

General information

<i>Reporting period</i>	CSDR Settlement Fails report 2025
<i>CSD Name</i>	Clearstream Europe AG
<i>Legal Entity Identifier</i>	549300298FD7AS4PPU70
<i>Securities settlement system operated by the CSD</i>	DE_CREATION

Settlement fails data

<i>Fail reason</i>	<i>Number of Settlement Fails</i>	<i>Value (EUR) of Settlement Fails</i>	<i>Rate of Settlement Fails based on volume</i>	<i>Rate of Settlement Fails based on value</i>
Failure to deliver securities	12,468,200	895,242,494,751	25.85%	6.60%
Failure to deliver cash	574,144	57,979,923,859	1.19%	0.43%
Settlement fails due to lack of securities or lack of cash	13,042,344	953,222,418,610	27.04%	7.03%

Total **number** of settlement instructions

48,229,270

Total **value** of settlement instructions (EUR)

13,566,135,360,216

Measures to improve settlement efficiency

CEU as a CSD has limited means to directly influence the settlement efficiency of its clients. The underlying data of the relevant CSDR reports for monthly "Settlement fails", "Top 10 failing participants" and annual "Consistently and systematically failing participants" (to assess their potential suspension from settlement) are being analysed to detect main fail reasons/ patterns to support selected clients whose fails have a relevant impact on CEU's efficiency. While it is difficult for CEU to assess the detailed reasons why instructions are actually failing (beyond "lack of cash/ securities" or "on hold"), various actions were initiated by CEU, including, *inter alia*, continuous joint interactions with the relevant clients through the CSDR monthly "working arrangements" with "Top 10 failing participants". Processes such as "working arrangements" well serve their purpose to incentivise relevant clients to take mitigating actions, whenever possible (as the reasons for fails are quite diverse, depend on the underlying clients' business models, stock exchange trading activities and specific issues ranging from the matching of instructions after the Intended Settlement Date ("late matching"), "aged" transactions being only unilaterally cancelled, share registrations delays, ETFs processing or positions realignment needs). On top, CEU is very unique in being the only EU CSD that is running two different settlement systems and account set-ups (namely, CEU and 6-series accounts) in parallel that complexifies the management of instructions and positions by the CEU clients - this aspect is addressed by CEU's ongoing "UNO" project; also, T2S cross-CSD settlement processes pose challenges that clients have to cope with (in this context, T2S Change Request CR 797 to support cross-CSD settlement also via alternative links will be facilitated by CEU to ease the processes). CEU services like partial settlement/ partial release, reporting like settlement allegations MT548/ 578 and daily/ monthly MT537 PENA reports and analytical dashboards are offered to clients. While CEU's "by value" efficiency remained stable at 97%, the "by volume" efficiency slightly decreased to 91%, mainly due to the severe T2S settlement platform disruption in February 2025 and some T2S ECMS migration impacts in June 2025. For 6-series settlement via the Creation platform the "by volume" efficiency remained stable around 73% though the number of settlement instructions grew by 28%; the "by value" efficiency slightly improved to 93% and was again impacted by some high-value transactions fails of few clients and significant fail rates between 20% - 30% related to ETFs and shares instruments. CEU stays highly committed to identify means to increase settlement efficiency, hence, continues to analyse reasons for settlement fails and assesses potential measures to improve settlement efficiency jointly with its clients and via industry associations.

Disclaimer: This annual public "CSDR settlement fails report" includes very unique data and metrics based on CSDR Settlement Discipline Regime requirements (for example, the settlement fails consider actually settled, (bilaterally) cancelled or pending matched customer instructions in scope of the CSDR Settlement Discipline Regime, applies fails countervales in Euro currency for free of payment transactions as well as uses specific rules to measure "late matching" and partial settlements). As a result, this report is neither comparable with any other securities settlement-related reports provided by CEU to its clients or published otherwise nor should it be used to rank the CEU securities settlement system's performance versus others not being subject to CSDR.