Attestation Exemplar

Clearstream Banking Aktiengesellschaft
Frankfurt am Main

Annual Financial Statements for the Period Ending December 31, 2024 and the Management Report for Financial Year 2024

INDEPENDENT AUDITOR'S REPORT

(Translation only - the German text is authoritative)

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Management report for the financial year 2024

1. Overview

Corporate structure

The sole shareholder of Clearstream Banking Aktiengesellschaft, Frankfurt am Main, (Clearstream Banking Frankfurt, the Company or CBF) is Clearstream Holding AG, Frankfurt am Main, which in turn is a wholly owned subsidiary of Deutsche Börse AG, Frankfurt am Main. A control agreement is in place between Clearstream Banking Frankfurt and Deutsche Börse AG as the controlling company.

Regulatory classification

Clearstream Banking Frankfurt is a central securities depository within the meaning of Article 2 (1) number 1 of the EU Central Securities Depositories Regulation (Regulation (EU) No 909/2014, CSDR). The German Federal Financial Supervisory Authority (BaFin) granted a CSDR licence to CBF pursuant to Article 16 of the CSDR. In addition, BaFin granted authorisation to CBF to provide banking-type ancillary services pursuant to Article 54 of the CSDR. CBF is also a central securities depository as defined by section 1 (3) of the German Safe Custody Act (Depotgesetz, DepG). In this context, it accepts deposits and grants short-term loans to its clients. It is therefore a CRR credit institution pursuant to section 1 (3d) of the German Banking Act (Kreditwesengesetz, KWG).

Business model and strategic orientation

Clearstream Banking Frankfurt mainly offers services in the areas of securities custody and securities settlement, with the custody business making the largest contribution towards net commission income. Income from the settlement business mainly dependent on the number of national and international trades executed in Germany that are settled by CBF for stock exchange and over-the-counter (OTC) transactions. CBF also achieves revenue from Clearstream Funds Services (CFS) and Global Securities Financing (GSF), which includes the areas of General Collateral (GC) Pooling, securities lending and collateral management services.

CBF's clients are credit and financial services institutions based in Germany and abroad. In addition, CBF's clients may also include foreign central securities depositories as defined by section 5 (4) DepG, central counterparties as well as national, international and supranational organisations that provide financial services.

With system availability of 100 per cent in the financial year 2024 (2023: 99.9 per cent), CBF was a reliable infrastructure provider in the market. This is due to CBF's innovative and market-compliant product and service offerings as well as to its high level of integration with the processes of Deutsche Bundesbank (processing, collateralisation, etc.) and the European Central Bank (Target 2 and Target 2 Securities (T2S)). The fully automated integration of CBF into the trading and settlement processes of Deutsche Börse Group offers clients risk-optimised solutions. CBF invests continuously in the ongoing development and improvement of its systems.

Together with Eurex Clearing Aktiengesellschaft, Frankfurt am Main, CBF as central counterparty offers balance sheet netting between GC Pooling and the repo market (GC & Special) for clients of Eurex Repo GmbH, Frankfurt am Main.

CBF's market position remains strong. Its strategic position takes account of the key market developments. By providing an offering for efficient use of liquidity in T2S, CBF is in a position to provide market participants with access to all markets connected up to T2S as a one-stop shop. The Clearstream Group continued to invest in expanding the value chain and digitalising processes and working methods in the financial year 2024.

2. Economic Report

Macroeconomic environment

Structural growth factors are a central part of our strategy. We can plan, manage, and adapt these to external circumstances. Additionally,, uncontrollable macroeconomic and sector-specific factors play a crucial role in business development, as they determine the economic environment in which we operate.

In the financial year 2024, these included:

- A general slowdown in global economic growth with a recessionary trend in the German economy.
- A decline in inflation rates, contributing to price stabilisation, but still remaining above the central banks' target levels.
- The start of a rate-cutting cycle by the central banks to counter the slowdown in economic growth.
- Ongoing geopolitical tensions and armed conflicts in Ukraine and the Middle East.
- The election of a new US administration and the announced path of economic protectionism.

In its World Economic Outlook Update of January 2025, the International Monetary Fund expects global growth in 2024 to remain at 3.2 per cent (2023: 3.3 per cent). Similarly, projections for the eurozone remain at 0.8 per cent (2023: 0.4 per cent). On the other hand, economic output in Germany is expected to decline by –0.2 per cent (2023: –0.3 per cent).

Business developments

With 2023 having been defined by high inflation and rising interest rates, the monetary policy measures taken by the central banks in the financial year 2024 were effective for the most part. A significant decline in inflation in the eurozone and the US moved the central banks to launch a rate-cutting cycle in order to curb the economic downturn. This went hand in hand with uncertainly among market participants and higher interest rate volatility on the financial markets. In a lower interest rate environment, investors looked for alternatives on the equity markets, which led to new records on the global equity indices and had a positive effect on the Company's custody business. Furthermore, the increase in debt securities worldwide and higher trading activity in bonds led to higher net commission income from securities settlement.

Custody volumes rose moderately on an annual average in line with expectations and developed as follows:

in € billions	2024	2023	Increase/(decrease)	Variance in %
Collective safe custody	10,339	9,735	605	6
Bonds	5,429	5,150	279	5
Equities, certificates & options	4,910	4,584	326	7
Securities in the trustee business	1,306	1,189	117	10
Assets under custody (total)	11,645	10,924	721	7
Cleared collateral volume (Xemac)	96	110	(14)	(13)

Volatility on the equity markets, as measured by the VSTOXX, was down from the previous year. The VSTOXX averaged at 16 points and was therefore 9 per cent below the previous year's average. Nonetheless, the number of transactions processed by Clearstream Banking Frankfurt during the financial year rose as follows:

in € millions	2024	2023	Increase/(decrease)	Variance in %
Collective safe custody	210.6	184.7	25.9	14.0
On-exchange transactions	92.7	76.8	15.9	20.7
CCP settlement	20.4	23.5	(3.1)	(13.2)
Over-the-counter	97.5	84.4	13.1	15.5
Securities in the trustee business	49.8	36.5	13.3	36.4
On-exchange transactions	25.8	18.5	7.3	39.5
Over-the-counter	24.0	18.0	6.0	33.3
Cleared transactions (total)	260.4	221.2	39.2	17.7

The number of clients and securities certificates held in custody have developed as follows:

	2024	2023	Increase/(decrease)	Variance in %
Collective safe custody clients	248	243	5	2
Collective safe custody accounts	1,189	1,098	91	8
Securities in the trustee business clients	226	222	4	2
Securities in the trustee business accounts	1,825	1,782	43	2
Securities held in custody (in million)	13.5	15.1	(1.6)	(11)

Net assets, financial position and results of operations

Net assets

Total assets as at 31 December 2024 declined by €180.3 million to €2,597.5 million. This is mainly due to the decrease in overnight facilities at Deutsche Bundesbank included in loans and advances to credit institutions of €2,234.9 million (2023: €2,040.3 million), which is primarily attributable to lower client deposits.

Financial position

Client deposits reported under liabilities to banks fell to €1,089.4 million (2023: €1,318.9 million). The subordinated debt of €30.0 million to Clearstream Holding AG and securitised liabilities in the amount of €350.0 million remain unchanged. CBF also had forward foreign exchange transactions with a nominal value of US$250.0 million or €240.0 million, which had a positive market value of €0.1 million as at 31 December 2024 (2023: €0.2 million).

CBF has access to refinancing funds through its sister company Clearstream Banking S.A., Luxembourg, Luxembourg (CBL). The credit line with CBL amounts to US$350.0 million. In addition, there are committed foreign currency facilities with TD Global Finance Unlimited Company, Dublin, Ireland, and Standard Chartered Bank, London, United Kingdom, each amounting to €100.0 million. As of 31 December 2024, CBF had not utilized any of the available credit lines.

CBF's equity increased from €809.3 million to €821.2 million compared to the previous year. The return on equity declined from 46.8 per cent in 2023 to 46.3 per cent in 2024. The return on total capital employed was 10.5 per cent as at 31 December 2024 (2023: 10.0 per cent). After the distribution of a dividend of €270.0 million in the previous year, a dividend of €281.2 million is proposed for the financial year 2024.

Liquidity management at CBF is based on the principles derived from the KWG and from the CSDR, which are set out in the risk report. The liquidity ratio is also stated in the risk report.

Results of operations

Net interest income of €87.4 million in 2024 (2023: €80.0 million) significantly exceeded expectations of a slight decline. High interest rates on an annual average, which significantly exceeded expectations especially in EUR and USD, are reflected in slightly higher net interest income.

Net commission income at €432.9 million was up on the previous year's figure of €399.1 million. Commission income increased by 15.2 per cent to €679.7 million (2023: €589.9 million) and commission expenses rose by 29.3 per cent to €246.8 million (2023: €190.9 million). Deposit fees increased by 12.6 per cent in 2024 to €408.2 million (2023: €362.5 million) as a result of higher custody volumes. Higher transaction volumes drove up transaction fees from €151.2 million to €182.5 million. The expectation of slightly higher volumes was significantly exceeded. This resulted in considerably higher year-on-year net commission income that exceeds the expectation of a slightly higher net commission income.

The expectation that operating expenses would increase only slightly was not fulfilled. Instead, expenses increased by 11.7 per cent from €160.0 million to €178.8 million. This increase is attributable to expenses for IT services of €10.2 million related to prior years, which led to a higher increase in other administrative expenses.

Other operating income decreased to €36.1 million (2023: €40.1 million), mainly due to the result from currency conversion.

By exercising the option to write down financial assets to the lower fair value in the event of non-permanent impairment resulted in income of €12.2 million (2023: €18.6 million) in the reporting year due to reversals of impairment losses from previous years.

The increase in net interest income and net commission income led to a slight increase in earnings before tax compared to the previous year. Overall, the expectation regarding moderately declining earnings before tax set out in the previous year's forecast was significantly exceeded. CBF achieved earnings before taxes of €389.5 million in 2024 (2023: €377.5 million), which is 3.2 per cent above the previous year's level. The Company's net income thus increased by 1.6 per cent to €281.9 million (2023: €279.5 million).

Overall, the Company's net assets, financial position and results of operations were in good order. CBF was always able to meet its payment obligations in the financial year 2024.

Financial and non-financial performance indicators

The development of net commission income, operating costs and profit before tax are key financial performance indicators of Clearstream Banking Frankfurt. Net profit is impacted by net commission income, operating costs and net interest income. The changes in operating costs and administrative costs are managed as part of quarterly target/actual and actual/actual comparisons.

Custody volume, the number of transactions and the volume of securities collateral settled are key non-financial indicators for the performance of Clearstream Banking Frankfurt.

3. Report on expected developments, opportunities and risks

Report on expected developments

The report on expected developments describes how Clearstream Banking Frankfurt is expected to perform in the financial year 2025. It contains statements and information on events in the future and is based on CBF's expectations and assumptions at the time of publication of this annual report. These are subject to known and unknown opportunities, risks and uncertainties. The Company's success, business strategy and results are influenced by a variety of factors, many of which are outside the Company's control. Should opportunities or risks materialise, or one of the uncertainties become reality or one of the assumptions proven incorrect, Clearstream Banking Frankfurt's actual development could deviate both positively and negatively from the expectations and assumptions contained in the forward-looking statements and the information included in this forecast report.

With regard to its client structure, the Company expects that consolidation in the financial sector will persist. However, despite intense competition in the settlement and custody of international fixed-interest securities, the Company does not expect to lose market share during the forecast period. Rather, the T2S strategy of CBF aims at not only maintaining market share in the medium to long term, but also expanding it systematically and establishing CBF as the leading T2S hub for Europe's banks. Due to regulatory requirements, a structurally driven increase in demand for collateral and liquidity management services is anticipated. CBF expects an increase in business activity and a moderate rise in custody volumes in the medium to long term, with a slight decline in the number of transactions, resulting in a moderately increasing commission income.

Net interest income will be influenced by the central banks' decisions. In the coming year, the company expects further reductions in key interest rates, particularly in the euro area, which will result in a significantly lower net interest income.

The Company anticipates a slight decrease in operating costs thanks to ongoing cost management using Deutsche Börse Group's integrated model with optimised capacity allocation across multiple locations. Notwithstanding active cost management, however, the focus will remain on guaranteeing high-quality services.

In summary, against the backdrop of a moderate increase in net commission income, a significantly lower net interest income and the small decrease in costs, the Company anticipates that profitability will be slightly higher compared with 2024. These conditions should result in slightly higher pre-tax profit compared with the previous year.

Report on opportunities

As the largest central securities depository in T2S (with over 50 per cent of the total T2S volume), CBF also sees good opportunities in 2025 to gain additional market share through its product offering, its close cooperation with CBL and its incentive models. The regulatory environment and the planned strengthening of the T2S system at European level offer additional opportunities for CBF due to the transparent T2S strategy and CBF´s status as a hub in T2S.

The high level of uncertainty in the global political environment, such as the elections in Germany, the impact of the new US administration and the ongoing uncertainty caused by the war in Ukraine, can lead to high market volatility, which in turn offers opportunities for CBF in national and international settlement.

The development of the D7 post-trade platform enables the end-to-end processing of electronic securities and shortens the bidding process to a few minutes. An extension of the D7 platform to include decentralised functions, in line with the respective regulations and the market interest, could supplement the range of services in other countries in a similar way. This technology should enable the Company to continue to offer its services in future and amid changing technical requirements.

Risk report

Risk management at CBF is anchored in its organisational structure and workflows. The Executive Board has overall responsibility for risk management. In particular, the Executive Board of CBF determines risk appetite within the context of the risk strategy. It ensures that the risk appetite is compatible with the Company's short and long-term strategy, business and capital planning, risk-bearing capacity and remuneration systems. The Executive Board of CBF also determines which metrics are used to assess risk and how regulatory capital is allocated to the different types of risk. It ensures that the requirements placed on risk strategy and risk appetite are complied with. CBF is also included in Deutsche Börse AG's Group-wide risk management. The Supervisory Board of CBF assesses and monitors the effectiveness of the risk management system and its ongoing development. In addition, the Supervisory Board discusses the risk strategy once a year. The decentralised departments identify risks and report them in a timely manner to the relevant risk management function, which assesses all existing and new risks.

Using a range of tools, CBF evaluates and monitors material risks on an ongoing basis. It applies both the normative and economic perspective to aggregate risks at Company level. The main instrument that it uses for the purpose of quantification of the economic perspective and for operational risk in the normative perspective is the value at risk (VaR) model.

- Normative perspective: The aim of this perspective is to ensure that CBF meets all regulatory capital requirements at all times; CBF regards them as a management parameter for capital adequacy. The calculation of risk for credit, market, business, settlement, restructuring and operational risks is based on the calculation logic of the legal requirements of Capital Requirements Regulation (EU) No 575/2013 (CRR) and/or Regulation (EU) 2019/876 (CRR II) amending Regulation (EU) No 575/2013 and of Regulation (EU) No 909/2014 (CSDR) of the European Parliament and of the Council. The established capital planning process for the normative perspective covers a three-year planning horizon and also takes into account possible adverse developments that deviate from the business plan.

- Economic perspective: The economic perspective complements the normative perspective and serves to provide an economic view on the basis of internal risk models. From this perspective, CBF is not expected to exhaust its available capital in more than 0.1 per cent of all years. It calculates its required economic capital (hereinafter referred to as REC) at a confidence level of 99.9 per cent and over a time horizon of 12 months. The risk-bearing capacity set against the required economic capital is the regulatory capital adjusted for unrealised losses. The risk-bearing capacity amounted to €527 million as at 31 December 2024. To manage the risk, at least once a quarter CBF calculates as a metric the REC in relation to its risk-bearing capacity.

- In addition, CBF considers stress test scenarios and factors these into its risk management. These include both stress tests across risk types and stress tests for particular material risk types. The stress tests are conducted to simulate extreme but plausible events for operational, business and financial risks. These stress tests simulate the occurrence of extreme losses or an accumulation of major losses in one year.

An early warning system is used for both perspectives in order to utilise the risk-bearing capacity. This comprises the categories green, yellow, orange or red for the overall risk view and has not changed in comparison with the previous year. In the economic perspective, an early warning system has also been established at the level of the individual risk types with the four categories. In addition to the quantification of risks, risk reporting also includes qualitative information on the risk profile in the form of risk indicators or analyses of realised losses. Events relevant to risk are comprehensively explained, and possible countermeasures are described. A corresponding risk report is submitted to the Executive Board of CBF at least once a quarter. Reporting to the Supervisory Board takes place quarterly.

Internal Audit checks the risk controlling function independently.

Risk profile

CBF distinguishes between six risk types: operational, credit, market and liquidity risk, pension risk and business risk. All of the aforementioned risks are classified as material in this context.

In addition, CBF has integrated environmental, social, and governance (ESG) risks into its risk management framework and aims to proactively and transparently identify, assess, and mitigate ESG-related risks. Environmental, social, and governance (ESG) factors influence a wide range of financial and non-financial risks. Therefore, ESG factors are considered risk drivers of the existing risk elements and risk clusters in the risk taxonomy. ESG risks are therefore part of the six risk types.

ESG risks are defined as follows:

- Environmental: The risk of losses resulting from the current or future impact of environmental factors on the group/company. Environmental risks can be divided into physical and transitory risks:
  - Physical: The risk of losses resulting from the current or future physical impacts of environmental factors. Physical risks can be divided into acute physical risks (event-driven) and chronic physical risks (long-term changes in climate patterns).
  - Transitional: The risk of losses resulting from the current or future impacts of the transition to a green economy.
- Social: The risk of losses resulting from the current or future impact of social factors.
- Governance: The risk of losses resulting from the current or future impact of governance factors.

The primary objective of CBF's risk management is to gain a comprehensive understanding of potential vulnerabilities that could arise from ESG-related events and to ensure that the organization is well prepared for evolving risk issues related to ESG factors over the short, medium, and long term. ESG considerations are also an integral part of the materiality analysis, and certain material risk scenarios include ESG drivers. ESG risks are not viewed as standalone risk types but as drivers of the materiality of existing financial and non-financial risks. Consequently, the relevance and impact of ESG factors are assessed qualitatively and quantitatively as part of the materiality analysis and directly feed into the materiality assessment of each individual risk type. CBF has also integrated the ESG risk drivers deemed relevant by the institution into its stress testing framework and stress testing scenarios. In addition, to support the effective management of future ESG risks, stress tests with long-term horizons (set at 15 years) are conducted with respect to climate and environmental risks. ESG data is sourced from selected providers to support this analysis.

The ESG Risk Management Framework is intrinsically linked to the Risk Appetite Framework, which defines the risk appetite for each ESG risk dimension. This link ensures that all risk management efforts are aligned with the predefined appetite and tolerance levels and promotes a consistent and effective risk monitoring approach within Clearstream.

Operational risk

For CBF, operational risk exists in particular with regard to 17 defined risk clusters, which are listed below in alphabetical order according to their current definition. These risk clusters serve the control, monitoring and reporting of operational risk. Operational risk is assessed on the basis of scenarios. The share of operational risk in the REC of CBF was 79 per cent as at 31 December 2024. The 17 defined risk clusters for operational risks are specified as follows:

- Compliance risk: Compliance Risk covers non-compliance with e.g. existing or new laws, rules, regulations, agreements or prescribed practices (incl. conduct risk) and risks related to sanctions, fraud or financial crimes (AML/ terrorist financing).

- Contagion risk: Risk of losses due to an operational risk event impacting one entity/ segment spreading to further entities/ segments.

- Corporate tax risk: Risk of losses, fines and damage to the Group´s brand and reputation due to a failure to act in accordance with tax laws and regulations, internal tax policies or prescribed best practices incl. tax evasion (facilitation) as well as risks resulting from inadequate or failed internal processes, people and systems or from external events with reference to corporate taxes.

- Custody risk: Risk of losses due to loss or destruction of assets held in custody for customers, incl. sub-custodians and damage anywhere along the custody chain.

- Data integrity risk: Risk of losses resulting from inadequate or inconsistent data definitions, inability to trace data end to end, unclear/ unassigned roles and responsibilities for data management and not fulfilled data quality requirements.

- Information security risk: Risk of losses resulting from inadequate or inconsistent data definitions, inability to trace data end to end, unclear/ unassigned roles and responsibilities for data management and not fulfilled data quality requirements.

- Information technology risk: Risk of losses resulting from the procurement, use and development of information technology (IT) that has no direct impact on compliance with the protection goals of information security (confidentiality, integrity, availability of information).

- Legal risk: Risk of losses due to legal issues.

- Model risk: Risk of losses resulting from decisions based on inaccurate outputs compared to the design objective and intended use or the risk arising from incorrect or inappropriate use of the models.

- Operational project risk: Risk of losses due to operational risk root causes within the conduction of projects, e.g. new products, processes or systems.

- People risk: People related risks including unavailability, human error and employment practices.

- Physical security risk: Risk of losses due to damage relating to physical security (inc. People and physical assets), e.g. from natural and human-made hazards incl. crime, civil unrest, terrorism, and armed conflict.

- Processing and execution risk: Risk of losses due to process flaws and failures as well as unsatisfactory products.

- Product tax risk: Risk of losses, fines and damage to the Group's brand and reputation due to a failure to act in accordance with tax laws and regulations, internal tax policies or prescribed best practices incl. tax evasion (facilitation) as well as risks resulting from inadequate or failed internal processes, people and systems or from external events with reference to product taxes.

- Risk management risk: Risk of losses resulting from ineffective or partly-effective risk management methods and frameworks to accurately identify, assess, monitor, report and manage the risk exposure.

- Secondary reputational risk: Risk of losses due to damage to brand or reputation resulting from operational risk root causes.

- Third-party risk: Risks caused by or due to activity with third parties.

Litigation and business practice

The legal risk cluster maps out the risks that can arise from legal proceedings. These may occur if CBF breaches laws or requirements, enters into inadequate contractual agreements, or fails to observe case law to a sufficient degree. For the 2024 reporting year the following pending procedures are to be noted.

With respect to a bond issued by MBB Clean Energy AG (MBB), which is held in safe custody at CBF and was listed on the Frankfurt Stock Exchange (FWB®), in March 2019 a buyer of the MBB bond filed a claim for damages in front of a Dutch court in the amount of €33 million against CBF, Deutsche Börse AG and other parties. The claim was dismissed in October 2020 in the court of first instance and in June 2024 in the court of second instance; the judgement in favour of CBF and Deutsche Börse AG is legally valid.

In January 2021 a statement of claim was served on CBF. The lawsuit, which was filed with the court in Frankfurt and is directed against CBF as the defendant, seeks damages totalling around €11.1 million plus interest. The claims asserted by the plaintiff are in connection with assets that are retained by CBF or other parties for legal reasons. The claim was rejected in the courts of first and second instance; an appeal was launched against the judgement.

On 23 July 2021, pursuant to an ad hoc announcement by Air Berlin PLC in liquidation of 25 June 2021, a statement of claim was served on CBF. In this lawsuit the insolvency administrator of the assets of Air Berlin PLC in liquidation is applying for CBF as personally liable partner of Air Berlin PLC to be sentenced to make a payment of around €497.8 million, as a result of Brexit, and for it to be established that CBF is liable for the obligations that have not already been established in the schedule of creditors' claims in the insolvency schedule with respect to the assets of Air Berlin PLC.

In September 2017, it became known to CBF and Clearstream Banking S.A. that the public prosecutor in Cologne was carrying out an investigative procedure relating to tax evasion in connection with the involvement of a CBF employee in implementing transactions of market participants beyond the ex-dividend date (cum/ex transactions). In a letter of 22 January 2018 to CBF, the Cologne public prosecutor consulted CBF and Clearstream Banking S.A. as potential ancillary parties. From 27 August 2019, investigations were conducted on the business premises of CBF, Clearstream Banking S.A. and other companies and offices of Deutsche Börse Group by the Cologne public prosecutor and other assisting authorities. The companies of Deutsche Börse Group learnt within this context that in its investigative procedure the Cologne public prosecutor had added other former and current employees and Executive Board members of Deutsche Börse Group companies to the list of those under investigation. In 2020 and again in 2022, Deutsche Börse Group became aware of further extensions to the group of defendants. Because proceedings are still at an early stage it is not possible at present to predict the time, extent, scope or consequences of any decision. The companies affected are cooperating with the relevant authorities. They do not expect to be successfully held liable.

Since February 2023, a claim has been pending that was filed with the court in Frankfurt and is directed against CBF as the defendant. The action seeks a declaration of any existing claims of the plaintiff against CBF in the amount of approximately €6.4 million and serves in particular to suspend the time-barring of these claims. The claims asserted by the plaintiff are in connection with assets that are retained by CBF or other parties for legal reasons.

Despite the ongoing proceedings that have been described, the Executive Board is not aware of any material changes to the Company's risk situation.

Risk mitigation

CBF takes specific measures to reduce its operational risk. This includes, in particular, the established business continuity management system (BCM). BCM covers all processes that ensure continuing operations in an emergency. It covers arrangements for all key resources (systems, premises, employees, suppliers/service providers), including the redundant design of all critical IT systems and the technical infrastructure, as well as backup workstations to ensure business continuity in an emergency operation of time-critical business processes. The planning also includes unavailability due to pandemic-based events such as the outbreak of the coronavirus in 2020. The situation is managed on the basis of the Incident and Crisis Management process, which takes corresponding escalation mechanisms into account. Reactive measures are centrally coordinated to ensure the continuity of business-critical operations and the health and safety of employees. The operational capability of the back-up locations is tested regularly, as is the availability of remote access. These precautionary measures are regularly reviewed. Furthermore, CBF has a compliance structure and associated procedures aimed at ensuring adherence to legal requirements. The emergency plans of CBF are regularly tested by simulating critical situations in a realistic way. The tests are carried out on scheduled and ad hoc basis.

In the 2024 reporting year there was one significant loss event as a result of human error. Due to an incorrectly configured billing allocation rule, a customer was erroneously charged fees, even though the relevant specific transactions were exempt from fees. The improperly charged fees were refunded. The loss event was investigated, and appropriate short- and long-term mitigating measures were implemented. However, it did not have any material impact on the institution's operational risk management. Otherwise there were no notable loss events in the reporting year.

In the context of the current geopolitical events in Ukraine and the potential resulting economic policy consequences, the risks that might arise in the individual business areas continued to be analysed on an ongoing basis in the reporting year 2024. This affects all risks from business relationships that CBF has in connection with the countries concerned (Ukraine and Russia), in particular business relationships with companies based there and their assets, or the safe custody and settlement of assets with connections of both an economic and a technical nature. The range of sanctions imposed in response to Russia's large-scale invasion of Ukraine have reached unprecedented scale and complexity. This has heightened the risk of control failure or a potential breach or contravention of applicable laws or regulations. CBF continues to manage this risk through consistent monitoring and takes active steps if changes arise. The measures taken and the implementation of the sanctions will be monitored. The main focus was on adjusting internal procedures and controls in line with the counter-sanctions ordered by Russia in response to the sanctions imposed by the West following Russia's incursion into Ukraine. CBF, as part of Deutsche Börse Group, has implemented a solid and flexible system for the management of potential sanction and embargo risks. Dedicated sanctions experts are carefully monitoring the developments and are in regular dialogue with stakeholders and the business areas of Deutsche Börse Group so that they can react promptly to any restrictions.

Financial risks

CBF divides financial risks into credit, market and liquidity risks. Liquidity risks are not quantified as part of the REC calculation but instead are managed separately by the Treasury department and monitored by the risk control function. Financial risks had a share of 13 per cent of the REC of CBF as at 31 December 2024.

(a) Credit risk

Credit risk (counterparty default risk) describes the danger that a counterparty might not meet its contractual obligations, or not meet them in full. CBF's credit risk arises largely from securities settlement, cash investments and from the investment of funds that are part of the ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). In addition, there are credit risks from trade receivables. Credit risk had a share of 3 per cent of the REC of CBF as at 31 December 2024.

CBF grants loans to its clients in order to increase settlement efficiency. Firstly, the loans are exclusively granted on a very short-term basis, usually on an intra-day basis; secondly, with the exception of loans to selected central banks and supranational organisations in accordance with Article 23 of Commission Delegated Regulation (EU) 2017/390, they are collateralised and granted to clients with high credit ratings. Furthermore, the credit lines granted can be revoked at any time.

Before entering into a business relationship, the creditworthiness of potential clients is assessed. CBF defines client-specific credit lines based on a regular credit check and performs ad hoc analyses as required. The primary objective of the credit check is to evaluate the counterparty's financial strength. Existing and potential clients (mainly financial institutions) are given an internal rating based on the assessment and evaluation of six components according to the CAMELS approach. These components address the adequacy of capital, the quality of assets, the capability of management, the quality and level of earnings, adequacy of liquidity and sensitivity to market risk. When evaluating the components, the institution's size and sophistication, the nature and complexity of its activities and its risk profile are taken into consideration. The Company defines safety margins for collateral and reviews their appropriateness on a regular basis. CBF has issued credit lines almost exclusively to borrowers in the financial sector in Germany.

CBF creates loan loss provisions for discernible and latent default risks. Item-by-item valuation allowances are established for all discernible risks. In addition, portfolio impairments are made for foreseeable but not yet individually specified counterparty default risks.

Further credit risks arise in connection with cash investments. The Company has a treasury policy that defines the conditions for investing through the Clearstream Treasury department. As part of liquidity management in the Clearstream Group, CBF predominantly invests its clients' money where possible overnight at Clearstream Banking S.A. (Luxembourg) ("CBL") or with the central bank. However, CBF may also conclude FX swap and triparty repo transactions with treasury counterparties for the purpose of credit risk diversification and risk mitigation. The risk for CBF is also reduced in that investments are exclusively made on a short-term basis and collateralised if possible.

On March 5, 2022, CBL, which acts as CBF's custodian for the Russian market, informed its clients that, due to executive, legislative, and administrative measures taken by the Russian Federation following its full-scale invasion of Ukraine, it no longer had control over its clients' assets or balances with the Russian central securities depository, the National Settlement Depository ("NSD"). As a result, CBF was unable to process foreign currency claims denominated in Rubles. On August 23, 2024, CBL informed its clients that on August 15, 2024, the NSD had debited CBL's balances, setting the accounts to zero, in accordance with Russian Decree No. 198. The NSD waived its rights to a corresponding amount of the balances in its accounts with CBL, which remained blocked under EU sanctions. On February 14, 2024, CBL informed its clients that it had received approval from its national supervisory authority to release the assets waived by the NSD. Accordingly, it offered its clients compensation for the assets seized in Russia. CBF is entitled to USD 85.2 million as full and final settlement of its claim for RUB 7.9 billion. CBF, in turn, offered its clients compensation at the same rate. The compensation resulted in CBF becoming liable to its clients again, resulting in a subsequent increase of the corresponding amounts on its balance sheet. In this context, CBF continues to have remaining claims against CBL with respect to blocked securities for which it acts as nominee holder for its clients, which remain blocked in Russia due to Russian countermeasures and in Luxembourg due to EU sanctions affecting the NSD, as well as for the proceeds of corporate actions on these securities paid since August 15, 2024. As of December 31, 2024, CBF held the equivalent of RUB 14.5 billion in securities blocked at CBL and RUB 8.1 billion in cash. Since CBF has no access to or control over the blocked cash, it is treated as a contingent liability to customers.

Furthermore, none of the types of business described resulted in any notable losses in the 2024 reporting year.

(b) Market risk

Market risks include risks of an adverse change in interest rates, currencies, equities or other market prices. Market price risk had a share of 10 per cent of the REC of CBF as at 31 December 2024. The presentation of general market price risk also includes counterparty-specific risk in line with risk management.

Due to the largely short maturities of the cash investments and liabilities, the interest rate risk is low. As a measure to limit risk, CBF avoids open currency positions wherever possible. CBF predominantly invests its clients' money where possible overnight at Clearstream Banking S.A. (Luxembourg) or with the central bank. However, it may also conclude FX swap and triparty repo transactions with treasury counterparties. Market risks may also arise from ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). The Company reduced its risk of extreme losses by deciding to invest a predominant proportion of the CTA on the basis of a value preservation mechanism.

Open positions from foreign exchange spot transactions with clients are closed on the same day with corresponding counter-transactions with Clearstream Banking S.A. (Luxembourg). Investments in the liquidity reserve are made only in euros.

(c) Liquidity risk

Liquidity risk for CBF arises if there might be insufficient liquidity to meet daily payment obligations and unrestricted settlement of pending payment obligations, or if settlement can be undertaken only at higher refinancing costs. Daily and intra-day liquidity is monitored by the Treasury department and controlled with the help of a limit system. Client deposits in particular are a material source of financing. The aim of the investment strategy of CBF is to enable it to repay client deposits at any time.

Due to the short period of the payment obligations resulting from the business strategy, CBF has no material long-term refinancing requirements. Nonetheless, CBF issued a bond with a total nominal amount of €350 million in 2020. The CSDR requires that, in order to provide ancillary banking services, CBF must mitigate liquidity risks through the use of qualifying liquid resources (QLR) to support day-to-day operations as well as to address stress scenarios. In this connection, CBF is using the net proceeds from the issue of the bond primarily to improve its liquidity position by increasing its QLR. The bond does not bear interest and has a term of five years. CBF has no further structural financing requirements until the bond matures in 2025. According to current planning, a new bond is to be issued in December 2025 when the current bond matures.

In order to analyse the liquidity risk of CBF and to ensure that sufficient liquid financial resources are maintained at all times, at least quarterly stress test calculations are carried out at Clearstream Group and at individual institution level. To this end, various scenarios have been implemented that take into consideration sources of liquidity risk both within the Company itself and throughout the entire market. Furthermore, an early warning system is used for the liquidity coverage ratio (LCR). This comprises the categories green (at over 110 per cent), yellow (from 110 per cent to 105 per cent) or red (under 105 per cent).

As at 31 December 2024, the LCR of CBF was 214.7 per cent. During the reporting period, the LCR was always above the internally defined thresholds as well as the regulatory requirement of 100 per cent.

Pension risks

The pension obligations of current and former employees are administered through a range of pension plans. The pension risk arises from changes to the most important parameters: the discount rate, growth in salaries, the rise in inflation and the life expectancy of employees. The largest part of this risk arises from the effects of changes in the discount rate on the amount of pension obligations and of the pension plan assets. This is included in market risk.

The pension risk (in the narrower sense) is defined as the risk of an increase in costs arising from the present value of pension obligations based on a longer life expectancy, growth in salaries and the rise in inflation. The pension risk (in the narrower sense) had a share of around 8 per cent of the REC of CBF as at 31 December 2024.

Business risk

Business risk is the loss (including losses arising from missed opportunities) arising from strategic decisions and/or their implementation, or from the inability to adapt to external factors. An unexpected residual risk from the business risk arises if the earnings at risk (EaR) exceed the expected net profit before tax, which may be attributable to the competitive environment (e.g. client behaviour, lack of capital investment, changes in the sector) or to failed strategic decisions on the part of the management. The unexpected loss resulting from deviations (positive or negative) from net profit before tax is calculated through the EaR. Business risk is recognised if the calculated value at risk (VaR) is higher than the planned net profit before tax for the next four quarters. As at 31 December 2024, CBF did not have to report any business risk as the planned net profit before tax for the next four quarters exceeded the calculated VaR.

Business risk for CBF exists in particular with respect to macroeconomic, geopolitical and corporate strategy developments. Business risks may have an impact on sales revenue and cost trends, for example if sales revenue declines compared to the corresponding budget projections or costs increase.

CBF analyses both international, European and national regulatory initiatives on an ongoing basis and contributes its position as part of the legislative process. The Company collaborates closely with the other companies of Deutsche Börse Group. It also uses the services of dedicated experts in the Group in order to communicate the relevant aspects and to identify and analyse regulatory trends.

Current macroeconomic and geopolitical risks are monitored by risk management. The military conflict between Russia and Ukraine, which has been openly conducted since mid-February 2022, continued to be monitored on a daily basis in the 2024 reporting year, and regular meetings are held with all key internal stakeholders on a twice-weekly basis to assess the risk situation. Given the low number of business relationships with the countries affected and as a result the low volume of potentially affected assets, the institution established that CBF is exposed to only a very small direct economic risk overall. Indirect risks, such as those arising from the economic exposure of our clients in the relevant countries, as well as medium and long-term risks that might arise, for example, from economic and financial sanctions, will be monitored on an ongoing basis and, if necessary, controlled by means of further risk mitigation measures. CBF is not affected by the crisis in the Middle East that has developed since the attack by Hamas on 7 October 2023. The Group security function of Deutsche Börse Group monitors the developments in the region on an ongoing basis.

Summary

The change in the risk profile with respect to the material types of risk in the financial year 2024 was largely attributable to the annual reviews and revisions of risk scenarios. As at 31 December 2024, the REC of CBF amounted to €142 million, with the REC composition for the individual risk types as follows: for operational risk, financial risk, pension risk and business risk, the REC was €112 million, €18 million, €12 million and €0 million by risk type, respectively. Financial risk was made up of market risk with an REC of €14 million and credit risk with an REC of €4 million.

The capital requirements for the risk-weighted assets of CBF in the amount of €111.2 million were at all times met by a sufficient amount of available capital in the financial year under review. The available capital as at the end of the financial year totalled €527.0 million. The overall capital ratio was 37.92 per cent as at 31 December 2024.

Since its authorisation as a CSD by BaFin in January 2020, CBF has also been subject to capital requirements under Regulation (EU) No 909/2014 (CSDR). This regulatory capital requirement amounted to €275.3 million as at 31 December 2024.

Since 1 April 2023, CBF must apply and meet complementary capital requirements comprising CSDR and CRR components. These were met at all times since they came into force.

Outlook

CBF continually assesses its risk situation. Based on ongoing monitoring of the risk situation using the implemented risk management system, the Executive Board of CBF concludes that the available risk-bearing capacity and the liquidity position are sufficient. Furthermore, no risk can be identified that would jeopardise CBF as a going concern. The Executive Board of CBF confirms that it continues to strengthen the risk management implemented at the institution on an ongoing basis.

Balance sheet as at 31 December 2024

in € '000	Notes		2024	2023
1. Receivables from banks	4, 5			
a) Due on demand		1,974,244		2,183,424
b) Other receivables		66,058		51,470
			2,040,302	2,234,894
2. Receivables from customers	4, 5		6,084	3,981
3. Bonds and other fixed-interest securities	6			
a) Bonds and debt instruments				
aa) of public-sector issuers thereof: eligible as collateral with Deutsche Bundesbank €317,152 thousand (2023: €311,152 thousand)		317,152		311,152
ab) of other issuers thereof: eligible as collateral with Deutsche Bundesbank €126,224 thousand (2023: €123,120 thousand)		126,224		123,120
			443,376	434,272
4. Intangible assets	6			
a) purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets			4,468	3,041
5. Property, plant and equipment	6		23	40
6. Other assets	7		103,115	101,430
7. Prepaid expenses			122	0
8. Overfunded plan assets	9		0	167
Total assets			2,597,490	2,777,825

Balance sheet as at 31 December 2024

in € '000	Notes			2024	2023
1. Liabilities to banks	4, 5				
a) Due on demand				1,089,363	1,318,914
2. Liabilities to customers	4, 5				
a) Due on demand				63,793	85,597
3. Bond issued	8			350,000	350,000
4. Other liabilities				56,975	34,483
5. Deferred income				496	674
6. Provisions					
a) Provisions for pensions and similar obligations	9		5,448		9,008
b) Provisions for taxes	10		28,157		28,873
c) Other provisions	11		152,070		111,024
				185,675	148,905
7. Subordinated debt	4, 12			30,000	30,000
8. Shareholder`s equity	14				
a) Subscribed capital			25,000		25,000
b) Capital reserve			407,000		407,000
c) Revenue reserves					
ca) Statutory reserve		1,392			1,392
cb) Other revenue reserves		106,581	107,973		105,859
d) Distributable profit			281,215		270,000
				821,188	809,251
Total shareholder`s equity and liabilities				2,597,490	2,777,825

Income statement for the period from 1 January to 31 December 2024

in € '000	Notes			2024	2023
1. Interest income from	16				
a) Lending and money market transactions thereof: expenses from negative interest rates €201 thousand (2023: €294 thousand)		89,065			84,322
b) Fixed-interest securities and government-inscribed securities		3,824			3,796
			92,889		88,118
2. Interest expense thereof: income from negative interest rates €399 thousand (2023: €129 thousand)	16		5,538		8,136
				87,351	79,982
3. Commission income	17		679,707		589,950
4. Commission expenses	17		246,826		190,852
				432,881	399,098
5. Other operating income	18			42,684	51,220
6. General administrative expenses	19				
a) Personnel expenses					
aa) Wages and salaries		45,923			43,665
ab) Social security contributions and expenses for pensions and other employee benefits thereof: for pensions €1,779 thousand (2023: €2,942 thousand)		7,461			8,368
			53,384		52,033
b) Other administrative expenses			125,387		107,945
				178,771	159,978
7. Depreciation, amortisation and write-downs of intangible assets and property, plant and equipment	6			225	162
8. Other operating expenses thereof: interest expense from discounting provisions €291 thousand (2023: €128 thousand)	18			6,567	11,083
9. Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses				15	124
10. Income from write-ups of securities treated as fixed assets	20			12,171	18,573
11. Result from ordinary activities				**389,509**	**377,526**
12. Income taxes	21			107,572	99,926
13. Net profit				**281,937**	**277,600**
14. Allocations to revenue reserves					
a) Other revenue reserves				722	7,600
15. Distributable profit				**281,215**	**270,000**

Notes for financial year 2024

General Information

1. Basis for the preparation of the Annual Financial Statement

Clearstream Banking Aktiengesellschaft, based in Frankfurt am Main, is registered in the Commercial Register B of Frankfurt am Main District Court under the number HRB 7500.

The annual financial statements of Clearstream Banking Frankfurt for the financial year 2024 were prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch, HGB), the German Stock Corporation Act (Aktiengesetz, AktG), and the German Ordinance on Accounting Policies for Banks and Financial Service Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, RechKredV).

Clearstream Banking Frankfurt is incorporated into the consolidated financial statements of Deutsche Börse AG, which represents the largest consolidation group. These consolidated financial statements are available on the Deutsche Börse AG's website (https://deutsche-boerse.com/dbg-de/investor-relations/finanzberichte/geschaeftsberichte/) and exempt Clearstream Holding AG as the smallest consolidation scope) from the requirement to produce consolidated financial statements. The consolidated financial statements of Deutsche Börse AG are prepared in accordance with International Financial Reporting Standards (IFRS) and are published in the electronic company register.

2. Accounting and valuation principles

Cash reserve

The cash reserve are accounted at nominal value.

Receivables

Receivables from banks and customers are carried at cost. All identifiable risks are individually assessed. In addition, general value adjustments for latent credit risk are made in accordance with the principles of commercial law.

Bonds and other fixed-interest securities

Bonds and other fixed-interest securities that are recognised at acquisition cost according to the moderate lower of cost or market principle and applying the option to recognise impairment losses on financial assets that are not permanently impaired.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are carried at cost and amortised using the straight-line method. A likely permanent impairment results in an extraordinary depreciation. The underlying useful lives are oriented on the effective economic life. Licences and similar rights for IT/software are amortised over a useful life of three to ten years.

Other assets

Other assets are recognised at acquisition cost in accordance with the lower of cost or market principle.

Deferred income

Deferred income items are released to the income statement on a straight-line basis over their term.

Liabilities

In accordance with section 253 (1) sentence 2 HGB, liabilities to the credit institutes and customers, bond issued and subordinated debt are recognised at their settlement value.

Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are stated using the projected unit credit method in accordance with actuarial principles. They are based on the Heubeck 2018 G mortality tables and average market interest rate for the past ten years published by Deutsche Bundesbank in accordance with section 253 (2) HGB. The applicable discount rate is determined and announced by Deutsche Bundesbank in accordance with the Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung, RückAbzinsV). According to the option under section 253 (2) sentence 2 HGB, pension obligations are discounted using the average market interest rate arising from an assumed remaining term of 15 years.

In accordance with section 246 (2) HGB, assets that exclusively serve the purpose of meeting liabilities arising from pension obligations and are protected from all creditors are valued at their fair value and offset against these liabilities. If the fair value of the assets exceeds the amount of the liabilities, the excess amount is recognised under the asset item "overfunded plan assets".

Other provisions

Provisions for contingent liabilities are recognised at the expected settlement amount using reusable judgment. If the remaining term of the provision for contingent liabilities is longer than one year, the provision is discounted.

The assessment as to whether a provision for anticipated losses from pending transactions should be recognised in accordance with section 249 (1) sentence 1 HGB also includes the appraisal of whether the transactions with derivative financial instruments in the banking book result in an excess liability. These include foreign currency swaps in US dollar that were entered into to hedge exchange rate fluctuations.

Provisions for anniversary payments and early retirement are measured at their settlement amount in accordance with actuarial principles, and for early retirees at present value. The projected unit credit method was applied as the basis of this assessment. The demographic assumptions are based on the Heubeck 2018 G mortality tables.

The intrinsic value of the option is used as the basis for determining provisions for the Stock Option Plan. The basis for determining provisions for the Stock Bonus Plan is the Deutsche Börse AG share price at the reporting date.

Interest-related financial instruments in the banking book

The interest-related financial instruments in the banking book are examined annually in their entirety for excess liability. Clearstream Banking Frankfurt applies the present value method. According to this method, the interest-induced present values are compared with the carrying amounts. Potential risks and opportunities from interest rate changes result from the investment portfolio and any issued debt instruments as of the balance sheet date. The present values of any closing and risk expenses directly resulting from the interest products in the banking book are taken into consideration. Future general administrative expenses are considered in accordance with the relation the interest result from fixed-income securities to the result from ordinary activities. The valuation does not indicate a need to create a provision for impending losses from the banking book.

Deferred taxes

Deferred tax assets and liabilities are recognised for temporary differences between the accounting and tax values for bonds and other fixed-interest securities, provisions for pensions and similar obligations and the corresponding cover assets, as well as other provisions. Deferred tax liabilities are netted against deferred tax assets, and the remaining deferred assets are not stated in the balance sheet in line with the option pursuant to section 274 (1) sentence 2 HGB. The deferred taxes are measured using the relevant combined German income tax rate of 27.6 per cent, consisting of corporate income tax, trade tax and solidarity surcharge.

Global minimum tax

Since CBF has neither foreign subsidiaries nor permanent establishments, no tax impact is expected due to the global minimum tax.

Foreign currency translation

Currency translation for assets and liabilities denominated in foreign currencies is carried out in accordance with the provisions of Section 256a HGB in conjunction with Section 340h HGB, using the mid-market spot rate at the respective acquisition date and balance sheet date. Special coverage includes all assets, liabilities, and pending transactions that do not fall under trade receivables and payables. The result from currency translation reported net in other operating income or expenses. In addition, the pro rata swap positions for forward exchange transactions relating to the financial year are accrued on a straight-line basis and reported under net interest income.

Notes to the balance sheet

4. Maturity structure

The maturities of receivables are as follows:

in € '000	2024	2023
Receivables from banks		
Due on demand	1,974,244	2,183,424
With a remaining maturity of up to three months	66,058	51,470
Total	**2,040,302**	**2,234,894**
Receivables from customers		
Due on demand	6,084	3,981
Total	**6,084**	**3,981**

Receivables from banks primarily consist of overnight facilities with the Deutsche Bundesbank in the amount of €1,639,427 thousand (2023: €1,656,682 thousand).

The maturities of liabilities are as follows:

in € '000	2024	2023
Liabilities to banks		
Due on demand	1,089,363	1,318,914
Total	**1,089,363**	**1,318,914**
Liabilities to clients		
Due on demand	63,793	85,597
Total	**63,793**	**85,597**
Subordinated debt		
With a remaining maturity of more than one year up to five years	30,000	30,000
Total	**30,000**	**30,000**

To accurately reflect customer allocations, the previous year's amount of liabilities to customers was increased by €85,538 thousand and liabilities to banks were reduced accordingly. For the financial year 2024, liabilities to banks and customers are treated accordingly.

5. Disclosures on affiliated companies

The following table shows the receivables from and liabilities to affiliated companies:

in € '000	2024	2023
Receivables from banks	333,645	306,972
Receivables from customers	-	167
Liabilities to banks	36,778	202,692
Liabilities to customers	1,129	41
Subordinated debt	30,000	30,000

6. Development of fixed assets

Clearstream Banking Frankfurt's fixed assets comprise bonds and other fixed-interest securities, intangible assets and property, plant and equipment.

The bonds and other fixed-interest securities held as at the reporting date are exclusively exchange-listed securities.

The software acquired from Deutsche Börse AG with a value of €3,147 thousand, which was recognised under intangible assets in the previous year, was developed further in the financial year 2024. Subsequent expenditures of €2,619 thousand were capitalised as a cost of acquisition.

Property, plant and equipment comprise office equipment in the amount of €23 thousand (2023: €40 thousand), which are mostly depreciated.

The following table shows the development of fixed assets:

in € '000	Bonds and other fixed-interest securities	Intangible assets	Property, plant and equipment
Acquisition/production costs as at 1 January 2024	462,813	11,100	831
Additions	-	2,619	5
Disposals	3,068	977	12
Acquisition/production costs as at 31 December 2024	459,745	12,742	824
Accumulated depreciation as at 1 January 2024	28,541	8,059	792
Depreciation in the current year	-	215	9
Reversal	12,171	-	-
Disposals	-	-	-
Accumulated depreciation as at 31 December 2024	16,369	8,274	801
Carrying amount as at 31 December 2023	434,272	3,041	40
Carrying amount as at 31 December 2024	443,376	4,468	23

7. Other assets

Other assets mainly consist of income tax receivables and interest on taxes of €78,770 thousand (2023: €75,640 thousand), with the majority resulting from a voluntary prepayment in the context of a tax audit. Also included are cooperative shares in S.W.I.F.T. SCRL, La Hulpe, Belgium, in the amount of €2,254 thousand (2023: €6,621 thousand).

8. Bond issued

The bond issued continued to consist exclusively of a bond issued in December 2020 with a total nominal amount of €350,000 thousand.

9. Provisions for pensions and similar obligations

Provisions for pensions and similar obligations amount to €5,448 thousand (2023: €9,008 thousand). The decrease mainly results from the increase of the netted plan assets compared to the previous year.

The key underlying actuarial assumptions are shown in the table below:

	2024	2023
Discount rate	1.90%	1.83%
Salary growth	3.00%	3.00%
Pension growth	2.20%	2.20%

In application of section 246 (2) HGB, provisions for pension obligations of €71,585 thousand were offset with plan assets of €66,137 thousand and corresponding expenses of €6,099 thousand were offset against income of €7,704 thousand. In the previous year, the fair value of the assets of €5,615 thousand exceeded the amount of the liabilities for early retirement of €5,448 thousand by €167 thousand, which was recognised under "overfunded plan assets".

The netted assets, which corresponded to a 14.4 per cent share in a domestic alternative investment fund within the meaning of section 1 (10) of the German Capital Investment Code (Kapitalanlagegesetzbuch, KAGB), had a fair value as at the reporting date of €66,137 thousand (2023: €59,008 thousand), which corresponds to the market value within the meaning of section 278 in conjunction with section 168 KAGB. This special fund is an international mixed fund (mixed special fund) with regulatory investment restrictions. In addition to replicating the DJ STOXX 600 Europe Index, a capital protection concept is applied for a portion of the special fund alongside a non-forecast-orientated trend reporting system, which is key for portfolio management. In the financial year 2024, €3,568 thousand was withdrawn for current pension payments (2023: €2,304 thousand), which were not offset this year by additions (2023: €2,231 thousand). The accumulated acquisition costs of these assets were €55,877 thousand (2023: €49,457 thousand). The difference between the carrying amount and the market value amounted to €10,260 thousand (2023: €7,629 thousand).

10. Provisions for taxes

Provisions for taxes in the amount of €28,157 thousand (2023: €28,873 thousand) consisted mainly of provisions for corporate income tax for the current and previous years.

11. Other provisions

Other provisions consist primarily of provisions for outstanding invoices of €111,469 thousand (2023: €73,990 thousand), provisions for variable and share-based remuneration components of €14,469 thousand (2023: €13,379 thousand) and personnel provisions of €10,738 thousand (2023: €11,945 thousand).

12. Subordinated debt

The subordinated debt to the parent company Clearstream Holding AG is unchanged at €30,000 thousand and is due on 19 January 2026. The interest rate was 0.07 per cent between 19 January 2022 and 18 January 2024 and was adjusted to 3.8 per cent in conjunction with a duration extension with effect from 19 January 2024.

In the event of a liquidation or insolvency of CBF, the receivables and interest claims of the subordinated creditors will only be repaid after the claims of all non-subordinated creditors have been satisfied. The subordinated debt does not include any conditions for conversion into equity or other form of debt.

Interest expense for the subordinated debt amounted to €1,088 thousand (2023: €21 thousand). The amount includes interest accrued but not yet due of €1,087 thousand (2023: €20 thousand).

13. Foreign currency volumes

As at 31 December 2024, the total amount of assets denominated in a foreign currency amounted to €218,789 thousand (2023: €477,371 thousand), while the liabilities denominated in a foreign currency amounted to €471,772 thousand (2023: €746,121 thousand). The liabilities denominated in a foreign currency comprised mainly customer deposits.

14. Equity

Subscribed capital remains unchanged at €25,000 thousand and is divided into 25,000,000 no-par-value registered shares of €1 each.

For the financial year ending on 31 December 2023, the 2023 annual financial statements were approved by resolution of the Supervisory Board on 26 March 2024, and by resolution of the Annual General Meeting on 26 March 2024 a dividend of €270,000 thousand was distributed to the sole shareholder and €7,600 thousand allocated to revenue reserves.

It is proposed to appropriate the net profit of €281,937 thousand for the financial year ending on 31 December 2024 as follows: distribution of a dividend of €281,215 thousand to the sole shareholder and allocation of €722 thousand to retained earnings.

15. Information regarding blocked amounts according to sections 253 (6) and 268 (8) HGB

The blocked amounts according to sections 253 (6) and 268 (8) HGB consist of the following:

in € '000	2024	2023
Difference resulting from the discounted provisions for pension obligations	0	522
Unrealised gains from plan assets less deferred taxes created	7,400	5,462
Total	**7,400**	**5,984**

Notes to the income statement

16. Interest income and expenses

The increase in interest income from lending and money market transactions and in interest expense was mainly a result of the higher interest rate environment on an annual average, especially in EUR and USD.

17. Commission income and expenses

Commission income of €679,707 thousand (2023: €589,950 thousand) mainly consist of deposit fees in the amount of €408,169 thousand (2023: €362,495 thousand) and transaction fees in the amount of €182,484 thousand (2023: €151,203 thousand).

Commission expense amounted to €246,826 thousand (2023: €190,852 thousand) and was primarily related to bank fees. The increase in commission income and expenses compared to the previous year was mainly due to higher custody volumes and a greater number of settled transactions.

18. Other operating income and expenses

Other operating income in the amount €42,684 thousand (2023: €51,220 thousand) mainly comprises income from services for Group companies (including IT development services and reporting services) in the amount of €30,943 thousand (2023: €35,175 thousand), income from foreign currency translation of €2,790 thousand (2023: €10,002 thousand), and income from the clearing item in accordance with section 246 (2) HGB of €1,694 thousand (2023: €2,121 thousand).

Other operating expenses totalling €6,567 thousand (2023: €11,083 thousand) mainly result from interest on taxes of €2,982 thousand (2023: €2,227 thousand) and expenses for foreign currency translation of €2,823 thousand (2023: €2,840 thousand).

19. General administrative expenses

Personnel expenses of €53,385 thousand (2023: €52,033 thousand) comprise wages and salaries amounting to €45,923 thousand (2023: €43,665 thousand), and social security contributions and expenses for pensions amounting to €7,461 thousand (2023: €8,368 thousand).

Other administrative expenses mainly consist of agency services of €77,972 thousand (2023: €80,167 thousand), IT services of €19,223 thousand (2023: €6,016 thousand), of which €10,170 thousand are expenses related to other accounting periods, and external consulting expenses of €11,975 thousand (2023: €11,064 thousand).

20. Income from write-ups of securities treated as fixed assets

In the financial year 2024, income from write-ups of securities treated as fixed assets amounted to €12,172 thousand (2023: €18,573 thousand) due to interest-driven changes in market values.

21. Income taxes

Income taxes consist of the following:

in € '000	2024	2023
Corporate income tax	57,393	53,829
Trade tax	45,048	43,642
Solidarity surcharge	3,157	2,315
Capital gains tax	348	0
Taxes from previous years	1,626	140
Total	107,572	99,926

Additional comments

22. Other financial obligations

Management and agency agreements are in place with affiliated or associated companies in the amount of €36,052 thousand (2023: €109,644 thousand).

23. Financial instruments of the banking book

Financial instruments of the banking book comprise foreign exchange forward transactions with a short-term maturity (generally t+1) with a nominal value of US$250,000 thousand (€239,827 thousand) and a positive market value of €136 thousand (2023: €196 thousand) as at the reporting date.

24. Auditor's fee

Disclosures on the auditor's fee, which exclusively includes services for the annual audit, are contained in the notes to the consolidated financial statements of Deutsche Börse AG in accordance with section 285 (17) HGB.

25. Executive Board and Supervisory Board

The Executive Board consist of:

- Dirk Loscher, Chairman of the Executive Board since 1 June 2024
- Martina Gruber, Member of the Executive Board
- Udo Henkelmann, Member of the Executive Board
- Volker Riebesell, Member of the Executive Board
- Dr. Stephanie Eckermann, Chairwoman of the Executive Board until resignation with effects as from the end of 31 May 2024

Martina Gruber is the Chairwoman of the Board of Directors of Deutsche Börse Commodities GmbH, Frankfurt am Main.

In the financial year 2024, the total remuneration of members of the Executive Board amounted to €2,721 thousand (2023: €2,948 thousand). Total remuneration included share-based remuneration of €936 thousand (2023: €937 thousand) with 1,257 (2023: 3,817) shares issued. The price of the Deutsche Börse AG share of €180.86 represents the average price of the share in calendar month December 2023. In the financial year 2024, no advance payments, loans or contingent liabilities were granted to members of the Executive Board or the Supervisory Board.

The renumeration of former members of the Executive Board and their surviving dependants amounted to €879 thousand in 2024 (2023: €891 thousand). A total of €20,232 thousand (2023: €20,492 thousand) has been set aside for pension obligations to former members of the Executive Board.

The Supervisory Board consist of:

- Dr. Stephanie Eckermann, Chairwoman of the Supervisory Board, Member of the Executive Board of Deutsche Börse AG, appointed with effect from 1 September 2024
- Dominik Schmidt-Kiefer, Deputy Chairman of the Supervisory Board, Chief Risk Officer of Deutsche Börse AG, appointed with effect from 1 September 2024
- Prof. Dr. Christina Bannier, University Professor
- Peter Eck, Employee Representative, Employee of the Settlement Services Section, Clearstream Banking AG
- Prof. Dr. Peter Gomber, University Professor
- Norfried Stumpf, Employee Representative, Employee of the Issuance Services Section, Clearstream Banking AG
- Dr. Stephan Leithner, CEO of Deutsche Börse AG, stood down with effect from 31 August 2024
- Dr. Oliver Engels, Chief Sustainability Officer and Chief Diversity Officer of Deutsche Börse AG, resigned with effect as from end of 31 August 2024

The members of the Supervisory Board received remuneration in financial year 2024 in the amount of €140 thousand (2023: €140 thousand).

26. Employees

The average number of employees is as follows:

			2024			2023
	Male	Female	Total	Male	Female	Total
Management employees	15	4	19	16	4	20
Non-management employees	178	158	336	172	161	333
Employees	193	162	**355**	188	165	**353**

Frankfurt am Main, 17 March 2025

Clearstream Banking Aktiengesellschaft

Dirk Loscher (Chairman)	Martina Gruber
Udo Henkelmann	Volker Riebesell

INDEPENDENT AUDITOR'S REPORT

To Clearstream Banking Aktiengesellschaft, Frankfurt am Main

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Clearstream Banking Aktiengesellschaft, Frankfurt am Main, which comprise the balance sheet as at December 31, 2024 and the income statement for the financial year from January 1 to December 31, 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Clearstream Banking Aktiengesellschaft for the fiscal year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2024 and of its financial performance for the financial year from January 1 to December 31, 2024 in compliance with the German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided nonaudit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

❶ Assessment of specific legal risks

Our presentation of this key audit matter has been structured as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ Assessment of specific legal risks

① Clearstream Banking Aktiengesellschaft is exposed to specific legal risks. These specific legal risks include an action brought by the insolvency administrator for the assets of Air Berlin PLC i.I. for the payment of approximately EUR 498 million and an investigation into securities transactions by market participants over the dividend date (cum-ex transactions). Provisions must be recognized for uncertain liabilities in accordance with section 249 (1) sentence 1 HGB. There must be an external obligation that has arisen for legal or economic reasons, and there must be a serious assumption that the provisions will be utilized. The assessment of whether or not a provision should be recognized to cover the risks, and if so, in what amount, is subject to a high degree of uncertainty. As of the balance sheet date, the executive directors do not expect any claims to arise from the aforementioned legal risks and have therefore not recognized any provisions. In our view, due to their legal complexity, the above legal risks are of material significance to our audit based on the considerable uncertainty as to their further development and potential effects on the net assets, financial position and results of operations.

② As part of our audit, we inspected the underlying documentation concerning the above legal disputes and proceedings and evaluated Clearstream Banking Aktiengesellschaft's legal assessments. In the knowledge that uncertainties increase the risk of accounting misstatements and that the executive directors' decisions have a direct impact on the net profit for the year, we assessed the executive directors' estimates with the assistance of our own specialists. Furthermore, we also held regular meetings with the Company's legal department to evaluate current developments and the reasons for the corresponding estimates as to the outcomes of the proceedings. The development of the material legal risks, including the executive directors' assessments as to the potential outcomes of the proceedings, was provided to us by the legal department in writing. Furthermore, we obtained external legal confirmations and assessed legal opinions prepared by external lawyers on the above-mentioned legal risks as at the balance sheet date. The executive directors' estimates regarding the matters referred to and their presentation in the annual financial statements are sufficiently substantiated and documented.

③ The Company's disclosures relating to the accounting policies for other provisions are contained in section "3. Accounting policies" of the notes to the financial statements; the material legal risks are presented in the risk report section of the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Company's internal control or of these arrangements and measures.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on March 26, 2024. We were engaged by the supervisory board on July 9, 2024. We have been the auditor of Clearstream Banking Aktiengesellschaft, Frankfurt am Main, without interruption since financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr. Michael Rönnberg.

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Frankfurt am Main, March 18, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Signed by Dr. Michael Rönnberg Wirtschaftsprüfer (German Public Auditor)	Signed by Benjamin Kunz Wirtschaftsprüfer (German Public Auditor)