



DEUTSCHE BÖRSE
GROUP

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Half-yearly financial report

Quarter 2/2020



Q2/2020: Deutsche Börse Group continues secular growth as planned

Quarterly results at a glance

- Deutsche Börse Group's net revenue for the second quarter of 2020 increased by 7 per cent, to €777.5 million (Q2/2019: €724.8 million). Amongst other, secular growth factors contributed to around 7 per cent of this growth.
- Due to consolidation and investments, adjusted operating costs rose to €300.2 million (Q2/2019: €260.0 million).
- Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) thus rose by 4 per cent to €483.1 million (Q2/2019: €465.5 million).
- Adjusted net profit for the period attributable to Deutsche Börse AG shareholders amounted to €288.1 million (Q2/2019: €288.4 million), while adjusted basic earnings per share stood at €1.57 (Q2/2019: €1.58).
- Owing to significantly higher market volatility in the first quarter, the Group's net revenue for the first half of 2020 rose by 17 per cent to €1,692.3 million (H1/2019: €1,445.6 million) and adjusted net profit for the period rose by 16 per cent to €675.5 million (H1/2019: €580.3 million).
- With this result for the first half of the current financial year, the Group maintains its forecast of adjusted net profit of around €1.20 billion for full year 2020.

Material events at a glance

- On 21 January 2020, Deutsche Börse Group announced that the Group's post-trade services provider Clearstream and UBS have agreed on a partnership in the investment fund services business segment. The companies have entered into an agreement under which Clearstream Holding AG, Frankfurt, Germany, will acquire 51 per cent of the fund distribution platform Fondcenter AG, Zurich, Switzerland, from UBS for a purchase price of CHF 389 million. UBS will retain a minority stake of 49 per cent. The newly combined company will become the centre of excellence for fund distribution services within Deutsche Börse Group, and will significantly enhance Clearstream's existing Fund Desk business (formerly Swisscanto Funds). This will create one of the leading fund distribution service provider. The transaction is expected to be closed at the end of the third quarter of 2020.

Q2/2020 Group interim management report

Fundamental information about the Group

The fundamental information about the Group described [in](#) on pages 18 to 28 of the 2019 annual report remains valid in principle.

Comparability of figures

With effect from the first quarter of 2020, Deutsche Börse Group has adjusted the segment reporting structure, in order to further enhance transparency in the Group's growth areas.

- The former GSF (collateral management) segment has been fully allocated to the Clearstream (post-trading) segment.
- Business in the former Data segment is now being reported within the Xetra (cash equities) and Euxtra (financial derivatives) segments.

Material related party disclosures

Detailed material related party disclosures can be found in [in](#) note 13 to the condensed consolidated interim financial statements.

Report on the economic position

The company's business operations have not changed significantly compared with the information presented in the [in](#) 2019 annual report (page 18).

Developments in the first half of 2020 were primarily influenced by the ongoing worldwide COVID-19 pandemic and the associated uncertainty among market participants as to the global economic impact of the crisis. In June, in light of the resulting economic burdens, the International Monetary Fund (IMF) reduced its growth forecast for 2020 notably on both a national and global level. The IMF has cut its global economic growth forecast to -4.9 per cent for 2020. The euro area economy is projected to contract by -10.2 per cent, and Germany by -7.8 per cent.

Across the globe, governments and central banks are attempting to counter the economic consequences of the COVID-19 pandemic with unprecedented economic stimulus packages and emergency loans, as well as interest rate cuts and bond-buying programmes. The US Federal Reserve (Fed), for example, already cut its target Fed Funds range to between 0.00 and 0.25 per cent in mid-March, while the European Central Bank (ECB) increased its Pandemic Emergency Purchase Programme for government and corporate securities to €1.35 trillion and also extended the scheme's minimum duration.

Market volatility, as measured by the VSTOXX index, decreased by around 70 per cent by the end of June compared to the highs in mid-March, but was still twice as high as before the outbreak of the COVID-19 pandemic.

Apart from the above described impact of the COVID-19 pandemic, the macroeconomic and industry-specific environment has not changed materially from that described in the [2019 annual report](#) (page 28).

There were no changes in the second quarter of 2020 regarding the Group's internal management. For a more detailed overview of this, please refer to the [2019 annual report](#) (pages 23 to 24).

Results of operations

Key figures on results of operations of Deutsche Börse Group (reported)

	Second quarter ended			Six months ended		
	30 June 2020	30 June 2019	Change	30 June 2020	30 June 2019	Change
	€m	€m	%	€m	€m	%
Net revenue	777.5	724.8	7	1,692.3	1,445.6	17
Operating costs	-342.6	-291.5	18	-661.0	-564.7	17
Earnings before interest, tax, depreciation and amortisation (EBITDA)	440.7	434.0	2	1,033.2	884.9	17
Depreciation, amortisation and impairment losses	-62.6	-55.4	13	-124.6	-108.5	15
Earnings before interest and tax (EBIT)	378.1	378.6	0	908.6	776.4	17
Net profit for the period attributable to Deutsche Börse AG shareholders	256.7	266.9	-4	623.9	542.1	15
Earnings per share (basic) (€)	1.40	1.46	-4	3.40	2.96	15

Key figures on results of operations of Deutsche Börse Group (adjusted)

	Second quarter ended			Six months ended		
	30 June 2020	30 June 2019	Change	30 June 2020	30 June 2019	Change
	€m	€m	%	€m	€m	%
Net revenue	777.5	724.8	7	1,692.3	1,445.6	17
Operating costs	-300.2	-260.0	15	-591.3	-508.6	16
Earnings before interest, tax, depreciation and amortisation (EBITDA)	483.1	465.5	4	1,102.9	941.0	17
Depreciation, amortisation and impairment losses	-62.3	-54.7	14	-124.0	-107.6	15
Earnings before interest and tax (EBIT)	420.8	410.8	2	978.9	833.4	17
Net profit for the period attributable to Deutsche Börse AG shareholders	288.1	288.4	0	675.5	580.3	16
Earnings per share (basic) (€)	1.57	1.58	-1	3.68	3.17	16

Results of operations in the second quarter of 2020

Business development in the first quarter was primarily driven primarily by the pandemic spread of the coronavirus (SARS-CoV2 – COVID-19) and the associated uncertainty among market participants as to the impact on the global economic environment. Volatility – as measured by the VSTOXX index – thus exceeded the levels seen during the 2009 financial crisis, leading to a significant increase in trading volumes across all markets. The second quarter of 2020 saw increasing challenges worldwide in dealing with the COVID-19 pandemic, both with regard to its containment as to decisions on the easing of restrictions. The uncertainty which arose among market participants as a result of this situation – particularly regarding the economic impact – was reflected in the volatility curve, with differing effects on trading activity across the markets. While each month of the second quarter saw trading activity on the cash market exceed that of the same quarter of the previous year – significantly so at times – a mixed picture emerged on derivatives markets. Only in June, trading volumes in equity index derivatives for instance exceeded the previous year's figures. Interest rate derivative products on the other hand fell short of the previous year's figures due to a further narrowing of the interest rate environment. Lower average interest rates also had an adverse impact on net interest income for US dollar cash deposits in the Clearstream (post-trading) segment.

Deutsche Börse Group was nevertheless able to increase net revenue by 7 per cent to €777.5 million (Q2/2019: €724.8 million) as it successfully generated secular growth of 7 per cent, as planned. Cyclical factors attributable to the macroeconomic environment caused growth to contract by –2 per cent. Consolidation effects contributed 2 per cent of revenue growth. Drivers of structural growth included increased demand for new products and services in the Eurex (financial derivatives) segment, higher volumes of bonds deposited in the Clearstream (post-trading) segment and new clients in the IFS (investment fund services) segment. Cyclical growth was burdened by lower average interest rates and the resulting decline in net interest income on cash deposits in the Clearstream (post-trading) segment; this was only partially offset by strong trading activity in equities and equity index derivatives in the Xetra (cash equities) segment and Eurex (financial derivatives) segments. The growth resulting from consolidation was primarily due to the acquisition of Axioma (in Q3/2019) in the Qontigo (index and analytics business) segment.

The Group's operating costs totalled €342.6 million (Q2/2019: €291.5 million). Excluding exceptional items of €42.4 million, mainly comprising expenses for measures to reduce structural costs implemented within the scope of Roadmap 2020, costs for acquisitions and for legal advice for litigation, adjusted operating costs increased by 15 per cent to €300.2 million (Q2/2019: €260.0 million). Higher investments and personnel expenses (including variable and share-based compensation), additional IT costs for implementing regulatory requirements, as well as costs related to the coronavirus situation accounted for most of this increase (all in all, +8 per cent). Consolidation effects also resulted in an increase of operating costs (+7 per cent).

Deutsche Börse Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to €440.7 million for the period under review (Q2 2019: €434.0 million). Excluding the aforementioned exceptional items, the Group's EBITDA rose by 4 per cent to €483.1 million (Q2/2019: €465.5 million).

Depreciation, amortisation and impairment losses increased to €62.6 million (Q2/2019: €55.4 million) as a result of higher investment activity. Adjusted for exceptional items, depreciation and impairment losses amounted to €62.3 million (Q2/2019: €54.7 million).

The Group's financial result amounted to €–18.4 million (Q2/2019: €–11.6 million). This decrease was mainly due to the reversal of provisions for interest payments on expected tax back payments recognised in the prior year period, and costs associated with the issue of a hybrid bond in June 2020.

As a result, net profit for the period attributable to Deutsche Börse AG shareholders totalled €256.7 million (Q2/2019: €266.9 million). Adjusted for exceptional items, as described above and in the quarterly statement Q1/2020, net profit for the period was €288.1 million, reflecting the previous year's level (Q2/2019: €288.4 million).

Gregor Pottmeyer, Chief Financial Officer of Deutsche Börse AG, commented on the results: "Also in an environment with slight cyclical headwind in the second quarter, we were able to achieve our secular net revenue growth target, as planned. In order to further pursue the path of growing our business, we will continue to invest increasingly in organic growth, new technologies and regulatory requirements."

Results of operations in the first half of 2020

Deutsche Börse Group's consolidated net revenue for the first half of the year rose by 17 per cent to €1,692.3 million (H1/2019: €1,445.6 million). Every segment increased its net revenue, in some cases significantly: Eurex (+22 per cent), 360T (+19 per cent), Xetra (+18 per cent) and IFS (+25 per cent).

Operating costs rose to €661.0 million (H1/2019: €564.7 million). Adjusted for exceptional items of €69.7 million (H1/2019: €56.1 million), operating costs totalled €591.3 million, constituting an increase of 16 per cent (H1/2019: €508.6 million).

Deutsche Börse Group's EBITDA rose to €1,033.2 million (H1/2019: €884.9 million). Adjusted for exceptional items, the Group's EBITDA increased by 17 per cent to €1,102.9 million (H1/2019: €941.0 million). Expenses for depreciation, amortisation and impairment losses rose by 15 per cent on an adjusted basis, to €124.0 million (H1/2019: €107.6 million). The Group's adjusted financial result for the first half of 2020 totalled €-34.9 million (H1/2019: €-28.5 million).

As a result, net profit for the period attributable to Deutsche Börse AG shareholders rose to €623.9 million (H1/2019: €542.1 million). Adjusted for exceptional items, net profit for the period grew by 16 per cent to €675.5 million (H1/2019: €580.3 million).

Eurex (financial derivatives) segment

Key indicators Eurex (financial derivatives) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019 ¹⁾	Change	30 Jun 2020	30 Jun 2019 ¹⁾	Change
	€m	€m	%	€m	€m	%
Net revenue	271.5	255.3	6	617.8	505.6	22
Equity index derivatives	131.0	118.2	11	325.2	237.3	37
Interest rate derivatives	44.5	54.0	-18	106.1	109.7	-3
Equity derivatives	11.8	14.6	-19	26.6	28.2	-6
OTC clearing ²⁾	13.8	9.6	44	26.8	18.7	43
Margin fees	26.2	15.1	74	44.2	26.8	65
Eurex data	14.9	14.8	1	29.7	29.6	0
Other	29.3	29.0	1	59.2	55.3	7
Operating costs	-92.3	-74.8	23	-175.8	-149.3	18
Operating costs (adjusted)	-84.0	-70.4	19	-162.6	-138.6	17
EBITDA	184.1	180.3	2	442.1	358.1	23
EBITDA (adjusted)	192.4	185.2	4	455.3	369.8	23

1) Previous year's figures adjusted

2) Including net interest income on margins for OTC interest rate swaps

3) Including connectivity and member fees

Second quarter 2020

Market volatility, as measured by the VSTOXX volatility index, rose sharply in the course of the first quarter, but declined noticeably again in the second quarter of 2020. This entailed a general decline in financial derivatives trading volumes. Compared with the same quarter of the previous year, however, trading in equity index derivatives continued to benefit from relatively higher market volatility, resulting in a 6 per cent increase in trading volume. The growing contract volume in new products such as dividend futures or total return futures was a further positive development. Compared with the relatively high figure for the previous year, however, the economic impact of the COVID-19 pandemic – e. g. due to lower or non-payment of dividends by companies – resulted in a 51 per cent decline in the trading volume in derivatives on individual shares. Similarly, global monetary policy measures taken by central banks as well as liquidity injections into companies by national governments led to a further 18 per cent decline in trading volumes in interest rate derivatives, particularly those with longer maturities. With a total of 436 million financial derivatives contracts traded across all product groups, the contract volume in the second quarter was down 16 per cent year-on-year.

Clearing of euro-denominated interest rate derivatives continued to show strong growth. In the second quarter of 2020, cleared notional volumes increased by 28 per cent year-on-year to €9.1 trillion (including the effects of compression cycles to optimise customer portfolios). Notional outstanding at the end of the second quarter stood at €18.9 trillion, an increase of 37 per cent. This represents a market share of around 18 per cent for globally traded euro-denominated OTC interest rate derivatives. Overall, as at the end of the reporting period, more than 360 end-clients were signed up to Eurex Clearing's OTC interest rate derivatives service.

Net revenue in the Eurex segment increased by 6 per cent in the quarter under review. Growth was mainly driven by higher revenue from equity index derivatives and margin fees. The segment's adjusted EBITDA rose by 4 per cent.

First half of 2020

Business development in the Eurex segment recorded significant net revenue growth of 22 per cent in the first half of 2020. Key drivers for this were a sharp rise in market volatility, particularly in the first quarter, combined with higher trading volumes and increased margin fees. The market share expansion of global euro-denominated OTC interest rate derivatives and an increase in demand for new products again underline the undiminished secular growth trend in this segment. The adjusted EBITDA grew by 23 per cent.

EEX (commodities) segment

Key indicators EEX (commodities) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019	Change	30 Jun 2020	30 Jun 2019	Change
	€m	€m	%	€m	€m	%
Net revenue	71.2	71.3	0	153.0	144.9	6
Power spot	17.1	18.5	-8	36.0	35.6	1
Power derivatives	28.9	25.0	16	61.7	52.0	19
Gas	10.4	11.0	-5	22.0	22.5	-2
Other ¹⁾	14.8	16.8	-12	33.3	34.8	-4
Operating costs	-44.2	-39.0	13	-86.8	-77.7	12
Operating costs (adjusted)	-37.4	-36.4	3	-74.1	-72.5	2
EBITDA	26.9	32.2	-16	66.0	67.0	-1
EBITDA (adjusted)	33.7	34.8	-3	78.7	72.2	9

1) Including connectivity, member fees and admission allowance

Second quarter 2020

EEX Group increased its trading volume on the power spot market by 2 per cent in the second quarter of 2020. Following the launch of the Nordic intraday market at the end of May, the day-ahead markets in Denmark, Finland, Norway and Sweden also got off to a start at the beginning of June, thus expanding EEX's offering for the Scandinavian region. The introduction of new incentive schemes for market participants on the power spot markets led to reduced net revenue growth in the quarter.

EEX's power derivatives markets, which now cover 20 European market areas as well as the newly launched Japanese market, continued to grow in the second quarter. Overall, EEX Group's trading volume increased by 37 per cent, with the German, French, Hungarian and Spanish markets achieving particularly strong growth. Meanwhile, trading in power derivatives on the US market declined by 8 per cent. EEX's entry onto the Japanese market also marked an important milestone in power derivatives. In May, EEX launched a clearing service for the first Asian market area on the EEX platform. EEX Group increased its global trading volume on the power derivatives markets by 20 per cent.

Trading volumes on the gas markets fell by 13 per cent, due firstly to lower overall market volume on spot markets, and secondly to fierce competition on the gas futures markets, especially on the Dutch TTF market.

Whilst EEX Group kept net revenue stable across all product groups in the second quarter of 2020, the segment's adjusted EBITDA declined slightly, by 3 per cent, mainly reflecting higher investments.

First half of 2020

In the first half of 2020, EEX Group almost matched the high growth of recent years. Trading volumes – on the power derivatives markets in particular – continued to show clear double-digit growth rates. However, the pace of growth in the power derivatives market and in the gas business slowed significantly in some areas in the second quarter compared with the very high volumes recorded the previous quarter. Overall, the EEX segment increased net revenue by 6 per cent, with adjusted EBITDA up by 9 per cent.

360T (foreign exchange) segment

Key indicators 360T (foreign exchange) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019	Change	30 Jun 2020	30 Jun 2019	Change
	€m	€m	%	€m	€m	%
Net revenue	23.6	21.8	8	51.2	43.2	19
Trading	19.3	18.2	6	42.3	36.0	18
Other ¹⁾	4.3	3.6	19	8.9	7.2	24
Operating costs	-13.1	-16.9	-22	-27.9	-29.8	-6
Operating costs (adjusted)	-13.4	-12.3	9	-27.6	-23.5	17
EBITDA	10.5	4.9	114	23.3	13.4	74
EBITDA (adjusted)	10.2	9.5	7	23.6	19.7	20

1) Including connectivity and member fees

Second quarter 2020

The 360T segment's market environment in the second quarter was characterised by lower trading activity based on a less volatile foreign exchange market. Market developments were influenced mainly by global uncertainty following the outbreak of the COVID-19 pandemic, namely the sharp reduction in economic activity and the related stabilisation programmes both at a national and international level, as well as possible global monetary policy measures of central banks.

Thanks to newly won and onboarded customers, the 360T segment nonetheless maintained a stable average daily trading volume on its platforms compared to the previous year. 360T recorded growth in swap transactions and the 360TGTX business in the US market. As a result of its product mix, the segment was able to generate net revenue growth of 8 per cent. Adjusted EBITDA for the segment rose by 7 per cent compared to the same quarter of the previous year.

First half of 2020

Developments in the Foreign Exchange Trading segment in the first half of 2020 were characterised by two very different quarters in terms of market events and trading activity. Following an unprecedented first quarter, which saw strong trading volumes due to the outbreak of the COVID-19 pandemic and the resulting volatility, foreign exchange trading settled down in the second quarter. Overall, the 360T segment

delivered strong net revenue growth of 19 per cent and an increase of adjusted EBITDA of 20 per cent in the first half of the year.

In addition, FX derivatives traded on Eurex also continued to grow despite recent global events. Open interest and average daily trading volumes reached new highs in the first half of 2020. About 370,000 contracts were traded in the first half of the year – setting a new daily record in June 2020 when some 130,000 contracts were traded. Monthly average open interest volume increased by 40 per cent in the second quarter of 2020 compared to the first quarter (€6.5 billion in June). Eurex will launch European-style FX options in the second half of the year, as well as activate trading and clearing services for a large number of new clearing members, liquidity providers and trading participants that are already in the process of onboarding. Other clearing members are also currently in the process of being onboarded for the clearing of OTC FX transactions.

Xetra (cash equities) segment

Key indicators Xetra (cash equities) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019 ¹⁾	Change	30 Jun 2020	30 Jun 2019 ¹⁾	Change
	€m	€m	%	€m	€m	%
Net revenue	94.4	79.3	19	195.8	166.1	18
Trading and clearing	53.5	38.3	40	114.9	76.4	50
Listing	3.7	4.8	-23	8.2	9.1	-10
Xetra data ²⁾	26.1	25.9	1	50.8	55.3	-8
Other	11.1	10.3	8	21.9	25.3	-13
Operating costs	-39.5	-34.7	14	-73.9	-69.2	7
Operating costs (adjusted)	-35.4	-32.6	9	-67.9	-63.9	6
EBITDA	56.1	46.4	21	124.6	99.8	25
EBITDA (adjusted)	60.2	48.0	25	130.6	104.1	25

1) Previous year's figures adjusted

2) Including connectivity and member fees

Second quarter 2020

Higher market volatility compared to the previous year also led to a 35 per cent higher trading volume in the cash market business in the second quarter of 2020. In addition competing with other pan-European trading venues, Xetra expanded its position as the reference market for trading in DAX constituents, increasing its market share to 75 per cent (Q2/2019: 70 per cent). Trading volumes in exchange-traded funds (ETFs) were also markedly higher year-on-year, rising by 73 per cent. Assets under management in ETFs totalled €678.0 billion as of 30 June 2020 (30 June 2019: €605.7 billion).

Despite the challenging conditions caused by the COVID-19 pandemic, the Xetra segment registered two initial public offerings (IPOs) in the second quarter of 2020. In mid-June, Bavarian pharmaceutical company PharmaSGP Holding SE was listed in the Prime Standard segment of the Frankfurt Stock Exchange. In May, the Nuremberg database provider Exasol listed its shares in Scale, the growth segment of Frankfurter Wertpapierbörse (FWB[®], the Frankfurt Stock Exchange).

Persistently high investor interest in Xetra-Gold® – a bearer bond backed by physical gold – led to new record levels, both in terms of gold holdings and assets under administration. By the end of the second quarter, gold held in custody reached 221.7 tonnes (Q2 2019: 194.3 tonnes), equivalent to around €11.3 billion (Q2 2019: €7.7 billion), confirming Xetra-Gold's position amongst the leading physically-backed gold securities in Europe. Amongst exchange traded commodities (ETCs) available on Xetra, Xetra-Gold is the most actively traded security by far.

Net revenue in the Xetra segment rose by 19 per cent in the second quarter of 2020, mainly due to the increase in trading volume. Adjusted EBITDA for the segment grew by 25 per cent.

First half of 2020

Net revenue in the Xetra segment increased significantly by 18 per cent in the first half of 2020. Compared with a strong first quarter, trading volume during the second quarter of 2020 was slightly more moderate due to lower market volatility but remained at a high level. Adjusted EBITDA rose by 25 per cent.

Clearstream (post-trading) segment

Key indicators Clearstream (post-trading) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019 ¹⁾	Change	30 Jun 2020	30 Jun 2019 ¹⁾	Change
	€m	€m	%	€m	€m	%
Net revenue	212.6	214.8	-1	448.3	423.5	6
Custody	106.7	97.6	9	213.7	192.5	11
Settlement	29.9	20.3	47	60.3	40.2	50
Net interest income from banking business	24.8	51.1	-51	73.1	100.0	-27
Collateral management	20.3	19.3	5	39.9	38.7	3
Third party services	5.9	5.8	2	13.7	13.5	1
Other ²⁾	25.0	20.7	21	47.6	38.6	23
Operating costs	-92.5	-82.8	12	-172.8	-157.9	9
Operating costs (adjusted)	-78.8	-73.3	8	-152.3	-143.4	6
EBITDA	119.9	131.2	-9	274.8	265.1	4
EBITDA (adjusted)	133.6	140.7	-5	295.3	279.6	6

1) Previous year's figures adjusted

2) Including connectivity and member fees

Second quarter 2020

The value of securities held in custody through the national central securities depository (CSD) and the international central securities depository (ICSD) rose slightly, by 3 per cent in the second quarter of 2020. This was mainly due to the higher volume of bonds deposited with the ICSD, while the volume of securities deposited with the CSD remained almost unchanged. In contrast, the overall volume of settlement transactions rose significantly, by 33 per cent. This was largely attributable to the strong increase in stock exchange volumes as a result of higher market volatility.

Already in mid-March, the US Federal Reserve (Fed) lowered its target Fed Funds range to between 0.00 per cent and 0.25 per cent, which in turn had a negative impact upon net interest income from US dollar cash deposits in the banking business. Despite the introduction of a cash handling fee for the settlement of cash deposits in US dollars, the interest effect was only partially offset. Overall, net interest income from banking business in the second quarter of 2020 fell by around 50 per cent compared with the previous year. Net revenue from third-party services remained at the prior-year level, as the discontinuation of the managed services business was offset by higher revenue from regulatory reporting services offered via the REGIS-TR trade repository.

Average outstanding volumes in the collateral management and securities lending business increased by around 25 per cent overall in the second quarter of 2020. Whilst net revenue in collateral management is directly related to the outstanding, monetary policy measures taken by central banks led to a renewed inflow of liquidity to the markets and thus put pressure on lending fees.

Overall, net revenue for the Clearstream segment in the second quarter of 2020 remained virtually unchanged year-on-year. Adjusted EBITDA declined slightly, by 5 per cent.

First half of 2020

Apart from declining net interest income on cash deposits in the banking business, performance in the first half of 2020 was largely in line with the second quarter, with six-month net revenue as well as adjusted EBITDA rising by 6 per cent.

IFS (investment fund services) segment

Key indicators IFS (investment fund services) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019	Change	30 Jun 2020	30 Jun 2019	Change
	€m	€m	%	€m	€m	%
Net revenue	50.8	43.6	17	106.4	85.3	25
Custody	20.2	17.7	14	41.1	34.7	18
Settlement	16.4	13.2	24	34.6	25.5	36
Other ¹⁾	14.2	12.7	12	30.7	25.1	22
Operating costs	-32.0	-26.6	20	-58.6	-50.3	17
Operating costs (adjusted)	-25.3	-22.5	12	-48.2	-43.2	12
EBITDA	18.8	17.0	11	47.8	35.0	37
EBITDA (adjusted)	25.5	21.1	21	58.2	42.1	38

1) Including connectivity, order routing, reporting fees

Second quarter 2020

The IFS (investment fund services) segment saw another slight increase, of 2 per cent, in assets under custody in the second quarter of 2020. The number of transactions settled rose significantly, by 42 per cent, due to the high level of trading activity as a result of market conditions. In addition to the favourable market environment, positive growth was also supported by the Fund Desk – a fund distribution support service – which was set up as a result of the acquisition of Swisscanto Funds Centre Ltd. Business development at Ausmaq Limited, the specialist fund services provider acquired from National Australia Bank Limited in May 2019, also saw positive growth.

The acquisition of a majority stake in Fondcenter AG, UBS's fund distribution platform, announced in January 2020, marks another significant step in Deutsche Börse Group's Roadmap 2020 strategy. The combination of Fondcenter with the Clearstream Fund Desk will create one of the leading provider of fund services. The transaction is expected to be closed at the end of the third quarter of 2020.

Net revenue in the IFS segment increased by 17 per cent in the second quarter of 2020. The segment's adjusted EBITDA rose by 21 per cent.

First half of 2020

Net revenue in the IFS segment was more moderate in the second quarter of 2020, following a relatively strong start to the year. However, for the first half of the year, net revenue increased sharply by 25 per cent. EBITDA rose by 38 per cent.

Qontigo (index and analytics business) segment

Key indicators Qontigo (index and analytics business) segment

	Second quarter ended			Six months ended		
	30 Jun 2020	30 Jun 2019	Change	30 Jun 2020	30 Jun 2019	Change
	€m	€m	%	€m	€m	%
Net revenue	53.4	38.7	38	119.8	77.0	56
ETF licences	7.6	9.6	-21	15.7	18.2	-14
Exchange licences	6.8	7.7	-12	19.4	15.9	22
Other licences ¹⁾	24.8	21.4	16	49.7	42.9	16
Analytics	14.2	0.0	-	35.0	0.0	-
Operating costs	-29.0	-16.7	74	-65.2	-30.5	114
Operating costs (adjusted)	-25.9	-12.5	107	-58.6	-23.5	149
EBITDA	24.4	22.0	11	54.6	46.5	17
EBITDA (adjusted)	27.5	26.2	5	61.2	53.5	14

1) Including licences on structured products.

Second quarter 2019

The outflow of funds from European equity indices and lower average index levels compared with the second quarter of the previous year led to an 11 per cent decline in assets under management in ETFs on STOXX and DAX indices in the second quarter of 2020.

Due to the introduction of a new licence model in the second quarter, revenue from exchange licences fell year-on-year, despite an increase in the trading volume of equity index derivatives at Eurex. Other licence revenues – especially from buy-side licences – rose by 16 per cent.

The launch of Climate Benchmark Indices – STOXX Paris-Aligned Benchmark (PAB) Indices and STOXX Climate Transition Benchmark (CTB) Indices – further underlines Qontigo's position in the field of sustainable index solutions. The company has been active in this area since 2011 and offers a wide range of index solutions – covering benchmarks, blue chips, ESG leaders, low carbon, climate impact, ESG factors and ESG-X indices.

Net revenue from analytics of €14.2 million, reported for the first time in the second quarter, reflects the new business generated by the merger with Axioma in portfolio management and risk analytics software.

Overall, the segment's net revenue increased by 38 per cent in the second quarter. Adjusted EBITDA for the segment rose by 5 per cent. Excluding the Axioma business, net revenue remained almost unchanged year-on-year, while adjusted EBITDA increased by 11 per cent.

First half of 2020

During the first quarter, not only did the segment benefit from strong trading in equity index derivatives at Eurex in the exchange licence fee area, but also from the acquisition of new contractual relationships in the analytics business. During the second quarter, stock exchange licence revenues declined as a result of more moderate trading activity. In addition, restrictions imposed due to the COVID-19 pandemic created challenges for sales and implementation activity in the analytics business. For the six-month period, net revenue increased by 56 per cent and adjusted EBITDA rose by 14 per cent. Excluding the Axioma business, net revenue increased by 10 per cent and adjusted EBITDA by 13 per cent.

Financial position

Cash flow

In the first half of 2020, Deutsche Börse Group generated cash flows from operating activities of €815.3 million (H1/2019: €466.5 million) before changes in CCP positions as at the reporting date. Cash flows from operating activities mainly reflected include the significantly higher net income for the period of €647.0 million (H1/2019: €557.6 million), as well as markedly lower cash outflows from changes in working capital (H1/2020: €-1 million; H1/2019: €-162.5 million), which mainly resulted from lower income tax payments. Cash flows from financing activities essentially comprise the distribution of dividends for the 2019 financial year, in the amount of €531.9 million (H1/2019: €495.0 million), as well as the issuance of a new hybrid bond in the amount of €600.0 million, which was linked to the partial repurchase of an existing bond in the amount of €284.9 million. Cash flow from investing activities of €-227.9 million (H1 2019: €157.5 million) was largely influenced by fluctuations between short- and long-term placements of client funds. There were no material changes for the company with investments in intangible assets and property, plant and equipment remaining at the previous year's level (H1/2020: €78.9 million; H1/2019: €73.7 million).

Cash and cash equivalents thus totalled €2,396.9 million as at 30 June 2020 (30 June 2019: €1,720.5 million). Cash and bank balances amounted to €1,030.8 million (30 June 2019: €943.5 million).

Capital management

The company's clients generally expect it to maintain conservative interest coverage and leverage ratios, and to achieve good credit ratings. In order to achieve a minimal financial risk profile consistent with an AA rating and in accordance with the S&P method, the company aims for a minimum ratio of FFO to net debt of 50 per cent, a net debt ratio relative to EBITDA of no more than 1.75, and a minimum interest cover ratio of 14. In the first half of 2020, Deutsche Börse Group achieved this objective with a ratio of FFO to net debt of 93 per cent, net debt relative to EBITDA of 0.8 and an interest coverage ratio of 38. These values are based on annualised six-month figures for FFO in an amount of approximately €790.0 million, for EBITDA of approximately €1,035.0 million, and for expected net debt as at year-end of approximately €1.7 billion. Details on how these figures are calculated can be found in the [section "Financial position", in the 2019 annual report on pages 45 to 48](#). Furthermore, the company endeavours to maintain the strong AA credit rating of its subsidiary Clearstream Banking S.A., in order to ensure the long-term success of its Clearstream securities settlement and custody segment.

Dividends

Deutsche Börse Group generally aims to distribute dividends equivalent to between 40 and 60 per cent of adjusted net profit for the period attributable to Deutsche Börse AG shareholders. Within this range, the Group manages the actual payout ratio mainly relative to the business performance and based on continuity considerations. In addition, the company plans to invest the remaining available funds primarily in the Group's complementary external development. Should the investment of these funds by the Group not be possible, additional dividend payouts would represent another possibility for distribution.

For the 2019 financial year, Deutsche Börse AG distributed a dividend of €2.90 per no-par value share on 22 May 2020 (2019, for the 2018 financial year: €2.70 per share) translating into an adjusted distribution ratio of 48 per cent (2019 for the 2018 financial year: 49 per cent, also adjusted). With 183.4 million no-par shares bearing dividend rights, this resulted in a total dividend distribution of €531.9 million (2019, for the 2018 financial year: €495.0 million).

Net assets

The following section provides extracts from the consolidated statement of financial position, describing material changes to the Group's net assets. The full consolidated statement of financial position is shown in the [condensed consolidated interim financial statements](#).

As a result of the high levels of volatility in trading activity on the cash and derivatives markets, total assets have risen strongly compared with 31 December 2019. Changes depend to a significant extent on the financial instruments held by central counterparties, receivables and liabilities from banking business, as well as cash deposits from market participants. The level of these items can vary widely on a daily basis according to clients' needs and actions.

Consolidated statement of financial position (extract)

	30 Jun 2020 €m	31 Dec 2019 €m
ASSETS		
Non-current assets	16,564.0	11,706.9
thereof intangible assets	4,997.7	5,008.4
thereof goodwill	3,470.2	3,470.5
thereof other intangible assets	1,026.8	1,040.9
thereof financial securities	10,908.2	6,027.6
thereof financial instruments measured at fair value through other comprehensive income	90.3	66.3
thereof financial assets measured at amortised cost	938.8	698.7
thereof other financial instruments measured at fair value through profit or loss	9,834.9	5,234.2
Current assets	211,726.8	125,458.4
thereof financial instruments held by central counterparties	138,589.3	78,301.5
thereof restricted bank balances	50,607.9	29,988.7
thereof other cash and bank balances	1,030.9	888.1
EQUITY AND LIABILITIES		
Equity	6,191.5	6,110.6
Liabilities	222,099.3	131,054.7
thereof non-current liabilities	13,224.6	8,610.4
thereof financial instruments held by central counterparties	9,834.9	5,234.2
thereof financial liabilities measured at amortised cost	2,629.9	2,627.2
thereof deferred tax liabilities	219.6	226.3
thereof current liabilities	208,874.7	122,444.3
thereof financial liabilities measured at amortised cost	19,985.4	14,432.1
thereof financial instruments held by central counterparties	137,605.3	77,411.5
thereof cash deposits by market participants	50,375.1	29,755.8

Report on post-balance sheet date events

There have been no material events after the balance sheet date.

Risk Report

Deutsche Börse Group provides detailed information on its operating environment, strategy, principles, organisation, processes, methods and concepts of its risk management, as well as measures for managing and reducing risk, in its [2019 annual report on pages 71 to 93](#).

For Deutsche Börse Group, operational risks comprise the unavailability of systems, processing, damage to physical assets as well as legal disputes and business practice. Further information concerning operational risk and the measures to mitigate them can be found in [Deutsche Börse Group's 2019 annual report on pages 78 to 86](#). Generally, there have been no material changes regarding operational risks in the Group's risk profile compared to 2019. At Eurex Clearing, however, there was an increase in the economic capital requirement for operational risks due to sharply increased margin requirements. However, this is offset by sufficient risk bearing capacity.

In January 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 as a global emergency, with more than 9,000 cases reported worldwide (including in 18 countries outside of China). Since the virus has continued to spread on a global scale, the Group coordinated and implemented centralised precautionary measures in order to safeguard the continuity of Deutsche Börse Group's business processes, as well as the health and safety of staff. This includes the introduction of travel bans, implementing social distancing measures, and the gradual transition to remote access for all areas. At the end of April 2020, Deutsche Börse Group initiated a gradual and coordinated return to the office, considering development of local COVID-19 threat levels at the locations of the Group's various sub-groups around the world. The situation is currently being managed on the basis of the Group's incident and crisis management process, to ensure continuous monitoring throughout all Group entities, and at all Group locations worldwide. Despite the COVID-19 situation, there were no restrictions on employee availability.

As to legal proceedings, the following material changes occurred during the first half year of 2020:

On 6 February 2020, a plaintiff filed a complaint naming Clearstream Banking AG and one other entity as defendants. The complaint, which was filed before the courts in Frankfurt, primarily seeks rights to information and turnover of dividends in the amount of approximately €4.1 million plus interest.

For a detailed description of the current status of litigation, please refer to [pages 79 to 82 of Deutsche Börse Group's 2019 annual report](#).

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 if it has a present obligation from an event in the past, and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation, and the amount of the obligation can be reliably estimated. In such cases, there may be an exposure to loss in excess of the amounts accrued. In the event that the afore-mentioned conditions are not met, Deutsche Börse Group does not recognise any provisions. As a litigation or regulatory matter develops, Deutsche Börse Group evaluates on an ongoing basis whether the requirements to recognise a provision are met. The Group may not be able to predict what the eventual loss or range of loss related to such matters will be. The Group does not believe, based on currently available information, that the results of any of these various proceedings will have a material adverse effect on its financial data as a whole.

Deutsche Börse Group is exposed to financial risks mainly in the form of credit, market, and liquidity risk in the financial institutions of the Clearstream Holding group and Eurex Clearing AG. In addition, the Group's cash investments and receivables are subject to credit risk. The majority of cash investments involve short-term transactions that are collateralised, thus minimising liquidity risk as well as market price risk from cash investments. The Group's risk profile with regard to financial risks has not changed fundamentally compared to 2019. However, in the first half of 2020, credit risk was subject to higher fluctuations - triggered in particular by higher transactions at Clearstream and the resulting temporarily higher balances at correspondent banks. Further information concerning financial risks can be found in [the Group's 2019 annual report on pages 86 to 91](#).

Business risk reflects the fact that the Group depends on macroeconomic and geopolitical developments and is influenced by other external events, such as changes in the competitive or regulatory environment. It also includes business strategy risk, i.e. the impact of risks on the business strategy and possible adjustments to it. Furthermore, external factors such as a lack of investor confidence in the financial markets may impact financial performance. With regard to business risk, there have been no material changes in Deutsche Börse Group's risk profile compared to 2019. The Group is closely monitoring potential business risks, such as a deterioration in the economic environment or changes to regulatory provisions, and feels well-positioned to deal with its business risks. Further information concerning business risks can be found in [the Group's 2019 annual report on pages 91 and 92](#).

The Group evaluates its risk situation on an ongoing basis. Taking into account the stress test calculations performed, the required economic capital (REC) and earnings at risk, as well as the risk management system, which it considers to be effective, Deutsche Börse AG's Executive Board is of the opinion that the Group's risk-bearing capacity is sufficient. This evaluation also applies to the first half of 2020. Due to various factors in the overall risk classes, Deutsche Börse Group's REC has increased by 22 per cent – from €2,696 million in the fourth quarter of 2019 to €3,294 million in the second quarter of 2020. As such, an adequate cover pool continues to offset any risks. Therefore, the Executive Board is currently not aware of any material changes to the Group's risk situation as described in the 2019 annual report.

Report on Opportunities

Deutsche Börse Group's opportunity management aims to identify, evaluate and take opportunities as early as possible and turn them into business success. For a detailed description of Deutsche Börse Group's opportunities and opportunity management, please refer to [pages 93 to 96 of the 2019 annual report](#).

Deutsche Börse Group has a very broad portfolio of products and services, with which it covers all areas of a market infrastructure provider's value creation chain. This makes the Group one of the most diversified stock exchange organisations in the world. To maintain and expand this position, the company is pursuing organic growth opportunities, among other things. The Group makes a basic distinction between secular and cyclical opportunities: secular opportunities arise, for example, from regulatory changes, as a result of new client requirements, such as the growing demand for exchange-traded solutions instead of over-the-counter transactions or from the trend of allocating an increasing portion of assets to passive investment strategies (e.g. index funds). The company can actively exploit these opportunities. Cyclical opportunities, on the other hand, cannot be influenced directly by the Group and are driven by macroeconomic changes. Deutsche Börse Group also sees long-term opportunities for the company resulting from technological transformation.

Report on expected developments

Despite the strong start to the year and notwithstanding the ongoing global COVID-19 pandemic, Deutsche Börse Group does not foresee any significant deviation from the forecasts for its results of operations and financial position, [as presented on pages 96 to 99 of the 2019 annual report](#).

Deutsche Börse Group continues to expect an increase in net revenue from secular growth opportunities of at least 5 per cent during the forecast period. The Group is driving this growth through investments. The Group continues to expect adjusted net profit for the period attributable to Deutsche Börse AG shareholders to increase to around €1.20 billion in the forecast period. This view is based on the expectation that the higher-than-expected volatility-driven business activity during the first quarter of 2020 will be largely compensated by declines in activity for individual businesses during the remainder of the year, as with net interest income in the Clearstream segment.

Consolidated income statement

for the period 1 January to 30 June 2020

	Note	Second quarter ended		Six months ended	
		30 Jun 2020 €m	30 Jun 2019 €m	30 Jun 2020 €m	30 Jun 2019 €m
Sales revenue	4	837.8	747.7	1,797.0	1,496.2
Net interest income from banking business		50.4	66.7	118.0	128.7
Other operating income		4.7	3.0	8.3	4.7
Total revenue		892.9	817.4	1,923.3	1,629.6
Volume-related costs		-115.4	-92.6	-231.0	-184.0
Net revenue (total revenue less volume-related costs)		777.5	724.8	1,692.3	1,445.6
Staff costs		-220.0	-186.1	-416.1	-363.2
Other operating expenses	5	-122.6	-105.4	-244.9	-201.5
Operating costs		-342.6	-291.5	-661.0	-564.7
Net income from strategic investments		5.8	0.7	1.9	4.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)		440.7	434.0	1,033.2	884.9
Depreciation, amortisation and impairment losses		-62.6	-55.4	-124.6	-108.5
Earnings before interest and tax (EBIT)		378.1	378.6	908.6	776.4
Financial income		2.2	2.4	3.7	2.8
Financial expense		-20.6	-14.0	-38.6	-31.3
Earnings before tax (EBT)		359.7	367.0	873.7	747.9
Income tax expense		-93.3	-93.0	-226.7	-190.3
Net profit for the period		266.4	274.0	647.0	557.6
thereof attributable to Deutsche Börse AG shareholders		256.7	266.9	623.9	542.1
thereof attributable to non-controlling interests		9.7	7.1	23.1	15.5
Earnings per share (basic) (€)		1.40	1.46	3.40	2.96
Earnings per share (diluted) (€)		1.40	1.46	3.40	2.96

Consolidated statement of comprehensive income

for the period 1 January to 30 June 2020

	Note	Second quarter ended		Six months ended	
		30 Jun 2020 €m	30 Jun 2019 €m	30 Jun 2020 €m	30 Jun 2019 €m
Net profit for the period reported in consolidated income statement		266.4	274.0	647.0	557.6
Items that will not be reclassified to profit or loss:					
Changes from defined benefit obligations		- 1.6	- 36.4	- 32.2	- 54.6
Equity investments measured at FVOCI		3.3	2.6	1.1	- 4.1
Deferred taxes		0.4	9.4	7.9	14.6
		2.1	- 24.4	- 23.2	- 44.1
Items that may be reclassified subsequently to profit or loss:					
Exchange rate differences		- 12.1	- 3.8	- 3.1	0.3
Other comprehensive income from investments using the equity method		0	0	- 0.4	- 0.3
Remeasurement of cash flow hedges		- 2.2	1.3	0.3	- 1.1
Deferred taxes		- 0.3	- 0.3	0.2	0.3
		- 14.6	- 2.8	- 3.0	- 0.8
Other comprehensive income after tax		- 12.5	- 27.2	- 26.2	- 44.9
Total comprehensive income		253.9	246.8	620.8	512.7
thereof Deutsche Börse AG shareholders		246.7	240.2	597.4	496.9
thereof non-controlling interests		7.2	6.6	23.4	15.8

Consolidated balance sheet

as at 30 June 2020

Assets

	Note	30 Jun 2020 €m	31 Dec 2019 €m
NON-CURRENT ASSETS			
Intangible assets	6		
Software		377.9	404.5
Goodwill		3,470.2	3,470.5
Payments on account and software under development		122.7	92.5
Other intangible assets		1,026.8	1,040.9
		4,997.7	5,008.4
Property, plant and equipment	6		
Land and buildings		345.7	346.5
Fixtures and fittings		40.0	39.8
Computer hardware, operating and office equipment as well as car pool		88.1	95.9
Payments on account and construction in progress		15.0	15.8
		488.8	498.0
Financial assets	7		
Financial instruments measured at FVOCI			
Strategic investments		90.3	66.3
Debt instruments		4.7	0
Debt instruments measured at amortised cost		938.8	698.7
Financial instruments measured at FVPL			
Financial instruments held by central counterparties		9,834.9	5,234.2
Other financial assets		39.5	28.4
		10,908.2	6,027.6
Investments in associates and joint ventures		46.6	44.5
Other non-current assets		4.0	4.0
Deferred tax assets		118.7	124.4
Total non-current assets		16,564.0	11,706.9
CURRENT ASSETS			
Debt financial assets measured at amortised cost	7		
Trade receivables		493.0	447.3
Other financial assets		20,613.1	15,381.6
Restricted bank balances		50,607.9	29,988.7
Cash and other bank balances		1,030.9	888.1
Financial instruments measured at FVPL	7		
Financial instruments held by central counterparties		138,589.3	78,301.5
Derivatives		7.6	1.4
Other financial assets		0.4	0.4
Income tax assets		116.5	108.5
Other current assets		268.2	340.9
Total current assets		211,726.8	125,458.4
Total assets		228,290.9	137,165.3

Equity and liabilities

	Note	30 Jun 2020 €m	31 Dec 2019 €m
EQUITY			
Subscribed capital		190.0	190.0
Share premium		1,344.7	1,344.7
Treasury shares		- 471.8	- 471.8
Revaluation surplus		- 74.8	- 52.1
Retained earnings		4,815.9	4,724.5
Shareholders' equity		5,804.0	5,735.3
Non-controlling interests		387.5	375.3
Total equity		6,191.5	6,110.6
NON-CURRENT LIABILITIES			
Provisions for pensions and other employee benefits	8	231.6	193.5
Other non-current provisions		214.4	225.2
Financial liabilities measured at amortised cost	7	2,629.9	2,627.2
Financial liabilities measured at FVPL	7		
Financial instruments held by central counterparties		9,834.9	5,234.2
Other financial liabilities		80.3	84.3
Other non-current liabilities		13.9	19.7
Deferred tax liabilities		219.6	226.3
Total non-current liabilities		13,224.6	8,610.4
CURRENT LIABILITIES			
Tax provisions		240.9	231.8
Other current provisions		209.9	250.7
Financial liabilities measured at amortised cost	7		
Trade payables		196.1	206.7
Other financial liabilities		19,793.8	14,225.4
Cash deposits from market participants		50,375.1	29,755.8
Financial liabilities measured at FVPL	7		
Financial instruments held by central counterparties		137,605.3	77,411.5
Derivatives		36.7	25.9
Other financial liabilities		3.6	3.6
Other current liabilities		413.4	332.9
Total current liabilities		208,874.7	122,444.3
Total liabilities		222,099.3	131,054.7
Total equity and liabilities		228,290.9	137,165.3

Consolidated cash flow statement

for the period 1 January to 30 June 2020

	Note	Six months ended	
		30 Jun 2020	30 Jun 2019
		€m	€m
Net profit for the period		647.0	557.6
Depreciation, amortisation and impairment losses	6	124.6	109.5
Increase/(decrease) in non-current provisions		- 4.9	9.6
Deferred tax income		8.1	- 11.0
Other non-cash income		41.5	- 36.0
Changes in working capital, net of non-cash items:		- 1.0	- 162.5
(Increase)/decrease in receivables and other assets		- 110.7	- 122.0
Increase/(decrease) in current liabilities		109.9	- 38.5
Increase/(decrease) in non-current liabilities		- 0.2	- 2.0
Net gain on disposal of non-current assets		0.0	- 0.7
Cash flows from operating activities excluding CCP positions		815.3	466.5
Changes in liabilities from CCP positions		- 361.2	1,735.2
Changes in receivables from CCP positions		283.4	- 1,956.2
Cash flows from operating activities		737.5	245.5
Payments to acquire intangible assets		- 61.5	- 50.9
Payments to acquire property, plant and equipment		- 17.4	- 22.8
Payments to acquire non-current financial instruments		- 358.9	- 22.3
Payments to acquire investments in associates and joint ventures		- 4.7	- 0.5
Payments resulting from business combinations, net of cash acquired		- 2.7	- 8.2
Proceeds from the disposal of shares in associates and joint ventures		0.0	2.7
Net increase in current receivables and securities from banking business with an original term greater than three months		- 244.7	465.3
Net decrease in current liabilities from banking business with an original term greater than three months		93.8	- 248.5
Proceeds from disposals of financial instruments		368.1	42.7
Proceeds from disposals of intangible assets		0.1	0
Cash flows from investing activities		- 227.9	157.5

	Note	30 Jun 2020 €m	Six months ended 30 Jun 2019 €m
Purchase of treasury shares		- 3.2	0
Payments to non-controlling interests		- 11.8	- 6.7
Proceeds from long-term financing		603.6	0
Repayment of short-term financing		- 292.9	0
Net payments from leases (IFRS 16)		- 20.3	- 18.8
Dividends paid		- 531.9	- 495.0
Cash flows from financing activities		- 256.5	- 520.5
Net change in cash and cash equivalents		253.0	- 117.5
Effect of exchange rate differences		- 1.5	- 0.7
Cash and cash equivalents at beginning of period		2,145.4	1,839.0
Cash and cash equivalents at end of period	9	2,396.9	1,720.8
Additional information concerning payments reflected within cash flows from operating activities:			
Interest and similar income received		293.1	275.6
Dividends received		4.2	3.9
Interest paid		- 158.7	- 143.4
Income tax paid		- 218.2	- 344.2

Consolidated statement of changes in equity

for the period 1 January to 30 June 2020

	Attributable to owners of Deutsche Börse AG		
	Subscribed capital €m	Share premium €m	Treasury shares €m
Balance as at 1 January 2019	190.0	1,340.4	- 477.7
Net profit for the period	0	0	0
Other comprehensive income after tax	0	0	0
Total comprehensive income	0	0	0
Exchange rate differences and other adjustments	0	0	0
Purchase of treasury shares	0	0	0
Changes due to capital increases/decreases	0	0	0
Dividends paid	0	0	0
Transactions with shareholders	0	0	0
Balance as at 30 June 2019	190.0	1,340.4	- 477.7
Balance as at 1 January 2020	190.0	1,344.7	- 471.8
Net profit for the period	0	0	0
Other comprehensive income	0	0	0
Total comprehensive income	0	0	0
Exchange rate differences and other adjustments	0	0	0
Changes due to capital increases/decreases	0	0	0
Dividends paid	0	0	0
Transactions with shareholders	0	0	0
Balance as at 30 June 2020	190.0	1,344.7	- 471.8

	Attributable to owners of Deutsche Börse AG			Non-controlling interests €m	Total equity €m
	Revaluation surplus €m	Retained earnings €m	Shareholders' equity €m		
	- 10.2	3,779.4	4,821.9	133.5	4,955.4
	0	542.1	542.1	15.5	557.6
	- 44.9	- 0.3	- 45.2	0.3	- 44.9
	- 44.9	541.8	496.9	15.8	512.7
	0	8.5	8.5	- 0.3	8.2
	0	0	0	- 7.6	- 7.6
	0	0	0	0	0
	0	- 495.0	- 495.0	0	- 495.0
	0	- 486.5	- 486.5	- 7.9	- 494.4
	- 55.1	3,834.7	4,832.3	141.4	4,973.7
	- 52.1	4,724.5	5,735.3	375.3	6,110.6
	0	623.9	623.9	23.1	647.0
	- 22.7	- 3.8	- 26.5	0.3	- 26.2
	- 22.7	620.1	597.4	23.4	620.8
	0	3.2	3.2	0.6	3.8
	0	0	0	- 11.8	- 11.8
	0	- 531.9	- 531.9	0	- 531.9
	0	- 528.7	- 528.7	- 11.2	- 539.9
	- 74.8	4,815.9	5,804.0	387.5	6,191.5

Notes to the condensed interim consolidated financial statements

Basis of preparation

1. General principles

Company information

Deutsche Börse AG is the parent company of Deutsche Börse Group. Deutsche Börse AG (the “company”) has its registered office in Frankfurt/Main, and is registered in the commercial register B of the Frankfurt/Main Local Court (Amtsgericht Frankfurt am Main) under HRB 32232. Deutsche Börse AG and its subsidiaries operate cash and derivatives markets. Its business areas range from pre-IPO and growth financing services, the admission of securities to listing, through trading, clearing and settlement, down to custody of securities. Furthermore, IT services are provided and market information distributed. Moreover, certain subsidiaries of Deutsche Börse AG own a banking licence and offer banking services to customers.

The Group’s revenues are influenced more by the volatility and the transaction volumes on the capital markets than by seasonal factors. Owing to a concentration of costs for projects only coming to completion in the fourth quarter, costs in that quarter tend to be higher than in the first three quarters of the financial year. Changes in consolidated total assets depend to a significant extent on the financial instruments of the central counterparties, receivables and liabilities from banking business, as well as cash deposits from market participants. The level of these items can vary widely on a daily basis according to customers’ needs and actions.

Basis of reporting

The interim financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs) and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of International Accounting Standards. These interim financial statements were prepared pursuant to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*; WpHG) as well as in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” and are subject to a review by external auditors (“*prüferische Durchsicht*”). In accordance with IAS 34, a condensed scope of reporting was selected as compared with the consolidated financial statements as of 31 December 2019. Deutsche Börse AG’s interim financial statements have been prepared in euros, the functional currency of Deutsche Börse AG. Unless stated otherwise, all amounts are shown in millions of euros (€m). Due to rounding, actual amounts may differ from unrounded or disclosed figures. This may cause slight deviations from the figures disclosed in the previous year.

The income tax expense for the interim reporting period was calculated using a forecast effective Group tax rate of 26 per cent. The nominal tax rates used when calculating the Group tax rate ranged between 10 and 34.6 per cent. Deferred tax assets are recognised for unused tax loss carryforwards only to the extent that it is probable that future taxable profit will be available.

Accounting policies

The accounting policies applied by the Group in these interim financial statements are in line with those applied and presented in the consolidated financial statements.

Amended accounting standards – adopted in the period under review

The audited and published consolidated financial statements as at 31 December 2019, including the notes, shall be considered regarding these interim financial statements. Furthermore, Deutsche Börse Group applied any and all mandatory standards and interpretations endorsed by the European Commission.

Standard/Amendment/Interpretation

		Application date	Effects at Deutsche Börse Group
IFRS 3	Amendment: Definition of a Business	1 Jan 2020	Non-material
IAS 1, IAS 8	Amendment: Definition of Material	1 Jan 2020	Non-material
	Revised Framework	1 Jan 2020	Non-material
IFRS 9, IAS 39, IFRS 7	Amendments: IBOR reform	1 Jan 2020	Non-material

New accounting standards – not yet implemented

The IASB issued the following new or amended standards and interpretations, which were not applied in the reporting year, because endorsement by the EU was still pending or the application was not mandatory. The new or amended standards and interpretations must be applied for financial years beginning on or after the effective date. Even though early application may be permitted for some standards, Deutsche Börse Group does usually not use any early application options.

Standard/Amendment/Interpretation

		Application date	Effects at Deutsche Börse Group
IFRS 4	Amendments to Insurance Contracts	1 Jan 2021	None
IFRS 16	Amendment to IFRS 16: Covid-19-Related Rent Concessions	1 Jun 2020	No effects on financial position and financial performance
IFRS 3	Amendments to Business Combinations	1 Jan 2022	Currently being investigated
IAS 16	Amendments to Property, Plant and Equipment	1 Jan 2022	Currently being investigated
IAS 37	Amendments to Provisions, Contingent Liabilities and Contingent Assets	1 Jan 2022	Currently being investigated
IAS 1	Amendments to Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 Jan 2022	Currently being investigated
IFRS 17	Insurance Contracts	1 Jan 2023	See notes under this table

IFRS 17 “Insurance Contracts”

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents insurance contracts. According to the standard, insurance liabilities shall be measured at the current fulfilment cash flows instead of historical costs. Furthermore, the objective is to form a uniform basis regarding the recognition, measurement and presentation of insurance contracts, including the notes. In the EU, the standard must be applied for financial years beginning on or after 1 January 2023 and has not yet been adopted by the EU. Deutsche Börse Group currently analyses the potential impact on the consolidated financial statements; no material effects for its financial position and financial performance are expected.

2. COVID-19 pandemic

The first half of 2020 was characterised primarily by the persistent global COVID-19 pandemic and associated uncertainty amongst market participants concerning the massive economic impact worldwide. The associated volatility is one of the key drivers of trading activity on the cash and derivatives markets. At present, Deutsche Börse Group does not anticipate any resultant significant impact on its financial position and financial performance. This is due to the fact that the other framework conditions have not changed significantly, compared to [the presentation in the 2019 annual report \(page 28\)](#). An extraordinary impairment test conducted in the second quarter of 2020 as regards non-current assets did not result in any impairment losses to be recognised. The recoverable amounts determined during the course of the test for all cash-generating units analysed exceeded the corresponding carrying amounts. Furthermore, at present, there are no discernible losses of claims – beyond the normal level – which might influence Deutsche Börse Group’s results. Deutsche Börse Group has also not drawn on any government support.

3. Group structure

Fondcenter AG, Zurich, Switzerland (Fondcenter)

On 21 January 2020, Deutsche Börse Group announced that the Group’s post-trade services provider Clearstream and UBS had agreed on a partnership in the investment fund services business segment. The companies have entered into an agreement under which Clearstream Holding AG, Frankfurt, Germany, will acquire 51 per cent of the fund distribution platform Fondcenter AG, Zurich, Switzerland, from UBS for a purchase price of CHF 389 million. UBS will retain a minority of 49 per cent. The newly combined company will become the centre of excellence for fund distribution services within Deutsche Börse Group and will significantly enhance Clearstream’s existing Fund Desk business (formerly Swisscanto Funds Centre). This will create one of the leading fund distribution service provider – to the benefit of UBS as well as Clearstream customers.

The transaction is expected to be closed at the end of the third quarter of 2020. Following transaction closing, Deutsche Börse Group will exercise control over the Fondcenter business, and will therefore include the entity in its basis of consolidation. At the time of publication of these interim financial statements, detailed information regarding the purchase price allocation is not yet available.

There were no other material business combinations at Deutsche Börse Group in the first half of 2020.

Consolidated income statement disclosures

4. Sales revenue

Deutsche Börse Group reports its sales revenue on the basis of its segment structure. Deutsche Börse Group adjusted its segment reporting starting with the first quarter of 2020. The former GSF (collateral management) segment has been fully allocated to the Clearstream (post-trading) segment. Business in the former Data (data business) segment is now being reported within the Xetra (securities trading) and Eurex (financial derivatives) segments. The corresponding comparative figures for the previous year were adjusted.

Composition of sales revenue (part 1)

	Second quarter ended		Six months ended	
	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m
Xetra (securities trading)				
Trading and clearing	61.5	42.7	131.7	85.4
Listing	3.8	4.9	8.2	9.1
Xetra data	31.6	31.4	63.2	66.7
Other	11.2	10.2	22.0	25.3
	108.1	89.2	225.1	186.5
Eurex (financial derivatives)				
Equity index derivatives	143.9	130.1	357.4	262.3
Interest rate derivatives	45.3	54.7	107.6	110.9
Equity derivatives	13.8	16.4	30.8	31.6
OTC clearing	12.1	10.3	24.1	19.9
Margin fees	7.4	4.4	12.8	8.2
Infrastructure	20.7	19.2	40.7	37.4
Eurex data	15.5	15.3	31.0	30.5
Other	9.3	11.0	18.2	19.2
	268.0	261.4	622.6	520.0
EEX (commodities)				
Power derivatives	36.6	29.8	76.9	61.7
Power spot	19.0	18.4	38.4	35.7
Gas	13.3	14.5	29.0	29.0
Other	10.2	12.1	25.9	26.0
	79.1	74.8	170.2	152.4

Composition of sales revenue (part 2)

	Second quarter ended		Six months ended	
	30 Jun 2020	30 Jun 2019 ¹⁾	30 Jun 2020	30 Jun 2019 ¹⁾
	€m	€m	€m	€m
360T (foreign exchange)				
Trading	19.0	18.2	42.2	36.0
Other	6.1	5.2	12.5	9.9
	25.1	23.4	54.7	45.9
Clearstream (post-trading)				
Custody	142.8	132.0	286.1	260.0
Settlement	47.1	31.8	93.9	63.2
Third-party services	5.9	5.9	13.7	13.7
GSF	29.0	28.4	56.6	57.4
Other	31.0	26.2	61.1	51.7
	255.8	224.3	511.4	446.0
IFS (investment fund services)				
Custody	21.3	18.6	43.3	36.5
Settlement	18.1	14.4	38.2	27.9
Other	15.1	13.7	32.3	26.6
	54.5	46.7	113.8	91.0
Qontigo (index and analytics business)				
ETF licences	8.6	10.7	17.9	20.4
Exchange licence revenue	7.5	8.4	20.8	17.4
Axioma	17.9	0	41.6	0
Other licences	27.0	23.9	54.0	47.2
	61.0	43.0	134.3	85.0
Total	851.6	762.8	1,832.1	1,526.8
Consolidation of internal sales revenue	- 13.8	- 15.1	- 35.1	- 30.6
Group	837.8	747.7	1,797.0	1,496.2

1) Comparative figures for the previous year were adjusted.

5. Other operating expenses

Composition of other operating expenses

	Second quarter ended		Six months ended	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	€m	€m	€m	€m
Costs for IT service providers and other consulting services	52.3	42.1	105.6	78.0
IT costs	33.2	28.5	65.5	57.5
Premises expenses	7.3	7.0 ¹⁾	14.1	13.2 ¹⁾
Non-recoverable input tax	5.5	9.4	16.4	17.0
Travel, entertainment and corporate hospitality expenses	0.6	5.9	3.2	10.2
Advertising and marketing costs	3.2	4.5	7.7	9.0
Voluntary social benefits	0.9	1.3	2.0	2.4
Insurance premiums, contributions and fees	5.6	2.9	8.5	5.8
Cost of agency agreements	0.1	0.0	0.1	0.1
Supervisory Board remuneration	1.4	1.1	1.8	1.9
Short-term leases	0.8	0.5 ¹⁾	1.5	1.0 ¹⁾
Cost of exchange rate differences	1.8	0.1	2.1	0.5
Miscellaneous	9.9	2.1	16.3	5.0
Total	122.6	105.4	244.9	201.5

1) Short-term leases were reported in premises expenses in the previous year.

Costs for IT service providers and other consulting services relate mainly to expenses in conjunction with software development. These costs also contain costs of strategic and legal consulting services as well as of audit activities.

Consolidated balance sheet disclosures

6. Intangible assets and property, plant and equipment

The item “Intangible assets” primarily consists of goodwill in the amount of €3,470.2 million (31 December 2019: €3,470.5 million), other intangible assets (licences, trade names and customer relationships) in the amount of €1,026.8 million (31 December 2019: €1,040.9 million), as well as internally developed software in the amount of €263.3 million (31 December 2019: €278.6 million).

As at 30 June 2020, property, plant and equipment amounted to €488.8 million (31 December 2019: €498.0 million). Deutsche Börse Group leases a variety of different assets. This includes buildings, data centres, passenger vehicles and fixtures and fittings in land and buildings. As a lessee in the case of an operating lease, the Group presents the leased asset as an item of property, plant and equipment and measures such an asset at amortised cost. The corresponding carrying amounts are presented in the table below:

Right-of-use assets	30 Jun 2020 €m	31 Dec 2019 €m
Land and buildings	345.7	346.5
IT hardware, operating and office equipment as well as car pool	5.6	7.0
Total	351.3	353.5

7. Financial instruments

7.1 Financial assets

Financial assets (except financial instruments of central counterparties) totalled €1,073.3 million as at 30 June 2020 (31 December 2019: €793.4 million).

7.2 Financial liabilities measured at amortised cost

In the second quarter, Deutsche Börse AG made a repurchase offer to the investors of a bond (DE000A161W62). In the context of this tender, a volume of €284.9 million was repurchased at a purchase price of 101.0 per cent respectively; this resulted in a negative effect on profit or loss of €3.2 million. A new hybrid bond (DE000A289N78) with a nominal volume of €600.0 million was issued to refinance this bond. This hybrid bond has a term of 27 years and a coupon of 1.25 per cent.

The balance of lease liabilities of Deutsche Börse Group amounts to €382.5 million (31 December 2019: €380.1 million)

7.3 Fair value hierarchy

The financial assets measured at fair value includes financial assets and liabilities of the following three hierarchy levels:

- Level 1: Financial instruments with a quoted price for identical assets and liabilities in an active market.
- Level 2: Financial instruments with no quoted prices for identical instruments on an active market and whose fair value is determined using valuation methods based on observable market parameters (e.g. OTC derivatives).
- Level 3: Financial instruments where the fair value is determined using one or more unobservable significant inputs. This does not apply to equity instruments.

There were no transfers between the levels for recurring fair value measurements during the year under review.

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

Fair value hierarchy

	Fair value as at 30 Jun 2020 €m	thereof attributable to:		
		Level 1 €m	Level 2 €m	Level 3 €m
Measured at fair value on a recurring basis				
ASSETS				
Financial assets measured at fair value through other comprehensive income (FVOCI)				
Strategic investments	90.3	10.4	0	79.9
Debt instruments	4.7	4.7	0	0
Total	95.0	15.1	0	79.9
Financial assets measured at fair value through profit or loss (FVPL)				
Non-current financial instruments of the central counterparties	9,834.9	0	9,834.9	0
Other non-current financial assets	39.5	13.7	0	25.8
Current financial instruments of the central counterparties	138,589.3	0	138,589.3	0
Current derivatives	7.6	0	7.6	0
Other current financial assets	0.4	0	0	0.4
Total	148,471.7	13.7	148,431.8	26.1
Total assets	148,566.7	28.8	148,431.8	106.1
LIABILITIES				
Financial liabilities measured at fair value through profit or loss (FVPL)				
Non-current financial instruments of the central counterparties	- 9,834.9	0	- 9,834.9	0
Other non-current financial liabilities	- 80.3	0	0	- 80.3
Current financial instruments of the central counterparties	- 137,605.3	0	- 137,605.3	0
Current derivatives	- 36.7	0	- 36.7	0
Other current financial liabilities	- 3.6	0	0	- 3.6
Total liabilities	- 147,560.8	0	- 147,476.9	- 83.9

Fair value hierarchy

	Fair value as at 30 Jun 2019 €m	thereof attributable to:		
		Level 1 €m	Level 2 €m	Level 3 €m
Measured at fair value on a recurring basis				
ASSETS				
Financial assets measured at fair value through other comprehensive income (FVOCI)				
Strategic investments	70.2	19.9	0	50.3
Financial assets measured at fair value through profit or loss (FVPL)				
Non-current financial instruments of the central counterparties	6,635.4	0	6,635.4	0
Non-current financial assets	26.1	10.1	0	16.0
Current financial instruments of the central counterparties	95,298.7	0	95,298.7	0
Current derivatives	0.1	0	0.1	0
Other current financial assets	0.4	0	0	0.4
Total	101,960.7	10.1	101,934.2	16.4
Total assets	102,030.9	30.0	101,934.2	66.7
LIABILITIES				
Financial liabilities measured at fair value through profit or loss (FVPL)				
Non-current financial instruments of the central counterparties	- 6,635.4	0	- 6,635.4	0
Non-current financial liabilities (FVPL)	- 0.7	0	0	- 0.7
Current financial instruments of the central counterparties	- 94,578.4	0	- 94,578.4	0
Current derivatives	- 19.0	0	- 19.0	0
Total liabilities	- 101,233.5	0	- 101,232.8	- 0.7

Changes in level 3 financial instruments

	Financial assets		Financial liabilities	Total
	Strategic investments €m	measured at fair value through profit or loss €m	measured at fair value through profit or loss €m	
Balance as at 1 Jan 2020	53.8	17.5	- 87.9	- 16.6
Acquisitions from business combinations	0	0	0	0
Changes in the basis of consolidation	0	0	0	0
Additions	23.0	8.7	0	31.7
Disposals	0	- 0.5	3.2	2.7
Unrealised capital gains/(losses) recognised in profit or loss	0	0.4	0.8	1.2
Financial result	0	0	0	0
Other operating expenses	0	0	0	0
Other operating income	0	0	0	0
Net income from strategic investments	0	0.4	0	0.4
Staff costs	0	0	0.8	0.8
Changes recognised in the revaluation surplus	3.2	0	0	3.2
Unrealised gains/(losses) from currency translation recognised in equity	- 0.1	0	0	- 0.1
Balance as at 30 Jun 2020	79.9	26.1	- 83.9	22.1

The value of level 3 equity investments is reviewed on a quarterly basis using internal valuation models.

In the first half of the year, fund units amounting to €5.1 million were acquired. The valuation of the investment fund shares at fair value resulted in an effect of €0.4 million, which was recognised in the result from strategic investments. Fair value measurement is based on the net asset value determined by the issuer.

In the first half of 2020, a convertible bond was acquired; the market value of this bond was determined using internal valuation models. This item also comprises a convertible bond whose market value is determined using internal valuation models. As at 30 June 2020, the fair value of the bond was €3.6 million.

In the context of the acquisition of Axioma Inc., certain options rights were granted to the management that are included in financial liabilities measured at fair value through profit or loss. The valuation of these option rights resulted in a negative measurement effect of €0.8 million which was recognised through profit or loss in staff costs.

There were no further material changes in the reporting year regarding financial assets and liabilities allocated to level 3. A change in the parameters observable on the market, taking into account realistic alternative assumptions, would not have any material effects on the carrying amounts of the unlisted equity securities measured at fair value through profit or loss as at the reporting date.

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

The issued bonds have a fair value of €2,739.5 million (31 December 2019: €2,451.1 million) and are disclosed under “other financial liabilities measured at amortised cost”. The fair value of such instruments is based on quoted prices for the debt instruments. Hence, debt instruments were allocated to level 1. The increase compared to 31 December 2019 is attributable primarily to the repurchase of a bond and the new issue of the bond mentioned above.

The fixed-income securities held have a fair value of €1,277.1 million (31 December 2019: €1,360.1 million). They are recognised as part of debt instruments measured at amortised cost. The fair value of the securities was determined by reference to published price quotations in an active market. The securities were allocated to level 1.

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

- Other financial assets reported under (non-)current debt financial instruments measured at amortised cost
- Restricted bank balances
- Cash and other bank balances
- Cash deposits from market participants
- Trade receivables
- Trade payables
- Other financial liabilities reported under non-current financial liabilities measured at amortised cost

8. Pension provisions

Pension provisions are measured using the projected unit credit method in accordance with IAS 19 on the basis of actuarial reports. As at 30 June 2020, the discount rate for pension plans and other employee benefits was 0.9 per cent in Germany and Luxembourg (31 December 2019: 1.0 per cent; 30 June 2019: 1.15 per cent).

Other disclosures

9. Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents

	30 Jun 2020 €m	30 Jun 2019 €m
Restricted bank balances	50,607.9	31,363.8
Cash and other bank balances	1,030.8	943.5
Net position of financial instruments held by central counterparties	984.0	720.3
Current financial instruments measured at amortised cost	20,613.1	21,637.2
Less financial instruments with an original maturity exceeding 3 months	-1,782.9	- 1,091.7
Current financial liabilities measured at amortised cost	-19,487.5	- 20,960.7
Less financial instruments with an original maturity exceeding 3 months	806.6	108.5
Current liabilities from cash deposits by market participants	-50,375.1	- 31,000.4
Cash and cash equivalents	2,396.9	1,720.5

10. Earnings per share

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

Diluted earnings per share are determined by adding the number of potentially dilutive ordinary shares that may be acquired under the share-based payment programmes to the average number of shares. In order to calculate the number of potentially dilutive ordinary shares, the exercise prices were adjusted for the fair value of the services still to be provided.

When determining diluted earnings per share, all long-term sustainable investment (LSI) tranches for which cash settlement has not been resolved are assumed to be equity-settled – regardless of the actual accounting in accordance with IFRS 2.

There were the following potentially dilutive rights to purchase shares as at 30 June 2020:

Calculation of the number of potentially dilutive ordinary shares

Tranche	Exercise price	Adjustment of the exercise price according to IAS 33	Average number of outstanding options	Average price for the period ¹⁾	Number of potentially dilutive ordinary shares
			30 Jun 2020	€	30 Jun 2020
2014 ²⁾	0	0	568	143.27	568

1) Average price of Deutsche Börse AG shares on Xetra for the period 1 January to 30 June 2020

2) This relates to share subscription rights within the scope of the Long-term Sustainability Instrument (LSI) for senior executives.

As the average share price was higher than the adjusted exercise price for the 2014 tranche, these subscription rights are considered to be dilutive under IAS 33 as at 30 June.

Calculation of earnings per share (basic and diluted)

	Second quarter ended		Six months ended	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
Number of shares outstanding as at beginning of period	183,428,970	183,346,965	183,429,035	183,347,045
Number of shares outstanding as at end of period	183,428,970	183,346,965	183,428,970	183,346,965
Weighted average number of shares outstanding	183,428,970	183,346,965	183,429,002	183,346,991
Number of potentially dilutive ordinary shares	163	29,101	568	17,476
Weighted average number of shares used to compute diluted earnings per share	183,429,133	183,376,066	183,429,570	183,364,467
Net income for the period (€m)	256.7	266.9	623.9	542.1
Earnings per share (basic) (€)	1.40	1.46	3.40	2.96
Earnings per share (diluted) (€)	1.40	1.46	3.40	2.96

As at 30 June 2020, there were no subscription rights that were excluded from the calculation of the weighted average of potentially dilutive shares for having a dilutive effect during the reporting year ending on the reporting date.

11. Segment reporting

Deutsche Börse divides its business into seven individual segments. This structure serves as a basis for the Group's internal management and financial reporting (for details concerning the allocation of the various business divisions to the individual segments, please see "Fundamental Information about the Group" in the 2019 Annual Report on pages 18 to 28 as well as the adjustments to segment reporting see "Comparability of figures" in the Interim Group Management Report for the second quarter of 2020. The corresponding comparative figures for the previous year were adjusted.

Net revenue

	Second quarter ended		Six months ended	
	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m
Eurex (financial derivatives)	271.5	255.3	617.8	505.6
EEX (commodities)	71.2	71.3	153.0	144.9
360T (foreign exchange)	23.6	21.8	51.2	43.2
Xetra (securities trading)	94.4	79.3	195.8	166.1
Clearstream (post-trading)	212.6	214.8	448.3	423.5
IFS (investment fund services)	50.8	43.6	106.4	85.3
Qontigo (index and analytics business)	53.4	38.7	119.8	77.0
Total	777.5	724.8	1,692.3	1,445.6

Operating costs

	Second quarter ended		Six months ended	
	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m
Eurex (financial derivatives)	92.3	74.8	175.8	149.3
EEX (commodities)	44.2	39.0	86.8	77.7
360T (foreign exchange)	13.1	16.9	27.9	29.8
Xetra (securities trading)	39.5	34.7	73.9	69.2
Clearstream (post-trading)	92.5	82.8	172.8	157.9
IFS (investment fund services)	32.0	26.6	58.6	50.3
Qontigo (index and analytics business)	29.0	16.7	65.2	30.5
Total	342.6	291.5	661.0	564.7

Earnings before interest, tax, depreciation and amortisation (EBITDA)

	Second quarter ended		Six months ended	
	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m	30 Jun 2020 €m	30 Jun 2019 ¹⁾ €m
Eurex (financial derivatives)	184.1	180.3	442.1	358.1
EEX (commodities)	26.9	32.2	66.0	67.0
360T (foreign exchange)	10.5	4.9	23.3	13.4
Xetra (securities trading)	56.1	46.4	124.6	99.8
Clearstream (post-trading)	119.9	131.2	274.8	265.1
IFS (investment fund services)	18.8	17.0	47.8	35.0
Qontigo (index and analytics business)	24.4	22.0	54.6	46.5
Total	440.7	434.0	1,033.2	884.9

Depreciation and amortisation

	Second quarter ended		Six months ended	
	30 Jun 2020	30 Jun 2019 ¹⁾	30 Jun 2020	30 Jun 2019 ¹⁾
	€m	€m	€m	€m
Eurex (financial derivatives)	12.7	14.9	26.0	29.2
EEX (commodities)	9.1	7.7	17.8	14.9
360T (foreign exchange)	5.1	4.7	10.0	9.4
Xetra (securities trading)	4.8	4.1	9.6	8.2
Clearstream (post-trading)	17.9	17.2	35.8	33.7
IFS (investment fund services)	5.7	4.9	11.4	9.4
Qontigo (index and analytics business)	7.3	1.9	14.0	3.7
Total	62.6	55.4	124.6	108.5

EBIT

	Second quarter ended		Six months ended	
	30 Jun 2020	30 Jun 2019 ¹⁾	30 Jun 2020	30 Jun 2019 ¹⁾
	€m	€m	€m	€m
Eurex (financial derivatives)	171.4	165.4	416.1	328.9
EEX (commodities)	17.8	24.5	48.2	52.1
360T (foreign exchange)	5.4	0.2	13.3	4.0
Xetra (securities trading)	51.3	42.3	115.0	91.6
Clearstream (post-trading)	102.0	114.0	239.0	231.4
IFS (investment fund services)	13.1	12.1	36.4	25.6
Qontigo (index and analytics business)	17.1	20.1	40.6	42.8
Total	378.1	378.6	908.6	776.4

Employees (average FTE)

	30 Jun 2020	31 Dec 2019 ¹⁾
Eurex (financial derivatives)	1,414	1,244
EEX (commodities)	798	734
360T (foreign exchange)	257	241
Xetra (securities trading)	674	681
Clearstream (post-trading)	1,924	1,836
IFS (investment fund services)	816	782
Qontigo (index and analytics business)	544	323
Total	6,427	5,841

1) Comparative figures for the previous year were adjusted.

12. Other risks

Deutsche Börse Group provides details regarding litigation in the combined management report ([see explanations in the risk report](#)).

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 are initially recognised based on their probability of occurrence. These risks are then measured on the basis of their expected value. A tax liability is recognised in the event that it is more probable than not that the risks will occur. Deutsche Börse Group continuously reviews whether the conditions for recognising corresponding tax provisions are met.

13. Related party disclosures

Related parties as defined by IAS 24 are members of the executive bodies of Deutsche Börse AG as well as the companies classified as associates of Deutsche Börse AG, investors and investees, and companies that are controlled or significantly influenced by members of the executive bodies.

Business relationships with related parties and key management personnel

The following table shows transactions entered into within the scope of business relationships with non-consolidated companies of Deutsche Börse AG during the first half of 2020. All transactions were concluded at prevailing market terms and in the normal course of business.

Transactions with related parties

	Transactions amount:								Outstanding balances			
	revenues – in the second quarter ended 30 Jun		expenses – in the second quarter ended 30 Jun		revenues – in the first half ended 30 Jun		expenses – in the first half ended 30 Jun		receivables as at 30 Jun		liabilities as at 30 Jun	
	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m	2020 €m	2019 €m
Associates	4.1	3.2	- 6.6	- 4.7	7.8	6.1	- 12.6	- 9.7	2.0	1.3	- 1.9	- 0.4
Total sum of business transactions	4.1	3.2	- 6.6	- 4.7	7.8	6.1	- 12.6	- 9.7	2.0	1.3	- 1.9	- 0.4

Business relationships 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.

European Commodity Clearing Luxembourg S.à r.l., Luxembourg, (ECC Luxembourg), – a subsidiary of European Commodity Clearing AG and therefore a member of the EEX Group entered into a managing director agreement with IDS Lux S.à r.l., Luxembourg. The subject of the agreement is to provide a natural person for the function of managing director in the management of ECC Luxembourg. In addition to this position as managing director of ECC Luxembourg, this person is also a member of the key management personnel at IDS Lux S.à r.l. In the first half of 2020, ECC Luxembourg made payments in the amount of approximately €7.0 thousand for these management services.

The Board of Directors of LuxCSD S.A., Luxembourg, an associate from Deutsche Börse Group's perspective, comprises two members of the management of fully consolidated subsidiaries who are maintaining a key position within these subsidiaries of Deutsche Börse Group. There are business relationships with Clearstream Banking S.A., Luxembourg, Clearstream Services S.A., Luxembourg, Clearstream International S.A., Luxembourg, Clearstream Banking AG, Frankfurt/Main, Germany, Deutsche Börse AG, Frankfurt/Main, Germany, and Eurex Clearing AG, Frankfurt/Main, Germany, to LuxCSD S.A. Overall, revenue of €606.7 thousand as well as expenses of €864.0 thousand were recognised for such contracts during the first half of 2020.

Furthermore, an Executive Board member of Clearstream Banking AG concurrently holds an executive position within Deutsche Börse Commodities GmbH, Frankfurt/Main, Germany, an associate of Deutsche Börse Group. During the first half of 2020, Deutsche Börse Group realised revenue of €2,983.3 thousand and incurred expenses of €10,974.7 thousand based on the business relationship with Deutsche Börse Commodities GmbH.

Two members of the management of Deutsche Börse AG and Eurex Frankfurt AG are members of China Europe International AG (CEINEX), Frankfurt/Main, Germany. This stock corporation was established as a joint venture between Shanghai Stock Exchange Ltd., Shanghai, China; China Financial Futures Exchange, Shanghai, China; and Deutsche Börse AG. During the first half of 2020, Deutsche Börse Group incurred expenses of €24.3 thousand based on the business relationship with CEINEX.

A member of the management of Axioma Inc., New York, USA, as well as one related party to this company which exercises control over the company Cloud9 Smart, New York, USA, maintain business relationships with each other. In the context of services provided by Cloud9 Smart and Axioma Inc., expenses of €75.1 thousand were incurred in the first half of 2020. As at 30 June 2020, liabilities amounted to €31.4 thousand.

Selected executives of Deutsche Börse Group companies also hold a key management position within the Clearstream Pension Fund, an “association d'épargne pension” (ASSEP) under Luxembourg law. This defined benefit plan, established in favour of the Luxembourg staff of Clearstream International S.A., Clearstream Banking S.A., as well as Clearstream Services S.A., is funded through cash payments to the ASSEP under Luxembourg law.

14. Events after the reporting date

There have been no material events after the balance sheet date.

Responsibility statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles for half-yearly financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group interim 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 material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Frankfurt/Main, 29 July 2020

Deutsche Börse AG
The Executive Board



Theodor Weimer



Christoph Böhm



Thomas Book



Heike Eckert



Stephan Leithner



Gregor Pottmeyer

Review Report

To Deutsche Börse Aktiengesellschaft, Frankfurt am Main

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated statement of changes in equity and selected explanatory notes – together with the interim group management report of the Deutsche Börse Aktiengesellschaft, Frankfurt am Main, for the period from 1 January to 30 June 2020, that are part of the semi annual financial report according to § 115 WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Frankfurt am Main, 29 July 2020

KPMG AG
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