



DEUTSCHE BÖRSE  
GROUP

# Annual report 2018

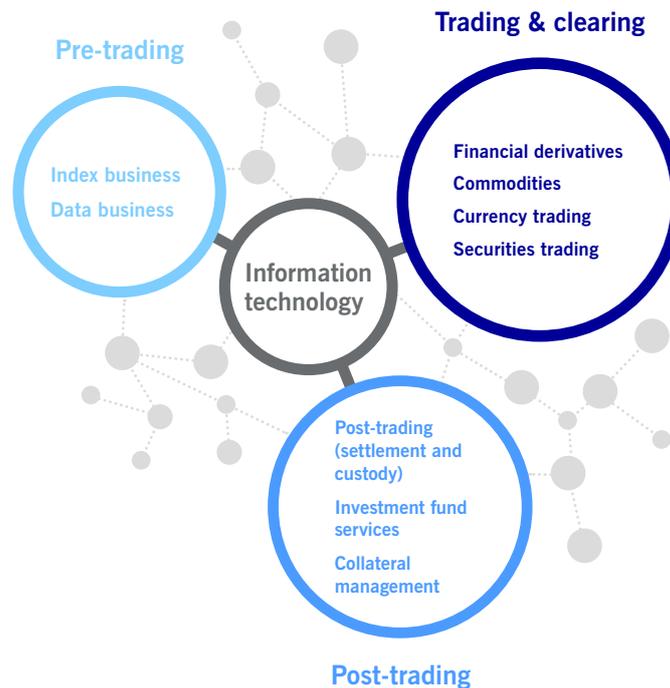
Excerpt: Deutsche Börse Group – an overview

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## Deutsche Börse Group: an overview

As an international exchange organisation and innovative market infrastructure provider, Deutsche Börse Group offers its customers a wide range of products, services and technologies covering the entire value chain of financial markets. Its business areas include pre-trading, i.e. the provision of indices and dissemination of market data, services for trading and clearing (settlement) of investment instruments, and post-trading, i.e. custody of securities and other financial instruments, as well as services for collateral management and liquidity management. In addition, the Group develops state-of-the-art IT solutions and offers IT systems all over the world.




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### Pre-trading

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To be successful on the capital markets, institutional and retail investors alike rely on up-to-the-minute, accurate information. Deutsche Börse Group assists its clients around the world in their investment decisions by providing a wide range of intelligent, data-driven products and index families. This includes offerings that facilitate proactive sustainable investment.

- **Index business:** Indices provide transparent, reliable information on trends in companies' share prices within specific sectors, countries or regions, offering an indicator of their business success. They also serve as a benchmark for assessing investment strategies. Deutsche Börse Group's indices are designed and calculated by its subsidiary STOXX Ltd. The company's comprehensive and innovative offering gives investors a wide range of opportunities to analyse the situation on the international capital markets and invest in specific strategies. Issuers can build on this rich assortment to launch financial products for a very wide variety of different investment approaches. STOXX provides them with smart data and enables them to customise indices to meet individual needs.

Our brands: [DAX®](#), [STOXX®](#)

- **Data business:** Reliable, high-quality market information is essential for ensuring trust in the capital markets. Deutsche Börse Group turns raw data – such as the large volumes generated continuously by its trading and clearing platforms – into smart, enriched data streams. The core products here are order book data from the cash and futures markets. The Group's Data (Data Business) segment combines marketing of licences for real-time and historical trading data and providing analytics. Regulatory reporting services round off its market information offering.

Our brand: [Deutsche Börse](#)



## Trading & clearing

Trading and clearing of investment instruments is at the heart of capital market activities. Deutsche Börse Group organises and operates regulated markets for securities, derivatives, commodities, currencies and other asset classes. Once transactions have closed, the Group's clearing houses ensure they are fulfilled. This reduces the default risk for buyers and sellers alike and is more efficient for clients.

- **Financial derivatives:** Derivatives can be used to mitigate market and price risk. This process, which is known as “hedging”, improves planning certainty not only for companies but also for all market participants, and by doing so boosts macroeconomic growth. Deutsche Börse's Eurex Exchange is one of the world's largest markets for financial derivatives trading. It also increasingly offers a way of “futuresing” instruments that were previously only traded bilaterally, along with clearing services for OTC transactions. Both of these offerings serve to increase the security and stability of the capital markets.  
Our brands: [Eurex®](#), [Eurex Clearing](#), [Eurex Repo®](#)
- **Commodities:** Commodity prices are often highly volatile, but such price swings can be hedged using derivatives. Deutsche Börse Group's EEX Group operates leading European marketplaces for electricity and gas products and a regulated, transparent market for emissions trading certificates. Greenhouse gas emitters can trade these certificates to buy or sell insufficient or surplus emissions rights, while at the same time regulators can fix the total volume of greenhouse gas emissions and so optimise the economic benefit. In the area of electricity trading, EEX's markets help increase the proportion of renewable energies. Examples of this are new derivatives with which market participants can hedge increasing price spikes and weather risks.  
Our brands: [European Commodity Clearing](#), [European Energy Exchange](#), [Nodal Clear](#), [Nodal Exchange](#), [PEGAS®](#), [Powernext](#)
- **Currency trading:** The currency market is one of the most actively traded financial markets in the world. Electronic foreign-exchange (FX) trading is on the rise worldwide, and the 360T® platform from Deutsche Börse Group's subsidiary of the same name is one of the pioneers in this field. 360T is constantly expanding its trading systems' functionality, opening up a steady stream of new opportunities for clients that were previously unavailable in foreign exchange trading, such as an electronic trading book and central clearing.  
Our brand: [360T®](#)
- **Securities trading:** The origins of exchanges can be traced back to securities trading. Deutsche Börse Group's Xetra® is the global reference market for German stocks and the European number one for trading exchange-traded funds (ETFs). The Group also operates the Frankfurter Wertpapierbörse (FWB®, the Frankfurt Stock Exchange), which offers a variety of segments and transparency standards for the admission and listing of securities of large and small enterprises operating on a national or international level. Its services in this area are rounded off by a number of pre-market initiatives. As a result, Deutsche Börse Group makes a significant contribution to financing the real economy and to promoting innovation in Germany and Europe.  
Our brands: [Börse Frankfurt](#), [Deutsche Börse](#), [Deutsche Börse Cash Market](#), [Deutsche Börse Venture Network®](#), [FWB®](#), [Tradegate](#), [Xetra®](#)

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## Post-trading

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Once securities have changed hands and have been assigned to the correct account, they have to be held in custody and managed. Within Deutsche Börse Group, this is the responsibility of post-trade services provider Clearstream. Additional services such as securities lending, collateral management and fund services ensure efficient liquidity management and compliance with regulatory requirements. Securities held in custody fulfil a wide range of functions and increase liquidity, so that post-trade services make a decisive contribution to capital market transactions' stability and efficiency.

- **Post-trading (settlement and custody):** Ensuring securities are correctly settled (i.e. credited to the accounts concerned) and held in safe custody for banks and their clients is crucial for reliable capital market operations. Clearstream – the market leader in this area with decades of experience – operates Germany's Central Securities Depository (CSD). This is the largest CSD (measured in terms of volume) in the eurozone and one of the two international central securities depositories (ICSDs) located in Europe. Innovative technologies such as blockchain are playing a more and more important role in the custody business, and Deutsche Börse Group is a trendsetter in this area.

Our brands: Clearstream, LuxCSD, REGIS-TR

- **Investment fund services:** Investment fund services (IFSs) are essential for capital market efficiency, since they add significant value and also support other services (such as securities lending and collateral management) by improving market quality. Deutsche Börse Group's IFS growth area combines the settlement and custody of exchange-traded funds, investment funds and hedge funds. The Group's fund processing platform, Vestima<sup>®</sup>, provides one-stop settlement and custody services for clients.

Our brands: Clearstream, Vestima<sup>®</sup>

- **Collateral management:** Collateral management and securities lending lead to gains in market efficiency and cover a whole range of asset classes. They are growth areas for Deutsche Börse Group's post-trading operations alongside Global Securities Financing (GSF). Deutsche Börse Group has established a service designed to maximise integration of client order books. This offering, which will be further expanded going forward, focuses on ensuring the fluidity of, and optimising, assets held in custody. This allows clients to leverage the various securities in their accounts and hence makes markets across the world more efficient and more stable.

Our brands: Clearstream, Eurex Clearing, Eurex Repo<sup>®</sup>

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## Information technology

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Market infrastructure exchanges are, first and foremost, technology businesses. State-of-the-art IT solutions are at the heart of all Deutsche Börse Group's offerings – in pre-trading, trading, and post-trading alike. The Group is adopting innovative approaches to enhancing its systems; among other things, it is constructing a secure cloud infrastructure that meets all regulatory requirements. Reliability – i.e. the continuous operation of all its systems – is the top priority. Without this, there would be no transparent pricing or safe custody. Innovations such as new data products and artificial intelligence (AI) offerings only add value if they are reliable.

Our brands: Deutsche Börse, 7 Market Technology<sup>®</sup>: C7<sup>®</sup>, F7<sup>®</sup>, M7<sup>®</sup>, N7<sup>®</sup>, T7<sup>®</sup>

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