



DEUTSCHE BÖRSE
GROUP

www.deutsche-boerse.com

Corporate report 2014

About us, the year 2014,
and our prospects for the future



Deutsche Börse Group: key figures

		2014	2013	Change in %
Consolidated income statement				
Net revenue (total revenue less volume-related costs)	€m	2,043.0	1,912.3	7
Net interest income from banking business	€m	32.8	35.9	-9
Operating costs	€m	-1,114.8	-1,182.8	-6
Earnings before interest and tax (EBIT)	€m	1,006.5	738.8	36
Net income	€m	788.5	495.2	59
Earnings per share (basic)	€	4.00	3.00	33
Consolidated cash flow statement				
Cash flows from operating activities excluding CCP positions	€m	685.0	797.0	-14
Consolidated balance sheet				
Non-current assets	€m	11,267.2	8,796.9	28
Equity	€m	3,752.1	3,268.0	15
Non-current interest-bearing liabilities	€m	1,428.5	1,521.9	-6
Performance indicators				
Dividend per share	€	2.10 ¹⁾	2.10	0
Dividend payout ratio	%	58 ²⁾³⁾	61 ³⁾⁴⁾	-5
Employees (average annual FTEs)		3,911	3,515	11
Personnel expense ratio	%	23	22 ⁴⁾	5
EBIT margin, based on net revenue	%	49	39	28
Tax rate	%	26.0	26.0 ⁴⁾⁵⁾	0
Return on shareholders' equity (annual average)	%	22	21	2
Gross debt / EBITDA		1.5	1.5 ⁴⁾	0
Interest coverage ratio	%	26.0	20.1 ⁴⁾	29
The shares				
Opening price ⁶⁾	€	60.20	46.21	30
High ⁷⁾	€	63.29	60.48	5
Low ⁷⁾	€	49.90	44.51	12
Closing price	€	59.22	60.20	-2
Market indicators				
Eurex				
Number of contracts	m	2,097.9	2,191.2	-4
Xetra and Börse Frankfurt				
Trading volume (single-counted)	€bn	1,231.8	1,104.2	12
Clearstream				
Value of securities deposited (annual average)	€bn	12,215	11,626	5
Number of transactions	m	121.0	113.9	6
Global Securities Financing (average outstanding volume for the period)	€bn	576.5	570.3	1
Transparency and safety key figures ^{CR}				
Proportion of companies reporting in accordance with maximum transparency standards ⁸⁾	%	82.4	81	2
Number of calculated indices		10,825	10,513	3
Number of sustainable index concepts		25	23	9
System availability of cash market trading system (Xetra [®])	%	99.981	99.999	0
System availability of derivatives market trading system (T7)	%	99.986	99.969	0
Market risk cleared via Eurex Clearing (gross monthly average)	€bn	16,343	15,861	3

1) Proposal to the 2015 Annual General Meeting 2) Figure based on the proposal to the 2015 Annual General Meeting 3) Adjusted for the costs of mergers and acquisitions and of efficiency programmes 4) Adjusted for the costs of the settlement with the Office of Foreign Assets Control (OFAC) 5) Adjusted for the initial recognition of deferred taxes on tax loss carry forwards of a Group company 6) Closing price on preceding trading day 7) Intraday price 8) Market capitalisation of companies listed in the Prime Standard (shares) in relation to market capitalisation of all companies listed on the Frankfurt Stock Exchange

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Deutsche Börse Group at a glance

Our services

Listing p. 14

Stock exchanges bring companies from the real economy together with investors in the capital market. Large enterprises and medium-sized companies, both domestic and international, raise equity or debt capital on the Frankfurt Stock Exchange.

Benefits: Investors can share in the growth of the real economy – and promote it with their investments.

Our brands

- Deutsche Börse
- Börse Frankfurt
- Xetra®

Trading p. 14

Exchange trading is as close as you can get to a "perfect market": Deutsche Börse operates regulated markets for equities, derivatives and further products, based on its Xetra® and T7 electronic trading systems.

Benefits: Prices are determined on exchanges on the basis of free buy and sell decisions, which then serve as guidelines for companies' future prospects.

Our brands

- Xetra®
- Tradegate
- T7
- Eurex Bonds®
- Eurex Repo®
- International Securities Exchange
- European Energy Exchange

Clearing p. 16

Clearing is used to net claims and liabilities relating to financial instruments against each other. Eurex Clearing AG, Deutsche Börse Group's clearing house, acts as a buyer for every seller and a seller for every buyer. Market participants provide collateral to manage the risk that arises in trading.

Benefits: Clearing is comparable to insurance against counterparty default for market participants.

Our brands

- Eurex Clearing
- C7

Post-trade p. 16

After trading and clearing, Clearstream – Deutsche Börse Group's post-trade services provider – supports market participants in settling their delivery obligations and in holding all product types in safe keeping. These products can then be used as collateral.

Benefits: Post-trade services enable market participants to satisfy legislators' regulatory requirements reliably and efficiently.

Our brands

- Clearstream
- LuxCSD
- REGIS-TR

Responsibilities of Executive Board members

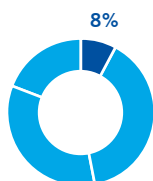
CEO, CFO

Cash & Derivatives Markets

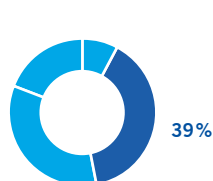
Clearstream

Our four financial reporting segments: Breakdown of net revenue

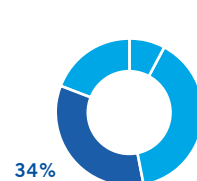
Xetra



Eurex



Clearstream



■ Share of Deutsche Börse Group's net revenue attributable to the segment concerned

Our three areas of activity for sustainability CR

Market data and services p. 17

Institutional and private investors base their decisions on market data – which in turn create new information. Deutsche Börse produces and distributes diverse data, and supports its customers at a technical and IT level.

Benefits: Thanks to their independence, exchanges can deliver objective measurements of market trends.

Our brands

- Deutsche Börse
- DAX®
- STOXX®
- Market News International

Building trust

Deutsche Börse Group's core business includes efficiently organising capital markets and providing stable systems for them. Standardisation, maximum transparency and a broad range of risk management services are the tools that it uses to reach these goals. The Group also focuses on making high-quality sustainability information available to ensure that investors can make rounded investment decisions. At the same time, it is helping to initiate and expand a constructive dialogue on the future potential of the international capital markets.

Leading by example

As a listed service provider, Deutsche Börse Group treats responsible and forward-looking actions as a binding duty. For example, it pursues a sustainable human resources policy and is committed to the environment, and specifically resource efficiency. Deutsche Börse Group is continuously extending its sustainability activities and reporting with the aim of establishing itself as a role model in the market. The Group's core focus here is on a lively dialogue with its stakeholder groups.

Raising awareness in the community

Deutsche Börse Group is a committed "good corporate citizen". It is active primarily at a regional level and is guided by local needs at its various corporate locations. The Group-wide sponsorship guidelines focus on innovative, long-term projects which create added value for society in the areas of education and science, culture and social involvement.

IT & Market Data + Services

Market Data + Services

19%



Corporate report 2014

At the heart of the markets

The next few years will see profound changes in the financial world. That is why we have already begun developing innovative solutions at Deutsche Börse Group to improve our long-term growth chances, and at the same time create benefits for our customers and other market participants. Our long-standing expertise is reflected in the range of forward-looking products and services we offer. We set high standards for these and for ourselves.

Deutsche Börse Group's strategic focus is on achieving the next evolutionary stage as a market infrastructure provider today. We aim to become the leading global provider of integrated risk, collateral and liquidity management and have taken our first steps towards this.

How to navigate around this corporate report

- CR Corporate Responsibility topics
- ➔ Reference to a location in the report
- ⓧ Reference to a location outside of the report

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About this report

The 2014 corporate report marks the third year in which Deutsche Börse Group has combined its annual report with elements from its corporate responsibility (CR) report. We have further expanded our dialogue with internal and external stakeholders so as to be able to take the next step towards fully integrating our sustainability performance reporting with our capital market communications. Building on this more intensive dialogue, this report highlights once again how ecological, social and corporate management issues are anchored across all of Deutsche Börse Group's business areas. The insights gained are also helping to raise our sustainability profile throughout the organisation and to prepare for the new GRI G4.0 reporting standard issued by the Global Reporting Initiative (GRI).

The corporate responsibility information and indicators contained in this year's report are still largely based on the GRI's G3.1 guidelines on sustainability reporting. Since not all GRI indicators are applicable to the services provided by an exchange organisation, they have been supplemented by additional relevant performance indicators and information. You can find a comprehensive overview of all of the GRI indicators in the online version of this report under:

 www.deutsche-boerse.com/annual_report

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Letter from the CEO



Reto Francioni
Chief Executive Officer



Dear shareholders and readers,

The end of 2014 marked not only the conclusion of another challenging and at the same time successful financial year. It was also the last financial year of my term of office, which will end on 31 May 2015. I would therefore like to use this letter to also express my personal thanks for your trust in our company.

We, the members of the Executive Board, have systematically expanded Deutsche Börse's business model. Our efforts have been successful – as was also seen in the past financial year: both our net revenue and our earnings increased substantially compared with 2013. Given these positive developments, we propose to keep our dividend stable at €2.10 per share. This corresponds to a distribution ratio of 58 per cent, which is again near the upper end of the target range of 40 to 60 per cent for our capital management with which you are acquainted. This adequately ensures our ability to invest in important projects for the future, which has been one of my key priorities during my entire period in office.

Innovative products as growth drivers

Innovative products and services continued to be particularly powerful growth drivers in 2014: innovation is our real core business. For example, we increased the number of derivatives contracts from 58 to 81 million (+ 39 per cent) in the past year with new derivative products. These include our derivatives on Italian and French government bonds (Buoni del Tesoro Poliennali (BTPs) and Obligations assimilables du Trésor (OATs)), dividend and volatility derivatives as well as derivatives on the Korea Composite Stock Price Index (KOSPI), the Korean benchmark index. The performance of our commodities business was also excellent: trading in power and gas products climbed 44 per cent in the past year, from 1,487 to 2,138 TWh. Deutsche Börse AG is therefore well positioned to face its international competition.

Strategic growth projects crowned with success in 2014

We aim to decouple our business performance as far as possible from economic fluctuations in our market environment. To achieve this, we increased our growth investments in 2014. For the current year, we are planning another slight increase of approximately €20 million.

Our strategic activities focus on three areas: firstly, the expansion of our product and service offering; secondly, the extension of our data and technology leadership; thirdly, the geographic expansion and the acquisition of new customer groups, especially in Asia.

We made further progress in all of these focus areas in 2014. For example, we developed a clearing offering for over-the-counter derivatives – EurexOTC Clear – in preparation for the implementation of the European Market Infrastructure Regulation, EMIR. In the past year, this offering received the European licence needed to operate from the competent supervisory authorities.

Moreover, stricter capitalisation rules are being phased in for banks as a result of the Basel III requirements. To ensure that the cost of meeting these requirements remains affordable without compromising on security, Clearstream has developed the Global Liquidity Hub, an offering that allows cost-effective global securities management.

In addition, we are making progress with our second strategic focus. Following the successful roll-out of the new T7 trading technology on our derivatives markets, we have now completely and fundamentally modernised our clearing technology by launching C7.

Our third growth focus, our Asia initiative, received a boost in 2014 from a strategic partnership with Bank of China and the establishment of a clearing house in Singapore. In January 2015, the clearing house we plan to establish there specifically to serve the East and South-East Asian market received basic regulatory approval in principle from the Monetary Authority of Singapore.

Commitment to sustainability

We remain committed to a sustainability-based strategy throughout the Group. Underlining this commitment, we are a member of the United Nations Global Compact and support the implementation of its principles in the areas of human rights, labour standards, the environment and anti-corruption. Our integrated reporting shows how we put this future-oriented approach into practice. [CR](#)

As you are aware, I will hand over to my successor Carsten Kengeter towards the middle of this year, after roughly a decade at the helm of Deutsche Börse: I would like to wish him all the best and the continued success this company deserves!

Finally, all that remains for me to do is to thank you: first of all, my co-workers whose skill, dedication and unwavering customer service have helped day after day to make Deutsche Börse the successful company it is today. But most particularly I want to thank you, our shareholders, for staying with the company all these years. I am certain that it will be worth your while in future, too!



Reto Francioni
Chief Executive Officer

Our shares

The European and US equity markets experienced diverging trends in the course of the year. While the US markets continued their upward trend from the previous year, the markets in Europe saw significant stagnation due to persistent fundamental problems. Deutsche Börse AG shares also felt the effects of this development in the course of the year, closing at €59.22. Around 95 per cent of our shareholders are institutional investors and around 85 per cent are domiciled outside Germany.

Reasons for investing in Deutsche Börse shares

Ambitious growth targets

- 20 to 40 per cent more net revenue 2013 to 2017
- Primarily organic growth, complemented by partnerships and mergers & acquisitions

Effective cost management

- Cost discipline remains key priority
- Further efficiency gains

Attractive capital management

- Maintain strong credit rating profile
- Continue solid capital management

Deutsche Börse AG shares

The average annual return since the company's initial public offering in 2001 has been 11.6 per cent. The transparent information policy and close contact with investors are an added bonus: In 2014, Deutsche Börse AG was again ranked number one for its investor relations activities in a survey conducted by a specialist magazine.

Global equity markets record uneven development in 2014

During 2014, the equity markets in Europe and the US experienced diverging trends. Whereas the European markets fluctuated within a relatively narrow range over the year and ended the year largely unchanged, the US markets continued their upward trend and reached new highs in some cases. Germany's blue-chip DAX® index ended the year at 9,806 points, a slight year-on-year increase of 3 per cent. Declining economic growth was one of the key factors behind the trend on the European markets. Combined with the ongoing expansive monetary policy pursued by the central banks, this resulted in continued market fluctuations. The ensuing rise in equity market volatility over the year ultimately had a positive impact on Deutsche Börse Group's business activities. Deutsche Börse AG's share price performed accordingly: it fluctuated in the course of the year around the €55 mark and stabilised towards the end of the year, closing at €59.22 on 31 December (31 December 2013: €60.20). This 2 per cent decline is slightly below the share price performance of other exchange organisations as measured by the Dow Jones Global Exchanges Index, which rose by 4 per cent in 2014. The STOXX® Europe 600 Financials Index, which serves as the benchmark index for the Executive Board's share-based remuneration and which reflects the performance of European financial stocks, rose by 3 per cent in 2014.

Deutsche Börse AG share: key figures

		2014	2013
Earnings per share (basic) ¹⁾	€	3.63	3.46
Dividend per share	€	2.10 ²⁾	2.10
Dividend distribution ratio ¹⁾	%	58	61
Dividend yield ³⁾	%	3.8	4.1
Opening price (as at 1 Jan) ⁴⁾	€	60.20	46.21
High ⁵⁾	€	63.29	60.48
Low ⁵⁾	€	49.90	44.51
Closing price (as at 31 Dec)	€	59.22	60.20
Average daily trading volume on Xetra [®]	m shares	0.7	0.7
Number of shares (as at 31 Dec)	m	193.0	193.0
thereof outstanding (as at 31 Dec)	m	184.2	184.1
Free float (as at 31 Dec)	%	100	100
Price-earnings ratio ³⁾		15.3	14.7
Market capitalisation (as at 31 Dec)	€bn	11.4	11.7

1) Adjusted for efficiency programme costs, merger and acquisition costs, and costs relating to the OFAC investigation (the latter only in 2013)

2) For financial year 2014, proposal to the Annual General Meeting 2015

3) Based on the volume-weighted average of the daily closing prices

4) Closing price on preceding trading day

5) Intraday price

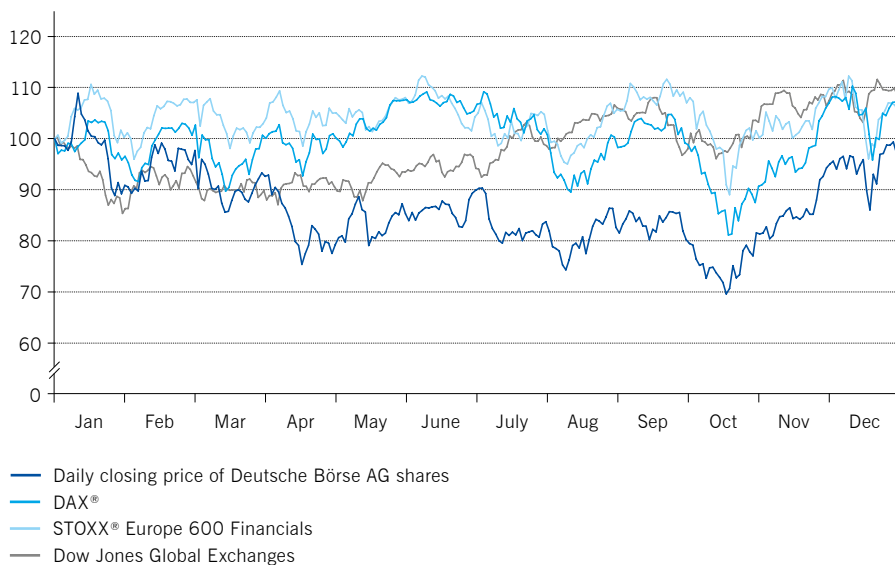
Deutsche Börse shares are an attractive long-term investment

Deutsche Börse AG shares offer investors a good opportunity to participate in the medium- to long-term structural and cyclical growth expected for Deutsche Börse Group (see [Report on opportunities on pages 171 to 177](#)). What is more, since the company focuses continuously on operational efficiency and business has high economies of scale, it expects consolidated net income to increase significantly in the long term. Distributions ensure that Deutsche Börse's shareholders directly participate in the company's success.

Since Deutsche Börse AG went public in 2001, shareholders benefited from an average annual return of around 11.6 per cent by the end of 2014. This is significantly better than DAX: in the same period, a direct investment in the German benchmark index would have yielded an annual return of around 2.8 per cent.

Share price development of Deutsche Börse AG and benchmark indices in 2014

Indexed to 30 December 2013



An investment of €10,000 in Deutsche Börse AG shares at the time of our IPO was worth €46,727 as at the end of 2014 if the dividends had been reinvested.

Deutsche Börse AG shares are represented in a series of European and global equity indices, including DAX, the Dow Jones Global Exchanges Index, STOXX Europe 600 Financials and the German dividend index DivDAX®. Thanks to Deutsche Börse Group's transparent reporting on its corporate responsibility activities, the company was also represented in key sustainability indices in 2014, such as the FTSE4Good Index Series and the Dow Jones Sustainability Index Europe. The company has also been represented in the Advanced Sustainability Performance Index (ASPI) since 2003, in the ECPI Ethical Index Euro since 2008, and in the MSCI World ESG Index and the STOXX® Global ESG Leaders Index since these two indices were launched in 2010 and 2011, respectively. In addition, Deutsche Börse AG was admitted in 2014 to the MSCI ACWI ESG Index Global/Emerging Markets (EM) and the PAX Ellevest Global Women's Index (PXWEX), among others. 

Investor relations activities win another award

The company informed existing and potential investors and other capital market participants about its long-term strategy, cyclical factors and the structural growth drivers for its business on numerous occasions during the reporting period. Communication focused on the structural growth opportunities arising from regulatory changes, such as OTC derivatives clearing in the Eurex segment, collateral management at Clearstream and the benefits of the central European settlement platform TARGET2-Securities. However, the company also addressed risks arising from changes in the regulatory framework, such as the potential introduction of a financial transaction tax in some EU member states.

Deutsche Börse AG held its Annual General Meeting in Frankfurt/Main on 15 May 2014. Around 43.4 per cent of the share capital was represented (2013: 29.5 per cent). The prior year's low attendance was largely due to the uncertainty among shareholders created by a judgement of the Higher Regional Court in Cologne, according to which nominees entered as proxies in the share register have to issue voting rights notifications in accordance with the Wertpapierhandelsgesetz (WpHG, German Securities Trading Act). This resulted in a significant decline in attendance in 2013 for virtually all companies in Germany that have issued registered shares. The situation improved in 2014 thanks to better communication with shareholders and service providers.

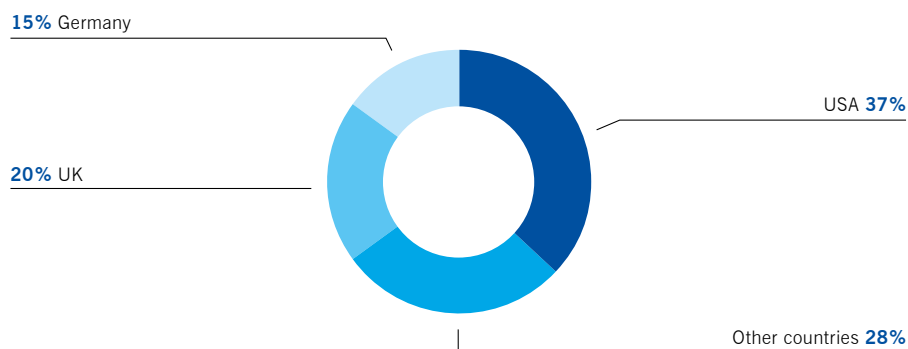
In 2014, the company held its eighth Investor Day, which took place in London for the first time. At the Investor Day, Deutsche Börse informed domestic and international analysts and institutional investors about the Group's strategic priorities and current developments in the individual business areas. At roadshows and conferences, the company held well over 500 one-on-one discussions with investors. In addition, the quality of the Group's investor relations activities was confirmed in a survey of institutional investors and financial analysts conducted by "Institutional Investor" magazine in 2014: Deutsche Börse AG successfully defended its number one ranking in the "Best Investor Relations" category in the "Specialty & Other Finance" sector.

Attractive dividend for an international investor base

The proportion of non-German shareholders rose slightly year-on-year to around 85 per cent (2013: 84 per cent), and there was a further clear shift from Germany and other countries to the US. This is largely associated with the return of

US investors, who had reduced their positions in European shares due to the uncertain economic situation in the euro zone. The number of shareholders of Deutsche Börse AG, determined on the basis of the share register and analyses of shareholdings, remained unchanged at around 60,000 in the year under review. The proportion of institutional investors, measured in terms of the number of shares, declined slightly to around 94 per cent in 2014, compared with around 95 per cent in the previous year.

Share of international investors



Deutsche Börse AG's Executive Board and Supervisory Board will propose a dividend of €2.10 per share for financial year 2014 to the Annual General Meeting on 13 May 2015 (2013: €2.10). This means that, adjusted for non-recurring effects, the distribution ratio amounts to 58 per cent of consolidated net income for the year.

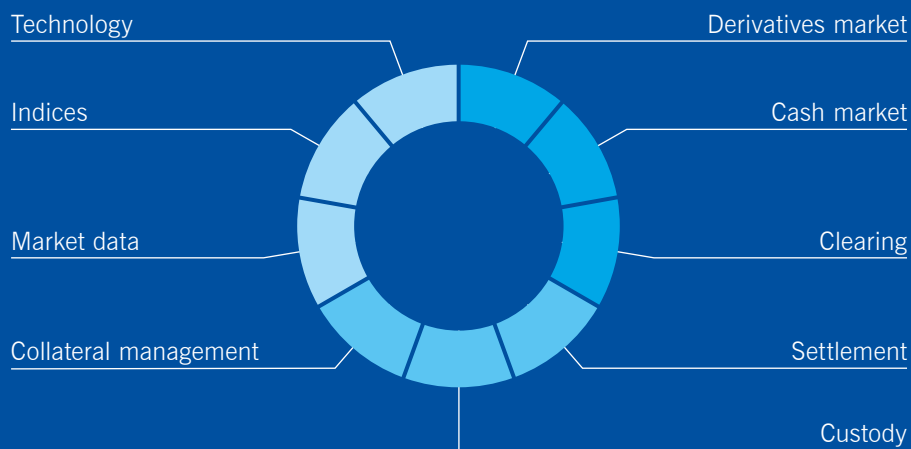
Majority of buy or hold recommendations

Around 30 analysts from banks and securities trading firms published regular earnings forecasts for and research on Deutsche Börse AG in the reporting period. As at 31 December 2014, 46 per cent of analysts recommended buying Deutsche Börse AG shares (2013: 28 per cent). This compares with 38 per cent (2013: 48 per cent) who issued hold recommendations and 16 per cent (2013: 24 per cent) with sell recommendations. The year-on-year increase in the proportion of buy recommendations is primarily due to the more attractive share price and higher growth expectations. The average target price set by analysts was €59 at the end of 2014 (2013: €55). You can find the most recent analyst recommendations at www.deutsche-boerse.com/ir_e > Analysts.

Our services

As a diversified exchange organisation, Deutsche Börse Group's products and services cover the entire value chain in the financial sector – its business areas range from the admission of securities to listing, through trading, clearing and settlement, down to custody of securities and other financial instruments as well as collateral management. Additionally, Deutsche Börse provides IT services, indices and market data for its trading platforms worldwide.

Deutsche Börse Group



CME Group



Intercontinental Exchange



London Stock Exchange



Nasdaq OMX



For a detailed presentation please see [page 90](#) of the combined management report.

Services for financial products

Securities, derivatives and other financial instruments are traded on exchanges. But the services provided by exchange organisations go far beyond the business of trading. Deutsche Börse Group's offering extends to practically all financial products – as a one-stop shop, it offers its customers a rule-based, secure, efficient management system for their business processes.

Listing: access to the capital markets

The exchange brings together companies seeking capital with investors providing it. Large, medium-sized and young companies can raise equity or debt capital there. Companies can increase their equity by issuing shares, and investors are normally granted a say in the company in return. Companies, institutions, or federal states issue bonds in order to raise long-term finance (debt capital). Investors who buy bonds do not buy an interest in a company; instead, they acquire the right to redeem the amount they have lent to the company, plus interest, when the bond matures.

Deutsche Börse operates the Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange), an institution governed by public law, where corporate securities are listed in accordance with strict legal requirements and stock exchange rules. Deutsche Börse offers companies three transparency standards. Companies wishing to raise equity can opt for the Prime Standard, General Standard, or Entry Standard. Prime Standard and General Standard issuers meet the highest European transparency requirements and obtain all the advantages of a full listing on the EU-regulated market. The Entry Standard is regulated by the stock exchange and offers small and medium-sized businesses in particular simple, fast, cost-effective access to exchange trading. Companies can choose between the Prime Standard and Entry Standard when raising debt capital via Deutsche Börse.

Trading: liquidity and stable rules

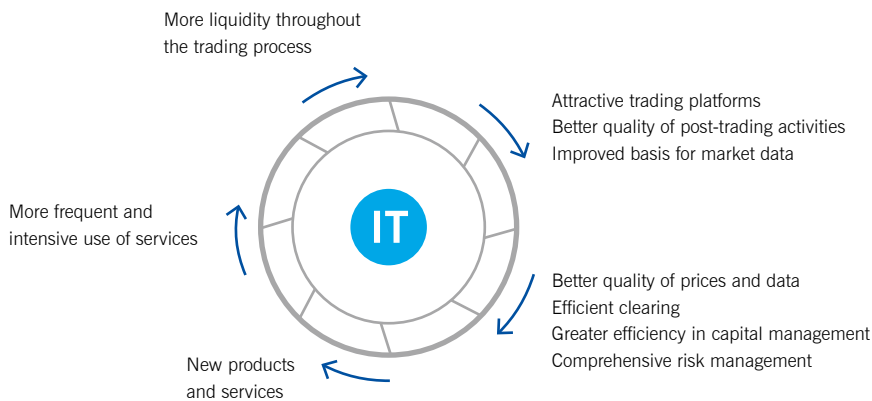
Exchanges are marketplaces where standardised products such as equities or derivatives are each traded under the same conditions. The availability of sufficient liquidity plays a crucial role in ensuring efficient execution of securities orders.

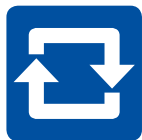
Exchange trading is transparent, supervised and primarily carried out electronically. This ensures fair, transparent prices, which also form the basis of the market data and derivatives traded by or at, respectively, Deutsche Börse. The core function of exchange trading is price discovery, which for liquid German shares takes place primarily on Xetra®.

Deutsche Börse's cash market – the very core of the company as well as its original business – provides efficient access to the capital markets, supports state-of-the-art trading techniques and offers a continually expanding range of tradeable securities. The fully electronic Xetra trading system sets the highest standards in reliability, security, speed and innovation. Institutional and private investors value the transparency and speed of trading at the low costs that Xetra enables. The Frankfurt Stock Exchange worked with specialists to introduce a quality guarantee effective at the end of 2013. This guarantee allows private investors to trade the most important German and international shares and exchange-traded funds at a price that always matches or beats the price offered on their reference market.

Deutsche Börse's Eurex derivatives exchange is one of the world's largest regulated markets for derivatives trading. Derivatives are financial instruments based on other instruments (e.g. equities, indices, bonds, currencies, or commodities). Via the different trading platforms of Deutsche Börse Group, investors get access to a broad range of futures and options contracts on interest rate, equity index and equity products, as well as on gas, electricity and emission rights. By trading in derivatives, investors are able to hedge against market and price risks arising from equities and bonds, for instance.

A flywheel for liquidity and growth





1.6 billion

transactions processed via Eurex Clearing –
€196,111 billion market risk netted

Clearing: protection against counterparty default

Clearing means that traded financial instruments are netted and collateralised at the same time. Upon conclusion of a transaction, the clearing house automatically steps in as a buyer for each seller and a seller for each buyer – becoming the “central counterparty”. Central clearing thus covers market participants against the risk of default by their trading partners.

The clearing house initially nets offsetting buy and sell positions, reducing the number of transactions to be settled, and thus also the exposure risk associated with the open positions. Eurex Clearing calculates the total exposure risk associated with the clearing participant’s open positions and requests the deposit of a margin in the form of cash or securities (collateral). These margins are adjusted continuously so that the deposited collateral accurately matches the current exposure risk of the clearing participant from its open positions. This risk management is Eurex Clearing’s contribution to the stability and integrity of the markets.

Within Deutsche Börse Group, Eurex Clearing AG carries out this task as Europe’s leading central counterparty for products that are traded on Eurex Zürich and Eurex Deutschland, as well as on Xetra, the Frankfurt Stock Exchange and the Irish Stock Exchange. Eurex Clearing provides effective risk management for all participants trading equities, derivatives, fixed-income securities and repos for both exchange-traded and over-the-counter (OTC) transactions. In addition, European Commodity Clearing (ECC), the clearing house for European Energy Exchange AG (EEX), covers risk management for commodity markets.

Structured post-trading: efficient settlement and safe custody worldwide

Post-trade services make capital markets safer. They guarantee the smooth settlement of a transaction, i.e. they ensure that the individual positions are processed correctly after a transaction is completed and cash is exchanged for securities. Another function of post-trading is to credit the customer’s custody account and ensure the custody of securities at a central location.



€12.5 trillion

Value of shares, bonds and investment funds held under custody at Clearstream – this is approx. four times larger than the German 2014 GDP

Clearstream, Deutsche Börse Group's post-trade securities services provider, is responsible for settling securities transactions worldwide and for the custody of securities. Clearstream manages the assets while they are in custody and offers services such as performing corporate actions, dividend payments or tax services (asset servicing). Customers are also able to use certain securities as collateral for further transactions.

Clearstream thus provides the post-trade infrastructure for bonds, equities, investment funds and other asset classes traded in Germany and internationally.

Market data and IT services: efficient use of data and technology

Deutsche Börse Group's Market Data + Services segment was formed in 2013 when the market data and technology businesses were merged. The segment aims to take advantage of the many different opportunities arising from the increasing digitisation of value chains in the financial sector – in particular, the interaction of data and technology. The business areas were therefore adapted and reorganised in response to changing market conditions and products were reassigned to the appropriate business areas.

The Information business area comprises the development and distribution of real-time and historic market data, together with analytical indicators for the Xetra and Eurex marketplaces and cooperation partners' markets. The product range also includes the marketing of data not originating from Deutsche Börse markets, such as AlphaFlash®, the algorithmic newsfeed, as well as financial news, analyses and business sentiment indicators from the Market News International (MNI) subsidiary. As an independent information provider, Deutsche Börse serves a range of target groups directly and indirectly via data vendors. Private and institutional investors, asset managers, securities trading houses, and hedge funds use the differentiated information provided to analyse the current market situation and then to decide on their future investment strategies, risk positions, or securities issues.



MD+S

Valuable data: more business potential thanks to the combined know-how provided by market data and technology

The Index business area markets indices and benchmarks via its STOXX Ltd. subsidiary, particularly to issuers of financial products. The DAX® index is one of the most important products: this economic indicator measures changes in the quoted market value of the 30 largest German companies listed on the Frankfurt Stock Exchange. It is complemented by the STOXX® index families – numerous innovative indices for a large amount of asset classes all over the world. One of the best-known indices is EURO STOXX 50®, an index of European blue-chip equities. It comprises the 50 most important and actively traded shares from twelve countries of the European monetary union.

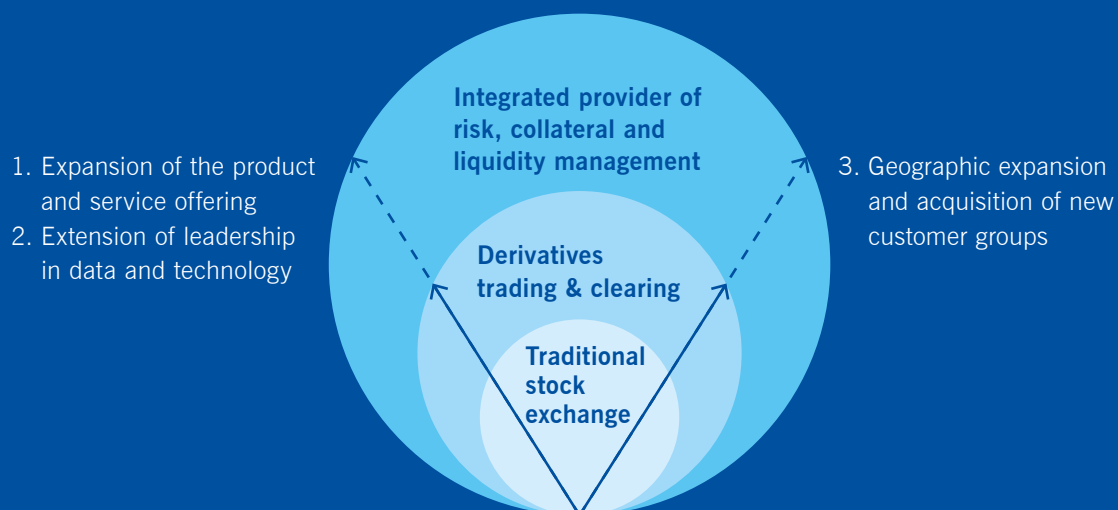
The Tools business area covers the entire process of connectivity, trading and settlement in the exchange environment through its software applications and services. Connectivity solutions, specialised trading software, solutions for compliance with legal and regulatory transparency requirements, as well as solutions for SWIFT network connectivity, reconciliation of accounts and SEPA payments, complete the product portfolio.

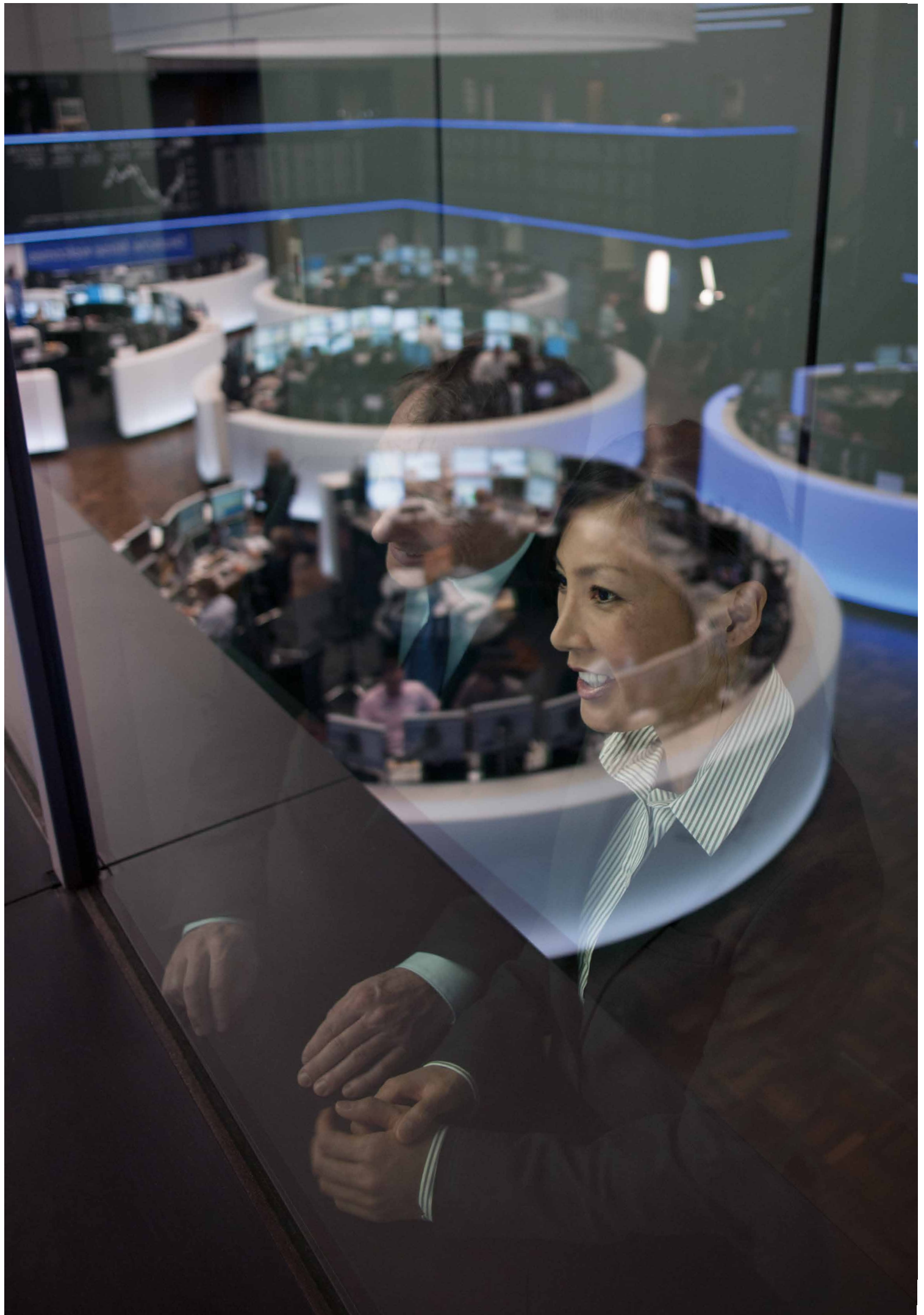
The Market Solutions business area offers high quality operator services for international cash, energy and commodity marketplaces. Services include operating both complex business processes and infrastructure based on systems that we developed and use ourselves. In addition, premium hosting services are offered to banks and asset managers in cooperation with software partners.

Our 2014

In pursuing a clear growth strategy, Deutsche Börse will take advantage of the opportunities arising in the fast-changing environment. As a financial market infrastructure provider and market organiser, it combines large liquidity pools for its trading platforms, clearing houses and post-trade activities. A large data pool is also important for the market data business. This ensures a high quality of data and advantageous pricing for its customers as well as high capital efficiency. On the capital markets, liquidity attracts further liquidity – which is why growth is more than just an end in itself for Deutsche Börse.

Three key elements of our strategy for expanding and internationalising our service portfolio





Expansion of the product and service offering

Deutsche Börse Group has evolved from a traditional, nationally based, regulated equity marketplace into an international exchange organisation. It integrates derivatives trading, clearing and associated securities custody services, its own IT infrastructure as well as market data collection and distribution under one umbrella. The next step in its evolution is to become the leading global provider of integrated risk management, collateral and liquidity services. Deutsche Börse is expanding its product and service offering in pursuit of this goal.

The effects of the financial crisis that began in the US housing market in 2007 continue to be felt. In response, structural reforms aimed at increasing the systemic stability of the financial markets are gradually being introduced. The resulting increase in security and trust benefits all capital market participants and society as a whole. Market participants use Deutsche Börse's cash market, where they find the trading security and transparency they want. At the same time, however, they must invest more time and money to meet the new demands, particularly in the form of increased capital adequacy requirements and enhanced collateral for riskier transactions.

Deutsche Börse Group has used the past few years to develop new solutions that on the one hand implement the goal of increased security sought by regulators, while on the other keeping the associated impact on its customers to a minimum. In this respect, Deutsche Börse acts as a link between market participants and regulators.

New solutions

The new products and services resulting from this dual task have been and are being developed in close cooperation with both customers and with the regulators and central banks. They build on the traditional strengths of the exchange model, migrating these into new markets that had not previously been either collateralised or standardised and whose operation had needed a high degree of manual effort. Thus, system performance and reliability are of key importance in addition to transparency, fairness and liquidity.



The volume of the OTC market being cleared is growing rapidly: from €10 billion in 2013 to €100 billion in 2014

EurexOTC Clear: clearing services for OTC derivatives trading in order to help implement EMIR

Through EurexOTC Clear, Eurex Clearing has developed new, secure and at the same time efficient solutions for the collateralised clearing of transactions in selected derivatives that were previously traded off-exchange. This anticipates the introduction of the European Market Infrastructure Regulation (EMIR). To date, it has acquired 39 clearing participants.

Deutsche Börse continually develops solutions to make fulfilling new regulatory requirements as efficient and easy to manage as possible. The Eurex Clearing Prisma® real-time risk management system enables its customers to net exchange-traded and OTC derivatives transactions. This makes it easier to identify multiple risk factors. The system takes various risks into account and simultaneously applies cross-product scenarios. The core focus is on portfolio correlations and diversification effects.

The Global Liquidity Hub: integrated service offering covering collateral management, securities lending and the efficient use of own capital

Via Clearstream, its post-trade services provider, Deutsche Börse enables financial institutions connected to the Global Liquidity Hub to maximise the benefit of those assets that they use as collateral worldwide. In this way, Clearstream enables customers to meet new regulatory requirements for collateralising capital market transactions more efficiently. Corporate treasurers also increasingly need liquidity management to conserve their own capital and mitigate financial risk. This is why Clearstream has developed new solutions to optimise money market transactions between banks and the corporate customers thus creating additional, collateralised alternatives to unsecured money market transactions.

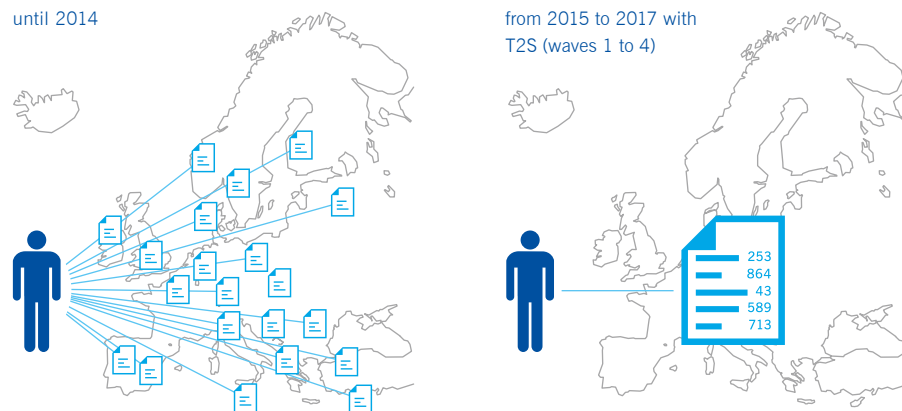
In an environment where banks operate globally, Clearstream's advantage is that the customers' collateral is immediately available anywhere. A unique selling point is that customers' assets used as collateral remain in their home markets as part of Clearstream's international partnerships. The model poses no systemic risk and is thus preferred by regulators. A further benefit of this innovative system is that Clearstream always adjusts the type, quality and valuation of collateral to the actual requirements to precisely cover exposures. Collateralisation is therefore as efficient as possible without creating an unnecessary strain on liquidity.

TARGET2-Securities: expanding the business at pan-European level

TARGET2-Securities (T2S) is a major European Central Bank project that will harmonise cross-border securities settlement throughout the EU. The system will be rolled out step by step in four waves; Clearstream, which represents 40 per cent of T2S’s future settlement volumes as the post-trade infrastructure provider for the German market, will join in the third wave. A [study by Oliver Wyman in 2014](#) shows that savings of between €30 and €70 million per year can be generated by improvements in the organisation of collateral management and other benefits of using T2S systems, depending on the type and size of the financial institution. Deutsche Börse holds a leading position here via its Clearstream post-trade specialists. Clearstream is the first European service provider to combine global liquidity management and the benefits of the single market via T2S.

On an international level, Clearstream is very well positioned in all of its business areas, investments made in previous years are being continued and the development of new products and services is ongoing. T2S will markedly intensify competition in the European post-trade area and will lead to market consolidation or the aggregation of volumes at large providers such as Clearstream. Increased cooperation with smaller national settlement service providers and the extension of hedge fund processing services is enabling Clearstream – based on Deutsche Börse’s IT – to expand its distribution channels and offer customers new solutions for the custody of securities and liquidity management.

Efficiency gains through T2S: only one central security depository account is necessary



Expansion of Clearstream's investment fund services

The acquisition of Citco Global Securities Services' (CGSS) hedge fund custody infrastructure in the second quarter of 2014 enabled Clearstream to expand its investment fund services for financial institutions in regard to hedge fund processing. As a result, Clearstream provides the leading international infrastructure for the full range of fund types: exchange-traded funds (ETFs), mutual funds and alternative funds, such as hedge funds. This means that Clearstream will be able to drive forward the standardisation and automation of the alternative fund types, making hedge fund processing more efficient.

Responsible conduct 

The need to develop new solutions for the capital market also extends to sustainability. As the central point of contact between capital market participants, Deutsche Börse Group sees its responsibility as promoting market transparency, in particular expanding the availability and quality of environmental, social and governance (ESG) information and increasing understanding of their relevance. In doing so, Deutsche Börse enables its market participants and the public to obtain an overview of the various transparency initiatives and to exchange information and views with others.

Against this backdrop, Deutsche Börse joined the United Nations' Sustainable Stock Exchanges initiative (SSE) in early October of 2014. The aim of the initiative, founded by the UN Secretary-General in 2009, is to promote international dialogue on the sustainability of financial markets among exchange organisations. Deutsche Börse Group is committed to its professed goals of defining the role of capital market infrastructure providers within the sustainability movement and of dovetailing the SSE with parallel initiatives.

In anticipation of the upcoming EU Directive on sustainability reporting, Deutsche Börse Group has assessed the current state of reporting as well as any planned adjustments as part of a market consultation with listed companies and investment professionals.

Expansion of the product and service offering

The challenge

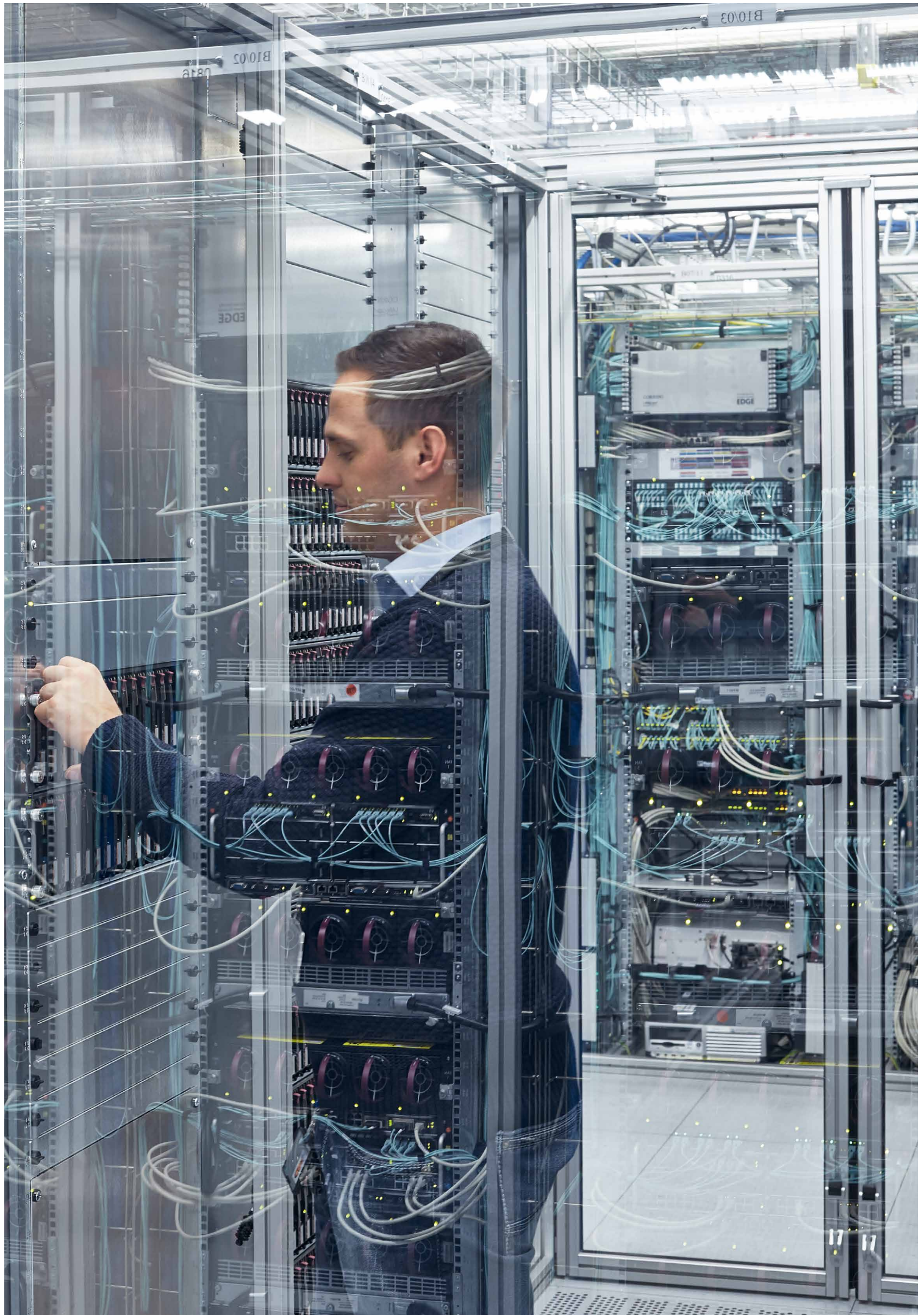
OTC products make the financial markets vulnerable to crisis situations and knock-on effects. New regulatory requirements impose new costs on exchange customers and banks, e.g. through tying up ever more equity as collateral.

The solution

Clearing houses reduce market participants' risks, and increasingly in OTC trading as well. The Global Liquidity Hub enables banks to mobilise and optimally combine cross-border collateral, resulting in cost savings.

Opportunities

This increases the opportunities for greater systemic stability in the financial markets, with simultaneous room for further growth. In the new market order, exchange organisations have the chance to leverage new business opportunities through an expanded product portfolio and as intermediaries between regulators and market participants.



Extension of leadership in data and technology

Demand for transparency on the financial markets – and hence for sound information and analyses – is growing constantly. Deutsche Börse Group supplies information, e.g. in the form of indices or market data, as well as technology that facilitates the use of this information within our customers' business processes.

Deutsche Börse's strategic decision to combine the data and technology businesses in a single market segment has created the conditions to support our customers more effectively through an innovative offering aimed at digitising their business processes. This is achieved in particular through combining data with the tools and technologies used to process them.

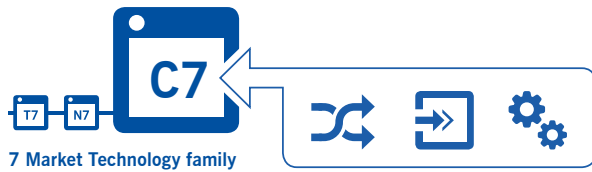
New regulatory initiatives at EU level are increasing the requirements for reporting obligations. The global trend towards passive investments is driving the development of innovative index concepts. The ongoing digitisation of trading demands new information and data. Our customers depend more and more on real-time analytics, providing all relevant trading parameters, for example in terms of improved risk transparency. Impendium, the London-based provider of cloud software solutions acquired by Deutsche Börse at the beginning of 2014, supports customers in complying with regulatory requirements. It incorporates the latest developments in international regulatory requirements and facilitates their application. Reliable, powerful information technology that is also in line with market requirements is a condition for such customer-driven offerings. This is where Deutsche Börse is particularly strong: in addition to index families such as DAX® and STOXX®, IT for trading, clearing and collateral management is where Deutsche Börse outpaces the competition to develop the best solutions for customers' new needs in a regulated environment.

Diversification and new products for the financial markets

Deutsche Börse Group is continuously expanding its products and services as it develops into a leading global provider of market infrastructure.

MD + S: business process digitisation services

Deutsche Börse's market data and services support financial market participants in fully benefitting from business process digitisation and automation. Deutsche



The C7 clearing system was integrated within the 7 Market Technology family. It provides greater flexibility, shorter lead times for new services, and new functions.

Börse offers scalable customised solutions based on a modular portfolio of available data, technologies and infrastructure components.

REGIS-TR, the European trade repository that was launched in 2014, enables Deutsche Börse to help its customers meet new information obligations arising from European regulations. More than a billion transactions had been cleared eight months after the reporting requirement for exchange-traded derivatives was introduced. New products and services are constantly being developed in line with the regulatory changes – from the preparation of trading data, through the trade repository down to post-trade services.

C7: a milestone in efficient clearing infrastructure

A new clearing system with cutting-edge hardware and software provides our customers with increased flexibility to bring innovations to the market even quicker. In addition, the system enables cross-margining between exchange- and OTC-traded derivatives. Rolled out in April 2014, C7 is a key milestone in efficient risk and collateral management. C7 will be expanded step by step, with full functionality available by the end of 2015.

Eurex Clearing Prisma: collateral clearing across products and markets

Eurex Clearing Prisma®, Deutsche Börse's efficient and individual portfolio-based risk management methodology, enables deposited collateral to be combined and netted.

T7: uniform, scalable trading infrastructure that forms the basis for outsourcing to other markets

The global T7 trading infrastructure was first rolled out at Deutsche Börse's International Securities Exchange subsidiary. T7 is part of Deutsche Börse Group's 7 Market Technology family. It comprises, among others, the T7 trading architecture, the C7 clearing infrastructure and the N7 global network. 7 Market Technology was developed in direct collaboration with customers. All Eurex® participants have been benefitting from this trading system since 2013.

Not only is T7 powerful and fast, it offers customers new and improved functionality, as well as user-defined strategies. With T7, new product launches have become simpler for Deutsche Börse Group and for its customers. This reliable trading system safeguards the future of a stable and efficient marketplace, not just for individual participants but for the financial system as a whole.

Responsible conduct

Equity indices are key indicators that aggregate changes in individual stocks to create an overall picture of the market. They reflect changes in selected share prices, documenting trends in markets and sectors. Investors use indices as sentiment indicators and as a basis for investment decisions. For this reason, they must be compiled and calculated in line with objective, rule-based and transparent criteria. Deutsche Börse has offered a wide range of sustainability indices for many years, which investors can use to select securities for a sustainable investment. Deutsche Börse's STOXX® Global ESG Leaders indices facilitate investment decisions that are also guided by non-economic, ecological and social criteria  www.boerse-frankfurt.de/en/sustainable+securities

Extension of leadership in data and technology

The challenge

Market digitisation and the digitisation of our customers' operations go hand in hand. Ever more decisions and activities are being automated. The necessary software applications, the data they process and the necessary operating infrastructure are the three key elements needed to take advantage of the opportunity to ensure digitisation and automation in line with market requirements.

The solution

Deutsche Börse Group has combined its market data and IT business areas and has stepped up cooperation between the specialist departments. As a result, new, workable solutions are being developed that respond to technical, administrative and also regulatory challenges. These include rapidly available and precise analytical key performance indicators, a global index strategy, the required and efficiently managed regulatory reporting, as well as suitable software tools, e.g. software-as-a-service solutions. The customer obtains everything from a single source.

Opportunities

The potential synergies for us and for our customers from combining market data and IT have not yet been exhausted. In the future, the data packages we offer and our software and IT solutions will immediately reflect the regulatory environment and the transition to a globally interconnected financial market architecture.



Geographic expansion and acquisition of new customer groups

Deutsche Börse Group will continue to reinforce its efforts to strengthen its market share in Europe – its home continent – and will expand its position in other parts of the world. Deutsche Börse Group's presence in Asia is equalled by very few exchange organisations worldwide. This presence provides momentum for Frankfurt as a financial centre, Germany as a financial hub and Europe as an economic region to improve their competitiveness.

Asia is home to the strong, new competitors in the global financial sector. This is also where the emerging growth markets are creating wealth for their nations. A look back at 2014 shows that Deutsche Börse Group can further expand its lead, not least due to the strength of its business model. The Singapore location is of key importance, as are strategic partnerships as well as the management and fostering of relationships with financial institutions in China.

New solutions

Frankfurt as an offshore renminbi trading centre

With Deutsche Börse Group, the European Central Bank and the Deutsche Bundesbank, and against the backdrop of the established trade links between Germany and China, Frankfurt is well positioned to establish itself as China's partner for European financial market activities. The choice of Frankfurt as an offshore trading centre for the Chinese currency renminbi (RMB) confirms this.

Strategic cooperation with Bank of China

Deutsche Börse's cooperation with Bank of China has developed into a broad and deep strategic partnership. The bank is authorised as an equal trading partner. Frankfurt has the opportunity to become Europe's offshore RMB centre. This was made possible by Deutsche Börse's global partnerships and its cutting-edge products and services. In this process another milestone was reached in 2014: the first RMB-denominated bonds were listed on the regulated market on 13 May.

African Stock Exchange (AFSX)

Deutsche Börse is also gaining new partners in other regions of the world: many African countries are currently experiencing strong growth, driven by improved political stability. The goal is for the pan-African stock exchange AFSX to connect to the Xetra trading platform's technology in 2015. Xetra market participants will have easier access to African financial markets, while African traders will have a technical link to a pan-European network of traders.

EEX – the European marketplace for energy and related products

The energy market is a particular area where Deutsche Börse is making progress in rounding off its product range and acquiring new customer groups. After consolidating the energy market under EEX, Deutsche Börse is also planning to bundle commodities futures here. Trade on the electricity and gas market has shown a marked rise over 2014 as a whole. The acquisition of France's Powernext energy exchange puts EEX in the ideal position to develop from a German to a Europe-wide provider of energy products. Gas is emerging as a significant second mainstay here in addition to electricity.

Achievements in Asia in 2014

1. Bank of China: strategic cooperation to connect Chinese investors to the European market; establishment of a renminbi hub in Frankfurt
2. Shanghai Stock Exchange: cooperation for the distribution of market data in China
3. Hong Kong location: Deutsche Börse Group has a long-standing presence in Hong Kong as Clearstream has been serving customers in neighbouring markets from its office in Hong Kong since 1990. Clearstream has been actively promoting the internationalisation of the RMB since 2010, introduced it as a settlement currency in the same year and continues to facilitate growth in the offshore RMB bond markets; a core component of Clearstream's strategy is to increase liquidity of offshore RMB through its collateral management platform and partnerships with other market infrastructures like the Hong Kong Monetary Authority and the Singapore Exchange; these partnerships link offshore demand for RMB with offshore liquidity supply across platforms and markets, between Asia and the rest of the world (like Germany, the 4th largest trading partner with China).
4. Singapore location: establishment of Eurex Asia, a clearing house, to participate in the expected growth in Asia, thereby ensuring that Deutsche Börse's clearing services will be active and accessible around the clock; acquisition of a banking licence; expansion of the existing branch for the operating business;

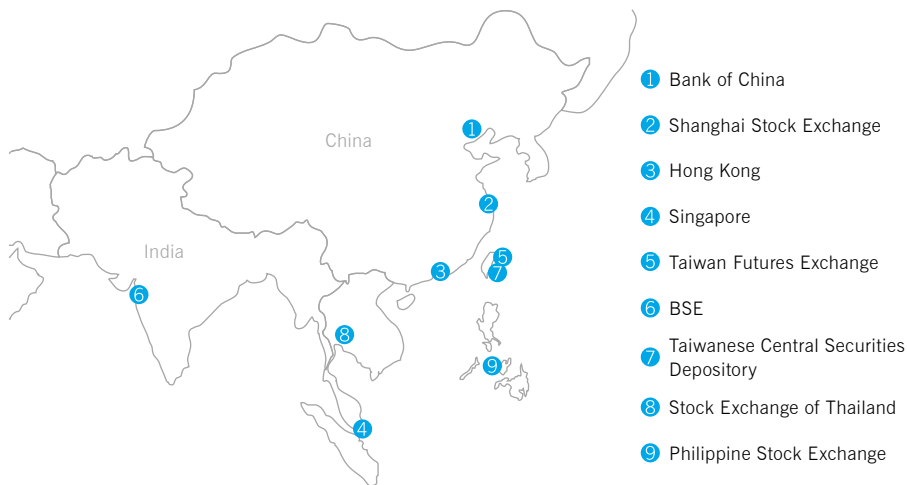


Asia's share in Deutsche Börse's business 2007 to 2014:
 a rise from €50 million to €100 million


Singapore's United Overseas Bank is set to be the first Asian clearing participant with which Standard Chartered Bank and Clearstream will begin their collateral management cooperation; Market Data + Services will be the exclusive licensor for the Cleartrade Exchange (CLTX), which offers a global marketplace for commodities.

5. Taiwan Futures Exchange (TAIFEX): cooperation with the Taiwanese derivatives exchange along the same lines as the successful partnership with the Korea Exchange (KRX); the model is the extremely successful cooperation with KRX, which dates back to 2010 and covers derivatives trading on Korea's benchmark KOSPI index.
6. BSE (formerly Bombay Stock Exchange): the BSE's equities and index certificates segment successfully migrated to T7 on 10 February 2014, with its cash market following at the beginning of April.
7. Taiwanese Central Securities Depository: development of a direct settlement link to Taiwan via Clearstream
8. Stock Exchange of Thailand: letter of intent to promote market development
9. Philippine Stock Exchange: letter of intent to cooperate in the market data area

Achievements in Asia in 2014



Responsible conduct

Deutsche Börse is contributing to risk management, stability and transparency on the markets at a global level through the worldwide establishment of clearing houses, the provision of efficient IT infrastructure and the distribution of market data. Against this international background, Deutsche Börse's commitment to sustainability is of key significance for new customer groups and investors focused on sustainability. This is also reflected in the company's positive assessments in various ratings: Deutsche Börse's shares are included in eleven sustainability indices see the  "Sustainability indices" section in the combined management report. This unique selling point attracts the interest of the most varied stakeholder groups and ensures a constantly expanding exchange of information and ideas and joint projects.

Geographic expansion and acquisition of new customer groups

The challenge

Future growth will be generated in Asia, and no longer primarily in our traditional markets. Asia's exchanges and market participants are constantly increasing their share of the global financial market. Moreover, the need for global investors to participate in this growth is on the rise.

The solution

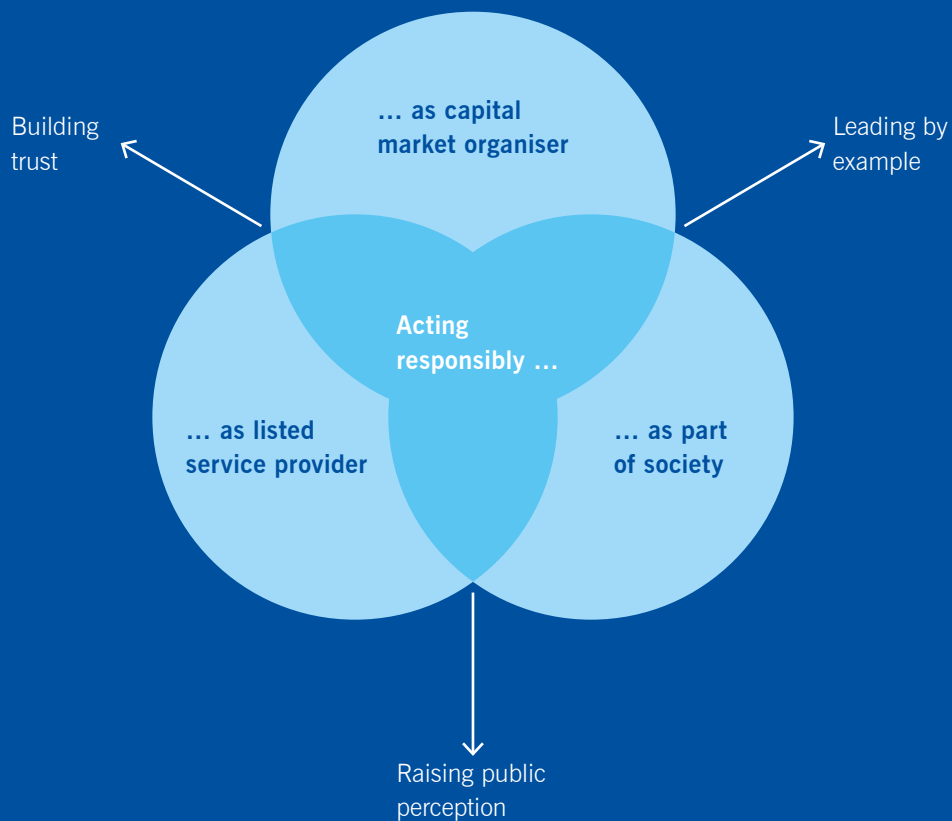
Deutsche Börse's overriding goal is to offer products that are successful on the domestic market to an international customer base with the same level of service quality. So, Deutsche Börse is developing the markets in both directions, with a simultaneous strengthening of the German and European financial centre. With the Asian markets as the focus, Deutsche Börse is increasingly integrating international requirements for liquidity, security and investments.

Opportunities

New opportunities are arising for European investors in an increasingly global environment where trading partners and customers cannot do without customary collateral or the necessary transparency and service standards. The next steps are the connection of Chinese investors to the European market and the expansion of the renminbi hub in Frankfurt. Deutsche Börse's focus is on transparent financial markets, and as a consequence it is, and remains, a solid partner for the real economy – worldwide.

Our responsibility

Deutsche Börse is in constant touch with its internal and external stakeholders – including employees, customers, owners and representatives of the public interest. We have identified three distinct areas of activity. As a capital market organiser, we aim to strengthen confidence in the markets that we organise. We aim to establish ourselves as a model listed company and employer. And as a part of society, we are working to raise the public profile of Deutsche Börse.





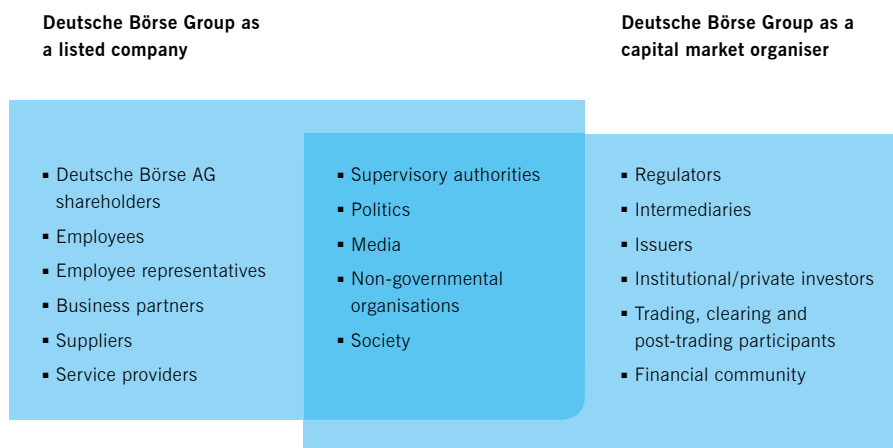
Stakeholder engagement CR

Stakeholder engagement is the term used to describe a company’s interaction with its stakeholders. As an infrastructure provider for the capital markets, Deutsche Börse Group considers the continuity and ongoing expansion of its dialogue with stakeholders to be important elements of its economic and social function.

Dialogue – the foundation for trust-based working relationships

Deutsche Börse Group interacts continuously with a large number of different stakeholder groups. Depending on their perspective, i.e. whether they see Deutsche Börse as a capital market organiser or as a listed service company in its own right, stakeholders and their interests can vary.

Summary of key stakeholders



Open dialogue promotes trust-based working relationships and drives development and decision processes forward; Deutsche Börse Group therefore seeks to exchange views with its stakeholders, mainly through personal dialogue as well as through its participation in committees and working groups.

New format for stakeholder survey – focus on internal and external stakeholder interests

Against this background, Deutsche Börse Group has decided to adopt a new, four-step survey format, which it implemented for the first time in financial year 2014. The aim is to further expand and intensify dialogue with the various stakeholder groups.

1. The survey first assessed the importance of the above stakeholder groups to Deutsche Börse Group's business operations. In future, the internal departments will be surveyed once a year. The departments also evaluated which action areas are relevant for their respective stakeholder groups.
2. Then, three focus groups were formed, each of which concentrates on one stakeholder group and their interests: the first group consists of employees, the second of various market participants and the third comprises representatives from politics and supervisory/regulatory authorities.
3. Core questions on action areas, responsibilities and potential goals of Deutsche Börse Group were discussed within these focus groups and prioritised from a stakeholder perspective.
4. The results of these stakeholder discussions were evaluated by an external market research institution and compared with Deutsche Börse's own hypotheses. In this way, these results are directly incorporated into the materiality evaluation process for Deutsche Börse Group's action areas.

The company decided on a targeted qualitative survey for the pilot project in the year under review, as opposed to a broad-based quantitative survey. Step two saw invitations go out to focus group members: these are experts whose professional activities mean that they are familiar with the capital market in general, and exchanges in particular. No preparation for the discussions was expected; instead, the objective was a spontaneous exchange of views and ideas covering various perspectives from the participants' everyday professional lives. One key insight gained from the discussion groups is that society should be made even more aware of the significance and diversity of an international exchange organisation's tasks. Overall, the new survey format enables more specific, differentiated action areas to be developed. The process means that stakeholders' views are directly incorporated into the materiality evaluation process for Deutsche Börse Group's action areas.

Action areas at Deutsche Börse Group

The key criterion used by Deutsche Börse Group in identifying relevant action areas is materiality, i.e. the significance of an issue. In addition, Deutsche Börse Group must be capable in principle of influencing the areas concerned.

The [table on the next page](#) shows the most important initiatives in the operating business as well as priority issues that were increasingly addressed by the focus groups. The higher the strategic priority of an action area is, the more importance Deutsche Börse Group attaches to it in its operating business, and the more frequently it was addressed in discussions with various stakeholders. For example, both internal and external stakeholders attach great importance to the fact that the Group supports regulatory projects and initiatives to stabilise the financial market. This awareness goes hand-in-hand with increased expectations as regards promoting transparency and standardisation in the international capital markets. The desire to expand a solution-oriented exchange of knowledge and experience involving key capital market participants is in line with Deutsche Börse's role as a neutral conversation platform.

Alongside the stakeholder survey in the focus groups, Deutsche Börse Group used the following sources to determine its relevant action areas and their weighting:

- Information from Deutsche Börse Group's committees and working groups, whose members include international capital market representatives (an overview of the committees and working groups is available at www.deutsche-boerse.com/cr_e > Customer governance.)
- Analysis of customer satisfaction surveys, customer visits and submissions to Deutsche Börse Group's innovation portal
- Internal analyses and assessments of trends and developments in the financial services sector (e.g. changes in the regulatory framework)
- Insights gained from investor conferences, roadshows and individual visits, as well as topics raised at the Annual General Meeting
- Discussions with international financial/business journalists at the "Global Media Outreach" event
- Feedback from staff meetings, employee events, review discussions and the 2013 employee survey
- Strategic focus areas identified at the meetings of the Executive and Supervisory Boards and of the individual Supervisory Board committees

Action areas at Deutsche Börse Group by priority¹⁾

	2014	2013
Support for regulatory projects to ensure a stable financial system	4	4
Integrity and compliance	4	4
Customer satisfaction	4	3
Transparency/standardisation on the capital markets	4	4
Cost efficiency	4	4
Profitable growth	4	4
Stability and availability of the trading systems	4	4
Innovation potential	4	3
Competitiveness ²⁾	3	–
Strategy implementation ²⁾	3	–
Risk management solutions for market participants	3	3
Remuneration	3	4
Know-how transfer on capital market issues	3	4
Value creation	3	2
EBIT	3	3
Employee satisfaction	3	3
Staff training and development	2	3
Stakeholder engagement	2	3
Political dynamics ²⁾	2	–
Risk-adjusted return ²⁾	2	–
Technology leadership	2	2
Job security	2	2
Neutrality ²⁾	2	–
Diversity and equal opportunities	1	2
Corporate citizenship	1	2
Sustainable product portfolio	1	1
Supplier management	1	1
Human rights	1	1
Emissions trading	1	3
Environmental management	1	1
Green IT	1	1

1) Priority 4 = very high, 3 = high, 2 = considerable, 1 = modest

2) Action area newly identified in the reporting year

From action area to implementation

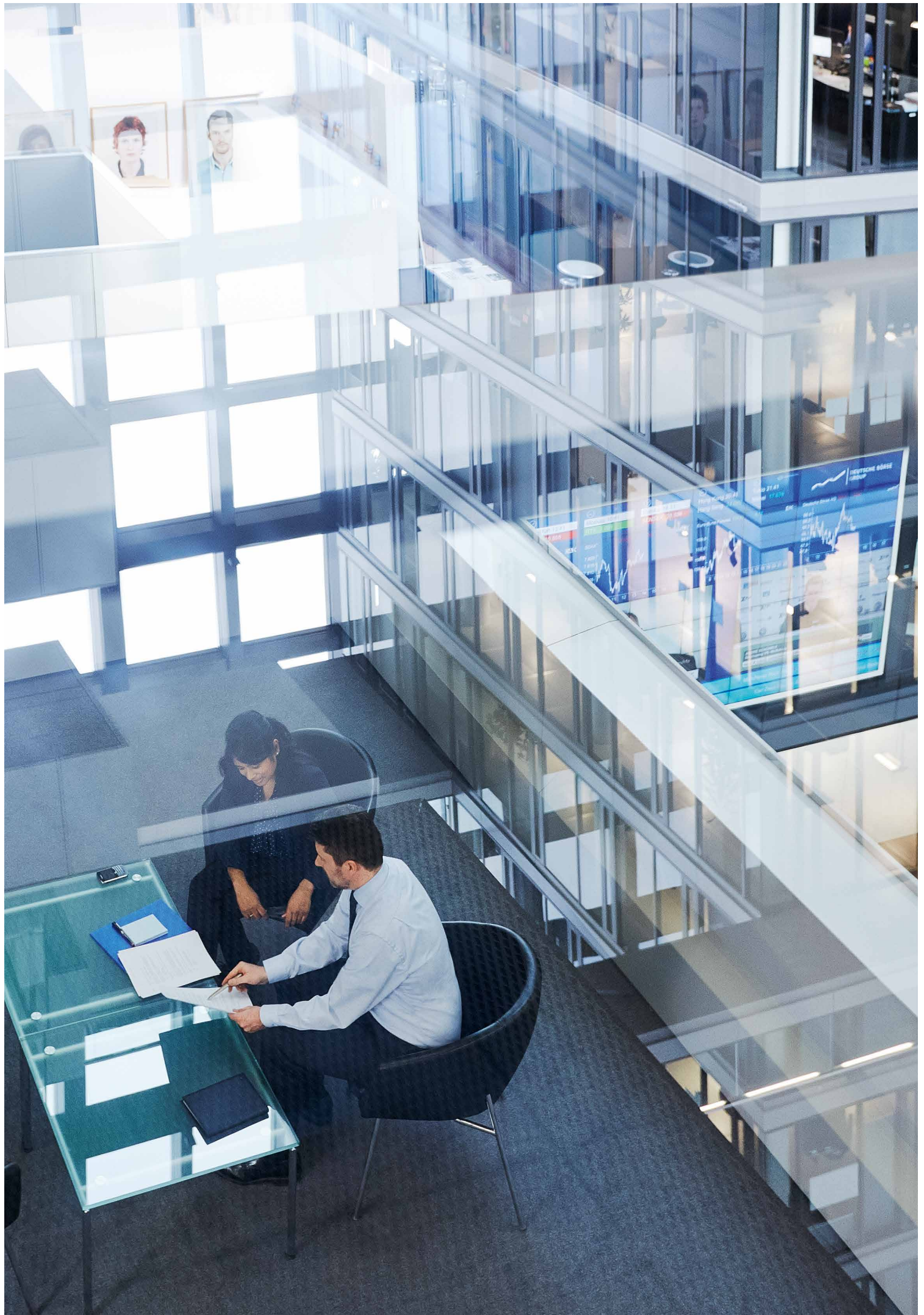
We take responsibility for the markets we organise, our employees and the community. This is why the action areas identified on the basis of the materiality analysis described above are reflected in our sustainability commitment.

- As a capital market organiser, we drive forward transparency initiatives such as sustainability reporting in the capital markets.
- As a listed services company, we advocate responsible business practices; one focus area is on the interests and needs of our employees. We are also working continuously to improve our sustainability profile, e.g. in Green IT, resource efficiency and sustainable procurement. In addition, we are further enhancing our own reporting and seek to fully integrate sustainability performance in our capital market communications.
- As a part of the community, it is important to us that we are seen to be a good corporate citizen at our international locations, and to be involved in such a way that reflects local needs.

As neutral marketplace organiser, Deutsche Börse Group promotes transparency initiatives such as the publication of the ESG Best Practice Guide for the standardised integration of sustainability information into traditional capital market communications. We are also seeking an open dialogue and exchange of knowledge with other exchange organisations on this and other topics relevant to the future of the international capital market system, and we joined the UN's Sustainable Stock Exchanges Initiative in 2014.

In parallel to these initiatives, as a listed company we strive to expand and improve our own reporting. In doing so, we are guided by national and international standards and are stepping up our dialogue with internal and external stakeholder groups.

The initiatives developed by Deutsche Börse Group to increase the public's perception of the company include an extensive programme of evening seminars that educate mainly private investors about the capital market in a readily understandable way. The programme covers topics such as product knowledge, securities analysis, investment strategies, asset allocation and stock market psychology. Deutsche Börse also uses this initiative to promote financial literacy among the general public, which is one of the political establishment's objectives.



Group staff

Deutsche Börse Group is a service provider that makes exacting demands on its staff: on their professional knowledge, their ability to communicate and work in teams as well as their readiness to take responsibility. At Deutsche Börse, experts with highly specialised knowledge work hand in hand with generalists. Together they tailor products and services to the requirements of customers, owners, and representatives of the public interest.

Deutsche Börse supports on-the-job training

Training and continuing professional development are a top priority at Deutsche Börse. Staff constantly expand and refresh their knowledge of the financial markets and can also undertake regular training for their communication and organisational skills. Deutsche Börse offers a wide range of internal and external training opportunities to support its staff and their supervisors in mastering their own personal challenges. The programme is constantly adapted and expanded in order to be in line with the latest developments in the various areas. For example, the Employee Development Planning training course for managers was introduced as an addendum of the feedback from the 2013 employee survey. This course teaches managers how to define appropriate measures to support their staff. Further training opportunities are at the planning stage. Details concerning the employee survey can be found in the [☒ “Employees” section in the combined management report](#).

Support programmes increase career prospects

Thanks to various programmes, employees can improve their career prospects and apply the knowledge they have acquired within the company:

- In the “high potential circle”, younger, particularly motivated and talented staff are prepared for positions of responsibility by means of a set curriculum. This curriculum focuses on business school seminars and training sessions that enhance methodological and social skills. The “high potentials” meet with the Executive Board, participate in a variety of networking meetings and are mentored by members of middle and upper management.



>110

employees participated in “innovation days” at our locations Frankfurt/Eschborn, Chicago and London in 2014.

- Staff are able to qualify for part-time master programmes through a selection process. A cooperation partner for MBA programmes at the Dubai location was selected in 2014. Deutsche Börse Group-supported master programmes will be available to employees at the main locations in Frankfurt/Eschborn, Luxembourg, London, Prague and Dubai.
- The “new hire” mentoring programme helps new employees get started, and aids them in establishing contacts beyond their own department and in gaining a cross-departmental understanding of the company. The “new role” mentoring programme provides support to employees taking on a new management position.

Special training for executives

In addition to a management career with responsibility for employees, Deutsche Börse Group staff have opportunities for promotion within the expert or project manager career paths. The company also supports lateral transfers to other departments or business areas at the same hierarchy level.

The company provides dedicated training and coaching for managers on all of the career paths, as well as events to exchange views. The latter include the Top Management Dialogue, which is regularly hosted by the Executive Board with key function holders. Clearly defined processes for succession planning ensure that the most suitable candidates take on the relevant management functions when management positions become vacant.

Women in management, Deutsche Börse is committed to this goal. Details can be found in the [“Employees” section in the combined management report](#).

Career prospects for young talent

At the end of 2014, there was a total of 19 apprentices at the company. In addition to the office management specialist apprenticeship offered to date, the company also launched two new apprenticeships in September 2014: “IT specialist – application development” and “IT specialist – systems integration”. A total of eleven apprentices have joined Deutsche Börse Group: six in IT and five in commercial apprenticeships. During their apprenticeships, the commercial apprentices work in various departments – central departments and market

areas – for three to six months per assignment. In this way, the apprentices gain an insight into a wide range of tasks while at the same time making valuable contributions to the work of Deutsche Börse Group. The company offered permanent positions to all four trainees who completed their apprenticeships in 2014.

Diversity creates new ideas and customer proximity

Deutsche Börse Group values and promotes the diversity of its employees. The company's broad range of diverse products and services places completely different demands on the staff in development and distribution. Teamwork and diverse educational backgrounds are therefore particularly important in the Group: staff with backgrounds in mathematics, information technology, business administration, or economics, as well as law, humanities and social sciences work together to develop products and services for our customers.

Deutsche Börse staff can submit ideas and suggestions for improvements via the "YouNovate" internal innovation management programme. The ideas may relate to any aspect of the company – new products, contributions to cost efficiency, or public relations. In this way, innovation management helps the company to recognise and tap into growth opportunities.

Deutsche Börse Group is a global company, with 24 locations in 17 countries around the world. Its steady internationalisation is a core element of the corporate strategy: The Group's aim is not just to access new markets, but also to become close to its customers abroad. It therefore operates not only in different markets, but also in different cultures. The diversity of its customers is reflected in the cultural diversity of its staff: Deutsche Börse Group employs people from 67 countries of origin. The diversity of its workforce is one of Deutsche Börse's strengths. It requires new ways and approaches for communication – but is ultimately an essential element for survival in the face of global competition.

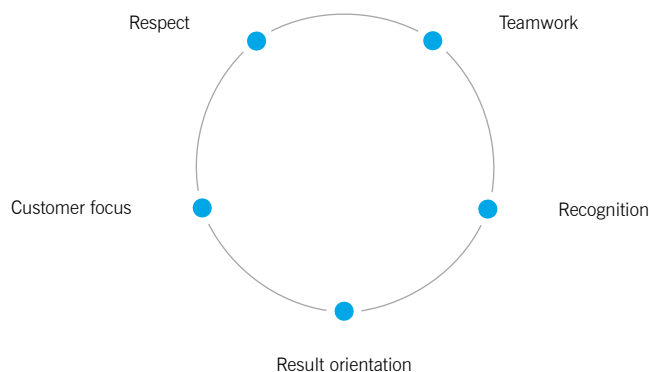
Corporate values and people principles for successful cooperation

We do not consider the principles of good corporate management simply as rules to be followed – they are how we define ourselves. We have a long-term commitment to four key corporate values. These are our guiding principles, primarily in association with our customers, our shareholders and our business environment. The corporate values are part of Deutsche Börse Group employees' daily routines: they are the standards by which we choose to measure ourselves.

These values include a focus on the customer, the dedication of each individual, innovation as the basis for developing new products in a changing environment, and finally integrity, since we enjoy a high level of trust as an organiser of fair and transparent markets.

As a development of our corporate culture, we introduced the “people principles” beside our corporate values in 2014. These five guidelines enhance the corporate values to a level of personal behaviour and detail the expectations for considerate and professional cooperation within Deutsche Börse Group. The people principles are truly a product developed by employees. Following the 2013 employee survey, three workshops attended by a total of 45 employees and managers at the Frankfurt/Eschborn, Luxembourg and Prague locations produced input for an initial ten principles. These were posted on an intranet discussion forum in October 2014. Around 1,100 employees visited the forum, with many leaving suggestions for other focus areas and wording that the project team took up and consolidated. The end result was a total of five principles, which form the basis for the way we understand and embody our corporate values relating to: mutual respect; teamwork to achieve the best results for our customers, who value us for our integrated products and services; and mutual recognition and appreciation of our performance, since we are all committed to result orientation and a customer focus. From 2015 on, we will strengthen and develop our corporate culture with these principles.

People Principles for considerate and professional cooperation



Our governance

Responsible corporate governance is a high priority for Deutsche Börse Group. The qualifications and independence of our employees and the individual support given to them, as well as transparency and sustainability, are the principles shaping the company's internal organisation and culture.

Deutsche Börse AG

Annual General Meeting



Supervisory Board



- Personnel Committee
- Audit Committee
- Nomination Committee
- Supervisory Board Strategy Committee
- Supervisory Board Technology Committee
- Supervisory Board Clearing and Settlement Committee
- Interim Risk Management Roadmap Committee

Executive Board



Specialist committees/working parties

The Executive Board



From left to right:

Reto Francioni, Andreas Preuss,
Gregor Pottmeyer, Hauke Stars,
Jeffrey Tessler

Detailed information about the
members of the Executive Board,
their appointments to supervisory
bodies of other companies or
comparable control bodies, as
well as their CVs can be found
on the internet under:

☐ www.deutsche-boerse.com/execboard

Reto Francioni, *1955

Chief Executive Officer,
Deutsche Börse AG
Prof., Dr. jur.
Frankfurt/Main

Andreas Preuss, *1956

member of the Executive Board
and Deputy Chief Executive
Officer,
Deutsche Börse AG
responsible for the Cash &
Derivatives Markets division
graduate degree in Business
Administration
(Dipl.-Kaufmann)
Frankfurt/Main

Gregor Pottmeyer, *1962

member of the Executive Board
and Chief Financial Officer,
Deutsche Börse AG
graduate degree in Business
Administration
(Dipl.-Kaufmann)
Frankfurt/Main

Hauke Stars, *1967

member of the Executive Board,
Deutsche Börse AG
responsible for the Information
Technology & Market Data +
Services division
Engineering degree in applied
computer science (Dipl.-Ing.),
MSc by research in Engineering
Frankfurt/Main

Jeffrey Tessler, *1954

member of the Executive Board,
Deutsche Börse AG
responsible for the
Clearstream division
MBA
Luxembourg

As at 31 December 2014

The Supervisory Board

Joachim Faber, *1950
 Chairman
 Independent Management
 Consultant, Grünwald
 Nationality: German
 Board member
 since 20 May 2009

Gerhard Roggemann, *1948
 Deputy Chairman
 Senior Advisor
 Edmond de Rothschild
 Private Merchant Banking LLP,
 London
 Nationality: German
 Board member from 11 May 1998
 to 14 May 2003 and since
 12 July 2005

Richard Berliand, *1962
 Management Consultant –
 Executive Director
 Richard Berliand Limited,
 Ashted Surrey
 Nationality: British
 Board member
 since 7 October 2005

Irmtraud Busch,¹⁾ *1956
 Former staff member in the
 Business Consulting section
 Clearstream Banking AG,
 Frankfurt/Main
 Nationality: German
 Board member
 since 16 May 2012

Karl-Heinz Floether, *1952
 Independent Management
 Consultant, Kronberg
 Nationality: German
 Board member
 since 16 May 2012

Marion Fornoff,¹⁾ *1961
 Staff member in the HR
 Europe & US section
 Deutsche Börse AG,
 Frankfurt/Main
 Nationality: German
 Board member
 since 16 May 2012

Hans-Peter Gabe,¹⁾ *1963
 Staff member in the HR
 Compensation, Workforce &
 Talent Management section
 Deutsche Börse AG,
 Frankfurt/Main
 Nationality: German
 Board member
 since 21 May 1997

Richard M. Hayden, *1945
 Non-Executive Chairman
 Haymarket Financial LLP,
 London
 Chairman of the Senior Advisory
 Board
 TowerBrook Capital Partners L.P.,
 London
 Nationality: US-American and
 British
 Board member
 since 12 July 2005

Craig Heimark, *1954
 Managing Partner
 Hawthorne Group LLC, Palo Alto
 Nationality: US-American
 Board member
 since 7 October 2005

David Krell, *1946
 Chairman of the Board of Directors
 International Securities Exchange,
 LLC, New York
 Nationality: US-American
 Board member
 since 1 January 2008

Monica Mächler, *1956
 Attorney-at-law, Pfäffikon
 Former Vice Chair of the Board
 of Directors of the Swiss
 Financial Market
 Supervisory Authority (FINMA),
 Bern
 Nationality: Swiss
 Board member
 since 16 May 2012

Friedrich Merz, *1955
 Lawyer and Senior Counsel
 Mayer Brown LLP, Dusseldorf
 Nationality: German
 Board member
 since 12 July 2005

Thomas Neißé, *1948
 Independent Capital Market
 Advisor, Haibach
 Nationality: German
 Board member
 since 14 January 2009

Heinz-Joachim Neubürger,
 *1953, †2015
 Independent Management
 Consultant, London
 Nationality: German
 Board member
 from 16 May 2012 to
 5 February 2015

Erhard Schipporeit, *1949
 Independent Management
 Consultant, Hanover
 Nationality: German
 Board member
 since 7 October 2005

Jutta Stuhlfauth,¹⁾ *1961
 Lawyer, M.B.A. (Wales)
 and Head of Unit Policies
 & Procedures
 Deutsche Börse AG,
 Frankfurt/Main
 Nationality: German
 Board member
 since 16 May 2012

Martin Ulrici,¹⁾ *1959
 Head of Unit Talent Management
 Deutsche Börse AG,
 Frankfurt/Main
 Nationality: German
 Board member
 since 16 May 2012

Johannes Witt,¹⁾ *1952
 Staff member in the Financial
 Accounting & Controlling
 department
 Deutsche Börse AG,
 Frankfurt/Main
 Nationality: German
 Board member
 since 21 May 1997

As at 31 December 2014

¹⁾ Employee representative

Detailed information about the
 members of the Supervisory Board,
 their additional appointments
 to supervisory bodies of other
 companies or comparable control
 bodies, as well as their CVs can
 be found on the internet under
[www.deutsche-boerse.com/
 supervboard](http://www.deutsche-boerse.com/supervboard)

Report of the Supervisory Board



Joachim Faber
Chairman of the Supervisory Board

In the year under review, the Supervisory Board of Deutsche Börse AG held in-depth discussions on the position and prospects of the company and performed its duties in accordance with the law and the Articles of Association. We regularly advised the Executive Board on the management of the company and monitored its work; we were involved in all fundamental decisions. Where required by law, the Articles of Association, or the bylaws, we adopted resolutions following thorough examination.

In total, there were six regular and two extraordinary plenary meetings in 2014. In addition, two strategy workshops were held in which we discussed Deutsche Börse Group's growth strategy and the competitive environment in detail.

At our meetings, the Executive Board provided us with comprehensive and timely information – verbally and in writing – in line with the legal requirements on the course of business, the position of the company and the Group (including the risk situation, risk management and compliance), as well as on the company's strategy and planning. We discussed all transactions significant for the company in the plenary meetings and in the Supervisory Board committees, based on the reports of the Executive Board.

The high frequency of both plenary and committee meetings facilitated an active exchange of information between the Supervisory Board and the Executive Board. The Executive Board also reported on individual issues in written reports and discussed individual topics with us between meetings. In addition, the Chief Executive Officer kept the Chairman of the Supervisory Board informed at all times about current developments relating to the company's business, significant transactions, upcoming decisions, as well as the long-term outlook and thoughts on emerging developments, and discussed these matters with him.

The Executive Board submitted all measures requiring Supervisory Board approval in accordance with the law, the Articles of Association, or the bylaws to the Supervisory Board, and the Supervisory Board approved these measures. The Supervisory Board also assured itself that the Executive Board's actions were lawful, due and proper, and appropriate.

All members of the Supervisory Board attended at least half of the Supervisory Board meetings in 2014. The members of the Supervisory Board participated in the Supervisory Board meetings and the committees as follows:

Attendance of Supervisory Board members at meetings in 2014

Name	Meetings (incl. committees)	Meeting attendance	%
Joachim Faber	21	21	100
Richard Berliand	17	17	100
Irmtraud Busch	12	12	100
Karl-Heinz Floether	15	15	100
Marion Fornoff	13	11	85
Hans-Peter Gabe	11	11	100
Richard M. Hayden	16	15	94
Craig Heimark	14	14	100
David Krell	12	12	100
Monica Mächler	12	12	100
Friedrich Merz	17	17	100
Thomas Neißé	12	10	83
Heinz-Joachim Neubürger	20	20	100
Gerhard Roggemann	19	19	100
Erhard Schipporeit	17	17	100
Jutta Stuhlfauth	11	11	100
Martin Ulrici	12	11	92
Johannes Witt	17	17	100
Average attendance rate			97

Topics addressed in plenary meetings of the Supervisory Board

In the year under review, the Executive Board provided us with comprehensive information about strategic growth options, especially in Asia. We kept a close eye on regulatory developments at national, European and global level and discussed their potential impact on Deutsche Börse Group's business model. We also debated the opportunities and risks that may arise for Deutsche Börse Group from regulatory developments. Another focus of our Supervisory Board work was to prepare for generational change on the Executive Board of Deutsche Börse AG: we appointed Carsten Kengeter as the designated successor to the Chief Executive Officer of Deutsche Börse AG, Reto Francioni. Mr Francioni will retire from the Executive Board on 31 May 2015 and will hand over the chairmanship to Mr Kengeter, effective 1 June 2015. We took these decisions by mutual agreement, and in close consultation, with Mr Francioni. Another focal point of our work was our discussion of the enhancements to Deutsche Börse Group's compliance and risk management system.

The Executive Board regularly informed us about Deutsche Börse AG's share price performance, including in comparison to its competitors. Moreover, the Executive Board reported on the business performance, financial position and results of operations of Deutsche Börse AG, its affiliated companies and Deutsche Börse Group as a whole.

Our plenary meetings focused in particular on the following issues during the reporting period:

At our first **regular meeting** for the reporting period on **19 February 2014**, we addressed in detail the preliminary results for financial year 2013 and the dividend proposed by the Executive Board for that year. We also resolved the amount of the variable remuneration of the Executive Board for financial year 2013 following in-depth discussion. We discussed the list of measures requiring Supervisory Board approval in the bylaws for the Executive Board as well as the responsibilities of the Supervisory Board committees. In addition, we resolved to establish an interim Supervisory Board committee to monitor the implementation of the measures for optimising Deutsche Börse Group's risk management and risk governance that are set out in a risk management roadmap for the period until the end of Deutsche Börse AG's Annual General Meeting in 2015.

At the **regular meeting on 5 March 2014**, we discussed in particular the company's annual financial statements and consolidated financial statements for 2013 plus the combined management report; the auditors were present for this. The 2013 annual financial statements and consolidated financial statements were approved in line with the recommendation by the Audit Committee, which had previously conducted an in-depth examination of the documents. The report of the Supervisory Board for 2013 and the agenda for the 2014 Annual General Meeting were also resolved. We decided to propose to the Annual General Meeting on 15 May 2014 that the size of the Supervisory Board of Deutsche Börse AG be reduced from the present figure of 18 members to twelve, effective from the end of the current period of office. We discussed in detail the review of the appropriateness of the Executive Board's remuneration and specified the target consolidated net income for 2014 as the basis for determining the variable cash component for members of the Executive Board for financial year 2014. In addition, we addressed the status of our IT reorganisation.

At the **regular meeting** held directly before the Annual General Meeting on **15 May 2014**, we discussed the upcoming Annual General Meeting with the Executive Board. The Executive Board reported to us on the investigation by the United States Attorney for the Southern District of New York against Clearstream Banking S.A. in connection with alleged violations of US anti-money laundering and sanction regulations. In addition, we approved the engagement of the law firm Mayer Brown LLP, where Supervisory Board member Friedrich Merz is a senior counsel, by International Securities Exchange, LLC in the area of intellectual property rights protection. See also the [section entitled "Management of individual conflicts of interest"](#).

At the **regular meeting on 26 June 2014**, we discussed strategic options relating to derivatives as well as clearing and settlement, the status of collateral management for clearing transactions and the status of clearing for OTC transactions as part of TARGET2-Securities (T2S). In addition, the Executive Board provided an update on the investigation by the US District Attorney's Office against Clearstream Banking S.A.

At the **regular meeting on 25 September 2014**, the Executive Board provided us with in-depth information on the implementation status of the Risk Management Roadmap. We addressed in detail Deutsche Börse Group's regulatory strategy. In this context, we discussed the European Commission's proposal for the regulation of indices, the Markets in Financial Instruments Directive (MiFID II/MiFIR), the European Market Infrastructure Regulation including the relevant implementing technical standards (EMIR/ESMA), the Central Securities Depository Regulation (CSDR), the Capital Requirements Directive (CRD IV), as well as the financial transaction tax and the regulation of high-frequency trading.

At the **extraordinary meeting on 27 October 2014**, we dealt exclusively with succession planning for Deutsche Börse AG's Executive Board. We appointed Carsten Kengeter as a member of the Executive Board for a three-year term effective 4 April 2015. Mr Kengeter will assume the chairmanship from Reto Francioni with effect from 1 June 2015. We resolved to terminate the contract with our long-serving Chief Executive Officer, Mr Francioni, ahead of schedule by mutual agreement effective 31 May 2015 as well as to terminate the appointment of Deputy Chief Executive Officer, Andreas Preuss, by mutual consent with immediate effect and to reappoint him, also with immediate effect, for another term until 31 May 2018.

At the **regular meeting on 1 December 2014**, we addressed Group-wide innovation strategies and discussed Deutsche Börse Group's risk management. We also discussed the political communication strategy and its implementation in 2015 with the Executive Board. Moreover, at the recommendation of the Personnel Committee we reappointed Hauke Stars as a member of the Executive Board for another five-year term. Furthermore, we discussed the results of our annual efficiency audit in accordance with section 5.6 of the German Corporate Governance Code and discussed and adopted the 2015 budget. We also resolved the declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, German Stock Corporation Act) for the reporting period. The declaration of conformity is available at www.deutsche-boerse.com/declconformity

At the **extraordinary meeting on 1 December 2014**, the Executive Board reported on the concept for dissolving the structure established in connection with the financing of the acquisition of International Securities Exchange Holdings, Inc. in 2007. Following in-depth discussion, we adopted a resolution on this issue.

Work of the committees

The Supervisory Board had a total of seven committees in the year under review. The committees are primarily responsible for preparing the decisions to be taken by and topics to be discussed in the plenary meetings. Additionally, the Supervisory Board has delegated individual decision-making powers to the committees, to the extent that this is legally permissible. The individual committee chairs provided detailed reports of the work of their committees at the plenary meetings. The Chairman of the Supervisory Board chairs the Personnel Committee, the Nomination Committee and the Strategy Committee. The detailed composition and duties of the Supervisory Board committees in the year under review can be found in the [Corporate governance declaration](#) in accordance with section 289a of the Handelsgesetzbuch (HGB, German Commercial Code).

The Audit Committee convened six regular meetings and held one workshop in 2014. The Personnel Committee met five times in 2014, while the Nomination Committee met three times. The Strategy Committee held two regular meetings and one extraordinary meeting in 2014. The Technology Committee met four times in 2014. The Clearing and Settlement Committee held three meetings in 2014. The interim committee established to monitor the implementation of the Risk Management Roadmap convened two meetings in 2014. In addition, the Audit Committee and the Clearing and Settlement Committee held one joint meeting, which focused on compliance with sanctions regimes.

The committees dealt with the following issues in particular:

Audit Committee

- Accounting: Examination, in the presence of the auditors, of the annual financial statements of Deutsche Börse AG and of the Group, of the combined management report and the audit report, as well as of the half-yearly financial report and the quarterly reports
- Auditor: Obtaining the statement of independence from the auditor, issue of the engagement letter to the auditor and preparation of the Supervisory Board's proposal to the Annual General Meeting regarding the election of the auditors. Agreement on the auditor's fee and definition of the areas of emphasis for the audit
- Internal control systems: Discussion of questions regarding risk management, compliance as well as the internal control and auditing system. The committee was informed about these topics – including the methods and systems used and their efficiency, adequacy and effectiveness – throughout the entire reporting period and discussed them in detail.
- Discussion of Deutsche Börse Group's dividend and budget
- Discussion and definition of the Audit Committee's tasks
- Preparation of the Supervisory Board's resolution on the corporate governance report and the remuneration report as well as on the corporate governance declaration in accordance with section 289a of the HGB and the declaration of conformity in accordance with section 161 of the AktG

Personnel Committee

- Executive Board remuneration: Discussion of the degree to which the members of the Executive Board had achieved their targets; determination of the variable cash component for 2013; definition of the target consolidated net income for 2014 as the basis for determining the variable cash component for members of the Executive Board; adoption of the individual targets for the members of the Executive Board for 2015; discussion of the remuneration report; review of the appropriateness of the Executive Board remuneration and of their pensionable income
- Personnel matters: Process for selecting a successor to the Chief Executive Officer with external support. Preparation of a recommendation to the plenary meeting that it appoint Carsten Kengeter as a member and chairman of the Executive Board, for the termination ahead of schedule, by mutual agreement, of the appointment and contract of service of Mr Francioni, for the termination with immediate effect of the appointment of Deputy Chief Executive Officer Andreas Preuss' and his immediate reappointment as Deputy Chief Executive Officer for another term until 31 May 2018 and the reappointment of Hauke Stars as a member of the Executive Board
- Preparation of a recommendation to the plenary meeting for a reduction in the size of the Supervisory Board
- Discussion of the impact of the CRD IV Regulation on the remuneration system
- Discussion of the results of the employee survey conducted in 2013 and the resulting measures
- Approval of Andreas Preuss' re-election to the Board of Directors of the World Federation of Exchanges (WFE)

Nomination Committee

Preparation of the election by the Annual General Meeting in 2015 of the shareholder representatives on the Supervisory Board with the support of an external consultant:

- Basis for selecting candidates: the qualification profile for the composition of the Supervisory Board resolved by the plenary meeting; for details see the [corporate governance report](#)
- Special emphasis on "diversity" and "Asian market experience"

Strategy Committee

- Discussion of current strategic projects and growth initiatives
- Medium-term strategy planning, taking into account regulatory developments
- Discussion of the innovation strategy

Technology Committee

- In-depth discussion of the implementation of the reorganisation of Deutsche Börse Group's information technology and the enhancement of its trading and post-trading systems
- Discussion of Deutsche Börse Group's IT security, IT risk management, IT sourcing strategy and cloud strategy
- Discussion of the IT budget for 2015

Clearing and Settlement Committee

- Discussion of Deutsche Börse Group's initiatives in the area of securities settlement
- Discussion of current regulatory developments
- Examination of the Global Liquidity Hub (platform for liquidity and risk management), T2S and post-trade services for OTC (over-the-counter) markets
- Discussion of developments in the OTC clearing business
- Discussion of the clearing roadmap initiative
- Examination of the implementation of and compliance with sanctions against specific states and legal persons

Interim Risk Management Roadmap Committee

- Discussion of the Executive Board's report on the implementation of the measures to optimise risk management and risk governance
- Examination of Deutsche Börse Group's risk strategy and risk appetite and of the special risk profile of regulated Group companies
- Discussion of the operational risk management system and risk metrics

Audit of the annual and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), domiciled in Berlin, audited the annual financial statements of Deutsche Börse AG and the consolidated financial statements, as well as the combined management report for the financial year ended 31 December 2014, together with the accounting system, and issued an unqualified audit opinion. The condensed financial statements and interim management report contained in the half-yearly financial report for the first six months of 2014 were reviewed by KPMG. The documents relating to the financial statements and the reports by KPMG were submitted to us for examination in a timely manner. The lead auditors, Karl Braun (CMO, member of the Board, KPMG) and Andreas Dielehner (Partner, KPMG), attended the relevant meetings of the Audit Committee and the plenary meeting of the Supervisory Board to approve the financial statements. The auditors reported on the key results of the audit, elaborated in particular on the net assets, financial position and results of operations of the company and Group, and were available to provide supplementary information. The auditors also reported that no significant weaknesses in the control and risk management systems had been found, in particular with respect to the financial reporting process. The audit of compliance with all relevant statutory provisions and regulatory requirements did not give rise to any objections. KPMG provided information on other services that were rendered in addition to audit services. There were no grounds for suspecting impairment of the auditors' independence.

The Audit Committee discussed the financial statement documents and the reports by KPMG in detail with the auditor and examined them carefully itself. It is satisfied that the reports meet the statutory requirements under sections 317 and 321 of the HGB in particular. The Committee reported to the Supervisory Board on its examination and recommended that it approve the annual financial statements and consolidated financial statements.

Our own examination of the annual financial statements, the consolidated financial statements and the combined management report for 2014 in a plenary meeting did not lead to any objections and we concurred with the results of the audit performed by the auditor. We approved the annual financial statements prepared by the Executive Board and the consolidated financial statements at our meeting on 6 March 2015 in line with the Audit Committee's recommendation. The annual financial statements of Deutsche Börse AG has thus been adopted.

The Audit Committee discussed the Executive Board's proposal for the appropriation of the unappropriated surplus in detail with the Executive Board, in particular in view of the company's liquidity and financial planning as well as taking into account shareholders' interests. Following this discussion and its own examination, the Audit Committee approved the Executive Board's proposal for the appropriation of the unappropriated surplus. After examining this ourselves, we also approved the Executive Board's proposal in the plenary meeting of the Supervisory Board.

Composition of the boards

In relation to the Executive Board, we resolved the following in 2014 at the recommendation of the Personnel Committee:

- We appointed Carsten Kengeter as a member of the Executive Board for a three-year term effective 4 April 2015. Mr Kengeter will assume the chairmanship from Reto Francioni with effect from 1 June 2015.
- We resolved to terminate the contract with our long-serving Chief Executive Officer, Reto Francioni, ahead of schedule by mutual agreement effective 31 May 2015.
- We resolved to terminate the appointment of Deputy Chief Executive Officer, Andreas Preuss, by mutual consent with immediate effect and to reappoint him, also with immediate effect, for another term until 31 May 2018.
- We reappointed Hauke Stars for a term of five years.

No changes were made to the Supervisory Board in the year 2014.

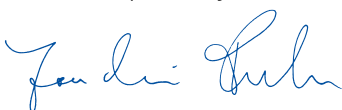
Management of individual conflicts of interest

On 15 May 2014, we approved the engagement of Mayer Brown LLP by International Securities Exchange, LLC to provide legal services in the area of intellectual property rights protection. Friedrich Merz, who is a senior counsel at Mayer Brown, did not take part in the discussion of the engagement nor did he take part in the vote by the Supervisory Board on this matter.

The Supervisory Board would like to thank the Executive Board and all employees for their dedication and achievements in 2014.

At the beginning of February 2015, we were deeply saddened by the death of our Supervisory Board colleague, Heinz-Joachim Neubürger. Mr Neubürger, who the Nomination Committee had already proposed as a candidate for the election of the new Supervisory Board, was a valuable member of the board, both as a person and in his professional capacity. We will honour his memory.

Frankfurt/Main, 6 March 2015
For the Supervisory Board:



Joachim Faber
Chairman 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 ff. 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 direction 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 direction, 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

Corporate governance report

Corporate governance stands for responsible corporate management and control. Good corporate governance boosts the confidence of investors, business partners, employees and the financial markets. It is therefore indispensable for sustaining the company's success.

Corporate governance and declaration of conformity

Deutsche Börse Group attaches great importance to the principles of responsible corporate governance and control. In accordance with the requirements of the German Corporate Governance Code (GCGC), it publishes the corporate governance report in connection with the corporate governance declaration in accordance with section 289a of the Handelsgesetzbuch (HGB, German Commercial Code). The Executive Board and the Supervisory Board of Deutsche Börse AG submitted their annual declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, German Stock Corporation Act) on 9 December 2014. This is printed in the [corporate governance declaration](#) and is publicly available on the company's website at www.deutsche-boerse.com/declconformity. The declarations of conformity for the previous five years can also be accessed there.

The Executive Board and the Supervisory Board of Deutsche Börse AG have declared that the recommendations of the "Government Commission on the German Corporate Governance Code" have almost fully been complied with, with only one potential exception. The details can be found in the annual declaration of conformity. The suggestions of the GCGC have been and continue to be complied with in full.

Corporate governance at Deutsche Börse Group

Women in management positions

Deutsche Börse AG set itself the goal of nominating at least one female member for the Executive Board by 2015. This was already achieved with the appointment of Hauke Stars in 2012. As a result, women accounted for 20 per cent of the Executive Board as at 31 December 2014. The plan is to continue maintaining this proportion in the future, at least until 2017. In addition, Deutsche Börse Group aims to increase the proportion of women in middle and upper management to 20 per cent and in lower management to 30 per cent by 2020. As at 31 December 2014, women accounted for 12 per cent of employees in middle and upper management positions at Deutsche Börse Group. Adequate representation of women continues to be taken into account in long-term succession planning. The Group has established a number of programmes that are specifically designed to develop talented staff and thus also to qualify women for management positions. Details of the development programmes that Deutsche Börse Group runs for its employees can be found in the ["Group staff" chapter](#).

Flexible upper age limit for Executive Board members

The flexible upper age limit for Executive Board members means that appointments run until the end of the month in which the Executive Board member concerned turns 60. From the month following the one in which Executive Board members turn 60, they can be reappointed for a period of one year in each case. However, the last appointment period should finish at the end of the month in which the Executive Board member turns 65. When appointing Executive Board members, the Supervisory Board aims to optimise the Executive Board's composition in the interests of the company. Experience, sector-specific expertise, as well as personal and professional qualifications play an important role. Depending

on the Executive Board post to be filled, it is not only the range and depth of specific experience that matter, but also whether this experience is up to date. The flexible upper age limit is designed to address this issue in particular. It has been worded deliberately loosely to allow the Supervisory Board to retain full flexibility in its appointment decisions.

Qualifications profile of the Supervisory Board

The Supervisory Board has resolved a list of requirements setting out specific goals in accordance with section 5.4.1 of the GCGC that relates to the composition of the Board and in particular to the nomination of members: members of the Supervisory Board should have the knowledge, skills and expertise necessary to carry out the duties of a supervisory board member at an international company. To this end, the Supervisory Board has defined general (basic) and company-specific qualification requirements. The company-specific qualification requirements are derived from the business model, the company's concrete objectives and the specific regulations applicable to Deutsche Börse Group. All Supervisory Board members should ideally demonstrate the basic qualifications; the company-specific qualifications relate to the Supervisory Board as a whole. In addition, members should have enough time to perform their duties. The current composition of the Supervisory Board is such that its members have the collective knowledge, skills and specialist expertise needed to duly carry out their tasks and that the Supervisory Board corresponds to the defined qualifications profile.

Qualification requirements for members of the Supervisory Board of Deutsche Börse AG

Basic qualification requirements:

- Understanding of business issues
- Basic knowledge and understanding of the German corporate governance system
- Analytical and strategic abilities
- Integrity and suitability of character for the position

Company-specific qualification requirements:

- Sound knowledge of:
- Exchange and capital market business models
 - Accounting, finance, risk management and compliance
 - Information technology and the clearing and settlement business
 - Regulatory requirements

Independence of the Supervisory Board

According to section 5.4.2 of the GCGC, a supervisory board member cannot be considered independent in particular if he or she has personal or business relations with the company, its executive bodies, a controlling shareholder, or an enterprise associated with a controlling shareholder which may cause a substantial and not merely temporary conflict of interests. The Supervisory Board has resolved that at least half of its shareholder representatives should be independent as defined above. All shareholder representatives on the Supervisory Board were independent within the meaning of section 5.4.2 of the German Corporate Governance Code during the reporting period.

Women on the Supervisory Board and international profile

Including the employee representatives, the Supervisory Board currently has 18 members (twelve shareholder representatives and six employee representatives). Three of the employee representatives are female, as is one of the shareholder representatives. The Supervisory Board adheres to its goal of increasing the number of female shareholder representatives in the period up to 2015. The Supervisory Board will be reduced from 18 members to twelve following the Annual General Meeting (AGM) in 2015 (eight shareholder representatives and four employee representatives), and its aim is for at least two of the shareholder representatives to be women. The Supervisory Board will continue to address the issue of the proportion of women on the Supervisory Board, and will develop specific goals after its constitution in May 2015. Moreover, the goal is for the Supervisory Board's future composition to continue to reflect the company's international profile.

Flexible upper age limit for Supervisory Board members

The rules specifying a flexible upper age limit (generally 70) set out by the Supervisory Board in its bylaws are taken into account when candidates are proposed to the AGM.

Preparation for the election of shareholder representatives to the Supervisory Board

The Supervisory Board's Nomination Committee, which is responsible for suggesting suitable candidates to the Supervisory Board for it to propose to the AGM, has been preparing in depth for the election of shareholder representatives to the Supervisory Board to be held at the 2015 AGM. Due to the reduction in the size of the Supervisory Board following this AGM, the Committee had proposed eight candidates for election as shareholder representatives by a resolution dated 2 February 2015. Seven of these were current members of the Supervisory Board. In selecting these candidates, the Supervisory Board had not just ensured that each company-specific qualification requirement is met by at least two of the candidates, it also took the length of the candidates' membership on the Supervisory Board into consideration in order to ensure balance between the different terms of office on the Board. Due to Deutsche Börse Group's strategic focus on Asia, the Nomination Committee also aimed to strengthen the Supervisory Board's Asian expertise. The Committee was supported by an external consultant in selecting a new candidate with experience on the Asian market. The consultant initially presented the Committee with a preliminary list of suitable individuals based on a jointly developed requirements profile, from which the Committee then shortlisted five candidates. After a number of face-to-face interviews, the Committee agreed on Amy Yip as a new candidate for the elections to the Supervisory Board in 2015. Ms Yip has profound experience in the Asian financial services industry, including management roles at the Hong Kong Monetary Authority and DBS Bank. She is currently a member of the management at investment company RAYS Capital Partners in Hong Kong. In addition, the selection of Ms Yip enables the Nomination Committee to pursue the Supervisory Board's goal of increasing the proportion of female Supervisory Board members. The sudden death of Mr Neubürger, who was planned to be a candidate for the election of the Supervisory Board 2015, has induced the Committee to reenter the nomination process. The Committee shall include Supervisory Board members who are already in office as well as new candidates into its considerations. The list of candidates that the Supervisory Board will propose to the 2015 AGM for election on the recommendation of the Nomination Committee will ensure that the Supervisory Board's members will continue to have the collective knowledge, skills and specialist experience needed to duly carry out their tasks during the Board's new term of office, which begins at the end of the AGM. In addition, the Supervisory Board will comply with the qualifications profile and will meet the requirements for independence, diversity and the time needed for members to perform their duties.

Education and training measures for the Supervisory Board

As a matter of principle, members of the Supervisory Board are responsible for ensuring their own training and further education. In addition, Deutsche Börse AG complies with the recommendation in section 5.4.5 (2) of the GCGC to support the training and further education of Supervisory Board members. For example, it offers specific introductory seminars for new Supervisory Board members, and holds workshops on selected strategic issues and, where necessary, specialist topics. Training sessions on corporate governance topics, accounting and the latest regulatory developments were held for Supervisory Board members in the reporting period.

Efficiency audit for the Supervisory Board's work

Deutsche Börse AG regards regular reviews of the efficiency of Supervisory Board work in accordance with section 5.6 of the GCGC as a key component of good corporate governance. These reviews enable it to improve processes and provide fresh impetus for focused work. The 2014 efficiency audit was based on the recommendations for action developed in the 2013 efficiency audit. A particular focus was put on reviewing the successful implementation of measures in the areas of the Board's composition

and organisation, information flows, meetings and performance of tasks. The review was largely positive. The suggestions for improvement identified were discussed and steps were taken to implement them.

Transparent reporting

To ensure maximum transparency and equal access to information, corporate communications follow the rule that all target groups receive all relevant information at the same time. In its financial calendar, Deutsche Börse AG informs shareholders, analysts, shareholders' associations, the media and interested members of the public about key events such as the date of the Annual General Meeting or publication dates for financial indicators. In addition to publishing ad hoc disclosures, information on directors' dealings and voting rights notifications, the website www.deutsche-boerse.com can be used to access the company's corporate and interim reports and company news items. Deutsche Börse AG supplies information about the annual and consolidated financial statements at a financials press conference. Following the publication of the interim reports, the company offers conference calls for analysts and investors. It also outlines its strategy and provides information to all interested parties while ensuring that all target groups worldwide are informed at the same time. In addition, Deutsche Börse AG submitted a declaration of conformity with the German Sustainability Code (GSC) for 2014. The GSC is a voluntary instrument that companies can use to ensure the transparency and comparability of their sustainability performance for the public: companies abiding by the GSC use the 20 criteria and associated performance indicators contained in the declarations of conformity to explain various aspects of corporate governance, and ecological and social responsibility, and document them with figures. Deutsche Börse's declaration of conformity with the GSC can be found at www.deutsche-boerse.com > Corporate responsibility > Reporting > German Sustainability Code.

Accounting and auditing

In its corporate report, Deutsche Börse AG provides shareholders and interested members of the public with detailed information on Deutsche Börse Group's business performance in the year under review. The company publishes further information in its half-yearly financial report and two quarterly financial reports. The financial statement documents and the corporate report are published within 90 days of the end of the financial year (31 December); interim reports are available within 45 days of the end of the quarter or six-month period that they concern. Following preparations by the Audit Committee, the consolidated and the annual financial statements are discussed and examined by the full Supervisory Board and with the auditor before being approved. The Executive Board discusses the half-yearly report and the quarterly reports for the first and third quarters with the Supervisory Board's Audit Committee before publication. The half-yearly report is reviewed by the auditor. In line with the proposal by the Supervisory Board, the 2014 AGM elected KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, (KPMG) to audit its 2014 annual and consolidated financial statements and to review its half-yearly financial report in the year under review. The lead auditor, Karl Braun, has been responsible for the audit since 2011, the deputy lead auditor, Andreas Dielehner, since 2013. The Supervisory Board's proposal was based on the recommendation by the Audit Committee. The Audit Committee obtained the necessary statement of independence from KPMG before the election. This states that there are no personal, business, financial, or other relationships between the auditor, its governing bodies and audit managers on the one hand, and the company and the members of its Executive and Supervisory Boards on the other that could give cause to doubt the auditor's independence. The Audit Committee monitored the continued existence of this independence during the reporting period. The Committee also supervised the financial reporting process in 2014. The Supervisory and Executive Boards were informed promptly of its work and findings, there were no material findings. Information on audit services and fees is provided in [note 6 of the notes to the consolidated financial statements](#).

Remuneration report

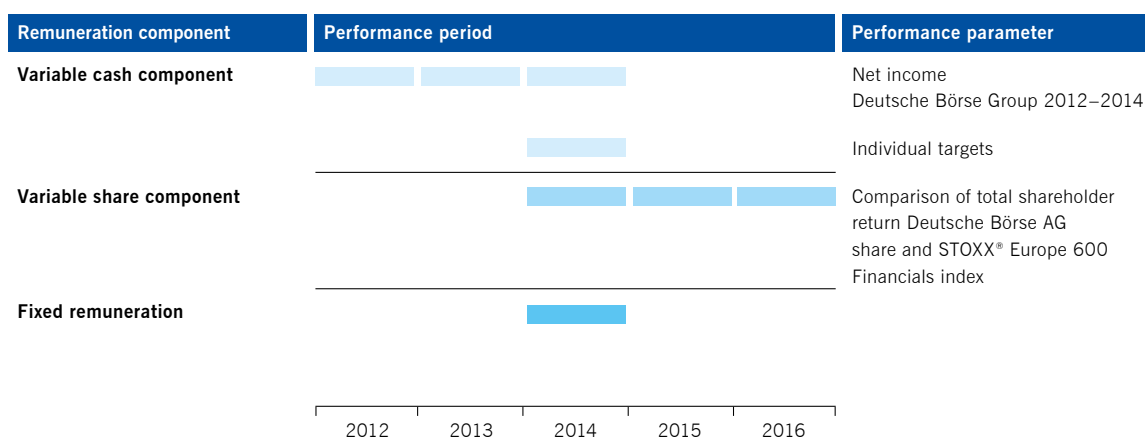
This remuneration report is a component of the combined management report. The report reflects the requirements of the Handelsgesetzbuch (HGB, the German Commercial Code) and the International Financial Reporting Standards (IFRSs), respectively, as well as the German Accounting Standard (GAS) 17 “Reporting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

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.

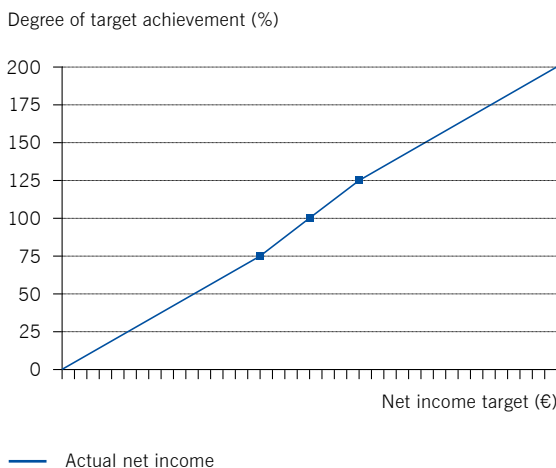
Variable share component

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).

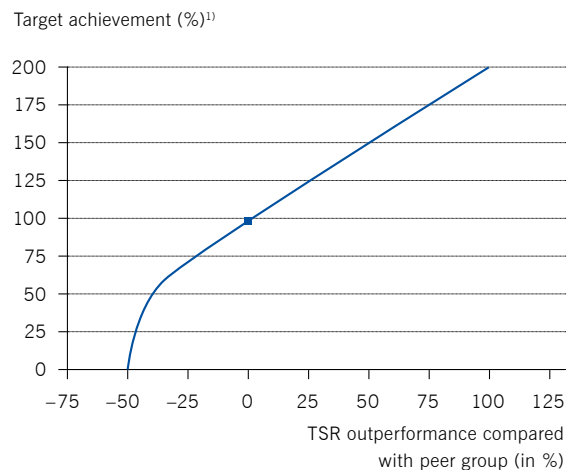
Measurement of the target achievement for the variable cash component

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: €850.1 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⁾ 2014 € 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.

Combined management report

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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

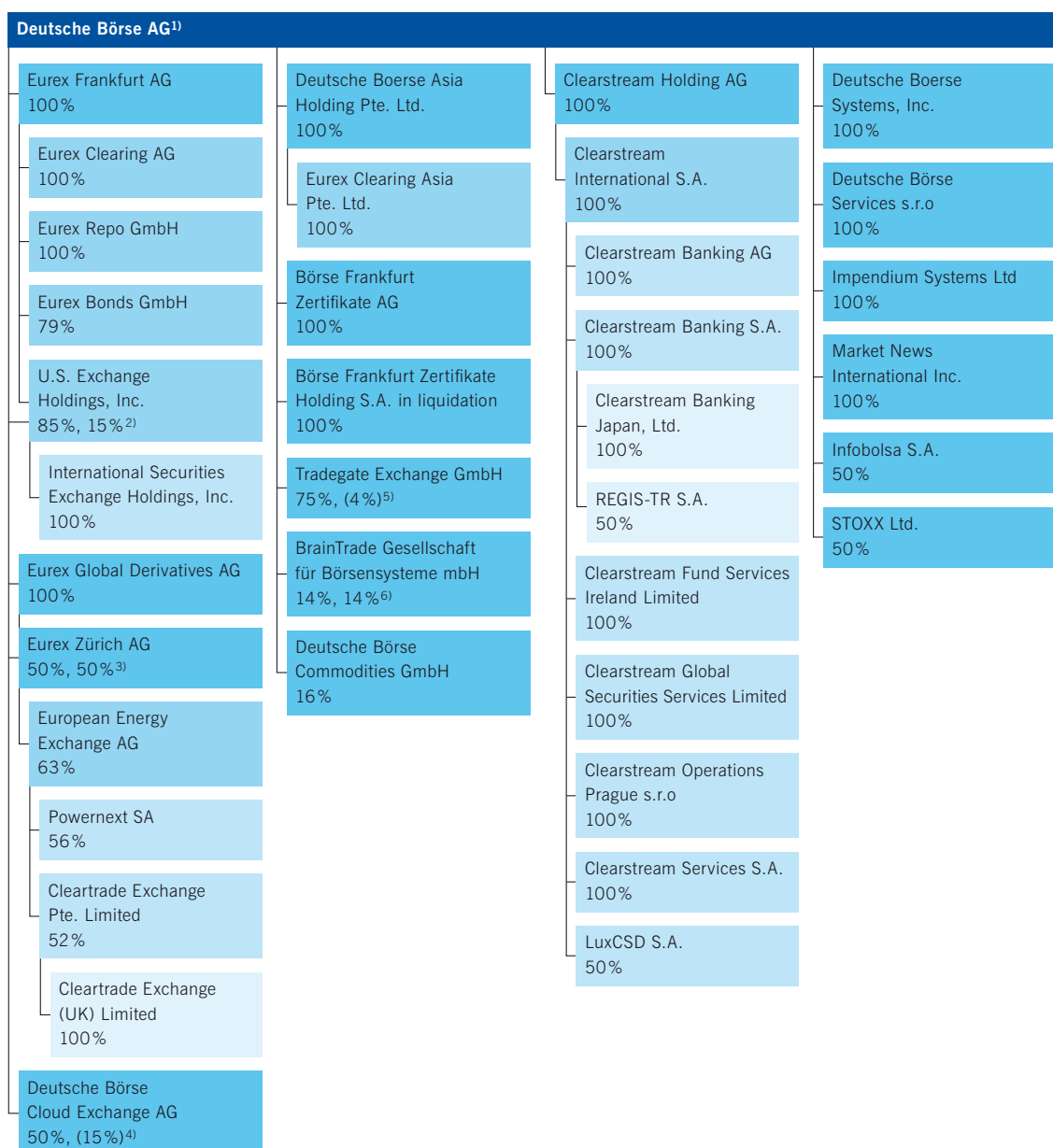
Deutsche Börse AG, headquartered in Frankfurt/Main, Germany, is the parent company of Deutsche Börse Group. As at 31 December 2014, the Group employed 4,540 people at 24 locations in 17 countries. As one of the largest market infrastructure providers worldwide, Deutsche Börse Group offers its customers 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

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 Deutsche Börse AG. The remaining 85 per cent of the shares of U.S. Exchange Holdings, Inc. continue 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 take-over 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

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

estimates only three countries – Italy, Cyprus and Finland – remained in recession. Nevertheless, the 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	Clearstream	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.

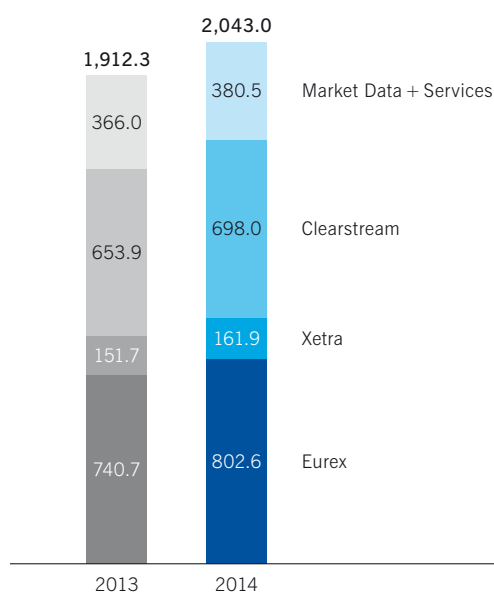
Results of operations

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

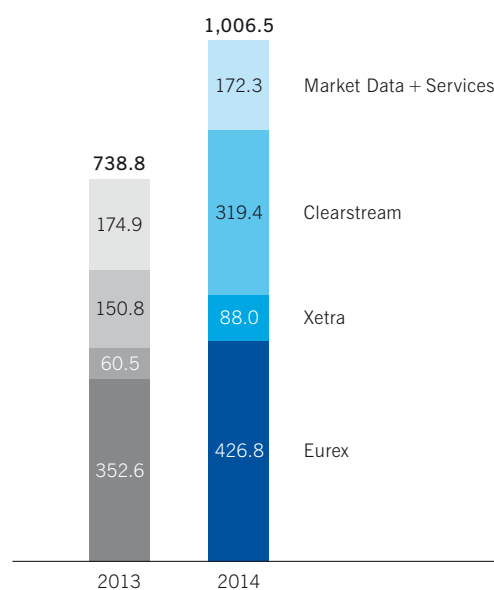
Net revenue by segment

€ millions



EBIT by segment

€ millions



segments, the increase in net revenue was also driven by the consolidation of the following companies: 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,

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

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), 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).

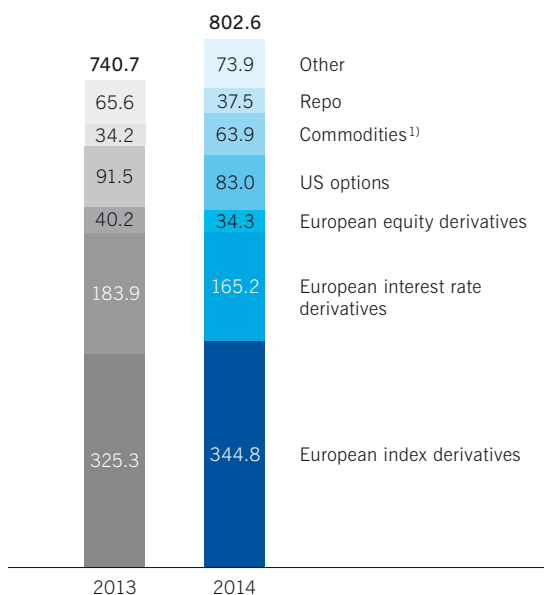
Besides derivatives trading, Deutsche Börse Group also operates Eurex Clearing, Europe's leading clearing house. In 2012, Eurex Clearing launched EurexOTC Clear, the new clearing offering for over-the-counter (OTC) interest rate swaps. By linking to EurexOTC Clear, market participants can clear OTC derivatives 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 rate

Net revenue in the Eurex segment

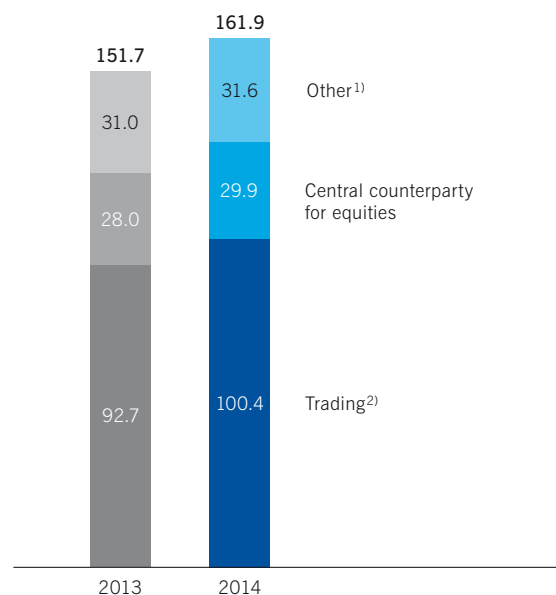
€ millions



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.

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 around €4 billion. The largest IPO in 2014 was that of Rocket Internet AG, which had a volume of

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 €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

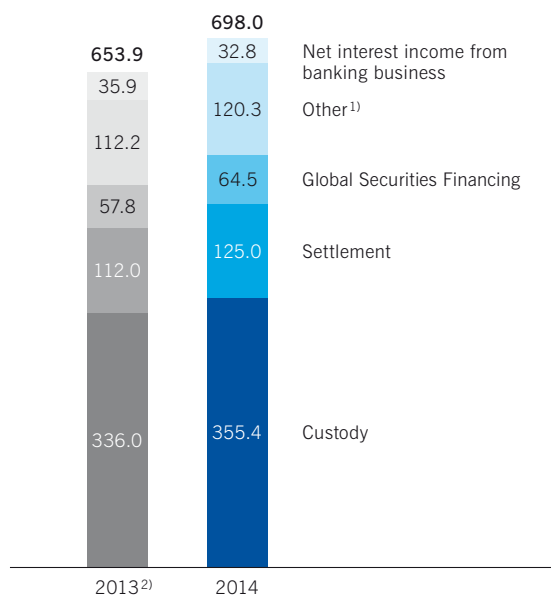
constantly being extended through new collateral management partnerships with local custodians, trading platforms, clearing houses and other market infrastructures such as CSDs across the globe. 2014 saw the following updates to the Liquidity Hub partnerships:

- 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.

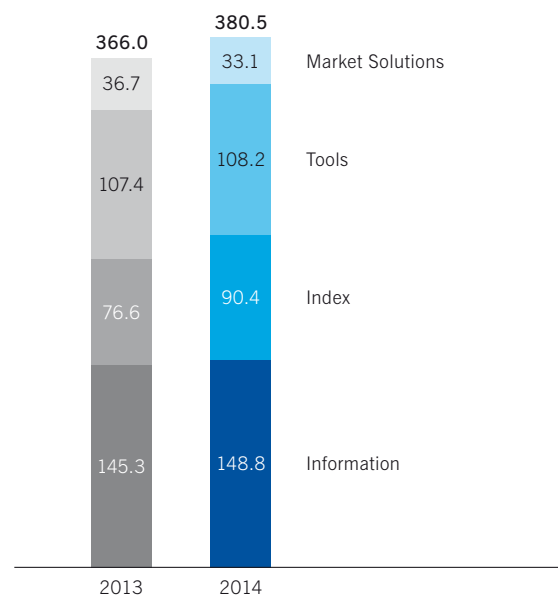
Net revenue in the Clearstream segment

€ 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 Norexco, a renewable commodities exchange. Norexco 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	2013
	€m	€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 ⁹⁾
	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 ⁸⁾	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](#)).

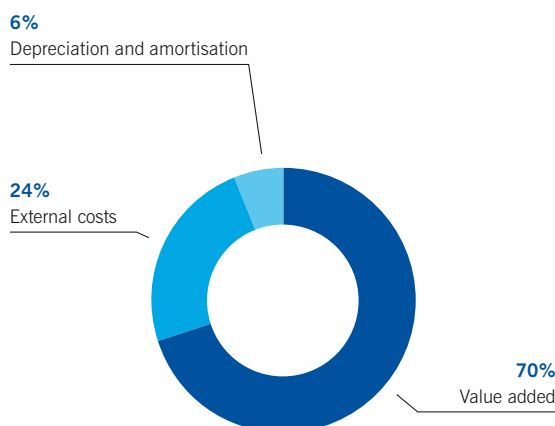
Overall assessment of the economic position by the Executive Board

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.

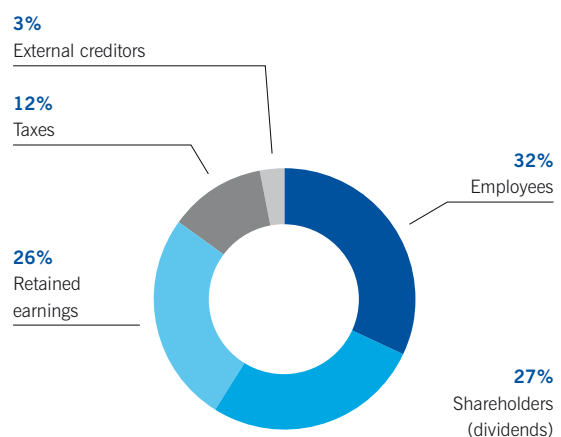
Origination of value added

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 (+206)

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

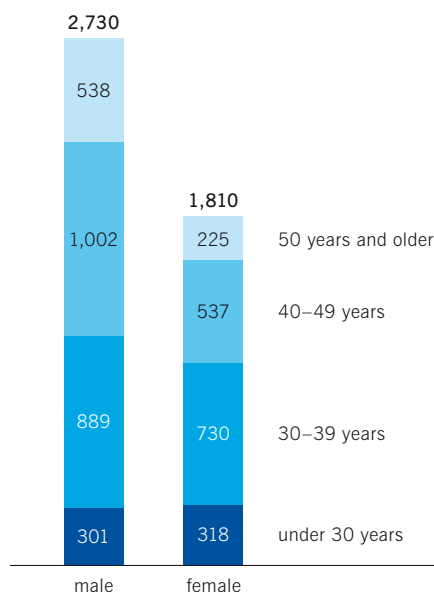
and Impendium Systems (+13). In addition, new jobs were created in connection with strategically important projects, such as the initiatives at Eurex Clearing AG and Clearstream, and the risk management and compliance functions were expanded. In total, this led to an increase in the number of people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

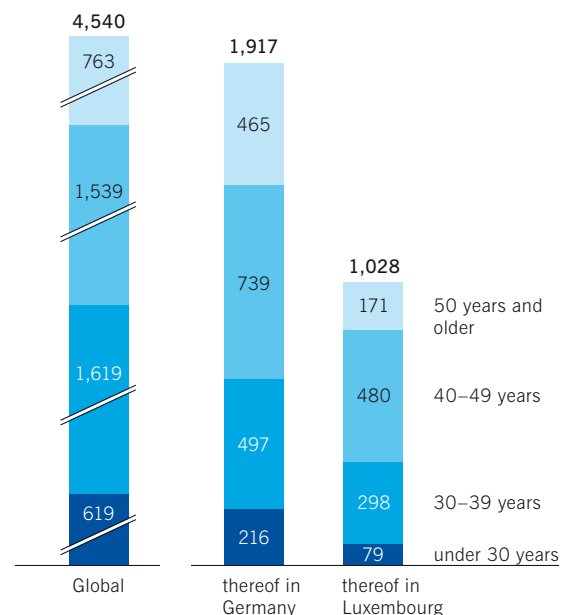
Deutsche Börse Group employees' age structure

by gender



Deutsche Börse Group employees' age structure

by location



Börse Group's programme for growing potential management talent, are female (55 per cent). In addition, 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 CR

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 CR

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

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-

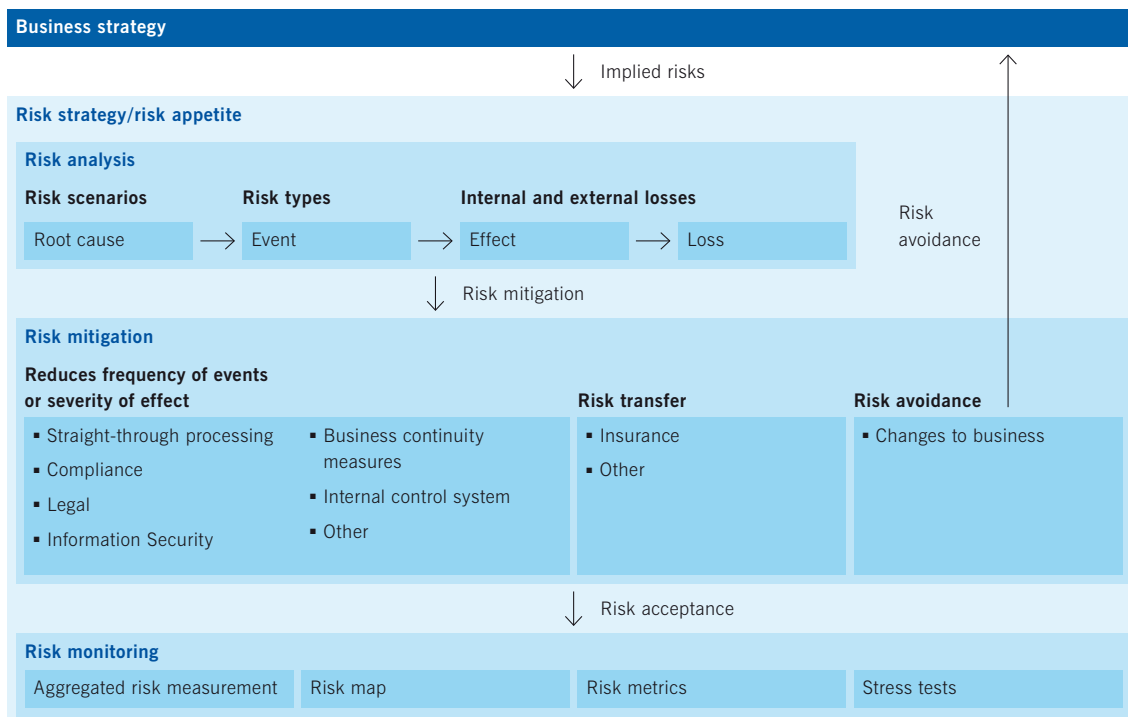
bearing capacity and risk appetite: it consciously assumes risks in order to satisfy market needs and maximise business opportunities. However, it curbs this appetite with a defined upper limit on the risks it takes.

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 Eurex Clearing AG as well as the Executive Board member responsible for IT & MD+S. In addition, it

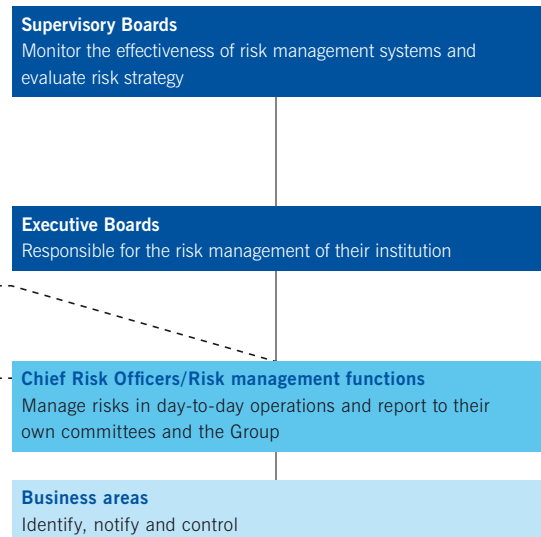
Risk management – structural organisation and reporting lines

Group-wide



Financial institutions

Clearstream and Eurex Clearing AG



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.

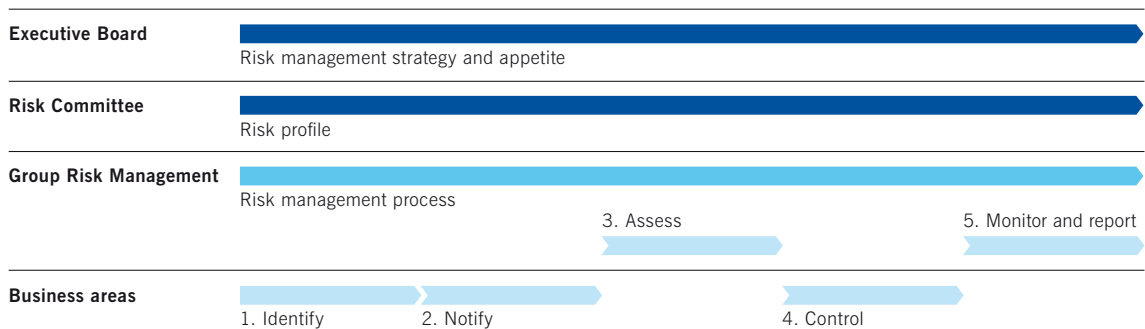
The regulated subsidiaries act in the same way, always ensuring that they meet the requirements of the Group. In particular, they adhere to the framework for risk appetite allocated to them by Deutsche Börse Group. The relevant supervisory boards and their committees are involved, as are the executive 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

Course of the five-stage risk management system

Responsibility



committees of significant risks, their assessment and possible emergency measures. In addition to the 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.

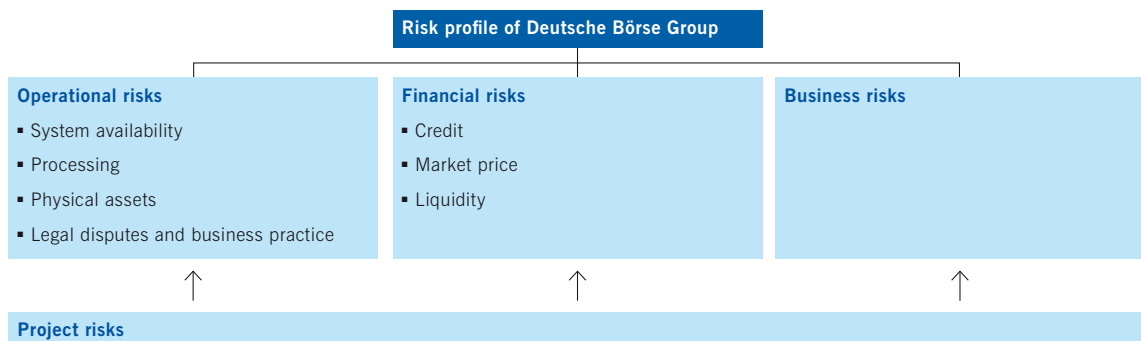
Stress tests

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 explana-

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

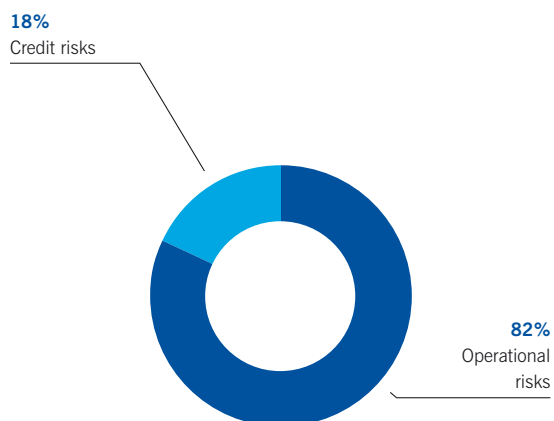
The risks of Deutsche Börse Group’s financial institutions differ fundamentally from those of other financial service providers. While credit and market price risks for a typical universal bank account for more than 80 per cent of the regulatory capital requirements, credit risks only account for around 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](#).

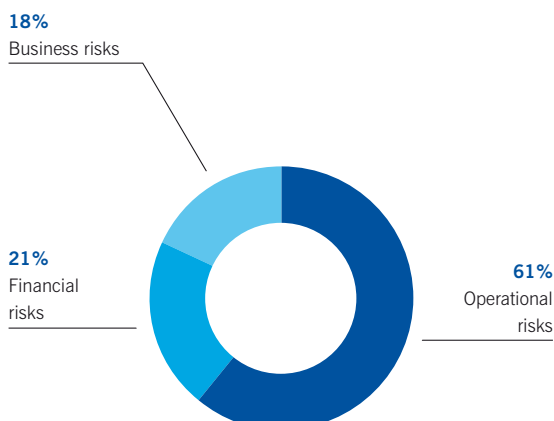
Operational risks higher than financial and business risks

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.

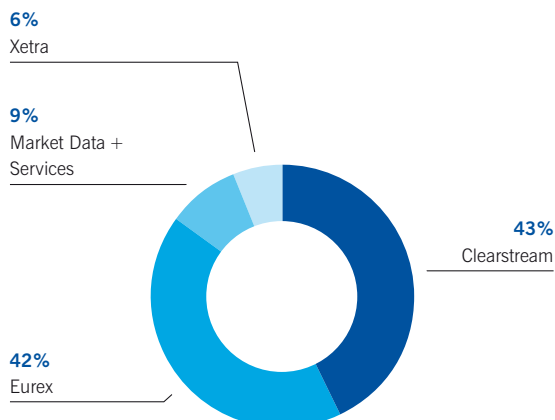
A similar split may be seen in earnings at risk. Here also, the business segments with the largest proportions of revenues and earnings – Clearstream and Eurex – show the largest shares of earnings at risk (see the [“Earnings at risk by segment” chart](#)).

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.

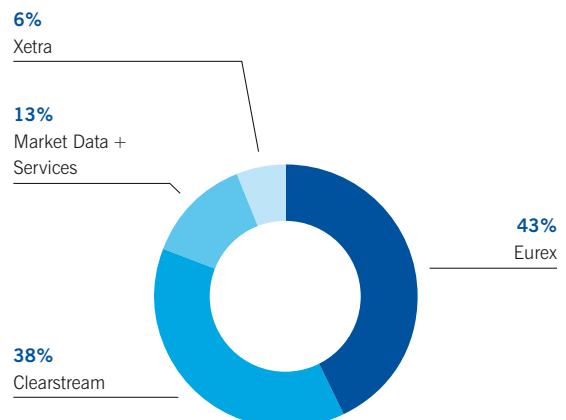
The risk types listed below as examples can be assessed based on these categories. The estimated probability of the risk occurring can be categorised as follows:

- 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

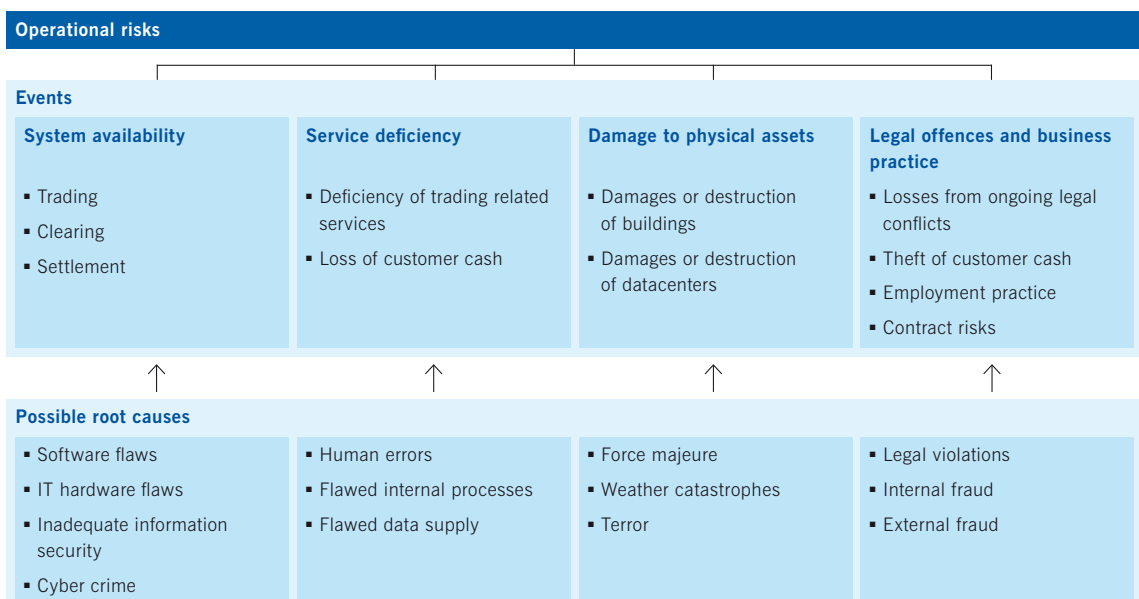
Operational risks for Deutsche Börse Group relate to availability, processing, material goods, as well as litigation and business practice (see the [chart “Operational risks of Deutsche Börse Group”](#)). Personnel risks are not quantified directly, but influence the quantification process indirectly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

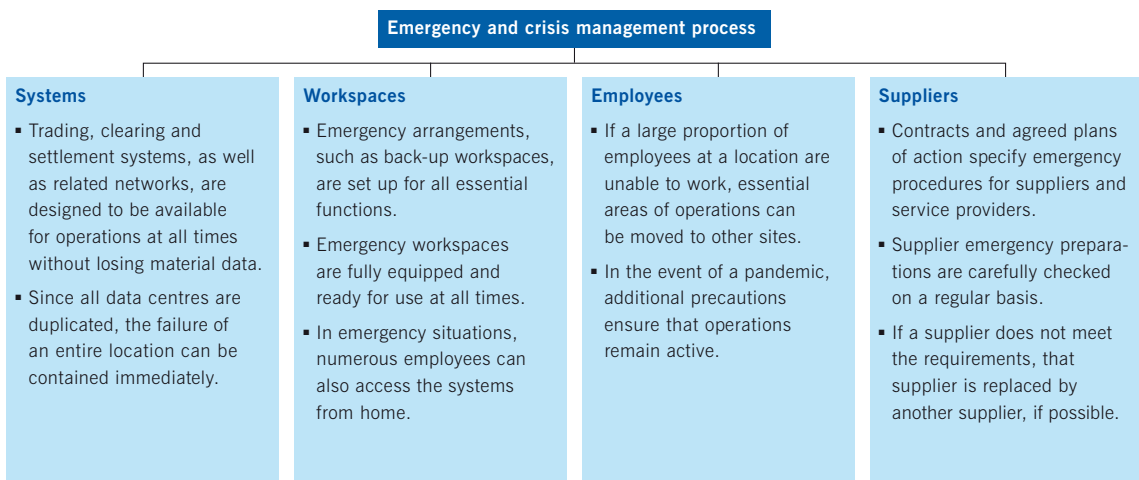
Attacks on information security and cybercrime are operational risks that Deutsche Börse Group faces. Cybercrime is increasingly becoming a focus for organised crime and now features high on the list of crime statistics year after year. It is a threat to all financial services providers, credit institutions 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				Market Data + Services
		Eurex	Xetra	Clearstream		
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

customers 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 TAIFEX, the Taiwan Futures Exchange, in 2014 follows this example: Eurex acquired a 5 per cent interest in TAIFEX in order to strengthen this strategic product partnership. The Eurex/TAIFEX 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,

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.

especially 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 Povernext 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.

Taking 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 profit

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

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	2013
	€m	€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

	31 Dec 2014	%
Under 30 years	118	10.6
30 to 39 years	245	22.0
40 to 49 years	437	39.2
50 years and older	314	28.2
Total Deutsche Börse AG	1,114	100

Employees' length of service

	31 Dec 2014	%
Less than 5 years	302	27.1
5 to 15 years	417	37.4
Over 15 years	395	35.5
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](#).

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Consolidated income statement

for the period 1 January to 31 December 2014

	Note	2014 €m	2013 €m
Sales revenue	4	2,347.8	2,160.3
Net interest income from banking business	4	32.8	35.9
Other operating income	4	23.1	20.6
Total revenue		2,403.7	2,216.8
Volume-related costs	4	-360.7	-304.5
Net revenue (total revenue less volume-related costs)		2,043.0	1,912.3
Staff costs	5	-472.4	-476.0
Depreciation, amortisation and impairment losses	11, 12	-124.8	-118.8
Other operating expenses	6	-517.6	-588.0
Operating costs		-1,114.8	-1,182.8
Result from equity investments	8	78.3	9.3
Earnings before interest and tax (EBIT)		1,006.5	738.8
Financial income	9	18.7	5.7
Financial expense	9	-61.8	-76.4
Earnings before tax (EBT)		963.4	668.1
Other tax		-1.4	-1.1
Income tax expense	10	-173.5	-171.8
Net profit for the period		788.5	495.2
thereof shareholders of parent company (net income)		762.3	478.4
thereof non-controlling interests		26.2	16.8
Earnings per share (basic) (€)	34	4.14	2.60
Earnings per share (diluted) (€)	34	4.14	2.60

Consolidated statement of comprehensive income

for the period 1 January to 31 December 2014

	Note	2014 €m	2013 €m
Net profit for the year reported in consolidated income statement		788.5	495.2
Items that will not be reclassified to profit or loss			
Changes from defined benefit obligations		-66.4	14.3
Deferred taxes	10, 20	17.6	-3.8
		-48.8	10.5
Items that may be reclassified subsequently to profit or loss			
Exchange rate differences ¹⁾	20	127.5	-42.9
Remeasurement of cash flow hedges		2.7	1.9
Remeasurement of other financial instruments		1.9	4.4
Deferred taxes	10, 20	-70.0	20.2
		62.1	-16.4
Other comprehensive income after tax		13.3	-5.9
Total comprehensive income		801.8	489.3
thereof shareholders of parent company		775.9	472.4
thereof non-controlling interests		25.9	16.9

1) Exchange rate differences include €0.5 million (2013: €-1,7 million) taken directly to accumulated profit as part of the "result from equity investments".

Consolidated balance sheet

as at 31 December 2014

Assets	Note	31 Dec 2014 €m	31 Dec 2013 €m
NON-CURRENT ASSETS			
Intangible assets	11		
Software		221.3	178.8
Goodwill		2,224.5	2,042.6
Payments on account and construction in progress		100.2	85.2
Other intangible assets		980.5	852.1
		3,526.5	3,158.7
Property, plant and equipment	12		
Fixtures and fittings		37.4	37.3
Computer hardware, operating and office equipment		62.3	69.9
Payments on account and construction in progress		1.2	0.1
		100.9	107.3
Financial assets	13		
Investments in associates and joint ventures		104.2	183.4
Other equity investments		166.8	23.9
Receivables and securities from banking business		1,305.0	1,178.3
Other financial instruments		25.8	25.6
Other loans ¹⁾		0.4	0.4
		1,602.2	1,411.6
Financial instruments of the central counterparties	15	5,885.8	4,058.6
Other non-current assets		11.5	11.7
Deferred tax assets	10	140.3	49.0
Total non-current assets		11,267.2	8,796.9
CURRENT ASSETS			
Receivables and other current assets			
Financial instruments of the central counterparties	15	170,251.0	153,546.8
Receivables and securities from banking business	16	10,307.1	9,544.0
Trade receivables	17	342.9	218.8
Receivables from related parties		1.0	4.1
Income tax receivables ²⁾		75.0	40.4
Other current assets	18	554.3	273.7
Available-for-sale financial assets		0	35.6
		181,531.3	163,663.4
Restricted bank balances	19	22,283.5	16,221.7
Other cash and bank balances		826.1	627.9
Total current assets		204,640.9	180,513.0
Total assets		215,908.1	189,309.9

1) Thereof €0.4 million (31 December 2013: €0.3 million) with related parties 2) Thereof €6.8 million (31 December 2013: €8.8 million) with a remaining maturity of more than one year from corporation tax credits in accordance with section 37 (5) of the Körperschaftsteuergesetz (KStG, the German Corporation Tax Act)

Equity and liabilities

	Note	31 Dec 2014 €m	31 Dec 2013 €m
EQUITY	20		
Subscribed capital		193.0	193.0
Share premium		1,249.0	1,249.0
Treasury shares		-443.0	-446.6
Revaluation surplus		-15.9	29.4
Accumulated profit		2,446.6	2,011.8
Shareholders' equity		3,429.7	3,036.6
Non-controlling interests		322.4	231.4
Total equity		3,752.1	3,268.0
NON-CURRENT LIABILITIES			
Provisions for pensions and other employee benefits	22	145.6	80.2
Other non-current provisions	23, 24	110.5	113.2
Deferred tax liabilities	10	379.5	243.4
Interest-bearing liabilities	25	1,428.5	1,521.9
Financial instruments of the central counterparties	15	5,885.8	4,058.6
Other non-current liabilities		12.6	2.6
Total non-current liabilities		7,962.5	6,019.9
CURRENT LIABILITIES			
Tax provisions ¹⁾	26	282.7	266.8
Other current provisions	23, 27	108.1	223.6
Financial instruments of the central counterparties	15	169,001.9	153,046.8
Liabilities from banking business ²⁾	28	11,487.1	9,725.3
Other bank loans and overdrafts		0.7	0.1
Trade payables		221.2	123.7
Liabilities to related parties		1.6	1.9
Cash deposits by market participants	29	22,282.4	16,221.7
Other current liabilities	30	807.8	412.1
Total current liabilities		204,193.5	180,022.0
Total liabilities		212,156.0	186,041.9
Total equity and liabilities		215,908.1	189,309.9

1) Thereof income tax due: €233.1 million (2013: €216.4 million)

2) Thereof no liabilities to related parties (31 December 2013: €0.1 million)

Consolidated cash flow statement

for the period 1 January to 31 December 2014

	Note	2014 €m	2013 €m
Net profit for the year		788.5	495.2
Depreciation, amortisation and impairment losses	11, 12	124.8	118.8
(Decrease)/increase in non-current provisions		-4.3	32.1
Deferred tax (income)/expense	10	-48.8	2.1
Cash flows from derivatives		0	-16.5
Other non-cash (income)/expense		-46.7	13.7
Changes in working capital, net of non-cash items:		-131.1	153.0
(Increase)/decrease in receivables and other assets		-63.0	13.8
(Decrease)/increase in current liabilities		-76.9	142.7
Increase/(decrease) in non-current liabilities		8.8	-3.5
Net loss/(net gain) on disposal of non-current assets		2.4	-1.1
Cash flows from operating activities excluding CCP positions		684.8	797.3
Changes in liabilities from CCP positions		275.6	24.8
Changes in receivables from CCP positions		-283.1	-93.8
Cash flows from operating activities	33	677.3	728.3
Payments to acquire intangible assets		-102.9	-99.0
Payments to acquire property, plant and equipment		-30.6	-28.6
Payments to acquire non-current financial instruments		-367.2	-14.8
Payments to acquire investments in associates and joint ventures		-13.6	-35.1
Payments to acquire subsidiaries, net of cash acquired		11.2	5.2
Proceeds from the disposal of shares in associates and joint ventures		3.6	0
Net decrease in current receivables and securities from banking business with an original term greater than three months		-68.1	-692.2
Proceeds from disposals of available-for-sale non-current financial instruments		317.2	35.3
Cash flows from investing activities	33	-250.4	-829.2
Purchase of treasury shares		0	-1.2
Proceeds from sale of treasury shares		2.4	1.9
Payments to non-controlling interests		-16.6	-8.3
Repayment of long-term financing		0	-797.8
Proceeds from long-term financing		0	594.5
Repayment of short-term financing		-1,205.0	-1,180.0
Proceeds from short-term financing		1,164.7	1,279.8
Dividends paid		-386.6	-386.5
Cash flows from financing activities	33	-441.1	-497.6
Net change in cash and cash equivalents		-14.2	-598.5

	Note	2014 €m	2013 €m
Net change in cash and cash equivalents (brought forward)		-14.2	-598.5
Effect of exchange rate differences		1.9	-1.7
Cash and cash equivalents as at beginning of period		-56.2	544.0
Cash and cash equivalents as at end of period	33	-68.5	-56.2
Additional information to payments reflected within cash flows from operating activities:			
Interest income and other similar income		17.7	5.6
Dividends received		24.9	12.9
Interest paid		-51.7	-89.3
Income tax paid		-237.0	-93.3

Consolidated statement of changes in equity

for the period 1 January to 31 December 2014

	Note	2014 €m	2013 €m	thereof included in total comprehensive income	
				2014 €m	2013 €m
Subscribed capital					
Balance as at 1 January		193.0	193.0		
Balance as at 31 December		193.0	193.0		
Share premium					
Balance as at 1 January		1,249.0	1,249.0		
Balance as at 31 December		1,249.0	1,249.0		
Treasury shares					
Balance as at 1 January		-446.6	-448.6		
Purchase of treasury shares		0	-1.2		
Sales within the Group Share Plan		3.6	3.2		
Balance as at 31 December		-443.0	-446.6		
Revaluation surplus	20				
Balance as at 1 January		29.4	14.3		
Changes from defined benefit obligations	22	-66.1	14.2	-66.1	14.2
Remeasurement of other financial instruments		1.9	4.4	1.9	4.4
Remeasurement of cash flow hedges		2.7	1.9	2.7	1.9
Deferred taxes	10	16.2	-5.4	16.2	-5.4
Balance as at 31 December		-15.9	29.4		
Accumulated profit	20				
Balance as at 1 January		2,011.8	1,938.9		
Dividends paid		-386.6	-386.5	0	0
Net income for the year	21	762.3	478.4	762.3	478.4
Exchange rate differences and other adjustments		127.7	-40.8	127.5	-42.9
Deferred taxes	10	-68.6	21.8	-68.6	21.8
Balance as at 31 December		2,446.6	2,011.8		
Shareholders' equity as at 31 December		3,429.7	3,036.6	775.9	472.4

	Note	2014 €m	2013 €m	thereof included in total comprehensive income	
				2014 €m	2013 €m
Shareholders' equity (brought forward)		3,429.7	3,036.6	775.9	472.4
Non-controlling interests					
Balance as at 1 January		231.4	223.0		
Changes due to capital increases/(decreases)		64.8	-8.3	0	0
Changes due to share in net income of subsidiaries for the period		26.2	16.8	26.2	16.8
Changes from defined benefit obligations	22	-0.3	0.1	-0.3	0.1
Exchange rate differences and other adjustments		0.3	-0.2	0	0
Total non-controlling interests as at 31 December		322.4	231.4	25.9	16.9
Total equity as at 31 December		3,752.1	3,268.0	801.8	489.3

Notes to the consolidated financial statements

Basis of preparation

1. General principles

Company information

Deutsche Börse AG (“the company”) is incorporated as a German public limited company (“Kapitalgesellschaft”) and is domiciled in Germany. The company’s registered office is in Frankfurt/Main. Deutsche Börse AG is the parent company of Deutsche Börse Group. Deutsche Börse AG and its subsidiaries operate cash and derivatives markets. Its business areas range from the admission of securities to listing, through trading, clearing and settlement, down to custody of securities. Furthermore, IT services are provided and market data distributed. For details regarding internal organisation and reporting see [note 35](#).

Basis of reporting

The 2014 consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs) and the related interpretations issued by the International Financial Reporting Standards Interpretations Committee (IFRIC), as adopted by the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards.

The mandatory effective date of IFRIC 21 for companies within the EU was changed to 17 June 2014. This represents a departure from the original version, which requires application for financial years beginning on or after 1 January 2014. As at 31 December 2014, there were no effective standards or interpretations not yet adopted by the European Union that could affect the consolidated financial statements.

The disclosures required in accordance with Handelsgesetzbuch (HGB, German Commercial Code) section 315a (1) have been presented in the notes to the consolidated financial statements and the [remuneration report](#), which forms part of the combined management report. The consolidated financial statements are also based on the interpretations issued by the Rechnungslegungs Interpretations Committee (RIC, Accounting Interpretations Committee) of the Deutsches Rechnungslegungs Standards Committee e.V. (Accounting Standards Committee of Germany), to the extent that these do not contradict the standards and interpretations issued by the IFRIC or the IASB.

New accounting standards – implemented in the year under review

The following standards and interpretations issued by the IASB and adopted by the European Commission became effective for Deutsche Börse AG as at 1 January 2014 and were applied for the first time in the 2014 reporting period:

Amendments to IAS 32 – “Offsetting of Financial Assets and Financial Liabilities” (December 2011)

The IASB has revised the guidance for offsetting financial assets and financial liabilities and published the results in the form of amendments to IAS 32 “Financial Instruments: Presentation”.

The offsetting requirements laid down in IAS 32 have been retained in principle, and additional guidance has been provided for clarification. In this guidance, the IASB emphasises firstly that an unconditional, legally enforceable right of offsetting must exist, even if one of the parties involved is insolvent. Secondly, it lists illustrative criteria under which gross settlement of a financial asset and a financial liability nevertheless leads to offsetting. The additional guidance is effective retrospectively for financial years beginning on or after 1 January 2014. The amendments have been adopted by the EU on 13 December 2012.

The amendments to IAS 32 do not have any impact on Deutsche Börse AG’s consolidated financial statements.

New accounting standards – not yet implemented

The following standards and interpretations, which are relevant to Deutsche Börse Group and which Deutsche Börse Group did not adopt in 2014 prior to the effective date, have been published by the IASB prior to the publication of this corporate report and partially adopted by the European Commission.

IFRIC 21 “Levies” (May 2013)

IFRIC 21 addresses the accounting for outflows imposed on entities by governments, other than income taxes within the meaning of IAS 12 (income taxes or amounts collected on behalf of governments, in particular value added tax), and clarifies when obligations to pay these types of levies must be recognised as liabilities or provisions in the financial statements. Voluntary earlier application of the interpretation is permitted.

The Regulation adopting the Interpretation (EU endorsement) was published in the Official Journal of the EU on 14 June 2014. The mandatory effective date for companies within the EU was changed to 17 June 2014. This represents a departure from the original version, which requires application for financial years beginning on or after 1 January 2014.

Amendment to IAS 19 “Employee Benefits” (November 2013)

In future, there will be an option on how to account for contributions that employees are required to make to their defined benefit plans. The amendment permits employee contributions that are independent of the number of years of service to be attributed to the period in which the service is rendered. This results in a negative benefit being attributed to the corresponding period of service. Previously, employee contributions had been allocated to the defined benefit liability. The amendment must be applied for financial years beginning on or after 1 July 2014, and earlier application permitted. The amendment resulting from the “Annual Improvements Project 2012–2014” has not yet been adopted by the EU.

Amendments resulting from the “Annual Improvements Project 2010–2012” (December 2013)

Eight amendments affecting seven standards are planned. The amendments must be applied for financial years beginning on or after 1 July 2014. The amendments have been adopted by the EU on 17 December 2014.

Amendments resulting from the “Annual Improvements Project 2011–2013” (December 2013)

Four amendments affecting four standards are planned. The amendments must be applied for financial years beginning on or after 1 July 2014. The amendments have been adopted by the EU on 18 December 2014.

Amendment to IFRS 11 “Joint Arrangements – Acquisitions of Interests in Joint Operations” (May 2014)

The amendment clarifies that acquisitions of interests or additional interests in a joint operation that constitutes a business within the meaning of IFRS 3 must be accounted for in accordance with the principles of business combinations accounting in IFRS 3 and other applicable IFRSs, with the exception of those principles that conflict with the guidance in IFRS 11. The amendment must be applied for financial years beginning on or after 1 January 2016; earlier application is permitted. The amendments have not yet been adopted by the EU.

Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation” (May 2014)

The amendments clarify which methods are appropriate for depreciating property, plant and equipment and for amortising intangible assets. In particular, they clarify that revenue-based depreciation of property, plant and equipment is not appropriate at all, and that revenue-based amortisation of intangible assets is only permitted in defined exceptional circumstances. The amendment must be applied for financial years beginning on or after 1 January 2016; earlier application is permitted. The amendments have not yet been adopted by the EU.

IFRS 15 “Revenue from Contracts with Customers” (May 2014)

IFRS 15 contains guidance for recognising revenue from contracts with customers. According to these requirements, revenue must be recognised when the customer obtains control over the agreed goods and services and is able to derive benefits from them. The revenue should be recognised in an amount that reflects the consideration which the company expects to receive. The new guidance contained in IFRS 15 will replace the previous requirements of IAS 11 and IAS 18 in the future. The standard must be applied for financial years beginning on or after 1 January 2017; earlier application is permitted. The amendments have not yet been adopted by the EU.

IFRS 9 “Financial Instruments” (July 2014)

IFRS 9 introduces new requirements for the accounting and measurement of financial instruments. Following the issue of the final version of the standard by the IASB in July 2014, the new requirements will replace all previous requirements of IAS 39 in the future. The standard contains major new guidance relating to the classification and measurement of financial instruments, accounting for impairments of financial assets and hedge accounting. The standard is effective for financial years beginning on or after 1 January 2018. The amendments have not yet been adopted by the EU.

Amendments resulting from the “Annual Improvements Project 2012–2014” (September 2014)

Four amendments affecting four standards are planned. The amendments must be applied for financial years beginning on or after 1 January 2016. The amendments have not yet been adopted by the EU.

Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” (September 2014)

The amendments to the two standards are based on the existing requirements relating to transactions with an associate or joint venture. In line with these, gains or losses on transactions relate exclusively to assets that do not constitute a business, i.e. the extent to which any gain or loss is recognised depends on whether the assets transferred constitute a business (amendments to IAS 28). At the same time, the requirements relating to gain or loss recognition in accordance with IFRS 10 were also amended. According to this amendment, the gain or loss is recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interest in the associate or joint venture. The amendment must be applied for financial years beginning on or after 1 January 2016; earlier application is permitted. The amendments to the standards have not yet been adopted by the EU.

Amendments to IAS 1 “Presentation of Financial Statements – Disclosure Initiative” (December 2014)

The amendments to IAS 1 are aimed at improving financial reporting disclosures in the notes. Among other things, they emphasise more clearly the concept of materiality, define new requirements for the calculation of subtotals, allow for greater flexibility in the order in which disclosures in the notes are presented, introduce clearer presentation guidance for accounting policies and add requirements for presenting an entity’s share of other comprehensive income of associates and joint ventures in the statement of comprehensive income. The amendments must be applied for financial years beginning on or after 1 January 2016. The amendments have not yet been adopted by the EU.

Deutsche Börse Group cannot assess conclusively what the impact of the application of the new and amended standards will be at this stage. In addition to extended disclosure requirements, the initial application of IFRS 9, IFRS 15 and IAS 1 is expected to have an impact on the consolidated financial statements.

2. Basis of consolidation

Deutsche Börse AG’s equity interests in subsidiaries, associates and joint ventures as at 31 December 2014 included in the consolidated financial statements are presented in the following tables. Unless otherwise stated, the financial information in these tables is presented in accordance with the generally accepted accounting principles in the companies’ countries of domicile.

Fully consolidated subsidiaries (part 1)

Company	Domicile	Equity interest as at 31 Dec 2014 direct/(indirect) %
Börse Frankfurt Zertifikate Holding S.A. in liquidation	Luxembourg	100.00
Börse Frankfurt Zertifikate AG	Germany	100.00
Clearstream Holding AG	Germany	100.00
Clearstream International S.A.	Luxembourg	(100.00)
Clearstream Banking S.A.	Luxembourg	(100.00)
Clearstream Banking Japan, Ltd.	Japan	(100.00)
REGIS-TR S.A.	Luxembourg	(50.00)
Clearstream Banking AG	Germany	(100.00)
Clearstream Fund Services Ireland Ltd.	Ireland	(100.00)
Clearstream Global Securities Services Limited	Ireland	(100.00)
Clearstream Operations Prague s.r.o	Czech Republic	(100.00)
Clearstream Services S.A.	Luxembourg	(100.00)
LuxCSD S.A.	Luxembourg	(50.00)
Deutsche Boerse Asia Holding Pte. Ltd.	Singapore	100.00
Eurex Clearing Asia Pte. Ltd.	Singapore	(100.00)
Deutsche Börse Services s.r.o	Czech Republic	100.00
Deutsche Boerse Systems, Inc.	USA	100.00
Eurex Frankfurt AG	Germany	100.00
Eurex Clearing AG	Germany	(100.00)
Eurex Clearing Security Trustee GmbH	Germany	(100.00)
Eurex Bonds GmbH	Germany	(79.44)
Eurex Repo GmbH	Germany	(100.00)
U.S. Exchange Holdings, Inc.	USA	(100.00) ⁶⁾
Eurex Services GmbH	Germany	(100.00)
International Securities Exchange Holdings, Inc.	USA	(100.00)
ETC Acquisition Corp.	USA	(100.00)
International Securities Exchange, LLC	USA	(100.00)
ISE Gemini, LLC	USA	(100.00)
Longitude LLC	USA	(100.00)
Longitude S.A.	Luxembourg	(100.00)
Eurex Global Derivatives AG	Switzerland	100.00
Eurex Zürich AG	Switzerland	(100.00) ⁸⁾
European Energy Exchange AG	Germany	(62.82)
Cleartrade Exchange Pte. Limited	Singapore	(32.48)
Cleartrade Exchange (UK) Limited	United Kingdom	(32.48)
EGEX European Gas Exchange GmbH	Germany	(62.82)
European Commodity Clearing AG	Germany	(61.88)
European Commodity Clearing Luxembourg S.à r.l.	Luxembourg	(61.88)
EEX Power Derivatives GmbH	Germany	(50.26)
Global Environmental Exchange GmbH	Germany	(62.82)

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

2) Before profit transfer or loss absorption

3) Consists of interest and commission results due to the business operations

4) Preliminary figures

5) Thereof income from profit pooling agreements with their subsidiaries amounting to €31,459 thousand is included.

6) Thereof 15 per cent directly and 85 per cent indirectly held via Eurex Frankfurt AG

7) Shortened financial year from 16 December to 31 December 2014

8) Thereof 50 per cent directly and 50 per cent indirectly held via Eurex Global Derivatives AG

Currency	Ordinary share capital thousands	Equity ¹⁾ thousands	Total assets thousands	Sales revenue 2014 thousands	Net profit/loss 2014 thousands	Initially consolidated
€	50	11	0	0	4,796	1 July 2013
€	140	6,794	11,274	20,349	2,572	1 July 2013
€	101,000	2,209,971	2,284,180	0	72,899 ²⁾	2007
€	25,000	1,048,723	1,093,154	63,923	134,155	2002
€	92,000	1,017,349	12,806,563	409,349 ³⁾	151,423	2002
JPY	6,500	42,419	70,139	99,192	9,352	2009
€	3,600	1,177	7,085	7,868	2,871	2010
€	25,000	331,984	1,818,014	278,632 ³⁾	82,780	2002
€	4,000	4,194	9,893	0	6	2012
€	5,000 ⁴⁾	5,116 ⁴⁾	9,747 ⁴⁾	17,701 ⁴⁾	1,078 ⁴⁾	3 Oct 2014
CZK	160,200	228,694 ⁴⁾	287,572 ⁴⁾	302,272 ⁴⁾	-9,761 ⁴⁾	2008
€	30,000	93,615 ⁴⁾	142,301 ⁴⁾	216,687 ⁴⁾	6,404 ⁴⁾	2002
€	6,000	5,078	5,676	761	68	2010
€	0	13,901	14,725	353	99	14 Nov 2013
€	0	10,046	10,599	678	46	14 Nov 2013
CZK	200	153,088	257,455	666,439	36,325	2006
US\$	400	3,029	3,700	8,544	89	2000
€	6,000	1,116,554	1,281,595	0	66,163 ⁵⁾	1998
€	25,000	289,813	22,470,559	0 ³⁾	1,454 ²⁾	1998
€	25	77	87	0	1	15 Oct 2013
€	3,600	9,536	11,622	3,815	1,289	2001
€	100	2,550	20,174	19,062	14,957 ²⁾	2001
US\$	1,000	2,817,008	2,916,761	0	126,622	2003
€	25 ⁷⁾	100 ⁷⁾	100 ⁷⁾	0 ⁷⁾	900 ⁷⁾	2007
US\$	0	1,654,653	2,050,360	0	94,485	2007
US\$	0	3,935	3,939	150	150	2007
US\$	0	128,079	234,866	253,680	44,973	2007
US\$	3,000	5,528	14,127	79,361	6,547	5 Aug 2013
US\$	0	2,200	2,588	3,935	298	2007
€	1,500	1,175	2,549	1,384	-671	2012
CHF	100	448,839	463,713	129,943	97,092	2012
CHF	10,000	351,412	389,923	47,590	-25	1998
€	40,050 ⁴⁾	57,266 ⁴⁾	71,244 ⁴⁾	7,129 ⁴⁾	7,214 ⁴⁾	1 Jan 2014
US\$	16,500 ⁴⁾	5,655 ⁴⁾	6,092 ⁴⁾	2,399 ⁴⁾	-2,895 ⁴⁾	1 Jan 2014
GBP	0 ⁴⁾	57 ⁴⁾	115 ⁴⁾	386 ⁴⁾	28 ⁴⁾	1 Jan 2014
€	100	2,046	2,636	4,161	0	1 Jan 2014
€	1,015	53,036	759,751	37,137	13,178	1 Jan 2014
€	13 ⁴⁾	47 ⁴⁾	67,643 ⁴⁾	19,346 ⁴⁾	33 ⁴⁾	1 Jan 2014
€	125	6,018	14,776	23,395	0	1 Jan 2014
€	50	48	2,668	1,491	0	1 Jan 2014

Fully consolidated subsidiaries (part 2)

Company	Domicile	Equity interest as at 31 Dec 2014 direct/(indirect) %
Finnovation S.A.	Luxembourg	100.00
Impendium Systems Ltd	United Kingdom	100.00
Infobolsa S.A.	Spain	50.00
Difubolsa, Serviços de Difusão e Informação de Bolsa, S.A.	Portugal	(50.00)
Infobolsa Deutschland GmbH	Germany	(50.00)
Open Finance, S.L.	Spain	(40.50)
Market News International Inc.	USA	100.00
MNI Financial and Economic Information (Beijing) Co. Ltd.	China	(100.00)
Need to Know News, LLC	USA	(100.00)
Risk Transfer Re S.A.	Luxembourg	100.00
STOXX Ltd.	Switzerland	50.10
Tradegate Exchange GmbH	Germany	78.72 ²⁾

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

2) Thereof 3.72 per cent indirectly held via Tradegate AG Wertpapierhandelsbank

As at 31 December 2014, Deutsche Börse AG held 50 per cent of the voting rights of Infobolsa S.A., Madrid, Spain. The key decision-making body of Infobolsa S.A. is the Board of Directors, where the chairman's casting vote gives Deutsche Börse AG the majority of the votes.

Deutsche Börse AG indirectly holds 50 per cent of the voting rights in LuxCSD S.A., Luxembourg. Since Deutsche Börse's subsidiary Clearstream International S.A., Luxembourg, which holds 50 per cent of the voting rights, has the right to appoint the chairman of the supervisory board, who also has a casting vote, there is a presumption of control.

Moreover, Deutsche Börse AG indirectly holds 50 per cent of the voting rights in REGIS-TR S.A., Luxembourg. Since Deutsche Börse's subsidiary Clearstream Banking S.A., which holds 50 per cent of the voting rights, has the right to appoint the chairman of the supervisory board, who in turn has a casting vote, there is a presumption of control.

Changes to consolidated subsidiaries

	Germany	Foreign	Total
As at 1 January 2014	11	31	42
Additions	5	5	10
As at 31 December 2014	16	36	52

Currency	Ordinary share capital thousands	Equity ¹⁾ thousands	Total assets thousands	Sales revenue 2014 thousands	Net profit/loss 2014 thousands	Initially consolidated
€	156,400	141,909	175,140	48,692	10,458	2008
GBP	6,802	3,794	4,706	2,343	-3,405	10 Jan 2014
€	331	11,560	13,087	8,568	275	2002
€	50	170	204	135	6	2002
€	100	1,502	1,516	154	105	2003
€	4	970	1,944	2,723	218	2011
US\$	27	27,200	22,501	19,669	127	2009
US\$	0	270	287	650	12	2011
US\$	4,193	0	1,322	4,995	313	2009
€	1,225	1,225	11,576	1,581	0	2004
CHF	1,000	102,247	120,311	108,246	34,391	2009
€	500	1,137	1,567	2,015	826	2010

Effective 10 January 2014, Deutsche Börse AG acquired a 100 per cent interest in Impendium Systems Ltd, domiciled in London, United Kingdom, for a purchase price of £3.2 million plus an earn-out component of a fair value amounting to £5.2 million. Goodwill of £7.9 million resulted from this transaction. As Deutsche Börse AG is the only shareholder, there is a presumption of control in accordance with IFRS 10. The subsidiary has been included in full in the consolidated financial statements since the first quarter of 2014.

On 16 April 2014, Clearstream International S.A., Luxembourg, signed an agreement to acquire all of the shares of Clearstream Global Securities Services Limited, Cork, Ireland, (CGSS, formerly Citco Global Securities Services Ltd., until 3 October 2014) as well as further intangible assets in order to expand its hedge fund services for financial institutions. The total purchase price for the assets acquired, including the interest in CGSS, amounted to €47.2 million. Effective 3 October 2014, Clearstream International S.A. acquired control over the wholly owned subsidiary in accordance with IFRS 10. It has been included in full in the consolidated financial statements since that date. Goodwill resulting from this acquisition reflects mainly the expected revenue-related synergies with existing and potential customers in the custody business as well as expected synergies in the form of uniform IT systems.

The preliminary allocation of the purchase price to the acquired assets and liabilities is shown in the following table:

Goodwill resulting from the business combination with
Clearstream Global Securities Services Limited

	Preliminary goodwill calculation 3 Oct 2014 €m
Consideration transferred	47.2
Acquired assets and liabilities	
Customer relationships	16.0
Software	10.0
Database	6.0
Other assets and liabilities	0.1
Total assets and liabilities acquired	32.1
Goodwill (partly tax-deductible)	15.1

By fully including CGSS in the consolidated financial statements, sales revenue increased by €5.9 million and earnings before tax (EBT) increased by €0.5 million. A presentation of effects on the reporting period that may result, if the acquisition had taken place on 1 January 2014, has been omitted for reasons of practicability.

On 1 July 2014, Infobolsa S.A., Madrid, Spain, acquired an additional 19 per cent interest in Open Finance, S.L., Madrid, Spain, for a purchase price of €0.5 million, increasing its interest to a total of 81 per cent. Open Finance, S.L. continues to be included in full in the consolidated financial statements as Infobolsa S.A. meets all of the requirements in IFRS 10.7.

Since the chairman of the supervisory board of European Energy Exchange AG, Leipzig, Germany, (EEX), provided by Eurex Zürich AG, has a casting vote on the EEX supervisory board as from 1 January 2014, Eurex Zürich AG has exercised control over EEX since that date. Consequently, EEX has been fully consolidated in Deutsche Börse AG's consolidated financial statements since that date. By gaining control over EEX, cooperation with Deutsche Börse Group shall be intensified and the presence of Deutsche Börse Group on commodity markets shall be strengthened. The purchase price allocation for EEX was adjusted as at 30 September 2014 during the measurement period. In the third quarter 2014, the

fair value of the financial assets was adjusted (see [note 3](#)) and the assessment of the fair value of the shares of EEX that had been held by Eurex Zürich AG before control was obtained was revised. The previously assumed fair value of €139.4 million as at the date of acquisition increased to €150.0 million. The resulting gain of €10.6 million is reported under the result from equity investments (see [note 8](#)). The goodwill resulting from the acquisition reflects expected synergies in the form of uniform IT systems, product development and general administration as well as an improved market efficiency.

The adjusted purchase price allocation is presented in the following table:

Goodwill resulting from the business combination with European Energy Exchange AG

	Corrected goodwill calculation 1 Jan 2014 €m
Consideration transferred	
Fair value of equity interest held before taking control over European Energy Exchange AG	150.0
Acquired bank balances	-61.5
Total consideration	88.5
Acquired assets and liabilities	
Customer relationships	69.8
Other intangible assets	12.9
Financial assets	69.0
Other non-current assets	1.4
Deferred tax assets	4.8
Other current assets	83.9
Deferred tax liabilities on temporary differences	-23.8
Other non-current liabilities	-1.1
Other current liabilities	-80.6
Remeasurement of non-controlling interests	-81.1
Total assets and liabilities acquired	55.2
Goodwill (not tax-deductible)	33.3

The following table summarises the main financial information of associates and joint ventures; the data comprise the totals of each company according to the respective local GAAP and not proportional values from the view of Deutsche Börse Group.

Associates and joint ventures

Company	Domicile	Segment	Equity interest as at 31 Dec 2014 direct/(indirect) %
Joint ventures			
Bondcube Limited	United Kingdom	Xetra	30.00
Associates			
BrainTrade Gesellschaft für Börsensysteme mbH	Germany	Xetra	(28.58) ²⁾
Deutsche Börse Cloud Exchange AG ^{3) 4)}	Germany	Eurex	(64.68) ⁵⁾
Deutsche Börse Commodities GmbH	Germany	Xetra	16.20
Digital Vega FX Ltd	United Kingdom	Eurex	11.53
EPEX Spot SE	France	Eurex	(31.41)
European Market Coupling Company GmbH i.L.	Germany	Eurex	(12.56)
Global Markets Exchange Group International LLP	United Kingdom	Eurex	28.57
Hanweck Associates, LLC	USA	Eurex	(26.44)
Indexium AG	Switzerland	Market Data + Services	49.90
Index Marketing Solutions Limited	United Kingdom	Eurex	(16.24)
Phineo gAG	Germany	Xetra	12.00 ¹⁰⁾
R5FX Ltd	United Kingdom	Eurex	30.00
The Options Clearing Corporation	USA	Eurex	(20.00)
Tradegate AG Wertpapierhandelsbank ¹²⁾	Germany	Xetra	14.86
Zimory GmbH	Germany	Eurex	30.03 ¹³⁾

1) Preliminary figures

2) Thereof 14.29 per cent held directly and 14.29 per cent indirectly via Börse Frankfurt Zertifikate AG

3) There was no control in financial year 2014.

4) Deutsche Börse Cloud Exchange AG is part of the Zimory GmbH subgroup.

5) Thereof 49.9 per cent held directly and 14.78 per cent indirectly via Zimory GmbH

6) Shortened financial year; period ended 30 November 2014

7) The financials refer to the shortened financial year from 13 June 2014 to 31 December 2014.

8) Value of equity

9) The financials refer to the shortened financial year from 1 September 2012 to 31 August 2013.

10) In addition, Deutsche Börse AG holds an interest in Phineo Pool GbR, Berlin, Germany, which holds a 48 per cent stake in Phineo gAG.

11) Figures as at 31 December 2013

12) As at the balance sheet date, the fair value of the stake in the listed company amounted to €21.1 million.

13) Voting rights

	Currency	Ordinary share capital thousands	Assets thousands	Liabilities thousands	Sales revenue 2014 thousands	Net profit/loss 2014 thousands	Associate since
	GBP	2 ¹⁾	235 ¹⁾	332 ¹⁾	0 ¹⁾	-2,200 ¹⁾	10 Feb 2014
	€	1,400	4,391	2,749	7,668	162	1 July 2013
	€	50	6,458	189	1	-2,745	17 May 2013
	€	1,000	1,563,375	1,560,183	3,630	726	2007
	GBP	72 ^{6) 8)}	879 ⁶⁾	807 ⁶⁾	314 ⁶⁾	-425 ⁶⁾	2011
	€	4,973 ¹⁾	34,084 ¹⁾	8,407 ¹⁾	50,730 ¹⁾	16,691 ¹⁾	1 Jan 2014
	€	100 ⁷⁾	2,084 ⁷⁾	260 ⁷⁾	0 ⁷⁾	-116 ⁷⁾	1 Jan 2014
	GBP	4,026	74,266 ¹⁾	173 ¹⁾	3,659 ¹⁾	1,344 ¹⁾	24 Oct 2013
	US\$	-901 ⁸⁾	1,502	2,403	4,516	-168	2010
	CHF	100	23,441	27,217	8,139	838	2009
	GBP	0 ⁹⁾	60 ⁹⁾	61 ⁹⁾	0 ⁹⁾	-1 ⁹⁾	1 Jan 2014
	€	50	2,058 ¹⁾	99 ¹⁾	506 ¹⁾	226 ¹⁾	2010
	GBP	1	1,962	40	0	-226	1 Oct 2014
	US\$	600 ¹¹⁾	4,334,162 ¹¹⁾	4,308,721 ¹¹⁾	169,142 ¹¹⁾	1,571 ¹¹⁾	2007
	€	24,403	56,542	31,319	35,724	5,511	2010
	€	263	7,535	110	1,692	-3,619	17 May 2013

Furthermore, interests in EPEX Spot SE, Paris, France, and in European Market Coupling Company GmbH i.L., Hamburg, Germany, have been purchased in the framework of gaining control over EEX, effective 1 January 2014. EPEX Spot SE is the exchange for the power spot markets covering Germany, France, Austria and Switzerland; within EPEX Spot SE the strategic initiatives of EEX and Powernext SA have been integrated.

Following completion of the business combination agreement between Direct Edge Holdings, LLC, Jersey City, New Jersey, USA, and BATS Global Markets, Inc., Lenexa, Kansas, USA, on 31 January 2014, former Direct Edge Holdings, LLC has no longer been accounted as an associate. There is no significant influence on its legal successor BATS Global Markets, Inc. in which International Securities Exchange Holdings, Inc., New York, USA, holds a 9.5 per cent interest.

On 10 February 2014, Deutsche Börse AG acquired a 15 per cent interest in Bondcube Limited, registered in England and Wales, United Kingdom. A further 15 per cent of the shares of Bondcube Limited were acquired on 31 July 2014. The exercise price for each tranche was £1.0 million. Total goodwill of £1.6 million resulted from these two transactions. Deutsche Börse AG is currently only able to exercise control over Bondcube Limited jointly with the company's founders, so the company has been classified as a joint venture and is accounted for using the equity method in accordance with IFRS 11.

Deutsche Börse AG sold its 25.01 per cent interest in ID's SAS, Paris, France, effective 30 July 2014.

On 28 October 2014, Deutsche Börse AG acquired a 30 per cent voting interest in R5FX Ltd, London, United Kingdom, for a price of £2.0 million. As Deutsche Börse AG exercises significant influence within the meaning of IAS 28.6 (a) by virtue of its membership of the Board of Directors, R5FX Ltd has been classified as an associate and is accounted for using the equity method.

Effective 15 December 2014, Deutsche Börse AG exercised its purchase options under the share purchase and acquisition agreement with Berliner Effktengesellschaft AG, Berlin, Germany. Through this transaction, it acquired a total of 2,418,096 shares in Tradegate AG Wertpapierhandelsbank, Berlin, Germany, (Tradegate AG), at a total price of €8.5 million; Tradegate AG holds 25 per cent of the consolidated company Tradegate Exchange GmbH, Berlin, Germany. As a result, Deutsche Börse AG increased its interest to a total of 14.86 per cent. Since Deutsche Börse AG exercises significant influence within the meaning of IAS 28, Tradegate AG continues to be classified as an associate and is accounted for using the equity method.

Effective 1 January 2015, European Energy Exchange AG, Leipzig, Germany, (EEX) acquired an interest of 53.34 per cent in Powernext SA, Paris, France, in exchange for 36.75 per cent of the shares of EPEX Spot SE, Paris, France. Since then, all natural gas activities of EEX group have been bundled within Powernext SA; EEX increased its interest in Powernext SA to 55.8 per cent as a result of this transaction. As at the reporting date the preliminary purchase price allocation resulted in total goodwill of €14.3 million, which mainly reflects synergies resulting from transfer of fully owned gas exchange business to Powernext SA. As Powernext SA in turn holds 50 per cent of EPEX Spot SE, EEX at the same time obtained a controlling interest in EPEX Spot SE. Both subsidiaries have been included in full in the consolidated financial statements since 1 January 2015. If both companies had already been consolidated as at 1 January 2014, sales revenue would have increased by €56.0 million and earnings before tax (EBT) would have increased by €14.4 million.

The following assets and liabilities were identified during purchase price allocation, which had not been completed at the time these consolidated financial statements were prepared:

Goodwill resulting from the business combination with
Powernext SA and EPEX Spot SE

	Preliminary goodwill calculation 1 Jan 2015 €m
Consideration transferred	
Fair value of transferred equity interest in EPEX Spot SE	45.3
Acquired bank balances	-40.1
Total consideration	5.2
Acquired assets and liabilities	
Customer relationships	98.9
Trade names	6.2
Other intangible assets	2.6
Financial assets	0.4
Other non-current assets	0.9
Deferred tax assets	1.2
Other current assets	14.2
Liabilities	-13.7
Deferred tax liabilities on temporary differences	-35.2
Remeasurement of non-controlling interests	-84.6
Total assets and liabilities acquired	-9.1
Goodwill (not tax-deductible)	14.3

Moreover, on 1 January 2015, European Energy Exchange AG, Leipzig, Germany, acquired 50 per cent of the shares of Gaspoint Nordic A/S, Brøndby, Denmark, for a price of €600 thousand. The purchase price includes goodwill amounting to €280 thousand. As EEX exercises significant influence within the meaning of IAS 28, Gaspoint Nordic A/S has been classified as an associate and accounted for using the equity method since 1 January 2015.

Where Deutsche Börse Group's share of the voting rights in a company amounts to less than 20 per cent, Deutsche Börse Group's significant influence is exercised in accordance with IAS 28.6 (a) through the Group's representation on the supervisory board or the board of directors of the following companies as well as through corresponding monitoring systems:

- Deutsche Börse Commodities GmbH, Frankfurt/Main, Germany
- Digital Vega FX Ltd, London, United Kingdom
- EPEX Spot SE, Paris, France
- European Market Coupling Company GmbH i.L., Hamburg, Germany
- Index Marketing Solutions Ltd, London, United Kingdom
- Phineo gAG, Berlin, Germany

3. Summary of key accounting policies

Deutsche Börse AG's consolidated financial statements have been prepared in euros, the functional currency of Deutsche Börse AG. Unless stated otherwise, all amounts are shown in millions of euros (€m). Due to rounding, the amounts may differ from unrounded figures.

The annual financial statements of subsidiaries included in the consolidated financial statements have been prepared on the basis of the Group-wide accounting principles based on IFRSs that are described in the following. They were applied consistently to the periods shown.

Correction according to IAS 8

On [page 209 of the 2013 corporate report](#), it was reported that financial assets of €44.8 million were identified during the purchase price allocation of European Energy Exchange AG (EEX) and its subsidiaries as at 1 January 2014. The fair value of these financial investments was €69.0 million at the acquisition date. In relation to the 2013 corporate report, the changes only affect the presentation of the purchase price allocation (for information on the changed presentation [see note 2](#)).

Recognition of revenue and expenses

Trading, clearing and settlement fees are recognised on the trade day and billed on a monthly basis. Custody revenue and revenue for systems development and systems operation are generally recognised ratably and billed on a monthly basis. Sales of price information are billed on a monthly basis. Fees charged to trading participants in connection with International Securities Exchange, LLC's and ISE Gemini LLC's expenses for supervision by the U.S. Securities and Exchange Commission (SEC) are recognised at the settlement date.

International Securities Exchange, LLC and ISE Gemini, LLC earn market data revenue from the sale of trade and quote information on options through the Options Price Reporting Authority, LLC (OPRA, the regulatory authority responsible for distributing market data revenues among the US options exchanges). Pursuant to SEC regulations, US exchanges are required to report trade and quote information to OPRA. International Securities Exchange, LLC and ISE Gemini, LLC earn a portion of the income of the US option exchange association based on its share of eligible trades for option securities. Revenue is recorded as transactions occur on a trade date basis and is collected quarterly.

As a rule, rebates are deducted from sales revenue.

The item "volume-related costs" comprises expenses that depend on the number of certain trade or settlement transactions, or on the custody volume, the Global Securities Financing volume, or the volume of market data acquired, or that result from revenue sharing agreements or maker-taker pricing models. Volume-related costs no longer occur if the corresponding revenue is no longer generated.

Interest income and expenses are recognised using the effective interest method over the respective financial instrument's term to maturity. Interest income is recognised when it is probable that the eco-

conomic benefits associated with the transaction will flow to the entity and the income can be measured reliably. Interest expenses are recognised as an expense in the period in which they are incurred. Interest income and expenses from banking business are netted in the consolidated income statement and disclosed separately in [note 4](#).

Dividends are recognised in the result from equity investments if the right to receive payment is based on legally assertable claims.

The consolidated income statement is structured using the nature-of-expense method.

Research and development costs

Research costs are expensed in the period in which they are incurred. The development costs of an asset are only capitalised if they can be reliably estimated, if all definition criteria of an asset are met and if the future economic benefits resulting from capitalising the development costs can be demonstrated. These development costs include direct labour costs, costs of purchased services and workplace costs, including proportionate overheads that can be directly attributed to the preparation of the respective asset for use, such as costs for the software development environment. Development costs that do not meet the requirements for capitalisation are recognised in the consolidated income statement. Interest expense that cannot be allocated directly to one of the developments is recognised in profit or loss in the year under review and not included in capitalised development cost. If research and development costs cannot be separated, the expenditures are recognised as expenses in the period in which they are incurred.

All development costs (both primary costs and costs incurred subsequently) are allocated to projects. The projects are broken down into the following phases in order to decide which cost components need capitalising and which do not:

Phases not eligible for capitalisation

1. Design

- Definition of product design
- Specification of the expected economic benefit
- Initial cost and revenue forecast

Phases eligible for capitalisation

2. Detailed specifications

- Compilation and review of precise specifications
- Troubleshooting process

3. Building and testing

- Software programming
- Product testing

Phases not eligible for capitalisation

4. Acceptance

- Planning and implementation of acceptance tests

5. Simulation

- Preparation and implementation of simulation
- Compilation and testing of simulation software packages
- Compilation and review of documents

6. Roll-out

- Planning of product launch
- Compilation and dispatch of production systems
- Compilation and review of documents

In accordance with IAS 38, only expenses belonging to the “detailed specifications” and “building and testing” phases are capitalised. All other phases of software development projects are expensed.

Intangible assets

Capitalised development costs are amortised from the date of first use of a software using the straight-line method over its expected useful life. The useful life of internally developed software is generally assumed to be five years; a useful life of seven years is used as the basis in the case of newly developed trading platforms and clearing systems.

Purchased software is carried at cost and reduced by systematic amortisation and, where necessary, impairment losses. Amortisation is charged using the straight-line method over the expected useful life or at most until the right of use has expired.

Useful life of software

Asset	Amortisation period
Standard software	3 to 10 years
Purchased custom software	3 to 6 years
Internally developed custom software	3 to 7 years

Intangible assets are derecognised on disposal or when no further economic benefits are expected to flow from them.

The amortisation period for intangible assets with finite useful lives is reviewed at least at the end of each financial year. If the expected useful life of an asset differs from previous estimates, the amortisation period is adjusted accordingly.

Goodwill is recognised at cost and tested at least once a year for impairment.

The cost of the other intangible assets mostly acquired in the course of business combinations corresponds to the fair value as at the acquisition date. Assets with a finite useful life are amortised using the straight-line method over the expected useful life. Assets with an indefinite useful life are tested for impairment at least once a year.

Useful life of other intangible assets by business combinations

	Exchange licences	Trade names	Member and customer relationships	Miscellaneous intangible assets
ISE	indefinite	10 years	30 years	2 to 12 years
STOXX	–	indefinite	12 years	3 to 5 years
EEX	indefinite	indefinite	16 years	–
CGSS	–	–	20 years	8 years
Other	indefinite	–	8 to 10 years	3 to 20 years

Since the exchange licences mentioned above have no time restricted validity and in addition there is the intention to maintain the licences within the general business strategies, an indefinite useful life is assumed. Moreover, it is assumed that the trade name of STOXX as well as certain registered trade names of EEX group have also an indefinite useful life. These umbrella brands have a markedly degree of recognition and are used within the operative business, therefore there are no indications to a limited useful life.

Property, plant and equipment

Depreciable property, plant and equipment is carried at cost less cumulative depreciation. The straight-line depreciation method is used. Costs of an item of property, plant and equipment comprise all costs directly attributable to the production process, as well as an appropriate proportion of production overheads. Financing costs were not recognised in the year under review, as they could not be directly allocated to any particular development.

Useful life of property, plant and equipment

Asset	Depreciation period
Computer hardware	3 to 5 years
Office equipment	5 to 25 years
Leasehold improvements	based on lease term

Repair and maintenance costs are expensed as incurred.

If it is probable that the future economic benefits associated with an item of property, plant and equipment will flow to the Group and the cost of the respective asset can be reliably determined, expenditure subsequent to acquisition is added to the carrying amount of the asset as incurred. The carrying amounts of the parts of the asset that have been replaced are derecognised.

Impairment losses on property, plant and equipment and intangible assets

Specific non-current non-financial assets are tested for impairment. At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. In this case, the carrying amount is compared with the recoverable amount (the higher of value in use and fair value less costs of disposal) to determine the amount of any potential impairment.

The value in use is estimated on the basis of the discounted estimated future cash flows from continuing use of the asset and from its ultimate disposal, before taxes. For this purpose, discount rates are estimated based on the prevailing pre-tax weighted average cost of capital. If no recoverable amount can be determined for an asset, it is allocated to a cash-generating unit, for which the recoverable amount is calculated.

Irrespective of any indications of impairment, intangible assets with indefinite useful lives and intangible assets not yet available for use must be tested for impairment annually at least. Impairment tests are performed where there are indications of impairment. If the estimated recoverable amount is lower than the carrying amount, an impairment loss is recognised, and the net carrying amount of the asset is reduced to its estimated recoverable amount.

Goodwill is allocated to identifiable groups of assets (cash-generating units) or groups of cash-generating units that create synergies from the respective acquisition. This corresponds to the lowest level at which Deutsche Börse Group monitors goodwill. An impairment loss is recognised if the carrying amount of the cash-generating unit to which goodwill is allocated (including the carrying amount of this goodwill) is higher than the recoverable amount of this group of assets. The impairment loss is first allocated to the goodwill, then to the other assets in proportion to their carrying amounts.

A review is conducted at every balance sheet date to see whether there is any indication that an impairment loss recognised on non-current assets (excluding goodwill) in the previous years no longer applies. If this is the case, the carrying amount of the asset is increased and the difference is recognised in profit or loss. The maximum amount of this reversal is limited to the carrying amount that would have resulted if no impairment loss had been recognised in previous periods. Impairment losses on goodwill are not reversed.

Fair value measurement

The fair value of a financial instrument is measured using quoted market prices, if available. If no quoted market prices are available, observable market prices, for example for interest rates or foreign exchange rates, are used. These observable market parameters are then used as inputs for financial valuation techniques, e.g. option pricing models or discounted cash flow models. In isolated instances, fair value is determined exclusively on the basis of internal measurement models.

Financial investments

Financial investments comprise investments in associates and joint ventures as well as financial assets.

Investments in associates and joint ventures are measured at cost on initial recognition and accounted for using the equity method upon subsequent measurement.

Financial assets

For Deutsche Börse Group, financial assets are, in particular, other equity investments, receivables and securities from banking business, other financial instruments and other loans, financial instruments of the central counterparties, receivables and other assets as well as bank balances.

Recognition of financial assets

Financial assets are recognised when a Group company becomes a party to the contractual provisions of the instrument. They are generally recognised at the trade date. Loans and receivables from banking business, available-for-sale financial assets from banking business as well as purchases and sales of equities via the central counterparty (i.e. Eurex Clearing AG) are recognised at the settlement date.

Financial assets are initially measured at fair value; in the case of a financial asset that is not measured at fair value through profit or loss in subsequent periods, this includes transaction costs. If they are settled within one year, they are allocated to current assets. All other financial assets are allocated to non-current assets.

Subsequent measurement of financial assets

Subsequent measurement of financial instruments follows the categories which are described below. As in previous years, Deutsche Börse Group did not take advantage of the option to allocate financial assets to the “held-to-maturity investments” category in the year under review. In addition, the Group waived the possibility to designate financial assets at fair value through profit and loss (fair value option). The financial assets are allocated to the respective categories at initial recognition.

Assets held for trading

Derivatives that are not designated as hedging instruments as well as financial instruments of the central counterparties are measured at fair value through profit or loss.

If resulting from banking business, realised and unrealised gains and losses are immediately recognised in the consolidated income statement as “other operating income”, “net interest income from banking business” and “other operating expenses” or, if incurred outside the banking business, as “financial income” and “financial expenses”.

Loans and receivables

Loans and receivables comprise in particular current and non-current receivables from banking business, trade receivables as well as other current receivables. They are recognised at amortised cost, taking into account any potential impairment losses, if applicable. Premiums and discounts are included in the amortised cost of the instrument concerned and are amortised using the effective interest method; they are contained in “net interest income from banking business” if they relate to banking business, or in “financial income” and “financial expense”.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits as well as financial assets that are readily convertible into cash. They are subject to only minor changes in value. Cash and cash equivalents are measured at amortised cost.

Restricted bank balances mainly include cash deposits by market participants which are invested largely overnight, mainly in the form of reverse repurchase agreements with banks.

Available-for-sale financial assets

Non-derivative financial assets are classified as “available-for-sale financial assets”, if they cannot be allocated to the “loans and receivables” and “assets held for trading” categories. These assets comprise debt and equity investments recognised in the “other equity investments” and “other financial instruments” items as well as debt instruments recognised in the current and non-current receivables and securities from banking business items.

Available-for-sale financial assets are generally measured at the fair value observable in an active market. Unrealised gains and losses are recognised directly in equity in the revaluation surplus. Impairment and effects of exchange rates on monetary items are excluded from this general rule; they are recognised in profit or loss.

Equity instruments for which no active market exists are measured on the basis of current comparable market transactions, if these are available. If an equity instrument is not traded in an active market and alternative valuation methods cannot be applied to that equity instrument, it is measured at cost, subject to an impairment test.

Realised gains and losses are generally recognised under financial income or financial expense. Interest income in connection with debt instruments in the banking business is recognised in the consolidated income statement in net interest income from banking business based on the effective interest rate method. Other realised gains and losses are recognised in the consolidated income statement in “other operating income” and “other operating expenses”.

If debt instruments in the banking business are hedged items in fair value hedges, the changes in fair value resulting from the hedged risk are recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows expire or when substantially all the risks and rewards of ownership of the financial assets are transferred.

Clearstream Banking S.A. acts as principal in securities borrowing and lending transactions in the context of the ASLplus securities lending system. Legally, it operates between the lender and the borrower without being an economic contracting partner (transitory items). In these transactions, the securities borrowed and lent match each other. Consequently, these transactions are not recognised in the consolidated balance sheet.

Impairment of financial assets

Financial assets that are not measured at fair value through profit or loss are reviewed at each balance sheet date to establish whether there is any indication of impairment.

Deutsche Börse Group has laid down criteria for assessing whether there is evidence of impairment. These criteria primarily include significant financial difficulties on the part of the debtor and breaches of contract. For equity instruments, the assessment also takes into account the duration and the amount of

the impairment compared with cost. If the decline in value amounts to at least 20 per cent of cost and lasts for at least nine months, or if the decline is at least 15 per cent of cost and lasts for at least six months, Deutsche Börse Group takes this to be evidence of impairment. An impairment might be triggered for debt instruments in case of a significant decline in the issuer's credit worthiness.

The amount of an impairment loss for a financial asset measured at amortised cost is the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. A subsequent reversal is recognised at a maximum at the carrying amount that would have resulted if no impairment loss had been recognised.

The amount of an impairment loss for a financial asset measured at cost (non-listed equity instruments) is the difference between the carrying amount and the present value of the estimated future cash flows, discounted at a current market interest rate. Subsequent reversal is not permitted.

In the case of available-for-sale financial assets, the impairment loss is calculated as the difference between cost and fair value. Any reduction in fair value already recognised in equity is reclassified to profit or loss upon determination of the impairment loss. A subsequent reversal may only be recognised for debt instruments if the reason for the original impairment loss no longer applies.

Financial liabilities

Financial liabilities relate primarily to interest-bearing liabilities, other liabilities, liabilities from banking business, financial instruments of the central counterparties, cash deposits by market participants as well as trade payables. They are recognised when a Group company becomes a contracting party to the instrument.

They are generally recognised at the trade date. Purchases and sales of equities via the central counterparty Eurex Clearing AG are recognised at the settlement date.

Netting of financial assets and liabilities

Financial assets and liabilities are offset and only the net amount is presented in the consolidated balance sheet when a Group company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial liabilities not measured at fair value through profit and loss

Financial liabilities not held for trading are carried at amortised cost. These liabilities comprise issued bonds and private placements. The borrowing costs associated with the placement of financial liabilities are included in the carrying amount, within the framework of the effective interest method, if they are directly attributable. Discounts reduce the carrying amount of liabilities and are amortised over the term of the liabilities.

Financial liabilities measured at fair value through profit and loss

A forward transaction with a non-controlling shareholder for the acquisition of non-controlling interests that is settled in cash or by delivering other financial assets is a financial liability recognised at fair value.

It is subsequently measured at fair value through profit and loss. The equity interest attributable to a non-controlling shareholder underlying the transaction is accounted for as if it had already been acquired at the time of the transaction.

Derivatives and hedges

Derivatives are used to hedge interest rate risk or foreign exchange risk. All derivatives are carried at their fair values.

Hedge accounting is used for derivatives that are part of a hedging relationship determined to be highly effective and for which certain conditions are met. This relates in particular to the documentation of the hedging relationship and the risk strategy and to how reliably the effectiveness can be measured.

Cash flow hedges

The portion of the gain or loss on the hedging instrument determined to be highly effective is recognised directly in equity. This gain or loss ultimately adjusts the value of the hedged cash flow, i.e. the gain or loss from the hedging instrument is recognised in profit or loss when the hedged item is recognised in the balance sheet or in profit or loss. The ineffective portion of the gain or loss is recognised immediately in the consolidated income statement.

Fair value hedges

The gain or loss on the hedging instrument, together with the gain or loss on the hedged item (underlying) attributable to the hedged risk, is recognised immediately in the consolidated income statement. Any gain or loss on the hedged item adjusts its carrying amount.

Hedges of a net investment in a foreign operation

The effective portion of the gain or loss from a hedging transaction that is designated as a highly effective hedge is recognised directly in equity. It is recognised in profit or loss when the foreign operation is sold. The ineffective portion of the gain or loss is recognised immediately in the consolidated income statement.

Derivatives that are not part of a hedging relationship

Gains or losses on derivative instruments that are not part of a highly effective hedging relationship are recognised immediately in the consolidated income statement.

Financial instruments of the central counterparties

European Commodity Clearing AG or Eurex Clearing AG act as the central counterparty in each case.

- European Commodity Clearing AG guarantees the settlement of spot and derivatives transactions on European Energy Exchange AG and Powernext SA.
- Eurex Clearing AG guarantees the settlement of all transactions involving futures and options on the Eurex exchanges (Eurex Deutschland and Eurex Zürich AG). It also guarantees the settlement of all transactions for Eurex Bonds (bond trading platform) and Eurex Repo (repo trading platform), certain exchange transactions in equities on Frankfurter Wertpapierbörse (FWB, the Frankfurt Stock Exchange)

and certain cash market transactions on the Irish Stock Exchange. Eurex Clearing AG also guarantees the settlement of off-order book trades entered for clearing in the trading systems of the Eurex exchanges, Eurex Bonds, Eurex Repo, the Frankfurt Stock Exchange and the Irish Stock Exchange. In addition, Eurex Clearing AG clears OTC interest rate derivatives and securities lending transactions, where these meet the specified novation criteria.

These transactions of the two clearing houses are only executed between Eurex Clearing AG or European Commodity Clearing AG and a clearing member.

In accordance with IAS 39, purchases and sales of equities and bonds via the central counterparty of the Eurex Clearing AG are recognised and simultaneously derecognised at the settlement date.

For products that are marked to market (futures, options on futures as well as OTC interest-rate derivatives), the clearing houses recognise gains and losses on open positions of clearing members on each exchange day. By means of the variation margin, profits and losses on open positions resulting from market price fluctuations are settled on a daily basis. The difference between this and other margin types is that the variation margin does not comprise collateral, but is a daily offsetting of profits and losses in cash. In accordance with IAS 39, futures and OTC interest rate derivatives are therefore not reported in the consolidated balance sheet. For future-style options, the option premium is not required to be paid in full until the end of the term or upon exercise. Option premiums are carried in the consolidated balance sheet as receivables and liabilities at their fair value on the trade date.

“Traditional” options, for which the buyer must pay the option premium in full upon purchase, are carried in the consolidated balance sheet at fair value. Fixed-income bond forwards are recognised as derivatives and carried at fair value until the settlement date. Receivables and liabilities from repo transactions and from cash-collateralised securities lending transactions are classified as held for trading and carried at fair value. Receivables and liabilities from variation margins and cash collateral that is determined on the reporting date and only paid on the following day are carried at their nominal amount.

The “financial instruments of the central counterparties” are reported as non-current if the remaining maturity of the underlying transactions exceeds twelve months at the reporting date.

The fair values recognised in the consolidated balance sheet are based on daily settlement prices. These are calculated and published by Eurex Clearing AG and European Commodity Clearing AG in accordance with the rules set out in the contract specifications (see also the [clearing conditions of Eurex Clearing AG](#) and the [clearing conditions of European Commodity Clearing AG](#)).

Cash or securities collateral of the central counterparties

As Eurex Clearing AG and European Commodity Clearing AG guarantee the settlement of all traded contracts, they have established multi-level collateral systems. The central pillar of the collateral systems is the determination of the overall risk per clearing member (margin) to be covered by cash or securities collateral. Losses calculated on the basis of current prices and potential future price risks are covered up to the date of the next collateral payment.

In addition to these daily collateral payments, each clearing member must make contributions to the respective clearing fund (for further details, see the [risk report in the combined management report](#)). Cash collateral is reported in the consolidated balance sheet under “cash deposits by market participants” and the corresponding amounts under “restricted bank balances”.

In accordance with IAS 39.20 (b) in conjunction with IAS 39.37, securities collateral is not de-recognised by the clearing member providing the collateral, as the transfer of securities does not meet the conditions for derecognition.

Treasury shares

The treasury shares held by Deutsche Börse AG at the reporting date are deducted directly from shareholders' equity. Gains or losses on treasury shares are taken directly to equity. The transaction costs directly attributable to the acquisition of treasury shares are accounted for as a deduction from shareholders' equity (net of any related income tax benefit).

Other current assets

Receivables and other assets are carried at their nominal amount. Adequate valuation allowances take account of identifiable risks.

Non-current assets held-for-sale

Non-current assets that are available for immediate sale in their present condition and whose sale is highly probable within a reasonable period of time are classified as “non-current assets held for sale”. A transaction is highly probable if measures for the sale have already been initiated and the relevant bodies have adopted the corresponding resolutions.

Pensions and other employee benefits

Pensions and other employee benefits relate to defined contribution and defined benefit pension plans.

Defined contribution pension plans

There are defined contribution plans as part of the occupational pension system via pension funds and similar pension institutions, as well as on the basis of 401(k) plans. In addition, contributions are paid to the statutory pension insurance scheme. The level of contributions is normally determined in relation to income. On principle, no provisions are recognised for defined contribution plans. The contributions paid are reported as pension expenses in the year of payment.

There are defined contribution pension plans for employees working in Germany, Luxembourg, the Czech Republic, the UK and the USA. In addition, the employer pays contributions to employees' private pension funds.

Defined benefit plans

Provisions for pension obligations are measured, separately for each pension plan, using the projected unit credit method on the basis of actuarial reports. The fair value of plan assets, taking into account the asset ceiling rules if there are any surplus plan assets, is deducted from the present value of pension obligations. This results in the net defined benefit liability or asset. Net interest expense for the financial year is calculated by applying the discount rate determined at the beginning of the financial year to the net defined benefit liability determined as at that date.

The relevant discount rate is determined by reference to the return on long-term corporate bonds with a rating of at least AA (Moody's Investors Service, Standard & Poor's, Fitch Ratings and Dominion Bond Rating Service) on the basis of the information provided by Bloomberg, and a maturity that corresponds approximately to the maturity of the pension obligations. Moreover, the bonds must be denominated in the same currency as the underlying pension obligation. Measurement of the pension obligations in euros is based on a discount rate of 2.15 per cent, which is determined according to the Towers Watson "GlobalRate:Link" methodology updated in line with the current market trend.

Actuarial gains or losses resulting from changes in expectations with regard to life expectancy, pension trends, salary trends, and the discount rate as compared with the estimate at the beginning of the period or compared with the actual development during the period are recognised directly in other comprehensive income. Actuarial gains and losses recognised in other comprehensive income may not be reclassified to profit or loss in subsequent periods. Similarly, differences between the (interest) income on plan assets determined at the beginning of the period and the return on plan assets actually recorded at the end of the period are also recognised directly in other comprehensive income. The actuarial gains or losses and the difference between the expected and the actual return or loss on plan assets are recognised as revaluation surplus.

Other long-term benefits for employees and members of executive boards (total disability pension, transitional payments and surviving dependents' pensions) are also measured using the projected unit credit method. Actuarial gains and losses and past service cost are recognised immediately and in full through profit or loss.

Other provisions

Provisions are recognised if the Group has a present obligation from an event in the past, an outflow of resources with economic benefit to settle the obligation is probable and it is possible to reliably estimate the amount of this obligation. The amount of the provision corresponds to the best possible estimate of the expense which is necessary to settle the obligation at the balance sheet date.

A provision for restructuring is only recognised when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that the restructuring measures will be implemented, for example by starting to implement that plan or announcing its main features to those affected by it.

Contingent liabilities are not recognised, but disclosed unless the possibility of an outflow of resources embodying economic benefits is not remote.

Share-based payment

Deutsche Börse Group operates the Group Share Plan, the Stock Bonus Plan (SBP) and the Long-term Sustainable Instrument (LSI), which provide share-based payment components for employees, senior executives and executive board members.

Group Share Plan

Under the Group Share Plan, shares are granted at a discount to the market price. The expense of this discount is recognised in the income statement at the grant date.

Stock Bonus Plan (SBP)

The SBP shares are generally accounted for as share-based payments for which Deutsche Börse AG has a choice of settlement in cash and equity instruments. In the previous years, a standard contract was drafted to settle the tranche due in the following year in cash. Under these circumstances, there is at present a presumption in accordance with IFRS 2 that all SBP shares will be settled in cash. Accordingly, Deutsche Börse Group has measured the SBP shares as cash-settled share-based payment transactions. The cost of the options is estimated using an option pricing model (fair value measurement) and recognised in staff costs in the consolidated income statement. Any right to payment of a stock bonus only vests after the expiration of the service or performance period of three or four years on which the plan is based.

A separate variable share-based payment has been agreed for Deutsche Börse AG's Executive Board since financial year 2010. The number of virtual shares for each Executive Board member is calculated on the basis of Deutsche Börse AG's average share price in the two months preceding the point in time at which the Supervisory Board establishes the 100 per cent target value for the variable share component. The calculation of the subsequent payout amount of the stock bonus depends on the change in relative shareholder return and Deutsche Börse AG's share price performance. Claims under this stock bonus programme are settled in cash after the expiration of the three-year performance period.

Long-term Sustainable Instrument (LSI)

In order to meet regulatory requirements, the LSI for risk takers (employees whose professional activities have a material impact on the operations of institutions) was introduced in 2014. LSI shares are always settled in cash. Since the companies concerned have the option to fulfil their obligations by delivering shares of Deutsche Börse AG, Deutsche Börse Group has measured the LSI shares as cash-settled share-based payment transactions. The options are measured using an option pricing model (fair value measurement). Any right to payment of a stock bonus only vests after the expiration of the one-year service period on which the plan is based, taking certain waiting periods into account.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are computed using the balance sheet approach. The deferred tax calculation is based on temporary differences between the carrying amounts in the tax accounts and the carrying amounts in the IFRS financial statements that lead to a future tax liability or benefit when assets are used or sold or liabilities are settled.

The deferred tax assets or liabilities are measured using the tax rates that are currently expected to apply when the temporary differences reverse, based on tax rates that have been enacted or substantively

enacted by the reporting date. Deferred tax assets are recognised for the carryforward of unused tax losses only to the extent that it is probable that future taxable profit will be available. Deferred tax assets and deferred tax liabilities are offset where a legally enforceable right to set off current tax assets against current tax liabilities exists and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Leases

Leases are classified as operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the asset from the lessor to the lessee. All other leases are classified as operating leases.

Leased assets and the associated liabilities are recognised at the lower of fair value and present value of the minimum lease payments if the criteria for classification as a finance lease are met. The leased asset is depreciated or amortised using the straight-line method over its useful life or the lease term, if shorter. In subsequent periods, the liability is measured using the effective interest method.

Expenses incurred in connection with operating leases are recognised as an expense on a straight-line basis over the lease term.

Consolidation

Deutsche Börse AG and all subsidiaries directly or indirectly controlled by Deutsche Börse AG are included in the consolidated financial statements. Deutsche Börse Group controls a company if it is exposed to variable returns resulting from its involvement with the company in question or has rights to such returns and is able to influence them by using its power over the company.

Initial consolidation of subsidiaries in the course of business combinations uses the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. Any excess of cost over the acquirer's interest in the fair value of the subsidiary's net identifiable assets is recognised as goodwill. Goodwill is reported in subsequent periods at cost less accumulated impairment losses.

Intra-Group assets and liabilities are eliminated. Income arising from intragroup transactions is eliminated against the corresponding expenses. Profits or losses arising from deliveries of intra-Group goods and services, as well as dividends distributed within the Group, are eliminated. Deferred taxes for consolidation adjustments are recognised where these are expected to reverse in subsequent years.

Interests in equity attributable to non-controlling interest shareholders are carried under "non-controlling interests" within equity. Where these are classified as "puttable instruments", they are reported under "liabilities".

Currency translation

Transactions denominated in a currency other than a company's functional currency are translated into the functional currency at the spot exchange rate applicable at the transaction date. At the balance sheet date, monetary balance sheet items in foreign currency are measured at the exchange rate at the balance sheet date, while non-monetary balance sheet items recognised at historical cost are measured at the exchange rate on the transaction date. Non-monetary balance sheet items measured at fair value are translated at the closing rate on the valuation date. Exchange rate differences are recorded as other operating income or expense in the period in which they arise unless the underlying transactions are hedged. Gains and losses from a monetary item that forms part of a net investment in a foreign operation are recognised directly in "accumulated profit".

The annual financial statements of companies whose functional currency is not the euro are translated into the reporting currency as follows: assets and liabilities are translated into euros at the closing rate. The items in the consolidated income statement are translated at the average exchange rates for the period under review. Resulting exchange differences are recognised directly in "accumulated profit". When the relevant subsidiary is sold, these exchange rate differences are recognised in consolidated profit for the period in which the deconsolidation gain or loss is realised.

The following euro exchange rates of consequence to Deutsche Börse Group were applied:

Exchange rates

		Average rate 2014	Average rate 2013	Closing price as at 31 Dec 2014	Closing price as at 31 Dec 2013
Swiss francs	CHF	1.2131	1.2294	1.2029	1.2256
US dollars	USD (US\$)	1.3210	1.3317	1.2156	1.3769
Czech koruna	CZK	27.5561	26.0261	27.7333	27.4000
Singapore dollar	SGD	1.6762	1.6681	1.6058	1.7418
British pound	GBP (£)	0.8026	0.8505	0.7806	0.8332

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from initial consolidation are reported in the functional currency of the foreign operation and translated at the closing rate.

Key sources of estimation uncertainty and management judgements

The application of accounting policies, presentation of assets and liabilities and recognition of income and expenses requires the Executive Board to make certain judgements and estimates. Adjustments in this context are taken into account in the period the change was made as well as in subsequent periods, where necessary.

Impairment

Deutsche Börse Group tests goodwill as well as intangible assets with indefinite useful lives for impairment and intangible assets not yet available for use at least once a year. Certain assumptions have to be made

to determine the recoverable amount, which is calculated regularly using discounted cash flow models. This is based on the relevant business plans with a time horizon of normally three to five years. These plans in turn contain projections of the future financial performance of the assets and cash-generating units. If their actual financial performance fails to meet these expectations, corresponding adjustments may be necessary. For further information on the effects of changes in the discount rate and further assumptions, please see [note 11](#).

Pensions and other employee benefits

Pensions and other employee benefits are measured using the projected unit credit method, which calculates the actuarial present value of the accumulated benefit obligation. Calculating the present value requires certain actuarial assumptions (such as the discount rate, staff turnover rate, salary and pension trends) to be made. The current service cost and the net interest expense or income for the subsequent period are calculated on the basis of these assumptions. Any departures from these assumptions, for example because of changes in the macroeconomic environment, are recognised in “other comprehensive income” in the following financial year. A sensitivity analysis of the key factors is presented in [note 22](#).

Income taxes

Deutsche Börse Group is subject to the tax laws of those countries in which it operates and generates income. Considerable management judgement has to be exercised in determining the tax provisions. For a large number of transactions and calculations, no definitive tax-relevant information is available at the time these figures are determined. Deutsche Börse Group recognises corresponding provisions for risks expected from external tax audits. If the final results of these external audits differ from the estimates, the resulting effects on current and deferred taxes are recognised in the period in which they become known.

Legal risks

The companies of Deutsche Börse Group are subject to litigation. Such litigation may lead to orders to pay against the entities of the Group. If it is more likely than not that an outflow of resources will occur, a provision will be recognised based on an estimate of the most probable amount necessary to settle the obligation if such amount is reasonably estimable. Management judgement includes the determination whether there is a possible obligation from past events, the evaluation of the probability that an outflow will occur and the estimation of the potential amount. As the outcome of litigation is usually uncertain, the judgement is reviewed continuously. For further information on other risks please see [note 37](#).

Group Share Plan, Stock Bonus Plan and Long-term Sustainable Instrument

[Note 39](#) contains disclosures on the valuation model used for the stock options. Where the estimates of the valuation parameters originally applied differ from the actual values available when the options are exercised, adjustments are necessary; such adjustments are recognised in the consolidated income statement for the period if they relate to cash-settled share-based payment transactions.

Provisions

In addition, the probable utilisation applied when establishing provisions for expected losses from rental agreements is estimated (see [note 24](#)). In the creation of personnel-related restructuring provisions, certain assumptions were made with regard to, for example, fluctuation rate, discount rate and salary trends. Should the actual values deviate from these assumptions, adjustments may be necessary.

Consolidated income statement disclosures

4. Net revenue

Composition of net revenue

	Sales revenue		Net interest income from banking business	
	2014 €m	2013 €m	2014 €m	2013 €m
Eurex				
Equity index derivatives	379.2	349.7	0	0
Interest rate derivatives	166.2	183.9	0	0
US options (ISE)	199.1	180.8	0	0
Commodity derivatives ¹⁾	73.1	0	0	0
Repurchase agreements ¹⁾	37.5	34.2	0	0
Equity derivatives	37.5	41.9	0	0
Other assets	60.9	59.5	0	0
	953.5	850.0	0	0
Xetra				
Trading ²⁾	124.7	115.3	0	0
Clearing and settlement fees	36.1	34.5	0	0
Other assets	23.9	22.2	0	0
	184.7	172.0	0	0
Clearstream³⁾				
Custody fees	465.8	439.9	0	0
Transaction fees	138.1	124.2	0	0
Global Securities Financing	98.2	88.3	0	0
Net interest income	0	0	32.8	35.9
Other assets	132.1	121.6	0	0
	834.2	774.0	32.8	35.9
Market Data + Services⁴⁾				
Information	172.3	168.6	0	0
Tools	111.6	109.2	0	0
Index	99.7	84.4	0	0
Market Solutions	33.1	36.1	0	0
	416.7	398.3	0	0
Total	2,389.1	2,194.3	32.8	35.9
Consolidation of internal net revenue	-41.3	-34.0	0	0
Group	2,347.8	2,160.3	32.8	35.9

1) Revenues from commodity derivatives largely consist of revenues from the European Energy Exchange AG that was consolidated in 2014 for the first time. Due to the increased relevance of repurchase agreements these are listed as a separate product group. Prior-year figures have been adjusted accordingly.

2) The „Trading“ item includes Börse Frankfurt (formerly Xetra Frankfurt Specialist Trading; since Q3/2013 following the termination of the Börse Frankfurt Zertifikate Holding S.A. cooperation including certificates and warrants) and the electronic Xetra trading system.

	Other operating income		Volume-related costs		Net revenue	
	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m
	0	0	-34.4	-24.4	344.8	325.3
	0	0	-1.1	0	165.2	183.9
	0	0	-116.1	-89.3	83.0	91.5
	1	0	-10.1	0	63.9	0
	0	0	0	0	37.5	34.2
	0	0	-3.2	-1.7	34.3	40.2
	16.2	13.5	-3.2	-7.4	73.9	65.6
	17.2	13.5	-168.1	-122.8	802.6	740.7
	0.5	0	-24.8	-22.6	100.4	92.7
	0.1	0	-6.3	-6.5	29.9	28.0
	8.3	8.9	-0.6	-0.1	31.6	31.0
	8.9	8.9	-31.7	-29.2	161.9	151.7
	0	0	-110.4	-103.9	355.4	336.0
	0	0	-13.1	-12.2	125.0	112.0
	0	0	-33.7	-30.5	64.5	57.8
	0	0	0	0	32.8	35.9
	6.4	7.4	-18.2	-16.8	120.3	112.2
	6.4	7.4	-175.4	-163.4	698.0	653.9
	1.9	1.3	-25.4	-24.6	148.8	145.3
	0.6	0.6	-3.9	-2.4	108.2	107.4
	1.0	1.1	-10.4	-8.9	90.4	76.6
	0	0.6	0	0	33.1	36.7
	3.5	3.6	-39.7	-35.9	380.5	366.0
	36.0	33.4	-414.9	-351.3	2,043.0	1,912.3
	-12.9	-12.8	54.2	46.8	0	0
	23.1	20.6	-360.7	-304.5	2,043.0	1,912.3

3) Services and their net revenues were newly allocated to the products in course of internal restructuring measures in the Clearstream segment. Prior-year figures have been adjusted accordingly.

4) Services and their net revenues were newly allocated to the products in course of internal restructuring measures in the Market Data + Services segment. Prior-year figures have been adjusted accordingly.

Composition of net interest income from banking business

	2014 €m	2013 €m
Loans and receivables	26.4	22.3
Financial liabilities measured at amortised cost	-7.2	-7.2
Available-for-sale financial assets	5.5	5.1
Financial assets or liabilities measured at fair value through profit or loss:		
Interest income	9.3	16.1
Interest expense	-1.2	-0.3
Total	32.8	36.0

Composition of other operating income

	2014 €m	2013 €m
Income from exchange rate differences	5.6	6.9
Income from impaired receivables	4.1	0.6
Income from settlement of put options	0	2.0
Income from agency agreements	0.2	0.7
Rental income from sublease contracts	0.9	0.6
Miscellaneous	12.3	9.8
Total	23.1	20.6

For details of rental income from sublease contracts see [note 38](#).

Miscellaneous other operating income includes income from cooperation agreements and from training as well as valuation adjustments.

Volume-related costs comprise partial or advance concessions which Deutsche Börse Group obtains from third parties and markets as part of its own value chain. They indirectly depend on the development of volume trends and sales revenue.

5. Staff costs

Composition of staff costs

	2014 €m	2013 €m
Wages and salaries	394.7	369.0
Social security contributions, retirement and other benefits	77.7	107.0
Total	472.4	476.0

Staff costs include costs of €11.7 million (2013: €62.6 million) recognised in connection with efficiency programmes as well as costs of €25.3 million (2013: €0.9 million) for newly consolidated companies.

6. Other operating expenses

Composition of other operating expenses

	2014 €m	2013 €m
Costs related to OFAC settlement ¹⁾	–	129.0
Costs for IT services providers and other consulting services	203.9	159.5
IT costs	91.2	78.5
Premises expenses	71.0	75.1
Non-recoverable input tax	47.8	34.4
Advertising and marketing costs	23.8	34.4
Travel, entertainment and corporate hospitality expenses	25.2	20.6
Non-wage labour costs and voluntary social benefits	15.0	12.6
Insurance premiums, contributions and fees	13.8	12.0
Cost of agency agreements	5.7	7.7
Supervisory Board remuneration	5.4	5.0
Cost of exchange rate differences	3.0	3.9
Miscellaneous	11.8	15.3
Total	517.6	588.0

1) OFAC = U.S. Office of Foreign Assets Control

Costs for IT service providers and other consulting services relate mainly to expenses in conjunction with software development. An analysis of development costs is presented in [note 7](#). These costs also contain costs of strategic and legal consulting services as well as of audit activities. Increased costs for IT services and other consulting services amounting to €44.4 million include €10.5 million for costs resulting from the consolidation of EEX, Impendium, Cleartrade and CGSS, €15.5 million for increased investments in growth and infrastructure projects and €18.4 million for costs related to business combinations and acquisitions, criminal investigations against Clearstream as well as stricter regulatory requirements.

Composition of fees for the auditor

	2014		2013	
	Total €m	Germany €m	Total €m	Germany €m
Statutory audit	2.7	1.3	2.3	1.2
Other assurance or valuation services	1.4	1.3	1.0	0.6
Tax advisory services	0.6	0.3	0.8	0.5
Other services	0.4	0.3	0.4	0.2
Total	5.1	3.2	4.5	2.5

7. Research and development costs

Own expenses capitalised relate solely to development costs of internally developed software, involving the following systems and projects in the individual segments:

Research and development costs

	Total expense for software development		of which capitalised	
	2014 €m	2013 €m	2014 €m	2013 €m
Eurex				
Eurex software	17.5	5.4	6.3	2.2
Trading platform T7 for Xetra/Eurex	12.3	25.0	5.5	10.2
Eurex Clearing Prisma	24.3	24.0	6.1	10.4
New trading platform ISE	6.0	5.9	5.3	5.3
EEX software	2.2	–	2.2	–
EurexOTC Clear	46.2	35.7	17.6	14.1
	108.5	96.0	43.0	42.2
Xetra				
Xetra software	2.8	4.8	0	0.3
Trading platform T7 for Xetra/Eurex	0.8	0	0	0
CCP releases	1.4	2.9	0	0.3
	5.0	7.7	0	0.6
Clearstream				
Collateral management and settlement	62.1	58.9	26.9	34.0
Custody	16.2	10.2	10.5	5.2
Connectivity	21.5	20.0	5.8	6.9
Investment funds	2.0	4.9	0.7	1.7
	101.8	94.0	43.9	47.8
Market Data + Services	4.1	4.2	0.3	0.3
Research expense	2.3	1.8	0	0
Total	221.7	203.7	87.2	90.9

8. Result from equity investments

Composition of result from equity investments

	2014 €m	2013 €m
Equity method-accounted result of associates and joint ventures		
EPEX Spot SE ¹⁾	8.2	n.a.
ID's SAS	1.4	0.2
Tradegate AG Wertpapierhandelsbank	0.5	0.3
BrainTrade Gesellschaft für Börsensysteme mbH	0.3	0.1
European Market Coupling Company GmbH i.L. ¹⁾	0.3	n.a.
Deutsche Börse Commodities GmbH	0.1	0.1
European Energy Exchange AG	n.a. ²⁾	3.8
Direct Edge Holdings, LLC	n.a. ³⁾	2.2
Börse Frankfurt Zertifikate Holding S.A. in liquidation	n.a. ⁴⁾	1.4
Total income from equity method measurement	10.8	8.1
Zimory GmbH	-6.1	-0.6
Deutsche Börse Cloud Exchange AG	-1.4	-0.5
Global Markets Exchange Group International, LLP	-0.7	-0.1
Bondcube Limited	-0.5	n.a.
Digital Vega FX Ltd.	-0.1	-0.1
Hanweck Associates, LLC	0	-0.1
Total expenses from equity method measurement⁵⁾	-8.8	-1.4
Result from associates and joint ventures	2.0	6.7
Result due to transition from equity method to consolidation	10.6	2.0
Result from other equity investments	65.7	0.6
Result from equity investments	78.3	9.3

1) Since European Energy Exchange AG was fully consolidated on 1 January 2014, company is recognised as associate, see also [note 2](#).

2) Since 1 January 2014, European Energy Exchange AG is no longer recognised as associate, see [note 2](#).

3) Since 31 January 2014, former Direct Edge Holdings, LLC is no longer recognised as associate, see [note 2](#).

4) Since 1 July 2013 Börse Frankfurt Zertifikate Holding S.A. in liquidation is no longer recognised as associate.

5) Including impairment

In financial year 2014, an impairment loss of €3.9 million was recognised on Zimory GmbH, Berlin, Germany, an associate, due to the loss of a major customer. The recoverable amount was determined on the basis of fair value less costs of disposal and amounted to €3.2 million. It was calculated using net asset values (level 3 inputs). The impairment loss was recognised in the result from associates and is allocated to the Eurex segment.

The result from other equity investments includes income of €46.4 million resulting from the remeasurement in connection with the business combination of Direct Edge Holdings, LLC and BATS Global Markets, Inc. For details see [note 2](#).

In the reporting year, dividends of €7.4 million (2013: €10.9 million) were received from interests in associates. These include dividends resulting from interests in Direct Edge Holdings, LLC totalling €1.9 million. Thereof, €0.7 million are attributable to the equity interest in Direct Edge Holdings, LLC which were categorised as “available-for-sale” until the completion of the business combination contract of Direct Edge Holdings, LLC with BATS Global Markets, Inc. See [note 2](#).

Dividends of €17.4 million (2013: €2.0 million) were received from interests in other equity investments in the year under review.

9. Financial result

Composition of financial income

	2014 €m	2013 €m
Other interest and similar income	7.3	0.4
Interest on reverse repurchase agreements categorised as “loans and receivables”	6.4	3.1
Interest income from the transfer of negative interest to clearing members from investments categorised as “loans and receivables”	3.0	0
Income from available-for-sale securities	1.2	1.7
Interest on bank balances categorised as “loans and receivables”	0.5	0.2
Interest income from receivables against associates and employees categorised as “loans and receivables”	0.3	0.3
Total	18.7	5.7

Composition of financial expense

	2014 €m	2013 €m
Interest on non-current loans ¹⁾	42.1	57.1
Interest on taxes	6.4	6.1
Interest expenses from negative interest ¹⁾	3.0	0
Interest-like expenses for derivatives held as hedging instruments	2.8	2.1
Other costs and interest-like expenses ¹⁾	2.6	2.9
Expenses from the unwinding of the discount on the pension provisions	2.5	3.9
Transaction costs of non-current liabilities ¹⁾	0.8	0.8
Interest-like expenses from revaluation of contingent considerations	0.7	0
Interest expenses on the transfer of interest to clearing members ¹⁾	0.5	0
Interest on current liabilities ¹⁾	0.4	0.3
Interest-like expenses for exchange rate differences on liabilities ¹⁾	0	3.2
Total	61.8	76.4

1) Measured at amortised cost

Negative interest incurred on the reinvestment of cash collateral was charged to the clearing participants.

10. Income tax expense

Composition of income tax expense (main components)

	2014 €m	2013 €m
Current income taxes:		
of the year under review	226.9	181.0
from previous years	-4.6	-11.3
Deferred tax (income)/expense on temporary differences	-48.8	2.1
Total	173.5	171.8

The total current tax expenses in the amount of €222.3 million include domestic tax expenses of €151.5 million and foreign tax expenses of €70.8 million (2013: domestic tax expenses €135.1 million, foreign tax expenses €34.6 million). The total deferred tax income in the amount of €-48.8 million include domestic tax income of €-1.9 million and foreign tax income of €-46.9 million (2013: domestic tax income €-1.1 million, foreign tax expenses €3.2 million).

As in the previous year, tax rates of 26 to 32 per cent were used in the reporting period to calculate deferred taxes for the German companies. These reflect trade income tax at multipliers of 280 to 460 per cent (2013: 280 to 460 per cent) on the tax base value of 3.5 per cent (2013: 3.5 per cent), corporation tax of 15 per cent (2013: 15 per cent) and the 5.5 per cent solidarity surcharge (2013: 5.5 per cent) on corporation tax.

A tax rate of 29.2 per cent (2013: 29.2 per cent) was used for the Luxembourgian companies, reflecting trade income tax at a rate of 6.7 per cent (2013: 6.7 per cent) and corporation tax at 22.5 per cent (2013: 22.5 per cent).

Tax rates of 12.5 to 45 per cent were applied to the companies in China, the Czech Republic, Ireland, Japan, Portugal, Singapore, Spain, Switzerland, the United Kingdom and the USA (2013: 12.5 to 45 per cent).

The following table shows the carrying amounts of deferred tax assets and liabilities as well as the related tax expenses recognised in income or directly in equity.

Composition of deferred taxes

	Deferred tax assets		Deferred tax liabilities		Exchange rate differences	Deferred tax expense/(income)		Tax expense/(income) recognised directly in equity	
	2014 €m	2013 €m	2014 €m	2013 €m		2014 €m	2013 €m	2014 €m	2013 €m
Pension provisions and other employee benefits	53.7 ¹⁾	36.0	0	0	-0.7	0.6	3.3	-17.6	3.8
Other provisions	21.6	16.1	0	0	-2.3	-3.1	-7.5	0	0
Interest-bearing liabilities	2.9	0	0	-1.1	0	-4.0	0.2	0	0
Intangible assets	0	0	-27.2	-19.9	0	7.3	6.0	0	0
Intangible assets from purchase price allocation	0	0	-277.9	-236.6	24.6	16.7	-4.2	0	0
Non-current assets	0	1.7 ²⁾	-22.2 ³⁾	0	0	0.1	-2.5	0	0
Investment securities	0	0	-8.4	-4.5	0	3.2	-3.8	0.7 ⁴⁾	1.0 ⁴⁾
Other non-current assets	2.3	3.0	0	0	0	0	0.8	0.7 ⁴⁾	0.6 ⁴⁾
Other liabilities	1.5	1.6	0	0	0	0.1	-1.6	0	0
Losses carried forward	99.6 ⁵⁾	25.8 ⁶⁾	0	0	0.8	-69.7	11.4	0	0
Exchange rate differences	0	0	-85.1	-16.5	0	0	0	68.6 ⁷⁾	-21.8 ⁷⁾
Gross amounts	181.6	84.2	-420.8	-278.6	22.4	-48.8	2.1	52.4	-16.4
Netting of deferred taxes	-41.3	-35.2	41.3	35.2	0	0	0	0	0
Total	140.3	49.0	-379.5	-243.4	22.4	-48.8	2.1	52.4	-16.4

1) Thereof €0.1 million due to acquisitions through business combinations resulting from the initial consolidation of the EEX group

2) Thereof €-1.1 million due to acquisitions through business combinations resulting from the termination of the cooperating agreement with Scoach

3) Thereof €-23.8 million due to acquisitions through business combinations resulting from the initial consolidation of the EEX group

4) Separate disclosure in the consolidated statement of changes in equity under "revaluation surplus"

5) Thereof €4.9 million due to acquisitions through business combinations resulting from the initial consolidation of the EEX group

6) Thereof €1.2 million due to acquisitions through business combinations resulting from the termination of the cooperating agreement with Scoach

7) Separate disclosure in the consolidated statement of changes in equity under "accumulated profit"

€157.7 million (2013: €64.8 million) of deferred tax assets and €293.0 million (2013: €247.7 million) of deferred tax liabilities have an expected remaining maturity of more than one year.

Deferred tax liabilities have not been recognised in respect of the tax on future dividends that may be paid from retained earnings by subsidiaries and associated companies. In accordance with section 8b (5) of the Körperschaftsteuergesetz (KStG, the German Corporation Tax Act), 5 per cent of dividends and similar income received by German companies is treated as non-deductible expenses for tax purposes. The unrecognised deferred tax liabilities on future dividends of subsidiaries and associates as well as gains from the disposal of subsidiaries and associates amount to €0.8 million.

Reconciliation between the expected and the reported tax expense

	2014 €m	2013 €m
Expected income taxes derived from earnings before tax ¹⁾	250.5	173.7
Tax losses utilised and tax ineffective losses carried forward	7.8	5.9
Recognition of deferred taxes on losses carried forward yet not recognised	-55.0	-0.8
Tax increases due to other non-tax-deductible expenses	12.0	6.7
Effects resulting from different tax rates	-6.6	0.8
Tax decreases due to dividends and income from the disposal of equity investments	-31.5	-9.8
Exchange rate differences	0	8.2
Other	0.9	-1.5
Income tax expense arising from current year	178.1	183.2
Prior-period income taxes	-4.6	-11.4
Income tax expense	173.5	171.8

1) Both corporate earnings before tax amounting to €963.4 million as well as income tax expense amounting to €173.5 million include the special effects resulting from the merger of Direct Edge Holdings, LLC and BATS Global Markets, Inc. amounting to €63.0 million and €26.1 million respectively.

To determine the expected tax expense, earnings before tax have been multiplied by the composite tax rate of 26 per cent assumed for 2014 (2013: 26 per cent).

At the end of the financial year, accumulated unused tax losses amounted to €51.7 million (2013: €176.7 million), for which no deferred tax assets were recognised. The unused tax losses are attributable to domestic losses totalling €4.0 million and to foreign tax losses totalling €47.7 million (2013: domestic tax losses €6.3 million, foreign tax losses €170.4 million). Tax losses of €1.9 million were utilised in 2014 (2013: €3.6 million).

The losses can be carried forward in Germany subject to the minimum taxation rules, and in Luxembourg indefinitely according to the current legal situation. Losses in other countries can be carried forward for periods of up to 20 years.

Consolidated balance sheet disclosures

11. Intangible assets

Intangible assets

	Purchased software €m	Internally developed software €m	Goodwill €m	Payments on account and construction in progress ¹⁾ €m	Other intangible assets €m	Total €m
Historical cost as at 1 Jan 2013	285.6	766.6	2,089.1	85.4	1,945.4	5,172.1
Acquisitions through business combinations ²⁾	0	0	4.6	0	3.9	8.5
Additions	7.2	15.7	0	75.2	0.9	99.0
Disposals	-88.5	-200.6	0	0	0	-289.1
Reclassifications	0	75.4	0	-75.4	0	0
Exchange rate differences	-0.2	-1.4	-40.4	0	-61.6	-103.6
Historical cost as at 31 Dec 2013	204.1	655.7	2,053.3	85.2	1,888.6	4,886.9
Acquisitions through business combinations ³⁾	13.7	1.9	57.9	1.7	97.9	173.1
Additions	15.7	6.0	0	81.2	0	102.9
Disposals	-4.8	-6.6	0	-1.2	0	-12.6
Reclassifications	1.4	65.3	0	-66.7	0	0
Exchange rate differences	0.8	4.8	124.0	0	188.2	317.8
Historical cost as at 31 Dec 2014	230.9	727.1	2,235.2	100.2	2,174.7	5,468.1
Amortisation and impairment losses as at 1 Jan 2013	258.3	661.2	10.7	0	1,063.1	1,993.3
Amortisation	12.7	39.7	0	0	17.4	69.8
Impairment losses	0	0.6	0	0	0	0.6
Disposals	-87.8	-202.5	0	0	0	-290.3
Exchange rate differences	-0.2	-1.0	0	0	-44.0	-45.2
Amortisation and impairment losses as at 31 Dec 2013	183.0	498.0	10.7	0	1,036.5	1,728.2
Amortisation	15.7	47.4	0	0	21.9	85.0
Disposals	-4.6	-6.6	0	0	0	-11.2
Exchange rate differences	0.4	3.4	0	0	135.8	139.6
Amortisation and impairment losses as at 31 Dec 2014	194.5	542.2	10.7	0	1,194.2	1,941.6
Carrying amount as at 31 Dec 2013	21.1	157.7	2,042.6	85.2	852.1	3,158.7
Carrying amount as at 31 Dec 2014	36.4	184.9	2,224.5	100.2	980.5	3,526.5

1) Additions in payments on account and construction in progress in the year under review relate exclusively to internally developed software.

2) This relates exclusively to additions as part of the merger of Börse Frankfurt Zertifikate Holding S.A. and Börse Frankfurt Zertifikate AG.

3) This relates exclusively to additions as part of the consolidation of the European Energy Exchange AG and the acquisition of shares of Clearstream Global Services Ltd. and Impendium Systems Ltd, see [note 2](#).

Software, payments on account and construction in progress

Additions to and reclassifications of software relate primarily to the development of software products for the Clearstream segment as well as to the development of the risk margining and clearing system (Eurex Clearing Prisma) and of the new clearing technology C7 (CleAR programme) of the Eurex segment.

Carrying amounts of material software and construction in progress as well as remaining amortisation periods of software

	Carrying amount as at		Remaining amortisation period as at	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 years	31 Dec 2013 years
Eurex				
Derivatives trading platform T7	31.9	34.8	49 – 6.9	49 – 5.9
C7 Release 1.0	21.2	n.a.	7.0	n.a.
ISE trading platform including applications	19.2	31.3	20 – 4.3	33 – 4.7
Eurex Clearing Prisma Release 1.0	13.6	16.1	5.3	6.3
Eurex Clearing Prisma Release 2.0	11.9	10.2	7.0	n.a.
Eurex Release 14.0 Clearing	2.0	20.3	n.a.	n.a.
Clearstream				
TARGET2-Securities	51.7	30.3	n.a.	n.a.
MALMO	15.5	5.0	n.a.	n.a.
GVAS	10.5	14.3	3.7	4.7

In addition to event-driven impairment tests on all intangible assets, intangible assets not yet available for use are tested for impairment at least annually. These tests did not result in any impairment losses to be recognised in 2014 (2013: €0.6 million).

Goodwill

Changes in goodwill by business combinations

	Clearstream €m	ISE €m	EEX €m	STOXX €m	CGSS €m	Miscellaneous €m	Total goodwill €m
Balance as at 1 Jan 2014	1,063.8	921.3	0	32.6	0	24.9	2,042.6
Acquisitions through business combinations	0	0	33.3	0	15.1	9.5	57.9
Additions	0	0	0	0	0	0	0
Exchange rate differences	0	122.3	0	0	0	1.7	124.0
Balance as at 31 Dec 2014	1,063.8	1,043.6	33.3	32.6	15.1	36.1	2,224.5

The impairment test is performed by allocating the goodwill to the following groups of cash-generating units (CGUs):

Goodwill allocation to the groups of cash-generating units (CGUs)

	CGU Clearstream €m	CGU Eurex €m	CGU Market Data + Services €m	CGU EEX Mio. €	CGU Fund Services €m	CGU Infobolsa €m	CGU Börse Frankfurt Zertifikate €m	Total goodwill €m
Balance as at 31 Dec 2014	1,063.8	1,043.6	54.1	33.3	19.1	6.0	4.6	2,224.5

Goodwill are intangible assets with an indefinite useful life. The recoverable amounts of the CGUs with allocated goodwill are based either on their values in use or on their fair value less costs of disposal, depending on the respective unit. Only in cases in which one of these values (value in use or fair value less costs of disposal) does not exceed the carrying amount, the respective other value is calculated. Since there is no active market for the CGUs, the discounted cash flow method is used to calculate both value in use and fair value less costs of disposal. Input factors are always such of level 3.

Pricing, trading volumes, assets under custody, market share assumptions or general business development assumptions are based on past experience or market research. Other key assumptions are mainly based on external factors and generally correspond with internal management planning. Significant macroeconomic indicators include, for instance, equity index levels, volatility of equity indices, as well as interest rates, exchange rates, GDP growth, unemployment levels and government debt. When calculating value in use, the projections are adjusted for the effects of future restructurings and expansion investments, if appropriate.

The discount rate is based on a risk-free interest rate between 1.2 and 1.7 per cent (2013: 2.5 and 2.6 per cent) and a market risk premium of 6.5 per cent (2013: 6.5 per cent). It is used to calculate individual discount rates for each CGU that reflect beta factors, cost of debt and capital structure of the peer groups concerned.

Each calculation of the sensitivities stated below is based on the adaption of a parameter (discount rate, the compound annual growth rate – CAGR – of net revenue and operating costs and growth rate of a perpetual annuity), by assuming that all other parameters in the evaluation model remain unchanged. Thus, possible correlations between the parameters are not considered.

Cash-generating unit Clearstream

The goodwill from the acquisition of the Clearstream subgroup (€1,063.8 million) is allocated to a group of CGUs in the Clearstream segment.

The recoverable amount is determined on the basis of the value in use applying the discounted cash flow method. Cash flows are projected over a five-year period (2015 to 2019). The CAGR in this period is 5.1 per cent for net revenue and –0.9 per cent for operating costs (less depreciation, amortisation and

impairment losses). Cash flow projections beyond 2019 are extrapolated assuming a perpetual annuity with a growth rate of 1.5 per cent (2013: 1.5 per cent). The pre-tax discount rate used is calculated on the basis of the cost of equity and amounts to 12.0 per cent (2013: 14.6 per cent).

Even in the case of a reasonably possible change of the applied parameters, no impairment charge would have to be recognised for the Clearstream CGU.

Cash-generating unit Eurex

The goodwill resulting from the acquisition of ISE (€1,043.6 million) is allocated to a group of CGUs in the Eurex segment. Since the ISE goodwill is calculated in US dollars, an exchange rate difference of €122.3 million occurred in 2014 (2013: €-40.0 million).

The recoverable amount is determined on the basis of the value in use applying the discounted cash flow method. Cash flows are projected over a five-year period (2015 to 2019) for European as well as US activities. The CAGR in this period is 2.2 per cent for net revenue and 1.5 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond this period are, as in the previous year, extrapolated, assuming a perpetual annuity with a growth rate of 1.0 per cent (2013: 1.0 per cent). The pre-tax discount rate used is 12.6 per cent (2013: 13.4 per cent).

Even in case of a reasonably possible change of the applied parameters, no impairment charge would have to be recognised for the Eurex CGU.

Cash-generating unit Market Data + Services

The goodwill arising from the acquisition of STOXX Ltd. (€32.6 million) as well as the goodwill arising from the acquisition of the business of Kingsbury International Ltd. (€0.5 million) is allocated to a group of CGUs in the Market Data + Services segment.

The goodwill of €7.8 million from the acquisition of Market News International Inc. and the goodwill of €3.2 million from the acquisition of the Need to Know News, LLC are also allocated to this group of CGUs in the Market Data + Services segment. As both goodwills are denominated in US dollar, an exchange rate difference of €1.2 million occurred in 2014 (2013: €-0.4 million).

Eventually, the goodwill arising of the acquisition of Impendium Systems Ltd (€10.0 million) is allocated to this group of CGUs in the Market Data + Services segment. Through translating the goodwill into euro, an exchange rate difference of €0.5 million occurred in 2014.

The recoverable amount of the Market Data + Services CGU is determined on the basis of the fair value less costs of disposal applying the discounted cash flow method. Cash flows are planned over a five-year period (2015 to 2019). The CAGR in this period is 2.8 per cent for net revenue and 1.6 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.0 per cent (2013: 2.0 per cent). The after-tax discount rate used was 9.0 per cent (2013: 9.8 per cent).

Even in case of a reasonably possible change of the applied parameters, no impairment charge would have to be recognised for the Market Data + Services CGU.

Cash-generating unit EEX

The goodwill arising of the acquisition of the European Energy Exchange AG (EEX) as well as their subsidiaries (€33.3 million) is allocated to the EEX cash-generating unit in the Eurex segment. Other intangible assets of EEX, including the exchange licence (indefinite useful life), are also tested for impairment.

The recoverable amount is determined on the basis of the fair value less costs of disposal applying the discounted cash flow method. The cash flows are projected over a five-year period (2015 to 2019). The CAGR in this period is 1.5 per cent for net revenue and –1.9 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.0 per cent. The after-tax discount rate used amounts to 9.6 per cent.

Even in case of a reasonably possible change of the applied parameters, no impairment charge would have to be recognised for the EEX cash-generating unit.

Cash-generating unit Fund Services

The goodwill from the acquisition of Clearstream Fund Services Ireland Ltd. (€4.0 million) as well as the goodwill from the business combination of the Clearstream Global Securities Services Limited (€15.1 million) are allocated to the Fund Services CGU in the Clearstream segment.

The recoverable amount is determined on the basis of fair value less costs of disposal, applying the discounted cash flow method. Cash flows are projected over a five-year period (2015 to 2019). The CAGR in this period is 24.6 per cent for net revenue and 10.3 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.5 per cent (2013: 2.5 per cent). The after-tax discount rate used is calculated on the basis of the cost of equity and amounts to 13.2 per cent (2013: 11.5 per cent).

A decrease in the CAGR within the detailed planning period in net revenue to 21.2 per cent or an increase in operating costs (less depreciation, amortisation or impairments) to 14.0 per cent would result in an impairment of the intangible assets allocated to the Fund Services CGU. As at 31 December 2014, the recoverable amount exceeds the carrying amount by €34.8 million.

Cash-generating unit Infobolsa

The goodwill from the acquisition of the Infobolsa subgroup (€2.9 million) including the goodwill from the acquisition of the shares in Open Finance, S.L. (€3.1 million) is allocated to the Infobolsa CGU in the MD+S segment.

The recoverable amount is determined on the basis of fair value less costs of disposal, applying the discounted cash flow method. Cash flows are planned over a five-year period (2015 to 2019). The CAGR in this period is 6.9 per cent for net revenue and 5.7 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.0 per cent (2013: 2.0 per cent). The after-tax discount rate used is 9.0 per cent (2013: 9.8 per cent).

A decrease in the CAGR within the detailed planning period in net revenue to 6.0 per cent or an increase in operating costs (less depreciation, amortisation or impairments) to 7.3 per cent would result in an impairment of the intangible assets allocated to the Infobolsa CGU. As at 31 December 2014 the recoverable amount exceeds the carrying amount by €4.9 million.

Cash-generating unit Börse Frankfurt Zertifikate

Goodwill from the business combination with Scoach Holding S.A. and Scoach Europa AG (€4.6 million) is allocated to the Börse Frankfurt Zertifikate CGU in the Xetra segment. Other intangible assets of Börse Frankfurt Zertifikate AG, including the exchange licence (indefinite useful life), are also tested for impairment.

The recoverable amount is determined on the basis of fair value less costs of disposal, applying the discounted cash flow method. Cash flows are planned over a five-year period (2015 to 2019). The CAGR in this period is 2.0 per cent for net revenue and 6.5 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.0 per cent (2013: 2.0 per cent). The after-tax discount rate used is 13.6 per cent (2013: 13.5 per cent).

An increase in the CAGR within the detailed planning period in operating costs (less depreciation, amortisation or impairments) to 8.9 per cent would result in an impairment of the intangible assets (including goodwill) allocated to the Börse Frankfurt Zertifikate CGU. As at 31 December 2014 the recoverable amount exceeds the carrying amount by €7.0 million.

Other intangible assets

Other intangible assets are divided into the following categories:

Changes in other intangible assets by category

	Exchange licences €m	Trade names €m	Member and customer relationships €m	Miscellaneous intangible assets €m	Total €m
Balance as at 1 Jan 2014	108.3	422.9	319.0	1.9	852.1
Acquisitions through business combinations	0.3	5.8	85.8	6.0	97.9
Additions	0	0	0	0	0
Amortisation	0	-0.8	-20.3	-0.8	-21.9
Exchange rate differences	14.3	0.4	37.5	0.2	52.4
Balance as at 31 Dec 2014	122.9	428.3	422.0	7.3	980.5

Other intangible assets result mainly from business combinations. The following table provides an overview of the main items and the assignment to the respective acquisition:

Changes in other intangible assets by business combinations

	STOXX €m	ISE €m	EEX €m	CGSS €m	Miscellaneous €m	Total €m
Balance as at 1 Jan 2014	445.0	402.1	0	0	5.0	852.1
Acquisitions through business combinations	0	0	75.9	22.0	0	97.9
Additions	0	0	0	0	0	0
Amortisation	-3.4	-13.5	-4.0	-0.4	-0.6	-21.9
Exchange rate differences	0	52.3	0	0	0.1	52.4
Balance as at 31 Dec 2014	441.6	440.9	71.9	21.6	4.5	980.5

Other intangible assets with an indefinite useful life are tested for impairment at least once a year. If the assets do not generate any cash inflows that are largely independent of those generated by other assets, the recoverable amount is determined for the CGU to which the asset is allocated. The information provided in the [“goodwill” section](#) applies similarly to the principles for determining recoverable amount and to the sensitivities.

The discount rate is based on a risk-free rate of between 1.2 and 2.5 per cent (2013: 2.5 and 3.5 per cent) and a market risk premium of 6.5 per cent (2013: 6.5 per cent). It is used to calculate individual discount rates for each CGU that reflect beta factors, cost of debt and capital structure of the peer groups concerned.

Other intangible assets: ISE

ISE's other intangible assets are tested for impairment at the end of the year including ISE's exchange licence (indefinite useful life). The carrying amount of the exchange licence amounts to €122.4 million (2013: €108.1 million) as at the balance sheet date and includes an exchange rate difference of €14.3 million in 2014. Since the exchange licence does not generate any cash inflows that are largely independent of those generated by other assets, the impairment test is performed on the basis of the ISE cash-generating unit in the Eurex segment.

The recoverable amount is determined on the basis of value in use, applying the discounted cash flow method. Cash flows are planned over a five-year period (2015 to 2019). The CAGR in this period is 1.1 per cent for net revenue and -0.2 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.5 per cent (2013: 2.5 per cent). The pre-tax discount rate used is 15.3 per cent (2013: 18.0 per cent).

A decrease in the CAGR within the detailed planning period in net revenue to -0.2 per cent or a decrease in the annual growth rate of the perpetual annuity of 1.3 per cent would result in an impairment of the intangible assets allocated to the ISE cash-generating unit. As at 31 December 2014, the recoverable amount exceeds the carrying amount by €47.8 million.

Other intangible assets: STOXX

Other intangible assets of STOXX Ltd., including the STOXX trade name (indefinite useful life), are tested for impairment on a yearly basis. The carrying amount of the trade name amounted to €420.0 million (2013: €420.0 million) as at 31 December 2014. Since the trade name does not generate any separate

cash inflows that are largely independent of those generated by other assets, the impairment test is performed on the basis of the STOXX cash-generating unit in the MD+S segment.

Recoverable amount is determined on the basis of fair value less costs of disposal. The impairment test was based on fair value less costs of disposal. Cash flows are projected over a five-year period (2015 to 2019). The CAGR in this period is 6.6 per cent for net revenue and 8.5 per cent for operating costs (less depreciation, amortisation and impairment losses). Cash flow projections beyond 2019 are extrapolated, assuming a perpetual annuity with a growth rate of 2.0 per cent (2013: 2.0 per cent). The after-tax discount rate amounts to 10.0 per cent (2013: 10.8 per cent).

Even in the case of a reasonably possible change of the applied parameters, no impairment charge would have to be recognised for the STOXX cash-generating unit.

Other intangible assets: EEX

In the course of the business combination with European Energy AG and its subsidiaries as at 1 January 2014, Deutsche Börse Group acquired goodwill, as well as other intangible assets. These assets primarily include customer relationships with a carrying amount of €69.8 million as at the acquisition date, as well as certain trade names registered by the EEX group and an exchange licence. Since the exchange licence does not have a finite term, it is assumed that its useful life is indefinite. Likewise, indefinite useful lives are assumed for the trade names, because these umbrella brands are well known and the intention is to continue using them as part of future operating activities. A total useful life of 16 years is assumed for the customer relationships.

EEX's other intangible assets are tested for impairment at the end of the year. The carrying amount of the exchange licence was €0.3 million as at the balance sheet date and the carrying amount of the trade names was €5.8 million as at the same date. Since the exchange licence and the trade names do not generate any cash inflows that are largely independent of those generated by other assets, the impairment test is performed on the basis of the EEX cash-generating unit in the Eurex segment. This test corresponds to the goodwill impairment test; see the information provided in the [“goodwill” section](#).

Other intangible assets: Börse Frankfurt Zertifikate

Other intangible assets of Börse Frankfurt Zertifikate AG, including the exchange licence (indefinite useful life), are tested for impairment on a yearly basis. The carrying amount of the exchange licence amounted to €0.2 million as at 31 December 2014 (2013: €0.2 million).

Since the exchange licence does not generate any cash inflows that are largely independent of those generated by other assets, the impairment test is performed on the basis of the Börse Frankfurt Zertifikate CGU in the Xetra segment. This test corresponds to the goodwill impairment test; see the information provided in the [“goodwill” section](#).

Other intangible assets: Clearstream Global Securities Services

In the course of the business combination with Clearstream Global Securities Services Limited as at 3 October 2014, Deutsche Börse Group acquired goodwill as well as other intangible assets. These assets primarily include customer relationships with a carrying amount of €16.0 million as at the acquisition date as well as a database with a carrying amount of €6.0 million. A useful life of 20 years has been assumed for the customer relationship and a useful life of eight years for the database.

12. Property, plant and equipment

Property, plant and equipment

	Fixtures and fittings €m	Computer hardware, operating and office equipment €m	Payments on account and construction in progress €m	Total €m
Historical costs as at 1 Jan 2013	78.5	329.8	1.7	410.0
Additions	3.5	25.0	0.1	28.6
Disposals	-2.0	-28.4	0	-30.4
Reclassifications	-1.8	3.4	-1.6	0
Exchange rate differences	-0.9	-1.3	-0.1	-2.3
Historical costs as at 31 Dec 2013	77.3	328.5	0.1	405.9
Acquisitions through business combinations	0.5	2.0	0	2.5
Additions	4.6	24.9	1.1	30.6
Disposals	-4.4	-35.8	0	-40.2
Reclassifications	0	0	0	0
Exchange rate differences	1.9	2.8	0	4.7
Historical costs as at 31 Dec 2014	79.9	322.4	1.2	403.5
Depreciation and impairment losses as at 1 Jan 2013	34.9	246.9	0	281.8
Amortisation	8.7	39.7	0	48.4
Disposals	-2.0	-28.3	0	-30.3
Reclassifications	-1.1	1.1	0	0
Exchange rate differences	-0.5	-0.8	0	-1.3
Depreciation and impairment losses as at 1 Dec 2013	40.0	258.6	0	298.6
Amortisation	5.5	34.3	0	39.8
Disposals	-4.3	-34.9	0	-39.2
Exchange rate differences	1.3	2.1	0	3.4
Depreciation and impairment losses as at 31 Dec 2014	42.5	260.1	0	302.6
Carrying amount as at 31 Dec 2013	37.3	69.9	0.1	107.3
Carrying amount as at 31 Dec 2014	37.4	62.3	1.2	100.9

13. Financial investments

Financial assets

	Investments in associates and joint ventures €m	Other equity investments €m	Receivables and securities from banking business €m	Other financial instruments and loans €m
Historical cost as at 1 Jan 2013	182.5	57.2	1,487.0	27.3
Additions	34.8	0.3	8.5	6.0
Disposals	0	0	-8.1	-3.0
Addition/(reversal) premium/discount	0	0	-0.3	0
Reclassifications	-48.9	-0.2	-310.7 ¹⁾	0
Exchange rate differences	-1.4	-0.7	-0.4	-0.8
Historical cost as at 31 Dec 2013	167.0	56.6	1,176.0	29.5
Acquisitions through business combinations	-53.0	0.2	0	0
Additions	13.6	70.0	328.6	4.8
Disposals	-1.8	0	0	-6.2
Addition/(reversal) premium/discount	0	0	-0.6	0
Reclassifications	-14.5	12.6	-202.1 ¹⁾	0
Exchange rate differences	0.6	8.1	0	1.4
Historical cost as at 31 Dec 2014	111.9	147.5	1,301.9	29.5
Revaluation as at 1 Jan 2013	22.3	-30.5	-2.0	-5.7
Disposals of impairment losses	0	0	0.6	0
Dividends	-10.9	0	0	0
Net income from equity method measurement	6.6	0	0	0
Currency translation differences recognised directly in equity	-0.3	0.6	0	0
Currency translation differences recognised in profit or loss	0	0	0	-0.1
Other fair value changes recognised directly in equity	0	-1.2	0	0
Other fair value changes recognised in profit or loss	0	0	0	0
Market price changes recognised directly in equity	-0.4	0	4.5	1.3
Market price changes recognised in profit or loss	0	-1.6	-0.8	1.0
Reclassifications	-0.9	0	0	0
Revaluation as at 31 Dec 2013	16.4	-32.7	2.3	-3.5
Acquisitions through business combinations	-28.1	0	0	0
Disposals of impairment losses	-0.3	0	0	0
Dividends	-7.4	0	0	0
Net income from equity method measurement	4.6	0	0	0
Currency translation differences recognised directly in equity	0	4.7	0	0.1
Currency translation differences recognised in profit or loss	-0.2	0	0	0
Other fair value changes recognised directly in equity	-1.3	1.0	0	0
Other fair value changes recognised in profit or loss	10.6	46.3	0	0
Market price changes recognised directly in equity	0	0	0.9	0.2
Market price changes recognised in profit or loss	-3.9	0	0	-0.1
Reclassifications	1.9	0	-0.1 ¹⁾	0
Revaluation as at 31 Dec 2014	-7.7	19.3	3.1	-3.3
Carrying amount as at 31 Dec 2013	183.4	23.9	1,178.3	26.0
Carrying amount as at 31 Dec 2014	104.2	166.8	1,305.0	26.2

1) Reclassified as current receivables and securities from banking business

The investments in associates and joint ventures include interests in associates with a carrying amount of €102.2 million (2013: €183.4 million) and interests in joint ventures with a carrying amount of €2.0 million (2013: nil). In financial year 2014, proportionate losses with an amount of €0.5 million (2013: nil) for associates accounted for using the equity method were not recognised. The unrecognised losses totalled €1.6 million.

Direct Edge Holdings, LLC merged with BATS Global Markets, Inc. on 31 January 2014. Since then, the shares of BATS Global Markets, Inc. have been classified as available for sale and reported under the “other equity investments” item. In the previous year, shares of Direct Edge Holdings, LLC were held under “non-current assets held for sale” (€35.6 million) and “investments in associates” (€15.5 million).

As in the previous year, “other financial instruments and loans” include securities with a fair value of €5.0 million pledged to the Industrie- und Handelskammer (IHK, the Chamber of Commerce) Frankfurt.

In connection with taking control over European Energy Exchange AG as from 1 January 2014, the shares, which had been held under shares in associates until 31 December 2013, were remeasured and the resulting effect of €10.6 million is recognised in the result from equity investments.

For details on revaluations and market price changes recognised directly in equity, also see [note 20](#). Other equity investments include available-for-sale shares.

In the year under review, impairment losses amounting to €3.9 million (2013: €1.6 million) were recognised in the income statement. These impairment losses relate to unlisted equity instruments. See [note 8](#) for further details.

Composition of receivables and securities from banking business

	31 Dec 2014 €m	31 Dec 2013 €m
Fixed-income securities		
from regional or local public bodies	209.3	149.7
other public bodies	607.9	537.2
from multilateral banks	487.8	471.3
from other credit institutions	0	20.1
Total	1,305.0	1,178.3

Securities from banking business include financial instruments listed on a stock exchange amounting to €1,305.0 million (2013: €1,178.3 million).

14. Derivatives and hedges

Deutsche Börse Group generally uses derivative financial instruments to hedge existing or highly probable forecast transactions. The derivatives are included in the positions “receivables from banking business”, “liabilities from banking business” and “other current liabilities”.

Derivatives (fair value)

	Note	Assets		Note	Liabilities	
		31 Dec 2014 €m	31 Dec 2013 €m		31 Dec 2014 €m	31 Dec 2013 €m
Derivatives held for trading						
short-term	16	34.4	0	28, 30	-6.4	-22.6
Total		34.4	0		-6.4	-22.6

Fair value hedges

No financial instruments designated as fair value hedges had been outstanding as at 31 December 2014 and 2013.

Cash flow hedges

In 2013, some debt instruments issued by Deutsche Börse AG matured. In order to partially hedge the refinancing needs of 2013, a forward interest rate payer swap and a payer swaption were used in 2010 to (conditionally) lock in prevailing (forward) interest rate levels which were judged to be attractive. The swaption expired in 2013. The swap had been settled by close out payment of €14.2 million. The amount recognised within revaluation surplus is reversed over the original term of the debt instrument issued in 2013. In 2014, no cash flow hedges had been designated.

Development of cash flow hedges

	2014 €m	2013 €m
Cash flow hedges as at 1 January	0	-14.2
Amount recognised in equity during the year	0	0.7
Amount recognised in profit or loss during the year	0	0
Ineffective hedge portion recognised in profit or loss	0	-0.2
Closing	0	14.2
Realised losses	0	-0.5
Cash flow hedges as at 31 December	0	0

Hedges of a net investment

In connection with the private placements in the USA, the bonds of the series A to C were designated as hedges against currency risk arising from the translation of the foreign functional currency US dollar into euro in order to hedge the net investment in the ISE subgroup.

Composition of private placements

Type	Issue volume	Equivalent			Term	
		US\$m	31 Dec 2014 €m	31 Dec 2013 €m	as at emission €m	from
Series A	170.0	139.8	123.5	110.2	12 June 2008	10 June 2015
Series B	220.0	181.0	159.8	142.7	12 June 2008	10 June 2018
Series C	70.0	57.6	50.8	45.4	12 June 2008	10 June 2020
Total	460.0	378.4	334.1	298.3		

As the bonds of series A will mature in 2015, they are shown under “other current liabilities” whereas the bonds of series B and C are included in “interest bearing liabilities”.

Effective exchange rate differences from the private placements are reported in the balance sheet item “accumulated profit”, as are exchange rate differences from the translation of foreign subsidiaries. €79.9 million (2013: €35.5 million) has been recognised cumulatively in this item directly in equity. There was no ineffective portion of the net investment hedges in 2014 and 2013.

Derivatives held for trading

Foreign exchange swaps as at 31 December 2014 expiring in less than three months with a notional value of €1,764.4 million (2013: €2,285.9 million) had a negative fair value of €0.5 million and a positive fair value amounting to €34.4 million (2013: negative fair value of €16.5 million). These swaps were entered into to convert foreign currencies received through the issue of commercial paper by the banking business into euros, and to hedge short-term foreign currency receivables and liabilities in euros economically. These are reported under “current receivables and securities from banking business” and “liabilities from banking business” in the balance sheet (see also [notes 16](#) and [28](#)).

Outstanding positions derivatives transactions

		Foreign exchange swaps	
		31 Dec 2014	31 Dec 2013
Number		28	30
Notional amount	€m	1,764.4	2,285.9
Positive fair value	€m	34.4	0
Negative fair value	€m	-0.5	-16.5

Eurex Clearing AG has awarded a grant to some customers. The repayment of that grant will be contingent on the satisfaction of certain criteria. Eurex Clearing AG has recognised embedded derivatives separately from the host contract. The derivatives amounting to €5.9 million (2013: €6.1 million) have been classified as held for trading and are shown under “other current liabilities”.

15. Financial instruments of the central counterparties

Composition of financial instruments of central counterparties

	31 Dec 2014 €m	31 Dec 2013 €m
Repo transactions	156,856.7	147,924.7
Options	19,114.4	9,583.2
Others	165.7	97.5
Total	176,136.8	157,605.4
thereof non-current	5,885.8	4,058.6
thereof current	170,251.0	153,546.8

As of 31 December 2014, the aggregate financial instruments of the central counterparties also include positions from transactions cleared by European Commodity Clearing AG. They are classified into current and non-current in the balance sheet. Receivables and liabilities that may be offset against a clearing member are reported on a net basis. Financial liabilities of €1,249.1 million (2013: €500.0 million) have been eliminated because of intra-Group GC Pooling transactions.

The following table gives an overview of the effects of offsetting the financial instruments of the central counterparties:

Gross presentation of offsetted financial instruments of central counterparties¹⁾

	Gross amount of financial instruments		Gross amount of netted financial instruments		Net amount of financial instruments	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m
Financial assets from repo transactions	178,686.9	176,803.4	-21,830.2	-28,878.7	156,856.7	147,924.7
Financial liabilities from repo transactions	-177,437.8	-176,303.4	21,830.2	28,878.7	-155,607.6	-147,424.7
Financial assets from options	64,056.8	14,605.6	-44,942.4	-5,022.4	19,114.4	9,583.2
Financial liabilities from options	-64,056.8	-14,605.6	44,942.4	5,022.4	-19,114.4	-9,583.2

1) The collateral deposited by clearing members cannot be attributed directly to the individual transactions. For information on the composition of Eurex Clearing AG's collateral, see [note 36](#).

16. Current receivables and securities from banking business

In addition to non-current receivables and securities from banking business that are classified as non-current financial assets (see [note 13](#)), the following receivables and securities from banking business, attributable solely to the Clearstream subgroup, were classified as current assets as at 31 December 2014.

Composition of current receivables and securities from banking business

	31 Dec 2014 €m	31 Dec 2013 €m
Loans to banks and customers		
Reverse repurchase agreements	6,952.4	6,708.7
Balances on nostro accounts	357.2	991.3
Money market lendings	1,967.1	1,044.0
Overdrafts from settlement business	338.5	487.0
	9,615.2	9,231.0
Available-for-sale debt instruments	655.9	310.6
Interest receivables	1.6	2.4
Forward foreign exchange transactions ¹⁾	34.4	0
Total	10,307.1	9,544.0

1) See [note 14](#).

Overdrafts from settlement business represent short-term loans of up to two days' duration that are usually secured by collateral. Potential concentrations of credit risk are monitored against counterparty credit limits (see [note 36](#)).

Remaining maturity of loans to banks and customers

	31 Dec 2014 €m	31 Dec 2013 €m
Not more than 3 months	9,615.2	9,231.0
Total	9,615.2	9,231.0

All of the securities held as at 31 December 2014 and 2013 were listed and issued by sovereign or sovereign-guaranteed issuers.

Remaining maturity of available-for-sale debt instruments

	31 Dec 2014 €m	31 Dec 2013 €m
Not more than 3 months	418.8	75.9
3 months to 1 year	237.1	234.7
Total	655.9	310.6

17. Development of allowance against trade receivables

As in the previous year, there were no trade receivables due after more than one year as at 31 December 2014.

Allowance account

	€m
Balance as at 1 Jan 2013	8.1
Additions	2.5
Acquisitions through business combinations	0
Utilisation	-0.1
Reversal	-0.9
Balance as at 31 Dec 2013	9.6
Additions	2.4
Acquisitions through business combinations	0.1
Utilisation	-0.1
Reversal	-4.1
Balance as at 31 Dec 2014	7.9

In the current year, irrecoverable receivables of €2.3 million (2013: €0.2 million) were written off. Provisions against doubtful debts had not been recognised for these receivables.

18. Other current assets

Composition of other current assets

	31 Dec 2014 €m	31 Dec 2013 €m
Other receivables from CCP transactions	464.5	181.5
Tax receivables (excluding income taxes)	42.6	49.9
Prepaid expenses	24.9	23.7
Receivables from insurance companies	8.8	2.3
Incentive programme	3.5	4.0
Guarantees and deposits	1.7	0.7
Vendors with a debit balance	1.1	5.9
Miscellaneous	7.2	5.7
Total	554.3	273.7

19. Restricted bank balances

Amounts reported separately under liabilities as cash deposits by market participants are restricted. Such amounts are mainly invested via bilateral or triparty reverse repurchase agreements and in the form of overnight deposits at banks (restricted bank balances). Government or government-guaranteed bonds, mortgage bonds and bank bonds with an external rating of at least AA– are accepted as collateral for the reverse repurchase agreements. Restricted bank balances reported total €22,283.5 million (2013: €16,221.7 million).

20. Equity

Changes in equity are presented in the consolidated statement of changes in equity. As at 31 December 2014, the number of no-par value registered shares of Deutsche Börse AG issued was 193,000,000 (31 December 2013: 193,000,000). Subject to the agreement of the Supervisory Board, the Executive Board is authorised to increase the subscribed share capital by the following amounts:

Composition of authorised share capital

	Amount in €	Date of authorisation by the shareholders	Expiry date	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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ for cash at an issue price not significantly lower than the stock exchange 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 with 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	<ul style="list-style-type: none"> ▪ 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

In accordance with the resolution by the Annual General Meeting on 15 May 2014, the Executive Board was authorised, subject to the approval of the Supervisory Board, to issue on one or more occasions in the period up to 14 May 2019 convertible bonds and/or bonds with warrants or a combination of such instruments in a total nominal amount of up to €2,500,000,000 with or without maturity restrictions, and to grant the holders or creditors of these bonds conversion or option rights to new no-par value registered shares of Deutsche Börse AG with a proportionate interest in the share capital totalling up to €19,300,000 as specified in more detail in the terms and conditions of the convertible bonds or in the terms and conditions of the warrants attaching to the bonds with warrants.

The Executive Board is authorised, subject to the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights to bonds with conversion or option rights to shares of Deutsche Börse AG in the following cases: (i) to eliminate fractions, (ii) if the issue price of a bond does not fall materially short of the theoretical fair value determined in accordance with recognised financial techniques and the total number of shares attributable to these bonds does not exceed 10 per cent of the share capital, (iii) to grant the holders of conversion or option rights to shares of Deutsche Börse AG options as compensation for dilutive effects to the same extent as they would be entitled to receive after exercising these rights.

The bonds may also be issued by companies based in Germany or abroad that are affiliated with Deutsche Börse AG within the meaning of sections 15ff. of the Aktiengesetz (AktG, German Stock Corporation Act). Accordingly, the share capital was contingently increased by up to €19,300,000 (contingent capital 2014). To date, the authorisation to issue convertible bonds and/or bonds with warrants has not been exercised.

There were no further subscription rights for shares as at 31 December 2014 or 31 December 2013.

Revaluation surplus

The revaluation surplus results from the revaluation of securities and other current and non-current financial instruments at their fair value less deferred taxes. This item also includes reserves from an existing investment in an associate, which were recognised in connection with the acquisition of further shares, as the company was fully consolidated as of this date. Actuarial gains and losses for defined benefit obligations are also directly recognised in revaluation surplus.

Revaluation surplus

	Recognition of hidden reserves from fair value measurement €m	Other equity investments (financial assets) €m	Securities from banking business (financial assets) €m
Balance as at 1 Jan 2013 (gross)	103.7	1.9	-1.7
Changes from defined benefit obligations	0	0	0
Fair value measurement	0	-1.2	4.5
Reversal to profit or loss	0	0	0
Balance as at 31 Dec 2013 (gross)	103.7	0.7	2.8
Changes from defined benefit obligations	0	0	0
Fair value measurement	0	1.0	0.9
Reclassifications	0	0	-0.2
Reversal to profit or loss	0	0	0
Balance as at 31 Dec 2014 (gross)	103.7	1.7	3.5
Deferred taxes			
Balance as at 1 Jan 2013	0	-0.5	0.3
Additions	0	0.2	0
Reversals	0	0	-1.4
Balance as at 31 Dec 2013	0	-0.3	-1.1
Additions	0	0	0
Reversals	0	-0.2	-0.2
Balance as at 31 Dec 2014	0	-0.5	-1.3
Balance as at 1 Jan 2013 (net)	103.7	1.4	-1.4
Balance as at 31 Dec 2013 (net)	103.7	0.4	1.7
Balance as at 31 Dec 2014 (net)	103.7	1.2	2.2

Accumulated profit

The “accumulated profit” item includes exchange rate differences amounting to €166.9 million (2013: €39.4 million). €171.8 million was added due to currency translation for foreign subsidiaries in the year under review (2013: withdrawal of €57.4 million) and €44.3 million was withdrawn relating to a net investment hedge that was used to hedge the net investment in ISE against currency risk (2013: additions of €14.5 million).

Regulatory capital requirements and regulatory capital ratios

As in the past, Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG, in their capacity as credit institutions, are subject to solvency supervision by the German or Luxembourg banking supervisory authorities (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin, and Commission de Surveillance du Secteur Financier, CSSF, respectively). The same applies to the Clearstream Holding group at the level of the supervisory group.

Following the consolidation of European Commodity Clearing AG as at 1 January 2014, a further Group company, in its capacity as a credit institution under German law, was subject to solvency supervision by the German banking supervisory authorities in the year under review.

	Other financial instruments (financial assets) €m	Current securities from banking business €m	Cash flow hedges €m	Defined benefit obligations €m	Total €m
	-0.4	0.1	-13.6	-107.8	-17.8
	0	0	0	14.2	14.2
	1.3	-0.2	0.7	0	5.1
	0	0	1.2	0	1.2
	0.9	-0.1	-11.7	-93.6	2.7
	0	0	0	-66.1	-66.1
	0.2	-0.2	0	0	1.9
	0	0.2	0	0	0
	0	0	2.7	0	2.7
	1.1	-0.1	-9.0	-159.7	-58.8
	0	-0.1	3.6	28.8	32.1
	0	0.1	0	0	0.3
	0	0	-0.5	-3.8	-5.7
	0	0	3.1	25.0	26.7
	0	0	0	17.6	17.6
	-0.3	0	-0.7	0	-1.4
	-0.3	0	2.4	42.6	42.9
	-0.4	0	-10.0	-79.0	14.3
	0.9	-0.1	-8.6	-68.6	29.4
	0.8	-0.1	-6.6	-117.1	-15.9

Following the authorisation of both Eurex Clearing AG (10 April 2014) and European Commodity Clearing AG (12 June 2014) as central counterparties under the provisions of Regulation (EU) No 648/2012 (EMIR), these companies are now also subject to the capital requirements under Article 16 of EMIR. Due to further authorisations in accordance with the Kreditwesengesetz (KWG, German Banking Act), these requirements apply to Eurex Clearing AG in addition to the existing regulations for own funds requirements, and the higher requirement has to be met in each case; for European Commodity Clearing AG, on the other hand, the EMIR requirements replace the existing requirements. However, since the EMIR authorisation applies throughout the EU, Eurex Clearing AG lost its status as a Recognised Overseas Clearing House (ROCH) in the United Kingdom and the associated capital requirement ceased to apply.

The EMIR capital requirements for central counterparties are in large part based on the EU own funds requirements for credit institutions (see below), but the detail differs both in relation to the capital components and the capital requirement components and capital deduction items. Moreover, EMIR does not specify any capital buffers such as those introduced by CRD IV/CRR for banks.

Since 1 January 2014, the capital requirements for credit institutions have been primarily subject to the EU-wide requirements of Regulation (EU) No 575/2013 (Capital Requirements Regulation, CRR) as well as the supplementary national regulations implementing the EU Capital Requirements Directive 2013/36/EU (CRD IV), which implemented the so-called Basel III regulations into European law.

Article 4 (3) of the CRR provides that, in principle, these requirements also apply to certain investment firms. The way these provisions are formulated means that, in principle, the Group's operators of a multilateral trading system – Eurex Repo GmbH and Eurex Bonds GmbH – are, as investment firms, also subject to the (limited) application of the CRR. However, because of their business and the scope of the authorisation, only certain requirements apply to them. In Germany, yet, the KWG prohibited the application of these requirements until the Finanzmarktanpassungsgesetz (German Financial Market Legislation Amendments Act) entered into force. Since 1 August 2014, the above-mentioned companies have been subject to the limited and specific capital adequacy requirements in accordance with Article 95 of the CRR.

All companies that are subject to the CRR capital requirements are non-trading-book institutions. Market price risk positions consist only of a relatively small open foreign currency position. The companies concerned uniformly apply the standardised approach for credit risk. As a result of the specific business of the credit institutions belonging to the Group, their recognised assets are subject to sharp fluctuations. This leads to correspondingly volatile solvency ratios at the Clearstream companies. The volatility of the ratio is subject to major fluctuations on a day-to-day basis in the course of the year. Due to a high degree of collateralised or zero-weighted cash investments, the capital requirements for credit and market price risks of Eurex Clearing AG and European Commodity Clearing AG are relatively stable despite volatile total assets in the course of the year. The changes in the regulatory framework for banks (Basel III, Dodd-Frank Act, EMIR) led to a significant increase in the cash collateral deposited by clearing participants of Eurex Clearing AG in 2014, amid sharp fluctuations. In combination with volatile markets and the regulation-induced segregation of client collateral from the clearing participants' own collateral, this led to greater fluctuation in capital requirements for credit risk at Eurex Clearing AG.

To calculate the operational risk charge, Eurex Clearing AG and European Commodity Clearing AG use the basic indicator approach, while the Clearstream companies apply the advanced measurement approach (AMA).

Due to the specific arrangements for the two investment firms, Eurex Repo GmbH and Eurex Bonds GmbH, no explicit own funds requirements for operational risk are determined in accordance with Article 95 of the CRR. Instead, the total own funds requirement is determined on the basis of the higher capital requirement amount for credit and market price risk on the one hand and 25 per cent of fixed overheads on the other. Since the credit and market price risks are low, the relevant criterion for both companies is the capital requirement on the basis of fixed costs.

Since the profit participation rights issued by Clearstream Banking S.A. in the past were converted into share capital and reserves in 2014, none of the Group companies subject to solvency supervision has material Tier 2 regulatory capital.

A minimum solvency ratio of 8 per cent applies in principle to the credit institutions subject to the CRR. All credit institutions and groups currently regulated under the CRR (Clearstream Banking S.A., Clearstream Banking AG, the Clearstream Holding group and Eurex Clearing AG) have been designated as systemically important. As a result, CSSF increased the minimum own funds requirements for Clearstream Banking S.A. to a core Tier 1 ratio of 9 per cent in 2013. Since 2014, CSSF has imposed a standard capital conservation buffer of 2.5 per cent of common equity on all Luxembourgian credit institutions; this arrangement represents a departure from the transitional provisions of CRD IV. This means that the minimum solvency ratio is 10.5 per cent. In return, the previous higher core Tier 1 ratio no longer applies to Clearstream Banking S.A. CRD IV introduced various capital buffers, which the supervised (credit) institutions generally have to meet over and above the minimum solvency ratio of

8 per cent, although they may temporarily fall below these levels. These buffers are being introduced in stages, depending on the economic environment and systemic risk components. Apart from the buffer imposed by CSSF on all Luxembourgian credit institutions, the Group's regulated companies were not subject to any CRD IV capital buffers in 2014.

The individual companies' capital resources sufficiently reflect the fluctuation in risk-weighted assets. Stress considerations are used to determine the capital required for expected peaks and additional reserves for unexpected events are added. In addition, buffers are taken into account that cover the recovery indicators specified in the recovery plans and thus prevent recovery scenarios from being triggered even for peak own funds and capital requirements. The own funds and capital requirements determined in this way will be met on the basis of medium-term capital planning. As the actual own funds and capital requirements are below the expected peaks – significantly so under normal circumstances – this may lead to a very high solvency ratio or EMIR capital cover, especially at the closing date.

The capital requirements of the Clearstream companies rose slightly in the year under review. This was mainly driven by further increases in capital requirements for operational risk combined with simultaneously lowered capital requirements for credit and market price risk. The increased capital requirements for operational risk are in turn largely the result of annually updated risk scenarios and, in particular, further refinements of the risk scenarios for legal and compliance risks, which reflect the increased exposure in this area in the banking sector. Moreover, the updated risk allocation led to increased capital requirements for operational risk at Clearstream Banking AG, while the corresponding capital charge at Clearstream Banking S.A. has declined slightly. As a result of regulatory changes (introduction of the liquidity coverage ratio as well as amended large exposure rules), Clearstream Banking AG's euro- and US dollar-denominated cash investment receivables from Clearstream Banking S.A. are largely invested on a collateralised basis. This has led to a significant reduction in capital requirements for credit risk at Clearstream Banking AG. Due to closing date effects, customer balances, especially those denominated in US dollars and euros, declined significantly compared with the end of 2012, resulting in lower balances on the nostro accounts and consequently lower capital requirements for credit risk.

The Clearstream Holding group already responded to the increased own funds requirements in the past by launching a programme to strengthen its capital base; this programme continued in 2014. Further measures are planned for the coming years in the context of medium-term capital planning. In 2014, the Group's capital base was boosted by retaining profits, especially at Clearstream Banking S.A. and Clearstream International S.A. The capital base of Clearstream Banking S.A. was strengthened by converting the existing profit participation capital into share capital and reserves and by making further additional contributions to reserves. In 2014, the acquisition of Citco's hedge fund settlement business had a negative impact on the capital base of both the Group and Clearstream Banking S.A. because large amounts of intangible assets were acquired in the process. The capital base of Clearstream Banking AG was increased through contributions to reserves. In spite of the increased capital requirements, these capitalisation measures currently ensure solvency ratios of more than 20 per cent.

In the medium to long term, the Clearstream Holding group expects a moderate increase in own funds requirements to arise at supervisory group level from the CRD IV capital buffers, which are being increased in stages, the designation as systemically important institutions and the future CSD regulation. The following factors may lead to additional capital requirements in the future:

- the ongoing debate about the capital requirements of systemically important institutions (banks and financial market infrastructures)
- the introduction of minimum requirements for equity and eligible liabilities (MREL) as a result of Directive 2014/59/EU – Banking Recovery and Resolution Directive (BRRD) – and its German implementation via the Sanierungs- und Abwicklungsgesetz (SAG, German Recovery and Resolution Act), which entered into force on 1 January 2015 and refers to this concept as “Mindestbeitrag berücksichtigungsfähiger Verbindlichkeiten” (minimum requirement for eligible liabilities), and the implementation of a comparable international concept, total loss absorbance capacity (TLAC), of the Financial Stability Board.

Eurex Clearing AG's own funds requirements rose only slightly compared with the previous year, mainly as a result of a slight structural increase in own funds requirements for credit and market price risk and a slight reduction in own funds requirements in relation to operational risk.

Eurex Clearing AG's internal risk model assumes higher capital requirements for operational risk than does the accounting-based basic indicator approach in accordance with regulatory requirements. For this reason, Eurex Clearing AG has always maintained a capital buffer for these types of risk over and above the minimum regulatory requirements. In light of this, the banking supervisory authorities encouraged Eurex Clearing AG in 2011 to expand the basis for calculating its regulatory capital requirements to include an adequate clearing portion of the fees collected for the account of the operating companies. The capital requirements for operational risk are calculated once a year on the basis of a three-year average of historical income, including the assumed clearing fees, and are therefore not subject to daily fluctuations. Compliance with the minimum supervisory ratio is maintained at all times due to the sufficient capital buffer for uncollateralised cash investments.

Eurex Clearing AG increased its capital base significantly in 2013/2014 in anticipation of the EMIR authorisation and added another €40 million after the authorisation had been granted. For this reason, Eurex Clearing AG does not currently expect the CRD IV capital buffers to have any material impact on its capital requirements. Independently of this, the capital resources of Eurex Clearing AG are reviewed on an ongoing basis and monitored as part of medium-term capital planning. Further gradual contributions to capital are planned for the coming years.

Composition of own funds requirements

	Own funds requirements for operational risk		Own funds requirements for credit and market price risk		Total capital requirements	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m
Clearstream Holding group	312.9	289.6	46.4	49.0	359.3	338.6
Clearstream Banking S.A.	215.9	223.0	45.7	46.2	261.6	269.2
Clearstream Banking AG	97.0	74.7	4.0	23.1	101.0	97.8
Eurex Clearing AG	69.8	71.2	12.4	7.3	82.2	78.5
European Commodity Clearing AG	3.7	3.3	0.6	0.4	4.3	3.7

Regulatory capital ratios

	Own funds requirements		Regulatory equity		Solvency ratio	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 %	31 Dec 2013 %
Clearstream Holding group	359.3	338.6	1,079.7	1,116.6	24.0	26.4
Clearstream Banking S.A.	261.6	269.2	876.6	801.3	26.8	23.8
Clearstream Banking AG	101.0	97.8	248.7	217.9	19.7	17.8
Eurex Clearing AG	82.2	78.5	289.4	249.4	28.2	25.4
European Commodity Clearing AG	0	3.7	0	37.9	0	81.2

The capital requirements under Article 16 of EMIR do not stipulate a specific ratio. Instead, the total amount of share capital, retained earnings and reserves, less certain items (including the central counterparty's own contribution to the default fund), is compared with the capital requirements. This total has to be at least equal to these requirements. In other words, EMIR requires a capital cover of at least 100 per cent. A reporting requirement to the competent authority – in this case BaFin – is triggered when this ratio falls below 110 per cent.

The capital resources of European Commodity Clearing AG are currently well above the regulatory requirements. Similar to the other companies, its capital resources are reviewed on an ongoing basis. Depending on future business performance, and in particular on changes in the regulatory framework, the capital resources may be adjusted, although there are no plans for this at present.

Capital adequacy requirements under EMIR

	Eurex Clearing AG		European Commodity Clearing AG	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m
Own funds requirements for operational, credit and market risk	82.2	n.a.	4.3	n.a.
Other EMIR capital requirements	74.9	n.a.	12.5	n.a.
Total EMIR capital requirements under Article 16 of EMIR	157.1	n.a.	16.8	n.a.
Equity	289.8	n.a.	39.9	n.a.
Own contribution to default fund	-50.0	n.a.	-4.8	n.a.
EMIR capital adequacy ratio	239.8	n.a.	35.1	n.a.

The capital requirements for Deutsche Börse Group's two investment firms first entered into force in 2014.

The capitalisation of Eurex Bonds GmbH significantly exceeded the CRR requirements. Due to the profits expected to be retained in future, the capital resources of Eurex Bonds GmbH will increase gradually in

the coming years. However, if costs remain more or less stable and the capital requirements for credit and market price risk are low, the capital requirements are expected to remain virtually unchanged.

Since Eurex Repo GmbH transfers its earnings to Eurex Frankfurt AG under a profit and loss transfer agreement, there was no need in the past to maintain a strong capital base. The implementation of the CRR requirements for Eurex Repo GmbH therefore required a contribution to the share premium account. Depending on the future prudential treatment of expenses from profit transfers as well as future business performance, further contributions to capital may be necessary to a limited extent.

Composition of own funds/capital requirements

	Own funds requirements for credit and market price risk		Own funds requirements on the basis of fixed overheads		Own funds requirements to be met	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m
Eurex Bonds GmbH	0.2	n.a.	0.5	n.a.	0.5	n.a.
Eurex Repo GmbH	0.4	n.a.	0.7	n.a.	0.7	n.a.

Compliance with own funds requirements

	Own funds requirements		Regulatory equity		Equity ratio	
	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 €m	31 Dec 2013 €m	31 Dec 2014 %	31 Dec 2013 %
Eurex Bonds GmbH	0.5	n.a.	8.2	n.a.	1,640.0	n.a.
Eurex Repo GmbH	0.7	n.a.	2.6	n.a.	371.4	n.a.

In general, the regulatory minimum requirements were complied with at all times by all companies during the year under review and in the period up to the preparation of the consolidated financial statements. Due to the change in the behaviour of clearing participants triggered by regulatory changes as well as tighter markets for collateralised cash investments in US dollars as at the end of the quarter, the large exposure limits for prime counterparties were temporarily exceeded at Eurex Clearing AG on a few occasions in 2014. Eurex Clearing AG initiated and implemented comprehensive measures to avoid a repeat of such breaches in the future. It is working on further initiatives to enhance diversification and risk mitigation for investments of US dollars, as well as pound sterling.

21. Shareholders' equity and appropriation of net profit of Deutsche Börse AG

The annual financial statements of the parent company Deutsche Börse AG, prepared as at 31 December 2014 in accordance with the provisions of the Handelsgesetzbuch (HGB, the German Commercial Code), report net profit for the year of €423.1 million (2013: €412.8 million) and shareholders' equity of €2,370.3 million (2013: €2,329.8 million). In 2014, Deutsche Börse AG distributed €386.6 million (€2.10 per eligible share) from the unappropriated surplus of the previous year.

Net income for the year 2014 is at the same level as last year.

Proposal on the appropriation of the unappropriated surplus

	31 Dec 2014 €m
Net profit for the year	423.1
Appropriation to other retained earnings in the annual financial statements	-23.1
Unappropriated surplus	400.0
Proposal by the Executive Board:	
Distribution of a regular dividend to the shareholders of €2.10 per share for 184,186,855 no-par value shares carrying dividend rights	386.8
Appropriation to retained earnings	13.2

No-par value shares carrying dividend rights

	Number
Number of shares issued as at 31 December 2014	193,000,000
Number of shares acquired under the share buy-back programme up to the balance sheet date	-8,813,145
Number of shares outstanding as at 31 December 2014	184,186,855

The proposal on the appropriation of the unappropriated surplus reflects treasury shares held directly or indirectly by the company that are not eligible to receive dividends under section 71b of the Aktiengesetz (AktG, the German Stock Corporation Act). The number of shares eligible to receive dividends can change until the Annual General Meeting through the repurchase or sale of further treasury shares. In this case, without changing the dividend of €2.10 per eligible share, an amended resolution for the appropriation of the unappropriated surplus will be proposed to the Annual General Meeting.

22. Provisions for pensions and other employee benefits

Defined benefit pension plans

The defined benefit obligations of the companies of Deutsche Börse Group relate primarily to final salary arrangements and pension plans based on capital components, which guarantee employees a choice of either lifelong pensions or capital payments on the basis of the final salary paid. In Switzerland, there are guaranteed defined contribution plans. Deutsche Börse Group uses external trust solutions to cover some of its pension obligations.

Net liability of defined benefit obligations

	Germany €m	Luxembourg €m	Other €m	Total 31 Dec 2014 €m	Total 31 Dec 2013 €m
Present value of the defined benefit obligations that are at least partly financed in advance	345.5	64.1	17.4	427.0	341.2
Fair value of plan assets	-225.2	-44.6	-14.6	-284.4	-263.4
Funded status	120.3	19.5	2.8	142.6	77.8
Present value of unfunded obligations	2.3	0.7	0	3.0	2.4
Net liability of defined benefit obligations	122.6	20.2	2.8	145.6	80.2
Impact of minimum funding requirement/ asset ceiling	0	0	0	0	0
Amount recognised in the balance sheet	122.6	20.2	2.8	145.6	80.2

The defined benefit plans comprise a total of 2,509 (2013: 2,435) beneficiaries. The present value of the defined benefit obligations can be broken down on the beneficiaries as follows:

Breakdown of stakeholders

	Germany €m	Luxembourg €m	Other €m	Total 31 Dec 2014 €m	Total 31 Dec 2013 €m
Candidates	157.7	63.8	17.1	238.6	194.4
Former employees with vested entitlements	106.1	0.3	0.3	106.7	94.4
Pensioners or surviving dependents	84.0	0.7	0	84.7	54.8
	347.8	64.8	17.4	430.0	343.6

The following retirement benefit plans exist to provide retirement benefits:

Executive boards of Group companies (Germany and Luxembourg)

Individual commitment plans exist for members of the executive boards of Group companies; they are based on the plan for senior executives described in the next but one paragraph, i.e. in each calendar year the company provides an annual contribution to a capital component calculated in accordance with actuarial principles. The benefit assets equal the total of the acquired capital components of the individual years and are converted into a lifelong pension once the benefits fall due. In addition, retirement benefit agreements are in place with members of the executive boards of Group companies, under which they are entitled to pension benefits on reaching the age of 63 and following reappointment. When the term of office began, the replacement rate was 30 per cent of individual pensionable income. It rose by five percentage points with each reappointment, up to a maximum of 50 per cent of pensionable income. Details of the pension commitments for members of Deutsche Börse AG's Executive Board can be found in the [remuneration report](#).

Germany

There has been an employee-financed deferred compensation plan for employees of Deutsche Börse Group in Germany since 1 July 1999. This plan gives employees the opportunity to convert parts of their future remuneration entitlements into benefit assets of equal value. The benefits consist of a capital payment on reaching the age of 65 or earlier, if applicable, in the case of disability or death; when due, the payment is made in equal annual payments over a period of three years. The benefit assets earn interest at a rate of 6 per cent p.a. As a rule, new commitments are entered into on the basis of this deferred compensation plan; employees with pension commitments under retirement benefit arrangements in force before 1 July 1999 were given an option to participate in the deferred compensation plan by converting their existing pension rights.

In the period from 1 January 2004 to 30 June 2006, senior executives in Germany were offered the opportunity to participate in the following pension system based on capital components: the benefit is based on annual income received, composed of fixed annual salary and the variable remuneration. Every year, participating Group companies provide for an amount that corresponds to a certain percentage of the pensionable income. This amount is multiplied by a capitalisation factor depending on age, resulting in the "annual capital component". The benefit assets equal the total of the acquired capital components of the individual years and are converted into a lifelong pension once the benefits fall due. This benefit plan was closed to new staff on 30 June 2006; the senior executives who were employed in the above period can continue to earn capital components.

As part of adjustments to the remuneration systems to bring them into line with supervisory requirements (see [note 39](#) for detailed information) contracts with members of the executive boards of Group companies and senior executives are currently being revised; this process primarily affects the calculation of the capital components.

Luxembourg

The employees of the Clearstream subgroup in Luxembourg participate in separate defined benefit pension plans. The defined benefit pension plan in favour of Luxembourg employees of Clearstream International S.A., Clearstream Banking S.A. and Clearstream Services S.A. is funded by means of cash contributions to an “association d'épargne pension” (ASSEP) organised in accordance with Luxembourg law. The benefits consist of a one-off capital payment, which is generally paid on reaching the age of 65. The benefit plan does not cover disability or death in service. Contributions to the “association d'épargne pension” are funded in full by the participating companies. The contributions are determined annually on the basis of actuarial reports and the amount of the obligation is calculated in accordance with Luxembourg law.

Switzerland

The employees of STOXX Ltd. participate in a separate defined benefit pension plan. They are insured by a pension fund of SIX Swiss Exchange AG at PREVAS Sammelstiftung, Zurich.

Since 2012, there have been a separate pension plan (basic pension plan) and a supplementary benefits plan (bonus plan) for employees of Eurex Zürich AG and Eurex Global Derivatives AG; both plans are based on insurance policies and, in addition to retirement benefits, comprise disability benefits and dependants' pensions. The contributions to the basic pension plan are paid by the employee and the employer, based on progressive percentages of the insured wage (annual wage less coordination deduction). For the bonus plan, the contributions are determined as a percentage of the bonus; it is also funded by contributions from employees and the employer. The retirement age is 65. The beneficiaries can choose between pension payments and a one-off payment.

The present value of defined benefit obligations can be reconciled as follows with the provisions shown in the consolidated balance sheet:

Changes in net defined benefit obligations

	Present value of obligations €m	Fair value of plan assets €m	Total €m	Impact of mini- mum funding requirement/ asset ceiling €m	Total €m
Balance as at 1 Jan 2013	328.2	-233.4	94.8	0.6	95.4
Acquisitions through business combinations	0.3	–	0.3	–	0.3
Current service cost	17.1	–	17.1	–	17.1
Interest expense/(income)	11.0	-8.6	2.4	–	2.4
	28.1	-8.6	19.5	0	19.5
Remeasurements					
Return on plan assets, excluding amounts already recognised in interest income	–	-10.4	-10.4	–	-10.4
Losses from changes in demographic assumptions	3.2	–	3.2	–	3.2
Losses from changes in financial assumptions	5.4	–	5.4	–	5.4
Experience gains	-11.9	–	-11.9	–	-11.9
Change in asset ceiling, excluding amounts included in interest expense	–	–	0	-0.6	-0.6
	-3.3	-10.4	-13.7	-0.6	-14.3
Effect of exchange rate differences	-0.2	–	-0.2	–	-0.2
Contributions:					
Employers	–	-20.5	-20.5	–	-20.5
Plan participants	0.8	-0.8	0	–	0
Benefit payments	-10.3	10.3	0	–	0
Balance as at 31 Dec 2013	343.6	-263.4	80.2	0	80.2
Acquisitions through business combinations	0.3	-0.3	0	–	0
Current service cost	16.2	–	16.2	–	16.2
Interest expense/(income)	11.3	-8.8	2.5	–	2.5
Past service cost and gains and losses on settlements	-0.2	–	-0.2	–	-0.2
	27.3	-8.8	18.5	0	18.5
Remeasurements					
Return on plan assets, excluding amounts already recognised in interest income	–	-1.9	-1.9	–	-1.9
Losses from changes in demographic assumptions	-1.3	–	-1.3	–	-1.3
Losses from changes in financial assumptions	76.6	–	76.6	–	76.6
Experience gains	-7.0	–	-7.0	–	-7.0
Change in asset ceiling, excluding amounts included in interest expense	–	–	0	–	0
	68.3	-1.9	66.4	0	66.4¹⁾
Effect of exchange rate differences	0.2	-0.1	0.1	–	0.1
Contributions:					
Employers	–	-19.5	-19.5	–	-19.5
Plan participants	0.8	-0.8	0	–	0
Benefit payments	-10.5	10.4	-0.1	–	-0.1
Balance as at 31 Dec 2014	430.0	-284.4	145.6	0	145.6

1) Thereof €0.3 million under non-controlling interests

In financial year 2014, employees converted a total of €3.6 million (2013: €3.3 million) of their variable remuneration into deferred compensation benefits.

Assumptions

Provisions for pension plans and other employee benefits are measured annually at the balance sheet date using actuarial methods. The assumptions for determining the actuarial obligations for the pension plans differ according to the individual conditions in the countries concerned and are as follows:

Actuarial assumptions

	31 Dec 2014			31 Dec 2013		
	Germany %	Luxembourg %	Switzerland %	Germany %	Luxembourg %	Switzerland %
Discount rate	2.15	2.15	1.10	3.40	3.40	2.00
Salary growth	3.50	3.50	1.00	3.50	3.50	1.00
Pension growth	2.00	2.00–2.25	0	2.00	2.00–2.25	0
Staff turnover rate	2.00 ¹⁾	2.00 ¹⁾	n.a. ²⁾	2.00 ¹⁾	2.00 ¹⁾	n.a. ²⁾

1) Up to the age of 50, afterwards 0.00 per cent

2) Staff turnover rate in accordance with the Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge (BVG, Swiss Federal Occupational Retirement, Survivors' and Disability Pension Plans Act)

In Germany, the “2005 G” mortality tables (generation tables) developed by Prof Dr Klaus Heubeck are used in a modified version. For Luxembourg, generation tables of the Institut national de la statistique et des études économiques du Grand-Duché du Luxembourg are used. For Switzerland, the BVG 2010 generation tables are used.

Sensitivity analysis

The sensitivity analysis presented in the following considers the change in one assumption at a time, leaving the other assumptions unchanged from the original calculation, i.e. possible correlation effects between the individual assumptions are not taken into account.

Sensitivity of defined benefit obligation to change in the weighted principal assumptions

Change in actuarial assumption	Impact on defined benefit obligation		Impact on defined benefit obligation		
	2014 defined benefit obligation €m	Change %	2013 defined benefit obligation €m	Change %	
Present value of the obligation ¹⁾	430.0	–	343.6	–	
Discount rate	Increase by 1.0 percentage point	364.5	-15.2	293.5	-14.6
	Reduction by 1.0 percentage point	500.5	16.4	406.9	18.4
Salary growth	Increase by 0.5 percentage points	441.1	2.6	354.4	3.2
	Reduction by 0.5 percentage points	416.4	-3.2	335.1	-2.5
Pension growth	Increase by 0.5 percentage points	455.1	5.8	358.0	4.2
	Reduction by 0.5 percentage points	420.6	-2.2	336.1	-2.2
Life expectancy	Increase by one year	440.8	2.5	351.7	2.3
	Reduction by one year	419.3	-2.5	335.3	-2.4

1) Present value of the obligations using assumptions in accordance with the [table “actuarial assumptions”](#)

Composition of plan assets

Germany

In Germany, the plan assets are held by a trustee in safekeeping for individual companies of Deutsche Börse Group and for the beneficiaries: at the company's instruction, the trustee uses the funds transferred to acquire securities, without any consulting on the part of the trustee. The contributions are invested in accordance with an investment policy, which may be amended by the companies represented in the investment committee in agreement with the other members. The trustee may refuse to carry out instructions if they are in conflict with the fund's allocation rules or the payment provisions. In accordance with the investment policy, an absolute return approach is pursued including a value preservation mechanism; investments can be made in different asset classes.

Luxembourg

In Luxembourg, the Board of Directors of the Clearstream Pension Fund is responsible for determining the investment strategy, with the aim of maximising returns in relation to a benchmark. This benchmark is derived up to 75 per cent from the return on five-year German federal government bonds and up to 25 per cent the return on the EURO STOXX 50 Index. According to the investment policy, the fund may only invest in fixed-income securities and securities at variable interest rates, listed investment fund units, and it may hold cash, also in form of money market funds.

Switzerland

Since 2012, the assets of the pension funds of Eurex Zürich AG and Eurex Global Derivatives AG have been invested with AXA Stiftung Berufliche Vorsorge and are therefore reported under "qualifying insurance policies". Likewise, the plan assets of STOXX Ltd. managed by PREVAS Sammelstiftung are reported under the position "qualifying insurance policies".

Overview on plan assets

	31 Dec 2014		31 Dec 2013	
	€m	%	€m	%
Equity instruments – Europe	1.0	0.4	60.8	23.1
Financial institutions	0.2		11.6	
Manufacturing and Industrial	0.2		14.4	
Energy and commodities	0		6.6	
Technology companies	0.1		4.7	
Other	0.5		23.5	
Equity instruments – other	1.0	0.4	0.6	0.2
Financial institutions	0.2		0.1	
Manufacturing and Industrial	0.2		0.1	
Energy and commodities	0.1		0.1	
Technology companies	0.2		0.1	
Other	0.3		0.2	
Bonds	247.4	86.9	165.8	63.0
Government bonds	243.1		163.5	
Corporate bonds	4.3		2.3	
Derivatives	2.7	0.9	0.8	0.3
Stock index futures	1.8		0.8	
Interest rate futures	0.9		0	
Property	1.0	0.4	0.8	0.3
Europe	0.9		0.7	
Other	0.1		0.1	
Investment funds	8.8	3.1	18.0	6.8
Other	0.3	0.1	0.1	0
Total listed	262.2	92.2	246.9	93.7
Qualifying insurance policies	7.9	2.8	7.7	2.9
Cash	14.2	5.0	8.6	3.3
Other	0.1	0	0.2	0.1
Total not listed	22.2	7.8	16.5	6.3
Total plan assets	284.4	100.0	263.4	100.0

As at 31 December 2014, plan assets included no financial instruments of the Group (2013: €0.1 million). They did not include any property occupied or other assets used by the Group.

Risks

In addition to the general actuarial risks, the risks associated with the defined benefit obligations relate especially to financial risks in connection with the plan assets, including in particular counterparty credit and market price risks.

Market price risk

The return on plan assets is assumed to be the discount rate determined on the basis of corporate bonds with an AA rating. If the actual rate of return on plan assets is lower than the discount rate used, the net defined benefit liability increases accordingly. At a lower volatility, the actual return is further expected to exceed the return on corporate bonds with a good credit in the medium to long term.

Deutsche Börse Group considers the share price risk resulting from the equity ratio of the plan assets to be appropriate. The company bases its assessment on the expectation that the overall volume of payments from the pension plans will be manageable in the next few years, that the total amount of the obligations will also be manageable and that it will be able to meet these payments in full from operating cash flows. Any amendments to the investment policy take into account the duration of the pension obligation as well as the expected payments over a period of ten years.

Moreover, the level of the net liability is influenced by the discount rates in particular, whereby the current low interest rates contribute to a relatively high net liability. A continued decline in returns on corporate bonds will lead to a further increase in defined benefit obligations, which can be only partially offset by the positive development of the fair values of the corporate bonds included in the plan assets.

Inflation risk

Possible inflation risks that could lead to an increase in defined benefit obligations exist because some pension plans or the annual capital components are directly related to the salaries, i.e. a significant increase in salaries would lead to an increase in the benefit obligation from the plans. In Germany, however, there are no contractual arrangements with regard to inflation risk for these pension plans. An interest rate of 6 per cent p.a. has been agreed for the employee-financed deferred compensation plan; the plan does not include any arrangements for inflation, so that it has to be assumed that there will be little incentive for employees to contribute to the deferred compensation plan in times of rising inflation.

In Luxembourg, salaries are adjusted for the effects of inflation on the basis of a consumer price index no more than once a year; this adjustment leads to a corresponding increase in the benefit obligation from the pension plan. Since the obligation will be met in the form of a capital payment, there will be no inflation-linked effects once the beneficiary reaches retirement age.

In Switzerland, the benefit plans at AXA Stiftung Berufliche Vorsorge and PREVAS Sammelstiftung include the provision that the board of the foundation decides annually whether the retirement pensions will be adjusted to price trends. The decision takes into account in particular the financial capability of the foundation. There are no arrangements for automatic adjustments to price increases over and above the legal requirements that apply to certain surviving dependants' and disability pensions.

Duration and expected maturities of the pension obligations

The weighted duration of the pension obligations was 17.08 years as at 31 December 2014.

Expected maturities of undiscounted pension payments

	Expected pension payments ¹⁾ 31 Dec 2014 €m	Expected pension payments ¹⁾ 31 Dec 2013 €m
Less than 1 year	10.9	8.7
Between 1 and 2 years	13.4	9.1
Between 2 and 5 years	43.0	37.3
More than 5 years up to 10 years	75.9	72.1
Total	143.2	127.2

1) The expected payments in CHF were translated into euros at the respective closing rate on 31 December.

The expected costs of defined benefit plans amount to approximately €22.8 million for the 2015 financial year, including net interest expense.

Defined contribution pension plans

In the year under review, the costs of defined contribution plans amounted to €30.4 million (2013: €27.7 million).

23. Changes in other provisions

Changes in other provisions

	Recourse and litigation risks €m	Restructuring and efficiency measures €m	Interest on taxes €m	Stock Bonus Plan €m
Balance as at 1 Jan 2014	117.9	95.3	49.1	18.2
Acquisitions through business combinations	0.3	0	0	0
Reclassification	-1.0	0.1	0	0
Utilisation	-114.6	-18.5	-2.0	-10.2
Reversal	-2.2	-9.8	-0.2	0
Additions	4.1	6.6	6.0	9.1
Currency translation	0	0.1	0	0
Interest	0	5.3	0	0
Balance as at 31 Dec 2014	4.5	79.1	52.9	17.1

The “other personnel provisions” item as at 31 December 2014 included personnel-related provisions of €5.7 million (2013: €5.4 million) for jubilees, €1.4 million (2013: €2.6 million) for other personnel costs and €0.9 million (2013: €1.2 million) for early retirement benefits. The “miscellaneous” item includes provisions for contingent losses of €5.8 million (2013: €9.2 million) and provisions for rent and service costs of €1.9 million (2013: €1.9 million).

	Bonuses €m	Operational claims €m	Pension obligations to IHK €m	Other personnel provisions €m	Miscellaneous €m	Total €m
	10.8	10.6	9.5	9.2	16.4	337.0
	3.6	0	0	0	1.3	5.2
	0	0	0	-0.5	-0.2	-1.6
	-9.8	-0.2	0	-1.4	-6.4	-163.1
	-0.4	-3.2	0	-1.0	-2.4	-19.2
	14.1	8.3	0.1	1.3	2.8	52.4
	1.1	0	0	0	0.2	1.4
	0	0	0.7	0.4	0	6.4
	19.4	15.5	10.3	8.0	11.7	218.5

24. Other non-current provisions

Other non-current provisions have more than one year to maturity.

Composition of other non-current provisions

	31 Dec 2014 €m	31 Dec 2013 €m
Restructuring and efficiency measures	72.7	78.8
Pension obligations to IHK ¹⁾	10.3	9.5
Stock Bonus Plan	7.7	8.0
Bonuses	7.3	4.4
Jubilees	5.7	5.4
Anticipated losses	5.2	5.9
Early retirement	0.9	1.2
Other	0.7	0
Total	110.5	113.2
thereof with remaining maturity between 1 and 5 years	79.9	78.5
thereof with remaining maturity of more than 5 years	30.6	34.7

1) IHK = Industrie- und Handelskammer Frankfurt am Main (the Frankfurt/Main Chamber of Industry and Commerce)

Provisions for restructuring and efficiency measures include provisions amounting to €5.3 million (2013: €7.2 million) for the restructuring and efficiency programme resolved in September 2007 as well as €24.4 million (2013: €28.9 million) for the programme resolved in 2010 to increase operational performance and €43.0 million (2013: €42.7 million) for the programme resolved in 2013 to improve the cost structures and operational processes in order to adapt to a permanently changed business environment. For more details on the restructuring and efficiency programmes see [“Internal management – Control systems” section in the combined management report.](#)

Provisions for pension obligations to the Industrie- und Handelskammer (IHK, the Chamber of Commerce) are recognised on the basis of the number of eligible employees.

For details on the Stock Bonus Plan, see [note 39](#).

25. Liabilities

The euro and US dollar bonds issued by Deutsche Börse Group have a carrying amount of €1,568.3 million (2013: €1,521.9 million) and a fair value of €1,688.4 million (2013: €1,551.8 million). Of this amount, €1,428.5 million (2013: €1,521.9 million) are reported under “interest-bearing liabilities”, while the bonds that will mature in financial year 2015 in the amount of €139.8 million (2013: nil) are reported under “other current liabilities”.

The financial liabilities recognised in the balance sheet were not secured by liens or similar rights, neither as at 31 December 2014 nor as at 31 December 2013.

26. Tax provisions

Composition of tax provisions

	Income taxes: current year €m	Income taxes: previous years €m	Other taxes €m	Total €m
Balance as at 1 Jan 2014	0	216.4	50.4	266.8
Acquisitions through business combinations	0.9	0	0	0.9
Reclassification	0	14.8	-0.1	14.7
Utilisation	0	-75.1	-2.6	-77.7
Reversal	-0.1	0	-3.4	-3.5
Additions	69.6	1.1	5.3	76.0
Currency translation	0	5.5	0	5.5
Interest	0	0	0	0
Balance as at 31 Dec 2014	70.4	162.7	49.6	282.7

Tax provisions of €150.0 million have an estimated remaining maturity of more than one year.

27. Other current provisions

Composition of other current provisions

	31 Dec 2014 €m	31 Dec 2013 €m
Recourse and litigation risks	4.5	117.9 ¹⁾
Interest on taxes	52.9	49.1
Claims for damages	15.5	10.6
Bonuses	12.1	6.3
Stock Bonus Plan	9.4	10.2
Restructuring and efficiency measures	6.4	16.5
Rent and incidental rental costs	1.9	1.9
Personnel expenses	1.4	2.5
Anticipated losses	0.6	3.3
Miscellaneous	3.4	5.3
Total	108.1	223.6

1) Including €110.3 million (US\$151.9 million) for the settlement with the U.S. Office of Foreign Assets Control (OFAC).

Restructuring and efficiency measures include provisions amounting to €0.1 million (2013: €0.4 million) for the restructuring and efficiency programme resolved in 2007, and €6.3 million (2013: €14.0 million) for the programme resolved in 2013 to improve the cost structures and operational processes in order to adapt to a permanently changed business environment. No provisions were included for the operating efficiency programme resolved in 2010 (2013: €1.6 million). For details see [“Internal management” section of the combined management report](#).

For details on share-based payments, see [note 39](#). For details on non-current anticipated losses, see [note 24](#).

28. Liabilities from banking business

The liabilities from banking business are attributable solely to the Clearstream subgroup.

Composition of liabilities from banking business

	31 Dec 2014 €m	31 Dec 2013 €m
Customer deposits from securities settlement business	11,121.1	9,475.7
Issued commercial paper	193.2	194.1
Overdrafts on nostro accounts	130.0	30.8
Money market lendings	42.3	8.1
Forward foreign exchange transactions – held for trading	0.5	16.5
Interest liabilities	0	0.1
Total	11,487.1	9,725.3

Remaining maturity of liabilities from banking business

	31 Dec 2014 €m	31 Dec 2013 €m
Not more than 3 months	11,392.6	9,725.3
More than 3 months but not more than 1 year	94.5	0
Total	11,487.1	9,725.3

29. Cash deposits by market participants

Composition of cash deposits by market participants

	31 Dec 2014 €m	31 Dec 2013 €m
Liabilities from margin payments to Eurex Clearing AG by members	21,594.1	16,217.7
Liabilities from margin payments to European Commodity Clearing AG by members	684.0	0
Liabilities from cash deposits by participants in equity trading	4.3	4.0
Total	22,282.4	16,221.7

30. Other current liabilities

Composition of other current liabilities

	31 Dec 2014 €m	31 Dec 2013 €m
Liabilities from CCP positions	452.5	176.9
Liabilities from repayment of US dollar bonds ¹⁾	139.8	0
Issued commercial paper	60.0	100.0
Special payments and bonuses	44.3	39.2
Tax liabilities (excluding income taxes)	36.8	30.5
Vacation entitlements, flexitime and overtime credits	19.0	16.7
Interest payable	9.7	9.6
Debitors with credit balances	7.5	6.5
Derivatives	5.9	6.1
Liabilities as part of social security	3.2	4.2
Liabilities to supervisory bodies	3.1	2.2
Miscellaneous	26.0	20.2
Total	807.8	412.1

1) For detailed information see [note 25](#).

31. Maturity analysis of financial instruments

Underlying contractual maturities of the financial instruments at the balance sheet date

	Contractual maturity					
	2014 €m	Sight 2013 €m	Not more than 3 months		More than 3 months but not more than 1 year	
			2014 €m	2013 €m	2014 €m	2013 €m
Non-derivative financial liabilities						
Interest-bearing liabilities	0	0	0	6.8	28.1	33.7
Other non-current financial liabilities	0	0	0	0.1	0	0
Non-derivative liabilities from banking business	11,279.9	9,514.7	112.7	194.1	94.5	0
Trade payables, payables to related parties and other current liabilities	452.7	178.1	289.4	245.1	157.9	3.8
Cash deposits by market participants	22,282.4	16,221.7	0	0	0	0
Other bank loans and overdrafts	0.7	0.1	0	0	0	0
Total non-derivative financial liabilities (gross)	34,015.7	25,914.6	402.1	446.1	280.5	37.5
Derivatives and financial instruments of the central counterparties						
Financial liabilities and derivatives of the central counterparties	29,501.6	25,980.7	94,814.6	103,079.9	44,685.7	23,986.2
less financial assets and derivatives of the central counterparties	-29,501.6	-26,480.7	-96,063.7	-103,079.9	-44,685.7	-23,986.2
Cash inflow – derivatives and hedges						
Cash flow hedges	0	0	0	0	0	0
Fair value hedges	0	0	0	0	0	0
Derivatives held for trading	1,415.7	551.2	391.7	1,751.2	0	0
Cash outflow – derivatives and hedges						
Cash flow hedges	0	0	0	0	0	0
Fair value hedges	0	0	0	0	0	0
Derivatives held for trading	-1,381.4	-551.0	-391.6	-1,734.9	0	0
Total derivatives and hedges	34.3	-499.8	-1,249.0	16.3	0	0
Financial guarantees	0	0	533.2	568.2	0	0

32. Classification of financial instruments under IAS 39

The following table shows an analysis of the financial instruments in the balance sheet in accordance with their classification under IAS 39 as well as the corresponding carrying amounts:

Classification of financial instruments

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount	
				31 Dec 2014 €m	31 Dec 2013 €m
Other equity investments	13	AFS ¹⁾	Historical cost	161.2	19.3
		AFS ¹⁾	Fair value	5.6	4.6
Non-current receivables and securities from banking business	13	AFS ¹⁾	Fair value	1,305.0	1,178.3
Other financial instruments	13	AFS ¹⁾	Historical cost	0.8	0.7
		AFS ¹⁾	Fair value	25.0	24.9
Other loans	13	Loans and receivables	Amortised cost	0.4	0.4
Non-current financial instruments of the central counterparties	15	Held for trading	Fair value	5,885.8	4,058.6
Other non-current assets		Loans and receivables	Amortised cost	7.3	7.4
Current financial instruments of the central counterparties	15	Held for trading	Fair value	170,251.0	153,546.8
Current receivables and securities from banking business	16	AFS ¹⁾	Fair value	655.9	310.6
		Loans and receivables	Amortised cost	9,616.8	9,233.4
		Derivatives held for trading	Fair value	34.4	0
Trade receivables	17	Loans and receivables	Amortised cost	342.9	218.8
Receivables from related parties		Loans and receivables	Amortised cost	1.0	4.1
Other current assets	18	Loans and receivables	Amortised cost	481.8	196.5
Restricted bank balances	19	Loans and receivables	Amortised cost	22,283.5	16,221.7
Other cash and bank balances	33	Loans and receivables	Amortised cost	826.1	627.9

1) Available-for-sale (AFS) financial assets

2) This relates to the private placements designated as hedging instruments of a net investment hedge (see [note 14](#)).

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount	
				31 Dec 2014 €m	31 Dec 2013 €m
Interest-bearing liabilities (excluding finance leases)	14, 25	Liabilities at amortised cost	Amortised cost	1,189.9	1,187.8
		Net investment hedge ²⁾	Amortised cost	238.6	334.1
Non-current financial instruments of the central counterparties	15	Held for trading	Fair value	5,885.8	4,058.6
Other non-current liabilities		Liabilities at amortised cost	Amortised cost	0	0.8
		Held for trading	Fair value	9.1	0
Current financial instruments of the central counterparties	15	Held for trading	Fair value	169,001.9	153,046.8
Liabilities from banking business	28	Liabilities at amortised cost	Amortised cost	11,486.6	9,708.8
		Held for trading	Fair value	0.5	16.5
Other bank loans and overdrafts	33	Liabilities at amortised cost	Amortised cost	0.7	0.1
Trade payables		Liabilities at amortised cost	Amortised cost	221.2	123.7
Liabilities to related parties		Liabilities at amortised cost	Amortised cost	1.6	1.9
Cash deposits by market participants	29	Liabilities at amortised cost	Amortised cost	22,282.4	16,221.7
Other current liabilities	30	Liabilities at amortised cost	Amortised cost	474.4	295.3
		Net investment hedge ²⁾	Amortised cost	139.8	0
		Derivatives held for trading	Fair value	5.9	6.1

The financial assets and liabilities that are measured at fair value are to be allocated to the following three hierarchy levels: Financial assets and liabilities are allocated to level 1 if there is a quoted price for similar assets and liabilities in an active market and this market is accessible. They are allocated to level 2 if the inputs on which fair value measurement is based are observable either directly or indirectly; these inputs must be based on market expectations. Financial assets and liabilities are allocated to level 3 if the fair value is determined on the basis of unobservable inputs.

As at 31 December 2014, the financial assets and liabilities that were measured at fair value were allocated to the following hierarchy levels:

Fair value hierarchy

	Fair value as at 31 Dec 2014 €m	thereof attributable to:		
		Level 1 €m	Level 2 €m	Level 3 €m
Recurrently carried at fair value				
ASSETS				
Financial assets held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	5,885.8	5,885.8	0	0
Current financial instruments of the central counterparties	170,251.0	170,251.0	0	0
Current receivables and securities from banking business	34.4	0	34.4	0
Total	176,171.2	176,136.8	34.4	0
Available-for-sale financial assets				
Equity instruments				
Other equity investments	5.6	0	0	5.6
Total	5.6	0	0	5.6
Debt instruments				
Other financial instruments	25.0	25.0	0	0
Non-current receivables and securities from banking business	1,305.0	1,305.0	0	0
Current receivables and securities from banking business	655.9	655.9	0	0
Total	1,985.9	1,985.9	0	0
Total assets	178,162.7	178,122.7	34.4	5.6
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	5,885.8	5,885.8	0	0
Current financial instruments of the central counterparties	169,001.9	169,001.9	0	0
Liabilities from banking business	0.5	0	0.5	0
Other current liabilities	5.9	0	0	5.9
Contingent purchase price components				
Other noncurrent liabilities	9.1	0	0	9.1
Total liabilities	174,903.2	174,887.7	0.5	15.0

By comparison, the financial assets and liabilities measured at fair value as at 31 December 2013 were allocated to the hierarchy levels as follows:

Fair value hierarchy

	Fair value as at 31 Dec 2013	thereof attributable to:		
		Level 1	Level 2	Level 3
	€m	€m	€m	€m
Recurrently measured at fair value				
ASSETS				
Financial assets held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	4,058.6	4,058.6	0	0
Current financial instruments of the central counterparties	153,546.8	153,546.8	0	0
Total	157,605.4	157,605.4	0	0
Available-for-sale financial assets				
Equity instruments				
Other equity investments	4.6	0	4.6	0
Total	4.6	0	4.6	0
Debt instruments				
Other financial instruments	24.9	24.9	0	0
Non-current receivables and securities from banking business	1,178.3	1,178.3	0	0
Current receivables and securities from banking business	310.6	310.6	0	0
Total	1,513.8	1,513.8	0	0
Total assets	159,123.8	159,119.2	4.6	0
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Non-current financial instruments of the central counterparties	4,058.6	4,058.6	0	0
Current financial instruments of the central counterparties	153,046.8	153,046.8	0	0
Liabilities from banking business	16.5	0	16.5	0
Other current liabilities	6.1	0	0	6.1
Total liabilities	157,128.0	157,105.4	16.5	6.1

Financial assets and financial liabilities listed in levels 2 and 3 as at 31 December 2014 are measured as follows:

- The derivatives listed in level 2 comprise forward foreign exchange transactions. The fair value of the forward foreign exchange transactions is determined on the basis of the forward foreign exchange rates for the remaining period to maturity as at the balance sheet date. They are based on observable market prices.
- The equity investments allocated to level 2 are measured on the basis of current, comparable market transactions.

As at the balance sheet date, the items allocated to level 3 and their measurements were as follows:

Development of financial instruments in level 3

	Assets	Liabilities		Total
	Other equity investments €m	Other non-current liabilities €m	Other current liabilities €m	
Balance as at 1 Jan 2013	0	-3.0	-0.4	-3.4
Disposals	0	1.0	0.4	1.4
Unrealised capital gains/(losses) recognised in income	0	2.0	-6.1	-4.1
Financial result	0	0	-6.1	-6.1
Other operating income	0	2.0	0	2.0
Balance as at 1 Jan 2014	0	0	-6.1	-6.1
Acquisitions through business combinations	0	-1.8	0	-1.8
Additions	0	-6.6	0	-6.6
Integration in level 3	4.6	0	0	4.6
Unrealised capital gains/(losses) recognised in income	0	-0.7	0.2	-0.5
Financial result	0	-0.7	0	-0.7
Other operating expenses	0	0	-0.2	-0.2
Other operating income	0	0	0.4	0.4
Changes recognised in the revaluation surplus	1.0	0	0	1.0
Balance as at 31 Dec 2014	5.6	-9.1	-5.9	-9.4

In the course of 2014, transfers were made between levels 2 and 3 in the “other equity investments” item since no inputs for level 2 were directly or indirectly observable. As at the balance sheet date, these equity investments had a carrying amount of €5.6 million.

The value of the equity investments listed in level 3 is subjected to an annual review by the issuer, and transactions initiated by the issuer may ensue in this process. In the reporting period, such transactions provided information on the fair values of the equity instruments, leading to unrealised gains of €1.0 million; they are reported in the revaluation surplus.

The fair value of the contingent purchase price components reported under “other non-current liabilities” is firstly attributable to the acquisition of Impendium Systems Ltd. The fair value of the purchase price component amounted to €-6.6 million as at the acquisition date. In the course of 2014, expenses of €-0.7 million were recognised in the financial result. Secondly, the fair value includes a revenue-dependent purchase price component from the acquisition of Cleartrade Exchange (UK) Limited in the amount of €-1.8 million. The measurement of this component in the course of the financial year did not lead to any material effects being recognised in profit or loss. These two purchase price components are measured on the basis of internal discounted cash flow models, which discount the expected future payment obligations to the measurement date using interest rates that are appropriate to the risk.

Additionally, derivatives from an incentive programme with a carrying amount of €–6.1 million were allocated to level 3 as at the beginning of the year under review. At the end of the financial year, these derivatives had a carrying value of €–5.9 million. The financial instruments were regularly measured at fair value through profit and loss using an internal model as at the quarterly balance sheet dates. In the course of the reporting period, the subsequent measurement of these financial instruments led to gains of €0.4 million and expenses of €0.2 million; these amounts are reported under “other operating income” and “other operating expenses”. The model takes into account the criteria underlying the conditional repayment of the grant made by Eurex Clearing AG. The criteria include, in particular, non-financial indicators such as the expected number of customers in a specific market segment as well as expected trading volumes. They are continuously monitored, while taking into account possible adjustments. In order to do this, customer information is also used. Since this is an internal model, the parameters can differ from those of the settlement date. However, the derivative financial instrument will not exceed an amount of €–7.0 million. This amount arises if the beneficiaries of the incentive programme fulfil the conditions and a repayment of the contribution is not taken into consideration.

The fair value of other financial assets and liabilities not measured at fair value is determined as follows:

The euro and US dollar bonds issued by Deutsche Börse Group have a fair value of €1,688.4 million (31 December 2013: €1,551.8 million) and are reported under interest-bearing as well as current liabilities. The fair value of the euro bonds in the amount of €1,284.9 million is calculated on the basis of the quoted values of the bonds, and the fair value of the US dollar bonds in the amount of €403.5 million represents the present value of the cash flows relating to the private placements on the basis of market inputs. Consequently, the euro bonds are allocated to level 2 and the US dollar bonds to level 3.

The carrying amounts of the following items represent a reasonable approximation of their fair value:

- Unlisted equity instruments whose fair value generally cannot be reliably determined on a continuous basis and which are reported under the “financial assets” item; these are carried at cost less any impairment losses
- Other loans, which are reported under “financial assets”
- Other receivables and other assets as well as current receivables from banking business, to the extent that these are measured at amortised cost
- Restricted bank balances
- Other cash and bank balances
- Cash deposits by market participants
- Other current liabilities

Other disclosures

33. Consolidated cash flow statement disclosures

Cash flows from operating activities

After adjustments to net profit for the year for non-cash items, cash flows from operating activities excluding CCP positions amounted to €684.8 million (2013: €797.3 million). After adjustment for the change in CCP positions cash flow from operating activities amounted to €677.3 million (2013: €728.3 million). For details on the adjustments see the [“Financial position” section of the combined management report](#).

The other non-cash income (or expenses in the previous year) consists of the following items:

Composition of other non-cash income/(expenses)

	2014 €m	2013 €m
Gains on the disposal of subsidiaries and equity investments	-46.4	0
Equity method measurement	-7.8	2.4
Impairment of other equity investments, loans and available-for-sale shares	3.9	1.7
Reversal of the revaluation surplus for cash flow hedges	2.7	1.7
Reversal of discount and transaction costs from long-term financing	2.1	2.2
Fair value measurement of derivatives	-0.2	0
Subsequent valuation of non-derivative financial instruments	-1.6	2.3
Miscellaneous	0.6	3.4
Total	-46.7	13.7

Cash flows from investing activities

Net cash flows from investing activities amounted to €250.4 million (2013: €829.2 million) and related in particular to payments to acquire property, plant and equipment and intangible assets of €133.5 million (2013: €127.6 million). Among the other investments in intangible assets and property, plant and equipment, the measures undertaken under the strategic growth initiatives and infrastructure projects are classified as expansion investments, while all remaining investments are reported as replacement investments.

The other investments in intangible assets and property, plant and equipment are broken down by segment as follows:

Payment to acquire intangible assets and property, plant and equipment

	31 Dec 2014 €m	31 Dec 2013 €m
Expansion investments		
Eurex	32.6	40.3
Xetra	0	0.6
Clearstream	39.8	48.4
Market Data + Services	0	1.1
	72.4	90.4
Replacement investments		
Eurex	27.9	13.6
Xetra	1.6	2.6
Clearstream	23.5	18.2
Market Data + Services	8.1	2.8
	61.1	37.2
Total investments according to segment reporting	133.5	127.6

Of the investments in non-current financial instruments, an amount of €328.6 million (2013: €8.5 million) related to the purchase of variable-rate securities in the banking business. Furthermore, shares of the Taiwan Futures Exchange Corporation at purchase prices totalling €33.8 million were acquired.

Securities and other non-current receivables in the amount of €317.2 million (2013: €35.3 million), of which €311.0 million (2013: €32.2 million) related to the banking business, matured or were sold in financial year 2014.

The acquisition of further shares of Tradegate AG as well as the acquisition of shares of R5FX Ltd and Bondcube Limited resulted in cash outflows of €13.6 million.

Cash flows from financing activities

Cash outflows from financing activities of €441.1 million (2013: cash outflows of €497.6 million) mainly related to the dividend distribution of €386.6 million (2013: €386.5 million). In the previous year, a bond with a principal amount of €600.0 million was issued and bonds in the amount of €797.8 million were repaid.

Reconciliation to cash and cash equivalents

Reconciliation to cash and cash equivalents

	31 Dec 2014 €m	31 Dec 2013 €m
Restricted bank balances	22,283.5	16,221.7
Other cash and bank balances	826.1	627.9
Net position of financial instruments of the central counterparties	1,249.1	500.0
less bank loans and overdrafts	-0.7	-0.1
	24,358.0	17,349.5
Reconciliation to cash and cash equivalents		
Current receivables and securities from banking business	10,307.1	9,544.0
less loans to banks and customers with an original maturity of more than 3 months	-563.0	-692.1
less available-for-sale debt instruments	-401.1	-310.6
Current liabilities from banking business	-11,487.1	-9,725.3
Current liabilities from cash deposits by market participants	-22,282.4	-16,221.7
	-24,426.5	-17,405.7
Cash and cash equivalents	-68.5	-56.2

34. Earnings per share

Under IAS 33, earnings per share are calculated by dividing the net profit for the year attributable to shareholders of the parent company (net income) by the weighted average number of shares outstanding.

In order to determine diluted earnings per share, potentially dilutive ordinary shares that may be acquired under the Stock Bonus Plan (SBP) (see also [note 39](#)) were added to the average number of shares. In order to calculate the number of potentially dilutive ordinary shares, the exercise prices were adjusted by the fair value of the services still to be provided.

In order to determine diluted earnings per share, all SBP and Long-term Sustainable Instrument (LSI) tranches for which cash settlement has not been resolved are assumed to be settled with equity instruments – regardless of actual accounting in accordance with IFRS 2. The following potentially dilutive rights to purchase shares were outstanding as at 31 December 2014:

Calculation of the number of potentially dilutive ordinary shares

Tranche	Exercise price €	Adjustment of the exercise price according to IAS 33 ¹⁾ €	Average number of outstanding options 31 Dec 2014	Average price for the period ²⁾ €	Number of potentially dilutive ordinary shares 31 Dec 2014
2013 ³⁾	0	26.68	64,691	55.59	33,643
2014 ³⁾	0	29.23	30,858	55.59	14,632
Total					48,275

1) According to IAS 33.47 (a), the issue price and the exercise price for stock options and other share-based payment arrangements must include the fair value of any goods or services to be supplied to the entity in the future under the stock option or other share-based payment arrangement.

2) Volume-weighted average price of Deutsche Börse AG shares on Xetra for the period 1 January to 31 December 2014

3) This relates to rights to shares under the Stock Bonus Plan (SBP) for senior executives.

As the volume-weighted average share price was higher than the adjusted exercise price for the 2013 and 2014 tranche, these stock options are considered as dilutive under IAS 33 as at 31 December 2014. As at 31 December 2014, a number of 45,862 shares were not dilutive.

Calculation of earnings per share (basic and diluted)

	2014	2013
Number of shares outstanding as at beginning of period	184,115,657	184,078,674
Number of shares outstanding as at end of period	184,186,855	184,115,657
Weighted average number of shares outstanding	184,151,519	184,083,895
Number of potentially dilutive ordinary shares	48,275	13,366 ¹⁾
Weighted average number of shares used to compute diluted earnings per share	184,199,794	184,097,261
Net income for the period (€m)	762.3	478.4
Earnings per share (basic) (€)	4.14	2.60
Earnings per share (diluted) (€)	4.14	2.60

1) Adjusted for the 2012 tranche, for which cash settlement was resolved

35. Segment reporting

Segment reporting is governed by the internal organisational and reporting structure, which is broken down by markets into the following four segments:

Internal organisational and reporting structure

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 ▪ Central counterparty for on- and off-exchange derivatives and repo transactions
Xetra	<ul style="list-style-type: none"> ▪ Cash market including trading at Xetra and Börse Frankfurt Stock Exchange ▪ 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 licenses for real-time trading and market signals ▪ Development and sales of indices ▪ Technology solutions for external customers ▪ Trading participant connectivity

In accordance with IFRS 8, information on the segments is presented on the basis of internal reporting (management approach).

Sales revenue is presented separately by external sales revenue and internal (inter-segment) sales revenue. Inter-segment services are charged on the basis of measured quantities or at fixed prices (e.g. the provision of data by Eurex to Market Data + Services).

Due to their insignificance to segment reporting, the “financial income” and “financial expense” items have been combined to produce the “net financial result”.

Segment reporting

	Eurex		Xetra		Clearstream	
	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m
External sales revenue	953.5	850.0	184.7	172.0	826.6	766.4
Internal sales revenue	0	0	0	0	7.6	7.6
Total sales revenue	953.5	850.0	184.7	172.0	834.2	774.0
Net interest income from banking business	0	0	0	0	32.8	35.9
Other operating income	17.2	13.5	8.9	8.9	6.4	7.4
Total revenue	970.7	863.5	193.6	180.9	873.4	817.3
Volume-related costs	-168.1	-122.8	-31.7	-29.2	-175.4	-163.4
Net revenue (total revenue less volume-related costs)	802.6	740.7	161.9	151.7	698.0	653.9
Staff costs	-165.0	-143.2	-34.7	-45.9	-191.9	-205.5
Depreciation, amortisation and impairment losses	-62.7	-53.6	-6.0	-9.4	-41.0	-37.8
Other operating expenses	-226.0	-196.4	-33.6	-39.9	-145.7	-260.0
Operating costs	-453.7	-393.2	-74.3	-95.2	-378.6	-503.3
Result from equity investments	77.9 ²⁾	5.1 ³⁾	0.4	4.0	0	0.2
Earnings before interest and tax (EBIT)	426.8	352.6	88.0	60.5	319.4	150.8
Net financial result	-39.4	-62.6	-1.4	-2.6	-2.9	-3.2
Earnings before tax (EBT)	387.4	290.0	86.6	57.9	316.5	147.6
Investments in intangible assets and property, plant and equipment ⁴⁾	60.5	53.9	1.6	3.2	63.3	66.6
Employees (as at 31 December)	1,332	1,018	305	331	2,228	1,816
EBIT margin (%)⁵⁾	53	48	54	40	46	23

1) The consolidation of internal net revenue column shows the elimination of intra-Group sales revenue and profits.

2) Including revenues in connection with the merger of Direct Edge Holdings, LLC and BATS Global Markets, Inc. (€63.0 million), a one-off gain of €10.6 million from the retrospective adjustment of the fair value of the consideration transferred as a result of the acquisition of EEX as at 1 January 2014 as well as an impairment loss for Zimory GmbH amounting to €3.6 million.

3) Includes impairment losses totalling €1.6 million that account for the interest in Quadrivers, Inc.

4) Excluding goodwill

5) EBIT margin is calculated on the basis of EBIT divided by net revenue.

	Market Data + Services		Total of all segments		Consolidation of internal net revenue ¹⁾		Group	
	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m
	383.0	371.9	2,347.8	2,160.3	0	0	2,347.8	2,160.3
	33.7	26.4	41.3	34.0	-41.3	-34.0	0	0
	416.7	398.3	2,389.1	2,194.3	-41.3	-34.0	2,347.8	2,160.3
	0	0	32.8	35.9	0	0	32.8	35.9
	3.5	3.6	36.0	33.4	-12.9	-12.8	23.1	20.6
	420.2	401.9	2,457.9	2,263.6	-54.2	-46.8	2,403.7	2,216.8
	-39.7	-35.9	-414.9	-351.3	54.2	46.8	-360.7	-304.5
	380.5	366.0	2,043.0	1,912.3	0	0	2,043.0	1,912.3
	-80.8	-81.4	-472.4	-476.0	0	0	-472.4	-476.0
	-15.1	-18.0	-124.8	-118.8	0	0	-124.8	-118.8
	-112.3	-91.7	-517.6	-588.0	0	0	-517.6	-588.0
	-208.2	-191.1	-1,114.8	-1,182.8	0	0	-1,114.8	-1,182.8
	0	0	78.3	9.3	0	0	78.3	9.3
	172.3	174.9	1,006.5	738.8	0	0	1,006.5	738.8
	0.5	-2.3	-43.1	-70.7	0	0	-43.1	-70.7
	172.8	172.6	963.4	668.1	0	0	963.4	668.1
	8.1	3.9	133.5	127.6	0	0	133.5	127.6
	675	646	4,540	3,811	0	0	4,540	3,811
	45	48	49	39	n.a.	n.a.	49	39

In the year under review, there was an extraordinary impairment loss of €3.9 million (2013: €0.6 million, see [note 8](#)).

Non-cash valuation allowances and bad debt losses resulted from the following segments:

Breakdown of non-cash valuation allowances and bad debt losses

	2014 €m	2013 €m
Eurex	1.6	0.4
Xetra	-1.5	0.4
Clearstream	0.3	0.1
Market Data + Services	0.2	0.6
Total	0.6	1.5

Deutsche Börse Group's business model – and that of its segments – is focused on an internationally operating participant base and pricing does not differ depending on the customer's location. From a price, margin and risk perspective, this means that it is not important whether sales revenue is generated from German or non-German participants.

The risks and returns from the activities of the subsidiaries operating within the economic environment of the European Monetary Union (EMU) do not differ significantly from each other on the basis of the factors to be considered in identifying information on geographical regions under IFRS 8. As a result, Deutsche Börse Group has identified the following information on geographical regions: the euro zone, the rest of Europe, America and Asia-Pacific.

Sales revenue is allocated to the individual regions according to the customer's domicile, while investments and non-current assets are allocated according to the company's domicile and employees according to their location.

As described above, the analysis of sales is based on the direct customer's billing address. This means for example: sales to an American investor trading a product with an Asian underlying via a European clearing member are classified as European sales. Thus, in addition to sales to customers based in the Asia Pacific region, Deutsche Börse Group also reports sales of products based on Asia Pacific underlyings. These include, for example, trading of the South Korean KOSPI index on Eurex, settlement and custody services for securities issued by Asian entities, global securities financing from and with Asian customers, and index products such as the STOXX China Total Market indices. Furthermore, the Group earns net interest income on Asian customer balances. In total, this Asia Pacific-driven business amounted to an additional €48.1 million in 2014 (2013: €48.8 million).

Information on geographical regions

	Sales revenue ¹⁾		Investments ²⁾		Non-current assets ³⁾		Number of employees	
	2014 €m	2013 €m	2014 €m	2013 €m	2014 €m	2013 €m	2014	2013
Euro zone	1,170.4	1,080.7	126.7	119.5	1,718.7	1,483.8	3,324	2,687
Rest of Europe	756.7	695.1	0	0.5	489.7	589.7	759	688
America	358.6	325.7	5.8	6.2	1,521.0	1,374.3	305	310
Asia-Pacific	103.4	92.8	1.0	1.4	2.2	1.6	152	126
Total of all regions	2,389.1	2,194.3	133.5	127.6	3,731.6	3,449.4	4,540	3,811
Consolidation of internal net revenue	-41.3	-34.0						
Group	2,347.8	2,160.3	133.5	127.6	3,731.6	3,449.4	4,540	3,811

1) Including countries in which more than 10 per cent of sales revenue were generated: UK (2014: €600.4 million; 2013: €545.2 million), Germany (2014: €605.8 million; 2013: €575.5 million) and USA (2014: €347.6 million; 2013: €316.0 million)

2) Excluding goodwill

3) Including countries in which more than 10 per cent of non-current assets are carried: USA (2014: €1,521.0 million; 2013: €1,374.3 million), Germany (2014: €1,435.5 million; 2013: €1,267.4 million) and Switzerland (2014: €474.9 million; 2013: €584.4 million)

36. Financial risk management

Deutsche Börse Group presents the qualitative disclosures required by IFRS 7 in detail in the combined management report (see explanations in the [risk report](#), which is part of the combined management report), such as the nature and extent of risks arising from financial instruments, as well as the objectives, strategies and methods used to manage risk.

Financial risks arise at Deutsche Börse Group mainly in the form of credit risk. To a smaller extent, the Group is exposed to market price risk. Financial risks are quantified using the economic capital concept (please refer to the [risk report](#) for detailed disclosures). Economic capital is assessed on a 99.98 per cent confidence level for a one-year holding period. The economic capital is compared with the Group's liable equity capital adjusted by intangible assets so as to test the Group's ability to absorb extreme and unexpected losses. The economic capital for financial risk is calculated at the end of each month and amounted to €411 million as at 31 December 2014, whereby €374 million stem from credit risk and €37 million stem from market price risk.

The Group evaluates its financial risk situation on an ongoing basis. In the view of the Executive Board, no threat to the continued existence of the Group can be identified at this time.

Credit risk

Credit risks arise in Deutsche Börse Group from the following items:

Credit risk of financial instruments

	Segment	Note	Carrying amounts – maximum risk position		Collateral	
			Amount as at 31 Dec 2014 €m	Amount as at 31 Dec 2013 €m	Amount as at 31 Dec 2014 €m	Amount as at 31 Dec 2013 €m
Collateralised cash investments						
Overnight money invested under securities repurchase agreements	Eurex ¹⁾		950.0	0	997.5	0
Reverse repurchase agreements	Eurex ¹⁾		7,878.9	7,271.3	7,965.8 ²⁾	7,360.9 ²⁾
	Clearstream	16	6,952.4	6,708.7	6,955.7 ^{3) 4)}	6,681.7 ^{3) 4)}
	Group ¹⁾		82.3	157.9	87.5	158.1
			15,863.6	14,137.9	16,006.5	14,200.7
Uncollateralised cash investments						
Money market lendings – central banks	Eurex ¹⁾		13,790.9	9,186.7	0	0
	Clearstream	16	0	624.1	0	0
Money market lendings – other counterparties	Eurex ¹⁾		10.0	8.3	0	0
	Clearstream	16	1,967.1	419.9	0	0
	Group ¹⁾		12.0	12.1	0	0
Balances on nostro accounts	Clearstream	16	357.2	991.3	0	0
	Group ¹⁾		385.4	213.2	0	0
Other fixed-income securities	Clearstream	13, 16	422.3 ⁵⁾	5.5 ⁵⁾	0	0
Floating rate notes	Clearstream	13, 16	1,538.6 ⁵⁾	1,483.4 ⁵⁾	0	0
	Group	13	5.1 ⁶⁾	5.0 ⁶⁾	0	0
Fund assets	Eurex	13	10.8	11.0	0	0
	Group	13	9.1	8.9	0	0
			18,508.5	12,969.4	0	0
Loans for settling securities transactions						
Technical overdraft facilities	Clearstream	16	338.5	487.0	n.a. ⁷⁾	n.a. ⁷⁾
Automated Securities Fails Financing ⁸⁾	Clearstream		520.4 ⁹⁾	556.9 ⁹⁾	607.5	711.2
ASLplus securities lending ⁸⁾	Clearstream		44,700.0	41,858.4	46,792.3	43,624.3
			45,558.9	42,902.3	47,399.8	44,335.5
Total			79,931.0	70,009.6	63,406.3	58,536.2

	Segment	Note	Carrying amounts – maximum risk position		Collateral	
			Amount as at 31 Dec 2014 €m	Amount as at 31 Dec 2013 €m	Amount as at 31 Dec 2014 €m	Amount as at 31 Dec 2013 €m
Balance brought forward			79,931.0	70,009.6	63,406.3	58,536.2
Other receivables						
Other loans	Group		0.4	0.4	0	0
Other assets	Group	32	489.1	203.9	0	0
Trade receivables	Group		342.9	218.8	0	0
Receivables from related parties	Group		1.0	4.1	0	0
Interest receivables	Clearstream	16	1.6	2.4	0	0
			835.0	429.6	0	0
Financial instruments of the central counterparties			41,814.4¹⁰⁾	34,840.4¹⁰⁾	55,212.6¹¹⁾	48,419.2¹¹⁾
Derivatives		14	34.4	0	0	0
Financial guarantees⁸⁾			12.8	11.3	0	0
Total			122,627.6	105,290.9	118,618.9	106,955.4

1) Presented in the items "restricted bank balances" and "other cash and bank balances"

2) Thereof €757.5 million repledged to central banks (2013: €732.0 million)

3) Thereof €2,230.0 million transferred via transfer of title to central banks (2013: €4,524.2 million)

4) Total of fair value of cash (nil; 2013: €4.7 million) and securities collateral (€6,955.7 million; 2013: €6,777.0 million) received under reverse repurchase agreements

5) Thereof 1,875.3 million transferred to central banks (2013: €1,328.6 million)

6) The amount includes collateral totalling €5.0 million (2013: €5.0 million).

7) The portfolio of deposited collateral is not directly attributed to any utilisation, but is determined by the scope of the entire business relationship and the limits granted.

8) Off-balance-sheet items

9) Fulfills the criteria of a financial guarantee according to IAS 39

10) Net value of all margin requirements resulting from executed trades as at the balance sheet date as well as clearing fund requirements: this figure represents the risk-oriented view of Eurex Clearing AG and European Commodity Clearing AG while the carrying amount of the position "financial instruments of the central counterparties" in the balance sheet shows the gross amount of the open trades according to IAS 32.

11) Collateral value of cash and securities collateral deposited for margins covering net value of all margin as well as clearing fund requirements

Cash investments

Deutsche Börse Group is exposed to credit risk in connection with the investment of cash funds. The Group mitigates such risks by investing short-term funds either – to the extent possible – on a collateralised basis, e.g. via reverse repurchase agreements or by deposits with central banks.

According to the treasury policy, only highly liquid financial instruments with a minimum rating of AA– (S&P/Fitch) resp. Aa3 (Moody's) issued or guaranteed by governments or supranational institutions are eligible as collateral.

The fair value of securities received under reverse repurchase agreements (Clearstream subgroup, Eurex Clearing AG and Deutsche Börse AG) was €16,006.5 million (2013: €14,196.0 million). The Clearstream subgroup and Eurex Clearing AG are able to repledge the securities received to their central banks.

The fair value of securities received under reverse repurchase agreements transferred via transfer of title to central banks at Clearstream subgroup amounted to €2,230.0 million as at 31 December 2014 (2013: €4,524.2 million). As at 31 December 2014 Eurex Clearing AG has repledged securities to central banks with a fair value of €757.5 million (2013: €732.0 million). The contract terms are based on recognised bilateral master agreements.

Uncollateralised cash investments are permitted only for counterparties with sound creditworthiness within the framework of defined counterparty credit limits or in the form of investments in money market or other mutual funds as well as US treasuries and municipal bonds with maturities of less than two years. Counterparty credit risk is monitored on the basis of an internal rating system.

Part of the available-for-sale fixed-income financial instruments and floating rate notes held by Clearstream are transferred via transfer of title to central banks to collateralise the settlement facilities obtained. The fair value of transferred securities was €1,875.3 million as at 31 December 2014 (2013: €1,328.6 million).

Clearstream receives cash contributions from its customers in various currencies, and invests these cash contributions in money market investments. If negative interest rates apply for these cash investments, the interest expense is charged to the respective customers. Clearstream may, however, decide not to charge the negative interest rates to its customers in individual cases. In 2014, Clearstream decided not to charge negative interest rates which had arisen from euro denominated investments, thus contributing to the year-on-year decline in net interest income. With effect from 2 March 2015, Clearstream has decided to charge negative interest rates on euro denominated cash investments.

Eurex Clearing AG receives cash collateral from its clearing members mainly in its clearing currencies euro and Swiss francs and charges negative interest rates resulting from reinvestments on this cash collateral to its clearing members.

Loans for settling securities transactions

Clearstream grants customers technical overdraft facilities to maximise settlement efficiency. These settlement facilities are subject to internal credit review procedures. They are revocable at the option of the Clearstream subgroup and are largely collateralised. Technical overdraft facilities amounted to €96.9 billion as at 31 December 2014 (2013: €91.8 billion). Of this amount, €3.1 billion (2013: €2.7 billion) is unsecured, whereby a large proportion relates to credit lines granted to central banks

and other government-backed institutions. Actual outstandings at the end of each business day generally represent a small fraction of the facilities and amounted to €338.5 million as at 31 December 2014 (2013: €487.0 million); see [note 16](#).

Clearstream also guarantees the risk resulting from the Automated Securities Fails Financing programme it offers to its customers. This risk is collateralised. Guarantees given under this programme amounted to €520.4 million as at 31 December 2014 (2013: €556.9 million).

Under the ASLplus securities lending programme, Clearstream Banking S.A. had securities borrowings from various counterparties totalling €44,700.0 million as at 31 December 2014 (2013: €41,858.4 million). These securities were fully lent to other counterparties. Collateral received by Clearstream Banking S.A. in connection with these loans amounted to €46,792.3 million (2013: €43,624.3 million).

In 2013 and 2014, no losses from credit transactions occurred in relation to any of the transaction types described.

Other receivables

Trading, settlement and custody fees are generally collected without delay by direct debit. Fees for other services, such as the provision of data and information, are settled mainly by transfer. As a result of default by customers, receivables of €4.7 million (2013: €2.7 million) relating to fees for trading and provision of data and IT services are not expected to be collectable.

Financial instruments of Eurex Clearing AG and European Commodity Clearing AG (central counterparties)

To safeguard Eurex Clearing AG and European Commodity Clearing AG against the risk of default by a clearing member, the clearing conditions require the clearing members to deposit margins in the form of cash or securities on a daily basis or an intraday basis in the amount stipulated by the clearing house. Additional security mechanisms of Eurex Clearing AG and European Commodity Clearing AG are described in detail in the [risk report](#).

The aggregate margin calls based on the executed transactions and clearing fund requirements after haircuts was €41,814.4 million at the reporting date (2013: €34,840.4 million). In fact, collateral totalling €55,212.7 million (2013: €48,419.2 million) was deposited.

Composition of collateral of the central counterparties

	Collateral value as at 31 Dec 2014 €m	Collateral value as at 31 Dec 2013 €m
Cash collateral (cash deposits) ¹⁾	22,278.1	16,217.6
Securities and book-entry securities collateral ^{2) 3)}	32,934.6	32,201.6
Total	55,212.7	48,419.2

1) The amount includes the clearing fund totalling €1,729.7 million (2013: €690.6 million).

2) The amount includes the clearing fund totalling €1,917.3 million (2013: €906.6 million).

3) The collateral value is determined on the basis of the fair value less a haircut.

In contrast to the risk-oriented net analysis of the transactions via the central counterparties, the gross amounts are reported in the balance sheet, as the offsetting rules defined in IAS 32 cannot be met. For a detailed explanation of this balance sheet item, see [“Financial instruments of the central counterparties” section in note 3](#) or [note 15](#). For an analysis of the carrying amount, see [note 15](#).

Credit risk concentrations

Deutsche Börse Group's business model and the resulting business relationships with a large part of the financial sector mean that, as a rule, credit risk is concentrated on the financial services sector. Potential concentrations of credit risk on individual counterparties are limited by application of counterparty credit limits.

The regulatory requirements on concentration risks and so called large exposures, such as those arising from articles 387–410 of regulation (EU) 575/2013 (CRR) and article 47 paragraph 8 of regulation (EU) 648/2012 (EMIR), are in general complied with.

See also [note 20](#) for an explanation of regulatory capital requirements.

Deutsche Börse Group carries out VaR calculations in order to detect credit concentration risks. In 2014, no significant credit concentrations were assessed.

The required economic capital for credit risk is calculated for each business day and amounted to €374 million as at 31 December 2014 (2013: €311 million).

Market price risk

As part of the annual planning, the treasury policy of Deutsche Börse Group requires that any net earnings exposure from currencies be hedged through foreign exchange transactions, if the unhedged exposure of an individual currency exceeds 10 per cent of consolidated EBIT. Foreign exchange exposures below 10 per cent of consolidated EBIT may also be hedged.

During the year, the above matter is being monitored against the latest EBIT forecast.

In addition, the policy stipulates that intraperiod open net foreign exchange positions are closed when they exceed €15.0 million. This policy was complied with as in the previous year; as at 31 December 2014, there were no significant net foreign exchange positions.

Currency risks in the Group arise mainly from the operating results and balance sheet items of ISE, which are denominated in US dollars, plus that part of Clearstream's sales revenue and interest income less expenses which is directly or indirectly generated in US dollars. As at 31 December 2014, ISE accounted for 25 per cent of the Eurex segment's sales revenue (2013: 26 per cent). In addition, the Clearstream segment generated 9 per cent of its sales revenue and interest income (2013: 9 per cent) directly or indirectly in US dollars.

Acquisitions where payment of the purchase price results in material currency risk are generally hedged.

The Group has partially hedged its investment in ISE against foreign currency risks by issuing fixed-income US dollar debt securities. The investment in ISE (hedged item) constitutes a net investment in a foreign operation. The US dollar securities designated as hedging instruments for the net investment hedge were issued in a nominal amount of US\$460.0 million.

Interest rate risks arise further from debt financing of acquisitions. The acquisition of ISE was financed through senior and hybrid debt that matured or has been called in 2013.

To refinance 2013 debt maturities Deutsche Börse AG, in October 2012 and March 2013, successfully issued senior bonds in an amount of €600 million each.

Equity price risks arise from contractual trust arrangements (CTAs) and from the Clearstream Pension Fund in Luxembourg. In addition, there are equity price risks arising from strategic equity investments in other exchange operators.

Economic capital is calculated at the end of each month for market price risks that can arise in connection with cash investments or borrowing as a result of fluctuations in interest rates and foreign exchange rates as well as through fluctuations of the asset value of the CTA and the Clearstream Pension Fund in Luxembourg. On 31 December 2014, the economic capital for market price risk was €37 million (2013: €77 million). The decrease is mainly driven by the adjusted concept in the CTA. The Group has decided to let the CTA Fund be conducted on an established capital protection concept in order to reduce the market price risk.

In financial year 2014, impairment losses amounting to €3.9 million (2013: €1.6 million) were recognised in profit and loss for strategic investments that are not included in the VaR for market price risk.

Liquidity risk

For the Group, liquidity risk may arise from potential difficulties in renewing maturing financing, such as commercial paper and bilateral and syndicated credit facilities. In addition, required financing for unexpected events may result in a liquidity risk. Most of the Group's cash investments are short-term to ensure that liquidity is available, should such a financing need arise. Eurex Clearing AG remains almost perfectly matched with respect to the durations of received customer cash margins and investments which in only limited amounts may have tenors of up to one month while the Clearstream subgroup may invest customer balances up to a maximum of one year under strict control of mismatch and interest rate limits (see [note 31](#) for an overview of the maturity structure). Term investments can be transacted via reverse repurchase agreements against highly liquid collateral that can be deposited with the central bank and can be used as a liquidity buffer in case of need.

Contractually agreed credit lines

Company	Purpose of credit line		Currency	Amount as at 31 Dec 2014 m	Amount as at 31 Dec 2013 m
Deutsche Börse AG	working capital ¹⁾	– interday	€	605.0	605.0
Eurex Clearing AG	settlement	– interday	€	670.0	670.0
	settlement	– intraday	€	700.0	700.0
	settlement	– interday	CHF	200.0	200.0
Clearstream Banking S.A.	working capital ¹⁾	– interday	€	750.0	750.0

1) €400.0 million of Deutsche Börse AG's working capital credit lines is a sub-credit line of Clearstream Banking S.A.'s €750.0 million working capital credit line.

For refinancing purposes, Eurex Clearing AG and the Clearstream subgroup can pledge eligible securities with their respective central banks on an intraday or overnight basis.

Clearstream Banking S.A. has a bank guarantee (letter of credit) in favour of Euroclear Bank S.A./N.V. issued by an international consortium to secure daily deliveries of securities between Euroclear Bank S.A./N.V. and Clearstream Banking S.A. This guarantee amounted to US\$ 3.0 billion as at 31 December 2014 (2013: US\$2.8 billion). Euroclear Bank S.A./N.V. has also issued a guarantee in favour of Clearstream Banking S.A. amounting to US\$ 2.5 billion (2013: US\$2.3 billion).

Furthermore, Eurex Clearing AG holds a credit facility of US\$2.1 billion (2013: US\$2.1 billion) granted by Euroclear Bank S.A./N.V. in order to maximise the settlement efficiency.

A commercial paper programme offers Deutsche Börse AG an opportunity for flexible, short-term financing, involving a total facility of €2.5 billion in various currencies. As at year-end, commercial paper with a nominal value of €60.0 million has been issued (2013: €100.0 million). Clearstream Banking S.A. also has a commercial paper programme with a programme limit of €1.0 billion, which is used to provide additional short-term liquidity. As at 31 December 2014, commercial paper with a nominal value of €193.2 million had been issued (2013: €194.1 million).

The rating agencies Fitch and Standard & Poor's confirmed the existing credit ratings of the Group companies in the course of the financial year. In August 2014, 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 adjusted dividend policy and the improvement in structural growth prospects. In October 2014, Fitch Ratings affirmed Clearstream Banking S.A.'s rating at "AA" with a stable outlook. For further details on the rating of Deutsche Börse Group, see the ["Financial position" section in the combined management report](#).

As at 31 December 2014, Deutsche Börse AG was one of only two DAX-listed companies that had been given an AA rating by Standard & Poor's. As at 31 December 2014, Deutsche Börse AG's commercial paper programme was awarded the best possible short-term rating of A-1+.

37. Financial liabilities and other risks

For the coming financial years, the Group's expenses in connection with long-term contracts relating to maintenance contracts and other contracts (without rental and lease agreements, see [note 38](#)) are presented in the following:

Breakdown of future financial obligations

	31 Dec 2014 €m	31 Dec 2013 €m
Up to 1 year	59.0	51.7
1 to 5 years	97.2	74.8
More than 5 years	25.5	13.2
Total	181.7	139.7

Other litigation and liability risks

Contingent liabilities may result from present obligations and from possible obligations from events in the past. Deutsche Börse Group recognises provisions for the possible incurrence of losses only if there is a present obligation from an event in the past which is likely to cause an outflow of resources and if it is possible to reliably estimate the amount of such obligation (see also [note 3](#)). In order to determine for which proceedings the possibility of incurring a loss is more than unlikely as well as how the possible loss is estimated, Deutsche Börse Group takes into account a multitude of factors, including the nature of the claim and the facts on which it is based, the jurisdiction and course of the individual proceedings, the experience of Deutsche Börse Group, prior settlement talks (as far as have already taken place) as well as reports and evaluations of legal advisors. However, it is possible that a reliable estimate for a given proceedings could not be determined before the release of the consolidated financial statements, and that – as a result – no provisions are recognised.

Peterson vs Clearstream Banking S.A., Citibank NA et al. (“Peterson I”) and Heiser vs Clearstream Banking S.A.

In its [corporate report 2012](#), Deutsche Börse Group informed about proceedings initiated by various plaintiffs seeking turnover of certain customer positions held in Clearstream Banking S.A.’s (Clearstream) securities omnibus account with its US depository bank, Citibank NA, and asserting direct claims against Clearstream for damages of US\$250 million. That matter was settled between Clearstream and the plaintiffs and the direct claims against Clearstream 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. On 29 December 2014, Bank Markazi filed a petition for review in the U.S. 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.

Peterson vs Clearstream Banking S.A. (“Peterson II”)

On 30 December 2013, a number of US plaintiffs from Peterson I, 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. 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.

Criminal investigations against Clearstream Banking S.A.

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

Dispute between MBB Clean Energy AG and end investors

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 central security 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.

CBOE vs ISE

On 12 November 2012, the Chicago Board Options Exchange (CBOE) filed a patent infringement law suit 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 seeks 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 addition to the matters described above and in prior disclosures, Deutsche Börse Group is from time to time involved in various legal proceedings that arise in the ordinary course of its business. The Group recognises provisions for litigation and regulatory matters when it has a present obligation from an event in the past, an outflow of resources with economic benefit to settle the obligation is probable and it is possible to reliably estimate the amount. In such cases, there may be an exposure to loss in excess of the amounts accrued. When these conditions are not met, the Group does not recognise a provision. As a litigation or regulatory matter develops, Deutsche Börse Group evaluates on an ongoing basis whether the requirements to recognise a provision are met. The Group may not be able to predict what the eventual loss or range of loss related to such matters will be. The Group does not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on its financial statements as a whole.

Other liability risks

On 27 February 2015, the International Securities Exchange, LLC made an additional investment of US\$30 million in The Options Clearing Corporation (OCC) as part of their plan to fund increased regulatory capital requirements. Following this investment, the International Securities Exchange, LLC will retain its 20 per cent ownership in OCC and will be entitled to a share of profits distributed as dividends. Prior to this additional investment, OCC refunded excess revenues to its clearing members with no income distributed to shareholders. The International Securities Exchange, LLC has also committed to a capital replenishment plan which provides up to an additional US\$40 million of funding in the event that OCC regulatory capital is depleted due to losses other than from the clearing fund.

Tax risks

Due to its business activities in various countries, Deutsche Börse Group is exposed to tax risks. A process has been developed to recognise and evaluate these risks, which – in the first place – are recognised depending on the probability they will arise. In a second step, these risks are measured on the basis of their expected value. In case it is more probable than not that the risks will arise, a tax provision is recognised. Deutsche Börse Group continuously reviews if the preconditions for the recognition of corresponding tax provisions are met.

38. Leases

Finance leases

There were no minimum lease payments from finance leases for Deutsche Börse Group neither as at 31 December 2014 nor as at 31 December 2013.

Operating leases (as lessee)

Deutsche Börse Group has entered into leases to be classified as operating leases due to their economic substance, meaning that the leased asset is allocated to the lessor. These leases relate mainly to buildings, IT hardware and software.

Minimum lease payments from operating leases¹⁾

	31 Dec 2014 €m	31 Dec 2013 €m
Up to 1 year	60.5	61.0
1 to 5 years	192.4	160.0
More than 5 years	185.6	225.3
Total	438.5	446.3

1) The expected payments in US dollars were each translated into euros applying the closing rate of 31 December.

In the year under review, €59.9 million (2013: €65.5 million) of minimum lease payments was recognised as an expense. No expenses were incurred for subleases or contingent rentals in the year under review.

Operating leases for buildings, some of which are subleased, have a maximum remaining term of twelve years. The lease contracts usually terminate automatically when the lease expires. The Group has options to extend some leases.

Rental income expected from sublease contracts¹⁾

	31 Dec 2014 €m	31 Dec 2013 €m
Up to 1 year	1.1	1.3
1 to 5 years	1.1	0.3
Total	2.2	1.6

1) The expected payments in US dollars were each translated into euros applying the closing rate of 31 December.

39. Share-based payment

Stock Bonus Plan (SBP)

In the year under review, the company established an additional tranche of the SBP. In order to participate in the SBP, a beneficiary must have earned a bonus. The number of stock options for senior executives is determined by the amount of the individual and performance-based SBP bonus for the financial year, divided by the average share price (Xetra closing price) of Deutsche Börse AG's shares in the fourth quarter of the financial year in question. Neither the converted SBP bonus nor the stock options will be paid at the time the bonus is determined. Rather, the entitlement is generally received two or three years after having been granted (so-called "waiting period"). Within this period, beneficiaries cannot assert shareholder rights (in particular, the right to receive dividends and attend the Annual General Meeting). Once they have met the condition of service, the beneficiaries' claims resulting from the SBP are calculated on the first trading day following the last day of the waiting period. The current market price at that date (closing auction price of Deutsche Börse share in electronic trading on the Frankfurt Stock Exchange) is multiplied by the number of SBP shares.

A new SBP programme was launched in April 2013 for members of the executive board of Eurex Clearing AG. This programme has a three-year waiting period from the grant date. This SBP tranche is measured using the same parameters as the Share Bonus Plan for senior executives.

For the stock bonus of senior executives under the 2012 to 2014 tranches, Deutsche Börse AG has an option whether to settle a beneficiary's claim in cash or shares. The company settled the 2012 tranche claims in cash in February 2015. A cash settlement obligation exists for claims relating to the stock bonus of the Executive Board since the 2010 tranche and the stock plan for the executive board members of the Clearstream companies since the 2011 tranche.

Since 1 January 2010, a different method has been applied to calculate the number of stock options for Members of the Executive Board of Deutsche Börse AG. The method is described below.

To calculate the number of stock options for Executive Board members under a SBP tranche, the Supervisory Board defines the 100 per cent stock bonus target in euros for each Executive Board member

at the beginning of each financial year. Based on the 100 per cent stock bonus target defined by the Supervisory Board at the beginning of each financial year, the corresponding number of virtual shares for each Executive Board member is calculated by dividing the stock bonus target by the average share price (Xetra closing price) of Deutsche Börse AG's shares in the two calendar months preceding the month in which the Supervisory Board adopts the resolution on the stock bonus target. Any right to payment of a stock bonus vests only after a performance period of three years. The year in which the 100 per cent stock bonus target is defined is taken to be the first performance year.

The calculation of the subsequent payout amount of the stock bonus for the Executive Board depends on the development of two performance factors during the performance period: firstly, on the relative performance of the total shareholder return (TSR) on Deutsche Börse AG's shares compared with the total shareholder return of the STOXX Europe 600 Financials Index as the peer group, and secondly, on the performance of Deutsche Börse AG's share price. This is multiplied by the number of virtual shares at the end of the performance period to determine the stock bonus. The share price used to calculate the cash payment claims of Executive Board members from the stock bonus is calculated as the average price of Deutsche Börse AG's shares (Xetra closing price) in the two full calendar months preceding the end of the performance period.

Stock Plan

On 20 April 2009, the Luxembourgian Commission de Surveillance du Secteur Financier (CSSF) published a circular on remuneration policies in the banking sector that addresses key aspects of remuneration practices for sustainable corporate governance and supports their implementation in banking institutions' day-to-day operations. According to this circular, every banking institution is required to introduce a remuneration policy that is in harmony with its business strategy and corporate goals and values as well as the long-term interests of the financial enterprise, its customers and investors, and which minimises the institution's risk position. Clearstream companies in Luxembourg have therefore revised their remuneration system for executive boards in line with the circular, and introduced a so-called stock plan. The stock plan stipulates the allocation of a stock bonus at the end of each financial year, which will be paid in three tranches of equal size with maturities of one, two or three years after the grant date. Claims under the stock plan have to be cash-settled if the performance targets already agreed in the year in which the targets were specified are met, irrespective of any condition of service.

The number of stock options under the stock plan is determined by the amount of the individual, performance-based bonus established for each Executive Board member, divided by the average market price (Xetra closing price) for Deutsche Börse AG shares in the fourth quarter of the financial year in question. As the contracts require the stock bonus to be exercised gradually, it is divided into three separate tranches, which are measured according to their respective residual term using the corresponding parameters of the Stock Bonus Plan for senior executives. This programme ended with the financial year 2013.

Evaluation of the Stock Bonus Plan (SBP) and the Stock Plan

In accordance with IFRS 2, the company uses an adjusted Black-Scholes model (Merton model) to calculate the fair value of the stock options.

Valuation parameters for SBP shares

		Tranche 2014	Tranche 2013 ¹⁾	Tranche 2012 ¹⁾	Tranche 2011
Term		31 May 2015 – 31 Jan 2018	31 Jan 2015 – 31 Jan 2017	31 Jan 2015 – 31 Jan 2016	31 Jan 2015
Risk-free interest rate	%	-0.14 to -0.06	-0.14 to -0.10	-0.14 to -0.10	-0.14
Volatility of Deutsche Börse AG shares	%	19.65 to 22.24	19.90 to 27.83	19.90 to 27.83	27.83
Dividend yield	%	3.55	3.55	3.55	3.55
Exercise price	€	0	0	0	0

1) The SBP 2012 and 2013 tranches also include SBP options of the Stock Plan for the executive board members of the Luxembourgian companies and SBP options of the 2013 tranche for the members of the Executive Board of Eurex Clearing AG. These options are evaluated using different parameters.

The valuation model does not take into account exercise hurdles. The volatilities applied correspond to the market volatilities of comparable options with comparable maturities.

Valuation of SBP shares

Tranche	Balance as at 31 Dec 2014 Number	Deutsche	Intrinsic value/ option as at 31 Dec 2014 €	Fair value/ option as at 31 Dec 2014 €	Settlement obligation €m	Current provision as at 31 Dec 2014 €m	Non-current provision as at 31 Dec 2014 €m
		Börse AG share price as at 31 Dec 2014 €					
2011	6,695	59.22	59.22	59.04	0.4	0.4	0
2012	132,383	59.22	59.22	57.02 – 59.04	7.8	7.3	0.2
2013	150,476	59.22	59.22	55.06 – 59.04	8.3	1.1	3.9
2014	89,239 ¹⁾	59.22	59.22	53.18 – 54.74	4.9	0.6	1.0
Total	378,793				21.4	9.4	5.1

1) As the grant date for the 2014 tranche for senior executives is not until financial year 2015, the number indicated for the balance sheet date may change subsequently.

The stock options from the 2011 SBP tranche were exercised in the year under review following expiration of the vesting period. The average exercise price for the 2011 tranche following expiration of the vesting period was €57.51. Shares of the SBP tranches 2012 and 2013 were paid to former employees as part of severance payments in the reporting year. The average exercise price amounted to €56.66 for the 2012 tranche, €56.87 for the 2013 tranche. The average price for forfeited stock options amounted to €58.35 for the 2011 tranche, €29.08 for the 2012 tranche and €17.51 for the 2013 tranche.

The amount of provisions for the SBP results from the measurement of the number of SBP shares with the fair value of the closing auction price of Deutsche Börse shares in electronic trading at the Frankfurt Stock Exchange as at the balance sheet date and its proportionate recognition over the vesting period.

Provisions for the SBP and the Stock Plan amounting to €14.5 million were recognised as at the balance sheet date of 31 December 2014 (31 December 2013: €18.2 million). Of the provisions, €7.7 million were attributable to members of the Executive Board (2013: €7.3 million). The total cost of the SBP shares in the year under review was €6.5 million (2013: €13.2 million). Of that amount,

an expense of €3.8 million was attributable to members of the Executive Board active at the balance sheet date (2013: €6.1 million). For the number of SBP shares granted to members of the Executive Board, please also refer to the [remuneration report](#).

Change in number of SBP shares allocated

	Balance as at 31 Dec 2013	Additions/ (disposals) Tranche 2011	Additions/ (disposals) Tranche 2012	Additions/ (disposals) Tranche 2013	Additions Tranche 2014	Fully settled cash options	Options forfeited	Balance as at 31 Dec 2014
To the Executive Board ¹⁾	200,887	-4,158 ²⁾	-3,896 ²⁾	-2,538 ²⁾	67,236	57,094	0	200,437
To other senior executives	275,939	6,878	287	-5,684	22,003	120,719	348	178,356
Total	476,826	2,720	-3,609	-8,222	89,239³⁾	177,813	348	378,793

1) Including the rights to shares of the 2011 and 2012 tranches of a former Executive Board member

2) This relates to a decrease in the number of SBP shares caused by a decrease in the TSR compared to the 100 per cent value at the time the respective tranche was issued.

3) As the grant date for the 2014 tranche for senior executives is not until financial year 2015, the number indicated as at the balance sheet date may change subsequently.

Long-term Sustainable Instrument (LSI)

As at 1 January 2014, Deutsche Börse Group has introduced another share-based payment programme. The programme meets the requirements of regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013. This regulation had been implemented through the amendments to the supervisory requirements for the remuneration systems of institutions laid down in the Institutsvergütungsverordnung (InstitutsVergV, German Remuneration Regulation for Institutions), effective 16 December 2013, and translated into German law with the Kreditwesengesetz (KWG, German Banking Act). The aim of this regulation is to align the corporate goals even more closely with remuneration, especially in the banking sector, and thus to ensure the goals are more sustainable.

The remuneration model requires that at least half of the variable remuneration is settled in cash and half in shares of Deutsche Börse AG (LSI shares). A portion of the variable remuneration is paid in the subsequent year and another portion over a further period of three or four years.

The number of LSI shares is calculated by dividing the proportionate LSI bonus of the respective year by the average closing price of Deutsche Börse AG shares in the last month of a financial year. This results in individual LSI tranches for the LSI bonus, which have maturities of between one and up to five years. Payment of each tranche is made after a vesting period of one year. The remuneration system does not stipulate any condition of service. Following the expiry of the vesting period, the LSI shares are measured on the basis of the average closing price of Deutsche Börse AG shares in the last month preceding the end of the vesting period. Settlement is generally made in cash, although the employer has the right to settle by delivering Deutsche Börse AG shares.

In accordance with IFRS 2, the company uses an adjusted Black-Scholes model (Merton model) to calculate the fair value of the LSI shares.

Valuation parameters for LSI shares

		Tranche 2014
Term		31 Mar 2016 – 31 Mar 2020
Risk-free interest rate	%	- 0.10 – 0.12
Volatility of Deutsche Börse AG shares	%	19.36 – 26.40
Dividend yield	%	3.55
Exercise price	€	0

The valuation model does not take into account exercise hurdles. The volatilities applied correspond to the market volatilities of comparable options with comparable maturities.

Valuation of LSI shares

	Balance as at 31 Dec 2014 Number	Deutsche Börse AG share price as at 31 Dec 2014 €	Intrinsic value/ option as at 31 Dec 2014 €	Fair value/ option as at 31 Dec 2014 €	Settlement obligation €m	Current provision as at 31 Dec 2014 €m	Non-current provision as at 31 Dec 2014 €m
Tranche 2014	47,821 ¹⁾	59.22	59.22	49.74 – 57.18	2.6	0	2.6
Total	47,821				2.6	0	2.6

1) As the grant date for the 2014 tranche is partially not until the financial years 2015 to 2019, the number indicated as at the balance sheet date may change subsequently.

The amount of provisions for the Long-term Sustainable Instrument results from the measurement of the number of LSI shares at the fair value of the closing auction price of Deutsche Börse shares in electronic trading at the Frankfurt Stock Exchange as at the balance sheet date.

Provisions classified as non-current amounting to €2.6 million were recognised as at 31 December 2014 (31 December 2013: nil). Because of the additions, the total cost of the LSI shares in the year under review corresponds to the amount of provisions recognised as at the balance sheet date.

Change in number of LSI shares allocated

	Balance as at 31 Dec 2013	Additions Tranche 2014	Fully settled cash options	Options forfeited	Balance as at 31 Dec 2014
To other senior executives	0	47,821	0	0	47,821
Total	0	47,821¹⁾	0	0	47,821

1) As the grant date for the 2014 tranche is partially not until the financial years 2015 to 2019, the number indicated as at the balance sheet date may change subsequently.

Group Share Plan (GSP)

Employees of Deutsche Börse Group who are not members of the Executive Board or senior executives have the opportunity to subscribe for shares of Deutsche Börse AG at a discount of 30 or 40 per cent to

the issue price under the Group Share Plan (GSP). This discount is based on the employee's length of service. Under the 2014 GSP tranche, eligible employees were able to buy up to 100 shares of the company. The purchased shares must be held for at least two years.

In the year under review, an expense totalling €1.6 million (2013: €1.3 million) was recognised in staff costs for the Group Share Plan.

40. Executive bodies

The members of the company's executive bodies are listed in the [☞ "Executive Board"](#) and [☞ "Supervisory Board"](#) chapters of this corporate report.

41. Corporate governance

On 9 December 2014, the Executive and Supervisory Boards issued the latest version of the declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG, the German Stock Corporation Act) and made it permanently available to shareholders on the company's website (see also [☞ chapter corporate governance declaration](#)).

42. Related party disclosures

Related parties as defined by IAS 24 are members of the executive bodies of Deutsche Börse AG and the companies classified as associates of Deutsche Börse AG and other investors, and companies that are controlled or significantly influenced by members of the executive bodies.

The remuneration of the individual members of the Executive and Supervisory Boards is presented in the [☞ remuneration report](#). The remuneration report is a component of the combined management report.

Executive Board

In 2014, the fixed and variable remuneration of the members of the Executive Board, including non-cash benefits, amounted to a total of €13.7 million (2013: €13.3 million).

In 2014, €5.1 million for non-recurring termination benefits for an Executive Board member as well as €0.6 million resulting from the shortened term of Stock Bonus Plan tranches were recognised in the consolidated income statement (2013: nil).

The actuarial present value of the pension obligations to Executive Board members was €25.4 million at 31 December 2014 (2013: €25.7 million). Expenses of €1.3 million (2013: €2.6 million) were recognised as additions to pension provisions.

Former members of the Executive Board or their surviving dependents

The remuneration paid to former members of the Executive Board or their surviving dependents amounted to €2.2 million in 2014 (2013: €1.9 million). The actuarial present value of the pension obligations was €64.5 million at 31 December 2014 (2013: €54.0 million).

Supervisory Board

The aggregate remuneration paid to members of the Supervisory Board in financial year 2014 was €2.3 million (2013: €2.2 million).

Material transactions with related parties

The following table shows the other material transactions with companies classified as related parties. All transactions were effected on an arm's length basis.

Material transactions with associates

	Amount of the transactions		Outstanding balances	
	2014 €m	2013 €m	31 Dec 2014 €m	31 Dec 2013 €m
Services of Deutsche Börse AG for Börse Frankfurt Zertifikate AG (until 1 Nov 2013 Scoach Europa AG) ¹⁾	n.a.	2.5	n.a.	n.a.
Loans from Deutsche Börse AG to Indexium AG	0.3	0.2	0.1 ²⁾	0
Loans from Deutsche Börse AG to Digital Vega FX Ltd.	0	0	0.4	0.3
Operation of trading and clearing software by Deutsche Börse AG for European Energy Exchange AG and affiliates ³⁾	n.a.	9.7	n.a.	2.4
IT services and provisions of infrastructure by International Securities Exchange, LLC for Direct Edge Holdings, LLC ⁴⁾	n.a.	0.5	n.a.	0
Development and operation of the Link-up Converter system by Clearstream Services S.A. for Link-up Capital Markets, S.L. ⁵⁾	n.a.	1.2	n.a.	0.1
Transactions within the framework of gold under custody between Clearstream Banking AG and Deutsche Börse Commodities GmbH	-3.4	-4.0	-0.3	-0.3
Calculation services, provision of software solutions for indices and benchmark and operation of necessary software for Deutsche Börse AG by Indexium AG	-5.0 ⁶⁾	-2.7	-1.1 ⁶⁾	-0.4
Calculation services, provision of software solutions for indices and benchmark and operation of necessary software for STOXX Ltd. by Indexium AG	-2.7 ⁷⁾	-4.3	1.1 ⁷⁾	-0.9
Operation and development of Xontro by Deutsche Börse AG for BrainTrade Gesellschaft für Börsensysteme mbH ⁸⁾	5.3	1.9	0.2	0.4
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Deutsche Börse AG ⁸⁾	-1.1	-1.7	0.1	0
Provision of IT services in the Cloud Computing Capacity Trading area for Deutsche Börse Cloud Exchange AG by Deutsche Börse AG	0.6	n.a.	0	n.a.
Licence of operating and trading for Tradegate AG Wertpapierhandelsbank by Deutsche Börse AG	0.7	n.a.	0	n.a.
Provision of management services and charging-on of project costs (Market Coupling) for EPEX Spot SE by European Energy Exchange AG and affiliates ⁹⁾	1.5	n.a.	0.1	n.a.
Provision of services by Hanweck Associates, LLC for Eurex Frankfurt AG within a project agreement	-0.1	n.a.	-0.1	n.a.

1) Börse Frankfurt Zertifikate AG and Börse Frankfurt Zertifikate Holding S.A. have been fully included in Deutsche Börse AG's consolidated financial statement since 1 July 2013.

2) Outstanding balance after impairment losses of € 5.5 million on the loan granted to Indexium AG by Deutsche Börse AG.

3) European Energy Exchange AG has been fully included in Deutsche Börse AG's consolidated financial statement since 1 January 2014.

4) Following completion of the merger agreement between Direct Edge Holdings, LLC and BATS Global Markets, Inc. on 31 January 2014, it is no longer possible to exercise significant influence over Direct Edge Holdings, LLC; the company is therefore no longer classified as an associate.

5) Shares in Link-Up Capital Markets, S.L. were sold effective 31 December 2013.

6) Thereof provisions for development costs amounting to €1.1 million

7) Thereof provisions for development costs amounting to €0.3 million

8) BrainTrade Gesellschaft für Börsensysteme mbH has been an associate since 1 July 2013.

9) Following the consolidation of European Energy Exchange AG on 1 January 2014, EPEX Spot SE is included as an associate in the consolidated financial statements.

Material transactions with joint ventures

In December 2014, Bondcube Limited and Deutsche Börse AG have concluded a loan agreement in the amount of £2.6 million. The loan will be paid in tranches from January 2015 onwards.

Transactions with key management personnel

Key management personnel are persons who directly or indirectly have authority and responsibility for planning, directing and controlling the activities of Deutsche Börse Group. The Group defines the members of the Executive Board and the Supervisory Board as key management personnel for the purposes of IAS 24.

As at the end of financial year 2014, the agreement between International Securities Exchange, LLC, New York, USA, and Mayer Brown LLP, Washington, USA, to source advisory services, which had been entered into for a one-year period effective 1 June 2014, no longer met the disclosure requirements for transactions with key management personnel.

On 30 July 2009, European Commodity Clearing Luxembourg S.à r.L., Luxembourg, (ECC Luxembourg) – a subsidiary of European Commodity Clearing AG and therefore a member of the EEX group – entered into a managing director agreement with ffp Conseils SARL, Metz, France, for an indefinite period. The subject of the agreement is to provide a natural person for the function of managing director in the management of ECC Luxembourg. In addition to his position as managing director of ECC Luxembourg, this person is also a member of the key personnel at the parent company of ffp Conseils SARL, pmi Beratung GmbH. In financial year 2014, ECC Luxembourg made payments of approximately €62 thousand for these managing director services.

Moreover, an agreement for the provision of advisory services was entered into between Deutsche Börse AG and KM Networks GmbH, Hofheim, Germany, in financial year 2014. A supervisory board member of European Energy Exchange AG is at the same time a member of the key personnel at the consultancy firm KM Networks. Payments of €3 thousand were made in connection with these advisory services in financial year 2014.

In financial year 2014, the employee representatives on Deutsche Börse AG's Supervisory Board received salaries (excluding Supervisory Board remuneration) amounting to €0.7 million (2013: €0.7 million). The total consists of the respective total gross amounts for those employee representatives who drew salaries from Deutsche Börse AG in the year under review.

43. Shareholders

Section 160 (1) no. 8 of the Aktiengesetz (AktG, German Stock Corporation Act) requires disclosure of the existence of long-term investments that have been notified to the entity in accordance with section 21 (1) or section 21 (1a) of the Wertpapierhandelsgesetz (WpHG, German Securities Trading Act). The following table provides an overview of the disclosable investments as at 4 March 2015 that had been notified to the company. The information was taken in all cases from the most recent notifications provided by disclosers to the company. All notifications provided by the company concerning disclosure of investments in the year under review and thereafter until 4 March 2015 are accessible on www.deutsche-boerse.com/ir_news. Please note that the information with regard to the percentages and voting rights held under these long-term investments may no longer be up to date.

The company received the following notifications pursuant to section 21 of the 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 (+/-)
Deutsche Börse AG	Frankfurt/Main, Germany	17 Feb 2012	+
Baillie Gifford & Co	Edinburgh, Scotland	22 Aug 2014	+
BlackRock Advisors Holdings, Inc.	New York, USA	1 Dec 2009	+
BlackRock Financial Management, Inc.	New York, USA	20 Feb 2015	+
BlackRock Group Limited	London, United Kingdom	7 Dec 2012	+
BlackRock Holdco 2, Inc.	Wilmington, USA	16 Feb 2015	+
BlackRock, Inc.	New York, USA	11 Feb 2015	+
BlackRock International Holdings, Inc.	New York, USA	2 Aug 2012	+
BR Jersey International Holdings, L.P.	St. Helier, Jersey, Channel Islands	8 Feb 2012	+
Capital Research and Management Company	Los Angeles, USA	30 July 2013	+
Commerzbank Aktiengesellschaft	Frankfurt/Main, Germany	23 May 2013	-

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.

Reporting threshold (%)	Attribution in accordance with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
3.00	n.a.	4.94	9,533,068
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
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
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
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
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
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
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
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
3.00	section 22 (1) sentence 1 no. 6 of the WpHG	3.02	5,833,924
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

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-/under-stepping (+/-)
Credit Suisse AG	Zurich, Switzerland	19 May 2014	-
Credit Suisse Group AG	Zurich, Switzerland	19 May 2014	-
Credit Suisse Investment Holdings UK	London, United Kingdom	19 May 2014	-
Credit Suisse Investments UK	London, United Kingdom	19 May 2014	-
Credit Suisse Securities (Europe) Limited	London, United Kingdom	19 May 2014	-
Dodge & Cox	San Francisco, USA	16 May 2014	+
Dodge & Cox International Stock Fund	San Francisco, USA	16 May 2014	+
Invesco Limited	Hamilton, Bermuda	17 Nov 2014	-
Morgan Stanley	Wilmington, USA	21 May 2013	-
Morgan Stanley International Holdings Inc.	Wilmington, USA	21 May 2013	-
Morgan Stanley International Limited	London, United Kingdom	21 May 2013	-
Morgan Stanley Group Europe	London, United Kingdom	21 May 2013	-
Morgan Stanley UK Group	London, United Kingdom	21 May 2013	-
Morgan Stanley & Co International Plc	London, United Kingdom	21 May 2013	-
The Capital Group Companies	Los Angeles, USA	30 July 2013	+
UBS AG	Zurich, Switzerland	20 May 2014	-

Reporting threshold (%)	Attribution in accordance with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
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
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
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
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
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
3.00	§ 22 Abs. 1 Satz 1 Nr. 6 WpHG	3.10	5,988,382
3.00	section 21 (1) of the WpHG	3.10	5,984,482
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
5.00		4.11	7,926,928
	sections 21, 22 of the WpHG	0.23	448,039
	section 25 of the WpHG	0.25	489,195
	section 25a of the WpHG	3.62	6,989,694
5.00		4.01	7,734,733
	sections 21, 22 of the WpHG	0.21	403,568
	section 25 of the WpHG	0.18	341,471
	section 25a of the WpHG	3.62	6,989,694
5.00		3.70	7,138,902
	sections 21, 22 of the WpHG	0.21	403,568
	section 25a of the WpHG	3.49	6,735,334
5.00		3.70	7,138,902
	sections 21, 22 of the WpHG	0.21	403,568
	section 25a of the WpHG	3.49	6,735,334
5.00		3.70	7,138,902
	sections 21, 22 of the WpHG	0.21	403,568
	section 25a of the WpHG	3.49	6,735,334
5.00		3.70	7,138,902
	sections 21, 22 of the WpHG	0.21	403,568
	section 25a of the WpHG	3.49	6,735,334
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
5.00		4.60	8,882,666
	sections 21, 22 of the WpHG	2.52	4,865,398
	section 25 of the WpHG	1.39	2,687,268
	section 25a of the WpHG	0.69	1,330,000

44. Employees

Employees

	2014	2013
Average number of employees during the year	4,183	3,751
Employed as at the balance sheet date	4,540	3,811
Employees (average annual FTEs)	3,911	3,515

Of the average number of employees during the year, 23 (2013: 19) were classified as Managing Directors (excluding Executive Board members), 357 (2013: 354) as senior executives and 3,803 (2013: 3,378) as employees.

There was an average of 3,911 full-time equivalent (FTE) employees during the year (2013: 3,515). Please refer also to the [“Employees” section in the combined management report](#).

45. Events after the balance sheet date

There have been no material events after the balance sheet date.

46. Date of approval for publication

Deutsche Börse AG's Executive Board approved the consolidated financial statements for submission to the Supervisory Board on 5 March 2015. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether it endorses them.

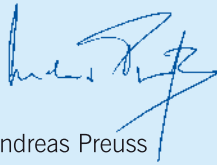
Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

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 consolidated financial statements prepared by Deutsche Börse Aktiengesellschaft, Frankfurt/Main, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the combined management report for the business year from 1 January to 31 December 2014. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. [paragraph] 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the combined management report based on our audit. In addition we have been instructed to express an opinion as to whether the consolidated financial statements comply with full IFRS.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB 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 consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the 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 consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and full IFRS and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt/Main, 6 March 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Braun
Wirtschaftsprüfer
(German Public Auditor)

Dielehner
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(German Public Auditor)

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our Group's addresses please
visit our website: www.deutsche-boerse.com/adresses

Glossary

7 Market Technology

An infrastructure technology brand family from Deutsche Börse Group comprising the T7 trading infrastructure, the C7 clearing infrastructure, the N7 global network, the F7 repo trading system and the M7 trading platform.

B

Basel III

Framework of requirements developed by the Basel Committee on Banking Supervision. It contains recommendations for international banks that also serve as guidance for national legislators. The aim is to promote the stability of the financial system. The recommendations published on 16 December 2010 and amended and revised in the years since then update the Basel II framework for banks dating from 2004.

C

Carbon Disclosure Project (CDP)

Independent, not-for-profit organisation which has the world's largest database of climate-relevant company information. It provides the data for the capital markets and the general public.

CCP

Central counterparty; also: clearing house. Institution that acts as a legal intermediary between the trading partners as a buyer or seller after a transaction has been completed, facilitating [netting](#), minimising the default risk of a contracting party (margining and collateralisation), and carrying out all process steps necessary for [clearing](#).

Central counterparty [☞](#) CCP

Certificate

The holder of a certificate participates in the price performance of an underlying to which the price performance of the certificate is linked. This underlying can be a basket of shares compiled according to specific criteria, for example. Underlyings may also be bonds, indices, currencies, funds, precious metals, commodities, or real estate. From a legal perspective, an investor in a certificate acquires a legal obligation on the part of the issuer. Certificates can be freely traded.

Clearing

The [netting](#) and [settlement](#) of receivables and liabilities arising from securities and derivatives transactions; determination of the bilateral net debt of buyers and sellers.

Clearing house [☞](#) CCP

Collateral management

Collateral comprises assets given as a guarantee by a borrower (collateral provider) to secure a loan or other financial exposures and which are subject to utilisation by the lender (collateral taker) in the event of default. Collateral management encompasses the administration and [custody](#) of deposited collateral to cover financial exposures, for example resulting from [securities lending](#) transactions or derivatives transactions.

Commercial paper

A debt security traded on the money market that has a short or medium term (mostly less than one year) and is issued by issuers with a high credit rating to finance their short-term capital requirements. Issuers benefit from the commercial paper's flexibility and customisability; buyers are able to obtain attractive conditions for short-term investments.

Contract

On the derivatives market: a legally binding agreement between two parties to buy or sell a precisely defined quantity of a specified instrument (e.g. equities, interest rate instruments, foreign exchange) at a fixed point of time or within a certain period in the future, and at a price agreed when the contract is entered into.

Corporate governance

Through transparency and a value-driven approach, the principle of responsible corporate governance aims at promoting long-term value creation and hence to help guarantee a company's long-term success.

CRD IV package

An integrated legislative package that became valid on 1 January 2014. It comprises a directive governing the access to deposit-taking activities by, and supervision of, credit institutions and investment firms (CRD IV), as well as a regulation governing the supervision requirements for credit institutions and investment firms (CRR). With the CRD IV package, the EU has implemented a large proportion of the recommendations of the Basel Committee on Banking Supervision ([☞](#) Basel III).

CSD

Central securities depository. Clearstream Banking AG, Frankfurt/Main, acts as officially recognised German bank for the central depository of securities under the Depotgesetz (the German Securities Deposit Act), among other things. In this function, it offers a wide range of post-trade services relating to securities issued in Germany and other countries, both as a CSD for securities eligible for collective safe custody and as a custodian for other securities.

Custody

The safekeeping and administration of securities for others. A custody account (similar to an account for money transactions) is established for each customer. The account information includes details of the types, nominal values or quantities, numbers etc. of the securities held, as well as the name and address of the account holder.

D

D&O liability insurance

Directors' and officers' liability insurance. Protects the members of a company's management body against claims by the company itself and by third parties relating to the violation of specific duties of care.

E**EBA**

European Banking Authority, based in London. Has the aim of creating a common legal framework for the national banking supervisory authorities. Like the [ESMA](#), it is part of the new European System of Financial Supervision (ESFS).

EMIR

European Market Infrastructure Regulation. Regulates [OTC](#) derivatives, central counterparties ([CCPs](#)) and trade repositories, and aims to improve security and integrity within the OTC derivatives market by promoting transparency and reducing risk. Among other things, the Regulation achieves this by introducing a [clearing](#) obligation for eligible OTC derivatives, measures to reduce counterparty credit risk and operational risk for OTC derivatives not cleared via CCPs, as well as disclosure requirements for all derivatives. It also establishes general requirements for CCPs and trade repositories.

Entry Standard

Subsegment of the exchange-regulated market ([Open Market](#)) of Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange) with additional transparency requirements.

ESG criteria

Environment, Social, Governance. The composition of ESG indices such as the STOXX® ESG Global Leaders Index reflects these three selection criteria.

ESMA

The European Securities and Markets Authority. Based in Paris, ESMA aims to create a uniform legal framework for the national supervisory authorities. It is one of the European Supervisory Authorities established on 1 January 2011, alongside the [EBA](#) and EIOPA (European Insurance and Occupational Pensions Authority).

ETC

Exchange-traded commodity. Security on individual commodities or commodity baskets that can be traded on-exchange in the same way as a share via the trading venues Xetra® and Börse Frankfurt. Unlike [ETFs](#), ETCs are perpetual debt instruments that are secured by the respective commodities.

ETF

Exchange-traded fund. Mutual fund with indefinite maturity whose shares can be bought or sold in continuous trading on the exchange. It tracks the performance of the index on which it is based.

Eurex Bonds

Deutsche Börse Group's electronic platform for bond and basis trading. Eurex Clearing AG acts as the central counterparty ([CCP](#)) for transactions on Eurex Bonds®.

Eurex Repo®

Deutsche Börse Group's electronic platform for trading general collateral ([GC Pooling®](#)), [repos](#) and securities with Eurex Clearing AG as the central counterparty ([CCP](#)).

EURO STOXX 50®

European stock index that tracks the performance of the 50 most important and most actively traded shares in the euro area.

Exposure

The risk related to or associated with a financial transaction, e.g. a currency, securities, or derivatives transaction.

F**Forward rate agreement**

Non-standardised, off-exchange traded interest rate derivative in which both parties agree on a fixed rate of interest to be paid or received on an obligation, beginning at a future start date.

Future

Standardised, exchange-traded derivatives contract in which sellers agree to deliver, and buyers agree to purchase, a certain quantity of an underlying at a predetermined price.

G**GC Pooling®**

Product segment developed by Eurex Repo and Clearstream Banking that is tailored to meet the needs of short-term collateralised money market trading ([interbank market](#)) and offers collateralised short-term financing and efficient collateral management.

General Standard

Transparency level on the EU-regulated market of Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange). Issuers in the General Standard must meet the minimum statutory requirements (such as an annual report and ad hoc disclosures).

Global Liquidity Hub

Integrated risk and liquidity management solution in Deutsche Börse Group's [GSF](#) business field. The Global Liquidity Hub offers integrated financing services, including [securities lending](#) and [collateral](#) management services for a range of major asset classes including fixed-income securities and equities. Through the Global Liquidity Hub, customers can, for example, fulfil their [margin](#) obligations towards central clearing houses and cover their global [exposures](#).

GRI

Global Reporting Initiative. Independent not-for-profit organisation that publishes guidelines for creating sustainability reports in cooperation with the United Nations Environment Programme (UNEP). Transparency is the basis of reporting in accordance with the GRI, which aims to ensure that sustainability reports are standardised and comparable.

GSF

Global Securities Financing. Business area within Deutsche Börse Group's Clearstream segment that comprises automated [securities lending](#) services and [collateral management](#) in tripartite repo transactions.

H

Hedge fund

Alternative form of investment that allows fund management to enjoy a significantly greater choice of investment strategies than in the traditional investment fund business due to less regulation. This also allows highly speculative strategies, which, if successful, improve the fund's performance. Hedge funds are counterparties in risk transfer transactions, contributing to the ability of capital markets to operate and increasing liquidity in highly specialised market segments.

Hedging

Method of securing open positions exposed to price risks by entering into a position with an offsetting risk profile. For example, an existing portfolio can be hedged against price risks through the use of derivatives, such as [futures](#) and [options](#).

I

Interbank market

Market that pools banks' supply and demand for money, currencies and securities.

IPO

Initial public offering. An IPO is the first time a company offers shares to the public and places them on a stock exchange.

L

Leverage ratio

This ratio gives a general indication of how indebted a company is. It is calculated as the ratio of balance sheet debt to balance sheet equity. The higher the resulting ratio, the more debt capital the company has and hence the greater its liabilities are.

Liquidity

Market situation in which a security can be bought or sold, even in larger quantities, without substantially affecting its price. Important criterion for assessing the quality of a securities market in securities trading, and thus a decisive factor in the competition between market places.

Listing

Quotation of a security or issuer on the stock exchange. Issuers at the Frankfurt Stock Exchange, can choose from four transparency standards for their listing: [Prime Standard](#), [General Standard](#), [Entry Standard](#) and [Open Market](#).

M

Margin

Collateral (cash or pledged security) deposited by the [clearing](#) member (the buyer or seller) to guarantee the fulfilment of a derivatives transaction and cover the risk [exposure](#) of the clearing house.

Mark to market

Method for the continuous evaluation of open positions on the derivatives market. Under the "mark-to-market" measurement approach, gains and losses are remeasured and offset on a daily basis (with yesterday's settlement price being compared with today's settlement price).

MiFID

Markets in Financial Instruments Directive. The EU directive establishes a regulatory framework for the provision of investment services in financial instruments (such as brokerage, advice, dealing, portfolio management, underwriting etc.) by banks and investment firms and for operators of regulated markets. The objective is to promote the integration, competitiveness and efficiency of EU financial markets.

MiFID II

Revision of the Markets in Financial Instruments Directive ([MiFID](#)). The overarching goal of the legislation is to make financial markets more efficient, more resilient and more transparent, and to provide new rules of procedure for algorithmic trading in addition to strengthening investor protection.

MiFIR

Markets in Financial Instruments Regulation. A supplementary EU regulation to [MiFID II](#). Among other things, MiFIR regulates the disclosure of trade transparency data to the public, the reporting of transaction data to the competent authorities, and the obligation to trade derivatives on organised venues.

N

Netting

Offsetting buy and sell positions over a given period of time so that market participants only have to settle the balance. One of the functions and advantages of a [CCP](#).

Novation

Replacement of a single trading agreement between two parties by two agreements with the [CCP](#).

O

OFAC

Office of Foreign Assets Control. Regulatory agency of the US Department of the Treasury that monitors economic and trade sanctions imposed against countries, groups and individuals for reasons of foreign policy or in the USA's national security interests.

Open Market

In addition to the EU-regulated Market, the Open Market is the second statutory market segment in Germany; it is a private sector segment. Primarily foreign shares, bonds and funds from German and foreign issuers, [certificates](#) and warrants are traded on the Open Market in addition to German shares.

Operating lease

Financing method in which the lessee undertakes to pay lease instalments and in return gains the right to use the leased asset. Operating leases focus on “renting” the asset. The lease instalments paid are designed to compensate for its use.

Option

An option conveys the right, but not the obligation, to buy (call) or sell (put) a certain quantity of the associated underlying at the end of the term at a specific price. As the buyer is not obliged to exercise the option, it is referred to as a conditional forward transaction.

Order routing

The forwarding of securities orders from participants' in-house systems to various trading platforms.

OTC

over the counter, off-exchange. Describes transactions between two or more trading parties that are not conducted on a regulated market. The OTC segment accounts for by far the largest part of the derivatives market.

P**Prime Standard**

Subsegment of the EU-regulated market of Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange) for companies that meet particularly high transparency standards. A listing in the Prime Standard is a precondition for admission to one of Deutsche Börse's selection indices, such as DAX®, MDAX®, SDAX® or TecDAX®.

R**Regulated market**

A regulated stock exchange segment for securities whose admission and post-admission requirements are laid down by law, unlike the regulated unofficial market ([Open Market](#)). The admission procedure is an administrative procedure under public law. An exchange's regulated market is also an organised market within the meaning of the Wertpapierhandelsgesetz (WpHG, German Securities Trading Act).

Repo

Repurchase agreement. The sale of securities with a simultaneous agreement to buy back securities of the same kind at a later date.

S**Securities lending**

Transfer of securities by a lender for a fee and on condition that the borrower returns securities of the same kind, quality and amount to the lender at the end of a fixed term.

Settlement

The completion of an exchange transaction, i.e. the transfer of money and traded securities from the seller to the buyer and vice versa. Within Deutsche Börse Group, Clearstream is responsible for this post-trading function.

SSM

Single Supervisory Mechanism. The direct supervision by the European Central Bank of 120 significant credit institutions and banking groups and its indirect supervision of all other credit institutions in the euro zone.

STOXX® Europe 50

European stock index that tracks the performance of the 50 most important and most actively traded shares in the pan-European area.

T**T2S**

TARGET2-Securities. Initiative to create a single platform for transferring securities within the euro area. The objective of this platform is to reduce the cost of cross-border securities settlement within this area. It will be operated by the European Central Bank. “TARGET” is short for “Trans-European Automated Real-time Gross Settlement Express Transfer System”.

V**Volatility**

Measure of the extent to which the price of a security or an index fluctuates around a mean value during a certain period of time.

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Notes from the editor

Where only the masculine form has been used to refer to groups of people, this is not intended to be gender-specific but merely serves to enhance readability.

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Further information

Principles of sustainability reporting

In compiling the information on sustainability in this corporate report, our aim is to achieve the highest possible degree of clarity and transparency. The non-financial facts and figures published generally refer to Deutsche Börse Group as a whole. Topics that are specific to a certain location or sustainability activities that are managed locally are identified accordingly.

Verification of non-financial key figures

The non-financial key figures, the qualitative statements in relation to corporate responsibility in this corporate report as well as the process of the stakeholder survey were subject to review by KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), an independent external auditor. The respective independent assurance is available on the Internet under www.deutsche-boerse.com/cr_e. KPMG's auditor's report on the consolidated financial statements and the combined management report of Deutsche Börse AG as at 31 December 2014 can be found on [page 320](#) of this corporate report.

Assessment of the application level of the GRI guidelines

Companies that base their sustainability reports on the GRI guidelines can define the level to which they have applied GRI guidelines. Deutsche Börse Group has classified its report in this way and had this self-assessment verified by the GRI. It has attained level A+. You will find the GRI statement on the application level check at www.deutsche-boerse.com/cr_e > Reporting > GRI.

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GRI index and Global Compact principles 2014

A detailed online version of the GRI index and the ten principles of the UN Global Compact are available online at www.deutsche-boerse.com/cr_e

Global Compact principle	GRI indicator	Subject	Page/Data
1–10		Company	
1–10	1.1	Statement from the CEO	5–6
	1.2	Description of key impacts, risks, and opportunities	91–92, 152–157, 178–183
	2.1–2.10	Organisation, data and facts	Title, C2, C3–C4, 8–18, 21–25, 27–29, 86–89, 105–106, 135, 137, 140–141, 203–208, 291–292, 314–317, 321
	3.1–3.4	Reporting profile	2, 190, 200, 326
	3.5–3.13	Boundary of the report	C7, 2, 37–41, 132–133, 137, 143, 200–203, 214–218, 326
1–10	4.1–4.7	Corporate Governance	37–41, 47, 49, 57, 64–65, 66–69, 70–75, 76–80, 89, 139
1–10	4.8–4.13	Engagement	59–62, 66–69, 141–143, online version GRI index
1–10	4.14–4.17	Stakeholders	37–41, 135–139, online version GRI index
1–10		Economy/management approach	91–92, 139–144, 173–183
	EC 1	Economic value generated and distributed	C2, 134–135, 143, 265–266
7, 8	EC 2	Consequences of climate change	online version GRI index
	EC 3	Coverage of the organisation's defined benefit plan obligations	70–75, 76–80, 266–268, 306–311, online version GRI index
	EC 4	Financial assistance received from government	none
	EC 5	Local minimum wage	135–137
	EC 6	Local suppliers	online version GRI index
6	EC 7	Local hiring	online version GRI index
	EC 8	Investments for public benefit	C3–C4
	EC 9	Indirect economic impacts	134–135
7–9		Ecology/management approach	91–92, 139–144
7, 8	EN 1–2	Materials	143, online version GRI index
7, 8	EN 3–7	Energy	Primary energy: 59,440 GJ, 141–143, online version GRI index
7, 8	EN 8	Water	143
	EN 11–13	Natural biosphere	online version GRI index
7, 8	EN 16–20	Emissions	141–143, online version GRI index
7, 8	EN 21	Water discharge	64,377 m ³ , online version GRI index
7, 8	EN 22–23	Waste and pollutants	860 t, online version GRI index
7–9	EN 26–27	Products and services	online version GRI index
	EN 28	Fines/sanctions for non-compliance with environmental regulations	online version GRI index
1, 3, 6		Social/management approach	49–50, 72–73, 91–92, 139–144, 183
1, 6	LA 1–2	Employees	135–139, 189–190
1, 3, 6	LA 4–5	Collective agreements	137, online version GRI index
	LA 6–9	Occupational health and safety	43–46, 135–139, online version GRI index
	LA 10–11	Education and training	43–46, 82, 138
	LA 12	Performance reviews	96.9%, online version GRI index
1, 6	LA 13	Composition of governance bodies	48–49
1, 6	LA 14	Equal remuneration	136–137
6	LA 15	Parental leave	138
1–6		Human rights/management approach	6, 91–92, 139–144
1–6	HR 1	Investment agreements	94.7%
1–6	HR 2	Suppliers and contractors	94.7%
1–6	HR 3	Employee training	59, online version GRI index
1, 2, 6	HR 4	Discrimination	none
1, 2, 3	HR 5	Freedom of association and collective bargaining	58–63
1, 2, 4, 5	HR 6–7	Child labour/forced and compulsory labour	58–63, online version GRI index
1–6	HR 10	Human rights reviews	online version GRI index
1–6	HR 11	Addressed and resolved human rights grievances	online version GRI index
1–10		Society/management approach	38, 91–92, 139–144
	SO 1	Local community	37–41, online version GRI index
10	SO 2–4	Corruption	online version GRI index
	SO 5–6	Public policy	online version GRI index
1–10	SO 7–10	Fines/sanctions for non-compliance with regulations	302–305
1–10		Product responsibility/management approach	91–92, 139–144, 161–162
	PR 1, 3, 4	Information regarding products and services	online version GRI index
	PR 5	Customer satisfaction	online version GRI index
	PR 6–7	Marketing	online version GRI index
	PR 8	Customer privacy	none
	PR 9	Fines	302–305

GJ = Gigajoule

Financial calendar

29 April 2015
Q1/2015 results

13 May 2015
Annual General Meeting

2 June 2015
Investor day

27 July 2015
Half-yearly financial report

28 October 2015
Q3/2015 results

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