

Deutsche Börse Aktiengesellschaft, Frankfurt/Main
Profit and Loss Account
for the period 1 January to 31 December 2014

	2014		2013	
	€	€	€ (thousand)	€ (thousand)
Sales Revenue		1,074,007,583.55		1,076,790
Other Operating Income		117,245,055.88		112,312
<i>thereof from currency translation € 8,652,612.37 (previous year € 18,055 (thousand))</i>				
Personnel Expenses				
Wages and Salaries	-134,508,952.88		-134,979	
Social securities, pensions and other benefits	-19,997,483.45	-154,506,436.33	-32,842	-167,821
<i>thereof pensions € 14,290,935.81 (previous year € 20,523 (thousand))</i>				
Depreciation				
of intangible and tangible assets		-29,747,698.84		-35,661
Other Operating Expenses		-628,316,689.40		-540,730
<i>thereof from currency translation € 48,797,487.02 (previous year € 5,714 (thousand))</i>				
Income from Participating Interests		144,467,620.59		36,819
<i>thereof from affiliated companies € 142,109,641.33 (previous year € 29,607 (thousand))</i>				
Income from Profit and Loss Agreements		72,962,477.62		102,069
Income from Financial Assets: Long-Term Securities and Loans		6,337,623.84		12,575
<i>thereof from affiliated companies € 0,00 (previous year € 0 (thousand))</i>				
Interest and Similar Income		557,553.93		382
<i>thereof from affiliated companies € 128,373.40 (previous year € 0 (thousand))</i>				
Depreciation of Current Assets: Financial Assets and Securities		-6,810,000.00		0
<i>thereof to affiliated companies € 0,00 (previous year € 0 (thousand))</i>				
Interest and Similar Charges		-70,208,819.56		-83,246
<i>thereof to affiliated companies € 831,462.38 (previous year € 454 (thousand))</i>				
<i>thereof from addition of discounted interest € 17,855,752.47 (previous year € 13,303 (thousand))</i>				
Profit before Tax from Ordinary Activities		525,988,271.28		513,489
Tax on Profit		-102,874,887.27		-100,671
Other Taxes		10,615.97		-22
Net Income for the Financial Year		423,123,999.98		412,796
Allocations to other profit reserve		-23,123,999.98		-12,796
Unappropriated Surplus		400,000,000.00		400,000

Deutsche Börse Aktiengesellschaft, Frankfurt/Main

Statement of Changes in Noncurrent Assets as at 31 December 2014

	Acquisition and Production Costs				Depreciation and Amortization				Book Value	
	Balance as at 1 Jan. 2014	Change due to mergers 2014	Discount 2014	Additions 2014	Disposals 2014	Reboilings 2014	Balance as at 31 Dec. 2014	Balance as at 31 Dec. 2014	Reboilings 2014	Balance as at 31 Dec. 2014
	€	€	€	€	€	€	€	€	€	€
Intangible Assets										
Licenses and similar rights for data processing and software	159,320,109.96	0.00	0.00	6,373,359.21	4,462,980.48	57,459.51	161,288,048.20	149,842,630.96	5,846,074.21	151,239,485.20
Goodwill	514,150.36	0.00	0.00	0.00	0.00	0.00	514,150.36	120,455.36	49,230.00	169,685.36
Prepayments	289,455.00	0.00	0.00	600,000.00	0.00	-84,455.00	805,000.00	149,963,086.32	0.00	151,409,170.56
	160,123,715.32	0.00	0.00	6,973,359.21	4,462,980.48	-26,895.49	165,607,198.56	149,963,086.32	5,894,304.21	151,409,170.56
Tangible Assets										
Fixtures on third party land	34,778,982.81	0.00	0.00	124,794.55	525,234.77	0.00	34,378,542.59	13,546,435.81	1,937,794.55	15,009,320.59
Other assets, furnitures and office equipment	239,203,490.70	0.00	0.00	15,141,894.20	33,179,940.50	74,915.49	221,240,459.89	196,971,270.87	21,915,640.08	185,774,860.94
Prepayments on account and construction in progress	93,021.00	0.00	0.00	0.00	45,000.00	-48,000.00	0.00	196,971,270.87	0.00	196,971,270.87
	274,075,494.51	0.00	0.00	15,266,788.75	33,750,176.27	-26,895.49	255,619,002.48	210,517,706.68	23,853,394.63	200,783,881.53
Financial Assets										
Shares in affiliated companies	3,294,018,061.65	0.00	0.00	1,436,372,375.77	11,809,681.63	0.00	4,718,580,758.79	10,800,000.00	0.00	10,800,000.00
Loans to affiliated companies	1,624,085,325.48	0.00	0.00	174,450,000.00	1,798,505,325.48	0.00	3,496,835,650.96	755,776,675.04	0.00	755,776,675.04
Investments	64,483,959.79	0.00	0.00	13,580,325.19	1,901,719.21	0.00	76,167,615.77	22,246,032.20	6,810,000.00	29,056,032.20
Loans to companies in which the company has a participating interest	13,870,382.78	8,990.93	0.00	94,756.66	3,943,384.65	0.00	108,221,420.00	3,943,384.65	0.00	108,221,420.00
Loans to companies in which the company has a participating interest	13,870,382.78	8,990.93	0.00	94,756.66	3,943,384.65	0.00	108,221,420.00	3,943,384.65	0.00	108,221,420.00
Other loans	52,381.89	0.00	0.00	23,257.89	49,457.06	0.00	125,096,736.84	0.00	0.00	125,096,736.84
	5,001,453,928.56	8,990.93	0.00	1,624,485,784.51	1,817,612,637.70	0.00	4,808,176,065.30	794,402,631.42	6,810,000.00	4,808,176,065.30
	5,435,693,138.39	8,990.93	0.00	1,646,725,932.47	1,856,025,794.45	0.00	5,226,402,267.34	1,154,883,224.42	36,557,698.84	4,880,809,913.97

Notes to the financial statements for financial year 2014

Accounting policies

Deutsche Börse AG's financial statements for financial year 2014 were prepared in accordance with the provisions of the Handelsgesetzbuch (HGB, German Commercial Code) and of the Aktiengesetz (AktG, the German Stock Corporation Act).

The total cost accounting method was chosen for the income statement.

The Company is a large corporation as defined by section 267 (3) of the HGB.

Fixed asset line items denominated in foreign currency have been translated into euro amounts using the exchange rates valid on the date of acquisition; in case of permanent impairment, the conversion is at the period-end exchange rate.

Assets and liabilities denominated in foreign currency have been translated using the ECB reference rate or the Bloomberg rates valid at the balance sheet date. If the assets and liabilities denominated in foreign currency have a maturity of one year or less, then HGB sections 253 (1) clause 1 and 252 (1) no. 4 sub-clause 2 were not applied.

Income and expenses were translated on the posting date at the ECB reference rate or the Bloomberg rates.

Purchased intangible assets are carried at cost and amortised using the straight-line method or valued at the lower fair value. No use was made of the option to capitalise internally generated intangible assets.

Property, plant and equipment is carried at cost. Depreciable property, plant and equipment is depreciated using the straight-line method over its useful life or valued at its lower fair value. Low-value fixed assets with acquisition costs up to €410 were written off directly in financial year 2014 in accordance with section 6 (2) of the German Income Tax Act (EStG). In this respect, no use was made of the option granted by section 6 (2a) of the EStG to create a compound item.

Investments in affiliated companies stated under financial assets as well as participations are carried at the lower of cost or fair value. Loans to affiliated companies and other loans are recognised at nominal value, taking into account any permanent impairment, where applicable. Securities are carried at amortised cost or at the lower exchange rate on the reporting date, in the event of permanent impairment. If the circumstances which led to a write-down no longer apply, a reversal is made, up to a maximum of the original cost.

Receivables and other assets are always carried at their nominal amount. All discernible risks are impaired on an item-by-item basis, while latent risks are considered on a portfolio basis.

Provisions for pensions and other employee benefits have been stated along with the projected benefit obligation on the basis of actuarial tables using the modified “2005 G” mortality tables (generation tables) developed by Prof. Dr Klaus Heubeck and fully adjusted in 2011.

Actuarial assumptions		
	31.12.2014	31.12.2013
	%	%
Discount rate	4.55	4.90
Salary growth	3.50	3.50
Pension growth	2.00	2.00
Staff turnover rate	2.00 ¹⁾	2.00 ¹⁾

¹⁾ Up to age 50, thereafter 0.0%

Calculations for the projected benefit obligations arising from the employee-financed deferred compensation plan were made on the basis of an interest rate of 4.55 per cent (previous year: 4.90 per cent) along with actuarial tables using modified “2005 G” mortality tables developed by Prof. Dr Klaus Heubeck and fully adjusted in 2011.

As per section 246 (2) clause 2 of the HGB, the amount of pension benefits to be paid as at the balance sheet date was offset against the fair value of the asset, which is protected from any creditor claims and is intended exclusively to meet the liabilities arising from pension obligations or other similar long-term obligations to employees (plan assets). The cumulative costs of the plan assets amount to €145.8 million (previous year: €138.4 million).

The plan assets, which correspond to a 68.0 per cent share (previous year: 67.9 per cent) in a domestic alternative investment fund as defined by section 1 (10) of the German KAGB, had a fair value at the balance sheet date of €156.8 million (previous year: €145.2 million), which is equivalent to the current value as defined by section 278 in conjunction with section 168 of the KAGB. This special fund is an international mixed fund (mixed special fund) with regulatory investment restrictions. In accordance with the investment guidelines, an absolute return approach with a capital protection mechanism is applied and investments can be made in different asset classes. During the period under review, €3.7 million (previous year: €3.8 million) was withdrawn, which corresponds to the amount of current pension payments, and which was immediately added back to the plan assets. A total amount of €11.2 million (previous year: €10.7 million) was added to the special fund in the year under review. This asset is protected from any creditor claims and is thus not repayable on demand.

All other provisions take appropriate account of all identifiable risks and contingent liabilities as at the balance sheet date and have been set aside in the amount of anticipated settlement expenses in accordance with prudent commercial judgement. Provisions with a maturity of more than one year are discounted using the market interest rates published by Deutsche Bundesbank according to the remainder of their maturity.

The basis for determining provisions for the Stock Bonus Plan is the Deutsche Börse AG share price at the reporting date.

The provisions for anniversary payments and early retirement were measured at the amount to be paid in accordance with actuarial principles, and for early retirees measured at present value. The projected unit credit method was applied as the basis of this assessment. During the year under review, the interest rate of 4.55 per cent (previous year: 4.90 per cent) published by the German Ministry of Finance was applied. The modified "2005 G" mortality tables developed by Prof. Dr Klaus Heubeck and fully adjusted in 2011 were used as the basis of these projections.

For all hedge accounting procedures as defined by section 254 of the HGB, Deutsche Börse AG exercises the option of only stating hedges on the balance sheet to the extent that the hedge was ineffective and a negative result arises (compensatory valuation/net hedge presentation method). In such an event, a provision for contingent losses is recognised.

Deferred taxes are calculated in accordance with section 274 of the HGB on temporary differences between the carrying amounts according to commercial law and their taxable values. Deferred tax liabilities are only reported insofar as they exceed deferred tax assets. In view of the existing single-entity relationship for tax purposes with Clearstream Holding AG, temporary differences between the carrying amounts according to commercial law and their taxable values of this company were accounted for at the level of the controlling company, Deutsche Börse AG. The calculation of deferred taxes is based on the expected combined income tax rate of all the companies comprising a single entity for tax purposes with Deutsche Börse AG, which currently stands at rounded 26 per cent.

As at 31 December 2014, the excess of deferred tax assets amounted to €16.2 million. The excess of deferred tax assets is mainly the result of differences in the carrying amounts in the provisions for pensions, their related cover assets and restructuring provisions.

In accordance with section 274 (1) clause 2 of the HGB, the Company refrained from reporting the excess of deferred tax assets. Deferred taxes are calculated on the basis of the tax rates in effect or expected in Germany on the date they are recovered.

There is currently a uniform rate of corporation tax of 15 per cent plus a solidarity surcharge of 5.5 per cent. Taking trade tax into account, this results in a composite tax rate of rounded 26 per cent. There were no carryforwards of tax losses as at the reporting date.

In accordance with section 253 (1) clause 2 of the HGB, these liabilities are treated with their respective payment amounts as deferred items.

Notes to the balance sheet

Fixed assets

Asset performance is described in the statement of changes in fixed assets. In financial year 2014, write-downs of €6.8 million (previous year: €0.0 million) were made to financial investments. An

investment in the amount of €6.8 million was written off due to a company's unsatisfactory economic performance.

As at 31 December 2014, loans to affiliated companies totalled €0.0 million (previous year: €868.3 million). In 2013, the figure of €868.3 million was related to profit participations rights (Series A profit participation rights) issued by Eurex Frankfurt AG as part of the acquisition of International Securities Exchange Holdings, Inc. (ISE). On 19 December 2014, Deutsche Börse AG acquired the Series B profit participation rights, which were also issued in connection with this acquisition. Both sets of profit participation rights were deposited in Eurex Frankfurt AG's capital reserves with effect from 21 December 2014.

Investments in affiliated companies

As at 31 December 2014, Deutsche Börse AG had investments in affiliated companies as follows:

Company	Domicile	Currency	Own equity in € thous. ¹⁾	2014 net profit loss in € thous.	Equity interest direct (indirect)
Börse Frankfurt Zertifikate Holding S.A. i.L.	Luxembourg	€	11	4.796	100.00%
Börse Frankfurt Zertifikate AG	Germany	€	6.794	2.572	100.00%
Clearstream Holding AG	Germany	€	2.209.971	72.899	100.00%
Clearstream International S.A.	Luxembourg	€	1.048.723	134.155	(100.00)%
Clearstream Banking S.A.	Luxembourg	€	1.017.349	151.423	(100.00)%
Clearstream Banking Japan, Ltd.	Japan	JPY	42.419	9.352	(100.00)%
REGIS-TR S.A.	Luxembourg	€	1.177	2.871	(50.00)%
Clearstream Banking AG	Germany	€	331.984	82.780	(100.00)%
Clearstream Fund Services Ireland Ltd.	Ireland	€	4.194	6	(100.00)%
Clearstream Global Securities Services Ltd.	Ireland	€	5.116	1.078	(100.00)%
Clearstream Operations Prague s.r.o.	Czechia	CZK	228.694	-9.761	(100.00)%
Clearstream Services S.A.	Luxembourg	€	93.615	6.404	(100.00)%

Company	Domicile	Currency	Own equity in € thous. ¹⁾	2014 net profit loss in € thous.	Equity interest direct (indirect)
LuxCSD S.A.	Luxembourg	€	5.078	68	(50.00)%
Deutsche Börse Asia Holding Pte. Ltd.	Singapore	€	13.901	99	100.00%
Eurex Clearing Asia Pte. Ltd.	Singapore	€	10.046	46	(100.00)%
Deutsche Börse Services s.r.o.	Czechia	CZK	153.088	36.325	100.00%
Deutsche Boerse Systems, Inc.	USA	US\$	3.029	89	100.00%
Eurex Frankfurt AG	Germany	€	1.116.554	66.163	100.00%
Eurex Clearing AG	Germany	€	289.813	1.454	(100.00)%
Eurex Clearing Security Trustee GmbH	Germany	€	77	1	(100.00) %
Eurex Bonds GmbH	Germany	€	9.536	1.289	(79.44)%
Eurex Repo GmbH	Germany	€	2.550	14.957	(100.00)%
U.S. Exchange Holdings, Inc.	USA	US\$	2.817.008	126.622	(100.00)%
Eurex Services GmbH	Germany	€	100	900	(100.00)%
International Securities Exchange Holdings, Inc.	USA	US\$	1.654.653	94.485	(100.00)%
ETC Acquisition Corp.	USA	US\$	3.935	150	(100.00)%
International Securities Exchange, LLC	USA	US\$	128.079	44.973	(100.00)%
ISE Gemini, LLC	USA	US\$	5.528	6.547	(100.00)%
Longitude LLC	USA	US\$	2.200	298	(100.00)%
Longitude S.A.	Luxembourg	€	1.175	-671	(100.00)%
Eurex Global Derivatives AG	Switzerland	CHF	448.839	97.092	100.00%

Company	Domicile	Currency	Own equity in € thous. ¹⁾	2014 net profit loss in € thous.	Equity interest direct (indirect)
Eurex Zürich AG	Switzerland	CHF	351.412	-25	(100.00)%
European Energy Exchange AG	Germany	€	57.266	7.214	(62.82)%
Cleartrade Exchange Pte. Ltd.	Singapore	US\$	5.655	-2.895	(32.48)%
Cleartrade Exchange (UK) Ltd.	United Kingdom	GBP	57	28	(32.48)%
EGEX European Gas Exchange GmbH	Germany	€	2.046	0	(62.82)%
European Commodity Clearing AG	Germany	€	53.036	13.178	(61.88)%
European Commodity Clearing Luxembourg S.à.r.l.	Luxembourg	€	47	33	(61.88)%
EEX Power Derivatives GmbH	Germany	€	6.018	0	(50.26)%
Global Environmental Exchange GmbH	Germany	€	48	0	(62.82)%
Finnovation S.A.	Luxembourg	€	141.909	10.458	100.00%
Impendium Systems Ltd.	United Kingdom	GBP	3.794	-3.405	100.00%
Infobolsa S.A.	Spain	€	11.560	275	50.00%
Difubolsa, Serviços de Difusão e Informação de Bolsa, S.A.	Portugal	€	170	6	(50.00)%
Infobolsa Deutschland GmbH	Germany	€	1.502	105	(50.00)%
Open Finance, S.L.	Spain	€	970	218	(40.50)%
Market News International Inc.	USA	US\$	27.200	127	100.00%
MNI Financial and Economic Information (Beijing) Co. Ltd.	China	US\$	270	12	(100.00)%
Need to Know News, LLC	USA	US\$	0	313	(100.00)%

Company	Domicile	Currency	Own equity in € thous. ¹⁾	2014 net profit loss in € thous.	Equity interest direct (indirect)
Risk Transfer Re S.A.	Luxembourg	€	1.225	0	100.00%
STOXX Ltd.	Switzerland	CHF	102.247	34.391	50.10%
Tradegate Exchange GmbH	Germany	€	1.137	826	78.72%

¹⁾ Includes capital reserves and retained earnings, accumulated gains or losses and net profit or loss for the year and, if necessary, further components according to the respective local GAAP

Equity investments

Deutsche Börse AG held the following direct or indirect equity investments with a share of more than 20 per cent as at 31 December 2014:

Company	Domicile	Currency	Own equity in € thous. ¹⁾	2014 net profit loss in € thous.	Equity interest direct (indirect)
Deutsche Börse Cloud Exchange AG	Germany	€	6.267	-2.745	(64.68)%
Indexium AG	Switzerland	CHF	3.776	838	49.90%
EPEX Spot SE	France	€	24.635	16.691	(31.41)%
Zimory GmbH	Germany	€	7.306	-3.619	30.03%
Bondcube	United Kingdom	GBP	496	-2.200	30.00%
R5FX Ltd.	United Kingdom	GBP	1.925	-226	30.00%
BrainTrade Gesellschaft für Börsensysteme mbH	Germany	€	1.562	162	(28.58)%
Global Markets Exchange Group International, LLP	United Kingdom	GBP	4.749	1.344	28.57%
Hanweck Associates, LLC	USA	US\$	-901	-168	(26.44)%

¹⁾ Includes capital reserves and retained earnings, accumulated gains or losses and net profit or loss for the year and, if necessary, further components according to the respective local GAAP

As at 31 December 2014, Deutsche Börse AG held directly or indirectly more than 5 per cent of the voting rights in the following companies:

Company	Domicile	Currency	Own equity in € thous. ¹⁾	2014 net profit loss in € thous.	Equity interest direct (indirect)
The Options Clearing Corporation	USA	US\$	25.442	1.571	(20.00)%
Index Marketing Solutions Ltd. i.L.	United Kingdom	GBP	-1	-1	(16.24)%
Deutsche Börse Commodities GmbH	Germany	€	3.053	726	16.20%
Tradegate AG Wertpapierhandelsbank	Germany	€	35.222	5.511	14.86%
European Market Coupling Company GmbH i.L.	Germany	€	1.824	-116	(12.56)%
Phineo gAG	Germany	€	1.823	226	12.00%
Digital Vega FX Ltd.	United Kingdom	GBP	72	-425	11.53%

¹⁾ Includes capital reserves and retained earnings, accumulated gains or losses and net profit or loss for the year and, if necessary, further components according to the respective local GAAP

Receivables from affiliated companies

This balance sheet item contains trade receivables from affiliated companies of €61.2 million (previous year: €47.4 million) as well as other assets amounting to €114.2 million (previous year: €109.9 million). The profit transfer agreement with Clearstream Holding AG accounted for €73.0 million (previous year: €102.1 million) of the other assets.

Receivables from companies in which the company has a participating interest

This balance sheet item primarily comprises trade receivables from companies in which the company has a participating interest.

Disclosures regarding financial instruments and hedging transactions according to section 285 (19) and (23) of the HGB

As in the previous year, there were no investments in derivatives at the reporting date.

Prepaid expenses

Prepaid expenses contain discounts for bond issues as defined by section 250 (3) of the HGB of €6.6 million (previous year: €7.9 million).

Deferred tax assets

Deutsche Börse AG does not exercise the option to recognise deferred tax assets.

Equity

Fully paid-in share capital amounts to €193.0 million (previous year: €193.0 million), divided into 193,000,000 no-par value registered shares.

There were 8,813,145 treasury shares held at the end of the year (previous year: 8,884,343), representing 4.6 per cent of share capital. As part of employee programmes, 71,398 shares were sold at a price of €3.6 million during financial year 2014. A total of 200 shares were also acquired at the purchase price of € 11 thousand. On the basis of the share price of €59.22 as at 31 December 2014, the shares are valued at €521.9 million. This figure results primarily from share buybacks since 2005.

Subject to the agreement of the Supervisory Board, the Executive Board is authorised to increase the subscribed share capital by the following amounts:

	Amount in €	Date of shareholder approval	Conclusion of approval process	Existing shareholders' pre-emptive rights may be disapplied for fractioning and/or may be disapplied if the share issue is:
Authorised share capital I	5,200,000	12 May 2011	11 May 2016	- against non-cash contributions for the purpose of acquiring companies, parts of companies, or interests in companies, or other assets
Authorised share capital II	27,800,000	27 May 2010	26 May 2015	- for cash at an issue price not significantly lower than the exchange traded share price up to a maximum amount of 10 per cent of the nominal capital to issue new shares - to employees of the Company or affiliated companies within the meaning of sections 15ff of the Aktiengesetz (AktG, German Stock Corporation Act), with the pro rata amount of the share capital not allowed to exceed €3 million - against non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets
Authorised share capital III	19,500,000	27 May 2010	26 May 2015	- N/A
Authorised share capital IV	6,000,000	16 May 2012	15 May 2017	- for the issuance of up to 900,000 new shares per year to Executive Board members and employees of the Company as well as to the management and employees of affiliated companies within the meaning of sections 15ff of the AktG

Contingent capital

By resolution of the Annual General Meeting on 15 May 2014, the Executive Board was authorised – until 14 May 2019 and subject to the approval of the Supervisory Board – to issue individual or multiple convertible bonds and/or bonds with warrants or a combination of these instruments having a total nominal value of up to €2,500,000,000 and with limited or unlimited terms and to grant the holders/creditors conversion rights and/or options on new no-par value registered shares in Deutsche Börse AG with a proportionate interest in the share capital totalling up to €19,300,000, subject to the terms and conditions of the convertible bonds/the warrants attached to the bonds with warrants.

Subject to the Supervisory Board's approval, the Executive Board is authorised to disapply shareholders' pre-emptive rights to bonds with conversion rights or options on shares in Deutsche Börse AG in the following cases: (i) For the purpose of eliminating fractions; (ii) If a bond's issue price is not significantly lower than the theoretical market value calculated using recognised financial and mathematical methods and the sum of the shares attributable to these bonds does not exceed 10 per cent of the share capital; (iii) To grant the holders of conversion rights and/or options on shares in Deutsche Börse AG as many pre-emptive rights as they would be entitled to after exercising these rights, for the purpose of eliminating dilution.

The bonds may also be issued by German or foreign-domiciled companies affiliated with Deutsche Börse AG in accordance with sections 15 ff. of the AktG. As a result, the share capital was increased conditionally by up to €19,300,000 (contingent capital 2014). So far, no use has been made of the authorisation to issue convertible bonds and/or bonds with warrants.

The Company's capital reserves and retained earnings performed as follows:

	€m	€m
Capital reserves		
Brought forward as at 1 January 2014	1,286.3	
Addition	0.0	
Balance as at 31 December 2014		1,286.3
Retained earnings		
Other retained earnings		
Brought forward as at 1 January 2014	459.3	
Addition from previous year's net profit	13.4	
Addition due to sale of own shares	4.0	
Addition from 2014 net income	23.1	
Transfer due to acquisition of own shares	0	
Balance as at 31 December 2014		499.8

As the fair value of the plan assets is higher than their acquisition cost, there is, when deferred tax liabilities are taken into account, a block on distributions in accordance with section 268 (8) of the HGB in the amount of €8.1 million.

Provisions for pensions and other employee benefits

Pension liabilities on the basis of section 246 (2) clause 2 of the HGB	
	€m
Pension obligations payable	168.0
Fair value of plan assets	-156.8
Provisions for pensions and other employee benefits	11.2
Netting profit and loss	
	€m
Expenses arising from pension obligations	1.5
Net revenue stated under personnel expenses	1.5
Interest expense arising from pension obligations	-14.8
Reversals of plan assets	4.1
Income from plan assets	1.9
Net expenses stated under financial result	-8.8

Other provisions

Other provisions, amounting to €163.9 million (previous year: €163.1 million), comprise the following:

	€m
Interest relating to tax audit	49.7
Provisions made as part of the efficiency programmes	38.6
Other personnel provisions	17.0
Outstanding invoices	16.5
Phantom stock option plans and stock bonus plan	13.2
Variable remuneration	11.2
Obligation to reimburse current and future pension payments to the chamber of commerce (IHK) on the basis of the transition agreement	8.5
Remuneration for the Supervisory Board	2.2
Anticipated losses from leases and asset retirement obligations	2.1
Process risks	2.0
Miscellaneous provisions	2.9
	163.9

Liabilities

Liabilities are divided into the categories below. Lien rights or similar rights are not included in liabilities.

Amount in €m	Total amount	Thereof: up to 1 year	Thereof: 1-5 years	Thereof: > 5 years
Bonds (previous year)	1,638.4 (1,634.0)	199.8 (100.0)	781.0 (883.3)	657.6 (650.7)
Liabilities to banks (previous year)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Trade payables (previous year)	34.2 (25.5)	34.2 (25.5)	0.0 (0.0)	0.0 (0.0)
Liabilities towards affiliated companies (previous year)	1,057.3 (501.7)	1,057.3 (501.7)	0.0 (0.0)	0.0 (0.0)
- Thereof trade payables (previous year)	69.1 (53.1)	69.1 (53.1)	0.0 (0.0)	0.0 (0.0)
- Thereof other liabilities (previous year)	988.2 (448.6)	988.2 (448.6)	0.0 (0.0)	0.0 (0.0)
Payables to other companies in which the company has a participating interest (previous year)	0.3 (0.8)	0.3 (0.8)	0.0 (0.0)	0.0 (0.0)
- Thereof trade payables (previous year)	0.3 (0.8)	0.3 (0.8)	0.0 (0.0)	0.0 (0.0)
- Thereof other liabilities (previous year)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other liabilities (previous year)	32.4 (29.2)	31.5 (28.5)	0.7 (0.4)	0.2 (0.3)
- Thereof taxes (previous year)	7.2 (7.7)	7.2 (7.7)	0.0 (0.0)	0.0 (0.0)
- Thereof social security contributions (previous year)	0.3 (0.3)	0.3 (0.3)	0.0 (0.0)	0.0 (0.0)
Total liabilities (previous year)	2,762.6 (2,191.2)	1,323.1 (656.5)	781.7 (883.7)	657.8 (651.0)

Income statement disclosures

Sales revenue

Sales revenue of €1,074.0 million (previous year: €1,076.8 million) consists mainly of €630.8 million (previous year: €625.8 million) from the Eurex derivatives trading platform, €270.1 million (previous year: €279.3 million) from the sales and marketing of exchange data and information, as well as index development and marketing, and €160.6 million (previous year: €157.4 million) from the cash market with the Xetra electronic trading system and floor trading as well as the central counterparty for equities.

Other operating income

Other operating income amounts to €117.2 million (previous year: €112.3 million). This item mainly comprises income from agency agreements with affiliated companies (€92.5 million; previous year: €83.5 million), out-of-period income from the reversal of provisions (€6.3 million; previous year: €2.2 million) and income from foreign currency translation (€8.7 million; previous year: €18.1 million). It also includes out-of-period income from individual impairment provisions made in previous years (€3.8 million; previous year: €0.6 million) and rental income (€0.9 million; previous year: €0.6 million).

Other operating expenses

Other operating expenses amounted to €628.3 million (previous year: €540.7 million), comprised as follows: agency fees to affiliated companies (€248.2 million; previous year: €222.3 million); legal and consulting expenses (€124.1 million; previous year: €108.0 million); expenses for IT services (€42.8 million; previous year: €48.1 million); lease expenses (€39.4 million; previous year: €39.5 million); expenses arising from marketing exchange data (€29.1 million; previous year: €27.5 million); expenses for Xetra Market Services (€14.9 million; previous year: €16.3 million); expenses from non-deductible input tax (€10.4 million; previous year: €5.9 million); expenses for the communication network (€9.5 million; previous year: €10.8 million); advertising and marketing expenses (€9.4 million; previous year: €8.3 million); expenses for price information from regional stock exchanges and exchange brokers (€7.2 million; previous year: €7.5 million); expenses for travel, hospitality and entertainment (€6.8 million; previous year: €5.1 million) and expenses for CCP transactions (€5.8 million; previous year: €5.9 million). Expenses from foreign currency translation stated in the income statement include €44.3 million from the valuation of the USD bonds and €5.0 million (previous year: €5.7 million) from exchange rate differences.

Auditor's fee

In accordance with section 285 (17) of the HGB, disclosures as to the auditor's fee are contained in the notes to the consolidated financial statements of Deutsche Börse AG.

Other financial obligations and transactions not included in the balance sheet

Other financial obligations relate to rental, lease, maintenance and other contracts.

Obligations relating to rental, lease and maintenance contracts in 2015 (€40.3 million; previous year: €46.8 million) arise mainly from long-term contracts for office space rental of €23.7 million (previous year: €23.1 million), as well as software maintenance contracts of €9.8 million (previous year: €19.8 million). Other obligations in the amount of €6.8 million (previous year: €3.9 million) relate to various other maintenance contracts in the amount of €6.5 million (previous year: €2.9 million) and other rental and leasing agreements (€0.3 million; previous year: €1.0 million). For financial years from 2016 onwards, it is anticipated that €206.7 million (previous year: €223.5 million) will be spent on these contracts.

In financial year 2014, other obligations arose from management and agency agreements primarily with Eurex Frankfurt AG in the amount of €221.8 million (previous year: €197.7 million) and Market News International in the amount of €18.9 million (previous year: €19.6 million). Deutsche Börse AG expects that the obligations arising from agency agreements with Eurex Frankfurt AG and Market News International will not deviate significantly in future from the figures in 2014. The obligations owed to Eurex Frankfurt AG and Market News International are obligations owed to affiliated companies.

Other contracts, particularly service contracts, gave rise to financial obligations of €7.6 million in 2015 (previous year: €11.4 million), of which €6.5 million (previous year: €7.2 million) relates to IT and application support. For financial years from 2016 onwards, these contracts are anticipated to generate expenses of €4.4 million (previous year: €18.7 million).

The Company issued a letter of comfort on behalf of Eurex Clearing AG, according to which Deutsche Börse AG is obliged to provide Eurex Clearing AG upon its first demand with such financial means as are needed to fulfil its obligations arising from its activities and in its capacity as central counterparty (CCP) for processing securities traded on the Frankfurt Stock Exchange, futures traded on the Eurex Deutschland and Eurex Zürich exchange facilities, contracts traded using the Eurex Bonds GmbH system and repurchase agreements traded with the Eurex Repo GmbH system, as per the requirements of section 340b (1 and 2) of the HGB. The comfort letter is limited to the amount of €700.0 million. Due to the risk management system implemented by Eurex Clearing AG, in particular the lines of defence, and the fact that Deutsche Börse AG has not been called upon in the event of defaults by clearing participants in the past, Deutsche Börse AG currently believes that utilisation of the comfort letter is unlikely.

Referring to section 5 (10) of the statute of the Deposit Protection Fund, an unlimited statement of commitment has been issued to Clearstream Banking AG, according to which Deutsche Börse AG indemnifies the Bundesverband deutscher Banken e.V. from all potential loss claims.

Moreover, Deutsche Börse AG provides loan commitments in favour of affiliated companies and companies in which the Company has a participating interest of €72.7 million and €7.5 million, respectively.

Provisions arising from deferred compensation were recognised in the balance sheet under employee expenses for individual subsidiaries. However, as Deutsche Börse AG has an obligation as a provider towards participating employees, a contingent liability of €24.4 million (previous year: €20.8 million) arises which is equivalent to the amount of the provisions made by the individual subsidiaries.

Other disclosures

Supervisory Board

The members of the Supervisory Board are:

Dr Joachim Faber Chairman	Independent Management Consultant, Grünwald
Supervisory Board appointments	OSRAM Licht AG, Munich (until 30 June 2014)
Other appointments	HSBC Holding plc, London (Member of the Board of Directors) Coty Inc., New York (Member of the Board of Directors) Joh. A. Benckiser SARL, Luxembourg (Chairman of the Committee of Shareholders) Allianz France, Paris (Member of the Board of Directors)
Gerhard Roggemann Deputy Chairman	Senior Advisor, Edmond de Rothschild Private Merchant Banking LLP, London
Supervisory Board appointments	Deutsche Beteiligungs AG, Frankfurt/Main (Deputy Chairman) GP Günter Papenburg AG, Schwarmstedt (Chairman) Fresenius SE & Co. KGaA, Bad Homburg Wave Management AG, Hanover

Richard Berliand	Management Consultant, Executive Director, Richard Berliand Limited, Ashtead, Surrey
Supervisory Board appointments	Eurex Clearing AG, Frankfurt/Main (until 30 June 2014) Eurex Frankfurt AG, Frankfurt/Main
Other appointments	Eurex Zürich AG, Zurich (Member of the Board of Directors) ITRS Group Limited, London (Chairman of the Board of Directors) London Wine Agencies, London (Director) Mako Europe Ltd, London (Member of the Board of Directors) RB SFOS 1 (UK) Origination Limited, London (Member of the Board of Directors, since 1 January 2014) RB SFOS (UK) Origination Limited, London (Member of the Board of Directors, since 1 January 2014) RB SFO 1 Limited, London (Member of the Board of Directors, since 17 July 2014) RB SFO 2 Limited, London (Member of the Board of Directors, since 17 July 2014) Rothesay Life Holdco UK Limited, London (Member of the Board of Directors, since 1 October 2014)
Irmtraud Busch	Former employee in the Business Consulting section Clearstream Banking AG, Frankfurt/Main
Karl-Heinz Floether	Independent Management Consultant, Kronberg
Supervisory Board appointments	Commerzbank AG, Frankfurt/Main
Marion Fornoff	Employee in the HR Europe & US section Deutsche Börse AG, Frankfurt/Main
Hans-Peter Gabe	Employee in the HR Compensation, Workforce & Talent Management section, Deutsche Börse AG, Frankfurt/Main

Richard M. Hayden	Non-Executive Chairman, Haymarket Financial LLP, London Chairman of the Senior Advisory Board, TowerBrook Capital Partners L.P., London
Other appointments	Riverstone Energy Limited, Guernsey (Non-Executive Director)
Craig Heimark	Managing Partner, Hawthorne Group LLC, Palo Alto
Other appointment	Cohesive Flexible Technologies Corporation, Chicago (Chairman of the Board of Directors)
David Krell	Chairman of the Board of Directors International Securities Exchange, LLC, New York
Other appointment	FUNDBOX LLC, San Francisco (Member of the Board of Directors, since 26 February 2014) International Securities Exchange, LLC, New York (Chairman of the Board of Directors) INVeSHARE inc., Alpharetta (Chairman of the Board of Directors) ISE Gemini, LLC, New York (Chairman of the Board of Directors)
Dr Monica Mächler	Former Vice Chair of the Board of Directors of the Swiss Financial Market Supervisory Authority FINMA, Berne
Other appointments	Zurich Insurance Group AG, Zurich (Member of the Board of Directors) Zurich Insurance Group AG, Zurich (Member of the Board of Directors)
Friedrich Merz	Lawyer and Senior Counsel, Mayer Brown LLP, Düsseldorf
Supervisory Board appointments	AXA Konzern AG, Cologne (until 30 June 2014) BVB Borussia Dortmund KGaA, Dortmund (until 30 June 2014) HSBC Trinkaus & Burkhardt AG, Düsseldorf WEPA Industrieholding SE, Arnsberg (Chairman)
Other appointments	BASF Antwerpen N.V., Antwerp (Member of the Board of Directors, until 30 June 2014) Stadler Rail AG, Bussnang (Member of the Board of Directors)

Thomas Neißé	Independent Capital Market Advisor Former Chief Executive, Deká Investment GmbH, Frankfurt/Main
Heinz-Joachim Neubürger (until 05.02.2015)	Independent Management Consultant, London
Supervisory Board appointments	Hamburg Trust REIM Real Estate Investment Management GmbH, Hamburg (Deputy Chairman) Koenig & Bauer AG, Würzburg (Chairman and Member, until 25 February 2014)
Dr Erhard Schipporeit	Independent Management Consultant, Hanover
Supervisory Board appointments	BDO AG, Hamburg Fuchs Petrolub SE, Mannheim Hannover Rück SE, Hanover Rocket Internet AG, Berlin (since 22 August 2014) SAP SE, Walldorf Talanx AG, Hanover
Other appointments	Fidelity Funds SICAV, Luxemburg (Member of the Board of Directors) FIL Fondsbank GmbH, Kronberg im Taunus (Member of the Supervisory Board, until 30 November 2014) TUI Travel plc., London (Member of the Board of Directors, until 11 December 2014)
Jutta Stuhlfauth	Lawyer, M.B.A. (Wales) and Head of Policies and Procedures Unit, Deutsche Börse AG, Frankfurt/Main
Martin Ulrici	Head of Talent Management Unit, Deutsche Börse AG, Frankfurt/Main
Johannes Witt	Staff member in the Financial Accounting & Controlling Department, Deutsche Börse AG, Frankfurt/Main

In the year under review, the members of the Supervisory Board received remuneration of €2.3 million.

The Supervisory Board has established the following committees:

Audit Committee

Dr Erhard Schipporeit (Chairman)
Friedrich Merz
Heinz-Joachim Neubürger (until 05.02.2015)
Karl-Heinz Floether (since 13.02.2015)
Johannes Witt

Personnel Committee

Dr Joachim Faber (Chairman)
Marion Fornoff
Richard M. Hayden
Gerhard Roggemann

Strategy Committee

Dr Joachim Faber (Chairman)
Richard Berliand
Karl-Heinz Floether
Hans-Peter Gabe
Heinz-Joachim Neubürger (until 05.02.2015)
Gerhard Roggemann
Jutta Stuhlfauth

Technology Committee

Craig Heimark (Chairman)
Karl-Heinz Floether
David Krell
Martin Ulrici

Clearing and Settlement Committee

Richard Berliand (Chairman)
Irmtraud Busch
Dr Monica Mächler
Thomas Neißé

Nomination Committee

Dr Joachim Faber (Chairman)

Richard M. Hayden

Gerhard Roggemann

**Interim Risk Management Roadmap Committee
(since February 2014)**

Dr Erhard Schipporeit (Chairman)

Richard Berliand

Dr Joachim Faber

Craig Heimark

Friedrich Merz

Heinz-Joachim Neubürger (until 05.02.2015)

Karl-Heinz Floether (since 13.02.2015)

Johannes Witt

Executive Board

The members of the Executive Board are:

Reto Francioni Prof., Dr. jur.	Chairman of the Executive Board Chief Executive Officer
Supervisory Board appointments	Clearstream Holding AG (Chairman and Member, until 22 July 2014) Eurex Clearing AG (Deputy Chairman and Member, until 30 June 2014) Eurex Frankfurt AG (Deputy Chairman, until 12 June 2014, Chairman, since 12 June 2014)
Other appointments	Clearstream Banking S.A. (Chairman and Member of the Board of Directors, until 30 June 2014) Eurex Zürich AG (Vice Chairman of the Board of Directors, until 12 June 2014, Chairman of the Board of Directors, since 12 June 2014) UBS AG (Member of the Board of Directors)
Andreas Preuss Grad. degree in Business Administration (Diplom-Kaufmann)	Member of the Executive Board and Deputy Chief Executive Officer Responsible for the Cash and Derivatives Market Division
Supervisory Board appointments	Clearstream Holding AG (Chairman and Member, until 22 July 2014)
Other appointments	Bombay Stock Exchange Limited (Member of the Board of Directors, Shareholder Director, until 1 August 2014) Eurex Global Derivatives AG (Chairman of the Board of Directors) International Securities Exchange, LLC (Vice Chairman of the Board of Directors) International Securities Exchange Holdings, Inc. (Vice Chairman of the Board of Directors) ISE Gemini, LLC (previously Topaz Exchange, LLC, until 19 February 2014) (Member of the Board of Directors) Eurex Clearing AG (Member of the Executive Board, until 30 July 2014) Eurex Frankfurt AG (Chief Executive Officer) Eurex Zürich AG (Chairman of the Management Board) Eurex Deutschland (Chairman of the Management Board) Eurex Services GmbH (Member of the Management Board) Frankfurter Wertpapierbörse (Chairman of the Management Board)

Gregor Pottmeyer University degree in Economics (Diplom-Kaufmann)	Member of the Executive Board Chief Financial Officer
Supervisory Board appointments	Clearstream Holding AG (Chief Executive Officer, since 4 August 2014) Eurex Clearing AG (Deputy Chief Executive Officer, since 1 July 2014) Eurex Frankfurt AG (until 30 June 2014)
Other appointments	Clearstream Banking S.A. (Member and Chairman of the Board of Directors, since 26 August 2014) Clearstream International S.A. (Deputy Chairman of the Board of Directors) Eurex Zürich AG (Member of the Board of Directors, until 12 June 2014)
Hauke Stars Grad. degree in IT (Dipl.-Ing. Informatik) Master of Science (M. Sc)	Member of the Executive Board and Responsible for the Information Technology and Market Data + Services Division
Supervisory Board appointments	Clearstream Banking AG (Deputy Chairman and Member, until 30 June 2014) Eurex Frankfurt AG GfK SE Klößner & Co. SE
Other appointments	Clearstream Banking S.A. (Member of the Board of Directors, until 30 June 2014) Clearstream Services S.A. (Member of the Board of Directors) Eurex Zürich AG (Member of the Board of Directors) International Securities Exchange LLC (Member of the Board of Directors) ISE Gemini, LLC (previously Topaz Exchange, LLC, until 19 February 2014) (Member of the Board of Directors)

Jeffrey Tessler MBA	Member of the Executive Board Responsible for the Clearstream Division
Supervisory Board Appointments	Clearstream Banking AG (Chairman)
Other appointments	Clearstream Banking S.A. (Deputy Chairman of the Board of Directors) Clearstream Global Securities Services Limited (Chairman of the Board of Directors, since 3 October 2014, Member and Chairman until 16.01.2015) Clearstream International S.A. (Chairman of the Board of Directors) Clearstream Services S.A. (Chairman of the Board of Directors) REGIS TR. S.A. (Chairman of the Board of Directors) Clearstream Banking S.A. (Chief Executive Officer) Clearstream International S.A. (Chief Executive Officer) Clearstream Holding AG (Chief Executive Officer)

Executive Board

In 2014, the total remuneration of members of the Executive Board amounted to €9.2 million. Total compensation includes share-based remuneration of €3.2 million. The shares were valued at market price on the balance sheet date. The number of stock options in the amount of 53.624 and the value determined at the grant date is based on a Deutsche Börse AG share price of €59.07 per share as the average price during the first two calendar months of financial year 2014. For additional disclosures regarding Executive Board compensation, please see the Deutsche Börse AG management report.

The compensation of former members of the Executive Board and their surviving dependants amounted to €2.2 million in 2014 (previous year: €1.9 million). A total of €45.4 million (previous year: €42.3 million) has been reserved for pension obligations to former members of the Executive Board and their surviving dependants.

Employees

As at 31 December 2014, the number of employees at Deutsche Börse AG (excluding the Executive Board) was 1,114 (previous year: 1,028). During financial year 2014, the average number of employees was 1,079 (previous year: 1,014). Of these 1,079 employees, 147 employees work part-time and 17 employees were on maternity leave or received the German parental allowance. There was an average of 990 full-time equivalent (FTE) employees during the year (previous year: 949).

Intercompany agreements

As part of the concluded profit transfer agreement between Clearstream Holding AG and Deutsche Börse AG from 4 March 2008, Clearstream Holding AG is obliged to transfer its entire net income for the year to Deutsche Börse AG, less any losses carried forward from the previous year and the amount to be added to the reserves, as required by section 300 of the AktG. Simultaneously, Deutsche Börse AG is required to equalise any losses incurred at Clearstream Holding AG during the year through loss absorption, provided that such losses have not already been balanced by transfers from other retained earnings added during the term of the contract.

On 2 March 2010, Deutsche Börse AG entered into a control agreement (“Beherrschungsvertrag”) with Clearstream Banking AG. As part of this agreement, Clearstream Banking AG subordinates the management of its company to Deutsche Börse AG, and Deutsche Börse AG has the right to give instructions to the Executive Board of Clearstream Banking AG with respect to the management of the company.

Combined management report

The management report of Deutsche Börse AG and the management report on the consolidated financial statements of Deutsche Börse AG have been summarised in accordance with section 315 (3) of the HGB in conjunction with section 289 (3) of the HGB and DRS 20 (22).

Group structure

Deutsche Börse AG prepares consolidated financial statements in accordance with International Financial Reporting Standards. The consolidated financial statements are published in the electronic version of the German Federal Gazette and are also available at the Company's premises.

Ownership structure

Deutsche Börse AG received the following notifications in accordance with section 21 of the German Securities Trading Act (WpHG):

Discloser	Domicile and country in which the domicile or place of residence of the discloser is located	Date investment reached, exceeded or fell below threshold	Over-/understepping (+/-)	Reporting threshold	Attribution in accordance with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
Deutsche Börse AG	Frankfurt am Main, Germany	17.02.2012	+	3.00%	n.a.	4.94%	9,533,068
Baillie Gifford & Co	Edinburgh, Schottland	22.08.2014	+	3.00%		3.00%	5,798,681
					section 22 (1) sentence 1 no. 6 of the WpHG	1.43%	2,765,190
					section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	1.57%	3,033,491
BlackRock Advisors Holdings, Inc.	New York, USA	01.12.2009	+	3.00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3.35%	6,526,163
BlackRock Financial Management, Inc.	New York, USA	20.02.2015	+	5.00%		5.03% ¹⁾	9,698,683 ¹⁾
					section 22 (1) sentence 1 no. 1 of the WpHG	2.55%	4,915,364
					section 22 (1) sentence 1 no. 2 in conjunction with section 22 (1) sentence 2 of the WpHG	0.02%	42,927
					section 22 (1) sentence 1 no. 6 of the WpHG	0.01%	28,192
					section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2.84%	5,476,456
Black Rock Group Limited	London, Great Britain	07.12.2012	+	3.00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3.00%	5,790,525
BlackRock Holdco 2, Inc.	Wilmington, USA	16.02.2015	+	5.00%		5.02% ¹⁾	9,697,520 ¹⁾
					section 22 (1) sentence 1 no. 1 of the WpHG	2.57%	4,950,941
					section 22 (1) sentence 1 no. 2 in conjunction with section 22 (1) sentence 2 of the WpHG	0.02%	40,698
					section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2.83%	5,471,170
BlackRock, Inc.	New York, USA	11.02.2015	+	5.00%		5.01% ¹⁾	9,664,428 ¹⁾
					section 22 (1) sentence 1 no. 1 of the WpHG	2.57%	4,964,825
					section 22 (1) sentence 1 no. 2 in conjunction with section 22 (1) sentence 2 of the WpHG	0.02%	34,722
					section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	2.81%	5,424,194
BlackRock International Holdings, Inc.	New York, USA	02.08.2012	+	3.00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3.58%	6,981,055
BR Jersey International Holdings, L.P.	St. Helier, Jersey, Kanalinseln	08.02.2012	+	3.00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	3.58%	6,981,055
Capital Research and Management Company	Los Angeles, USA	30.07.2013	+	3.00%	section 22 (1) sentence 1 no. 6 of the WpHG	3.02%	5,833,924
Commerzbank Aktiengesellschaft	Frankfurt am Main, Germany	23.05.2013	-	5.00%		0.67%	1,289,167
					sections 21, 22 of the WpHG	0.03%	50,367
					section 25a of the WpHG	0.64%	1,238,800
Credit Suisse AG	Zürich, Switzerland	19.05.2014	-	5.00%		3.78%	7,291,778
					sections 21, 22 of the WpHG	0.06%	114,720
					section 25 of the WpHG	1.71%	3,291,128
					section 25a of the WpHG	2.01%	3,885,930
Credit Suisse Group AG	Zürich, Switzerland	19.05.2014	-	5.00%		3.78%	7,291,778
					sections 21, 22 of the WpHG	0.06%	114,720
					section 25 of the WpHG	1.71%	3,291,128
					section 25a of the WpHG	2.01%	3,885,930
Credit Suisse Investment Holdings UK	London, Great Britain	19.05.2014	-	5.00%		3.37%	6,495,641
					section 25 of the WpHG	1.38%	2,672,511
					section 25a of the WpHG	1.98%	3,823,130
Credit Suisse Investments UK	London, Great Britain	19.05.2014	-	5.00%		3.37%	6,495,641
					section 25 of the WpHG	1.38%	2,672,511
					section 25a of the WpHG	1.98%	3,823,130
Credit Suisse Securities (Europe) Limited	London, Great Britain	19.05.2014	-	5.00%		3.37%	6,495,641
					section 25 of the WpHG	1.38%	2,672,511
					section 25a of the WpHG	1.98%	3,823,130
Dodge & Cox	San Francisco, USA	16.05.2014	+	3.00%	section 22 (1) sentence 1 no. 6 of the WpHG	3.10%	5,988,382
Dodge & Cox International Stock Fund	San Francisco, USA	16.05.2014	+	3.00%	section 21 (1) of the WpHG	3.10%	5,984,482
Invesco Limited	Hamilton, Bermuda	17.11.2014	-	5.00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	4.98%	9,618,440

¹⁾ The total amount does not necessarily equal the sum of the detailed attributed holdings. This results from voting rights having multiple attributions within the BlackRock group structure.

Discloser	Domicile and country in which the domicile or place of residence of the discloser is located	Date investment reached, exceeded or fell below threshold	Over-/understepping (+/-)	Reporting threshold	Attribution in accordance with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
Morgan Stanley	Wilmington, USA	21.05.2013	-	5,00%	sections 21, 22 of the WpHG section 25 of the WpHG section 25a of the WpHG	4,11% 0,23% 3,62%	7.926.928 448.039 489.195 6.989.694
Morgan Stanley International Holdings Inc	Wilmington, USA	21.05.2013	-	5,00%	sections 21, 22 of the WpHG section 25 of the WpHG section 25a of the WpHG	4,01% 0,21% 0,18% 3,62%	7.734.733 403.568 341.471 6.989.694
Morgan Stanley International Limited	London, Great Britain	21.05.2013	-	5,00%	sections 21, 22 of the WpHG section 25a of the WpHG	3,70% 0,21% 3,49%	7.138.902 403.568 6.735.334
Morgan Stanley Group Europe	London, Great Britain	21.05.2013	-	5,00%	sections 21, 22 of the WpHG section 25a of the WpHG	3,70% 0,21% 3,49%	7.138.902 403.568 6.735.334
Morgan Stanley UK Group	London, Great Britain	21.05.2013	-	5,00%	sections 21, 22 of the WpHG section 25a of the WpHG	3,70% 0,21% 3,49%	7.138.902 403.568 6.735.334
Morgan Stanley & Co International Plc	London, Great Britain	21.05.2013	-	5,00%	sections 21, 22 of the WpHG section 25a of the WpHG	3,70% 0,21% 3,49%	7.138.902 403.568 6.735.334
The Capital Group Companies	Los Angeles, USA	30.07.2013	+	3,00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 and sentence 3 of the WpHG	3,12%	6.026.923
UBS AG	Zürich, Switzerland	20.05.2014	-	5,00%	sections 21, 22 of the WpHG section 25 of the WpHG section 25a of the WpHG	4,60% 2,52% 1,39% 0,69%	8.882.666 4.865.398 2.687.268 1.330.000

German corporate governance code

On 9 December 2014, the Executive Board and the Supervisory Board jointly issued the updated declaration of conformity in accordance with section 161 of the AktG and made it available to shareholders on a permanent basis on the website of Deutsche Börse Aktiengesellschaft.

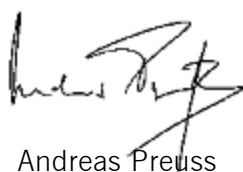
Frankfurt/Main, 6 March 2015

Deutsche Börse Aktiengesellschaft

The Executive Board



Reto Francioni



Andreas Preuss



Gregor Pottmeyer



Hauke Stars



Jeffrey Tessler

Deutsche Börse AG

Combined management report as at 31 December 2014

including the remuneration report and the corporate governance
declaration

Combined management report

This combined management report covers both the Group and Deutsche Börse AG. It has been prepared in accordance with sections 289, 315 and 315a of the Handelsgesetzbuch (HGB, German Commercial Code) and German Accounting Standard (GAS) 20. This management report also takes into account the requirements of the Practice Statement “Management Commentary” issued by the International Accounting Standards Board (IASB).

Fundamental information about the Group

Overview of Deutsche Börse Group

Business operations and Group structure

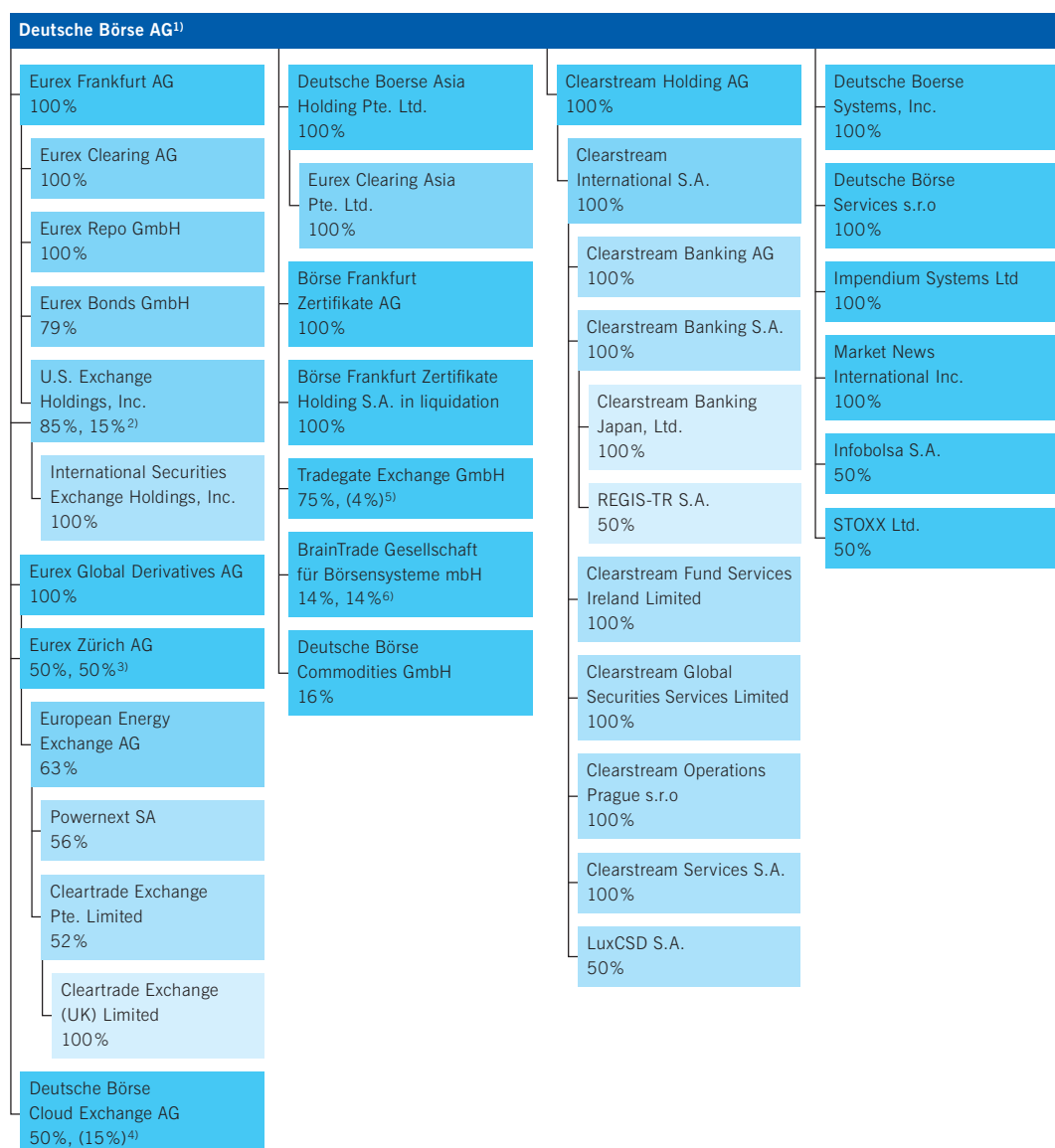
Deutsche Börse AG, headquartered in Frankfurt/Main, Germany, is the parent company of Deutsche Börse Group. As at 31 December 2014, the Group employed 4,540 people at 24 locations in 17 countries. As one of the largest market infrastructure providers worldwide, Deutsche Börse Group offers its customers a wide range of products and services. These cover the entire financial market transactions value chain – from equities and derivatives trading, through transaction clearing and settlement, securities custody, services for liquidity and collateral management and the provision of market information, down to the development and operation of IT systems that support all these processes.

Deutsche Börse AG operates the cash market at Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange) with its fully electronic Xetra[®] trading platform. It also offers trading in structured products (certificates and warrants) in Germany via Börse Frankfurt Zertifikate AG. Moreover, via Eurex Frankfurt AG and Eurex Zurich AG, Deutsche Börse AG operates the derivatives market Eurex Exchange. The derivatives markets European Energy Exchange (EEX) and International Securities Exchange (ISE) in the United States are operated by indirect subsidiaries. The Group also offers clearing services for the cash and derivatives markets (Eurex Clearing AG). In addition, Deutsche Börse sells price and reference data as well as other trading information; its STOXX Ltd. subsidiary develops and sells indices. All post-trade services that Deutsche Börse Group provides for securities are handled by Clearstream Holding AG and its subsidiaries (Clearstream Holding group). These include transaction settlement, the administration and custody of securities as well as global securities financing, investment funds and, since the end of 2014, hedge funds services. Deutsche Börse AG and Clearstream Services S.A. develop and operate Deutsche Börse Group’s technological infrastructure.

The [“Shareholdings and partnerships strengthen product and service offering” chart](#) gives an overview of Deutsche Börse Group’s principal shareholdings; its basis of consolidation is presented in full in [note 2 to the consolidated financial statements](#). Material changes in the reporting period include the initial consolidation of EEX as well as the acquisition of Citco Global Securities Services Ltd. (subsequently renamed to Clearstream Global Securities Services Limited); details can be found in the [“Changes in the basis of consolidation” section](#).

To simplify its investment structure and streamline decision processes, Deutsche Börse Group implemented an internal reorganisation in the year under review, affecting the Eurex companies and ISE. Effective 19 December 2014, all shares of Eurex Frankfurt AG were transferred from Eurex Zürich AG to Deutsche Börse AG. As a result of this step, Deutsche Börse AG's indirect interest in Eurex Frankfurt AG was replaced by a direct interest. In addition, as at the end of the year under review, 15 per cent of the shares of U.S. Exchange Holdings, Inc. (ISE's parent company) were transferred from Eurex Frankfurt AG to Deutsche Börse AG. The remaining 85 per cent of the shares of U.S. Exchange Holdings, Inc. continue

Shareholdings and partnerships strengthen product and service offering



1) Simplified presentation of main shareholdings, as at 1 January 2015

2) Direct equity interest Eurex Frankfurt AG: 85%, direct equity interest Deutsche Börse AG: 15%

3) Direct equity interest Deutsche Börse AG: 50%, direct equity interest Eurex Global Derivatives AG: 50%

4) Direct equity interest Deutsche Börse AG: 50%, equity interest of 15%, which is held indirectly via Zimory GmbH

5) Direct equity interest Deutsche Börse AG: 75%, equity interest of 4%, which is held indirectly via Tradegate AG Wertpapierhandelsbank

6) Direct equity interest Deutsche Börse AG: 14 %, direct equity interest Börse Frankfurt Zertifikate AG: 14%

to be held by Eurex Frankfurt AG. In the same step, Deutsche Börse dissolved the financing structure for the ISE acquisition.

Company management

The governing bodies of Deutsche Börse AG, as a German stock corporation, are the Annual General Meeting, the Supervisory Board and the Executive Board, each of which has its own areas of responsibility.

The Annual General Meeting resolves the appropriation of the unappropriated surplus, appoints the shareholder representatives on the Supervisory Board and resolves to approve the actions of the Executive Board and the Supervisory Board. In addition, it resolves on corporate actions and other matters governed by the Aktiengesetz (AktG, German Stock Corporation Act).

The Supervisory Board appoints, supervises and advises the Executive Board and is directly involved in key decisions affecting the company. Additionally, it approves the consolidated financial statements prepared by the Executive Board. Members of the Supervisory Board are appointed for a period of three years; however, when electing members to the Supervisory Board, the Annual General Meeting may determine a shorter term of office. The Supervisory Board of Deutsche Börse AG had 18 members in the year under review: twelve shareholder representatives and six employee representatives. Effective as from the end of the Annual General Meeting of Deutsche Börse AG on 13 May 2015, the Supervisory Board shall be reduced from 18 members to twelve.

The Executive Board has sole responsibility for managing the company and the Chief Executive Officer coordinates the activities of the Executive Board members. In financial year 2014, the Executive Board of Deutsche Börse AG had five members. After the Annual General Meeting of Deutsche Börse AG on 13 May 2015, Chief Executive Officer Reto Francioni will hand over his office to his designated successor Carsten Kengeter. Carsten Kengeter, who will be an Executive Board member from April 2015, is to assume the chairmanship effective 1 June 2015. During this transitional phase, the Executive Board of Deutsche Börse AG will have six members. The remuneration system and the remuneration paid to the individual members of the Executive Board of Deutsche Börse AG are presented in the [remuneration report](#), which is part of this combined management report.

Deutsche Börse Group's reporting segments

Reporting segment	Business areas
Eurex	<ul style="list-style-type: none"> ▪ T7 electronic trading platform (Eurex Exchange and ISE) ▪ Eurex Repo[®] over-the-counter (OTC) trading platform ▪ C7 electronic clearing architecture ▪ Central counterparty for on- and off-exchange derivatives and repo transactions
Xetra	<ul style="list-style-type: none"> ▪ Cash market with the trading venues Xetra[®] and Börse Frankfurt ▪ Eurex Bonds[®] OTC trading platform ▪ Central counterparty for equities and bonds ▪ Admission of securities to listing
Clearstream	<ul style="list-style-type: none"> ▪ Custody and settlement services for domestic and international securities ▪ Global securities financing services and collateral management ▪ Investment funds and hedge funds services
Market Data + Services	<ul style="list-style-type: none"> ▪ Distribution of licences for trading and market signals ▪ Development and sales of indices ▪ Technology solutions for external customers ▪ Trading participant connectivity

Reporting segments

Deutsche Börse Group classifies its business into four segments: Eurex, Xetra, Clearstream and Market Data + Services. This structure serves as a basis for the internal management of the Group and for financial reporting (see the [“Deutsche Börse Group’s reporting segments”](#) table for details).

Organisational structure

Deutsche Börse Group’s organisational structure in financial year 2014 mirrors the business areas: cash and derivatives markets (Cash & Derivatives Markets division) and securities settlement and custody (Clearstream division). The market data and information technology business area has been combined into the IT & Market Data + Services division. Each division is headed by a member of Deutsche Börse AG’s Executive Board. In addition, there are central functions, such as communications or finance, which are headed by the Chief Executive Officer (CEO) or Chief Financial Officer (CFO); see the [“Leadership structure of Deutsche Börse Group as at 1 January 2015”](#) chart.

Leadership structure of Deutsche Börse Group as at 1 January 2015

Group Executive Board				
CEO	CFO	Cash & Derivatives Markets	Clearstream	IT & MD+S
R. Francioni	G. Pottmeyer	A. Preuss	J. Tessler	H. Stars
Internal Auditing	Financial Accounting & Controlling	Executive Office	Executive Office	Central Support & Coordination
Global Public Affairs	Chief Risk Officer	Market Structure	Business Management	Applications & Architecture/Group CIO
Group Strategy	Chief Compliance Officer	Chief Innovation Officer	Operations Clearstream	Market Data + Services
Corporate Communications	Strategic Finance	International Securities Exchange	Investment Funds Services	Infrastructure & Operations
General Counsel	Investor Relations & Treasury	Cash Market	Clearstream Compliance	Information Security/CISO
	Group Organizational Services	European Energy Exchange/Repo	Global Client Relations	
	Human Resources	Market Supervision	Client Relations GSF & Broker/Dealers	
		Sales & Marketing		
		Clearing		
		Global Product Research & Development		

Goals and strategies

Goals and strategy of Deutsche Börse Group

Deutsche Börse Group is one of the largest market infrastructure providers worldwide. The Group's business model enhances capital market stability, efficiency and integrity. Issuers benefit from the low cost of capital, while investors enjoy high liquidity and low transaction costs. At the same time, Deutsche Börse stands for transparency and security on the capital markets, in which organised trading is based on unrestricted pricing.

Its business success is founded on the business model: with its broadly diversified product and service range, Deutsche Börse covers the entire financial market transactions value chain and is in a good position to withstand even difficult economic times. That gives it a critical advantage over its competitors, which increasingly imitate Deutsche Börse's business model and are extending their offerings in areas such as clearing and data. However, they have so far failed to achieve the level of diversification that Deutsche Börse Group has created over the years (see the [“Deutsche Börse Group offers the full portfolio” chart](#)). The business model aims to offer customers reliable services in an efficient and cost effective manner and is based on the following key principles:

- Integrating different financial market services such as trading, clearing, settlement, securities custody, liquidity and collateral management, as well as index and market data services
- Providing these services for different asset classes such as equities, bonds, funds, commodities, fixed-income and derivatives on these underlyings
- Developing and operating the Group's own electronic systems for all processes along the value chain
- Organising an impartial marketplace to ensure orderly, supervised trading with fair pricing and providing risk management services

The fact that the Group has generated strong cash flows from its operating activities for many years and is one of the most cost-effective providers of trading, clearing and settlement services is proof of the efficiency of its business model.

Deutsche Börse Group offers the full portfolio

	Deutsche Börse Group	CME Group	Intercontinental Exchange	London Stock Exchange	Nasdaq OMX
Derivatives market	█	█	█	█	█
Cash market	█		█	█	█
Clearing	█	█	█	█	█
Settlement	█			█	
Custody	█			█	
Collateral management	█				
Market data	█	█	█	█	█
Indices	█	█		█	█
Technology	█		█	█	█

Shorter bars indicate that the offering is incomplete or not available for all possible product groups in this area.

Deutsche Börse Group is continuing to pursue the strategy that has enabled it to achieve its leading position. In doing so, it focuses primarily on organic growth. It aims to achieve this by introducing new products in existing and new asset classes, expanding its business to additional customer groups and moving into markets in new regions. If external growth opportunities appear to be economically attractive, Deutsche Börse Group also takes these into consideration. The aim is growth that will add lasting value – for customers and business partners, staff, shareholders and the society.

Deutsche Börse Group will therefore continue to focus its energies on three strategic directions in the coming years:

- Expansion of its product and service range to currently unregulated and uncollateralised markets, e.g. over-the-counter derivatives trading, in response to changes in customer needs as well as the regulatory framework.
- Extension of its technology leadership and expertise in the market data area; one measure taken to achieve this was, among others, to bundle the relevant resources within the company in a new segment, IT & Market Data + Services, as at 1 January 2013.
- Entry into new geographic growth areas, especially in Asia, and acquisition of new customer groups (see the [report on opportunities](#)).

Whether Deutsche Börse Group achieves its organic growth targets will depend on the following factors, among others:

- Development of financial markets in line with general economic conditions: e.g., greater stock market volatility typically leads to more trading in the cash and derivatives markets.
- Regulatory requirements for all market participants: if regulatory initiatives (e.g. EMIR, Capital Requirements Directives) strengthen the role of exchanges, this will also benefit Deutsche Börse Group.
- Structural changes in the financial markets: trading activity increases, e.g., if investment funds make greater use of derivatives to implement their trading strategy.
- The innovative power of the Group: will it succeed in continually introducing new products and services for which there is demand in the market?

Deutsche Börse Group is committed to transparent, reliable and liquid financial markets, but cannot affect the volume drivers of these markets. However, the Group is able to exert an influence on the other factors to some extent or in full, for instance it can lobby for a favourable legal framework for the financial markets or it can develop products and services that support customers in their business. In this way, it can also reduce its dependence on factors outside its control.

Management approach to Group-wide sustainability commitment ^{CR}

Deutsche Börse Group's goals and strategies include taking a holistic view of its corporate responsibility. In line with this, its management approach comprises three action-based guiding principles with the goal of sustainably strengthening and preserving Deutsche Börse Group's benefits to the economy and to society:

- **Building trust.** Deutsche Börse Group aims to organise the capital markets in a way that ensures their integrity, transparency and security. The availability of high-quality information is a key aspect in this process, and the company is constantly working to enhance this aspect. Providing sustainability information is as significant in this context as engaging in a constructive dialogue on the future viability of the international capital markets, not only with customers, but with the general public as well.

- **Leading by example.** As a listed service provider, Deutsche Börse Group aims to perform its own business activities responsibly and with a view to the future. In addition, the Group pursues a sustainable human resources policy and has committed itself to the environment and thus to conserving resources. In order to establish itself as a role model in the market, Deutsche Börse Group continually develops its sustainability commitment and reporting.
- **Sharpen the public's perception.** The Group is part of civil society and as such has responsibilities to meet. It is committed to fulfilling this role in its international locations as well. Thereby, it systematically bases its actions on local requirements and, as a good corporate citizen, takes part in long-term cooperative initiatives aimed at increasing the structural strength of the non-profit sector.

Internal management

Control systems

Deutsche Börse Group's internal management system is based on key performance indicators taken from the income statement (net revenue, operating costs, EBIT, consolidated net income for the year) as well as balance sheet key performance indicators (cash flows from operating activities, liquidity, equity less intangible assets). Furthermore, Deutsche Börse Group's internal management system additionally includes key performance indicators that are derived from the income statement and the balance sheet (interest coverage ratio, interest-bearing gross debt / EBITDA, return on shareholders' equity).

Net revenue is composed of sales revenue plus net interest income from banking business and other operating income, less volume-related costs. Sales revenue from external customers is generally dependent on the growth factors described above (development of the financial markets, regulatory and structural changes, and the Group's ability to innovate). Net interest income from banking business is dependent on the development of Clearstream's international settlement business, on the one hand, and the development of short-term interest rates, particularly in the euro zone and the USA, on the other. Other operating income results from exchange rate differences, among other things. Volume-related costs normally correlate with the level of sales revenue in the relevant areas of the company, such as fees and commissions from banking business or costs for purchasing price information. In addition, various licence fees, e.g. for index licences, contribute to volume-related costs.

Operating costs include staff costs, depreciation, amortisation and impairment losses, as well as other operating expenses. Staff costs consist of wages and salaries as well as social security contributions and the cost of retirement benefits. They are subject to inflation adjustments and depend partially on the development of Deutsche Börse AG's share price, as they also include changes in the provisions and payments for the Stock Bonus Plan for members of the Executive Board and senior executives that was introduced in 2007. The depreciation, amortisation and impairment charges include depreciation and amortisation of, and impairment losses on, intangible assets and property, plant and equipment. Other operating expenses mainly consist of the costs of developing and operating the Group's technological infrastructure, office infrastructure costs and marketing costs.

Around 75 per cent of Deutsche Börse Group's costs are fixed costs (excluding special factors). The Group can therefore handle higher volumes of business without a significant increase in costs. Conversely, a decline in business volumes has a direct impact on the Group's profitability. Approximately 25 per cent of the Group's costs are volume-related costs.

Deutsche Börse Group manages its EBIT via net revenue and operating costs. At Group level, Deutsche Börse Group's net income for the year – that is net profit for the year less non-controlling interests – also serves as a performance indicator for internal management.

The balance sheet key performance indicators include cash flows from operating activities, a predefined liquidity target and equity less intangible assets. Liquidity planning aims at providing liquidity corresponding to the operating costs for one quarter; this liquidity target currently ranges between €150 million and €250 million. The Group's management of its equity less intangible assets does not aim to reach a particular target but rather to maintain a positive value in general.

The interest coverage ratio shows the ratio of EBITDA to interest expenses from financing activities. Under its capital management programme, the Group plans to achieve an interest coverage ratio of at least 16 for Deutsche Börse Group. In addition, the aim is to achieve a maximum ratio of interest-bearing gross debt to EBITDA of 1.5 at Group level. In particular, the latter performance indicator plays a material role at present in protecting the Group's current "AA" rating. The Clearstream subgroup aims to maintain an interest coverage ratio of 25 and to comply with other capital adequacy measures to protect its current "AA" rating. Because Clearstream had no financial liabilities from non-banking business in the year under review, as in the previous year, it was not necessary to calculate the interest coverage ratio for the subgroup.

Strategic and financial criteria are used and project-specific risks are taken into account when prioritising and managing projects within the Group. The strategic attractiveness of projects in this context is measured primarily on the basis of their (expected) contribution to reaching the strategic objectives of Deutsche Börse Group and its business areas. The financial assessment looks in particular at key performance indicators, such as net present value (NPV), the payback period and after-tax returns, which are calculated on the basis of the project or business plans. The risks are considered equally at all levels of project work, i.e. when prioritising and steering the project as well as during ongoing project management.

Further information on the Group's financial position is presented in the [☒ "Financial position" section](#) of this combined management report.

Internal control system

Deutsche Börse has established a Group-wide internal control system (ICS). All business units are as first lines of defence responsible that Group-wide requirements of the ICS are met in their respective areas of responsibility. In particular, the ICS is valid for the Financial Accounting and Controlling (FA&C) department, ensuring that its accounting processes comply with orderly bookkeeping and accounting practices. It guarantees that the presentation of the net assets, financial position and results of operations in the single-entity and consolidated financial statements of Deutsche Börse AG and its subsidiaries is correct and complete.

The FA&C department is primarily responsible for preparing the accounts at Deutsche Börse AG and its consolidated German subsidiaries; in foreign subsidiaries, this task is performed by the corresponding units. The head of the FA&C department is responsible for the process, including effective safeguards and controls in order to ensure that risks in the accounting process are identified early on so that remedial action can be taken in good time. Some ICS controls are integrated into the process, while others are performed independently.

FA&C uses the following tools to ensure a consistent and continuous accounting process:

- A database stores work instructions and descriptions for the material accounting processes, including the preparation of consolidated financial statements.
- IFRS and German GAAP (HGB) accounting manuals and account allocation guidelines ensure a consistent standard of financial reporting throughout the Group.

These tools are regularly tested and updated. All FA&C department employees have access to the database as well as the accounting manuals and account allocation guidelines and can thus get information on the management judgement and accounting options exercised by Deutsche Börse Group. High-risk processes are subject to special controls.

Moreover, Deutsche Börse Group continuously monitors and analyses changes in the accounting environment and adjusts its process accordingly. This applies in particular to the national and international accounting standards. The Group's accounting function takes also into consideration transactions such as the acquisition or sale of companies or shares. The FA&C department may be contacted by all subsidiaries if they need help with accounting for these and other complex matters. For selected issues, such as the measurement of pension obligations, FA&C consults external experts.

Another important feature of the ICS is the principle of functional separation: tasks and responsibilities are clearly defined and allocated within the organisation. Incompatible tasks, such as modifying master data, on the one hand, and issuing payment instructions, on the other, are strictly segregated at a functional level. An independent control unit grants accounting system access rights to each employee and monitors them continuously using an incompatibility matrix. Transactions are initially recorded in the general ledger or corresponding sub-ledgers based on the chart of accounts and the account allocation guidelines. Closing entries are made and the consolidated financial statements are prepared in all cases in line with the principle of dual control.

All major subsidiaries of Deutsche Börse Group maintain and consolidate their general ledgers in the same system. The accounting data of the other companies is uploaded for inclusion in the consolidated financial statements. Liabilities, expenses and income for individual transactions are recorded in separate accounts under the name of the counterparty concerned. Any consolidation differences are reviewed centrally and sent on to the accounting departments of the companies for clarification.

The processes, systems and controls described above aim to provide reasonable assurance that the accounting system complies with the applicable principles and laws. Serving as further lines of defence, Compliance and Internal Auditing carry out risk-based, process-independent checks to test whether the ICS is appropriate and effective. The Executive Board and the Audit Committee established by the Supervisory Board receive regular reports on the effectiveness of the ICS for the financial reporting process.

Research and development activities

As a service provider, Deutsche Börse Group does not engage in research and development activities comparable with those of manufacturing companies. This combined management report thus contains no detailed research and development report. However, Deutsche Börse does develop and operate its own trading and clearing systems as well as system solutions to achieve its structural growth objectives. Against this background, the company is constantly working to maintain and further increase the technology leadership and stability of its electronic systems – in the interests of its customers and the systemic stability of financial markets. This is why Deutsche Börse has significantly overhauled its trading and clearing systems, which go by the trade names T7 and C7. Other technically challenging projects include implementing the European Central Bank's plans to create a uniform securities settlement throughout the EU (TARGET2-Securities).

In 2014, expenses incurred for research and development amounted to €221.7 million (2013: €203.7 million); thereof approximately 39 per cent (2013: 45 per cent) are attributable to development costs, which are capitalised as internally developed software. Research and development costs therefore amounted to 11 per cent of net revenue (2013: 11 per cent). In the Eurex and Clearstream segments, which invest mainly in the further enhancement of their systems, research and development costs amounted to 14 per cent and 15 per cent of net revenue, respectively. Details can be found in [note 7 to the consolidated financial statements](#).

Further product and services development activities are described in more detail in the [report on opportunities](#) and in the [report on expected developments](#).

Takeover-related disclosures

Disclosures in accordance with sections 289 (4) and 315 (4) of the HGB

In accordance with sections 289 (4) and 315 (4) of the Handelsgesetzbuch (HGB, German Commercial Code), Deutsche Börse AG hereby makes the following disclosures as at 31 December 2014:

The share capital of Deutsche Börse AG amounted to €193.0 million on the above-mentioned balance sheet date and was composed of 193 million no-par value registered shares. There are no other classes of shares besides these ordinary shares.

The share capital has been contingently increased by up to €19.3 million by issuing up to 19.3 million no-par value registered shares (contingent capital 2014). The contingent capital increase will be implemented only to the extent that holders of convertible bonds or warrants attaching to bonds with warrants issued by the company or a Group company in the period until 14 May 2019 on the basis of the authorisation of the Executive Board in accordance with the resolution of the Annual General Meeting on 15 May 2014 on item 5 (a) of the agenda exercise their conversion or option rights, meet their conversion or option obligations, or to the extent that shares are tendered and to the extent that no other means are used to settle such rights or obligations. More details can be found in Article 4 (7) of the Articles of Association of Deutsche Börse AG.

The Executive Board is only aware of limitations to voting rights that result from the Aktiengesetz (AktG, German Stock Corporation Act). These consist of the voting right limitations pursuant to section 136 of the AktG and the limitations under the AktG for treasury shares. Section 136 of the AktG stipulates that shareholders may not exercise voting rights for themselves or on behalf of another shareholder if a resolution is to be adopted formally approving their actions, releasing them from an obligation, or deciding

whether the company should assert a claim against them. The voting rights of the relevant shares are thus excluded by law in cases where section 136 of the AktG applies. Under section 71b of the AktG, Deutsche Börse AG is not permitted to exercise any rights pertaining to treasury shares held in its portfolio.

Under the Wertpapierhandelsgesetz (WpHG, German Securities Trading Act), any investor whose shareholding reaches, exceeds, or falls below specified voting right thresholds as a result of purchase, sale or any other transaction is required to notify the company and the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority). The lowest threshold for this disclosure requirement is 3 per cent (see [note 43 to the consolidated financial statements](#) for details). Deutsche Börse AG is not aware of any direct or indirect investments in its capital representing more than 10 per cent of the voting rights.

None of Deutsche Börse AG's shareholders hold shares that confer special control rights.

Employees holding shares in Deutsche Börse AG exercise their rights in the same way as other shareholders in accordance with the statutory provisions and the Articles of Association.

Members of the Executive Board are appointed and dismissed in accordance with sections 84 and 85 of the AktG. Amendments to the Articles of Association of Deutsche Börse AG are adopted by resolution of the Annual General Meeting in accordance with section 119 (1) no. 5 of the AktG. Under Article 12 (4) of the Articles of Association of Deutsche Börse AG, the Supervisory Board has the power to make changes to the Articles of Association that relate only to the wording. In accordance with Article 18 (1) of the Articles of Association of Deutsche Börse AG, resolutions of the Annual General Meeting are passed – unless otherwise stipulated by mandatory requirements of the AktG – by a simple majority of the votes cast. Insofar as the AktG prescribes a majority of the share capital represented at the Annual General Meeting for resolutions, a simple majority of the represented share capital is sufficient where this is legally permissible.

Subject to the approval of the Supervisory Board, the Executive Board is authorised to increase the share capital by up to a total of €5.2 million on one or more occasions in the period up to 11 May 2016 by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions (authorised capital I). However, subject to the approval of the Supervisory Board, the Executive Board is authorised to disapply pre-emptive rights if capital is increased in exchange for non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets. In addition, the Executive Board is authorised to disapply shareholders' pre-emptive rights for fractional amounts. Full authorisation, particularly the conditions for disapplying shareholders' pre-emptive rights, derives from Article 4 (3) of the Articles of Association of Deutsche Börse AG.

The Executive Board is also authorised to increase the share capital by up to a total of €27.8 million on one or more occasions in the period up to 26 May 2015, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions (authorised capital II). The shareholders must be granted pre-emptive rights, which the Executive Board can disapply in certain cases, subject to the approval of the Supervisory Board in each case. The Executive Board is authorised to disapply shareholders' pre-emptive rights for cash capital increases if the issue price of the new shares is not significantly lower than the stock exchange price and the total number of shares issued while disapplying pre-emptive rights does not exceed 10 per cent of the share capital. Furthermore, the Executive Board is authorised to disapply pre-emptive rights for new shares with a proportionate interest in the share capital totalling up to €3.0 million in order to issue these new shares to employees of the company or of affiliated companies, excluding the members of the Executive Board and the management of affiliated companies. In addition, the Executive Board is authorised to

disapply pre-emptive rights if capital is increased in exchange for non-cash contributions for the purpose of acquiring companies, parts of companies, interests in companies, or other assets. Finally, the Executive Board is authorised to disapply shareholders' pre-emptive rights for fractional amounts. Full authorisation, particularly the conditions for disapplying shareholders' pre-emptive rights, derives from Article 4 (4) of the Articles of Association of Deutsche Börse AG.

The Executive Board is also authorised to increase the share capital by up to a total of €19.5 million on one or more occasions in the period up to 26 May 2015, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares in exchange for cash contributions (authorised capital III). Thereby, shareholders must be granted pre-emptive rights, which the Executive Board can disapply only for fractional amounts with the approval of the Supervisory Board. The exact content of this authorisation derives from Article 4 (5) of the Articles of Association of Deutsche Börse AG.

The Executive Board is further authorised to increase the share capital by up to a total of €6.0 million on one or more occasions in the period up to 15 May 2017, subject to the approval of the Supervisory Board, by issuing new no-par value registered shares in exchange for cash and/or non-cash contributions (authorised capital IV). Thereby, shareholders must be granted pre-emptive rights unless the Executive Board makes use of the authorisation granted to it to disapply the shareholders' pre-emptive rights with the approval of the Supervisory Board. The Executive Board is authorised to disapply shareholders' pre-emptive rights for fractional amounts with the approval of the Supervisory Board. The Executive Board is also authorised, subject to the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in order to issue up to 900,000 new shares per financial year from authorised capital IV to members of the Executive Board and employees of the company as well as to members of the executive boards or management and employees of its affiliated companies in accordance with sections 15ff. of the AktG. Full authorisation derives from Article 4 (6) of the Articles of Association of Deutsche Börse AG.

The Executive Board is authorised to acquire treasury shares amounting to up to 10 per cent of the share capital. However, the acquired shares, together with any treasury shares acquired for other reasons that are held by the company or allocated to it in accordance with sections 71a ff. of the AktG, may at no time exceed 10 per cent of the company's share capital. The authorisation to acquire treasury shares is valid until 14 May 2015 and may be exercised by the company in full or in part on one or more occasions. However, it may also be exercised by dependent companies, by companies in which Deutsche Börse AG holds a majority interest, or by third parties on its or their behalf. The Executive Board may elect to acquire the shares (1) on the stock exchange, (2) via a public tender offer addressed to all shareholders or via a public request for offers of sale addressed to the company's shareholders, (3) by issuing tender rights to shareholders, or (4) through the use of derivatives (put or call options or a combination of both). The full and exact wording of the authorisation to acquire treasury shares, and particularly the permissible uses to which the shares may be put, can be found in items 5 and 6 of the agenda for the Annual General Meeting on 15 May 2013.

The following material agreements of the company are subject to a change of control following a takeover bid:

- On 18 March 2013, Deutsche Börse AG and its subsidiary Clearstream Banking S.A. entered into a multicurrency revolving facility agreement with a banking syndicate for a working capital credit totalling up to €750 million. If there is a change of control, the credit relationship between Deutsche Börse AG and the lenders can be reviewed in negotiations within a period of no more than 60 days. In this process, each lender has the right, at its own discretion, to terminate its credit commitment and demand partial or full repayment of the amounts owing to it. A change of control has occurred if Deutsche

Börse AG no longer directly or indirectly holds the majority of Clearstream Banking S.A. or if a person or a group of persons acting in concert acquires more than 50 per cent of the voting shares of Deutsche Börse AG.

- As part of the acquisition of ISE, it was agreed that no person or group may directly or indirectly acquire more than 40 per cent of the shares in ISE or acquire control over the voting rights attached to more than 20 per cent of the shares in ISE without the prior approval of the US Securities and Exchange Commission (SEC). Otherwise, as many ISE shares will be transferred to a trust as are required to comply with the limits.
- Under the terms of the 2013/2018 fixed-rate bonds amounting to €600.0 million issued by Deutsche Börse AG and under the terms of the 2012/2022 fixed-rate bonds amounting to €600.0 million issued by Deutsche Börse AG, cancellation rights apply in the case of a change of control. If they are exercised, the bonds are repayable at par plus any accrued interest. A change of control has taken place if a person or a group of persons acting in concert, or third parties acting on their behalf has or have acquired more than 50 per cent of the shares of Deutsche Börse AG or the number of Deutsche Börse AG shares required to exercise more than 50 per cent of the voting rights at Annual General Meetings of Deutsche Börse AG. In addition, the relevant bond terms require that the change of control must adversely affect the rating given to one of the preferential unsecured debt instruments of Deutsche Börse AG by Moody's Investors Services, Inc., Standard & Poor's Rating Services or Fitch Ratings Limited. Further details can be found in the applicable bond terms.
- A change of control also results in rights to require repayment of various bonds issued by Deutsche Börse AG in 2008 under a US private placement. The change of control must also adversely affect the rating given to one of the preferential unsecured debt instruments of Deutsche Börse AG by Fitch Ratings Limited, Moody's Investors Services, Inc., or Standard & Poor's Rating Services. The provisions contained in the applicable terms correspond to the conditions specified for the fixed-rate bonds currently in issue. The bonds issued under the private placement are as follows: US\$170.0 million due on 10 June 2015, US\$220.0 million due on 10 June 2018, and US\$70.0 million due on 10 June 2020.
- Under certain conditions, members of Deutsche Börse AG's Executive Board have a special right of termination in the event of a change of control. According to the agreements made with all Executive Board members, a change of control has occurred if (1) a shareholder or third party discloses its ownership of more than 50 per cent of the voting rights in Deutsche Börse AG in accordance with sections 21 and 22 of the WpHG, (2) an intercompany agreement in accordance with section 291 of the AktG is entered into with Deutsche Börse AG as a dependent company, or Deutsche Börse AG is absorbed in accordance with section 319 of the AktG, or (3) Deutsche Börse AG is merged in accordance with section 2 of the Umwandlungsgesetz (UmwG, German Reorganisation and Transformation Act).

The compensation agreements entered into with the members of the Executive Board in the event of a takeover offer are described in the previous paragraph. They can also be found in the [remuneration report](#).

Report on economic position

Macroeconomic and sector-specific environment

The macroeconomic environment had and continues to have a significant impact on the overall economic environment and on trading activity on the markets. The European capital market environment remained tense for financial services providers, and hence for Deutsche Börse Group, for a number of reasons:

- The major central banks' continuing low interest rate policy and the resulting provision of large amounts of liquidity
- Low inflation and in some cases deflationary tendencies
- The continued fragile economic situation in the euro zone, with high levels of government debt in certain European states and a weakening euro against the US dollar
- The unstable political conditions in some Eastern European regions and repeated crises in flashpoints in the Arab world
- Regulatory projects and the resulting stricter requirements for capital market participants (see the following ["Regulatory environment" section](#)).

Despite these factors, economic growth improved in many markets in 2014 compared with the previous year. Following a 1.3 per cent increase in real GDP in the OECD countries in 2013, current estimates reveal a rise of 2.2 per cent in 2014. Estimates by the International Monetary Fund (IMF) suggest that the global economy grew by 3.3 per cent in 2014 (2013: increase in real terms of 3.3 per cent).

According to initial estimates, growth in German GDP accelerated again in 2014 compared with previous years, due to stable global economic growth and an improvement in world trade, especially in the first half of 2014. The IMF's January 2015 estimates put growth in German economic output at 1.5 per cent in 2014 (2013: increase in real terms of 0.2 per cent).

Economic development in the EU was less heterogeneous in the year under review than it had been in recent years; in particular, fewer countries were in recession. Spain, France, Portugal and Ireland recorded positive development – significantly so in some cases – while according to European Commission estimates only three countries – Italy, Cyprus and Finland – remained in recession. Nevertheless, the Eu-

Development of trading activity on selected European cash markets

	2014 €bn	Change vs. 2013 %
Borsa Italiana ¹⁾	822.1	31
Bolsas y Mercados Españoles ²⁾	883.7	26
Euronext ²⁾	1,587.7	18
London Stock Exchange ¹⁾	1,164.4	14
Deutsche Börse Group – Xetra	1,179.9	12

1) Part of London Stock Exchange Group

2) Trading volume in electronic trading (single-counted)

Source: Exchanges listed

Development of contracts traded on selected derivatives markets

	2014 m contracts	Change vs. 2013 %
CBOE Holdings	1,325.4	12
CME Group	3,442.8	9
Deutsche Börse Group – Eurex	2,097.9	-4
IntercontinentalExchange	2,299.9	-11
BM&F Bovespa	1,420.7	-11
National Stock Exchange of India	1,887.8	-12

Source: Exchanges listed

European Central Bank still considers the EU's economic situation to be critical and left its key interest rate at a historically low level. It cut its deposit rate for banks in two steps in 2014, from 0 per cent to -0.20 per cent.

The OECD is forecasting an increase in US economic output of 2.6 per cent in real terms in 2014 – not least because of the supportive monetary policy and stronger domestic demand. At the same time, the labour market situation eased; this should have a continued positive effect on economic output going forward. The Federal Reserve kept the federal funds rate within the target range of zero to 0.25 per cent that it set in December 2008.

The persistently high levels of government debt in individual European states, resulting in slower growth compared with other economies such as the United States or the UK, are continuing to fuel uncertainty on the financial markets. This was reflected in volatility levels on the cash and derivatives markets falling to what were in some cases historic lows in the first nine months. In the fourth quarter of 2014, volatility improved significantly, resulting in a positive effect on equity-based products in particular. In total, these factors led to a slight decline in trading activity on the Group's derivatives markets in the year under review, while trading activity on the cash markets increased slightly.

According to information from the Bank for International Settlements (BIS), global issuance of international bonds rose significantly in the first nine months of 2014 compared with the prior-year period. This first positive year-on-year change since 2006 is also mirrored by the comparative increase in the average volumes of international bonds held in custody, which rose by around 6 per cent compared with 2013. The aggregate principal amount of the securities held in custody by Clearstream reached a new record of €12.5 trillion at the end of 2014.

Regulatory environment

One consequence of the global financial market crisis is that work continues to be underway at an international level on regulatory initiatives, with the aim of creating a more transparent, more stable and fair financial system. The main focus is on reorganising the supervisory structure, on recovery and resolution plans for banks and financial market infrastructures, and on new rules for the financial market infrastructure in the trading and post-trading areas (see also the [“Overview of regulatory initiatives and their impact on Deutsche Börse Group's business areas” table](#)).

Regulation of supervisory structures

The supervisory structures in Europe continued to change in 2014. Three core elements have been adopted or have already entered into force:

1. Single Supervisory Mechanism (SSM): direct supervision of the European Central Bank (ECB) of 120 significant credit institutions and banking groups; indirect supervision of all other credit institutions in the euro zone
2. Single Resolution Mechanism: basis for the harmonised resolution mechanism in the euro zone and for the Single Resolution Fund (SRF); new Single Resolution Board (SRB) of the European Union from 2015 onwards
3. Deposit Guarantee Schemes Directive: changes to deposit protection

Deutsche Börse Group companies are affected by these changes in many different ways. However, at present no Deutsche Börse Group company falls under the ECB's direct supervision. But given the systemic importance of the institutions belonging to Deutsche Börse Group, it is to be expected that they will feature prominently in the ECB's indirect supervisory activities.

Recovery and resolution plans

Banks

At a European level, the Banking Recovery and Resolution Directive (BRRD) was adopted on 15 May 2014. The Directive incorporates, among others, mandating the introduction of a bank levy from 2015 onwards. In 2013, Germany had already passed the Gesetz zur Abschirmung von Risiken und zur Planung der Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen (German Act on Ringfencing and Recovery and Resolution Planning for Credit Institutions and Financial Groups) which was updated by the BRRD-Umsetzungsgesetz (German BRRD Implementation Act) with effect from 1 January 2015.

The Clearstream group, Clearstream Banking AG, Clearstream Banking S.A. and Eurex Clearing AG, had submitted an initial recovery plan for 2013 and updated it in 2014.

Overview of regulatory initiatives and their impact on Deutsche Börse Group's business areas

	Xetra	Eurex	Eurex Clearing	Clear- stream	IT & MD+S	Status as at 31 December 2014
Supervisory structure						
Banking union						
SSM			X	X		Became effective in 2014
SRM			X	X		Adopted in 2014; planned launch in 2016
Deposit Guarantee Schemes Directive			X	X		Implementation in national law in 2015
Recovery and resolution plans						
BRRD			X	X		Adopted in 2014; implementation in national law until the end of 2015
Financial market infrastructures			X	X		Publication of framework in 2014; first draft of a regulation possibly in 2015
Financial market infrastructure						
Capital markets union	X	X	X	X	X	Development of an action plan in 2015
MiFID II, MiFIR	X	X	X		X	Published in 2014; application from 2017 onwards
EMIR			X	X		Became effective in 2012; clearing obligation for derivatives, successively, expected from Q3/2017 onwards
CSDR	X	X	X	X		Became effective in 2014; application expected from November 2017 onwards
Regulation on benchmarks and indices		X	X		X	Single position of the European Parliament expected in 2015
MAD, MAR	X	X		X		Became effective in 2014; application expected from November 2017 onwards
Banks						
CRD IV, CRR			X	X		Beginning of the introduction within the EU in 2014, process until 2019
SFTR				X		Proposal submitted in 2014; agreement expected in 2015
Financial Transaction Tax	X	X	X	X		Discussion ongoing

Financial market infrastructures

Provision is also being made for recovery and resolution plans for financial market infrastructures such as central securities depositories, central counterparties, central trade repositories and payment systems. In this context, in 2012, the Committee on Payments and Market Infrastructures (CPMI), formerly Committee on Payment and Settlement Systems (CPSS), and the International Organization of Securities Commissions (IOSCO) had jointly invited consultation on their initial thoughts. At EU level, the European Commission had also explained its thinking on a possible framework for the recovery and resolution of financial market infrastructures in 2012. The final framework of CPMI/IOSCO was published in October 2014. The European Commission is expected to release a draft text of the regulation in the course of 2015.

Financial market infrastructure regulation

Capital markets union

Following the economic, monetary and the banking unions, the capital markets union is the next step towards an integrated European financial market. The main objectives are to promote growth and job creation on a sustainable basis, to develop alternatives to bank-based corporate financing, to promote cross-border investments and to eliminate unequal regulatory regimes. The European Commission will develop an action plan by the summer of 2015, with the aim of implementing it by 2019.

Deutsche Börse Group actively supports the project and believes the following basic principles to be material to its successful implementation: restoration of confidence in the financial markets, improved and expanded alternative instruments for non-bank-based corporate financing, financial stability, transparency, harmonised regulatory standards and a supportive regulatory framework.

Regulation of markets in financial instruments (MiFID II, MiFIR)

The European Parliament and the Council of the European Union concluded the revision of MiFID in 2014. The amended requirements were published in a directive (MiFID II) and a regulation (MiFIR) and will apply as from 1 January 2017. The European Commission and the European Securities and Markets Authority (ESMA) will develop standards by June 2015, which spell out the requirements of the European Parliament and of the European Council in greater detail. Any amendments required to national regulations must be made by June 2016. Transparency in the area of equities and derivatives is to be improved and loopholes in OTC transactions are to be closed. The introduction of a requirement to use a marketplace for trading equities and derivatives will ensure that more transactions will be executed on regulated marketplaces in future. The new regulations also contain many components of Germany's Hochfrequenzhandelsgesetz (German High-Frequency Trading Act), which contributes to stabilising the financial markets without impacting the supply of liquidity to the markets. The impact the revision of MiFID has on Deutsche Börse Group can only be assessed once the standards spelling out the requirements in greater detail are available.

Regulation on OTC derivatives, central counterparties and trade repositories (EMIR)

The EU regulation EMIR, among other things, mandates the use of CCPs for settling a greater number of derivatives transactions. CCPs now require authorisation. In addition, the regulation requires OTC derivatives to be registered in trade repositories, which are in turn monitored by ESMA.

Deutsche Börse Group's CCPs, Eurex Clearing AG and European Commodity Clearing AG, were authorised to act as central counterparties in April and June 2014, respectively. REGIS-TR S.A., one of four central trade repositories authorised by ESMA in November 2013, also belongs to Deutsche Börse Group.

Central Securities Depository Regulation (CSDR)

With the CSDR, a uniform European regulatory framework was created for central securities depositories for the first time in September 2014. The European Commission and ESMA have to specify the requirements in technical standards; these will apply from November 2017 onwards. The CSDR will harmonise the securities settlement systems and supervisory rules for central securities depositories throughout Europe. This will strengthen Clearstream's business model, because the provision of integrated banking services will still be permitted.

Benchmark regulation

In 2013, IOSCO responded to the manipulation of certain indices (such as LIBOR and EURIBOR) by developing principles for financial benchmarks. In addition, the European Commission submitted a proposal in 2013 for a regulation on indices used as benchmarks; this regulation is designed to incorporate the IOSCO principles into European law. The proposal intends to focus on critical benchmarks, make the administration of indices more transparent and defuse potential conflicts of interest.

As a neutral index provider, Deutsche Börse Group supports the IOSCO principles. It has implemented them for its subsidiary STOXX Ltd., Group-wide implementation is planned for 2015. It is not possible at present to gauge the impact of the EU regulation on the Group's business activities.

Other regulatory initiatives with an impact on financial market infrastructures

In June 2014, a revised legislative package on fighting market abuse and insider trading entered into force (Market Abuse Directive and Regulation, MAD and MAR). The new rules also apply to new marketplaces and OTC transactions and their scope has been extended to include new trading strategies as well as all financial instruments. They will be specified in standards by the European Commission and ESMA which Deutsche Börse Group, as an operator of regulated marketplaces, has to implement in 2017.

The fifth iteration of the Undertakings For Collective Investment In Transferable Securities Directive (UCITS Directive) entered into force in 2014; it is not possible at present to gauge the impact on Clearstream's business activities.

Banking regulations

Basel III/CRD IV

The Basel Framework "Basel III" specifies the international environment for banking activities. In particular, Basel III introduced a revised definition of capital, furthermore, additional risk buffers for expected losses, anticyclical capital buffers, a leverage ratio, stricter liquidity management requirements and closer monitoring of liquidity positions by supervisory authorities. In the EU, the Basel III regulations are introduced in a revised regulatory framework for banks and securities service providers in phases from 2014 to 2019. This so-called CRD IV package consists of the CRD IV Directive, which had to be implemented in national law, and the Capital Requirement Regulation (CRR), which applies directly. In Germany, the CRD IV Directive and the options exercised under the CRR were implemented effective 1 January 2014. To correct errors in the implementation of the Directive, the Finanzmarktanpassungsgesetz (German Financial Markets Harmonisation Act) was passed on 15 July 2014. In Luxembourg, individual aspects of the CRD IV package have been implemented by way of implementing measures, but final implementation of CRD IV and of the national options under the CRR had not been resolved as at the beginning of 2015.

Current developments in banking supervision law

In 2014 and at the beginning of 2015, the Basel Committee on Banking Supervision and the Financial Stability Board made proposals to enhance the international framework for banking supervision and published amendments to Basel III, which will have a far-reaching impact. Key elements of the revision are:

- Introduction for the first time of international rules to impose a quantitative limit on concentration risk (large exposure rules)
- Comprehensive amendments to the rules for standardised approaches to measuring capital requirements for credit, market price and operational risk, credit risk mitigation and the definition of the trading book
- Revisions to the treatment of credit risk exposures to central governments and other public-sector counterparties
- Further strengthening of the equity base of global systemically important banks (G-SIBs) with the aim to avoid resolution if at all possible or – if that does not succeed – to ensure that resolution is possible in an orderly manner

From Deutsche Börse Group's perspective, the provisions will not have any material effect on the equity base of its regulated companies in the short term: since the companies belonging to Deutsche Börse Group already have comprehensive buffers, the additional capital requirements are expected to be relatively moderate. Independent of the regulatory requirements, the Group will continuously analyse the capitalisation of its regulated entities and will adjust it as necessary to improve risk coverage. The regulated companies of Deutsche Börse Group have been designated as other systemically important banks by the German and Luxembourg supervisory authorities. Here, too, the Group does not expect any increase in capital to be required in the short term as a result of this designation.

Transparency of securities financing transactions

In January 2014, the European Commission issued a proposal for a regulation on the transparency of securities financing transactions (Securities Financing Transaction Regulation, SFTR), which complements the proposed regulation on the introduction of a segregated banking system (ring-fencing proprietary trading from deposit and lending business). The proposal is aimed at introducing a requirement to report securities lending and repo transactions to so-called central trade repositories. In addition, the proposal incorporates standardised rules for repledging collateral and for the reporting requirements of investment funds providers with securities lending activities. It is not possible at present to gauge the impact of comprehensive reporting requirements for securities lending transactions on Clearstream, Eurex Clearing AG and REGIS-TR S.A.

Financial transaction tax

The discussions on the introduction of a financial transaction tax in eleven participating EU member states were continued in 2014, however, they did not result in an agreement.

Business development

In the year under review, and especially in the first nine months, the capital market environment remained challenging for financial services providers, and hence for Deutsche Börse Group. Political conflicts and economic instability, interest rates at record lows, low volatility in many asset classes and increasing regulation all impacted market activity. The business environment for the Group only improved towards the end of the year, driven by significantly higher volatility on the equity markets.

- The economic situation in the euro zone remained tense, as did the geopolitical situation in the flash-points in the Ukraine and the Middle East. Political and economic instability are giving rise to uncertainty. This may lead to higher trading volumes in the short term, but has an inhibiting effect on the market participants the longer it continues. In addition, a lack of investor confidence in the stable long-term growth of the euro zone will prompt them to avoid Europe as an investment destination.
- From a macroeconomic perspective, the dominant factor in the year under review was again the expansionary monetary policy pursued by the main central banks. As from 11 June 2014, the European Central Bank levied a negative deposit rate of –0.10 per cent for the first time, i.e. it demanded a fee on the balances that commercial banks hold with the ECB. This negative interest rate was reduced further, to –0.20 per cent, on 10 September. As a consequence, commercial banks in the euro zone have started to charge negative interest rates to their customers. The Federal Reserve Bank (Fed) did not reverse its low interest rate policy either. Low interest rates can boost the cash market business because they encourage investors to invest more in shares and other securities. In the derivatives market, however, they primarily hamper the business with long-term interest rate derivatives and reduce net interest income from banking business generated in the Clearstream segment.
- Apart from the record low interest rate policies pursued by the central banks, low cash market volatility influenced trading activity for much of the year under review. As a general principle, the lower the volatility, the lower the trading volume. However, cash market volatility increased towards the end of the third quarter and ended the year up on the previous year.
- Market participants are having to deal with regulatory projects, which are subject to continual changes and delays; this, too, has led to caution among some market participants. Increased capital requirements and the decline in proprietary trading have also contributed to limiting trading participants' activity on the derivatives market to sometimes little more than the minimum required for hedging purposes. On the other hand, regulation gives Deutsche Börse Group an opportunity to showcase its liquidity and collateral management services, which allow banks to deploy their capital as efficiently as possible.

Deutsche Börse Group's diversified business model, which allows it to draw its income from a broad basis of different products and services, proved itself yet again in this challenging market environment. The Group's net revenue increased in all business segments, rising by 7 per cent in total to €2,043.0 million in the year under review (2013: €1,912.3 million). The Group's performance was boosted by a strong fourth quarter of 2014: after a mixed performance in the first nine months, higher cash market volatility led to a significantly improved result in the last quarter, especially in the Eurex and Xetra trading segments.

Deutsche Börse AG again increased investments in strategic projects designed to implement its three strategic focus areas (see the section entitled [☒ "Goals and strategy of Deutsche Börse Group"](#)). The fact that operating costs were nevertheless down year-on-year is due to non-recurring items in financial year 2013, primarily in relation to efficiency programmes and the settlement with the US Office of Foreign Assets Control (OFAC). Adjusted for these factors, operating costs were up by 10 per cent year-on-year to €1,068.8 million (2013: €967.6 million).

Changes to the basis of consolidation

European Energy Exchange AG (EEX) and its subsidiaries have been fully consolidated since 1 January 2014, after Deutsche Börse Group acquired control over EEX. Since then, the revenue and costs generated by EEX have been allocated to the Eurex and Market Data + Services segments. EEX's earnings are therefore no longer included in the result from equity investments. For Eurex, this means an increase in net revenue from transaction fees and other net revenue on the one hand and higher operating costs on

the other. For Market Data + Services, net revenue from the connectivity business has risen; conversely, revenue from technology services provided to EEX, which was previously accounted for using the equity method, has ceased.

Likewise, Impendium Systems Ltd, a provider of cloud-based software solutions located in London, has been consolidated since 1 January 2014. Net revenue and costs are reported in the Market Data + Services segment.

Clearstream Global Securities Services Limited (CGSS, formerly Citco Global Securities Services Ltd.), a hedge fund custody infrastructure operator, was acquired by Clearstream and has been consolidated since 3 October 2014. While revenue and costs have been allocated to the Clearstream segment since that date, the assets managed by CGSS will only be included in Clearstream's figures in the course of the first quarter of 2015.

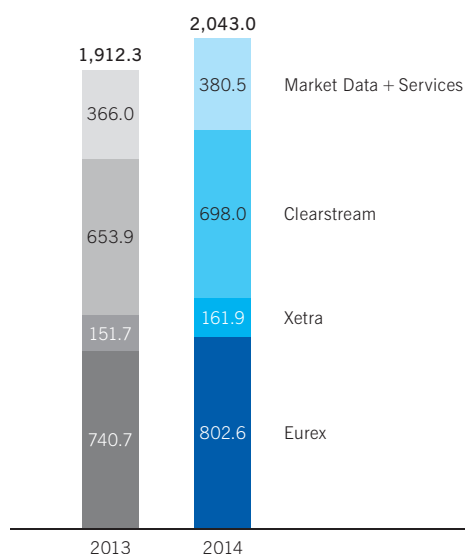
Results of operations

The first nine months of the year under review were dominated by extremely low stock market volatility. Volatility increased only from September onwards, providing the basis for a very successful last quarter. However, other cyclical factors, such as the continuing low interest rate policies pursued by the central banks, continued to weigh on parts of the business, e.g. the net interest income from banking business generated by Clearstream or the interest rate derivatives traded on Eurex. By contrast, the interest rates had a stimulating effect on the cash market, because investors bought more shares or bonds.

Deutsche Börse Group's net revenue rose by 7 per cent in financial year 2014 to €2,043.0 million (2013: €1,912.3 million). In addition to the positive performance by the Clearstream, Xetra and MD+S segments, the increase in net revenue was also driven by the consolidation of the following companies:

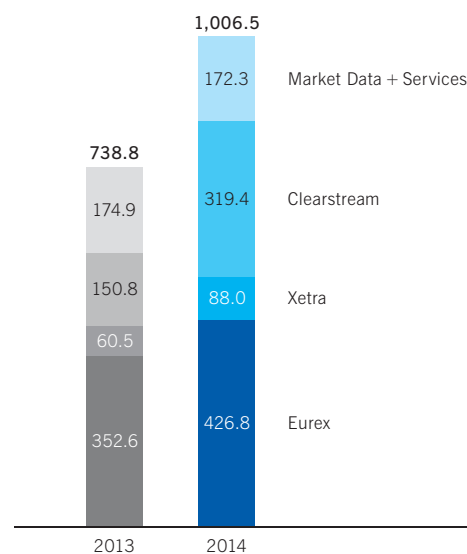
Net revenue by segment

€ millions



EBIT by segment

€ millions



Impendium Systems Ltd and European Energy Exchange AG including Cleartrade Exchange Pte. Limited in the first quarter of 2014 as well as Clearstream Global Securities Services Limited (CGSS, formerly Citco Global Securities Services Ltd.) in the fourth quarter of 2014. Without these consolidation effects in the amount of €71.3 million, net revenue increased by 3 per cent. Net revenue is composed of sales revenue plus net interest income from banking business and other operating income, less volume-related costs.

The contract volumes on Deutsche Börse Group's derivatives exchanges (Eurex and ISE) declined: Eurex's futures and options trading volume fell by 4 per cent and the volume of US options traded on the ISE by 5 per cent. Net revenue in the Eurex segment rose by 8 per cent to €802.6 million (2013: €740.7 million). This is primarily due to the consolidation and growth of EEX, although growth in equity index derivatives with higher margins also contributed to this revenue increase.

The cash market recorded a double-digit increase in trading volumes on all trading platforms (Xetra, the Frankfurt Stock Exchange, Tradegate). The year-on-year rise in index levels also had a positive effect on the revenue generated because of the pricing model, which is based on the transaction value. As a result, net revenue rose by 7 per cent to €161.9 million (2013: €151.7 million).

The post-trade services provided by the Clearstream segment expanded further in the year under review: Clearstream recorded both increased business volumes and higher net revenue in its three main business areas – custody, settlement and global securities financing. This more than offset the decline in net interest income from banking business, which fell by 9 per cent in the year under review due to persistently low interest rates, even though customer cash deposits at Clearstream rose further. In total, net revenue in the Clearstream segment was up 7 per cent year-on-year, to €698.0 million (2013: €653.9 million).

In the Market Data + Services segment, net revenue was €380.5 million, 4 per cent higher than in the previous year (2013: €366.0 million). While the Information, Index and Tools business areas performed well, net revenue generated in the Market Solutions business area decreased, mainly due to consolidation-related factors.

Operating costs decreased by 6 per cent year-on-year in the reporting period to €1,114.8 million (2013: €1,182.8 million). However, the 2013 figure included special factors totalling €215.2 million: €86.2 million was primarily for the programme to increase operational efficiency launched in 2013, while an amount of €129.0 million in the Clearstream segment was incurred to settle proceedings brought by the US Office of Foreign Assets Control (OFAC). In the 2014 reporting period, special factors amounted to €46.0 million. They are primarily composed of efficiency programme costs (€17.4 million),

Deutsche Börse Group key performance figures

	2014 €m	2013 €m	Change %
Net revenue	2,043.0	1,912.3	7
Operating costs	1,114.8	1,182.8	-6
EBIT	1,006.5	738.8	36
Consolidated net income	762.3	478.4	58
Earnings per share (basic) in €	4.14	2.60	59

Overview of operating costs

	2014 €m	2013 €m	Change %
Staff costs	472.4	476.0	-1
Depreciation, amortisation and impairment losses	124.8	118.8	5
Other operating expenses	517.6	588.0	-12
Total	1,114.8	1,182.8	-6

merger and acquisition costs (€9.4 million), costs incurred as a result of criminal investigations against Clearstream Banking S.A. in the USA (€7.4 million) and costs of €5.1 million in connection with the departure of Reto Francioni preceding the expiration of his contract (for details see the [remuneration report](#)). Adjusted for these non-recurring factors, operating costs increased by 10 per cent to €1,068.8 million (2013: €967.6 million). The following factors were the key drivers for the year-on-year increase in costs of €101.2 million:

- The consolidation of EEX, Impendium, Cleartrade and CGSS increased operating costs by a total of €61.5 million.
- Investments in growth projects and infrastructure, in particular for Eurex's and Clearstream's growth initiatives in the area of risk and collateral management, increased by €27.3 million.

Staff costs, a key factor in operating costs, amounted to €472.4 million in 2014 (2013: €476.0 million). Adjusted for special factors, staff costs rose by 10 per cent year-on-year to €460.7 million (2013: €413.4 million). The increase is due to a rise in the average number of people employed in the year under review, which was mainly the result of consolidation effects.

Depreciation, amortisation and impairment losses increased by 5 per cent to €124.8 million in the year under review (2013: €118.8 million). This was primarily driven by higher investments in intangible assets and property, plant and equipment in connection with the Group's growth initiatives and infrastructure measures.

Other operating expenses relate primarily to the costs of enhancing and operating Deutsche Börse Group's technological infrastructure, including, for example, costs for IT services providers and data processing. In addition, other operating expenses include the cost of the office infrastructure at all the Group's locations as well as travel expenses, most of which are incurred in connection with sales activities. Because of the Group's business model and the fact that the company does not normally distribute its products and services to end customers, advertising and marketing costs only account for a very small portion of the company's operating expenses. Other operating expenses decreased to €517.6 million in the year under review (2013: €588.0 million), driven primarily by non-recurring factors in the previous year, e.g. Clearstream's settlement with OFAC.

Key figures by quarter

	Q1		Q2		Q3		Q4	
	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m
Net revenue	514.2	484.3	488.4	497.1	495.9	457.9	544.5	473.0
Operating costs	247.8	295.3	254.4	243.8	274.0	359.1	338.6	284.6
EBIT	329.9	192.0	235.8	256.3	232.5	101.0	208.3	189.5
Consolidated net income for the period	219.0	121.2	159.3	171.0	160.0	61.6	224.0	124.6
Earnings per share (basic) in €	1.19	0.66	0.87	0.93	0.87	0.33	1.21	0.68

Deutsche Börse Group's result from equity investments amounted to €78.3 million (2013: €9.3 million). The significant increase is attributable in particular to the following non-recurring income items: firstly, €63.0 million in connection with the merger of Direct Edge Holdings, LLC (Direct Edge) and BATS Global Markets, Inc. (BATS) at the end of January 2014. The revaluation of the shares in Direct Edge, in which Deutsche Börse Group held around 32 per cent via its subsidiary ISE, resulted in a book profit of €46.4 million. In addition, the Group received a special dividend of €16.5 million after the transaction had been completed. The Group generated another one-off gain of €10.6 million because of the retrospective adjustment of the fair value of the consideration transferred as a result of the acquisition of EEX as at 1 January 2014. Adjusted for these special factors, the result from equity investments amounted to €8.6 million. As a result of the consolidation of EEX and Scoach, these companies no longer contribute to the result from equity investments.

Deutsche Börse Group's earnings before interest and tax (EBIT) increased by 36 per cent in the year under review to €1,006.5 million (2013: €738.8 million). Adjusted for the above-mentioned exceptional cost items and non-recurring items in the result from equity investments, the Group's EBIT amounted to €982.8 million, a 3 per cent increase year-on-year (2013: €954.0 million).

The Group's financial result for the year under review was €–43.1 million (2013: €–70.7 million). The improvement mainly resulted from the refinancing of the Group's long-term financial liabilities, which was completed in the second quarter of 2013. The successful placement of corporate bonds in March 2013 and in October 2012 allowed Deutsche Börse to refinance its outstanding non-current liabilities maturing in 2013 on extremely favourable terms. 2014 was the first year in which the significant reduction in expenses for financial liabilities had a positive effect for the full year.

The effective Group tax rate was 18.1 per cent in 2014. Adjusted for non-recurring items, it was 26.0 per cent, as in the previous year. The adjustments include firstly the aforementioned special items in operating costs. Secondly, the Group tax rate has been adjusted for a one-off gain of €84.9 million, because it was possible for the first time to recognise deferred tax assets in respect of interest expenses incurred since 2007 as a result of the financing structure established in connection with the acquisition of ISE. This gain is partially offset by an expense of €6.0 million, which is mainly attributable to the reduction in deferred tax assets in respect of a tax loss carryforward.

Driven by the sharp rise in EBIT and the tax effect, Deutsche Börse Group also recorded a significant year-on-year increase in consolidated net income for the period to €762.3 million (2013: €478.4 million).

EBIT and profitability by segment

	2014		2013	
	EBIT €m	EBIT margin ¹⁾ %	EBIT €m	EBIT margin ¹⁾ %
Eurex	426.8	53	352.6	48
Xetra	88.0	54	60.5	40
Clearstream	319.4	46	150.8	23
Market Data + Services	172.3	45	174.9	48
Total	1,006.5	49	738.8	39

1) Based on net revenue

Excluding the special factors described above, consolidated net income was up 5 per cent year-on-year to €669.4 million (2013: €636.8 million).

Non-controlling interests in net income for the period amounted to €26.2 million (2013: €16.8 million). While non-controlling shareholders of STOXX Ltd. received €19.8 million (2013: €17.1 million), other non-controlling shareholders shared in profit incurred in the amount of approximately €6.4 million.

Basic earnings per share, based on the weighted average of 184.1 million shares, amounted to €4.14 (2013: €2.60 for an average of 184.1 million shares outstanding). Adjusted for the special factors described above, basic earnings per share rose to €3.63 (2013: €3.46).

Comparison of results of operations with the forecast for 2014

For 2014, Deutsche Börse Group had forecast net revenue of €1.9 billion to €2.1 billion, a moderate increase in operating costs to €1.05 billion (excluding non-recurring items and consolidation effects from the acquisition of Impendium, EEX, Cleartrade Exchange and CGSS), EBIT of between €0.85 billion and €1.05 billion, and net income of €600 million to €750 million. This forecast was based on different scenarios for the capital market environment and developments on the Group's cash and derivatives markets.

The conditions described earlier in the section on [Business development](#) and the continuing challenges posed by the capital market environment were largely in line with the assumptions on which the forecast was based. Thanks to the improved market environment in the fourth quarter, Deutsche Börse Group generated net revenue in the top third of the forecast range.

Adjusted for special items, the Group's operating costs rose by 10 per cent in financial year 2014 to €1,068.8 million, driven mainly by consolidation effects as well as by increased investments in growth and infrastructure projects. This is in line with the Group's forecast, which had predicted a moderate increase in operating costs.

EBIT is at the upper end of the forecast range, while net profit for the year is in the middle (adjusted for special factors in both cases). Moreover, since the successful refinancing of the Group's long-term financial liabilities led to a significant reduction in interest expense, the Group achieved an adjusted interest coverage ratio of 26.0, thus significantly above the minimum target of 16.

At Group level, Deutsche Börse aims to achieve a ratio of interest-bearing gross debt to EBITDA of no more than 1.5. For 2014, the Group had expected the ratio to slightly undershoot this figure. Despite the challenging business environment, especially in the first nine months of 2014, the Group met this target, achieving a ratio of 1.5 after rounding up.

Comparison of results of operations with the forecast for 2014

	Forecast €m	Result €m
Net revenue	1,900 – 2,100	2,043.0
Operating costs	1,050	1,068.8
EBIT	850 – 1,050	982.8
Net profit for the year	600 – 750	669.4
Gross debt / EBITDA	< 1.5	1.47

Segment key figures (adjusted)

	Eurex		Xetra		Clearstream		Market Data + Services	
	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m
Net revenue	802.6	740.7	161.9	151.7	698.0	653.9	380.5	366.0
Operating costs	438.8	370.0	73.5	87.1	358.9	335.0	197.6	175.5
EBIT	372.0	375.8	88.8	68.6	339.1	319.1	182.9	190.5

Eurex segment

The performance of the Eurex derivatives segment largely depends on the trading activities of institutional investors and proprietary trading by professional market participants. The segment's revenue is therefore generated primarily from the combined transaction fees that Eurex charges for trading and clearing derivatives contracts.

Revenue is primarily driven by the derivatives traded on Eurex Exchange: equity index derivatives accounted for 43 per cent of net revenue, interest rate derivatives 21 per cent and equity derivatives 4 per cent. US options traded on the International Securities Exchange (ISE) accounted for 10 per cent of net revenue. The commodities and commodities derivatives traded on the European Energy Exchange (EEX) and Eurex Exchange contributed 8 per cent and trades on Eurex Repo 5 per cent to the segment's net revenue. The "other" item (9 per cent) includes, among other things, the participation fees paid by ISE market participants.

The macroeconomic environment in 2014 posed major challenges for exchange organisations, and especially for their trading and clearing businesses: key interest rates at record lows, the fragile economic situation in the euro zone, low inflation and in some cases deflationary tendencies. In addition, there were far-reaching regulatory reform projects in the financial services industry that may result in structural costs for market participants and require adjustments to their business models in some cases. Increased capital requirements and a decline in proprietary trading also put a damper on trading activity. In the first nine months of 2014, stock market volatility was again below the prior-year level. Volatility only started to increase again from the end of the third quarter, driven by, among other things, the rouble currency crisis and hints by the Federal Reserve that it could end its loose monetary policy in 2015. This resulted in higher demand for hedging among market participants, for which Deutsche Börse Group's derivatives exchanges provide suitable instruments. Consequently, business development was rather sluggish in the first eight months, especially for equity index derivatives, but picked up significantly from September onwards.

In total, 2,097.9 million contracts were traded on Deutsche Börse Group's derivatives exchanges (Eurex and ISE) in 2014, a year-on-year decline of 4 per cent (2013: 2,191.9 million). This is equivalent to a daily average of around 8.3 million contracts (2013: 8.7 million). Eurex generated a trading volume of 1,490.5 million futures and options contracts, down 4 per cent on the previous year (2013: 1,553.1 million). The volume of US options traded on ISE declined by 5 per cent to 607.4 million contracts (2013: 638.8 million). By contrast, commodities trading flourished, recording two- and three-digit growth rates for power and gas products, while average outstanding volumes in the repo business decreased slightly to €214.6 billion (2013: €222.6 billion).

Net segment revenue increased by 8 per cent to €802.6 million (2013: €740.7 million). Operating costs rose by 15 per cent. In 2013, special factors of €23.2 million had had a negative impact on costs; these factors amounted to €14.9 million in the year under review. Eurex's EBIT increased to €426.8 million (2013: €352.6 million). €63.2 million of net revenue was attributable to EEX transaction fees and other EEX revenue; EEX has been fully consolidated since the first quarter of 2014. EEX contributed €47.2 million to costs.

As in the previous year, Eurex index derivatives were the product group with the highest trading volume. Trading of these derivatives increased by 10 per cent year-on-year to 715.0 million contracts (2013: 649.8 million). The increase is primarily due to higher volatility in the fourth quarter compared with the previous year. Contracts on the EURO STOXX 50® index were by far the most commonly traded products (293.8 million futures and 241.3 million options). In addition, various sector indices are increasingly enjoying improved market acceptance, leading to broader diversification of the net revenue Eurex generates from trading in equity index derivatives. This amounted to €344.8 million in the year under review, an increase of 6 per cent on the previous year (2013: €325.3 million).

Eurex segment: key figures

	2014	2013	Change
Financial key figures	€m	€m	%
Net revenue	802.6	740.7	8
Operational costs	453.7	393.2	15
EBIT	426.8	352.6	21
Financial derivatives: trading volume on Eurex Exchange and ISE	m contracts	m contracts	%
Total Eurex and ISE¹⁾	2,097.9	2,191.9	-4
Total Eurex derivatives ¹⁾	1,490.5	1,553.1	-4
European equity index derivatives ²⁾	715.0	649.8	10
Eurex interest rate derivatives	461.3	509.6	-9
Eurex equity derivatives ²⁾	303.5	385.8	-21
Eurex other derivatives ³⁾	10.7	7.9	35
US options (ISE)	607.4	638.8	-5
Commodities⁴⁾: trading volume on EEX	TWh / m t CO₂	TWh / m t CO₂	%
Electricity	1,570.4	1,264.0	24
Gas	568.0	222.9	155
Emissions trading	533.7	850.3	-37
Repo business⁴⁾: average outstanding volume on Eurex Repo®	€bn	€bn	%
Total (single-counted)	214.6	222.6	-4
GC Pooling®	158.5	153.8	3
Euro market	41.0	36.5	12
CHF market	15.1	32.3	-53

1) Prior-year figures adjusted for flexible options (+0.7 million contracts)

2) Dividend derivatives have been allocated to the equity index and equity derivatives.

3) Includes other asset classes, such as ETF, volatility, agricultural, precious metal and foreign exchange derivatives

4) Volume traded on EEX in terawatt-hours (TWh) for power and gas trading and in CO₂ tonnes for trading in emission rights

The volume of Eurex's equity derivatives contracts (single-stock options and futures) traded in the year under review dropped by 21 per cent to 303.5 million (2013: 385.8 million). Net revenue from equity derivatives decreased to €34.3 million (2013: €40.2 million).

Trading volumes in the interest rate derivatives product group on Eurex fell 9 per cent to 461.3 million contracts in the year under review (2013: 509.6 million). This was impacted by the interest rate policy pursued by the European Central Bank, which has now cut its deposit rate for banks to -0.20 per cent. By contrast, demand for derivatives on French and Italian government bonds continued to rise, increasing by 65 per cent year-on-year to 38.6 million contracts traded (2013: 23.4 million). These products had been introduced in stages on Eurex since 2009 to expand the exchange's long-term European interest rate derivatives offering. Net revenue from trading and clearing interest rate derivatives fell by 10 per cent to €165.2 million (2013: €183.9 million).

Market participants on the US options exchanges ISE and ISE Gemini traded 607.4 million contracts in the year under review (2013: 638.8 million). ISE's and ISE Gemini's market share of US equity options was 15.8 per cent (2013: 17.0 per cent) in a highly competitive market. ISE's net revenue from US options was down 9 per cent to €83.0 million (2013: €91.5 million). ISE is planning to launch a third trading segment, ISE Mercury, to access further market segments, and has applied for an additional exchange licence. The plan is for ISE Mercury to commence trading in the first half of 2015; like ISE and ISE Gemini, it will use Deutsche Börse Group's existing T7 technology platform.

EEX became a fully consolidated subsidiary as at 1 January 2014. EEX is the leading European energy exchange and trading venue for power derivatives, natural gas and CO₂ emission allowances on the derivatives and spot markets, as well as for coal and Guarantees of Origin (certificates which can be used to label units of power, e.g. to prove that a consumed MWh was generated from renewable sources). EEX recorded a strong financial year. Power trading increased by 24 per cent in 2014 to 1,570.4 TWh (2013: 1,264.0 TWh). Trading of gas products increased by 155 per cent to 568.0 TWh (2013: 222.9 TWh). In emission rights trading, 533.7 million tonnes of CO₂ were traded, a year-on-year decrease of 37 per cent (2013: 850.3 million tonnes of CO₂). In order to concentrate trading in agricultural derivatives at EEX, the agricultural derivatives previously available on Eurex Exchange will be offered on EEX from 2015. This move will allow customers to access a standardised offering of commodity derivatives contracts from a single market source. As at 1 January 2015, EEX became the majority shareholder in Powernext SA, with an interest of 55.8 per cent. This will enable it to further expand its position as a central marketplace for energy and energy-related products. From 2015, trading in natural gas products will be pooled at Powernext, and power trading at EEX. Net revenue from commodities trading amounted to €63.9 million in 2014.

Eurex Repo[®], the marketplace for the collateralised money market in euros and Swiss francs, as well as for the GC Pooling[®] (General Collateral Pooling) offering, is benefiting from the general demand among investors for collateralised money market transactions. In the euro market, the average outstanding volume increased by 12 per cent to €41.0 billion (2013: €36.5 billion). At €15.1 billion, the volume of the repo market in Swiss francs halved compared with the previous year (2013: €32.3 billion). The reason is the Swiss National Bank's decision to stop issuing its own money market instruments (SNB bills). In GC Pooling (the collateralised money market trading facility operated jointly by Eurex Repo with Eurex Clearing and Clearstream), average outstanding volumes were €158.5 billion in 2014, an increase of

3 per cent (2013: €153.8 billion). In total, the average outstanding volume on Eurex Repo declined by 4 per cent to €214.6 billion in 2014 (2013: €222.6 billion, single-counted for both years). Net revenue in the repo business increased to €37.5 million (2013: €34.2 million).

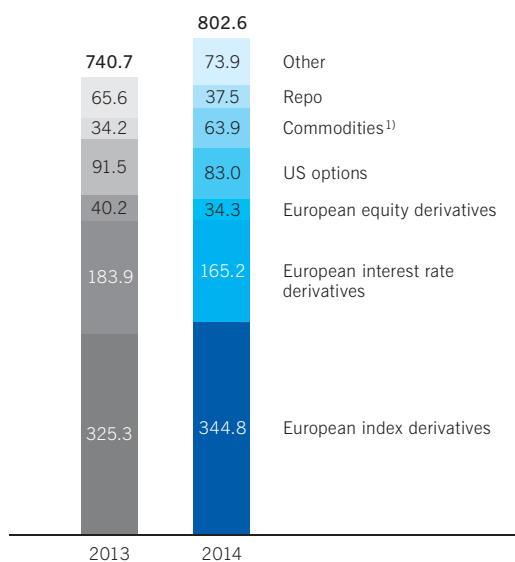
Besides derivatives trading, Deutsche Börse Group also operates Eurex Clearing, Europe’s leading clearing house. In 2012, Eurex Clearing launched EurexOTC Clear, the new clearing offering for over-the-counter (OTC) interest rate swaps. By linking to EurexOTC Clear, market participants can clear OTC derivatives via the central counterparty in advance of the introduction of a clearing obligation for these financial instruments when the European Market Infrastructure Regulation (EMIR) is implemented. At the end of 2014, the total value of interest rate swap transactions cleared up to that date exceeded the €100 billion mark.

On 10 April 2014, Eurex Clearing received an EMIR clearing house licence from the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, the German Federal Financial Supervisory Authority). The granting of the licence confirms that Eurex Clearing is fully EMIR compliant. This means that Eurex Clearing can already provide services to its participants to help them prepare for the impending clearing obligation for derivatives.

Eurex continued to diversify its product portfolio in the year under review to offer market participants as many different alternatives as possible for hedging or implementing their trading strategies. New products introduced in the year under review include short-term EURIBOR interest rate derivatives; foreign exchange (FX) derivatives on the main currency pairs (EUR/USD, EUR/GBP, EUR/CHF, GBP/USD, GBP/CHF and USD/CHF); a listed variance future on the EURO STOXX 50® equity index and interest

Net revenue in the Eurex segment

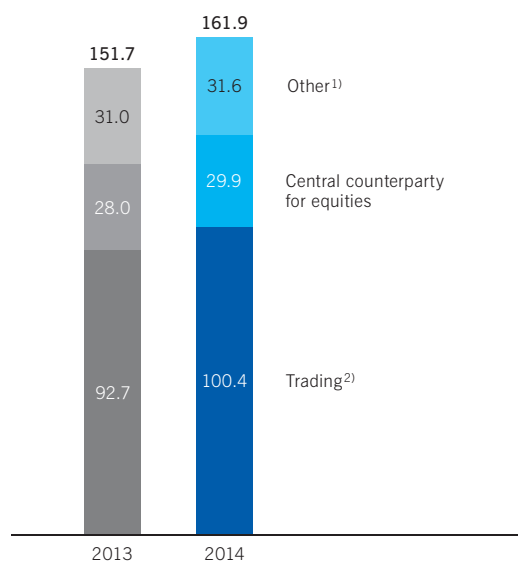
€ millions



1) Commodities and commodities derivatives traded at EEX and Eurex

Net revenue in the Xetra segment

€ millions



1) Including revenue from listing and Eurex Bonds

2) The position "Trading" includes the Xetra® electronic trading system, Börse Frankfurt as well as structured products trading.

rate swap derivatives. Eurex's dividend and volatility derivatives demonstrate that new products can generate sustainable growth in the medium term. Introduced in 2008 and 2009 and continuously expanded since then, trading in these derivatives again increased by a double-digit percentage, to 9.7 million contracts for dividend derivatives (2013: 7.1 million) and 10.3 million contracts for volatility derivatives (2013: 7.3 million).

The Eurex segment reached a major milestone in its Asia strategy with the launch of the Eurex/TAIFEX link on 15 May 2014. In line with the model for trading derivatives on KOSPI, the Korean benchmark index, the link allows Eurex participants to trade and clear futures and options on the Taiwanese benchmark index, TAIFEX, as daily expiring contracts on Eurex Exchange. In connection with this, United Overseas Bank (UOB), Singapore, became the first Asian-based clearing member. The first months of trading proved market participants' interest in this product, with some 212,980 contracts traded and cleared by the end of the year. Furthermore, in the first quarter of 2014, EEX acquired a majority interest in Cleartrade Exchange, a Singapore-based futures exchange founded in 2010. The creation of a joint international product offering in the commodities area in cooperation with Cleartrade will allow EEX to expand both its portfolio and its reach. However, the most important project in the expansion into Asia is the establishment of a clearing house in Singapore (see the [report on opportunities](#)). In January 2015, Deutsche Börse Group received 'in-principle' regulatory clearance from the local financial supervisory authority to set up a clearing house.

Xetra segment

The Xetra segment generates most of its net revenue from trading and clearing cash market securities. The primary sales driver, accounting for 62 per cent, was net revenue from trading. The central counterparty (CCP) for equities operated by Eurex Clearing AG contributed 18 per cent to the segment's net revenue; the net revenue of the CCP is determined to a significant extent by trading activities on Xetra. The "other" item (20 per cent of net revenue in total) comprises listing fees and the net revenue generated by Eurex Bonds. Listing fees predominantly come from existing company listings and admissions to trading.

Net revenue in the Xetra segment rose by 7 per cent to €161.9 million (2013: €151.7 million). Operating costs in the Xetra segment decreased by 22 per cent. Special factors – primarily for efficiency programmes, which had had a negative impact of €8.1 million in financial year 2013 – only amounted to €0.8 million in the year under review. As a result, EBIT increased significantly to €88.0 million (2013: €60.5 million).

The record low interest rates and the relatively good results of operations reported by German companies had a positive effect on share trading. In contrast, the fragile economic situation in the euro zone and the low stock market volatility experienced during much of the year had a negative impact. After a strong first quarter, trading activity slowed in the course of the year. At the beginning of the fourth quarter, volatility increased substantially compared with the previous year, also driving up trading volumes in the cash market. In the 2014 financial year, securities with a total volume of €1.28 trillion were traded on Deutsche Börse Group's cash markets (2013: €1.16 trillion). They include shares and bonds from German and international issuers, exchange-traded funds (ETFs) and exchange-traded commodities (ETCs) as well as units in actively managed retail funds and structured products. The key players on Deutsche Börse's platforms are institutional investors and other professional market participants.

Institutional, private and international investors primarily trade on Xetra, the electronic trading platform. As a result, Xetra generates by far the highest trading volume. This volume (measured in terms of order

book turnover, single-counted) rose by 12 per cent in the year under review to €1,179.9 billion (2013: €1,058.2 billion). The number of transactions increased by 6 per cent to 203.1 million (2013: 191.2 million). The average value per Xetra transaction rose to €11.6 thousand (2013: €11.0 thousand). In addition to Xetra, Deutsche Börse operates trading at the Frankfurt Stock Exchange and holds a 75 per cent interest in Tradegate Exchange. The volume (single-counted) traded on the Frankfurt Stock Exchange was €51.6 billion (2013: €46.0 billion). Of this amount, €15.6 billion was attributable to structured products, around 2 per cent more than in the previous year. The trading volume generated by Tradegate Exchange increased by 13 per cent to €51.1 billion (2013: €45.3 billion).

Due to the low interest rate environment and low new issuance activity, the trading volume on Eurex Bonds, the international electronic platform for interbank bond trading, declined to €88.3 billion (2013: €116.6 billion, single-counted for both years).

Deutsche Börse has operated Europe's leading marketplace for ETFs since 2000. It offers investors the largest selection of ETFs of all European exchanges: as at 31 December 2014, 1,044 ETFs were listed (2013: 1,037 ETFs). The assets under management held by ETF issuers amounted to €286.3 billion at the end of the year, a year-on-year increase of 25 per cent (31 December 2013: €229.6 billion). Trading volumes rose by 18 per cent to €135.7 billion (2013: €114.7 billion). The most heavily traded ETFs continue to be based on the European STOXX equity indices and on the DAX index.

Besides the marketplace for ETFs, Deutsche Börse also operates a segment for exchange-traded commodities (ETCs). ETCs reflect the performance of single commodities or entire commodity sectors, such as energy, agricultural commodities, or precious metals. Xetra-Gold[®], a bearer bond issued by Deutsche Börse Commodities GmbH and backed by physical gold, is the most successful ETC product. In the year under review, the stabilisation of the gold price led to an increase in the volume held: as at 31 December 2014, Deutsche Börse Group had 49.8 tonnes of gold in custody (2013: 45.5 tonnes). Given a gold price of €31.31 per gram (closing price on 31 December 2014), the value of the gold was equivalent to €1.6 billion (2013: €1.3 billion).

In the listing business, Deutsche Börse AG recorded 39 new admissions (19 initial listings and 20 transfers) in the year under review. Ten of the initial listings were initial public offerings (IPOs); seven of these were in the Prime Standard, two in the General Standard and one in the Entry Standard. In addition, there was a private placement in the Prime Standard. The total placement volume in 2014 stood at

Xetra segment: key figures

	2014	2013	Change
Financial key figures	€m	€m	%
Net revenue	161.9	151.7	7
Operating costs	74.3	95.2	-22
EBIT	88.0	60.5	46
Cash market: trading volume (single-counted)	€bn	€bn	%
Xetra [®]	1,179.9	1,058.2	12
Frankfurt Stock Exchange ¹⁾	51.6	46.0	12
Tradegate	51.1	45.3	13

1) Since Q3/2013 including certificates and warrants due to the consolidation of Börse Frankfurt Zertifikate AG; €15.6 billion are attributable to certificates and warrants in 2014.

around €4 billion. The largest IPO in 2014 was that of Rocket Internet AG, which had a volume of around €1.6 billion. Likewise, companies that were already listed made use of the ability to implement capital increases to raise around €20.1 billion in 2014. The option of issuing bonds in the Entry Standard, introduced in 2011, was a significant success in 2014: nine companies used the Entry Standard to raise debt capital. The issue volume as given in the prospectuses amounted to a total of €385 million. The issue volume as given in the prospectuses for the four companies that opted for the Prime Standard segment for corporate bonds amounted to €450 million. The Prime Standard for corporate bonds is aimed at larger listed and unlisted companies.

Xetra continued to develop its trading technology in 2014. Ongoing investments in the performance of the trading system ensure that trading is reliable, fair and orderly, even during times of peak use. Introduced in December, the new version of the trading system (Release 15.0) primarily gives trading participants new, targeted risk management functions. Moreover, Deutsche Börse worked together with market participants to develop an innovative share buy-back process.

In February, Deutsche Börse acquired, for a low single-digit million amount (in sterling), a minority interest in the UK company Bondcube Limited, which is developing an innovative trading system for fixed-income securities. The system is to be launched in the first half of 2015. In December, Deutsche Börse exercised options to buy shares in Tradegate AG, measuring its interest in the company from around 5 per cent to just under 15 per cent. Tradegate AG is a securities trading bank that provides liquidity on several German exchanges, in particular Tradegate Exchange.

Clearstream segment

Clearstream provides the post-trade infrastructure for bonds, equities and investment funds. In addition, Clearstream offers custody services for securities from 54 markets worldwide. The custody business was the key contributor to Clearstream's net revenue, generating 51 per cent. Net revenue in this business is mainly driven by the volume and value of securities under custody, which determines the deposit fees. The settlement business accounted for 18 per cent of Clearstream's net revenue. It depends heavily on the number of settlement transactions processed by Clearstream, both via stock exchanges and over-the-counter (OTC). The Global Securities Financing (GSF) business, which includes triparty repo, GC Pooling, securities lending and a wide range of collateral management services, contributed 9 per cent to the segment's net revenue. Net interest income from Clearstream's banking business contributed 5 per cent to Clearstream's net revenue. Other business activities including reporting services accounted for a 17 per cent share of total net revenue.

Clearstream's net revenue increased to €698.0 million in the year under review (2013: €653.9 million), due to growth in all business areas. Operating costs dropped to €378.6 million (2013: €503.3 million); the 2013 operating costs had included special factors such as the settlement payment made in the context of the OFAC investigation and costs for efficiency programmes totalling €168.3 million (2014: €19.7 million). As a result, EBIT more than doubled to €319.4 million (2013: €150.8 million).

In the custody business, the average value of securities under custody in 2014 increased to a new record level of €12.2 trillion (2013: €11.6 trillion). This was due to new client acquisitions and the appreciation in value of existing customer portfolios, both on the international and the domestic markets. The international custody business, which is mainly driven by the amount of outstanding bonds traded

over the counter, increased by 6 per cent to €6.5 trillion (2013: €6.1 trillion). The custody volume of the German domestic market is mainly determined by the market price of the shares, funds and structured products traded on the German cash market. The value of securities under custody rose to €5.7 trillion (2013: €5.5 trillion). In the custody business, net revenue was up by 6 per cent to €355.4 million in 2014 (2013: €336.0 million).

The number of settlement transactions (domestic and international) processed by Clearstream saw a 4 per cent increase in 2014 to 126.3 million (2013: 121.0 million). International transactions grew by 6 per cent to 43.6 million altogether (2013: 41.1 million); OTC transactions, which accounted for 83 per cent of Clearstream's international settlement business, recorded a 6 per cent rise while stock exchange transactions, which had a 17 per cent share of the international settlement business, increased by 7 per cent year-on-year. In the domestic German market, settlement transactions grew by 4 per cent to 82.7 million (2013: 79.9 million). Here, a majority (63 per cent) were stock exchange transactions, while OTC business accounted for 37 per cent of transactions. Both stock exchange and OTC transactions on the domestic market were up in 2014. OTC transactions recorded a 10 per cent increase,

Clearstream segment: key figures

	2014	2013	Change
Financial key figures	€m	€m	%
Net revenue	698.0	653.9	7
Operating costs	378.6	503.3	-25
EBIT	319.4	150.8	112
Custody	€bn	€bn	%
Value of securities under custody (average value during the year)	12,215	11,626	5
international	6,495	6,146	6
domestic	5,720	5,480	4
Settlement	m	m	%
Securities transactions	126.3	121.0	4
international – OTC	36.3	34.2	6
international – on-exchange	7.3	6.9	7
domestic – OTC	30.9	28.2	10
domestic – on-exchange	51.8	51.7	0
Global Securities Financing	€bn	€bn	%
Monthly average	609.8	576.5	6
Average daily cash balances	m	m	%
Total ¹⁾	11,859	10,765	10
euro	4,975	4,361	14
US dollar	5,233	4,517	16
other currencies	1,651	1,886	-12

1) Includes some €1.3 billion currently or formerly blocked by EU and US sanctions (2013: €1.4 billion)

thereby driving overall growth. Net revenue in the settlement business rose by 12 per cent to €125.0 million (2013: €112.0 million). In addition to the higher number of transactions, the increase in net revenue is attributable to an additional fee that Clearstream is collecting temporarily to cover the costs of adapting to TARGET2-Securities.

In the Global Securities Financing business, the average outstanding volume rose to €609.8 billion (2013: €576.5 billion). While the long-term refinancing operations (LTROs) introduced by the European Central Bank negatively impacted the GSF business as a whole, the GC Pooling service, offered in cooperation with Eurex, continued to show a strong growth in outstandings (see the [“Eurex segment” section](#)). Net revenue in the GSF business increased to €64.5 million (2013: €57.8 million).

Average customer cash deposits grew year-on-year by 10 per cent to €11.9 billion (2013: €10.8 billion). This includes an average amount of some €1.3 billion (2013: €1.4 billion), which was not available as a result of the blocking of certain accounts in line with European and US sanction programmes. Net interest income from Clearstream’s banking business fell by 9 per cent to €32.8 million in 2014 (2013: €35.9 million). The decline in net interest income reflects the low level of interest rates. The rate for the euro deposit facility, which is relevant for Clearstream’s net interest income from banking business was further reduced by the ECB to negative interests in the course of 2014 (–0.10 per cent on 11 June 2014 and once again to –0.20 per cent on 10 September 2014).

Clearstream’s Investment Funds Services keep growing. In the year under review, Clearstream processed 8.8 million transactions, 12 per cent more than in the previous year (2013: 7.9 million). More than 125,000 mutual funds and 23,000 hedge funds from 34 jurisdictions are available for order routing through Clearstream’s Vestima® platform. The assets held under custody at Investment Funds Services form part of Clearstream’s total custody volume; they were €327.4 billion on average in 2014, up 24 per cent year-on-year (2013: €265.0 billion).

To further expand its investment funds business, Clearstream has acquired Citco Global Securities Services Ltd. (CGSS). As of 3 October 2014, Clearstream owns CGSS in Cork, Ireland. The new subsidiary provides hedge fund trade execution and custody processing services for financial institutions. CGSS has been renamed to Clearstream Global Securities Services Limited, and has been fully consolidated since Q4/2014. The additional business of CGSS’ hedge fund custody operation enables Clearstream to fast-track standardisation and automation initiatives in the hedge fund industry. The new entity is Clearstream’s largest operational centre for investment funds and complements the already existing mutual fund servicing centres in Luxembourg, Prague and Singapore. Until Citco Bank’s financial institution customers have fully migrated to Clearstream (planned for Q1/2015), the involved asset volumes are still serviced on behalf of Citco Bank and will neither be fully included in Clearstream’s assets under custody volumes nor be included in the number of investment fund transactions.

One of Clearstream’s strategic objectives in the year under review was to accelerate the expansion of its offering for efficient collateral management for financial and non-financial institutions. Through its Global Liquidity Hub, Clearstream provides an integrated collateral management environment that allows sellside and buy-side customers (i.e. corporates, asset managers) to use the assets that are available as collateral on a reliable, optimised and cost-effective basis. The reach of the Global Liquidity Hub is constantly being extended through new collateral management partnerships with local custodians, trading

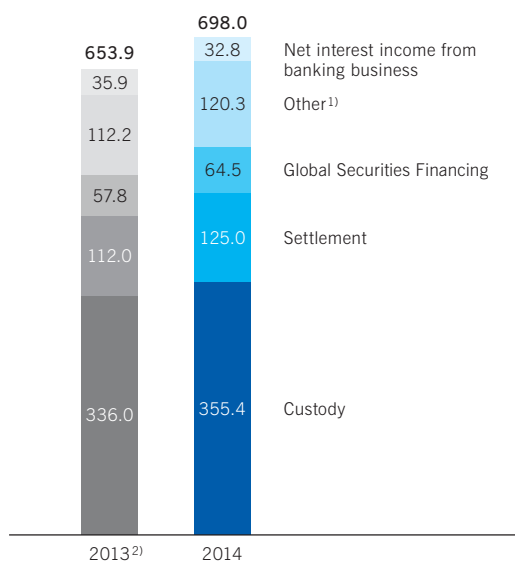
platforms, clearing houses and other market infrastructures such as CSDs across the globe. 2014 saw the following updates to the Liquidity Hub partnerships:

- Liquidity Hub Connect for local custodians: the solution for BNP Paribas Securities Services went live in 2013 and Citibank and Standard Chartered Bank followed suit in 2014. Deutsche Bank signed a letter of intent in 2014 to join the service.
- Liquidity Hub GO has been live with all founding members of the Liquidity Alliance, a strategic cooperation between central securities depositories on collateral management, since 2013: Cetip (Brazil), ASX (Australia), Strate (South Africa) and Iberclear (Spain). In addition to Canada’s CDS, Singapore’s SGX and Norway’s VPS signed letters of intent this past year.

TARGET2-Securities (T2S) is the system to harmonise European cross-border securities settlement in central bank money designed by the Eurosystem. Clearstream will offer harmonised collateral management and securities lending services for customers of its International Central Securities Depository (ICSD) and its Central Securities Depositories (CSDs) in Germany and Luxembourg to offer its customers the full benefits of T2S. Once Clearstream joins T2S in 2016, customers will be able to pool their assets, including fixed-income, equities and funds, at the CSDs as their gateway to T2S while continuing to benefit from the ICSD’s securities lending and collateral management services. For example, it will be possible to settle tri-party repos in commercial bank money (multi-currency) or central bank money (Euro) with assets held at the ICSD and at the CSDs.

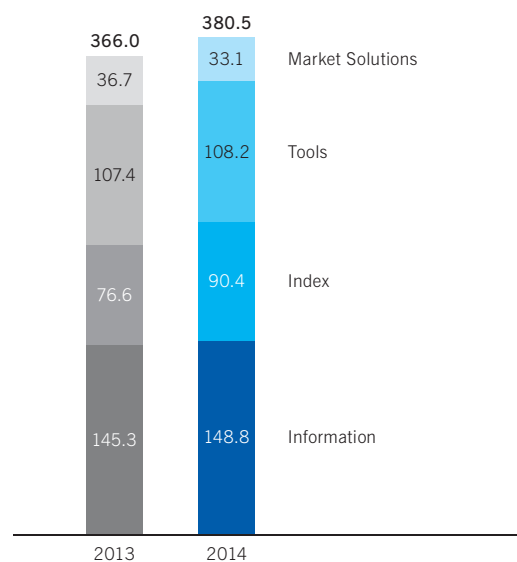
Net revenue in the Clearstream segment

€ millions



Net revenue in the Market Data + Services segment

€ millions



1) Including Connectivity and Reporting
 2) 2013 figures of selected business areas restated due to changes in internal reporting; no restatement of total net revenue

Collateral management is a service of key strategic importance to Clearstream – especially in the future market environment with T2S. A cornerstone of the T2S strategy is the harmonisation of asset servicing. Clearstream announced in April 2014 that it was working with BNP Paribas Securities Services, Intesa Sanpaolo and the Spanish bank BBVA to develop an enhanced asset servicing model for the T2S market environment. In this model, Clearstream will connect via its CSD to the T2S platform, hence attracting settlement flows, while the custodian bank partners will handle asset servicing at a domestic market level, bringing with them their local market expertise. Clearstream will capitalise on the opportunities presented by T2S by consolidating its ICSD and CSD holdings. In this way, Clearstream will be able to offer its clients the security of Central Bank Money settlement for T2S markets via its German CSD, the biggest CSD in the T2S area, as well as the reach of Commercial Bank Money settlement in the global markets offered by the ICSD in Luxembourg.

Clearstream is systematically extending its market position by connecting new markets. In the year under review, Clearstream strengthened its involvement in Asia by launching its services for the Taiwanese market in September 2014 to support the development of the local foreign currency denominated bond market. This includes the newly created “Formosa Bonds” – the renminbi denominated bond issued in Taiwan. In November 2014, Clearstream started to offer a range of settlement and custody services for China A shares via its existing Hong Kong link.

2014 has been an important year for REGIS-TR, the European trade repository owned by Clearstream and Iberclear, the Spanish CSD. The European Market Infrastructure Regulation’s (EMIR) trade reporting requirements for exchange-traded derivatives and over-the-counter (OTC) derivatives were implemented on 14 February 2014 and customers had to be ready by then. By the end of 2014, over 1 billion transactions have been registered by REGIS-TR.

Market Data + Services segment

The Market Data + Services segment’s business areas were renamed in the course of internal restructuring measures. Some products and the related net revenue were reallocated to these business areas. The net revenue of the segment is composed of the Information (39 per cent), Index (24 per cent), Tools (28 per cent) and Market Solutions (9 per cent) business areas.

Market Data + Services’ net revenue increased by 4 per cent in the year under review, to €380.5 million (2013: €366.0 million). With operating costs up slightly on the previous year and special factors (largely relating to efficiency programmes) of €10.6 million, the segment’s EBIT amounted to €172.3 million (2013: €174.9 million). The consolidation of EEX and Impendium Systems Ltd as from the first quarter of 2014 and of Börse Frankfurt Zertifikate AG (formerly Scoach) as from the third quarter of 2013 also affected the segment’s results. In total, the consolidation effects reduced the segment’s net revenue by €3.2 million.

The segment’s core business is the distribution of capital market information, technology and infrastructure services to customers worldwide. These include realtime trading and market signals such as the AlphaFlash® algorithmic news feed as well as indices such as EURO STOXX® and DAX®. Capital market participants subscribe to receive this information, which they then use themselves, process, or pass on. The segment generates much of its net revenue on the basis of long-term arrangements with customers and is relatively independent of trading volumes and volatility on the capital markets.

The Information business area (formerly Trading Signals) mainly involves the distribution of licences for realtime trading and market signals and for the provision of data to the back offices of financial services providers. The business remained largely stable in the year under review: Market Data + Services generated net revenue from trading signals of €148.8 million (2013: €145.3 million). Data and key indicators are increasingly used by market participants in automated trading applications, and demand for direct connectivity increased in line with this. On the other hand, regulatory efforts to monitor automated trading orders more tightly led to uncertainty in the trading departments of banks and financial services institutions. In addition, user numbers are declining due to structural changes and consolidation in the financial services industry. To expand its business further, the segment launched a number of different initiatives:

- Deutsche Börse signed a deal with the Shanghai Stock Exchange, which will act as the exclusive distributor and licensor of Deutsche Börse market data in mainland China. Chinese customers now have fast and reliable access to Deutsche Börse's key market data streams.
- Since April 2014, MD+S has had exclusive marketing rights for the data belonging to BSE (formerly Bombay Stock Exchange) in all markets outside of India.
- Deutsche Börse has signed a letter of intent with the Philippine Stock Exchange that will potentially see the two exchanges collaborate on market data. The planned focus is on the licensing of market data, expansion of distribution channels for real-time data, product development and innovation.
- Deutsche Börse acts as the exclusive global licensor for Cleartrade Exchange, a Singapore-based regulated futures exchange in which EEX holds a controlling interest; it will also distribute the company's market data products on key commodity derivatives. This will allow Deutsche Börse customers to use data on important derivatives of the fast expanding Asian commodities market.
- The cooperation with Australia's Westpac Institutional Bank also focuses on the Asian growth markets. Westpac and MNI Indicators, a Deutsche Börse AG subsidiary, launched an independent monthly report on the consumer climate in China, the Westpac MNI China Consumer Sentiment Survey, at the end of May. The report aims to become the primary reference point for key decision makers around the world, enabling them to better understand the current and future development of the Chinese economy, particularly the household sector.
- Since November, Deutsche Börse has distributed bond indices and government bond prices for the most highly developed African countries, giving investors wanting to get involved in these emerging markets objective and transparent market data.
- Since December, derivatives market participants have had access to the "Eurex IOC Liquidity Indicator for Options", a new analytical indicator that provides detailed insight into trading of the most heavily traded Eurex Exchange option products.

Market Data + Services segment: key figures

	2014 €m	2013 €m	Change %
Financial key figures			
Net revenue	380.5	366.0	4
Operating costs	208.2	191.1	9
EBIT	172.3	174.9	-1

Deutsche Börse operates its Index business area (formerly Indices) via its subsidiary STOXX Ltd. Its revenue is generated from calculating and marketing indices and benchmarks that are used by banks and fund management companies mainly as underlyings for financial instruments. In the year under review, the index business continued its growth trend, with an 18 per cent increase in net revenue to €90.4 million (2013: €76.6 million). In particular, the trend of investors moving towards passively managed financial products, such as ETFs, led to an increase in assets under management in these products and thus also to higher licensing revenue for these products. This is attributable to STOXX's extensive index portfolio, which gives issuers numerous options to launch financial products suited to a wide variety of investment strategies. As part of the globalisation of the STOXX index offering, the HuaAn Germany DAX 30 ETF was launched in July, for example; it is the first ETF available in China to use a European index as its underlying. In addition, a Shanghai-based fund management company was given a licence as the basis for the first DAX index fund developed in China. The segment also licensed the blue-chip DAX index to fund management companies in Japan and the USA to make it easier for local investors to invest in the German economy's bellwether stocks and to mirror their performance. As a result, the benchmark DAX index is represented in the three most important financial centres outside Europe. The particularly sharp rise in the fourth quarter is attributable to higher sales at Eurex. Furthermore, cash inflows from assets under management in STOXX investment products as well as vivid issuance of structured products resulted in a positive development in the fourth quarter.

The Tools business area covers software tools such as Impendium, parts of the former Technology Solutions business area, Infobolsa and connectivity revenue. Net revenue rose slightly to €108.2 million (2013: €107.4 million). Deutsche Börse acquired Impendium Systems Ltd, a London-based software provider, to expand its business with information services for regulatory reporting. Impendium assists customers in complying with regulatory requirements in Europe, North America and the Asia-Pacific region. The transaction is part of Deutsche Börse's growth strategy, which aims to offer software as a service to help customers cope with the increasing flood of data on the financial markets and to automate related business processes. In addition to a positive consolidation effect of €7.9 million, higher connectivity revenue contributed to the business area's growth. The segment generates this revenue primarily from connecting trading participants on the cash and the derivatives markets and from users of the data services. The increase in revenue was driven by, among other things, the enhancement of the data services and new connectivity formats for the T7 trading platform.

The Market Solutions business area consists primarily of development and operational services for external technology customers, such as partner exchanges and German regional exchanges. Net revenue declined to €33.1 million in 2014 (2013: €36.7 million). This decrease is mainly attributable to negative consolidation effects of €11.1 million. Deutsche Börse operates the technology for partner exchanges in Dublin, Vienna, Sofia, Ljubljana, Prague, Budapest, Malta and the Cayman Islands. In 2014, Deutsche Börse also marketed its IT services to Norway's Norexeco, a renewable commodities exchange. Norexeco has acquired a licence to use the M7 trading technology for a new regulated exchange for derivatives on products from the paper and forestry industry. The African Stock Exchange (AFSX), the first pan-African exchange, will also use the Xetra trading platform's technology in future. AFSX aims to provide securities trading for the whole of Africa; in future, Xetra trading participants will be able to access African financial markets and market participants in Africa will be able to trade on European markets. In addition, there is still demand for our established cash market trading technology: on the German domestic market, the German exchanges with floor-based trading in Berlin, Dusseldorf, Hamburg, Hanover and Munich have decided to use the Xontro order routing, trading and settlement software until 2020. Xontro supports the

entire trading process from electronic order routing through broker-supported pricing, down to execution and forwarding the trades to the clearing processes. Around 170 banks and 70 brokers are connected to Xontro.

Development of profitability

Return on shareholders' equity represents the ratio of earnings after tax to the average equity available to the Group in 2014. The Group's return on shareholders' equity increased to 23.9 per cent in the year under review (2013: 16.1 per cent), primarily due to higher earnings. Adjusted for the special factors described in the results of operations, this ratio, which is also known as the return on equity amounted to 21.0 per cent (2013: 21.5 per cent). The weighted average cost of capital (WACC) after tax amounted to 4.5 per cent in the year under review (2013: 4.5 per cent). Deutsche Börse's cost of equity reflects the return on a risk-free alternative investment plus a premium for general market risk, and also takes account of the specific risk of Deutsche Börse shares compared with the market as a whole, known as the beta. The cost of debt represents the terms on which Deutsche Börse AG was able to raise short- and long-term debt. See also [☐ "Deutsche Börse's cost of capital" table](#).

Financial position

Cash flow

Cash and cash equivalents at Deutsche Börse Group comprise cash and bank balances, to the extent that these do not result from reinvesting current liabilities from cash deposits by market participants, as well as receivables and liabilities from banking business with an original maturity of three months or less. Cash and cash equivalents at the end of 2014 amounted to €-68.5 million (2013: €-56.2 million). The negative cash and cash equivalents item is due to the shift of current financial assets to financial assets with a maturity of more than three months for reporting date reasons; the latter do not qualify as cash and cash equivalents and the cash flows associated with them have been allocated to investing activities.

Deutsche Börse generated cash flows from operating activities before changes in reporting-date CCP positions of €684.8 million in financial year 2014 (2013: €797.3 million). The significant year-on-year decrease in cash flows from operating activities is mainly due to the fact that the increase in net income

Deutsche Börse's cost of capital

	2014 %	2013 %
Risk-free interest rate ¹⁾	1.24	1.67
Market risk premium	6.50	6.50
Beta ²⁾	0.86	0.78
Cost of equity ³⁾ (after tax)	6.83	6.75
Cost of debt ⁴⁾ (before tax)	2.55	3.12
Tax shield ⁵⁾	0.66	0.81
Cost of debt (after tax)	1.88	2.31
Equity ratio ⁶⁾ (annual average)	52.36	50.19
Debt ratio ⁷⁾ (annual average)	47.64	49.81
WACC (before tax)	4.79	4.94
WACC (after tax)	4.47	4.54

1) Annual average return on ten-year German federal government bonds

2) Statistical measure of the sensitivity of the price of an individual share to changes in the entire market. A beta of 1.0 means that the performance of the share moves strictly parallel to the reference market as a whole. A beta above 1.0 denotes greater volatility than the overall market and a beta below 1.0 less volatility.

3) Risk-free interest rate + (market risk premium x beta)

4) Interest rate on short- and long-term corporate bonds issued by Deutsche Börse AG

5) Denotes and quantifies the reduction in tax paid that arises from the deductibility of interest payments on debt and is factored into the calculation of the cost of capital

6) 1 - debt ratio

7) (Total non-current liabilities + tax provisions + other current provisions + other bank loans and overdrafts + other current liabilities + trade payables + payables to associates + payables to other related parties) / (total assets - financial instruments of Eurex Clearing AG - liabilities from banking business - cash deposits by market participants); basis: average balance sheet items in the financial year

for the year (€293.3 million) was more than offset by the rise in working capital (€284.1 million), other non-cash income (€60.4 million) and deferred tax income (€50.9 million).

The increase in working capital is due in particular to a payment of US\$151.9 million made in the first quarter of 2014 in connection with the settlement the Group entered into with OFAC (Office of Foreign Assets Control). Deutsche Börse Group had already recognised provisions for this matter in 2013. In addition, Deutsche Börse Group additionally made tax payments amounting to €237.0 million in financial year 2014 (2013: €93.3 million). The year-on-year increase is primarily due to higher contributions to earnings by the companies in financial year 2014 and tax refunds for prior years (€57.6 million), which affect cash flow in 2013. In addition, payments of about €41 million relating to prior years were made in 2014.

The increase in other non-cash income to €46.7 million (2013: non-cash expenses of €13.7 million) is mainly due to the remeasurement of the interest in Direct Edge Holdings, LLC in connection with the merger of Direct Edge Holdings, LLC and BATS Global Markets, Inc.

Deferred tax income in the amount of €86.1 million (2013: €0.8 million) results from the recognition of deferred tax assets in respect of loss carryforwards of €211.4 million (2013: €3.1 million). They will lead to a reduction in tax payments at these companies in subsequent years.

Including the changes in the CCP positions, cash flows from operating activities were €677.3 million (2013: €728.3 million).

Cash outflows from investing activities amounted to €250.4 million in financial year 2014 (2013: cash outflow of €829.2 million). €367.2 million of this figure related to collateralised cash investments with an original term of more than three months. At €133.5 million, investment in intangible assets and property, plant and equipment was at the prior-year level (2013: €127.6 million); most of it was made in the Clearstream (€63.3 million) and Eurex (€60.5 million) segments. Clearstream's investments related primarily to the expansion of its settlement and collateral management systems (€39.8 million), while Eurex invested in its trading and clearing systems (€32.6 million).

Cash funds increased by €61.5 million due to the consolidation of European Energy Exchange AG, Leipzig, as at 1 January 2014. Since no purchase price was payable, there were no cash outflows. There was a cash outflow of €50.3 million in connection with the acquisition of Clearstream Global Securities Services Limited, Cork, (formerly Citco Global Securities Services Ltd.) and Impendium Systems Ltd, London. In addition, the Group paid €13.6 million (2013: €35.1 million) to acquire investments in associates in the year under review.

Consolidated cash flow statement (condensed)

	2014 €m	2013 €m
Cash flows from operating activities (excluding CCP positions)	684.8	797.3
Cash flows from operating activities	677.3	728.3
Cash flows from investing activities	-250.4	-829.2
Cash flows from financing activities	-441.1	-497.6
Cash and cash equivalents as at 31 December	-68.5	-56.2
Other cash and bank balances as at 31 December	826.1	627.9

Cash inflows of €317.2 million (2013: €35.3 million) were due to securities with an original maturity of more than one year maturing or being sold.

Cash outflows from financing activities amounted to €441.1 million (2013: €497.6 million). In May 2014, the company paid a dividend of €386.6 million for financial year 2013 (2013: €386.5 million). Further cash outflows were due to the repayment of €1,205.0 million in commercial paper (2013: €1,180.0 million). In 2013, long-term bonds amounting to €797.8 million had matured. Cash inflows from financing activities of €1,164.7 million in the year under review (2013: €1,279.8 million) resulted from commercial paper that the company issued as part of its short-term liquidity management. In 2013, Deutsche Börse AG had issued a euro-denominated bond with a principal amount of €600.0 million and a term of five years.

Other cash and bank balances amounted to €826.1 million as at 31 December 2013 (31 December 2013: €627.9 million).

At €551.3 million, free cash flow – i.e. cash flows from operating activities excluding reporting-date CCP positions less payments to acquire intangible assets and property, plant and equipment – was significantly lower than in the previous year (2013: €669.7 million). This is mainly due to the aforementioned settlement payment of US\$151.9 million.

As in previous years, the Group assumes a solid liquidity basis in financial year 2015 due to its positive cash flows from operating activities, adequate credit lines (which had not been drawn down as at 31 December 2014) and flexible management and planning systems.

Interest coverage ratio of Deutsche Börse Group

Interest expense from financing activities	Issue volume	2014 €m	2013 €m
Bonds maturing in 2013			
Fixed-rate bearer bond	€650 m ¹⁾	–	9.0
Hybrid bond	€550 m ²⁾	–	3.8 ³⁾
Refinancing of maturing bonds			
Fixed-rate bearer bond (10 years term)	€600 m	15.0	14.6
Fixed-rate bearer bond (5 years term)	€600 m	7.7	5.7
Further bonds			
Private placement	US\$460 m	19.4	19.9
Commercial paper	€150 m – 2013 ⁴⁾ €108 m – 2014	0.4	0.2
Total interest expense (including 50% of the hybrid coupon)		42.5	53.2
EBITDA (adjusted)		1,104.7	1,067.4
Interest coverage⁵⁾		26.0	20.1

1) The bond was repurchased in full as at 23 April 2013.

2) Due to exercising a call option, the bond was repurchased in full as at 11 June 2013.

3) Only 50 per cent of the interest expense on the hybrid bond is accounted for in the interest coverage calculation, reflecting the assumed equity component of the hybrid bond. The total interest expense for the hybrid bond amounted to €7.6 million in 2013.

4) Annual average

5) EBITDA / interest expense from financing activities (includes only 50 per cent of the interest on the hybrid bond)

Operating leases

Deutsche Börse Group uses operating leases, primarily for the office building in Eschborn, which the Group moved into in the second half of 2010, and for the buildings used by Clearstream International S.A. in Luxembourg (see [note 38 to the consolidated financial statements](#) for details).

Liquidity management

Deutsche Börse meets its operating liquidity requirements primarily by means of internal financing, i.e. by retaining generated funds. The aim is to provide liquidity corresponding to the operating costs for one quarter; this liquidity target currently ranges between €150 million and €250 million. There is an intra-Group cash pool for pooling surplus cash, as far as regulatory and legal provisions allow. All of the Group's cash investments are short-term in order to ensure rapid availability and are largely collateralised using liquid bonds from prime-rated issuers. Moreover, Deutsche Börse AG has access to external sources of financing, such as bilateral and syndicated credit lines, and a commercial paper programme (see [note 36 to the consolidated financial statements](#) for details on financial risk management). In the past years, Deutsche Börse AG has leveraged its access to the capital markets in order to meet its structural financing needs by issuing corporate bonds.

Capital management

As a rule, the Group aims to achieve a dividend distribution ratio of 40 to 60 per cent of adjusted consolidated net income. Moreover, it implements share buy-backs in order to distribute to its shareholders funds not required for the Group's operating business and its further development. This policy is determined at all times by the company's capital requirements, which depend on the legal and supervisory framework as well as requirements relating to its credit rating, economic capital and liquidity.

Customers expect their financial services provider to have conservative interest coverage and debt/equity ratios and to maintain strong credit ratings. Deutsche Börse Group therefore pursues its objective of achieving an interest coverage ratio (ratio of EBITDA to interest expenses from financing activities) of at least 16 at Group level and aims to achieve a ratio of interest-bearing gross debt to EBITDA of no more than 1.5 at Group level in order to meet the rating agencies' current requirements for an "AA" rating for Deutsche Börse AG. Adjusted for merger and acquisition costs and for costs of efficiency programmes, Deutsche Börse Group achieved an interest coverage ratio of 26.0 in the year under review (2013: 20.1). This figure is based on a relevant interest expense of €42.5 million and an adjusted EBITDA of €1,104.7 million. The significant year-on-year increase in the interest coverage ratio is attributable to the positive trend in the results of operations as well as the refinancing programme that started in 2012 and was successfully completed in the first quarter of 2013: the outstanding non-current liabilities that matured in 2013 were refinanced on extremely favourable terms, leading to a significant reduction in interest expenses. 2014 was the first full year to benefit from this positive effect, leading to another decline in finance costs compared with 2013. In the year under review, the Group achieved a ratio of interest-bearing gross debt to EBITDA of 1.47. This figure is based on gross debt of €1,628.3 million and an adjusted EBITDA of €1,104.7 million.

Clearstream Banking S.A.'s strong "AA" credit rating must likewise be maintained so as to ensure the continued success of the Clearstream segment, which is active in securities custody and settlement. Deutsche Börse AG also needs to maintain a strong credit profile for the benefit of activities at its Eurex Clearing AG subsidiary.

The interest coverage ratio is calculated using the interest expenses incurred to finance Deutsche Börse Group, among other factors, excluding interest costs relating to Group companies that also operate as financial institutions. These include Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG. Interest expenses that are not related to Group financing are not included in the interest coverage ratio.

Deutsche Börse AG has also publicly declared its intention to comply with certain additional key performance indicators that the company believes correspond to an AA rating. For example, tangible equity (equity less intangible assets) should not fall below €700 million at Clearstream International S.A. or €400 million at Clearstream Banking S.A. In the year under review, Clearstream International S.A. has met this key performance indicator with an amount of €1,034.3 million and Clearstream Banking S.A. with an amount of €1,000.5 million. For the Clearstream subgroup, the objective is to maintain an interest coverage ratio of at least 25, insofar as financial liabilities resulting from non-banking business exist. In the year under review, as in the previous year, Clearstream had no financial liabilities resulting from non-banking business. Consequently, no interest coverage ratio has been calculated.

Dividends and share buy-backs

Between 2005 and the end of 2014, Deutsche Börse Group returned a total of around €5.8 billion to its shareholders in the form of share buy-backs and dividends. In financial year 2014, it distributed a dividend of €386.6 million.

Of the some 46.1 million shares repurchased between 2005 and 2012, the company cancelled a total of around 30.6 million shares up to the end of 2014. Approximately 5.3 million shares were issued to SIX Group AG in order to settle 50 per cent of the purchase price for the acquisition of the shares of Eurex Zürich AG. 1.4 million shares were acquired by employees under the terms of the Group Share Plan (see [note 39 to the consolidated financial statements](#)). As at 31 December 2014, the remaining approximately 8.8 million shares were held by the company as treasury shares.

For financial year 2014, Deutsche Börse AG is proposing that the Annual General Meeting resolve to pay a dividend of €2.10 per no-par value share (2013: €2.10). This dividend corresponds to a distribution ratio of 58 per cent of consolidated net income, adjusted for the special factors described in the results of operations (2013: 61 per cent, also adjusted for special items). For 184.2 million no-par value shares bearing dividend rights, this would result in a total dividend of €386.8 million (2013: €386.6 million). The aggregate number of shares bearing dividend rights results from an ordinary share capital of 193.0 million shares, less 8.8 million treasury shares.

Relevant key performance indicators

	2014 €m	2013 €m
Tangible equity of Clearstream International S.A. (as at balance sheet date)	1,034.3	820.8
Tangible equity of Clearstream Banking S.A. (as at balance sheet date)	1,000.5	820.7

Credit ratings

	Long-term	Short-term
Deutsche Börse AG		
Standard & Poor's	AA	A-1+
Clearstream Banking S.A.		
Fitch	AA	F1+
Standard & Poor's	AA	A-1+

Bonds

The bonds issued in October 2012 and in March 2013, in an amount of €600 million each, allowed Deutsche Börse to refinance its outstanding non-current liabilities maturing in 2013 on extremely favourable terms. As a result, expenses for financial liabilities declined significantly, from around €86 million in 2013 to around €42 million in 2014.

Credit ratings

Deutsche Börse AG regularly has its credit quality reviewed by the Standard & Poor's (S&P) rating agency, while Clearstream Banking S.A. is rated by Fitch and S&P.

On 13 August, Standard & Poor's confirmed Deutsche Börse AG's "AA" credit rating and changed the outlook from negative to stable in light of the Group's structural growth prospects.

On 23 October 2014, Fitch Ratings confirmed Clearstream Banking S.A.'s "AA" credit rating with a stable outlook. The rating reflects the bank's strong management, very low risk appetite, combined with stringent risk control frameworks, prudent liquidity management and sound capitalisation.

As at 31 December 2014, Deutsche Börse AG was one of only two DAX-listed companies that had been awarded an AA rating by S&P. The ratings history of Deutsche Börse AG and Clearstream is presented in the [ten-year review](#).

Net assets

Deutsche Börse Group's non-current assets amounted to €11,267.2 million as at 31 December 2014 (2013: €8,796.9 million). They consisted primarily of intangible assets and financial assets as well as of financial instruments of the central counterparties. The financial instruments of the central counterparties, which amounted to €5,885.8 million, represented the largest item (2013: €4,058.6 million). This asset is matched by a liability in the same amount. The receivables and securities from banking business held by Deutsche Börse Group as financial assets rose to €1,305.0 million (2013: €1,178.3 million) and goodwill to €2,224.5 million (2013: €2,042.6 million).

Debt instruments of Deutsche Börse AG (outstanding as at 31 December 2014)

Type	Issue volume	ISIN	Term	Maturity	Coupon p.a.	Listing
Series A bond	US\$170 m	Private placement	7 years	June 2015	5.52 %	Unlisted
Series B bond	US\$220 m	Private placement	10 years	June 2018	5.86 %	Unlisted
Series C bond	US\$70 m	Private placement	12 years	June 2020	5.96 %	Unlisted
Fixed-rate bearer bond	€600 m	DE000A1RE1W1	10 years	Oct 2022	2.375 %	Luxembourg/ Frankfurt
Fixed-rate bearer bond	€600 m	DE000A1R1BC6	5 years	March 2018	1.125 %	Luxembourg/ Frankfurt

Current assets amounted to €204,640.9 million as at 31 December 2014 (2013: €180,513.0 million). The increase is attributable to the following factors:

- A rise in the financial instruments of the central counterparties item to €170,251.0 million (2013: €153,546.8 million).
- An increase in receivables and securities from banking business at Clearstream to €10,307.1 million (2013: €9,544.0 million)
- A growth in restricted bank balances to €22,283.5 million (2013: €16,221.7 million); this occurred primarily because clearing participants provided a greater volume of cash and less securities as collateral for Eurex Clearing AG in the year under review.

Assets were financed by equity in the amount of €3,752.1 million (2013: €3,268.0 million) and liabilities in the amount of €212,156.0 million (2013: €186,041.9 million). The increase in equity compared with 31 December 2013 is mainly attributable to the rise in accumulated profit to €2,446.6 million (2013: €2,011.8 million).

Non-current liabilities rose to €7,962.5 million (2013: €6,019.9 million), primarily because the amount of €4,058.6 million reported under financial instruments of the central counterparties for 2013 rose to €5,885.8 million for the year under review. This liability is matched by an asset in the same amount.

Interest-bearing liabilities declined to €1,428.5 million (2013: €1,521.9 million). The reason for the decline is that bonds of €139.8 million maturing in June 2015 were reclassified to “other current liabilities”.

Current liabilities amounted to €204,193.5 million (2013: €180,022.0 million). The main changes in current liabilities occurred in the following items:

- An increase in the financial instruments of the central counterparties item to €169,001.9 million (2013: €153,046.8 million).
- A growth in liabilities from cash deposits by market participants to €22,282.4 million (2013: €16,221.7 million) as a result of higher cash collateral provided by the clearing members of Eurex Clearing AG; the amount increased primarily because clearing participants provided a relatively greater volume of cash compared to securities as collateral for Eurex Clearing AG.
- A rise in liabilities from banking business at Clearstream to €11,487.1 million (2013: €9,725.3 million)

Overall, Deutsche Börse Group invested €133.5 million in intangible assets and property, plant and equipment (capital expenditure or capex) in the year under review (2013: €127.6 million). The Group's largest investments were made in the Clearstream and Eurex segments.

Working capital

Working capital comprises current assets less current liabilities, excluding technical closing date balance sheet items and commercial paper. Current assets excluding technical closing date items amounted to €973.2 million (2013: €572.6 million). As Deutsche Börse Group collects fees for most of its services on a monthly basis, the trade receivables of €342.9 million included in the current assets as at 31 December 2014 (31 December 2013: €218.8 million) were relatively low compared with net revenue. The current liabilities of the Group, excluding technical closing date items, amounted to €1,421.4 million (2013: €1,028.1 million, excluding technical closing date items). The Group therefore had negative working capital of €–448.9 million at the end of the year (2013: €–455.5 million).

Technical closing date balance sheet items

The “receivables and securities from banking business” and “liabilities from banking business” balance sheet items are technical closing date items that were strongly correlated in the year under review and that fluctuated between approximately €11 billion and €17 billion (2013: between €9 billion and €15 billion). These amounts mainly represent customer balances in Clearstream’s international settlement business.

The “financial instruments of Eurex Clearing AG” balance sheet item relates to the function performed by Eurex Clearing AG: since the latter acts as the central counterparty for Deutsche Börse Group’s various markets, its financial instruments are carried in the balance sheet at their fair value. The financial instruments of Eurex Clearing AG are described in detail in the [risk report](#) and in [notes 3, 15 and 36 to the consolidated financial statements](#).

Market participants linked to Eurex Clearing provide collateral partly in the form of cash deposits, which are subject to daily adjustments. The cash deposits are generally invested on a secured basis overnight by Eurex Clearing AG and reported in the balance sheet under “restricted bank balances”. The total value of cash deposits at the balance sheet dates relevant for the year under review (31 March, 30 June, 30 September, 31 December) varied between €19.6 billion and €24.8 billion (2013: between €16.2 billion and €17.7 billion).

Deutsche Börse Group: ten-year review

		2005	2006	2007
Consolidated income statement				
Net revenue	€m	1,616.4	1,899.6	2,416.0
thereof net interest income from banking business	€m	112.7	150.7	230.8
Operating costs	€m	-910.9	-879.1	-1,075.2
Earnings before interest and tax (EBIT)	€m	705.0	1,027.5	1,345.9
Net income	€m	427.4	668.7	911.7
Earnings per share (basic)	€	2.00 ²⁾	3.36 ²⁾	4.70
Consolidated cash flow statement				
Cash flows from operating activities	€m	667.7	843.4	839.6
Consolidated balance sheet				
Non-current assets	€m	2,007.8	1,907.6	4,164.0
Equity	€m	2,200.8	2,283.3	2,690.2
Non-current interest-bearing liabilities	€m	501.6	499.9	501.0 ³⁾
Performance indicators				
Dividend per share	€	1.05 ²⁾	1.70 ²⁾	2.10
Dividend payout ratio	%	49	50	51
Employees (average annual FTEs)		2,979	2,739	2,854
Personnel expense ratio (staff costs/net revenue)	%	25	22	23
EBIT margin, based on net revenue	%	44	54	56
Tax rate	%	38.0	36.0	36.0
Return on shareholders' equity (annual average) ¹⁶⁾	%	18	30	39
The shares				
Closing price of Deutsche Börse shares	€	43.28 ²⁾	69.71 ²⁾	135.75
Average market capitalisation	€bn	7.5	11.7	18.4
Rating key figures				
Gross debt / EBITDA		0.6	0.4	0
Interest coverage ratio	%	n.a.	58.5	64.4
Deutsche Börse AG: Standard & Poor's	Rating	AA	AA	AA
Clearstream Banking S.A.: Standard & Poor's	Rating	AA	AA	AA
Fitch	Rating	AA	AA	AA
Market indicators				
Xetra, Frankfurt Stock Exchange and Tradegate (since 2010)				
Trading volume	€bn	1,125.5	1,695.3	2,552.5
Eurex				
Number of contracts	m	1,248.7	1,526.8	2,704.3 ¹⁷⁾
Clearstream				
Value of securities deposited (annual average)	€bn	8,752 ¹⁹⁾	9,203 ¹⁹⁾	10,504
Number of transactions	m	53.9 ²⁰⁾	104.7	123.1
Global Securities Financing (average outstanding volume for the period)	€bn	210.9 ²¹⁾	301.2 ²¹⁾	332.7

1) Amount restated to reflect the transition of the accounting policies for defined benefit obligations to the revised IAS 19 2) Amount restated to reflect the capital increase in 2007 3) Thereof €449.8 million are reported under "Other current liabilities" 4) Bonds that will mature in the following year are reported under "Other current liabilities" (2012: €577.4 million; 2014: €139.8 million). 5) Proposal to the Annual General Meeting 2015 6) Adjusted for the ISE impairment charge 7) Adjusted for the costs of efficiency programmes 8) Adjusted for the costs of mergers and acquisitions and of efficiency programmes 9) Figure based on the proposal to the 2015 Annual General Meeting 10) Adjusted for the costs of the OFAC settlement 11) Adjusted for tax relief resulting from the ISE impairment charge in 2009 12) Adjusted for tax relief resulting from the ISE impairment charge in 2010 and adjusted for €20 million interest on expected tax payments 13) Adjusted for the non-taxable income related to the revaluation of the share component of the purchase price paid for the acquisition of the shares in Eurex Zürich AG held by SIX Group

	2008	2009	2010	2011	2012	2013	2014
	2,497.4	2,039.4	2,015.8	2,121.4	1,932.3	1,912.3	2,043.0
	236.8	97.4	59.4	75.1	52.0	35.9	32.8
	-994.8	-1,396.8	-1,500.2	-962.2 ¹⁾	-958.6	-1,182.8	-1,114.8
	1,508.4	637.8	527.8	1,162.8 ¹⁾	969.4	738.8	1,006.5
	1,033.3	496.1	417.8	855.2	645.0	478.4	762.3
	5.42	2.67	2.25	4.60	3.44	2.60	4.14
	1,278.9	801.5	943.9	785.6	707.7	728.3	677.3
	4,544.9	5,251.0	5,069.5	5,020.3 ¹⁾	5,113.9	8,796.9	11,267.2
	2,978.3	3,338.8	3,410.3	3,132.6 ¹⁾	3,169.6	3,268.0	3,752.1
	1,512.9	1,514.9	1,455.2	1,458.3	1,737.4 ⁴⁾	1,521.9	1,568.3 ⁴⁾
	2.10	2.10	2.10	2.30	2.10	2.10	2.10 ⁵⁾
	38	56 ⁶⁾	54 ⁶⁾⁷⁾	52 ⁸⁾¹³⁾	58 ⁸⁾¹³⁾¹⁴⁾¹⁶⁾	61	58 ⁹⁾
	3,115	3,333	3,300	3,278	3,416	3,515	3,911
	17	19	20 ⁷⁾	19 ⁷⁾	21 ⁸⁾	22 ¹⁰⁾	23 ²²⁾
	60	31	26	55	50	39	49
	28.5	26.9 ¹¹⁾	26.9 ¹²⁾	26.0 ¹³⁾	26.0 ¹⁴⁾	26.0 ¹⁰⁾¹⁵⁾	26.0 ²³⁾
	41	18	14	30	22	21	21
	50.80	58.00	51.80	40.51	46.21	60.20	59.22
	16.0	10.2	10.1	9.6	8.5	10.0	10.8
	1.0	1.3 ⁶⁾	1.2 ⁶⁾⁷⁾	1.1 ⁸⁾	1.6 ⁸⁾	1.5 ⁸⁾	1.5 ⁸⁾
	18.9	15.8	16.8 ¹¹⁾	19.0 ⁹⁾	15.2 ⁸⁾	20.1 ⁸⁾	26.0 ⁸⁾
	AA	AA	AA	AA	AA	AA	AA
	AA	AA	AA	AA	AA	AA	AA
	AA	AA	AA	AA	AA	AA	AA
	2,229.1	1,120.6	1,333.3	1,511.2	1,160.2	1,157.6 ¹⁸⁾	1,282.6 ¹⁸⁾
	3,172.7	2,647.4	2,642.1	2,821.5	2,292.0	2,191.9	2,097.9
	10,637	10,346	10,897	11,106	11,111	11,626	12,215
	114.3	102.0	116.4	126.3	113.9	121.0	126.3
	398.8	483.6	521.6	592.2	570.3	576.5	609.8

14) Adjusted for expenses related to the revaluation of the share component of the purchase price paid for the acquisition of the shares in Eurex Zürich AG held by SIX Group, a one-off income from the reversal of deferred tax liabilities for STOXX Ltd. based on a decision by the Swiss Financial Supervisory Authority and a one-off income from the recognition of deferred tax assets resulting from the future possible offsetting of losses carried forward by Eurex Global Derivatives AG 15) Adjusted for the initial recognition of deferred taxes on tax loss carry forwards of a Group company 16) Net income / average shareholders' equity for the financial year based on the quarter-end shareholders' equity balance 17) Pro forma figure including US options of ISE 18) Since Q3/2013, figure includes warrants and certificates due to the consolidation of Börse Frankfurt Zertifikate AG. 19) Value of assets under custody on 31 December 20) Due to a change in the statistical reporting procedure in 2007, the figures are only comparable to a limited extent with those from 2006 onwards. 21) Average outstanding volume in December of the year 22) Adjusted for efficiency programme effects and costs incurred with the change of CEO planned for 2015 23) Adjusted for a one-off gain, which is attributable to the dissolution of the financing structure established in connection with the acquisition of ISE, and a one-off expense, which is mainly attributable to the reduction in deferred tax assets in respect of a tax loss carryforward.

Value added: breakdown of enterprise performance ^{CR}

Deutsche Börse Group's commercial activity contributes to private and public income – this contribution is made transparent in the value added statement. Value added is calculated by subtracting depreciation, amortisation and impairment charges and third-party costs from the enterprise performance. In 2014, the value added by Deutsche Börse Group amounted to €1,478,4 million (2013: €1,201.1 million). The breakdown of value added shows that large portions of the revenue generated flow back into the economy: 27 per cent (€402.5 million) benefited shareholders in the form of dividend payments, while 32 per cent (€472.4 million) were personnel costs in the form of salaries and other remuneration components. Taxes accounted for 12 per cent (€174.9 million), while 3 per cent (€42.5 million) was attributable to lenders. The 26 per cent value added that remained in the company (€386.1 million) is available for investments in growth initiatives, for example (see the [charts below](#)).

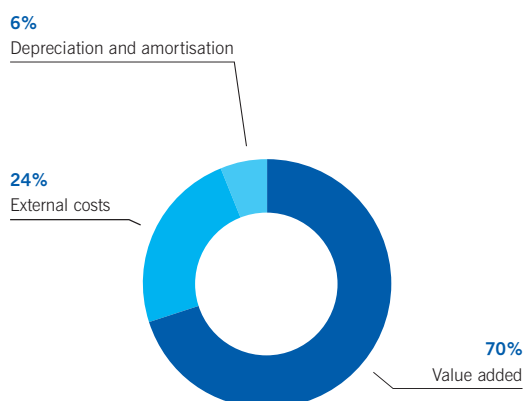
Overall assessment of the economic position by the Executive Board

Deutsche Börse Group's results of operations in financial year 2014 were within the range expected by the Executive Board despite the continuing difficult economic conditions and market uncertainty. The Group's net revenue increased by 7 per cent in total. Operating costs were pushed up by special factors, although these factors were significantly lower than in 2013. The most significant items were efficiency programme costs and merger and acquisition costs. As expected, adjusted operating costs were up on the previous year because of consolidation effects and higher investments in growth initiatives. The Group's EBIT and net income after the above adjustments also slightly exceeded the prior-year figures.

The Executive Board believes that Deutsche Börse Group's financial position was extremely sound in the year under review. As in the previous year, the company generated high operating cash flows. The slight increase in EBIT and the significant reduction in interest expenses following the successful refinancing of long-term financial liabilities meant that the interest coverage ratio clearly exceeded the target of at least 16 at Group level, at 26.0. In addition, Deutsche Börse aims to achieve a ratio of interest-bearing gross debt to EBITDA of no more than 1.5 at Group level. This target was also met.

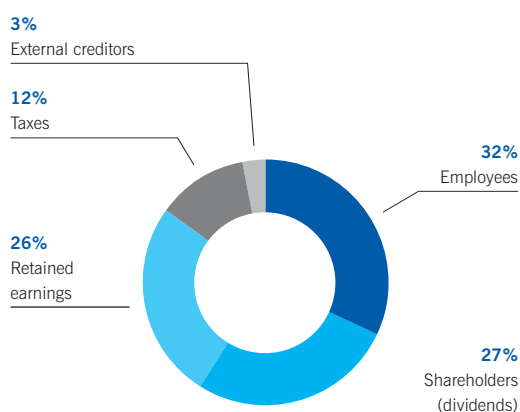
Origination of value added

Company performance: €2,120 million



Distribution of value added

Value added: €1,478 million



Rating agencies once again confirmed the Group's credit quality by awarding it excellent ratings in 2014. On 13 August, Standard & Poor's confirmed Deutsche Börse AG's "AA" credit rating and changed the outlook from negative to stable in light of the Group's structural growth prospects. Moreover, on 23 October 2014, Fitch Ratings confirmed Clearstream Banking S.A.'s "AA" rating with a stable outlook.

Deutsche Börse AG has offered its shareholders attractive returns for years – and financial year 2014 is no exception. At €2.10, the dividend proposed for distribution to shareholders is at the previous year's level. In addition, the distribution ratio decreased slightly as a result of the improvement in earnings, falling from 61 per cent in the previous year to 58 per cent in the year under review (adjusted for special items in both cases). This puts it near the upper end of the Executive Board's target range of between 40 and 60 per cent.

Net assets, financial position and results of operation of the Group can be assessed as orderly.

Report on post-balance sheet date events

There were no material events after the balance sheet date.

Non-financial key performance indicators ^{CR}

Employees ^{CR}

Committed, highly skilled employees are one of the cornerstones of Deutsche Börse Group's business success. They shape the corporate culture with their sense of responsibility, their dedication and flexibility, as well as their will to deliver outstanding performance. Deutsche Börse Group aims to make sure that staff with these qualities continue to join the company in the future and, ideally, that they stay for the long term. This is why it continues to adopt a sustainable human resources policy.

Deutsche Börse Group employs an international workforce at 24 locations worldwide: as at 31 December 2014, Deutsche Börse Group had 4,540 employees (31 December 2013: 3,811), while the average number of employees in the year under review was 4,183 (2013: 3,751). The increase in the number of employees is largely due to the acquisition of Clearstream Global Securities Services (formerly Citco Global Securities Services, +300) as well as the consolidation of European Energy Exchange

Employees per countries/regions

	31 Dec 2014	%
Germany	1,917	42.2
Luxembourg	1,028	22.6
Czech Republic	540	11.9
Ireland	291	6.4
United Kingdom	144	3.2
Rest of Europe	159	3.5
North America	305	6.7
Asia	148	3.3
Middle East	8	0.2
Total	4,540	100

Employees by segment

	31 Dec 2014	31 Dec 2013
Xetra	305	330
Eurex	1,332	1,018
Clearstream	2,228	1,818
Market Data + Services	675	645
Total	4,540	3,811

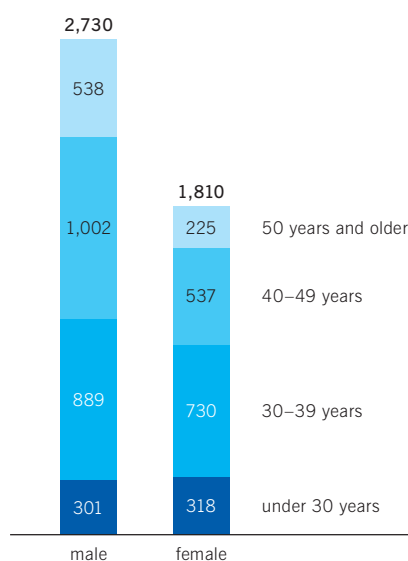
(+206) and Impendium Systems (+13). In addition, new jobs were created in connection with strategically important projects, such as the initiatives at Eurex Clearing AG and Clearstream, and the risk management and compliance functions were expanded. In total, this led to an increase in the number of people employed in Frankfurt/Eschborn and Luxembourg, despite the fact that certain activities were re-located from these locations to Prague and Singapore in the year under review.

To recruit and retain the best talent for the company, Deutsche Börse Group offers flexible working time models. Including part-time employees, there was an average of 3,911 full-time equivalents during the year (2013: 3,515). As at 31 December 2014, the proportion of part-time employees was higher in the general workforce than in management, and it was higher among women than among men.

The company aims to ensure that 20 per cent of upper and middle management positions and 30 per cent of lower management positions are occupied by women by 2020. As at 31 December 2014, the proportion of such positions filled by women at Deutsche Börse Group worldwide stood at 15.3 per cent for upper and middle management positions (2013: 14.8 per cent), and 24.1 per cent for lower management positions (2013: 21.7 per cent). The figures for Germany were 14.2 per cent (2013: 13.8 per cent) and 19.7 per cent (2013: 17.5 per cent) respectively. Since the year under review, the Group's upper and middle management has also included employees whose personal career paths involve performing management functions without assuming any personnel responsibility; the previous year's figures have been adjusted accordingly. In order to increase the proportion of women in management positions, specific attention is paid to ensuring that nominations for management positions also include women. However, as a matter of principle, positions are filled on the basis of qualifications. Deutsche Börse Group also offers a variety of other instruments to develop female employees: active succession planning, an external and internal mentoring programme, a women's network as well as coaching and training specifically for women. Eleven of the current 20 members of the "high potential circle", Deutsche Börse Group's programme for growing potential management talent, are female (55 per cent). In addi-

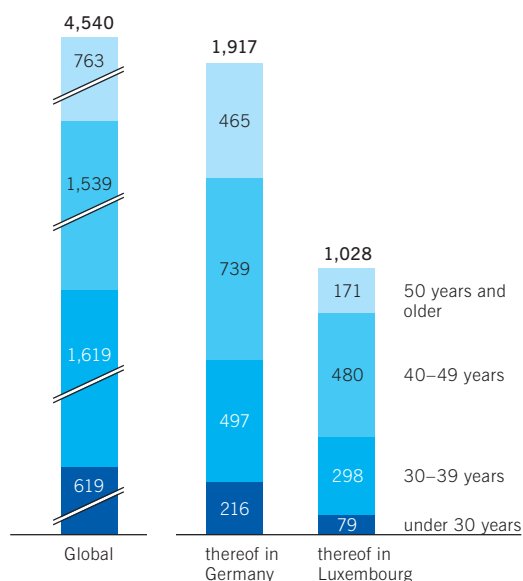
Deutsche Börse Group employees' age structure

by gender



Deutsche Börse Group employees' age structure

by location



tion, the issue of whether there are any remuneration differences between women and men is the subject of regular analysis. This has not identified any systematic disadvantages for women or men. Rather, differences in remuneration are due to qualifications, years of service and function.

The company offers a number of options designed to achieve a good work-life balance as part of its Job, Life & Family initiative:

- Option to work from home (teleworking)
- Childcare service for emergencies and during school holidays; this service was used in Germany on a total of 104 days
- An emergency parent-child office at the Eschborn, Luxembourg and Prague locations
- Reservation of places for employees' children aged between six months and three years at a daycare centre for children in Eschborn; the number of dedicated places depends on demand in the company

Key figures on Deutsche Börse Group's workforce as at 31 December 2014

	Global			thereof in Germany			thereof in Luxembourg		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	2,730	1,810	4,540	1,188	729	1,917	635	393	1,028
Upper and middle management	183	25	208	114	14	128	47	9	56
Lower management	221	70	291	110	27	137	57	21	78
Staff	2,326	1,715	4,041	964	688	1,652	531	363	894
Part-time employees	70	383	453	43	231	274	24	130	154
Upper and middle management	1	3	4	1	2	3	0	1	1
Lower management	2	11	13	2	3	5	0	6	6
Staff	67	369	436	40	226	266	24	123	147
Disabled employees	30	23	53	27	22	49	3	0	3
Proportion of graduates (%)	69	61	66	72	60	68	56	50	54
Apprentices	8	11	19	8	11	19	–	–	–
Interns and students ¹⁾	139	159	298	130	144	274	7	6	13
Length of service									
Under 5 years (%)	34	37	35	28	32	30	16	21	18
5 – 15 years (%)	45	44	45	44	42	43	54	46	51
Over 15 years (%)	21	19	20	28	26	27	30	33	31
Staff turnover									
Joiners	291	222	513	130	79	209	50	34	84
Leavers	151	98	249	60	26	86	27	12	39
Training days per staff member	2.5	3.0	2.7	2.8	3.1	2.9	2.8	3.8	3.2
Promotions	142	77	219	84	42	126	42	21	63
Employees covered by collective bargaining agreements	1,469	992	2,461	934	622	1,556	535	370	905

1) The global figures reported here refer solely to the locations in Germany, Luxembourg and the Czech Republic; this corresponds to 77 per cent of Group staff.

- An “Elder and Family Care” programme to facilitate care for family members requiring care
- The ability to take sabbaticals – this option was used by four employees in Prague and Luxembourg in 2014

A total of 33 male and 82 female employees took parental leave in financial year 2014, including four male and no female employees in management positions. In the year under review, 34 male and 73 female employees returned to the company after taking parental leave, while two male and one female employees left the company after their parental leave.

In the year under review, Deutsche Börse Group supported its employees by subsidising childcare in the amount of €786 thousand (2013: €742 thousand). All employees receive a monthly net sum of up to €255.65 per child until it is six years old or starts school.

In addition, specialist presentations, workshops and coaching offer employees information and advice on how to achieve a positive work-life balance. One of the aims of these measures is to ensure that employees remain healthy despite high workloads and that the sickness rate in the company remains as low as possible. In this context, a variety of new health initiatives were launched in the year under review with a focus on stress prevention (e.g. measuring heart rate variability and autogenic training). Deutsche Börse Group’s sickness rate was 2.7 per cent in the reporting period (2013: 3.4 per cent).

Deutsche Börse Group was commended as a “family-friendly employer 2014” by the Czech Republic thanks to its multicultural corporate culture and the many different activities in its Job, Life & Family initiative.

As at 31 December 2014, 66.2 per cent of Deutsche Börse Group employees were graduates (2013: 63.8 per cent). This figure is calculated on the basis of the number of employees holding a degree from a university, university of applied sciences or professional academy; it also includes employees who have completed comparable studies abroad. In the area of continuing professional development, the Group invested an average total of 2.7 days per employee in 2014 (2013: 2.7 days) and, among other things, conducted 713 internal training events. Out of this total, 43 per cent related to business content, 23 per cent covered specialist topics, 17 per cent dealt with aspects of the work-life balance, 12 per cent was attributable to IT and 5 per cent to induction training.

Staff costs per employee, adjusted for efficiency programme costs, remained stable at around €118 thousand (2013: €118 thousand). Deutsche Börse Group’s Executive Board resolved a voluntary salary increase of 2.5 per cent in Germany in financial year 2014. Salaries were also adjusted at the Group’s other locations.

The average age of Deutsche Börse Group’s employees at the end of the year under review was 40.0 years (2013: 40.6 years). The [“Deutsche Börse Group employees’ age structure” charts](#) show the employee age structure as at 31 December 2014. In the course of the year, a total of 192 employees left Deutsche Börse Group (not including colleagues who accepted one of the company’s offers under the efficiency programmes and left the company or took early retirement). A total of 513 people joined the Group (excluding consolidation effects). The staff turnover rate was 4.6 per cent (adjusted: 6.0 per cent) and therefore up slightly on the previous year (2013: 4.5 per cent, respectively 5.9 per cent). The average length of service at the end of the year under review was 10.3 years (2013: 10.9 years).

Global employee survey provides important inputs

At the end of 2013, Deutsche Börse Group conducted an employee survey, in which 81.6 per cent of the workforce took part. From the employees' perspective, the Group's strengths are customer focus, product and service quality and the working environment. At the same time, the survey identified areas for improvement. A project group deployed following the survey defined a total of about 400 follow-up measures, which have been launched at group, segment, or department level to address the perceived areas for improvement. According to feedback received from managers, 80 per cent of the defined measures had been implemented by the end of the year. The issues of the Group-wide measures were concentrated around three areas:

- Broader base for the company's strategic orientation. Various communication formats were used to improve the flow of information. They included staff meetings at which the Chief Executive Officer addressed the workforce directly and, in smaller groups, strategic dialogues between members of the Executive Board and employees. The communication of the company's strategic orientation was intensified by video, in the intranet and through print materials.
- Greater horizontal cooperation between segments. The solutions the company developed to deal with this issue, which the survey had highlighted as a key concern, include a "lunch-dating tool", which brings colleagues from different areas together for a joint lunch. In addition, the corporate volunteering programme was expanded to give employees more opportunities to get involved in charitable activities. Deutsche Börse Group grants each employee two days of special leave to take part in selected corporate volunteering projects. Further improvements in IT support, e.g. through the introduction of a dynamic organisation chart, make it easier for employees to communicate across locations.
- Staff management and development. The Group also benefited from the results of the survey in the area of staff management. Over a period of three weeks, more than 1,000 employees visited "People Principles", an internal online forum, where they discussed guidelines for ethical behaviour among colleagues. The principles the discussion highlighted as the most important for employees will be implemented in the company through workshops and other initiatives from the beginning of 2015 onwards in order to put them into practice in everyday work. Staff dialogues will in future lay greater emphasis on individual development planning and on encouraging internal mobility, e.g. through systematic job rotation.

This selection of follow-up projects shows some examples of the different insights gained from the employee survey. The next survey is planned for the end of 2015.

Corporate responsibility

Deutsche Börse's corporate responsibility (CR) strategy, "Growing responsibly", defines what it means by corporate responsibility and lays down the scope of activity for the entire Group. Deutsche Börse Group focuses its activities in this field on three guiding principles: it aims to build trust, lead by example and sharpen the public's perception of the company.

Building trust

As a key capital market organiser, Deutsche Börse's role is to provide a stable technological infrastructure and legal certainty on the markets it organises and thereby to ensure fair trading. In addition, it aims to

ensure that sustainability information is more transparent and more readily available to market participants in order to promote holistic, responsible investment strategies.

Sustainable index products

Deutsche Börse Group develops index products that are used by investors as a basis for sustainable investments. The aim is to increase capital market transparency by improving the information available and offering a diverse index portfolio. The indices focus the attention of capital market participants on companies engaging in sustainable business practices.

In 2014, STOXX Ltd., a subsidiary of Deutsche Börse AG, expanded its range of sustainability indices to a total of 20. In addition to the existing index families STOXX ESG Leaders (ESG stands for “Environment, Social, Governance”), STOXX Europe Sustainability and STOXX SD-KPI, one new index, the iSTOXX Global ESG Select 100, has been introduced. This new strategy index selects the companies with the lowest volatility and the highest dividend yields from the STOXX Global ESG Leaders Index.

In addition, STOXX calculates and markets other indices that track sustainable investments for the German and Swiss markets: an alliance with Sarasin, a Swiss private bank known in particular for its sustainability research, has resulted in the DAXglobal® Sarasin Sustainability Indices for Germany and Switzerland.

Emissions trading

The Leipzig-based European Energy Exchange (EEX) operates a regulated and transparent marketplace for trading greenhouse gas (CO₂) emissions certificates. Emission rights trading helps market participants to meet their obligations to reduce greenhouse gas emissions in the EU's emission rights trading system. In particular, it permits efficient implementation of the reduction targets agreed in the Kyoto Protocol and enables market participants to hedge against market-specific risks.

Information media and transparency

In September 2014, EEX launched a new transparency website: at www.eex-transparency.com, users can access comprehensive fundamental data and information relevant to wholesale energy trading. The website updates the previous EEX transparency platform, “Transparency in Energy Markets”, and provides information on the capacity, use and availability of power-generating plants. In addition, it gives details of power storage and natural gas consumption. As a result, the website expands EEX's offering for market participants, allowing them to make timely and effective disclosures in accordance with the EU regulation on wholesale energy market integrity and transparency (REMIT).

Deutsche Börse AG shares in sustainability indices

Sustainability indices and ratings assess the reporting and performance of companies in the area of sustainability. They measure ecological, social and corporate governance performance and rate companies' end-to-end management of opportunities and risks. For investors with a focus on sustainability, the results of these ratings increasingly play a role in their assessment of companies on the capital markets. Deutsche Börse Group is regularly analysed by service providers, such as Robeco SAM, Sustainalytics, EIRIS, oekom, Vigeo and Sarasin. It has performed well in various sustainability ratings and rankings, and this has repeatedly led to Deutsche Börse shares being included in the following sustainability indices:

- Advanced Sustainability Performance Indices (ASPI) Eurozone Index: since 2003; based on Vigeo rating
- Carbon Disclosure Leadership Index (CDLI): since 2009; result of CDP rating: 97 out of 100; included in the CDLI DACH (Germany, Austria, Switzerland)
- Dow Jones Sustainability Indices (DJSI) Europe: since 2005; result of Robeco SAM rating: total score 60; average sector score 44
- ECPI Euro Ethical Equity Index: since 2008; ECPI EMU Ethical Equity Index: since 2008; ECPI Global Developed ESG Best in Class Equity Index: since 2013 (launch year); result of ECPI ESG rating
- Ethibel Sustainability Index Excellence Europe (ESI): since 2013; based on Forum Ethibel rating (part of Vigeo)
- Euronext Vigeo – Europe 120 Index: since 2014; Euronext Vigeo – Eurozone 120 Index: since 2014; based on Vigeo rating
- FTSE4Good Indices (Global and Europe): since 2009; result of FTSE ESG rating: total score 4 out of 5; supersector relative: 100 out of 100
- MSCI World ESG Index: since 2010; MSCI ACWI ESG Indices (World and EM): since 2010; based on MSCI ESG Research
- PAX Ellevest Global Women’s Index (PXWEX): since 2014; based on MSCI ESG Research
- STOXX ESG Leaders Index: since 2011 (launch year). The entirely rule-based and transparent STOXX rating model means that there is no conflict of interests; result of Sustainalytics rating: total score of 69 (E: 67, S: 72, G: 69), ranking: 6th out of 96 companies
- STOXX Sustainability Indices (Europe and euro zone): since 2001. The entirely rule-based and transparent STOXX rating model means that there is no conflict of interests; based on Bank Sarasin analyses

Leading by example CR

Deutsche Börse Group is committed to a style of corporate management that takes social, ethical and ecological aspects into account when implementing its economic objectives. As a listed company, it has a duty to consistently monitor its own sustainability management and raise its profile through holistic corporate reporting in order to establish itself as an exemplary player in the market.

Responsible employer

As a service provider, Deutsche Börse Group takes its responsibility as an employer especially seriously, because its business success is founded on the commitment and performance of its staff. Among other things, the goals of its human resources policy include improving the work-life balance and specifically promoting diversity. (For details, see the [☒ “Employees” section.](#))

Guidance for employees

Important basic principles and values forming part of the Deutsche Börse Group’s corporate culture are set out in its mission, corporate values, people principles as well as a code of ethics for employees. These policies provide guidance for all employees at every level of the Group. This includes, as a matter of course, respect for human rights and employee rights. For example, Deutsche Börse Group complies with international agreements such as the United Nations Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the standards issued by the International Labour Organisation of the United Nations (ILO). In addition, it has undertaken to implement the ten principles of the UN Global Compact in the areas of human rights, labour standards, the environment and anti-corruption throughout the Group. Employees receive mandatory introductory training in this area. In 2014, six 16 hour-training sessions took place and were attended by a total of 159 employees.

Code of conduct for suppliers

Deutsche Börse Group's suppliers and external service providers have to meet minimum ecological, ethical and social requirements. Deutsche Börse Group selects the minimum social standards primarily on the basis of the basic principles of the ILO. A sustainability agreement, which has been in place since the end of 2009, describes the principles and requirements Deutsche Börse Group imposes on its suppliers in the procurement of products and on its external service providers in the provision of services in relation to their responsibility for people and the environment. The agreement also requires mandatory compliance with basic legal principles and rules of conduct, such as respect for human rights and employee rights. Suppliers accounting for around 94.7 per cent of the Group's global purchasing volume had signed this sustainability agreement by the end of 2014, or submitted voluntary obligations that cover or exceed the requirements listed. Deutsche Börse Group expects its suppliers and external service providers to take serious efforts to meet the requirements of the sustainability agreement themselves and in turn to impose them on their own suppliers and external service providers.

Energy-efficient IT management

Deutsche Börse Group fulfils its role as marketplace organiser primarily by developing and operating IT solutions. For this reason, IT management is an area that offers particular potential for improving sustainability performance. The guiding principle behind sustainable IT management at Deutsche Börse Group is to achieve the maximum possible operating efficiency, i.e. to optimise server and storage system utilisation and reduce back-up systems to the extent that market requirements for system security and speed permit. Another objective is to ensure that the servers currently being deployed are used continuously if possible by actively balancing the load. In addition, Deutsche Börse Group sets the highest standards for housing the servers. The premises are selected for this purpose not only on the basis of efficiency aspects, they also have to meet ecological standards. In 2014, the cooling system at the data centre at the Frankfurt-Hausen location was replaced; the use of energy-efficient components has reduced energy consumption at the site by more than 10 per cent (around 1.5 million kWh). Outside the data centres, too, the focus is on sustainable, energy-efficient IT solutions. For example, Deutsche Börse uses thin clients (network computers without hard drives) throughout the Group and selects the hardware (awarded the "Energy Star" label) specifically for its long lifespan and ecological certification.

Resource-efficient business ecology

For Deutsche Börse Group, environmental protection is an unconditional commitment to preserving the natural environment and resources. The Group aims to record its own "ecological footprint" as accurately as possible and to steadily reduce it. Facility management is highly relevant in this regard. In October 2014, Deutsche Börse Group received the Climate Action Award presented by the Carbon Disclosure Project (CDP). This year, the award, which recognises special individual achievements, went to the two companies with the highest percentage reductions in emissions.

Other initiatives to improve the Group's business ecology focus on reducing greenhouse gas emissions, water and paper consumption and waste. They include:

- Using shuttle buses between the Eschborn and Luxembourg sites to cut down on individual trips
- Offering job tickets for local public transport to staff in Eschborn

- Using videoconferencing instead of business travel
- Automatically presetting printers for double-sided printing
- Reducing the number of printed publications
- Sending letters and parcels at the Frankfurt site and parcels at the Luxembourg site via the Deutsche Post and DHL “Go Green” initiative
- Inclusion of electric vehicles in the list of eligible company cars
- Electric charging stations for electric cars and bicycles

Responsible procurement

Starting with the materials procurement stage, Deutsche Börse Group makes sure it buys exclusively environmentally compatible products wherever possible. These include FSC paper, recycled toner and other office consumables, as well as small appliances that have been awarded “Blue Angel” or “Energy Star” environmental certification.

Corporate responsibility: key figures for Deutsche Börse Group

		2014	2013
Transparency			
Proportion of companies reporting in accordance with maximum transparency standards ¹⁾	%	82	81
Number of calculated indices		10,825	10,513
Number of sustainable index concepts		25	23
Security and reliability			
System availability of cash market trading system (Xetra®)	%	99.981	99.999
System availability of derivatives market trading system (T7)	%	99.986	99.969
Market risk cleared via Eurex Clearing (gross monthly average)	€bn	16,343	15,861
Supplier management			
Share of revenue generated with suppliers/service providers that have signed the Code of Conduct or have made voluntary commitments over and above those required under the Code	%	94.7	95.3
Compliance			
Punished cases of corruption		0	0
Proportion of business units reviewed for corruption risk	%	100	100
Number of employees trained in anti-corruption measures ²⁾		518	372
Number of justified customer complaints relating to data protection		0	0
Environment			
Energy consumption ³⁾	MWh	69,901	74,662
Greenhouse gas emissions	t	13,200	20,437
thereof travel-based greenhouse gas emissions	t	7,111	6,222
Water consumption ⁴⁾	m ³	70,049	67,932
Paper consumption ⁵⁾	t	105	101
Cash value of material administrative fines and total number of non-monetary penalties due to non-compliance with legal requirements in the environmental area	€	0	0
Corporate citizenship			
Corporate responsibility project expenses per employee ⁶⁾	€	620	730
Corporate volunteering days per employee	days	2	2

1) Ratio of the market capitalisation of companies listed in the Prime Standard (shares) to the market capitalisation of all companies listed on the Frankfurter Wertpapierbörse (FWB®, Frankfurt Stock Exchange) 2) In addition to initial training for new recruits, compliance training is performed at two-year intervals. As a result, the number of employees may differ significantly in a direct year-on-year comparison. 3) The energy consumption reported comprises direct and indirect energy consumption. 4) The water consumption reported comprises only the volume of water sourced from municipal utilities. 5) The paper consumption reported only relates to office requirements. 6) For memberships, donations, sponsoring and communication; does not include social benefits or special leave expenses for corporate volunteering

Sharpen the public's perception ^{CR}

Deutsche Börse Group sees itself as a corporate citizen. It is committed to fulfilling this role especially at its locations and supports a large number of projects in this regard. During the selection process, it gives priority to ideas and concepts that are particularly innovative and encourage its staff to get involved. All charitable contributions throughout the Group are subject to corporate citizenship guidelines adopted by the Executive Board. They provide a binding framework that determines the nature and proper handling of contributions and specify that sports, private individuals, religious institutions and political parties are not eligible for support (the only exception is the Political Action Committee of its ISE subsidiary).

Phineo

Phineo gAG, a non-profit analysis and consulting firm for good corporate citizenship, was established by Deutsche Börse Group and Bertelsmann Stiftung in 2010; since then, the Group has been one of its principal shareholders. Phineo pursues the same goals in the non-profit sector as Deutsche Börse Group does on the international capital markets: to provide information, promote transparency and increase efficiency.

Corporate responsibility: key performance indicators for Deutsche Börse Group ^{CR}

Based on a materiality analysis of its business model, Deutsche Börse Group has determined that the non-financial key performance indicators shown in the [☞ "Corporate responsibility: key figures for Deutsche Börse Group" table](#) are material to the Group-wide sustainability profile. Data for key indicators relating to transparency and security has been collated quarterly since 2013 and is audited externally and disclosed in the interim reports.

Comparison with the forecast for 2014

With regard to non-financial performance indicators, the Group was able to maintain its very high level of system availability. Deutsche Börse Group continues to pursue the objective of reaching a 30 per cent proportion of women in lower and 20 per cent in middle and upper management by 2020. In the year under review, the proportion of women in lower as well as in middle and upper management could be increased slightly.

Risk report

Deutsche Börse Group's core area of expertise includes solutions that enable its customers to efficiently manage risk and collateral. It is therefore even more important for the Group to protect itself against risks. This section of the combined management report shows how the company deals with risks. Despite the continuing tensions in the financial system and regulatory developments, which will be briefly described in the first section of this risk report, the risk profile has remained largely stable in the year under review, with regard to financial risks and business risks. However, operational risks have increased. This is reflected in the regulatory capital requirements as well as in the required economic capital. The increase in operational risk is driven in particular by the increasingly international reach of the business and the greater complexity of the regulatory framework by which the Group is bound. This increases the risk that regulatory requirements will not be met.

Management further strengthened risk management in 2014. The second section of this risk report explains the enhanced risk management strategy and shows how the Group manages its risks.

In the third part of this risk report, the Group describes the main types of risk and shows how it assesses and manages them. In addition to the risk report, the Group sets out its future prospects in the [report on opportunities](#).

Deutsche Börse Group includes, among other companies, Clearstream Banking S.A. and Clearstream Banking AG, which form part of the Clearstream Holding group (hereinafter “Clearstream”), and Eurex Clearing AG. These financial institutions are subject to banking supervision and corresponding statutory requirements, and therefore already meet the strictest requirements for risk management. Furthermore, European Commodity Clearing AG, Eurex Bonds GmbH and Eurex Repo GmbH are subject to the regulatory requirements under EMIR, respectively, CRD and MiFID (for details on the requirements, see the [“Risk management environment” section](#)). All of the other companies in the Group are aligned with the highest (“best-in-class”) standard for comparable companies. Risk management across the Group therefore aims to meet the highest standards.

With its range of risk management services, Deutsche Börse Group aims to make a sustainable contribution to society, in particular by ensuring integrity and safety on the markets in its function as a capital markets organiser and by increasing the distribution efficiency of the markets through its price discovery function. Deutsche Börse Group also performs important risk management functions for its customers, such as providing client asset protection solutions, and thus contributes to the efficiency and systemic stability of the capital markets. The Group’s risk management ensures that it can continuously offer these services. [CR](#)

Risk management environment

The fallout from the financial crisis has led to increased regulation of financial markets; the new regulations affect Deutsche Börse Group both directly and indirectly through its clients. On the one hand, the changed regulatory environment offers the Group opportunities; as a marketplace organiser, it certainly contributes significantly to the desired stability, integrity and transparency of the capital markets (see the [report on opportunities](#)). On the other hand, the implementation of new regulations such as the amendment to the European Union’s MiFID regulation and the attempts to introduce a financial transaction tax mean considerable burdens as well as business risks for the Group.

In particular, the regulatory requirements for the risk management of financial institutions have been extended. Examples are the Mindestanforderungen an das Risikomanagement (MaRisk, German minimum requirements for risk management), the Circular 12/552 on Central Administration, Internal Governance and Risk Management issued by the Luxembourg Financial Supervisory Authority (Commission de Surveillance du Secteur Financier, CSSF), the European Banking Recovery and Resolution Directive (BRRD), respectively, the German Gesetz zur Abschirmung von Risiken und zur Planung der Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen (RiskAbschG, Act on Ringfencing and Recovery and Resolution Planning for Credit Institutions and Financial Groups), risk management requirements set out in the European Market Infrastructure Regulation (EMIR), the principles for financial market infrastructure of the Financial Stability Board (FSB), the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO), and the act implementing the Capital Requirements Directive (CRD IV). The principles of the FSB, the CPMI and IOSCO in particular place demands on the risk management of financial market infrastructures. The CRD IV could mean that regulated financial institutions would have to hold higher equity thanks to measures such as lever

age ratio (put simply: a minimum ratio of equity to unweighted total assets plus off-balance sheet risk positions), which would increase the cost of equity.

These regulatory requirements directly affect the financial institutions of the Group, Clearstream and Eurex Clearing AG; this applies in particular to the MaRisk from the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, the German Federal Financial Supervisory Authority), which was most recently revised in December 2012, as well as CSSF's Circular 12/552 on Central Administration, Internal Governance and Risk Management. The so-called "Pillar II" requirements under Basel II dictate to banks how they must organise their risk management system, and therefore also apply to Clearstream and Eurex Clearing AG. They set out the principles governing how much capital a bank must hold for its business to cover counterparty default risk, market price risk and operational risk, and stipulates conditions for outsourcing, compliance and internal auditing. In addition, Clearstream and Eurex Clearing AG have prepared recovery plans in accordance with the RiskAbschG which has been updated by BRRD as at 1 January 2015. Above and beyond this requirement, Deutsche Börse Group has also voluntarily developed a Group-wide recovery plan for the event that this should be necessary at Clearstream and Eurex Clearing AG. Moreover, at the request of the national supervisory authorities, Clearstream and Eurex Clearing AG made a substantial contribution in the course of 2014 to the resolution plans the supervisory authorities have to develop. Regulatory efforts are currently under way to enhance the requirements for recovery and resolution planning, especially with regard to financial market infrastructures. Any amendments to the recovery and resolution plans this may necessitate will be implemented by Deutsche Börse Group, Clearstream and Eurex Clearing AG. In addition, the BRRD introduced minimum requirements for own funds and eligible liabilities (MREL). The minimum requirements are designed to ensure that institutions always hold sufficient liabilities so that they can use the bail-in tool if there is a threat to their continued existence as a going concern. The technical standards of the European Banking Authority (EBA) are currently being exposed for consultation.

There are also [business risks](#) for Deutsche Börse Group from the new regulatory regime. This is because it changes the structure of the entire financial system. For example, a law was passed in the summer of 2013 in Germany requiring banks to outsource proprietary trading to independent companies as of 2016. The revised European Markets in Financial Instruments Directive (MiFID II) and the supplementary Markets in Financial Instruments Regulation (MiFIR) were adopted at the beginning of 2014. MiFID II is the revised legal framework for customer-related investment services in securities and for the operation of regulated markets and derivatives trading. In addition, MiFIR provides new regulations for access to clearing institutions and securities trading venues and new trading transparency requirements. Deutsche Börse Group welcomes regulatory measures that reduce systemic risks. With its products and services, the Group contributes significantly to increasing system stability.

In light of the new regulatory requirements, Deutsche Börse Group already compiled a comprehensive plan in 2013 for enhancing its risk management (risk management roadmap) in order to continue to meet the highest possible standards. A large part of the defined measures were already implemented in 2014. Implementation will continue in 2015 (for a more detailed description of the measures, see the ["Outlook" section](#)).

Risk strategy and risk management

Deutsche Börse Group's risk strategy is aligned with its business model and business strategy. It provides the infrastructure for reliable and secure capital markets, assists constructively in their regulation and takes a leading role in all of its businesses areas. In the process, the Group focuses on its risk-

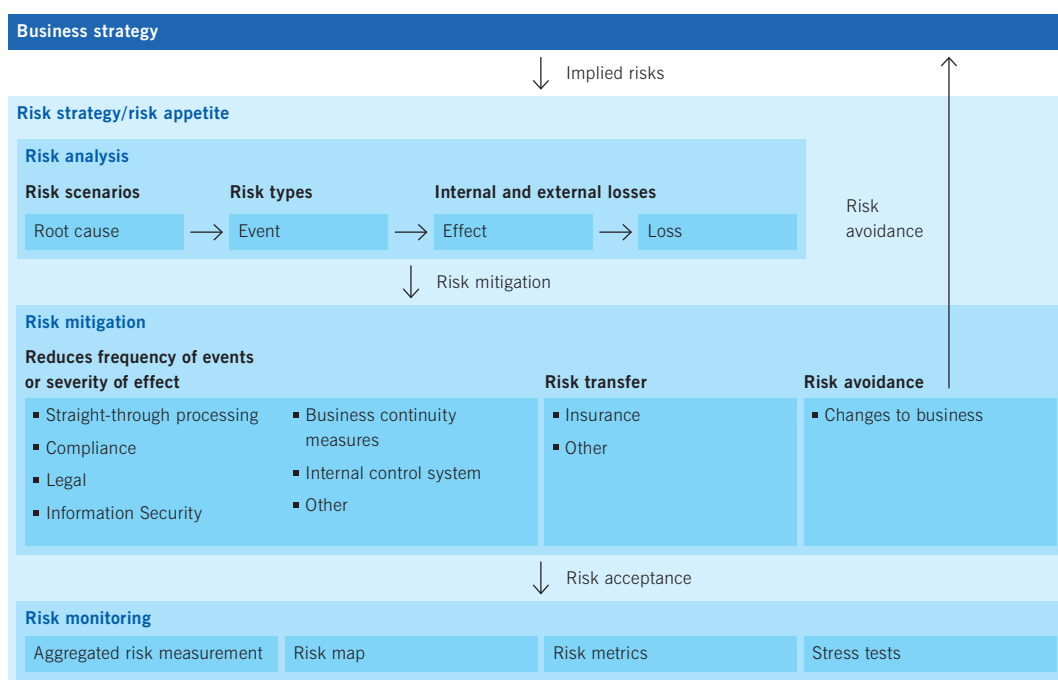
bearing capacity and risk appetite: it consciously assumes risks in order to satisfy market needs and maximise business opportunities. However, it curbs this appetite with a defined upper limit on the risks it takes.

Management further strengthened risk management in 2014. The basis for internal risk management is the Group-wide strategy for detecting and managing risks, which is focused on what is known as risk appetite, see the [“Business strategy and risk strategy are interlocked” chart](#). Deutsche Börse AG’s Executive Board has overall responsibility and defines the framework for risk management throughout the Group. Under these Group-wide risk management requirements, each division and each regulated company is responsible for managing its own risk. Among other things, this coordinated process ensures that the Group and its companies act just as quickly and effectively in the event that several systems fail simultaneously as if a single system fails. This section of the risk report shows how the Group has established risk management as an integral part of company management activities and that it has established three principles for the risk strategy. Moreover, this section sets out the approaches and methods used by the Group to regularly monitor and manage its risk-bearing capacity and risk appetite.

Implementation in the organisational structure and workflow

The risk strategy applies to the entire Deutsche Börse Group. Risk management functions, processes and responsibilities are binding for all employees and organisational units of Deutsche Börse Group. To ensure that all employees consciously deal with risks, risk management is firmly anchored in the organisational structure and workflows and is supported by corresponding measures, such as risk

Business strategy and risk strategy are interlocked



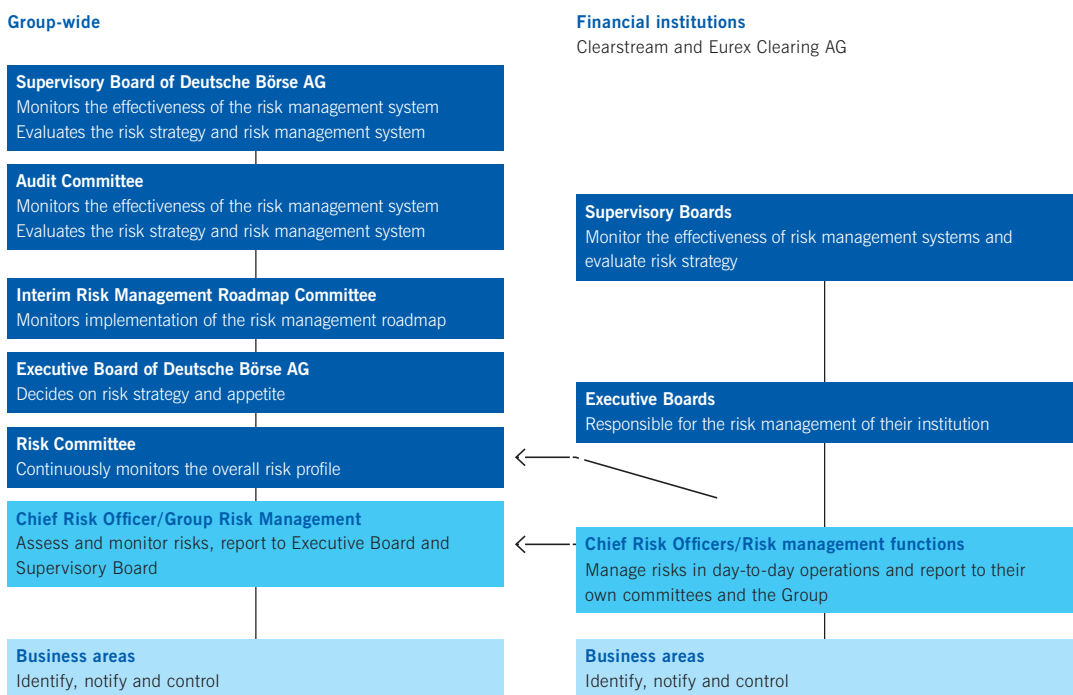
management training. The Executive Board is responsible for risk management overall, within individual companies it is the responsibility of the management; the following boards and committees regularly receive comprehensive information on risks.

The Supervisory Board of Deutsche Börse AG monitors the effectiveness of the risk management system and examines its risk strategy and risk appetite on a yearly basis. The Supervisory Board has delegated the evaluation to its Audit Committee, which regularly assesses the appropriateness and effectiveness of the risk management system. To monitor the implementation of the risk management roadmap, the Supervisory Board has established an interim Risk Management Roadmap Committee.

The Executive Board of Deutsche Börse AG determines the Group-wide risk strategy and risk appetite and allocates the latter to the company's business units. It ensures that the risk appetite is and remains compatible with the Group's short- and long-term strategy, business and capital planning, risk-bearing capacity and remuneration systems. Based on the parameters used to assess risks, it also determines how the risk capital is allocated and what procedures apply. It ensures that each business unit complies with these requirements for risk strategy, risk appetite and risk limits.

The Risk Committee reviews the risk position of the Group at least once every quarter and involves the Executive Board in all decisive questions. The Committee is chaired by the Chief Financial Officer. It also includes in particular the Chief Executive Officers of Clearstream Holding AG, Eurex Frankfurt AG and

Risk management – structural organisation and reporting lines



Eurex Clearing AG as well as the Executive Board member responsible for IT & MD+S. In addition, it regularly checks the current levels of all parameters to ensure they are suitable, and, as necessary, makes recommendations to the Chief Risk Officer or the Executive Board, if necessary, as to what measures should be used to adjust these parameters.

Group Risk Management (GRM) is headed by the Chief Risk Officer (CRO). It prepares the proposals for the risk levers, i.e. the strategy, appetite, parameters, capital allocation and procedures. GRM continuously analyses and evaluates risks and reports quantitatively and qualitatively: five times a year to the Risk Committee, once a month to the Executive Board, once a quarter to the Audit Committee, and once a year to the Supervisory Board. In this way, the responsible bodies can regularly check whether the risk limits defined in the strategy are systematically adhered to. In addition, GRM recommends measures to manage risks.

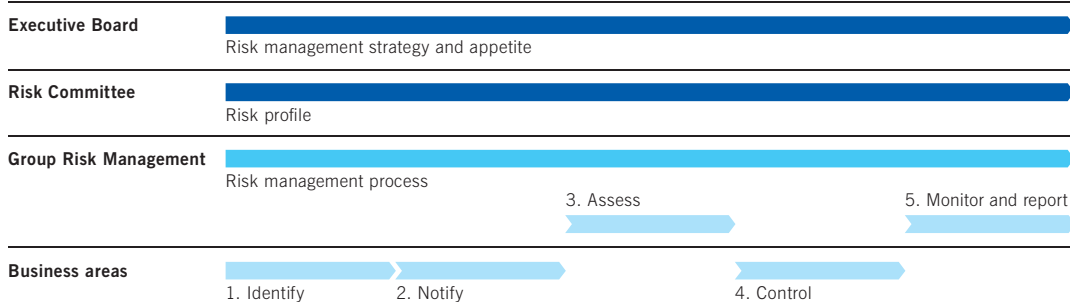
The regulated subsidiaries act in the same way, always ensuring that they meet the requirements of the Group. In particular, they adhere to the framework for risk appetite allocated to them by Deutsche Börse Group. The relevant supervisory boards and their committees are involved, as are the executive boards and risk management functions in the various divisions. Clearstream and Eurex Clearing AG, the Group's financial institutions, implement the risk strategy using their own strategies that they derive from it. In line with this, they use parameters and reporting formats that are compatible with the higher-level Group-wide structure. At Clearstream, responsibility lies with the executive board of Clearstream Holding AG, supervised by the supervisory board, as well as the corresponding governing bodies of Clearstream Banking S.A. and Clearstream Banking AG; at Eurex Clearing AG, responsibility again lies with the executive board, which is also monitored by the supervisory board.

Centrally coordinated risk management in five stages

Risk management is implemented in a five-stage process. All potential losses should be identified in good time, recorded centrally and evaluated quantitatively as far as possible; if necessary, management measures must then be recommended and their implementation monitored (see the [“Course of the five-stage risk management system” chart](#)). The first stage determines the risks and possible causes of loss or operational hitches. In the second stage, the business divisions regularly – and immediately, if urgent – report to GRM the risks that they determine and quantify. In the third stage, GRM assesses the potential for loss, while in the fourth stage, the business divisions manage the risks by avoiding, mitigating, or transferring them, or by actively taking them. The fifth and final stage involves, for example, monitoring different risk metrics and, if necessary, informing the responsible Executive Board members and committees of significant risks, their assessment and possible emergency measures. In addition to the

Course of the five-stage risk management system

Responsibility



regular monthly and quarterly reports, GRM compiles ad hoc reports for members of the executive and supervisory boards. At Clearstream and Eurex Clearing AG, the corresponding risk management functions report to the executive boards and supervisory boards. Internal Auditing monitors that the risk management system is adhered to.

Management at Clearstream and Eurex Clearing AG are informed quarterly about their respective company's risk situation and capital resources. Management and the regulators also receive an annual report in line with the Internal Capital Adequacy Assessment Process (ICAAP). In compliance with Pillar III requirements under Basel II, Clearstream and Eurex Clearing AG also report in detail on their business activities. In particular, they regularly inform the supervisory authorities of their risk management methods and capital resources assessment. The report on business activities is also made available to the public.

Three principles

Deutsche Börse Group's risk strategy is based on three principles:

1. Risk limitation – protecting against liquidation and ensuring continuity of operations

"Capital is expected to be exhausted no more than once in 5,000 years; an operating loss may occur no more than once every hundred years." Accordingly, one goal is to ensure that the total capital will not be lost within the next twelve months with a probability of 99.98 per cent or more. Another is to ensure with a probability of 99.0 per cent or more that Deutsche Börse at least breaks even in terms of earnings as measured at the EBIT level. This principle establishes how much risk the Group must be able to withstand and also the level of risk appetite that it has.

2. Supporting growth in the various business divisions

"Risk management supports the business divisions in expanding their business by working together to comprehensively identify and communicate risks." With this principle, the Group aims to make informed strategic decisions within the scope of the risk appetite that it has defined.

3. Appropriate risk/return ratio

"The return on equity should exceed the cost of equity." Deutsche Börse Group has set itself the goal that risk and return should be reasonably balanced, not only for each business division in general, but also for individual regions, products and customers.

Risk management approaches and methods

Deutsche Börse Group uses quantitative and qualitative risk management approaches and methods to monitor and manage its risk profile. The aim is to provide as complete a picture as possible of its risk situation at all times.

Deutsche Börse Group assesses and reports operational, financial and business risks using the same approach: the unregulated units also use value at risk (VaR) as a uniform measure. This value quantifies the risks and represents the upper limit of the cumulative loss that Deutsche Börse Group may incur within a specified period of time, e.g. for the next twelve months, with a specified probability or level of

confidence. Principle 1 above also defines a probability, respectively, a confidence level for each of the liquidation and the orderly going concern. The regulatory capital requirements for the financial institutions are also determined, of course. Furthermore, Deutsche Börse Group applies stress tests to analyse its risks.

Liquidation principle: what risk can the capital cover?

In accordance with the first part of principle 1 of the risk strategy, Deutsche Börse Group is not expected to exhaust its risk-bearing capacity in more than 0.02 per cent of all years. The Group determines the economic capital that it requires for this (required economic capital, EC) with the help of VaR. It therefore calculates its EC for the liquidation principle at a confidence level of 99.98 per cent so that it can protect itself financially against extreme events in the following twelve months. In line with the principle of prudence, the Group assumes a correlation of one between risk types and between the risks at different Group companies when making calculations, i.e. it assumes that all possible risks could occur simultaneously. It therefore consciously disregards the fact that diversification would actually reduce the overall risk. Deutsche Börse Group thus uses the most conservative approach requiring the highest EC. The ECs calculated for Clearstream and Eurex Clearing AG also meet the Pillar II requirements under Basel II.

Deutsche Börse Group determines its risk-bearing capacity based on the reported equity in accordance with International Financial Reporting Standards (IFRSs). It adjusts this figure for precautionary reasons, among other things, to take into account that it may not be possible to dispose of intangible assets at their carrying amounts in case of extreme stress. Clearstream and Eurex Clearing AG use their regulatory capital to determine their risk-bearing capacity (for details, see [note 20 to the consolidated financial statements](#)).

For management purposes, GRM regularly determines the ratio of the EC to the risk-bearing capacity; this indicator is known as the utilisation of risk-bearing capacity. In so doing, it answers a key risk management question: how much risk can the Group afford and what risk is it currently exposed to? The level of EC is determined on the basis of operational risk, market price and credit risk as well as business risk. The ratio of EC to risk-bearing capacity was well within the stipulated maximum risk in the year under review. Otherwise, the Group would use up its entire risk-bearing capacity in a worst-case scenario and would be liquidated. The liquidation concept therefore assumes that liquidation of the Group ("gone concern") is avoided.

Going concern principle: what risks can earnings absorb?

Deutsche Börse Group has also used an approach that assumes an orderly continuation of the Group in the event of a crisis ("going concern"). The Group calculates earnings at risk (EaR) as indicator. This indicator corresponds to the second part of principle 1 of its risk strategy, i.e. that an operating loss may occur no more than once in a hundred years. In other words, there should be a probability of 99.0 per cent or more that Deutsche Börse should at least break even (net income measured in terms of EBIT). The EaR determined for the going concern principle is compared with the risk appetite. Risk appetite is measured in terms of the projected earnings before interest and tax (EBIT) and allocated to the Group segments. As at 31 December 2014, EaR were €696 million, which would be comparable to the adjusted EBIT 2014 of €990 million.

Regulatory capital requirements

Clearstream and Eurex Clearing AG must also calculate their capital requirements for various risk types (see the ["Deutsche Börse Group's risk profile" chart](#)) according to the Pillar I requirements under Basel II. They use a standard approach for analysing and evaluating credit and market price risks. In this approach, risk weightings are applied in accordance with counterparty ratings.

For operational risks, they proceed differently: Clearstream has used the significantly more complex advanced measurement approach (AMA) for this in all business units since 2008. It thereby complies with the regulatory capital requirements for operational risks according to the EU Capital Requirements Regulation (CRR). The method, which has been approved by, and is regularly tested by, BaFin, allows regulatory capital to be allocated to regulated units. It is particularly suitable because at Clearstream, operational risk accounts for a greater proportion of the overall risk than for a typical bank, while the proportion attributable to financial risks is smaller. For operational risks, Eurex Clearing AG uses the basic indicator approach to calculate regulatory capital. The basis for calculating the basic indicator is known as the “relevant indicator”, which is calculated from certain items in the profit and loss account of the Eurex segment. As a flat rate, 15 per cent of the three-year average of this indicator is required as operational risk capital.

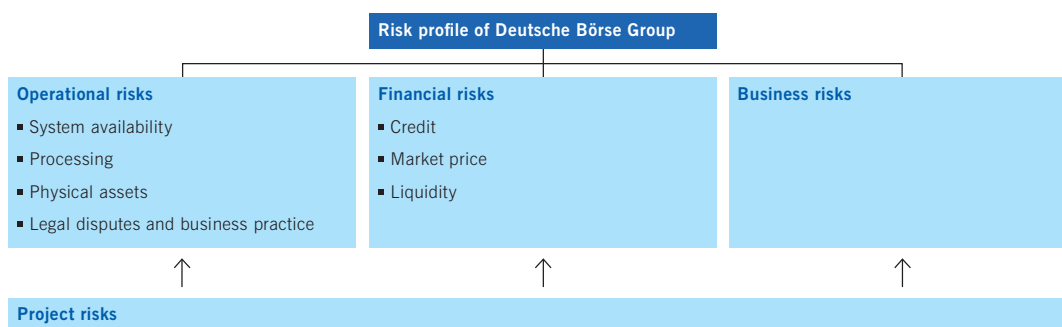
Stress tests

Clearstream also uses stress tests to analyse its business risks as well as operational and financial risks. Furthermore, stress tests for operational and financial risks of Eurex Clearing AG are performed. These stress tests simulate the occurrence of extreme losses or an accumulation of major losses within one year. Possible risk scenarios are set out for this. The scenarios describe potential loss events, the probability that they will occur and the estimated loss amount. The figures calculated in this way are compared with the risk-bearing capacity. Both hypothetical scenarios and extreme market conditions that actually occurred in the past are calculated. Losses incurred by the Group itself in the past are not suitable because to date there has been only one case of loss on this scale (see the [“Legal disputes and business practice”](#) section, the settlement agreement with OFAC). To investigate the liquidity risk, liquidity stress tests and inverse stress tests are also performed. These reverse stress tests determine which loss scenarios would have to occur for the risk-bearing capacity to be exceeded.

Risk description

The following section describes the types of risk that Deutsche Börse Group must manage as a rule and presents the risks it actually faces. It also explains the measures that Deutsche Börse Group uses to prevent risks occurring and to minimise their financial effects. Firstly, however, there follows a brief explanation

Deutsche Börse Group's risk profile



tion of the risk profile that differs from most other financial services providers, as financial risks play a significantly smaller role for Deutsche Börse Group.

Risk profile

Deutsche Börse Group differentiates between the three standard types of risk: operational, financial and business risk. There are also project risks that the Group does not specifically quantify as their impact is already reflected in the three traditional risk types.

Low level of typical bank risk

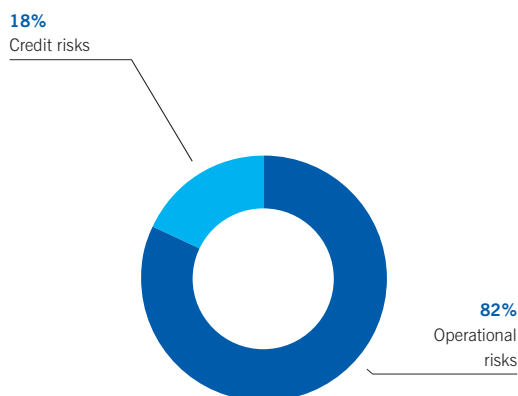
The risks of Deutsche Börse Group's financial institutions differ fundamentally from those of other financial service providers. While credit and market price risks for a typical universal bank account for more than 80 per cent of the regulatory capital requirements, credit risks only account for around 18 per cent for the financial institutions in Deutsche Börse Group. Clearstream and Eurex Clearing AG have a structurally lower risk in comparison with other banks because they act as intermediaries, and therefore do not themselves trade on the financial markets as a distinct business division, for example. Consequently, Deutsche Börse Group's financial institutions do not have to bear the associated high trade risks. On the contrary, they offer market participants services such as collateral and risk management that reduce their risk from trading activities. The Group's banking business mainly consists of reliable clearing, settlement and custody activities, as well as collateral management.

The regulatory capital requirements for Clearstream and Eurex Clearing AG arise primarily from operational risks (see the [“Regulatory capital requirements of Clearstream and Eurex Clearing AG”](#) chart). Information on the additional capital requirements for Eurex Clearing AG and European Commodity Clearing AG under EMIR is provided in [note 20 to the consolidated financial statements](#).

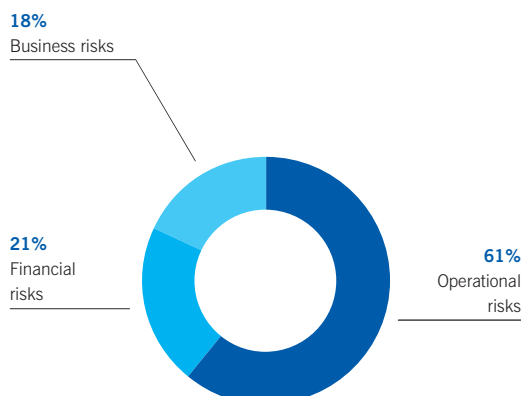
Operational risks higher than financial and business risks

The utilisation of risk-bearing capacity in the liquidation principle and of risk appetite in the going concern principle are used as internal management indicators across the whole Deutsche Börse Group (see the [“Risk management approaches and methods”](#) section for an explanation of the terms). Apart from the above-mentioned financial and operational risks, business risks are also identified and assessed. Business risks refer in particular to potential threats to revenue such as price pressure or loss in market

Regulatory capital requirements of Clearstream and Eurex Clearing AG



Required economic capital of Deutsche Börse Group by risk type



share. Under the liquidation principle financial risks amount to appr. one fifth of the total risk of Deutsche Börse Group. Business risks represent 18 per cent of the Group's total for this risk type. All the more important for Deutsche Börse Group is the third typical risk type: at 61 per cent, operational risks amount to more than half of the total risk (see the [“Required economic capital of Deutsche Börse Group by risk type” chart](#)).

A large part of the risk is associated with the Clearstream and Eurex segments (see the [“Required economic capital by segment” chart](#)), in accordance with the size of the business in terms of sales revenue and earnings. In the year under review, the Clearstream proportion was 43 per cent, and for Eurex this figure was 42 per cent. The Eurex segment also includes the risks arising from the business of Eurex Clearing AG. The Market Data + Services segment had a share of 9 per cent, and Xetra of 6 per cent. In contrast to the regulatory capital requirements, this includes business areas that are not subject to banking regulations.

In total, Deutsche Börse Group has calculated a required economic capital of €1,939 million. In accordance with the liquidation principle, the required EC compares to a risk-bearing capacity of €2,591 million.

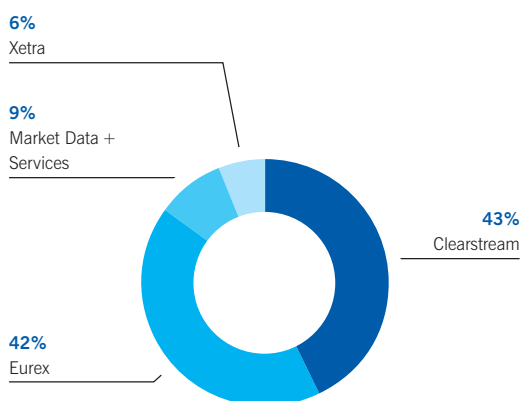
A similar split may be seen in earnings at risk. Here also, the business segments with the largest proportions of revenues and earnings – Clearstream and Eurex – show the largest shares of earnings at risk (see the [“Earnings at risk by segment” chart](#)).

Deutsche Börse Group assigns indicators to each risk to estimate how likely it is to occur and what financial effect it could have. It distinguishes four probability levels (very low, low, medium and high) as well as four financial impact levels (low, medium, substantial and a risk to the company as a going concern). However, none of the assessed risks reach the fourth impact level, neither individually nor in total; this means that none jeopardises the existence of the Group as a going concern.

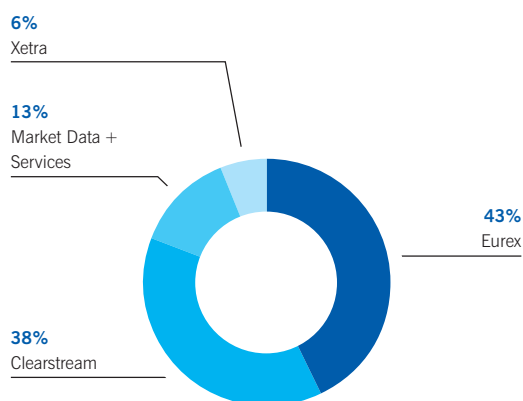
The risk types listed below as examples can be assessed based on these categories. The estimated probability of the risk occurring can be categorised as follows:

- Very low: probability of risk occurring is less than 1 per cent
- Low: probability of risk occurring is equal to or greater than 1 per cent but less than 10 per cent

Required economic capital by segment



Earnings at risk by segment



- Medium: probability of risk occurring is equal to or greater than 10 per cent but less than 50 per cent
- High: probability of risk occurring is equal to or greater than 50 per cent

The estimated financial effects can be classified into the following four categories:

- Low: financial loss could be up to 10 per cent of EBIT
- Medium: financial loss could be up to 50 per cent of EBIT
- Substantial: financial loss could be up to 100 per cent of EBIT
- Risk to the business as a going concern: financial loss could equal the available risk-bearing capacity

In the following, the types of risk are first illustrated with specific examples and are explained in detail afterwards.

1. Operational risks

- Incorrect processing of client instructions (e.g. capital increases)
- Mishandling of the default of a large customer
- Miscalculation of indices
- Mishandling of trading instructions
- Losses caused by force majeure (e.g. natural disasters, terrorism)
- Loss from ongoing legal disputes
- Infringements of sanctions or supranational regulations
- Failure of a trading system lasting up to one day

2. Financial risks

- Default of a credit counterparty
- Losses from impairment of fund assets for pension plans
- Loss of a customer and an associated liquidity bottleneck

3. Business risks

- Entry of new competitors on the European trading market
- Reinvigoration of the European government debt crisis
- Falling prices for trading-related services
- Sustained period of weak trading activity in the market
- New regulatory requirements

From today's perspective, none of these risks can lead to financial loss that is rated as substantial. Significant risks could arise only from a combination of extreme events that have a very low probability:

- Failure of a trading system lasting one week in a highly volatile market environment
- Simultaneous failure of several large systemically important banks
- Deliberate contraventions of sanction rules

These extreme events that could lead to a loss corresponding to more than 50 per cent of annual EBIT are rated as having a probability of less than 1 per cent. Such extreme events have not occurred to date; they are also known as "tail risks". Tail risks may become a risk to the continued existence of some subsidiaries as going concerns, for example if sanction rules are deliberately contravened. GRM assesses these risks continuously and reports on its assessment to the Executive Board of Deutsche Börse Group on a regular basis.

Operational risks

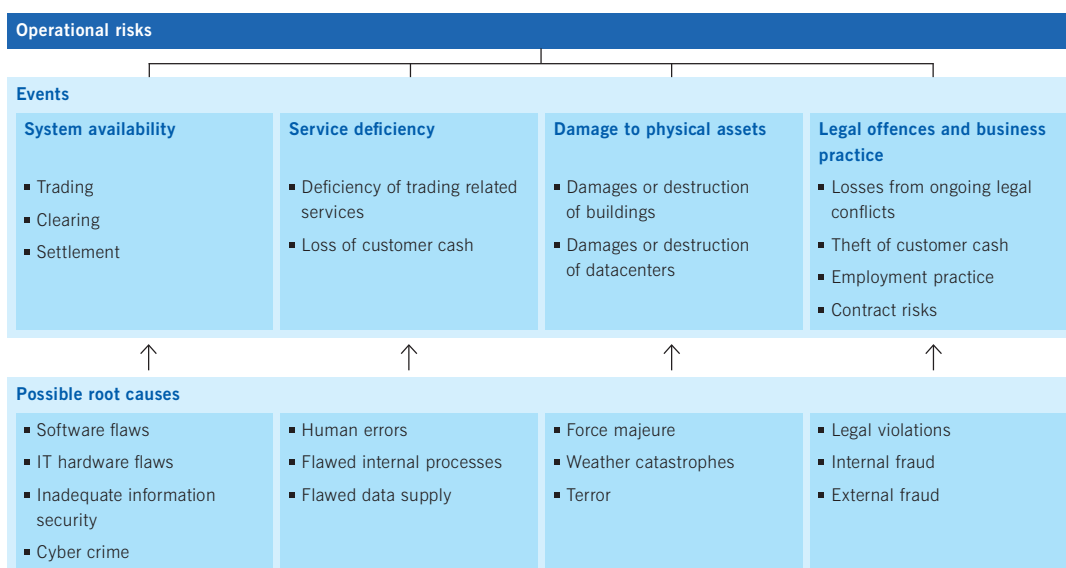
Operational risks for Deutsche Börse Group relate to availability, processing, material goods, as well as litigation and business practice (see the [chart](#) “Operational risks of Deutsche Börse Group”). Personnel risks are not quantified directly, but influence the quantification process indirectly via the operational risk categories. The operational risks amount to 61 per cent of the total Group risk.

System availability

Operational resources such as the trading systems Xetra® and T7 are essential for the services offered by Deutsche Börse Group. They should never fail, in order to ensure that market participants can trade securities or derivatives at any time and without delay. The Group therefore sees the availability of these systems as an important risk indicator. In line with the Group’s risk strategy, the business areas are responsible for monitoring these risk indicators.

The potential loss would be larger, the longer one of these systems failed. In the past, only limited failures have occurred with both Xetra and T7 and its predecessor system. In the year under review, however, the ISE version of the T7 trading system was unavailable for almost one whole day. Nevertheless, in practice, there has never been a system failure lasting longer than one day. Deutsche Börse Group has taken various measures to further minimise the risk of failure lasting one day or longer. For example, when introducing new software components, ISE will in future take special back-up measures so that the previous software version can be restored faster. This supports the view that the probability of a system failure lasting longer than a week in an extremely volatile market is very low. However, the potential financial effect of such an event could be significant, if claims are justified and asserted.

Operational risks of Deutsche Börse Group



The probability of a long-lasting failure for one day or longer of the margin calculation system at the central counterparty, the clearing system at Eurex Clearing AG, or the settlement system at the international central securities depository and settlement service provider, Clearstream Banking S.A., is also low. In actual fact, no such failure has ever occurred. The effects are categorised here as medium.

In general, availability risk represents the largest operational risk for Deutsche Börse Group. The Group therefore subjects it to regular stress tests, which check not only what happens when its own systems fail but also when suppliers fail to deliver.

Processing

Risks can also arise if a service provided to a customer is inadequate and this leads to complaints or legal disputes, such as in the settlement of securities transactions due to defective products and processes or erroneous manual entries. As a result, errors could occur, for example, in handling the default of a large clearing customer. To date, no such errors have occurred. The probability is therefore considered to be very low. The potential financial loss is considered to be medium. In addition, indices such as DAX[®] could be miscalculated. Such processing errors can occur with a medium probability, but have hardly ever happened to date. The possible losses relating to the calculation of indices would be classified as low; to date, there have been no client claims in this regard.

If a Xetra or Eurex customer complains to the Market Supervision department of Deutsche Börse about incorrect trading instructions, the latter checks immediately whether the notification is justified and then issues corresponding trading instructions to the market participants. The risk here is of a notification being initially incorrectly assessed as unjustified. If the client concerned then closes their position themselves, for example, they could demand a refund of the additional costs incurred. However, such errors have almost never occurred and the probability is therefore considered low. To date no significant customer claims have been brought, and the potential financial effects are rated as low.

Other sources of error may be attributable to suppliers or to defective products or mistakes that may lead to the loss of client assets. The Group registers all complaints and formal objections as a key indicator of processing risk.

Physical assets

Natural disasters, accidents, terrorism, or sabotage are also among the operational risks that could for example cause the destruction of or severe damage to a data centre or office building. Examples include severe storms or floods, such as those already seen in New York or Prague. Business continuity management (BCM) planning aims at averting significant financial damage (see the [chart of the same name](#)). There is only a low probability of the risk of force majeure materialising and, in the event that it does, it should have a low impact.

Legal disputes and business practice

Losses can also result from ongoing legal proceedings. Deutsche Börse judges the probability that this operational risk will occur to be medium, although damage can be substantial. As a result, GRM continually monitors ongoing legal proceedings. These can occur if Deutsche Börse Group breaches laws or requirements, enters into inadequate contractual agreements, or fails to observe case law to a sufficient degree. Legal risks also include losses due to fraud and labour law issues. They further include losses as

a result of insufficient controls to prevent money laundering, breaches of competition law regulations or of banking secrecy. Such operational risks can also apply if government sanctions are not observed, or in the event of breaches of other state or higher-order regulatory provisions.

On 12 November 2012, the Chicago Board Options Exchange (CBOE) filed a patent infringement lawsuit against the International Securities Exchange (ISE) (the "CBOE Litigation"). In the CBOE Litigation, CBOE alleges US\$525 million in damages for infringement of three patents, which relate to systems and methods for limiting market-maker risk. ISE believes that CBOE's damages claim lacks merit because it is unsupported by the facts and the law. ISE intends to vigorously defend itself in this lawsuit. Upon ISE's motion, the case was stayed, pending the outcome of certain petitions filed by ISE with the U.S. Patent and Trademark Office (USPTO) in which ISE sought to invalidate the CBOE patents. On 2 March 2015 the USPTO has partially granted ISE's petitions and has issued decisions determining that all three CBOE patents are at least insofar invalid as they constitute unpatentable abstract ideas. These decisions can be appealed by CBOE at the U.S. Court of Appeals for the Federal Circuit.

In its [2012 corporate report](#), Deutsche Börse Group informed about proceedings, Peterson vs. Clearstream Banking S.A., the first Peterson proceeding, initiated by various plaintiffs seeking turnover of certain customer positions held in Clearstream Banking S.A.'s securities omnibus account with its US depository bank, Citibank NA, and asserting direct claims against Clearstream Banking S.A. for damages of US\$250 million. That matter was settled between Clearstream Banking S.A. and the plaintiffs and the direct claims against Clearstream Banking S.A. were dismissed.

In July 2013, the US court ordered turnover of the customer positions to the plaintiffs, ruling that these were owned by Bank Markazi, the Iranian central bank. Bank Markazi appealed, and the decision was affirmed on 9 July 2014. Bank Markazi has indicated that it will seek review in the Supreme Court. Once that process is complete, if the funds are turned over, a related case, Heiser vs. Clearstream Banking S.A., also seeking turnover of the same assets, will be dismissed.

On 30 December 2013, a number of US plaintiffs from the first Peterson case, as well as other US plaintiffs, filed a complaint targeting certain blocked assets that Clearstream Banking S.A. holds as a custodian in Luxembourg. The defendants in this action, including Clearstream Banking S.A., have moved to dismiss the case. On 19 September 2014, the US court heard argument on some of these motions. The matter is now under the US court's consideration. On 19 February 2015, the US court issued a decision dismissing the lawsuit. Plaintiffs have the right to appeal the decision to the competent US court of appeals.

On 2 April 2014, Clearstream Banking S.A. was informed that the United States Attorney for the Southern District of New York has opened a grand jury investigation against Clearstream Banking S.A. due to Clearstream Banking S.A.'s conduct with respect to Iran and other countries subject to US sanction laws. Clearstream Banking S.A. is cooperating with the US attorney.

A dispute has arisen between MBB Clean Energy AG (MBB), the issuer of a bond eligible in Clearstream Banking AG, and end investors. MBB issued a first tranche of the bond in April 2013 and a second

tranche of the bond in December 2013. The global certificates for the two tranches of the bond were delivered into Clearstream Banking AG by the paying agent of the issuer. The dispute relates to the non-payment of the second tranche of the bond with a nominal value of €500 million and the purported lack of validity of the bond. Clearstream Banking AG's role in this case is primarily to have accepted the note in its system as national central securities depository. At this stage, it is unclear if and to what extent potential damages exist and if so who would ultimately be responsible. MBB, the relevant paying agent and Clearstream Banking AG have agreed on replacing the bond with a global certificate with a new ISIN for so-called qualified investors. The replacement of the bond is currently being discussed by the three parties. The issuer of the bond has informed Clearstream Banking AG that the process designed to resolve the problem has been postponed. The three parties are continuing to discuss a replacement.

Measures to mitigate operational risks

Deutsche Börse Group takes targeted measures to reduce Deutsche Börse Group's operational risk. The most important of these are emergency and contingency plans, insurance contracts and precautions to ensure that regulations are observed ("compliance").

Emergency and contingency plans

It is essential for Deutsche Börse Group to provide its products and services as reliably as possible. It must maintain its business operations and safeguard against emergencies and disasters. If its core processes and resources are not available, there is a substantial risk for the entire Group and even a potential systemic risk for the financial markets in general. As a result, Deutsche Börse Group has set up a system of emergency and disaster plans covering the entire Group (Business Continuity Management, BCM). This covers all processes that ensure continuing operations in the event of a crisis and significantly reduces availability risk. These include precautions in relation to all important resources (systems, workspaces, employees, suppliers), including the redundant design of essential IT systems and the technical infrastructure, as well as emergency measures for the absence of employees or the failure of workspaces in core functions at all important locations. Examples of such precautions are listed in the ["Business continuity management" chart](#).

Preparations for emergencies and crises

The Group has introduced and tested a management process for emergencies and crises that enables it to respond quickly and in a coordinated manner. This process is intended to minimise the effects on business processes and on the market and to enable a quick return to regular operations. All business areas have appointed emergency managers to act as central contacts and take responsibility during emergencies and crises. The emergency managers inform the Executive Board or alert them in the case of severe incidents. In the event of a crisis, the responsible Executive Board member acts as the crisis manager. The emergency and contingency plans are tested regularly by realistically simulating critical situations. Such tests are generally carried out unannounced. The test results are evaluated based on the following criteria:

- Functionally effective: The measures must be technically successful.
- Executable: The employees must be familiar with the emergency procedure and be able to execute it.
- Timely: Emergency measures must ensure a restart of operations within the intended time period.

Information security

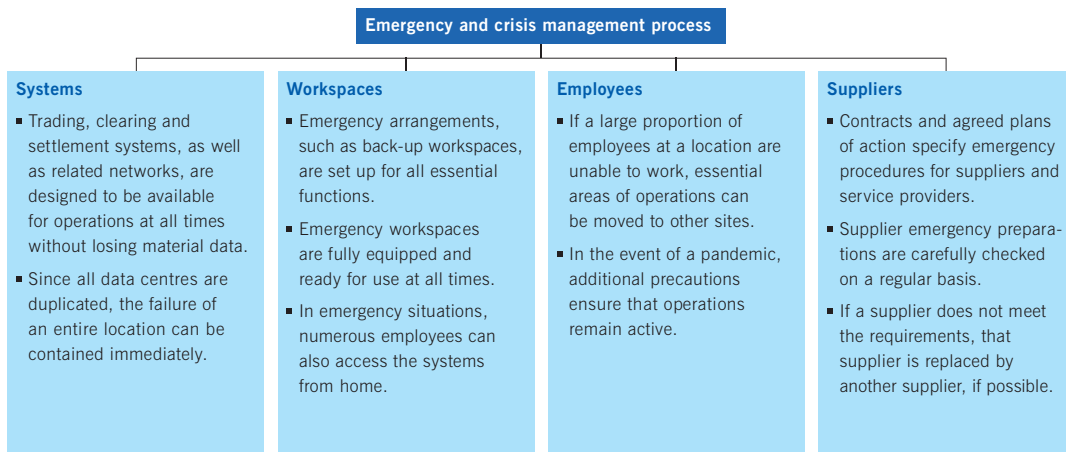
Attacks on information security and cybercrime are operational risks that Deutsche Börse Group faces. Cybercrime is increasingly becoming a focus for organised crime and now features high on the list of crime statistics year after year. It is a threat to all financial services providers, credit institutions and to Deutsche Börse Group. Given the increasing danger from cyber criminals, it is becoming increasingly important for the Group to mitigate these specific risks and to intensify information security measures. For this reason, Information Security (IS) was extended in 2014 and a comprehensive programme was launched for the continuous improvement of the existing measures.

In particular, in 2014 the Group set up a situation centre (Computer Emergency Response Team, CERT), which detects and assesses threats in cooperation with national and international financial intelligence units at an early stage and coordinates risk mitigation measures in cooperation with the business areas. In addition, a process has been established that aims to continually adapt information security at Deutsche Börse Group to the growing and constantly changing requirements and to incorporate regulatory requirements at an early stage.

Insurance contracts

Operational risks that Deutsche Börse Group cannot or does not wish to bear itself are transferred to insurance companies, if this is possible at a reasonable price. For example, losses resulting from natural disasters are insured. All insurance contracts are coordinated centrally so that the entire Deutsche Börse Group has at all times consistent insurance cover offering an attractive cost-benefit ratio. The insurance contracts are checked individually and approved by the CFO of Deutsche Börse AG.

Business continuity management



Compliance

The compliance function, in cooperation with the individual business segments, has the task of protecting the Group against a variety of monetary or non-monetary risks, such as reputational damage that could arise if employees were to act in contravention of applicable laws, supervisory requirements, market standards, or principles of proper corporate governance, or where the expectations of public authorities, customers, investors, or the general public are not met.

As compliance expectations globally have grown in recent years for the financial services industry, so too have the efforts and commitment to compliance within the Group, its regulated entities and market infrastructures, and in furtherance of the services provided to our customers and counterparts that are regulated entities. Among the regulatory requirements of recent years where the Group has further conducted, respectively implemented, specific compliance measures in 2014 are those under EMIR and under the MaRisk of BaFin (German Federal Financial Supervisory Authority), and in connection with ongoing expansion of activities and applications for additional licences for entities subject to regulation by the Monetary Authority of Singapore (MAS), the United States Securities and Exchange Commission (SEC), or the Commodity Futures Trading Commission (CFTC).

In addition to the role of advisor, the Compliance area at Deutsche Börse Group is responsible for a range of policies, procedures and controls to help the business areas comply with applicable laws and regulatory requirements, as well develop new products and services. In addition to ensuring that specific regulatory requirements are met within the respective Group entities and jurisdictions, the Group has adopted an enterprise-wide approach to its compliance function and common standards and policies for certain areas of risk mitigation.

In general, the Compliance area supports business areas by means of measures that allow the Group companies to comply with obligations related to the prevention of money laundering and terrorist financing and the adherence to sanctions as well as to manage the risk involved. Furthermore, it applies policies and procedures to prevent insider trading and market manipulation, including administering an insider register in accordance with securities law requirements. The Group's compliance area is also responsible for issuing guidance on how to avoid conflicts of interest, fight corruption and prevent criminal offences generally. In addition, compliance supports the internal control system to protect the Group itself, its investors and customers from financial losses. Another tool is the whistleblower hotline: this system can be used to disclose suspected criminal acts or contraventions of the Group's compliance regulations, anonymously, if preferred, through a trusted third party.

By developing appropriate policies, the Group seeks to ensure that it protects the data and information entrusted to it, including that banking and professional secrecy are maintained and personal data is protected. The EU has proposed a new General Data Protection Regulation to strengthen the European data protection framework, and, in 2014, the Singapore Personal Data Protection Act came into force. The Group has hired an additional data protection officer in early 2015, and responsibilities in this area are carried out under the umbrella of the compliance function.

In the course of 2014, the Group significantly increased its dedicated compliance personnel at the largest offices in Germany and Luxembourg and across its global operations. Senior appointments include a new Group Chief Compliance Officer, reporting directly to the Group Executive Board and responsible for overseeing the compliance officers across the legal entities, and a new Clearstream Chief Compliance Officer. Further enhancements were made to the IT systems used for sanctions screening purposes, in particular to screen Clearstream securities and cash transaction instructions received from customers prior to entering the processing life cycle. New compliance personnel in Prague and Singapore monitor these systems for virtually around-the-clock operations on all business days. The project to further enhance screening capabilities for financial sanctions and other compliance risks will continue in 2015 across Group entities. Besides the enhancements to the IT system for sanctions screening, stricter rules and measures within the customer due diligence processes have been implemented in order to prevent money laundering and terrorist financing and to ensure compliance with financial sanctions rules by intensifying the checks on customers and customer accounts. The purpose and extent of new and existing business relationships is being monitored more intensively, focusing on transactions settled and portfolios held in custody by Clearstream. This has helped to achieve an increased level of transparency with respect to the beneficial owners of the assets under custody. The expansion of Clearstream's Investment Funds Services division through the integration of Clearstream Global Securities Services Limited, in Cork, Ireland, (formerly Citco Global Securities Services Ltd.) led additionally to the hiring of a new compliance officer at that location.

Further efforts to strengthen the compliance function foreseen for 2015 include the enhancement and implementation of documents and guidelines governing the Compliance area across the Group more efficiently and the development of supporting IT tools. The compliance officer at the International Securities Exchange (ISE) in New York will focus on the implementation of the SEC's newly issued Regulation Systems Compliance and Integrity (Regulation SCI). A multi-year effort will look to strengthen knowledge and consistent links between specific regulatory requirements and risks on the one hand, and the specific risk mitigation policies and procedures on the other hand, across the major jurisdictions of the Group's activities, i.e. Europe, Asia and the United States. In the next few years, Deutsche Börse Group will be following a roadmap, a plan that will guide the Group through strengthening compliance procedures and supportive IT developments in the areas of case management, risk assessment and regulatory reporting. The aim is to deliver a "best-in-class" compliance function that will both facilitate business and protect the franchise. In setting its compliance-related goals, the Group is committed not only to ensuring compliance with minimum regulatory requirements in relevant jurisdictions, but rather to the continued development and implementation of best practices, where appropriate on a Group-wide basis.

Due to its commitment to compliance, the Group is interested in working with other global financial market participants in the development and implementation of effective industry standards. In this regard, the Group has engaged in efforts to address a key compliance challenge facing securities intermediaries in the form of increasing pressure in various regulatory contexts to look through customer nominee and omnibus accounts to the underlying owners of securities and the parties who buy and sell them.

Throughout the course of 2014, Clearstream was in the forefront of industry efforts to raise awareness of risks as well as risk mitigation opportunities. In light of the interdependency of many industry participants with respect to securities custody services, a focus was how intermediaries served by a custodian, depository or settlement agent can and should put their provider in a position to comply at all times with the provider's own standards, applicable laws and regulations. The International Securities Services Association (ISSA) agreed to take on the development of anti-money laundering and compliance principles for securities custody and settlement. Group participants remain actively engaged in this industry effort to develop best practices which continues into 2015, and, once adopted, Deutsche Börse Group is committed to implementing and promoting these industry standards.

In the light of the sectoral sanctions imposed by the EU, United States and other jurisdictions in response to the crisis in the Ukraine, in particular with respect to the new types of obligations imposed on the financial sector, Deutsche Börse Group has reached out proactively to other major market participants and regulators. The Group's efforts sought to better share information, develop common understandings of the risks and practical challenges, to further develop appropriate risk mitigation measures, and to understand interdependencies and the approach of other major market participants. One example was through initiating a special meeting among all German stock exchanges and supervisory authorities to discuss the implications of the sanctions and appropriate compliance measures. The commitment to efforts such as these demonstrate the Group's belief that an investment in an efficient and effective compliance function will further its business activities and thus is in the interest of the Group and the customers and markets it serves.

Financial risks

Deutsche Börse Group classifies its financial risks into credit, market and liquidity risks (see the [“Financial risks of Deutsche Börse Group” chart](#)). At Group level, these risks account for about 21 per cent of the entire risk profile (this information only includes credit and market risk; liquidity risks are not quantified in the EC; see [note 36 to the consolidated financial statements](#)). These risks primarily apply to the Group's financial institutions. As a result, the following explanation focuses on Clearstream and Eurex Clearing AG.

Financial risks of Deutsche Börse Group



Credit risk

Credit risk describes the danger that a counterparty might not meet its contractual obligations, or not in full. Measurement criteria include the degree to which the credit line has been used, the deposited collateral, as well as concentration risk. Clearstream and Eurex Clearing AG often have short-term claims against counterparties totalling several billion euros overall, but these are in most cases secured by margins deposited by the market participants. The Group tests credit risk coverage by means such as examining how resilient the Group would be if its biggest counterparty were to default. Eurex Clearing AG additionally tests its resilience if its two biggest counterparties were to default. In addition, it regularly assesses the reliability of emergency plans for Eurex Clearing AG in the case of credit default. An assessment of the reliability of the emergency plans for Clearstream is planned from 2015 onwards.

Furthermore, Clearstream Banking S.A. is exposed to credit risk arising from its strategic securities lending transactions (ASLplus). Only selected banks act as borrowers. All borrowing transactions are fully collateralised. Only selected bonds may be used as collateral; these must be rated at least A+ by the Standard & Poor's (S&P) rating agency or the equivalent from other agencies. In the case of short-term securities without individual ratings, the issuers must be rated at least A-1.

Clearstream grants credits to its customers in order to make settlement more efficient. This type of credit business is, however, fundamentally different from the classic lending business. Firstly, credit is extended solely on a very short-term basis, normally for less than a day. Secondly, it is largely collateralised and granted to highly creditworthy clients. Furthermore, the credit lines granted can be revoked at any time.

According to its terms and conditions, Eurex Clearing AG only enters into transactions with its clearing members. Clearing mainly relates to defined securities, rights, derivatives and emission allowances, that are traded on specific stock exchanges. Eurex Clearing AG also offers this service for some over-the-counter (OTC) products such as interest rate swaps and forward rate agreements. It serves as an intermediary between the parties to the transaction (central counterparty) in order to reduce its customers' credit risk by offsetting receivables. Clearing members deposit collateral with Eurex Clearing AG to reduce their reciprocal default risk.

To date, no default by a borrower with a secured credit line has resulted in material financial losses. Deutsche Börse Group continues to view the probability that one of its borrowers could become insolvent and that this could lead to losses for the Group as low. It considers the impact of such an event to be low if the credit line in question is collateralised and medium if it is uncollateralised. The probability of a counterparty to an uncollateralised credit defaulting is considered to be very low. The highest-profile defaults in recent years include MF Global in 2012 and Lehman Brothers International (Europe) in 2008. In both cases, the safeguards worked, so that neither Clearstream nor Eurex Clearing AG suffered a financial loss. The following [☞ "Reducing credit risk" section](#) outlines how credit risk is reduced.

Credit risk can also arise from cash investments. The Treasury department is responsible here, and has Group-wide authority. Treasury largely makes collateralised investments of funds belonging to Group companies as well as Clearstream and Eurex Clearing AG customers. To date, counterparty default has

not led to any material loss for the Group. The probability the default of a counterparty to an uncollateralised cash investment could lead to a loss is considered to be low, although the financial loss itself could be significant.

The financial impact of several large, systemically important banks defaulting simultaneously could be substantial. The probability of this scenario occurring is considered to be very low.

Reducing credit risk

Clearstream and Eurex Clearing AG assess the creditworthiness of potential customers or counterparties of an investment before entering into business relations. The two companies do this in the same way: they determine individual customers' credit lines based on regular creditworthiness checks, which they supplement with ad hoc analyses if necessary. They define haircuts for securities posted as collateral according to the risk involved, and continually review their appropriateness. Clearstream includes all relevant risk factors when determining haircut and the margin and allows a specific deduction to each. The total haircut is calculated by adding together the individual margins for the relevant risk factors.

In order to identify potential concentration risks from individual counterparties, Clearstream further analyses the VaR at the level of the Clearstream Holding group. For this purpose, a credit risk VaR is calculated at the level of individual counterparties and compared with the overall credit risk VaR. Due to its business model, Clearstream focuses almost exclusively on financial sector customers. However, there is neither a material concentration of credit risk on any individual counterparty nor on individual countries.

Given the size and volatility of its clients' liabilities, Eurex Clearing AG has developed a leading-edge collateral management system, which is described in detail in the following section.

Safety for both participants and the clearing house

Each clearing member must prove that it has capital equal to at least the amount that Eurex Clearing AG has defined for the different markets. The amount of capital for which evidence must be provided depends on the risk. In order to mitigate Eurex Clearing AG's risk that clearing members might default before setting open transactions, clearing members are obliged to deposit collateral in the form of cash or securities (margins) on a daily basis and, if required, to meet additional intraday margin calls.

Eurex Clearing AG only permits securities with a high credit quality to be used as collateral. It continually reviews what collateral it will accept and covers market risk using corresponding haircuts with a confidence level of at least 99.9 per cent. It applies a further haircut to collateral from issuers in high-risk countries or excludes them from being furnished as collateral altogether. The risk inputs are checked regularly, and the safety margins are calculated daily for each security. In addition, a minimum safety margin applies to all securities.

The margins are calculated separately for clearing member accounts and client accounts. Gains and losses which result from intraday changes to the value of financial instruments are either settled in cash by the counterparties (variation margin) or deposited with Eurex Clearing AG as collateral by the seller due to the change in the equivalent value of the item (premium margin). In the case of bond, repo, or equity transactions, the margin is collected from either the buyer or the seller (current liquidating margin),

depending on how the purchase price performs compared to the current value of the financial instruments. The purpose of these margins is to offset gains and losses.

In addition, Eurex Clearing AG protects itself from default by a clearing member against any risk that the value of the positions in the latter's account will deteriorate in the period before the account is settled by obtaining additional collateral. This additional collateral is called additional margin in risk-based margining and initial margin in the Prisma method (portfolio-based risk management). The target confidence level here is at least 99.0 per cent. Eurex Clearing AG checks regularly whether the margins match the requested confidence level and currently calculates the margins using both risk-based margining and the Prisma method. The new Prisma method is already available for the most important product groups: equity derivatives, equity index derivatives and derivatives on fixed-income products. The intention is for this method to fully replace risk-based margining until the end of December 2016. It takes into account the clearing member's entire portfolio and takes historical and stress scenarios into account when calculating the margin requirements. The objective is to cover market fluctuations for the entire liquidation period until the account is settled.

In addition to the margins for current transactions, each clearing member contributes to a clearing fund depending on its individual risk profile. This fund is jointly liable for the financial consequences of a default by a clearing member to the extent that this cannot be covered by the member's individual margin, its own contributions to the clearing fund and Eurex Clearing AG's clearing fund contribution. Eurex Clearing AG uses regular stress tests to check whether its clearing funds match the risks. This involves subjecting all current transactions and their collateral to market price fluctuations at a confidence level of at least 99.9 per cent. In order to be able to determine potential losses in excess of a clearing member's individual margins, the impact of a potential default on the clearing fund is simulated. Eurex Clearing AG has defined limits which, when exceeded, trigger an immediate adjustment to the scope of the clearing fund if necessary. The following lines of defence are available in case a clearing member is unable to meet its obligations to Eurex Clearing AG due to delays or defaults:

- First, the outstanding positions and transactions of the clearing member concerned can be netted and/or closed from a risk perspective by entering into appropriate back-to-back transactions, or they can be settled in cash.
- Any potential shortfall that might be incurred in connection with such a closing or cash settlement, as well as associated costs, would be covered in the first instance by the collateral provided by the clearing member concerned. As at 31 December 2014, collateral amounting to €49,784.7 million had been provided for the benefit of Eurex Clearing AG (after haircuts).
- After this, the relevant clearing member's contribution to the clearing fund would be used to cover the open amount. The contributions range from €1 million to €389 million as at 31 December 2014.
- Any remaining shortfall would initially be covered by a contribution to the clearing fund by Eurex Clearing AG. Eurex Clearing AG's contribution amounted to €50 million as at 31 December 2014.
- Only then would the other clearing members' contributions to the clearing fund be used proportionately. As at 31 December 2014, the volume of Eurex Clearing AG's clearing fund stood at €3,512.9 million. After the contributions have been used in full, Eurex Clearing AG can request additional contributions from each clearing member, which can be up to twice as high as their original clearing fund contributions.

- Ultimately, a letter of comfort has been issued by Deutsche Börse AG. In it, Deutsche Börse AG states that it would provide Eurex Clearing AG with up to €700 million to cover any remaining losses. The letter of comfort may only be used for losses from on-exchange transactions.
- Finally, in the case of a shortfall, Eurex Clearing AG's remaining equity of €240 million would be used as at 31 December 2014.

In the event of a clearing member's default, the Default Management Process (DMP) is triggered. Its purpose is to rebalance the CCP, and thus to protect the non-defaulting participants from any negative consequences resulting from the default. Every product cleared by Eurex Clearing AG is clearly assigned to a so called liquidation group. Products within one liquidation group share similar risk characteristics and can be liquidated simultaneously in case of a clearing member's default. The DMP is conducted on liquidation group level; all positions of the defaulted clearing member which belong to the same liquidation group are jointly transferred to other participants via an auction or an independent sale. The clearing fund is segmented along these liquidation groups based on their respective margin requirements. Should the cost of a liquidation exceed the defaulter's resources, Eurex Clearing AG will always provide its own contribution to absorb losses, before using the mutual clearing fund. During a liquidation, Eurex Clearing AG can convene committees of market experts (Default Management Committees) to advise on and support all liquidation activities.

Eurex Clearing AG has faced three defaults of clearing members to date: Gontard & MetallBank, Lehman Brothers and MF Global. In all cases, the non-defaulters were fully protected by the CCP, as the open positions were closed without resorting to Eurex Clearing AG's own capital or the mutual funds to the non-defaulters. A substantial portion of the defaulters' margin remained unused and was returned to the estate.

Deutsche Börse Group reduces its risk when investing funds belonging to Group companies as well as client funds by distributing investments across multiple counterparties, all with a high credit quality, by defining investment limits for each counterparty as well as by investing funds primarily in the short term and in collateralised form if possible. Investment limits are established for each counterparty on the basis of regular credit checks and using ad hoc analyses, as necessary. Since extending its licence as an investment and credit institution under the Kreditwesengesetz (KWG, German Banking Act), Eurex Clearing AG can also use Deutsche Bundesbank's permanent facilities.

Stress tests are calculated for Clearstream and Eurex Clearing AG to analyse scenarios such as the default of their largest client. The figures determined in this way are compared with the limits defined as part of the risk-bearing capacity. In addition, the impact of several clearing counterparties defaulting at the same time is calculated for Eurex Clearing AG. A special stress test examines Clearstream Banking S.A.'s credit risk exposure from the settlement procedure with Euroclear. Moreover, inverse stress tests are calculated to determine the number of clients that would have to default for losses to exceed the risk cover amount. The results can lead to further analyses and measures to reduce risk. In the 2014 financial year, no risks were identified to Clearstream and Eurex Clearing AG as going concerns in the course of the stress test calculations.

In addition, Clearstream Banking S.A., as a core infrastructure provider with a banking licence was included in the ECB's comprehensive assessment including stress test to ensure the integrity of the capital markets. The Single Supervisory Mechanism, which was launched in November 2014, makes the ECB the supreme regulatory authority for banks in the euro zone. Prior to the implementation of this mechanism, the ECB undertook a critical analysis of the balance sheets of 130 euro zone banks and banking groups. Clearstream Banking S.A. passed the stress test with very good results in all scenarios. In the course of the extensive evaluation of the balance sheet and capital adequacy, the ECB confirmed the institution's high resilience. However, Clearstream has not been placed under the ECB's direct supervision. Since the Single Supervisory Mechanism (SSM) is aimed at traditional banks, Clearstream has not been classified as significant in terms of the SSM, regardless of its systemic importance.

Generally, Deutsche Börse Group records various risk indicators in addition to the risk measures EC, earnings at risk and the credit stress tests performed. These include the extent to which individual clients use their credit lines and credit concentrations.

Market risk

Market risks in operating business result from interest rate or currency fluctuations. Deutsche Börse Group measures these risks using earnings-based sensitivity analyses for extreme interest rate or exchange rate fluctuations. It avoids open currency positions whenever possible. Additional market risks can result from Deutsche Börse Group's ring-fenced pension plan assets (Contractual Trust Agreement, Clearstream pension plan in Luxembourg). By deciding to continue investing a significant proportion of the pension fund on the basis of a market-recognised absolute return approach, including a value preservation mechanism, the Group has reduced the risk of market price fluctuations. The probability of a significant market risk occurring is low, and the Group also considers the impact to be low. Clearstream and Eurex Clearing AG perform regulatory stress tests for market risk. However, since these market risks are not substantial, no further stress tests are performed beyond those prescribed by the regulators.

Liquidity risk

Liquidity risk applies if a Deutsche Börse Group company is unable to meet its daily payment obligations or only in return for increased refinancing costs. Operational liquidity requirements are met primarily by internal financing, by retaining funds generated. The aim is to retain liquidity in the amount of operating costs for one quarter; target liquidity currently ranges from €150 to €250 million. There is an intra-Group cash pool for pooling surplus cash, as far as regulatory and legal provisions allow. Liquid funds are invested exclusively short term in order to ensure that they are available. Short-term investments are also largely secured by liquid bonds from first-class issuers. Deutsche Börse AG has access to short-term external sources of financing, such as agreed credit lines with individual banks or consortia, and a commercial paper programme. In order to cover its structural financing needs, Deutsche Börse AG has used its access to the capital market to issue corporate bonds in recent years.

Clearstream's investment strategy aims to be able to repay customer deposits at all times. Accordingly, liquidity limits are set carefully. In addition, extensive sources of financing are available at all times, such as ongoing access to the liquidity facilities at Deutsche Bundesbank and Banque Centrale du Luxembourg.

Due to its role as a central counterparty, Eurex Clearing AG has strict internal liquidity guidelines. Its investment policy is correspondingly conservative. Regular analyses ensure the appropriateness of the liquidity guidelines. In addition, Eurex Clearing AG can use Deutsche Bundesbank's permanent facilities as mentioned above.

The key liquidity risk for Deutsche Börse Group lies in customer default. If a clearing member of Eurex Clearing AG defaults, its member position is liquidated. If a Clearstream customer defaults, the – generally collateralised and intraday – credit line granted to increase settlement efficiency would be called, and the collateral provided by the client could then be liquidated. Deutsche Börse Group estimates the probability of this risk to be low, with the possibility of medium financial losses. However, in this context, the key risk lies not in financial losses but in the danger that the Group may not, respectively, not in a timely manner, be able to meet its obligations.

To strengthen the risk management functions relating to this key risk, the first "fire drill" was held at management level at Deutsche Börse Group in December 2014. This exercise simulated the default of one of the Group's customers. The aim was to test the management response, information flows and decision processes within the Group in a crisis situation and to implement any improvements identified as a result. It is planned to repeat this fire drill regularly and to enhance it further. At Clearstream, it is also planned to hold a fire drill once a year from 2015 on. At Eurex Clearing AG, a similar fire drill is already part of risk management; it is held once a year in cooperation with the clearing members.

In addition, the liquidity risk to which Clearstream and Eurex Clearing AG are exposed is subject to regular stress tests. Both the sources of liquidity and its use are tested based on defined historic and hypothetical scenarios. In addition, inverse stress tests are performed to see which additional scenarios would have to occur for liquidity to be insufficient. Clearstream and Eurex Clearing AG had sufficient liquidity in the stress tests at all times in 2014.

Business risks

Business risk reflects the fact that the Group depends on macroeconomic developments and is influenced by other external events, such as changes in the competitive environment or regulatory initiatives. It therefore expresses the Group's business environment and sector risk. It also includes business strategy risk, i.e. the impact of risks on the business strategy and possible adjustments to it. These business risks are represented as target /actual comparisons for EBIT, and are monitored constantly by the divisions. Their weighting for the Group is of about 18 per cent of the total risk. Business risks may result in revenues lagging budget projections or in costs being higher.

Competitive environment

Business risk includes the risk that US competitors such as the derivatives exchanges Chicago Mercantile Exchange (CME) and IntercontinentalExchange (ICE), or the Nasdaq OMX stock exchange, might increase their presence on the European trading markets (both on- and off-exchange). Deutsche Börse Group classes such market entry as highly probable, but estimates its impact to be relatively low.

Reinvigoration of financial and debt crisis

If a peripheral state were to leave the European currency union, or if a state were to become insolvent, this could mean that government bonds would not be redeemed or only would be redeemed in part. Currently, the Group still views the probability of this risk occurring as low, and the possible consequences as medium.

Regulatory requirements

The risk arising from new regulatory requirements could significantly reduce trading volumes in the cash and derivatives markets. This means that the revision of the Markets in Financial Instruments Directive (MiFID II) and the Markets in Financial Instruments Regulation (MiFIR) could increase the Group's business risks. Facilitating access to European trading centres and clearing houses could lead to a greater competition and have a negative effect on revenue in the Eurex and Xetra segments.

Moreover, increased transparency requirements as well as new rules on licensing indices used as benchmarks laid down in MiFID II and MiFIR could negatively impact the revenue of the Market Data + Services segment as well as the Eurex trading venue. The introduction of a financial transaction tax, which continues to be supported by ten European states, could significantly reduce trading activities for both Eurex and Xetra. This would go hand in hand with lower revenue not only for the marketplaces but also for all post-trading businesses, and hence for the entire Group.

Deutsche Börse Group assumes a medium probability of occurrence for risks from new regulatory requirements. The possible financial consequences of these risks are currently classed as medium.

Economic environment

A sustained period of weak trading activity in the market also presents a risk for the Group. The Group views the probability of this risk occurring as well as the possible financial loss as medium. Deutsche Börse Group simulates different scenarios in stress tests. The scenarios simulate the simultaneous occurrence of different business risks, such as the negative effects of stronger competition alongside reduced business due to new regulations.

Project risks

Project risks can result from the implementation of ongoing projects (such as the launch of new products, processes, or systems), which could have a material impact on one or more of the three other risk categories (operational, financial and business risk). Project risks are not broken down further. They are evaluated by GRM and already considered in the initial phase of substantial projects. Currently, further expansion of Deutsche Börse Group's business in Asia, for example, is one of the key elements of its strategic orientation. In addition, the implementation of the TARGET2-Securities settlement system is currently an important project for Clearstream. CleAR is another key Deutsche Börse Group project. Its goal is to develop an even more powerful platform for Eurex Clearing AG's clearing system. Ongoing monitoring and controls ensure that project risks are continually analysed and evaluated. Ultimately, project risks figure as operational, financial and business risks, which is why they are quantified within these risk types.

Key figures of the liquidation principle as at 31 December 2014

		Deutsche Börse Group	Eurex	Xetra	Clearstream	Market Data + Services
Required economic capital	€m	1,939	819	111	836	173
Risk-bearing capacity	€m	2,591	1,092	214	1,055	230
Utilisation	%	75	75	52	79	75
Early warning limit	%	85	85	85	85	85

Overall assessment by the Executive Board on the risk situation

Deutsche Börse AG's Executive Board is responsible for risk management throughout the Group and regularly reviews the entire Group's risk situation. Its summary of the situation in 2014 is given here, along with a final brief look at the coming financial year.

Summary

The past financial year saw additional external risk factors emerge for Deutsche Börse Group's business. A further increase in Deutsche Börse Group's operational was identified mainly due to the Group's business becoming more international and, as a consequence, the higher complexity of regulatory framework the Group has to comply with. In addition, availability risks have increased. The Group identified these factors early on and took appropriate countermeasures. Due to these measures, Deutsche Börse Group's risk profile remained broadly stable. In the year under review, Deutsche Börse Group's risks were always covered by sufficient risk-bearing capacity, i.e. the allocated risk appetite limits were met.

As at 31 December 2014, the Group's EC amounted to €1,939 million, a 19 per cent increase year-on-year (31 December 2013: €1,630 million). Available risk coverage also increased by 8 per cent to €2,591 million year-on-year (31 December 2013: €2,395 million). The earnings at risk as at 31 December 2014 were €696 million, while risk appetite was €990 million, based on adjusted EBIT in 2014.

The Executive Board of Deutsche Börse AG is convinced that the risk management system is effective. The Board strengthened the system in the past two years and reorganised the control function responsible for it. The Group-wide strategy to capture and manage risks, which now focuses more strongly on risk appetite, forms the basis for internal risk management. It is codified in the three principles described in this report.

Outlook

The Group continually assesses its risk situation. Based on stress tests, the calculated EC as well as the risk management system, the Executive Board of Deutsche Börse AG concludes that the available risk-bearing capacity is sufficient. Furthermore, it cannot identify any risk that could endanger the Group's existence as a going concern.

In 2015, the Group intends to further strengthen its Group-wide risk management. For instance, it plans to enhance the default management process currently in place for Eurex Clearing AG not only at Clearstream but in the entire Group. This will result in a harmonised process for the Group's financial institutions, taking into account the potential reciprocal effects of a counterparty default.

In addition, Deutsche Börse Group's risk culture will be strengthened further by clearly assigning the responsibilities for risks in the business areas. In particular, operational risk management will be extended further by introducing or reinforcing the role of the "OpRisk Representative" in each business area. This will further strengthen the identification and analysis of operational risks as well as the action taken to manage these risks.

Report on opportunities

Organisation of opportunities management

Deutsche Börse Group's management of opportunities aims to identify, evaluate and assess opportunities as early as possible and to take appropriate measures in order to transform opportunities into business success.

Deutsche Börse Group evaluates organic growth opportunities both on an ongoing basis over the year in the individual business areas and systematically at Group level as part of its annual budget planning process. Suggestions from the Group's business areas for new products, services, or technologies serve as the starting point. The process begins with a careful analysis of the market environment: as well as customer wishes, it also considers factors such as market developments, competitors and regulatory changes. This draws on a range of opportunity development tools such as a strengths and weaknesses analysis or inside-out and outside-in approaches.

The ideas for growth initiatives are fleshed out using uniform, Group-wide templates and subjected to a profitability analysis. Qualitative aspects are documented in the form of a business plan, and expenses and revenues are projected in detail for several years. The business plan includes for example information about the product or service that is to be offered, as well as about target customers and competitors, market size, barriers to market entry and the positioning of the product or service on the market. It also outlines the resources required and the implementation approach – including a marketing/sales strategy – and highlights potential risks. The profitability analysis is based on absorption costing. A distinction is made between expense- and expenditure-related variables, thus indicating the effect on both the company's income statement and its cash flow statement.

Once the business plan and profitability analysis have been prepared for the individual growth initiatives, a decision is made as to their implementation. This is made by the Executive Board of Deutsche Börse AG as part of the annual budget planning process. The Executive Board starts by setting the budget available for growth initiatives, which depends on general business performance. This budget is then allocated to the individual business areas on the basis of various factors (such as a business area's contribution to Group EBIT). The relevant growth initiatives within the business areas are then prioritised. Prioritisation is based on the profitability analysis. It also takes risks into account and assesses the contribution of individual growth initiatives to the business area's and Group strategy. Economies of scope, i.e. the benefits offered to several business areas, also play a role in the prioritisation of growth initiatives. The initiatives that, taking into consideration the corresponding risks, make the highest value contribution and that can be financed within the scope of the budget allocated to the business area are selected by the Executive Board and incorporated into the budget.

Budgeting for growth initiatives involves reserving a full-year budget in the form of expenditures and expenses for each selected growth initiative included in the investment portfolio. The budget is approved by the Executive Board of Deutsche Börse AG in the course of the year and is broken down into project phases. This ensures that funding approval is linked to project progress and that projects are reviewed regularly. It also gives the Executive Board the opportunity to adjust the deployment of the funds reserved for the year as a whole and to react to general business performance – if required, new growth initiatives can be approved in the course of the year, for example.

Monitoring of growth initiatives during the intraperiod budget approval process is facilitated by regular reporting. Deutsche Börse AG's Executive Board receives a monthly report on the status and progress of initiatives currently being implemented. The report is coordinated by central functions in cooperation with the individual projects from the business areas and compares planned costs and revenues with actual budget utilisation and the revenues actually generated. In addition, financial planning is adjusted, forecasts are updated and changes to the scope of the project are made transparent. Furthermore, checks are used to establish whether milestones have been reached and project-specific risks and the countermeasures taken are described. Project management and the supporting central functions comment on the status of the project for the Executive Board.

Organic growth opportunities

In terms of organic growth opportunities, Deutsche Börse Group makes a basic distinction between structural and cyclical opportunities. Structural opportunities arise, for example, as a result of regulatory changes or new customer requirements, and can be influenced directly by the company. Cyclical opportunities, which are driven by macroeconomic changes, cannot be influenced directly by the company.

Structural growth opportunities

Deutsche Börse Group is currently focusing on structural growth opportunities relating firstly to OTC derivatives clearing, collateral and liquidity management, secondly to further expansion in Asia and thirdly to market data and IT.

Clearing of OTC derivatives

The liquidity problems experienced by major market participants during the financial crisis were triggered by the non-settlement of bilateral over-the-counter (OTC) transactions that were mainly entered into on an unsecured basis. In light of this, the leading industrialised nations (G20) agreed to create an effective regulatory environment to make off-exchange derivatives transactions more transparent and more secure. In response, the European Union has developed the European Market Infrastructure Regulation (EMIR), which is aimed at regulating OTC trading with derivatives. EMIR includes the following regulatory requirements:

- an obligation to clear standardised OTC derivatives transactions using a central counterparty
- special risk management requirements for transactions in non-standardised derivatives
- an obligation to report the transactions to a trade repository

EMIR entered into force on 16 August 2012 and is currently being implemented. To help market participants meet its requirements, Eurex Clearing has developed a central counterparty for clearing OTC derivatives transactions; this is known as "EurexOTC Clear" and has been available to the market since 13 November 2012. On 10 April 2014, Eurex Clearing received a clearing house licence in accordance with EMIR. The granting of the licence confirms full compliance of Eurex Clearing's clearing services with the EMIR rules. Eurex Clearing can therefore already provide its members with services needed to meet the upcoming clearing obligation for derivatives in Europe. The offering, which may later be extended to other asset classes, is aimed primarily at institutional customers and their interest rate derivatives transactions (interest rate swaps). It focuses in particular on security and efficiency, allowing cus-

tomers to gain the full benefit of Eurex Clearing's risk and collateral management services for their OTC transactions as well. By the end of 2014, the offering had 39 clearing participants and over 59 registered clients, such as fund management companies, banks, or insurance companies. Several delays in drafting and implementing EMIR have also delayed the effective date of the clearing obligation. At the time of publication of this management report, the company expects it to enter into force in the second quarter of 2015.

Collateral and liquidity management

The collateral and liquidity management offering developed as part of the Global Liquidity Hub growth initiative enables Clearstream to help its customers cope with the structural changes they are facing, such as those resulting from the additional liquidity requirements under Basel III and the new clearing obligations under EMIR. The Global Liquidity Hub allows banks to use the assets that Clearstream holds in custody on their behalf more efficiently across different platforms and countries. Since this is a key issue worldwide, Clearstream markets its collateral management system to third parties and has entered into corresponding outsourcing agreements with various market infrastructure operators around the world. This service – the Liquidity Hub GO (Global Outsourcing) – is at different stages of development with Clearstream's international partners. In addition to central securities depositories, Clearstream has also signed agreements with custodian banks to allow them to benefit from Clearstream's collateral management expertise. By the end of 2014, four central securities depositories (CSDs) – from Brazil, Australia, Spain and South Africa – had been connected to the Liquidity Hub GO. Moreover, letters of intent have been signed with other exchanges and CSDs, among others in Norway, Singapore and Canada. In addition to CSDs and exchanges, several custodian banks, such as BNP Paribas, Standard Chartered and Citibank have now also been connected, Deutsche Bank signed a letter of intent. In November 2014, Clearstream and Standard Chartered Bank implemented a collateral management service for Singapore. Mutual customers of Clearstream and Standard Chartered can now consolidate their securities holdings deposited with the two service providers into a single central pool and use them to cover their global financial risk with any counterparty connected to the clearing system.

Expansion in Asia

In addition to growth in OTC and unsecured markets, the Group is focusing on expanding its business in growth regions. A particular emphasis is on Asia, where the Group is already successfully represented by Clearstream subsidiaries in particular. Among other things, Clearstream has operated a permanent establishment in Singapore since 2009, which has its own banking licence. The company expects further growth in the Asia-Pacific region in areas such as collateral and liquidity management. The Group has already achieved initial successes in this area by connecting the Australian Stock Exchange to the Global Liquidity Hub and by signing a corresponding agreement with the Singapore Exchange (SGX).

After successfully positioning Clearstream in Asia, it is the Group's declared aim to clearly increase the proportion of Asian products and customers in other business areas as well in the medium term. In the Eurex segment, the focus to date has been on product alliances and on connecting participants to the global network. One example is the successful partnership Eurex entered into with the Korea Exchange (KRX): products based on South Korea's benchmark KOSPI index have been traded on Eurex since 2010. The alliance launched with TAIEX, the Taiwan Futures Exchange, in 2014 follows this example: Eurex acquired a 5 per cent interest in TAIEX in order to strengthen this strategic product partnership. The Eurex/TAIEX link went live on 15 May 2014. The alliance allows Eurex participants to trade and clear futures and options on Taiwan's TAIEX benchmark index during trading hours in Europe and the USA.

Derivatives on the TAIEX index are among the most heavily traded Asian equity indices contracts. Numerous proprietary traders and local brokers from Taiwan and other Asian countries already have access to the new Eurex/TAIFEX products through various clearing participants based in Asia and Europe. These include the Singapore-based United Overseas Bank Ltd. (UOB), one of Asia's biggest financial institutions. Admitted on 15 May 2014, UOB is Eurex Clearing's first Asian clearing participant.

Furthermore, the agreement on the strategic cooperation between Deutsche Börse Group and Bank of China signed in March opened up new perspectives for the expansion of the China business. The two companies will develop the financial infrastructure needed to underpin further bilateral economic cooperation and to support the internationalisation of the renminbi by promoting Frankfurt/Main as the European offshore centre for the Chinese currency.

As a major milestone in its Asia strategy, the Group also plans to build a local clearing infrastructure for the derivatives area in order to support the growth within the Asian region. In January 2015, Deutsche Börse Group received 'in-principle' regulatory clearance from the local financial supervisory authority to set up a clearing house in Singapore. With the launch of the clearing house in Asia, which is planned for 2016, the trading hours at Eurex Zürich will be extended to allow trading participants in the Asian time zones to trade and clear derivatives via Deutsche Börse Group. In addition, through its subsidiary EEX, Deutsche Börse Group acquired a majority interest in Cleartrade Exchange Pte. limited, a Singapore-based futures exchange, at the beginning of 2014.

Market data and IT

Asia also offers growth opportunities for the Market Data + Services segment: the Group is planning further growth from distributing capital market data, indices and technology solutions.

Shanghai Stock Exchange has been designated as the exclusive distributor and licensor for Deutsche Börse market data products in mainland China, while Deutsche Börse acts as the exclusive global licensor for the above-mentioned Cleartrade Exchange. Moreover, in August 2014, Deutsche Börse and Philippine Stock Exchange signed a memorandum of understanding to establish a market data cooperation between the two exchanges.

In the index business, the Group aims to give STOXX, which is already established as an index provider in Europe, a more global reach so that other indices can be developed and marketed worldwide alongside the DAX and STOXX index families. Diversifying the range of indices aims to tap into new customer groups, both within Europe as well as in Asia and America. For this reason, it has systematically expanded its offering of indices on Asian underlyings, such as the STOXX China Total Market indices, and won further customers for its broad range of index products. Among other things, STOXX expanded its offering for Chinese investors in 2014: July saw the launch of the HuaAn Germany DAX 30 ETF, the first ETF available in China to use a European index as its underlying.

In addition, the Group has increased external marketing of its internally developed trading, clearing and collateral management technology to third parties in order to win further customers above and beyond its existing alliances. In 2014, the technology alliance with the BSE (formerly Bombay Stock Exchange) was extended to include the cash market, and the Mauritius-based African Stock Exchange opted for Deutsche Börse's cash market system; the Xetra technology is already used by the exchanges in Vienna, Prague, Ljubljana, Budapest, Dublin and Sofia, as well as in Malta and the Cayman Islands.

The [table](#) “Expected net revenue contribution by structural growth opportunities in 2017” details the financial potential of the three growth initiatives described above. Please note that the additional net revenue is expected in 2017.

Other structural growth opportunities

In addition to these initiatives, the Group has identified a number of other structural factors that should have a positive impact on business success.

- Within the framework of the TARGET2–Securities (T2S) project, the European Central Bank (ECB) is planning the harmonisation of cross-border securities settlement in central bank money in Europe for 2015. Clearstream took part in this initiative since an early stage and made considerable investments in the adaption of its systems to the new settlement structure. Clearstream will migrate to T2S in September 2016. For Clearstream, T2S is an opportunity to expand its business with existing and new customers and consolidate its position as a leading provider of post-trade services in Europe.
- In January 2014, agreement was reached at a European level on the MiFID II Directive: among other things, OTC derivatives transactions will in future have to be settled via organised trading facilities, a requirement that is expected to benefit Eurex. In addition, it was resolved to limit the volume of equities traded in dark pools. The Group expects this restriction to have a positive impact on the volumes traded on Xetra.
- Risk management is becoming more important as a consequence of the financial crisis. The company expects market participants to make greater use of Eurex Clearing’s clearing services to net out transactions in different asset classes and hence to eliminate counterparty risk.
- As a result of the European legal and administrative framework relating to certain undertakings for collective investment in transferable securities (UCITS V), the company expects that traditional investment funds will increasingly include derivatives in their portfolio strategies. This could result in additional business for the Eurex segment.
- For Clearstream’s post-trade activities, the company anticipates that, in the long term, companies will increasingly raise capital through equity and debt financing on the capital markets. This is related to the higher capital and liquidity requirements for banks and the resulting negative impact on the total volume of available credit. For Clearstream, this could have a positive effect on custody volumes, espe-

Expected net revenue contribution by structural growth opportunities in 2017

Structural growth opportunities	Description	Expected additional net revenue	Probability ¹⁾
OTC derivatives clearing	Clearing services for OTC derivatives trading in response to regulatory requirements (EMIR)	Approximately €50 to €100 million	High
Collateral and liquidity management	Expansion of collateral and liquidity management services on a global basis; positive effects of these services on Clearstream’s core business	Approximately €100 million	High
Expansion in Asia	Further expansion in growth markets in Asia, especially in the Clearstream and Eurex segments	Approximately €100 million	High
Market data and IT	Globalisation of index provider STOXX Intensified marketing of IT solutions to external customers	Approximately €50 to €75 million	High

1) See the [table](#) “Description of risks” section for an explanation of the terms.

cially in the international bond segment. In addition, given the growing internationalisation of the capital markets, the company is continuing to expect a sharper rise in the volume issued internationally compared with national bond issues.

Cyclical opportunities

In addition to structural growth opportunities, Deutsche Börse Group has cyclical opportunities, for instance as a result of positive macroeconomic development. For example, since the end of the third quarter of 2014, there has been growing uncertainty regarding global economic performance as well as another interest rate cut by the ECB; as a result, volatility on the stock and interest rate markets has

increased. This resulted in a higher demand for hedging and in a significant increase in trading volumes on regulated markets at the beginning of the fourth quarter. Although the company cannot influence these cyclical opportunities directly, they could lift Deutsche Börse Group's net revenue and consolidated net income significantly in the medium term:

- In the cash and derivatives market segments (Xetra and Eurex), sustained positive economic development, an improvement in the situation of the southern EU member states, a lasting rise in investor confidence in the capital markets and, as a result, a renewed rise in risk appetite among market participants, as well as a sustained increase in stock market volatility, could stimulate trading activity by market participants and boost trading volumes for the year as a whole, comparable to what occurred in the fourth quarter of 2014.
- The volumes of interest rate derivatives traded on the Group's derivatives markets could rise as a result of increasing speculation about trends in long-term interest rates for German and other European government bonds, if key interest rates actually rise and if the spread between the various European government bonds continues to narrow.
- While the company does not expect the ECB to change its low interest rate policy during the forecast period, the US Federal Reserve could start to incrementally raise interest rates in the second half of 2015. This would, among other things, positively impact Clearstream's net interest income as some 40 per cent of its daily cash balances are denominated in US dollar. Considering all customer cash deposits, raising key interest rates by one basis point could lead to an increase of income of some €100 million.
- In the post-trade segment, Clearstream, a reduction in the liquidity supplied by the central banks could encourage bond issuance and lead to an increase in custody volumes. Moreover, this could increase demand for Clearstream's range of collateral and liquidity management services.
- In the market data business, an increase in the number of employees at companies active on the financial markets could lead to growing demand for data packages.

External growth opportunities

In addition, the company regularly explores external growth opportunities, which are subjected to the same kind of stringent analysis as its organic growth initiatives. For this reason, only a small number of the opportunities analysed are ultimately realised. Examples of external growth in the past few years include the takeover of the London-based cloud services provider Impendium Systems Ltd at the beginning of 2014 and of Citco's hedge fund business, the acquisition of all the shares of Eurex from SIX Group AG and of a majority interest in EEX and Powernext, as well as the increased stake in the index provider STOXX Ltd. Deutsche Börse Group is also open to alliances and equity investments in Asia – examples

can be found in the [“Eurex segment”](#) and [“Clearstream segment”](#) sections. In general, however, given that the company already offers a very comprehensive range of products and services along the entire value chain, its focus is squarely on leveraging organic growth opportunities.

Report on expected developments

The report on expected developments describes how Deutsche Börse Group is expected to perform in financial year 2015. It contains statements and information on events in the future and is based on the company's expectations and assumptions at the time of publication of this report. In turn, these are subject to known and unknown opportunities, risks and uncertainties. Numerous factors influence the Group's success, its business strategy and financial results. Many of these factors are outside the company's control. Should opportunities, risks, or uncertainties materialise or one of the assumptions made turn out to be incorrect, the actual development of the Group could deviate either positively or negatively from the expectations and assumptions contained in the forward-looking statements and information contained in this report on expected developments.

Development of the operating environment

Macroeconomic environment

Deutsche Börse Group anticipates that the global economy will grow moderately during the forecast period. In the case of the emerging markets, the Group expects that countries with a current account surplus will expand at an above-average rate. Moreover, the Group expects that economic growth in the industrialised nations will also pick up again following a number of difficult years in the wake of the financial crisis. In the USA, there were already signs of a recovery in 2014 and this is expected to continue in 2015. With respect to Europe, the Group is also forecasting a slight improvement in the economic situation, in particular because southern European countries such as Italy or Spain have returned to more significant growth or will no longer be in recession in 2015. In view of this essentially positive situation, the company expects market participants to regain confidence in the capital markets. However, currently uncertain factors such as geopolitical crises or uncertainty about the credit quality and liquidity of individual euro zone states, for example Greece, as well as the monetary policy adopted by the central bank or a crisis of confidence in the currencies of certain emerging market countries could unsettle the markets again. As regards interest rate trends, the Group does not expect to see any fundamental departure from the current low interest rate policy in Europe. Moreover, the ECB announced an extended bond-buying programme in January 2015 to counter deflation risks in the euro zone. This additional liquidity for the capital markets will cause interest rates to fall further or stabilise at a historically low level. The additional liquidity should have a positive effect on the trading volumes on the cash and derivatives markets. In contrast to Europe, market participants are expecting a reversal of interest rate policy to occur sooner in the USA. This would in part benefit the net interest income from banking business generated by Clearstream.

In its forecast of economic development for 2015 published in January 2015, the International Monetary Fund (IMF) predicts an increase of around 1.2 per cent in the euro zone and growth of around 1.3 per cent in Germany. The insignificant difference between the euro zone and Germany is a result of substantially stronger growth than in previous years in countries such as France, Italy and Spain. Expectations for the United Kingdom and the United States are significantly higher than for the euro zone. In

2015, the economy is forecast to grow by around 2.7 per cent in the UK and by around 3.6 per cent in the US. The highest growth by far in 2015 – approximately 6.4 per cent – is again expected in Asian countries (and especially China) in anticipation of high domestic demand. Given the extremely varied estimates for the different economic regions, global economic growth is projected to be around 3.5 per cent in 2015.

Regulatory environment

Governments and central banks are currently working on strengthening regulation of the financial markets to further stabilise the financial sector and prevent future crises of the experienced degree of severity. The measures envisioned, and in some cases already initiated, range from revising the legal framework for banking business and capital requirements through rules for clearing OTC derivatives transactions to improving financial market supervision (for more information, please see the [“Regulatory environment”](#) section of the report on the economic position). For Deutsche Börse Group’s customers, the ultimate impact of these far-reaching regulatory reform projects on market structures and business models is difficult to gauge accurately at present. Deutsche Börse anticipates that this uncertainty will continue to weigh on the business activities of market participants during the forecast period. For the Group itself, the different regulatory projects will have both positive and negative consequences. Overall, however, the Group sees the changing regulatory environment as an opportunity to expand its business further, see the [report on opportunities](#) for further details.

In addition to the structural opportunities arising from regulation, the Group expects further debate in the forecast period on the potential introduction of a financial transaction tax as well as on capital requirements, especially for clearing houses.

The introduction of a financial transaction tax will continue to be pursued in 2015 by some member states of the European Union, which have formed an alliance to achieve greater cooperation. The introduction of such a tax would negatively impact Deutsche Börse Group’s business development. Since the eleven participating member states have been unable to date to reach agreement on the tax base, tax rates and technical collection and remittance methods, it is not possible to gauge the concrete impact on the Group’s business.

Moreover, from Deutsche Börse Group’s perspective, the current debate on strengthening the equity base of global systemically important banks and on adequate capital resources for clearing houses will not have any material effect on the equity base of its regulated companies in the short term. The companies belonging to Deutsche Börse Group already have comprehensive internally defined buffers and are planning to address possible additional capital requirements resulting from the phased introduction of moderate new capital buffers.

Future development of results of operations

Given its diversified business model and multiple sources of revenue, Deutsche Börse Group continues to consider itself very well positioned and expects to see a positive trend in its results of operations in a medium and long term perspective. This expectation is based on, among other things, the growth opportunities that the company intends to exploit in the medium to long term (see the [report on opportunities](#) for further details). The Group expects net revenue to increase further in the forecast period. This assumption is primarily based on three factors. Firstly, cyclical conditions, especially stock market volatility, have improved significantly since the end of the third quarter of 2014 and are having a positive effect on trading volumes in equities and equity index derivatives. Secondly, this assumption reflects an increase in net revenue of around €80 million as a result of the consolidation of Citco Global Securities Services

Ltd. as at 3 October 2014 and of Powernext SA as at 1 January 2015. And thirdly, the Group expects the contribution from its structural growth initiatives to rise further. Depending on the development of the operating environment, the impact of both cyclical and structural growth drivers and the success of new products and functionality, Deutsche Börse Group expects net revenue to increase by approximately 5 per cent to 10 per cent in the medium term. For 2015, net revenue is expected to increase to between €2,100 million and €2,300 million.

If, contrary to expectations, general conditions turn out to be worse than as described above, or if caution persists among its customers, especially those of the Group's business areas that depend on trading, the company believes it is nevertheless in a position to continue to do business profitably due to its successful business model and its rigorous cost discipline.

The Group will compensate for the expected inflation-linked cost increases after the forecast period thanks to the additional annual savings of €70 million until 2016 that were resolved in 2013. At the same time, these provide the Group with the freedom needed to continue its growth and infrastructure initiatives, which it intends to use to take advantage of opportunities presented by the structural and regulatory changes on the financial markets and to harness the potential offered by growth markets such as Asia. The Group's operating costs have been rising since 2011, primarily as a result of the increased level of investments as well as consolidation effects. For 2015, the company expects additional operating costs of approximately €110 million. This increase will primarily be driven by consolidation effects (see above) amounting to around €70 million, but they will be offset by additional net revenue of €80 million. In addition, there will be currency effects amounting to approximately €20 million because of the euro's significant weakening against the US dollar and the Swiss franc. These currency effects are likewise offset by additional net revenue. Moreover, the Group continues to invest in structural growth and infrastructure aimed at, among other things, advancing the extension of collateral and liquidity management services, the connection to TARGET2-Securities and expansion in Asia. Here, the company anticipates an increase of about €20 million, attributable firstly to higher investments and secondly to a year-on-year rise in depreciation and amortisation expenses due to initiatives already completed. In total, the company therefore expects operating costs of €1,180 million in 2015, adjusted for special factors such as efficiency programmes. As at the publication date of this combined management report, the company is expecting that operating costs will be affected by special factors of some €30 million, especially relating to costs for efficiency measures as well as mergers and acquisitions.

The expected increase in net revenue by approximately 5 per cent to 10 per cent and the planned increase in operating costs would result in EBIT adjusted for special factors of approximately €925 million to €1,125 million. The Group anticipates an unchanged tax rate of approximately 26 per cent for the forecast period, adjusted for any special factors. Consequently, consolidated net income for the period would amount to approximately €625 million to €775 million, adjusted for special factors in both cases.

The parent company Deutsche Börse AG has also considered in its planning the cyclical market environment and structural growth opportunities which were described above for Deutsche Börse Group. For 2015, the company expects net revenue to be above the level of 2014. Depending on how the factors described above will develop, net revenue could amount to between €1.0 billion and €1.2 billion. Tak-

ing into consideration this scope, stable costs and growing dividend income, the company expects net profit for the year to reach approx. €0.4 billion, adjusted for exceptional items.

Eurex segment

In the past year, the cyclical factors (see the [“Results of operations”](#) section for details) led to an overall decrease in derivatives trading volumes. The sharp increase in stock market volatility since the end of the third quarter resulted in a significant rise in trading volumes, especially in equity index derivatives, in the fourth quarter of 2014. Deutsche Börse Group believes that structural growth factors will remain dominant over the long term, and that they will positively influence trading volumes in all product segments (see the [report on opportunities](#) for further details), but that in the short term, the cyclically positive business environment will also lead to an increase in trading volumes, especially in the area of equity index derivatives.

Eurex will continue to invest systematically in implementing its technology roadmap and expanding its product offering in the forecast period. The investment focus will still be on expanding risk management. For example, the segment is planning a further expansion of its portfolio-based risk management activities and of the functions used to segregate customer positions. The product offering will also be extended by providing clearing services for the securities lending market. Among other things, these new features are being implemented so as to further enhance the attractiveness of clearing services for OTC derivatives trading from the customer perspective. In the medium to long term, the company expects this initiative to deliver significant additional net revenue. Moreover, the Eurex segment is planning to establish a new clearing house in Singapore to give local market participants access to selected European benchmark derivatives listed on Eurex Exchange during trading hours in Asia. Since the regulatory requirements to settle OTC derivatives transactions via a central counterparty are only expected to finally enter into force in the course of 2015 and the clearing house in Asia is still in the set-up phase, the Group does not anticipate any material additional contribution to net revenue for 2015 from these investments. As for the cyclical business drivers in the Eurex segment, persistently high stock market volatility could continue to have a positive effect on business activity. Stock market volatility at the level of the last months before the publication of this report would have a significantly positive impact on trading in index derivatives. At the same time, the extended programme of the ECB for purchasing government and corporate bonds could have a negative effect on volatility on the interest rate market, which could in turn lead to a further decline in trading volumes in interest rate derivatives. Following the positive development of volumes traded on EEX in the year under review, and given the continuing positive market environment for trading in power and gas products, the Group expects business activity to revive further during the forecast period.

Xetra segment

As in the past, net revenue in the Xetra cash market segment will continue to depend on equity market trends and equity market volatility in the future, but also on structural and cyclical changes in trading activity. Similar to the previous year, the first nine months of 2014 saw a significant level of caution on the part of market participants, but stock market volatility increased significantly at the end of the third quarter, which also pushed up trading volumes in the cash market, in some cases significantly so. At the time of preparing this management report, the company expects average stock market volatility to be higher in 2015 than in the previous year. In light of this, a further year-on-year increase in net revenue can be assumed for 2015. Sustainable growth would, in addition, require a further improvement in investor confidence.

In addition to enhancing its cash market, the company will continue to maintain a close watch on changes in the competitive environment for the European cash markets. As in the past, it considers itself well positioned to retain its status as the market leader for trading German blue chips and to offer its customers across the globe an attractive range of products and services for cash trading in German and European equities, as well as equities clearing. However, due to the stronger competition in the cash market, further shifts in the market shares of all competitors cannot be ruled out.

Clearstream segment

The Clearstream segment generates its net revenue primarily from the settlement and custody of international bonds – a business that is much more stable and only less subject to fluctuations on the capital markets than the trading business. In light of regulatory requirements and the loss of confidence among market participants, the Group anticipates a structurally driven increase in demand for collateral and liquidity management services. For this reason, Clearstream is systematically expanding its international Global Liquidity Hub offering: Following the four central securities depositories and three custodian banks that had already connected to the Global Liquidity Hub by the end of 2014, further connections are planned for the forecast period. Furthermore, during the forecast period Clearstream will make preparations for TARGET2-Securities (T2S), the European Central Bank's future central settlement platform. In the medium to long term, Clearstream expects its attractive collateral and liquidity management and its strong position in the T2S network to result in increased business activity and consequently significant additional net revenue. However, since the new partners can only be connected consecutively and Clearstream itself will only be connected to T2S in 2016, the Group anticipates only a moderate contribution to net revenue for 2015. The monetary policy pursued by central banks in the forecast period will also have an impact on Clearstream's business. Due to the extended programme for purchasing government and corporate bonds announced by the ECB in January 2015, transaction activity is expected to increase in the medium term. At the same time, however, this could have a dampening effect on securities issuance and liquidity management. If, contrary to expectations, monetary policy becomes more restrictive, this would have positive consequences for securities issuance, the use of collateral and liquidity management services, and net interest income in the banking business. Should the Federal Reserve initiate a reversal of interest rate policy in the USA in 2015, as expected by the capital markets, this would already have a positive effect on net interest income in 2015, because a significant proportion of customer balances is denominated in US dollars.

With regard to its customer structure, the company continues to expect that consolidation in the financial sector will persist and that customers in Clearstream's domestic and international business will merge. These larger customers would benefit from greater discounts, which would lead to a decline in average fees. Although Deutsche Börse faces especially intense competition in the areas of the settlement and custody of international bonds, the company does not expect this to have a major impact on its net revenue or to result in a loss of market share during the forecast period.

Market Data + Services segment

The aim of the segment is to accelerate the expansion of Deutsche Börse's technology leadership and expertise in the area of market data by pooling all the company's relevant resources in a dedicated, market-driven business unit. This shall open up untapped growth opportunities in the medium to long term.

During the forecast period, the company anticipates a slight increase in net revenue in the Market Data + Services segment. This expectation is based on the continuous expansion of the product range in all areas and greater marketing of these products in growth regions. Such a development should benefit the Group's index business in particular. Moreover, given the significant structural growth in the market for passively managed assets, the Group has identified an additional growth driver that is expected to further strengthen demand for index licences for exchange-traded funds. In addition to the distribution of index licences, the Group also participates in the growing investment volumes in these products. In light of this, the Group believes it is well placed to position its globally focused range of indices to an increasing extent in the Asian market as well.

Development of pricing models

Deutsche Börse anticipates sustained price pressure in some of its business areas during the forecast period. The company's objective is to mitigate this price pressure by continually improving its products and services and offering selective incentives for price-elastic business.

Over the long term, the average net revenue per unit concerned (e.g. trading or clearing fees per transaction, fees for custody services) is expected to decline slightly in all areas of the Group. This is a result of the laddered pricing models that lead to a decline in income per unit as customers' business activities increase.

Development of non-financial performance indicators

Initiatives to promote the transparency and security of the markets will be a focus during the forecast period, ensuring Deutsche Börse Group's value contribution to society. To live up to this goal, Deutsche Börse will continue to expand its Group-wide product and service offering in the area of market transparency, for example by adding indices developed and calculated by the Group. Moreover, the investments in the trading and clearing infrastructure already made in 2014 as well as those planned for 2015 will ensure that the systems meet global customer and market requirements. Against this background, the company anticipates that the availability of the different systems will be maintained at the very high level of previous years throughout the forecast period.

Responsible management with a focus on long-term value creation is of considerable importance for Deutsche Börse Group as a service company. In particular in view of demographic change and the resulting shortage of specialist staff, the company aims to continue to position itself adequately and therefore intends among other things to increase the number of women in management positions. The German Federal Cabinet has adopted a "Draft Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors", which is expected to be passed into law shortly. The intention is that companies that are listed, but not fully subject to co-determination, such as Deutsche Börse AG, should set targets to increase the proportion of women on the supervisory board, the executive board and the two management levels below the executive board. Deutsche Börse AG had already set itself targets for increased participation of women in management positions in the past; they are published in the corporate governance report. Once the act has entered into force, Deutsche Börse AG will again address the issue of increasing the proportion of women and define targets in accordance with the new legal requirements.

Future development of the Group's financial position

The company expects operating cash flow, which is Deutsche Börse Group's primary funding instrument, to remain clearly positive in the forecast period. With regard to liquidity, the Group expects two significant factors to influence its development. Firstly, the company plans to invest €150 million per year in intangible assets and property, plant and equipment on Group level during the forecast period on a consolidated basis. The investments will be reported as cash flows from investing activities and will serve primarily to develop new products and services in the Eurex and Clearstream segments and enhance existing ones. The total mainly comprises investments in the trading infrastructure and risk management functionalities. Secondly, the Executive Board and Supervisory Board of Deutsche Börse AG will propose to the Annual General Meeting to be held in May 2015 that a dividend of €2.10 per share should be paid. This would correspond to a liquidity outflow of €386.8 million. Apart from the above, no further material factors were expected to impact on the Group's liquidity at the time the management report was prepared. As in previous years, the Group assumes a solid liquidity basis due to its positive cash flow, adequate credit lines (see [note 36 to the consolidated financial statements](#) for details) as well as flexible management and planning systems.

Under its capital management programme, Deutsche Börse will react flexibly to a changing market environment in the forecast period. Both the general target dividend distribution ratio of 40 to 60 per cent of consolidated net income for the year and any share buy-backs in addition are subject to capital requirements, investment needs and general liquidity considerations.

To maintain its strong credit ratings at Group level, the company aims to achieve a ratio of interest-bearing gross debt to EBITDA of no more than 1.5. For 2015, the Group expects a ratio of 1.5 or slightly less to be reached, depending on how net revenue develops.

The parent company, Deutsche Börse AG, plans to invest some €50 million in intangible assets and property, plant and equipment during the forecast period.

Overall assessment by the Executive Board

The Executive Board of Deutsche Börse AG believes that, thanks to its comprehensive offering along the securities trading value chain and its innovative power, the company remains in a very good position compared with the international competition and expects, against this background, to see a positive trend in its results of operations in the long term. However, for the forecast period, the uncertainty about the behaviour of capital market participants in relation to economic and regulatory conditions and the announcement of an extended programme for purchasing government and corporate bonds make it difficult for the Executive Board to make a specific forecast. By taking the additional efficiency measures resolved in 2013, the Executive Board has prepared the company at an early stage for the changing market and will be able to compensate for the expected inflation-linked cost increases above and beyond the forecast period. At the same time, this means the Executive Board has provided the flexibility needed to continue the Group's growth and infrastructure investments, which it intends to use to take advantage of opportunities presented by the structural and regulatory changes on the financial markets and to harness the potential offered by growth markets such as Asia. Primarily as a result of consolidation effects and investments, the Executive Board expects operating costs (after adjustments) to increase in the forecast

period. Overall, the Executive Board assumes on this basis that cash flow from operating activities will be clearly positive and that, as in previous years, the liquidity basis will be solid. The overall assessment by the Executive Board is valid as of the time of publication of this combined management report.

Deutsche Börse AG (Disclosures based on the HGB)

In contrast to the consolidated financial statements, the single-entity financial statements of Deutsche Börse AG are not prepared in accordance with International Financial Reporting Standards (IFRS) but in accordance with the Handelsgesetzbuch (HGB, German Commercial Code) and the supplementary provisions of the Aktiengesetz (AktG, German Stock Corporation Act).

Business and operating environment

General situation of the company

Deutsche Börse AG is the parent company of Deutsche Börse Group. Its business activities primarily comprise the cash and derivative markets as well as IT and Market Data + Services. The performance of the Clearstream segment is reflected in the business performance of Deutsche Börse AG mainly because of the profit and loss transfer agreement with Clearstream Holding AG. In view of this, the business and operating environment of Deutsche Börse AG is essentially the same as that of Deutsche Börse Group. These are described in detail in the [“Macroeconomic and sector-specific conditions”](#) section.

Overview of Deutsche Börse AG's course of business in the year under review

The earnings generated by Deutsche Börse AG in 2014 were similar to the previous year's. However, it should be noted in this context that the previous year's earnings had been negatively impacted by efficiency measures, while earnings in 2014 benefited from the reversal of a write-down of profit participation capital in the amount of €120.6 million (2013: €21.3 million). Deutsche Börse AG's Executive Board assesses the company's business development in 2014 as altogether favourable.

Financial year 2014 was marked by an internal reorganisation within Deutsche Börse Group, as part of which Deutsche Börse AG acquired all shares of Eurex Frankfurt AG from Eurex Zürich AG for a purchase price of €119.3 million on 19 December 2014. The measures taken to simplify the Group structure also included the acquisition of the series B profit participation rights issued by Eurex Frankfurt AG from Eurex Global Derivatives AG for a purchase price of €174.5 million. Together with the series A prof-

Performance figures of Deutsche Börse AG

	2014 €m	2013 €m	Change %
Sales revenue	1,074.0	1,076.8	0
Total costs	812.5	744.2	9
Result from investments	209.9	138.9	51
EBIT	595.6	596.4	0
Result from ordinary business activity (EBT)	526.0	513.5	2
Net income	423.1	412.8	3
Earnings per share (€)	2.30 ¹⁾	2.24 ¹⁾	3

Sales revenue by segment

	2014 €m	2013 €m	Change %
Eurex	630.8	625.8	1
Market Data + Services	270.1	279.3	-3
Xetra	160.6	157.4	2
Clearstream	12.5	14.3	-13
Total	1,074.0	1,076.8	0

1) Calculation based on weighted average of shares outstanding

it participation rights already held by Deutsche Börse AG, these rights were contributed to Eurex Frankfurt AG at a fair value of €1,163.3 million. The reversal of a write-down of €120.6 million was recognised as part of this transaction. In addition, on 31 December 2014, Eurex Frankfurt AG transferred 15 per cent of its interest in U.S. Exchange Holdings, Inc. to Deutsche Börse AG; the purchase price for these shares was €81.8 million.

In the reporting period, sales revenue remained stable at €1,074.0 million (2013: €1,076.8 million). The largest contribution to sales was provided by the Eurex segment, in which sales revenue amounted to €630.8 million (2013: €625.8 million). At €812.5 million, the company's total costs (staff costs, impairment losses relating to intangible assets and property, plant and equipment, and other operating expenses) were 9 per cent higher than in the previous year (2013: €744.2 million).

In 2014, the result from investments of Deutsche Börse AG was €209.9 million (2013: €138.9 million). The increase is primarily due to reversals of write-downs of €120.6 million on the profit participation rights issued by Eurex Frankfurt AG; as part of an internal reorganisation in financial year 2014, these rights were contributed to the share premium of Eurex Frankfurt AG. Moreover, income was generated from profit transfers in the amount of €73.0 million (2013: €102.1 million) and from distributions in the amount of €22.2 million (2013: €15.5 million).

Earnings before interest and tax (EBIT) declined slightly to €595.6 million (2013: €596.4 million). Net income for the period increased by 2.5 per cent to €423.1 million (2013: €412.8 million).

Results of operations of Deutsche Börse AG

In 2014, Deutsche Börse AG generated revenue of €1,074.0 million, almost unchanged from the high level achieved in the previous year (2013: €1,076.8 million). The [“Sales revenue by segment” table](#) shows how this revenue breaks down among the company's segments.

Please refer to the [“Eurex segment” section](#) for details of the performance of the Eurex derivatives segment. The reasons for any deviations from the information in the above-mentioned section lie in the fact that the development in the US does not directly affect Deutsche Börse AG's business. Information on the business development in the Xetra segment can mainly be found in the [“Xetra segment” section](#). The revenue attributable to the Clearstream segment is derived from IT services that Deutsche Börse AG provides to companies in the Clearstream Holding AG subgroup. The results of operations in the Market Data + Services segment are essentially explained in the [“Market Data + Services segment” section](#). Please note that business developments at the subsidiary STOXX Ltd. have no direct impact on Deutsche Börse AG's business performance.

Other operating income rose slightly to €117.2 million in the year under review (2013: €112.3 million). This is mainly due to income from agency agreements, which increased to €92.7 million (2013: 84.0 million).

In the year under review, total costs increased by 9 per cent compared to 2013 to €812.5 million (2013: €744.2 million). Their composition is presented in the [“Overview of total costs” table](#).

Staff costs decreased year-on-year by 8 per cent to €154.5 million (2013: €167.8 million) in the year under review. This decline is mostly attributable to lower expenses incurred in connection with efficiency

programmes. Depreciation and amortisation expenses decreased by 17 per cent to €29.7 million in the year under review (2013: €35.7 million). The main reason for the decline is the decrease in depreciation expenses on computer hardware to €19.1 million (2013: €24.6 million). Other operating expenses increased year-on-year by 16 per cent. The rise is primarily the result of expenses from foreign currency translation in the amount of €48.8 million (2013: €5.7 million), due especially to the weakening of the euro against the US dollar.

The result from ordinary business activity increased by 2 per cent to €526.0 million (2013: €513.3 million) compared to the previous year. The margin before taxes increased from 48 per cent to 49 per cent.

Development of profitability

Deutsche Börse AG's return on equity represents the ratio of the result after tax to the average equity that was at the disposal of the company in 2014. It remained at 19 per cent, thus on the high level of 2013.

Financial position of Deutsche Börse AG

As at the reporting date on 31 December 2014, cash funds amounted to €236.0 million (2013: €203.0 million) including cash, current account balances at banks as well as fixed deposits.

The company received dividends totalling €22.2 million (2013: €15.5 million). The increase was primarily attributable to distributions by STOXX Ltd. in the amount of €11.9 million (2013: €7.8 million) and Börse Frankfurt Zertifikate Holding S.A., Luxembourg, in the amount of €8.0 million (2013: €6.4 million).

Deutsche Börse AG can draw on external credit lines amounting to €605.0 million (2013: €605.0 million), which had not been used as at 31 December 2014. In addition, the company has an opportunity for flexible, short-term financing provided by a commercial paper programme involving a total facility of €2.5 billion in various currencies. Commercial paper amounting to €60.0 million (2013: €100.0 million) was in circulation at the end of the year.

Deutsche Börse AG uses a Group-wide cash pooling process to guarantee an optimal allocation of liquidity within Deutsche Börse Group, thus ensuring that all subsidiaries are able to meet their payment obligations at all times.

Overview of total costs

	2014 €m	2013 €m	Change %
Staff costs	154.5	167.8	-8
Depreciation/amortisation	29.7	35.7	-17
Other operating expenses	628.3	540.7	16
Total	812.5	744.2	9

Cash flow statement (condensed)

	2014 €m	2013 €m
Cash flows from operating activities	384.7	552.3
Cash flows from investing activities	-467.9	-73.0
Cash flows from financing activities	-47.8	-483.1
Cash and cash equivalents as at 31 December	-376.5	-245.5

Deutsche Börse AG has issued two corporate bonds, each with a face value of €600 million as well as US dollar bonds with a face value in the amount of US\$460 million. Please see the [“Financial position” section](#) for more information on these bonds. Moreover, in connection with an internal restructuring, it took out loans of €375.6 million from affiliated companies; they will mature in financial year 2015.

In 2014, Deutsche Börse AG generated cash flow from operating activities amounting to €384.7 million (2013: €552.3 million). The decline was due in particular to the fact that, although net income was on a level with the previous year, it included non-cash measurement effects on financial assets in the amount of €113.8 million (2013: €21.7 million), and working capital decreased by €6.2 million (2013: €125.5 million).

The cash flow from investing activities came to €–467.9 million (2013: €–73.0 million). The decrease is in particular related to the internal reorganisation: In this context Deutsche Börse AG has acquired all shares of Eurex Frankfurt AG, the profit participation rights issued by Eurex Frankfurt AG (which were previously held by Eurex Global Derivatives AG) as well as 15 per cent of its interest in U.S. Exchange Holdings, Inc.

Cash flow from financing activities in the year under review was €–47.8 million (2013: €–483.1 million). Its main components are the dividend payment of €386.6 million for financial year 2013 and loans taken out in the amount of €375.6 million. In addition, a net amount of €40.3 million (2013: €98.0 million) was repaid under the commercial paper programme.

As at the reporting date, 31 December 2014, cash and cash equivalents amounted to €–376.5 million (2013: €–245.5 million). They include liquid funds amounting to €236.0 million (2013: €203.0 million) minus liabilities from cash pooling amounting to €612.5 million (2013: €448.5 million).

Net assets of Deutsche Börse AG

As at 31 December 2014, the non-current assets of Deutsche Börse AG amounted to €4,834.3 million (2013: €4,280.8 million). The largest part was accounted for by shares in affiliated companies amounting to €4,707.8 million (2013: €3,283.2 million), primarily from the investment in Clearstream Holding AG as well as in Eurex Frankfurt AG. Shares in affiliated companies increased by €1,424.6 million, mainly because of the acquisition of the shares of Eurex Frankfurt AG and the contribution of the profit participation capital to the share premium of Eurex Frankfurt AG made in this context.

Non-current assets (condensed)

	2014 €m	2013 €m
Intangible assets	11.2	10.2
Tangible assets	54.8	63.5
Financial assets	4,768.3	4,207.1
Non-current assets as at 31 December	4,834.3	4,280.8

Employees per country/region

	31 Dec 2014	%
Germany	1,064	93.9
United Kingdom	54	4.9
France	6	0.5
Rest of Europe	6	0.5
Asia	2	0.2
Total Deutsche Börse AG	1,114	100

In the year under review, investments by Deutsche Börse AG in intangible assets and property, plant and equipment amounting to €22.3 million (2013: €18.1 million) were lower than the write-downs; these came to €29.7 million (2013: €35.7 million).

Receivables from and liabilities towards affiliated companies include charges for Group-internal services and the amounts invested by Deutsche Börse AG within the scope of cash pooling arrangements. Receivables from affiliated companies are mainly due as a result of the existing profit transfer agreement with Clearstream Holding AG; they amount to €73.0 million (2013: €102.1 million). Liabilities to affiliated companies are primarily the result of cash pooling amounting to €612.4 million (2013: €448.6 million), short-term loans amounting to €375.6 million (2013: nil) and trade payables amounting to €69.4 million (2013: €53.1 million).

Deutsche Börse AG receives fees for most of its services immediately after the end of each month. Accordingly, trade receivables as at the end of the year amounted to €142.5 million (2013: €117.0 million).

In the 2014 financial year, net working capital came to €–1,004.8 million (2013: €–468.9 million). The change is primarily attributable to an increase in liabilities towards affiliated companies.

In the light of business development in 2014, net assets, financial position and results of operation of Deutsche Börse AG are to be assessed as orderly.

Employees of Deutsche Börse AG

In the year under review, the number of employees at Deutsche Börse AG increased by 86 to 1,114 as at 31 December 2014 (31 December 2013: 1,028). On average, 1,079 employees worked for Deutsche Börse AG during financial year 2014 (2013: 1,014 employees).

In the course of financial year 2014, 54 employees left Deutsche Börse AG, resulting in a fluctuation rate of 5.0 per cent.

As at 31 December 2014, Deutsche Börse AG employed personnel at eight locations throughout the world. Details on countries/regions, employee age structure as well as the length of service of the company's employees are illustrated in the [tables below and on the previous page](#).

Age structure of employees			Employees' length of service		
	31 Dec 2014	%		31 Dec 2014	%
Under 30 years	118	10.6	Less than 5 years	302	27.1
30 to 39 years	245	22.0	5 to 15 years	417	37.4
40 to 49 years	437	39.2	Over 15 years	395	35.5
50 years and older	314	28.2	Total Deutsche Börse AG	1,114	100
Total Deutsche Börse AG	1,114	100			

As at 31 December 2014, 69.7 per cent of Deutsche Börse AG's employees were graduates. This figure is calculated on the basis of the number of employees holding a degree from a university, university of applied sciences, or professional academy, and employees who have completed studies abroad. In total, the company invested an average of 2.8 days per employee in staff training.

Remuneration report of Deutsche Börse AG

As the structure and design principles of the remuneration system correspond to those of Deutsche Börse Group, please refer to the [☒ remuneration report](#) in this corporate report.

Corporate governance declaration in accordance with section 289a HGB

The corporate governance declaration in accordance with section 289a HGB applies to Deutsche Börse Group and Deutsche Börse AG, please refer to the [☒ corporate governance declaration](#) made on behalf of the Group.

Opportunities and risks facing Deutsche Börse AG

As the opportunities and risks facing Deutsche Börse AG and the measures and processes for dealing with them are essentially the same as for Deutsche Börse Group, please refer to the [☒ "Risk report"](#) and [☒ "Report on opportunities" sections](#) for more information. Deutsche Börse AG's share of the opportunities and risks of its equity investments and subsidiaries is fundamentally proportionate to the size of its shareholding. Risks that threaten the existence of the Eurex Clearing AG subsidiary have a direct impact on Deutsche Börse AG as it has issued a guarantee ("Patronatserklärung"). Further information on the guarantee issued to Eurex Clearing AG is available in the ["Other obligations and transactions not included in the balance sheet" section](#) contained in the [☒ notes to the annual financial statements of Deutsche Börse AG](#).

The description of the internal control system (ICS) stipulated in section 289 (5) HGB is given in the [☒ "Internal management" section](#).

Report on events after the balance sheet date at Deutsche Börse AG

The key events that have occurred after the balance sheet date correspond to the events described in the [☒ report on post-balance sheet date events](#).

Report on expected developments at Deutsche Börse AG

The expected development of Deutsche Börse AG's business is largely subject to the same factors as those of Deutsche Börse Group. The corresponding disclosures and quantitative information on Deutsche Börse AG are provided in the [☒ report on expected developments](#).

Remuneration report

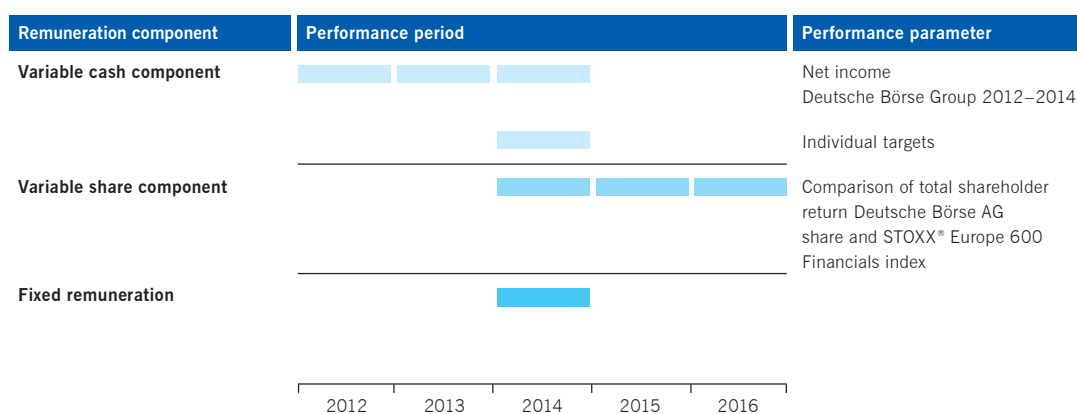
This remuneration report is a component of the combined management report. The report reflects the requirements of the Handelsgesetzbuch (HGB, the German Commercial Code) and the International Financial Reporting Standards (IFRSs), respectively, as well as the German Accounting Standard (GAS) 17 “Reporting on the Remuneration of Members of Governing Bodies”. In addition, the report corresponds to the requirements of the German Corporate Governance Code (the Code).

Executive Board remuneration

Remuneration system and targets ^{CR}

The Executive Board remuneration is designed in a way that rewards sustainably successful and responsible corporate governance. The remuneration system provides incentives based on multi-year assessment periods and aims to prevent unjustifiable risks from being taken. The company's economic performance, stakeholder management, succession planning for management positions, employee satisfaction as well as the value contribution made to the economy and society over the medium and long term, are key components of the remuneration system within the target definition and within the measurement of the achievement of the target criteria.

System of the Executive Board remuneration



■ Variable cash remuneration (range 0–200 per cent), pay-out spring 2015

■ Variable share remuneration (range 0–200 per cent), pay-out spring 2017

■ Fixed remuneration, pay-out in twelve equal payments in 2014

The remuneration of the Executive Board is determined by the entire Supervisory Board. The Personnel Committee is responsible for preparing the Supervisory Board's decision. The Supervisory Board regularly reviews the appropriateness of the Executive Board remuneration. In spring 2014, an appropriateness review was conducted taking into account the ratio of the Executive Board compensation for the remuneration of the senior management and the workforce as a whole as well as in the temporal development. The remuneration system applies equally to all members of the Executive Board, and will also apply to the new Chief Executive Officer, Carsten Kengeter, when he takes office in April 2015. The ["System of the Executive Board remuneration" chart](#) outlines the Executive Board remuneration system.

Non-performance-related remuneration components

Non-performance-related remuneration consists of a monthly fixed basic remuneration as well as ancillary contractual benefits.

Fixed remuneration

The members of the Executive Board receive a fixed basic salary in twelve monthly instalments. The basic salary represents approximately 30 per cent of the total target remuneration for one year. It is reviewed by the Supervisory Board on a regular basis, at least every two years.

Ancillary contractual benefits

In addition to the basic remuneration, the members of the Executive Board receive certain ancillary contractual benefits. These include the provision of an appropriate company car for business and personal use. Tax is payable by the Executive Board members on the pecuniary benefit arising from private use. In addition, members of the Executive Board receive taxable contributions towards private pensions. The company also takes out insurances for them, like an accident insurance and a D&O insurance. The D&O insurance policy includes a deductible of 10 per cent of the damages arising from the insured event, with the maximum deductible per year set by the Supervisory Board at 1.5 times the fixed annual remuneration of the relevant Executive Board member.

Performance-related remuneration components

The performance-related remuneration represents approximately 70 per cent of the total target remuneration for the year and consists of variable cash components that account for around 40 per cent and variable share components that account for around 30 per cent. Starting in the year under review, the reference periods for performance measurement are based on the past three years for the variable cash component and on the next three years for the variable share component. Consequently, in the year under review, the variable cash component was determined based on performance in 2012 to 2014 and the variable share component was based on the period from 2014 to 2016.

Variable cash component

The Supervisory Board establishes the 100 per cent target value of the variable cash component in euros for every Executive Board member each year. Two parameters are used to measure the extent to which targets have been met:

Achievement of the Group's net income target: Two-thirds of the variable cash component are based on meeting a specified net income target for the Group. This measure takes into account the Group's net income for the current financial year and the two preceding years. The degree to which the targets have been achieved is defined for each of the three financial years, and can range from a lower limit of 0 per cent to an upper limit of a maximum of 200 per cent. The average level of target achievement is then used to calculate two-thirds of the variable cash component for the current financial year. The Supervisory Board can take into account exceptional, one-off effects when determining the level of target achievement.

Achievement of individual targets: One-third of the variable cash component is determined based on the degree to which each member of the Executive Board has achieved their individual targets. The individual targets are set in each case for the current financial year and include specific requirements of particular importance for the individual management areas. Target achievement is determined after the year has come to an end by the Supervisory Board for each Executive Board member. For the target achievement for the individual targets and the total variable cash component a range from a lower limit of 0 per cent and an upper limit of a maximum 200 per cent is defined.

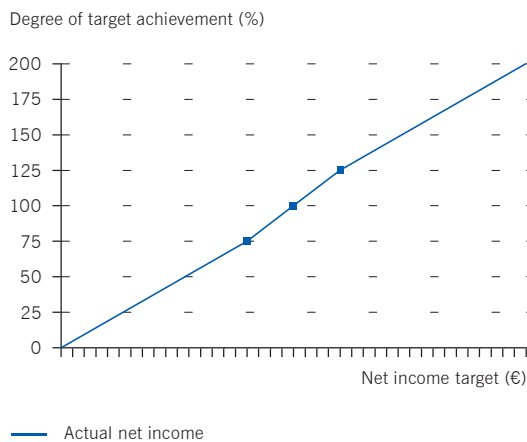
Variable share component

The Supervisory Board establishes the 100 per cent target value for the variable share component for each Executive Board member in euros. Based on this target value, a number of phantom Deutsche Börse shares is calculated for each member of the Executive Board at the beginning of the financial year. This is done by dividing the euro amount of the target share component by the average share price (Xetra® closing price) in the two calendar months before the target value is determined. An entitlement to the variable stock bonus only arises at the end of the three-year performance period (vesting period) and is settled fully in cash. The stock bonus is variable in two ways: the first variable is the number of phantom Deutsche Börse shares, which depends on the relative performance of Deutsche Börse's total shareholder return (TSR) compared to the TSR of the STOXX® Europe 600 Financials Index. The second variable is the share price at the end of the period.

The number of shares calculated at the end of the vesting period is multiplied by the share price applicable on that date (average price / Xetra closing price of Deutsche Börse's shares in the preceding two full calendar months).

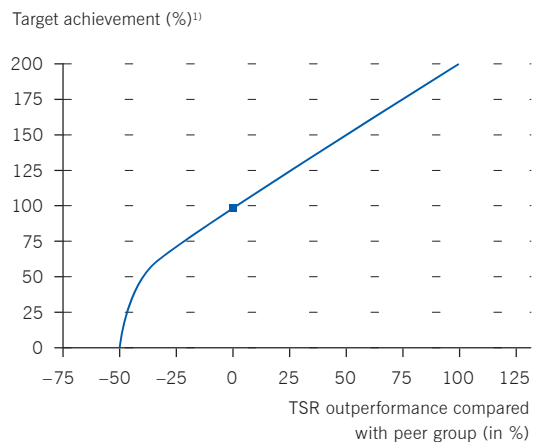
Measurement of the target achievement for the variable cash component

Comparison of the net income target with the actual net income



Measurement of the target achievement for the variable stock bonus

Comparison of Deutsche Börse AG's total shareholder return with that of STOXX® 600 Financials (peer group)



1) Cap at 200 per cent

If the average performance of Deutsche Börse AG's TSR in the vesting period moves parallel to the average TSR of the benchmark index, the number of phantom shares remains unchanged at the end of this period. If the TSR of Deutsche Börse AG is 50 per cent or less than the index's TSR, the number of phantom shares falls to nil. If the TSR of Deutsche Börse AG is at least twice the index's TSR, the number of phantom shares doubles. Concerning the variable share component, a double cap exists. Firstly, the performance of the allocated phantom shares is restricted to a maximum of 200 per cent, at the ratio of Deutsche Börse AG's TSR to the TSR of the peer group. Secondly, the Supervisory Board settled a maximum of 250 per cent of the original target value as the upper limit for the cash payment of the variable share component.

2014 expense for share-based payments

(2011 tranche)

	Expense recognised (2011 tranche) € thous.	Carrying amount as at the balance sheet date (2011 tranche) € thous.
Reto Francioni	-54.6	0
Andreas Preuss	-45.3	0
Gregor Pottmeyer	-30.2	0
Hauke Stars	0	0
Jeffrey Tessler	-35.8	0
Total	-165.9	0

2014 expense for share-based payments

(2012 to 2014 tranches)

	Expense recognised (2012 to 2014 tranches) € thous.	Carrying amount as at the balance sheet date (2012 to 2014 tranches) € thous.
Reto Francioni	1,481.5	2,482.4
Andreas Preuss	745.9	1,576.2
Gregor Pottmeyer	587.5	1,194.0
Hauke Stars	342.8	558.2
Jeffrey Tessler	591.4	1,247.5
Total	3,749.1	7,058.3

2014 total expense for share-based payments

(Prior-year figures in brackets)

	Expense recognised (total) € thous.	Carrying amount as at the balance sheet date (total) € thous.
Reto Francioni	1,426.9 (1,399.1)	2,482.4 (1,969.6)
Andreas Preuss	700.6 (1,160.7)	1,576.2 (1,634.0)
Gregor Pottmeyer	557.3 (826.7)	1,194.0 (1,142.3)
Hauke Stars	342.8 (204.7)	558.2 (215.5)
Jeffrey Tessler	555.6 (917.3)	1,247.5 (1,291.2)
Total¹⁾	3,583.2 (4,508.5)	7,058.3 (6,252.6)

1) Prior-year figures were adjusted due to the resignation of Mr Gerstenschläger and Mr Kuhn; thus, they do not match the figures published in the previous year.

A modified Black-Scholes option pricing model (Merton model) was used to measure the stock options arising from the variable share component. It is based on the following valuation parameters:

Valuation parameters

(2012 to 2014 tranches)

		Share component 2014	Share component 2013	Share component 2012
Term		3 years	2 years	1 year
Risk-free interest rate	%	-0.10	-0.10	-0.14
Volatility	%	19.65	19.90	27.83
Deutsche Börse share price ¹⁾	€	59.22	59.22	59.22
Dividend yield	€	3.55	3.55	3.55
Fair value	€	54.74	57.02	59.04
Relative total shareholder return	%	3.22	4.41	-4.55

1) Share price as at 31 December 2014 (Xetra® closing price)

Number of phantom shares 2014

		Number of phantom shares on the grant date	Adjustments of number of phantom shares since the grant date ¹⁾	Number of phantom shares as at 31 Dec 2014
Reto Francioni	Tranche 2014	17,519	565	18,084
	Tranche 2013	17,597	777	18,374
	Tranche 2012	18,204	-1,035	17,169
	Total 2012 to 2014 tranches			53,627
Andreas Preuss	Tranche 2014	14,391	464	14,855
	Tranche 2013	14,598	644	15,242
	Tranche 2012	15,101	-859	14,242
	Total 2012 to 2014 tranches			44,339
Gregor Pottmeyer	Tranche 2014	12,045	388	12,433
	Tranche 2013	12,584	555	13,139
	Tranche 2012	10,068	-572	9,496
	Total 2012 to 2014 tranches			35,068
Hauke Stars	Tranche 2014	9,669	312	9,981
	Tranche 2013	9,753	431	10,184
	Tranche 2012	935	-53	882
	Total 2012 to 2014 tranches			21,047
Jeffrey Tessler	Tranche 2014	11,512	371	11,883
	Tranche 2013	11,536	509	12,045
	Tranche 2012	11,934	-679	11,255
	Total 2012 to 2014 tranches			35,183
Total of 2012 to 2014 tranches				189,264

1) The adjustments to and number of phantom shares on the balance sheet date are based on the result of the performance comparison since the grant date (total shareholder return comparison with peer group) and are indicative for 2014. The number may change as a result of the performance comparison based on the total shareholder return in 2014 and 2015.

Amount of Executive Board remuneration

The following tables (“Granted contributions” and “Inflows”) show the remuneration awarded to each Executive Board member for financial years 2014 and 2013 in accordance with no. 4.2.5 (3) of the German Corporate Governance Code. The information according to section 314 of the HGB previously presented in the “Total Executive Board remuneration” table is now outlined in the [“Inflows” table](#).

Granted contributions

	Reto Francioni CEO			
	2014 € thous.	2014 (min) € thous.	2014 (max) € thous.	2013 € thous.
Fixed remuneration	1,100.0	1,100.0	1,100.0	1,100.0
Ancillary benefits	29.6	29.6	29.6	21.3
Total	1,129.6	1,129.6	1,129.6	1,121.3
One-year variable remuneration (individual targets)	503.7	0	1,007.3	503.7
Multi-year variable remuneration	2,042.1	0	4,601.6	1,846.3
thereof variable cash component (consolidated net income target)	1,007.3	0	2,014.6	1,007.3
thereof variable share component (SBP)	1,034.8	0	2,587.0	839.0
Total	3,675.4	1,129.6	6,738.5	3,471.3
Service cost	0	0	0	1,248.3
Total remuneration	3,675.4	1,129.6	6,738.5	4,719.6

	Hauke Stars			
	2014 € thous.	2014 (min) € thous.	2014 (max) € thous.	2013 € thous.
Fixed remuneration	580.0	580.0	580.0	580.0
Ancillary benefits	25.5	25.5	25.5	51.1
Total	605.5	605.5	605.5	631.1
One-year variable remuneration (individual targets)	278.3	0	556.6	278.3
Multi-year variable remuneration	1,127.8	0	2,541.2	1,021.7
thereof variable cash component (consolidated net income target)	556.7	0	1,113.4	556.7
thereof variable share component (SBP)	571.1	0	1,427.8	465.0
Total	2,011.6	605.5	3,703.3	1,931.1
Service cost	202.2	202.2	202.2	207.0
Total remuneration	2,213.8	807.7	3,905.5	2,138.1

Andreas Preuss
Deputy CEO

Gregor Pottmeyer

2014 € thous.	2014 (min) € thous.	2014 (max) € thous.	2013 € thous.	2014 € thous.	2014 (min) € thous.	204 (max) € thous.	2013 € thous.
800.0	800.0	800.0	800.0	650.0	650.0	650.0	650.0
30.9	30.9	30.9	29.1	27.8	27.8	27.8	26.0
830.9	830.9	830.9	829.1	677.8	677.8	677.8	676.0
418.0	0	836.0	418.0	278.7	0	557.4	278.7
1,686.1	0	3,797.3	1,532.0	1,268.8	0	2,893.4	1,157.3
836.0	0	1,672.0	836.0	557.3	0	1,114.6	557.3
850.1	0	2,125.3	696.0	711.5	0	1,778.8	600.0
2,935.0	830.9	5,464.2	2,779.1	2,225.3	677.8	4,128.5	2,112.0
843.8	843.8	843.8	837.2	292.7	292.7	292.7	295.0
3,778.8	1,674.7	6,308.0	3,616.3	2,518.0	970.5	4,421.2	2,407.0

Jeffrey Tessler

2014 € thous.	2014 (min) € thous.	2014 (max) € thous.	2013 € thous.
761.6	761.6	761.6	747.6
72.6	72.6	72.6	32.0
834.2	834.2	834.2	779.6
330.0	0	660.0	330.0
1,340.0	0	3,020.0	1,210.0
660.0	0	1,320.0	660.0
680.0	0	1,700.0	550.0
2,504.2	834.2	4,514.2	2,319.6
0	0	0	0
2,504.2	834.2	4,514.2	2,319.6

Inflows

	Reto Francioni CEO		Andreas Preuss Deputy CEO ¹⁾	
	2014 € thous.	2013 € thous.	2014 € thous.	2013 € thous.
Fixed remuneration	1,100.0	1,100.0	800.0	800.0
Ancillary benefits ⁴⁾	29.6	21.3	30.9	29.1
Total	1,129.6	1,121.3	830.9	829.1
One-year variable remuneration (individual targets)	538.4	535.6	439.8	451.4
Multi-year variable remuneration	1,990.9	1,912.1	1,638.1	1,600.6
thereof variable cash component (consolidated net income target)	1,076.7	1,071.1	879.7	902.9
thereof variable share component (SBP 2010/2011)	914.2	841.0	758.4	697.7
Total	3,658.9	3,569.0	2,908.8	2,881.1
Service cost	0	1,248.3	843.8	837.2
Total remuneration (GCGC)	3,658.9	4,817.3	3,752.6	3,718.3
SBP for the remuneration year ⁵⁾	1,034.8	839.0	850.1	696.0
less variable share component	-914.2	-841.0	-758.4	-697.7
less service cost	0	-1,248.3	-843.8	-837.2
Total remuneration (section 314 of the HGB)	3,779.5	3,567.0	3,000.5	2,879.4
Number of phantom shares ⁶⁾	17,519	17,597	14,391	14,598

1) Deutsche Börse AG contributes €1,019.7 thousand (2013: €228.0 thousand) to total remuneration for Andreas Preuss. This amount is composed as follows: non-performance related remuneration: €64.0 thousand (2013: €64.0 thousand), other remuneration from ancillary contractual benefits: nil (2013: nil), variable cash component: €105.6 thousand (2013: €108.3 thousand), number of phantom shares: 14,391 (2013: 1,168), their amount at the grant date: €68.0 thousand (2013: €55.7 thousand)

2) Deutsche Börse AG does not contribute to total remuneration for Jeffrey Tessler. Clearstream International S.A. pays out 100 per cent of the remuneration.

3) Prior-year figures were adjusted due to the resignation of Mr Gerstenschläger and Mr Kuhn; thus, they do not match the figures published in the previous year.

4) Ancillary benefits (other remuneration) comprise salary components such as taxable contributions towards private pensions, taxable lump-sum telephone allowances/living expenses, and company car arrangements.

5) Corresponds to the 100 per cent target value for the 2014 phantom stock bonus. The variable share component under the 2014 to 2016 performance assessment will be paid out in 2017.

6) The number of stock options at the 2014 grant date is calculated by dividing the target for the stock bonus by the average share price (Xetra® closing price) of Deutsche Börse shares in the calendar months January and February 2014 (€59.07). The number of phantom shares is indicative and may change as a result of the performance comparison based on total shareholder return.

Gregor Pottmeyer		Hauke Stars		Jeffrey Tessler ²⁾		Total ³⁾	
2014	2013	2014	2013	2014	2013	2014	2013
€ thous.	€ thous.	€ thous.	€ thous.	€ thous.	€ thous.	€ thous.	€ thous.
650.0	650.0	580.0	580.0	761.6	747.6	3,891.6	3,877.6
27.8	26.0	25.5	51.1	72.6	32.0	186.4	159.5
677.8	676.0	605.5	631.1	834.2	779.6	4,078.0	4,037.1
288.6	291.7	317.6	289.5	347.2	350.9	1,931.6	1,919.1
1,082.7	1,048.4	635.2	578.9	1,293.8	1,253.1	6,640.7	6,393.1
577.1	583.3	635.2	578.9	694.5	701.8	3,863.2	3,838.0
505.6	465.1	0	0	599.3	551.3	2,777.5	2,555.1
2,049.1	2,016.1	1,558.3	1,499.5	2,475.2	2,383.6	12,650.3	12,349.3
292.7	295.0	202.2	207.1	0	0	1,338.7	2,587.6
2,341.8	2,311.1	1,760.5	1,706.6	2,475.2	2,383.6	13,989.0	14,936.9
711.5	600.0	571.1	465.0	680.0	550.0	3,847.5	3,150.0
-505.6	-465.1	0	0	-599.3	-551.3	-2,777.5	-2,555.1
-292.7	-295.0	-202.2	-207.1	0	0	-1,338.7	-2,587.6
2,255.0	2,151.0	2,129.4	1,964.5	2,555.9	2,382.3	13,720.3	12,944.2
12,045	12,584	9,669	9,753	11,512	11,536	65,136	66,068

Termination benefits for members of the Executive Board

An amicable agreement was reached with long-serving Chief Executive Officer Mr Francioni concerning the termination of his appointment and contract of service as at 31 May 2015. As is the case for all members of the Executive Board, Mr Francioni's contract contains provisions on determining severance payment caps in line with the GCGC. In the event of early termination of an Executive Board member's contract other than for good cause, the severance payment may not exceed the remuneration for the residual term of the contract of service, nor may it exceed the value of two total annual remuneration payments.

When he leaves the Executive Board at the end of May 2015, Mr Francioni will receive a severance payment as compensation for the loss of remuneration over the original residual term of his contract of service (1 June 2015 to 31 October 2016). The severance payment consists of the following amounts:

- €2,874.3 thousand, comprising fixed annual remuneration (€1,558.3 thousand), lost non-monetary ancillary benefits (€100.0 thousand) and lost stock bonuses (€1,216.0 thousand)
- €903.0 thousand for the lost 2015 cash bonus. The final amount of the payment will be calculated once the level of target achievement for the variable cash bonuses in financial years 2013 and 2014 has been determined. A target achievement level of 100 per cent is taken as the basis for financial year 2015.
- €1,323.5 thousand for the lost 2016 cash bonus. The final amount of the payment will be calculated once the level of target achievement for the variable cash bonus in financial year 2014 has been determined. A target achievement level of 100 per cent is taken as the basis for financial years 2015 and 2016.

Mr Francioni is subject to a post-contractual non-compete clause until 31 October 2016, when his appointment was originally due to end. This prohibits him from providing services to or for a competing company. The severance payment constitutes compensation for the post-contractual non-compete clause.

The contractually agreed benefits under the contract of service will remain in place until Mr Francioni leaves the Executive Board as at 31 May 2015.

Retirement benefits

Mr Francioni, Mr Pottmeyer and Mr Tessler are entitled to pension benefits after reaching the age of 60, Ms Stars after reaching the age of 62, and Mr Preuss after reaching the age of 63, provided that they are no longer in the employment of Deutsche Börse AG in each case at that time. There are two different retirement benefit systems for Deutsche Börse AG Executive Board members: Executive Board members who were appointed for the first time before 1 January 2009 receive a defined benefit pension. Executive Board members who were appointed for the first time after that date receive a defined contribution pension. The pensionable income and the present value of the existing pension commitments as at 31 December 2014 are presented in the [table on page 81](#).

Like his fellow Executive Board members, Mr Tessler is entitled to pension payments which are secured by a trust agreement. This may result in tax risks for Mr Tessler which Clearstream International S.A. balances on a case-by-case basis. As the trust assets are held under German jurisdiction, but the pension commitments are governed by Luxembourg law and Mr Tessler is a US citizen, he risks incurring an additional tax burden. In order to minimise this risk for Mr Tessler, the Supervisory Board decided that his pension commitments may be secured by transferring the trust assets to a pension plan or fund domiciled in Luxembourg. In case of a transfer, management costs will amount to up to €10 thousand per year. Furthermore, Mr Tessler will receive compensation of up to €800 thousand if a tax is incurred upon payment of his pension.

Retirement benefits

	Pensionable income ¹⁾ € thous.	Replacement rate		Present value/defined benefit obligation		Pension expense	
		as at 31 Dec 2014	as at 31 Dec 2013	as at 31 Dec 2014	as at 31 Dec 2013	2014	2013
		%	%	€ thous.	€ thous.	€ thous.	€ thous.
Defined benefit system							
Reto Francioni	1,000.0	40.0	40.0	8,309.6 ²⁾	12,148.2	0 ³⁾	1,248.3
Andreas Preuss	600.0	50.0	40.0	8,989.0	6,712.8	843.8	837.2
Jeffrey Tessler ⁴⁾	577.8	40.0	40.0	5,913.4	5,221.9	0	0
Total	2,177.8			23,212.0	24,082.9	843.8	2,085.5
Defined contribution system							
Gregor Pottmeyer	500.0	48.0	48.0	1,724.9	1,368.8	292.7	295.0
Hauke Stars	500.0	36.0	36.0	437.4	225.8	202.2	207.1
Total	1,000.0			2,162.3	1,594.6	494.9	502.1

1) Since 2010, pensionable income is no longer based on fixed remuneration, but is reviewed and determined by the Supervisory Board.

2) The decrease in the present value of the defined benefit obligation is due to the decision made by the beneficiary in financial year 2014 to receive the lump-sum benefit in five yearly instalments.

3) On commencement of the current appointment, Mr Francioni acquired a pension right amounting to 40 per cent of his pensionable income. Further years of service until the agreed start of retirement will not lead to an increase in the pension. As service cost completely mirrored the expense arising from the pension increase already in 2013, there are no expenses for financial year 2014.

4) Deutsche Börse AG does not contribute to total remuneration for Jeffrey Tessler. Clearstream International S.A. pays out 100 per cent of the remuneration.

Defined benefit retirement benefit system

After reaching the contractually agreed retirement age, members of the Executive Board to whom the defined benefit retirement benefit system is applicable receive a specified percentage (replacement rate) of their individual pensionable income as a pension. This is subject to the Executive Board member in question having served on the Executive Board for at least three years and having been reappointed at least once. Pensionable income is determined and regularly reviewed by the Supervisory Board. When the term of office began, the replacement rate was 30 per cent. It rose by 5 percentage points with each reappointment, up to a maximum of 50 per cent. The provisions of the defined benefit retirement benefit system apply to Mr Francioni, Mr Preuss and Mr Tessler.

Defined contribution retirement benefit system

For Executive Board members to whom the defined contribution retirement benefit system applies, the company makes a contribution in the form of a capital component in each calendar year they serve on the Executive Board. This contribution is determined by applying an individual replacement rate to the pensionable income. As in the defined benefit retirement benefit system, the pensionable income is determined and regularly reviewed by the Supervisory Board. The annual capital components calculated in this way bear annual interest of 3 per cent. The provisions of the defined contribution retirement benefit system apply to Mr Pottmeyer and Ms Stars.

Early retirement pension

Members of the Executive Board who have a defined benefit pension are entitled to an early retirement pension if the company does not extend their contract, unless the reason for this is attributable to the Executive Board member or would justify termination without notice of the Executive Board member's contract. The amount of the early retirement pension is calculated in the same way as the retirement benefits by applying the relevant replacement rate to the pensionable income. Again, this is subject to the Executive Board member having served on the Executive Board for at least three years and having been reappointed at least once. Members of the Executive Board who have a defined contribution pension are not eligible for early retirement benefits.

Death and permanent occupational incapacity benefits

In the event of the permanent occupational incapacity of a member of Deutsche Börse AG's Executive Board, the company is entitled to retire the Executive Board member in question. Permanent occupational incapacity exists if an Executive Board member is unable to perform his or her professional activities for more than six months and it is not expected that his or her occupational capacity will be regained within a further six months. In such cases, Executive Board members who have a defined benefit pension plan receive the amount calculated by applying the relevant replacement rate to the pensionable income. Executive Board members with a defined contribution pension plan receive the benefit assets acquired when the benefits fall due, plus an allocated amount. The allocated amount corresponds to the full annual pension contribution that would have been due in the year of leaving service multiplied by the number of years between the benefits falling due and the Executive Board member reaching the age of 60 or 62.

In the event of the death of an Executive Board member, his or her spouse receives 60 per cent of the above amount and each dependent child receives 10 per cent (25 per cent for full orphans), up to a maximum of 100 per cent of the pension contribution.

Transitional payments

In the event of permanent occupational incapacity, the agreements under the defined benefit retirement benefit system for Deutsche Börse AG's Executive Board provide for a transitional payment in addition to the benefits described above. The amount of this payment corresponds to the amount of the target variable remuneration (cash and stock bonuses) in the year in which the benefits fall due. It is paid out in two tranches in the two subsequent years. In the case of the death of an Executive Board member, his or her spouse receives 60 per cent of the transitional payment.

Severance payments

In the event of early termination of an Executive Board member's contract of service other than for good cause, any payments made to the Executive Board member may not exceed the remuneration for the residual term of the contract of service and may also not exceed the value of two total annual remuneration payments (severance payment cap). The payment is calculated based on the total remuneration in the past financial year and, where appropriate, the expected total remuneration for the current financial year. The Supervisory Board may exceed the upper limit in exceptional, justified cases.

Change of control

If an Executive Board member is asked to stand down within six months of a change of control, he or she is entitled to a severance payment equal to two total annual remuneration payments or the value of the residual term of his or her contract of service, where this is less than two years. This entitlement may be increased to 150 per cent of the severance payment. If an Executive Board member resigns within six months of the change of control because his or her position as a member of the Executive Board is significantly negatively impacted as a result of the change of control, the Supervisory Board may decide at its discretion whether to grant a severance payment of the above-mentioned amount.

Other provisions

Post-contractual non-compete clause

A post-contractual non-compete clause applies to members of the Executive Board of Deutsche Börse AG who were appointed or reappointed to the Board on or after 1 October 2014. This means that the respective members of the Executive Board are contractually prohibited from acting for a competing company or undertaking competing activities for a period of one year from the end of the employment relationship. The compensation payable during the non-compete period amounts to 75 per cent of the member's final fixed remuneration and 75 per cent of the final cash bonus, and is payable for the term of the post-contractual non-compete clause. Benefits under the pension agreement are deducted from the compensation. In addition, 50 per cent of other benefits are deducted if the other benefits plus the compensation exceed the final remuneration. The company may waive the post-contractual non-compete clause before termination of the contract of service.

Secondary employment

Additional appointments or sideline activities entered into by individual members of the Executive Board require the approval of the entire Executive Board and the Chairman of the Supervisory Board or, in certain cases, the entire Supervisory Board, which has delegated granting such approval to the Personnel Committee. If a member of the Executive Board is remunerated for an office performed at an affiliate of Deutsche Börse AG, this is offset against the Executive Board member's entitlement to remuneration from Deutsche Börse AG.

Loans to Executive Board members

The company did not grant any advances or loans to members of the Executive Board in financial year 2014, and there are no loans or advances from previous years to members of the Executive Board.

Payments to former members of the Executive Board

Former members of the Executive Board or their surviving dependents received payments of €2.2 million in the year under review (2013: €1.9 million). The actuarial present value of the pension obligations as at the balance sheet date was €64.5 million in the year under review (2013: €54.0 million).

Supervisory Board remuneration

The members of the Supervisory Board receive a fixed annual remuneration of €70 thousand. The Chairman receives remuneration of €170 thousand and the Deputy Chairman receives €105 thousand. Members of Supervisory Board committees receive additional fixed annual remuneration of €30 thousand for each committee position they hold. This amount rises to €35 thousand for members of the Audit Committee. The committee chairmen's remuneration is €40 thousand, or €60 thousand for the Chairman of the Audit Committee. If a Supervisory Board member belongs to several Supervisory Board committees, only the work in a maximum of two committees is remunerated. The remuneration for the work in the two most highly remunerated committees is awarded. Supervisory Board members who only belong to the Supervisory Board for part of the financial year, receive one-twelfth of the fixed annual remuneration and, if applicable, of the remuneration for their committee membership for each month or part month of membership.

Remuneration paid to members of the Supervisory Board for advisory and agency services

There were no further agreements in the reporting period for advisory and agency services with members of the Supervisory Board or with companies that employ members of the Supervisory Board of Deutsche Börse AG or in which Supervisory Board members hold an interest.

Supervisory Board remuneration¹⁾

	2014 € thous.	2013 € thous.
Joachim Faber (Chairman)	250.0	250.0
Gerhard Roggemann (Deputy Chairman)	165.0	165.0
Richard Berliand	140.0	140.0
Irmtraud Busch	100.0	100.0
Karl-Heinz Floether	130.0	130.0
Marion Fornoff	100.0	100.0
Hans-Peter Gabe	100.0	100.0
Richard M. Hayden	130.0	100.0
Craig Heimark	137.5	110.0
David Krell	100.0	100.0
Monica Mächler	100.0	100.0
Friedrich Merz	132.5	105.0
Thomas Neißé	100.0	100.0
Heinz-Joachim Neubürger †	135.0	135.0
Erhard Schipporeit	166.7	130.0
Jutta Stuhlfauth	100.0	100.0
Martin Ulrici	100.0	100.0
Johannes Witt	132.5	105.0
Total	2,319.2	2,170.0

1) The recipient of the remuneration is determined individually by the members of the Supervisory Board.

Corporate governance declaration

The corporate governance declaration in accordance with section 289a of the Handelsgesetzbuch (HGB, German Commercial Code) is part of the combined management report. In this declaration, the Executive Board and Supervisory Board of Deutsche Börse AG report on the following: the declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, German Stock Corporation Act), relevant information on corporate governance practices, Executive and Supervisory Board working practices, and the composition and working practices of the Supervisory Board committees.

Declaration of conformity in accordance with section 161 of the AktG

On 9 December 2014, the Executive Board and Supervisory Board of Deutsche Börse AG issued the following declaration of conformity:

“Declaration of Conformity with the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act

Section 161 of the Aktiengesetz (AktG, German Stock Corporation Act) requires the Executive Board and the Supervisory Board of listed stock corporations to declare annually that the recommendations of the Government Commission on the German Corporate Governance Code, published by the Federal Ministry of Justice in the official section of the Federal Gazette, have been and are being complied with or, if not, to indicate the recommendations that have not been or are not being complied with and the reasons for this.

For the period between the last declaration of conformity dated 9 December 2013 and 29 September 2014, the declaration set out below refers to the previous version of the Code as of 13 May 2014. Since 30 September 2014, the declaration refers to the current version as of 24 June 2014, which was published in the Federal Gazette on 30 September 2014.

The Executive Board and the Supervisory Board of Deutsche Börse AG declare that the recommendations of the Government Commission on the German Corporate Governance Code have been almost fully complied with and will be complied with, with only one potential exception. For the details, please see below:

1. Deductible in the D&O policy for the Supervisory Board (no. 3.8 (3) of the Code)

Deutsche Börse AG introduced deductibles in the D&O policy for the Supervisory Board with effect as of 1 April 2014 and has complied with the recommendation in section 3.8 (3) of the German Corporate Governance Code since then.

Before 1 April 2014, Deutsche Börse AG had not followed the recommendation to agree a deductible in the D&O policy for the Supervisory Board. This was due to concern that agreeing a deductible could impede the company’s ability to appoint international members to its boards, as agreeing on a deductible is not always common practice in other countries. After a thorough analysis of the advantages and disadvantages of agreeing a deductible, the company decided to introduce one.

2. Agreement of severance payment caps when entering into Executive Board contracts (no. 4.2.3 (4) of the Code)

All current contracts with the members of the Executive Board contain severance payment caps and hence complied with, and will continue to comply with, the recommendation in section 4.2.3 (4) of the Code. As in the past, however, the Supervisory Board reserves the right to deviate from section 4.2.3 (4) of the Code in the future under certain circumstances. The Supervisory Board believes that a deviation may become necessary in extraordinary cases.”

The annual declaration of conformity in accordance with section 161 of the AktG can also be found on the Internet at www.deutsche-boerse.com/declconformity The declarations of conformity for the previous five years can also be accessed there.

Information on corporate governance practices

Behavioural guidelines

Deutsche Börse Group’s global orientation requires that binding policies and standards of behaviour are applied at all of its locations around the world. The principles for cooperation are aimed in particular at ensuring responsibility, respect and mutual esteem. They are also applied when implementing the Group’s business model. Communication with customers, investors, employees and the public is based on timely information and transparency. In addition to profit-based activity, Deutsche Börse’s business is managed using recognised social responsibility standards.

Group-wide Code of Ethics

Responsible actions and behaviour depend on values that are shared by all employees throughout the Group. The Code of Ethics adopted by the Executive Board and applicable throughout the Group lays the foundation for this and sets minimum ethical and legal standards. It is binding both on members of the Executive Board and on all other managers and employees of the Group. In addition to specific rules, it provides general guidance as to how employees can contribute to putting the values it lays down into practice in their daily work. The aim of the Code of Ethics is to set out guidance for working together in the company on a day-to-day basis, to help resolve any conflicts and to resolve ethical and legal challenges. The Code of Ethics for employees of Deutsche Börse Group can be found at www.deutsche-boerse.com > Corporate Responsibility > Our responsibility > Guideline > Code of ethics.

Code of Conduct for Suppliers and Service Providers

Deutsche Börse Group demands that high standards are met not only by its management and its employees, but also by its suppliers. The Code of Conduct for Suppliers and Service Providers requires them to respect human rights and employee rights and to comply with minimum standards. Most suppliers have signed up to these conditions and all key suppliers have made voluntary commitments that correspond to or exceed Deutsche Börse Group’s standards. Service providers and suppliers must sign up to the Code or an equivalent voluntary commitment as a prerequisite for doing business with Deutsche Börse Group. The Code is regularly reviewed in the light of current developments and amended as necessary. The Code of Conduct for Suppliers and Service Providers can be found on the Internet at www.deutsche-boerse.com > Corporate Responsibility > Our responsibility > Guideline > Code of Conduct.

Values

Deutsche Börse Group's business activities are based on the legal frameworks and ethical standards of the different countries in which it operates. In particular, the Group underscores the values to which it attaches importance by joining initiatives and organisations that stand for generally accepted ethical standards. The relevant memberships are as follows:

- **United Nations Global Compact** (www.unglobalcompact.org): The UN Global Compact is an international agreement between companies and the United Nations. By participating, Deutsche Börse Group has agreed to meet minimum social and ecological standards along its entire value chain.
- **Diversity Charter** (www.diversity-charter.com): As a signatory to the Diversity Charter, the company is committed to acknowledging, respecting and promoting the diversity of its workforce, customers and business associates – irrespective of their age, gender, disability, race, religion, nationality, ethnic background, sexual orientation, or identity.
- **International Labour Organisation** (www.ilo.org): This UN agency is the international organisation responsible for drawing up and overseeing international labour standards; it brings together representatives of governments, employees and employers to jointly shape policies and programmes. By signing up for this, Deutsche Börse Group has agreed to observe these standards.
- **The German Sustainability Code** (www.nachhaltigkeitsrat.de/en/home): The German Council for Sustainable Development adopts the German Sustainability Code and recommends that the political and business communities make extensive use of this voluntary instrument. Deutsche Börse Group has published an annual declaration of conformity with the German Sustainability Code since 2011.

Sector-specific policies

Deutsche Börse Group's pivotal role in the financial sector requires that it handles information, and especially sensitive data and facts, responsibly. A number of sets of rules are in force in the Group to ensure that employees comply with this. These cover both legal requirements and special policies applicable to the industry segment concerned, such as the whistleblowing system and risk and control management policies.

Whistleblowing system

Deutsche Börse Group's whistleblowing system gives employees and external service providers an opportunity to report non-compliant behaviour. Deutsche Börse Group has engaged Deloitte & Touche to act as an external ombudsman and to receive any relevant information submitted by phone or e-mail. The whistleblowers' identity is not revealed to Deutsche Börse Group.

Risk and control management policies

Functioning control systems are an important part of stable business processes. Deutsche Börse Group's enterprise-wide control systems are embedded in an overarching framework. Among other things, this takes into account legal requirements, the recommendations of the German Corporate Governance Code, international regulations and recommendations, and other company-specific policies. The managers responsible for the different elements of the control system are in close contact with each other and with the Executive Board and report regularly to the Supervisory Board or its committees. The Group also has a Group-wide risk management system that covers, and provides mandatory rules for, functions, processes and responsibilities. Details on the internal control system and risk management at Deutsche Börse Group can be found in the [combined management report on pages 93 f. and 144 ff.](#)

Executive and Supervisory Board working practices

The dual board principle, which assigns separate, independent responsibilities to the Executive Board and the Supervisory Board, is a fundamental principle of the German Stock Corporation Act. These responsibilities are set out in detail in the following sections.

Both boards perform their duties in the interests of the company and with the aim of achieving a sustainable increase in value. Their actions are based on the principle of responsible corporate governance. Consequently, the Executive and Supervisory Boards of Deutsche Börse AG work closely together on the basis of mutual trust: the Executive Board provides the Supervisory Board with regular, timely and comprehensive information on the course of business. In addition, it regularly informs the Supervisory Board of all issues concerning corporate planning, business development, the risk situation and risk management, compliance, and the company's control systems. The Chief Executive Officer reports to the Supervisory Board without delay, verbally or in writing, on any matters that are of special importance to the company. The company's strategic orientation is discussed and coordinated in detail with the Supervisory Board and its implementation is discussed at regular intervals. In particular, the chairmen of the two Boards maintain regular contact and discuss the company's strategy, business performance and risk management. Moreover, the Supervisory Board can request a report from the Executive Board at any time, especially on matters relating to Deutsche Börse AG and on business transactions at subsidiaries that could have a significant impact on the position of Deutsche Börse AG.

Executive Board of Deutsche Börse AG

The Executive Board manages Deutsche Börse AG and Deutsche Börse Group. The Board had five members in the reporting period. Its duties include defining the Group's corporate goals and strategic orientation, managing and monitoring the operating units, and establishing and monitoring an efficient risk management system. The Executive Board is responsible for preparing the quarterly and half-yearly financial reports as well as the consolidated and annual financial statements of Deutsche Börse AG. In addition, its job is to ensure that legal requirements and official regulations are complied with.

The members of the Executive Board are jointly responsible for all aspects of management. Irrespective of the collective responsibility of all members of the Executive Board, each member independently manages and is personally responsible for the areas of the company assigned to them in the Board's schedule of responsibilities. In addition to the business areas, there are functional responsibilities; apart from the office of the Chief Executive Officer, these comprise Finance (including Investor Relations), Risk Management, Human Resources and Compliance. Business-related responsibilities refer to the operating business areas, such as cash market activities and the derivatives business, securities settlement and custody, information technology, and the market data business. Further details of the Executive Board's work are set out in bylaws that the Supervisory Board has adopted for the Executive Board. These bylaws specify, among other things, matters reserved for the full Executive Board, special measures that require the approval of the Supervisory Board, and other procedural details and procedures for passing resolutions.

The Executive Board meets regularly for Executive Board meetings; these are convened by the Chief Executive Officer, who coordinates the work of the Executive Board. Any Executive Board member can demand that a meeting be convened. In accordance with its bylaws, the full Executive Board normally takes decisions on the basis of resolutions passed by a simple majority of the members voting on the resolution. If a vote is tied, the Chairman's vote is decisive. The Chairman also has a veto, although he cannot enforce a resolution against a majority vote.

The Executive Board can establish temporary Executive Board committees to implement audits or reviews or prepare Executive Board resolutions and appoint advisory boards, although it did not make use of this option in financial year 2014.

More information on the Executive Board, its composition, the members' individual appointments and their biographies can be viewed at www.deutsche-boerse.com/execboard

Supervisory Board of Deutsche Börse AG

The Supervisory Board supervises and advises the Executive Board in the management of the company. It supports it in significant business decisions and provides assistance in matters of strategic importance. The Supervisory Board has defined measures that require the approval of the Supervisory Board in the bylaws for the Executive Board. In addition, the Supervisory Board is responsible for appointing the members of the Executive Board, for specifying their total remuneration, and for examining the consolidated and annual financial statements of Deutsche Börse AG. Details of the Supervisory Board's work in the 2014 financial year can be found in the [report of the Supervisory Board](#).

Two-thirds of the Supervisory Board's members are shareholder representatives and one-third are employee representatives. In accordance with the Articles of Association of Deutsche Börse AG, the Supervisory Board has 18 members until the end of the Annual General Meeting on 13 May 2015. It will then be reduced to twelve members. The term of office for the shareholder and employee representatives on the current Supervisory Board is identical. It lasts three years and ends with the Annual General Meeting in 2015.

The Supervisory Board holds regular meetings in February, March, May, June, September and December. In addition, extraordinary meetings are held as required. The committees also hold regular meetings. The Supervisory Board passes its resolutions with a simple majority. In addition, it regularly reviews the efficiency of its work, discusses potential areas for improvement and resolves suitable measures to achieve this where necessary.

With regard to its composition, the Supervisory Board has resolved a list of requirements with concrete goals. This defines basic qualifications, such as an understanding of business issues, basic knowledge and understanding of the German corporate governance system, analytical and strategic abilities as

well as integrity and suitability of character for the position. In addition, company-specific qualification requirements have been set out on the basis of the business model, concrete objectives and specific regulations applicable to Deutsche Börse Group. These include in particular:

- sound knowledge of exchanges and capital markets,
- accounting, finance, risk management and compliance,
- information technology and the clearing and settlement business,
- experience of regulatory requirements.

Moreover, the list of requirements resolved by the Supervisory Board contains specific targets for the adequate representation of women and defines a sufficient number of independent Supervisory Board members. Information on the profile for the composition of the Supervisory Board can be found in the [corporate governance report on page 67](#).

The committees of the Supervisory Board and their working practices

The Supervisory Board has established committees with the aim of improving the efficiency of its work by dealing with complex matters in smaller groups and preparing them for the full Supervisory Board. Additionally, the Supervisory Board has delegated individual decision-making powers to the committees, to the extent that this is legally permissible. The committee meetings are convened by the chairman of the committee concerned. The Supervisory Board had six committees in the year under review. Additionally, in its meeting on 19 February 2014, the Supervisory Board resolved to establish the Interim Risk Management Roadmap Committee for the period up to the end of the Annual General Meeting of Deutsche Börse AG on 13 May 2015. Wherever necessary, the individual responsibilities and the rules of procedure for adopting resolutions have been incorporated into the bylaws for the Supervisory Board. The committees' rules of procedure correspond to those of the full Supervisory Board. The tasks and composition of the individual committees are summarised in [the table on the following pages](#). The chairmen report to the plenary meeting about the subjects addressed in, and resolutions passed by, the individual committee meetings. Information on the Supervisory Board's concrete activities and meetings in the reporting period can be found in the [report of the Supervisory Board on pages 53 to 56](#).

More information on the Supervisory Board and its committees, its composition, the members' individual appointments and their biographies can be found at www.deutsche-boerse.com/supervboard. Information on the treatment of potential conflicts of interest is given in the [report of the Supervisory Board on page 57](#).

The committees of the Supervisory Board in the year under review: Composition and responsibilities

Strategy Committee

Members	Composition
<ul style="list-style-type: none"> ▪ Joachim Faber (Chairman) ▪ Richard Berliand ▪ Karl-Heinz Floether ▪ Hans-Peter Gabe ▪ Heinz-Joachim Neubürger † (until 5 February 2015) ▪ Gerhard Roggemann ▪ Jutta Stuhlfauth 	<ul style="list-style-type: none"> ▪ Chairman of the Supervisory Board as committee chairman ▪ At least five other members, who are elected by the Supervisory Board
	Responsibilities
	<ul style="list-style-type: none"> ▪ Advises the Executive Board on matters of strategic importance to the company and its affiliated companies ▪ Addresses basic strategic and business issues as well as important projects for Deutsche Börse Group

Audit Committee

Members	Composition
<ul style="list-style-type: none"> ▪ Erhard Schipporeit (Chairman) ▪ Karl-Heinz Floether (since 13 February 2015) ▪ Friedrich Merz ▪ Heinz-Joachim Neubürger † (until 5 February 2015) ▪ Johannes Witt 	<ul style="list-style-type: none"> ▪ At least four members, who are elected by the Supervisory Board ▪ Prerequisites for the chairmanship of the committee: the person concerned must be independent and must have specialist knowledge and experience of the application of accounting principles and internal control processes (financial expert) ▪ Excluded from the chairmanship: the Chairman of the Supervisory Board, former members of the company's Executive Board whose appointment ended less than two years ago
	Responsibilities
	<ul style="list-style-type: none"> ▪ Discusses the annual budget and submits a recommendation for resolution to the Supervisory Board ▪ Addresses issues relating to accounting and financial reporting processes as well as the reporting system ▪ Addresses issues relating to monitoring and control systems, in particular risk management including risk strategy, compliance management, and the internal control and audit system, as well as their appropriateness and effectiveness ▪ Examines the financial statement documents, including the auditors' report on the consolidated and annual financial statements as well as the half-yearly and quarterly financial reports ▪ Reports to the Supervisory Board on the examination of the annual and consolidated financial statements, including the combined management report, and submits a recommendation for resolution ▪ Issues the engagement letter to the auditor, agrees the audit fee, determines the areas of emphasis for the audit, obtains the statement of independence from the auditor, prepares the election of the auditor by the Annual General Meeting ▪ Prepares the declaration of conformity with the German Corporate Governance Code and the corporate governance declaration

Technology Committee

Members	Composition
<ul style="list-style-type: none"> ▪ Craig Heimark (Chairman) ▪ Karl-Heinz Floether ▪ David Krell ▪ Martin Ulrici 	<ul style="list-style-type: none"> ▪ Normally four members, who are elected by the Supervisory Board
	Responsibilities
	<ul style="list-style-type: none"> ▪ Advises the Executive Board on all issues relating to developments in IT and the organisation of data processing at Deutsche Börse AG and its affiliated companies

Clearing and Settlement Committee

Members	Composition
<ul style="list-style-type: none"> ▪ Richard Berliand (Chairman) ▪ Irmtraud Busch ▪ Monica Mächler ▪ Thomas Neißé 	<ul style="list-style-type: none"> ▪ Normally four members, who are elected by the Supervisory Board
	Responsibilities
	<ul style="list-style-type: none"> ▪ Advises the plenary meeting of the Supervisory Board in particular on the assessment of relevant regulatory trends at national and European level and on evaluating the effects of these trends on Deutsche Börse Group

Personnel Committee

Members	Composition
<ul style="list-style-type: none"> ▪ Joachim Faber (Chairman) ▪ Marion Fornoff ▪ Richard M. Hayden ▪ Gerhard Roggemann 	<ul style="list-style-type: none"> ▪ Chairman of the Supervisory Board as committee chairman ▪ At least three other members, who are elected by the Supervisory Board and of whom one must be an employee representative
	Responsibilities
	<ul style="list-style-type: none"> ▪ Handles issues relating to the contracts of service for Executive Board members and in particular the structure and amount of their remuneration ▪ Addresses succession planning for the Executive Board ▪ Approves appointments of members of Deutsche Börse AG's Executive Board to other executive boards, supervisory boards, advisory boards and similar boards, honorary appointments and secondary activities, as well as any exemptions from the requirement to obtain approval ▪ Approves the grant or revocation of general powers of attorney ▪ Approves cases in which the Executive Board grants retirement benefits for employees, or other individually negotiated retirement benefits, or proposes to enter into works agreements establishing pension plans

Nomination Committee

Members	Composition
<ul style="list-style-type: none"> ▪ Joachim Faber (Chairman) ▪ Richard M. Hayden ▪ Gerhard Roggemann 	<ul style="list-style-type: none"> ▪ The Chairman of the Personnel Committee also chairs the Nomination Committee (dual role) ▪ At least two other members (exclusively shareholder representatives who are also members of the Personnel Committee)
	Responsibilities
	<ul style="list-style-type: none"> ▪ Proposes suitable candidates to the Supervisory Board for inclusion in the Supervisory Board's election proposal to the Annual General Meeting


Interim Risk Management Roadmap Committee (from 19 February 2014 to 13 May 2015)

Members	Composition
<ul style="list-style-type: none"> ▪ Erhard Schipporeit (Chairman) ▪ Richard Berliand ▪ Joachim Faber ▪ Karl-Heinz Floether (since 13 February 2015) ▪ Craig Heimark ▪ Friedrich Merz ▪ Heinz-Joachim Neubürger † (until 5 February 2015) ▪ Johannes Witt 	<ul style="list-style-type: none"> ▪ Chairman of the Audit Committee as committee chairman ▪ At least two other members of the Supervisory Board, who are elected by the Supervisory Board
	Responsibilities
	<p>The Committee is tasked with supervising the implementation of the Risk Management Roadmap and in particular with monitoring the following issues:</p> <ul style="list-style-type: none"> ▪ Defining the best practice risk management processes to be implemented ▪ Defining the risk appetite ▪ Risk governance

Frankfurt/Main, 6 March 2015
Deutsche Börse AG



Reto Francioni



Andreas Preuss



Gregor Pottmeyer



Hauke Stars



Jeffrey Tessler

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the combined management report of the Deutsche Börse AG, Frankfurt/Main for the business year from January 1 to December 31, 2014. The maintenance of the books and records and the preparation of the annual financial statements and combined management report in accordance with German commercial law (and supplementary provisions of the shareholder agreement/articles of incorporation) are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the combined management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch“; „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and combined management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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

Frankfurt/Main, March 6, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Braun
Wirtschaftsprüfer
[German Public Auditor]

Diehleiner
Wirtschaftsprüfer
[German Public Auditor]

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Deutsche Börse Aktiengesellschaft give a true and fair view of the assets, liabilities, financial position and profit and loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

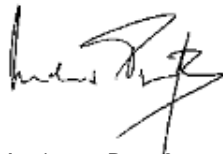
Frankfurt/Main, 06 March 2015

Deutsche Börse Aktiengesellschaft

The Executive Board



Reto Francioni



Andreas Preuß



Gregor Pottmeyer



Hauke Stars



Jeffrey Tessler