



Press embargo ends: 17 May 2017, beginning of
Mr. Kengeter's speech

Annual General Meeting
Deutsche Börse Aktiengesellschaft
17 May 2017

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[Welcome address]

(Slide #1)

Ladies and Gentlemen, dear shareholders,

It is my pleasure to welcome you to this year's Annual General Meeting of Deutsche Börse AG. I would also like to welcome the participants listening via the internet, as well as the media representatives.

1. Review

Two years ago, I joined Deutsche Börse with the objective of creating a long-term growth story for this company. This was, and is, the declared goal of our “Accelerate” growth strategy. With its implementation, we already achieved good results in the past year. Growth through acceleration: that is the core element of our strategy. At present, however, this growth still depends too much on the ups and downs of our market environment. In other words: it's cyclical. If we want to limit the impact of the environment on our business, we will have to evolve. We have to grow structurally, and tap into stable and long-term effective sources of growth. There are two ways to achieve this: firstly, via organic growth, and secondly, via growth by means of acquisition or merger.

Strategically, our planned merger with London Stock Exchange was a sensible move. In fact, it was right in line with our “Accelerate” growth strategy. In order to get the plan moving within the time-frame, we made compromises in its design – compromises which were acceptable to everyone concerned: because we were convinced the planned merger would have strengthened the position of Frankfurt as a financial centre in the face of global competition. We were also certain that it would have increased the value of Deutsche Börse – for you, as our shareholders, as well as for our clients and our employees.

One part of the compromise we agreed upon with our partners was basing the registered office of the future holding company in London. Both Frankfurt and London would have remained Group headquarters locations on an equal footing. Then, however, the British people voted to leave the EU. As a result, this cornerstone of our agreement became more difficult to implement, and conveying it to *society* was getting increasingly harder, in Germany as well as in the United Kingdom.

Our plan was economically sound. After all, global competition in our industry has become harder. As Europeans, we have to keep up with the exchange giants in the US and Asia; and that means joining forces. This doesn't just apply to us as an exchange organisation, but also to the financial centre. Therefore, Frankfurt would have benefited from the merger, and Deutsche Börse AG would have continued to exist in Frankfurt, under the supervision of the State of Hesse.

However, Ladies and Gentlemen, it is pointless to speculate about lost opportunities. We have to accept that our partners in London decided not to comply with one of the conditions imposed by European regulators, which is why the European Commission has prohibited the merger.

A lost opportunity – not only for Europe, but also for Frankfurt, and for Deutsche Börse AG. No doubt about it. Does that mean it was all for nothing? Not at all. Because we used the time to strengthen our company – even without this merger.

Allow me to briefly look back: in order to convince society of our plan, we sought and encouraged dialogue. We communicated constantly with the community at the Frankfurt financial centre; we kept the public closely in touch; we informed the media regularly and openly, and we consulted constantly with the political powers that be – here in Hesse, as well as on a federal and European level. While we listened, not everyone shared our views and arguments to the extent that would have been necessary. *We* learned from this experience. *I* learned from this experience. We will continue to seek dialogue with the public – now more than ever. We are looking ahead.

Looking ahead and learning from our experiences doesn't mean questioning everything that happened in the past. Let us not forget: Deutsche Börse is commercially successful, and 2016 was an especially good year for us. This is why from now on we will demonstrate our conviction in a more sustainable way – our conviction that we are firmly established in the Frankfurt financial centre. We will become far more visible, more open to this marketplace. Above all, we will strive to achieve a more sustainable medium- and long-term performance, and to improve our communication with everyone who has a legitimate interest in this company's success. That is what is important to us. That is what we learned.

But now allow me to comment on my own behalf. As you all know, the Frankfurt public prosecutor's office has launched an investigation, on the grounds of an initial suspicion concerning insider trading. Allegedly, I am supposed to have used non-public information for share trading. These allegations have deeply concerned me personally, because this is exactly what I did *not* do.

Insider trading goes against everything I stand for. I purchased Deutsche Börse shares as part of a new remuneration programme for the CEO and members of the Executive Board. The programme had been developed by the Supervisory Board which had also set a tight timeframe for participation in the programme – a programme approved by you, our shareholders. Prior to me purchasing the shares I had the relevant specialist departments within Deutsche Börse review the matter. Thereupon, the company immediately and publicly disclosed this purchase. Furthermore, the shares bought are subject to a holding period until the end of 2019. That is not what insider trading is about.

Clearly, the allegations must be clarified in the interest of market integrity. I also understand the media interest in this topic. Deutsche Börse, as well as myself personally, are fully cooperating with the public prosecutor's office, and I am certain that, following detailed investigation, the allegations will turn out to be unfounded.

“Accelerate”

Ladies and Gentlemen, our “Accelerate” growth strategy remains in place and intact. Thus, Deutsche Börse is continuing its growth path. It is still our goal to rank first or second in all areas and on a global scale, which is why we are active on five levels.

Firstly, we are changing our corporate culture. In the past two years, we have become more flexible, more innovative, and more client-oriented. So, we are making good progress. We have also improved our product development, and centralised our sales and marketing functions. We have also reorganised our IT area, leading to clearly-defined product responsibility and faster realisation of client requirements. All of this has turned us into a more powerful organisation.

By the way, within the scope of our corporate culture we also take a serious view on environmental, social and governance (ESG) aspects. The importance of such information has significantly increased in the eyes of investors, clients, analysts and – last but not least – regulatory authorities. Thus, last year we established new structures right across the Group, in order to be able to better fulfil our responsibility to society, and in order to keep an eye on the impact of our actions, across the entire value chain.

Secondly, we are improving our performance appraisal and remuneration system. Joachim Faber has already discussed this in detail.

Thirdly, we have demonstrated that our business model is scalable. Simply put: our profit growth exceeds our revenue growth, which ultimately translates into higher margins. In terms of concrete figures, this means profits rising between 10 and 15 per cent, and revenue growth of between 5 and 10 per cent. In the past year, we met these ambitious goals.

The fourth level concerns our capital allocation. Our concern is to find the right balance between investment in growth, and distributions (via dividends) to you, Ladies and Gentlemen. Last year, we also disposed of investments with a less promising outlook. Most importantly, we sold the US exchange organisation International Securities Exchange (ISE), against a cash consideration of US\$1.1 billion. We also divested our stake in BATS Global Markets. This has turned us into a leaner organisation. At the same time, we invested in “fintech” companies – enterprises which develop new technologies for the financial services sector. This has turned us into a more sustainable organisation.

The same applies to the fifth level of “Accelerate”: growth through acquisitions. After having to break off the merger talks with London, as you might imagine, it is currently quite difficult to think about large exchange mergers. But that does not mean acquisitions, partnerships, and investments are no longer possible. Wherever value creation is possible, we will continue to grow in this way. One example is our entry into the US energy contract market: in May, our energy exchange platform EEX acquired the electronic US commodities exchange Nodal. In addition, we, as a Group, have increased our stake in EEX to 75 per cent. A promising market indeed!

Allow me to turn to our business figures.

2. Financial year and annual financial statements 2016

(Slide #2)

I would like to begin with the figures on Group level:

net revenue showed a single-digit increase (+8 per cent, reaching €2.4 billion), and net profit for the period rose at double-digit rates (+14 per cent, exceeding €800 million). The first reason for this strong growth is our efficient cost management. Costs have only increased by 1 per cent. The second reason is: we are in the process of enhancing our structural growth.

We have achieved this result despite an overall challenging environment. This means that our growth was not solely due to the ups and downs of the markets, but also due to structural forces. This tells us clearly that “Accelerate” is working – growth through acceleration!

I would especially like to thank all employees, not only for pushing our merger plan, but also for driving our company forward in all other respects.

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Once again, our derivatives market Eurex delivered the largest contribution to our growth in the past year. Its net revenue was up by about 16 per cent, exceeding €1 billion.

Investors especially depend upon exchanges when market prices undergo strong fluctuations. Why? Because exchanges are reliable. On the other hand, for our business this means that calmer markets equal lower revenues. 2016 proved a tranquil year on the whole. Nevertheless, single big events like the Brexit referendum and the US presidential elections led to uncertainty, especially as the outcome of both results was unclear and came as a surprise. For market participants, these factors present risks which can be hedged with index derivatives. Indices track price developments, and derivatives offset losses incurred when prices develop differently than expected. Therefore, index derivatives contributed significantly to the good results achieved at Eurex.

However, structural growth drivers also existed: first and foremost being EEX’s business with power and gas products, which posted high double-digit growth rates. This business is promising, and we are optimistic about further good results in the future.

In contrast, the cash market business Xetra – which essentially comprises equity trading – developed less favourably. As also seen with other comparable markets, net revenue fell by 11 per cent, to around €165 million. In the previous year – 2015 – European cash markets had benefited from strong tailwinds due to the ECB’s bond-buying programme; this effect faded during the programme’s second year, turning from a decent wind into more of a gentle breeze.

The Brexit vote, which led to some US investors pulling capital from Europe, was another negative effect, and a reason for falling cash market revenues.

The second-most important growth driver next to Eurex was Clearstream, one of the most important post-trading service providers worldwide. This includes, in particular, safe custody of securities, and related services. Backed in particular by international business, Clearstream posted net revenue growth of 5 per cent, exceeding €780 million.

For the current year, we anticipate impulses from the new, EU-wide TARGET2-Securities (T2S) settlement service. T2S commenced operations on a step-by-step basis during 2015. Since February 2017, Clearstream has been part of this new infrastructure and, as its most important participant, contributes to this performance. The migration went according to plan, and was very successful. Clearstream's clients can now combine their assets, whilst benefiting from our extensive range of services for securities lending and collateral management.

Finally, net revenue in the Market Data segment was up slightly, by 2 per cent. This is all the more remarkable when taking into account that part of the revenue from two sold subsidiaries is missing. The double-digit growth in the index business was the growth driver in this segment.

(Slide #4)

Dear shareholders, we want you to participate in our company's performance in an adequate manner, but we are also striving for long-term success. This is why maintaining our power to invest is so important. Our dividend policy thus follows a clear guideline: the distribution amounts to between 40 per cent and 60 per cent of net profit for the period.

Thanks to our good performance, we propose a dividend increase, to €2.35 per share, for 2016, which is equivalent to 54 per cent of adjusted net profit for the period.

In addition, we are planning to implement a €200 million share buy-back programme in the second half of 2017, making use of an authorisation for the purchase and use of treasury shares which we are proposing for resolution under item 5 of today's agenda. Our intention here is to balance the use of the proceeds from the ISE disposal. We want you, dear shareholders, to benefit from the proceeds. And, at the same time, we want to invest in the future viability of this company.

3. First quarter of 2017

(Slide #5)

Let us turn to our development in the current year. In the first quarter, our net revenue has increased only slightly, by 2 per cent. But the past several weeks have shown noticeable growth, with the April figures also confirming this development.

The first quarter was largely characterised by weak equities markets. However, we were able to more than offset this performance: through significant and sustainable growth at Clearstream, with a boost provided by the interest rate development.

We kept our costs under control even better than this time last year. They remained stable, and as a result, we generated solid consolidated net profit growth.

Since we anticipate further growth in the course of this year, we thus confirm our forecast for the current financial year.

4. “Accelerate” growth strategy

(Slide #6)

Our goals for last year and this year also resemble our medium-term objectives. We want Deutsche Börse to be top-ranked in all of our business segments worldwide. In terms of financial figures, we expect net revenue to rise by 5 per cent to 10 per cent per annum, and net profit by 10 per cent to 15 per cent. I believe that only few companies can keep up with these figures. We have demonstrated that our actions are calculable. We meet our forecasts. Reliability is an important virtue for us – and for me personally. After all, we operate the infrastructure for markets with integrity – those of today as well as those of tomorrow.

Reliability is the basis allowing us to fulfil our service to the public. Conversely, the basis of reliability is competitive success. In order to achieve this, we develop new *products*, whilst, at the same time, developing new intelligent *formats* for our clients. These formats are based upon cooperation and partnership, and include approaches designed to achieve better and deeper proximity with clients.

Our business model also makes us reliable. We provide platforms for orderly, fair, and safe trading. We provide clearing services, which include risk management. We offer our clients market information, on the basis of which they can trade. And we offer solutions for post-trading processes. In short: our business activities comprise trading, pre- and post-trading – elements which interlock like in a chain. Each of them offers growth potential. We do not bet on only one horse: instead, we develop this model alongside the entire chain.

We are in the process of increasing the range of asset classes we cover, and we will continue to do so. Foreign-exchange trading is particularly promising, as is corporate bond trading, and trading with energy, raw materials, and other commodities. By entering the US market we have already begun this journey. With our energy exchange platform EEX, we are already on the right path to becoming a global commodities marketplace.

We are also discussing the future with partners who want to outsource services to us in the area of post-trading, offering direct access for large institutional investors.

Ladies and Gentlemen: we are looking towards the future. One thing is clear: we are strong on our own as well. We can build on our strengths, using every tool in our box – now more than ever. We will continue to pursue our “Accelerate” growth strategy, and stick to our ambitious targets. We have continuously been enhancing “Accelerate”, refining it, striving to perfect it. And we have increased our power. Europe is experiencing historical changes. We will also see fundamental changes in the European financial markets as we know them. We help our clients deal with these changes, thus contributing to the stability of markets in a constantly transforming environment – ensuring they are robust and flexible at the same time. Industry trends are boosting our endeavours. We set three key focuses.

Let me start with the most important one: growth in our core business. We are expanding our derivatives trading and clearing activities. For now is the right time to do this. And, Ladies and Gentlemen, we are prepared. We, as the anchor of stability, are more important than ever. The planned exit of the United Kingdom from the EU is creating uncertainty. Exchange trading and clearing reduce this uncertainty for the market participants, which is where the general trend from OTC trading to on-exchange trading and clearing is coming from – across all asset classes. Politicians and regulators support this trend, and we, Deutsche Börse, i.e. your company, provide tried-and-tested risk management solutions. That is a responsibility we have to live up to, and will live up to, especially for our European clients. We are experts in safety, responsibility and growth. The European capital market is at a turning point. We want to, and we shall, make the best out of this. Whether we are talking about the expansion of our energy exchange EEX, or about the entry into new asset classes – all signs, in all areas, are set for growth. The cyclicity I mentioned, especially the ups and downs on the equity market, and the interest rate development, also contributes to this.

Our second key focus is: growth via data. The information services market is growing by 12 per cent annually – by €43 billion until 2020. For us, this is an incredible opportunity, and being an internationally renowned provider of market data and indices, we are in an ideal starting position. We alone possess this valuable data, data we can process in such a way that it benefits the markets immensely – and our clients. In fact, we are turning our data into value – data is fast evolving into the oil in the gears of digitisation. We will enhance and expand this business with market information by offering our clients sophisticated products and services planned in a forward-looking manner. In doing this, we ensure they are well positioned for an ever faster and more complex market environment. We have already laid the foundation for such a development, and we will build on this foundation. Among other things, we acquired the remaining stake in index provider STOXX, giving us the basis for enhancing our offers with intelligent solutions. We want to, and we will, continue expanding our globally leading role.

Our third key focus is a concept we call “Exchange 4.0”. Digital change has fully taken over our industry. For us, this is another incredible opportunity: yes, Ladies and Gentlemen, we will make use of the opportunities arising from digital change. For that, we established the concept of Exchange 4.0. In the real economy, the add-on “4.0” stands for the vast technological transformation we currently find ourselves in – the fourth industrial revolution. In the new world unfolding in front of our eyes, data is becoming increasingly important. *Datafication* is the buzzword. But in fact it is more than that: within our processes, datafication is increasingly becoming reality, meaning, above all: new products and new services. We are developing a digital infrastructure which, with the help of interfaces to service providers, is far more open and also faster than previously. Furthermore, we are setting up the Data & Analytics Centre, establishing an ecosystem with fintechs, and using our structural advantage as a leading European infrastructure provider to bind the best ones to us: Digital Asset Holdings, figo, 360T and STOXX. In this way, we are positioning ourselves – as market leader.

We are convinced that this refined strategy is leading us along the same growth path we were taking prior to the planned LSE merger. The steps we are now embarking upon may be more modest, which I regret, but we remain firmly convinced that we are on the right path. The sharper focus I have mentioned will create additional potential, helping us to lead Deutsche Börse towards a successful future.

Frankfurt will also benefit from these initiatives: with its location in the heart of the EU, and as leading financial marketplace after Brexit. We will give the financial community a new boost. Our Venture Network will play its part, bringing companies, which are not yet ready for an IPO, together with investors. It is our aim to pave the way for these companies – for their entry into the capital market. In the run-up, we have established our FinTech Hub as a centre for technological innovation. And when companies are mature enough to go public, our new segment “Scale” is ready and waiting, supporting them in their entry onto the capital markets after the necessary “training”.

Conclusion

Our business has a socio-political dimension. In our globally interlinked and regulated world, that applies to all companies. An exchange organisation, however, is not only subject to strict regulation, it also exercises sovereign tasks, tasks it can only fulfil *with* society, not *against* its will. We are fully aware of that – and not just since we embarked upon our merger with the LSE. We have always seen ourselves as a partner to regulators and politicians – as a company that assumes responsibility for society, and an intermediary to markets and market participants.

Our responsibility to society includes supporting the interests of our location. For us, this means – above all – furthering the interests of the Frankfurt-Rhine/Main financial marketplace. Yet this social responsibility also means seeing these interests in an international context. First and foremost, the horizon we need to consider is that of Germany as an economic centre. Germany is Europe's leading nation in economic terms. There is no other country – and no other financial centre – that has a greater interest in strengthening a united Europe than we do. As Deutsche Börse, we are committed to making a contribution here. The European cause remains important, to us as a company, and to me personally.

The British government triggered the UK's exit from the EU at the end of March. Some would see this as a signal for a return to a policy of isolation and national egoism. But business thrives upon exchange, which in turn requires openness. I believe that the capital markets can assume a leading role in this context, which is why the project for a European Capital Markets Union has a key role to play. The purpose of Capital Markets Union is to facilitate the flows of capital throughout the EU through uniform rules. Its ultimate goal is to lower the cost of capital – for market participants, and for the real economy: yet another contribution to growth by acceleration!

The impending “clean” Brexit – the uncompromising exit of the United Kingdom from the EU – creates uncertainty among numerous financial institutions. Looking to retain their access to the EU's financial markets, these institutions will be needing support and new partners. We are available, as providers of the necessary infrastructure.

Ladies and Gentlemen, the future of this company depends upon your trust. I am confident for this company's future, and I would like to thank everyone who is sharing this confidence. I will now devote the same attention to your questions that you have kindly given to my report. Now I look forward to a lively discussion.