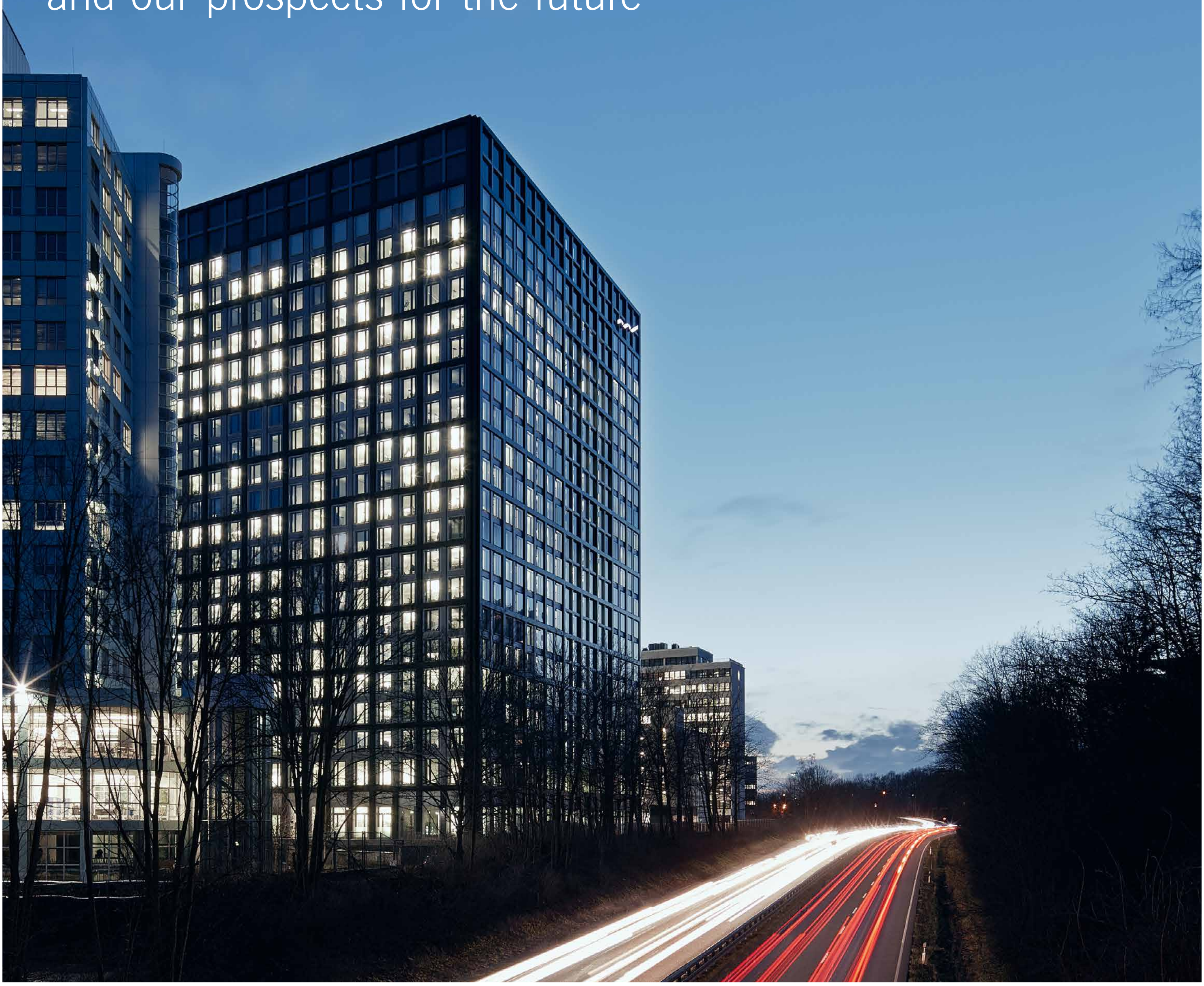
DEUTSCHE BÖRSE GROUP

www.deutsche-boerse.com

Corporate report 2013

About us, the year 2013,
and our prospects for the future



Deutsche Börse Group: key figures

		2013	2012	Change in %
Consolidated income statement				
Net revenue	€m	1,912.3	1,932.3	–1
Net interest income from banking business	€m	35.9	52.0	–31
Operating costs	€m	–1,182.8	–958.6	23
Earnings before interest and tax (EBIT)	€m	738.8	969.4	–24
Net income	€m	478.4	645.0	–26
Earnings per share (basic)	€	2.60	3.44	–24
Consolidated cash flow statement				
Cash flows from operating activities excluding CCP positions	€m	797.3	726.2	10
Consolidated balance sheet				
Non-current assets	€m	8,796.9	5,113.9	72
Equity	€m	3,268.0	3,169.6	3
Non-current interest-bearing liabilities	€m	1,521.9	1,737.4[1)]	–12
Performance indicators				
Dividend per share	€	2.10[2)]	2.10	0
Dividend payout ratio	%	61[3) 4) 8)]	58[4) 5) 6) 7)]	5
Employees (average annual FTEs)		3,515	3,416	3
Net revenue per employee	€ thous.	544	566	–4
Personnel expense ratio	%	22[4)]	21[4)]	5
EBIT margin	%	39	50	–22
Tax rate	%	26.0[8) 9)]	26.0[6)]	0
Return on shareholders' equity (annual average)[10)]	%	21	22	–5
Gross debt / EBITDA		1.5[4) 8)]	1.6[4)]	–6
Interest coverage ratio	%	20.1[4) 8)]	15.2[4)]	32
The shares				
Opening price	€	46.21	40.51	14
High	€	60.48	52.10	16
Low	€	44.51	36.25	23
Closing price	€	60.20	46.21	30
Market indicators				
Xetra and Xetra Frankfurt Specialist Trading				
Trading volume (single-counted)	€bn	1,104.2	1,111.3	–1
Eurex				
Number of contracts	m	2,191.2	2,292.0	–4
Clearstream				
Value of securities deposited (annual average)	€bn	11,626	11,111	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 listed in the Prime Standard (for shares) as a percentage of all listed companies (by market capitalisation)	%	81	83	–3
Number of calculated indices		10,513[11)]	appr. 12,000	n.a.
System availability of trading systems (Xetra/Eurex)	%	99.969	99.999	0
Market risk cleared via Eurex Clearing (gross monthly average)	€bn	15,861	15,080[12)]	5

1) Thereof €1,160.0 million are reported under "Interest-bearing liabilities", and the bonds that will mature in financial year 2013 in the amount of €577.4 million are reported under "Other current liabilities" 2) Proposal to the Annual General Meeting 2014 3) Figure based on the proposal to the 2014 Annual General Meeting 4) Adjusted for the costs of mergers and acquisitions and of efficiency programmes 5) 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 6) 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 7) Net income/average shareholders' equity for the financial year based on the quarter-end shareholders' equity balance 8) Adjusted for the costs of the OFAC settlement 9) Adjusted for the initial recognition of deferred taxes on tax loss carry forwards of a Group company 10) Pro forma figure including US options of ISE 11) In 2013 no direct comparison to previous years numbers possible due to new calculation base from a new system 12) Adjusted for changes in calculation methodology for Eurex Repo in the year under review

Deutsche Börse Group at a glance

Our six services

Listing p. 16

Stock exchanges bring companies from the real economy together with investors on the capital market. Both large, international enterprises and medium-sized companies raise equity or debt capital via Deutsche Börse. They can choose from different transparency segments.

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. 17

Exchange trading is as close as you can get to a "perfect market": Deutsche Börse operates regulated markets for equities, derivatives and other instruments, based on its Xetra® and Eurex® 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®
- Eurex Bonds®
- Eurex Repo®
- International Securities Exchange
- European Energy Exchange

Clearing p. 17

Clearing is used to net out 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. 18

After trading and clearing, Clearstream – Deutsche Börse Group's post-trade services provider – supports market participants in settling their delivery obligations and in holding the securities purchased in safe keeping. These securities 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

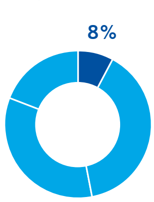
CEO, CFO

Cash & Derivatives Markets

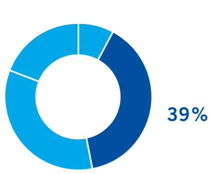
Clearstream

Our four financial reporting segments: Breakdown of net revenue

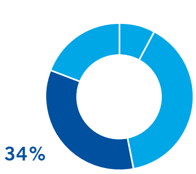
Xetra



Eurex



Clearstream



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

IT services p. 19

IT is the foundation for all exchange services. Deutsche Börse operates data centres for trading and settlement and programs the related software. It also builds and supervises the network linking participants.

Benefits: Reliable trading and settlement systems – and hence market security – are the top priority for IT at Deutsche Börse.

Our brand

- Deutsche Börse

Market data p. 20

Institutional and private investors base their decisions on market data – which in turn create new information. Deutsche Börse produces and distributes price data from its Eurex and Xetra trading systems and indices on global market trends.

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

Our brands

- Deutsche Börse
- DAX®
- STOXX®
- Market News International (MNI)

Our four aspects of sustainability CR

Economy p. 137

Deutsche Börse Group's core business includes efficiently organising, and providing stable systems for, capital markets. 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.

Environment p. 138

As a financial services provider, too, Deutsche Börse Group is responsible for ensuring an intact environment. The core objective of its ecological commitment is to measure and monitor the effects its operating activities have on the environment and to minimise negative effects. Both employees and service providers are included in this.

Employees p. 138

Committed, competent staff are vital to Deutsche Börse Group's business success. This is why, in addition to offering attractive remuneration and above-average social benefits, its human resources policy concentrates on measures promoting personal development as well as a better work-life balance and on fostering lively dialogue with staff.

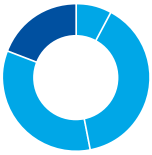
Corporate citizenship p. 138

As a "good corporate citizen", Deutsche Börse Group becomes involved in socially relevant topics. 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, sustainable projects in the areas of education and science, culture and social involvement.

IT & Market Data + Services

Market Data + Services

19%



Corporate report 2013

New financial market regulations always require adjustments. Deutsche Börse ensures regulated and transparent markets that facilitate efficient, secure and fair trading. This will remain the case in the future, too, even though the environment is changing at an ever faster pace.

Deutsche Börse Group's work and offerings secure the foundations of the financial sector. At the same time, the Group creates new markets – in new regions and in areas that were previously off-exchange – and thus opens up fresh horizons for its customers. Wherever it has a presence, Deutsche Börse also contributes to the foundations of the real economy, which is dependent on stable financial markets. Deutsche Börse is expanding and intensifying its global business. And, it is assuming responsibility – familiar and new perspectives that can be found in the 2013 corporate report.

How to navigate around this corporate report

- 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

Deutsche Börse Group first combined its annual report and corporate responsibility (CR) report in the 2012 reporting period. The Group is adopting this concept again for the 2013 orporate report, highlighting once more how social responsibility and sustainability are anchored in all of Deutsche Börse Group's business areas.

The content of the report and the corporate responsibility indicators are largely guided by the third generation of guidelines on sustainability reporting (3.1) issued by the Global Reporting Initiative (GRI). Their weighting takes into account the interests of key stakeholders as well as the principle of materiality. Since not all GRI indicators are applicable to the services provided by an exchange organisation, they were 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 corporate report under:
www.corporatereport2013.deutsche-boerse.com

1) Component of the combined management report

Letter from the CEO

Reto Francioni
Chief Executive Officer

Dr. Reto Francioni
Chief Executive Officer

Dear shareholders and readers,

Our company generated stable net revenue overall in 2013 despite the continuing difficult macroeconomic environment around the world. At the same time, we expanded our ambitious investment programme as announced in last year's report. As a result, our profit before tax (EBIT) – after adjustment for one-off factors – was down approximately 5 per cent on the previous year. We consciously accepted this effect as a necessary investment in our future. This also highlights our firm belief in the continued success of our business model and our company. At the same time, it puts us in a better starting position than many of our competitors. Deutsche Börse's Executive Board will therefore propose an unchanged dividend of €2.10 per share to the 2014 Annual General Meeting, for a total dividend of around €390 million. This move continues our combination of a forward-looking corporate strategy with shareholder-friendly participation in the company's success.

Stability and new records in some of our business areas

The performance of the business areas presents a mixed picture: net revenue from Deutsche Börse Group's derivatives exchanges declined by 3 per cent to €741 million because stock market volatility was at a historic low and monetary policies resulted in lower demand for hedging among market participants.

In the cash market, Deutsche Börse's net revenue in the Xetra segment rose by 5 per cent to €152 million. The upward trend continued at the beginning of 2014.

Clearstream, one of the world's largest central securities depositories and liquidity and collateral management services provider, achieved new record highs. Its custody volume increased in 2013 to a new record of around €12 trillion, thanks to new customers, among other factors. Clearstream's net revenue climbed to €654 million. The increase was felt in almost all of the segment's units. Only net interest income from banking business recorded a year-on-year decline, due to the low-interest-rate period.

The new Market Data + Services segment, which had been created by merging the technology and market data businesses, saw stable net revenue, at €366 million.

Cost and capital management remain successful

In the past years, we have reduced our operating costs on an adjusted basis – in spite of steady inflation. No other major market operator has succeeded in doing so. We already realised 30 per cent of the total savings under another efficiency programme, which we announced in 2013, in the past year, as planned. Another 30 per cent will follow in 2014, and we will see the full savings of €70 million a year from 2016 onwards. By implementing this programme, we will keep our organisation lean and create the flexibility needed to continue investments in growth.

We are aware that this will place considerable demands on our employees. Not only do we require them to keep day-to-day operations running, but also to face the new challenges presented by new markets, new customers and new products. On behalf of the entire Executive Board, I would therefore like to thank our workforce for hence securing the company's long-term success.

However, we also reduced our cost base without putting an extra burden on employees: we generated large savings in 2013 by refinancing our bonds. In this way, we expect to cut our financing costs by around €45 million in the current year compared with 2012. This demonstrates that we use the capital our shareholders entrust to us carefully, efficiently and with a view to the future.

This also demonstrates our commitment to a sustainability-based strategy. We place particularly high value on our membership of the United Nations Global Compact and on implementing its principles in the areas of human rights, labour standards, the environment and anti-corruption. For us, a sustainable strategy means not only committing ourselves to certain ethical values, but also to creating economic value for our shareholders. For this reason, integrated reporting is important to us – both as regards our own company and for the companies that are listed on our exchanges. In our issuer guide, we have compiled transparency standards for sustainable business activities, while another guide provides market-driven recommendations for comprehensive capital market communications. CR

Diversification strategy and new products for the financial markets

The fact that we held our ground in 2013 despite the adverse environment shows that our strategy of diversifying into new products, services, asset classes and markets is working. We continue to be ranked among the world's top exchange organisations following another increase in our market capitalisation – by 30 per cent last year. Our strategy, which is designed to take advantage of structural growth opportunities, focuses on clearing OTC derivatives, collateral and liquidity management, and further expansion in Asia.

Eurex Clearing has developed a central counterparty for clearing OTC derivatives transactions to allow market participants to prepare for the new regulatory requirements at EU level and meet them without any problems when they enter into effect. By the end of 2013, over 30 clearing participants and more than 120 institutional investors had registered for the offering – clearly a resounding success.

Because of the new regulatory requirements, we also anticipate a lasting increase in demand for collateral and liquidity management services. In line with this, we are systematically expanding our Global Liquidity Hub which allows us to productively mobilise our provision of deposited collateral. In the medium to long term, we expect this initiative to deliver significant additional net revenue. Together with the Australian exchange organisation and the central securities depositories in Brazil, Spain and South Africa, Clearstream has established the Liquidity Alliance – a grouping for strategic collaboration in the field of collateral management.

Focus of growth strategy on Asia

In addition to growth in OTC and unsecured markets, we will continue to focus on expanding our business in growth regions, with particular emphasis on Asia. We clearly enjoy an excellent reputation in Asia and have been able to expand our links very significantly since we launched our Asia initiative last year.

Following in the footsteps of the successful cooperation with the Korea Exchange KRX, Eurex entered into a cooperation agreement with TAIFEX, the Taiwan Futures Exchange; the relevant link is expected to go live in May 2014. At the beginning of the year, we announced that we would strengthen this alliance by acquiring a 5 per cent interest in TAIFEX.

Clearstream has also signed a letter of intent with the Singapore Exchange, SGX, to jointly develop a collateral management solution that can be extended to other markets in the region. Singapore will also be the focus of our continuing activities in Asia. In consultation with the local supervisory authorities and its global customers, Deutsche Börse is currently setting up a new clearing house there, which we expect to have significant strategic potential. Our objective is to provide client-oriented products and a robust infrastructure for the entire Asian time zone from this base in the long term and hence to contribute to the systemic stability of the region's capital markets. We have identified Singapore as a suitable location to achieve this, because it is strategically placed and offers cultural links to both South and East Asia. It also has a stable political and legal framework and a well-developed capital market culture that is open to international investors.

At the end of 2013, we entered into a strategic cooperation agreement with Bank of China, which has very strong customer relationships across the globe. Together, we will drive the development of the offshore renminbi market, among other projects.

At the beginning of last year, we amalgamated the Information Technology (IT) and Market Data & Analytics areas and selected external IT services in a separate segment. This combination is also starting to bear fruit. Market participants benefit from better performance and optimised functionality without having to compromise on system stability. Moreover, we joined forces with the Bombay Stock Exchange (BSE) to adapt our new derivatives trading system to the local market, where it was rolled out in November.

Outlook

On this basis, our overall aim is to take Deutsche Börse Group's business model to the next level – without losing sight of our traditional strengths. By doing so, we are broadening the horizon and increasing the potential of our business. We are becoming an integrated global provider of risk, liquidity and collateral management services in all key asset classes, financial products and services.

This puts us in an excellent position for the year 2014 and beyond. Thanks to our future-oriented strategy, we are a critical step ahead of our competitors – although this does not make us completely unassailable. And on balance, the re-regulation of the capital markets presents an opportunity rather than a threat to exchange organisations. This distinguishes us from large parts of the financial sector. Our growth initiatives are becoming more and more established as the re-regulation measures are implemented across the EU.

On this basis, we are able to issue a positive forecast for the longer term, too – until 2017, to be precise. Above all, the structural factors mentioned above make us confident. We are expecting to grow our net revenue in the next four years from the current €1.9 billion to somewhere in the range between €2.3 billion to €2.7 billion, depending on economic developments in our market environment. This corresponds to an increase of 20 to 40 per cent. Unless our political environment suddenly deteriorates, we could ensure in this way that Europe takes a position in the international competitive arena that allows it to exert a globally relevant influence, especially in the area of regulation.

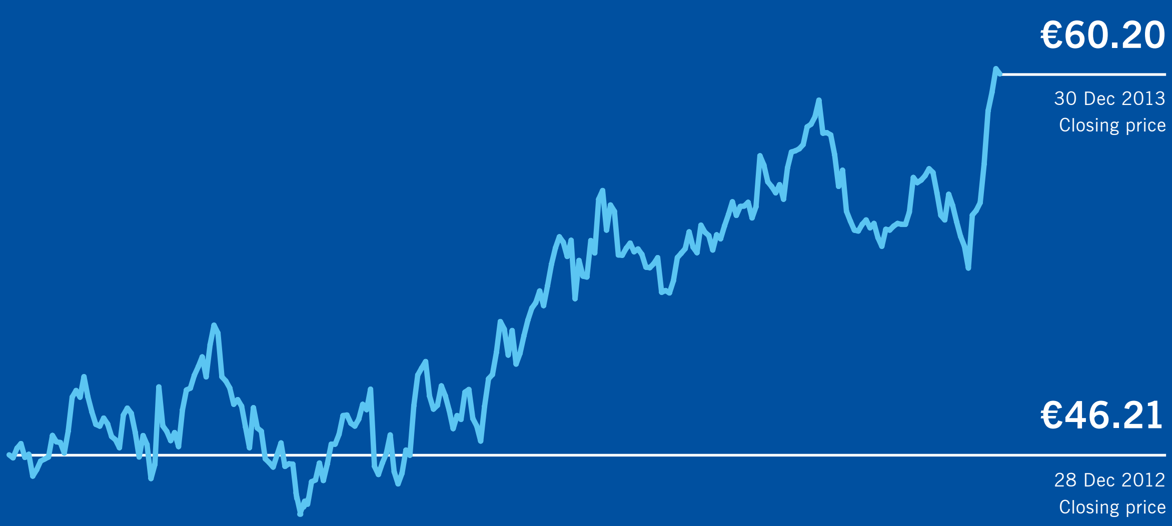
We are delighted to have your support on this journey and want to thank you for your trust. We will do everything in our power to ensure the systematic, sustainable development of our shared enterprise, Deutsche Börse AG.

Reto Francioni

Reto Francioni
Chief Executive Officer

Our shares

The European and US equity markets continued their upward trend of the previous year. Deutsche Börse AG shares also gained 30 per cent in the course of the year, closing at €60.20, the highest year-end level since 2007. Around 95 per cent of our shareholders are institutional investors and around 84 per cent are domiciled outside Germany.



Deutsche Börse AG shares

The average annual return since the company's initial public offering in 2001 has been 12 per cent. The transparent information policy and close contact with investors are an added bonus: Deutsche Börse AG was again ranked number one for its investor relations activities in a survey conducted by a specialist magazine.

Equity markets continue their positive performance in 2013

During 2013, equity markets in Europe and the US continued their positive trend of the previous year, reaching new highs in some cases. For example, the blue-chip DAX® index ended the year at 9,552 points, a year-on-year increase of 25 per cent. One of the main factors driving this development is the continued expansionary monetary policy being pursued by central banks, which has resulted in historically low interest rates. This increased the attractiveness of equities compared with other asset classes. Towards the end of 2013, economic data from the US, which was better than expected in spite of the budget dispute, provided further impetus for global equity markets. However, the positive performance of the equity markets only had a limited impact on Deutsche Börse Group's business activities. One reason is that trading volumes in equities and equity derivatives did not rise to the same extent as market index levels. Another reason is that in 2013 stock market volatility, an important factor for share-based derivatives, reached its lowest level in several years. Given the Group's medium- to long-term growth prospects, Deutsche Börse AG's share price nevertheless performed positively in 2013, closing at €60.20 on 31 December (31 December 2012: €46.21). This 30 per cent increase corresponds approximately to the share price performance of other exchange organisations as measured by the Dow Jones Global Exchanges Index, which rose by 33 per cent in 2013. 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 22 per cent in 2013.

30%

increase in Deutsche Börse AG's share price in the year under review

Deutsche Börse AG share: key figures

		2013	2012
Earnings per share (basic, adjusted)[1]	€	3.46	3.53
Dividend per share	€	2.10[2]	2.10
Dividend distribution ratio[1]	%	61	58
Dividend yield[3]	%	4.1	4.8
Opening price (as at 1 Jan)[4]	€	46.21	40.51
High[5]	€	60.48	52.10
Low[5]	€	44.51	36.25
Closing price (as at 31 Dec)	€	60.20	46.21
Average daily trading volume on Xetra®	m shares	0.7	1.0
Number of shares (as at 31 Dec)	m	193.0	193.0
thereof outstanding (as at 31 Dec)	m	184.1	184.1
Free float (as at 31 Dec)	%	100	100
Price-earnings ratio[3]		14.7	12.4
Market capitalisation (as at 31 Dec)	€bn	11.7	8.9

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 2013, proposal to the Annual General Meeting 2014
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 166 to 171). 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 have benefited from an average annual return of around 12 per cent to the end of 2013.

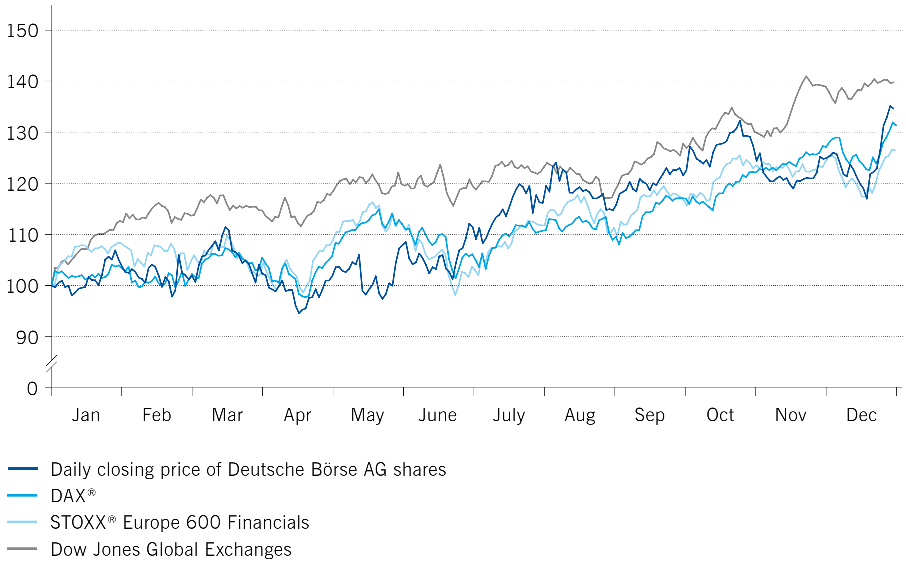
Exchange data of Deutsche Börse AG shares

Stock exchange: Germany, Frankfurt (Prime Standard)
ISIN: DE0005810055
WKN: 581005

- Frankfurt Stock Exchange: DB1
- Reuters – Xetra® trading: DB1Gn.DE
- Bloomberg: DB1:GY

Share price development of Deutsche Börse AG and benchmark indices in 2013

Indexed to 28 December 2013



This is significantly better than the DAX: in the same period, a direct investment in the German benchmark index would have yielded an annual return of around 3 per cent.

€10,000 worth of shares at the time of Deutsche Börse AG's IPO amounted to €46,176 after reinvesting the dividends as at the end of 2013.

Deutsche Börse AG shares are represented in a series of European and global equity indices, including the DAX, the Dow Jones Global Exchanges Index, the 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 2013, such as the FTSE4Good Index Series and the Dow Jones Sustainability Indices. 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. CR

362%

increase in share value since IPO

Investor relations activities win another award

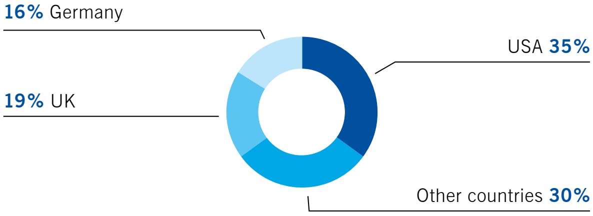
The company informed existing and potential investors and other capital market participants about its long-term strategy, cyclical factors and the structural growth drivers for its business on numerous occasions during the reporting period. Communication focused on the structural growth opportunities arising from regulatory changes, such as OTC derivatives clearing in the Eurex segment and collateral management at Clearstream. 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 Aktiengesellschaft held its Annual General Meeting in Frankfurt/Main on 15 May 2013. Around 29.5 per cent of the share capital was represented (2011: 42.9 per cent; 2012: 59.7 per cent). The sharp year-on-year decline in attendance was attributable to two main factors. Firstly, the special dividend for 2011 was a key factor in lifting attendance in 2012 to well above the average for previous years. Secondly, uncertainty was created among shareholders 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.

At roadshows and conferences, Deutsche Börse held well over 500 one-on-one discussions with investors.

The company held its seventh Investor Day at its head office in Eschborn in June 2013, informing domestic and international analysts and institutional investors about the Group's strategic priorities and current developments in the individual business areas. 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: Deutsche Börse AG successfully defended its number one ranking in the "Best Investor Relations" category in the "Specialty & Other Finance" sector.

Share of international investors



Attractive dividend for an international investor base

The proportion of non-German shareholders rose slightly year-on-year to around 84 per cent (2012: 81 per cent), and there was a 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, declined by approximately 10,000 to around 60,000 in the year under review, primarily as a result of a fall in the number of retail investors. The proportion of institutional investors, measured in terms of the number of shares, rose to around 95 per cent in 2013, compared with around 93 per cent in the previous year.

Deutsche Börse AG's Executive Board and Supervisory Board will propose a dividend of €2.10 per share for financial year 2013, to the Annual General Meeting on 15 May 2014 (2012: €2.10). This means that, adjusted for non-recurring effects, the distribution ratio amounts to 61 per cent of consolidated net income for the year.

Majority of buy or hold recommendations

You can find updates of analyst recommendations at www.deutsche-boerse.com/ir_e > Analysts

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 2013, 28 per cent of analysts recommended buying Deutsche Börse AG shares (2012: 61 per cent). This compares with 48 per cent (2012: 32 per cent) who issued hold recommendations and 24 per cent (2012: 7 per cent) with sell recommendations. The year-on-year decline in the proportion of buy recommendations is primarily due to the significant increase in the share price, which reached the target price for a number of analysts. The average target price set by analysts was €55 at the end of 2013 (2012: €48).

Our services

Securities and derivatives, or commodities are traded on stock exchanges. Deutsche Börse Group operates cash markets for trading securities, and derivatives markets for trading derivatives contracts such as futures or options. But the functions it performs extend far beyond the organisation of trading.

Beyond the trading floor

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. Furthermore, Deutsche Börse provides IT services and market data for its trading platforms worldwide.

Listing provides companies access to the capital markets

Listing:
taking your company public

The exchange brings together companies seeking capital with investors providing it, and banks and other service providers act as intermediaries in the process. Large, medium-sized and young companies can all raise equity or debt capital on the exchange. Companies increase their equity by issuing shares, while their investors are granted a say in the company in return. Before a security can be traded, it must first be admitted to and listed on the exchange.

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 tailored to the needs of each company: while the General Standard ensures the level of transparency prescribed by the EU, the Entry Standard, which is governed by private law, imposes the minimum standards necessary from the investors' point of view. By contrast, the Prime Standard guarantees maximum transparency, which is why it is the standard preferred by international investors.

Trading: liquidity and stable rules ensure fair pricing

Trading:
standardised and transparent marketplace

Exchanges are marketplaces where standardised products such as equities or derivatives are each traded under the same conditions. Sufficient liquidity plays a crucial role in ensuring efficient execution of securities orders. Exchange trading is transparent, supervised and now primarily carried out electronically. This ensures fair, transparent prices, thereby making exchanges the preferred marketplace for buyers and sellers.

Deutsche Börse's cash market provides efficient access to the capital markets, supports latest trading techniques, and offers a continually expanding range of tradeable securities. The fully electronic Xetra® trading system sets highest standards in reliability, security, speed and innovation. Institutional investors in particular, but also private investors, value the transparency and speed of trading at low costs that Xetra enables. Trading screens allow investors to access a range of about 1 million German and international securities.

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

Clearing protects market participants against counterparty default

Clearing:
netting and collateralisation of transactions

Clearing means that traded financial instruments are netted and guaranteed 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 a so-called central counterparty. It guarantees the settlement of a transaction ("delivery against payment"), thereby eliminating individual counterparty risk for market participants. Central clearing thus covers market participants against the risk of default by their trading partners.

€15,861 billion

market risk cleared via Eurex Clearing
(gross monthly average)

Eurex Clearing AG, Europe's leading central counterparty, performs this function for Deutsche Börse Group. Eurex Clearing provides effective risk management for all participants trading equities, derivatives, fixed-income securities and repos for both exchange-traded and off-exchange (over-the-counter, OTC) transactions.

Since the clearing house initially nets offsetting buy and sell positions, the number of transactions to be settled, and thus also the exposure risk associated with the open positions, is reduced. 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. Thus, margining comprises the entire process, including the valuation, calculation and management of collateral. This risk management is Eurex Clearing's contribution to the stability and integrity of the markets.

Structured post-trading ensures efficient settlement and safe custody

Post-trade:
secure settlement
and custody

Post-trade services promote the security of the capital markets. They guarantee the smooth settlement of a transaction, meaning 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 to ensure the custody of securities at a central location at the same time. Customers are also able to use certain securities as collateral for further transactions.

Clearstream, Deutsche Börse Group's Luxembourg-based international central securities depository, is responsible for settling securities transactions worldwide and for the custody of securities. Clearstream manages the assets concerned while they are in custody and performs services such as implementing corporate actions, dividend payments, or tax services.

99.998%

availability of the international central securities depository

Clearstream thus provides the post-trade infrastructure for bonds, equities, investment funds and other asset classes traded in Germany and internationally. Clearstream held in custody equities, bonds and funds amounting to more than €12.0 trillion – a sum four times as great as the German gross domestic product.

IT services guarantee the permanent availability and reliability of trading and post-trading systems

IT services: reliable trading and settlement systems

Today, exchanges are also technology businesses. This is why Deutsche Börse provides networks, high-performance computers and the software for the trading and post-trading business all over the world. It also ensures that the software is available around the clock. The continuous enhancement of innovative technologies also ensures system reliability in the future, enabling a high degree of efficiency. At the same time, this IT infrastructure provides a stable foundation for the value chain – from trading to clearing and settlement down to custody.

Deutsche Börse's advanced technologies also make it one of the world's leading IT companies. For example, it supplies specially tailored IT solutions to other exchanges and financial services providers, and connects customers and partners globally. In order to manage the steadily increasing volume of data traffic and to ensure smooth trading and post-trading, Deutsche Börse regularly upgrades its software to the very latest state of the art. The focus here is always on new functions that allow the market participants to adapt their processes to the changing regulatory framework quickly and easily.

206,000

structured products use an index disseminated by the Group

Market data: distribution of trading information

Market data provide transparent benchmarks for financial decisions

Decisions made by the players on the financial markets are based to a significant extent on information provided by Deutsche Börse, among others: market data. Market data is either transmitted directly by Deutsche Börse or redistributed by what are known as data vendors, e.g. Bloomberg or Thomson Reuters. As an independent information provider, Deutsche Börse serves a range of target groups. Both private and institutional investors, asset managers, securities trading houses, or hedge funds use the information provided to analyse the current market situation and then to decide on their future investment strategies, risk positions, or securities issues.

Deutsche Börse offers market and reference data in real time. The most important product groups includes its range of more than 10,500 indices, led by the DAX® index, which reflects trends in the German economy. This economic indicator, which originally only measured changes in the quoted market value of the 30 largest German companies listed on the Frankfurt Stock Exchange, is now the core of an entire family of indices. Among other things, investors use these indices as benchmarks for comparing the performance of their investments.

Deutsche Börse's data portfolio also extends to price data from the Eurex® and Xetra trading systems, as well as trading statistics, research, company master data, financial news and economic data.

Our 2013

2013 was dominated at one and the same time by new equity and index highs and uncertainty about the future regulatory environment. For Deutsche Börse, it was a year of reorganisation and new beginnings. The company used this year to lay the foundation for fresh growth in a new financial environment – and it did this across all areas.

January

Jointly with partners from Australia, Brazil, Spain and South Africa, Clearstream founds Liquidity Alliance in order to find solutions for the global challenge facing the collateral management area.

June

The new risk management system Eurex Clearing Prisma® calculates the collateral to be deposited according to a methodology which is based on the participants' entire portfolio. This new methodology is designed to strengthen market security and improve efficiency.

June

Eurex successfully completes migration to T7, Deutsche Börse Group's global trading architecture.

July

Deutsche Börse's blue-chip index DAX® turns 25: a success story. Even during turbulent times, the benchmark index for the German equity market could always be relied on to be independent, uninfluencable and neutral.

September

A Best Practice Guide on sustainability reporting for listed companies offers recommendations for integrated capital markets communication of sustainability topics. CR

November

Deutsche Börse reorients trading at Börse Frankfurt, the Frankfurt Stock Exchange, by introducing a quality guarantee to trading. In addition, all structured products are now traded under the "Börse Frankfurt" brand. CR

December

TAIFEX, the Taiwanese futures and options exchange, and Eurex announce launch date for product cooperation.

2013 – the year that was

Deutsche Börse Group began the past year with a change at the highest level: since the start of 2013, Andreas Preuss has also headed the cash markets area alongside the derivatives business. IT and the market data business were bundled under the leadership of Hauke Stars. The company is now more efficient thanks to this streamlining of the leadership structure – as can be seen from a large number of successes in all business areas.

Listing: new companies finding their way to the stock exchange

Listing:
IPOs, capital increases, and corporate bonds

Ten companies made it onto the trading floor of the Frankfurt Stock Exchange in 2013, issuing shares with a value of €6 billion. Investors provided companies with approximately €9.5 billion by way of capital increases via the Frankfurt Stock Exchange. In addition, 29 corporate bonds with an issue volume, as given in the prospectuses, of around €1.8 billion were placed via the Frankfurt Stock Exchange in the course of the year.

In August, Deutsche Börse and Phineo, a non-profit analysis and consulting institute, launches a series of guides covering issues such as corporate citizenship and corporate donations. The series offers advice on how companies can effectively practise social engagement. CR

Trading: focus on partnerships in Asia

Trading:
expansion of worldwide trade relations

One of the focuses of Deutsche Börse Group's overarching strategic orientation is promoting existing business relationships and tapping new markets in Asia. The Group aims to connect customers in the region to the global trading network, expand the range of tradeable products and enter into product and technology partnerships with local market operators. Some examples of the successes achieved by Deutsche Börse Group in Asia:

2.19 billion

contracts, thereof 1,552 million on Eurex Exchange, 639 million on ISE

- Deutsche Börse signed a strategic cooperation agreement with the Bank of China, one of the most important banks in the People's Republic of China. The letter of intent submitted by both parties is a result in part of the Group stepping up its activities and its representative offices in China. The "China Europe Derivatives Market Forum" was held for the first time in the past year, for example. Over 220 representatives from Chinese exchanges, supervisory authorities, the Chinese Futures Association (CFA) and other institutions took part in the conference.
- Following in the footsteps of the successful cooperation with the Korea Exchange – derivatives on Korea's benchmark KOSPI index have been tradeable on the Eurex platform since 2010 – Eurex and the Taiwan Futures Exchange will offer derivatives trading on Taiwan's TAIEX benchmark index from May 2014.
- Eurex now has around 20 exchange participants from Asia that are directly connected to the network. Eurex attracted the first Korean and Japanese participants and admitted them to trading in 2013.
- As part of a strategic partnership with the Bombay Stock Exchange, T7 – the trading architecture developed by Deutsche Börse and used by Eurex Exchange and the International Securities Exchange (ISE) – was successfully implemented on the local derivatives exchange.

In the cash market, the first trading participant from Hong Kong was connected to the fully electronic Xetra® trading system in 2013. In addition, the Budapest Stock Exchange migrated its electronic securities trading to the Xetra system at the end of the year. Further changes at the Frankfurt Stock Exchange included a clearer profile: since the end of 2013, structured products have once again been traded under the umbrella of the Frankfurt Stock Exchange. Investors on the Frankfurt Stock Exchange have also been able to rely on a quality guarantee since October 2013: Börse Frankfurt has been providing investors with a guarantee, ensuring that they will be able to buy or sell German, European, and US blue-chips as well as exchange-traded index funds at a price which matches or beats the price offered on the respective reference market. If not, the specialists will refund the difference.

175

clearing members from 16 countries

Clearing: improved risk management with Prisma and EurexOTC Clear

Clearing:
launch of new risk management system

Eurex Clearing, the Group company responsible for clearing, further optimised its offering for secure and efficient risk management. An important step in this direction was the launch of the new Eurex Clearing Prisma® risk management system in the middle of the year. For the first time, the entire portfolios are assessed from a risk perspective, reflecting all markets and products with similar risk characteristics. This enables clearing participants to make efficient use of capital, a key strength of the new system in light of the growing regulatory capital requirements for market participants.

Eurex Clearing is also expanding its range of OTC (over-the-counter)-traded derivatives products. EurexOTC Clear for interest rate swaps now has 32 participants, including leading international banks such as Bank of America Merrill Lynch and Goldman Sachs. EurexOTC Clear enables users to meet the upcoming clearing obligation for OTC-traded derivatives in Europe, ahead of its entry into force.

Post-trade: international cooperation in post-trading business extended

Post-trade:
efficient answers to regulatory requirements

Clearstream – Deutsche Börse Group's post-trade services provider – also focused on initiatives that increase both the security and efficiency of processes in the securities business. Clearstream further expanded its risk and liquidity management offering – the Global Liquidity Hub – in line with the stricter regulatory capital requirements for its customers around the world.

Clearstream established the Liquidity Alliance together with partners in Australia, Brazil, Spain and South Africa in January. This forum aims to find global solutions to meet the stricter capital requirements affecting, amongst others, collateral management at banks and financial services providers around the world. In this connection, its partnerships with the central securities depositories in Australia, Spain and South Africa went live in 2013; these now use Clearstream's collateral management technology. Together with the Singapore Exchange, Clearstream aims to develop a collateral management solution with the ambition to extend it within the region; the letter of intent has already been signed. Furthermore, the collateral management solution developed by Clearstream and BNP Paribas Securities Services has already gone live. This service enables client collateral to be used as efficiently as possible; other custodian banks such as Citi Securities Services and Standard Chartered intend to follow this example.

12.0 trillion

assets under custody (bonds, equities, funds, and gold) as at 31 December 2013

One of Clearstream's goals is to make collateral available by providing access to domestic markets. Another is to enable customers to cover exposures to different clearing houses via the Global Liquidity Hub. Clearstream therefore connected Dubai Gold & Commodities Exchange to the Global Liquidity Hub in 2013 as a further central counterparty. Clearstream is also stepping up efforts to expand its offering in this area to non-banks, which can provide the capital and liquidity required by the financial services sector. The Global Liquidity Hub is increasingly becoming a central node for global collateral management.

This is something that our customers value: Clearstream was able to win UBS Investment Bank as a customer thanks in part to its forward-looking collateral management and securities lending services. UBS has used Clearstream as its primary international central securities depository for the global securities business in its Investment Bank and Wealth Management businesses since the end of 2013.

IT services: Eurex launches T7 global trading architecture

IT services: migration to a global trading architecture

In 2013, Eurex successfully completed the migration to T7, Deutsche Börse Group's new global trading architecture, which had previously already been used by ISE, the US options exchange operator. At the same time, the licensing of T7 on the Bombay Stock Exchange represents a successful entry into the Asian market. T7 is part of the "7 Market Technology" brand family, which was also launched in 2013, for Deutsche Börse Group's global IT offering. This also includes C7® for clearing and N7 for the network.

In addition, ISE received the "Best Risk Management Initiative" award for its technological initiatives in the field of real-time risk management. The prize was awarded for the ninth time during the annual American Financial Technology Awards in New York in December 2013. CR

Market data: increased transparency thanks to expanded offering

Market data:
transparency across all markets

Deutsche Börse granted exclusive licences for Bombay Stock Exchange market data and information products to customers outside of India for the first time in 2013. Deutsche Börse is also taking over the distribution and marketing of these products to expand its customer relationships in the Asian market. 14 new STOXX® indices were added to the GC Pooling® index family for greater transparency in the interbank market. These offer a rule-based alternative to the current benchmarks such as LIBOR and EURIBOR/EONIA, which recently came under scrutiny as a result of their deliberate manipulation.

STOXX launches sustainability-weighted versions of EURO STOXX 50® and STOXX® Europe 50. The indices are based on the most relevant sustainability indicators for the expected business delevopment of companies. These indicators were developed in cooperation with the German Federal Ministry for the Environment as well as with auditors, investors and analysts, amongst others. CR

The new Xetra® Realtime Analytics offering also promises greater transparency in the German cash market. These key indicators are based on unpublished Xetra order book data and can give market participants vital information about current market conditions and trends.

Expanding horizons

Deutsche Börse is taking its business model and the services it offers its customers to a new level – without renouncing its traditional strengths. Stability and transparency form a strong platform from which to explore new horizons. All over the world and across all markets, the focus is on a reliable, well-regulated financial infrastructure, fair rules and sustainable business management.

Expanding horizons

Increasing efficiency

The new financial world order not only forces its participants to comply with new rules; it also opens up new horizons for them. The new financial rules are intended to boost transparency, security and responsibility in over-the-counter derivatives trading. These increase the pressure on leading participants to act carefully while also improving participants' capital efficiency by leading to a reduction in individual risk.

In over-the-counter trading, individual misconduct combined with overly complex and non-transparent structures have destroyed confidence in efficient, fair markets. It will take much time and effort to rebuild this confidence. OTC trading in customised interest rate and equity derivatives previously took place – as the name suggests – outside regulated markets. In order to nevertheless ensure security and efficient risk management for trading participants, Eurex Clearing together with EurexOTC Clear developed new, secure and at the same time efficient solutions over the past year for collateralised clearing of such trades – in anticipation of the forthcoming implementation of the European Market Infrastructure Regulation, EMIR.

Be it EMIR, its US counterpart the Dodd-Frank Act, the globally applicable Basel III capital requirements, the revised legislative framework for the European financial markets, or MiFID – the new financial order will fundamentally change the market structures for derivatives trading and clearing.

Exchange organisations play a central role in creating a safe space for market participants which facilitates free trading in a secure environment. Trading and clearing architectures such as T7 and C7® increase performance, security and efficiency. By offering supervised exchange trading, exchange organisations also promote quality and trust among both investors and the real economy – and hence the wealth of nations.

Horizonte erweitern

Anchoring sustainability CR

A financial centre on the one hand, good corporate citizenship on the other – a conflict? Not at Deutsche Börse, which is campaigning to promote sustainable business activities. In September 2013, it presented a guide in Frankfurt containing seven recommendations for integrated capital market communications.

Non-financial factors – ecological and social ones as well as aspects of corporate governance – represent an increasingly important part of the corporate value. The guide gives companies support for devising effective and informative reports, which not only contain the usual financial figures but also details on corporate activities in the so-called areas of environment, society and corporate governance.

The core objective of the recommendations is to make listed companies aware that materiality and conciseness are critical for effective capital market communications. The focus is on providing investors and analysts with the information relevant to them. Information can be classified as material if they influence or can influence the company's ability to generate and maintain value.

The guide is also based on the principle of voluntary adoption rather than on new bureaucratic regulations. It builds on national and international standards of sustainability reporting without aiming at replacing them. A benefit to companies is that self-commitment to integrated reporting strengthens investors' confidence and hence can also promote their long-term financial participation.

Deutsche Börse itself has had a wide range of sustainability indices for many years, which investors can use as a basis to select suitable securities for a sustainable or environmentally friendly investment.

Furthermore, Deutsche Börse acts pro-actively as a major shareholder of Phineo gAG. The independent Berlin analysis and consulting institute helps potential donors select projects worthy of sponsorship. It provides transparency and efficiency in the non-profit sector – and therefore, it shares central tasks with Deutsche Börse Group, which is an international marketplace operator.
www.phineo.org

无边界
拓展

Safeguarding liquidity

Singapore's economy is booming, as can be seen from its heterogeneous architecture that soars towards the sky, appearing both Western and Asian at the same time. West and East meet in Singapore, building on its history as a trading link between Europe and Asia. The city state on the equator has established an identity as a financial centre that is anchored not only in its independent, constitutional form of government, but also in its technical infrastructure.

Now, Clearstream and the Singapore Exchange (SGX) are drawing on this identity, with a joint solution for collateral management. In future, the goal is to permit customers to profit from Singapore's strong legal and market infrastructure and from Clearstream's expertise in collateral management. Assets deposited with SGX's central securities depository can in future be used as collateral, based on Clearstream technology. The advantage is that the collateral remains in Singapore and is therefore subject to the laws applicable there. At the same time, the Global Liquidity Hub enables SGX to access Clearstream's proven post-trading offering in the field of risk and liquidity management.

This means that SGX and Clearstream have adapted in good time to the new financial market environment – with potential not just in Singapore, but for the entire region as well. The new joint solutions offering will therefore reinforce Singapore's position as a leading financial centre in the region and in the world.

The Global Liquidity Hub's potential is not restricted to Singapore or South East Asia. The offering is already being used by the Brazilian central securities depository Cetip, by Strate in South Africa, by Iberclear in Spain and by ASX, the Australian Stock Exchange. The Canadian central securities depository, CDS, could also benefit from the advantages of the Global Liquidity Hub in future. The joint objective of these initiatives is to ensure that financial market participants have room to manoeuvre without endangering the value of the collateral, which has again become central in the new market environment.

D’ Horizont erwiiterä

Ensuring transparency

Poor vision and unclear information do not just trouble barge crew – investors don't like fishing in muddy waters either. The demand for transparency on the financial markets – and hence for well-founded information and analyses – is constantly increasing. Deutsche Börse Group supplies independent information – in the form of indices or market data, for example – and so makes a valuable contribution to greater transparency.

Equity indices are key indicators that aggregate changes in individual stocks into an overall picture of the market. They reflect changes in selected share prices, documenting economic 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 provides the STOXX® index family via STOXX Ltd., the result of a cooperative venture with the Swiss SIX Group AG. STOXX indices are subject to strict rules and comply with the principle of greatest possible transparency. In addition, Deutsche Börse's STOXX® Global ESG Leaders indices facilitate investment decisions that are also guided by non-economic, ecological and social criteria. CR

Established as a pan-European index provider, today STOXX operates globally. For example, the STOXX China Total Market index family was launched in 2012 as a new benchmark for Chinese equities. Additionally, STOXX exclusively markets the DAX® indices.

Deutsche Börse Group also promotes transparency by providing high-quality market data. Its key advantages compared to other financial institutions are its independence and neutrality: since it organises markets but is not involved in them itself, it is not open to conflicts of interest – rather, it has a business interest in creating and distributing objective data.

無邊界
拓展

Facilitating growth

The view over the Bay of Hong Kong is not just aesthetically pleasing – it also appeals to the mercantile spirit. This is why Deutsche Börse expanded its presence there in 2013 with a cooperation between its post-trading subsidiary Clearstream and the Hong Kong Monetary Authority in the area of cross-border collateral management services.

Deutsche Börse Group's activities in Hong Kong go back much further, though. Clearstream has been represented in Hong Kong since 1991, from where it serves customers in neighbouring markets. For over two years now, Clearstream has also worked together with Standard Chartered Bank and Bank of China, which act as the cash correspondent banks for Hong Kong dollars and Chinese renminbi.

Deutsche Börse is also expanding its trading network far beyond Europe, giving customers in Asia access to one of the most liquid, transparent and stable systems in the new market infrastructure. Electronic bridges are being built between Hong Kong as the gateway to East Asia and Frankfurt as the gateway to Europe. Eurex started operating such an access point back in 2011. At present, four participants domiciled in Hong Kong are connected to the Eurex system.

Hong Kong is not the only base from which Deutsche Börse supports its customers in Asia, however. Singapore is at least equally as important (see page 7). In addition, partnerships exist with derivatives exchanges in East Asia. Eurex is set to begin cooperating with TAIFEX, the Taiwanese derivatives exchange, from 15 May 2014 – another measure that both companies agreed in 2013. The partnership is based on the very successful cooperation dating back to 2010 with the Korean stock exchange KRX for trading derivatives on the KOSPI index.

Expanding horizons

Securing stability

Manhattan, “the Big Apple” in the centre of New York City and one of the centres of the global financial industry: it is bridges – feats of American engineering – that connect Manhattan with the rest of New York, the rest of the USA, and the rest of the world. Deutsche Börse has constructed a bridge here too, with the prototype for T7, the new global trading architecture – a product of German engineering which was first used by the subsidiary International Securities Exchange. T7 has been used here since 2012 to secure the stability that US customers seek.

T7 is part of Deutsche Börse Group’s 7 Market Technology family. It comprises the trading architecture T7, the clearing infrastructure C7® and the global network N7. 7 Market Technology was developed in direct collaboration with customers. All Eurex participants have been able to profit from this trading system since 2013 – and soon customers of the European Energy Exchange can too.

Not only is T7 powerful and fast, but it also offers customers new and improved functionality, such as user-defined strategies. The databases that T7 accesses are even more reliable and the greater flexibility of the system makes it easier to introduce new products. Reliability and flexibility are the cornerstones of T7 and of the future of a secure and efficient marketplace, not only for individual participants, but for the financial system as a whole.

T7 is part of a long tradition: ever since it was formed, Deutsche Börse – with Eurex leading the way as one of the first electronic derivatives exchanges – has developed forward-looking products and has trialled new technologies and anticipated market changes earlier than its competitors. This is also true of post-trading, where Clearstream can build on the expertise gained from developing and operating systems such as CASCADE in order to now support the European Central Bank’s initiative to harmonise European securities settlement systems – TARGET2-Securities – as a globally integrated, private company which is also bound to act for the common good.

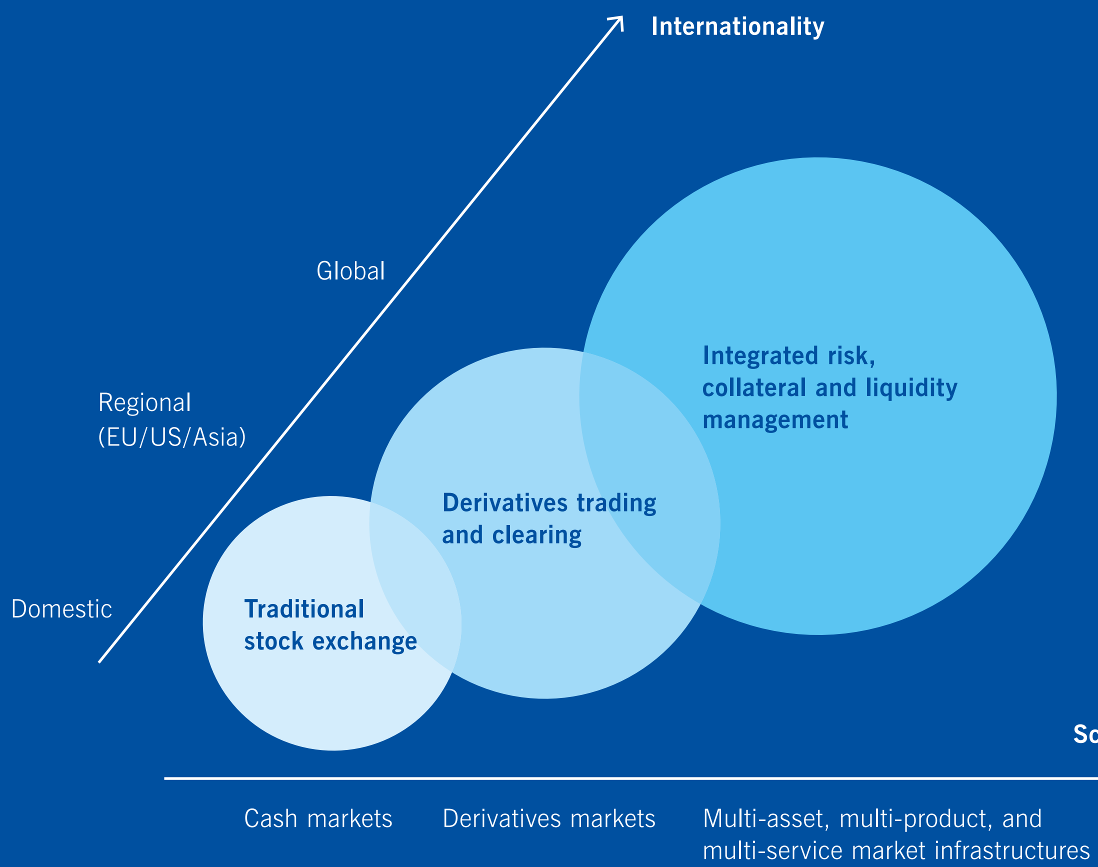
Brighter prospects

The current situation on the capital markets seems paradoxical at first: a constant stream of new demands on the one hand is coupled with a resurgence of traditional values on the other. Stability and transparency have regained their status as core values to be protected – the bedrock of a functioning and efficient financial economy. In line with this, Deutsche Börse's business is a productive mix of continuity and change, traditional strengths and openness to new ideas.

Deutsche Börse's innovative offerings – which are increasingly available internationally – help customers reshape their businesses to comply with the new regulatory framework reliably, securely and as cost-effectively as possible. In this way, Deutsche Börse also indirectly supports the real economy – which has a vital interest in its capital being used efficiently and safely. Deutsche Börse is working together with its customers in this process – contributing its experience and expertise in organising efficient, liquid markets and opening up new possibilities and strategic prospects in the new market order.

Our strategy

Deutsche Börse Group has defined long-term objectives in its strategic business planning and is systematically working towards achieving them step-by-step. It anticipates developments on the capital markets and in its business environment – at national, regional and global levels – at an early stage. Flexibility and constant innovation enable Deutsche Börse Group to tap into new markets and customer groups while maintaining a focus on its core competency: organising capital markets and operating financial infrastructures.



Strategic perspectives

Deutsche Börse Group is expanding the horizon of the exchange business. It has evolved from a traditional, nationally based, regulated stock marketplace into an international exchange organisation offering derivatives trading and integrated clearing, with its own IT infrastructure and market data distribution. Now the transition to becoming a risk management, collateral and liquidity service provider – with a global footprint – is within reach.

Although the financial crisis is still not entirely over, structural reforms designed to increase systemic stability on the financial markets are on the way. For capital market participants, this means greater security and confidence in regulated marketplaces on the one hand, but also a greater cost and effort to meet the new requirements on the other. Deutsche Börse Group is working on solutions for keeping this burden to a minimum for its customers without endangering the political goal of higher security and greater transparency on the markets that is being realised gradually at a regulatory level. In this respect, Deutsche Börse Group sees itself as the link between market participants and regulators. Ultimately, however, this new world remains focused on investor protection based on equitable access to market information, fair pricing and a system that functions efficiently and effectively.

New services for uncollateralised and unregulated markets

This means that exchange organisations like Deutsche Börse must master two challenges: as intermediaries, they are responsible for minimising systemic risks in the international world of finance. The performance and reliability of trading and post-trade systems are in turn critical for the participants in our regulated markets in terms of their own risk management.

In order to meet these requirements, Deutsche Börse engages continuously with its customers. As an exchange organisation, it carries a special responsibility here – especially in light of the continued high volume of over-the-counter derivatives (OTC) trading worldwide. The Bank for International Settlements (BIS) in Basel estimates that outstanding positions in this largely unregulated and uncollateralised area of trading – as of mid-2013 – totals nearly US$700 trillion. This is an increase of 8 per cent year-on-year.

600

customers in more than 100 countries are already connected to the Global Liquidity Hub

The International Monetary Fund advocated the increased use of so-called central counterparties, i.e. clearing houses which are used at exchange organisations like Deutsche Börse, to limit risks associated with this kind of trading as early as 2010. At that time the level of derivatives trading of around US$600 trillion was actually lower. Thus, action is now needed more than ever before. Eurex, Deutsche Börse Group's derivatives market, anticipated future regulatory initiatives such as the European Market Infrastructure Regulation, EMIR, at an early stage, adapting its own business model and expanding offerings at Eurex Clearing, its central counterparty, to include facilities for clearing OTC derivatives. Via REGIS-TR, the Group provides solutions for its customers to help them deal with the requirements for capturing transaction data for regulating purposes.

EMIR aims to increase security and integrity within the OTC derivatives market.
http://ec.europa.eu/internal_market/financial-markets/derivatives

Risk management for the financial sector

Deutsche Börse Group's integrated trading, clearing and post-trade offerings help to stabilise the banks. Thereby, the Group underscores its ability to make a significant contribution to risk management in the financial sector. Deutsche Börse Group supports global financial institutions in obtaining a real-time overview of their securities holdings that can be mobilised as collateral via the Global Liquidity Hub of Clearstream, its post-trade services provider.

This is how Clearstream helps allocate collateral optimally to secure global trading positions. It enables customers to efficiently meet the new regulatory requirements for collateralising capital market transactions. Partnerships with infrastructure providers in Europe, America and Asia allow Clearstream to provide this service across all time zones. This also reduces banks' cost of equity.

Companies in the real economy increasingly need liquidity management to conserve their equity and mitigate financial risk. This is why Clearstream is also developing new solutions that optimise money market transactions between banks and companies, and that create additional, collateralised alternatives to uncollateralised money market transactions.

Specialists for market data, IT, and post-trading

The new regulatory initiatives at EU level – from EMIR to the revised MiFID – are gradually being implemented in practice. Increased requirements for reporting obligations are one consequence of these initiatives. The ongoing internationalisation of trading requires new index concepts. Reliable, powerful information

DAX
The most important sentiment indicator for the German economy celebrated its 25th birthday on 1 July 2013.

technology that is also in line with market requirements is a condition for offerings that meet customers' needs. This is where Deutsche Börse is particularly strong. In addition to the established brands in the index business, such as DAX® and STOXX®, IT for trading, clearing and collateral management is where Deutsche Börse shines in the competition for the best solutions in a more strictly regulated environment.

Another major project intended to create uniform securities settlement throughout the EU is TARGET2-Securities (T2S). Deutsche Börse holds a leading position here via its Clearstream post-trade specialists. T2S will significantly intensify competition in the European post-trade services business. Increased cooperation with smaller national settlement service providers and their customers is enabling Clearstream – supported by Deutsche Börse's IT – to expand its distribution channels and hence make a more efficient and reliable long-term contribution to the post-trade business throughout the EU. It can also offer new solutions for securities custody and liquidity management that benefit customers.

Growth of new markets

The strong new competitors in the global financial sector are located in Asia. This is also where the new growth markets are creating wealth for their nations. A look back at 2013 shows Deutsche Börse Group's progress in these growth markets, not least due to the strength of its integrated business model. A particular focus here is the company's Singapore location.

With both Deutsche Börse Group and the European Central Bank headquartered in Frankfurt and against the backdrop of the established trade links between Germany and China, Frankfurt as a financial centre is well positioned to establish itself as China's partner for European financial market activities. Ultimately, however, this can only be accomplished if the leading institutions, politicians and the financial centre work together.

Deutsche Börse will continue to reinforce its efforts on its home continent and will expand its position in Eastern Europe and North America. The focus, however, will be on Asia. 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.

Our responsibility

As a technology business and service provider, Deutsche Börse relies on its employees to act responsibly and conscientiously. The key elements for promoting this are on-the-job training, advanced training and continuing professional development. These safeguard and expand skills throughout the Group. This also means that Deutsche Börse is able to meet the requirements of its different stakeholders – including customers, owners and representatives of the public interest. Responding adequately to their interests is part of our corporate responsibility.

Group staff CR

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

Deutsche Börse supports on-the-job training

Initial and advanced training, as well as continuing professional development, are a top priority at Deutsche Börse. The company therefore offers a wide variety of internal and external training programmes, supporting its staff in continuously expanding and refreshing their knowledge of the financial markets. Staff can also undertake regular training for their communication and organisational skills. The individual training offerings help staff and their supervisors to master their own personal challenges. The programme is constantly adapted and expanded in line with the latest developments in the various areas.

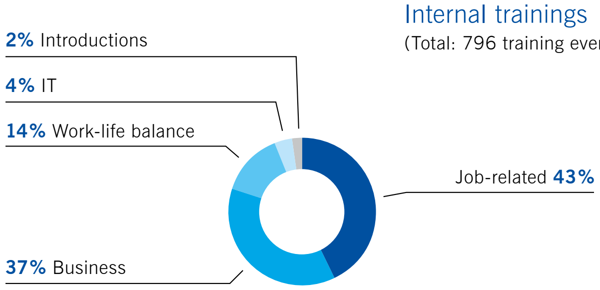
Annual "Innovation Summit"
By engaging in activities outside everyday office life, employees try out creativity techniques or discuss new business ideas with university students.

Support programmes increase career prospects

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

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

Internal trainings
(Total: 796 training events)



- Staff are able to qualify for part-time masters programmes through a selection process. In 2013, a cooperation partner for MBA programmes at the Prague location was selected. Deutsche Börse Group-supported masters programmes are now available to employees at the main locations in Frankfurt/Eschborn, London, Luxembourg, and Prague.
- In 2013, both of the mentoring programmes were expanded and improved: 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 career as a manager with responsibility for employees, staff of Deutsche Börse Group have opportunities for promotion in expert or project manager career paths. The company also supports lateral transfers to other departments or business areas at the same hierarchy level.

Women in management
Deutsche Börse has committed to this goal. Details can be found in the "Employees" section in the combined management report.

For managers on any of the career paths, the company provides dedicated training, coaching and cross-segment and international events to exchange views. The latter include the dialogue with top management hosted by the Executive Board with holders of key functions on a regular basis. Clearly defined processes for succession planning ensure that the most suitable candidates take on the relevant management functions when management positions become vacant.

Career prospects for young talent

At the end of 2013, the company was training twelve prospective office communication specialists. During their traineeships, vocational trainees work in up to seven departments – central departments and market areas – for three to six months per assignment. In this way, trainees gain insights 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 six trainees who completed their traineeships in 2013.

Diversity creates new ideas and customer proximity

Deutsche Börse Group values and promotes the diversity of its employees. This is also in its own business interests: 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.

This collaboration across areas and departments results in ideas for new products – one of the strengths of Deutsche Börse's diversified business model. Thinking above and beyond the set area of responsibility and developing suggestions together with colleagues from other business areas are both expected and promoted by 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. The overarching goal of YouNovate is to promote a culture of innovation in the company. In this way, innovation management helps the company to recognise and tap into growth opportunities even beyond existing products.

Ideas via YouNovate
Deutsche Börse Cloud Exchange AG was formed in 2013. www.dbcloudexchange.com

Deutsche Börse Group is a global company, with 22 locations in 16 countries around the world. Its steady internationalisation is a core element of the corporate strategy: not only does the Group aim 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 68 countries of origin. The diversity of its workforce is one of Deutsche Börse's strengths. It presents new challenges for communication – but is ultimately an essential condition for survival in the face of global competition.

Global employee survey
Details on this can be found in the "Employees" section in the combined management report.

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 continuous dialogue with its stakeholders to be an important element 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 company in its own right, stakeholders and their interests can vary.

Summary of key stakeholders

Deutsche Börse Group as a listed company		Deutsche Börse Group as a capital market organiser
▪ Deutsche Börse AG shareholders ▪ Employees ▪ Employee representatives ▪ Business partners ▪ Suppliers ▪ Service providers	▪ Supervisory authorities ▪ Politics ▪ Media ▪ Non-governmental organisations ▪ Society	▪ Intermediaries ▪ Issuers ▪ Institutional/private investors ▪ Trading, clearing and post-trading participants ▪ Financial community

Open dialogue promotes trust-based working relationships and delivers essential impulses for development and decision processes; 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. The topics for discussion, their relevance for efficient and safe markets and the depth of the specific relationship between Deutsche Börse and its stakeholders determine which communication platform is used. In addition, stakeholder group representatives can also contribute directly to Deutsche Börse's strategic direction – for example through surveys or at dialogue events. All communication platforms have in common an opportunity to exchange views and information directly. This facilitates dealing with stakeholder requirements: requests and criticisms voiced by stakeholder groups are taken on board without delay and can be reflected in decisions in a timely manner. In addition, Deutsche Börse Group uses this exchange of views to comment on controversial issues and provide reasons for its position.

Overview of internal and external stakeholder interests

While shareholders, employees and business partners are primarily interested in the company itself, sound corporate governance and a strong financial performance, customers – such as issuers, trading, clearing and post-trade participants – focus on a comprehensive, efficient and high-quality product and service offering. The focus of the real economy, supervisory authorities, politicians and society in general, is on Deutsche Börse's contribution to the stability and efficiency of the financial markets, and hence on its key role for a functioning economy.

More on the potential impact of regulatory initiatives at www.deutsche-boerse.com > About us > Public Affairs.

In 2013, Deutsche Börse Group therefore also analysed and evaluated trends in current regulatory initiatives. At the same time, the company extended its range of efficient solutions for securities, risk and liquidity management for market participants. Moreover, the Group contributed to enhancing integrity, transparency and standardisation on the global capital markets. Measures taken in the areas of customer satisfaction, compliance and data security, as well as employee satisfaction, rounded off Deutsche Börse Group's internal and external stakeholder engagement activities in 2013 (see also the "Group staff" chapter).

Areas for action at Deutsche Börse Group

Deutsche Börse Group prioritises its areas for action with regard to initiatives of strategic importance for its operating business. In addition, Deutsche Börse Group regularly identifies areas for action and issues that are of key importance to its various stakeholders. These analyses allow the company to define core areas for its future involvement and to address the needs and interests of its stakeholders. The chart below shows the most important initiatives in the operating business as well as core issues that were increasingly addressed in communication with representatives of key stakeholder groups. The darker an area for action appears in the chart, the higher its strategic priority 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. The stability and availability of trading systems and risk management solutions for market participants are examples of key areas for action for the company and its stakeholders.

Areas for action at Deutsche Börse

▪ Transparency/ standardisation on the capital markets ▪ Support for regulatory projects to ensure a stable financial system ▪ Integrity and compliance ▪ Cost efficiency ▪ Know-how transfer on capital market issues ▪ Stability and availability of the trading systems ▪ Remuneration ▪ Profitable growth	▪ Staff training and development ▪ Emissions trading ▪ Customer satisfaction ▪ Risk management solutions for market participants ▪ EBIT ▪ Stakeholder engagement ▪ Innovation potential ▪ Employee satisfaction	▪ Technology leadership ▪ Shareholder satisfaction ▪ Corporate citizenship ▪ Diversity and equal opportunities ▪ Value creation ▪ Job security	▪ Sustainable product portfolio ▪ Environmental management ▪ Green IT ▪ Greenhouse gas emissions ▪ Supplier management ▪ Human rights

Highest relevance →

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

Deutsche Börse Group used the following sources to determine its relevant areas for action and their weighting:

An overview of Deutsche Börse Group's committees and working groups is available at www.deutsche-boerse.com/cr_e > Customer governance.

- Information from Deutsche Börse Group's committees and working groups, whose members include international capital market representatives
- Analysis of customer satisfaction surveys, customer visits and queries put to Deutsche Börse Group's customer service organisation
- 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
- Feedback from staff meetings, employee events and regular review discussions
- Strategic focus areas identified at the meetings of the Executive and Supervisory Boards and of the individual Supervisory Board committees
- Focus topics from dialogue events, workshops and other events for representatives of various stakeholder groups
- Analysis of press clippings and enquiries
- Enquiries received by Deutsche Börse Group from other external stakeholder groups

Continuous dialogue with stakeholders

Lively and open dialogue with internal and external stakeholders is a key element of Deutsche Börse Group's stakeholder engagement. The company employs various communication channels and instruments in order to maintain this dialogue over the long term.

For instance, in 2013, the company hosted three evening events on "Anstand, Fairness, Gerechtigkeit – ethische Orientierung am Finanzplatz der Zukunft" (Decency, fairness, justice – ethical awareness in the financial world of the future). In the financial centre of Frankfurt/Main, Deutsche Börse entered into a dialogue with leading contemporary philosophers, discussing which ethical rules and values the financial world can adhere to without losing sight of its economic interests.

In September, Deutsche Börse Group published the Best Practice Guide which provides companies with seven recommendations on including non-financial indicators in holistic corporate reporting.

Last autumn, a new series of indices was added to the STOXX ESG Leaders family. The indices are sustainability-weighted versions of the EURO STOXX 50® and STOXX® Europe 50.

Our governance

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 Supervisory Board Committee Risk Management Roadmap (since February 2014)

Executive Board

↑

Specialist committees/working parties

The Executive Board

From left to right:
Jeffrey Tessler, Andreas Preuss, Reto Francioni, Gregor Pottmeyer, Hauke Stars

Detailed information about the members of the Executive Board and their appointments to supervisory bodies of other companies 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,
Deutsche Börse AG
Chief Financial Officer
graduate degree in Business Administration
(Dipl.-Kaufmann)
Frankfurt/Main

Jeffrey Tessler, *1954
member of the Executive Board,
Deutsche Börse AG
responsible for the Clearstream division
MBA
Luxembourg

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

Former member of the Executive Board

Frank Gerstenschläger, *1960
member of the Executive Board,
Deutsche Börse AG
(until 31 March 2013)
responsible for Special Projects
university degree in Economics, Business Administration and Engineering
(Dipl.-Wirtschaftsingenieur)
Darmstadt

As at 31 December 2013

The Supervisory Board

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

Gerhard Roggemann, *1948
Deputy Chairman
Vice Chairman, Investment Banking
Canaccord Genuity Limited, 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, Ashtead Surrey
Nationality: British
Board member since 7 October 2005

Irmtraud Busch,[1] *1956
Staff member in the Business Consulting section (until 31 December 2013, from 1 January 2014 early retirement)
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 Human Resources Germany section
Deutsche Börse AG, Frankfurt/Main
Nationality: German
Board member since 16 May 2012

Hans-Peter Gabe,[1] *1963
Staff member in the HR Policies & Corporate Training 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
Senior Advisor
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
Lawyer, 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
Partner Mayer Brown LLP, Dusseldorf
Nationality: German
Board member since 12 July 2005

Thomas Neiße, *1948
Independent Consultant Capital Markets, Haibach
Nationality: German
Board member since 14 January 2009

Heinz-Joachim Neubürger, *1953
Independent Management Consultant, London
Nationality: German
Board member since 16 May 2012

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

Jutta Stuhlfauth,[1] *1961
Lawyer and Head of Unit Policies and Procedures
Deutsche Börse AG, Frankfurt/Main
Nationality: German
Board member since 16 May 2012

Martin Ulrici,[1] *1959
Staff member in the HR Policies & Corporate Training section
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 2013

1) Employee representative

Detailed information about the members of the Supervisory Board and their additional appointments to supervisory bodies of other companies or comparable control bodies can be found on the Internet under 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 each resolution following thorough examination.

There were ten plenary meetings altogether in 2013, six of which were regular and four of which were extraordinary. In addition, two strategy workshops were held in which the Supervisory Board discussed Deutsche Börse Group's growth strategy 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 lively exchange 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 Chairman of the Executive Board continually informed the Chairman of the Supervisory Board about current developments in the company's business, significant transactions, upcoming decisions, and the long-term outlook and thoughts on potential developments, and discussed these matters with him.

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

Each member of the Supervisory Board attended at least half of the Supervisory Board meetings in 2013. 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 2013

Name	Meetings (incl. committees)	Meeting attendance	%
Joachim Faber	17	17	100
Richard Berliand	17	16	94
Irmtraud Busch	13	12	92
Karl-Heinz Floether	18	18	100
Marion Fornoff	13	11	85
Hans-Peter Gabe	14	8	57
Richard M. Hayden	13	13	100
Craig Heimark	14	12	86
David Krell	14	14	100
Monica Mächler	13	13	100
Friedrich Merz	19	14	74
Thomas Neiße	13	11	85
Heinz-Joachim Neubürger	23	23	100
Gerhard Roggemann	17	15	88
Erhard Schipporeit	19	19	100
Jutta Stuhlfauth	14	12	86
Martin Ulrici	14	14	100
Johannes Witt	19	17	89
Average attendance rate			**91**

Focus of the work of the Supervisory Board

The Executive Board continually informed the Supervisory Board about current developments and initiatives. Projects relevant to the company, market developments and regulatory changes were discussed.

In the year under review, our work focused on strategic growth initiatives in Asia, particularly for the companies of the Eurex and Clearstream subgroups. Another focus was the reorientation of Deutsche Börse Group's information technology, as well as cross-divisional strategic initiatives, particularly in clearing and custody. The third focus of our discussions was the question of how the internal control system, including compliance and risk management processes, could be expanded and strengthened.

We also kept a close eye on regulatory developments at national and European levels and discussed their potential impact on Deutsche Börse Group's business model. In relation to this, we discussed the European Market Infrastructure Regulation (EMIR), the revision of the Markets in Financial Instruments Directive (MiFID II/MiFIR), the Central Securities Depositories Regulation (CSDR), the Capital Requirements Directive (CRD IV), as well as the financial transaction tax (FTT) and the regulation of high-frequency trading (HFT) at a national level.

During the year under review, we also held in-depth discussions on the investigation by the US Treasury Department's Office of Foreign Assets Control (OFAC) due to alleged violations of US sanctions by Clearstream Banking S.A. (Clearstream) and the measures to further strengthen the compliance functions. As part of the investigation, OFAC examined the maintenance of an omnibus account by Clearstream in the United States, as well as certain securities transfers within Clearstream's settlement system in 2008. These securities transfers were connected with a decision taken by Clearstream in 2007 to close its Iranian customers' accounts. We received a number of in-depth reports from the

Executive Board about the status of this investigation in 2013. We carefully reviewed the settlement that resolved the matter without determining any violation by Clearstream, and then approved its signature at our extraordinary meeting on 7 November 2013.

We also held extensive discussions in the reporting period on a settlement that Clearstream reached with US plaintiffs. In 2008, enforcement proceedings were initiated against Clearstream in the USA. The enforcement proceedings were based on judgements which several groups of plaintiffs had successfully brought against Iran. During the enforcement proceedings, the plaintiffs restrained certain positions in Clearstream's custody account with its US intermediary bank and applied for these assets to be turned over. In addition, the plaintiffs had filed direct claims for damages in the amount of US$250 million against Clearstream in 2011 in connection with an alleged unauthorised transfer of the restrained positions. We also carefully reviewed this settlement, which provides for the dismissal of these direct damages claims against Clearstream in particular, and approved its signature at our extraordinary meeting on 9 September 2013.

We were also regularly informed about Deutsche Börse AG's share price performance, also 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 on the following issues during the reporting period:

At our first **regular meeting** for the reporting period **on 19 February 2013**, we addressed the preliminary results for financial year 2012 and the dividend proposed by the Executive Board for 2012. We also resolved the amount of the variable remuneration of the Executive Board for financial year 2012 following in-depth discussion. We approved the revised version of the budget for 2013 and discussed a status report on current litigation and the OFAC investigation. Furthermore, the Supervisory Board adopted the corporate governance declaration in accordance with section 289a of the Handelsgesetzbuch (HGB, German Commercial Code) as well as the corporate governance report and the 2012 remuneration report.

At the **regular meeting on 13 March 2013**, we discussed the company's annual financial statements and the 2012 consolidated financial statements plus the combined management report; the auditors were present for this. The 2012 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 2012 and the agenda for the 2013 Annual General Meeting were also resolved. After reviewing the appropriateness of the Executive Board's remuneration, we specified the target consolidated net income for 2013 as the basis for determining the variable cash component for members of the Executive Board for financial year 2013.

At the **regular meeting** held directly before the Annual General Meeting **on 15 May 2013**, we reappointed Andreas Preuss as a member and Deputy Chairman of the Executive Board. We also discussed the upcoming Annual General Meeting with the Executive Board.

At the **regular meeting on 13 June 2013**, we once again held in-depth discussions on the OFAC investigation, strategic initiatives and a communication and image campaign for Deutsche Börse AG.

Following the regular meeting, an **extraordinary meeting** was held **on 13 June 2013**, at which we addressed regulatory questions raised by the US subsidiary International Securities Exchange (ISE).

At the **extraordinary meeting on 27 June 2013**, we approved the signature of a legal consulting agreement with Mayer Brown LLP, of which Supervisory Board member Friedrich Merz is a partner. Mayer Brown LLP was engaged to provide short-term support in the ongoing negotiations with OFAC. See also the section entitled “Management of individual conflicts of interest”.

At an additional **extraordinary meeting on 9 September 2013**, we approved the conditions of Clearstream’s settlement with US plaintiffs after careful examination. The Supervisory Board held in-depth discussion on the substance of the settlement, which provides in particular for the dismissal of the direct claims against Clearstream in the amount of US$250 million. In return, Clearstream committed to discontinue its action seeking to prevent the surrender of the restrained positions to the plaintiffs.

At the **regular meeting on 19 September 2013**, the Executive Board informed us about the status of the strategic growth initiatives in Asia. We also addressed measures to strengthen the organisation of Group Compliance, as well as data security issues and the measures implemented by Deutsche Börse Group to combat cyber attacks. Furthermore, we resolved that the efficiency audit for 2013 in accordance with no. 5.6 of the German Corporate Governance Code be supervised and supported by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. In addition, we again addressed the status of the OFAC investigation and the settlement with US plaintiffs.

At the **extraordinary meeting on 7 November 2013**, we resolved, after careful examination, to approve the settlement-based termination of the OFAC investigation against payment of US$151.9 million by Clearstream.

At the **regular meeting on 3 December 2013**, we addressed strategic initiatives, as well as the strategic capital and financing frameworks. We held in-depth discussions on the reorientation of information technology and the measures implemented by the Executive Board in relation to this. Furthermore, we discussed the results of the 2013 efficiency audit and adopted the 2014 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 and the introduction of a deductible for the Supervisory Board’s D&O insurance. The declaration of conformity is available at www.deutsche-boerse.com/declconformity.

At the **regular meeting on 19 February 2014**, we resolved to establish an interim Supervisory Board committee Risk Management Roadmap. The committee shall, in particular, have the task of monitoring the implementation to optimise the risk management of Deutsche Börse Group. The committee has been established for the period until the end of the Annual General Meeting of Deutsche Börse AG in 2015.

Work of the committees

In the year under review, the Supervisory Board has a total of six committees, which are primarily responsible for preparing the decisions 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. Each of the committee chairs provided detailed reports of committee work 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 exact working methods of all 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 HGB.

The Personnel Committee met three times in the year under review, while the Strategy Committee met four times. The Audit Committee convened six regular meetings and three extraordinary meetings in 2013. The Technology Committee met four times. The Clearing and Settlement Committee held three meetings in 2013. The Nomination Committee did not need to convene any meetings in the year under review. The following issues were dealt with by the committees:

Personnel Committee

- Discussion of target achievement to determine the amount of variable remuneration for the members of the Executive Board for 2012 and discussion of the 2012 remuneration report
- Definition of the target consolidated net income for 2013 as a criterion for determining the variable cash component for members of the Executive Board
- Preparation of a proposal to the plenary meeting to determine the 2013 target remuneration for the Executive Board
- Review of the appropriateness of the Executive Board remuneration and the pensionable income
- Preparation of a recommendation to the plenary meeting for the reappointment of Mr Andreas Preuss as a member of the Executive Board and Deputy Chairman of the Executive Board
- Adoption of the individual targets of members of the Executive Board for 2014
- Discussion of succession planning in Deutsche Börse Group's upper and middle management
- Discussion of the introduction of a deductible for the D&O insurance of the members of the Supervisory Board

Strategy Committee

- Analysis of current strategic projects and growth initiatives, particularly in Asia
- Strategic reorientation of Deutsche Börse Group's information technology
- Medium-term strategy planning, taking into account regulatory developments

Audit Committee

- Discussion of the annual financial statements and consolidated financial statements, as well as the combined management report and the audit report for financial year 2012, in the presence of the auditors
- Preparation of the Supervisory Board's resolution on the 2012 corporate governance report and the remuneration report and on the corporate governance declaration in accordance with section 289a of the HGB
- Discussion of the dividend for financial year 2012
- Discussion of the interim reports for the first and third quarters of 2013 and the half-yearly financial report for the first half of 2013
- Obtaining the statement of independence from the auditors
- Preparation of the Supervisory Board's proposal to the Annual General Meeting in May 2013 to elect the auditors and agree on the audit fee
- Discussion of Deutsche Börse Group's reports on risk management and compliance, the reports on the internal control system and the internal audit report. The committee was informed about these topics – including the methods and systems applied and their efficiency, adequacy and effectiveness – throughout the entire reporting period and discussed them in detail
- Commissioning of an external review of Deutsche Börse Group's compliance function
- Extensive discussion of the various compliance initiatives to further strengthen the compliance functions
- Establishment of the focus of the audit for 2013
- Discussion of the declaration of conformity for 2013
- Discussion of Deutsche Börse Group's budget for 2014 and the report on compliance and the internal auditing system
- Discussion and definition of the Audit Committee's tasks for 2014

Technology Committee

- In-depth discussion of the reorientation of Deutsche Börse Group's information technology and the enhancement of trading and post-trading systems
- Discussion of Deutsche Börse Group's information security management
- Discussion of the IT budget for 2014

Clearing and Settlement Committee

- In-depth discussion of the settlements between Clearstream and OFAC and between Clearstream and the US plaintiffs (see page 58f.)
- Discussion of Deutsche Börse Group's initiatives in the area of securities settlement
- Examination of the Global Liquidity Hub (platform for liquidity and risk management), TARGET2-Securities and post-trade services for OTC markets
- Discussion of current regulatory developments, e.g. EMIR

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 2013, 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 2013 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 auditor attended the relevant meetings of the Audit Committee and the plenary meeting of the Supervisory Board to approve the annual financial statements. The auditor 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 was available to provide supplementary information. The auditor 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 auditor's independence.

The Audit Committee discussed the financial statement documents and the reports by KPMG in detail with the auditors 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 2013 in a plenary meeting did not lead to any objections and we concurred with the results of the audit performed by the auditors. We approved the annual financial statements prepared by the Executive Board and the consolidated financial statements at our meeting on 5 March 2014 in line with the Audit Committee's recommendation. The annual financial statements of Deutsche Börse AG are thereby 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 a plenary meeting of the Supervisory Board.

Composition of the boards

While there were no changes to the composition of the Supervisory Board in the period under review, the following changes were made to the Executive Board:

- The term of office of Executive Board member Frank Gerstenschläger ended by mutual agreement effective 31 March 2013. We expressed our thanks to Mr Gerstenschläger for his service and commitment.
- At the Supervisory Board meeting on 15 May 2013, we reappointed Andreas Preuss for a three-year term of office and again appointed him as Deputy Chairman of the Executive Board.

Management of individual conflicts of interest

On 11 June 2012, we approved the agreement on the provision of advisory services relating to the development of new products and services in the area of derivatives trading and clearing with Richard Berliand Limited, whose managing director Richard Berliand is a member of the Supervisory Board. Mr Berliand was neither present when the extension of the consulting agreement was discussed by the Supervisory Board, nor did he participate in the resolution on the consulting agreement. The agreement expired effective 30 June 2013.

On 19 February 2013, we approved a consulting agreement between Deutsche Börse AG and the IT advisory firm Cohesive Flexible Technologies Corporation (Cohesive FT). Supervisory Board member Craig Heimark, who holds an interest in Cohesive FT, did not participate in the discussion about engaging Cohesive FT and the resolution on approving this agreement due to a possible conflict of interests. The agreement expired during the year under review.

During financial year 2013, the international law firm Mayer Brown LLP provided advice relating to the OFAC settlement. Supervisory Board member Friedrich Merz is a partner of Mayer Brown LLP. The Supervisory Board approved the engagement of Mayer Brown at its extraordinary meeting on 27 June 2013. Mr Merz did not take part in either the discussion about the engagement of Mayer Brown LLP or in the Supervisory Board's engagement resolution.

The Supervisory Board would like to thank the Executive Board, all employees and the employee representatives for their dedication and achievements in 2013.

Frankfurt/Main, 5 March 2014
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, as well as the composition and working practices of the Supervisory Board committees.

Declaration of conformity in accordance with section 161 of the AktG

On 9 December 2013, the Executive Board and Supervisory Board of Deutsche Börse AG issued the following declaration of conformity:

"Declaration of Conformity – December 2013

Declaration of Conformity regarding the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act
Section 161 of the German Stock Corporation Act (AktG) requires the Executive Board and the Supervisory Board of a listed stock corporation to declare annually that the recommendations of the "Government Commission German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being met or, if not, which recommendations have not been or are not being applied and why not.

For the period since the last declaration of conformity dated 10 December 2012 until 9 June 2013, the declaration set out below refers to the version of the Code as of 15 May 2012. Since 10 June 2013, the declaration refers to its current version as of 13 May 2013, published in the Federal Gazette on 10 June 2013.

The Executive Board and the Supervisory Board of Deutsche Börse AG declare that the recommendations of the "Government Commission German Corporate Governance Code" have been and will be met with few deviations. For the details, please see below:

1. Deductible in the D&O policy for the Supervisory Board (no. 3.8 (3) of the Code)
On the yearly renewal of the D&O policy, Deutsche Börse AG will agree on a deductible in the D&O policy for the Supervisory Board and comply with the recommendation in no. 3.8 (3) of the Code thereafter.

So far, Deutsche Börse AG had not followed the recommendation to agree on a deductible in the D&O policy for the Supervisory Board. There was some concern that agreeing a deductible could impede the company's ability to staff its Boards with international members, as agreeing on a deductible is not always common practice in other countries. After a thorough analysis of the pros and cons of agreeing a deductible, the company decided to agree on it in the future.

2. Agreement of severance payment caps when concluding Executive Board contracts and of change of control clauses (no. 4.2.3 (4) and (5) of the Code)

2.1 Severance payment caps pursuant to no. 4.2.3 (4) of the Code

Severance payment caps agreed upon in all current contracts with the members of the Executive Board complied and will continue to comply with the recommendation no. 4.2.3 (4) of the Code. As in the past, however, the Supervisory Board reserves the right to deviate from no. 4.2.3 (4) of the Code in the future under certain circumstances. The Supervisory Board is of the opinion that a deviation may become necessary in extraordinary cases.

2.2 Change-of-control-clauses in Executive Board contracts pursuant to no. 4.2.3 (5) of the Code

From now on, all of the Executive Board contracts contain change-of-control-clauses in accordance with the Code. The recommendation in no. 4.2.3 (5) of the Code is therefore complied with. Deviations from the recommendation of the Code – which could still be found whilst the renewal process of the contracts was on-going in the past – no longer exist."

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 declaration of conformity for the previous five years can also be accessed there.

Information on corporate governance practices CR

Behavioural guidelines

Deutsche Börse Group's global orientation requires that binding policies and standards of behaviour are applied at each 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 equally binding 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 meet 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 almost all other business partners 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. The Group underscores the values to which it attaches importance in particular 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.
- **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 use it extensively as a voluntary instrument. Since 2011, Deutsche Börse Group has published an annual declaration of conformity with the German Sustainability Code.

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. To ensure that employees comply with this, several sets of rules are in force in the Group. 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 will remain anonymous at all times and will not be revealed to Deutsche Börse Group.

Risk and control management policies
Functioning control systems are an important part of stable business processes. Deutsche Börse's Group-wide control systems are embedded in an overarching framework. Among other things, this takes into account the 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.

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. The actions of Deutsche Börse AG's governing bodies and committees are based on the principle of responsible corporate governance. This aims to promote long-term value creation through transparency and a values-driven approach, and hence to help guarantee the company's long-term success.

Executive Board of Deutsche Börse AG

The Executive Board heads up Deutsche Börse AG and Deutsche Börse Group. The Board has had five members since April 2013. Its duties include defining the Group's corporate goals and strategic orientation, managing and monitoring the operating units, and establishing and monitoring an efficient risk management system. The Executive Board is responsible for preparing the quarterly and half-yearly financial reports as well as the consolidated and annual financial statements of Deutsche Börse AG. In addition, its job is to ensure that legal requirements and official regulations are complied with.

The members of the Executive Board are jointly responsible for all aspects of management. Irrespective of the collective responsibility of all members of the Executive Board, each member manages the areas of the company assigned to them in the Board's schedule of responsibilities independently and on their own responsibility. 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 resolution procedures.

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 and appoint advisory boards to implement audits or reviews, or prepare Executive Board resolutions, although it did not make use of this option in financial year 2013.

More information on the Executive Board, its composition, the members' individual appointments and their biographies can be viewed at www.deutsche-boerse.com/execboard

Close cooperation between Executive Board and Supervisory Board
The Executive and Supervisory Boards work closely together on the basis of mutual trust. They perform their duties in the interests of the company with the aim of achieving a sustainable increase in value. The Executive Board provides the Supervisory Board with regular, timely and comprehensive information on the course of business. In addition, the Executive Board informs the Supervisory Board regularly on all issues concerning corporate planning, business development, the risk situation and risk management, compliance, and the company's control systems. The Chairman of the Executive Board reports to the Supervisory Board without delay, verbally or in writing, on any matters that are of special importance to the company. The company's strategic orientation is discussed and coordinated in detail with the Supervisory Board and its implementation 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.

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 in particular for appointing the members of the Executive Board, for specifying the total remuneration of each Executive Board member and for examining the consolidated financial statements and the annual financial statements of Deutsche Börse AG. The work of the Supervisory Board in the 2013 financial year is explained 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 currently has 18 members. Its period of office is three years; the latest period began at the Annual General Meeting in 2012, whereby the periods of office for the shareholder and employee representatives are identical.

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 and, where necessary, extraordinary meetings. The Supervisory Board passes its resolutions with a simple majority. It regularly reviews the efficiency of its work, discusses areas for improvement and resolves suitable measures to achieve this wherever necessary.

With regard to its composition, the Supervisory Board has resolved a requirements catalogue, which specifies certain targets. It 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 defined on the basis of the business model, concrete objectives and specific regulations applicable to Deutsche Börse Group. They include in particular:

- sound knowledge of exchanges and capital markets,
- accounting, finance, risk management and compliance,
- information technology and the clearing and settlement business and
- experience of regulatory requirements.

Moreover, the requirements catalogue resolved by the Supervisory Board contains specific targets for the adequate representation of women and specifies a sufficient number of independent Supervisory Board members. Information on the composition profile for the Supervisory Board can be found in the corporate governance report on page 73f.

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 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. In the year under review, the Supervisory Board had established six committees. In its meeting on 19 February 2014, the Supervisory Board resolved to establish the interim committee Risk Management Roadmap. The committee has been established for the period until the end of the Annual General Meeting of Deutsche Börse AG in 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 rules of procedure of the committees correspond to those of plenary meetings of the Supervisory Board. The tasks and composition of the individual committees are summarised in the table below. The chairmen report to the plenary meeting about the subjects addressed in, and resolutions passed by, the committee meetings. Information on the Supervisory Board's activities and meetings for the reporting period can be found in the report of the Supervisory Board on pages 58 to 60.

More information on the Supervisory Board and its committees, its composition, the members' individual appointments and their biographies can be viewed 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 63.

The committees of the Supervisory Board:
Composition and responsibilities

Strategy Committee

Members	Composition
▪ Joachim Faber (Chairman) ▪ Richard Berliand ▪ Karl-Heinz Floether ▪ Hans-Peter Gabe ▪ Heinz-Joachim Neubürger ▪ Gerhard Roggemann ▪ Jutta Stuhlfauth	▪ Chairman of the Supervisory Board as committee chairman ▪ At least five other members, who are elected by the Supervisory Board **Responsibilities** ▪ 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
▪ Erhard Schipporeit (Chairman) ▪ Friedrich Merz ▪ Heinz-Joachim Neubürger ▪ Johannes Witt	▪ At least four members, who are elected by the Supervisory Board ▪ 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 ▪ Prerequisite for the chairmanship of the committee: the person concerned must have specialist knowledge and experience in the application of accounting principles and internal control processes and must be independent **Responsibilities** ▪ Discussion of the annual budget and decision recommendation to the Supervisory Board ▪ Discussion of topics related to accounting and financial reporting processes as well as the reporting system ▪ Dealing with questions regarding compliance, risk management, including risk strategy and the internal auditing, in particular the adequacy and effectiveness of the risk management system, the compliance system and the internal control and auditing system ▪ Examination of the financial statement documents including the auditors' report on the annual and consolidated financial statements as well as the half-yearly and quarterly financial reports ▪ Reports to the Supervisory Board on the examination of the annual financial statements and the consolidated financial statements including management report and decision recommendation ▪ Engagement letter to the auditor, audit fee agreement, determination of the audit focus, obtaining of the statement of independence from the auditor, preparation of the Supervisory Board's proposal to the Annual General Meeting for the election of the auditor ▪ Preparation of the Declaration of Conformity to the German Corporate Governance Code in accordance with section 161 of the Aktiengesetz (AktG, German Stock Corporation Act) and the corporate governance declaration

Technology Committee

Members	Composition
▪ Craig Heimark (Chairman) ▪ Karl-Heinz Floether ▪ David Krell ▪ Martin Ulrici	▪ Normally four members, who are elected by the Supervisory Board **Responsibilities** ▪ Advises the plenary meeting of the Supervisory 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
▪ Richard Berliand (Chairman) ▪ Irmtraud Busch ▪ Monica Mächler ▪ Thomas Neiße	▪ Normally four members who are elected by the Supervisory Board **Responsibilities** ▪ Advises the plenary meeting of the Supervisory Board in particular on the assessment of relevant regulatory trends at national and European level and on estimating the impacts of these trends on Deutsche Börse Group

Personnel Committee

Members	Composition
▪ Joachim Faber (Chairman) ▪ Marion Fornoff ▪ Richard M. Hayden ▪ Gerhard Roggemann	▪ Chairman of the Supervisory Board as committee chairman ▪ At least three other members, who are elected by the Supervisory Board (of whom one must be an employee representative) **Responsibilities** ▪ Handles issues relating to the service contracts for Executive Board members and in particular the structure and amount of their remuneration ▪ Addresses personnel development and 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 offices and secondary activities, as well as other related issues ▪ Approves the granting or revocation of general powers of attorney ▪ Approves cases in which the Executive Board agrees to retirement benefits for employees, grants other individually negotiated retirement benefits, or proposes to enter into works agreements establishing pension plans

Nomination Committee

Members	Composition
▪ Joachim Faber (Chairman) ▪ Richard M. Hayden ▪ Gerhard Roggemann	▪ At least three members: exclusively shareholder representatives who are also members of the Personnel Committee ▪ The Chairman of the Personnel Committee also chairs the Nomination Committee **Responsibilities** ▪ Proposes suitable candidates to the Supervisory Board for inclusion in the latter's election proposal to the Annual General Meeting

Interim Committee Risk Management Roadmap (since February 2014)

Members	Composition
▪ Erhard Schipporeit (Chairman) ▪ Friedrich Merz ▪ Heinz-Joachim Neubürger ▪ Johannes Witt ▪ Richard Berliand ▪ Joachim Faber ▪ Craig Heimark	▪ Respective Chairman of the Audit Committee as Chairman ▪ At least three members of the Supervisory Board, who are elected by the Supervisory Board **Responsibilities** The Committee has the task of monitoring the implementation of the Risk Management Roadmap, in particular comprising the following topics: ▪ Definition of the "best practice" Risk Management processes to be implemented ▪ Definition of Risk Appetite ▪ Risk-Governance

Corporate governance report CR

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. In accordance with the requirements of the German Corporate Governance Code, it publishes the corporate governance report in combination 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 2013. The company confirms that it complies with a large majority of the recommendations of the German Corporate Governance Code. The annual declaration of conformity in accordance with section 161 of the AktG 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.

All suggestions of the German Corporate Governance Code have been and continue to be complied with.

Corporate Governance at Deutsche Börse Group

Women in management positions
Hauke Stars, who was appointed with effect from 1 December 2012, is the first woman to become a member of the Executive Board of Deutsche Börse AG. As a result, the company already met its objective of nominating a female member for the Executive Board by 2015 in 2012. In addition, Deutsche Börse Group aims to increase the proportion of women in the middle and upper management to 20 per cent and in the lower management to 30 per cent by 2020. As at 31 December 2013, women accounted for 13.9 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 extend until the end of the month in which the Executive Board member turns 60. From the month following the one in which the Executive Board member turns 60, he or she can be reappointed for a period of one year in each case. However, the last period of appointment should end at the end of the month in which the

Executive Board member turns 65. The Supervisory Board appoints Executive Board members with the aim of optimising the composition of this body in the interests of the company. Experience, sector know-how and personal and specialist qualifications play an important role in this regard. Depending on the 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 in particular to address this issue. It has been worded deliberately loosely to allow the Supervisory Board to retain full flexibility in its appointment decisions.

Composition of the Supervisory Board
The current composition of the Supervisory Board of Deutsche Börse AG is such that its members in the aggregate have the knowledge, skills and specialist expertise needed to duly carry out their tasks and that the Supervisory Board corresponds to the specified qualification profile.

Qualification profile of the Supervisory Board
The Supervisory Board has resolved a requirements catalogue in accordance with no. 5.4.1 of the German Corporate Governance Code that relates to the composition of the Board and in particular to the future nomination of Supervisory Board members. This catalogue specifies certain targets, which are set out below.

Members of the Supervisory Board shall have the knowledge, skills and specialist expertise necessary to enable them to carry out the duties of a supervisory board member in 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.

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

All Supervisory Board members shall ideally demonstrate the basic qualifications; the company-specific qualifications relate to the Supervisory Board as a whole. In addition, members shall have enough time to perform their duties.

Independence of the Supervisory Board
According to no. 5.4.2 of the German Corporate Governance Code, a Supervisory Board member is not to 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 the latter which may cause a substantial and not merely temporary conflict of interests. Following a recommendation by the Nomination Committee, the Supervisory Board resolved at its meeting on 19 February 2013 that at least half of its shareholder representatives should be independent as defined in no. 5.4.2 of the German Corporate Governance Code. In its current composition, the Supervisory Board meets this target.

Women on the Supervisory Board and international profile
Based on a total number of 18 members (twelve shareholder representatives and six employee representatives), the Supervisory Board intends to increase the number of female shareholder representatives on the Supervisory Board from currently one to at least three by 2015. Including the employee representatives, the Supervisory Board currently has four female members. Moreover, the goal is to continue to reflect the company's international profile in the composition of the Supervisory Board in the future.

Education and training measures for the Supervisory Board
In 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 no. 5.4.5 (2) of the German Corporate Governance Code that companies should support the training and further education of Supervisory Board members. For example, it offers specific introductory seminars for new Supervisory Board members and presents workshops on selected strategic issues and, where necessary, specialist topics.

Efficiency audit of the work of the Supervisory Board
Deutsche Börse AG regards regular reviews of the efficiency of Supervisory Board work in accordance with no. 5.6 of the German Corporate Governance Code as a key component of good corporate governance. These reviews enable it to continuously improve processes and provide fresh impetus for goal-driven working. In the year under review, the Supervisory Board obtained external support and assistance for its efficiency audit. The audit focused in particular on the composition of the Supervisory Board, the delegation of tasks, sustained implementation of measures, succession planning for the Executive Board and risk and compliance management. The efficiency audit revealed that members had a consistently positive opinion of all aspects of Supervisory Board work. The suggestions for improvement identified were discussed and concepts for implementing them developed.

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 Annual General Meeting.

Transparent reporting

To ensure maximum transparency and information equality, corporate communication at Deutsche Börse adopts the rule that all target groups must receive all relevant information at the same time. In its financial calendar, Deutsche Börse AG therefore informs shareholders, analysts, shareholders' associations, the media and the interested public of key events such as the date of the Annual General Meeting or publication dates for financial indicators. In addition to ad hoc disclosures, information on directors' dealings and voting rights notifications, the company's website www.deutsche-boerse.com can also be used to access the 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, it offers conference calls for analysts and investors. In addition, it explains its strategy and provides information to all interested parties in accordance with the principle of simultaneously informing all target groups worldwide.

In addition, Deutsche Börse submitted a declaration of conformity with the German Sustainability Code for the financial year. The German Sustainability Code is a voluntary instrument that companies can use to make their own sustainability performance publicly accessible and comparable: in their declarations of conformity with the German Sustainability Code, the participating companies use 20 criteria and the associated performance indicators to explain aspects of corporate governance, and ecological and social responsibility and document them with figures. Deutsche Börse's declaration of conformity with the German Sustainability Code can be found at www.deutsche-boerse.com > Corporate responsibility > Reporting > German Sustainability Code.

Accounting and auditing

In its corporate report, Deutsche Börse AG informs shareholders and the interested public in detail of Deutsche Börse Group's business performance in the year under review. The company publishes further extensive information with 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 (half-yearly and quarterly financial reports) are available within 45 days of the end of the quarter or six-month period concerned. Following preparatory discussions by the Audit Committee, the consolidated and the annual financial statements are discussed and examined by the plenary meeting of the 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 auditors.

Following the proposal of the Supervisory Board, the Annual General Meeting 2013 elected KPMG AG Wirtschaftsprüfungsgesellschaft, domiciled in Berlin (KPMG), to audit its 2013 annual and consolidated financial statements and to review its half-yearly financial report in the year under review. The Supervisory Board's proposal was based on the recommendation by the Audit Committee. Before the election, the Audit Committee had obtained the necessary statement of independence from KPMG. This states that there are no personal, business, financial, or other relationships between the auditors, 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 auditors' independence. The Audit Committee monitored the continued existence of this independence during financial year 2013. The Committee also supervised the financial reporting process in financial year 2013. The Supervisory and Executive Boards were informed promptly of its work and findings. There were no material findings in the past financial year. Information on audit services and audit fees is provided in note 6 of the notes to the consolidated financial statements.

Other sections with a bearing on corporate governance

Information relating to corporate governance is also provided in other sections of this corporate report:

- In his letter on pages 4 to 8, the Chief Executive Officer provides information about financial year 2013 and the future orientation of the company.
- The corporate governance declaration in accordance with section 289a of the HGB on pages 64 to 71 gives, among other things, detailed information on the way the Executive Board and the Supervisory Board work. It also contains the declaration of conformity in accordance with section 161 of the AktG.
- The remuneration report discloses the individual total remuneration of the governing body members and explains the current remuneration system.
- Deutsche Börse Group's control systems are presented on page 98 f. of the combined management report.
- The change in the number of employees in the year under review is reported in the "Employees" section on pages 133 to 136 of the combined management report.
- Deutsche Börse Group's commitment to its stakeholders and society as a whole, as well as the activities it performs for its employees are described in the "Responsibility" section of this corporate report, see pages 45 to 52.
- Information on securities-based incentive programmes for senior executives and employees can be found in note 39 of the notes to the consolidated financial statements.
- Details of recent directors' dealings can be accessed on the company's website at www.deutsche-boerse.com/dd.

Remuneration report

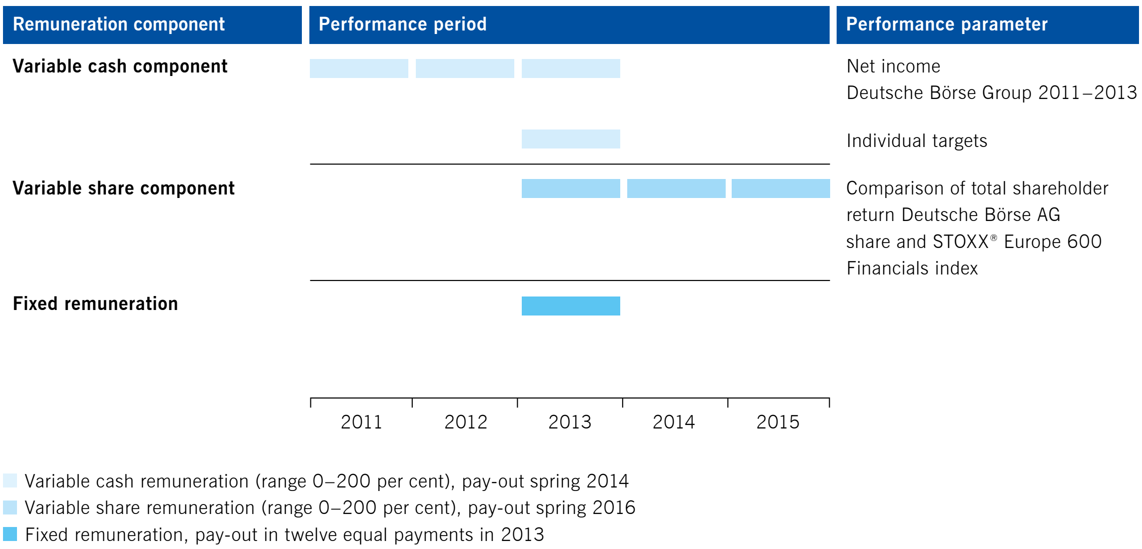
This remuneration report is a component of the combined management report. The report reflects the requirements of the Handelsgesetzbuch (HGB, the German Commercial Code) and the International Financial Reporting Standards (IFRSs), respectively, as well as the German Accounting Standard (GAS) 17 “Reporting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

Executive Board remuneration

Remuneration system and targets

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



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 2013, 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 "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 and variable share components. 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 2011 to 2013 and the variable share component was based on the period from 2013 to 2015.

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 maximum 200 per cent is defined.

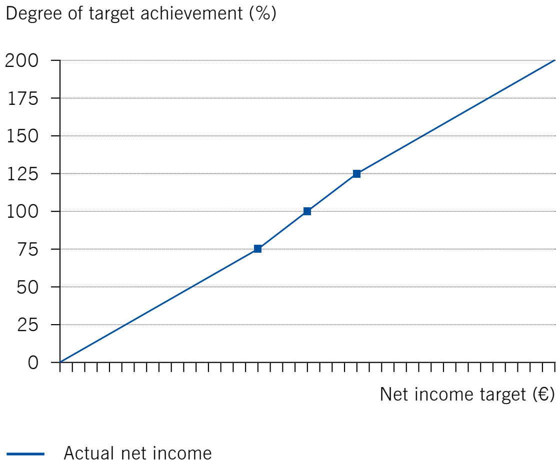
Variable share component

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).

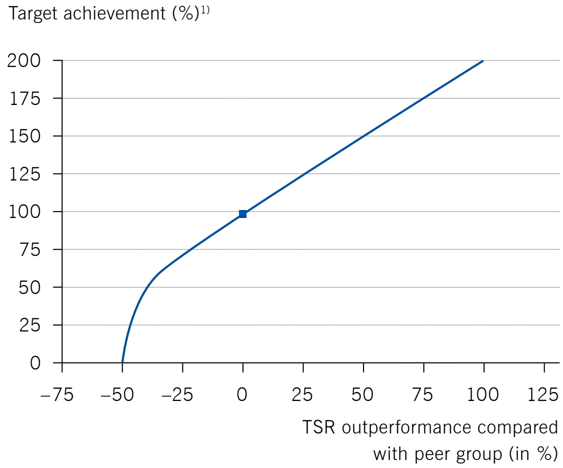
Measurement of the target achievement for the variable cash component

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.

2013 expense for share-based payments

(2010 tranche)

	Expense recognised (2010 tranche) € thous.	Carrying amount as at the balance sheet date (2010 tranche) € thous.
Reto Francioni	63.1	0
Andreas Preuss	52.3	0
Frank Gerstenschläger[1) 2)]	32.3	0
Michael Kuhn[3)]	41.1	0
Gregor Pottmeyer	34.9	0
Hauke Stars[4)]	0	0
Jeffrey Tessler	41.4	0
Total	**265.1**	**0**

1) Left the Executive Board at the end of 31 March 2013
2) The outstanding tranches 2011 to 2013 were settled with the departure of Frank Gerstenschläger.
3) Left the Executive Board at the end of 31 December 2012
4) Appointed to the Executive Board effective 1 December 2012

2013 expense for share-based payments

(2011 to 2013 tranches)

	Expense recognised (2011 to 2013 tranches) € thous.	Carrying amount as at the balance sheet date (2011 to 2013 tranches) € thous.
Reto Francioni	1,336.0	1,969.6
Andreas Preuss	1,108.4	1,634.0
Frank Gerstenschläger[1)]	871.3	0
Michael Kuhn[2)]	657.2	1,069.6
Gregor Pottmeyer	791.8	1,142.3
Hauke Stars[3)]	204.7	215.5
Jeffrey Tessler	875.9	1,291.2
Total	**5,845.3**	**7,322.2**

1) Left the Executive Board at the end of 31 March 2013. The outstanding tranches 2011 to 2013 were settled with the departure of Frank Gerstenschläger.
2) Left the Executive Board at the end of 31 December 2012
3) Appointed to the Executive Board effective 1 December 2012

2013 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	1,399.1 (913.2)	1,969.6 (1,416.3)
Andreas Preuss	1,160.7 (751.2)	1,634.0 (1,174.9)
Frank Gerstenschläger[1]	903.6 (464.2)	0 (724.2)
Michael Kuhn[2]	698.3 (591.2)	1,069.6 (921.6)
Gregor Pottmeyer	826.7 (443.4)	1,142.3 (783.3)
Hauke Stars[3]	204.7 (10.8)	215.5 (10.8)
Jeffrey Tessler	917.3 (565.8)	1,291.2 (928.5)
Total	**6,110.4** **(3,739.8)**	**7,322.2** **(5,959.6)**

1) Left the Executive Board at the end of 31 March 2013. The outstanding tranches 2011 to 2013 were settled with the departure of Frank Gerstenschläger.
2) Left the Executive Board at the end of 31 December 2012
3) Appointed to the Executive Board effective 1 December 2012

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

(2011 to 2013 tranches)

		Share component 2013	Share component 2012	Share component 2011
Term		3 years	2 years	1 year
Risk-free interest rate	%	0.24	0.13	0.11
Volatility	%	23.87	20.28	22.81
Deutsche Börse share price[1]	€	60.20	60.20	60.20
Dividend yield	€	3.49	3.49	3.49
Fair value	€	56.04	57.99	60.02
Relative total shareholder return	%	8.25	0.03	11.69

1) Share price as at 31 December 2013 (Xetra® closing price)

Number of phantom shares 2013

		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 2013
Reto Francioni	Tranche 2013	17,597	1,452	19,049
	Tranche 2012	18,204	6	18,210
	Tranche 2011	14,866	1,738	16,604
	Total 2011 to 2013 tranches			**53,863**
Andreas Preuss	Tranche 2013	14,598	1,206	15,804
	Tranche 2012	15,101	5	15,106
	Tranche 2011	12,322	1,452	13,774
	Total 2011 to 2013 tranches			**44,684**
Frank Gerstenschläger[2) 3)]	Tranche 2013	2,249	–2,249	0
	Tranche 2012	9,308	–9,308	0
	Tranche 2011	7,601	–7,601	0
	Total 2011 to 2013 tranches			**0**
Michael Kuhn[4)]	Tranche 2013	0	0	0
	Tranche 2012	11,847	4	11,851
	Tranche 2011	9,674	1,131	10,805
	Total 2011 to 2013 tranches			**22,656**
Gregor Pottmeyer	Tranche 2013	12,584	1,039	13,623
	Tranche 2012	10,068	4	10,072
	Tranche 2011	8,222	962	9,184
	Total 2011 to 2013 tranches			**32,879**
Hauke Stars[5)]	Tranche 2013	9,753	805	10,558
	Tranche 2012	935	1	936
	Tranche 2011	0	0	0
	Total 2011 to 2013 tranches			**11,494**
Jeffrey Tessler	Tranche 2013	11,536	952	12,488
	Tranche 2012	11,934	4	11,938
	Tranche 2011	9,745	1,140	10,885
	Total 2011 to 2013 tranches			**35,311**
	Total of 2011 to 2013 tranches			**200,887**

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 2013. The number may change as a result of the performance comparison based on the total shareholder return in 2014 and 2015.
2) Left the Executive Board at the end of 31 March 2013
3) The outstanding tranches 2011 to 2013 were settled with the departure of Frank Gerstenschläger.
4) Left the Executive Board at the end of 31 December 2012
5) Appointed to the Executive Board effective 1 December 2012

Amount of Executive Board remuneration

The following tables ("Granted contributions" and "Inflows") show the remuneration awarded to each Executive Board member for financial years 2013 and 2012 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			
	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.
Fixed remuneration	1,100.0	1,100.0	1,100.0	1,100.0
Ancillary benefits	21.3	21.3	21.3	17.0
Total	**1,121.3**	**1,121.3**	**1,121.3**	**1,117.0**
One-year variable remuneration (individual targets)	503.7	0	1,007.3	503.7
Multi-year variable remuneration	1,846.3	0	4,112.2	1,846.3
thereof variable cash component (consolidated net income target)	1,007.3	0	2,014.7	1,007.3
thereof variable share component (SBP)	839.0	0	2,097.5	839.0
Total	**3,471.3**	**1,121.3**	**6,240.8**	**3,467.0**
Service cost	1,248.3	1,248.3	1,248.3	0
Total remuneration	**4,719.6**	**2,369.6**	**7,489.1**	**3,467.0**

1) Left the Executive Board at the end of 31 March 2013
2) Left the Executive Board at the end of 31 December 2012

	Gregor Pottmeyer			
	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.
Fixed remuneration	650.0	650.0	650.0	600.0
Ancillary benefits	26.0	26.0	26.0	17.3
Total	**676.0**	**676.0**	**676.0**	**617.3**
One-year variable remuneration (individual targets)	278.7	0	557.4	278.7
Multi-year variable remuneration	1,157.3	0	2,614.6	1,021.3
thereof variable cash component (consolidated net income target)	557.3	0	1,114.6	557.3
thereof variable share component (SBP)	600.0	0	1,500.0	464.0
Total	**2,112.0**	**676.0**	**3,848.0**	**1,917.3**
Service cost	295.0	295.0	295.0	298.6
Total remuneration	**2,407.0**	**971.0**	**4,143.0**	**2,215.9**

3) Appointed to the Executive Board effective 1 December 2012

	Andreas Preuss Deputy CEO				Frank Gerstenschläger[1)]				Michael Kuhn[2)]			
	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.
	800.0	800.0	800.0	800.0	145.0	n.a.	n.a.	580.0	0	n.a.	n.a.	650.0
	29.1	29.1	29.1	29.0	7.2	n.a.	n.a.	28.2	0	n.a.	n.a.	20.1
	829.1	**829.1**	**829.1**	**829.0**	**152.2**	**n.a.**	**n.a.**	**608.2**	**0**	**n.a.**	**n.a.**	**670.1**
	418.0	0	836.0	418.0	64.3	n.a.	n.a.	257.0	0	n.a.	n.a.	328.0
	1,532.0	0	3,412.0	1.532.0	235.8	n.a.	n.a.	943.0	0	n.a.	n.a.	1,202.0
	836.0	0	1,672.0	836.0	128.5	n.a.	n.a.	514.0	0	n.a.	n.a.	656.0
	696.0	0	1,740.0	696.0	107.3	n.a.	n.a.	429.0	0	n.a.	n.a.	546.0
	2,779.1	**829.1**	**5,077.1**	**2,779.0**	**452.2**	**n.a.**	**n.a.**	**1,808.2**	**0**	**n.a.**	**n.a.**	**2,200.1**
	837.2	837.2	837.2	684.0	0	n.a.	n.a.	56.9	0	n.a.	n.a.	240.9
	3,616.3	**1,666.3**	**5,914.3**	**3,463.0**	**452.2**	**n.a.**	**n.a.**	**1,865.1**	**0**	**n.a.**	**n.a.**	**2,441.0**

	Hauke Stars[3)]				Jeffrey Tessler			
	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.	2013 € thous.	2013 (min) € thous.	2013 (max) € thous.	2012 € thous.
	580.0	580.0	580.0	48.3	747.6	747.6	747.6	729.4
	51.1	51.1	51.1	4.8	32.0	32.0	32.0	32.0
	631.1	**631.1**	**631.1**	**53.1**	**779.6**	**779.6**	**779.6**	**761.4**
	278.3	0	556.7	23.2	330.0	0	660.0	330.0
	1,021.7	0	2,275.9	85.2	1,210.0	0	2,695.0	1,210.0
	556.7	0	1,113.4	46.4	660.0	0	1,320.0	660.0
	465.0	0	1,162.5	38.8	550.0	0	1,375.0	550.0
	1,931.1	**631.1**	**3,463.7**	**161.5**	**2,319.6**	**779.6**	**4,134.6**	**2,301.4**
	207.0	207.0	207.0	0	0	0	0	94.0
	2,138.1	**838.1**	**3,670.7**	**161.5**	**2,319.6**	**779.6**	**4,134.6**	**2,395.4**

Inflows

	Reto Francioni CEO		Andreas Preuss[1] Deputy CEO	
	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.
Fixed remuneration	1,100.0	1,100.0	800.0	800.0
Ancillary benefits[6]	21.3	17.0	29.1	29.0
Total	**1,121.3**	**1,117.0**	**829.1**	**829.0**
One-year variable remuneration (individual targets)	535.6	481.8	451.4	399.9
Multi-year variable remuneration	1,912.1	1,507.5	1,600.6	1,219.5
Variable cash component (consolidated net income target)	1,071.1	963.7	902.9	799.8
Variable share component (SBP 2009/2010)	841.0	543.8	697.7	419.7
Total	**3,569.0**	**3,106.3**	**2,881.1**	**2,448.4**
Service cost	1,248.3	0	837.2	683.7
Total remuneration (DCGK)	**4,817.3**	**3,106.3**	**3,718.3**	**3,132.1**
SBP for the remuneration year[7]	839.0	839.0	696.0	696.0
less variable share component (SBP 2009/2010)	–841.0	–543.8	–697.7	–419.7
less service cost	–1,248.3	0	–837.2	–683.7
Total remuneration (section 314 of the HGB)	**3,567.0**	**3,401.5**	**2,879.4**	**2,724.7**
Number of phantom shares[8]	17,597	18,204	14,598	15,101

1) Deutsche Börse AG contributes €228.0 thousand (2012: €215.7 thousand) to total remuneration for Andreas Preuss. This amount is composed as follows: non-performance related remuneration: €64.0 thousand (2012: €64.0 thousand), other remuneration from ancillary contractual benefits: nil (2012: nil), variable cash component: €108.3 thousand (2012: €96.0 thousand), number of phantom shares: 1,168 (2012: 1,209), their amount at the grant date: €55.7 thousand (2012: €55.7 thousand)
2) Left the Executive Board at the end of 31 March 2013. The outstanding 2011 to 2013 tranches of the SBP were settled with the departure of Frank Gerstenschläger.
3) Left the Executive Board at the end of 31 December 2012
4) Appointed to the Executive Board effective 1 December 2012
5) Deutsche Börse AG does not contribute to total remuneration for Jeffrey Tessler. Clearstream International S.A. pays out 100 per cent of the remuneration.
6) Other remuneration (ancillary benefits) comprises salary components such as taxable contributions towards private pensions, taxable lump-sum telephone allowances/living expenses, and company car arrangements.
7) Corresponds to the 100 per cent target value for the 2013 phantom stock bonus. The variable share component under the 2013–2015 performance assessment will be paid out in 2016.
8) The number of stock options at the 2013 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 2013 (€47.68). The number of phantom shares is indicative and may change as a result of the performance comparison based on total shareholder return.

	Frank Gerstenschläger[2]		Michael Kuhn[3]		Gregor Pottmeyer		Hauke Stars[4]		Jeffrey Tessler[5]		Total	
	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.
	145.0	580.0	0	650.0	650.0	600.0	580.0	48.3	747.6	729.4	4,022.6	4,507.7
	7.2	28.2	0	20.1	26.0	17.3	51.1	4.8	32.0	32.0	166.7	148.4
	152.2	**608.2**	**0**	**670.1**	**676.0**	**617.3**	**631.1**	**53.1**	**779.6**	**761.4**	**4,189.3**	**4,656.1**
	64.3	233.0	0	291.9	291.7	266.6	289.5	23.2	350.9	315.7	1,983.4	2,012.1
	1,429.8	730.7	547.3	922.7	1,048.4	533.2	578.9	46.4	1,253.1	990.5	8,370.2	5,950.5
	128.5	466.0	0	583.9	583.3	533.2	578.9	46.4	701.8	631.4	3,966.5	4,024.4
	1,301.3	264.7	547.3	338.8	465.1	0	0	0	551.3	359.1	4,403.7	1,926.1
	1,646.3	**1,571.9**	**547.3**	**1,884.7**	**2,016.1**	**1,417.1**	**1,499.5**	**122.7**	**2,383.6**	**2,067.6**	**14,542.9**	**12,618.7**
	0	56.9	0	240.9	295.0	298.6	207.1	0	0	94.0	2,587.6	1,374.1
	1,646.3	**1,628.8**	**547.3**	**2,125.6**	**2,311.1**	**1,715.7**	**1,706.6**	**122.7**	**2,383.6**	**2,161.6**	**17,130.5**	**13,992.8**
	107.3	429.0	0	546.0	600.0	464.0	465.0	38.8	550.0	550.0	3,257.3	3,562.8
	–1,301.3	–264.7	–547.3	–338.8	–465.1	0	0	0	–551.3	–359.1	–4,403.7	–1,926.1
	0	–56.9	0	–240.9	–295.0	–298.6	–207.1	0	0	–94.0	–2,587.6	–1,374.1
	452.3	**1,736.2**	**0**	**2,091.9**	**2,151.0**	**1,881.1**	**1,964.5**	**161.5**	**2,382.3**	**2,258.5**	**13,396.5**	**14,255.4**
	2,249	9,308	0	11,847	12,584	10,068	9,753	935	11,536	11,934	68,317	77,397

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, Mr Gerstenschläger 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's 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 2013 are presented in the table on page 87.

Like his fellow Executive Board members, Mr Tessler is entitled to pension payments which are secured by a trust agreement. 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 to secure his pension commitments by transferring the trust assets to a pension plan or fund domiciled in Luxembourg. Transfer and legal consultation are subject to one-off fees of up to €25 thousand. In addition, 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.

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 Gerstenschläger, 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.

Retirement benefits

	Pensionable income[1]	Replacement rate		Present value/defined benefit obligation		Pension expense	
	2013	as at 31 Dec 2013	as at 31 Dec 2012	as at 31 Dec 2013	as at 31 Dec 2012	2013	2012
	€ thous.	%	%	€ thous.	€ thous.	€ thous.	€ thous.
Defined benefit system							
Reto Francioni	1,000.0	40.0	40.0	12,148.2	10,647.8	1,248.3	0
Andreas Preuss	600.0	40.0	40.0	6,712.8	5,796.8	837.2	683.7
Frank Gerstenschläger[2]	500.0	40.0	40.0	–	4,269.5	0	56.9
Michael Kuhn[3]	500.0	50.0	50.0	–	5,794.0	0	240.9
Jeffrey Tessler[4]	577.8	40.0	40.0	5,221.9	4,166.8	0	94.0
Total	**3,177.8**			**24,082.9**	**30,674.9**	**2,085.5**	**1,075.5**
Defined contribution system							
Gregor Pottmeyer	500.0	48.0	48.0	1,368.8	1,035.9	295.0	298.6
Hauke Stars[5]	500.0	36.0	36.0	225.8	22.9	207.1	–
Total	**1,000.0**			**1,594.6**	**1,058.8**	**502.1**	**298.6**

1) Since 2010, pensionable income is no longer based on fixed remuneration, but is reviewed and determined by the Supervisory Board.
2) Left the Executive Board at the end of 31 March 2013
3) Left the Executive Board at the end of 31 December 2012
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.
5) Appointed to the Executive Board effective 1 December 2012

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

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 2013, 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 €1.9 million in the year under review (2012: €1.6 million). The actuarial present value of the pension obligations as at the balance sheet date was €54.0 million in the year under review (2012: €41.5 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
In the year under review, €164.4 thousand and CHF 6.6 thousand (2012: €42.5 thousand) was paid to Richard Berliand Limited for advisory and agency services. Richard Berliand is Managing Director and general partner of Richard Berliand Limited. Likewise, in 2013 a contract was concluded with Mayer Brown LLP, Washington; €17.8 thousand (2012: €2.0 thousand) was paid. Friedrich Merz is a partner at Mayer Brown LLP. In addition, a consulting agreement was concluded with Cohesive Flexible Technologies Corporation (Cohesive FT) during the year under review. For this purpose €128.9 thousand (2012: nil) was paid in financial year 2013. Craig Heimark holds an interest in Cohesive FT. All above-mentioned agreements expired prior to 31 December 2013.

Supervisory Board remuneration[1,2]

	Membership		Non-performance related remuneration		Performance-related remuneration[3]	
	2013	2012	2013 € thous.	2012 € thous.	2013 € thous.	2012 € thous.
Joachim Faber (Chairman since 16 May 2012)	full year	full year	250.0	192.3	–	6.7
Gerhard Roggemann (Deputy Chairman)	full year	full year	165.0	151.3	–	6.7
Herbert Bayer[4]	–	1 Jan–16 May	–	28.3	–	6.7
Richard Berliand	full year	full year	140.0	114.2	–	6.7
Birgit Bokel[4]	–	1 Jan–16 May	–	28.3	–	6.7
Irmtraud Busch	full year	16 May–31 Dec	100.0	64.0	–	1.3
Karl-Heinz Floether	full year	16 May–31 Dec	130.0	83.2	–	1.3
Marion Fornoff	full year	16 May–31 Dec	100.0	64.0	–	1.3
Hans-Peter Gabe	full year	full year	100.0	88.3	–	6.7
Manfred Gentz (Chairman until 16 May 2012)[4]	–	1 Jan–16 May	–	77.5	–	6.7
Richard M. Hayden	full year	full year	100.0	120.8	–	6.7
Craig Heimark	full year	full year	110.0	96.7	–	6.7
Konrad Hummler[4]	–	1 Jan–16 May	–	32.5	–	6.7
David Krell	full year	full year	100.0	86.7	–	6.7
Hermann-Josef Lamberti[4]	–	1 Jan–16 May	–	20.0	–	6.7
Monica Mächler	full year	16 May–31 Dec	100.0	64.0	–	1.3
Friedrich Merz	full year	full year	105.0	97.9	–	6.7
Thomas Neiße	full year	full year	100.0	95.0	–	6.7
Heinz-Joachim Neubürger	full year	16 May–31 Dec	135.0	86.1	–	1.3
Roland Prantl[4]	–	1 Jan–16 May	–	28.3	–	6.7
Erhard Schipporeit	full year	full year	130.0	112.5	–	6.7
Jutta Stuhlfauth	full year	16 May–31 Dec	100.0	64.0	–	1.3
Norfried Stumpf[4]	–	1 Jan–16 May	–	28.3	–	6.7
Martin Ulrici	full year	16 May–31 Dec	100.0	64.0	–	1.3
Johannes Witt	full year	full year	105.0	89.6	–	6.7
Total			**2,170.0**	**1,977.8**	**–**	**129.7**

1) See note 39 in the notes to the consolidated financial statements for details of the long-term incentive components.
2) The recipient of the remuneration is determined individually by the members of the Supervisory Board.
3) Performance-related payment based on the former remuneration system which was applied until May 2012
4) Left the Supervisory Board on 16 May 2012

Combined management report

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 2013, the Group employed 3,811 people at 22 locations in 16 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 electronic systems that support all these processes. 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 and trading participants can manage risks under their own responsibility.

Deutsche Börse AG itself 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 (formerly Scoach Europa AG). Moreover, via Eurex Zürich AG and its subsidiaries, Deutsche Börse AG operates derivatives markets in Europe (Eurex) and the United States (International Securities Exchange, ISE); it also offers clearing services for the cash and derivatives market (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. These include transaction settlement, the administration and custody of securities as well as global securities financing and investment funds services. Deutsche Börse AG and Clearstream Services S.A. develop and operate Deutsche Börse Group's technological infrastructure.

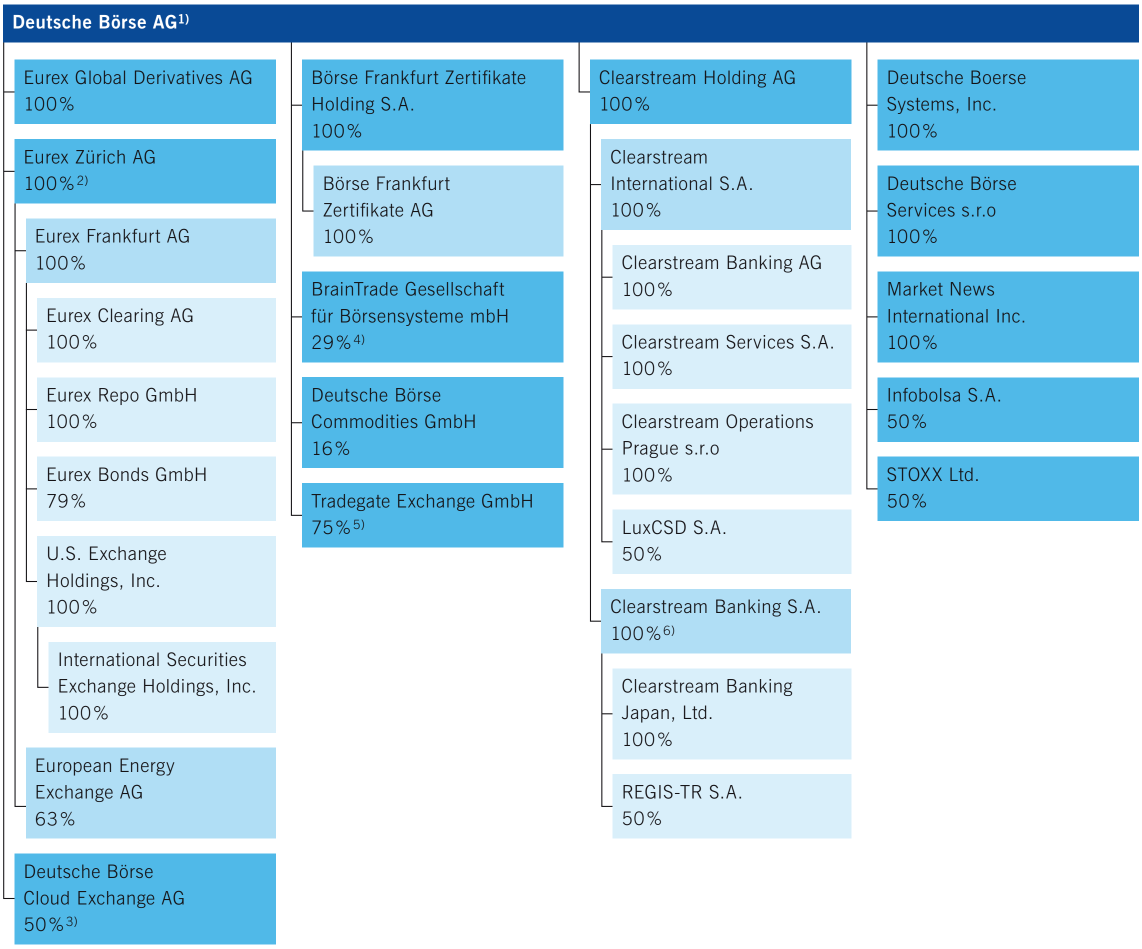
The "Investments and partnerships" chart gives an overview of Deutsche Börse Group's principal shareholdings; its basis of consolidation is presented in full in note 2 to the consolidated financial statements.

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

Investments and partnerships strengthen product and service offering



1) Simplified presentation of main shareholdings, as at 1 January 2014
2) Direct equity interest Deutsche Börse AG: 50%
3) Plus an equity interest of 15%, which is held indirectly via Zimory GmbH
4) Direct equity interest Deutsche Börse AG: 14%
5) Plus an equity interest of 1%, which is held indirectly via Tradegate AG Wertpapierhandelsbank
6) Equity interest Clearstream International S.A.: 77%, equity interest Clearstream Holding AG: 23%

determine a shorter term of office. The Supervisory Board of Deutsche Börse AG has 18 members: twelve shareholder representatives and six employee representatives.

The Executive Board has sole responsibility for managing the company and the Chief Executive Officer coordinates the activities of the Executive Board members. Until 31 March 2013, the Executive Board of Deutsche Börse AG had six members. Effective 1 April 2013, the Executive Board was reduced to five members due to the departure of Frank Gerstenschläger. 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.

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.

Reporting segment	Business areas
Eurex	▪ T7 electronic derivatives market trading platform ▪ T7 electronic equity options trading platform ▪ Eurex Repo® over-the-counter (OTC) trading platform ▪ Central counterparty for bonds, on- and off-exchange derivatives and repo transactions
Xetra	▪ Cash market with the Xetra® electronic trading system, the Specialist trading on the Frankfurt Stock Exchange and Tradegate ▪ Eurex Bonds® OTC trading platform ▪ Central counterparty for equities and bonds ▪ Admission of securities to listing
Clearstream	▪ Custody and settlement services for domestic and international securities ▪ Global securities financing services and collateral management ▪ Investment funds services
Market Data + Services	▪ Distribution of licences for real-time trading and market signals ▪ Development and sales of indices ▪ Technology solutions for external customers ▪ Trading participant connectivity

Organisational structure

Deutsche Börse Group's organisational structure in financial year 2013 mirrors the market areas: Cash & Derivatives Markets, Clearstream (securities settlement and custody) and IT & Market Data + Services. Each area 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 2014" chart.

Goals and strategies

Goals and strategy of Deutsche Börse Group

As one of the largest market infrastructure providers worldwide, Deutsche Börse Group stands for the stability, efficiency and integrity of the capital markets. Its business success is founded on the Group's integrated business model with a product and service range that extends along the entire financial market transactions value chain. It aims to offer customers reliable, efficient and cost-effective services 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 and derivatives
- Developing and operating the Group's own electronic systems for all processes along the securities trading value chain
- Acting as an impartial marketplace organiser, ensuring orderly, supervised trading with fair pricing and providing risk management service

Deutsche Börse Group has increased its value considerably since going public in 2001. The efficiency of its business model is reflected in the fact that Deutsche Börse Group provides highly attractive prices for its trading, clearing and settlement services and that the Group has generated strong cash flows from its operating activities for many years.

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 it 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.

Leadership structure of Deutsche Börse Group as at 1 January 2014

Group Executive Board

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

Deutsche Börse Group will channel its energies in three strategic directions in the coming years:

- Vigorous 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
- Rapid extension of its technology leadership and expertise in the market data segment; one measure taken to achieve this was 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:

- How the financial markets perform in line with general economic conditions: greater volatility in the cash market typically leads to more trading, for example.
- Regulatory requirements: 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, for example, 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 example 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 enterprise-wide sustainability commitment CR

Deutsche Börse Group's goals and strategies also include taking a holistic view of its corporate responsibility. In line with this, its management approach comprises four areas for action – the economy, employees, the environment and corporate citizenship – with the goal of sustainability strengthening and preserving Deutsche Börse Group's benefits to the economy and to society.

- Economy: Deutsche Börse Group aims to organise the capital markets in a way that ensures their integrity, transparency and security. Thus, it makes its biggest (value) contribution to society in its primary core business, securities trading.
- Employees: Deutsche Börse Group pursues a responsible, sustainable human resources policy. It wants to win committed and competent employees and retain them for as long as possible.
- Environment: Deutsche Börse Group aims to keep its "ecological footprint" to a minimum by implementing an environment- and resource-friendly business ecology.
- Corporate citizenship: Deutsche Börse Group is a good corporate citizen and as such has responsibilities to meet. It is committed to fulfilling this role in its international locations as well.

Selected initiatives and specific measures from these four areas are described in the "Employees", "Corporate responsibility" and "Sustainability" sections.

Corporate responsibility falls under the remit of the CEO. The corporate responsibility team coordinates Group-wide measures and makes any strategic updates to the management approach. In consultation with the operating departments, the team members hold regular reviews to determine whether the areas for action and implementation measures are still relevant and how the objectives can be met and the targets reached.

Sustainability management CR

Deutsche Börse Group is committed to a style of corporate management that takes social, ethical and ecological aspects into account when implementing its economic objectives. The company gave strong expression to this commitment by signing up to the United Nations Global Compact.

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 hence to ensure fair trading. In addition, it aims to ensure that sustainability information is more transparent and easily available for market participants. As a listed company, it has a duty to consistently monitor and raise its own sustainability profile. In line with this dual role, Deutsche Börse Group's sustainability management focuses on two areas for action: promoting the transparency of holistic investment strategies and optimising its own sustainability performance. Examples of initiatives and their successful implementation can be found in the "Sustainability" section.

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 (liquidity, equity less intangible assets). In addition, Deutsche Börse Group's internal management system includes key performance indicators that are derived from the income statement and the balance sheet (interest coverage ratio, 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 (performance 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 80 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 20 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 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 ratio of interest-bearing gross debt to EBITDA a maximum 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 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.

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 serve as first lines of defense and are responsible that Group-wide requirements 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. The aim is 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 all work instructions and descriptions for the individual 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.

In addition, 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 is also responsible for 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 and issuing payment instructions, 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 subledgers 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 defense, the Compliance and Internal Auditing functions carry out risk-based, 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 section of the report has therefore been omitted. The Group's 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) 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 2013:

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 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). 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 companies affiliated with it, 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). The 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 Deutsche Börse AG's Articles of Association.

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). 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 15 ff. of the AktG. Full authorisation derives from Article 4 (6) of the Articles of Association of Deutsche Börse AG.

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

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

- On 18 March 2013, Deutsche Börse AG and its subsidiary Clearstream Banking S.A. entered into a multicurrency revolving facility agreement with a banking syndicate for a working capital credit totalling up to €750 million. If there is a change of control, the credit relationship between Deutsche Börse AG and the lenders can be reviewed in negotiations within a period of no more than 60 days. In this process, each lender has the right, at its own discretion, to terminate its credit commitment and demand partial or full repayment of the amounts owing to it. A change of control has occurred if Deutsche Börse AG no longer directly or indirectly holds the majority of Clearstream Banking S.A. or if a person or a group of persons acting in concert acquires more than 50 per cent of the voting shares of Deutsche Börse AG.
- As part of the acquisition of ISE, it was agreed that no person or group may directly or indirectly acquire more than 40 per cent of the shares in ISE or acquire control over the voting rights attached to more than 20 per cent of the shares in ISE without the prior approval of the US Securities and Exchange Commission (SEC). Otherwise, as many ISE shares will be transferred to a trust as are required to comply with the limits.
- Under the terms of the 2013/2018 fixed-rate bonds amounting to €600.0 million issued by Deutsche Börse AG and under the terms of the 2012/2022 fixed-rate bonds amounting to €600.0 million issued by Deutsche Börse AG, cancellation rights apply in the case of a change of control. If they are exercised, the bonds are repayable at par plus any accrued interest. A change of control has taken place if a person or a group of persons acting in concert, or third parties acting on their behalf has or have acquired more than 50 per cent of the shares of Deutsche Börse AG or the number of Deutsche Börse AG shares required to exercise more than 50 per cent of the voting rights at Annual General Meetings of Deutsche Börse AG. In addition, the relevant bond terms require that the change of control must adversely affect the rating given to one of the preferential unsecured debt instruments of Deutsche Börse AG by Moody's Investors Services, Inc., Standard & Poor's Rating Services or Fitch Ratings Limited. Further details can be found in the applicable bond terms.
- A change of control also results in rights to require repayment of various bonds issued by Deutsche Börse AG in 2008 under a US private placement. The change of control must also adversely affect the rating given to one of the preferential unsecured debt instruments of Deutsche Börse AG by Fitch Ratings Limited, Moody's Investors Services, Inc., or Standard & Poor's Rating Services. The provisions contained in the applicable terms correspond to the conditions specified for the fixed-rate bonds currently in issue. The bonds issued under the private placement are as follows: US$170.0 million due on 10 June 2015, US$220.0 million due on 10 June 2018, and US$70.0 million due on 10 June 2020.

- Under certain conditions, members of Deutsche Börse AG's Executive Board have a special right of termination in the event of a change of control. According to the agreements made with all Executive Board members, a change of control has occurred if (1) a shareholder or third party discloses its ownership of more than 50 per cent of the voting rights in Deutsche Börse AG in accordance with sections 21 and 22 of the WpHG, (2) an intercompany agreement in accordance with section 291 of the AktG is entered into with Deutsche Börse AG as a dependent company, or Deutsche Börse AG is absorbed in accordance with section 319 of the AktG, or (3) Deutsche Börse AG is merged in accordance with section 2 of the Umwandlungsgesetz (UmwG, German Reorganisation and Transformation Act).

The compensation agreements entered into with the members of the Executive Board in the event of a takeover offer can be found in the remuneration report. In addition to the above agreements, which apply only if the change of control is the result of a takeover offer, further agreements apply. In the opinion of Deutsche Börse AG, however, these are not material as defined by section 315 (4) of the HGB.

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. Key developments affecting the year under review include:

- The major central banks' continuing low interest rate policy and the resulting provision of large amounts of liquidity
- High levels of government debt in certain European states
- The budget dispute in the US, which led to a 16-day government shutdown in 2013
- Low market volatility

Trading activity on selected European cash markets

	2013 €bn	Change vs. 2012 %
Borsa Italiana[1]	626.2	9
Euronext[2] [3]	1,350.2	2
Bolsas y Mercados Españoles[3]	703.6	1
London Stock Exchange[1] [3]	1,022.2	0
Deutsche Börse Group – Xetra[2]	**1,058.2**	**–1**

1) Part of London Stock Exchange Group
2) Part of IntercontinentalExchange
3) Trading volume in electronic trading (single-counted)

Source: Exchanges listed

Contracts traded on selected derivatives markets

	2013 m contracts	Change vs. 2012 %
CME Group	3,160.0	9
National Stock Exchange of India Limited	2,135.6	6
CBOE Holdings	1,187.6	5
IntercontinentalExchange	2,788.8	0
BM&F Bovespa	1,604.1	–2
Deutsche Börse Group – Eurex	**2,191.2**	**–4**

Source: Exchanges listed

Following a 1.6 per cent increase in real GDP in the OECD countries in 2012, current estimates reveal a rise of just 1.2 per cent in 2013. Estimates published by the International Monetary Fund (IMF) suggest that the global economy grew by 3.0 per cent in 2013 (2012: increase in real terms of 3.1 per cent).

Based on initial estimates, growth in German gross domestic product rose more slowly in 2013 than in previous years, due to slower global economic growth and the stagnation of world trade at prior-year levels. IMF's January 2014 estimates put growth in German economic output at 0.5 per cent in 2013 (2012: increase in real terms of 0.9 per cent).

As in the preceding two years, economic performance in the year under review was mixed across Europe: it was stable in France, Austria and Belgium, while according to European Commission estimates Greece, Italy, Spain and Portugal, among other countries, continued to be in recession. With the strained economic situation continuing, the European Central Bank (ECB) cut its key interest rate in two steps from 0.75 per cent to the historically low level of 0.25 per cent.

The OECD is forecasting a real-term increase in US economic output of 1.7 per cent in 2013 – despite the continuing budget consolidation and the government shutdown. Market uncertainty is continuing due to the financial policy difficulties, the persistently high unemployment rate and resulting lower levels of consumer spending. The Federal Reserve kept the federal funds rate within the target range of zero to 0.25 per cent that it had set in December 2008, despite indications in the interim that an interest rate hike was being planned.

The 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. These factors led to a lower level of trading in the cash and derivatives markets in financial year 2013, affecting especially equity index products in the derivatives business.

According to the Bank for International Settlements (BIS), global issuance of international bonds declined by 28 per cent year-on-year in the first nine months of 2013. In spite of the decline in new issuance, the average volume of international bonds held in custody by Clearstream increased year-on-year. The aggregate principal amount of securities held in custody by Clearstream amounted to €12 trillion at the end of 2013.

Business development

Like its predecessors, 2013 was not an easy year for the players on the financial markets in Europe and North America, as well as for the organisers of these markets – the exchanges. Five years after the financial crisis, investor confidence in the capital markets has still not been fully restored. Several factors had a significant impact on business development at the Group:

- The continuing uncertainty about future global economic developments – especially in the euro zone – put a damper on the trading activities of market participants. In times of acute crisis, banks value the reliability of exchanges as trading places that guarantee security and integrity. If, however, the uncertainty persists beyond the short term, as is currently the case, this has a paralysing effect on the mar-

ket participants. In addition, the lack of confidence in the stable long-term development of the euro zone prompted investors to withdraw capital from Europe and either invest it back in their respective home markets, for example in the USA, or in growth markets such as Asia or South America.
- A lack of clarity surrounding the legal requirements resulting from increasing regulation of the financial markets has led to caution among some market participants. For example, stricter capital requirements are prompting banks and other market participants to scale back their trading activities. On the other hand, this gives Deutsche Börse Group an opportunity to score points with its liquidity management services, which allow banks to deploy their capital as efficiently as possible.
- The low interest rate policy pursued by central banks in response to the state of the economy led to another reduction in net interest income from banking business generated in the Clearstream segment. On the other hand, interest rate derivatives trading on Eurex benefited from greater interest rate volatility, especially at the beginning of the year, when long-term yields on German government bonds rose suddenly. Other factors included the ECB's liquidity programmes, such as the long-term refinancing operations initiated in December 2011 and February 2012. These operations are designed to provide long-term liquidity to the capital markets on favourable terms. This led to a deterioration in the market environment for the liquidity management services offered to market participants by the Clearstream segment.

Despite this challenging market environment, the revenue generated by Deutsche Börse Group in financial year 2013 was almost stable. Net revenue decreased by 1 per cent to €1,912.3 million in 2013 (2012: €1,932.3 million), driven primarily by the decline in net interest income.

Deutsche Börse AG again increased its investments in strategic projects to implement the three strategic directions communicated in 2012 (see the "Goals and strategy of Deutsche Börse Group" section). Therefore, in the year under review, operating costs, adjusted for non-recurring costs, increased by 5 per cent year-on-year to €967.6 million (2012: €922.4 million).

Changes in segment reporting
The new Market Data + Services (MD+S) reporting segment comprises the former Market Data & Analytics segment as well as selected services that were reported previously in the Eurex, Xetra and Clearstream segments. These include, among others, trading participant connectivity, IT services for external customers and cooperation with partner exchanges that use IT systems provided by Deutsche Börse Group. The net revenue generated by Eurex Bonds is no longer attributed to Eurex, but to the Xetra segment.

Moreover, since 1 January 2013, the Group's net revenue item includes not only revenue generated with external customers but also intragroup revenue, such as fees for DAX® licences that the Eurex segment provides to the MD+S segment. The MD+S segment reports these fees as revenue, while the Eurex segment recognises them as volume-related costs. At Group level, there is no effect on consolidated net revenue. The effects resulting from this change are reflected in the respective segment chapters. The prior-year figures have been adjusted accordingly in the 2013 segment reporting.

Results of operations

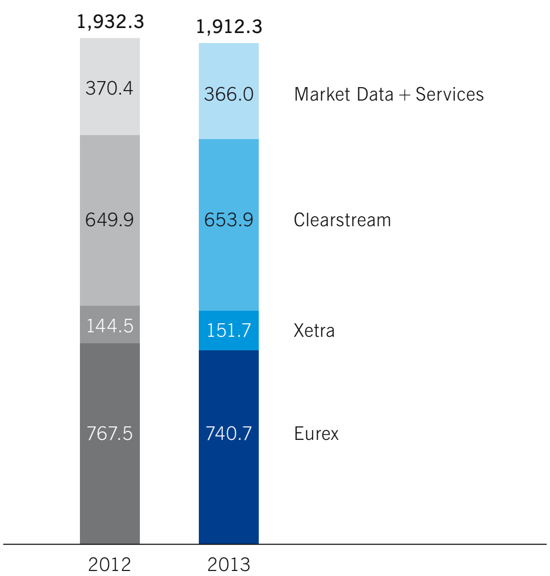
Deutsche Börse Group's net revenue declined slightly by 1 per cent in financial year 2013 to €1,912.3 million (2012: €1,932.3 million). Net revenue is composed of sales revenue plus net interest income from banking business and other operating income, less volume-related costs. The year under review was dominated by continuing weak interest levels and low market volatility. Furthermore, uncertainty persists about the reform projects in the financial industry and their far-reaching impact on market participants. The central banks' low interest rate policy again weighed on net interest income from banking business – a key contributing factor to the slight decline in net revenue. The combined effect of the various factors was a reduction in derivatives trading volumes, especially in European derivatives trading, whereas the cash market stabilised at the previous year's level. Thanks to its post-trade services, Deutsche Börse achieved solid growth in the key business areas, and also generated higher revenue in some product groups in the technology and market data business.

In the derivatives market, the contract volumes for European futures and options were down 7 per cent, while the volume of US options traded on the International Securities Exchange (ISE) was up slightly (+1 per cent). The decline in total contract volumes on the Group's derivatives markets resulted in a 3 per cent drop in net revenue in the Eurex segment.

The cash market trading volume on Xetra® contracted slightly by 1 per cent, while the segment's net revenue rose by 5 per cent. The reasons for these opposing trends are firstly the consolidation of Börse Frankfurt Zertifikate AG since 1 July 2013 and secondly the year-on-year rise in index levels. These had a positive effect on the revenue generated because of the pricing model, which is based on the transaction value.

Net revenue by segment[1)]

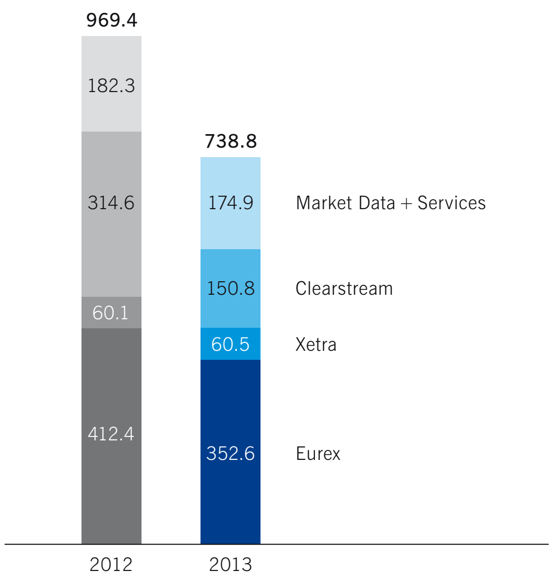
€ millions



1) 2012 amounts restated to reflect new segment structure

EBIT by segment[1)]

€ millions



1) 2012 amounts restated to reflect new segment structure

The post-trade services provided by the Clearstream segment expanded 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 31 per cent in the year under review due to persistently low interest rates, even though average customer cash deposits rose at Clearstream. In total, net revenue in the Clearstream segment increased by 1 per cent year-on-year.

The Market Data + Services segment's net revenue was down 1 per cent on the previous year. While the trading signals, indices and connectivity business areas performed well, net revenue generated with technology solutions declined.

The company's operating costs increased by 23 per cent year-on-year to €1,182.8 million (2012: €958.6 million). However, they included non-recurring items of €215.2 million in total (2012: €36.2 million). They are composed of costs of €86.2 million, primarily for efficiency programmes (see the "2013 efficieny programme" section for further details), and an amount of €129.0 million in the Clearstream segment to settle proceedings brought by the US Office of Foreign Assets Control (OFAC) (see the risk report for further details). Of this amount, €111.2 million (US$151.9 million) was attributable to the settlement payment and €17.8 million mainly to legal costs. OFAC informed Clearstream on 23 January 2014 that the settlement had been signed by OFAC and had thus become effective. Adjusted for these non-recurring factors, costs increased by 5 per cent to €967.6 million (2012: €922.4 million). The following factors were the key drivers for the year-on-year increase in costs of €45.2 million:

- In 2012, the Executive Board had resolved to increase investments in growth projects and infrastructure in the year under review to support the Group's strategic objectives. The money was used in particular for Eurex's and Clearstream's growth initiatives in the area of risk and collateral management.
- The cost increases affect the following items in roughly equal parts: 1) staff costs due to the recruitment of additional employees in growth areas, 2) increased depreciation and amortisation expenses on successfully implemented systems (for example T7) and 3) the impact of granting customer incentives for the new OTC clearing offering of Eurex.

Staff costs, a key factor in operating costs, rose to €476.0 million in 2013 (2012: €414.2 million). Adjusted for the effects of efficiency programmes amounting to €62.6 million (2012: €–14.4 million), staff costs rose by only 3 per cent year-on-year to €413.4 million (2012: €399.8 million). This slight

Deutsche Börse Group key performance figures

	2013 €m	2012 €m	Change %
Net revenue	1,912.3	1,932.3	–1
Operating costs	1,182.8	958.6	23
EBIT	738.8	969.4	–24
Consolidated net income	478.4	645.0	–26
Earnings per share (basic) in €	2.60	3.44	–24

Overview of operating costs

	2013 €m	2012 €m	Change %
Staff costs	476.0	414.2	15
Depreciation, amortisation and impairment losses	118.8	105.0	13
Other operating expenses	588.0	439.4	34
Total	**1,182.8**	**958.6**	**23**

increase is largely due to the higher average number of people employed in the year under review and was partially offset by a drop in variable remuneration compared with the previous year. Further details of the share-based payment arrangements are provided in note 39 to the consolidated financial statements.

Depreciation, amortisation and impairment losses increased by 13 per cent to €118.8 million in the year under review (2012: €105.0 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 rose to €588.0 million in the year under review (2012: €439.4 million), driven primarily by Clearstream's settlement with OFAC.

The result from Deutsche Börse Group's equity investments amounted to €9.3 million (2012: €–4.3 million). It was generated primarily by European Energy Exchange AG, Direct Edge Holdings, LLC and Scoach Holding S.A. However, the latter only contributed to the result from equity investments in the first half of the year, because the joint venture with the Swiss Exchange SIX was terminated with effect from 30 June 2013. Scoach Europe AG, a subsidiary to Scoach Holding S.A. changed its name to Börse Zertifikate Frankfurt AG and has been consolidated since Q2/2013. The result from equity investments also includes non-recurring income of €2.0 million in connection with this.

Operating costs increased primarily because of the higher investments in growth and infrastructure projects as well as the special factors described above. Whereas net revenue declined slightly, Deutsche Börse Group's earnings before interest and tax (EBIT) therefore decreased by 24 per cent in the year under review to €738.8 million (2012: €969.4 million). Adjusted for the special factors mentioned above, the Group's EBIT amounted to €954.0 million, a 5 per cent decrease year-on-year (2012: €1,005.6 million).

Key figures by quarter

	Q1		Q2		Q3		Q4	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
Net revenue	484.3	506.9	497.1	506.7	457.9	471.0	473.0	447.7
Operating costs	295.3	248.6	243.8	228.9	359.1	227.4	284.6	253.7
EBIT	192.0	260.0	256.3	278.8	101.0	245.4	189.5	185.2
Consolidated net income for the period	121.2	146.2	171.0	186.2	61.6	159.9	124.6	152.7
Earnings per share (basic) (€)	0.66	0.77	0.93	0.99	0.33	0.86	0.68	0.82

The Group's financial result for the year under review was €–70.7 million (2012: €–132.7 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, as well as special factors in 2012. In March 2013, Deutsche Börse AG successfully placed a corporate bond with a volume of €600 million on the market. The individual bonds have a maturity of five years and an annual coupon of 1.125 per cent. In combination with the bonds issued in October 2012, this allowed Deutsche Börse to refinance its outstanding non-current liabilities maturing in 2013 on extremely favourable terms. In 2012, the financial result included special factors: 1) due to Deutsche Börse AG's agreement with SIX Group AG to acquire all the shares in Eurex Zürich AG, 2) due to the placement of a corporate bond with a volume of €600 million and 3) due to the repurchase of outstanding euro-denominated bonds in the fourth quarter of 2012. Adjusted for these factors, the net financial result in 2012 amounted to €–92.9 million.

The effective Group tax rate was 26 per cent in 2013 (2012: 26 per cent). It is calculated after the adjustment for the initial recognition of deferred taxes for tax loss carryforwards of a Group company.

Driven by the decline in EBIT, Deutsche Börse Group also recorded a 26 per cent decrease in consolidated net income for the period compared to 2012 to €478.4 million (2012: €645.0 million). Excluding the special factors described above, consolidated net income was down 4 per cent year-on-year to €636.8 million (2012: €660.9 million).

Non-controlling interests in net income for the period amounted to €16.8 million (2012: €24.8 million). While non-controlling shareholders of STOXX Ltd. received €17.1 million (2012: €24.6 million), other non-controlling shareholders shared in losses incurred in the amount of approximately €0.3 million.

Basic earnings per share, based on the weighted average of 184.1 million shares, amounted to €2.60 (2012: €3.44 for an average of 187.4 million shares outstanding). Adjusted for the special factors described above, basic earnings per share declined by 2 per cent to €3.46 (2012: €3.53).

2013 efficiency programme

To increase operational efficiency in its core business (excluding growth and infrastructure initiatives), Deutsche Börse Group launched an efficiency programme in February 2013, under which the company will implement additional staff and non-personnel cost savings of €70 million per annum from 2016

EBIT and net profitability by segment

	2013		2012[2]	
	EBIT €m	EBIT margin[1] %	EBIT €m	EBIT margin[1] %
Eurex	352.6	48	412.4	54
Xetra	60.5	40	60.1	42
Clearstream	150.8	23	314.6	48
Market Data + Services	174.9	48	182.3	49
Total	**738.8**	**39**	**969.4**	**50**

1) Based on net revenue
2) 2012 amounts restated to reflect new segment structure

onwards. Around 30 per cent of the planned savings were already realised in 2013 and another 30 per cent will be achieved in 2014. The cornerstones of this programme were adjusted in the course of the year. The planned staff and non-personnel cost savings are divided into staff savings of €25 million and nonpersonnel cost savings of €45 million. The target personnel cost savings result from a reduction in staff of 120 employees (originally 200 employees) as well as 50 executives. The efficiency measures are aimed at offsetting the expected effects of inflation on the operating cost base in the coming years. The company is expecting to incur implementation costs of about €110 million to achieve the efficiency improvements. Special factors relating to efficiency measures amounted to €81.6 million in 2013. The measures will thus ensure the necessary flexibility to continue the growth and infrastructure investments, which will allow the company to exploit opportunities offered by structural and regulatory changes in the financial markets, and to leverage the potential offered by markets such as Asia.

Comparison of results of operations with the forecast for 2013

For 2013, Deutsche Börse Group had forecast net revenue of approximately €1.8 billion to €2.0 billion, a moderate increase in operating costs and adjusted EBIT of approximately €0.8 billion to €1.0 billion. This forecast was based on different scenarios about developments on the Group's cash and derivatives markets, depending on whether the capital market environment improved and the extent to which investors and market participants regained their confidence.

The conditions described in the "Results of operations" section above mainly reflected the assumptions underlying the forecast that the capital market environment and investor confidence would remain largely unchanged. In line with this, the net revenue generated by Deutsche Börse Group was slightly down on the previous year, but in the middle of the forecast range.

Adjusted for special items (primarily from efficiency programmes and the settlement with OFAC), the Group's operating costs rose by 5 per cent in financial year 2013 to €967.6 million, driven mainly 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 and net profit for the year, both adjusted for special factors, are at the upper end of the forecast range. 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 interest coverage ratio of 20.1, significantly above the minimum target of 16.

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. In 2013, the Group had expected the ratio to slightly exceed this figure. Due to the positive change in exchange rates and the better-than-expected business performance in the fourth quarter of 2013, this target was also met, with the ratio being 1.5.

Comparison of results of operations with the forecast for 2013

	Forecast €m	Result 2013 €m
Net revenue	1,800 – 2,000	1,912.3
Operating costs	960	967.6
EBIT	800 – 1,000	954.0
Net profit for the year	500 – 700	636.8
Gross debt / EBITDA	>1.5	1.5

Segment key figures (adjusted)

	Eurex		Xetra		Clearstream		Market Data + Services	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
Net revenue	740.7	767.5	151.7	144.5	653.9	649.9	366.0	370.4
Operating costs	370.0	334.8	87.1	84.1	335.0	325.8	175.5	177.5
EBIT	375.8	428.0	68.6	65.3	319.1	323.6	190.5	188.7

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.

European derivatives are the main revenue drivers: equity index derivatives generated 44 per cent of net revenue, interest rate derivatives contributed 25 per cent and equity derivatives 5 per cent. US options traded on the International Securities Exchange (ISE) accounted for 12 per cent of net revenue. The "other" item (14 per cent) includes revenue from Eurex Repo.

In total, 2,191.2 million contracts were traded on Deutsche Börse Group's derivatives exchanges (Eurex and ISE) in 2013, a year-on-year decline of 4 per cent (2012: 2,292.0 million). This is equivalent to a daily average of around 8.8 million contracts (2012: 9.0 million). Eurex generated a trading volume of 1,552.4 million contracts for European futures and options, down 6 per cent on the previous year (2012: 1,660.2 million). The volume of US options traded on ISE expanded by 1 per cent to 638.8 million contracts (2012: 631.8 million). The segment's net revenue decreased by 3 per cent to €740.7 million (2012: €767.5 million). Operating costs rose by 12 per cent, they include special factors – mainly relating to efficiency programmes – in the amount of €23.2 million. Eurex generated EBIT of €352.6 million (2012: €412.4 million).

The market environment in 2013 was largely dominated by the central banks' persistent low interest rate policy, the high levels of government debt in certain European states as well as a rise in share prices and index levels combined with low market volatility. The budget dispute in the United States, which led to a temporary government shutdown, gave rise to uncertainty in the autumn. In addition, there were far-reaching regulatory reform projects in the financial services industry that could result in structural costs for market participants and require adjustments to their business models in some cases. A trend towards positive economic signals on the equity markets, which point to confidence in the real economy, and the available liquidity resulting from the low interest rate policies only boosted investments in derivatives to a limited extent. Overall, trading on Deutsche Börse Group's derivatives exchanges declined year-on-year.

European index derivatives remained the product group with the highest trading volume. Trading of these derivatives, however, decreased by 16 per cent year-on-year to 649.7 million contracts (2012: 770.4 million). This sharp decline is due to lower volatility compared to the previous year and the caution still being exercised by investors because of the uncertainty regarding the future development of the euro zone economy as a whole. By far the most commonly traded products were contracts on the EURO

STOXX 50® index (268.5 million futures and 225.1 million options). Eurex generated net revenue of €325.3 million from trading in European equity index derivatives – a decline of 13 per cent compared to the previous year (2012: €374.6 million).

The volume of equity derivatives contracts (single-stock options and futures) traded in the year under review dropped by 7 per cent to 384.6 million (2012: 413.1 million). Net revenue from equity derivatives decreased slightly to €40.2 million (2012: €40.3 million).

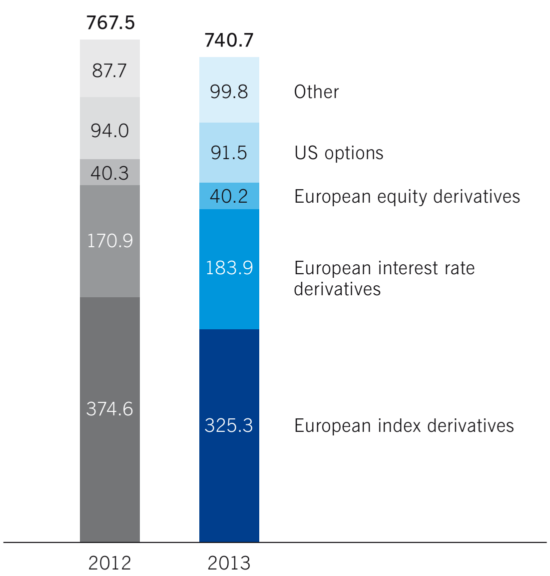
The volume of interest rate derivatives traded in the year under review rose by 8 per cent to 509.6 million (2012: €470.4 million). Among other things, this growth is attributable to changes in market participants' expectations with regard to central bank interest rate policies around the world in the first few months of the year under review. In addition, alternatives to German government bonds, such as futures on Italian government bonds and on French government bonds, which were launched in 2012, continued to perform well. Net revenue from trading and clearing interest rate derivatives rose by 8 per cent to €183.9 million (2012: €170.9 million).

On ISE, market participants traded 638.8 million contracts in the year under review (2012: 631.8 million). In a highly competitive market environment, ISE's market share of US equity options stabilised at 17.0 per cent (2012: 17.0 per cent). In August 2013, ISE successfully launched ISE Gemini, its second marketplace for US options, which gives investors more flexible execution options and pricing models. 32.1 million contracts have been traded using ISE Gemini since it was introduced. ISE's net revenue with US options was down 3 per cent to €91.5 million (2012: €94.0 million).

The average outstanding volume on Eurex Repo, the marketplace for the collateralised money market in Swiss francs and euros as well as for the GC Pooling® (General Collateral) offering, was €222.7 billion in 2013 (2012: €234.7 billion, single-counted for both periods). On the euro market, the volume rose slightly to €36.5 billion (2012: €36.1 billion; single-counted for both periods). The Swiss franc market,

Net revenue in the Eurex segment

€ millions



Eurex segment: key figures

	2013	2012	Change
Financial key figures	**€m**	**€m**	**%**
Net revenue	740.7	767.5	–3
Operating costs	393.2	350.4	12
EBIT	352.6	412.4	–15
Contract volumes	**m contracts**	**m contracts**	**%**
Equity index derivatives[1]	649.7	770.4	–16
Equity derivatives[1]	384.6	413.1	–7
Interest rate derivatives	509.6	470.4	+8
Total European derivatives (Eurex)[2]	**1,552.4**	**1,660.2**	**–6**
US options (ISE)	638.8	631.8	+1
Total Eurex and ISE[2]	**2,191.2**	**2,292.0**	**–4**

1) Dividend derivatives have been allocated to the equity index and equity derivatives.
2) The total shown does not equal the sum of the individual figures as it includes other traded derivatives such as ETF, volatility, agricultural, precious metals and emission derivatives.

by contrast, was negatively impacted by the interest rate policy measures taken by the Swiss National Bank (SNB) in order to weaken the franc as well as by its decision to stop issuing its own money market instruments (SNB bills). It recorded a 39 per cent decline to €32.3 billion (2012: €53.2 billion). GC Pooling, the collateralised money market that Eurex Repo operates jointly with Eurex Clearing and Clearstream, performed well. The average outstanding volume on this market increased by 6 per cent to a new record level of €153.8 billion in 2013 (2012: €145.4 billion; single-counted for both years).

Besides derivatives trading, Eurex also operates Eurex Clearing, Europe's leading clearing house. On 13 November 2012, Eurex Clearing launched EurexOTC Clear, the new clearing offering for over-the-counter (OTC) interest rate swaps. By offering a fully integrated range of clearing and collateralisation services for OTC and exchange-traded derivatives under the roof of a single clearing house operating within a single legal framework, Eurex Clearing is anticipating the clearing obligation for OTC-traded financial instruments that will result from of the implementation of the European Market Infrastructure Regulation (EMIR). The regulatory obligation for central clearing of OTC derivatives in Europe is not expected to be introduced before the fourth quarter of 2014. At the end of 2013, EurexOTC Clear had already registered 32 clearing participants and over 120 institutional investors. In June 2013, Eurex Clearing launched the Prisma risk management system. Prisma applies a portfolio methodology for calculating the collateral to be deposited (margining) that differs from the typical product-by-product approach by focusing on participants' entire portfolios and thus allowing them to achieve capital efficiencies. All products cleared by Eurex Clearing are being gradually transferred to the new system.

The product portfolio was further expanded in the year under review to offer market participants as many different alternatives as possible for implementing their trading strategies. Eurex had already responded to market developments in the past by launching new derivatives in the form of products on French and Italian government bonds. In 2013, Eurex expanded the offering by adding a medium-term interest rate future as well as options on long-term French government bond futures. Eurex also continued to diversify the range of index derivatives: the additions included contracts on regional indices for developed markets and country indices for emerging markets. The indices are calculated as underlyings by the index provider MSCI.

When launching new products, Eurex not only relies on in-house development, but also works with partner exchanges. The best example is the successful cooperation with the Korean exchange KRX for a product on Korea's benchmark KOSPI index. The trading volume in this product increased again, by around 32 per cent, in the year under review (adjusted for the minimum contract size imposed by the Korean exchange regulator in June 2012). Following this example, Eurex entered into a cooperation agreement with TAIFEX, the Taiwan Futures Exchange. The Eurex/TAIFEX link is expected to go live in May 2014. TAIEX index derivatives, which are among Asia's most widely traded equity index contracts, will then be available for trading by Eurex participants. Eurex also entered into partnerships with the Vienna Stock Exchange and the Tel Aviv Stock Exchange. The declared aim is likewise to enable Eurex market participants to trade derivatives on Austrian and Israeli indices in future.

Eurex completed the migration of tradeable contracts to the new T7 trading system in June. The system is based on Deutsche Börse Group's global trading infrastructure, which had already been successfully introduced at ISE. Market participants now benefit from considerably improved performance and functions without losing any of the high system stability and availability to which they are accustomed. T7 provides greater flexibility, thus cutting the time to market for new products and functions. Moreover, T7 has been adapted to the derivatives market of the Bombay Stock Exchange (BSE), where it was successfully rolled out in November 2013.

Xetra segment

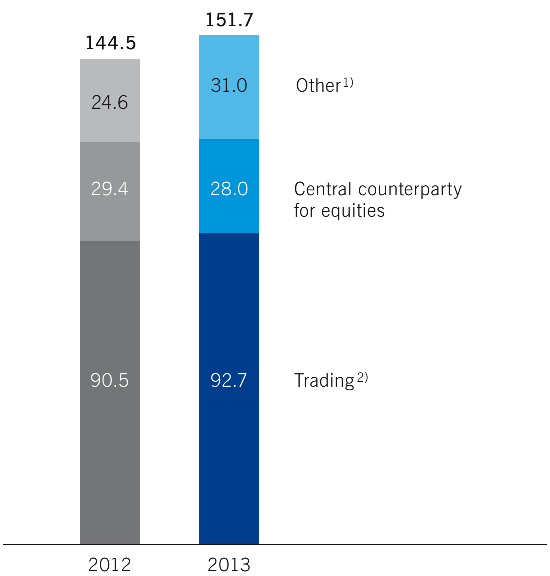
The Xetra segment generates most of its net revenue from trading and clearing cash market securities. Net revenue in the Xetra segment rose by 5 per cent to €151.7 million (2012: €144.5 million). The primary sales driver, accounting for 61 per cent, was net revenue from trading. The low interest rate environment and the relatively good results of operations at German companies had a positive effect on share trading. In contrast, continued uncertainty about the future of the euro zone and the reform projects in the financial services industry and their effects on market participants had a negative impact. As from the third quarter of 2013, net segment revenue also includes income from structured products trading, following the termination of the Scoach cooperation as at the end of 30 June 2013. The consolidation of Börse Frankfurt Zertifikate AG led, among other things, to an increase in net revenue in the Xetra segment. The central counterparty (CCP) for equities operated by Eurex Clearing AG contributed 19 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, since 1 January 2013, the net revenue generated by Eurex Bonds. Listing fees predominantly come from existing company listings and admissions to trading.

Operating costs in the Xetra segment rose by 7 per cent; they include special factors of €8.1 million, mainly relating to efficiency programmes. Therefore, EBIT only increased slightly to €60.5 million (2012: €60.1 million).

In the 2013 financial year, securities with a total volume of €1.16 trillion were traded on Deutsche Börse Group's cash markets (2012: €1.16 trillion). They include shares and bonds from German and international issuers, exchange-traded funds (ETFs) and exchange-traded commodities (ETCs) as well

Net revenue in the Xetra segment

€ millions



1) Incl. revenue from listing and Eurex Bonds
2) The position "Trading" includes the Xetra® electronic trading system, Börse Frankfurt (formerly Xetra Frankfurt Specialist Trading) as well as structured products trading.

Xetra segment: key figures

	2013	2012	Change
Financial key figures	**€m**	**€m**	**%**
Net revenue	151.7	144.5	5
Operating costs	95.2	89.3	7
EBIT	60.5	60.1	1
Cash market: trading volume (single-counted)	**€bn**	**€bn**	**%**
Xetra	1,058.2	1,069.9	–1
Frankfurt Stock Exchange[1)]	46.0	41.4	11
Tradegate	45.3	33.9	34

1) Formerly Xetra Frankfurt Specialist Trading; since Q3/2013 including certificates and warrants (€7.4 billion in the second half of the year) as a result of the termination of the Scoach cooperation.

as units in actively managed retail funds and structured products. The key players on Deutsche Börse's platforms are institutional investors and professional market participants.

While institutional investors primarily trade on Xetra, the electronic trading platform, private investors make greater use of the Frankfurt Stock Exchange and Tradegate Exchange. The trading model of the Frankfurt Stock Exchange combines the strengths of Xetra trading – extremely fast order execution, trading throughout Europe and high liquidity – with the benefits of floor trading, human know-how, during trading hours stretching from 8 a.m. to 8 p.m. The long trading hours and special order types offered by the Berlin-based Tradegate Exchange is tailored to meet the needs of private investors.

Xetra, the electronic trading platform, is by far the biggest revenue generator. Its trading volume (measured in terms of order book turnover, single-counted) was largely stable in the year under review at €1,058.2 billion (2012: 1,069.9 billion). The number of transactions declined by 2 per cent year-on-year to 191.2 million (2012: 194.7 million). The average value per Xetra transaction was unchanged at €11.0 thousand. The volume (single-counted) traded on the Frankfurt Stock Exchange was €46.0 billion (2012: €41.4 billion), of which €7.4 billion was attributable to structured products, which have been assigned to the Frankfurt Stock Exchange since the second half of 2013. The trading volume generated by Tradegate Exchange increased by 34 per cent to €45.3 billion (2012: €33.9 billion).

The total volume traded on Eurex Bonds, the international electronic platform for interbank bond trading, declined slightly in 2013 in a generally difficult market environment. The trading volume in 2013 edged down 3 per cent to €116.6 billion (2012: €119.7 billion; single-counted for both periods).

Deutsche Börse has operated Europe's leading marketplace for ETFs since 2000. ETFs combine the flexibility of individual equities with the risk diversification of a fund. They represent entire markets or sectors in a single product, are traded via stock exchanges as efficiently and with the same liquidity as equities, and can be bought at low transaction costs without load fees. Deutsche Börse offers investors the largest selection of ETFs of all European exchanges: as at 31 December 2013, 1,037 ETFs were listed (2012: 1,010 ETFs). Trading volumes went down by 11 per cent to €114.7 billion (2012: €128.5 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, investor selling triggered by the falling gold price led for the first time to a decline in the volume held: as at 31 December 2013, Deutsche Börse Group held 45.5 tonnes of gold in custody (2012: 53.8 tonnes). Given a gold price of €28.07 per gram (closing price on 31 December 2013), the value of the gold was equivalent to €1.3 billion (2012: €2.2 billion).

In the listing business, Deutsche Börse AG recorded 10 new admissions in the year under review. Seven of these were initial public offerings (IPOs), all in the Prime Standard. The total placement volume in 2013 stood at around €6 billion. The year's largest IPO was that of Evonik Industries AG, which took place in April 2013 and had a volume of around €2.2 billion. Likewise, companies that were already listed made use of the option of raising around €9.5 billion of capital through capital increases in 2013. The option of issuing bonds in the Entry Standard, introduced in 2011, was a significant success in 2013: 28 companies (including three transfers) used the Entry Standard to raise debt capital. The issue volume as given in the prospectuses amounted to a total of €1.275 billion. The issue volume as given in the prospectuses for the eight companies (including four transfers) that opted for the new Prime Standard segment for corporate bonds launched in 2012 amounted to €2.5 billion. The Prime Standard for corporate bonds is aimed at larger listed and unlisted companies.

Xetra continued to develop its trading technology in 2013. Ongoing investments in the performance of the trading system ensure that trading is reliable, fair and orderly, even during times of extreme demand. With the new version of the trading system (Release 14.0), Xetra has upgraded the system so it can meet the requirements of the Hochfrequenzhandelsgesetz (German High Frequency Trading Act). In addition, Xetra has created new interfaces to enable customers to improve their risk management. The Xetra network has expanded into East Asia: the first participant in Hong Kong was connected in August. In total, the Xetra network comprised 224 trading participants with around 3,900 traders in 18 countries at the end of 2013. Moreover, in the year under review, the Frankfurt Stock Exchange introduced a quality guarantee for the most frequently traded equities and ETFs. For volumes up to €7,500, investors can buy or sell these products at prices equivalent to (or better than) those on the reference market concerned. Following the termination of the Scoach cooperation, all structured products (certificates and warrants) are also traded under the Frankfurt Stock Exchange brand. This means investors can trade a total of over one million securities on the Frankfurt Stock Exchange.

Clearstream segment

Clearstream provides the post-trade infrastructure for bonds, equities and investment funds. In addition, Clearstream offers custody services for securities from 53 markets worldwide. The custody business was the key contributor to Clearstream's net revenue, generating 52 per cent. Net revenue in this business is mainly driven by the value of securities under custody, which determines the deposit fees. The settlement business accounted for 17 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. Clearstream also provides the post-trade infrastructure for investment funds. Net interest income from Clearstream's banking business contributed 5 per cent to Clearstream's net revenue. Other business activities including reporting services or order routing via Vestima® accounted for a 17 per cent share of total net revenue.

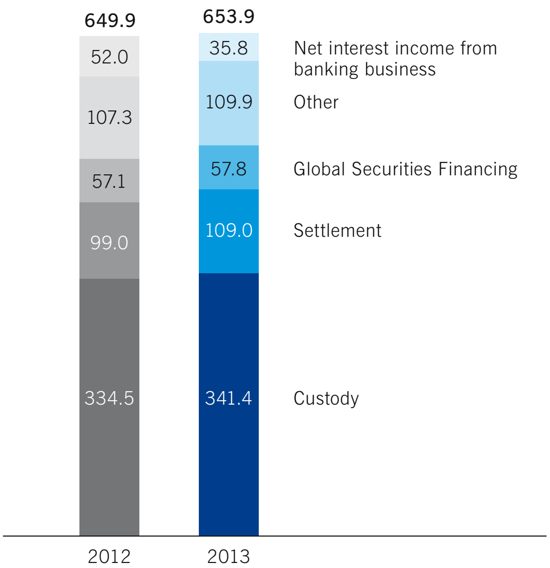
Clearstream's net revenue increased to €653.9 million in the year under review (2012: €649.9 million). Increases were recorded in all business areas, although net interest income from banking business was down significantly on the prior-year figure. Operating costs rose to €503.3 million (2012: €334.8 million); this includes special factors such as the settlement payment made in the context of the OFAC investigation and costs for efficiency programmes totalling €168.3 million. As a result, EBIT declined to €150.8 million (2012: €314.6 million).

In the custody business, the average equivalent value of securities under custody in 2013 increased to a new record level of €11.6 trillion (2012: €11.1 trillion). This was due to client wins and the growth in value of existing customer portfolios, in particular, this was due to the custody volume of the German domestic market which 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 €5.5 trillion (2012: €5.1 trillion). In the international custody business, the average value of securities under custody is mainly driven by the amount of outstanding bonds and increased slightly to €6.1 trillion (2012: €6.0 trillion). In the custody business, net revenue was up by 2 per cent to €341.4 million in 2013 (2012: €334.5 million).

UBS became an important new customer for Clearstream in 2013. The bank appointed Clearstream as its primary ICSD for the global securities business in its investment banking and Wealth Management businesses. Previously, these had been split between Euroclear (investment banking business) and Clearstream (Wealth Management business). Since the corresponding UBS securities were only transferred to Clearstream in the fourth quarter of 2013, the newly added custody volumes had only a small impact on the averages for 2013. In addition to UBS, the Italian CSD Monte Titoli also decided to expand its business relationship with Clearstream. Monte Titoli, a subsidiary of the London Stock Exchange, transferred its international securities from Euroclear Bank to Clearstream in the first quarter of 2013. Deutsche Börse Group regards the decision by UBS and Monte Titoli as confirmation of its business strategy, in particular in the area of collateral and liquidity management services.

Net revenue in the Clearstream segment

€ millions



Clearstream segment: key figures

	2013	2012	Change
Financial key figures	**€m**	**€m**	**%**
Net revenue	653.9	649.9	1
Operating costs	503.3	334.8	50
EBIT	150.8	314.6	–52
Custody	**€bn**	**€bn**	**%**
Value of securities under custody (average value during the year)	11,626	11,111	5
international	6,146	5,964	3
domestic	5,480	5,147	6
Settlement	**m**	**m**	**%**
Securities transactions	121.0	113.9	6
international – OTC	34.2	31.9	7
international – on-exchange	6.9	7.2	–4
domestic – OTC	28.2	25.7	10
domestic – on-exchange	51.7	49.1	5
Global Securities Financing	**€bn**	**€bn**	**%**
Monthly average	576.5	570.3	1
Average daily cash balances	**m**	**m**	**%**
Total	10,765	10,248	5
euro	4,361	3,888	12
US dollars	4,517	4,350	4
other currencies	1,886	2,010	–6

1) Includes some €1.4 billion currently or formerly blocked by EU and US sanctions (2012: €1.6 billion)

The number of settlement transactions (domestic and international) processed by Clearstream saw a 6 per cent increase in 2013 to 121.0 million (2012: 113.9 million). International transactions grew by 5 per cent to 41.1 million (2012: 39.0 million) due to a 7 per cent rise year-on-year in OTC transactions, which accounted for 83 per cent of Clearstream's international settlement business. Stock exchange transactions, which had a 17 per cent share of the international settlement business, decreased by 4 per cent year-on-year. In the domestic German market, settlement transactions grew by 7 per cent to 79.9 million (2012: 74.8 million). Here, a majority (65 per cent) were stock exchange transactions, while OTC business accounted for 35 per cent of transactions. Both stock exchange and OTC transactions on the domestic market were up in the year under review, although growth in the OTC sector was stronger (at 10 per cent) than in the stock exchange business (by 5 per cent). Net revenue in the settlement business rose by 10 per cent to €109.0 million (2012: €99.0 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 connecting to TARGET2-Securities.

Clearstream's Investment Funds Services keep growing. In the year under review, Clearstream processed 7.9 million transactions, 23 per cent more than in the previous year (2012: 6.4 million). More than 125,000 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 €265.0 billion on average in 2013, up 16 per cent year-on-year (2012: €229.1 billion).

In the Global Securities Financing (GSF) business, the average outstanding volume rose slightly to €576.5 billion (2012: €570.3 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 €57.8 million (2012: €57.1 million).

Average customer cash deposits grew year-on-year by 5 per cent to €10.8 billion (2012: €10.2 billion). This includes an average amount of some €1.4 billion (2012: €1.6 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 31 per cent to €35.8 million in 2013 (2012: €52.0 million). The decline in net interest income reflects the low level of interest rates, which have been at lows for some time: on 11 July 2012, the European Central Bank had reduced the rate for the deposit facility, which is relevant for Clearstream's net interest income from banking business, from 0.25 to 0 per cent and has left it unchanged ever since. For this reason, 2013 was the first year in which the low interest rate policy impacted on the segment's net interest income throughout the entire reporting period.

Both the trading and the post-trading market environment have become more complex in recent years. Clearstream offers asset management services worldwide in order to support customers in coping with the increased capital requirements and risk and liquidity management considerations. One of Clearstream's strategic objectives in the year under review was to expand its offering for efficient collateral management. Through the Global Liquidity Hub, Clearstream provides an integrated collateral management environment that allows banks to use the assets that are available as collateral more efficiently. A number of measures are strengthening Clearstream's collateral management offering:

- Together with ASX (Australia), Cetip (Brazil), Iberclear (Spain) and Strate (South Africa), Clearstream established the Liquidity Alliance in January 2013, a grouping of central securities depositories around the world for strategic cooperation on collateral management. The Liquidity Alliance is open to further members.
- Clearstream has signed a letter of intent with the Singapore Exchange (SGX) to jointly develop a collateral management solution for Singapore that can subsequently be extended to other markets in the region. SGX intends to use Clearstream's collateral management outsourcing solution (Liquidity Hub GO).
- Liquidity Hub GO went live in South Africa, Australia and Spain in the year under review. This means that all partners in the Liquidity Alliance have a functioning collateral management offering for their own home market.
- Clearstream's collateral management solution for custodian banks has gone live in partnership with BNP Paribas Securities Services. This service enables mutual customers to cover their global exposures from a single optimised collateral pool. BNP Paribas Securities Services remains the custodian managing settlement and asset servicing for its clients. Citi and Standard Chartered also opted for this solution during the year.

Clearstream is systematically extending its market position by connecting new markets. In the year under review, Clearstream strengthened its involvement in Eastern Europe by opening a direct account at the new Russian CSD and starting to operate a direct settlement link to Russia. At the end of the year, Clearstream's network covered 53 markets worldwide, making it the largest settlement network of any international CSD.

In December 2013, Clearstream announced that it would extend its end-of-day deadlines for securities, collateral and cash in stages with the aim of covering the entire settlement day in the USA by 2016. The extension of the deadlines also affects markets such as Canada and Latin America (including Argentina, Brazil, Mexico, Uruguay and Peru).

In response to regulatory reporting requirements, Clearstream started to develop REGIS-TR jointly with Iberclear in Spain back in 2009. REGIS-TR was granted authorisation as a trade repository by the European Securities and Markets Authority (ESMA) in November, enabling REGIS-TR to support customers in registering exchange-traded and OTC derivatives. Starting on 12 February 2014, registration will be obligatory under the EU's EMIR Regulation.

Market Data + Services segment

The net revenue of the new Market Data + Services segment is composed of trading signals (39 per cent), indices (21 per cent), technology solutions (15 per cent), connectivity (19 per cent) and other revenue (6 per cent). Market Data + Services' net revenue was largely stable in the year under review, amounting to €366.0 million (2012: €370.4 million). With operating costs up slightly on the previous year and special factors (largely relating to efficiency programmes) of €15.6 million, the segment's EBIT amounted to €174.9 million (2012: €182.3 million).

The segment's core business is the distribution of capital market data to customers worldwide, including trading 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 trading signals business includes revenue from the distribution of licences for real-time trading and market signals. The business remained largely stable in the year under review: Market Data + Services generated net revenue from trading signals of €142.1 million (2012: €141.1 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, efforts to regulate automated trading 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 further diversify its product portfolio, Deutsche Börse Group will act as the exclusive licensor of BSE (formerly Bombay Stock Exchange) market data and information products for customers outside India. The two partners signed a corresponding cooperation agreement at the beginning of October 2013.

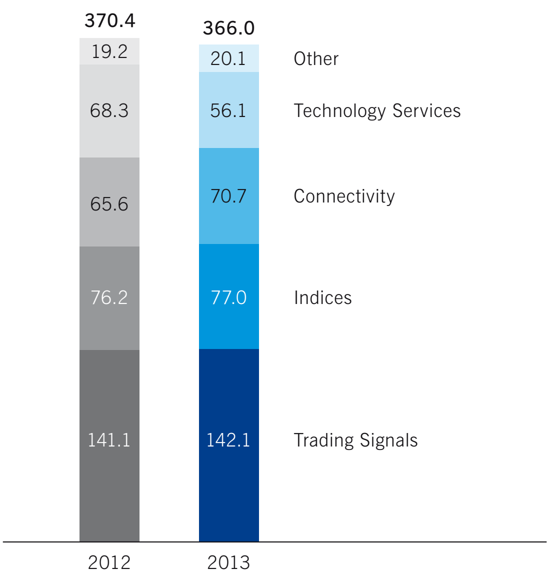
Deutsche Börse operates its index business via its subsidiary STOXX Ltd. Its revenue is generated from calculating and marketing indices that are mainly used by banks and fund management companies as underlyings for financial instruments. The index business recorded a slight increase in net revenue in 2013 to €77.0 million (2012: €76.2 million). The decline in equity index derivatives trading at Eurex (see the "Eurex segment" section) and the resulting decrease in licensing revenue was compensated by the growth in assets under management in the area of exchange-traded funds. This growth was driven above all by STOXX ETFs and DAX ETFs, which recorded a clear increase in assets thanks to the reliability of the indices concerned as underlyings. The assets under management in these ETFs amounted to €79.6 billion, by year-end, 14 per cent more than in the previous year (2012: €70.1 billion).

The DAX and STOXX index families are being continuously expanded and are becoming increasingly attractive for an international clientele as well:

- The DAX family was expanded to include the DAX® ex Financials index in the second quarter of 2013. This serves as a share price barometer for Germany's 30 largest and highest-revenue companies excluding banks, financial services institutions and insurers.

Net revenue in the Market Data + Services segment

€ millions



Market Data + Services segment: key figures

	2013 €m	2012 €m	Change %
Financial key figures			
Net revenue	366.0	370.4	–1
Operating costs	191.1	184.1	4
EBIT	174.9	182.3	–4

- STOXX expanded its offering for Chinese investors, firstly by launching new indices, such as the STOXX® China A 50 Equal Weight Index, and secondly by entering into a licence agreement with a Chinese issuer, which will also allow investors in China to invest in the EURO STOXX® 50.
- In cooperation with Eurex Repo, STOXX developed a GC Pooling® index family, which provides a transparent, rules-based alternative to the current benchmarks used in the unsecured interbank market, such as LIBOR and EURIBOR/EONIA.
- STOXX also launched two new sustainability indices, the STOXX® SD-KPI indices. The indices allow investments in versions of the leading European equity indices, EURO STOXX 50 and STOXX® Europe 50, that have been optimised for sustainability criteria.

The technology solutions business consists primarily of development and operation services for external customers, such as national and international regional exchanges. Revenue generated by cooperation with partner exchanges, from application development consulting, or from data centre services is also part of the Group's external IT business. The established partner exchanges – the Irish Stock Exchange, the Vienna Stock Exchange, the Bulgarian Stock Exchange, the Ljubljana Stock Exchange, the Malta Stock Exchange and the Prague Stock Exchange – were joined by new partners in the year under review: the Cayman Islands Stock Exchange (March) and the Budapest Stock Exchange (December). As a result, all four exchanges of the CEE Stock Exchange Group (Vienna, Prague, Ljubljana and Budapest) now run Xetra. The new T7 infrastructure was successfully introduced for the derivatives market run by the Bombay Stock Exchange (BSE) in the fourth quarter of 2013. Net revenue from the external technology services business in 2013 was €56.1 million (2012: €68.3 million). The decline is due in particular to the effect of the consolidation of Börse Frankfurt Zertifikate AG from Q3/2013 onwards as well as to the segment's services for German regional exchanges, which were impacted by a combination of lower margins and a drop in trading volumes.

The Market Data + Services segment generates connectivity revenue from connecting trading participants on the cash and the derivatives markets. This revenue is largely independent of trading activity on the market, but reflects trading participants' interest in connecting to Deutsche Börse Group's infrastructure using the most efficient networks possible. In 2013, connectivity revenue rose to €70.7 million (2012: €65.6 million) after customers increasingly opted for higher bandwidth connections.

Other revenue comprises, for example, the provision of data to the back offices of financial services providers (e.g. the TRICE® reporting service, with which Deutsche Börse AG helps its customers to meet their obligations to report information to financial supervisory authorities). In the year under review, this item increased by 5 per cent year-on-year to €20.1 million (2012: €19.2 million).

Development of profitability

Return on shareholders' equity represents the ratio of earnings after tax to the average equity available to the Group in 2013. The Group's return on shareholders' equity decreased to 16.1 per cent in the year under review (2012: 21.6 per cent), primarily due to lower 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 21.5 per cent (2012: 22.1 per cent). The weighted average cost of capital (WACC) after tax amounted to 4.5 per cent in the year under review (2012: 4.4 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 the "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 2013 amounted to €–56.2 million (2012: €544.0 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 Group generated cash flows from operating activities before changes in reporting-date CCP positions of €797.3 million in financial year 2013 (2012: €726.2 million). The significant year-on-year increase in cash flows from operating activities is mainly due to the fact that the decline in net income for the year (€–174.6 million) was more than offset by the decrease in working capital (€195.0 million) and the rise in non-current provisions (€34.4 million). The decline in net income was primarily the result of the costs of the efficiency programme and the settlement offer from the Office of Foreign Assets Control (OFAC). However, neither of the two factors had yet had a major cash effect in 2013. In addition, tax payments of €93.3 million made in financial year 2013 (2012: €258.4 million) were by far lower year-on-year due to a decrease of tax prepayments for the current and prior years. This largely explains the change in working capital. Including the changes in the CCP positions, cash flows from operating activities was €728.3 million (2012: €707.7 million).

Deutsche Börse Group calculates its cash flow on the basis of net income, adjusted for non-cash changes; in addition, cash flows derived from changes in balance sheet items are taken into account. The changes in cash flows from operating activities excluding reporting-date CCP positions were as follows:

Deutsche Börse's cost of capital

	2013 %	2012 %
Risk-free interest rate[1]	1.7	1.6
Market risk premium	6.5	5.0
Beta[2]	0.8	0.7
Cost of equity[3] (after tax)	6.7	5.0
Cost of debt[4] (before tax)	3.1	5.2
Tax shield[5]	0.8	1.4
Cost of debt (after tax)	2.3	3.9
Equity ratio[6] (annual average)	50.2	51.2
Debt ratio[7] (annual average)	49.8	48.8
WACC (before tax)	4.9	5.1
WACC (after tax)	4.5	4.4

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

- Decline in net income for the year of €174.6 million to €495.2 million
- Increase of €13.8 million in depreciation, amortisation and impairment losses, especially due to higher investments in software development
- Increase of €34.4 million in non-current provisions, due in particular to the efficiency programme launched in the first quarter of 2013
- Deferred tax expense of €2.1 million; in 2012, there had been deferred tax income of €56.9 million, mainly in connection with the recognition of deferred tax assets on loss carryforwards as well as a revaluation due to changes in tax rates.
- Cash outflows from derivatives amounting to €16.5 million (2012: nil)
- Non-cash expense of €13.7 million in 2013, compared to a non-cash expense of €50.7 million incurred in 2012 due in particular to the remeasurement of the equity component in connection with the acquisition of additional shares of Eurex Zürich AG
- Cash-effective decrease of €153.0 million in working capital in 2013 (2012: increase in working capital of €42.0 million), primarily driven by an increase in current liabilities of €142.7 million (2012: increase of €12.6 million). This increase was in turn mainly due to a provision recognised in connection with the OFAC settlement offer. In addition, receivables and other assets decreased by €13.8 million (2012: increase of €43.7 million), primarily because of the decline in tax refund claims (€–62.1 million), while trade receivables rose by €6.7 million and other current assets by €37.8 million.

Cash outflows from investing activities amounted to €829.2 million in financial year 2013 (2012: cash outflow of €267.4 million). €692.2 million of this figure related to collateralised cash investments with an original term of more than three months. At €127.6 million, investment in intangible assets and property, plant and equipment was below the prior-year level (2012: €145.7 million); most of it was made in the Clearstream (€66.6 million) and Eurex (€53.9 million) segments. Clearstream's investments related primarily to the expansion of its settlement and collateral management systems (€48.4 million), while Eurex invested in its trading and clearing systems (€40.3 million). In addition, the Group paid €35.1 million (2012: €1.9 million) to acquire investments in associates in the year under review; of this amount, €15.4 million was attributable to the increase in the equity investment in European Energy Exchange AG, Leipzig (Germany). Another significant reason for the year-on-year increase is that two factors had impacted cash outflows in 2012: a payment of €295.0 million in connection with the acquisition of further shares in Eurex Zürich AG and the purchase of securities with an original term of more than one year amounting to €265.4 million.

Cash inflows of €35.3 million (2012: €392.2 million) were due to securities with an original maturity of more than one year maturing or being sold.

Consolidated cash flow statement (condensed)

	2013 €m	2012 €m
Cash flows from operating activities (excluding CCP positions)	797.3	726.2
Cash flows from operating activities	728.3	707.7
Cash flows from investing activities	–829.2	–267.4
Cash flows from financing activities	–497.6	–550.6
Cash and cash equivalents	–56.2	544.0
Other cash and bank balances as at 31 December	627.9	641.6

Cash outflows from financing activities amounted to €497.6 million (2012: €550.6 million). In May 2013, the company paid a dividend of €386.5 million for financial year 2012 (dividend for financial year 2011, including special distribution, paid in May 2012: €622.9 million). Further cash outflows were due to the repayment of €1,180.0 million in commercial paper (2012: €796.2 million). In addition, long-term bonds amounting to €797.8 million matured. Moreover, the company acquired treasury shares amounting to €1.2 million (2012: €198.2 million). Cash inflows from financing activities contain commercial paper that is issued as part of the company's short-term liquidity management. €1,279.8 million in commercial paper was issued in 2013 (2012: €789.3 million). In March 2013, Deutsche Börse AG also 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 €627.9 million as at 31 December 2013 (31 December 2012: €641.6 million).

At €669.7 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 higher than in the previous year (2012: €580.5 million).

As in previous years, the Group does not expect any liquidity squeezes to occur in financial year 2014 due to its positive cash flows from operating activities, adequate credit lines (which had not been drawn down as at 31 December 2013) and flexible management and planning systems.

Operating leases

Deutsche Börse Group uses operating leases, primarily for the new 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 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 20.1 in the year under review (2012: 15.2). This figure is based on a relevant interest expense of €53.2 million and an adjusted EBITDA of €1,067.4 million. The significant year-on-year increase in the interest coverage ratio is attributable to the refinancing programme that started in 2012 and was successfully completed in the first quarter of 2013 (see the "Results of operations" section): the outstanding non-current liabilities that matured in 2013 were refinanced on extremely favourable terms leading to a significant reduction in interest expenses. 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. The latter performance indicator in particular plays a material role in maintaining the parent company's current "AA" rating. In the year under review, the Group met the target ratio, at 1.5. This figure is based on gross debt of €1,621.9 million and an adjusted EBITDA of €1,067.4 million.

Interest coverage ratio of Deutsche Börse Group

Interest expense from financing activities	Issue volume	2013 €m	2012 €m
Bonds maturing in 2013			
Fixed-rate bearer bond	€650 m[1]	9.0	32.6
Hybrid bond	€550 m[2]	3.8[3]	14.9[3]
Refinancing of maturing bonds			
Fixed-rate bearer bond (10 years term)	€600 m	14.6	3.6
Fixed-rate bearer bond (5 years term)	€600 m	5.7	–
Further bonds			
Private placement	US$460 m	19.9	21.3
Commercial paper	€150 m – 2013[4] €150 m – 2012	0.2	0.7
Total interest expense (including 50% of the hybrid coupon)		**53.2**	**73.1**
EBITDA (adjusted)		1,067.4	1,108.2
Interest coverage[5]		**20.1**	**15.2**

1) The bond was repurchased in full as at 23 April 2013 (31 December 2012: €72 million).
2) The bond was repurchased in full as at 11 June 2013 (31 December 2012: €330 million).
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 and €29.9 million in 2012.
4) Annual average
5) EBITDA / interest expense from financing activities (includes only 50 per cent of the interest on the hybrid bond)

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.

Because of the refinancing of the non-current financial liabilities, the company anticipates a further reduction in the interest expense incurred to finance the Group in 2014. For this reason, the company expects the interest coverage ratio to improve further in the medium term.

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., including the proft participation rights of €150 million issued by Clearstream Banking S.A. In the year under review, Clearstream International S.A. has met this key performance indicator with an amount of €820.8 million and Clearstream Banking S.A. with an amount of €820.7 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 2012, Deutsche Börse Group returned a total of around €5.0 billion to its shareholders in the form of share buy-backs and dividends. In financial year 2013, it distributed a dividend of €386.5 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 2013. 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. 1.3 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 2013, the remaining approximately 8.9 million shares were held by the company as treasury shares.

Relevant key performance indicators

	2013 €m	2012 €m
Tangible equity of Clearstream International S.A. (as at balance sheet date)	820.8	819.2[1]
Tangible equity of Clearstream Banking S.A. (as at balance sheet date)	820.7	672.4

1) Net of the interim dividend of €75.0 million, which has not yet been resolved by the Annual General Meeting

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+

For financial year 2013, Deutsche Börse AG is proposing that the Annual General Meeting resolve to pay a dividend of €2.10 per no-par value share (2012: €2.10). This dividend corresponds to a distribution ratio of 61 per cent of consolidated net income, adjusted for the special factors described in the results of operations (2012: 58 per cent, also adjusted for special items). For 184.1 million no-par value shares bearing dividend rights, this would result in a total dividend of €386.6 million (2012: €386.5 million without the special distribution). The aggregate number of shares bearing dividend rights results from an ordinary share capital of 193.0 million shares, less 8.9 million treasury shares.

Bonds

In March 2013, Deutsche Börse AG successfully placed a corporate bond with a volume of €600 million on the market. The individual bonds have a maturity of five years and an annual coupon of 1.125 per cent. In combination with the bonds issued in October 2012, which also amounted to €600 million, this allowed Deutsche Börse to refinance its outstanding non-current liabilities maturing in 2013 on extremely favourable terms.

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 30 December 2013, S&P confirmed the Group companies' long-term AA credit rating. The negative outlook for Deutsche Börse AG added in December 2012 also remained unchanged. The main reason cited by S&P was that the ratio of interest-bearing gross debt to EBITDA had risen to about 1.6 in the first nine months of financial year 2013.

Fitch Ratings confirmed Clearstream Banking S.A.'s credit rating on 14 November 2013, particularly in light of its strong market positioning, solid liquidity management and low credit risk. At the same time, Fitch changed the outlook for Clearstream from negative to stable, giving its strengthened capital base as the reason.

As at 31 December 2013, 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.

Debt instruments of Deutsche Börse AG

Type	Issue volume	ISIN	Term	Maturity	Coupon p.a.	Listing
Fixed-rate bearer bond	€650 m	XS0353963225	5 years	April 2013	5.00 %	Luxembourg/Frankfurt
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
Hybrid bond	€550 m	XS0369549570	30 years[1]	June 2038	7.50 %[2]	Luxembourg/Frankfurt
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

1) Early termination right after 5 respectively 10 years and in each year thereafter
2) Until June 2013: fixed-rate 7.50 per cent p.a.; from June 2013 to June 2018: fixed-rate mid swap + 285 basis points; from June 2018: variable interest rate (Euro interbank offered rate for 12-month euro deposits (EURIBOR), plus an annual margin of 3.85 per cent)

Net assets

Deutsche Börse Group's non-current assets amounted to €8,796.9 million as at 31 December 2013 (2012: €5,113.9 million). They consisted primarily of intangible assets and financial assets as well as of financial instruments of Eurex Clearing AG. The financial instruments of Eurex Clearing AG, which amounted to €4,058.6 million, represented the largest item (2012: nil). 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 declined to €1,178.3 million (2012: €1,485.0 million), while goodwill of €2,042.6 million was relatively stable compared to the previous year (2012: €2,078.4 million).

Current assets amounted to €180,513.0 million as at 31 December 2013 (2012: €189,672.9 million). The decline is attributable to the following factors:

- A decrease in the financial instruments of Eurex Clearing AG item to €153,546.8 million (2012: €156,315.4 million) in connection with its function as a central counterparty for cash and derivatives markets.
- A decrease in receivables and securities from banking business at Clearstream to €9,544.0 million (2012: €12,808.2 million)
- A decrease in restricted bank balances to €16,221.7 million (2012: €19,450.6 million); this occurred primarily because clearing participants provided a greater volume of securities and less cash as collateral for Eurex Clearing AG in the year under review.

Assets were financed by equity in the amount of €3,268.0 million (2012: €3,169.6 million) and liabilities in the amount of €186,041.9 million (2012: €191,617.2 million). The increase in equity compared with 31 December 2012 is mainly attributable to the rise in accumulated profit to €2,011.8 million (2012: €1,938.9 million).

Non-current liabilities rose to €6,019.9 million (2012: €1,616.4 million), primarily because an amount of €4,058.6 million is reported under financial instruments of Eurex Clearing AG. This liability is matched by an asset in the same amount.

Interest-bearing liabilities rose to €1,521.9 million (2012: €1,160.0 million). The total increase is due to three factors:

- In 2012, maturing bonds amounting to €577.4 million were reclassified to "other current liabilities".
- In March 2013, Deutsche Börse AG successfully placed a corporate bond with a volume of €600.0 million on the market.
- In April and June 2013, outstanding bonds totalling €798.0 million matured.

Current liabilities amounted to €180,022.0 million (2012: €190,000.8 million). The main changes in current liabilities occurred in the following items:

- A decrease in the financial instruments of Eurex Clearing AG item to €153,046.8 million (2012: €156,315.4 million) in connection with its function as a central counterparty for cash and derivatives markets

- A decrease in liabilities from cash deposits by market participants to €16,221.7 million (2012: €19,450.6 million) as a result of lower cash collateral provided by the clearing members of Eurex Clearing AG; the amount decreased primarily because clearing participants provided a greater volume of securities and less cash as collateral for Eurex Clearing AG.
- A decrease in liabilities from banking business at Clearstream to €9,725.3 million (2012: €12,880.3 million)
- A decrease in other current liabilities to €412.1 million (2012: €888.4 million) after bonds reclassified in 2012 from non-current interest-bearing liabilities matured in 2013

Overall, Deutsche Börse Group invested €127.6 million in intangible assets and property, plant and equipment (capital expenditure or capex) in the year under review (2012: €145.7 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 €572.6 million (2012: €457.1 million). As Deutsche Börse Group collects fees for most of its services on a monthly basis, the trade receivables of €218.8 million included in the current assets as at 31 December 2013 (31 December 2012: €211.8 million) were relatively low compared with net revenue. The current liabilities of the Group, excluding technical closing date items, amounted to €1,028.1 million (2012: €777.0 million, excluding technical closing date items and bonds maturing in 2013). The Group therefore had negative working capital of €–455.5 million at the end of the year (2012: €–319.9 million). This development is primarily due to the increase in other current provisions.

Technical closing date balance sheet items

The "current 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 €9 billion and €15 billion (2012: between €11 billion and €13 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 €16.2 billion and €17.7 billion (2012: between €13.4 billion and €19.5 billion).

Deutsche Börse Group: ten-year review

		2004	2005	2006
Consolidated income statement				
Net revenue	€m	1,395.5	1,616.4	1,899.6
thereof net interest income from banking business	€m	77.1	112.7	150.7
Operating costs	€m	–869.9	–910.9	–879.1
Earnings before interest and tax (EBIT)	€m	458.7	705.0	1,027.5
Net income	€m	266.1	427.4	668.7
Earnings per share (basic)	€	1.19[2)]	2.00[2)]	3.36[2)]
Consolidated cash flow statement				
Cash flows from operating activities	€m	439.6	667.7	843.4
Consolidated balance sheet				
Non-current assets	€m	2,162.7	2,007.8	1,907.6
Equity	€m	2,552.5	2,200.8	2,283.3
Non-current interest-bearing liabilities	€m	502.3	501.6	499.9
Performance indicators				
Dividend per share	€	0.35[2)]	1.05[2)]	1.70[2)]
Dividend payout ratio	%	28	49	50
Employees (average annual FTEs)		3,080	2,979	2,739
Net revenue per employee, based on average FTEs	€ thous.	453	543	694
Personnel expense ratio (staff costs/net revenue)	%	24	25	22
EBIT margin, based on net revenue	%	33	44	54
Tax rate	%	43.8	38.0	36.0
Return on shareholders' equity (annual average)[16)]	%	10	18	30
The shares				
Closing price of Deutsche Börse shares	€	22.14[2)]	43.28[2)]	69.71[2)]
Average market capitalisation	€bn	4.9	7.5	11.7
Rating key figures				
Gross debt / EBITDA		0.8	0.6	0.4
Interest coverage ratio	%	n.a.	n.a.	58.5
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 and Frankfurt Stock Exchange[18)]				
Trading volume	€bn	1,014.3	1,125.5	1,695.3
Eurex				
Number of contracts	m	1,065.6	1,248.7	1,526.8
Clearstream				
Value of securities deposited (annual average)	€bn	7,593[19)]	8,752[19)]	9,203[19)]
Number of transactions	m	50.0[20)]	53.9[20)]	104.7
Global Securities Financing (average outstanding volume for the period)	€bn	136.4[21)]	210.9[21)]	301.2[21)]

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) Thereof €1,160.0 million are reported under "Interest-bearing liabilities", and the bonds that will mature in financial year 2013 in the amount of €577.4 million are reported under "Other current liabilities". 5) Proposal to the Annual General Meeting 2014 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 2014 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

2007	2008	2009	2010	2011	2012	2013
2,416.0	2,497.4	2,039.4	2,015.8	2,121.4	1,932.3	1,912.3
230.8	236.8	97.4	59.4	75.1	52.0	35.9
–1,075.2	–994.8	–1,396.8	–1,500.2	–962.2[1]	–958.6	–1,182.8
1,345.9	1,508.4	637.8	527.8	1,162.8[1]	969.4	738.8
911.7	1,033.3	496.1	417.8	855.2	645.0	478.4
4.70	5.42	2.67	2.25	4.60	3.44	2.60
839.6	1,278.9	801.5	943.9	785.6	707.7	728.3
4,164.0	4,544.9	5,251.0	5,069.5	5,020.3[1]	5,113.9	8,796.9
2,690.2	2,978.3	3,338.8	3,410.3	3,132.6[1]	3,169.6	3,268.0
501.0[3]	1,512.9	1,514.9	1,455.2	1,458.3	1,737.4[4]	1,521.9
2.10	2.10	2.10	2.10	2.30	2.10	2.10[5]
51	38	56[6]	54[6][7]	52[8][13]	58[8][13][14][16]	61[9]
2,854	3,115	3,333	3,300	3,278	3,416	3,515
847	802	612	611	647	566	544
23	17	19	20[7]	19[7]	21[8]	22[10]
56	60	31	26	55	50	39
36.0	28.5	26.9[11]	26.9[12]	26.0[13]	26.0[14]	26.0[10][15]
39	41	18	14	30	22	21
135.75	50.80	58.00	51.80	40.51	46.21	60.20
18.4	16.0	10.2	10.1	9.6	8.5	10.0
0	1.0	1.3[6]	1.2[6][7]	1.1[8]	1.6[8]	1.5[8]
64.4	18.9	15.8	16.8[11]	19.0[8]	15.2[8]	20.1[8]
AA	AA	AA	AA	AA	AA	AA
AA	AA	AA	AA	AA	AA	AA
AA	AA	AA	AA	AA	AA	AA
2,552.5	2,229.1	1,120.6	1,298.3	1,459.8	1,111.3	1,104.2
2,704.3[17]	3,172.7	2,647.4	2,642.1	2,821.5	2,292.0	2,191.0
10,504	10,637	10,346	10,897	11,106	11,111	11,626
123.1	114.3	102.0	116.4	126.3	113.9	121.0
332.7	398.8	483.6	521.6	592.2	570.3	576.5

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) Formerly Xetra Frankfurt Specialist Trading, prior to 23 May 2011: floor trading. Since Q3/2013, figure includes warrants and certificates (€7.4 bn in the second half of 2013), following the termination of the joint venture Scoach. 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

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 2013, the value added by Deutsche Börse Group amounted to €1,201.1 million (2012: €1,378.9 million). The breakdown of value added shows that large portions of the revenue generated flow back into the economy: 33 per cent (€394.8 million) benefited shareholders in the form of dividend payments, while 40 per cent (€476.0 million) were personnel costs in the form of salaries and other remuneration components. Taxes accounted for 14 per cent (€172.9 million), while 5 per cent (€57.0 million) was attributable to lenders. The 8 per cent value added that remained in the company (€100.4 million) is available for investments in growth initiatives, for example (see the charts below).

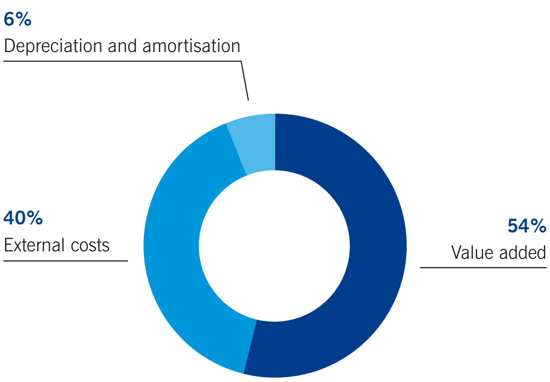
Overall assessment of the economic position by the Executive Board

Deutsche Börse Group's results of operations in financial year 2013 were within the range expected by the Executive Board despite the continuing difficult economic conditions and market uncertainty. The Group's net revenue declined by a slight 1 per cent in total. Operating costs were negatively impacted by special factors, in particular the settlement payment made to OFAC by Clearstream and the costs of efficiency programmes. As expected, driven by higher investments in growth initiatives, adjusted operating costs were slightly up on the previous year; as a result EBIT and net income for the period were somewhat lower than in the previous year.

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. In spite of the lower EBIT, the interest coverage ratio met the target of at least 16 at Group level, since the successful refinancing of the Group's long-term financial liabilities led to a significant reduction in the interest expense. The Group achieved an interest coverage ratio of 20.1. 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, even though the Group had expected that the ratio would slightly exceed the figure of 1.5 in 2013.

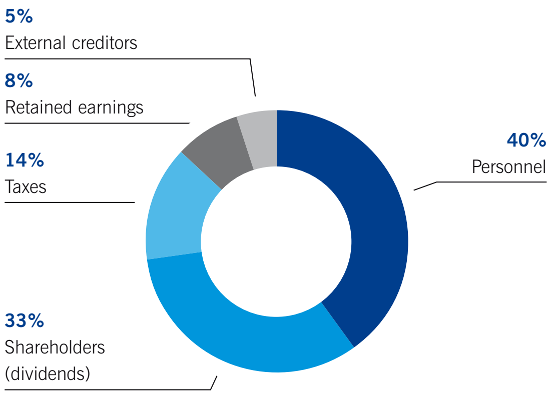
Origination of value added

Company performance: €2,212.2 million



Distribution of value added

Value added: €1,201.1 million



Rating agencies confirmed the Group's credit quality by awarding it excellent ratings in 2013. However, the negative outlook for Deutsche Börse AG introduced in December 2012 remained unchanged. The main reason cited by S&P was that the ratio of interest-bearing gross debt to EBITDA had risen to about 1.6 in the first nine months of financial year 2013. Fitch changed the outlook for Clearstream from negative to stable, giving its strengthened capital base as the reason.

Deutsche Börse AG has offered its shareholders attractive returns for years – and financial year 2013 is no exception. With a proposed dividend of €2.10, the distribution to shareholders is at the previous year's level of €2.10 despite lower earnings. Compared with the previous year, the distribution ratio has increased from 58 to 61 per cent (adjusted for special items in both cases), slightly in excess of the upper end of the Executive Board's target range of between 40 and 60 per cent.

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 master challenging tasks and 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 team working at 22 locations worldwide. As at 31 December 2013, Deutsche Börse Group had 3,811 employees (31 December 2012: 3,704); the average number of employees in the year under review was 3,751 (2012: 3,654). Two mutually offsetting effects were at work here: on the one hand, the number of employees decreased as a result of measures under

Employees per countries/regions

	31 Dec 2013	%
Germany	1,624	42.6
Luxembourg	982	25.8
Czech Republic	494	13.0
United Kingdom	112	2.9
Rest of Europe	159	4.2
North America	310	8.1
Asia	122	3.2
Middle East	8	0.2
Total Deutsche Börse Group	**3,811**	**100**

Employees by segment[1)]

	31 Dec 2013	31 Dec 2012
Xetra	330	309
Eurex	1,018	961
Clearstream	1,818	1,793
Market Data + Services	645	641
Total Deutsche Börse Group	**3,811**	**3,704**

1) As a result of the new segment structure as at 1 January 2013, some business areas were transferred to the new Market Data + Services segment, especially from the Xetra segment. The employees working in these business areas were also reassigned see also note 35 to the consolidated financial statements. The 2012 figures were adjusted accordingly.

the two programmes to increase operational efficiency dating from 2010 and 2013. The 2010 programme (Excellence) led, among other things, to operations being relocated from Frankfurt/Eschborn and Luxembourg to Prague and Singapore. As a result, the number of employees at these two locations rose by 32 (Prague) and 14 (Singapore) respectively. Nevertheless there was a rise in the number of people employed at the main locations, Frankfurt/Eschborn (+26) and Luxembourg (+9), because new jobs were created in connection with strategically important projects such as the initiatives at Eurex Clearing AG and Clearstream. In addition, Börse Frankfurt Zertifikate AG (formerly Scoach Europa AG) was consolidated as at 1 July 2013, leading to an increase of 12 employees in Frankfurt as at the reporting date (included in the 26 mentioned above). The size of the workforce at the other locations also increased by 26, again due to the strategically important initiatives.

To recruit and retain the best talent for the company in the long term, Deutsche Börse Group offers flexible working time models. Including part-time employees, there was an average of 3,515 full-time equivalents (FTEs) during the year (2012: 3,416). As at 31 December 2013, 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 fill 20 per cent of upper and middle management positions and 30 per cent of lower management positions with women by 2020. As at 31 December 2013, the proportion of such positions filled by women stood at 13.9 per cent for Deutsche Börse Group worldwide (Germany: 13.4 per cent) for upper and middle management positions, and at 21.7 per cent (Germany: 17.5 per cent) for lower management positions. In order to increase the proportion of women in management positions, Deutsche Börse has adapted its talent management programmes and its recruitment and promotion processes. Although specific attention is paid to ensuring that nominations for management positions also include women, as a matter of principle, it is the employees' qualifications that determine how a position is filled. 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. Ten of the current 21 members of the "high potential circle", Deutsche Börse Group's programme for growing potential management talent, are female (47.6 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. 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)
- Emergency childcare service, which was used in Germany on a total of 187 days
- A holiday club for schoolchildren
- An emergency parent-child office at the Eschborn and Luxembourg 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
- An "Elder and Family Care" programme to facilitate care for family members requiring care
- The ability to take sabbaticals – this option was used by five employees in Germany and Luxembourg in 2013.

A total of 24 male and 54 female employees took parental leave in financial year 2013, including two male and four female employees in management positions. In the year under review, 26 male and 39 female employees returned to the company after taking parental leave, while three 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 €742 thousand (2012: €692 thousand). All employees receive a monthly net sum of up to €255.65 per child until it is six years old or starts school.

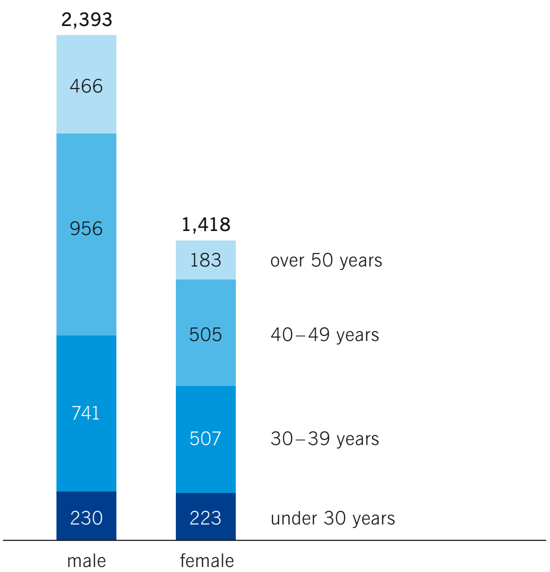
Moreover, presentations by specialists, workshops and coaching offer employees information on a variety of issues relating to achieving a work-life balance as well as advice (e.g. on stress management, nutrition, or care for the sick and elderly). One of the aims of these measures is to ensure employees remain healthy in spite of high workloads and to keep the sickness rate in the company to a minimum. In this context, a health awareness day was organised in Eschborn and Luxembourg with a wide range of offerings for all employees. Deutsche Börse Group's sickness rate was 3.4 per cent in the year under review (2012: 2.8 per cent).

As at 31 December 2013, 63.8 per cent of Deutsche Börse Group employees were graduates (2012: 62.5 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. Deutsche Börse Group offers its staff a broad portfolio of professional development opportunities in the form of internal and external training events. In total, the Group invested an average of 2.7 days per employee in staff training.

Measured in terms of the average number of full-time equivalent employees in the year under review, net revenue per employee declined by 4 per cent to €544 thousand (2012: €566 thousand). Staff costs per employee, adjusted for efficiency programme costs, rose by 1 per cent to €118 thousand

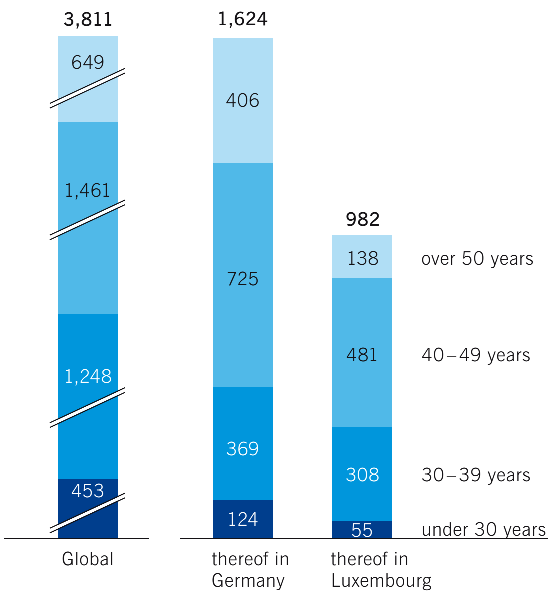
Deutsche Börse Group employees' age structure

by gender



Deutsche Börse Group employees' age structure

by location



(2012: €117 thousand). The remuneration paid under the company's collective labour agreement in Germany increased by 2.0 per cent in financial year 2013. 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 40.6 years (2012: 40.4 years). The "Deutsche Börse Group employees' age structure" charts show the employee age structure as at 31 December 2013. A total of 222 employees left Deutsche Börse Group and 310 joined the Group in the course of the year, 267 of them for first time. The staff turnover rate was 5.9 per cent and therefore up slightly on the previous year (2012: 5.7 per cent). The average length of service at the end of the year under review was 10.9 years (2012: 10.6 years).

Global employee survey identifies strengths and areas for improvement
In November 2013, Deutsche Börse Group conducted an employee survey in which all permanent employees and managers of the Group and its consolidated subsidiaries were invited to take part.

Key figures on Deutsche Börse Group's workforce as at 31 December 2013

	Global			thereof in Germany			thereof in Luxembourg		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	2,393	1,418	3,811	1,023	601	1,624	611	371	982
Upper and middle management	167	27	194	101	16	117	42	9	51
Lower management	188	52	240	94	20	114	49	18	67
Staff	2,038	1,339	3,377	828	565	1,393	520	344	864
Part-time employees	72	357	429	38	200	238	31	132	163
Upper and middle management	1	4	5	0	3	3	1	1	2
Lower management	2	8	10	1	3	4	1	5	6
Staff	69	345	414	37	194	231	29	126	155
Disabled employees	36	23	59	33	22	55	3	–	3
Proportion of graduates (%)	67	58	64	68	54	63	56	49	53
Apprentices	4	8	12	4	8	12	–	–	–
Interns and students[1]	118	121	239	112	110	222	4	10	14
Length of service									
Under 5 years (%)	29	34	31	20	23	21	12	14	13
5–15 years (%)	51	47	49	52	51	52	61	57	60
Over 15 years (%)	20	20	20	28	26	27	26	29	27
Staff turnover									
Joiners	187	123	310	54	32	86	30	19	49
Leavers	136	86	222	46	26	72	21	17	38
Training days per staff member	2.4	3.3	2.7	2.3	2.4	2.3	2.8	4.8	3.5
Promotions	133	74	207	54	27	81	30	16	46
Employees covered by collective bargaining agreements[1]	1,386	933	2,319	868	578	1,446	509	353	862

1) The global figures reported here refer solely to the locations in Germany, Luxembourg and the Czech Republic; this corresponds to 81 per cent of Group staff.

The participation rate of 81.6 per cent confirms that employees take an active interest in their employer. The results reveal that, in important areas such as employee commitment and performance-related support, Deutsche Börse Group ranks basically on a level with, or slightly above, other financial services providers and IT companies in Europe. Customer focus and the high product and service quality emerged as the company's strengths. The working environment (tools, training opportunities) received a very positive rating and was perceived as a motivating factor. Areas where employees thought that Deutsche Börse Group ought to improve include, for example, cross-departmental and cross-segment cooperation. Deutsche Börse has set up a Group-wide project organisation, with Executive Board members acting as project sponsors, to derive specific measures from the results of the employee survey. The results will be discussed in employee workshops and suggestions for improvement will be developed.

Code of ethics CR

Important basic principles and values forming part of the Group's corporate culture are set out in a code of conduct at Deutsche Börse Group, which serves as a guideline 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. 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 2013, five 16 hour-training sessions took place and were attended by a total of 104 employees.

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 focuses its activities in this field on four areas: the economy, employees, the environment and corporate citizenship. This allows it to take due account of social, ethical and ecological aspects when implementing its economic objectives.

Economy

As a capital market organiser, Deutsche Börse Group provides fair market access as well as liquid and transparent trading for investors. It reduces information asymmetries and uses highly effective instruments to manage its customers' risks. In doing so, the Group makes its greatest value contribution to society in its primary core business of organising sound, transparent and secure capital markets worldwide. A key element of this is operating and developing its integrated business model. In accordance with this, top strategic priority is given to investments in the availability and reliability of trading systems, in services and technologies to manage the risk and liquidity of market participants, and in initiatives aimed at applying the high standards of the regulated market to the largely unregulated off-exchange segment of the capital markets.

Because Deutsche Börse Group sets standards in the market, effective corporate governance structures, sound business practice and compliance with all laws, requirements and regulations play a key role in its operating business. This is why, as a member of the UN Global Compact, Deutsche Börse Group is committed to implementing the ten principles of the UN Global Compact in the areas of human rights, labour, standards, environmental protection and anti-corruption throughout the Group when designing its business processes.

In addition, Deutsche Börse Group campaigns for greater transparency of sustainability information on the global capital markets – with measures ranging from introducing its own transparency initiatives to supporting campaigns by other players in this area or promoting best practice in the market. Against this background, Deutsche Börse Group supports the German Sustainability Code and has published an annual declaration of compliance with it, for the first time in 2011 and annually since then.

Employees

Deutsche Börse Group takes its responsibility as an employer seriously, because its business success is founded on the commitment and performance of its staff. The Group pursues a responsible, sustainable human resources policy to ensure that it continues to attract responsible and motivated people in the future and, ideally, to retain them in the long term. Among other things, its goals include enhancing the comprehensive "Job, Life & Family" programme as well as specifically promoting diversity and continuously expanding active dialogue with employees. (For details, see the previous "Employees" section.)

Environment

Although Deutsche Börse Group is not a manufacturing company and can therefore exert only little influence on climate change, it is aware of the significance of this issue: reductions in greenhouse gas emissions and the careful handling of resources are an important part of its commitment to greater sustainability. The focus is on continuously improving the Group's business ecology through environment-friendly IT management as well as on reducing its energy, water and paper consumption, and waste (for details see the following "Sustainability" section).

Corporate citizenship

Deutsche Börse Group sees itself as a corporate citizen and is committed to fulfilling this role, especially at its locations. Its activities in this area focus on education and science, culture and social involvement. When selecting projects, it gives priority in particular to innovative ideas and concepts that also allow its staff to get involved. All charitable contributions are subject to Group-wide corporate citizenship guidelines adopted by the Executive Board. They provide a binding framework that determines the nature and proper handling of contributions. 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).

Sustainability CR

Deutsche Börse Group also feels committed to sustainable business activities in particular. Examples include initiatives to promote the transparency of holistic investment strategies on the one hand and measures to optimise its own sustainability performance on the other.

Transparency-enhancing initiatives for holistic investment strategies CR

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 2013, STOXX Ltd., a subsidiary of Deutsche Börse AG, again expanded its range of sustainability indices to a total of 19. In addition to the existing index families STOXX ESG Leaders (ESG stands for "Environment, Social, Governance") and STOXX Europe Sustainability, two new indices, the STOXX SD-KPI indices, have been introduced. The new indices allow investments in versions of the leading European equity indices, EURO STOXX 50 and STOXX Europe 50, that have been optimised for sustainability criteria. The STOXX ESG Leaders index family uses a rule-based selection model with fully transparent criteria. A uniform model was developed on the basis of the "KPIs for ESG 3.0" standard published by the DVFA (the Society of Investment Professionals in Germany) and data released by Sustainalytics, the leading provider of sustainability data. This model awards all companies in the global STOXX® Global 1800 equity index a consistent and transparent score for the ESG criteria. The criteria can be accessed on www.stoxx.com.

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

In cooperation with the European Energy Exchange (EEX) in Leipzig, Eurex operates a regulated, transparent marketplace for trading greenhouse gas (CO_2) emissions. This marketplace helps market participants to meet their climate change targets under the Kyoto Protocol more easily. Market participants on both exchanges can trade on a common platform and hedge against the risks arising from their activities on the emissions market. In addition to emission rights, power, gas and coal derivatives are also traded on the EEX markets.

EEX started trading in Guarantee of Origin certificates for green power in June 2013. These types of certificates prove that a megawatt hour of power has been generated from renewable sources. They are issued exclusively for the purpose of identification and transparency. The launch of exchange trading on the EEX derivatives market is an important milestone towards greater transparency in a market that was previously exclusively based on over-the-counter trading.

Information media

Deutsche Börse Group has published a Monthly Carbon Report since October 2010, which provides information on the extent of CO_2 emissions in the energy sector and in industry and thus provides fundamental data to analysts and traders in the CO_2 trading environment.

EEX operates a central and neutral platform known as Transparency in Energy Markets, featuring generation data for power and gas. By uploading their data, market participants meet both their legal disclosure requirements and the voluntary obligations for the sector.

Deutsche Börse's information portal for sustainable securities (INW) helps both retail and institutional investors include sustainability criteria in their investment decisions. This free service is part of www.boerse-frankfurt.de. It pools information on all sustainable products tradeable at Deutsche Börse (i.e. equities, indices, investment funds and certificates) on a single platform. In addition to company-specific master data and key financial indicators for 1,800 global companies in the global STOXX universe, the information portal contains supplementary ESG indicators and data from the Carbon Disclosure Project, a non-profit organisation which maintains the world's largest database of corporate climate information.

Measures to optimise Deutsche Börse's own sustainability performance CR

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.

Deutsche Börse Group's server rooms in Frankfurt/Main have a flexible profile system that enables the strict separation of cold supply air and hot exhaust air, known as cold aisle containment. This profile system prevents cold and warm air from mixing, thus saving the energy that would have been used to cool it or heat it again. In addition, the use of fibre-optic rather than copper cables and direct cooling of the server rooms permanently reduce power consumption. In 2013, all servers at the Equinix data centre were supplied with 100 per cent environmentally friendly hydroelectric power. At the Luxembourg location, the data centre is situated underneath the office building. This allows an especially efficient use of energy, as the exhaust air from the servers is used to heat the office premises. Here too, further energy savings are achieved by cooling the server rooms directly with outdoor air. Outside the data centres, too, the focus is on sustainable, energy-efficient IT solutions. For example, thin clients (network computers without hard drives) are used throughout the Group and the hardware (awarded the "Energy Star" label) is selected specifically for its long lifespan and ecological certification. In 2013, CO_2 emissions went down 30 per cent throughout the Group, in particular due to a new green power agreement in Luxembourg.

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.

The cities of Frankfurt/Main and Darmstadt and the FrankfurtRheinMain Regional Authority conferred the "Green Building 2013" architecture award on the Group's headquarters for its ecologically innovative design, recognising it as a pioneer in sustainable construction. The building has two internal biogas combined heat and power plants for generating electricity (covering up to 60 per cent of the building's own power consumption), an aquifer heat storage system, a highly efficient heat recovery system and effective building automation. Renewable sources of energy and regional building materials with a high recycled content were used in its construction. Clearstream's building complex "The Square" was the first established property in Luxembourg to receive the "NF Bâtiments Tertiaires – Démarche HQE" sustainability certificate.

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
- Organising Group-wide "Green Days" to raise awareness of environmental issues among staff

Code of conduct for suppliers
A sustainability agreement between Corporate Purchasing and Deutsche Börse Group's suppliers and service providers has been in place since the end of 2009 and requires mandatory compliance with basic legal principles and rules of conduct, such as respect for human rights and employee rights. The agreement also imposes ecological and social requirements on the Group's service providers. Suppliers accounting for around 95 per cent of the Group's global purchasing volume had signed this code of conduct by the end of 2013, or submitted voluntary obligations that cover or exceed the points listed. The suppliers are assessed at regular intervals as part of the business relationship; the evaluation criteria include economic, ecological and ethical sustainability issues.

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.

Sustainability indices CR

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:

- Dow Jones Sustainability Indices (DJSI): in DJSI Europe since 2005; result of Robeco SAM rating: company score 60; average sector score 44 (however since 2013 no longer included in the DJSI World Index)
- FTSE4Good Index: in the Europe Index since 2009
- Carbon Disclosure Leadership Index (CDLI): since 2009; score: 91 out of 100; included in the Climate Disclosure Leadership Index (CDLI)
- 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: 69, S: 72, G: 69), ranking: 6th out of 96 companies
- ECPI Ethical Index Euro: since 2008
- MSCI World ESG Index: since 2010
- ESI Index: since 2012

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 table below 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 2013

With regard to non-financial performance indicators, the Group was able to maintain its very high level of system availability. The objective to reach a 30 per cent proportion of women in lower and 20 per cent in middle and upper management by 2015 was fixed for the year 2020, in order to integrate the development towards a higher proportion of women at these levels into the corporate culture and to define effective measures. The prolonged period for this structural change is deemed appropriate from today's perspective.

Corporate responsibility: key figures for Deutsche Börse Group

		2013	2012
Transparency			
Proportion of companies reporting in accordance with maximum transparency standards (by market capitalisation)[1]	%	81	83
Number of calculated indices		10,513[2]	11,393
Number of sustainable index concepts		23	19
Security and reliability			
System availability of the Xetra® trading system	%	99.999	99.998
System availability of the Eurex® trading system (resp. of its successor T7)	%	99.969	99.999
Market risk cleared via Eurex Clearing (gross monthly average)	€bn	15,861	15,080[3]
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	%	95.3	94.3
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[4]		372	1,133
Number of justified customer complaints relating to data protection		0	0
Environment			
Energy consumption[5]	MWh	74,662	73,062[6]
Greenhouse gas emissions	t	20,437	29,452
thereof travel-based greenhouse gas emissions	t	6,222	6,304
Water consumption[7]	m^3	67,932	63,757
Paper consumption[8]	t	101	113
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[9]	€	730	850
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 2013 no direct comparison to previous years numbers possible due to new calculation base from a new system 3) Adjusted for changes in calculation methodology for Eurex Repo in the year under review 4) 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. 5) The energy consumption reported comprises direct and indirect energy consumption. 6) Adjusted due to improved quality of data 7) The water consumption reported comprises only the volume of water sourced from municipal utilities. 8) The paper consumption reported only relates to office requirements. 9) For memberships, donations, sponsoring and communication; does not include social benefits or special leave expenses for corporate volunteering

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 difficult economic environment and regulatory developments, which will be briefly described in the first section of this risk report, the risk profile in the year under review has remained largely stable.

Management further strengthened risk management in 2013. 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 provides examples of 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 (for details on the requirements, see the "Risk management environment" section). All of the other companies in the Group are aligned with the highest standard for comparable companies ("best-in-class"). Risk management across the Group therefore meets 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. For its customers, Deutsche Börse Group also performs important risk management functions, such as providing client asset protection solutions, and thus contributes to the efficiency and systemic stability of 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 Gesetz zur Abschirmung von Risiken und zur Planung der Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen (RiskAbschG, German 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) and the International Organization of Securities Commissions (IOSCO), and the act implementing the Capital Requirements Directive (CRD IV). The principles of the FSB 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 report higher equity thanks to measures such as leverage 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 regulations also directly affect the financial institutions of the Group, Clearstream and Eurex Clearing AG; this applies in particular to the MaRisk from Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, the German Federal Financial Supervisory Authority), which was most recently revised in December 2012. This was “Pillar II” under Basel II dictates to banks how they must organise their risk management system, and therefore also applies to Clearstream and Eurex Clearing AG. It sets out the principles governing how much equity a bank must hold for its business to cover counterparty credit risk, market risk and operational risk, and stipulates conditions for outsourcing, compliance and auditing. In addition, Clearstream and Eurex Clearing AG have prepared recovery plans in accordance with the RiskAbschG. Above and beyond this requirement, Deutsche Börse Group is also currently and voluntarily developing a Group-wide recovery plan for the event that this should be necessary at Clearstream and Eurex Clearing AG.

There are also business risks for Deutsche Börse Group from the new regulations. This is because the new regulations change 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. In December 2013, Britain passed a bill to ringfence the retail banking system. At the same time, what is known as the Volcker rule was adopted in the United States aimed at restricting proprietary trading there and curbing speculative transactions. The RiskAbschG has similar goals. 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 has compiled a comprehensive plan for enhancing its risk management (risk management implementation plan) in order to continue to provide the highest possible standard. A large part of the defined measures will be implemented in 2014 (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 appetite and risk-bearing capacity. 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.

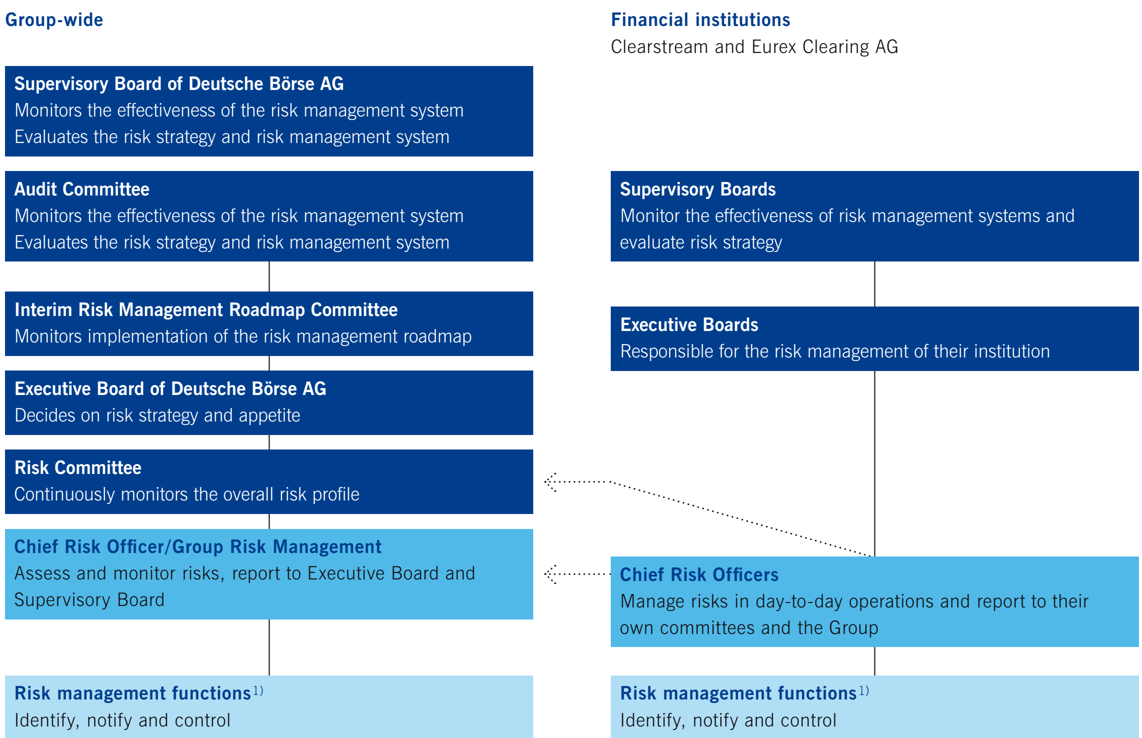
Management further strengthened and reorganised risk management in 2013. The basis for internal risk management is the Group-wide strategy for detecting and minimising risks, which is focused on what is known as risk appetite. Each division is individually responsible for managing its risks as part of the Group-wide risk management regulations; the Executive Board of Deutsche Börse Group has overall responsibility and steers the Group-wide risk management system in order to take possible interactions into account and to make use of synergies. Among other things, this coordinated process ensures that

The Group and its companies act quickly and effectively in the event that a single system fails, or even if several systems fail simultaneously. 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, as well as setting 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 take a careful approach in dealing with risks, risk management is firmly anchored in the organisational structure and workflows and is supported by corresponding measures, such as risk management training. The Executive Board is responsible for risk management overall; within individual companies it is the responsibility of the management, which ensures it is cut fully up to date in a timely manner with all of its 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.

Risk management – structural organisation and reporting lines



1) These include, for example, the divisions Credit and Treasury.

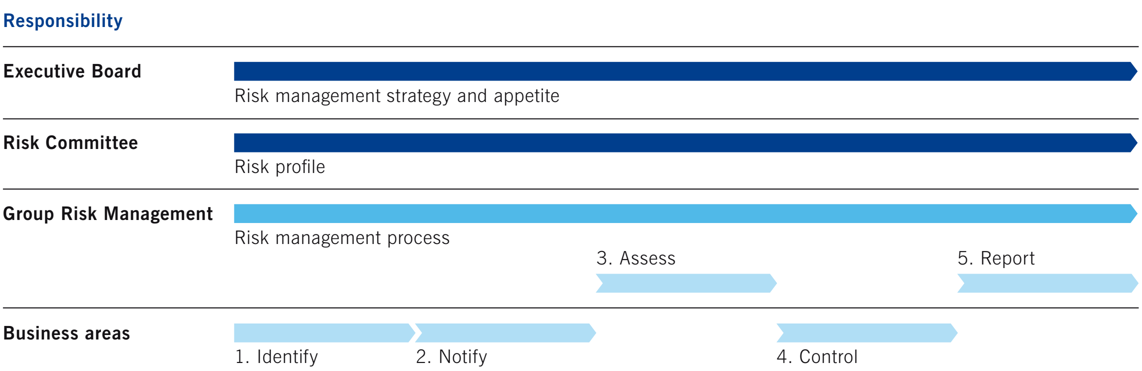
The Executive Board of Deutsche Börse AG (in its capacity as the Group Executive Board) determines the Group-wide risk strategy and risk appetite and allocates the latter to the company's units. It ensures that the risk appetite is and remains compatible with the company's short- and long-term strategy, 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 Executive Board members of the Clearstream, Eurex and Eurex Clearing AG subsidiaries. In addition, it regularly checks the current levels of all parameters to ensure they are suitable, and, as necessary, makes recommendations to the Executive Board 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 to the Risk Committee, Executive Board and the Audit Committee of the Supervisory Board every quarter. 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 mitigate 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 board members 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.

Course of the five-stage risk management system



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 risk, 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 informing the responsible Executive Board members and committees of significant risks, their assessment and possible emergency measures. In addition to the quarterly reports, GRM compiles ad hoc reports for the executive boards 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. Like the regulators, management 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 ICAAP report and the report on business activities are also made available to the public.

Three principles

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

1. Risk limitation – protecting 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 a probability of 99.98 per cent or more that the total capital will not be lost. Another is to ensure a probability of 99.0 per cent or more that Deutsche Börse at least breaks even in terms of its net income as measured at the EBIT level. Thus, 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." With this principle, the Group strengthens its growth strategy by requiring that risks are identified and clearly communicated. In this way, it aims to make informed strategic decisions within the framework 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 each individual region, product and customer.

Risk management approaches and methods

Deutsche Börse Group uses various 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. Principle 1 above also defines a confidence level for each of the orderly liquidation and the 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 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 would 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 adapts 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? As at 31 December 2013, Deutsche Börse Group's EC was €1,630 million, and the available risk-bearing capacity was €2,395 million. The ratio of EC to risk-bearing capacity is therefore well within the stipulated maximum risk. 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?

Since the year under review 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 2013, EaR were €589 million, which would be comparable to the adjusted EBIT 2013 of €840 million.

Regulatory capital requirements

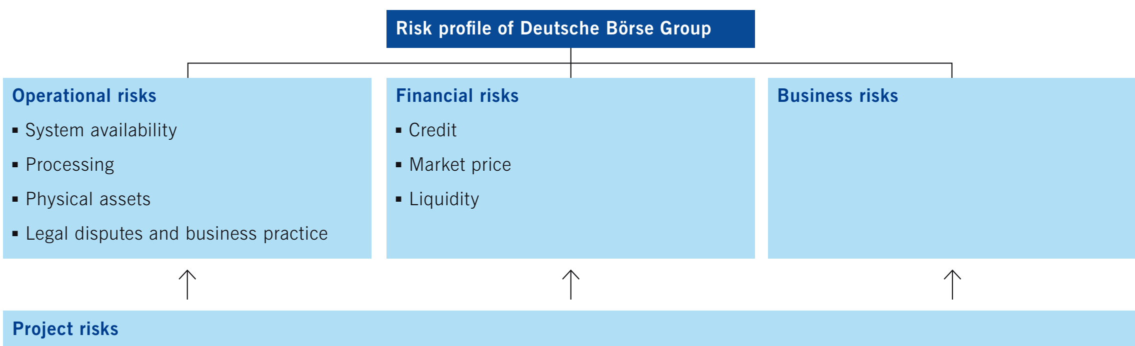
Clearstream and Eurex Clearing AG must also calculate their capital requirements for various risk types (see the chart below) according to the Pillar I requirements under Basel II. They use a standard approach for analysing and evaluating credit and market price risks. In this approach, risk weightings 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 therefore complies with the regulatory capital requirements for operational risks according to the Solvabilitätsverordnung (SolvV, German Solvency Regulation) under Basel II. The method, which has been approved by, and is regularly tested by, BaFin, allows regulatory capital to be allocated to businesses precisely. 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

For Clearstream and Eurex Clearing AG, Deutsche Börse Group also uses stress tests to analyse business risks as well as operational and financial risks. 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

Deutsche Börse Group's risk profile



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, Deutsche Börse Group carries out liquidity stress tests. What are known as inverse stress tests are also performed. These reverse-order 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 gives examples of the risks it actually faces. Using examples, it also explains the measures that Deutsche Börse Group uses to prevent risks occurring and to minimise their financial effects. Firstly, however, there follows a brief explanation of the risk profile that differs from most other financial services providers, as financial risks play a significantly smaller role for Deutsche Börse Group.

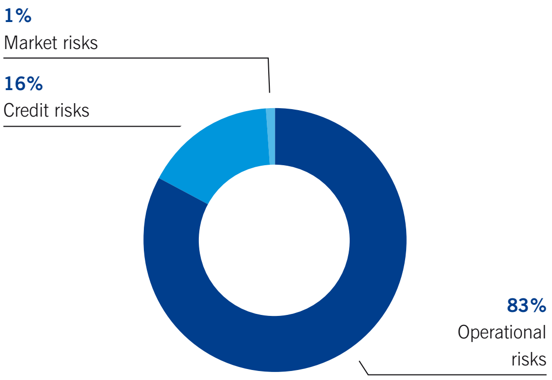
Risk profile

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.

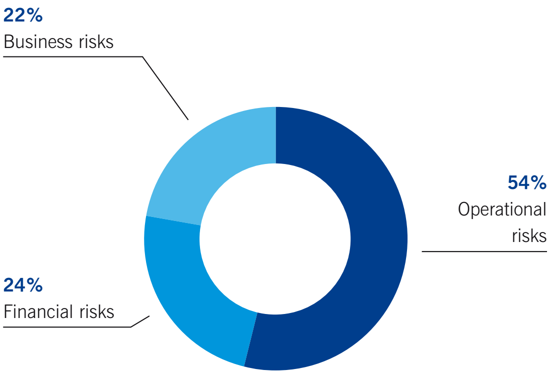
Low level of typical bank risk

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 16 per cent and market risks for 1 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

Regulatory capital requirements of Clearstream and Eurex Clearing AG



Required economic capital of Deutsche Börse Group by risk types



associated high trade risks. On the contrary, it offers market participants services such as collateral and risk management that reduce their risk from trading activities. Its 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).

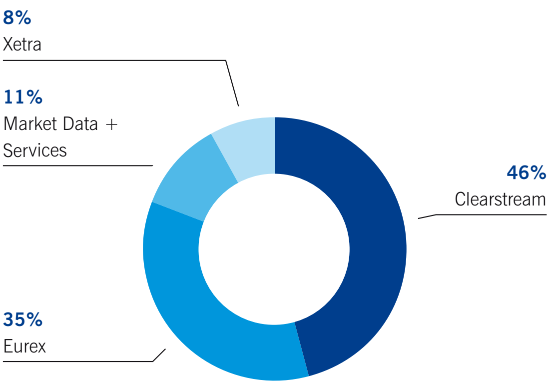
Operational risks higher than financial and business risks

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 share. Under the liquidation principle financial risks amount to almost one quarter of the total risks of Deutsche Börse Group. Business risks also represent slightly less than one quarter with 22 per cent of the total. All the more important for the Deutsche Börse Group is the third typical risk type: with 54 per cent, operational risks amount to more than half of the total risk (see the "Required economic capital of Deutsche Börse Group by risk types" chart).

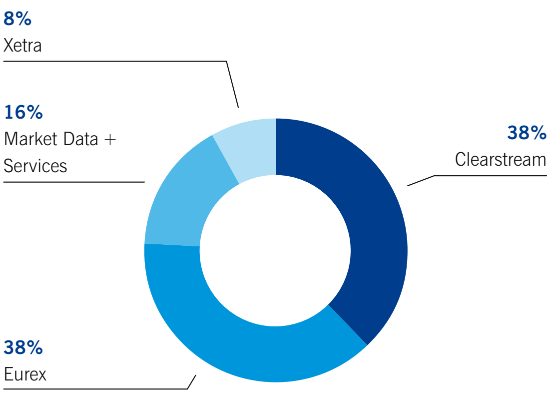
A large part of the risk is associated with the Clearstream and Eurex segments (see the "Required economic capital by segment" chart), in accordance with the size of the business in terms of sales revenue and earnings. In the year under review, the Clearstream proportion was at 46 per cent, for Eurex this figure was 35 per cent. In the Eurex segment, the risks primarily result from the business of Eurex Clearing AG. The Market Data + Services segment had a share of 11 per cent, and Xetra of 8 per cent. In contrast to the regulatory capital requirements, this includes business divisions that are not subject to banking regulations.

In total Deutsche Börse Group has calculated a required economic capital of €1,630 million. In accordance with the liquidation principle, the required EC compares to a risk-bearing capacity of €2,395 million.

Required economic capital by segment



Earnings at risk by segment



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 three types of risk as well as the project risks are explained below and illustrated with specific examples.

The 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 greater than 1 per cent but less than 10 per cent
- Medium: probability of risk occurring is greater than 10 per cent but less than 50 per cent
- High: probability of risk occurring is greater than 50 per cent

The 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

The risks listed below as examples can be assessed based on these categories:

1. Operational risks
- Incorrect processing of client instructions (e.g. capital increases)
- Miscalculation of indices
- Mishandling of trading instructions
- Losses caused by force majeure (e.g. natural disasters, terrorism)
- Losses from ongoing litigation
- Infringements of sanctions or supranational regulations

2. Financial risks
- Default of a credit counterparty
- Losses from impairment of fund assets for pension plans
- Loss of a client and an associated liquidity bottleneck

3. Business risks
- Entry of new competitors on the European trading market
- Worsening of the European government debt crisis
- Decline in trading activity
- 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 more than one week in a highly volatile market environment
- Simultaneous failure of several large systemically important banks

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".

GRM assesses these risks continuously and reports on its assessment in the form of a risk matrix to the Executive Board of Deutsche Börse Group.

Operational risks

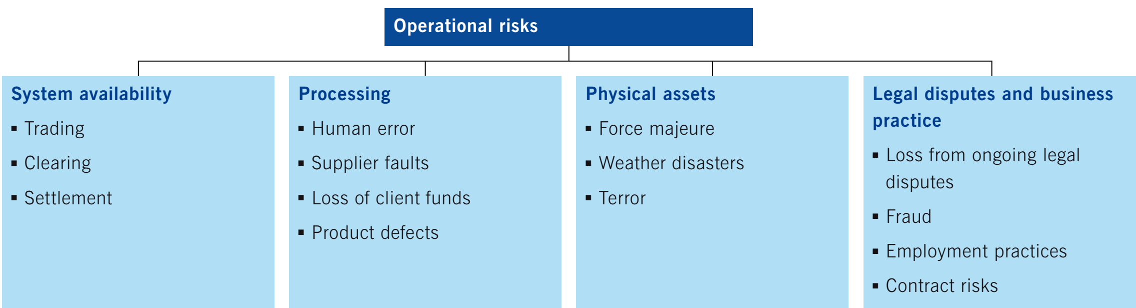
Operational risks for Deutsche Börse Group relate to availability, processing, material goods, as well as litigation and business practice (see the chart below). Personnel risks are not quantified directly, but influence the quantification process indirectly via the operational risk categories. The operational risks amount to just under one half 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 company'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. However, this has never happened in practice. In the past, only limited failures have occurred with both Xetra and T7 and its predecessor system, for short periods of time or affecting only a few products. In December of the year under review, for example, there were three minor faults in T7's trading operations; the longestfault lasted for only approximately three minutes and was limited to futures trading on the EURO STOXX 50® index. 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, of the central counterparty 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 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. For example, corporate actions (e.g. capital increases or securities exchange) by an issuer of securities might be missed or indices such as DAX® miscalculated. Such processing errors can occur with a medium probability, but have hardly ever happened to date. The possible losses in the case of client instructions such as the above-mentioned corporate actions would be classified as medium while, by contrast, losses relating to the calculation of indices would be low; to date, there have been no client claims in this regard.

If a Xetra or Eurex client 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 client 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 aims to register all complaints and formal objections as a key indicator of processing risk.

Physical assets

Operational risks include natural disasters, accidents, terrorism and sabotage. For example, a data centre could be destroyed, or a major storm could severely damage office buildings. For instance, the ISE office in New York, USA, was damaged by a severe storm, although the financial consequences were only minor. Business continuity management (BCM) planning aim 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 7 November 2013, Deutsche Börse Group after careful examination resolved to end proceedings brought by the US Office of Foreign Assets Control (OFAC) by entering into a settlement. For this purpose, Clearstream made a payment of US$151.9 million. In 2008, OFAC had investigated a collective account held by Clearstream in the United States as well as certain securities transactions in the settlement system. The securities had been transferred after Clearstream's resolution in 2007 to close the accounts of its Iranian clients. Previously on 9 January 2013, Deutsche Börse AG had reported in an ad hoc disclosure that Clearstream had commenced settlement proceedings at OFAC's suggestion. Initially, OFAC had cited a preliminary amount of approximately US$340 million as a fine. After negotiations, Clearstream resolved the matter by way of a settlement and consented to pay the above-mentioned amount. The settlement also resolves OFAC's allegation that Clearstream had been in breach of regulations.

On 30 December 2013 US plaintiffs filed under seal a complaint targeting certain assets of approximately US$1.6 billion claimed to be held for Bank Markazi, the Iranian Central Bank, by Clearstream in Luxembourg. The plaintiffs are judgement creditors of Iran and seek the turnover of these customer assets to satisfy their judgement.

In different, still current, proceedings filed on 26 November 2012, the insolvency administrator of Lehman Brothers Bankhaus AG (LBB AG) brought a suit against Eurex Clearing AG. On the basis of German insolvency law, the insolvency administrator is demanding from Eurex Clearing AG the repayment of €113.5 million and payment of another sum of around €1.0 million plus interest. Eurex Clearing AG believes this claim to be unfounded and is defending itself against the insolvency administrator's suit. The background to the action is an amount of €113.5 million, which Lehman Brothers International (Europe) paid to Eurex Clearing AG as security on 15 September 2008, and which was cleared via an account belonging to LBB AG.

On 12 November 2012, CBOE filed a patent infringement action against ISE. It alleges US$525 million in damages for infringement of three patents relating to systems and methods for limiting market-maker risk. ISE believes that neither the facts nor the law supports CBOE's damages claim. At the end of 2013, ISE filed various applications with the U.S. Patent and Trademark Office (USPTO) to have the respective patents of CBOE declared invalid. ISE intends to vigorously defend itself in this lawsuit. In November 2006, ISE itself had brought an action against CBOE for patent infringements, alleging US$475 million in damages.

Measures to mitigate operational risks
Deutsche Börse Group takes active 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 (BCM). This covers all processes which 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 workspaces for employees in core functions at all important locations. Examples of such precautions are listed in the chart below.

Preparations for emergencies and crises

The Group has introduced and tested a management process for emergencies and crises which 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 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. GRM reports any problems that occur to the Executive Board, evaluates the results and issues recommendations. 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.

Business continuity management

Emergency and crisis management process

Systems
- Trading, clearing and settlement systems, as well as related networks, are designed to be available for operations at all times without losing data.
- Since all computer centres are duplicated, the failure of an entire location can be contained immediately.

Workspaces
- Emergency backup workspaces are set up for all essential functions.
- Emergency workspaces are fully equipped and ready for use at all times.
- In emergency situations, numerous employees can also access the systems from home.

Employees
- If a large proportion of employees at a site are unable to work, essential areas of operations can be moved to other sites.
- In the event of a pandemic, additional precautions ensure that operations remain active.

Suppliers
- Contracts and manuals specify emergency procedures for suppliers and service providers.
- Supplier emergency preparations are carefully checked on a regular basis.
- If a supplier does not meet the requirements, that supplier is replaced by another supplier, if possible.

Insurance contracts

Operational risks which Deutsche Börse Group cannot or does not wish to bear itself are transferred to insurance companies, if this is possible at a reasonable price. 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.

Compliance

The compliance function and the individual business segments have the task of protecting the Group against risks and physical or non-physical damage that could arise if employees act in contravention of applicable laws, supervisory requirements, market standards, or principles of proper corporate governance, or if the expectations of public authorities, customers, investors, or the general public are not met.

Compliance management at Deutsche Börse Group comprises a range of rules, procedures and controls to help the business areas comply with the applicable laws and regulatory requirements. In particular, the system specifies measures to enable the Group to meet its obligations relating to the prevention of money laundering and terrorism financing as well as compliance with financial sanctions rules. Furthermore, it contains rules and procedures to prevent insider trading and market manipulation, including an insider register in accordance with securities law requirements. The Group's compliance function is also responsible for issuing guidance on how to avoid conflicts of interest, fight corruption and prevent criminal offences in general. By issuing appropriate rules, it ensures that banking and professional secrecy is maintained and personal data is protected. In addition, compliance management develops guidance for the internal control system to protect the Group itself, its investors and customers from financial losses. Another protection mechanism is the whistleblower hotline: this system can be used to inform a third party of suspected criminal acts or contraventions of the Group's compliance regulations, anonymously if preferred.

Deutsche Börse Group introduced its Group-wide independent compliance function and adopted compliance principles many years ago. It has continuously enhanced its compliance management system ever since. In light of increased regulatory requirements, including the agreements made with the US Department of the Treasury, Deutsche Börse Group has resolved to significantly strengthen and expand its compliance management system. Some measures were already taken during the year under review; others are planned for the current year. They meet the revised Minimum Requirements for Risk Management (MaRisk) of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority). Moreover, the Group resolved in 2013 to implement stricter rules and measures to prevent money laundering and terrorism financing and to ensure compliance with financial sanctions rules. In addition, the requirements relating to the fight against bribery and corruption have been revised and tightened considerably.

The Group aims to increase transparency in securities custody and to support and encourage the development of sector-wide standards. As part of this drive, it initially enhanced its methodology for capturing, categorising and assessing potential risks arising from different customer groups, business partners, markets and business activities of the Group. Based on the results of the different risk analyses, the checks applied when establishing business relationships and opening accounts are currently being tightened. In addition, regular checks on business partners, customers and customer accounts are being intensified. The checks include whether the purpose and extent of existing business relationships are plausible or whether the customer information and documents on file are complete and up to date. They focus in particular on transactions settled and portfolios held in custody via the Group companies in order to get a better understanding of the beneficial owners of the items under custody. Moreover, reviews are carried out to determine the extent to which the Group's business partners have themselves introduced compliance programmes and whether they maintain business relationships with sanctioned parties. Access to omnibus accounts will in future be limited to customers who meet certain compliance and risk criteria and confirm that they do not allow the account to be used in a way that would lead to the contravention of sanctions. Automatic and regular checks on transaction and portfolio data will also be tightened with regard to both financial sanctions and other compliance risks. For example, transaction information will automatically be compared against reference lists before the transaction is settled. In addition, the Group will in future track the development of its customers' transaction and portfolio volumes more closely and monitor how they are using the Group's products and services; this will also include a plausibility check. The aim is to protect the Group from being misused to commit financial crime.

In response to tighter international rules on fighting corruption and bribery in business, the Group has also taken measures to protect itself from legal or reputational consequences as well as any resulting losses. This applies to acts committed by employees of the Group or third parties acting on behalf of the Group. In this context, guidance has been introduced in particular to ensure more detailed checks and contractual arrangements governing new and existing business partners and for managing dealings with officials. In addition, the Group has tightened its rules on providing and accepting gifts and other benefits, such as invitations to meals and entertainment, by employees and third parties acting on behalf of the Group. The approval process has also been made subject to stricter requirements.

In support of the introduction of the measures described above, Deutsche Börse Group has significantly expanded its compliance training programme for employees. All employees receive more frequent and more comprehensive information and training on the latest compliance issues, either at classroom sessions tailored to the area of work of the employees to be trained or through computer-based training programmes, which test comprehension to ensure training success.

The expansion of the compliance management system also prompted the Group to strengthen the compliance function by adding new team members: firstly, additional compliance officers have been deployed at the level of the regulated Group companies, and secondly, there are plans to introduce compliance officers at other international locations of the Group. By taking these measures, Deutsche Börse Group will be able to meet further increases in regulatory requirements and expectations.

Financial risks

Deutsche Börse Group classifies its financial risks into credit, market price and liquidity risks (see the "Financial risks of Deutsche Börse Group" chart). At Group level, these risks account for about 24 per cent of the entire risk profile (since liquidity risks are not quantified in the EC, this information only includes credit and market price risk; 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.

Credit risk

Credit risk describes the danger that a contract partner 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 contract partners totalling several billion euros overall, but these are usually be secured by collateral 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, among other ways. In addition, it regularly assesses the reliability of emergency plans for Clearstream and Eurex Clearing AG in the case of credit defaults.

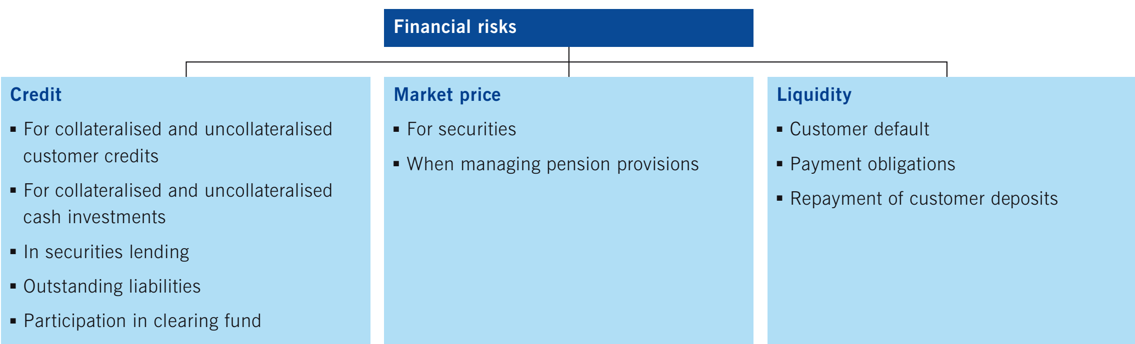
Furthermore, Clearstream Banking S.A. is exposed to credit risk arising from its strategic securities lending transactions (ASLplus). Only selected banks act as borrowers. All borrowing transactions are fully collateralised. Only selected bonds may be used as collateral; these must be rated at least 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

Financial risks of Deutsche Börse Group



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 blonging 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 for either collateralised or uncollateralised investments. The probability the default of a counterparty to an uncollateralised cash investment could lead to al 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 resp. 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, credit risk VaRs are calculated at the level of individual counterparties and compared to the overall credit risk VaRs. Due to its business model, Clearstream focuses almost exclusively on financial sector customers. However, there is no material concentration of credit risk on any individual counterparty.

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, either the buyer or the seller is collected from the margin (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 before 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 a variety of products and the intention is for it to fully replace risk-based margining over time. 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 retained earnings. Eurex Clearing AG has set up a separate clearing fund for clearing credit default swaps (CDSs). 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 2013, collateral amounting to €46,133.5 million had been provided for the benefit of Eurex Clearing AG. This collateral balanced the risk of a clearing member's default amounting to €34,840.4 million.

- After this, the relevant clearing member's contribution to the clearing fund would be used to cover the open amount. The contributions made range from €1 million to €92 million.
- 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 €50.0 million as at 31 December 2013.
- Only then would the other clearing members' contributions to the clearing funds be used proportionately. As at 31 December 2013, the volume of Eurex Clearing AG's clearing fund stood at €1,597.2 million. After increasing the provision for the clearing fund, it amounted to €2,671.3 million as at 31 January 2014. 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 the remaining equity of Eurex Clearing AG would be used.

In the event of a counterparty default the Default Management Process (DMP) is triggered. Its purpose is to assess the positions of the defaulting participant. These are classified into recovery groups, based on criteria such as joint saleability or their joint pricing, in order to treat similar positions in a similar manner. In the case of payment default, each of these recovery groups is transferred to other participants via an auction. When the DMP is initiated, the clearing fund is also segmented according to the recovery groups based on the margin requirements. If a clearing member defaults, to recover the position first, only the specific segment according to the liquidation groups of the clearing fund is used to bear the losses. At the same time, a committee of market experts (Default Management Committee) meets to advise and support Eurex Clearing AG.

There have been three defaults of Eurex Clearing AG's clearing members to date: Gontard & MetallBank, Lehman Brothers and MF Global. In all cases, all outstanding positions could already be closed at the closing or cash settlement (first line of defense). In addition, the majority of collateral could be transferred back to its owners.

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 primarily investing funds 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.

Stress tests are calculated for Clearstream and Eurex Clearing AG to analyse scenarios such as the impact if their largest client were to default. 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 2013 financial year, no Clearstream and Eurex Clearing AG as going concerns were identified in the course of the stress test calculations.

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

Market price risk

Market price risks result from operations in the case of 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 price risks can result from ring-fenced plan assets within Deutsche Börse Group (Contractual Trust Agreement, Clearstream pension plan in Luxembourg). The Group increased the proportion of fixed-income securities in its portfolio in 2013 in order to further reduce market price risk. The probability of significant market price risk is low, and the Group also considers the impact to be low. Clearstream and Eurex Clearing AG perform regulatory stress tests on the market price risk. However, since these market price 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. A Group cash pool also exists which pools excess liquidity to the extent that this is permissible from a regulatory and legal perspective. Liquid funds are invested exclusively in the 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. Clearstream had sufficient liquidity throughout 2013.

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. Since extending its licence as an investment and credit institution under the Kreditwesengesetz (KWG, German Banking Act), Eurex Clearing AG can use Deutsche Bundesbank's permanent facilities.

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 client 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 be able to meet its obligations.

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 2013.

Business risk

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 total weighting for the Group is of about 29 per cent. Business risks may result in revenues tagging budget projections or in costs being higher.

Competitive environment

Business risk includes the risk that US competitors such as the CME and IntercontinentalExchange (ICE) derivatives exchanges 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 to be highly probable, but considers its impact to be relatively low.

Aggravated 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 redeemed be in part. The Group currently views the probability of this risk occurring as low, and the possible consequences as low. A reduction in client trading activity and a related reduction in revenue from the trading business represent a continued risk for the Group.The Group now considers the probability of this risk occurring to be low.

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.

New regulatory requirements

The risk arising from new regulatory requirements could significantly reduce trading volumes in the cash and derivatives markets. This means that the planned 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.

In response to numerous possible manipulations of interest rates such as the interbank interest rate LIBOR or the reference interest rate ISDAfix, the EU is planning a regulation on indices used as benchmarks in financial instruments and financial contracts. The market changes resulting from this could negatively impact the revenue of the Market Data + Services segment as well as the Eurex marketplace.

The introduction of a financial transaction tax, which is supported by eleven 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.

Project risk
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. It is evaluated by the GRM and already considered in the initial phase of substantial projects.

For example, 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.

Overall assessment by the Executive Board

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 2013 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. The Group identified these factors early on and took appropriate countermeasures. Due to these measures, Deutsche Börse Group's risk profile remained stable. However, due to the settlement payment to OFAC, Deutsche Börse Group suffered from the largest loss event in its history. In the year under review, Deutsche Börse Group's risks were always covered by sufficient risk-bearing capacity.
As at 31 December 2013, the EC of Deutsche Börse Group was €1,630 million; this was up by about one-tenth compared to the previous year (31 December 2012: €1,451 million). Available risk coverage

Key figures of the liquidation principle as at 31 December 2013

		Deutsche Börse Group	Eurex	Xetra	Clearstream	Market Data + Services
Required economic capital	€m	1,630	574	128	748	180
Risk-bearing capacity	€m	2,395	845	214	1,106	230
Utilisation	%	68	68	60	68	78
Early warning limit	%	90	90	90	90	90

basically remained constant over the same period at €2,395 million (31 December 2012: €2,407 million). The earnings at risk as at 31 December 2013 were €589 million, while risk appetite €840 million, which compares with adjusted EBIT in 2013. The increase in EC is primarily due to the increase in Deutsche Börse Group's operational risk, in particular legal and regulatory risks. However, business risks in the Group's core markets tended to decline as the macro-economic dangers tended to decrease.

The Executive Board of Deutsche Börse AG is convinced that the risk management system is effective. The Board strengthened the system in 2013 and reorganised the business area responsible for it. The Group-wide strategy to capture and minimise 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 continuously 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 capacitiy is sufficient. Furthermore, it cannot identify any risk that could endanger the Group's existence as a going concern. In addition, the allocated risk appetite limits were observed.

In 2014, the Group intends to further strengthen its Group-wide risk management. For instance, it plans to extend the default management process currently in place for Eurex Clearing AG not only to Clearstream but to the entire Group. This will result in a consistent process for the Group's financial institutions, and take into account the potential reciprocal effects of a counterparty default.

Moreover, reciprocal effects across the entire Group are to be analysed even better by expanding Group-wide stress tests so as to permit early identification of substantial risks, or even risks endangering the Group's existence as a going concern. Based on the recovery plans for Clearstream and Eurex Clearing AG that have already been developed, a Group-wide recovery plan will be prepared in 2014. Possible recovery scenarios, which have so far been viewed in isolation, can then also be analysed at Group level, and effective counter-measures can be developed. In addition, methods to measure and manage operational and credit risks are to be refined Group-wide.

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 analyses 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 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 by a growth initiative to several business areas, also play a role in the prioritisation of growth initiatives. The initiatives that 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 and budgeted 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 utlilisation 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. In addition, 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 to OTC derivatives clearing, collateral and liquidity management, and further expansion in Asia.

Clearing of OTC derivatives (Eurex)

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 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. This 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 2013, a total of 32 clearing participants and over 120 institutional investors had registered for the offering. Several delays in drafting and implementing the EMIR regulation 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 at the end of 2014 or at the beginning of 2015.

Collateral and liquidity management (Clearstream)

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 2013, 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 Singapore and Canada. In addition to CSDs and exchanges, several custodian banks, such as BNP Paribas, Standard Chartered and Citibank, are also in the process of being connected.

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 Asia 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 an 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 Korea's benchmark KOSPI index have been traded on Eurex since 2010. The cooperation agreement entered into with TAIFEX, the Taiwan Futures Exchange, in 2013 follows this example. What is more, Eurex acquired a 5 per cent interest in TAIFEX in order to strengthen this strategic product partnership. Through its subsidiary EEX, Deutsche Börse Group acquired a majority interest in Cleartrade, a Singapore-based futures exchange, at the beginning of 2014. The Group also plans the setup of a local clearing infrastructure for the derivatives area in order to support the growth within the Asian region. Asia also offers growth opportunities for the Market Data + Services segment – for example, the Bombay Stock Exchange (BSE) has used Deutsche Börse Group's derivatives trading technology since the end of 2013. In addition, the Group 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.

Market data and IT

The Group is also planning further growth by selling capital market data and solutions. The aim is 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 and in Asia and America. For example, in 2013 STOXX expanded its offering for Chinese investors, firstly, by launching new indices such as the STOXX® China A 50 Equal Weight index and secondly, by entering into a licence agreement with a Chinese issuer, which will allow investors in China to also invest in the EURO STOXX® 50. In addition, the Group is planning to increase 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 the fourth quarter of 2013, the new T7 trading infrastructure was successfully ported to the Bombay Stock Exchange's derivatives market; 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 "Expected net revenue contribution by structural growth opportunities in 2017" table 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.

- 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 III), 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, 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.

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 "Description of risks" section for an explanation of the terms.

Cyclical opportunities
In addition to structural growth opportunities, Deutsche Börse Group has cyclical opportunities, for example as a result of positive macroeconomic development. Although the company cannot influence these 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 greater stock market volatility, could stimulate trading activity by market participants and boost trading volumes.
- 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.
- 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. Net interest income from banking would benefit from a rise in short-term interest rates in the euro zone and the USA.
- 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 acquisition of all the shares of Eurex from SIX Group AG and of a majority interest in the European Energy Exchange, 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 2014. 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

Deutsche Börse Group anticipates that the economy will grow moderately worldwide during the forecast period. In the case of the emerging markets, the Group expects that countries with a current account surplus will continue to expand at an above-average rate and that the exchange rate turbulence observed in some emerging markets at the beginning of 2014 will not escalate into a serious crisis. 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. With respect to Europe, the Group is forecasting that the economic situation will improve on the back of the clear increase in growth expected for Germany in particular. 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 the credit quality and liquidity of individual euro zone states, the budgetary situation in the USA, the monetary policy adopted by the central bank, or a crisis in 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, whereas a trend reversal might occur in the USA already in 2014.

In its forecast of economic development for 2014 published in January 2014, the International Monetary Fund (IMF) predicts an increase of around 1.0 per cent in the euro zone and growth of around 1.6 per cent in Germany. The difference between the euro zone and Germany is a result of only slight growth 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 2014, the economy is forecast to grow by around 2.4 per cent in the UK and by around 2.8 per cent in the US. The highest growth by far in 2014 – approximately 7 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 3.7 per cent in 2014.

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 this degree of severity. The measures envisioned, and in some cases already initiated, range from revising the legal framework for banking business and capital requirements to improving financial market supervision (for more information, please see the “Regulatory environment” section of this report on expected developments). For Deutsche Börse Group’s customers, the 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 company sees the changing regulatory environment as an opportunity to expand its business further, see the report on opportunities for further details.

Regulatory environment

Introduction

One consequence of the global financial market crisis is that work is now underway at an international level on regulatory initiatives in a wide variety of areas, with the aim of creating a more transparent, more stable and fair financial system in line with the G20’s objectives. The main focus is on regulation of the supervisory structure, recovery and resolution plans, new regulations for the financial market infrastructure and for banks, and the settlement of securities, derivatives and other financial instruments. The latter initiatives have been integrated into the regulatory projects for financial market infrastructures (e.g. restrictions on high-frequency trading or a central clearing obligation for derivatives) and are only supplemented by separate regulatory projects in selected areas (e.g. the revision of European Securities Law Legislation).

Regulation of supervisory structures

Supervisory structures have changed as a result of tighter regulation: the European supervisory authorities created on 1 January 2011 – ESMA (European Securities Markets Authority), EBA (European Banking Authority) and EIOPA (European Insurance and Occupational Pensions Authority) – as well as the European Systemic Risk Board now play a much more significant role, while the scope for decisions at national level has declined.

The goal is to further harmonise the supervisory practices in the EU in future and to structure them as a "banking union". In the first step, supervision over the approximately 130 largest banks with international operations will be transferred directly to the European Central Bank (ECB) in November 2014 (Single Supervisory Mechanism, SSM). The EU adopted the SSM Regulation on 15 October 2013. Under the SSM, the ECB will assume responsibility in principle for banking supervision in the euro zone; states outside the euro zone have the option to join the supervisory mechanism. However, the ECB will only lay down supervisory principles, harmonise interpretation decisions and coordinate the national supervisory authorities. In preparation for this, the selected institutions will be subjected to intensive quantitative analyses and stress tests as a basis for developing the appropriate supervision strategy for the future. Clearstream Banking S.A. meets the quantitative criteria and has been selected for ECB supervision because of its key role in Luxembourg. Thanks to its business model and fundamentally risk-averse business strategy, it regards itself as well positioned for the upcoming ECB analyses and the future supervisory regime.

Furthermore, the recovery and resolution mechanism for banks in distress is to be harmonised and a European fund financed by the banks is to be created (Single Resolution Mechanism, SRM). On 10 July 2013, the European Commission submitted a draft SRM regulation. The legislative process is at an advanced stage and the regulation is currently expected to be adopted by the middle of 2014. The SRM is set to enter into force on 1 January 2015 and will cover all countries participating in the SSM.

The third measure making up the banking union is common deposit protection; the European Commission submitted a proposal for this in July 2013. The legislative process is expected to be completed by the middle of 2014.

Recovery and resolution plans

Banks

In October 2011, the Financial Stability Board (FSB) adopted the Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes), which are aimed at resolving systemically important institutions in an orderly manner without loss to the public purse. The heads of state and government of the G20 countries have undertaken to implement the Key Attributes.

At a European level, the European Commission published a proposal on 6 June 2012 for a directive of the European Parliament and the European Council defining a framework for the recovery and resolution of credit institutions and securities firms (Bank Recovery and Resolution Directive, BRRD). The directive is expected to incorporate material components of the Key Attributes and to be enacted in spring 2014.

In anticipation of the expected European regulation, Germany 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) on 7 August 2013. On the basis of this act, Clearstream Banking AG and Eurex Clearing AG have been classified as a "potential systemic risk".

Financial market infrastructure providers

Provision is also being made for recovery and resolution plans for financial market infrastructure providers such as central securities depositories (CSDs), central counterparties, central trade repositories and securities settlement services. In this context, back in July 2012, the Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) had jointly invited consultation on their initial thoughts, which in turn complement the "Principles for Financial Market Infrastructures" (PFMI) published in April 2012. In August 2013, a revised and expanded version was submitted to market participants. However, a draft legislative text is not yet available and is not expected before the middle of 2014.

At EU level, the European Commission in 2012 explained its thinking on a possible framework for the recovery and resolution of financial market infrastructures. However, given that the international debate is still ongoing, the Commission is not expected to release a draft text of the regulation before the middle of 2014.

Market infrastructure regulation

With respect to the changes to the regulatory framework, three EU legislative packages are of central relevance to Deutsche Börse Group, in addition to a large number of smaller initiatives: the current revision of the Markets in Financial Instruments Directive (MiFID), the regulation by the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation, EMIR) and the regulation on central securities depositories (CSD Regulation).

MiFID

The European Commission has revised MiFID and published the resulting draft at the end of 2011. The revision is aimed at increasing the transparency and integrity of the markets and at further strengthening investor protection, among other things in the light of the financial market crisis. In addition, the European Commission is planning to take measures to regulate high frequency trading and to increase competition, particularly in the area of derivatives trading and clearing. The EU states agreed this initiative in principle in January 2014. It is expected to be formally adopted in the spring of 2014. Some of the rules will become directly applicable throughout the EU in the form of a regulation (MiFIR). The modified regulatory framework will only be applicable as from 2017. The regulations initially proposed by the European Commission would create both opportunities and risks for Deutsche Börse Group (see the report on opportunities and risks)

EMIR

The regulation by the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories entered into force in August 2012. Among other things, it mandates the use of central counterparties (CCPs) for settling a greater number of derivatives transactions. In addition, it requires OTC derivatives to be registered in trade repositories, which are in turn monitored by ESMA.

For Deutsche Börse Group, this provides an opportunity to expand its clearing offering to OTC derivatives (see the report on opportunities). However, the additional importance placed on central counterparties in Europe also entails increased capital requirements for CCPs. For Eurex Clearing AG, Deutsche Börse Group's central counterparty, the Group expects an additional capital requirement of more than €100 million. For this reason, an amount of €110 million was appropriated to the reserves in January 2013. Eurex Clearing AG submitted its application for authorisation as a central counterparty on 1 August 2013. Deutsche Börse Group expects the authorisation to be granted and consequently for EMIR to apply to Eurex Clearing in practice in the second quarter of 2014. Further gradual adjustments to capital requirements may be made once the authorisation has been granted. In addition to Eurex Clearing AG, the obligation to obtain authorisation also applies to European Commodity Clearing AG, the clearing company for EEX-traded products, which will be consolidated with effect from 2014. REGIS-TR S.A., one of four central trade repositories authorised by ESMA in November 2013, also belongs to Deutsche Börse Group.

CSD regulation

With the CSD regulation, the European Commission aims to create a uniform European regulatory framework for central securities depositories for the first time. The Commission submitted a proposal for this in March 2012, and the measures are expected to be passed in the first quarter of 2014. It is currently assumed that securities settlement systems and supervisory rules for central securities depositories will be harmonised throughout Europe. This will strengthen Clearstream's business model, because the provision of integrated banking services will still be permitted.

Other regulatory initiatives with an impact on financial market structures

Other initiatives expected for 2014 are a revision of European Securities Law Legislation (SLL) as well as the fifth revision of the directive on undertakings for collective investment in transferable securities (UCITS) and the implementation of the Directive on Alternative Investment Fund Managers (AIFM) in Germany. It is not possible at present to gauge the impact on Clearstream's business activities.

Banking regulations

The regulatory initiatives for banks currently focus on the Basel III regulations, which have been implemented in the EU in combination with other rules as part of the CRD IV package. Internationally, the Basel III regulations are already undergoing further development by the Basel Committee on Banking Supervision (BCBS). Furthermore, a group of experts led by Erkki Liikanen, governor of the Bank of Finland, has prepared a report for the EU on necessary reforms of the banking sector that was published in October 2012 (Liikanen Report). As a consequence, work is currently under way on the limited introduction of a separated banking system.

Basel III/CRD IV

In particular, Basel III includes a revised definition of capital, additional risk buffers for expected losses, the introduction of anticyclical capital buffers, the introduction of a leverage ratio (put simply, a minimum ratio of capital to unweighted total assets plus off-balance sheet risk positions), stricter liquidity management requirements and closer monitoring of liquidity positions by supervisory authorities (in particular the introduction of two quantitative minimum ratios for short-term and medium-term liquidity).

The regulatory framework is planned to be introduced in several stages in the period up to 2019. During the transition process, certain subareas, which have been developed successively since 2012, and in some cases have already been completed, will be reviewed and, if necessary, modified. The Basel III package also comprises a general revision of the capitalisation requirements for exposures to central counterparties.

In the EU, the Basel III regulations, together with other issues such as corporate governance topics and the implementation of a single rule book, were incorporated in a revised regulatory framework for banks and securities service providers. To achieve this, the EU Directives 2006/48/EC (Banking Directive) and 2006/49/EC (Capital Adequacy Directive) – referred to collectively up to now as the Capital Requirements Directives – were completely revised and restructured to produce an integrated legislative package (commonly referred to as CRD IV) consisting of Directive 2013/36/EU (which has to be implemented in national law) and Regulation (EU) No. 575/2013 (Capital Requirement Regulation, CRR), which applies directly.

The Directive and Regulation forming part of the CRD IV package were adopted on 26 June 2013. Meanwhile, the EBA has produced a number of Level 2 implementing measures (EBA technical standards), although they have not yet been put into force by the EU. The EU legislation has incorporated a number of the Basel amendments and additions that the BCBS had published by the middle of the second quarter of 2013. The aim is to transpose further amendments arising from the Basel process into EU law without delay via Level 2 texts, review clauses, or Commission-delegated legal acts. The CRD IV Directive and the options exercised under the CRR were implemented in Germany by way of the CRD IV-Umsetzungsgesetz (Act Implementing CRD IV) of 3 September 2013 as well as by a number of regulations published in the second half of December 2013. In anticipation of the final EU texts, Luxembourg issued a circular by the CSSF (Commission du Secteur Financier) covering individual aspects in 2012. However, the final implementation of CRD IV and of the national options under the CRR had not been resolved as at the beginning of 2014.

Whereas the Basel III rules only apply directly to global commercial banks with an international remit, the EU rules apply to all banks that operate in the EU. CRD IV therefore partly addresses both regional and size-related issues, and provides for specific or modified regulations for certain types of business. With regard to systemic risk, the European regulations go beyond the scope of Basel III. Moreover, specific rules have been included for corporate governance, and in particular for remuneration, which are not found in the Basel framework. Finally, the large-exposure rules have been gradually harmonised at EU level. Although comparable rules have to date not been harmonised internationally, the BCBS presented a consultation paper in 2013 on the introduction of internationally harmonised large-exposure rules (concentration risk), which is planned for 2015; the final regulatory framework is expected at the beginning of 2014.

Taking into account various interim rules, the Basel III regulations have, in principle, been in force internationally since 1 January 2013. In the EU, they were only implemented via the CRD IV package as at 1 January 2014.

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 internally specified buffers, the additional capital requirements resulting from the phased introduction of new capital buffers are expected to be relatively moderate. In addition, these requirements will be influenced by other factors, such as business developments, operational risk coverage, recovery plan requirements and possibly also the future CSD Regulation.

Independent of the regulatory requirements, the Group will continuously analyse the capitalisation of its regulated entities – including interactions with the requirements for the central counterparties under EMIR – and will adjust it as necessary to improve risk coverage. The regulated companies belonging to 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. Since many detailed questions are still unresolved, the impact on the Group's business activities cannot be assessed conclusively at the present time.

Basel developments

The BCBS launched a number of measures to update the Basel framework (Basel III), which was essentially completed in 2010, and finalised some of them in 2013 or at the beginning of 2014. The main changes relate to the following aspects: adjustments to the liquidity rules (fine-tuning of the requirements for the short-term liquidity coverage ratio, supplementary control parameters and the introduction of management instruments for intraday liquidity), details of the disclosure of liquidity coverage and leverage ratios, treatment of investments in investment funds and additions or updates to the methodology used to identify globally systemically important banks. The BCBS is currently also discussing further fine-tuning or fundamental revisions of individual aspects of the Basel regulatory framework, including rules on allocating items to the trading or banking book, changes to the treatment of securitisations, the development of a supplementary method for calculating counterparty risk capital requirements for derivatives, adjustments to the capital requirements for exposures to central counterparties, the introduction of international rules to limit concentration risk (large-exposure rules) and fine-tuning of the net stable funding ratio (structural liquidity ratio). Furthermore, a fundamental revision of the counterparty risk exposure to countries is planned. Above and beyond the Basel III framework, the BCBS has published rules for the collateralisation of derivatives not settled via central counterparties.

Separated banking system

Based on the recommendations of the Liikanen Report, the introduction of a separated banking system is currently being discussed at EU level. The aim of such a system is to ring-fence large-scale proprietary trading activities from the traditional deposit and lending business. While there is only a draft regulation governing this at European level, Germany has anticipated a European solution by passing a regulation that will come into effect in stages from 2014 onwards. The institutions belonging to Deutsche Börse Group are not directly affected by this move.

Financial transaction tax

In addition, there are ongoing discussions within the European Union about the introduction of a financial transaction tax. The introduction of such a tax would negatively impact Deutsche Börse Group's business development. The extent of the impact would depend on which asset classes were affected, how the tax would be applied and what the tax rates would be. It is not possible to predict the concrete impact on the Group's business from the current status of the discussions.

Deutsche Börse Group's involvement in regulatory initiatives

Neutral market infrastructure providers such as Deutsche Börse Group make a significant contribution to increasing the transparency, stability and fairness of the financial markets. For this reason, Deutsche Börse Group has been, and will continue to be, deeply involved in the above-mentioned political and regulatory initiatives right from the start. The Group participates actively in the consultations, making sure that political decision-makers are aware of potential negative consequences for the market as a whole and the company affected in particular. Deutsche Börse Group also takes an appropriate stance on the above-mentioned political initiatives. In this way, it counteracts excessive effects on the Group or any of its subsidiaries and works to ensure that the interests of any affected business units are taken into account in an appropriate manner.

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 the long term. 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). For the forecast period, however, the uncertainty about the future behaviour of capital market participants continues to make specific forecasts of the results of operations difficult. A recurrence of the disconnect, already observed in 2012 and 2013, between the performance of the stock markets and the real economy and trading on the Group's cash and derivatives markets, which is linked to a loss of confidence among investors and market participants, cannot be ruled out for the forecast period either. The company also expects continuing uncertainty among market participants about the future form of the regulatory projects. This could have a dampening effect on the business activities of the Group's customers in the forecast period.

As part of its budget planning process, the company has therefore developed different possible scenarios for its results of operations in 2014. If the capital market environment and investor confidence fail to improve and the markets continue to be impacted by uncertainty regarding global economic performance and the future situation in the euro zone, business activity would be roughly on a par with the previous year. This would mean net revenue of approximately €1.9 billion for 2014. Should the capital market environment, investor confidence and the situation in the southern EU member states improve significantly in 2014, the company would expect net revenue to increase year-on-year to around €2.1 billion. The scenario used to forecast net revenue is determined to a significant extent by the dominant short- to medium-term cyclical factors, whose impact on business activity the company is unable to control. The net revenue forecast includes consolidation effects of around €55 million from the consolidation of Börse Frankfurt Zertifikate AG as at 1 July 2013 and of European Energy Exchange (EEX) as at 1 January 2014. With regard to net interest income from banking business, which is a component of net revenue, the company does not anticipate any fundamental change in interest rate policies in Europe and the USA.

If, contrary to expectations, general conditions turn out to be worse than as described above, or if they impact the company's customers to an even greater extent, the company believes it is in a good 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 from 2016 onwards 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. The company expects operating costs to continue to increase moderately in the forecast period and beyond. For 2014, the company is budgeting for additional operating costs of around €30 million, primarily for the ongoing expansion of its collateral and liquidity management services and its expansion in Asia. In addition, consolidation effects (see above) will affect operating costs by around €50 million. In total, the company therefore expects operating costs of approximately €1,050 million in 2014, 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 €20 million, especially relating to costs for efficiency measures.

Because of the slight rise in operating costs, the stable net revenue scenario would generate EBIT of around €850 million, adjusted for special factors. In the scenario with a rise in net revenue, adjusted EBIT would be approximately €1,050 million.

The Group anticipates an unchanged tax rate of approximately 26 per cent for the forecast period, adjusted for any special factors.

Consolidated net income for the period would amount to around €600 million in the stable net revenue scenario and to around €750 million in the rising net revenue scenario, adjusted for special factors in both cases. The refinancing of long-term financial liabilities, which was completed in 2013, will positively impact consolidated net income because it has led to a significant reduction in the Group's interest expense.

The parent company Deutsche Börse AG has also considered the scenarios described above in its planning. For full-year 2014, the company expects net revenue of between €1.1 and €1.2 billion and net income of €0.5 to €0.6 billion, adjusted for special factors, in both scenarios.

Eurex segment

In the past year, the cyclical factors (see the "Results of operations" section for details) led to a decrease in derivatives trading volumes. However, Deutsche Börse Group still 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).

Eurex will again step up investments to enhance its technology and its product offering in the forecast period. The investment focus is 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. Among other things, these new features are being implemented so as to offer an expanded range of clearing services for OTC derivatives trading in future. In the medium to long term, the company expects this initiative to deliver significant additional net revenue. Since the regulatory requirements to settle OTC derivatives transactions via a central counterparty will probably not finally enter into force until the end of 2014 or 2015, the Group does not anticipate any material additional contribution to net revenue for 2014. With respect to cyclical business drivers in the Eurex segment, two factors could have a positive impact on business activity: 1) an increase in stock market volatility, because this has a major influence on trading in index derivatives, and 2) increasing speculation about possible changes in interest rate policies by the central banks.

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. 2013 saw a significant level of caution on the part of market participants, as in the previous year. Sustainable growth would require a further improvement in investor confidence. However, there were only tentative signs of this at the time this management report was prepared.

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 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 on the four central securities depositories that had already connected to the Global Liquidity Hub by the end of 2013, further connections are planned for the forecast period. In the medium to long term, the company expects this initiative to deliver significant additional net revenue. However, since the new partners can only be connected consecutively, only a small additional contribution to net revenue is anticipated for 2014. The monetary policy pursued by central banks in the forecast period will also have an impact on Clearstream's business. If 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. 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.

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

At the beginning of 2013, the Information Technology (IT) and Market Data & Analytics areas were combined in a separate reporting segment together with selected external IT services. The aim of the new 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. The goal is to open up untapped growth opportunities in the medium to long term under uniform management and with separate profit and loss responsibility.

In spite of the persistently difficult environment, the company anticipates a slight increase in net revenue in the Market Data + Services segment during the forecast period. This expectation is based on the continuous expansion of the product range in all areas and greater marketing of these products in growth regions.

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 CR

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 2013 as well as those planned for the forecast period will ensure that the systems meet 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 to increase the number of women in management positions. The appointment of Hauke Stars means that the goal of having at least one female Executive Board member by 2015 was already met in 2012.

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 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 2014 that a dividend of €2.10 per share should be paid. This would correspond to a liquidity outflow of €386.6 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 does not expect any liquidity squeezes due to its positive cash flow, adequate credit lines (see note 36 to the consolidated financial statements for details) and 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 2014, 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 to see a positive trend in its results of operations in the long term. For the forecast period, however, the uncertainty about the behaviour of capital market participants in relation to economic and regulatory conditions makes 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 the increased level of investments, the Executive Board expects operating costs (after adjustments) to increase moderately in the forecast period and beyond. Overall, the Executive Board anticipates on this basis that cash flow from operating activities will be clearly positive and that, as in previous years, there will be no liquidity squeezes. 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

Deutsche Börse AG recorded a lower result in 2013 than in the previous year, primarily because of difficult market conditions and a decline in the result from equity investments, which was impacted mainly by provisions for a settlement offer.

Sales revenue fell by 3 per cent to €1,076.8 million (2012: €1,110.3 million). The largest contribution to sales was provided by the Eurex segment, in which sales revenue amounted to €625.8 million (2012: €649.1 million). At €744.2 million, the company's total costs (staff costs, impairment losses relating to intangible assets and property, plant and equipment, and other operating expenses) were 7 per cent higher than in the previous year (2012: €692.6 million).

In 2013, the result from investments of Deutsche Börse AG was €138.9 million (2012: €307.6 million). Income from the transfer of profit amounting to €102.1 million (2012: €215.4 million) contributed to this result. There was also a partial reversal of the impairment of the profit participation rights of Deutsche Börse AG in Eurex Frankfurt AG amounting to €21.4 million (2012: €56.7 million). This reversal is a result of the profit generated by Eurex Frankfurt AG in financial year 2013. Income from investments also included dividends amounting to €15.5 million (2012: €23.1 million).

Performance figures of Deutsche Börse AG

	2013 €m	2012 €m	Change %
Sales revenue	1,076.8	1,110.3	–3
Total costs	744.2	692.6	7
Result from investments	138.9	307.6	–55
EBIT	596.4	844.6	–29
Result from ordinary business activity (EBT)	513.5	726.3	–29
Net income	412.8	605.7	–32
Earnings per share (€)	2.24[1]	3.23[1]	–31

1) Calculation based on weighted average of shares outstanding

Sales revenue by segment

	2013 €m	2012[1] €m	Change %	2012[2] €m
Eurex	625.8	649.1	–4	660.2
Market Data + Services	279.3	283.6	–2	196.6
Xetra	157.4	164.7	–5	232.4
Clearstream	14.3	12.9	10	21.1
Total	**1,076.8**	**1,110.3**	**–3**	**1,110.3**

1) Revenue restated to reflect the new organisational structure of the segments
2) Revenue before the new organisational structure of the segments

Earnings before interest and taxes (EBIT) fell by 29 per cent to €596.4 million (2012 adjusted: €844.6 million). Net income amounted to €412.8 million, falling by 32 per cent (2012: €605.7 million).

Results of operations of Deutsche Börse AG

Deutsche Börse AG's revenue fell in 2013 by 3 per cent to €1,076.8 million (2012: €1,110.3 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 developments in the US derivatives market operated by the International Securities Exchange (ISE) do 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 increased slightly in the year under review to €112.3 million (2012: €109.2 million). This is basically due to the income resulting from currency valuation of US-dollar loans which increased to €14.5 million (2012: €7.5 million).

In the year under review, total costs increased by 7 per cent compared to 2012 to €744.2 million (2012: €692.6 million). Their composition is presented in the "Overview of total costs" table.

Staff costs increased year-on-year by 22 per cent to €167.8 million (2012: €138.0 million) in the year under review. Additional costs primarily result from efficiency programmes. In the year under review, amortisation and depreciation relating to intangible assets and property, plant and equipment increased by 10 per cent to €35.7 million (2012: €32.5 million). This increase is essentially due to higher depreciation on IT hardware amounting to €24.6 million (2012: €22.0 million). Other operating expenses increased year-on-year by 4 per cent mainly due to higher expenses resulting from cost of agency agreements amounting to €222.3 million (2012: €201.8 million).

The result from ordinary business activity fell by 29 per cent to €513.5 million (2012: €726.3 million) compared to the previous year. The margin before taxes decreased from 65 per cent to 48 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 2013. It fell compared to 2012, mainly because of the poorer result, from 27.4 per cent to 18.5 per cent.

Financial position of Deutsche Börse AG

As at the reporting date on 31 December 2013, cash funds amounted to €203.0 million (2012: €281.1 million) including cash, current account balances at banks and fixed deposits.

The company received dividends totalling €15.5 million (2012: €23.1 million). The decline is primarily due to the lower distribution by STOXX Ltd., which fell to €7.8 million (2012: €15.0 million).

Deutsche Börse AG can draw on external credit lines amounting to €605.0 million (2012: €605.0 million), which had not been used as at 31 December 2013. 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 €100.0 million (2012: nil) 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.

In the past financial year, Deutsche Börse AG issued a corporate bond with a face value of €600 million. There are also other euro-denominated bonds with a face value totalling €600 million and 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.

In 2013, Deutsche Börse AG generated cash flow from operating activities amounting to €552.3 million (2012: €456.6 million). The increase in operating cash flow was mainly due to lower cash outflows in connection with trade receivables from affiliated companies.

The cash flow from investing activities came to €–73.0 million (2012: €–371.0 million). The rise was mainly due to the lower investments in financial assets compared to the previous year.

Cash flow from financing activities in the year under review was €–483.1 million (2012: €–526.1 million). The increase is predominantly due to the lower dividend. The dividend fell from €2.30 to €2.10 per share; in addition, there was no special distribution of €1.00 per share. This resulted for financial year 2013 in a cash outflow of €386.5 million (2012: €622.9 million).

Overview of total costs

	2013 €m	2012 €m	Change %
Staff costs	167.8	138.0	22
Depreciation/amortisation	35.7	32.5	10
Other operating expenses	540.7	522.1	4
Total	**744.2**	**692.6**	**7**

Cash flow statement (condensed)

	2013 €m	2012 €m
Cash flows from operating activities	552.3	456.6
Cash flows from investing activities	–73.0	–371.0
Cash flows from financing activities	–483.1	–526.1
Cash and cash equivalents as at 31 December	–245.5	–241.7

As at the reporting date, 31 December 2013, cash and cash equivalents amounted to €–245.5 million (2012: €–241.7 million). They include liquid funds amounting to €203.0 million (2012: €281.1 million) minus liabilities from cash pooling amounting to €448.5 million (2012: €522.7 million) and liabilities to banks in the amount of €0 million (2012: €0.1 million).

Net assets of Deutsche Börse AG

As at 31 December 2013, the non-current assets of Deutsche Börse AG amounted to €4,280.8 million (2012: €4,221.7 million). The largest part was accounted for by shares in affiliated companies amounting to €3,283.2 million (2012: €3,086.3 million), primarily from the investment in Clearstream Holding AG and from loans to affiliated companies of €868.3 million (2012: €996.9 million).

Shares in affiliated companies rose by €185.0 million, mainly due to the capital reversal of profit participation rights amounting to €150.0 million and a capital increase of €20.0 million of Clearstream Holding AG.

Loans to affiliated companies in the year under review fell by €128.6 million, above all due to the above-mentioned reversal. The reversal of of the write-down on the profit participation rights of Eurex Frankfurt AG amounting to €21.4 million had an oppositional effect.

In the year under review, investments by Deutsche Börse AG in intangible assets and property, plant and equipment amounting to €18.1 million (2012: €36.4 million) were lower than the write-downs; these came to €35.7 million (2012: €32.5 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 €102.1 million (2012: €215.4 million). Liabilities towards affiliated companies mainly arise from cash pooling in the amount of €448.6 million (2012: €509.5 million) and trade receivables amounting to €53.1 million (2012: €47.9 million).

Deutsche Börse AG receives fees for most of its services shortly after the end of each month. Accordingly, trade receivables as at the end of the year amounted to €117.0 million (2012: €118.8 million).

Non-current assets (condensed)

	2013 €m	2012 €m
Intangible assets	10.2	13.5
Tangible assets	63.5	77.8
Financial assets	4,207.1	4,130.4
Non-current assets as at 31 December	**4,280.8**	**4,221.7**

Employees per country/region

	31 Dec 2013	%
Germany	964	93.7
United Kingdom	50	4.9
France	7	0.7
Rest of Europe	6	0.6
Asia	1	0.1
Total Deutsche Börse AG	**1,028**	**100**

In the year under review, net working capital came to €–468.9 million (2012: €–438.1 million). The change is primarily attributable to a decrease in liabilities towards affiliated companies.

Employees of Deutsche Börse AG

In the year under review, the number of employees at Deutsche Börse AG increased by 16 to 1,028 as at 31 December 2013 (31 December 2012: 1,012). On average, 1,014 employees worked for Deutsche Börse AG during financial year 2013.

In the course of financial year 2013, 49 employees left Deutsche Börse AG, resulting in a fluctuation rate of 4.8 per cent.

As at 31 December 2013, 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.

As at 31 December 2013, 69.5 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 2.2 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.

Age structure of employees

	31 Dec 2012	%
Under 30 years	69	6.7
30 to 39 years	222	21.6
40 to 49 years	458	44.6
Over 50 years	279	27.1
Total Deutsche Börse AG	**1,028**	**100**

Employees' length of service

	31 Dec 2012	%
Less than 5 years	208	20.2
5 to 15 years	478	46.5
Over 15 years	342	33.3
Total Deutsche Börse AG	**1,028**	**100**

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.

Consolidated financial statements/notes

Consolidated income statement

for the period 1 January to 31 December 2013

	Note	2013 €m	2012 €m
Sales revenue	4	2,160.3	2,145.3
Net interest income from banking business	4	35.9	52.0
Other operating income	4	20.6	11.7
Total revenue		**2,216.8**	**2,209.0**
Volume-related costs	4	–304.5	–276.7
Net revenue (total revenue less volume-related costs)		**1,912.3**	**1,932.3**
Staff costs	5	–476.0	–414.2
Depreciation, amortisation and impairment losses	11, 12	–118.8	–105.0
Other operating expenses	6	–588.0	–439.4
Operating costs		**–1,182.8**	**–958.6**
Result from equity investments	8	9.3	–4.3
Earnings before interest and tax (EBIT)		**738.8**	**969.4**
Financial income	9	5.7	12.3
Financial expense	9	–76.4	–145.0
Earnings before tax (EBT)		**668.1**	**836.7**
Other taxes		–1.1	–1.1
Income tax expense	10	–171.8	–165.8
Net profit for the year		**495.2**	**669.8**
thereof shareholders of parent company (net income)		478.4	645.0
thereof non-controlling interests		16.8	24.8
Earnings per share (basic) (€)	34	**2.60**	**3.44**
Earnings per share (diluted) (€)	34	**2.60**	**3.43**

Consolidated statement of comprehensive income

for the period 1 January to 31 December 2013

	Note	2013 €m	2012 €m
Net profit for the year reported in consolidated income statement		**495.2**	**669.8**
Items that will not be reclassified to profit or loss			
Changes from defined benefit obligations		14.3	–53.7
Deferred taxes	10, 20	–3.8	14.8
		10.5	**–38.9**
Items that may be reclassified subsequently to profit or loss			
Exchange rate differences[1]	20	–42.9	–23.2
Remeasurement of cash flow hedges		1.9	–10.4
Remeasurement of other financial instruments		4.4	23.3
Deferred taxes	10, 20	20.2	8.1
		–16.4	**–2.2**
Other comprehensive income after tax		**–5.9**	**–41.1**
Total comprehensive income		**489.3**	**628.7**
thereof shareholders of parent company		472.4	603.9
thereof non-controlling interests		16.9	24.8

1) Exchange rate differences include €–1.7 million (2012: €–0.3 million) taken directly to accumulated profit as part of the result from equity investments.

Consolidated balance sheet

as at 31 December 2013

Assets

	Note	31 Dec 2013 €m	31 Dec 2012 €m
NON-CURRENT ASSETS			
Intangible assets	11		
Software		178.8	132.7
Goodwill		2,042.6	2,078.4
Payments on account and construction in progress		85.2	85.4
Other intangible assets		852.1	882.3
		3,158.7	**3,178.8**
Property, plant and equipment	12		
Fixtures and fittings		37.3	43.6
Computer hardware, operating and office equipment		69.9	82.9
Payments on account and construction in progress		0.1	1.7
		107.3	**128.2**
Financial investments	13		
Investments in associates and joint ventures		183.4	204.8
Other equity investments		23.9	26.7
Receivables and securities from banking business		1,178.3	1,485.0
Other financial instruments		25.6	21.5
Other loans[1)]		0.4	0.1
		1,411.6	**1,738.1**
Financial instruments of Eurex Clearing AG	15	4,058.6	0
Other non-current assets		11.7	9.0
Deferred tax assets	10	49.0	59.8
Total non-current assets		**8,796.9**	**5,113.9**
CURRENT ASSETS			
Receivables and other current assets			
Financial instruments of Eurex Clearing AG	15	153,546.8	156,315.4[2)]
Receivables and securities from banking business	16	9,544.0	12,808.2
Trade receivables	17	218.8	211.8
Receivables from related parties		4.1	3.0
Income tax receivables[3)]		40.4	102.7
Other current assets	18	273.7	138.6
Available-for-sale financial assets		35.6	1.0
		163,663.4	**169,580.7**
Restricted bank balances	19	16,221.7	19,450.6
Other cash and bank balances		627.9	641.6
Total current assets		**180,513.0**	**189,672.9**
Total assets		**189,309.9**	**194,786.8**

1) Thereof €0.3 million (31 December 2012: €0.1 million) with related parties
2) See note 3.
3) Thereof €8.8 million (31 December 2012: €10.6 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 2013 €m	31 Dec 2012 €m
EQUITY	20		
Subscribed capital		193.0	193.0
Share premium		1,249.0	1,249.0
Treasury shares		–446.6	–448.6
Revaluation surplus		29.4	14.3
Accumulated profit		2,011.8	1,938.9
Shareholders' equity		**3,036.6**	**2,946.6**
Non-controlling interests		231.4	223.0
Total equity		**3,268.0**	**3,169.6**
NON-CURRENT LIABILITIES			
Provisions for pensions and other employee benefits	22	80.2	95.4
Other non-current provisions	23, 24	113.2	80.3
Deferred tax liabilities	10	243.4	274.7
Interest-bearing liabilities	25	1,521.9	1,160.0
Financial instruments of Eurex Clearing AG	15	4,058.6	0
Other non-current liabilities		2.6	6.0
Total non-current liabilities		**6,019.9**	**1,616.4**
CURRENT LIABILITIES			
Tax provisions[1]	23, 26	266.8	252.2
Other current provisions	23, 27	223.6	88.9
Financial instruments of Eurex Clearing AG	15	153,046.8	156,315.4[2]
Liabilities from banking business[3]	28	9,725.3	12,880.3
Other bank loans and overdrafts		0.1	0.1
Trade payables		123.7	108.2
Liabilities to related parties		1.9	16.7
Cash deposits by market participants	29	16,221.7	19,450.6
Other current liabilities	30	412.1	888.4
Total current liabilities		**180,022.0**	**190,000.8**
Total liabilities		**186,041.9**	**191,617.2**
Total equity and liabilities		**189,309.9**	**194,786.8**

1) Thereof income tax due: €216.4 million (2012: €202.3 million)
2) See note 3.
3) Thereof €0.1 million (31 December 2012: €0.1 million) liabilities to related parties

Consolidated cash flow statement

for the period 1 January to 31 December 2013

	Note	2013 €m	2012 €m
Net profit for the year		495.2	669.8
Depreciation, amortisation and impairment losses	11, 12	118.8	105.0
Increase/(decrease) in non-current provisions		32.1	–2.3
Deferred tax expense/(income)	10	2.1	–56.9
Cash flows from derivatives		–16.5	0
Other non-cash expense		13.7	50.7
Changes in working capital, net of non-cash items:		153.0	–42.0
Decrease/(increase) in receivables and other assets		13.8	–43.7
Increase in current liabilities		142.7	12.6
Decrease in non-current liabilities		–3.5	–10.9
(Net gain)/net loss on disposal of non-current assets		–1.1	1.9
Cash flows from operating activities excluding CCP positions		**797.3**	**726.2**
Changes in liabilities from CCP positions		24.8	–39.1
Changes in receivables from CCP positions		–93.8	20.6
Cash flows from operating activities	33	**728.3**	**707.7**
Payments to acquire intangible assets and property, plant and equipment		–127.6	–145.7
Payments to acquire intangible assets		–99.0	–101.2
Payments to acquire property, plant and equipment		–28.6	–44.5
Payments to acquire non-current financial instruments		–14.8	–265.4
Payments to acquire investments in associates		–35.1	–1.9
Payments to acquire subsidiaries, net of cash acquired		5.2[1]	–295.5
Proceeds from the disposal of shares in associates		0	21.5[2]
(Net increase)/net decrease in current receivables and securities from banking business with an original term greater than three months		–692.2	27.4
Proceeds from disposals of available-for-sale non-current financial instruments		35.3	392.2
Cash flows from investing activities	33	**–829.2**	**–267.4**
Purchase of treasury shares		–1.2	–198.2
Proceeds from sale of treasury shares		1.9	1.2
Payments to non-controlling interests		–8.3	–14.6
Repayment of long-term financing		–797.8	–309.2
Proceeds from long-term financing		594.5	600.0
Repayment of short-term financing		–1,180.0	–796.2
Proceeds from short-term financing		1,279.8	789.3
Dividends paid		–386.5	–622.9
Cash flows from financing activities	33	**–497.6**	**–550.6**
Net change in cash and cash equivalents		**–598.5**	**–110.3**

	Note	2013 €m	2012 €m
Net change in cash and cash equivalents (brought forward)		**–598.5**	**–110.3**
Effect of exchange rate differences[3)]		–1.7	–2.9
Cash and cash equivalents as at beginning of period[4)]		544.0	657.2
Cash and cash equivalents as at end of period[4)]	33	**–56.2**	**544.0**
Interest income and other similar income[5)]		5.6	12.7
Dividends received[5)]		12.9	12.9
Interest paid[5)]		–89.3	–118.2
Income tax paid		–93.3	–258.4

1) Cash acquired in connection with the termination of the cooperating agreement governing the investment in Börse Frankfurt Zertifikate Holding S.A. (see also note 2)
2) Return of capital of Direct Edge Holdings, LLC
3) Primarily includes the exchange rate differences arising on translation of the ISE subgroup
4) Excluding cash deposits by market participants
5) Interest and dividend payments are allocated to cash flows from operating activities.

Consolidated statement of changes in equity

for the period 1 January to 31 December 2013

	Note	2013 €m	2012 €m	thereof included in total comprehensive income 2013 €m	thereof included in total comprehensive income 2012 €m
Subscribed capital					
Balance as at 1 January		193.0	195.0		
Retirement of treasury shares		0	–2.0		
Balance as at 31 December		**193.0**	**193.0**		
Share premium					
Balance as at 1 January		1,249.0	1,247.0		
Retirement of treasury shares		0	2.0		
Balance as at 31 December		**1,249.0**	**1,249.0**		
Treasury shares					
Balance as at 1 January		–448.6	–691.7		
Purchase of treasury shares		–1.2	–198.2		
Retirement of treasury shares		0	119.3		
Sales within the Group Share Plan		3.2	6.8		
Acquisition of the interest of non-controlling shareholders in Eurex Zürich AG		0	315.2		
Balance as at 31 December		**–446.6**	**–448.6**		
Revaluation surplus	20				
Balance as at 1 January		14.3	46.7		
Changes from defined benefit obligations	22	14.2	–53.7	14.2	–53.7
Remeasurement of other financial instruments		4.4	23.3	4.4	23.3
Remeasurement of cash flow hedges		1.9	–10.4	1.9	–10.4
Increase in share-based payments		0	–2.4	0	0
Deferred taxes	10	–5.4	10.8	–5.4	10.8
Balance as at 31 December		**29.4**	**14.3**		
Accumulated profit	20				
Balance as at 1 January		1,938.9	2,123.0		
Dividends paid	21	–386.5	–622.9	0	0
Retirement of treasury shares		0	–119.3	0	0
Acquisition of the interest of non-controlling shareholders in Eurex Zürich AG		0	–72.1	0	0
Net income		478.4	645.0	478.4	645.0
Exchange rate differences and other adjustments		–40.8	–26.9	–42.9	–23.2
Deferred taxes	10	21.8	12.1	21.8	12.1
Balance as at 31 December		**2,011.8**	**1,938.9**		
Shareholders' equity as at 31 December		**3,036.6**	**2,946.6**	**472.4**	**603.9**

	Note	2013 €m	2012 €m	thereof included in total comprehensive income 2013 €m	 2012 €m
Shareholders' equity (brought forward)		3,036.6	2,946.6	472.4	603.9
Non-controlling interests					
Balance as at 1 January		223.0	212.6		
Changes due to capital decreases		–8.3	–14.6	0	0
Changes due to share in net income of subsidiaries for the period		16.8	24.8	16.8	24.8
Changes from defined benefit obligations	22	0.1	0	0.1	0
Exchange rate differences and other adjustments		–0.2	0.2	0	0
Balance as at 31 December		231.4	223.0	16.9	24.8
Total equity as at 31 December		3,268.0	3,169.6	489.3	628.7

Notes to the consolidated financial statements Basis of preparation

1. General principles

Deutsche Börse AG ("the company") is incorporated as a German public limited company ("Aktiengesellschaft") and is domiciled in Germany. The company's registered office is in Frankfurt/Main.

The 2013 consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs) and the related interpretations issued by the International Accounting Standards Board (IASB), 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. As at 31 December 2013, there were no effective standards or interpretations not yet adopted by the European Union that could affect the consolidated financial statements. Accordingly, the consolidated financial statements also comply with IFRSs issued by the IASB.

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 International Financial Reporting Interpretations Committee (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 2013 and were applied for the first time in the 2013 reporting period:

IFRS 10 "Consolidated Financial Statements" and IAS 27 (2011) "Separate Financial Statements" (May 2011)
IFRS 10 replaces the guidance on control and consolidation contained in IAS 27 (2009) "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities" by uniform principles and accounting requirements that are applied to all companies to determine control. IAS 27

only contains the requirements governing separate financial statements. The standards have been adopted by the EU on 11 December 2012 and are effective for financial years beginning on or after 1 January 2014. Earlier application is permitted.

IFRS 11 "Joint Arrangements" (May 2011)
The standard introduces two types of joint arrangement: "joint operations" and "joint ventures". It supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". The previous option to use proportionate consolidation for jointly controlled entities has been abolished. Venturers in a joint venture must use the equity method of accounting. IFRS 11 has been adopted by the EU on 11 December 2012. This standard must be applied for financial years beginning on or after 1 January 2014.

IFRS 12 "Disclosure of Interests in Other Entities" (May 2011)
IFRS 12 defines the required disclosures for entities that apply IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements": these entities must disclose information that enables users of their financial statements to evaluate the nature of, and the risks associated with, their interests in other entities and the effects of those interests on their financial position, financial performance and cash flows. The standard has been adopted by the EU on 11 December 2012 and is effective for financial years beginning on or ofter 1 January 2014.

Amendments to IAS 28 "Investments in Associates and Joint Ventures" (May 2011)
As part of the amendments to IAS 28, accounting disclosures for joint ventures were included in the standard; the basic approach for assessing the existence of significant influence and rules for applying the equity method have been retained. The amendments to the standard were adopted by the EU on 11 December 2012 and must be applied together with IFRS 10, IFRS 11, IFRS 12 and IAS 27. The standard is effective for financial years beginning on or after 1 January 2014.

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 have been adopted early. Their initial application has no material effect on the basis of consolidation.

IFRS 13 "Fair Value Measurement" (May 2011)
This standard describes how to determine fair value and extends the related disclosures. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 has been adopted by the EU on 11 December 2012. This standard must be applied for financial years which began on or after 1 January 2013.

Deutsche Börse AG provides comparative information for the previous year in accordance with the new requirement. However, the new requirements have not had any material impact on the measurement of the Group's assets and liabilities. The amendment to IFRS 13 resulting from the "Annual Improvements Project 2011–2013", which has not yet been adopted by the EU, relates to the exception that contracts managed as a portfolio can be measured on a net basis (portfolio exception). As Deutsche Börse AG does not take a portfolio approach, the change does not have any impact on the measurement. The change in the disclosures on fair value hierarchies resulting from IFRS 13 comprises additional disclosures; these are presented in note 32.

Amendments to IAS 1 "Presentation of Financial Statements" (June 2011)
The amendments to IAS 1 require entities to classify expenses and income recognised in other comprehensive income into two categories. The classification will depend on whether or not the item is reclassified (recycled) to profit or loss in the future. Items that are not recycled to the income statement must be presented separately from items that are recognised in profit or loss. The amendments to the standard have been adopted by the EU on 5 June 2012 and are effective for financial years, which began on or after 1 July 2012. In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the amendments must be applied retrospectively. The application of IAS 1 mainly affects the presentation of comprehensive income and expense.

Changes resulting from the "Annual Improvements Project 2009–2011" (May 2012)
Six amendments affecting five standards were implemented. The amendments must be applied for financial years which began on or after 1 January 2013. The changes do not have any material impact on Deutsche Börse AG's consolidated financial statements.

Amendments to IFRS 7 "Financial Instruments: Disclosures" (December 2011)
The amendments introduce new disclosure requirements for certain offsetting arrangements: the disclosure requirement applies regardless of whether the offsetting arrangement has in fact led to the financial assets and financial liabilities being offset. In addition to a qualitative description of the rights of set-off, the guidance specifically also requires quantitative disclosures. The amendments to IFRS 7 are effective retrospectively for financial years beginning on or after 1 January 2013. The amendments were adopted by the EU on 13 December 2012.

Amendments to IAS 36 "Impairment of Assets" (May 2013)
The amendments correct a previous amendment that had inadvertently required disclosure of the recoverable amount of each cash-generating unit, even if no impairment loss had been recognised. The amendments of May 2013 removed this requirement again.

Additional disclosures are now required if the recoverable amount is determined on the basis of the fair value less costs of disposal and an impairment loss is recognised. The amendments are effective for financial years beginning on or after 1 January 2014. The amendments were adopted by the EU on 19 December 2013. Deutsche Börse AG applies the amendments together with the changes resulting from IFRS 13.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – novation of derivatives (June 2013)
These amendments allow hedge accounting to continue after novation. Standardised OTC derivatives that are now cleared through a central counterparty can be retained as hedging instruments under certain conditions when the parties to a contract are replaced by a clearing counterparty. The existing hedge accounting relationship thus continues to exist. The amendments are effective for financial years beginning on or after 1 January 2014. The amendments were adopted by the EU on 19 December 2013. Deutsche Börse AG has opted for early application of the amendments.

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 2013 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.

IFRS 9 "Financial Instruments" (November 2009)
IFRS 9 introduces new requirements for the classification and measurement of financial assets and is intended to replace IAS 39 in the future. These stipulate that all financial assets that have to date fallen within the scope of IAS 39 are either recognised at amortised cost or at fair value. The current version no longer includes an effective date, but the standard is available for adoption if permitted by local accounting requirements. IFRS 9 was published in November 2009, reissued in October 2010 and amended in November 2013. The standard has not been adopted by the EU yet.

Amendments to IFRS 9 "Financial Instruments" (October 2010)
The amendments extend IFRS 9 "Financial Instruments" to include rules on accounting for financial liabilities. If the fair value option is applied to financial liabilities, revisions to the recognition of changes in an entity's own credit risk must be taken into account: a change in credit risk must now be recognised in other comprehensive income rather than in profit or loss. The original effective date was removed from the current version of the standard. Application is permitted if the rules on accounting for financial assets are also applied. The standard has not been adopted by the EU yet.

Amendments to IFRS 9 and IFRS 7 – "Mandatory Effective Date and Transition Disclosures in the Notes" (December 2011)
In addition to the amendments to IFRS 9 listed above, the IASB has issued further amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures". This also had the effect of postponing the requirement to apply the amended IFRS 9 for financial years beginning on or after 1 January 2015. The removal of the effective date from IFRS 9 (as most recently amended in November 2013) means that the amendments to IFRS 7 can also be delayed until IFRS 9 is adopted.

The additional disclosures in the notes required in IFRS 9 have been added as an amendment to IFRS 7: the disclosures required include in particular recognition and measurement for the first reporting period in which IFRS 9 is adopted, the changes in carrying amounts resulting from the transition to IFRS 9, unless they relate to measurement effects at the time of transition, as well as the changes in carrying amounts attributable to such effects. In addition, it must be possible, on the basis of the information disclosed, to reconcile the measurement categories according to IAS 39 and IFRS 9 to individual line items in the financial statements or classes of financial instruments. The amendments to the two standards have not yet been adopted by the EU.

Amendments to IFRS 9, IFRS 7 and IAS 39 – "Hedge Accounting" (November 2013)
In addition to the above amendments, new guidance has been added for hedge accounting in general. There is an option to apply the guidance of IAS 39 on fair value hedge accounting for portfolio hedges of interest rate risk or to follow the requirements of IFRS 9. When IFRS 9 is applied for the first time, there is also the option to apply hedge accounting in accordance with IAS 39 or in accordance with IFRS 9 Chapter 6. In addition, the IASB allows early adoption of the requirement to recognise the changes in fair value attributable to changes in the entity's own credit risk in other comprehensive income if the changes in fair value are reported in the income statement. The November 2013 amendment removed the original effective date of IFRS 9.

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 2013.

Amendments 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 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 not yet been adopted by the EU.

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 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 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 2013 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

Company	Domicile	Equity interest as at 31 Dec 2013 direct (indirect) %
Börse Frankfurt Zertifikate Holding S.A.[2]	Luxembourg	100.00
Börse Frankfurt Zertifikate AG[4]	Germany	(100.00)
Clearstream Holding AG	Germany	100.00
Clearstream International S.A.	Luxembourg	(100.00)
Clearstream Banking S.A.	Luxembourg	(100.00)[7]
Clearstream Banking Japan, Ltd.	Japan	(100.00)
REGIS-TR S.A.	Luxembourg	(50.00)
Clearstream Banking AG	Germany	(100.00)
Clearstream Services S.A.	Luxembourg	(100.00)
Clearstream Fund Services Ireland Ltd.	Ireland	(100.00)
Clearstream Operations Prague s.r.o	Czech Republic	(100.00)
LuxCSD S.A.	Luxembourg	(50.00)
Deutsche Börse 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 Global Derivatives AG	Switzerland	100.00
Eurex Zürich AG	Switzerland	(100.00)[8]
Eurex Frankfurt AG	Germany	(100.00)
Eurex Bonds GmbH	Germany	(79.44)
Eurex Clearing AG	Germany	(100.00)
Eurex Clearing Security Trustee GmbH	Germany	(100.00)
Eurex Repo GmbH	Germany	(100.00)
Eurex Services GmbH	Germany	(100.00)
U.S. Exchange Holdings, Inc.	USA	(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)
Finnovation S.A.	Luxembourg	100.00
Infobolsa S.A.	Spain	50.00
Difubolsa, Serviços de Difusão e Informaçao de Bolsa, S.A.	Portugal	(50.00)
Infobolsa Deutschland GmbH	Germany	(50.00)
Open Finance, S.L.	Spain	(31.00)
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	76.23[10]

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) Until 12 December 2013: Scoach Holding S.A.
3) Preliminary figures
4) Until 1 November 2013: Scoach Europa AG
5) Before profit transfer or loss absorption

Currency	Ordinary share capital thousands	Equity[1] thousands	Total assets thousands	Sales revenue 2013 thousands	Net profit/loss 2013 thousands	Initially consolidated
€	50	16,297[3]	16,382[3]	0[3]	4,341[3]	1 July 2013
€	140	4,222	7,990	20,289	588	1 July 2013
€	101,000	2,285,314	2,391,839	0	102,069[5]	2007
€	25,000	820,942	845,455	65,900[6]	101,593	2002
€	75,000[3]	672,231[3]	11,257,001[3]	382,557[3][6]	18,266[3]	2002
JPY	6,500	35,252[3]	56,494[3]	80,377[3]	7,168[3]	2009
€	3,600	1,060[3]	2,240[3]	0[3]	–1,103[3]	2010
€	25,000	300,704	1,214,923	259,536[6]	81,696	2002
€	30,000	62,161	131,902	208,861	8,174	2002
€	500	779	2,261	2,131	194	10 Oct 2012
CZK	160,200	238,912[3]	258,686[3]	346,717[3]	41,510[3]	2008
€	6,000	5,065	5,297	243	–270	2010
SGD	0	0	100	0	0	14 Nov 2013
SGD	0	0	200	0	0	14 Nov 2013
CZK	200	115,419	208,047	613,487	30,366	2006
US$	400	4,400	5,582	8,789	349	2000
CHF	100	351,922	361,742	128,138	69,466	1 Jan 2012
CHF	10,000	310,398	346,694	43,055	5,382	1998
€	6,000	1,050,920	1,849,282	0	66,670[9]	1998
€	3,600	8,247	10,017	4,311	732	2001
€	25,000	249,813	16,762,785	0[6]	1,227[5]	1998
€	25	75	75	3	0	15 Oct 2013
€	100	550	13,808	15,698	11,591[5]	2001
€	25	1,182,469	1,251,681	0	69,212[5]	2007
US$	1,000	– 857,494	946,200	0	– 150,371	2003
US$	0	1,724,709	2,292,482	0	32,691	2007
US$	0	3,785	3,789	150	150	2007
US$	0	40,528	109,590	286,690	44,429	2007
US$	5,000	8,448	9,830	18,383	3,448	5 Aug 2013
US$	0	3,901	4,154	1,623	– 44	2007
€	1,100	1,072[3]	1,757[3]	4,045[3]	618[3]	28 June 2012
€	156,400[3]	131,451[3]	163,397[3]	33,672[3]	3,101[3]	2008
€	331	11,782[3]	13,234[3]	7,551[3]	494[3]	2002
€	50	164	198	130	9	2002
€	100	1,397	1,412	140	101	2003
€	4	779	1,316	2,334	36	2011
US$	9,911	21,114	18,469	19,133	624	2009
US$	0	260	528	1,042	18	2011
US$	4,193	5,766	7,536	6,308	341	2009
€	1,225	1,225	11,293	1,483	0	2004
CHF	1,000	96,856	110,638	88,827	28,979	2009
€	500	977	1,367	1,779	264	2010

6) Consists of interest and commission results due to the business operations
7) Thereof, 22.92 per cent are indirectly held via Clearstream Holding AG and 77.08 per cent are indirectly held via Clearstream International S.A.
8) Thereof, 50 per cent are directly held and 50 per cent are indirectly held via Eurex Global Derivatives AG.
9) Including income from profit pooling agreements with its subsidiaries amounting to €81,632 thousand
10) Thereof, 1.23 per cent are indirectly held via Tradegate AG Wertpapierhandelsbank.

As at 31 December 2013, 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., 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 2013	9	27	36
Additions	2	4	6
Disposals	0	0	0
as at 31 December 2013	**11**	**31**	**42**

In December 2012, SIX Swiss Exchange AG gave notice of termination of the cooperation agreement governing the equity investment in Scoach Holding S.A., effective from the end of 30 June 2013. Consequently, with effect from 1 July 2013, the shares in Scoach Schweiz AG held by Scoach Holding S.A. were transferred to SIX Swiss Exchange AG; the shares in Scoach Holding S.A. previously held by SIX Swiss Exchange AG were transferred to Scoach Holding S.A. and subsequently retired. Following the transfer, Deutsche Börse AG's equity interest in Scoach Holding S.A. increased to 100 per cent. The total consideration for this exchange transaction amounted to €15.3 million. Remeasurement of the shares of the Scoach subgroup held before the acquisition resulted in tax-neutral income from equity investment of €2.0 million; of this amount, €0.1 million related to the remeasurement of the shares of Scoach Holding S.A. and Scoach Europa AG held before the exchange transaction. The fair value of the shares held in Scoach Holding S.A. and Scoach Europa AG before the transaction amounted to €7.7 million. Goodwill of €4.6 million resulted from this transaction. Scoach Holding S.A. and Scoach Europa AG have been fully consolidated in Deutsche Börse AG's consolidated financial statements since 1 July 2013. Scoach Europa AG was renamed Börse Frankfurt Zertifikate AG as at 1 November 2013. Scoach Holding S.A. was renamed Börse Frankfurt Zertifikate Holding S.A. on 12 December 2013. Thus this report generally refers to the new names.

Goodwill from the business combination with Scoach Holding S.A. and Scoach Europa AG

	Preliminary goodwill calculation 1 July 2013 €m
Consideration transferred	
Fair value of equity interest held before the acquisition	15.8
Received cash compensation	– 0.5
Total consideration	**15.3**
Acquired assets and liabilities	
Customer relationships	3.3
Other intangibles assets	0.6
Deferred tax assets on tax loss carried forward	1.2
Trade receivables and other receivables	3.7
Other current assets	6.5
Total assets	15.3
Deferred tax liabilities on temporary differences	– 1.0
Other liabilities	– 3.6
Total liabilities	**– 4.6**
Total assets and liabilities acquired	**10.7**
Goodwill (not tax-deductible)	**4.6**

International Securities Exchange, Inc. established Topaz Exchange, LLC, Dover, USA, effective 29 May 2012. The exchange was granted an exchange licence by the SEC on 29 July 2013 and started operating on 5 August 2013. It has been included in full in the consolidated financial statements since July 2013. Topaz Exchange, LLC was renamed in ISE Gemini, LLC on 18 February 2014.

Eurex Clearing AG established Eurex Clearing Security Trustee GmbH, Frankfurt/Main, Germany, effective 15 October 2013. Since Eurex Clearing AG holds 100 per cent of the voting rights, there is a presumption of control. The subsidiary has been included in full in the consolidated financial statements since its foundation.

On 14 November 2013, Deutsche Börse AG established two companies, Deutsche Boerse Asia Holding Pte. Ltd. and Eurex Clearing Asia Pte. Ltd., both domiciled in Singapore, Singapore. As wholly owned subsidiaries of Deutsche Börse AG, the two companies have been included in full in the consolidated financial statements since their foundation.

Effective 10 January 2014, Deutsche Börse AG acquired a 100 per cent interest in Impendium Systems Ltd., domiciled in London, United Kingdom, at a purchase price of £3.2 million plus a revenue-dependent purchase price component of £5.2 million. Since Deutsche Börse AG is the only shareholder, there is a presumption of control. The subsidiary has been included in full in the consolidated financial statements since the first quarter of 2014. Purchase price allocation had not been completed at the time of preparing these consolidated financial statements.

Associates and joint ventures

Company, domicile	Segment	Equity interest as at 31 Dec 2013 direct (indirect) %	Currency	Ordinary share capital thousands	Assets thousands	Liabilities thousands	Sales revenue 2013 thousands	Net profit/loss 2013 thousands	Associate since
Deutsche Börse Commodities GmbH, Germany	Xetra	16.20	€	1,000	1,280,718[1]	1,277,891[1]	4,363[1]	672[1]	2007
European Energy Exchange AG[2) 3)] Germany	Eurex	(62.57)	€	40,050	940,941[1]	821,240[1]	62,219[1]	13,683[1]	1999
ID's SAS, France	Eurex	25.01	€	1,000	3,348[1]	580[1]	2,389[1]	509[1]	2010
Digital Vega FX Ltd., United Kingdom	Market Data + Services	13.02	GBP	0	954[4]	701[4]	138[4]	–458[4]	2011
Indexium AG, Switzerland	Market Data + Services	49.90	CHF	100	16,709	21,333	8,456	911	2009
Phineo gAG, Germany	Xetra	12.00[5]	€	50	1,332[1]	109[1]	156[1]	198[1]	2010
Direct Edge Holdings, LLC, USA	Eurex	(9.50)	US$	145,910[6]	221,475	75,566	508,079	16,339	9 Feb 2012
The Options Clearing Corporation, USA	Eurex	(20.00)	US$	600[7]	2,953,365[7]	2,941,732[7]	157,232[7]	3,563[7]	2007
Hanweck Associates, LLC, USA	Eurex	(26.44)	US$	–693[6]	893[1]	1,586[1]	3,349[1]	–793[1]	2010
Tradegate AG Wertpapierhandelsbank, Germany[8]	Xetra	4.92	€	24,554	47,931[1]	16,957[1]	31,360[1]	4,127[1]	2010
BrainTrade Gesellschaft für Börsensysteme mbH, Germany	Xetra	25.58[9]	€	1,400	5,895[1]	4,136[1]	8,099[1]	358[1]	1 July 2013
Zimory GmbH, Germany	Market Data + Services	30.03	€	267[1]	11,566[1]	641[1]	1,419[1]	–5,285[1]	17 May 2013
Deutsche Börse Cloud Exchange AG, Germany[10]	Market Data + Services	49.90[11]	€	50	9,321	307	0	–986	17 May 2013
Global Markets Exchange Group International, LLP, United Kingdom	Eurex	28.57	GBP	4,025[6]	20,250	259	0	–979	24 Oct 2013

1) Preliminary figures
2) Subgroup figures
3) There was no control in financial year 2013.
4) Shortened financial year; period ended 30 November 2013
5) In addition, Deutsche Börse AG holds an interest in Phineo Pool GbR, Berlin, Germany, which holds a 48 per cent stake in Phineo gAG. This interest is jointly managed.
6) Value of equity
7) Figures as at 31 December 2012
8) As at the balance sheet date the fair value of the stake in the listed company amounted to €6.6 million.
9) Thereof, 14.29 per cent held directly and 14.29 per cent indirectly via Börse Frankfurt Zertifikate AG.
10) Deutsche Börse Cloud Exchange AG is part of the Zimory GmbH subgroup.
11) In addition, 14.78 per cent held indirectly via Zimory GmbH.

In financial year 2013, Eurex Zürich AG acquired a further 2,573,356 shares in European Energy Exchange AG (EEX), increasing its interest from 56.14 per cent to 62.57 per cent. The total purchase price of the tranches acquired amounted to €15.4 million. The purchase price allocation resulted in additional goodwill of €1.5 million. Since Deutsche Börse Group does not have a majority on the Supervisory Board of EEX in the year under review, it cannot exercise control; therefore the company was included as an associate in Deutsche Börse Group's consolidated financial statements. Since the Chairman of the Supervisory Board, who is appointed by Eurex Zürich AG, has a casting vote on the Supervisory Board of European Energy Exchange AG as from 1 January 2014, Eurex Zürich AG exercises control over EEX as from that date. The company has been fully consolidated since 1 January 2014. 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 taking control over European Energy Exchange AG as at 1 January 2014

	Preliminary goodwill calculation 1 Jan 2014 €m
Consideration transferred	
Fair value of equity interest held before taking control over European Energy Exchange AG	139.4
Acquired bank balances	– 61.6
Total consideration	**77,8**
Acquired assets and liabilities	
Customer relationships	69.8
Other intangibles assets	13.4
Financial assets	44.8
Other non-current assets	2.0
Deferred tax assets	4.8
Other current assets	82.6
Deferred tax liabilities on temporary differences	– 24.7
Other non-current liabilities	– 0.8
Other current liabilities	– 79.3
Remeasurement of non-controlling interests	– 72.4
Total assets and liabilities acquired	**40.2**
Goodwill (not tax-deductible)	**37.6**

If EEX had already been consolidated as of 1 January 2013, the net revenue would have increased by €47.1 million and earnings before taxes (EBT) would have increased by €9.1 million.

On 17 May 2013, Deutsche Börse AG acquired a 30.03 per cent interest carrying voting rights in Zimory GmbH, Berlin, Germany, at a price of €10.0 million. The purchase price includes goodwill amounting to €5.8 million. Since Deutsche Börse AG exercises significant influence within the meaning of IAS 28.6 (a) by virtue of its membership in the Board of Directors, Zimory GmbH has been classified as an associate and is accounted for using the equity method.

Effective 17 May 2013, Deutsche Börse AG and Zimory GmbH established Deutsche Börse Cloud Exchange AG, Eschborn, Germany, in which Deutsche Börse AG holds a 49.90 per cent interest. 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, the company has been classified as a joint venture and is accounted for using the equity method.

As a result of the termination by SIX Swiss Exchange AG of the cooperation agreement governing the equity investment in Scoach Holding S.A. and the resulting increase in Deutsche Börse AG's interest in Scoach Holding S.A. to 100 per cent, Deutsche Börse Group acquired, effective 1 July 2013, significant influence over BrainTrade Gesellschaft für Börsensysteme mbH within the meaning of IAS 28.6 (a) by virtue of its membership of the Board of Directors. Since then, BrainTrade Gesellschaft für Börsensysteme mbH has been classified as an associate and is accounted for using the equity method.

Direct Edge Holdings, LLC and BATS Global Markets, Inc. had entered into a merger agreement in August 2013. This agreement was not legally completed by 31 December 2013. On completion, International Securities Exchange Holdings, Inc. (ISE), New York, USA, was to surrender an interest of 22.04 per cent in Direct Edge Holdings, LLC and ultimately hold 9.5 per cent of the merged company. Against this background, a portion of the investment in Direct Edge Holdings, LLC, which was previously classified as an associate, was classified as "held for sale" in the third quarter of 2013, the remaining portion continued to be classified as an associate. On 31 January 2014, the transaction was completed.

On 24 October 2013, Deutsche Börse AG acquired 50,000 class B shares of Global Markets Exchange Group International LLP, London, United Kingdom, for a purchase price of £4.0 million and as a result holds 28.57 per cent of the shares. The transaction resulted in goodwill of £3.1 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, Global Markets Exchange Group International LLP has since been classified as an associate and is accounted for using the equity method.

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
- Phineo gAG, Berlin, Germany
- Tradegate AG Wertpapierhandelsbank, 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). 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.

Adjustments to accounting policies

In the previous year, repo and options transactions in the item "Financial instruments of Eurex Clearing AG" were only reported on a net basis if outstanding transactions were settled with an identical offsetting transaction. As at 31 December 2013, outstanding repo and options transactions are netted if a clearing member has offsetting corresponding transactions with the central counterparty with the same settlement date. Prior-year figures have been adjusted accordingly. As a result, the financial instruments of Eurex Clearing AG item has declined by €21.7 billion on both the assets and the liabilities side of the balance sheet. For details see note 15.

In January 2013, Deutsche Börse Group extended its product portfolio to include repo transactions with a maturity greater than one year. Accordingly, the item "Financial instruments of Eurex Clearing AG" was split into non-current and current.

Following the new management structure, the reporting segments were changed as at 1 January 2013 and prior-year figures have been adjusted accordingly.

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. They are recognised as an expense under "volume-related costs" to the extent that they exceed the associated sales revenue. This item also comprises expenses that depend on the number of certain trade or settlement transactions, the custody volume, or the Global Securities Financing volume, 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 economic 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. Development costs are capitalised, provided that they satisfy the recognition criteria set out in IAS 38. 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:

Non-capitalised phases

1. Design

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

Capitalised phases

2. Detailed specifications

- Compilation and review of precise specifications
- Troubleshooting process

3. Building and testing

- Software programming
- Product testing

Non-capitalised phases

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 tasks 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 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 arising out of business combinations

Asset	Amortisation period
ISE's exchange licence	indefinite
Member relationships	30 years
Customer relationships	8 to 30 years
ISE trade name	10 years
STOXX trade name	indefinite
Historical data	5 years

As ISE's exchange licence has an indefinite term and ISE expects to retain the licence as part of its overall business strategy, the useful life of this asset is classified as indefinite. The STOXX trade name includes the trade name itself, the index methodologies and the Internet domains because these can generally not be transferred separately. There are no indications that time limitations exist with regard to the useful life of the STOXX trade name. A review is performed each reporting period to determine whether the events and circumstances still justify classifying as indefinite the useful lives of ISE's exchange licence and the STOXX trade name.

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 book value 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.

Financial investments

Financial investments comprise investments in associates and financial assets.

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

Financial assets (“Finanzielle Vermögenswerte”)

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 Eurex Clearing AG, 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.

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 Eurex Clearing AG (see details below) are measured at fair value through profit or loss. Apart from financial instruments of Eurex Clearing AG this category includes in particular interest rate swaps, currency swaps and forward foreign exchange transactions. If they are settled within one year, they are allocated to current assets. All other financial assets are allocated to non-current assets.

Fair value of these derivatives is calculated based on observable current market rates. If resulting from banking business, realised and unrealised gains and losses are immediately recognised in the consolidated income statement as "other operating income" 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".

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 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 of banking business are hedged instruments under fair value hedges, hedge accounting is applied for fair value adjustments corresponding to the hedged item (see "Fair value hedges" section below).

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.

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 (equity instruments that are non-listed) 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 non-current liabilities, liabilities from banking business, financial instruments of Eurex Clearing AG, 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 (i.e. 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. The fair value of interest rate swaps is determined on the basis of current observable market interest rates. The fair value of forward foreign exchange transactions is determined on the basis of forward foreign exchange rates at the balance sheet date for the remaining period to maturity.

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 Eurex Clearing AG (central counterparty)

Eurex Clearing AG acts as the central counterparty and guarantees the settlement of all transactions involving futures and options on the Eurex exchanges (Eurex Deutschland and Eurex Zürich AG). As the central counterparty, 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. In addition, Eurex Clearing AG guarantees the settlement of all OTC (over-the-counter, i.e. off-exchange) transactions entered in the trading system of the Eurex exchanges, Eurex Bonds, Eurex Repo, the Frankfurt Stock Exchange and the Irish Stock Exchange. These transactions are only executed between Eurex Clearing AG and a clearing member.

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

For products that are marked to market (futures and options on futures), Eurex Clearing AG recognises gains and losses on open positions of clearing members on each exchange day. By means of the variation margin, profits and losses on open futures 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 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 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 Eurex Clearing AG” 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 in accordance with the rules set out in the contract specifications (see also the clearing conditions of Eurex Clearing AG).

Cash or securities collateral of Eurex Clearing AG

As Eurex Clearing AG guarantees the settlement of all traded contracts, it has established a multi-level collateral system. The central pillar of the collateral system 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 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 derecognised 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, other assets, and cash and cash equivalents are carried at their nominal amount. Adequate valuation allowances take account of identifiable risks.

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

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 the 401(k) plan. In addition, contributions are paid to the statutory pension insurance scheme. The level of contributions is normally determined in relation to income. 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 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 3.4 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, or 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 remote.

Share-based payment

Deutsche Börse Group operates the Group Share Plan and the Stock Bonus Plan (SBP), 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 financial year 2013, as 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 income statement. Any right to payment of a stock bonus only vests after the expiration of the service or performance period 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.

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 the 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

All subsidiaries directly or indirectly controlled by Deutsche Börse AG are included in Deutsche Börse AG's 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.

Intragroup assets and liabilities are eliminated. Income arising from intragroup transactions is eliminated against the corresponding expenses. Profits or losses arising from deliveries of intragroup goods and services, as well as dividends distributed within the Group, are eliminated. Deferred taxes are recognised for consolidation adjustments 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 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 2013	Average rate 2012	Closing price as at 31 Dec 2013	Closing price as at 31 Dec 2012
Swiss francs	CHF	1.2294	1.2043	1.2256	1.2073
US dollars	USD (US$)	1.3317	1.2929	1.3769	1.3196
Czech koruna	CZK	26.0261	25.1182	27.4000	25.0960

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 and intangible assets with indefinite useful lives for impairment 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 3 to 5 years. These plans in turn contain projections of the future financial performance of the 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

Deutsche Börse AG or its group companies 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 Plans

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	
	2013 €m	2012 €m	2013 €m	2012 €m
Eurex				
Equity index derivatives	349.7	402.5	0	0
Interest rate derivatives	183.9	170.9	0	0
US options (ISE)	180.8	157.7	0	0
Equity derivatives	41.9	41.9	0	0
Other assets	93.7	85.2	0	0
	850.0	**858.2**	**0**	**0**
Xetra				
Trading[1]	115.3	108.9	0	0
Clearing and settlement fees	34.5	34.5	0	0
Other assets	22.2	19.0	0	0
	172.0	**162.4**	**0**	**0**
Clearstream				
Custody fees	445.3	438.2	0	0
Transaction fees	121.2	111.1	0	0
Global Securities Financing	88.3	89.4	0	0
Net interest income	0	0	35.9	52.0
Other assets	119.2	118.9	0	0
	774.0	**757.6**	**35.9**	**52.0**
Market Data + Services				
Sales of price information[2]	163.5	161.9	0	0
Indices	84.4	83.6	0	0
Connectivity	70.7	66.3	0	0
Technology Services	56.0	68.3	0	0
Other assets	23.7	22.0	0	0
	398.3	**402.1**	**0**	**0**
Total	**2,194.3**	**2,180.3**	**35.9**	**52.0**
Consolidation of internal net revenue	**–34.0**	**–35.0**	**0**	**0**
Group	**2,160.3**	**2,145.3**	**35.9**	**52.0**

1) 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	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
	0	0	–24.4	–27.9	325.3	374.6
	0	0	0	0	183.9	170.9
	0	0	–89.3	–63.7	91.5	94.0
	0	0	–1.7	–1.6	40.2	40.3
	13.5	10.2	–7.4	–7.7	99.8	87.7
	13.5	**10.2**	**–122.8**	**–100.9**	**740.7**	**767.5**
	0	0	–22.6	–18.4	92.7	90.5
	0	0	–6.5	–5.1	28.0	29.4
	8.9	6.4	–0.1	–0.8	31.0	24.6
	8.9	**6.4**	**–29.2**	**–24.3**	**151.7**	**144.5**
	0	0	–103.9	–103.7	341.4	334.5
	0	0	–12.2	–12.1	109.0	99.0
	0	0	–30.5	–32.3	57.8	57.1
	0	0	0	0	35.9	52.0
	7.4	3.1	–16.8	–14.7	109.8	107.3
	7.4	**3.1**	**–163.4**	**–162.8**	**653.9**	**649.9**
	0.3	0	–21.7	–20.8	142.1	141.1
	1.5	1.7	–8.9	–9.1	77.0	76.2
	0	0	0	–0.7	70.7	65.6
	0.5	0.9	–0.4	–0.9	56.1	68.3
	1.3	1.4	–4.9	–4.2	20.1	19.2
	3.6	**4.0**	**–35.9**	**–35.7**	**366.0**	**370.4**
	33.4	**23.7**	**–351.3**	**–323.7**	**1,912.3**	**1,932.3**
	–12.8	**–12.0**	**46.8**	**47.0**	**0**	**0**
	20.6	**11.7**	**–304.5**	**–276.7**	**1,912.3**	**1,932.3**

2) As the products of Market News International Inc. and Need To Know News, LLC have been fully integrated, the sales revenue of these two companies is reported under the sales of price information for the Market Data + Services segment. Prior-year figures have been adjusted accordingly.

Since the first quarter of 2012, Deutsche Börse Group has been using net revenue as primary key performance indicator for income. This consists of sales revenue plus external net interest income from banking business and other operating income deducing volume-related costs. The increase in volume-related costs is mainly due to methodological factors. Changes to fee models pushed up both volume-related costs and revenue, so that the changes had no impact on earnings overall.

As a result of the changes made to Deutsche Börse Group's organisational structure as at 1 January 2013, various products (mainly connectivity and technology services) were transferred from the previous market segments to the new Market Data + Services segment. See also note 35. Prior-year figures have been adjusted accordingly.

Composition of net interest income from banking business

	2013 €m	2012 €m
Loans and receivables	22.3	84.2
Financial liabilities measured at amortised cost	–7.2	–58.0
Available-for-sale financial assets	5.1	15.1
Financial assets or liabilities measured at fair value through profit or loss:		
Interest income	16.1	14.5
Interest expense	–0.3	–2.2
Interest income – interest rate swaps – fair value hedges	0	0.5
Interest expense – interest rate swaps – fair value hedges	0	–2.1
Total	**36.0**	**52.0**

Composition of other operating income

	2013 €m	2012 €m
Income from exchange rate differences	6.9	1.4
Income from settlement of put options[1)]	2.0	0
Income from agency agreements	0.7	0.9
Rental income from sublease contracts	0.6	1.3
Miscellaneous	10.4	8.1
Total	**20.6**	**11.7**

1) See note 14 for further details on the acquisition of Clearstream Fund Services Ireland Ltd.

For details of rental income from sublease contracts see note 38.

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

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

5. Staff costs

Composition of staff costs

	2013 €m	2012 €m
Wages and salaries	369.0	345.7
Social security contributions, retirement and other benefits	107.0	68.5
Total	**476.0**	**414.2**

Staff costs include costs of €62.6 million (2012: €14.4 million) recognised in connection with efficiency programmes.

6. Other operating expenses

Composition of other operating expenses

	2013 €m	2012 €m
Costs related to OFAC settlement	129.0	–
Costs for IT services providers and other consulting services	159.5	156.1
IT costs	78.5	81.4
Premises expenses	75.1	78.5
Non-recoverable input tax	34.4	34.5
Advertising and marketing costs	34.4	23.1
Travel, entertainment and corporate hospitality expenses	20.6	19.5
Non-wage labour costs and voluntary social benefits	12.6	11.7
Insurance premiums, contributions and fees	12.0	12.2
Cost of agency agreements	7.7	11.7
Remuneration of supervisory bodies	5.0	4.4
Cost of exchange rate differences	3.9	2.5
Miscellaneous	15.3	3.8
Total	**588.0**	**439.4**

Costs for IT services 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.

Composition of fees for the auditor[1)]

	2013 €m	2012 €m
Statutory audit	1.9	1.5
Other assurance or valuation services	1.0	0.7
Tax advisory services	0.5	0.5
Other services	0.2	0.9
Total	**3.6**	**3.6**

1) With companies of KPMG Europe LLP Group. There are further assignments with other companies of KPMG, in particular in Singapore, the Czech Republic and the USA.

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	
	2013 €m	2012 €m	2013 €m	2012 €m
Eurex				
Eurex software	5.4	12.8	2.2	4.2
Trading platform Xetra/Eurex	25.0	27.5	10.2	14.7
Eurex Clearing Prisma	24.0	18.8	10.4	12.6
New trading platform ISE	5.9	5.2	5.3	4.1
EurexOTC Clear	35.7	28.8	14.1	11.8
	96.0	**93.1**	**42.2**	**47.4**
Xetra				
Xetra software	4.8	5.1	0.3	0.3
CCP releases	2.9	3.4	0.3	0.6
	7.7	**8.5**	**0.6**	**0.9**
Clearstream				
Collateral Management and Settlement	58.9	41.0	34.0	20.9
Custody	10.2	12.2	5.2	7.7
Connectivity	20.0	4.4	6.9	3.1
Investment funds	4.9	4.3	1.7	2.7
	94.0	**61.9**	**47.8**	**34.4**
Market Data + Services	**4.2**	**4.1**	**0.3**	**0.5**
Research expense	**1.8**	**1.0**	**0**	**0**
Total	**203.7**	**168.6**	**90.9**	**83.2**

8. Result from equity investments

Composition of result from equity investments

	2013 €m	2012 €m
Equity method-accounted result of associates		
European Energy Exchange AG	3.8	0.5
Direct Edge Holdings, LLC	2.2	1.9
Börse Frankfurt Zertifikate Holding S.A.[1]	1.4	4.5
Tradegate AG Wertpapierhandelsbank	0.3	0
ID's SAS	0.2	0.1
Deutsche Börse Commodities GmbH	0.1	0.3
Total income from equity method measurement	**8.0**	**7.3**
Zimory GmbH	–0.6	n.a.
Deutsche Börse Cloud Exchange AG	–0.5	n.a.
Digital Vega FX Ltd.	–0.1	–0.1
Hanweck Associates, LLC	–0.1	–0.1
Global Markets Exchange Group International, LLP	–0.1	n.a.
Indexium AG	0	–4.0
Link-Up Capital Markets, S.L.	0	–0.5
Total expenses from equity method measurement from associates	**–1.4**	**–4.7**
Result from associates	**6.6**	**2.6**
Result due to transition from equity method to consolidation	**2.0**	**n.a.**
Result from other equity investments	**0.7**	**–6.9**
Result from equity investments	**9.3**	**–4.3**

1) Until 12 December 2013 Scoach Holding S.A., see note 2.

The result from other equity investments includes impairment losses of €1.6 million (2012: €10.8 million) relating to the investment in Quadriserv Inc. The negative performance is attributable in particular to the continuing difficult capital market environment and the company's declining market share during financial year 2013.

The result from other equity investments includes income of €0.2 million resulting from the remeasurement in connection with the disposal of the equity investment in Link-Up Capital Markets, S.L, Madrid, Spain. The investment in Link-Up Capital Markets, S.L. had been classified as held for sale since the fourth quarter of 2012.

Dividends of €10.9 million (2012: €10.1 million) were received from interests in associates and €2.0 million (2012: €2.8 million) from interests in other equity investments in the year under review.

9. Financial result

Composition of financial income

	2013 €m	2012 €m
Interest on reverse repurchase agreements categorised as “loans and receivables”	3.1	10.4
Income from available-for-sale securities	1.7	0.7
Other interest and similar income	0.4	0.2
Interest income from receivables against associates and employees categorised as “loans and receivables”	0.3	0.2
Interest on bank balances categorised as “loans and receivables”	0.2	0.7
Interest-like income from revaluation of derivatives held for trading	0	0.1
Total	**5.7**	**12.3**

Composition of financial expense

	2013 €m	2012 €m
Interest on non-current loans[1]	57.1	99.7
Interest on taxes	6.1	6.1
Expenses from the unwinding of the discount on the pension provisions	3.9	4.3
Interest-like expenses for exchange rate differences on liabilities[1]	3.2	1.8
Interest-like expenses for derivatives held as hedging instruments	2.1	0.9
Transaction costs of non-current liabilities[1]	0.8	1.7
Interest on current liabilities[1]	0.3	0.9
Expenses from the unwinding of the discount on the liability to SIX Group AG[1]	0	27.4
Other costs	2.9	2.2
Total	**76.4**	**145.0**

1) Measured at amortised cost

10. Income tax expense

Composition of income tax expense (main components)

	2013 €m	2012 €m
Current income taxes:		
of the year under review	181.0	224.1
from previous years	–11.3	–1.4[1]
Deferred tax (income)/expense on temporary differences	2.1	–56.9
Total	**171.8**	**165.8**

1) This does not include other taxes amounting to €1.1 million.

The total current tax expenses in the amount of €169.7 million include domestic tax expenses of €135.1 million and foreign tax expenses of €34.6 million (2012: domestic tax expenses €156.2 million, foreign tax expenses €67.6 million). The total deferred tax income in the amount of €2.1 million include domestic tax expenses of €–1.1 million and foreign tax income of €3.2 million (2012: domestic tax expenses €6.3 million, foreign tax income €–63.2 million).

As in the previous year, a tax rate of 26 to 28 per cent was used in the reporting period to calculate deferred taxes for the German companies. This reflects trade income tax at multipliers of 280 to 460 per cent (2012: 280 to 460 per cent) on the tax base value of 3.5 per cent (2012: 3.5 per cent), corporation tax of 15 per cent (2012: 15 per cent) and the 5.5 per cent solidarity surcharge (2012: 5.5 per cent) on the corporation tax.

A tax rate of 29.22 per cent (2012: 28.80 per cent) was used for the Luxembourgian companies, reflecting trade income tax at a rate of 6.75 per cent (2012: 6.75 per cent) and corporation tax at 22.47 per cent (2012: 22.05 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 and the USA (2012: 17 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	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2013 €m	2012 €m	2013 €m	2012 €m
Pension provisions and other employee benefits	36.0	43.4	0	0	0.3	3.3	1.3	3.8[2]	–14.8[2]
Other provisions	16.1	5.4	0	3.7	0.5	–7.5	0.6	0	0
Interest-bearing liabilities	0	0	–1.1	–0.9	0	0.2	0.2	0	0
Intangible assets	0	0	–19.9	–13.9	0	6.0	3.9	0	0
Intangible assets from purchase price allocation	0	0	–236.6	–248.1	–7.3	–4.2	–22.1	0	0
Non-current assets	1.7[1]	0.3	0	0	0	–2.5	–3.9	0	0
Investment securities	0	0	–4.5	–7.3	0	–3.8	–0.4	1.0[2]	6.8[2]
Other non-current assets	3.0	4.4	0	0	0	0.8	–0.1	0.6[2]	–2.8[2]
Other liabilities	1.6	0	0	0	0	–1.6	0	0	0
Losses carried forward	25.8[3]	36.4	0	0	0.4	11.4	–36.4	0	0
Exchange rate differences	0	0	–16.5	–38.3	0	0	0	–21.8[4]	–12.1[4]
Gross amounts	**84.2**	**89.9**	**–278.6**	**–304.8**	**–6.1**	**2.1**	**–56.9**	**–16.4**	**–22.9**
Netting of deferred taxes	–35.2	–30.1	35.2	30.1					
Total	**49.0**	**59.8**	**–243.4**	**–274.7**	**–6.1**	**2.1**	**–56.9**	**–16.4**	**–22.9**

1) Thereof €–1.1 million due to changes in the basis of consolidation resulting from the termination of the cooperating agreement governing the investment in Börse Frankfurt Zertifikate Holding S.A. (see also note 2)
2) Separate disclosure in the consolidated statement of changes in equity under “revaluation surplus”
3) Thereof €1.2 million due to changes in the basis of consolidation resulting from the termination of the cooperating agreement governing the investment in Börse Frankfurt Zertifikate Holding S.A. (see also note 2)
4) Separate disclosure in the consolidated statement of changes in equity under “accumulated profit”

€64.8 million (2012: €67.4 million) of deferred tax assets and €247.7 million (2012: €242.7 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 unreported deferred tax liabilities on future dividends of subsidiaries and associates as well as gains from the disposal of subsidiaries and associates amount to €2.3 million.

Reconciliation between the expected and the reported tax expense

	2013 €m	2012 €m
Expected income taxes derived from earnings before tax	173.7	217.5
Tax losses utilised and tax-ineffective losses carried forward	5.9	22.4
Recognition of deferred taxes on losses carried forward not yet recognised	–0.8	–36.4
Tax increases due to other non-tax-deductible expenses	6.7	7.8
Effects resulting from different tax rates	0.8	–1.0
Effects from changes in tax rates	0	–20.7
Tax decreases due to dividends and income from the disposal of equity investments	–9.8	–21.5
Exchange rate differences	8.2	–0.6
Other	–1.5	–0.3
Income tax expense arising from current year	**183.2**	**167.2**
Prior-period income taxes	–11.4	–0.3
Income tax expense	**171.8**	**166.9**

To determine the expected tax expense, earnings before tax have been multiplied by the composite tax rate of 26 per cent assumed for 2013 (2012: 26 per cent).

At the end of the financial year, accumulated unused tax losses amounted to €176.7 million (2012: €176.3 million), for which no deferred tax assets were recognised. The unused tax losses amounting to €176.7 million are attributable to domestic losses totalling €6.3 million and to foreign tax losses totalling €170.4 million (2012: domestic tax losses €7.2 million, foreign tax losses €169.1 million). Tax losses of €3.6 million were utilised in 2013 (2012: €1.4 million).

The losses can be carried forward in Germany subject to the minimum taxation rules, and in Luxembourg indefinitely as the law now stands. 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 2012	**304.2**	**751.5**	**2,105.9**	**56.3**	**1,980.3**	**5,198.2**
Changes in the basis of consolidation[2]	0	0	4.0	0	0	4.0
Additions	17.9	8.7	0.1	74.5	0	101.2
Disposals	– 36.3	– 38.4	0	0	– 3.1	– 77.8
Reclassifications	0	45.4	0	– 45.4	0	0
Exchange rate differences	– 0.2	– 0.6	– 20.9	0	– 31.8	– 53.5
Historical cost as at 31 Dec 2012	**285.6**	**766.6**	**2,089.1**	**85.4**	**1,945.4**	**5,172.1**
Changes in the basis of consolidation[3]	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**
Amortisation and impairment losses as at 1 Jan 2012	**284.5**	**670.0**	**10.7**	**0**	**1,069.2**	**2,034.4**
Amortisation	10.1	29.9	0	0	19.5	59.5
Disposals	– 36.2	– 38.3	0	0	– 3.1	– 77.6
Exchange rate differences	– 0.1	– 0.4	0	0	– 22.5	– 23.0
Amortisation and impairment losses as at 31 Dec 2012	**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**
Carrying amount as at 31 Dec 2012	27.3	105.4	2,078.4	85.4	882.3	3,178.8
Carrying amount as at 31 Dec 2013	**21.1**	**157.7**	**2,042.6**	**85.2**	**852.1**	**3,158.7**

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 acquisition of Clearstream Fund Services, Ireland Ltd.
3) This relates exclusively to additions as part of the business combination with Börse Frankfurt Zertifikate Holding S.A. and Börse Frankfurt Zertifikate AG, 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 and to the development of the new derivatives platform and risk margining and clearing system (Prisma) of the Eurex segment.

An impairment loss of €0.6 million (2012: nil) was recognised in the year under review on OCC-Link, the planned trading and clearing link (Eurex segment), due to a missing approval to use the service.

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 2013 €m	31 Dec 2012 €m	31 Dec 2013 years	31 Dec 2012 years
Eurex				
Derivatives trading platform	34.8	27.9	4.9 – 5.9	n.a.
ISE trading platform including applications	31.3	36.6	3.3 – 4.7	4.3
Eurex Clearing Prisma	16.1	17.8	6.3	n.a.
Eurex Release 14.0 Clearing	20.3	10.0	n.a.	n.a.
Eurex Clearing Prisma Release 2.0	10.2	n.a.	n.a.	n.a.
Clearstream				
GVAS	14.3	18.2	3.7	4.7
TARGET2-Securities	30.3	11.5	n.a.	n.a.

Goodwill

Changes in goodwill

	Clearstream €m	ISE €m	STOXX €m	Other assets €m	Total goodwill €m
Balance as at 1 Jan 2013	**1,063.8**	**961.3**	**32.6**	**20.7**	**2,078.4**
Changes in the basis of consolidation	0	0	0	4.6	4.6
Exchange rate differences	0	– 40.0	0	– 0.4	– 40.4
Additions	0	0	0	0	0
Balance as at 31 Dec 2013	**1,063.8**	**921.3**	**32.6**	**24.9**	**2,042.6**

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 Fund Services €m	CGU Infobolsa €m	CGU Börse Frankfurt Zertifikate €m	Total goodwill €m
Balance as at 31 Dec 2013	1,063.8	921.3	42.9	4.0	6.0	4.6	2,042.6

Goodwill, the stock exchange licences acquired as part of the acquisitions of the International Securities Exchange and the Börse Frankfurt Zertifikate as well as the acquired trade name of STOXX are intangible assets with an indefinite useful life. The recoverable amounts of the cash-generating units with allocated goodwill are based either on their values in use (CGU Clearstream and CGU Eurex) or on their fair value less costs of disposal (CGU Market Data + Services, CGU Infobolsa, CGU Fund Services and CGU Börse Frankfurt Zertifikate). 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 cash-generating units, the discounted cash flow method is used to calculate both value in use and fair value less costs of disposal.

The key assumptions made to determine the recoverable amounts vary depending on the cash-generating unit concerned. Pricing or market share assumptions are based on past experience or market research. Other key assumptions are mainly based on external factors. 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. The discount rate is based on a risk-free interest rate between 2.5 and 2.6 per cent and a market risk premium of 6.5 per cent. It is used to calculate individual discount rates for each cash-generating unit that reflect the beta factors, the 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, sales revenue and growth rate of a perpetual annuity), by assuming that all other parameters in the evaluation model remain unchanged. Possible correlations between the parameters are not considered.

Cash-genereating unit Eurex
The goodwill resulting from the acquisition of ISE is allocated to a group of cash-generating units in the Eurex segment.

Since the ISE goodwill is calculated in US dollars, an exchange rate difference of €–40.0 million occurred in 2013 (2012: €–20.7 million).

Assumptions on volumes of index and interest rate derivatives and volumes in the US equity options market, which are derived from external sources, are the key criteria applied to determine the value in use with the discounted cash flow method.

Cash flows are projected over a five-year period (2014 to 2018) for European as well as US activities. Cash flow projections beyond this period are, as in the previous year, extrapolated assuming a 1.0 per cent growth rate. The pre-tax discount rate used is 13.4 per cent (2012: 13.0 per cent).

Neither an increase in the discount rate by 1.0 per cent nor a reduction in the planned sales revenue by 5.0 per cent per year nor a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to a goodwill impairment in the cash-generating unit Eurex.

Cash-generating unit Clearstream
The "Clearstream" goodwill is a group of cash-generating units in the Clearstream segment. The recoverable amount is determined on the basis of the value in use applying the discounted cash flow method. Assumptions on assets held in custody, transaction volumes and market interest rates are the key criteria used to determine value in use.

Cash flows are projected over a five-year period (2014 to 2018). Cash flow projections beyond 2018 are extrapolated assuming a perpetual annuity with a growth rate of 1.5 per cent (2012: 2.5 per cent). The pre-tax discount rate used is calculated on the basis of the cost of equity and amounts to 14.6 per cent (2012: 13.1 per cent).

Neither an increase in the discount rate by 1.0 per cent nor a reduction in the planned sales revenue by 5.0 per cent per year nor a decrease in the growth rate to 0 per cent would lead to a goodwill impairment in the cash-generating unit Clearstream.

Cash-generating unit Fund Services
The goodwill from the acquisition of Clearstream Fund Services Ireland Ltd. is allocated to the separate cash-generating unit Fund Services (referred to as Clearstream Ireland in the previous year). 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 (2014 to 2018). Cash flow projections beyond 2018 are extrapolated assuming a perpetual annuity with a growth rate of 2.5 per cent (2012: nil). The after-tax discount rate used is calculated on the basis of the cost of equity and amounts to 11.5 per cent (2012: 14.5 per cent).

Neither an increase in the discount rate by 1.0 per cent nor a reduction in the planned sales revenue by 5.0 per cent per year nor a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to a goodwill impairment in the cash-generating unit Fund Services.

Cash-generating unit Market Data + Services
The goodwill arising from the acquisition of STOXX Ltd. in 2009 is allocated to a group of cash-generating units in the Market Data + Services segment. It results primarily from the strong position of STOXX Ltd. in European indices as well as from growth prospects in the production and sale of tick data for indices, the development, maintenance and enhancements of index formulas and from the customising of indices.

The goodwill of US$7.9 million that arose in the course of the acquisition of Market News International Inc. (MNI) by Deutsche Börse AG in 2009 is also allocated to the group of cash-generating units in the Market Data + Services segment and relates to access to global, trade-related information such as news from public authorities and supranational organisations.

Finally, the goodwill of US$3.0 million that arose in the course of the acquisition by MNI of 100 per cent of the shares in Need to Know News, LLC is also allocated to this group of cash-generating units in the Market Data + Services segment.

The recoverable amount of the cash generating unit Market Data + Services is determined on the basis of the fair value less costs of disposal. The key assumptions made relate to the expected development of future data and licence income as well as of the customer base; these are based both on external sources of information and on internal expectations that correspond to the budget values for financial year 2014. Cash flows are planned over a five-year period (2014-2018), with projections for periods beyond this assuming a perpetual annuity with a growth rate of 2.0 per cent (2012: 2.0 per cent). The after-tax discount rate used was 9.8 per cent (2012: 9.2 per cent).

Neither an increase in the discount rate by 1.0 per cent nor a reduction in the planned sales revenue by 5.0 per cent per year nor a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to a goodwill impairment in the cash-generating unit Market Data + Services.

Cash-generating unit Infobolsa

The goodwill from the acquisition of the Infobolsa subgroup (including the goodwill from the acquisition of the shares in Open Finance S.L.) is allocated to the Infobolsa cash-generating unit. The recoverable amount is determined on the basis of fair value less costs of disposal, applying the discounted cash flow method. The assumptions on which the calculation is based are derived from external sources of information and internal management expectations. Cash flows are planned over a five-year period (2014–2018), with projections for periods beyond this assuming a perpetual annuity with a growth rate of 2.0 per cent (2012: 2.0 per cent). The after-tax discount rate used is 9.8 per cent (2012: 9.2 per cent).

Neither an increase in the discount rate by 1.0 per cent nor a reduction in the planned sales revenue by 5.0 per cent per year nor a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to a goodwill impairment in the cash-generating unit Infobolsa.

Cash-generating unit Börse Frankfurt Zertifikate

Goodwill from the business combination with Scoach Holding S.A. and Scoach Europa AG is allocated to the separate cash-generating unit, Börse Frankfurt Zertifikate. The recoverable amount is determined on the basis of fair value less costs of disposal, applying the discounted cash flow method. The assumptions on which the calculation is based are derived from external sources of information and internal management expectations. Cash flows are planned over a five-year period (2014–2018), with projections for periods beyond this assuming a perpetual annuity with a growth rate of 2.0 per cent. The after-tax discount rate used is 13.5 per cent.

Neither an increase in the discount rate of 1.0 per cent nor a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to a goodwill impairment in the Börse Frankfurt Zertifikate cash-generating unit. A reduction in the planned sales revenue of 5.0 per cent per year would lead to an impairment, amounting to €6.8 million, of the intangible assets (including goodwill) in the Börse Frankfurt Zertifikate cash-generating unit.

Other intangible assets

Changes in other intangible assets

	ISE's exchange licence €m	Member relation-ships of ISE €m	Market data customer relation-ships of ISE €m	ISE trade name €m	STOXX trade name €m	Customer relationships of STOXX Ltd. €m	Miscellaneous intangible assets €m	Total €m
Balance as at 1 Jan 2013	**112.8**	**299.0**	**17.1**	**3.8**	**420.0**	**27.7**	**1.9**	**882.3**
Changes in the basis of consolidation	0	0	0	0	0	0	3.9	3.9
Additions	0	0	0	0	0	0	0.9	0.9
Amortisation	0	– 12.2	– 0.7	– 0.8	0	– 3.0	– 0.7	– 17.4
Exchange rate differences	– 4.7	– 11.7	– 0.7	– 0.1	0	0	– 0.4	– 17.6
Balance as at 31 Dec 2013	**108.1**	**275.1**	**15.7**	**2.9**	**420.0**	**24.7**	**5.6**	**852.1**
Remaining amortis-ition period (years)	–	24	24	4	–	8		

Other intangible assets: ISE
ISE's other intangible assets are tested for impairment at the end of the year. The recoverable amount of these assets is calculated on the basis of the value in use of the ISE cash-generating unit, which is attributable to the Eurex segment. The cash-generating unit of the ISE subgroup are the US options exchanges.

The key assumptions made, which are based on analysts' estimates, relate to expected volumes and transaction prices on the US options market. Cash flows are projected over a five-year period (2014 to 2018). A 2.5 per cent growth rate is assumed beyond 2018 (2012: 2.5 per cent). The pre-tax discount rate used is 18.0 per cent (2012: 16.2 per cent).

Exchange licence of ISE
In the course of the purchase price allocation carried out in December 2007, the fair value of the exchange licence was determined. The exchange licence, granted in 2000 by the U.S. Securities and Exchange Commission, permits the ISE subgroup to operate as a regulated securities exchange in the United States. The exchange licence held by the ISE subgroup is estimated to have an indefinite useful life, because the licence itself does not have a finite term and Eurex management expects to maintain the licence as part of its overall business strategy.

The exchange licence does not generate cash flows largely independent from those generated by the ISE subgroup as a whole. Consequently, the exchange licence is allocated to the ISE subgroup as the cash-generating unit.

Member relationships and market data customer relationships of ISE

In the context of the purchase price allocation, the fair values of member and customer relationships were calculated. Both assets are being amortised over a period of 30 years using the straight-line method. Cash flows do not result from either the member or the customer relationships which would be independent of the entire ISE subgroup. Consequently, both items are allocated to the cash-generating unit ISE subgroup.

ISE trade name

The ISE trade name is registered as a trade name and therefore meets the IFRS criterion for recognition separately from goodwill. In accordance with the purchase price allocation of December 2007, the asset is being amortised over a period of ten years using the straight-line method. As there are no cash inflows that are generated independently from the ISE subgroup, the trade name is also allocated to the cash-generating unit ISE subgroup.

An increase in the discount rate by 1.0 per cent, a reduction in the planned sales revenue by 5.0 per cent per year or a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to an impairment in the other intangible assets in the cash-generating unit ISE amounting to a volume of €7 million to €55 million. A more positive development of the parameters in future could, in contrast to the assumptions above, result in a reversal of impairment of the other intangible assets of ISE.

Other intangible assets: STOXX

The STOXX trade name, the company's customer relationships as well as fully amortised non-compete agreements and other intangible assets are identified as part of the acquisition of STOXX Ltd. and allocated to the "STOXX" cash-generating unit, as they do not generate cash independently. The STOXX cash-generating unit is allocated to the Market Data + Services segment.

The impairment test was based on fair value less costs of disposal, taking into account expected developments in the licence and sales fees for indices and data. Cash flows are projected over a five-year period (2014 to 2018). Cash flow projections beyond 2018 are extrapolated assuming a 2.0 per cent (2012: 2.0 per cent) growth rate. The after-tax discount rate amounts to 10.8 per cent (2012: 10.2 per cent).

STOXX trade name

The STOXX trade name includes the trade name itself, the index methodologies and the internet domains because these can generally not be transferred separately. As the trade name is registered, it meets the IFRS criterion for recognition separately from goodwill. An indefinite useful life was assumed for the STOXX brand name given its history and the fact that it is well known on the market.

Customer relationships of STOXX

STOXX Ltd. has relationships with customers, which are based on signed contracts and thus meet the identifiability criterion for recognition separately from goodwill.

An increase in the discount rate by 1.0 per cent would not lead to an impairment in the other intangible assets in the cash-generating unit "STOXX". A reduction in the planned sales revenue by 5.0 per cent per year or a decrease in the growth rate of the perpetual annuity to 0 per cent would lead to an impairment in other intangible assets in the cash-generating unit STOXX amounting to a volume of €8 million to €9 million.

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 cost as at 1 Jan 2012	**75.4**	**331.1**	**0.1**	**406.6**
Additions	6.6	36.2	1.7	44.5
Disposals	–3.4	–37.3	0	–40.7
Reclassifications	0.1	0	–0.1	0
Exchange rate differences	–0.2	–0.2	0	–0.4
Historical cost as at 31 Dec 2012	**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 cost as at 31 Dec 2013	**77.3**	**328.5**	**0.1**	**405.9**
Depreciation and impairment losses as at 1 Jan 2012	**29.4**	**246.1**	**0**	**275.5**
Amortisation	7.6	37.9	0	45.5
Disposals	–2.0	–37.0	0	–39.0
Exchange rate differences	–0.1	–0.1	0	–0.2
Depreciation and impairment losses as at 31 Dec 2012	**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 31 Dec 2013	**40.0**	**258.6**	**0**	**298.6**
Carrying amount as at 31 Dec 2012	43.6	82.9	1.7	128.2
Carrying amount as at 31 Dec 2013	**37.3**	**69.9**	**0.1**	**107.3**

13. Financial investments

Financial investments

	Investments in associates €m	Other equity investments €m	Receivables and securities from banking business €m	Other financial instruments and loans €m
Historical cost as at 1 Jan 2012	**132.5**	**142.5**	**1,431.6**	**21.6**
Additions	2.2	2.6	80.5	7.2
Disposals	–21.5	–2.6	0	–1.3
Reclassifications	68.8	–82.4	–25.0[1]	0
Exchange rate differences	0.5	–2.9	–0.1	–0.2
Historical cost as at 31 Dec 2012	**182.5**	**57.2**	**1,487.0**	**27.3**[2]
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[3]	–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**[2]
Revaluation as at 1 Jan 2012	**25.6**	**–30.8**	**–27.0**	**–4.4**
Disposals of impairment losses	0	10.4	0	0
Dividends	–10.1	0	0	0
Net income from equity method measurement[4]	7.0	0	0	0
Currency translation differences recognised directly in equity	1.3	0.4	0	0.3
Currency translation differences recognised in profit or loss	0.1	0	0	0
Other fair value changes recognised directly in equity	0	0.3	0	0
Other fair value changes recognised in profit or loss	0	0	0	–2.5
Market price changes recognised directly in equity	–2.0	0	25.0	0.9
Market price changes recognised in profit or loss	0	–10.8	0	0
Reclassifications	0.4	0	0	0
Revaluation as at 31 Dec 2012	**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[4]	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
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[3]	0	0	0
Revaluation as at 31 Dec 2013	**16.4**	**–32.7**	**2.3**	**–3.5**
Carrying amount as at 31 Dec 2012	204.8	26.7	1,485.0	21.6
Carrying amount as at 31 Dec 2013	**183.4**	**23.9**	**1,178.3**	**26.0**

1) Reclassified as current receivables and securities from banking business
2) Thereof part of a pledge agreement with the Industrie- und Handelskammer (IHK, the Chamber of Commerce) Frankfurt/Main: €5.0 million.
3) Reclassification of shares of Direct Edge Holdings, LLC to the “non-current assets held for sale” category and change in status of the shares of Börse Frankfurt Zertifikate Holding S.A., which was previously classified as an associate, because the company has been fully consolidated since 1 July 2013.
4) Included 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 €1.6 million (2012: €13.3 million) were recognised in the income statement. €1.6 million (2012: €10.8 million) of these impairment losses relate to unlisted equity instruments. In 2012, €2.5 million of these impairment losses relate to loans which were impaired as part of the equity method measurement of Indexium AG. See note 8 for further details.

Composition of receivables and securities from banking business

	31 Dec 2013 €m	31 Dec 2012 €m
Fixed-income securities		
from other credit institutions	20.1	295.6
from multilateral banks	471.3	467.1
from regional or local public bodies	149.7	159.7
other public bodies	537.2	562.6
Total	**1,178.3**	**1,485.0**

Securities from banking business include financial instruments listed on a stock exchange amounting to €1,178.3 million (2011: €1,485.0 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 “other non-current assets”, “other non-current liabilities” as well as “receivables and securities from banking business”, “liabilities from banking business” and “other current liabilities”.

Derivatives (fair value)

	Note	Assets		Note	Liabilities	
		31 Dec 2013 €m	31 Dec 2012 €m		31 Dec 2013 €m	31 Dec 2012 €m
Cash flow hedges						
short-term	16	0	0.4	30	0	–14.6
Derivatives held for trading						
short-term	16	0	0.1	28, 30	–22.6	–16.7
Total		**0**	**0.5**		**–22.6**	**–31.3**

As a result of the acquisition of Clearstream Fund Services Ireland Ltd., Clearstream International S.A. had entered into three written put options which were to be settled by delivery of equity instruments of Clearstream Fund Services Ireland Ltd. As at 31 December 2012, these options had a fair value of €3.4 million and were reported under “other non-current liabilities” and “other current liabilities” in the consolidated balance sheet. The option classified under current liabilities was exercised in the second quarter 2013. Due to the termination of the agreement with the holder of the remaining shares in Clearstream Fund Services Ireland Ltd, options classified under noncurrent liabilities were exercised in October 2013. Total payment under the written put options amounted to €1.5 million.

Fair value hedges

No financial instruments designated as fair value hedges had been outstanding as at 31 December 2013 and 2012.

Cash flow hedges

Development of cash flow hedges

	2013 €m	2012 €m
Cash flow hedges as at 1 January	–14.2	–3.9
Amount recognised in equity during the year	0.7	–9.4
Amount recognised in profit or loss during the year	–	–
Ineffective hedge portion recognised in profit or loss	–0.2	–
Closing	14.2	–
Realised losses	–0.5	–0.9
Cash flow hedges as at 31 December	**0**	**–14.2**

The following table gives an overview of the notional amount of the positions covered by cash flow hedges:

Outstanding positions cash flow hedges

		Forward rate agreement		Foreign exchange transactions	
		31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Number			2	–	12
Notional amount	€m	–	300.0	–	24.9
Fair value	€m	–	–14.6	–	0.4

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.

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[1)]

Type	Issue volume	Equivalent			Term	
		31 Dec 2013	31 Dec 2012	as at emission	from	until
	US$m	€m	€m	€m		
Series A	170.0	123.5	128.8	110.2	12 June 2008	10 June 2015
Series B	220.0	159.8	166.7	142.7	12 June 2008	10 June 2018
Series C	70.0	50.8	53.1	45.4	12 June 2008	10 June 2020
Total	**460.0**	**334.1**	**348.6**	**298.3**		

1) Presented under "interest-bearing liabilities". See "Results of operations" section of the combined management report.

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. €35.5 million (2012: €50.0 million) has been recognised cumulatively in this item directly in equity. There was no ineffective portion of the net investment hedges in 2013 and 2012.

Derivatives held for trading

Foreign exchange swaps as at 31 December 2013 expiring in less than three months with a notional value of €2,285,6 million (2012: €2,302.9 million) had a negative fair value of €16.5 million (2012: negative fair value of €16.7 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		Foreign exchange futures	
		31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Number		30	77	–	1
Notional amount	€m	2,285.9	2,302.9	–	–
Notional amount	US$m	–	–	–	10.0
Positive fair value	€m	–	–	–	0.1
Negative fair value	€m	–16.5	–16.7	–	–

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 €6.1 million have been classified as held for trading and are shown under "other current liabilities".

15. Financial instruments of Eurex Clearing AG

Composition of financial instruments of Eurex Clearing AG

	31 Dec 2013 €m	31 Dec 2012 €m
Repo transactions	147,924.7[1]	145,843.8[2]
Options	9,583.2	10,378.5[2]
Others	97.5	93.1
Total	**157,605.4**	**156,315.4**[2]
thereof non-current	4,058.6	0
thereof current	153,546.8[1]	156,315.4[2]

1) Financial liabilities of €500.0 million have been eliminated because of intra-Group GC Pooling transactions.
2) Prior-year figures have been adjusted (see note 3).

The aggregate financial instruments of Eurex Clearing AG 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.

The following table gives an overview of the effects of offsetting the financial instruments of Eurex Clearing AG:

Gross presentation of offsetted financial instruments of Eurex Clearing AG[1)]

	Gross amount of financial instruments		Gross amount of netted financial instruments		Net amount of financial instruments	
	31 Dec 2013 €m	31 Dec 2012 €m	31 Dec 2013 €m	31 Dec 2012 €m	31 Dec 2013 €m	31 Dec 2012 €m
Financial assets from repo transactions	176,803.4	162,533.0	–28,878.7	–16,689.2	147,924.7	145,843.8
Financial liabilities from repo transactions	–176,303.4	–162,533.0	28,878.7	16,689.2	–147,424.7	–145,843.8
Financial assets from options	14,605.6	15,430.4	–5,022.4	–5,051.9	9,583.2	10,378.5
Financial liabilities from options	–14,605.6	–15,430.4	5,022.4	5,051.9	–9,583.2	–10,378.5

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 2013.

Composition of current receivables and securities from banking business

	31 Dec 2013 €m	31 Dec 2012 €m
Loans to banks and customers		
Reverse repurchase agreements	6,708.7	2,847.4
Balances on nostro accounts	991.3	1,975.4
Money market lendings	1,044.0	7,729.6
Overdrafts from settlement business	487.0	228.4
	9,231.0	**12,780.8**
Available-for-sale debt instruments	310.6	25.0
Interest receivables	2.4	2.0
Forward foreign exchange transactions[1)]	0	0.4
Total	**9,544.0**	**12,808.2**

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 2013 €m	31 Dec 2012 €m
Not more than 3 months	9,231.0	12,780.8
Total	**9,231.0**	**12,780.8**

All of the securities held as at 31 December 2013 and 2012 were listed and issued by sovereign or sovereign-guaranteed issuers.

Remaining maturity of available-for-sale debt instruments

	31 Dec 2013 €m	31 Dec 2012 €m
Not more than 3 months	75.9	0
3 months to 1 year	234.7	25.0
Total	**310.6**	**25.0**

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 2013.

Allowance account

	€m
Balance as at 1 Jan 2012	**7.5**
Additions	1.5
Utilisation	–0.1
Reversal	–0.8
Balance as at 31 Dec 2012	**8.1**
Additions	2.5
Utilisation	–0.1
Reversal	–0.9
Balance as at 31 Dec 2013	**9.6**

In the current year, irrecoverable receivables of €0.2 million (2012: €0.7 million) were written off, for which no provision for doubtful debts had been recognised.

18. Other current assets

Composition of other current assets

	31 Dec 2013 €m	31 Dec 2012 €m
Other receivables from CCP transactions	181.5	87.7
Tax receivables (excluding income taxes)	49.9	21.5
Prepaid expenses	23.7	20.8
Vendors with a debit balance	5.9	0.7
Incentive programme	4.0	0
Receivables from insurance companies	2.3	2.0
Miscellaneous	6.4	5.9
Total	**273.7**	**138.6**

Miscellaneous other current assets include a certificate of deposit of €1.1 million (2012: €1.4 million) used as collateral for two letters of credit.

19. Restricted bank balances

Amounts reported separately under liabilities as cash deposits by market participants are restricted. Such amounts totalling €16,221.7 million (2012: €19,450.6 million) 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.

20. Equity

Changes in equity are presented in the consolidated statement of changes in equity. As at 31 December 2013, the number of no-par value registered shares of Deutsche Börse AG issued was 193,000,000 (31 December 2012: 193,000,000). Transaction costs of €0.0 million incurred in connection with the buy-back of 27,161 no-par value registered shares were recognised directly in equity (2012: €–0.1 million).

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	▪ against non-cash contributions for the purpose of acquiring companies, parts of companies, or interests in companies, or other assets.
Authorised share capital II	27,800,000	27 May 2010	26 May 2015	▪ for cash at an issue price not significantly lower than the 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	▪ 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.

There were no further subscription rights for shares as at 31 December 2013 or 31 December 2012.

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, as well as the value of the stock options under the Group Share Plan (see note 39). This item also contains 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 2012 (gross)	**103.7**	**3.1**	**–26.7**
Changes from defined benefit obligations	0	0	0
Fair value measurement	0	0.4	25.0
Increase in share-based payments	0	0	0
Reversal to profit or loss	0	–1.6	0
Balance as at 31 Dec 2012 (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**
Deferred taxes			
Balance as at 1 Jan 2012	**0**	**–0.6**	**7.5**
Additions	0	0.1	0
Reversals	0	0	–7.2
Balance as at 31 Dec 2012	**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**
Balance as at 1 Jan 2012 (net)	**103.7**	**2.5**	**–19.2**
Balance as at 31 Dec 2012 (net)	**103.7**	**1.4**	**–1.4**
Balance as at 31 Dec 2013 (net)	**103.7**	**0.4**	**1.7**

	Other financial instruments (financial assets) €m	Current securities from banking business €m	Cash flow hedges €m	GSP stock options €m	Defined benefit obligations €m	Total €m
	–1.3	**1.5**	**–3.2**	**2.4**	**–54.1**	**25.4**
	0	0	0	0	–53.7	–53.7
	0.9	–1.6	–10.0	0	0	14.7
	0	0	0	–2.4	0	–2.4
	0	0.2	–0.4	0	0	–1.8
	–0.4	**0.1**	**–13.6**	**0**	**–107.8**	**–17.8**
	0	0	0	0	14.2	14.2
	1.3	–0.2	0.7	0	0	5.1
	0	0	1.2	0	0	1.2
	0.9	**–0.1**	**–11.7**	**0**	**–93.6**	**2.7**
	0	**–0.5**	**0.9**	**0**	**14.0**	**21.3**
	0	0.4	2.8	0	14.8	18.1
	0	0	–0.1	0	0	–7.3
	0	**–0.1**	**3.6**	**0**	**28.8**	**32.1**
	0	0.1	0	0	0	0.3
	0	0	–0.5	0	–3.8	–5.7
	0	**0**	**3.1**	**0**	**25.0**	**26.7**
	–1.3	**1.0**	**–2.3**	**2.4**	**–40.1**	**46.7**
	–0.4	**0**	**–10.0**	**0**	**–79.0**	**14.3**
	0.9	**–0.1**	**–8.6**	**0**	**–68.6**	**29.4**

Accumulated profit

The "accumulated profit" item includes exchange rate differences amounting to €39.4 million (2012: €82.3 million). €57.4 million was withdrawn due to currency translation for foreign subsidiaries in the year under review (2012: withdrawal of €30.7 million) and €14.5 million was added relating to a net investment hedge that was used to hedge the net investment in ISE against currency risk (2012: additions of €7.5 million).

Regulatory capital requirements and regulatory capital ratios

Clearstream Banking S.A., Clearstream Banking AG and Eurex Clearing AG as well as the regulatory Clearstream Holding group 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). All companies that are subject to this supervision are non-trading-book institutions. Market price risk positions consist only of a relatively small open foreign currency position. As a result of these companies' specific businesses, their on balance sheet-assets are subject to sharp fluctuations. This leads to correspondingly volatile solvency ratios in 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 are relatively stable despite volatile total assets.

The capital requirements are subject to the national regulations of the individual companies. These are based on EU Banking and Capital Requirements Directives which are ultimately based on "Basel II". The companies concerned homogeneously apply the standardised approach for credit risk. For calculating the operational risk charge, Eurex Clearing AG uses the basic indicator approach, while the Clearstream companies apply the advanced measurement approach (AMA).

Of the companies subject to solvency supervision, only Clearstream Banking S.A. has Tier 2 regulatory capital under the relevant IFRS treatment. This capital consists of a profit participation right of €150 million and to a very small amount in the revaluation surplus. The profit participation right had originally been subscribed by Deutsche Börse AG. In the course of measures taken to further strengthen Clearstream's capital base, this profit participation right was contributed to Clearstream Holding AG's capital reserves and upgraded to Tier 2 capital at the level of Clearstream Banking S.A. by making certain adjustments to the profit participation terms.

A minimum solvency ratio of 8 per cent applies throughout to the regulated companies. All regulated companies (Clearstream Banking S.A., Clearstream Banking AG, Eurex Clearing AG and the Clearstream Holding group) have been designated as systemically important. As a result, CSSF increased the minimum capital requirements for Clearstream Banking S.A. to a core Tier 1 ratio of 9 per cent in 2013. 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. The capital requirements determined in this way are met through the capital resources. As the actual capital requirements are below the expected peaks – significantly so under normal circumstances – this may lead to a very high technical closing date solvency ratio.

The capital requirements of the Clearstream companies rose in the year under review. This was mainly driven by considerably increased 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 expanded risk scenarios for legal and compliance risks. The international reach of the business within an increasingly more complex regulatory and legal framework makes it necessary to take greater account of these risks. Additionally, the settlement payment of around US$150 million made to the Office of Foreign Assets Control (OFAC) and payments made by other banks in the course of various proceedings have given an indication of the extent of potential loss events. The increased capital requirements almost exclusively affect Clearstream Banking S.A., since the nature of Clearstream Banking AG's national business means that its exposure to these risks is significantly limited. 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 responded to the increased capital requirements by launching a programme to strengthen its capital base. The programme entails an injection at the level of Clearstream Holding AG (including the contribution of the profit participation right of €150 million issued by Clearstream Banking S.A.), the retention of profits at Clearstream Banking S.A. and Clearstream International S.A., capital injections to the bank subsidiaries performed by Clearstream International S.A. and the upgrade of Clearstream Banking S.A.'s profit participation rights to Tier 2 capital. In spite of the increased capital requirements, these capitalisation measures currently secure solvency ratios of more than 20 per cent.

The Clearstream Holding group therefore does not expect to require any capital in the short to medium term. In the medium to long term, only a moderate – if any – increase in capital requirements at Group level is expected to arise from the capital buffers that are to be imposed in stages from 2014 onwards, the requirements resulting from mandatory recovery plans, the designation as systemically important institutions and the future CSD regulation. The transfer of the supervisory function for Clearstream Banking S.A. to the ECB is, however, not expected to have a material impact on capital requirements.

The cash collateral deposited at Eurex Clearing AG fluctuated in the course of the year, but remained at a high level overall. Eurex Clearing AG's capital requirements rose only slightly compared with the previous year, mainly as a result of closing date effects relating to credit and market risk and of downstream effects resulting from the calculation of averages used in the assessment of capital 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. Against this background, the banking supervisory authorities encouraged Eurex Clearing AG in 2011 to expand the basis for calculating the 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.

On 1 August 2013, Eurex Clearing AG submitted its application for authorisation as a central counterparty under the European Market Infrastructure Regulation (EMIR). Article 16 of EMIR in conjunction with the EU's Level 2 Implementing Directive sets its own capital adequacy requirements. Although these requirements are essentially based on the rules for credit institutions, the resulting capital requirements differ from the requirements for banks because they include additional requirement for orderly winding down or restructuring and for business risk as well as a number of other minor matters and a different definition of capital. Among other things, Eurex Clearing AG's share of the default fund is deducted from its (German GAAP) capital. Without the capital buffers, which will in future only be stipulated in the regulatory framework for banks, the requirement under EMIR is significantly more stringent than under the bank framework. In preparation for its application for EMIR authorisation, Eurex Clearing AG increased its equity at the beginning of 2013 by adding €110 million to its capital reserves. The authorisation is expected to be granted in the second quarter of 2014. The EMIR requirements did not yet apply as at the balance sheet date. The increase in equity resulted in a significantly improved solvency ratio, while capital requirements were only slightly higher.

Given the high capital requirements under EMIR, Eurex Clearing AG does not currently expect the introduction of Capital Requirements Directive (CRD) IV capital buffers from 2014 onwards to have a significant impact on capital requirements. Independent of this, the capital resources of Eurex Clearing AG are reviewed on an ongoing basis and monitored as part of medium-term capital planning. However, given the continuing development of the basis for EMIR capital requirements (income and costs) and business performance within a changed regulatory framework (EMIR, CRD IV) for Eurex Clearing AG and its customers, small capital increases cannot be ruled out.

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 2013 €m	31 Dec 2012 €m	31 Dec 2013 €m	31 Dec 2012 €m	31 Dec 2013 €m	31 Dec 2012 €m
Clearstream Holding group	289.6	195.1	49.0	73.9	338.6	269.0
Clearstream Banking S.A.	223.0	116.7	46.2	67.9	269.2	184.6
Clearstream Banking AG	74.7	74.4	23.1	25.8	97.8	100.2
Eurex Clearing AG	71.2	69.3	7.3	3.8	78.5	73.1

Regulatory capital ratios

	Own funds requirements		Regulatory equity		Solvency ratio	
	31 Dec 2013 €m	31 Dec 2012 €m	31 Dec 2013 €m	31 Dec 2012 €m	31 Dec 2013 %	31 Dec 2012 %
Clearstream Holding group	338.6	269.0	1,116.6	783.0	26.4	23.3
Clearstream Banking S.A.	269.2	184.6	801.3	459.9	23.8	19.9
Clearstream Banking AG	97.8	100.2	217.9	188.1	17.8	15.0
Eurex Clearing AG	78.5	73.1	249.4	138.6	25.4	15.2

Eurex Clearing AG has been accredited by the Financial Services Authority (FSA) in the UK as a Recognised Overseas Clearing House (ROCH). The reorganisation of financial services supervision in the UK resulted in the break-up of the FSA as at 1 April 2013 and in the transfer of its oversight role over ROCHs to the Bank of England. As a ROCH, Eurex Clearing AG has to maintain regulatory capital equivalent to at least half the operating expenses of the previous year; the resulting regulatory minimum capital under the ROCH requirements amounted to €43.1 million as at 31 December 2013 (2012: €48.0 million). Once authorisation as a central counterparty under EMIR has been granted, Eurex Clearing AG's ROCH status in the UK will lapse.

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.

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 2013 in accordance with the provisions of the Handelsgesetzbuch (HGB, the German Commercial Code), report net profit for the year of €412.8 million (2012: €605.7 million) and shareholders' equity of €2,329.8 million (2012: €2,301.5 million).

Net income for the year is significantly lower year-on-year, primarily due to a decrease in the result from equity investments and a rise in expenses.

Proposal on the appropriation of the unappropriated surplus

	31 Dec 2013 €m	31 Dec 2012 €m
Net profit for the year	412.8	605.7
Appropriation to other retained earnings in the annual financial statements	–12.8	–205.7
Unappropriated surplus	**400.0**	**400.0**
Proposal by the Executive Board:		
Distribution of a regular dividend to the shareholders of €2.10 per share for 184,115,657 no-par value shares carrying dividend rights (in 2013 from net profit for 2012: €2.10)	386.6	386.5
Appropriation to retained earnings	13.4	13.5

No-par value shares carrying dividend rights

	Number
Number of shares issued as at 31 December 2013	**193,000,000**
Number of shares acquired under the share buy-back programme up to the balance sheet date that are planned to be retired	–8,884,343
Number of shares outstanding as at 31 December 2013	**184,115,657**

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	Luxembourg	Other assets	31 Dec 2013 €m	31 Dec 2012 €m
Present value of the defined benefit obligations that are at least partly financed in advance	275.7	50.6	14.9	341.2	326.2
Fair value of plan assets	–207.7	–42.3	–13.4	–263.4	–233.4
Funded status	**68.0**	**8.3**	**1.5**	**77.8**	**92.8**
Present value of unfunded obligations	1.8	0.6	0	2.4	2.0
Net liability of defined benefit obligations	**69.8**	**8.9**	**1.5**	**80.2**	**94.8**
Impact of minimum funding requirement/asset ceilling	0	0	0	0	0.6
Amount recognised in the balance sheet	**69.8**	**8.9**	**1.5**	**80.2**	**95.4**

The defined benefit plans comprise a total of 2,435 (2012: 2,476) beneficiaries. The present value of the defined benefit obligations can be broken down on the beneficiaries as follows:

Breakdown of stakeholders

	Germany	Luxembourg	Other assets	31 Dec 2013 €m	31 Dec 2012 €m
Candidates	129.5	50,0	14.9	194.4	188.6
Former employees with vested entitlements	93.8	0.6	0	94.4	86.5
Pensioners or surviving dependents	54.2	0.6	0	54.8	53.1
	277.5	**51.2**	**14.9**	**343.6**	**328.2**

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.

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 minimum funding requirement/asset ceilling €m	Total €m
Balance as at 1 Jan 2012	**244.8**	**–197.6**	**47.2**	**0**	**47.2**
Current service cost	14.3	–	14.3	–	14.3
Interest expense/(income)	11.9	–9.6	2.3	–	2.3
Past service cost and gains and losses on settlements	0.9	–	0.9	–	0.9
	27.1	**–9.6**	**17.5**	**0**	**17.5**
Remeasurements					
Return on plan assets, excluding amounts already recognised in interest income	–	–8.3	–8.3	–	–8.3
Losses from changes in financial assumptions	66.9	–	66.9	–	66.9
Experience gains	–5.5	–	–5.5	–	–5.5
Change in asset ceilling, excluding amounts included in interest expense	–	–	0	0.6	0.6
	61.4	**–8.3**	**53.1**	**0.6**	**53.7**
Effect of exchange rate differences	0.3	0	0.3	0	0.3
Contributions:					
Employers	–	–23.4	–23.4	–	–23.4
Plan participants	0.7	–0.7	0	–	0
Benefit payments	–6.2	6.2	0	–	0
Settlements	0.1	0	0.1	–	0.1
Balance as at 31 Dec 2012	**328.2**	**–233.4**	**94.8**	**0.6**	**95.4**
Changes in the basis of consolidation	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 ceilling, 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	–0.2	0	–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**

In financial year 2013, employees converted a total of €3.3 million (2012: €3.1 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 2013			31 Dec 2012		
	Germany %	Luxembourg %	Switzerland %	Germany %	Luxembourg %	Switzerland %
Discount rate	3.40	3.40	2.00	3.50	3.50	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	0
Staff turnover rate	2.00[1]	2.00[1]	n.a.[2]	2.00	2.00	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	
		2013 Defined benefit obligation €m	Change %	2012 Defined benefit obligation €m	Change %
Present value of the obligation[1]		343.6	–	328.2	–
Discount rate	Increase by 1.0 percentage point	293.5	–14.6	278.7	–15.1
	Reduction by 1.0 percentage point	406.9	18.4	388.1	18.3
Salary growth	Increase by 0.5 percentage points	354.4	3.2	340.0	3.6
	Reduction by 0.5 percentage points	335.1	–2.5	318.7	–2.9
Pension growth	Increase by 0.5 percentage points	358.0	4.2	337.8	2.9
	Reduction by 0.5 percentage points	336.1	–2.2	319.6	–2.6
Life expectancy	Increase by one year	351.7	2.3	335.4	2.2
	Reduction by one year	335.3	–2.4	320.5	–2.3

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 on a trust basis, 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, about 25 per cent of fund assets are invested in shares with the aim of replicating the STOXX Europe 600 Index. A total return approach is pursued for the remaining fund assets, and 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 in equal parts from the return on five-year German federal government bonds and the return on the EURO STOXX 50 Index. According to the investment policy, the fund may only invest in fixed-income securities, shares and listed investment fund units, and it may hold cash.

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”.

Overview on plan assets

	31 Dec 2013		31 Dec 2012	
	€m	%	€m	%
Equity instruments – Europe	**60.8**	**23.1**	**86.3**	**37.0**
Financial institutions	11.6		16.3	
Manufacturing and Industrial	14.4		19.2	
Energy and commodities	6.6		15.4	
Technology companies	4.7		6.4	
Other	23.5		29.0	
Equity instruments – other	**0.6**	**0.2**	**0.6**	**0.3**
Financial institutions	0.1		0.1	
Manufacturing and Industrial	0.1		0.1	
Energy and commodities	0.1		0.1	
Technology companies	0.1		0.1	
Other	0.2		0.2	
Bonds	**165.8**	**63.0**	**104.0**	**44.6**
Government bonds	163.5		87.6	
Corporate bonds	2.3		16.4	
Derivatives	**0.8**	**0.3**	**0**	**0**
Stock index futures	0.8		0.2	
Interest rate futures	0		–0.2	
Property	**0.8**	**0.3**	**0.7**	**0.3**
Europe	0.7		0.6	
Other	0.1		0.1	
Investment funds	**18.0**	**6.8**	**19.0**	**8.1**
Other	**0.1**	**0**	**0.1**	**0**
Total listed	**246.9**	**93.7**	**210.7**	**90.3**
Qualifying insurance policies	7.7	2.9	7.9	3.4
Cash	8.6	3.3	14.8	6.3
Other	0.2	0.1	0	0
Total not listed	**16.5**	**6.3**	**22.7**	**9.7**
Total plan assets	**263.4**	**100.0**	**233.4**	**100.0**

As at 31 December 2013, plan assets included financial instruments of the Group amounting to €0.1 million (2012: €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. After a reduction in the equity ratio of the plan assets held in Germany in 2013 and 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 16.42 years as at 31 December 2013.

Expected maturities of undiscounted pension payments

	Expected pension payments[1)]31 Dec 2013 €m	Expected pension payments[1)] 31 Dec 2012 €m
Less than 1 year	8.7	8.1
Between 1 and 2 years	9.1	7.5
Between 2 and 5 years	37.3	39.3
More than 5 years up to 10 years	72.1	59.9
Total	**127.2**	**114.8**

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 €18.1 million for the 2014 financial year, including net interest expense.

Defined contribution pension plans

In the year under review, the costs of defined contribution plans amounted to €27.7 million (2012: €27.0 million).

23. Changes in other provisions

Changes in other provisions

	Other non-current provisions €m	Tax provisions €m	Other current provisions €m	Total €m
Balance as at 1 Jan 2013	**80.3**	**252.2**	**88.9**	**421.4**
Reclassification	–21.6	–0.4	20.8	–1.2[1)]
Utilisation	–8.6	–22.2	–33.1	–63.9
Reversal	–2.2	–8.9	–6.4	–17.5
Additions	65.3	46.1	153.4	264.8
Balance as at 31 Dec 2013	**113.2**	**266.8**	**223.6**	**603.6**

1) Relates to the reclassification to liabilities

24. Other non-current provisions

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

Composition of other non-current provisions

	31 Dec 2013 €m	31 Dec 2012 €m
Restructuring and efficiency measures	78.8	42.3
Pension obligations to IHK[1]	9.5	9.6
Stock Bonus Plan	8.0	6.7
Anticipated losses	5.9	6.1
Jubilee	5.4	5.5
Bonus	4.4	8.6
Early retirement	1.2	1.5
Total	**113.2**	**80.3**
thereof with remaining maturity between 1 and 5 years	78.5	61.1
thereof with remaining maturity of more than 5 years	34.7	19.2

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 €7.2 million (2012: €8.5 million) for the restructuring and efficiency programme resolved in September 2007 as well as €28.9 million (2012: €33.8 million) for the programme resolved in 2010 to increase operational performance and €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. Additions include discount effects amounting to €3.6 million (2012: €3.9 million) mainly from the passage of time.

For 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. Provisions for early retirement benefits are calculated on the basis of the active and former employees involved. Additions include discount rate effects amounting to €0.3 million (2012: €0.3 million) mainly from the passage of time.

For details on the Stock Bonus Plan, see note 39.

As at 31 December 2013, the provisions for anticipated losses contain provisions for anticipated losses from rental expenses and restoration obligations amounting to €9.2 million (2012: €7.1 million), of which €3.3 million (2012: €1.0 million) are allocated to current provisions. The provisions classified as non-current are not expected to be utilised before 2015. €5.8 million of the non-current provisions relates to restoration obligations. The provisions are calculated on the basis of the expected restoration costs.

25. Interest-bearing liabilities

The euro and US dollar bonds issued by Deutsche Börse Group have a carrying amount of €1,521.9 million (2012: €1,737.4 million) and a fair value of €1,551.8 million (2012: €1,821.9 million).

At the end of the first quarter of 2013, Deutsche Börse AG issued a corporate bond with a nominal amount of €600 million. The bond has a term of five years and a coupon of 1.125 per cent annually. It serves primarily to refinance euro-denominated bonds with a principal amount of €797.8 million that matured or were called in the course of the second quarter of 2013. For further details, see the “Results of operations” section and the “Debt instruments of Deutsche Börse AG” table in the combined management report.

The financial liabilities recognised in the balance sheet were not secured by liens or similar rights, neither as at 31 December 2013 nor as at 31 December 2012.

26. Tax provisions

Composition of tax provisions

	31 Dec 2013 €m	31 Dec 2012 €m
Income tax expense: current year	31.1	33.4
Income tax expense: previous years	185.3	168.9
Capital tax and value added tax	50.4	49.9
Total	**266.8**	**252.2**

Tax provisions of €140.0 million have an estimated remaining maturity of more than one year.

27. Other current provisions

Composition of other current provisions

	31 Dec 2013 €m	31 Dec 2012 €m
Recourse, litigation and interest rate risks[1)]	117.9	8.1
Interest on taxes	49.1	43.1
Restructuring and efficiency measures[2)]	16.5	5.6
Claims for damages	10.6	13.3
Stock Bonus Plan	10.2	8.3
Bonus	6.3	0
Rent and incidental rental costs	1.9	3.1
Personnel expenses	2.5	2.8
Anticipated losses	3.3	1.0
Miscellaneous	5.3	3.6
Total	**223.6**	**88.9**

1) Including €110.3 million (US$ 151.9 million) for the settlement with OFAC. For details see note 37.
2) Thereof provisions amounting to €0.4 million (2012: €0.4 million) for the restructuring and efficiency programme resolved in 2007, provisions amounting to €1.6 million (2012: €3.6 million) for the programme to increase operational performance adopted in 2010 and €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. For details see “Internal management control” 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 2013 €m	31 Dec 2012 €m
Customer deposits from securities settlement business	9,475.7	12,542.5
Issued commercial paper	194.1	208.3
Overdrafts on nostro accounts	30.8	109.2
Forward foreign exchange transactions – held for trading	16.5	16.7
Money market lendings	8.1	3.5
Interest liabilities	0.1	0.1
Interest rate swaps – fair value hedges	0	0
Total	**9,725.3**	**12,880.3**

Remaining maturity of liabilities from banking business

	31 Dec 2013 €m	31 Dec 2012 €m
Not more than 3 months	9,725.3	12,880.3
Total	**9,725.3**	**12,880.3**

29. Cash deposits by market participants

Composition of cash deposits by market participants

	31 Dec 2013 €m	31 Dec 2012 €m
Liabilities from margin payments to Eurex Clearing AG by members	16,217.7	19,447.4
Liabilities from cash deposits by participants in equity trading	4.0	3.2
Total	**16,221.7**	**19,450.6**

30. Other current liabilities

Composition of other current liabilities

	31 Dec 2013 €m	31 Dec 2012 €m
Liabilities from CCP positions	176.9	152.1
Issued commercial paper	100.0	0
Special payments and bonuses	39.2	37.7
Tax liabilities (excluding income taxes)	30.5	24.5
Vacation entitlements, flexitime and overtime credits	16.7	17.4
Interest payable	9.6	33.4
Derivatives	6.1	14.6
Liabilities as part of social security	4.2	3.8
Liabilities to supervisory bodies	2.2	2.1
Liability from repayment of euro-denominated bonds	0	577.4 [1]
Earn-out component	0	1.2
Miscellaneous	26.7	24.2
Total	**412.1**	**888.4**

1) See note 25 for further details.

31. Maturity analysis of financial instruments

Underlying contractual maturities of the financial assets and liabilities at the balance sheet date

	Contractual maturity					
	Sight		Not more than 3 months		More than 3 months but not more than 1 year	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
Non-derivative financial liabilities						
Interest-bearing liabilities	0	0	6.8	0	33.7	877.3
Other non-current financial liabilities	0	0	0.1	0	0	0
Non-derivative liabilities from banking business	9,514.7	12,651.7	194.1	211.9	0	0
Trade payables, payables to associates, payables to other related parties and other current liabilities	178.1	0	245.1	317.4	3.8	5.6
Cash deposits by market participants	16,221.7	19,450.6	0	0	0	0
Other bank loans and overdrafts	0.1	0.1	0	0	0	0
Total non-derivative financial liabilities (gross)	**25,914.6**	**32,102.4**	**446.1**	**529.3**	**37.5**	**882.9**
Derivatives and financial instruments of Eurex Clearing AG						
Financial liabilities and derivatives of Eurex Clearing AG	25,980.7	16,508.9	103,079.9	104,121.9	23,986.2	35,683.4
less financial assets and derivatives of Eurex Clearing AG	–26,480.7	–16,508.9	–103,079.9	–104,121.9	–23,986.2	–35,683.4
Cash inflow – derivatives and hedges						
Cash flow hedges	0	0	0	6.1	0	18.7
Fair value hedges	0	0	0	0	0	0
Derivatives held for trading	551.2	471.1	1,751.2	1,831.8	0	7.7
Cash outflow – derivatives and hedges						
Cash flow hedges	0	0	0	–6.2	0	–18.7
Fair value hedges	0	0	0	0	0	0
Derivatives held for trading	–551.0	–346.8	–1,734.9	–1,973.3	0	–7.6
Total derivatives and hedges	**–499.8**	**124.3**	**16.3**	**–141.6**	**0**	**0.1**

1) To reconcile to the balance sheet item including non-financial liabilities, the presentation has been adjusted

	Contractual maturity				Reconciliation to carrying amount		Carrying amount	
	More than 1 year but not more than 5 years		Over 5 years					
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
	1,011.2	244.8	709.2	895.2	−239.0	−279.9	1,521.9	1,737.4
	0.3	0.8	0.4	0	1.8	5.2[1]	2.6	6.0[1]
	0	0	0	0	0	0	9,708.8	12,863.6
	0	0	0	0	110.7	690.3[1]	537.7	1,013.3[1]
	0	0	0	0	0	0	16,221.7	19,450.6
	0	0	0	0	0	0	0.1	0.1
	1,011.5	**245.6**	**709.6**	**895.2**	**−126.5**	**415.6**	**27,992.8**	**35,071.0**
	4,051.7	1.2	6.9	0	0	0	157,105.4	156,315.4
	−4,051.7	−1.2	−6.9	0	0	0	−157,605.4	−156,315.4
	0	5.6	0	1.4				
	0	0	0	0				
	0	0	0	0				
	0	−16.8	0	−4.2				
	0	0	0	0				
	0	−5.5	0	0				
	0	**−16.7**	**0**	**−2.8**				

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 2013 €m	Carrying amount 31 Dec 2012 €m
Other equity investments	13	AFS[1]	Historical cost	19.3	20.9
		AFS[1]	Fair value	4.6	5.8
Non-current receivables and securities from banking business	13	AFS[1]	Fair value	1,178.3	1,485.0
Other financial instruments	13	AFS[1]	Historical cost	0.7	0
		AFS[1]	Fair value	24.9	21.5
Other loans	13	Loans and receivables	Amortised cost	0.4	0.1
Non-current financial instruments of Eurex Clearing AG	15	Held for trading	Fair value	4,058.6	0
Other non-current assets		Loans and receivables	Amortised cost	7.4	3.8
Current financial instruments of Eurex Clearing AG	15	Held for trading	Fair value	153,546.8	156,315.4
Current receivables and securities from banking business	16	AFS[1]	Fair value	310.6	25.0
		Cash flow hedges	Fair value	0	0.4
		Loans and receivables	Amortised cost	9,233.4	12,782.9
Trade receivables	17	Loans and receivables	Amortised cost	218.8	211.8
Receivables from related parties		Loans and receivables	Amortised cost	4.1	3.0
Other current assets	18	Held for trading	Fair value	0	0.1
		Loans and receivables	Amortised cost	196.5	92.0
Restricted bank balances	19	Loans and receivables	Amortised cost	16,221.7	19,450.6
Other cash and bank balances	33	Loans and receivables	Amortised cost	627.9	641.6

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).
3) This relates to the put options issued by Clearstream International S.A. relating to Clearstream Fund Services Ireland Ltd.

Consolidated balance sheet item (classification)	Note	Category	Measured at	Carrying amount 31 Dec 2013 €m	Carrying amount 31 Dec 2012 €m
Interest-bearing liabilities (excluding finance leases)	14, 25	Liabilities at amortised cost	Amortised cost	1,187.8	811.4
		Net investment hedge[2)]	Amortised cost	334.1	348.6
Non-current financial instruments of Eurex Clearing AG	15	Held for trading	Fair value	4,058.6	0
Other non-current liabilities		Liabilities at amortised cost	Amortised cost	0.8	1.7
		Puttable instruments	Fair value	0	3.0[3)]
Current financial instruments of Eurex Clearing AG	15	Held for trading	Fair value	153,046.8	156,315.4
Liabilities from banking business	28	Liabilities at amortised cost	Amortised cost	9,708.8	12,863.6
		Held for trading	Fair value	16.5	16.7
Other bank loans and overdrafts	33	Liabilities at amortised cost	Amortised cost	0.1	0.1
Trade payables		Liabilities at amortised cost	Amortised cost	123.7	108.2
Liabilities to related parties		Liabilities at amortised cost	Amortised cost	1.9	16.7
Cash deposits by market participants	29	Liabilities at amortised cost	Amortised cost	16,221.7	19,450.6
Other current liabilities	30, 14	Liabilities at amortised cost	Amortised cost	295.3	771.0
		Cash flow hedges	Fair value	0	14.6
		Derivatives held for trading	Fair value	6.1	0
		Puttable instruments	Fair value	0	0.4[3)]

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 to be allocated to level 1 if there is a quoted price for identical assets and liabilities in an active market. They are allocated to level 2 if the inputs on which the fair value measurement is based are observable either directly (as prices) or indirectly (derived from prices). 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 2013, the financial assets and liabilities that are measured at fair value were allocated to the following hierarchy levels:

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 Eurex Clearing AG	4,058.6	4,058.6	0	0
Current financial instruments of Eurex Clearing AG	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 Eurex Clearing AG	4,058.6	4,058.6	0	0
Current financial instruments of Eurex Clearing AG	153,046.8	153,046.8	0	0
Other current liabilities	6.1	0	0	6.1[1]
Liabilities from banking business	16.5	0	16.5	0
Total liabilities	**157,128.0**	**157,105.4**	**16.5**	**6.1**

1) Relates to derivative financial instruments belonging to the incentive programme

By comparison, the financial assets and liabilities measured at fair value as at 31 December 2012 were allocated to the hierarchy levels as follows:

Fair value hierarchy

	Fair value as at 31 Dec 2012	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				
Current financial instruments of Eurex Clearing AG	156,315.4	156,315.4	0	0
Current receivables and securities from banking business	0.4	0	0.4	0
Other non-current assets	0.1	0	0.1	0
Total	**156,315.9**	**156,315.4**	**0.5**	**0**
Available-for-sale financial assets				
Equity instruments				
Other equity investments	5.8	0.5	5.3	0
Total	**5.8**	**0.5**	**5.3**	**0**
Debt instruments				
Other financial instruments	21.5	21.5	0	0
Non-current receivables and securities from banking business	1,485.0	1,485.0	0	0
Current receivables and securities from banking business	25.0	25.0	0	0
Total	**1,531.5**	**1,531.5**	**0**	**0**
Total assets	**157,853.2**	**157,847.4**	**5.8**	**0**
LIABILITIES				
Financial liabilities held for trading				
Derivatives				
Current financial instruments of Eurex Clearing AG	156,315.4	156,315.4	0	0
Liabilities from banking business	16.7	0	16.7	0
Other non-current liabilities	3.0	0	0	3.0[1)]
Other current liabilities	15.0	0	14.6	0.4[1)]
Total liabilities	**156,350.1**	**156,315.4**	**31.3**	**3.4**

1) This relates to the put options issued by Clearstream International S.A. relating to Clearstream Fund Services Ireland Ltd.

In the course of 2013, no reclassifications were made between the individual levels.

Financial assets and financial liabilities listed in levels 2 and 3 as at 31 December 2013 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.

Puttable instruments with a carrying amount of €3.4 million were allocated to level 3 as at the beginning of the year under review. These were measured using the discounted cash flow method. In the second quarter of 2013, the current portion of the puttable instruments amounting to €0.4 million was exercised. In the course of the third quarter, a settlement agreement in the amount of €1.0 million was reached for this long-term put, resulting in an effect recognised in profit or loss of €2.0 million as at the balance sheet date. At the end of the year under review, derivative financial instruments belonging to an incentive programme amounting to €–6.1 million were allocated to Level 3. The financial instruments were measured at fair value through profit and loss using an internal model. The model takes into account the criteria underlying the conditional repayment of the grant made by Eurex Clearing AG. The financial instruments were regularly measured at fair value through profit and loss using an internal model as at the quarterly balance sheet dates. The results from the subsequent measurement are recognised under “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 as the expected number of customers in a specific market segment as well as expected trading volumes. They are continuously monitored, while taking possible adjustments into account; for this, information of customers is also used. Since there is an internal model, the parameters can be different as at the settlement date; however, the derivative financial instrument will not exceed an amount of €–8.0 million; this amount arises if the beneficiaries of the incentive programme fulfill 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 €1,551.8 million (31 December 2012: €1,821.9 million) and are reported under interest-bearing liabilities. Euro-denominated bonds with a principal amount of €600.0 million were issued at the end of the first quarter of 2013. Euro-denominated bonds with a principal amount of €797.8 million matured in the course of the second quarter of 2013. The fair value is calculated on the basis of the quoted values of the bonds or as the present value of the cash flows relating to the private placements on the basis of market parameters.

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 €797.3 million (2012: €726.2 million). After adjustment for the change in CCP positions cash flow from operating activities amounted to €728.3 million (2012: €707.7 million). For details on the adjustments see the “Financial position” section of the combined management report.

The other non-cash income consists of the following items:

Composition of other non-cash income

	2013 €m	2012 €m
Equity method measurement	2.4	4.5
Reversal of discount and transaction costs from long-term financing	2.2	3.6
Impairment of other equity investments, loans and available-for-sale shares	1.7	11.4
Reversal of the revaluation surplus for cash flow hedges	1.7	–1.0
Subsequent valuation of financial instruments	2.3	0.4
Subsequent measurement of the liability from the acquisition of further shares of Eurex Zürich AG	0	27.4
Fair value measurement of interest rate swaps	0	0.8
Miscellaneous	3.4	3.6
Total	**13.7**	**50.7**

Cash flows from investing activities

Net cash flows from investing activities amounted to €829.2 million and related in particular to payments to acquire property, plant and equipment and intangible assets of €127.6 million. In the previous year, investments in intangible assets included an amount of €0.1 million (2013: nil) relating to goodwill. 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 2013 €m	31 Dec 2012 €m
Expansion investments		
Eurex	40.3	48.7
Xetra	0.6	0.9
Clearstream	48.4	38.6
Market Data + Services	1.1	0
	90.4	**88.2**
Replacement investments		
Eurex	13.6	24.5
Xetra	2.6	6.7
Clearstream	18.2	20.0
Market Data + Services	2.8	6.2
	37.2	**57.4**
Total investments according to segment reporting	**127.6**	**145.6**

Of the investments in non-current financial instruments, an amount of €8.5 million (2012: €255.6 million) related to the purchase of variable-rate securities in the banking business. Securities and other non-current receivables in the amount of €35.3 million (2012: €392.2 million), of which €32.2 million (2012: €387.7 million) related to the banking business, matured or were sold in financial year 2013.

The acquisition of further shares of European Energy Exchange AG at a purchase price of €15.4 million and the acquisition of interests in Zimory GmbH, Deutsche Börse Cloud Exchange AG and Global Markets Exchange Group International LLP at purchase prices totalling €19.7 million resulted in cash outflows of €35.1 million.

In connection with the termination of the cooperation agreement governing the equity investment in Scoach Holding S.A. with effect from 30 June 2013, the shares in Scoach Schweiz AG (now SIX Structured Products Exchange AG) held by Scoach Holding S.A. were transferred to SIX Swiss Exchange AG, and the shares in Scoach Holding S.A. previously held by SIX Swiss Exchange AG were transferred to Scoach Holding S.A. and subsequently retired (see note 2). Following the transfer, Deutsche Börse AG's equity interest in Scoach Holding S.A. (now Börse Frankfurt Zertifikate S.A.) increased to 100 per cent. Since the acquisition was transacted as an exchange, there were no cash outflows.

In 2012, there were cash outflows of €295.5 million in connection with the acquisition of shares in subsidiaries. €295.0 million of this amount related to the acquisition of the shares in Eurex Global Derivatives AG, which holds 50 per cent of shares of Eurex Zürich AG. The purchase price was paid in cash in the amount of €295.0 million as well as by delivery of 5,286,738 shares of Deutsche Börse AG; at the time of delivery, the shares had a fair value of €255.9 million.

Cash flows from financing activities

Cash outflows from financing activities of €497.6 million (2012: cash outflows of €550.6 million) mainly related to the dividend distribution of €386.5 million (2012: €622.9 million) and the repayment of bonds issued of €797.8 million. Moreover, a bond with a principal amount of €600 million was issued in financial year 2013 (2012: €600 million).

Reconciliation to cash and cash equivalents

Reconciliation to cash and cash equivalents

	31 Dec 2013 €m	31 Dec 2012 €m
Restricted bank balances	16,221.7	19,450.6
Other cash and bank balances	627.9	641.6
Net position of financial instruments of Eurex Clearing AG	500.0	0
less bank loans and overdrafts	–0.1	–0.1
	17,349.5	**20,092.1**
Reconciliation to cash and cash equivalents		
Current receivables and securities from banking business	9,544.0	12,808.2
less loans to banks and customers with an original maturity of more than 3 months	–692.1	0
less available-for-sale debt instruments	–310.6	–25.0
less derivatives	0	–0.4
Current liabilities from banking business	–9,725.3	–12,880.3
Current liabilities from cash deposits by market participants	–16,221.7	–19,450.6
	–17,405.7	**–19,548.1**
Cash and cash equivalents	**–56.2**	**544.0**

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 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 2013:

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 2013	Average price for the period[2)] €	Number of potentially dilutive ordinary shares as at 31 Dec 2013
2013[3)]	0	38.88	56,598	50.90	13,366
Total					**13,366**

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 2013
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 tranche, these stock options are considered as dilutive under IAS 33 as at 31 December 2013.

Calculation of earnings per share (basic and diluted)

	2013	2012
Number of shares outstanding as at beginning of period	184,078,674	188,686,611
Number of shares outstanding as at end of period	184,115,657	184,078,674
Weighted average number of shares outstanding	184,083,895	187,379,239
Number of potentially dilutive ordinary shares	13,366	31,166[1)]
Weighted average number of shares used to calculate diluted earnings per share	184,097,261	187,410,405
Net income (€m)	478.4	645.0
Earnings per share (basic) (€)	2.60	3.44
Earnings per share (diluted) (€)	2.60	3.43

1) Adjusted for the 2011 tranche, for which cash settlement was resolved in 2013

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	▪ T7 electronic derivatives market trading platform ▪ T7 electronic options trading platform ▪ Eurex Repo® over-the-counter (OTC) trading platform ▪ Central counterparty for bonds, on- and off-exchange derivatives and repo transactions
Xetra	▪ Cash market using the Xetra® electronic trading system, the Specialist trading on the Frankfurt Stock Exchange and Tradegate ▪ Eurex Bonds® OTC trading platform ▪ Central counterparty for equities and bonds ▪ Admission of securities to listing
Clearstream	▪ Custody and settlement services for domestic and international securities ▪ Global securities financing services and collateral management ▪ Investment funds services
Market Data + Services	▪ 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). As a result of the changes made to Deutsche Börse Group's organisational structure as at 1 January 2013, various business areas (e.g. trading participant connectivity, IT services and cooperations with partner exchanges) were transferred from the previous market segments (in particular Xetra) to the new Market Data + Services segment. In this context, net revenue, cost and employees directly or indirectly associated with these business areas have also been reallocated. Prior-year figures have been adjusted accordingly.

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	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
External sales revenue	850.0	858.2	172.0	162.4	766.4	752.1
Internal sales revenue	0	0	0	0	7.6	5.5
Total sales revenue	**850.0**	**858.2**	**172.0**	**162.4**	**774.0**	**757.6**
Net interest income from banking business	0	0	0	0	35.9	52.0
Other operating income	13.5	10.2	8.9	6.4	7.4	3.1
Total revenue	**863.5**	**868.4**	**180.9**	**168.8**	**817.3**	**812.7**
Volume-related costs	–122.8	–100.9	–29.2	–24.3	–163.4	–162.8
Net revenue (total revenue less volume-related costs)	**740.7**	**767.5**	**151.7**	**144.5**	**653.9**	**649.9**
Staff costs	–143.2	–124.5	–45.9	–39.8	–205.5	–178.1
Depreciation, amortisation and impairment losses	–53.6	–45.0	–9.4	–9.8	–37.8	–30.5
Other operating expenses	–196.4	–180.9	–39.9	–39.7	–260.0	–126.2
Operating costs	**–393.2**	**–350.4**	**–95.2**	**–89.3**	**–503.3**	**–334.8**
Result from equity investments	5.1[2)]	–4.7[3)]	4.0	4.9	0.2	–0.5
Earnings before interest and tax (EBIT)	**352.6**	**412.4**	**60.5**	**60.1**	**150.8**	**314.6**
Net financial result	– 62.6	– 125.1[4)]	– 2.6	– 2.4	– 3.2	– 3.4
Earnings before tax (EBT)	**290.0**	**287.3**	**57.9**	**57.7**	**147.6**	**311.2**
Investment in intangible assets and property, plant and equipment[5)]	53.9	73.2	3.2	7.6	66.6	58.6
Employees (as at 31 December)	1,018	961	331	309	1,816	1,793
EBIT margin (%)[6)]	**47.6**	**53.7**	**39.9**	**41.6**	**23.1**	**48.4**

1) The consolidation of internal net revenue column shows the elimination of intragroup sales revenue and profits.
2) Includes impairment losses totalling €1.6 million that account for the interest in Quadriserv Inc.
3) Includes impairment losses of €10.8 million that account for the interest in Quadriserv Inc.
4) Includes loss on subsequent measurement of liabilities to SIX Group AG of €27.4 million.
5) Excluding goodwill
6) 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	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m
	371.9	372.6	2,160.3	2,145.3	0	0	2,160.3	2,145.3
	26.4	29.5	34.0	35.0	–34.0	–35.0	0	0
	398.3	**402.1**	**2,194.3**	**2,180.3**	**–34.0**	**–35.0**	**2,160.3**	**2,145.3**
	0	0	35.9	52.0	0	0	35.9	52.0
	3.6	4.0	33.4	23.7	–12.8	–12.0	20.6	11.7
	401.9	**406.1**	**2,263.6**	**2,256.0**	**–46.8**	**–47.0**	**2,216.8**	**2,209.0**
	–35.9	–35.7	–351.3	–323.7	46.8	47.0	–304.5	–276.7
	366.0	**370.4**	**1,912.3**	**1,932.3**	**0**	**0**	**1,912.3**	**1,932.3**
	–81.4	–71.8	–476.0	–414.2	0	0	–476.0	–414.2
	–18.0	–19.7	–118.8	–105.0	0	0	–118.8	–105.0
	–91.7	–92.6	–588.0	–439.4	0	0	–588.0	–439.4
	–191.1	**–184.1**	**–1,182.8**	**–958.6**	**0**	**0**	**–1,182.8**	**–958.6**
	0	–4.0	9.3	–4.3	0	0	9.3	–4.3
	174.9	**182.3**	**738.8**	**969.4**	**0**	**0**	**738.8**	**969.4**
	– 2.3	– 1.8	– 70.7	– 132.7	0	0	– 70.7	– 132.7
	172.6	**180.5**	**668.1**	**836.7**	**0**	**0**	**668.1**	**836.7**
	3.9	6.2	127.6	145.6	0	0	127.6	145.6
	646	641	3,811	3,704	0	0	3,811	3,704
	47.8	**49.2**	**38.6**	**50.2**	**n.a.**	**n.a.**	**38.6**	**50.2**

In the year under review, there was an extraordinary impairment loss of €0.6 million (2012: nil).

Non-cash valuation allowances and bad debt losses resulted from the following segments:

Breakdown of non-cash valuation allowances and bad debt losses

	2013 €m	2012 €m
Eurex	0.4	0
Xetra	0.4	0
Clearstream	0.1	0.4
Market Data + Services	0.6	0.3
Total	**1.5**	**0.7**

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 €48.8 million in 2013 (2012: €45.2 million, number restated for the inclusion of GSF revenues).

Information on geographical regions

	Sales revenue		Investments[3]		Non-current assets		Number of employees	
	2013 €m	2012 €m	2013 €m	2012 €m	2013 €m	2012 €m	2013	2012
Euro zone	1,080.7[1]	1,076.8[1]	119.5	133.6	1,483.8[2]	1,442.7[2]	2,687	2,652
Rest of Europe	695.1[1]	727.8[1]	0.5	5.3	589.7[2]	579.9[2]	688	633
America	325.7[1]	295.1[1]	6.2	6.5	1,374.3[2]	1,488.5[2]	310	308
Asia/Pacific	92.8	80.6	1.4	0.2	1.6	0.8	126	111
Total of all regions	**2,194.3**	**2,180.3**	**127.6**	**145.6**	**3,449.4**	**3,511.9**	**3,811**	**3,704**
Consolidation of internal net revenue	–34.0	–35.0						
Group	**2,160.3**	**2,145.3**	**127.6**	**145.6**	**3,449.4[2]**	**3,511.9**	**3,811**	**3,704**

1) Including countries in which more than 10 per cent of sales revenue were generated: UK (2013: €545.2 million; 2012: €571.0 million), Germany (2013: €575.5 million; 2012: €571.0 million), and USA (2013: €316.0 million; 2012: €285.1 million)
2) Including countries in which more than 10 per cent of non-current assets are carried: USA (2013: €1,374.3 million; 2012: €1,488.5 million), Germany (2013: €1,267.4 million; 2012: €1,266.0 million) and Switzerland (2013: €584.4 million; 2012: €573.2 million)
3) Excluding goodwill

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 €388 million as at 31 December 2013, whereby €311 million stem from credit risk and €77 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 2013 €m	Amount as at 31 Dec 2012 €m	Amount as at 31 Dec 2013 €m	Amount as at 31 Dec 2012 €m
Collateralised cash investments						
Overnight money invested under securities repurchase agreements	Eurex[1]		0	1,499.9	0	1,601.9
Reverse repurchase agreements	Eurex[1]		7,271.3	5,287.5	7,360.9[2]	5,316.7[2]
	Clearstream	16	6,708.7	2,847.4	6,681.7[3] [4]	2,842.6[3] [4]
	Group[1]		157.9	133.2	158.1	135.2
			14,137.9	**9,768.0**	**14,200.7**	**9,896.4**
Uncollateralised cash investments						
Money market lendings – central banks	Eurex[1]		9,186.7	12,862.7	0	0
	Clearstream	16	624.1	6,530.7	0	0
Money market lendings – other counterparties	Eurex[1]		8.3	29.6	0	0
	Clearstream	16	419.9	1,198.9	0	0
	Group[1]		12.1	14.9	0	0
Balances on nostro accounts	Clearstream	16	991.3	1,975.4	0	0
	Group[1]		213.2	264.3	0	0
Other fixed-income securities	Clearstream	13, 16	5.5[5]	5.8[5]	0	0
Floating rate notes	Clearstream	13, 16	1,483.4[5]	1,504.2[5]	0	0
	Group	13	5.0[6]	5.0	0	0
Fund assets	Eurex	13	11.0	8.8	0	0
			12,960.5	**24,400.3**	**0**	**0**
Loans for settling securities transactions						
Technical overdraft facilities	Clearstream	16	487.0	228.4	n.a.[7]	n.a.[7]
Automated Securities Fails Financing[8]	Clearstream		556.9	741.3	711.2	800.4
ASLplus securities lending[8]	Clearstream		41,858.4	38,043.9	43,624.3	38,071.3
			42,902.3	**39,013.6**	**44,335.5**	**38,871.7**
Total			**70,000.7**	**73,181.9**	**58,536.2**	**48,768.1**

	Segment	Note	Carrying amounts – maximum risk position		Collateral	
			Amount as at 31 Dec 2013 €m	Amount as at 31 Dec 2012 €m	Amount as at 31 Dec 2013 €m	Amount as at 31 Dec 2012 €m
Balance brought forward			70,000.7	73,181.9	58,536.2	48,768.1
Other receivables						
Other loans	Group		0.4	0.1	0	0
Other assets	Group	32	203.9	93.5	0	0
Trade receivables	Group		218.8	211.8	0	0
Receivables from related parties	Group		4.1	3.0	0	0
Interest receivables	Clearstream	16	2.4	2.0	0	0
			429.6	310.4	0	0
Financial instruments of Eurex Clearing AG (central counterparty)			34,840.4[9]	34,864.7[9]	48,419.2[10) 11]	45,881.2[10) 11]
Derivatives		14	0	0.5	0	0
Financial guarantee contracts[8]			11.3	11.7	0	0
Total			105,282.0	108,369.2	106,955.4	94,649.3

1) Presented in the items “restricted bank balances” and “other cash and bank balances”
2) Thereof, €732.0 million repledged to central banks (2012: €0 million)
3) Thereof, €4,524.2 million transferred to central banks (2012: €443.8 million)
4) Total of fair value of cash (€4.7 million; 2012: nil) and securities collateral (€6,777.0 million; 2012: €2,842.6 million) received under reverse repurchase agreements
5) Thereof 1,328.6 million transferred to central banks (2012: €1,352.0 million).
6) The amount includes collateral totalling €5.0 million (2012: €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) Net value of all margin requirements resulting from executed trades as at the balance sheet date; this figure represents the risk-oriented view of Eurex Clearing AG while the carrying amount of the position “financial instruments of Eurex Clearing AG” in the balance sheet shows the gross amount of the open trades according to IAS 32.
10) Collateral value of cash and securities collateral deposited for margins covering net value of all margin requirements
11) The amount includes the clearing fund totalling €1,597.2 million (2012: €1,402.3 million).

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 bonds with a minimum rating of AA– 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 €14,196.0 million (2012: €8,273.6 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 €4,524.2 million as at 31 December 2013 (2012: €443.8 million). As at 31 December 2013 Eurex Clearing AG has repledged securities to central banks with a fair value of €732.0 million (2012: nil). 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 €1,355.0 million as at 31 December 2013 (2012: €1,352.0 million).

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 €91.8 billion as at 31 December 2013 (2012: €87.6 billion). Of this amount, €2.7 billion (2012: €2.8 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 €487.0 million as at 31 December 2013 (2012: €228.4 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 €556.9 million as at 31 December 2013 (2012: €741.3 million).

Under the ASLplus securities lending programme, Clearstream Banking S.A. had securities borrowings from various counterparties totalling €41,858.4 million as at 31 December 2013 (2012: €38,043.9 million). These securities were fully lent to other counterparties. Collateral received by Clearstream Banking S.A. in connection with these loans amounted to €43,624.3 million (2012: €38,071.3 million).

In 2012 and 2013, 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 €2.7 million (2012: €2.2 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 (central counterparty)

To safeguard Eurex 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 Eurex Clearing AG. Additional security mechanisms of Eurex Clearing AG are described in detail in the risk report.

The aggregate margin calls (after haircuts) based on the executed transactions was €34,840.4 million at the reporting date (2012: €34,864.7 million). In fact, collateral totalling €48,419.2 million (2012: €45,881.2 million) was deposited.

Composition of Eurex Clearing AG's collateral

	Collateral value as at 31 Dec 2013 €m	Collateral value as at 31 Dec 2012 €m
Cash collateral (cash deposits)[1]	16,217.6	19,447.4
Securities and book-entry securities collateral[2] [3]	32,201.6	26,433.8
Total	**48,419.2**	**45,881.2**

1) The amount includes the clearing fund totalling €690.6 million (2012: €680.3 million).
2) The amount includes the clearing fund totalling €906.6 million (2012: €722.0 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 counterparty, 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 Eurex Clearing AG (central counterparty)” 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, such as those arising under the Großkredit- und Millionenkreditverordnung (GroMiKV, ordinance governing large exposures and loans of €1.5 million or more) in Germany and the corresponding rules in Luxembourg arising under the revised CSSF circular 06/273, are complied with.

The German and Luxembourgian rules are based on the EU directives 2006/48/EC and 2006/49/EC (commonly known as CRD) as revised in 2009 with effect as at 31 December 2010.

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 2013, no significant credit concentrations were assessed.

The required economic capital for credit risk is calculated for each business day and amounted to €311 million as at 31 December 2013 (2012: €184 million). The increase is driven by two main factors; firstly, the required economic capital is now calculated as the undiversified sum of the required economic capital of the segments, companies and risk types, and secondly, the credit risk of Eurex Clearing AG increased due to the increase of its own contribution to the Default Fund ("skin in the game").

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 exceeds 10 per cent of consolidated EBIT. Foreign exchange exposures below 10 per cent of consolidated EBIT may also be hedged.

During the year, actual foreign exchange exposure is monitored against the latest EBIT forecast. In case of an overstepping of the 10 per cent threshold, the exceeding amount must be hedged.

In addition, the policy stipulates that intraperiod open 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 2013, 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 2013, ISE accounted for 26 per cent of the Eurex segment's sales revenue (2012: 23 per cent). In addition, the Clearstream segment generated 9 per cent of its sales revenue and interest income (2012: 9 per cent) directly or indirectly in US dollars.

Acquisitions where payment of the purchase price results in 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 2013, the economic capital for market price risk was €77 million (2012: €1 million). The increase is mainy driven by two factors; firstly, the required economic capital is now calculated as the undiversified sum of the required economic capital of the segments, companies and risk types, and secondly, the market price risk increased because the CTAs and Clearstream Pension Fund in Luxembourg are now included in the calculation.

In financial year 2013, impairment losses amounting to €1.6 million (2012: €13.3 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 Luxembourg 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 2013 €m	Amount as at 31 Dec 2012 €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 million working capital credit line.

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$2.80 billion as at 31 December 2013 (2012: US$2.75 billion). Euroclear Bank S.A./N.V. has also issued a guarantee in favour of Clearstream Banking S.A. amounting to US$2.3 billion (2012: US$2.1 billion).

Furthermore, Eurex Clearing AG holds a credit facility of US$2.1 billion (2012: US$2.1 billion) granted by Euroclear Bank S.A./N.V. in order to increase 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 €100.0 million has been issued (2012: nil).

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 2013, commercial paper with a nominal value of €194.1 million had been issued (2012: €208.4 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. The negative outlook, added to Deutsche Börse AG's rating in December 2012 by S&P, has been kept. On 1 February 2013, Fitch Ratings added a negative outlook to Clearstream Banking S.A.'s AA rating that has been removed in November 2013. For further details on the rating of Deutsche Börse Group, see the "Financial position" section in the combined management report.

As at 31 December 2013, 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 2013, 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 2013 €m	31 Dec 2012 €m
Up to 1 year	51.7	49.9
1 to 5 years	74.8	63.4
More than 5 years	13.2	9.5
Total	**139.7**	**122.8**

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.

Eurex Clearing AG vs. Lehman Brothers Bankhaus AG

On 26 November 2012, the insolvency administrator of Lehman Brothers Bankhaus AG (LBB AG), Dr Michael C. Frege, brought an action against Eurex Clearing AG before the Frankfurt/Main Regional Court. On the basis of German insolvency law, Dr Frege is demanding from Eurex Clearing AG the repayment of €113.5 million and payment of another amount of around €1.0 million plus interest of 5 percentage points above the base rate accrued on the total amount since 13 November 2008. Eurex Clearing AG considers the claim unfounded and is defending itself against the insolvency administrator's action.

LBB AG had made payments in the amount of €113.5 million to Eurex Clearing AG in the morning of 15 September 2008. LBB AG was thereby effecting collateral payments (intraday margin payments) of Lehman Brothers International (Europe) (LBIE) from the underlying clearing relationship to Eurex Clearing AG by acting as correspondence bank for the former clearing member LBIE. On 15 September 2008, administration proceedings were opened in the United Kingdom with respect to LBIE, and Bundesagentur für Finanzdienstleistungsaufsicht (BaFin, German Federal Financial Supervisory Authority) issued a moratorium with regard to LBB AG in the course of 15 September 2008. On 13 November 2008, insolvency proceedings were opened with regards to LBB AG.

Clearstream Banking S. A. – settlement with OFAC

The U.S. Treasury Department Office of Foreign Assets Control (OFAC) was investigating certain securities transfers in 2008 within Clearstream's settlement systems regarding US Iran sanctions regulations. These transfers implemented the decision taken by Clearstream in 2007 to close its Iranian customers' accounts. OFAC had been informed of the closing of the accounts in advance. On 9 January 2013, Deutsche Börse AG reported in an ad-hoc announcement that, following OFAC's proposal, Clearstream decided to enter into settlement talks with OFAC. In recent months, Clearstream has held substantive discussions with OFAC. On 23 January 2014, the matter was resolved through a settlement and payment of US$ 151.9 million. This settlement with OFAC does not constitute a final determination that a violation has occurred.

Peterson vs. Clearstream Banking S.A., Citibank NA et al. 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 for purported wrongful conveyance of some of these positions.

In July 2013, the US court ordered turnover to plaintiffs, holding that the customer positions were owned by Bank Markazi. The decision did not address the direct claims against Clearstream. Bank Markazi and Clearstream appealed the turnover order.

The responsible bodies of Deutsche Börse AG and Clearstream approved the terms of a settlement agreement with the plaintiffs in this case on 9 September 2013. Pursuant to the settlement agreement, the direct claims against Clearstream were to be dismissed and ratifying plaintiffs agreed not to sue Clearstream for damages arising from specified acts that occurred prior to the effective date of the agreement.

In return, Clearstream agreed to withdraw its appeal from the turnover order. On 8 November 2013, the US trial court dismissed the direct claims against Clearstream and the settlement became effective. On 13 November 2013, the US appellate court accepted the withdrawal of Clearstream's appeal of the district court's turnover order in light of the settlement with plaintiffs. Bank Markazi's appeal continues without Clearstream's involvement.

If this turnover is ultimately affirmed by the US appeals court and the assets 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 US plaintiffs filed under seal a complaint targetingcertain assets of approximately US$ 1.6 billion claimed to be held for Bank Markazi, the Iranian Central Bank, by Clearstream in Luxembourg. The plaintiffs are judgement creditors of Iran and seek the turnover of these customer assets to satisfy their judgement.

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 recently transferred to the competent courts of New York City. In Q4/2013, ISE filed a number of petitions in the U.S. Patent and Trademark Office (USPTO) seeking to invalidate the CBOE patents. As a result of the filing of those petitions, in December 2013, upon ISEs motion, CBOE's lawsuit was stayed (frozen) by the court, pending the outcome of the petitions filed in the USPTO to invalidate the patents.

In November 2006, ISE itself filed a patent infringement lawsuit against CBOE (the "ISE Litigation"). In the ISE Litigation, as of December 2012, ISE alleged US$475 million in damages for infringement of ISE's patent which relates to systems and methods for operating an automated exchange. The ISE Litigation was scheduled for trial in March 2013. However, in the course of the pre-trial motions, some of the decisions of the trial judge establishing ISE's burden of proof to succeed in trial, were extremely adverse to ISE. As a result, ISE believed that it could not prove its case of infringement, and therefore determined to move straight to an appeal of those rulings and forego a trial. On 12 April, ISE filed an appeal of the rulings with the Federal Circuit Court of Appeals. On 1 July 2013, ISE filed its brief on appeal. Oral argument was held on 9 January 2014, and a decision on the appeal will likely issue in H1/2014.

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. Deutsche Börse 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, Deutsche Börse 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. Deutsche Börse Group may not be able to predict what the eventual loss or range of loss related to such matters will be. Deutsche Börse 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.

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 2013 nor as at 31 December 2012.

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 leases

	31 Dec 2013 €m	31 Dec 2012 €m
Up to 1 year[1]	61.0	68.8
1 to 5 years[1]	160.0	176.6
More than 5 years[1]	225.3	151.0
Total	**446.3**	**396.4**

1) The expected payments in US dollars were translated into euros applying the closing rate of 31 December 2013.

In the year under review, €65.5 million (2012: €72.1 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 12 years. The lease contracts usually terminate automatically when the lease expires. The Group has options to extend some leases.

Rental income expected from sublease contracts

	31 Dec 2013 €m	31 Dec 2012 €m
Up to 1 year	1.3	1.0
1 to 5 years	0.3	1.0
Total	**1.6**	**2.0**

39. Share-based payment

Stock Bonus Plan (SBP) and Stock Plan

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.

Since 1 January 2010, a different method has been applied to calculate the number of stock options for Executive Board members which is described below.

To calculate the number of stock options for Executive Board members under the 2010 SBP tranche and all subsequent tranches, 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.

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 support 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 exercise process for this 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.

In April 2012, Eurex Frankfurt AG introduced a special remuneration component for its Executive Board members in the form of a separate SBP tranche with a term of 21 months. This tranche matured in December 2013 and is cash-settled in January at a price of €59.77.

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 2011 to 2013 tranches, Deutsche Börse AG has an option whether to settle a beneficiary's claim in cash or shares. The company proposed to settle the 2011 tranche claims due in 2014 in cash. 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.

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 2013[1]	Tranche 2012[1]	Tranche 2011[1]
Term		31 Jan 2015 – 31 Jan 2017	31 Jan 2014 – 31 Jan 2016	31 Jan 2014 – 31 Jan 2015
Risk-free interest rate	%	0.13 – 0.44	0.11 – 0.24	0.11 – 0.13
Volatility of Deutsche Börse AG shares	%	20.28 – 28.33	20.28 – 23.87	20.28 – 22.81
Dividend yield	%	3.49	3.49	3.49
Exercise price	€	0	0	0

1) The SBP 2011, 2012, and 2013 tranches also include SBP options of the Stock Plan for the executive board members of the Luxembourgian companies and SBP options for the Executive Board of Eurex Frankfurt AG and 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

	Balance as at 31 Dec 2013[1] Number	Deutsche Börse AG share price as at 31 Dec 2013 €	Intrinsic value/ option[2] €	Fair value/ option[2] €	Settlement obligation €m	Current provision as at 31 Dec 2013 €m	Non-current provision as at 31 Dec 2013 €m
Tranche 2011	176,355	60.20	60.20	57.99 – 60.20	10.6	9.9	0.3
Tranche 2012	141,677	60.20	60.20	56.04 – 60.02	8.2	0.3	5.0
Tranche 2013	158,794[3]	60.20	60.20	54.15 – 57.99	8.9	0	2.7
Total	**476,826**				**27.7**	**10.2**	**8.0**

1) As at 31 December 2013 the SBP shares of the executive board of Eurex Frankfurt AG were exercisable.
2) As at the balance sheet date
3) As the grant date for the 2013 tranche for senior executives is not until financial year 2014, the number indicated for the balance sheet date may change subsequently.

The stock options from the 2010 SBP were exercised in the year under review following expiration of the vesting period. The average exercise price for the 2010 tranche following expiration of the vesting period was €47.89. Shares of the SBP tranches 2011, 2012 and 2013 were paid to former employees as part of severance payments in the reporting year. The average exercise price amounted to €49.24 for the 2011 tranche, €47.93 for the 2012 tranche and €47.69 for the 2013 tranche. The average price for forfeited stock options amounted to €52.59 for the 2010 tranche, €49.30 for the 2011 tranche and €33.20 for the 2012 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 amounting to €18.2 million were recognised as at the balance sheet date of 31 December 2013 (31 December 2012: €15.0 million). Thereof, €8.0 million are non-current (2012: €6.7 million). Of the total provisions of €18.2 million, €7.3 million were attributable to members of the Executive Board (2012: €5.9 million). The total cost of the SBP shares in the year under review was €13.2 million (2012: €8.7 million). Of that amount, an expense of €6.1 million was attributable to members of the Executive Board active at the balance sheet date (2012: €3.7 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 2012	Additions Tranche 2010	Additions Tranche 2011	Additions Tranche 2012	Additions Tranche 2013	Fully settled cash options	Options forfeited	Balance as at 31 Dec 2013
To the Executive Board	205,721	1,071[1)]	5,751[1)]	6,931[1)]	73,771	92,358	0	200,887
To other senior executives	280,079	1,999	2,290	39,009	87,272	115,098	19,612	275,939
Total	**485,800**	**3,070**	**8,041**	**45,940**	**161,043**[2)]	**207,456**	**19,612**	**476,826**

1) This relates to an increase in the number of SBP shares caused by an increase in the TSR compared to the 100 per cent value at the time the tranche was issued.
2) As the grant date for the 2013 tranche for senior excecutives is not until financial year 2014, the number indicated as at the balanace 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 2013 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 €1.3 million (2012: €0.6 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” chapters and “Supervisory Board” of this corporate report.

41. Corporate governance

On 9 December 2013, 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 of this corporate report).

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 2013, the fixed and variable remuneration of the members of the Executive Board, including non-cash benefits, amounted to a total of €13.3 million (2012: €14.3 million).

In 2013, no expenses for non-recurring termination benefits for Executive Board members (2012: nil) were recognised in the consolidated income statement.

The actuarial present value of the pension obligations to Executive Board members was €25.7 million at 31 December 2013 (2012: €31.7 million). Expenses of €2.6 million (2012: €1.4 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 €1.9 million in 2013 (2012: €1.6 million). The actuarial present value of the pension obligations was €54.0 million at 31 December 2013 (2012: €41.5 million).

Supervisory Board

The aggregate remuneration paid to members of the Supervisory Board in financial year 2013 was €2.2 million (2012: €2.1 million).

Other material transactions with related parties

The two following tables show 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	
	2013 €m	2012 €m	31 Dec 2013 €m	31 Dec 2012 €m
Loans from Börse Frankfurt Zertifikate Holding S.A. (until 12 Dec 2013 Scoach Holding S.A.) to Deutsche Börse AG as part of cash pooling[1)]	0	0	n.a.	–13.1
Loans from Börse Frankfurt Zertifikate AG (until 1 Nov 2013 Scoach Europa AG) to Deutsche Börse AG as part of cash pooling[1)]	0	0	n.a.	–0.1
Services of Deutsche Börse AG for Börse Frankfurt Zertifikate AG (until 1 Nov 2013 Scoach Europa AG)[1)]	2.5	6.0	n.a.	0.4
Loans from Deutsche Börse AG to Indexium AG[2)]	0.2	0.2	0	0
Loans from Deutsche Börse AG to Digital Vega FX Ltd.	0	0	0.3	0.1
Operation of trading and clearing software by Deutsche Börse AG for European Energy Exchange AG and affiliates	9.7	9.7	2.4	0.7
IT services and provision of infrastructure by International Securities Exchange, LLC for Direct Edge Holdings, LLC[3)]	0.5	0.8	0	0.6
Development and operation of the Link Up Converter system by Clearstream Services S.A. for Link-Up Capital Markets, S.L.[4)]	1.2	1.6	0.1	0.2
Material transactions within the framework of gold under custody between Clearstream Banking AG and Deutsche Börse Commodities GmbH	–4.0	–5.1	–0.3	–0.4
Calculation services, provision of software solutions for indices and benchmark and operation of necessary software for Deutsche Börse AG by Indexium AG	–2.7[5)]	–1.2	–0.4[5)]	–2.5
Calculation services, provision of software solutions for indices and benchmark and operation of necessary software for STOXX Ltd. by Indexium AG	–4.3[6)]	–1.4	–0.9[6)]	–1.6
Operation and development of Xontro by Deutsche Börse AG for BrainTrade Gesellschaft für Börsensysteme mbH[7)]	1.9	2.4	0.4	0
Operation of the floor trading system by BrainTrade Gesellschaft für Börsensysteme mbH for Deutsche Börse AG[7)]	–1.7	2.4	0	0
Other transactions with associates	–	–	0	–0.1

1) Börse Frankfurt Zertifikate AG and Börse Frankfurt Zertifikate Holding S.A. have been included in full in Deutsche Börse AG's consolidated financial statements 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) Direct Edge Holdings, LLC has been classified as an associate since the restoration of significant influence on 9 February 2012.
4) Shares in Link-Up Capital Markets, S.L. were sold effective 5 December 2013
5) Thereof provisions for development costs amounting to €0.4 million
6) Thereof provisions for development costs amounting to €0.4 million
7) Associate since 1 July 2013; since then, the company, with which a business relationship already existed in financial year 2012, has not been included under other related parties.

Material transactions with other related parties

	Amount of the transactions		Outstanding balances	
	2013 €m	2012 €m	31 Dec 2013 €m	31 Dec 2012 €m
Office and administrative services by SIX Group AG for STOXX Ltd.[1]	n.a.	2.2	n.a.	n.a.
Office and administrative services by SIX Swiss Exchange AG for Eurex Zürich AG[1]	n.a.	–2.3	n.a.	n.a.
Office and administrative services by SIX Swiss Exchange AG for Eurex Frankfurt AG[1]	n.a.	–2.0	n.a.	n.a.

1) On 30 April 2012, SIX Group AG sold its remaining shares in Eurex Zürich AG to Deutsche Börse AG. Since then, SIX Group AG and its affiliates have not been considered as related parties within the meaning of IAS 24.

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 part of its normal business activities, Deutsche Börse AG maintains in the year under review relations with certain entities whose key management personnel are, at the same time, members of Deutsche Börse AG's Supervisory Board. Deutsche Börse AG had entered into agreements to source advisory services with Mayer Brown LLP, Washington, Richard Berliand Limited, Ashtead, Surrey, and Cohesive Flexible Technologies Corporation, Chicago. Significant elements of these contracts included strategies relating to Deutsche Börse AG's competitive positioning on the market as well as advisory services in connection with major strategic projects. The contracts with Richard Berliand Limited, Cohesive Flexible Technologies Corporation, and Mayer Brown LLP expired effective 30 June 2013, 3 September 2013, and 31 August 2013 respectively. Deutsche Börse Group made total payments of €0.3 million to the above-mentioned companies for advisory services in the financial year ended 31 December 2013 (2012: €1.1 million, including payments to Deutsche Bank AG, which is no longer classified as a related party in accordance with IAS 24 since the retirement of its former executive board member Hermann-Josef Lamberti from Deutsche Börse AG's Supervisory Board effective 16 May 2012).

In financial year 2013, the employee representatives on Deutsche Börse AG's Supervisory Board received salaries (excluding Supervisory Board remuneration) amounting to €0.7 million (2012: €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 2014 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 2014 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	+
BlackRock Advisors Holdings, Inc.	New York, USA	1 Dec 2009	+
BlackRock Financial Management, Inc.	New York, USA	14 Apr 2011	+
Black Rock Group Limited	London, United Kingdom	7 Dec 2012	+
BlackRock Holdco 2, Inc.	Delaware, USA	14 Apr 2011	+
BlackRock, Inc.	New York, USA	12 Apr 2011	+
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 Jul 2013	+
Commerzbank Aktiengesellschaft	Frankfurt/Main, Germany	23 May 2013	-
Credit Suisse AG	Zurich, Switzerland	23 May 2012	-
Credit Suisse Group AG	Zurich, Switzerland	23 May 2012	-
Credit Suisse Investment Holdings UK	London, United Kingdom	23 May 2012	-
Credit Suisse Investments UK	London, United Kingdom	23 May 2012	-
Credit Suisse Securities (Europe) Limited	London, United Kingdom	23 May 2012	-

	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%	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%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	5.04%	9,821,174
	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%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	5.04%	9,821,174
	5.00%	section 22 (1) sentence 1 no. 6 in conjunction with section 22 (1) sentence 2 of the WpHG	5.01%	9,773,982
	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
	5.00%		1.34%	2,587,486
		sections 21, 22 of the WpHG	1.28%	2,476,223
		section 25 of the WpHG	0.04%	71,843
		section 25a of the WpHG	0.02%	39,420
	5.00%		1.34%	2,587,486
		sections 21, 22 of the WpHG	1.28%	2,476,223
		section 25 of the WpHG	0.04%	71,843
		section 25a of the WpHG	0.02%	39,420
	5.00%	sections 21, 22 of the WpHG	1.28%	2,471,378
	5.00%	sections 21, 22 of the WpHG	1.28%	2,471,378
	5.00%	sections 21, 22 of the WpHG	1.28%	2,471,378

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 (+/–)
DekaBank Deutsche Girozentrale	Frankfurt/Main, Germany	21 May 2013	-
Franklin Mutual Advisers, LLC	Wilmington, USA	19 Dec 2013	-
Invesco Limited	Hamilton, Bermuda	3 June 2013	+
H M Treasury	London, United Kingdom	17 May 2013	-
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 Royal Bank of Scotland plc	Edinburgh, United Kingdom	17 May 2013	-
The Royal Bank of Scotland Group plc	Edinburgh, United Kingdom	17 May 2013	-
The Capital Group Companies	Los Angeles, USA	30 July 2013	+
UBS AG	Zurich, Switzerland	21 May 2013	-
Warburg Invest Kapitalanlagegesellschaft	Hamburg, Germany	21 May 2012	-

Reporting threshold	Attribution in acc. with sections 22, 25 and 25a of the WpHG	Investment (%)	Investment (voting rights)
5.00%	sections 21 (1) of the WpHG	0.00%	0
3.00%	sections 22 (1) sentence 1 no. 6 of the WpHG	2.90%	5,598,961
3.00%	sections 22 (1) sentence 1 no. 6 in conjunction with sentence 2 of the WpHG	3.08%	5,952,862
3.00%	sections 22 (1) sentence 1 no. 1 of the WpHG	2.34%	4,513,257
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 21 (1) of the WpHG	2.34%	4,513,257
3.00%	section 22 (1) sentence 1 no. 1 of the WpHG	2.34%	4,513,257
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%		3.73%	7,197,301
	sections 21, 22 of the WpHG	1.34%	2,579,961
	section 25 of the WpHG	1.82%	3,518,462
	section 25a of the WpHG	0.57%	1,098,878
3.00%	sections 21, 22 of the WpHG	1.61%	3,108,037

44. Employees

Employees

	2013	2012
Average number of employees during the year	3,751	3,654
Employed as at the balance sheet date	3,811	3,704
Employees (average annual FTEs)	3,515	3,416

Of the average number of employees during the year, 19 (2012: 19) were classified as Managing Directors (excluding Executive Board members), 354 (2012: 355) as senior executives and 3,378 (2012: 3,280) as employees. Since 2013, the members of the Executive Boards of Eurex Clearing AG and of the Clearstream subgroup have been classified as Managing Directors. The figures for 2012 have been adjusted accordingly.

There was an average of 3,515 full-time equivalent (FTE) employees during the year (2012: 3,416). 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 2014. 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, 5 March 2014
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 2013. 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, 5 March 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

Braun	Dielehner
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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For more information on our Group's addresses please visit our website: www.deutsche-boerse.com/adresses

Glossary

B

Basel III
Recommendations by the Basel Committee on Banking Supervision, which aim at ensuring the stability of the financial system. The recommendations published on 16 December 2010 complement and update the regulatory framework for banks (Basel II recommendations) of 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.

CDS ⇒ credit default swap

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.

CRD IV package
Integrated legislative package containing, among other things, the Second Banking Directive and a revised version of the Capital Adequacy Directive. It comprises a directive governing access to deposit-taking activities by, and supervision of, credit institutions and investment firms (CRD IV), as well as a regulation governing 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).

Credit default swap
A separate asset class and part of ⇒ OTC derivatives. Credit default swaps (CDSs) are used to hedge default risk and make it tradeable. The buyer of a CDS receives credit protection and is compensated by the CDS seller in the event of default. In return, the seller receives periodic payments from the CDS buyer.

CSD
Central securities depository. Clearsteam Banking AG, Frankfurt/Main, acts as the 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 specific duties of care.

E

EBA
European Banking Authority, 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 selection criteria.

ESMA
European Securities and Markets Authority, based in Paris. Has the aim of creating a uniform legal framework for the national banking supervisory authorities. Like the EBA, it is part of the new European System of Financial Supervision (ESFS).

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 Xetra® trading system. 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.

ETN
Exchange-traded note. ETNs are exchange-traded bonds that track the performance of specific market indicators. Examples include volatility indices, foreign currencies, or equity indices. In contrast to ETCs, ETNs track the performance of indices outside of the commodities sector.

Eurex Bonds
Electronic platform for bond and basis trading. Eurex Clearing AG acts as the central counterparty (CCP) for transactions on Eurex Bonds®.

Eurex Clearing Prisma
Portfolio-based risk management methodology. Eurex Clearing Prisma® permits netting of margin requirements („cross-margining“) between separate markets cleared by Eurex Clearing.

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 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; a 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

Listing
Quotation of a security or issuer on the stock exchange. Issuers at Börse Frankfurt, 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.

Master data
Basic information about securities, e.g. type of instrument, currency, country of origin, International Security Identification Number etc.

MiFID
Markets in Financial Instruments Directive. The European 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 overarching objective is to promote the integration, competitiveness and efficiency of EU financial markets.

MiFID II
MiFID II refers to the 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.

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 leases
Financing method in which the lessee is generally able to use equipment with a longer depreciation period (compared with the term of the lease).

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.

OTC
short for: 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

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.

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
short for: 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".

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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.

We would like to thank all colleagues and service providers who participated in the compilation of this report for their friendly support.

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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 as well as the qualitative statements in relation to corporate responsibility in this corporate report were subject to review by KPMG AG Wirtschaftsprüfungsgesellschaft, 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 2013 can be found on page 310 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. You will find the GRI statement on the application level check at www.deutsche-boerse.com/Corporate responsibility > Reporting > GRI.

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GRI index and Global Compact-principles 2013

A detailed 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 Code	Subject	Page/Data
		Company	
1–10	1.1	Statement from the CEO	5–8
	1.2	Description of key impacts, risks, and opportunities	96, 97, 137, 181
	2.1–2.10	Organisation, data and facts	title, C2, C3, C4, 15, 42–44, 92–95, 133, 141, 203–210
	3.1–3.4	Reporting profile	2, 198, 316
	3.5–3.13	Boundary of the report	C7, 2, 49–52, 137, 142, 198–203, 211–225, 316, online version
1–10	4.1–4.7	Corporate Governance	49–52, 72–74, 76–90, 95
1–10	4.8–4.13	Engagement	64–66, 72–74, 76–90, 137, online version
1–10	4.14–4.17	Stakeholders	48–52, online version
1–10		**Economy/Management approach**	**96–97, 137–138**
	EC 1	Economic value generated and distributed	132
7, 8	EC 2	Consequences of climate change	online version
	EC 3	Coverage of the organisation's defined benefit plan obligations	online version
	EC 4	Financial assistance received from government	none
	EC 5	Local minimum wage	135–136
	EC 6	Local suppliers	online version
6	EC 7	Local hiring	133–134
	EC 8	Investments for public benefit	C3, C4
	EC 9	Indirect economic impacts	132
7–9		**Ecology/Management approach**	**96–97, 137–138**
7, 8	EN 1–2	Materials	142, online version
7, 8	EN 3–7	Energy	Primary energy: 77,990 GJ, online version, 139–142
7, 8	EN 8	Water	142, online version
	EN 11–13	Natural biosphere	online version
7, 8	EN 16–20	Emissions	140–142, online version
7, 8	EN 21	Water discharge	62,538 m^3, online version
7, 8	EN 22–23	Waste and pollutants	795 t, online version
7–9	EN 26–27	Products and services	online version
	EN 28	Degree of regulation	online version
1–6		**Social/Management approach**	**96–97, 137–138**
1, 6	LA 1–2	Employees	133–136, 187, online version
1, 3, 6	LA 4–5	Collective agreements	136, online version
	LA 6–9	Occupational health and safety	online version
	LA 10–11	Education and training	46/47, 135–137, 187, online version
	LA 12	Performance reviews	95.9%
1, 6	LA 13	Composition of governance bodies	online version
1, 6	LA 14	Equal remuneration	134
6	LA 15	Parental leave	134–135
1–6		**Human Rights/Management approach**	**96–97, 136–138**
1–6	HR 1	Investment agreements	95%
1–6	HR 2	Suppliers and contractors	95%
1–6	HR 3	Employee training	136–137
1, 2, 6	HR 4	Discrimination	none
1, 2, 3	HR 5	Freedom of association and collective bargaining	65, 136–137, 141
1, 2, 4, 5	HR 6–7	Child labor/forced and compulsory labor	65/66, 141
1–6	HR 10	Human rights reviews	online version
1–6	HR 11	Addressed and resolved human rights grievances	online version
10		**Society/Management approach**	**96–97, 136–138**
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10	SO 2–4	Compliance	online version
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1–10	SO 7–10	Degree of regulation	293–296, online version
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	PR 1, 3, 4	Information regarding products and services	online version
	PR 5	Customer satisfaction	online version
	PR 6–7	Marketing	online version
	PR 8	Customer privacy	none
	PR 9	Fines	293–296

GJ = Gigajoule

Financial calendar

28 April 2014
Q1/2014 results

15 May 2014
Annual General Meeting

3 June 2014
Investor day

24 July 2014
Half-yearly financial report

27 October 2014
Q3/2014 results

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