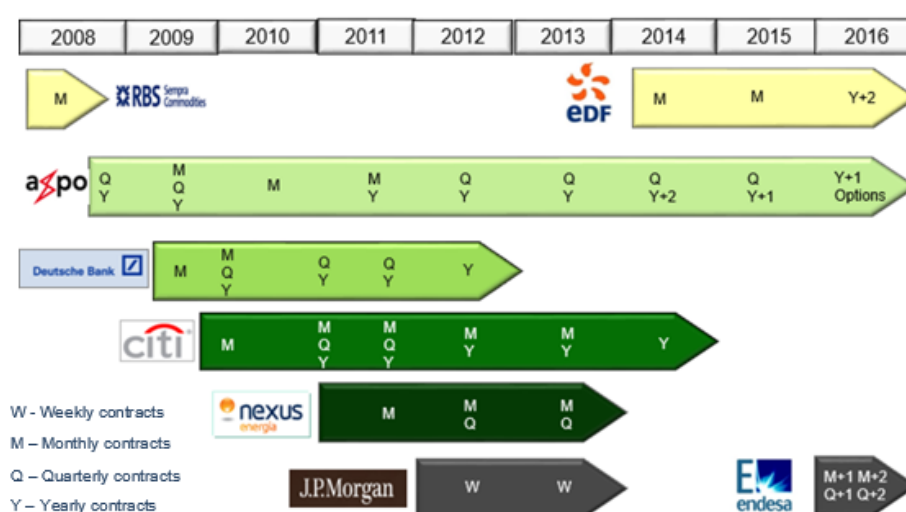
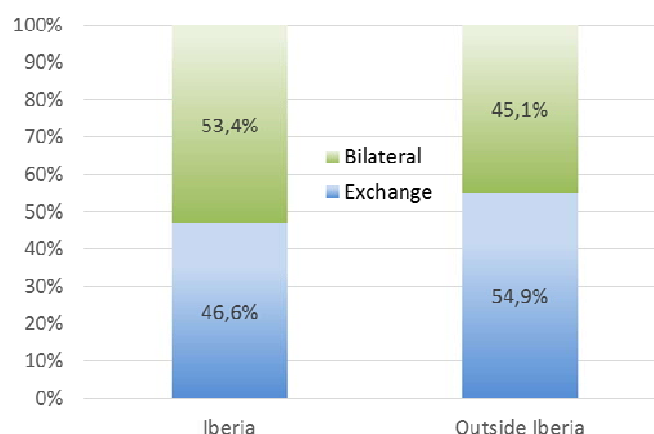


Figure 9 Distribution of volumes cleared by OMIClear. Exchange Trading vs. OTC and Iberia vs. Outside Iberia (2015)



Approximately 74 % of the cleared volume originated in Iberia, and the distribution by segment is asymmetric. The volume recorded by Iberian companies is greater in bilateral operations (53.4 %), yet the volume recorded by non-Iberian entities is greater in exchange trading (54.9 %).

Contracts in the Portuguese Zone represented approximately 9.3% of the total cleared volume.

Regarding contract maturity, most contracts cleared by OMIClear (cf. figure 10 and 11) continue to be those delivered quarterly, with a market share close to 47.65 %, despite the growth in contracts delivered annually cleared by OMIClear as OTC, the market share of which increased compared to 2014, standing at 55.5 %.

Figure 10 Volumes traded in the Market and cleared by OMIClear (MWh). Historical distribution by maturity.

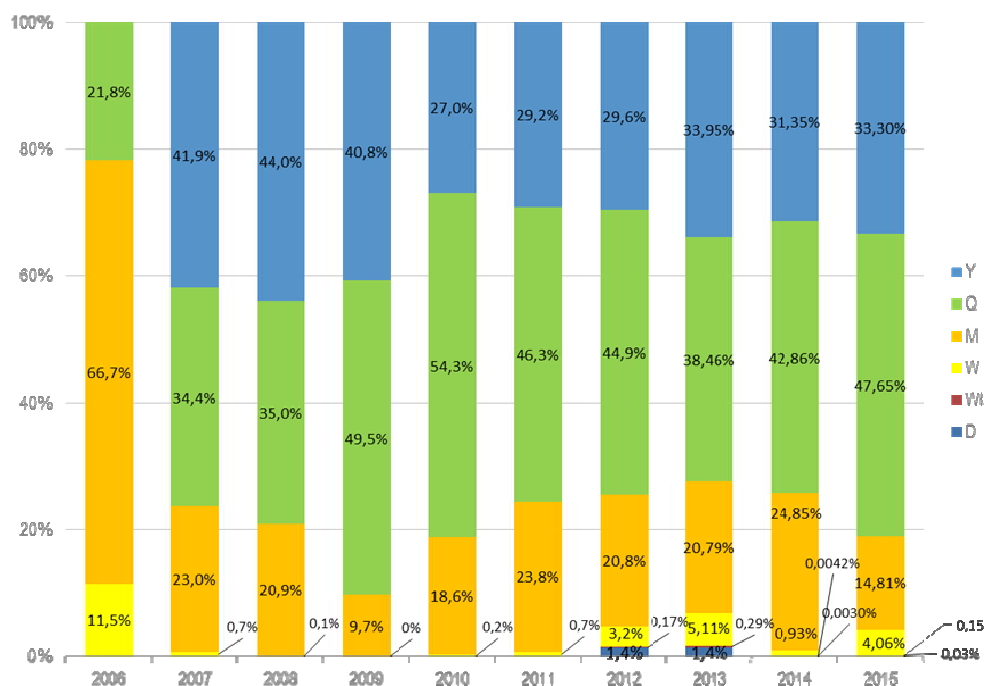
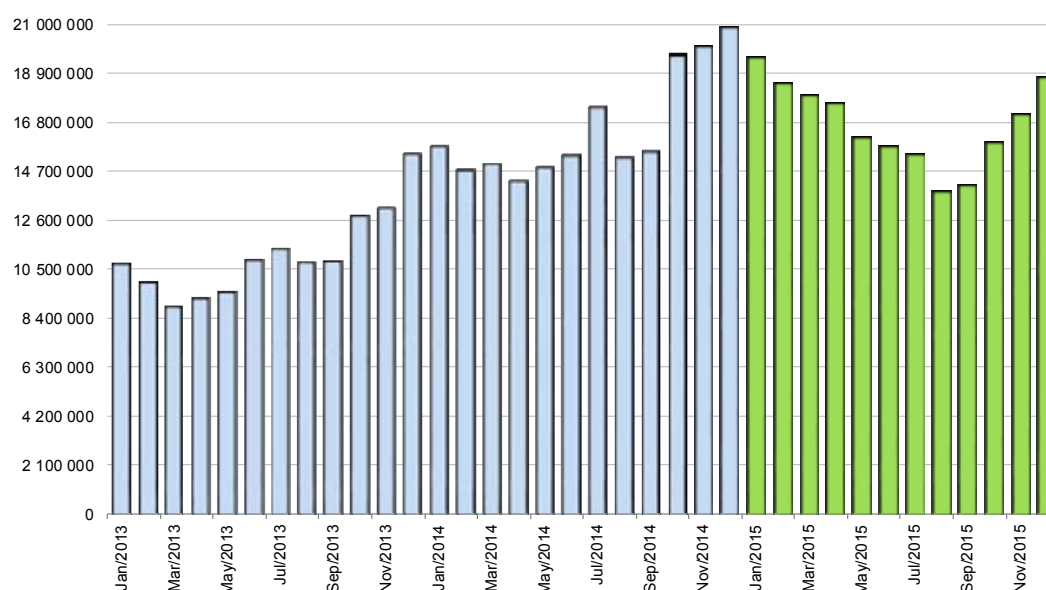


Figure 11 Volumes traded on the OTC Market and cleared by OMIClear (MWh). Historical distribution by maturity.



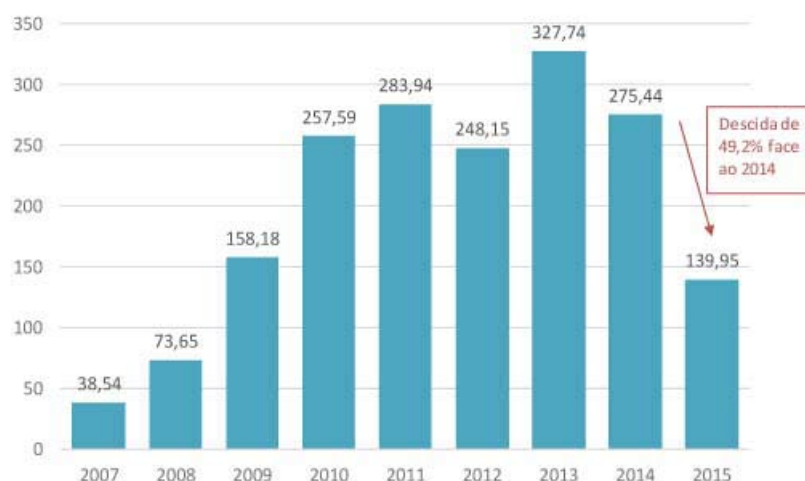
Open Interest positions revealed an upward trend, from September to the end of the year.

Figure 12 Value at month end of Open Interest positions registered at OMIClear (MWh)



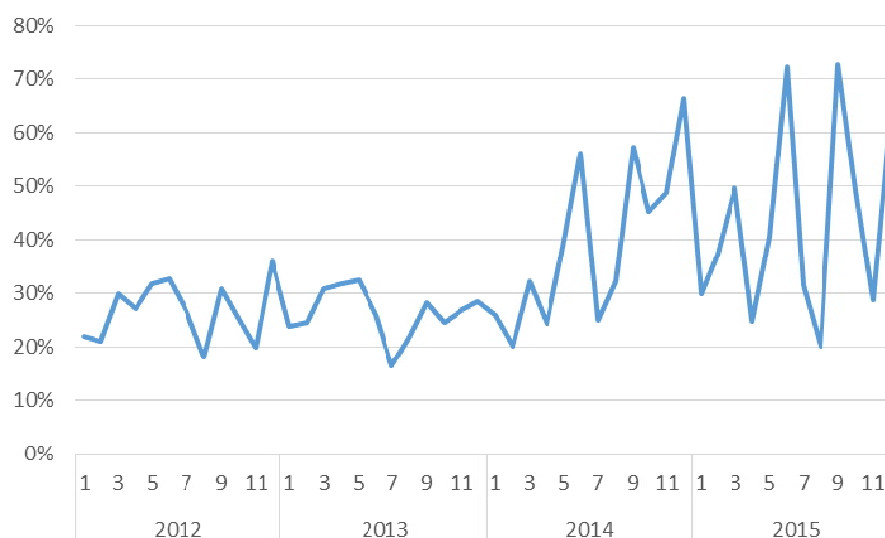
The volume traded on the OTC market suffered an abruptly decline in liquidity (about 49 % compared to 2014), due to many national and international factors, namely because the large financial institutions no longer traded in commodities.

Figure 13 Total annual OTC value. Data provided by CNMC (TWh)



Despite this decrease, OMIClear increased its market share in terms of OTC registrations, and kept its position as main Clearing House for Iberian electricity derivative products.

Figure 14 Share of the total volume cleared by OMIClear under the Total OTC market.



Together with OMIP, OMIClear launched, at the request of a market member, quarterly descending-type clock auctions. These auctions deal with products listed for trading at OMIP – SPEL Solar Product (Solar Zone IV) with financial settlement and clearance by OMIClear. In 2015, two auctions were held, 13 entities being qualified for last December auction.

Following an internationalisation and globalisation strategy, OMIClear prepared and developed its platforms to offer to its clients the registration of products in the German and French zones. Also during 2015 OMIClear submitted all documentation required by the authorities and is, at the moment, waiting for their authorisation to launch these new products. OMIClear is confident that the offer of registration of French and German products is an important challenge for the company, because it not only meets the needs of some of its current members, but will also attract new members who will appreciate the opportunity of registering Iberian, French and German products on the same platform.

3.3. Participants

OMIClear has three types of participants: (i) clearing members, which are counterparties in the registered operations; (ii) settlement agents, who only play the complementary role of facilitating or providing settlement services to the clearing members, through the TARGET2 System of European Central Banks in the case of financial settlements, and through OMIE in the case of physical settlements, OMIClear thus not being a counterparty in the transactions; and (iii) registration agents, who are the clients of the clearing members, with whom they deal with, and who are able to register operations cleared or settled by OMIClear through access to the platforms of negotiation, registration or clearing.

No new clearing member was admitted in 2015.

At the end of the year, there were a total of 18 clearing members and 63 registration agents. In turn, the number of settlement agents remained the same as in 2014 (25 entities), 18 of which dealing with physical settlement and 7 with financial settlement.

The following table lists the OMIClear participants as at 31 December 2015, with a breakdown of each one's status.

Table 3 List of Participants (31.Dec.2015)

	Direct Clearing Member	General Clearing Member	Financial Settlement Agent	Physical Settlement Agent	Registration Agent
Acciona Green Energy Developments, S.L.					
Alpiq AG					
AXPO Iberia, S.L.					
Banco L.J. Carregosa, S.A.					
Banco Santander, S.A.					
BP Gas Marketing Limited					
Caixa Geral de Depósitos, S.A.					
Céltica Energía, S.L.					
Cepsa Gas y Electricidad					
CIMD – Corretaje e Información Monetaria y de Divisas, S. V., S.A.					
Citibank International PLC, Sucursal en España					
Citigroup Global Markets Ltd.					
Danske Commodities, A/S					
Deutsche Bank AG Frankfurt					
Deutsche Bank, AG – Sucursal em Portugal					
Dreue Electric S.L.					
EDF Trading Markets Limited					
EDP - Energias de Portugal, S.A.					
EDP - Serviço Universal, S.A.					
EDP Comercializadora de Último Recurso, S.A.					
EGL, A.G.					
Endesa Energía XXI, S.L.					
Endesa Generación, S.A.					
Enérgya VM Gestión de Energía, S.L.U.					
Eni Trading & Shipping					
Factor Energía, S.A.					
Fenie Energía					
Foener Comercialización, S.L.U.					
Fortia Energía Servicios, S.L.					
Fortia Energía, S.L.					
Freepoint Commodities Europe LLP					
Galp Power, S.A.					
Gás Natural Electricidad SDG, S.A.					
Gás Natural SUR SDG, S.A.					
Gás Natural SDG, S.A.					
GDF Suez Trading, S.A.S.					
Gnera Energía y Tecnología					
Goldman Sachs International					
Hidroeléctrica del Cantábrico, S.A.					
Iberdrola Comercialización de Último Recurso, S.A.U.					
Iberdrola Generación España, S.A.U.					
Iberdrola Generación, S.A.U.					
J. Aron & Company					
Ledesma Comercializadora Eléctrica, S.L.					
Macquarie Bank Limited					
Membro Não Divulgado					
Membro Não Divulgado					
Mercuria Energy Trading S.A.					
Morgan Stanley & Co. International plc.					
Morgan Stanley Bank, AG					
Nexus Energía, S.A.					
Noble Clean Fuels Limited					
Red Eléctrica de España, S.A.					
REN - Rede Eléctrica Nacional, S.A.					
Shell Energy Europe Ltd.					
Solvay Energy Services Ibérica S.L.					
Switch Energy, S.L.					
Total Gas & Power Ltd.					
Tradition Financial Services Derivatives Ltd.					
TrailStone GmbH					
Tullett Prebon (Securities) Limited					
Uniper Global Commodities SE					
Viesgo Comercializadora de Referencia, S.L.					
Viesgo Generación, S.L.					
Viesgo Renovables, S.L.					

With the exclusion of registration agents, Spain and Portugal account for the majority of companies registered with OMIClear as clearing members and settlement agents, though the distribution is not symmetrical for all functions: general clearing members and financial settlement agents are almost equally distributed between the Iberian region and the remaining European countries, whereas in the case of direct clearing members and physical settlement agents the prevalence of Iberian members is significant.

Figure 15 Origin of OMIClear's participants (Dec..2015), excluding Registration Agents



Table 4 Countries of Origin of OMIClear participants (Dec.2015), excluding Registration Agents

Origin	Direct Clearing Member	General Clearing Member	Physical Settlement Agent	Financial Settlement Agent
Spain	7	1	14	2
Portugal	1	2	2	3
United Kingdom	1	2	0	0
Germany	1	1	0	2
Switzerland	0	0	1	0
Cayman Islands	1	0	0	0
Belgium	1	0	0	0
USA	0	0	1	0
Total	12	6	18	7
Iberian	8	3	16	5
Non-Iberian	4	3	2	2

Like in the past several years, a study was carried out among clearing members to analyse the levels of risk taken on by OMIClear. The key conclusions are that both the systems and the management model have responded very suitably to the needs of the market and that each member's risk level lies within very comfortable parameters given the guarantees deposited.

04

RISK MANAGEMENT
SYSTEM

RISK MANAGEMENT SYSTEM

OMIClear's risk management system is designed in agreement with the EMIR and the respective implementation legislation.

The Board of Directors is responsible for the implementation of the strategy and for OMIClear's system of risk management.

OMIClear breaks down risks into the following categories, each of which is controlled according to specific principles:

- > Credit risk
- > Operating risk
- > Liquidity risk
- > Market risk
- > Commercial risk

Given that credit risk is the most relevant risk OMIClear is subject to, it is fully covered by the margin system. Throughout the first half of 2015, the risks, assessed according to the rules defined in the Commission Delegated Regulation (EU) no. 152/2013, were always covered by available funds.

In operational terms, the Board of Directors is directly responsible for assessing commercial risk. In agreement with the risk management principles in force, the follow-up, monitoring and control of credit, liquidity and market risks, as well as the reporting to the Board of Directors and the Risk Committee were carried out by the Chief Risk Officer with the support of the clearing department. The monitoring of operational risk and the reporting to the Board of Directors were carried out by the Chief Internal Audit.

A risk report, constituting the key tool to inform the administration body about the risk situation of OMIClear, is prepared every month. This reporting action is complemented by *ad-hoc* reporting actions regarding specific topics whenever materially relevant situations occur. At least three times yearly a presentation of the situation to the Risk Committee is made.

The Internal Audit office assesses the suitability and operability of the risk management system.

4.1. Credit risk

One of the key elements of the risk strategy is to fully cover the counterparty risk by building several lines of defence. The latter are composed of the following main components:

> Conditions of admission

Only institutions with a sufficient financial capacity and with the appropriate technical and operational conditions to carry out the settlement of the registered operations are admitted as clearing members.

> Daily settlement of the daily market-to-market

The daily adjustment of gains and losses during the period of negotiation and delivery of all the products registered and cleared at OMIClear (with the exception of the contracts of financial rights of capacity of interconnection in the Portugal-Spain border [*FTR – Financial Transmission Rights*]) are credited or debited to the respective clearing members on a daily basis. In the specific case of FTR contracts, financial settlement occurs monthly, and thus OMIClear requires a settlement margin (covered with guarantees).

> Margin system of the clearing member

Clearing members must at all times have constituted guarantees with OMIClear to cover both their own responsibilities and those of their clients.

The responsibilities of each clearing member include a margin (initial margin) that aims to cover the risk of incurring in losses in the closing of positions in a short period of time, arising from the worst estimate of price variation. The parameters used to calculate this margin follow the principles defined in chapter VI (Margins) of the Commission Delegated Regulation (EU) no. 153/2013, namely in terms of: (i) confidence interval (OMIClear: 99 %); (ii) a time horizon that captures a full range of market conditions, including periods of stress (OMIClear: since the first observation – with the exception of Futures SPEL Base, for which the period considered goes from January 2008 to the most recent date –, until the most recent date when the margin was calculated); (iii) period of liquidation of positions in a default scenario (two days); (iv) margin credits based on evidence of price correlation and in accordance with the limit imposed in article 27 of the said Regulation; and (v) limitation of the procyclicality effect (OMIClear: application of a 25 % weighting factor to stress situations observed in the period under analysis). Furthermore, to calculate the initial margin OMIClear applies increasing factors over positions that go beyond a specific volume and for which a liquidation period of three days is considered.

> Autonomous reserve

The autonomous reserve is constituted by the amount resulting from the enforcement of the fines and pecuniary payments by OMIClear against the participants, free of the costs and charges that OMIClear may have incurred during the respective sanctions procedures.

The autonomous reserve constitutes a specific fund of OMIClear aimed at covering cases of default, and is indicated as such in its balance sheet.

> Other OMIClear funds (*Skin in the game – SIG*)

OMIClear also has a reserve in cash of 1 875 000 EUR, fully available and aimed at covering cases of default.

> Clearing Fund

The clearing fund constitutes an additional form of security that is shared by all the clearing members. This fund is designed to respond to the default of a clearing member whose costs of resolution are higher than the guarantees of the defaulting member aimed at that end, namely those constituted as margins and additional collateral.

The amount of the clearing is established according to the results of the stress tests carried out daily, in extreme but plausible scenarios. The clearing fund is defined according to the following premises: (i) it should allow OMIClear to cover the default of the clearing member to which it is more exposed or of the second or third clearing members to which it is more exposed, if the total of those exposures is higher, and (ii) along with OMIClear's other own financial resources (SIG and autonomous reserve), it should cover a default situation of at least two clearing members to which it is more exposed in extreme but realistic market conditions.

Additionally, a minimum individual contribution of 150 000 EUR is established for each clearing member.

> Additional responsibility in the clearing fund

Each clearing member takes on an additional responsibility equalling the amount of its reference value used to constitute the clearing fund, and thus the value of its total responsibility equals twice the reference value. This responsibility is only required in a situation of default in which the amount of the contribution to the clearing fund (pre constituted as guarantee) is insufficient.

> Establishment of guarantee value and haircut applied to guarantee value

OMIClear only accepts guarantees in the form of cash, financial instruments representative of public debt and bank guarantees. In order to avoid the exchange rate risk, only amounts in Euro are accepted. Price fluctuations of financial instruments are covered by enforcing a duly evaluated discount factor. Guarantees are re-evaluated daily and the risk of concentration is taken into consideration.

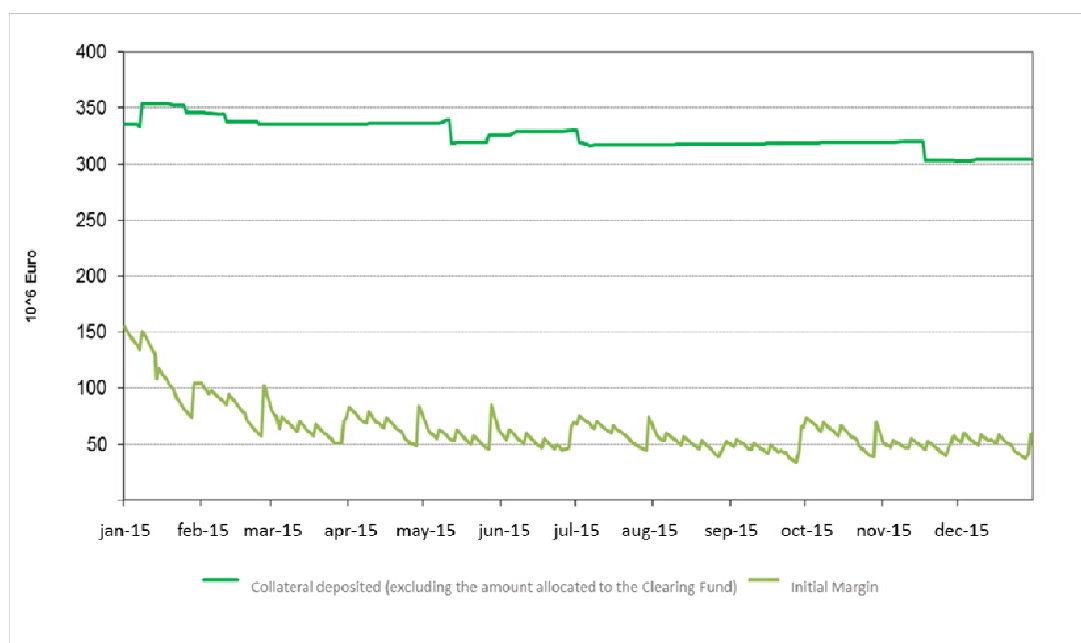
Furthermore, there is a counterparty credit risk arising from the enforcement of the cash guarantees received from clearing members. For this reason, these funds are used (i) in repo operations against titles with a low risk and high liquidity, (ii) in short term deposits collateralised with a low risk and high liquidity titles, or (iii) in non-collateralised one-day deposits, and in every case with credit institutions recognised by OMIClear (subject to an external credit risk evaluation carried out by OMIClear, in agreement with its internal policy).

The counterparty risk in 2015 – measured by the initial margins demanded to clearing members – reached the maximum value of 154.7 million EUR, on 2 January, and an average value of 62.6 million EUR, compared with an average value of 99.9 million EUR in 2014.

Throughout 2015, the total value of guarantees deposited at OMIClear to meet the responsibilities taken on by the clearing members represented, on average, approximately 5.6 times the total value required as initial margins. However, the average established of this indicator for the several members was of 7.1.

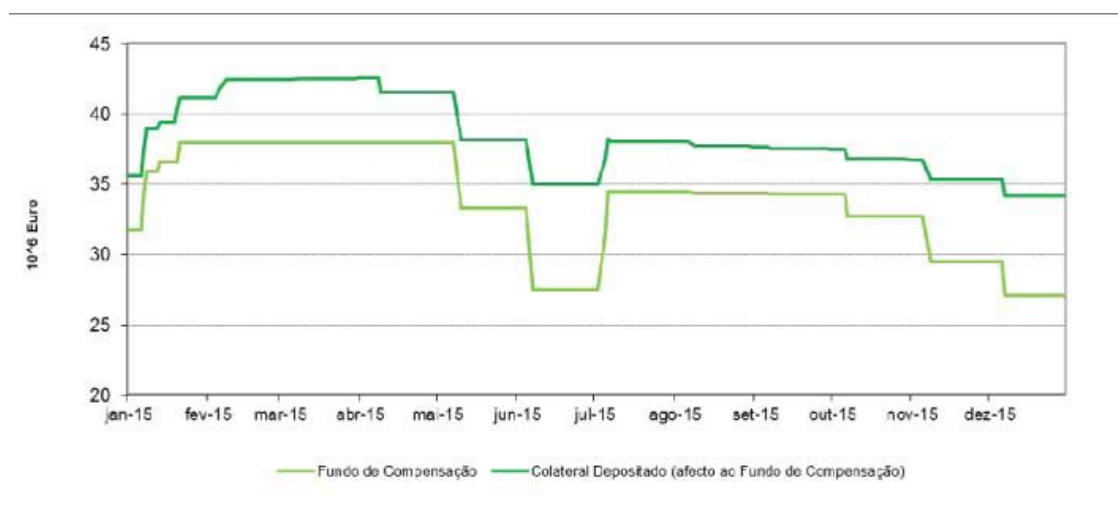
In 2015, the total initial margin and the guarantee presented the following evolution:

Figure 16 Evolution of the total initial margin and of the collateral
(excluding the amount allocated to the Clearing Fund) deposited in 2015



In 2015, the evolution of the Clearing Fund and of the amounts deposited with OMIClear by members to cover this responsibility is as follows:

Figure 17 Evolution of the Clearing Fund and of the collateral
(allocated to the Clearing Fund) deposited in 2015



Regarding the Daily Operative Limit (DOL), which essentially indicates the value of collaterals available to be consumed in additional margins, no negative situation occurred.

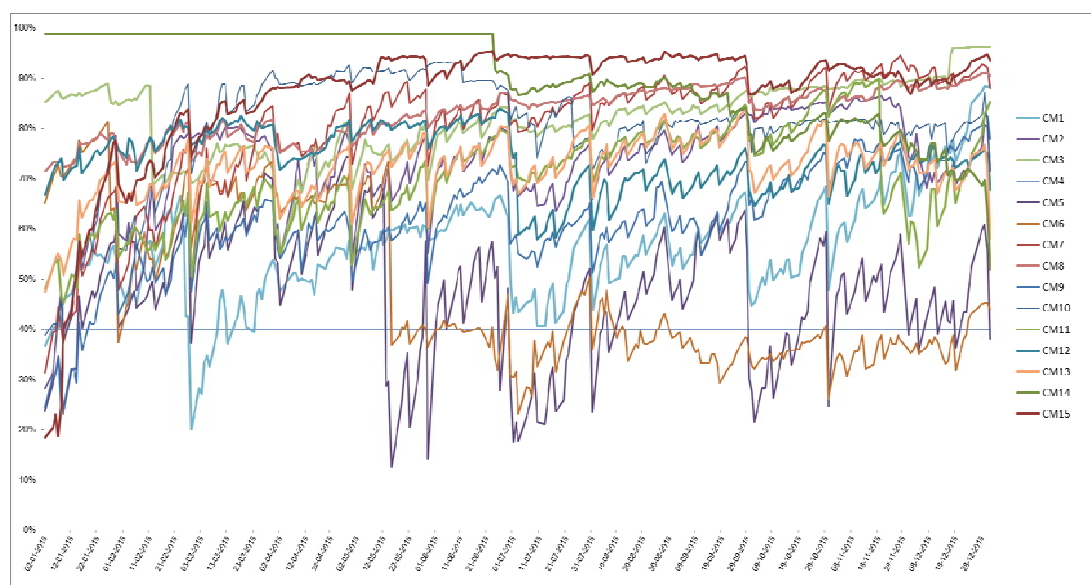
For risk control purposes, OMIClear daily controls for each clearing member the percentage (%) that the DOL represents in relation to the respective guarantee deposited, and whenever this % reaches a value below 10 % OMIClear contacts the company in question and advises it to strengthen the guarantee deposited.

Below are the values of the DOL for all OMIClear's clearing members in the period under analysis, excluding those whose activity is limited to FTR and to which the DOL references mentioned above do not apply.

Since July 14 2014, as a result of the change of OMIClear's rules, four general clearing members (GCM) started distinguishing between their own guarantees and those of their clients through two distinct guarantee accounts – own guarantee account and clients' guarantee account. Furthermore, at the level of the responsibilities used to calculate the DOL, a separation was also introduced between the GCM's own responsibilities and those of its clients. Given that (i) these four GCM's own responsibilities only correspond to their contribution for the clearing fund, which is stable throughout the month, and (ii) that OMIClear recommends a ratio of DOL over the guarantee deposited higher than 10 %, only for the members that present responsibilities arising from open positions, the results presented below only take into consideration: the values referring to the accounts of these GCM's clients and the own accounts of the remaining direct clearing members.

The evolution of the indicator DOL/guarantee deposited (%) during 2015, by clearing member, was as follows:

Figure 18 Evolution of the indicator DOL/ deposited guarantee (%) in 2015



No member had a LOD/guarantee deposited ratio less than 10 % as required by OMIClear.

Regarding the assets handed as guarantee in operations in which OMIClear assumes the counterparty risk (Derivatives Market of MIBEL), by the end of the year they were distributed in the following way:

Table 5 Assets held as guarantee (31 December 2015)

Type of Asset	Derivatives Market of MIBEL
Cash	198.897.389
Credit Lines	20.000.000
Bank Guarantees	119.091.549
Securities	0
TOTAL	337.988.938

4.2. Operating risk

Operational risk is defined by the potential losses arising from the following situations:

- > Poor functioning of information systems;
- > Non-compliance with applicable regulations and laws;
- > Mistakes made by employees;
- > Mistakes or non-compliance by external services providers;
- > Failure in the processing of operations;
- > Fraud;
- > Inoperationality of the physical infrastructure.

The risk strategy aims to minimise operational risks through the increase of the automation of operations coupled with testing procedures. The risk arising from the use of external services providers is minimised by the assessment of the quality of the service made before the procurement.

OMIClear implemented safety copy procedures (back-up) for critical transactions, which are regularly tested.

Internal procedures regarding relevant processes are duly documented. For some of these procedures control sheets exist aimed at reducing mistakes or omissions.

Legal and compliance risks are minimised through the strict observation and compliance of the applicable laws and regulations coupled with the use of forms and pre-defined contract models.

4.3. Liquidity risk

Liquidity risk may arise from the daily settlement process or from the default of a clearing member.

The business management strategy takes into consideration the fact that settlements arising from daily transactions do not generate materially relevant time differences. In this sense, OMIClear's risk management strategy aims to avoid time differences between assets and liabilities through a suitable policy of allocation of the surpluses of liquidity. The financing needs to settle current expenses (including the distribution of results) are planned and covered in the context of the planning of the medium term liquidity.

The risk of default of a clearing member and the potential impact that this situation may have on liquidity are controlled through the stringent stipulations of convertibility of guarantees in cash, through haircuts

applied over the guarantees held and the limiting of the risk of concentration regarding the guarantees received. Furthermore, OMIClear negotiated credit lines that are designed to meet the liquidity needs arising from the simultaneous default of two clearing members with potential but considerable losses.

4.4. Market risk

Because they are permanently evaluated at market values, the positions of clearing members do not present this type of risk.

The risk arising from price fluctuations of securities acquired in repo operations or held as guarantees of deposits is covered by the application of duly evaluated haircuts.

Below is a summary of the hedging of the values applied in repo operations and in collateralised deposits:

Table 6 Values applied in repurchase operations

Amount invested	Market value of securities	Haircut		Securitie Value after haircut
		Amount	%	
199 333 864	227 397 504	28 370 367	12,48%	199 027 137
% of cover	114%			100%

Importantly, the value applied includes guarantees in cash presented by clearing members and OMIClear's own resources, and applicable regulations stipulate, for both cases, the obligation to collateralise a minimum of 95 %.

4.5. Commercial risk

OMIClear, whose core business consists of providing clearing and settlement services of electricity derivative financial instruments in the Iberian Peninsula, has its commercial risk associated to the volumes cleared in these contracts.

As a central counterparty, it furthermore faces, in the context of its activities, a strong exposure to direct competition from other central counterparties.

The income from commissions is closely connected with the volume of operations registered at OMIClear. Commercial risk thus arises from the income's dependence on a limited number of products, associated to the possible reduction of the volumes while fixed costs remain unchanged. Since commercial risk is mostly centred on the reduction of profits through possible variations in the volume of registered operations, in a scenario of decrease of those volumes, it will be more difficult to compensate this situation through an adjustment of fixed costs within a reasonable period of time.

Bearing this in mind, OMIClear's strategy involves controlling this risk through a permanent control over the evolution of the income and avoiding incurring in fixed costs, choosing whenever possible, variable costs.

OMIClear permanently aims to reduce its exposure to risks inherent to its economic activity through the adoption of management measures particularly aimed at strengthening the client base, both in terms of numbers and geographical distribution, and through increasing the number of services provided to the participants in the market.

4.6. Summary of OMIClear's risk situation

The authorisation granted to OMIClear to operate as a central counterparty is conditional upon the maintenance of a minimum amount of capital. The capital, including retained earnings and reserves, must at all times be proportional to the risk arising from its activities, so as to ensure that the company is adequately capitalised against credit, counterparty, market, operational, legal and commercial risks that are not already covered by specific financial resources, and has the ability to duly settle or restructure its activities if necessary.

Potential losses arising from the default of clearing members are covered by OMIClear's margins system.

OMIClear's own capital, amounting to 10 467 613 EUR on 31 December 2015, is four times as much as the necessary capital, according to the rules of calculation stipulated in the EMIR regulations, to deal with the risks assumed.

The global assessment of activity in 2015 does not reveal any threat to the continuity of the business either as a result of individual risks or as a result of the aggregation of all the risks. The Board of Directors does not foresee major changes to the company's risk profile in the course of 2016.

05

I N F O R M A T I O N S Y S T E M S

In 2015, activity in the information systems area focused on three key components: (i) management of contracts with external suppliers of software applications as well as hosting systems and infrastructures that support OMIClear's activities; (ii) design, specification and implementation of new solutions and features and updating of software applications already in use; and (iii) maintenance of the business continuity plan and of the information security management system based on the company's assets.

Included in the first case are the commercial and technical management (new versions, incident management, etc.) of systems and services related to market trading and other activities provided by OMIClear, such as: (i) the hosting of the clearing platform; (ii) the clearing system (MiClear); (iii) the international system of bank transactions (SWIFT); (iv) the company website (www.omiclear.eu), as well as systems and services which are necessary for the management of the company; (v) the document management system (Filedoc); (vi) the accounting and invoicing system (Primavera); (vii) platforms of IT management such as the backups platform (Storegrid); monitoring (PRTG) and internal helpdesk (ManageEngine); and (viii) the several providers of communication services.

Regarding new developments, the following are the most relevant changes:

- a) Internal developments:
 - (i) Introduction of new features in the internal portal (REP) to the daily submission of information to agents via FTP and for internal use (validation of margins).
 - (ii) Change in the EMIR reporting process to adapt changes to formats of new DTCC and/or ESMA requirements;
 - (iii) Development of supporting reports to facilitate the inclusion of clients who use Sungard-developed products.
- b) Specification and introduction of features by resorting to external suppliers:
 - (i) Preparation of the MiClear platform to include new types of products: Mini Swap SPEL Solar and Mini Swap PTEL Base.
 - (ii) Corrections and adjustments in the API report for extracting MiClear deals to strongly support the integration with Sungard's Clearvision system.

Finally, regarding the third component, we pursued the task of managing the system of business continuity and the information security management system (bSecure). In agreement with what the systems stipulate, the procedures that define its functioning were reviewed and the areas for improvement and dates for action were defined. The disaster recovery test to be done in 2015 was postponed to April 2016.



ORGANISATIONAL STRUCTURE

6.1 Shareholders

OMIP – Pólo Português, S.G.M.R., S.A. (50%)

OMI – Polo Español, S.A. (50%)

6.2 Governing bodies (Triennium 2015-2017)

Board of Shareholders' General Meeting

Rafael Lapeña Galán.....Chairman

Pedro Filipe Raio Félix.....Secretary

Remunerations Committee

Pedro Cabral Nunes.....Chairman

Vitor José Lilaia da SilvaMember

Emilio Recoder de Casso.....Member

Juan Luis Lopez Cardenete.....Member

Board of Directors

José Isidoro d'Oliveira Carvalho Netto.....Chairman

Pedro Jesus Mejía GómezDeputy-Chairman

Ángel Berges Lobera.....Member

José Manuel Amado da Silva.....Member

Gonzalo Solana GonzálezMember

Paulo Alexandre da Rocha Henriques.....Member

Audit Committee

Gonzalo Solana GonzálezChairman

José Manuel Amado da Silva.....Deputy-Chairman

Fiscal and Supervisory Board

PricewaterhouseCoopers & Associados, Lda. (SROC).....Executive

José Manuel Henriques Bernardo (ROC)Alternate member

6.3 Risk committee

OMIClear has a Risk Committee. In June 2014 elections were held for the representatives of clearing members and their clients.

The Risk Committee has the following structure:

José Manuel Amado da Silva (Independent).....	Chairman
Gonzalo Solana González (Independent)	Deputy-Chairman
Cristóbal Lovera (Endesa)	Member
Rui Ribeiro (EDP)*	Member
Julián Calvo Moya (Iberdrola)	Member
Manuel Maeso Plaza (Enérgya VM).....	Member
Mario Hélair Margarita Claeys (Uniper Global Commodities SE)	Member

All the members have solid expertise and knowledge of OMIClear's areas of activity.

The functions of the Risk Committee are set out in Article 28 of EMIR and involve advising the Board of Directors on matters related to the different types of risks to which the central counterparty is exposed, as well as its risk management structure, organisation and procedures. The Risk Committee met twice in 2015, and gave its opinion on a broad number of issues, namely the new margins system, the methodology used to test market risks, new products, the credit risk policy and the liquidity plan.

With the exception of the two independent members, the mandate of the members of the Risk Committee ends in June 2016.

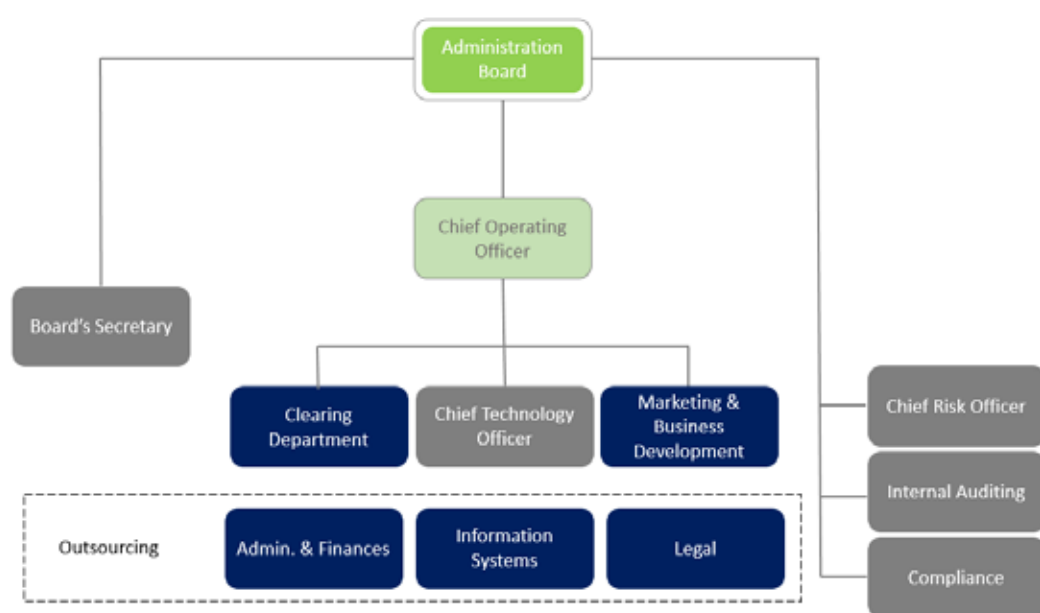
* - Took office on 26 June 2015, following a renewal process through elections, replacing Lorenzo Pascual who resigned his mandate as member of the Risk Committee.

6.4. Staff

In terms of organisational structure, OMIClear has a specific operational area dedicated to the central management of the clearing house, including all the inherent functions, namely risk management.

OMIClear benefits from a set of services in some support areas, which, bearing in mind the limits and the conditions set out in the applicable legislation, are contracted to other companies of the group.

Figure 19 Flowchart



On 31 December 2015, OMIClear had, apart from the six members of the Board of Directors, nine staff, divided equally by gender, four of which working exclusively with clearing and settlement.



OUTLOOK FOR 2016

2016 has again been a year of major challenges for OMIClear.

At institutional level, because their integration in the OMI contexts needs to be furthered urgently, providing a number of comparative advantages vis-à-vis its competitors.

As regards business development, we expect:

- > To maintain the same registered volumes as in 2015;
- > An increase in the number of participants with registration capacity at OMIClear and an increase in the number of General Clearing Members;
- > To expand the portfolio of products listed for clearing and settlement, in particular futures contracts on electricity in Germany and France, and futures contracts on natural gas in the Iberian Peninsula;
- > To continue to support OMIP in the clearing of products traded in auctions, such as auctions of financial rights on the interconnection capacity Portugal-Spain and the special regime electricity auctions for the Portuguese MIBEL zone;
- > Ensure the high level of service that has been provided to market participants, including the development of new solutions and functionalities specifically requested by these participants, for e.g., the Solar auction;
- > Preserve the recognition and reputation of OMIP as a reference exchange.

OMIClear will therefore continue to work according to the highest standards of efficiency and innovation, to meet the increasing needs of its members and the requirements of the business sector in which the company operates, and will continue to maintain the high level of requirement as imposed by EMIR and the implementation regulation.

In terms of international cooperation, OMIClear will continue to participate actively in the activities carried out by the various international associations, including the *European Association of Clearing Houses (EACH)* of which it is a member.



PROPOSED APPROPRIATION
OF PROFITS

The Board of Directors, under the terms and for the purposes of Article 25 of the Company Statutes, decided to propose that the net profit for the year 2015, in the amount of 32 899.35 EUR (thirty-two thousand, eight hundred and ninety-nine EUR and thirty-five cents), be applied as follows:

To legal reserve3 289,94 EUR

To dividends29 609,41 EUR

Lisbon, 30 March 2016

The Board of Directors,

José Isidoro d'Oliveira Carvalho Netto

Pedro Jesus Mejía Gómez

Ángel Berges Lobera

José Manuel Amado da Silva

Gonzalo Solana González

Paulo Alexandre da Rocha Henriques



FINANCIAL STATEMENTS

ON 31 DECEMBER 2015

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS ON 31 DECEMBER 2015

Balance Sheet

		Currency: Euros	
	Note	31-12-2015	31-12-2014
Assets			
Non-current			
Tangible fixed assets	6	40.748	53.024
Intangible assets	7	28.333	-
Financial investments - Others	8	5.000	5.000
Other financial assets	9	1.199	-
		75.280	58.024
Current			
Clients	10	2.315	738
State and other public entities	11	429.585	415.987
Other receivables	12	552.701	371.124
Deferrals	13	32.590	31.699
Guarantee deposits	14	198.861.505	197.828.275
Cash and bank deposits	4	10.382.474	10.513.302
		210.261.170	209.161.125
Total assets		210.336.450	209.219.150
Equity Capital			
Paid-up capital	15	7.500.000	7.500.000
Legal reserves	16	218.101	186.770
other reserves	16	2.091.895	2.091.895
Retained earnings		624.718	624.718
		10.434.714	10.403.383
Net result for the period		32.899	313.303
Total Equity Capital		10.467.613	10.716.686
Liabilities			
Non-current			
Loans granted	17	14.635	24.468
		14.635	24.468
Current			
Suppliers	18	38.326	15.125
State and other public entities	11	34.540	40.563
Loans granted	17	9.826	9.474
Other accounts payable	19	909.036	585.201
Guarantee deposits	14	198.862.474	197.827.631
		199.854.202	198.477.995
Total liabilities		199.868.837	198.502.464
Total Equity Capital and Liabilities		210.336.450	209.219.150

Profit and Loss Account/Income Statement

	Note	Currency: Euros	
		31-12-2015	31-12-2014
Sales and services	20	1.294.179	1.667.795
Supplies and external services	21	(529.488)	(663.382)
Staff costs	22	(1.185.477)	(1.003.981)
Other income and gains	23	947.464	956.594
Other expenses and losses	24	(479.417)	(598.416)
Results before depreciation, financial expenses and taxes		47.261	358.611
(Expenses) / reversal depreciation and amortisation	6	(17.184)	(11.633)
Operational results (before financial expenses and taxes)		30.077	346.978
Interest and similar earnings	25	20.164	89.764
Interest and similar costs incurred	25	(1.734)	(1.259)
Pre-tax results		48.507	435.484
Income tax for the period	26	(15.608)	(122.180)
Net Result		32.899	313.303

Statement of Changes in Equity

	Note	Share Capital	Legal Reserves	Other Reserves	Retained Earnings	Net Results for the Period	Total
On 1 January 2014		7.500.000	95.700	1.875.000	699.444	910.704	11.080.848
Changes in the period		-	-	-	-	-	-
Appropriation of results from 2013		-	91.070	66.895	752.739	(910.704)	-
		-	91.070	66.895	752.739	(910.704)	-
Net result for the period		-	-	-	-	313.303	313.303
Integral result		-	-	-	-	313.303	313.303
Operations with equity holders in the period		-	-	-	-	-	-
Distributions	27	-	-	-	(827.465)	-	(827.465)
Other variations		-	-	150.000	-	-	150.000
		-	-	150.000	(827.465)	-	(677.465)
On 31 December 2014		7.500.000	186.770	2.091.895	624.718	313.303	10.716.686
Changes in the period		-	-	-	-	-	-
Appropriation of results from 2014		-	31.330	-	281.973	(313.303)	-
		-	31.330	-	281.973	(313.303)	-
net result for the period		-	-	-	-	32.899	32.899
Integral result		-	-	-	-	32.899	32.899
Operations with equity holders in the period		-	-	-	-	-	-
Distributions	27	-	-	-	(281.973)	-	(281.973)
Other variations		-	-	-	-	-	-
		-	-	-	(281.973)	-	(281.973)
On 31 December 2015		7.500.000	218.101	2.091.895	624.718	32.899	10.467.613

Cash Flow Statement

	Note	Currency: Euros	
		31-12-2015	31-12-2014
Cash flow of operating activities			
Receivables from clients		2.262.134	31.183.600
Payments to suppliers		(1.766.517)	(30.809.890)
Payments to staff		(1.070.003)	(872.760)
Cash flow generated by the operations		(574.386)	(499.050)
(Payment) /refund of income tax		32.772	(231.489)
Other (payments) / receipts		164.870	207.744
Net cash flows of operating activities		(376.744)	(522.796)
Cash flows of investment activities			
Receivables from:			
Property, plant and equipment		50	-
Interest and similar income		493.222	(592.782)
Net cash flows of investment activities		493.272	(592.782)
Cash flows of financial activities			
Receipts from:			
Interest and similar income		(25)	
Payments regarding:			
Interest and similar expenses		(632)	(1.299)
Dividends		(246.726)	968.435
Net cash flows of financial activities		(247.383)	967.136
Variation of cash flow and its equivalents		(130.855)	(148.442)
Cash and cash equivalents at the start of the period	4	10.513.302	10.661.745
Cash and cash equivalents at the end of the period	4	10.382.474	10.513.302

The headings "Receivables from clients" and "Payments to suppliers", on 31 December 2015, include the transactions of "Deposits of Guarantees to be Paid" and "Deposits of Guarantees to be Received" which total, respectively, 1 034 842.52 and 1 034 842.52 EUR.

ANNEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

OMIClear – C.C., S.A., whose previous name was OMIClear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C.C., S.A, with its head-office at Avenida Casal Ribeiro, n.º 14 – 8.º piso, in Lisbon, was duly constituted under Article 488, paragraph 1 of *Código das Sociedades Comerciais* (Commercial Companies Code) and had its public deed signed on 6 April 2004.

The company began its activity on 7 April 2004, its purpose being the management of a clearing house and a settlement system, as well as playing the role of central counterparty in spot and futures market operations, namely: futures, forwards, swaps and options, whose underlying assets are electricity, other energy-related commodities or equivalents, real or notional, electricity indices of energy-based products or other equivalent assets, regardless of whether settlement is by delivery or merely financial.

The company may also engage in activities that are subsidiary or accessory to its main purpose, provided that these do not constitute an intermediary financial activity, namely:

- (i) Managing systems of book-entry accounts and calculation of net positions;
- (ii) Providing members of the systems under its management with the services which are required for the intervention of such members in markets or systems managed by a foreign similar entity in another country;
- (iii) Providing consultancy services related to the systems under its management;
- (iv) Participation in research studies, preparation, distribution and commercialisation of information concerning markets;
- (v) Development, management and marketing of computer hardware and software, as well as data transmission networks geared at the contracting and transmission of orders and/or data.

The company may also participate in other companies with similar or complementary corporate objectives, even if governed by special laws, as well as in complementary group of companies.

OMIClear has a share capital of 7.5 million EUR, represented by 750 000 shares, each with a nominal value of 10 EUR, which, on 30 June 2015, was 50 % owned by OMIP – Pólo Português, S.G.M.R., S.A., and 50 % by the lawfully registered Spanish company, OMI - Polo Español, SA (OMIE).

The entry of OMIE into the shareholding structure in September 2013 was possible after it agreed to a capital increase totalling 6.2 million EUR, of which 3 million EUR were allocated to share capital and the remaining 3.2 million EUR to share premiums.

The share premiums were later used as follows: 1.5 million EUR in a capital increase and the remaining 1.7 million EUR in the establishment of a reserve (SIG B), specified in Article 35 of the Commission Delegated Regulation (EU) 153/2013, of 19 December 2012, which supplements Regulation (EU) 648/2012 of the European Parliament and of the Council concerning the regulatory technical standard requirements for central counterparties.

On 22 November 2010, OMIClear opened its Spanish branch with the tax identification number W0106378C. This Spanish branch is called OMIClear – Sociedade de Compensação de Mercados de Energia, Sociedade Gestora de Câmara de Compensação com assunção de Contraparte Central (SGCCCC), S.A., Sucursal en España and has its head-office at Calle Ribera de Loira, 46, 28046 Madrid, Spain.

The activities described below constitute the main business objectives of the Spanish branch, which are partially similar to the corporate objectives of its mother company:

- (i) The management of a clearing house and a settlement system, as well as playing the role of central counterparty in spot and futures market operations, namely: futures, forwards, swaps and options, whose underlying assets are electricity, other energy-related commodities or equivalents, real or notional, electricity indices of energy-based products or other equivalent assets, regardless of whether settlement is by delivery or merely financial;
- (ii) Engaging in activities that are subsidiary or accessory to its main objective, provided that these are not of an intermediary financial activity, namely: a) managing systems of book-entry accounts and calculation of net positions; b) providing members of the systems under its management, services which are required for the intervention of such members in markets or systems managed by a foreign similar entity in another country; c) providing consultancy services related to the systems under its management; d) participation in research studies, preparation, distribution and commercialisation of information concerning markets; and e) development, management and marketing of computer hardware and software, as well as data transmission networks geared at the contracting and transmission of orders and/or data;
- (iii) Participation in other companies with similar or complementary corporate objectives, even if governed by special laws, as well as in complementary groups of companies;
- (iv) Grant loans and other forms of lending and provide supplementary benefits to subsidiary companies.

The initial cash assets of the company totalled 5 000 EUR, which were transferred by OMIClear to a bank account opened in the name of the Branch at a credit institution domiciled in Spain. The Branch may exist for an indefinite period of time, but may not go beyond the duration of OMIClear.

These financial statements were approved by the Board of Directors at its meeting held on 30 March 2016 and are subject to the approval of the shareholders. In the opinion of the Board, these financial statements reflect a true and fair view of the operations carried out by OMIClear, as well as its financial position, performance and cash flows.

2 Accounting standards for financial reporting

2.1 Basis of preparation

These financial statements were prepared in agreement with the ruling accounting and financial reporting standards (IFRS), issued and in force or issued and adopted on 31 December 2015.

The preparation of financial statements in agreement with the SNC calls for the use of estimates, assumptions and critical judgements when determining the accounting policies to be adopted by OMIClear, with a significant impact on the accounting value of assets and liabilities, and on income and expenses for the reporting period.

Although these estimates are based on the Board's best knowledge and expectations of current and future events and activities, the current and future results may be different. Note 3.17 presents the areas involving greater judgement calls and complexity, or the areas in which the assumptions and estimates are relevant to the financial statements.

2.2 Derogation to the SNC provision (Accounting Standardisation System)

During the period covered by these financial statements there were no exceptional cases directly requiring the derogation to any SNC provision.

2.3 Comparability of financial statements

All the information in these financial statements is comparable to that of the previous year.

3 Accounting Policies

The main accounting policies used to prepare the financial statements are described below. Unless otherwise stated, these policies have consistently been applied to all topics presented.

3.1 Currency translation

i) FUNCTIONAL AND PRESENTATION CURRENCY

Unless clearly stated otherwise, the financial statements of OMIClear and the notes to this annex are presented in EUR.

ii) TRANSACTIONS AND BALANCES

Transactions made other than in a currency other than EUR are translated into the functional currency at the exchange rates at the dates of the transactions. Exchange gains or losses arising from the payment/receipt of transactions and of the translation by the currency rate at the balance sheet date of the cash assets and liabilities denominated in a foreign currency are recorded in the income statement, under Interest and similar income obtained and Interest and similar expenses incurred, if related to loans or Other income and gains or Other expenses and losses, for all other balances / transactions.

iii) EXCHANGE RATES USED

Foreign currency exchange rates used in the translation of balances denominated in foreign currency are the following:

Currency	2015	2014
USD	1,0925	1,2155
GBP	0,7369	0,7825
CHF	-	-

3.2 Property, plant and equipment

Property, plant and equipment are valued at cost deducted from accumulated depreciation and accumulated impairment losses. This cost includes the estimated cost at the date of transition to IFRS, and the acquisition costs for assets acquired after that date.

The acquisition cost includes the purchase price of the asset, costs directly attributable to its acquisition and those incurred in preparing the asset for its commissioning.

Subsequent expenses incurred with renovations and major repairs that may extend the lifespan of the assets are accounted for in the asset cost.

The cost of repairs and maintenance services of a current nature are recorded as expenses in the period in which they occurred.

Property, plant and equipment are depreciated systematically for the duration of their estimated lifespan according to the straight line method.

	Years
Vehicles	Between 4 and 6 years
Administrative equipment	Between 3 and 10 years
Other property, plant and equipment	Between 3 and 10 years

The lifespan of each asset is reviewed at the end of every year so as to ensure that the depreciation is in agreement with its consumption patterns. Changes in lifespan are treated as changes to the accounting estimate and are applied prospectively.

Gains or losses resulting from the disposal of assets are calculated as the difference between the net realizable value and the book value of the asset and are recorded in the income statement.

3.3 Impairment of assets

Assets with a finite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the determined recoverable amount is less than the book value of assets, the company will assess whether the loss situation is permanent or definite, and if so it will record the impairment loss. In cases where the loss is not considered permanent and definite, the grounds for this conclusion must be disclosed.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. To determine whether or not there is impairment, the assets are allocated to the lowest level for which there are separate identifiable cash flows (cash generating units).

Non-financial assets, other than goodwill, for which impairment losses were recorded, are calculated at each reporting date on the possible reversal of impairment losses.

When impairment is recorded or reversed, asset amortisation and depreciation is recalculated prospectively based on the recoverable amount.

3.4 Financial assets

The Board of Directors determines the classification of financial assets on the date of initial record, according to the purpose of their purchase, and reassesses this classification at each reporting date.

Financial assets can be classified as:

- Financial assets at fair value through profit or loss – include non-derivative financial assets held for trading regarding short-term investments and assets at fair value through profit or loss on the date on which they were first recognised;
- Loans granted and accounts receivable – include non-derivative financial assets with fixed or determinable payments not quoted in an active market;
- Investments held to maturity – include non-derivative financial assets with fixed or determinable payments and fixed maturities for which the entity has the intention and capacity to hold until maturity;
- Financial assets held for sale – they include available-for-sale non-derivative financial assets that are designated as available for sale on initial recognition or that do not fit the above categories. They are recorded as non-current assets except if there is intention to sell them within 12 months after the balance sheet date.

Financial assets at fair value through profit or loss are initially recorded at fair value, with transaction costs recorded in profit and loss. These assets are subsequently measured at fair value, and the gains and losses

resulting from the change in fair value are posted in profit or loss for the period in which they arise under the heading “Net financial costs”, which also includes interest and dividends received.

Available-for-sale financial assets are initially recorded at fair value plus transaction costs. In the subsequent periods, they are measured at fair value and the fair value variation is posted in fair value reserve in equity. Interest and dividends from available-for-sale financial assets are recorded in profit or loss in the period in which they arise under the heading “Other operating gains”, where the right to receive it is established.

Accounts receivable are classified on the balance sheet as “Other receivables”. A provision for the impairment of accounts receivable is established when there is objective evidence that the company will not be able to collect all amounts due in accordance with the original terms of the transactions that gave rise to them.

3.5 Clients and Other accounts receivable

The items “Clients” and “Trade receivables” constitute rights receivable for the sale of assets or services in the normal course of OMIClear’s business, and are initially recorded at fair value and subsequently measured at amortised cost, less impairment adjustments (where applicable). If there is a formal agreement for the deferral of amounts receivable, the fair value is determined in line with the effective interest rate method, which is the rate that exactly discounts estimated future cash payments through the expected repayment date.

Impairment losses on Clients and Trade receivables are recorded when there is objective evidence that they will not be recovered under the initial terms of the transaction. The identified impairment losses are recorded in the income statement, under Impairment in accounts receivable, and are subsequently reversed through profit or loss if the impairment indicator ceases to exist.

3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits, other short-term high liquidity financial investments with original maturities of up to three months, bank guarantees and overdrafts. These are presented in the Balance Sheet in the current or not current liabilities depending on whether they are short term or medium long term, under the heading “Loans granted”, and are taken into consideration in the preparation of the statements of cash flow, as cash or cash equivalents.

3.7 Share Capital

Ordinary shares are classified under equity capital.

Costs directly attributable to the issuing of new shares or options are presented in own capital as a deduction, net of taxes, to the amount issued.

3.8 Suppliers and Other accounts payable

The items “Suppliers” and “Other accounts payable” constitute obligation to pay for the procurement of assets or services and are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest rate method.

3.9 Financial liabilities

The Board of Directors determines the classification of financial liabilities on the date when they are first recorded, in accordance with IFRS 27 – Financial instruments.

Financial liabilities may be classified / measured as:

- (a) At cost or at amortized cost deducted of any impairment loss; or;
- (b) At fair value with changes in fair value being recorded in the income statement.

OMIClear classifies and measures at cost or at amortized cost, financial liabilities: i) that are short-term or have a defined maturity; ii) whose interest yield may be flat-rated, fixed-rated or variable-rated as indexed to market indices; and iii) where there is no contractual clause which could alter the liability of refunding the nominal value and the accrued interest payable.

For liabilities recorded at amortized cost, the interest earned in each period, is determined according to the effective interest rate method, which is the rate that deducts exactly the estimated future cash payments throughout the expected lifespan of the financial instrument.

Financial liabilities which result from financing obtained, accounts payable (suppliers, other creditors, etc.) and equity capital instruments as well as any associated derivative contracts not traded on an active market or whose fair value cannot be accurately determined, are recorded at cost or amortized cost.

An entity must derecognise a financial liability (or part of a financial liability) only when it is extinguished, that is, when the obligation set up under contract is paid, is cancelled or expires.

3.10 Income Tax

The company is subject to corporate income tax (IRC) at a rate of 17 % over the taxable amount up to 15 000.00 EUR, with the 21 % rate applying to the remaining taxable amount. To the corporate income tax thus obtained is added a surplus applicable to the taxable income, whose rate can vary up to 1.5 %, as well as the autonomous tax on charges, in agreement with the rates stated in Article 88 of the Corporate Income Tax Code. To determine the taxable amount, to which the mentioned tax rate is applied, the amounts not accepted fiscally are added to and subtracted from the accounting result. The difference between the accounting and tax result may be temporary or permanent.

Income tax for the period comprises current taxes and deferred taxes. Taxes on income are recorded in the income statement, except if they relate to items directly recorded in the equity capital. The amount of current income tax payable is determined based on total income before tax, adjusted in agreement with tax regulations.

Payments on account and special payments on account were recorded in the company accounts and will be deducted from tax payable.

Deferred tax is recorded using the liability method, which is based on the balance sheet and takes into account temporary differences arising from the difference between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred taxes are calculated according to the tax rates in force or officially announced at the balance sheet date, and which are expected to be applicable on the effective date of deferred tax assets, or on the date when the deferred tax liabilities are paid.

Deferred tax assets are recorded to the extent that it is likely that future taxable profits will be available to cover the temporary difference. Deferred tax liabilities are recorded for all temporary taxable differences, except for those relating to: (i) the initial recognition of goodwill; or (ii) the initial recording of assets and liabilities that do not result from a concentration of activities, and that, at the time of transaction, will affect neither the accounting nor the tax results. However, in relation to temporary taxable differences related to investments in subsidiaries, these must not be recorded because: (i) the parent company is able to control the timing for reversal of the temporary difference; and (ii) it is likely that the temporary difference will not be reversed in the near future.

3.11 Provisions, contingent liabilities and contingent assets

Provisions are recorded when OMIClear has: i) a present legal or constructive liability resulting from past events; ii) for which it is more likely that an outflow of internal funds will be required to pay that liability; and iii) the amount can be reasonably estimated. Whenever one of the criteria is not met or the liability is conditional on the occurrence (or non-occurrence) of a future event, OMIClear discloses it as a contingent liability, unless the evaluation of the enforceability of the outflow of funds for the payment thereof is considered remote.

Provisions are measured at the current value of estimated expenses needed to pay the liability using a pre-tax rate that reflects market evaluation for the discount period and for the risk of provisions in question.

Contingent liabilities are not recorded in the financial statements, but are always disclosed when the possibility of an outflow of funds embodying economic benefits is not remote.

Contingent liabilities are not recorded in the financial statements, but are disclosed when a future inflow of funds is likely to occur.

3.12 Leases

Leases of property, plant and equipment in relation to which OMIClear substantially holds all the risks and benefits inherent to asset ownership are classified as financial leases. Agreements where the analysis of one or more specific situations of the contract point to that nature are also classified as financial leases. All other leases are classified as operating leases.

Financial leases are capitalised at the beginning of the lease for the current value of minimum lease payments, each determined at the start of the contract. The resulting debt of a financial lease contract is recorded net of financial charges under the heading "Loans". Financial charges included in the rent and the depreciation of leased assets are recorded in the income statement in the period to which they relate.

Tangible assets acquired through financial leases are depreciated over the shorter of the lifespan of the asset and the leasing period when the company has no purchase option at the end of the contract, or for the estimated lifespan of the asset when the company has intention to acquire the assets at the end of the contract.

In operating leases, rents owed are recorded as cost in the income statement on a straight-line basis over the lease term.

3.13 Expenses and income

Expenses and income are recorded in the period to which they relate, regardless of having been paid or received, in agreement with the principles of accrual accounting periods. The differences between the amounts received and paid and the corresponding income and expenses are recorded as assets or liabilities of they qualify as such.

3.14 Revenue

Revenue is the fair value of the amount received or receivable for the sale of goods and/or services in the normal course of OMIClear's activity. Revenue is presented net of any real or estimated amounts, or both, for sales returns, commercial discounts, quantity discounts, and pre or cash payments. These amounts are estimated based on historical information, specific contractual terms, or future expectations regarding the evolution of revenue, which are deducted when the revenue is recorded, by recording the appropriate liabilities. Where there is a formal agreement for the deferral of amounts receivable, the fair value of the revenue is determined based on the effective interest rate method, which is the rate that exactly discounts estimated future cash payments or receipts for the reimbursement period provided.

Revenue from the sale of products is recorded when: i) the revenue amount can be reliably estimated; ii) the economic benefits are likely to flow to OMIClear; and iii) a significant part of risks and benefits have been transferred to the buyer.

Revenue from services provided is recorded according to the percentage of completion or based on the contract period, when the service provision is not associated with the performance of specific activities, but rather to the continuing provision of service.

3.15 Distribution of dividends

The distribution of dividends to OMIClear shareholders is recorded as a liability in the financial statements in the period in which the dividends are approved by its members.

3.16 Netting of balances and transactions

Assets, liabilities, income and expenses are not netted unless required or permitted by the IFRS.

3.17 Critical estimates and assumptions presented

Estimates and assumptions with impact on OMIClear's financial statements are continually evaluated, representing at each reporting date the Board's best estimate, taking into account the historical performance, accumulated experience and expectations about future events that, under the circumstances, are believed to be reasonable.

The intrinsic nature of the estimates may cause the actual reflection of the estimated situations, for financial reporting purposes, to differ from the estimated amounts. The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period are the following:

RELEVANT ACCOUNTING ESTIMATES

3.17.1. PROVISIONS

OMIClear periodically analyses any liabilities arising from past events that should be recorded or disclosed.

The subjectivity inherent to the determination of probability and of the internal resources required to pay the liabilities may lead to significant adjustments, because of the varying assumptions used or due to the future recording of provisions previously disclosed as contingent liabilities.

3.17.2. TANGIBLE AND INTANGIBLE ASSETS

The determination of the lifespan of assets and the depreciation/amortisation method to use is key to determining the amount of depreciation/amortisation recorded in the income statement for each period.

These two parameters are defined according to the Board's best discretion for assets and businesses in question, taking into account, where possible, the practices adopted by sector companies at international level.

3.17.3. IMPAIRMENT

The determination of an eventual impairment loss may be triggered by various events, many of which outside OMIClear's sphere of influence, such as: i) future availability of funding; and ii) the cost of capital or any other changes internal or external to OMIClear.

The identification of impairment indicators, the estimation of future cash flows and the determination of the fair value of assets imply a high degree of judgement by the Board as regards the identification and evaluation of the different impairment indicators, expected cash flows, applicable discount rates, lifespan and residual values.

3.18 Events after the balance sheet

The events after the financial statement dates that provide additional information about the existing conditions at the time of the financial statements are shown in the company's financial statements. Material events after the date of the financial statements that provide information about the conditions occurring after the financial statements are disclosed in the notes to the financial statements.

4 Cash flows

4.1 Cash and cash equivalents not available for use

OMIClear has no cash balance or cash equivalent with restrictions on their use for the periods presented.

4.2 Breakdown of values posted in "Cash"

On 31 December 2015, the breakdown of cash and cash equivalents as the following:

	31-12-2015	31-12-2014
Cash	1.117	213
Bank deposits	10.381.356	10.513.089
	<u>10.382.474</u>	<u>10.513.302</u>

The breakdown of the amount considered as final balance under "Cash and cash equivalents" for the purpose of preparing the cash flow statement for the year ending on 31 December was the following:

	31-12-2015	31-12-2014
Cash resources		
- Cash	1.117	213
	<u>1.117</u>	<u>213</u>
Bank deposits		
- Checking accounts	457.623	755.698
- Savings accounts	9.923.734	9.757.391
	<u>10.381.356</u>	<u>10.513.089</u>
	<u>10.382.474</u>	<u>10.513.302</u>

5 Accounting policies, changes in accounting estimates and errors

5.1 Change in rules

During the period in question, no new rules, changes or interpretations of existing rules were published that should be considered by OMIClear.

5.2 Changes in accounting policies

During the period in question, there were no changes in the accounting policies considered in the preparation of these financial statements.

5.3 Changes in accounting estimates

During the period in question, there were no changes in the accounting estimates considered in the preparation of these financial statements.

5.4 Prior period errors

During the period in question, no errors were identified that concerned prior periods.

6 Property, Plant and Equipment

During the period ending 31 December 2014, the movements recorded under the heading of property, plant and equipment were as follows:

Movements in property, plant and equipment – 2014

	Vehicles	Administrative Equipment	Other Property, Plant and Equipment	Total
1 January 2014				
Acquisition cost	-	1.779.345	857	1.780.202
Accumulated depreciation	-	(1.766.217)	-	(1.766.217)
Net book value	-	13.128	857	13.985
Additions	40.192	4.027	5.513	49.732
Depreciation for the period	(6.699)	(3.534)	(459)	(10.692)
Net book value	33.493	13.621	5.911	53.024
31 December 2014				
Acquisition cost	40.192	1.783.372	6.370	1.829.934
Accumulated depreciation	(6.699)	(1.769.751)	(459)	(1.776.909)
Net book value	33.493	13.621	5.911	53.024

During the year ending 31 December 2015, the movements recorded under the heading property, plant and equipment were as follows:

Movements in property, plant and equipment – 2015

	Vehicles	Administrative Equipment	Other Property, Plant and Equipment	Total
1 January 2015				
Acquisition cost	40.192	1.783.372	6.370	1.829.934
Accumulated depreciation	(6.699)	(1.769.751)	(459)	(1.776.909)
Net book value	33.493	13.621	5.911	53.024
Additions				
Depreciation for the period	(10.048)	(4.907)	(562)	(15.517)
Depreciation - disposals	-	581	-	581
Net book value	23.445	11.792	5.511	40.747
31 December 2015				
Acquisition cost	40.192	1.785.869	6.532	1.832.593
Accumulated depreciation	(16.747)	(1.774.077)	(1.021)	(1.791.845)
Net book value	23.445	11.792	5.511	40.748

Depreciation of property, plant and equipment are fully recorded under the heading Expenses/ reversals of depreciation and amortisation in the income statement.

Additions to property, plant and equipment made in the period ending 31 December 2015 relate mainly to administrative equipment.

On 31 December 2015 and 31 December 2014, OMIClear used the following asset acquired under financial lease:

	31-12-2015	31-12-2014
Gross value	40.192	40.192
Accumulated depreciation	(16.747)	(6.699)
	23.445	33.493

7 Intangible Assets

During the period ended 31 December 2015, the movements recorded under intangible assets were as follows:

	Other Intangible Assets	Total
1 January 2015		
Acquisition cost	-	-
Accumulated depreciation	-	-
Net book value	-	-
Additions		
Depreciation in the period	(1.667)	(1.667)
Net book value	28.333	28.333
31 December 2015		
Acquisition cost	30.000	30.000
Accumulated depreciation	(1.667)	(1.667)
Net book value	28.333	28.333

The asset under intangible assets relates to the Sungard project, in this specific case to project preparation.

8 Financial Holdings

On 31 December 2015 and 31 December 2014 the investment in associated Companies corresponds to 100 % of the share capital of OMIClear – C.C., S.A, Sucursal en Españã.

9 Other Financial Assets

The amounts shown in this heading refer to the monthly contributions made by the company to the Labour Compensation Fund (FCT – Fundo de Compensação do Trabalho), under Law 70/2013.

10 Clients

In the periods ended 31 December 2015 and 31 December 2014, the heading “Clients” was broken down as follows:

	31-12-2015			31-12-2014		
	Current	Non-current	Total	Current	Non-current	Total
Clients - third parties	2.315	-	2.315	738	-	738
	2.315	-	2.315	738	-	738
Impairment	-	-	-	-	-	-
	2.315	-	2.315	738	-	738

During these periods, there were no differences between the accounting values and their fair value.

11 State and Other Public Entities

In the periods ended 31 December 2015 and 31 December 2014, the balances of the heading “State and other public entities” are as follows:

	31-12-2015		31-12-2014	
	Debtor	Creditor	Debtor	Creditor
Corporate tax	56.731	-	58.314	-
Personal income tax	-	18.631	-	18.063
Value added tax	372.854	-	357.674	-
Contributions to Social Security	-	15.909	-	22.500
	429.585	34.540	415.987	40.563

For these periods, the balance of Corporate tax (IRC) is broken down as follows:

	31-12-2015	31-12-2014
Payments on account	24.771	104.473
Withholding tax	46.797	76.021
Corporate tax receivable	-	-
Corporate tax estimate	(14.837)	(122.180)
	<u>56.731</u>	<u>58.314</u>

12 Other Receivables

In the periods ended 31 December 2015 and 31 December 2014, the heading "Other Receivables" is broken down as follows:

	31-12-2015			31-12-2014		
	Current	Non-current	Total	Current	Non-current	Total
Other Debtors						
OMIP SGMR	320.324	-	320.324	258.882	-	258.882
OMIP SGPS	21.659	-	21.659	61.106	-	61.106
Other	10.202	-	10.202	180	-	180
Accrued Income						
Interest receivable	74.206	-	74.206	40.309	-	40.309
Other	126.310	-	126.310	2.647	-	2.647
	<u>552.701</u>	<u>-</u>	<u>552.701</u>	<u>371.124</u>	<u>-</u>	<u>371.124</u>
Impairment	-	-	-	-	-	-
	<u>552.701</u>	<u>-</u>	<u>552.701</u>	<u>371.124</u>	<u>-</u>	<u>371.124</u>

The amount of 74 206 EUR refers to the accrued interest on guarantee deposits for the month of December 2015, which were received in January 2016.

The heading "Others" is broken down as follows:

Increase in Ducg	6.067
Solar auction	20.000
Mibgás	70.000
EEX - Q4-15	30.243
	<u>126.310</u>

During these periods, there were no differences between the accounting values and their fair value.

13 Deferrals

On 31 December 2015 and 31 December 2014, OMIClear recorded the following balances under the heading "Deferrals":

Active deferrals

	31-12-2015	31-12-2014
Insurance	5.450	6.756
Rents	3.368	3.399
Other	23.773	21.544
	<u>32.590</u>	<u>31.699</u>

14 Guarantee Deposits

Cash collateral is recorded under the headings of assets and liabilities.

On 31 December 2015 and 31 December 2014, the values recognised in the balance sheet are as follows:

	31-12-2015	31-12-2014
Guarantee deposits of participants	198.861.505	197.828.275
Amounts to be paid to participants	(198.862.474)	(197.827.631)
	<u>(968)</u>	<u>644</u>

The difference between the guarantees payable to the members and the guarantee deposit in 2015 is due to interest settlements not yet received. Regarding 2014, the amount refers to the withholding of interest of a member which was only paid in January 2015.

In addition to the guarantee deposits, there are also credit lines and bank guarantees with OMIClear, on 31 December 2015 and 31 December 2014:

	31-12-2015	31-12-2014
Credit lines	20.000.000	20.000.000
Bank guarantees	119.091.549	154.250.000
	<u>139.091.549</u>	<u>174.250.000</u>

15 Share Capital

On 31 December 2015 and 31 December 2014, OMIClear's share capital, in the amount of 7 500 000 EUR, was fully subscribed and paid for, represented by 750 000 shares, each with a nominal value of 10 EUR.

On 31 December 2015 and 31 December 2014 the share capital is broken down as follows:

	% share	Capital
OMIP SGMR, SA	50,00%	3.750.000
OMIE	50,00%	3.750.000
	100,00%	7.500.000

16 Legal Reserves and Other Reserves

“Legal reserves” and “Other reserves” recorded the following movements during the periods ended 31 December 2015 and 31 December 2014:

	Legal Reserve	Other Reserves	Total
1 January 2014	95.700	1.875.000	1.970.700
Appropriation of results for the period	91.070	66.895	157.965
Other operations	-	150.000	150.000
31 December 2014	186.770	2.091.895	2.278.665
Appropriation of results for the period	31.330	-	31.330
31 December 2015	218.101	2.091.895	2.309.995

The transfer to Legal reserves was made following the approval of appropriation of net income for 2015 by the General Meeting on 25 March 2015.

In agreement with the law in force, at least 10 % of the net annual income must be appropriated to increase the legal reserve until it represents 20 % of capital. This reserve cannot be distributed unless the company is liquidated, and can only be used to cover losses after other reserves are used, or added to capital.

Under the law in force, the SIG.B reserve constitutes OMIClear’s own resources to be used in cascade to cover a possible default.

17 Funding obtained

During the periods ended 31 December 2015 and 31 December 2014, the heading “Funding” was broken down as follows:

	2015			2014		
	Current	Non-current	Total	Current	Non-current	Total
Financial leases	9.826	14.635	24.461	9.474	24.468	33.942
	9.826	14.635	24.461	9.474	24.468	33.942

The reimbursement schedule is as follows:

	31-12-2015	31-12-2014
2015	-	9.474
2016	9.826	9.817
2017	10.184	10.200
2018	4.451	4.451
	24.461	33.942

18 Suppliers

During the periods ended 31 December 2015 and 31 December 2014, the heading including all current "Suppliers" is as follows:

	31-12-2015	31-12-2014
Suppliers	38.326	15.125
	38.326	15.125

19 Other Accounts Payable

On 31 December 2015 and 31 December 2014, the breakdown of the heading "Other accounts payable" is as follows:

	2015			2014		
	Current	Non current	Total	Current	Non current	Total
Suppliers						
Suppliers	30.221	-	30.221	15.125	-	15.125
	30.221	-	30.221	15.125	-	15.125
Other creditors						
OMIP SGPS	34.440	-	34.440	43.761	-	43.761
OMIP SGMR	439.580	-	439.580	224.024	-	224.024
OMIE	-	-	-	-	-	-
Other creditors	29.714	-	29.714	30.861	-	30.861
	503.734	-	503.734	298.646	-	298.646
Creditors due to accrued expenses						
Holidays and holiday bonuses	37.434	-	37.434	31.078	-	31.078
Other staff expenses	39.433	-	39.433	15.521	-	15.521
Productivity bonuses	170.717	-	170.717	120.526	-	120.526
Remuneration paid to members of governing bodies	48.950	-	48.950	28.650	-	28.650
Other	70.546	-	70.546	90.700	-	90.700
	375.081	-	375.081	286.555	-	286.555
	809.036	-	809.036	585.201	-	600.327

The item "Other" refers to:

Other	78.546
- Business fee in December 2015	13.574
- OTC registration fee in December 2015	5.168
- OMIE fee	10.000
- Services provided by market makers in 2015 and only invoiced in 2016	8.916
- Services provided by IOB's in 2015 and only invoiced in 2016	21.575
- Sundry	19.313

20 Sales Provisions

Services provided and recognised in the income statement are broken down as follows:

	31-12-2015	31-12-2014
Services provided		
Market fees	1.011.888	1.523.045
Services provided in Energy	62.500	25.000
Services provided in Natural Gas	95.960	100.407
Training	12.900	15.025
EEX Agreement	62.440	4.318
EMIR Reporting	48.491	-
	1.294.179	1.667.795

21 Supplies and External Services

The breakdown of the costs incurred with supplies and the provision of external services is as follows:

	31-12-2015	31-12-2014
Specialised works	258.873	318.376
Travel and accommodation	88.979	23.552
Rentals	39.314	40.678
Representation expenses	42.716	109.041
Salaries/Fees	51.176	115.817
Banking services	9.555	4.613
Office material	3.786	6.355
Insurance	16.240	13.719
Other (each under 5.000 EUR)	18.849	31.232
	529.488	663.382

The most relevant heading in the category "Supplies" are specialised tasks that essentially include (i) maintenance of systems and access to IT platforms and (ii) management fees offset within the Group the efforts dedicated to OMIClear by other Group employees.

The heading “Fees” includes consultancy work. We note a decrease compared to the same period in 2014 of 55.8 % because the entire EMIR process ended in 2014. The heading also includes all costs with the risk incurred by the risk committee members who are not part of the governing bodies.

The heading “representation costs” dropped 60.8 %, mostly due to a better organisation of travel arrangements in 2015, i.e., they needed to be justified and are classified under travel and accommodation. This classification in turn led to a 70 % increase in the travel and accommodation item.

22 Staff Costs

Staff costs incurred during the periods ended 31 December 2015 and 2014 were as follows:

	31-12-2015	31-12-2014
Remunerations		
Governing bodies	360.269	307.486
Staff	627.339	543.227
	987.608	850.713
Social charges	185.753	141.636
Other	12.117	11.632
	197.869	153.268
	1.185.477	1.003.981

The increase in costs of governing bodies relates to the election of an audit committee which, until June last year did not exist. We note also that in 2015 there was one more risk committee meeting than in 2014.

As for the increase in staff costs, this is due mostly to salary increases.

In 2015, the average number of OMIClear staff was 12 (2014: 9).

23 Other Income and Gains

The heading “Other income and gains” is as follows:

	2015	2014
Guarantees	760.678	863.977
Management fees	165.892	75.527
Corrections from previous years' balances	-	2.582
Other	20.894	14.508
	947.464	956.594

“Income from guarantees” refers to operating income and relates to capital income received for the management of guarantees deposited with OMIClear.

The heading “Management fees” includes debits relating to the work provided by OMIClear employees in OMIP management tasks.

24 Other Expenses and Losses

The breakdown of "Other expenses and losses" is as follows:

	31-12-2015	31-12-2014
Costs with market operations	222.217	430.907
Services provided by Group companies	241.000	123.978
Taxes	3.969	3.327
Corrections of previous years' balances	205	9.274
Other	12.026	30.930
	479.417	598.416

Costs with market operations in December 2015 and 2014 arose from fixed commissions charged by Market Makers.

In 2014 contracts for the provision of intragroup services were signed between OMIClear, OMIP SGMR and OMIClear to conjugate common costs between the three companies. Some values which in the previous year were allocated to suppliers and external services were therefore allocated in these contracts and, consequently, under this heading.

25 Expenses and Financial Income

The breakdown of expenses and financial income in the periods of 2015 and 2014 is as follows:

	31-12-2015	31-12-2014
Interest and similar earnings		
Interest on deposits	20.147	89.278
Other interest and similar earnings	16	487
	20.164	89.764
Interest and similar costs		
Interest paid	(1.734)	(813)
Other financial costs	-	(446)
	(1.734)	(1.259)
	18.429,58	88.505,54

26 Income Tax

On 31 December 2015 and 31 December 2014, the heading "Income tax" is as follows:

	31-12-2015	31-12-2014
Income Tax - current	14.837	122.180
Total	14.837	122.180

26.1 Deferred taxes

On 31 December 2015 and 31 December 2014, no situations generated deferred tax assets or liabilities.

26.2 Reconciliation of tax rate

The reconciliation of the effective tax rate for the periods ended 31 December 2015 and 2014 is shown below:

	31-12-2015		31-12-2014	
Pre-tax results	15.000	33.507	15.000	420.483
Tax rate	17,0%	21,0%	17,0%	23,0%
	<u>2.550</u>	<u>7.036</u>	<u>2.550</u>	<u>96.711</u>
	9.586		99.261	
Non-deductible expenses	(1.050)		2.809	
Non-taxable income	(9)		(713)	
Surcharge	664		6.669	
Autonomous taxation	5.645		14.154	
Under taxation estimate	<u>770</u>		<u>-</u>	
	<u>15.608</u>		<u>122.180</u>	
Income tax - current	14.837		122.180	
Tax estimate - insufficiency	<u>770</u>		<u>-</u>	
Under taxation estimate	<u>15.608</u>		<u>122.180</u>	
Effective tax rate	<u>32,18%</u>		<u>29,06%</u>	

The tax rate used for determining the amount of tax in the financial statements is as follows:

	31-12-2015	31-12-2014
Tax rate		
Up to 15.000€	17,00%	17,00%
Remaining value	21,00%	23,00%
Surcharge	<u>1,50%</u>	<u>1,50%</u>
	<u>20,50%</u>	<u>21,50%</u>

27 Dividends

OMIClear paid dividends during the period ended 31 December 2015 in the amount of 281 973 EUR (2014: 827 465 EUR).

28 Commitments

On 31 December 2015 and 31 December 2014, there were no other commitments undertaken by the company and not reflected in the financial statements.

29 Contingencies

CONTINGENT LIABILITIES

On 31 December 2015 and 31 December 2014, OMIClear did not record any contingent liabilities.

CONTINGENT ASSETS

On 31 December 2015 and 31 December 2014, OMIClear did not record any contingent assets.

30 Information required by law

Under paragraph 1 of Article 21 of Decree-law 411/91, of 17 October, OMIClear confirms that it does not owe any contributions to Social Security or to Treasury.

31 Related companies

On 31 December 2015 and 2014, 50 % of OMIClear was held by OMIP – Polo Português, S.G.M.R., S.A. and 50 % by OMI – Polo Español, S.A. (OMIE).

NATURE OF THE RELATIONSHIP WITH THE RELATED PARTIES

SHAREHOLDERS:

- OMIP – Polo Português, SGMR, SA
- OMI – Polo Español, SA (OMIE)

SUBSIDIARIES:

- OMIClear – C.C., SA, Sucursal em Espanha

OTHER RELATED PARTIES:

- OMIP – Operador do Mercado Ibérico (Portugal), SGPS, SA
- OMEL – Operador del Mercado Ibérico de Energía, Polo Español, SA
- REN – Redes Energéticas Nacionais, SA.
- REN – Serviços, SA.
- Caixa Geral de Depósitos
- Banco Comercial Português, SA

31.1 Transactions with shareholders

In the periods concerned, OMIClear made the following transactions with its shareholders:

	31-12-2015	31-12-2014
Services provided		
OMIE	70.000	-
OMIP SGMR	145.344	92.025
	215.344	92.025
Services acquired		
OMIP SGMR	307.764	333.956
OMIE	10.000	3.333
	317.764	337.289

31.2 Debit and credit balances with shareholders

During the period, the company made the following transactions with those related parties:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Other accounts receivable		
OMIP SGMR	<u>320.324</u>	<u>258.882</u>
	<u>320.324</u>	<u>258.882</u>
Other accounts payable		
OMIP SGMR	<u>439.580</u>	<u>224.024</u>
OMIE	<u>-</u>	<u>-</u>
	<u>439.580</u>	<u>224.024</u>

31.3 Transactions with subsidiaries:

During the periods concerned, OMIClear did not make any transactions with subsidiaries.

31.4 Debit and credit balances with shareholders:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Other accounts receivable		
OMICLEAR SUCURSAL	<u>10.022</u>	<u>-</u>
	<u>10.022</u>	<u>-</u>

31.5 Transactions with other related parties:

During the periods concerned, OMIClear made the following transactions with the entities below:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Services provided		
OMIP SGPS	<u>20.548</u>	<u>5.879</u>
	<u>20.548</u>	<u>5.879</u>
Services acquired		
OMIP SGPS	<u>48.000</u>	<u>42.413</u>
	<u>48.000</u>	<u>42.413</u>

31.6 Debit and credit balances with other related parties:

At the end of the periods ending 31 December 2015 and 31 December 2014, the balances resulting from transactions made with other related parties are as follows:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Other accounts receivable		
OMIP SGPS	21.659	61.106
	<u>21.659</u>	<u>61.106</u>

	<u>31-12-2015</u>	<u>31-12-2014</u>
Other accounts payable		
OMIP SGPS	34.440	43.761
REN Serviços	0	640
	<u>34.440</u>	<u>44.401</u>

31.7 Management remunerations

During the periods ended 31 December 2015 and 2014, the remunerations earned by OMIClear's Board of Directors were as follows:

	<u>31-12-2015</u>	<u>31-12-2014</u>
Remunerations	132.182	132.182
Gratuities and bonuses	15.862	5.287
Share-based payments	-	-
	<u>148.044</u>	<u>137.470</u>

31 Subsequent events

Until the date when these financial statements were approved, the Board of Directors had no knowledge of any subsequent events that should be recorded or disclosed therein.

Lisbon, 30 March 2015

Manuela Lopes dos Santos
Certified Accountant, no. 85946

The Board of Directors,

José Isidoro d'Oliveira Carvalho Netto

Pedro Jesus Mejía Gómez

Ángel Berges Lobera

José Manuel Amado da Silva

Gonzalo Solana González

Paulo Alexandre da Rocha Henriques

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A N N E X

AUDITOR'S REPORT



Statutory Audit Report

(Free translation from the original in Portuguese)

Introduction

1 We have audited the financial statements of OMIClear – C.C., S.A., comprising the balance sheet as at December 31, 2015 (which shows total assets of Euro 210,336,450 and total shareholder's equity of Euro 10,467,613, including a net profit of Euro 32,899), the statement of income by nature, the statement of changes in equity and the statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Board of Directors to prepare the Directors' Report and the financial statements which present fairly, in all material respects, the financial position of the Company, the results of its operations, the changes in equity and the cash flows, as well as to adopt appropriate accounting policies and criteria and to maintain an appropriate system of internal control.

3 Our responsibility is to express an independent and professional opinion on these financial statements based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Accordingly, our audit included: (i) verification, on a sample basis, of the evidence supporting the amounts and disclosures in the financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the financial statements; (ii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; and (iv) assessing the overall presentation of the financial statements.

5 Our audit also covered the verification that the information included in the Directors' Report is consistent with the financial statements.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of OMIClear – C.C., S.A. as at December 31, 2015, the results of its operations, the changes in equity and the cash flows for the year then ended, in accordance with generally accepted accounting principles in Portugal.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.

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Matriculada na CRC sob o NUPC 506 628 752, Capital Social Euros 314.000

Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is consistent with the financial statements for the year.

April 13, 2016

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Rui Jorge dos Anjos Duarte, R.O.C.

(This is a translation, not to be signed)



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