Pillar III Disclosure Report
of
Clearstream Fund Centre Holding S.A.

Disclosures as of 31 December 2024

June 2025

Pillar III Disclosure Report 2024 of Clearstream Fund Centre Holding S.A.

June 2025

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Clearstream Fund Centre Holding S.A. is a Deutsche Börse Group company.

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				application of internal models.
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1. Introduction

1.1 Regulatory background

The Pillar III Disclosure Report ("the report") for the financial year ending 31 December 2024 is prepared and published at consolidated level of Clearstream Fund Centre Holding S.A. ("CFCH"). Whenever CFCH is mentioned in this report, it refers also to the subsidiary Clearstream Fund Centre Luxembourg S.A. ("CFCL") – authorised as a Luxembourg credit institution – along with its Cork Branch in Ireland. The subsidiary Clearstream Australia Limited ("CAL") is excluded from this scope, as it is not part of the CSSF consolidated prudential supervision.

The report adheres to the requirements outlined in Part Eight of Regulation (EU) No. 575/2013 ("CRR") and the supplementary requirements specified in Directive 2013/36/EU ("CRD"), both in their latest consolidated versions effective as of 31 December 2024. The report further complies with related European Banking Authority ("EBA") Implementing Technical Standards ("ITS"), such as ITS 2021/07 on disclosure of information on exposure to interest rate risk in the banking book.[1] Additionally, the report follows the requirements set out in Commission Implementing Regulation (EU) 2021/637 dated 15 March 2021, which establishes and incorporates the ITS on public disclosures by institutions into European law. In the following, we refer to the respective laws and regulations in place as of 31 December 2024, if not stated otherwise.

In accordance with Article 432 CRR, the disclosures contained in this report are subject to the principle of materiality. Within this context, CFCH, together with its subsidiaries, qualifies as a financial holding company under Luxembourg law, pursuant to Article 4 (1) number 20 CRR. In this regard, CFCH classifies as "non-listed other institution" in line with the provisions set out in Article 433c (2) CRR. CFCH does not meet the criteria for large institutions outlined in Article 4 (1) point 146 CRR, nor does CFCH qualify as Global Systemically Important Institution ("G-SII") or Other Systemically Important Institution ("O-SII") according to Article 131 CRD.

In compliance with Article 433 CRR, CFCH annually publishes its Pillar III Disclosure Report on the Clearstream website.

All figures in this report are presented in CFCH's reporting currency Euro ("EUR"). Quantitative disclosures refer to consolidated figures and are expressed in thousands of Euros ("k EUR"), unless stated otherwise. Due to rounding, minor discrepancies may appear in the disclosed figures, which are deemed non-material in accordance with CFCH's risk profile.

This report is not a set of financial statements and is not subject to external audit. However, some disclosed information is included in CFCH's audited financial statements as of 31 December 2024. CFCH publishes its annual accounts in compliance with LUX GAAP standards. Conversely, CFCH's regulatory financial reporting ("FINREP") adheres to IAS / IFRS standards.

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[1] CFCH is not subject to the requirements of EBA/ITS/2022/01 concerning disclosures related to ESG risks in accordance with Article 449a CRR.

1.2 Disclosure Policy

In accordance with Article 431 (3) CRR, CFCH has implemented a formal Disclosure Policy to guide the preparation and validation of its Pillar III Disclosure Report. The policy is reviewed and updated annually. The CFCH Board of Directors holds ultimate responsibility for the Disclosure Policy and must approve any changes. The policy specifies the scope of disclosures, assigns roles and responsibilities, and establishes the procedures and internal controls to be followed.

In line with the Disclosure Policy, CFCH must adhere to a specific process when deciding to omit certain disclosures due to immateriality, proprietary nature, or confidentiality. If CFCH classifies certain information as not applicable or immaterial in this report, this is clearly indicated in the corresponding disclosures or in the disclosure index at the beginning of this document.

1.3 Formal attestation

The CFCH Board of Directors attests that the disclosures provided in this report, in accordance with Part Eight CRR, have been prepared in adherence to applicable regulatory requirements and in accordance with established internal policies, procedures, systems, and controls. Additionally, the Board declares that CFCH's risk profile is accurately reflected in the disclosures published in this report. The Board affirms that CFCH's risk management framework is appropriately aligned with the Deutsche Börse Group's risk profile and strategic objectives.

In June 2025, the CFCH Board of Directors approved this report for publication and confirmed that CFCH followed the established Disclosure Policy in accordance with Article 431 (3) CRR.

1.4 Shareholding structure

As of 31 December 2024, CFCH was fully owned by Deutsche Börse AG ("DBAG"), its ultimate parent company. In accordance with Article 4 (1) number 20 CRR, CFCH constitutes a financial holding company based in Luxembourg that directly holds 100% of the shares of CFCL. An overview of the shareholding structure is presented in the following figure.

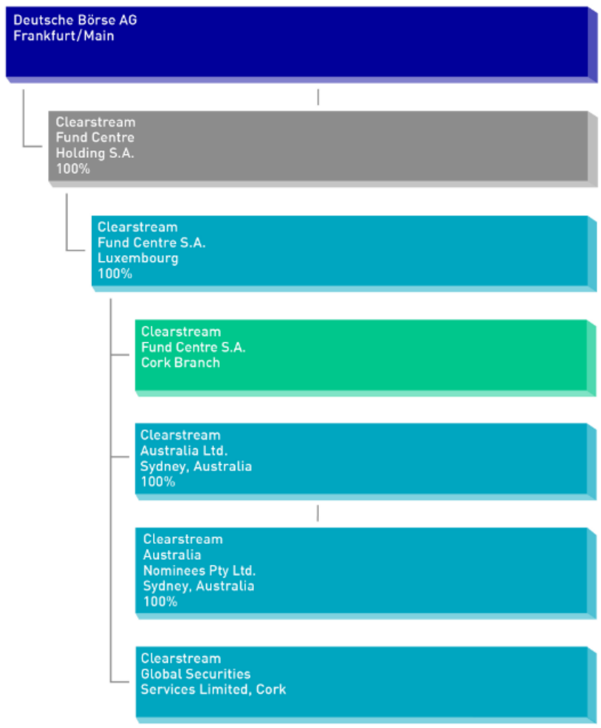

Figure 1: Overview of CFCH's corporate structure

1.5 Business operations

1.5.1 Clearstream Fund Centre Holding S.A. ("CFCH")

CFCH was established on 26 July 2022 and is fully owned by DBAG. CFCH acts as financial holding company for CFCL, benefitting from an exemption from the licensing requirement for financial holding companies under Article 34-2 (6) of the Luxembourg law of 5 April 1993 on the financial sector ("LFS"), as amended. According to Article 31-2 (6) LFS, as amended, CFCL is included in the scope of consolidated supervision at the level of CFCH.

1.5.2 Clearstream Fund Centre S.A. ("CFCL")

CFCL was established on 16 November 2021 in Luxembourg. It received its banking license to operate as a credit institution in Luxembourg from the European Central Bank ("ECB") on 27 October 2022, in accordance with Article 3 LFS. This was communicated by the CSSF on 7 November 2022, and the license was activated on 30 December 2022. Since then, CFCL has been authorised under Article 2 LFS. CFCL was created to execute DBAG's strategy of separating all activities related to investment funds services and establishing a dedicated infrastructure for investment funds.

CFCL Cork Branch is CFCL's first operational centre outside of Luxembourg. It was incorporated on 31 March 2023, and activated on 1 July 2023. The servicing of mutual and hedge funds, as well as core client services support, previously handled by Clearstream Global Securities Services Ltd., are now exclusively provided by CFCL Cork Branch. CFCL Cork Branch is Clearstream's largest operational centre for investment funds and complements the already existing fund servicing centre in Luxembourg.

1.5.3 Clearstream Global Securities Services Ltd., Cork ("CGSS")

Citco Global Securities Services Ltd. was acquired in October 2014 and initially named Clearstream Global Securities Services Ltd. ("CGSS"). CGSS, a wholly owned subsidiary of CFCL, underwent a company reorganisation that resulted in a full transfer of its fund activities to CFCL Cork Branch on 1 July 2023. The liquidation process for CGSS commenced in 2024 and is anticipated to be completed during 2025.

1.5.4 Clearstream Australia Limited, Sydney, Australia ("CAL")

Clearstream Banking S.A. ("CBL") successfully acquired Ausmaq Limited, Sydney, Australia, ("CAL") during the third quarter of 2019. With this acquisition, Clearstream is further expanding its offering in the investment funds space and has entered the Australian market. Ausmaq Limited has been a wholly owned subsidiary of CBL since 31 July 2019. In June 2020 it was renamed Clearstream Australia Limited. Following the carve out of the funds business and the establishment of CFCL, all shares in CAL held by CBL were transferred to CFCL.

1.5.5 Clearstream Australia Nominee Limited, Sydney, Australia ("CAN")

Clearstream Australia Nominee Limited ("CAN") was registered in June 2020 as a nominee company wholly owned by Clearstream Australia Limited. CAN was established to hold the assets of CAL's clients. As custodian, CAL exercises control over CAN and administers the assets on behalf of its clients, who are the beneficial owners of the underlying managed funds.

2. Governance

(Article 435 (2) (a), (b) and (c) CRR)

In accordance with Article 435 (2) (a), (b) and (c) CRR, the qualitative information on CFCH's governance arrangements is disclosed in the following sections.

Table EU OVB – Disclosure on governance arrangements

CRR Article	Row number	Free format	Section
435 (2) (a)	(a)	The number of directorships held by members of the management body.	Section 2.1.1 Section 2.2.1 Section 2.2.2
435 (2) (b)	(b)	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	Section 2.1.1 Section 2.2.1 Section 2.2.2
435(2) (c)	(c)	Information on the diversity policy with regard of the members of the management body.	Section 2.1 Section 2.2
435(2) (d)	(d)	Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.	N/A – CFCH is not a large or listed institution.
435(2) (e)	(e)	Description on the information flow on risk to the management body.	N/A – CFCH is not a large or listed institution.

2.1 General arrangements – CFCH

CFCH is established in Luxembourg as a public limited company ("Société Anonyme"). CFCH has a Board of Directors, whose members manage its operations in compliance with all relevant laws and regulations. As the direct parent of CFCL, CFCH is recognised as a parent financial holding company in Luxembourg under Article 1 (6b) LFS, as amended.

CFCH has established a thorough suitability assessment policy, accompanied by a side-letter that outlines specific job descriptions for members of the Board of Directors. This policy aims to ensure that Board members meet the criteria for reputation, experience, and governance, as specified in the joint European Securities and Markets Authority ("ESMA") and EBA "Final Report on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU" (EBA/GL/2021/06, ESMA35-36-2319).

Alongside the suitability assessment policy, CFCH has established several diversity principles for selecting members of the Board of Directors. These principles encompass educational and professional backgrounds, gender, age, and geographical origin. The goal is to ensure a range of perspectives and experiences, fostering independent opinions within the Board of Directors:

- CFCH strives for balanced gender representation;
- The Board's age structure should encompass a wide range;
- The Board should include diverse educational and professional backgrounds; and
- The Board's composition should mirror CFCH's international profile.

The suitability assessment is triggered when a new member is to be appointed or elected to the Board of Directors, if a member resigns, causing significant changes to the management body's composition, in the event of any substantial changes (such as reduced work hours, changes in the scope or nature of the mandate, or a negative event affecting reputation), and regularly, at least once a year.

To achieve balanced gender diversity and comply with Article 435 (2) (c) CRR, the CFCH Board of Directors has approved the Gender Diversity Policy and set a target to increase the number of the under-represented gender in the management body. The Board members have agreed on a target quota of 20% for the under-represented gender (currently female) in the CFCH Board of Directors by 31 December 2028.

2.1.1 Board of Directors

According to the Articles of incorporation of CFCH, the Board of Directors shall consist of at least three members. However, if the company has only one shareholder, the number of directors may be limited to one until the ordinary general meeting following the establishment of more than one shareholder. The Board members must meet specific criteria outlined in the Suitability Assessment Policy and comply with regulatory requirements mentioned above. These criteria include, but are not limited to, having an up-to-date understanding of CFCH's business and its risks. The assessment of a member's knowledge, skills, and experience should consider both theoretical knowledge gained through education and training, as well as practical experience from previous roles.

A member of the management body should be regarded as having good repute, honesty, and integrity if there are no objectives and demonstrable reasons to suggest otherwise, and no grounds for reasonable doubt about their good repute, honesty and integrity.

The Board of Directors drafts a job description and a candidate profile for a specific position. Subsequently, the Board identifies and recommends suitable candidates, who are submitted for approval to the general meeting of shareholders. Following selection and nomination, the general meeting of shareholders decides on the appointment of the candidate as a new member. The appointment of Board members requires prior express CSSF approval. In 2024, no new directorship requests were submitted to the CSSF for approval.

The Board of Directors typically meets four times per year, with additional meetings held at the discretion of the members. During these meetings, they are briefed on regular business activities as well as all substantial business events. In the event of extraordinary incidents, the CFCH Board of Directors is informed immediately.

The following table depicts the members of the CFCH Board of Directors along with their number of directorships as of 31 December 2024.

Member	Number of directorships
Oliver Engels	1
Michèle Bierset	1
Mark Gem	2

Table 1: CFCH Board of Directors members and directorships

2.2 General arrangements - CFCL

CFCL is established in Luxembourg as a public limited company ("Société Anonyme"). Its Articles of incorporation outline a two-tier board structure, comprising an Executive Board responsible for management and a Supervisory Board responsible for oversight and control.

Both Boards operate in compliance with applicable laws and regulations, including the amended Law of 10 August 1915 on commercial companies, the amended LFS, relevant CSSF Circulars (especially CSSF Circular 12/552, as amended), relevant EU frameworks, the Articles of incorporation, and the internal rules and regulations of both the Supervisory and Executive Boards.

CFCL has established a thorough suitability assessment policy, accompanied by a side-letter that outlines specific job descriptions for members of the Supervisory Board and Executive Board. This policy aims to ensure that the Executive Board members, Supervisory Board members, and key function holders at CFCL meet the criteria for reputation, experience, and governance as specified in the joint ESMA and EBA "Final Report on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU" (EBA/GL/2021/06, ESMA35-36-2319), and the LFS.

Additionally, CFCL has established several diversity principles for selecting members of the Executive Board and Supervisory Board. These principles encompass educational and professional background, gender, age, and geographical origin. The goal is to ensure a range of perspectives and experiences, fostering independent opinions within both Boards:

- CFCL strives for a balanced gender representation;
- The age range of the Board members should be diverse;
- The Boards should include members with varied educational and professional backgrounds; and
- The composition of the Boards should reflect CFCL's international profile.

The suitability assessment is triggered when appointing or electing a new member to the Executive Board or Supervisory Board, if a member resigns and this results in significant changes to the management body's composition, in the event of any substantial changes (such as reduced work hours, changes in the scope or nature of the mandate, or negative events affecting reputation), and regularly, at least once a year.

To benefit from a balanced gender diversity and to fulfil the requirements under Article 435 (2) (c) CRR, the Supervisory Board of CFCL has approved the Gender Diversity Policy and decided on a target to increase the number of the under-represented gender in the management body.

The Supervisory Board members of CFCL agreed on a 20% target quota for the representation of the under-represented gender (currently female) in both the Supervisory Board and the Executive Board by 31 December 2027.

The mandate limitation rules outlined in Article 38-2 LFS must be adhered to. As of 31 December 2024, all members of CFCL's Executive and Supervisory Boards complied with these rules, considering the legal permissibility of mandate aggregation.

2.2.1 Supervisory Board

According to CFCL's Articles of incorporation, the Supervisory Board must have at least three members. These members shall meet specific criteria outlined in the Suitability Assessment Policy and comply with regulatory requirements mentioned earlier. Additionally, the Supervisory Board as a whole must possess the necessary skills, capabilities, and experience to oversee and control the CFCL Executive Board. This includes a thorough understanding of the credit institution's business. Criteria for Board members include having an up-to-date knowledge of the business, the bank, and its risks. The assessment of a member's knowledge, skills, and experience should consider both theoretical knowledge gained through education and training, as well as practical experience from previous roles.

A member of the management body should be considered to be of good repute, honesty, and integrity if there are no objective and demonstrable grounds to suggest otherwise, and no reason to have reasonable doubt regarding their character.

The Supervisory Board approves a job description and candidate profile for a specific position. It then identifies and recommends suitable candidates for approval by the general meeting of Shareholders. After selection and nomination, the appointment of a Supervisory Board member requires prior express approval from the CSSF. Once the CSSF approval is granted, the general meeting of shareholders formally appoints the candidate as a new member. In 2024, one new directorship was approved by CSSF.

The Supervisory Board generally convenes four times a year, with the chairperson having the discretion to call additional meetings as needed. During these meetings, the Board is briefed on regular business activities and significant business events. In the case of extraordinary incidents, the CFCL Supervisory Board is notified immediately.

The following table depicts the members of the CFCL Supervisory Board along with their number of directorships as of 31 December 2024.

Member	Number of directorships
Stephanie Eckermann – Chairperson	1
Dominik Schmidt-Kiefer	1
Labiba Homsy	5
Yves Baguet	1

Table 2: CFCL Supervisory Board members and directorships

2.2.2 Executive Board

According to CFCL's Articles of incorporation, the Executive Board shall be composed of at least three members, who are appointed by the Supervisory Board of CFCL for a period of four years. The CEO serves as the chair of the Executive Board.

The recruitment process for Executive Board members begins with the Supervisory Board approving a job description and candidate profile for the specific position. The Supervisory Board then identifies and approves suitable candidates. Following the selection and nomination of a candidate, the Supervisory Board makes a formal decision. The appointment of a new CFCL Executive Board member requires prior approval from the CSSF.

The recruitment process of members of the Executive Board starts with the Supervisory Board resolving on a job description and candidate profile for a specific position. Afterwards, the Supervisory Board identifies and approves suitable members. After the selection and nomination of a candidate, Corporate Governance Post-Trading prepares a formal decision of the Supervisory Board. In 2024, the CSSF approved two new directorships.

The Executive Board manages CFCL in compliance with applicable laws, the Articles of Association, and internal rules and regulations, aiming to create sustainable value while considering the interests of shareholders, employees, and other stakeholders. It is also responsible for establishing a proper business organisation, including effective risk management.

Members of the Executive Board must be professionally qualified and suitable for managing a credit institution, and they must be able to dedicate sufficient time to their responsibilities. They are required to have both theoretical and practical knowledge of the business of a credit institution. Additionally, Executive Board members must possess:

- An understanding of banking and financial markets, particularly within the regulatory framework;
- Knowledge of managing credit institutions; and
- Adequate experience in managerial positions.

The business distribution scheme outlines the allocation of tasks and responsibilities among Board members. However, the Executive Board retains collective responsibility for fulfilling its duties as defined by law and the Articles of incorporation (overall responsibility).

Executive Board meetings are held monthly or more frequently if needed.

The following table depicts the members of the CFCL Executive Board along with their number of directorships as of 31 December 2024.

Member	Number of directorships
Philippe Seyll – Chief Executive Officer	3
Marco Steeg	1
Kevin Hayes	1
Bernard Tancre	1
David Brosnan	1
Sonia Dribek-Pfleger	1
Neil Wise	1

Table 3: CFCL Executive Board members and directorships

3. Scope of application

(Article 436 CRR)

Table EU LIB – Other qualitative information on the scope of application

While this report includes CFCH, its subsidiary CFCL, and the CFCL Cork Branch, the subsidiary CAL has been excluded. This exclusion aligns with the decision of the CSSF, which, in accordance with Article 19 (2) CRR, has exercised its regulatory discretion to exempt CAL from the scope of consolidated prudential supervision.

Unless otherwise specified, all information in this report pertains to the companies within the regulatory scope of consolidation. The accounting consolidation discussed in Section 6.2 refers to the method used at Deutsche Börse Group level. Given that the differences between the regulatory and accounting scopes are considered immaterial, the disclosure of Table EU LIA and Templates EU LI1 to LI3 has been omitted.

4. Risk management

(Article 435 (1) (a), (e) and (f) CRR)

In accordance with Article 435 (1) (a), (e) and (f) CRR, the qualitative information on CFCH's risk management setup is disclosed in the following sections.

Table EU OVA – Institution risk management approach

CRR Article	Row number	Free format	Section
435 (1) (f)	(a)	Disclosure of concise risk statement approved by the management body	Section 4.1
435 (a) (b)	(b)	Information on the risk governance structure for each type of risk	N/A – CFCH is not a large or listed institution.
435 (1) (e)	(c)	Declaration approved by the management body on the adequacy of the risk management arrangements.	Section 4.5
435 (1) (c)	(d)	Disclosure on the scope and nature of risk disclosure and / or measurement systems.	N/A – CFCH is not a large or listed institution.
435 (1) (c)	(e)	Disclose information on the main features of risk disclosure and measurement systems.	N/A – CFCH is not a large or listed institution.
435 (1) (a)	(f)	Strategies and processes to manage risks for each separate category of risk.	Section 4.2 Section 4.3 Section 4.4 Section 4.6 Section 4.7 Section 8 Section 10 Section 11 Section 12 Section 13
435 (1) (a) and (d)	(g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.	N/A – CFCH is not a large or listed institution.

4.1 Concise risk statement

In accordance with Article 435 (1) (f) CRR, the concise risk statement represents the statement approved by the CFCH Board of Directors on the appropriateness of the risk management system and procedures, as well as the description of CFCH's risk profile in relation to the business strategy.

The following concise risk statement was approved by the CFCH Board of Directors on 13 June 2025.

The concise risk statement focuses on CFCH at the consolidated level. It includes CFCH, the parent financial holding company based in Luxembourg and a direct subsidiary of DBAG, as well as its subsidiary, CFCL, which is authorised as a Luxembourg credit institution, and its Cork Branch in Ireland.

Effective and efficient risk management is vital to protect CFCH's interests, enabling it to achieve its corporate goals and safeguard its continued existence. To this end, CFCH has established a risk management system that includes roles, processes, and responsibilities for all staff. This system is designed to identify and address emerging risks as early as possible. Additionally, the Risk Management function prepares and provides regular comprehensive risk reports to the Authorised Management.

CFCH's risk strategy and risk appetite complement its business strategy by setting limits to define the maximum permissible risk for operational risk, financial risk, pension risk and business risk. The risk strategy achieves this by setting specific requirements for risk management, risk control, and risk limitation. Within CFCH, significant emphasis is placed on the risk treatment process, to ensure that appropriate measures are taken to avoid, reduce, transfer, or, when suitable, consciously accept risk. The business strategy is updated annually and on an ad hoc basis in response to significant business changes. Both internal and external environmental factors, including macroeconomic and geopolitical changes, are considered in the update process. Other factors, such as the material change process view, action plan for projects, and CFCH's investments, are also considered. The Risk Management function ensures the coherence of the risk strategy with the annual business strategy, constantly identifying new risks and potential business threats. Forward-looking risk scenarios are considered to minimise risk exposure to capital and liquidity. The Internal Capital Adequacy Assessment Process ("ICAAP") builds upon the material risks identified in the risk strategy and ad hoc reviews. The implementation of the risk strategy ensures timely and effective risk control within CFCH. The Risk Management function evaluates the information essential for risk control using structured and consistent methodologies.

The outcomes of these assessments are systematically collected and utilised to analyse and manage risks. Risk reports, encompassing both existing and potential risks, are prepared on a regular and ad-hoc basis. These results are integrated into the reporting for CFCH, CFCL and the Deutsche Börse Group level system. Regular risk reports, issued at least quarterly to the management body, include CFCH's risk quantification results compared against established limits. These reports are supported by qualitative risk information, stress test results, and recommendations on capital adequacy. The economic perspective of limit utilisation is reported using a traffic light system to indicate the respective levels of utilisation. The CFCH Board of Directors, along with the CFCL Executive Board, defines and approves the limits as part of the risk appetite outlined in the risk strategy. The risk metrics, representing the measured risk appetite, can be delineated against red, orange, and yellow thresholds, as approved by the Boards.

The Risk Management function operates in accordance with the following guiding principles, ensuring alignment with the risk management principles at the group level:

- Deliver robust risk management services to clients, fostering the integrity, transparency, efficiency, and safety of capital markets;
- Support CFCH's business strategy by identifying, understanding, and assessing the risks CFCH faces;
- Manage risk effectively in line with the overall quantitative and qualitative risk appetite;
- Enhance strategic decisions related to mergers and acquisitions, new products and services, or technological changes by providing transparency on associated risks and controls.

These guiding principles are complemented and implemented through clear responsibilities, a strong risk awareness and culture, and effective risk communication and reporting:

- **Ultimate responsibilities:** The CFCH Board of Directors, the CFCL Executive Board, and the CFCL Supervisory Board bear ultimate responsibility for the risk strategy by ensuring that it is consistent, complete, sustainable, and up to date. The risk strategy embodies the risk appetite, which defines the maximum loss the Boards are willing to accept, the risk tolerances, and the aspired performance levels. The Boards guarantee the integration of the risk strategy into CFCH's business activities and ensure the implementation of adequate measures, strategies, policies, and procedures.
- **Risk awareness and risk culture:** Risk awareness and a robust risk culture are fostered through appropriate organisational structures and responsibilities, effective processes, and enhanced employee knowledge via regular mandatory training sessions. The adequacy of the risk management and controlling systems is assessed regularly.
- **Risk communication and reporting:** The responsible management bodies are informed in a timely and comprehensive manner about CFCH's risk profile, pertinent risks, and relevant losses. The Risk Management function may issue ad hoc reports when a new risk situation arises or when development in existing risks need to be communicated to the Boards. The internal reporting and communication are complemented by external reporting.

The identified risks are mapped to the internal, annually updated risk inventory. This process aims to ensure that CFCH regularly and systemically identifies and assesses the risks it may face due to its business model and industry environment. For an effective review of the overall risk profile, the risk inventory process encompasses all of CFCH's financial and non-financial activities, subsidiaries, connected entities, and outsourcing arrangements. This approach ensures an adequate risk assessment that covers dependencies on other entities which could materially impact CFCH's risk profile. The risk inventory process undergoes an annual review by the Risk Management function at the legal entity level and is approved by the Authorised Management. According to the risk inventory, CFCH's risk profile comprises four aggregated risk types: operational risk, financial risk, business risk and pension risk.

The risk inventory is grounded in the risk taxonomy, providing a comprehensive and exhaustive list of all potential risk items that CFCH may be exposed due to its current and future business operations. Consequently, it encompasses all known risks. The same risk taxonomy is used across the Deutsche Börse Group to ensure a consistent and accurate understanding of risks throughout the group. The risk taxonomy is summarised by four levels: aggregated risk types, risk types, risk clusters, and risk items, as illustrated in figure 2 below.

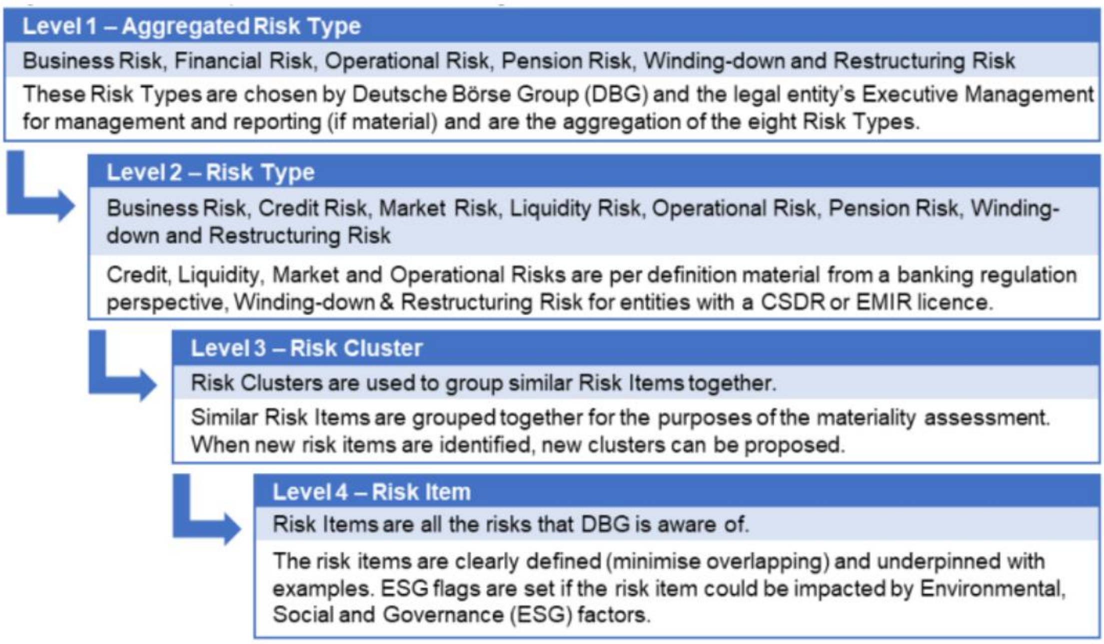

Figure 2: Risk inventory taxonomy structure

A range of quantitative and qualitative risk management techniques are employed to monitor and control CFCH's risk profile. By combining these methods, CFCH aims to provide an accurate and comprehensive view of the current risk landscape. The risk-bearing capacity concept guarantees that CFCH can absorb emerging risks, allowing it to take the necessary actions to sustain its ongoing operations. The risk appetite reflects the level of risk CFCH is prepared to accept in conducting its business.

From an economic perspective, the quantitative risk appetite aims to ensure that there is at least a 99.9% probability (meaning no more than once in 1,000 years) that the total capital will not be depleted within the next 12 months. This principle defines the level of risk CFCH must be capable of withstanding and its risk appetite. CFCH's risk appetite framework includes the tools and concepts used to manage risks, with the goal of continuously monitoring and managing risks in line with the established risk appetite.

The allocation of risk-bearing capacity to key risk types, such as operational risk, business risk, and financial risk, with sub-limits for credit risk and market risk, reflects CFCH's risk profile. Additionally, various relevant factors must be considered, including historical values of required economic capital for specific risk types, planned revenue development, operations volume, credit portfolio, and intended model changes for quantifying certain risk types. The determination of risk appetite is made by the Authorised Management, taking into account risk confidence levels and specific risk types.

The quantitative and qualitative aspects of liquidity risk are consistent with and aligned to the institution’s business strategy and overall risk appetite. The liquidity risk strategy is just one component of the broader risk strategy. Additionally, the liquidity risk concepts, methodologies, and stress testing framework are aligned with the risk strategy and form core components of the risk appetite framework.

CFCH’s liquidity risk appetite is defined as the level of liquidity risk that CFCH is willing to accept in order to pursue its business objectives while meeting regulatory requirements. The objective of CFCH’s liquidity risk management is to ensure that all pending payment instructions are processed promptly under both normal and stressed conditions.

In order to identify, measure, and closely monitor its liquidity position, CFCH implemented risk metrics to ensures compliance with the CRR requirements and EBA Guidelines:

- Survival horizon;
- Maximum buffer usage in the 1st week;
- Liquidity coverage ratio (“LCR”);
- Net stable funding ratio (“NSFR”).

As of 31 December 2024, CFCH does not encounter intraday liquidity risks, as most client accounts remain under CBL's management. Only a small number of clients have been migrated to CFCH, with no credit lines granted. The associated client deposits are considered insignificant relative to CFCH's overall balance sheet. However, intraday liquidity risk will become relevant as the client migration progresses. To meet the minimum requirements for the regulatory liquidity metrics LCR and NSFR, CFCH has established corresponding limits and early warning indicators. Throughout 2024, CFCH consistently exceeded the required minimum ratio of 100% on every reporting date. As of 31 December 2024, CFCH’s LCR was 1,442.20% and its NSFR was 198.65%.

From an economic perspective, CFCH manages its liquidity adequacy taking into consideration the specific features of its business model and ensuring that the expected outflows are sufficiently covered by internal liquidity. Given CFCH’s specific vulnerabilities, all relevant and quantifiable risks identified in the risk identification process are considered and are assessed under baseline and stressed scenarios.

CFCH calculates a liquidity gap that includes forecasted cashflows for all products and other potential inflows / outflows (e.g. rent, salary, taxes). Additionally, there is a projected view of the available liquidity buffer over time to cover potential liquidity shortfalls. The liquidity buffer of CFCH during 2024 solely consisted of cash held at the central bank.

Both the liquidity gap and the liquidity buffer are calculated in four scenarios as per regulatory requirement:

- Base scenario;
- Idiosyncratic stress scenario;
- Market stress scenario;
- Combined idiosyncratic and market stress scenario.

In 2024, CFCH consistently maintained excess liquidity on a daily basis, and no liquidity shortages occurred during regular business operations. As a result, the CFCH Board of Directors and CFCL Executive Board consider CFCH's liquidity position and internal liquidity adequacy assessment process ("ILAAP") to be sufficient to cover all identified liquidity-related risks.

Capital planning is conducted over a three-year time horizon, aligning with Deutsche Börse Group's strategic planning. The capital plan for CFCH is updated at least annually, with the planning process typically occurring in the fourth quarter each year. Additionally, ad-hoc updates may be required in response to extraordinary events, such as significant business changes, mergers and acquisitions, or regulatory legal changes. In 2024, CFCH effectively managed the risks that it was exposed to, and the results of capital planning indicated that the company is adequately capitalised for the next three years.

CFCH's governance involves a continuous process of identifying, updating, notifying, assessing, aggregating, and monitoring risks. Rigorous risk identification encompasses both historical and provisioned risks. To enhance understanding and effectively model capital requirements, these risks undergo stress testing. In 2024, CFCH conducted stress tests for all relevant risk categories and subcategories. The results of these tests were compared against the risk-bearing capacity. The conclusion was that even in the worst-case scenario, potential losses would be covered by capital. CFCH ensures that the institution maintains sufficient internal capital in alignment with its risk profile.

In addition to traditional risk-specific stress tests, which analyse predefined stress scenarios and are reported quarterly, CFCH conducts an annual reverse stress test. This test identifies combinations of eligible stress scenarios that would exceed the entity's available risk-bearing capacity. Insights from reverse stress tests guide further risk mitigation or reduction measures. Additionally, CFCH performs risk-wide stress tests to assess simultaneous impacts across various risk types. The institution has also developed adverse scenarios for capital planning purposes.

As of 31 December 2024, CFCH maintains a total capital ratio of 29.75%, demonstrating that its actual capital holdings, own funds of 183.2m EUR, comfortably exceed the regulatory minimum requirements. CFCH's leverage ratio exceeded the required minimum of 3%, reaching 46.79% as of the end of 2024.

Furthermore, as of 31 December 2024, the required economic capital ("REC") for CFCH is 62.5m EUR. This represents 34.1% utilisation of the available risk-bearing capacity ("ARBC") for CFCH, which is comfortably within the defined limits and consistent with the risk appetite.

CFCH has rigorously stress-tested various scenarios, benchmarked against the available risk-bearing capacity. The conclusion is that even severe, yet plausible, losses would be adequately covered by capital.

In summary, CFCH has thoroughly identified relevant risks, considered their risk profile, and determined the required economic capital needs. Consequently, its capital position is deemed sufficient to cover all identified risks.

The CFCH Board of Directors and the CFCL Executive Board are confident in the effectiveness of their risk management system. CFCH continuously evaluates its risk environment and profile. Based on stress test results, REC, and the risk management system, the Boards conclude that CFCH's ARBC is sufficient. Additionally, no risks with significant probabilities have been identified that could threaten CFCH's viability. The risk management system is considered adequate for CFCH's business profile and strategy.

Further information on CFCH's key risk ratios and figures is contained in Template EU KM1 and Table EU OVA, and the various risk type-specific sections of the Pillar III Disclosure Report 2024. Additionally, details are provided in the following referenced sections:

Article 435 (1) (f) CRR	Section
Risk profile	Section 4.2 Risk profile
Risk strategy	Section 4.4 Risk strategy and risk appetite Section 4.6 Risk culture
Risk management	Section 4.3 Risk management framework Section 4.7 Risk management process Section 8 Credit risk Section 10 Operational risk Section 11 Market risk Section 12 Liquidity risk Section 13 Other risk types
Risk tolerances	Section 4.7.3 Risk assessment
Key ratios and figures	Section 5 Key metrics Section 6 Own funds and capital adequacy Section 7 Leverage ratio Section 8 Credit risk Section 9 Asset encumbrance Section 10 Operational risk Section 11 Market risk Section 12 Liquidity risk

Table 4: Concise risk statement

Transactions involving the group, its affiliates, and related parties primarily arise from outsourcing agreements with other Deutsche Börse Group entities. These agreements resulted from the carve-out of all activities related to investment fund services.

The relationship between CFCH and DBAG is primarily based on ownership and the flow of funds from CFCH to DBAG. Liability for client claims on the cost side and fee-based revenues and net interest income on the revenue side have been transferred from CBL to CFCH.

Since CBL provides outsourcing services to CFCH and interacts directly with the clients, there are reputational risks. These risks stem from potential issues related to service quality, confidentiality, security, and dependency on the outsourcing entity. If CBL fails to deliver the expected level of service or experiences data breaches, it could damage CFCH's reputation, as clients may not differentiate between the two entities. Additionally, dependency on CBL poses a risk if CBL encounters operational issues.

Beyond reputational risks, CFCH should also consider operational and compliance risks. Operational risks may arise from inadequate or failed internal processes, people, systems, or external events. Compliance risks involve the potential for legal penalties if CFCH fails to adhere to industry laws and regulations, internal policies, or prescribed best practices.

All these risks arising from the outsourcing agreement were considered as operational risks during the risk assessment. Additionally, the Risk Management function actively monitors current macroeconomic and geopolitical risks.

4.2 Risk profile

CFCH categorises risk into four major risk types, each managed and controlled through tailored methods specific to its nature. These risk types include operational risk, financial risk, business risk, and pension risk and are depicted in the following figure.

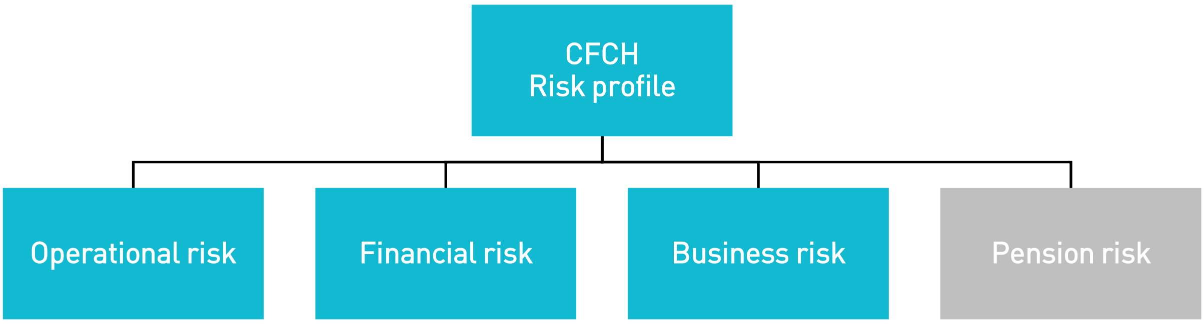

Figure 3: CFCH's risk profile

The risk profile of CFCH significantly differs from that of other financial services providers. While operational risk, business risk and financial risk are considered material, operational risk stands out as the major risk type within CFCH. Conversely, during the risk assessment, pension risk (in the narrow sense) was considered immaterial.

4.3 Risk management framework

CFCH's risk management framework is designed to record, assess, and manage all risks. The framework incorporates procedures for the identification, notification, assessment, treatment, monitoring, and reporting of risks. A risk management system, aligned with the Deutsche Börse Group's overarching strategy, has been established and is applicable to all employees and organisational units. This system is vital for the attainment of business objectives, facilitating the early detection and proactive management of potential risks.

At CFCH, risk is defined as any potential adverse effect on its financial stability, revenue stream, or liquidity position. Based on the nature of the risk, four distinct management approaches are employed: risk reduction (or elimination), risk transfer, risk avoidance, or risk acceptance. Each approach is tailored to address specific risk types effectively.

Regular risk reporting guarantees the availability of accurate data for measurement and control purposes. Robust measures are established to ensure the effective implementation of the strategies, policies, and procedures outlined in the risk management framework.

4.4 Risk strategy and risk appetite

CFCH's risk strategy is closely aligned with its business strategy, detailing the overall risk profile and the limits of risk that CFCH is willing to accept. A key component of the risk strategy and the overarching risk management framework is the risk appetite. Specifically, CFCH's risk appetite framework articulates its risk appetite and establishes limits on the ARBC per risk type. REC is compared with the ARBC, which is defined as regulatory own funds minus adjustments for unrealised losses, primarily due to ongoing litigations, non-consolidated entities, and other potential factors. As of 31 December 2024, CFCH's allocation of ARBC was as follows:

- **Operational risk:** Max. 65%;
- **Financial risk:** Max. 30%;
- **Business risk:** Max. 5%.

The risk strategy is reviewed and updated at least annually, or more frequently if needed, to account for changes in both the internal and external business environments. This includes potential threats arising from geopolitical factors, market developments, or regulatory changes that could impact CFCH's earnings or liquidity situation.

4.5 Adequacy of risk management arrangements

In the February and April 2025 meetings, the CFCL Executive Board and the CFCH Board of Directors concluded that CFCH's risk management arrangements are effective and suitable for its risk profile and strategic objectives, in accordance with Article 435 (1) (e) CRR.

4.6 Risk culture

CFCH promotes a risk-aware culture and a strong sense of accountability by implementing effective organisational structures, streamlined processes, and continuous efforts to enhance employee awareness of risk. The risk culture is defined by individual behaviour, framed by the defined risk appetite, rooted in regulatory compliance, shaped by incentives, and guided by strong leadership.

The risk culture is fundamentally grounded in the Financial Stability Board's four pillars of a robust risk culture: Tone from the top, accountability, effective communication and challenge, and incentives. This framework is designed to promote clear ownership and accountability in managing risk.

To cultivate and reinforce a strong risk culture, CFCH actively supports and initiates educational initiatives aimed at enhancing staff understanding of its risk profile, operational processes, products, relevant markets, and infrastructure. In parallel, risk awareness is promoted by providing mechanisms for employees to report and escalate identified risks and incidents. CFCH also maintains a robust framework for monitoring and regularly assessing emerging risks, changes in risk materiality, and incidents, alongside evaluating management decisions, mitigation measures, and their effectiveness.

To promote a strong risk culture, initiatives like virtual refresher trainings and short case studies are offered on the intranet. Additionally, an annual employee survey helps assess perceptions and guide continuous improvement.

4.7 Risk management process

CFCH's risk management process is based on the three lines of defence model, ensuring a clear segregation of duties within the risk management process. The model divides responsibilities between the risk owners (1st line of defence), the Risk Management function (2nd line of defence) and the Internal Audit function (3rd line of defence). This structure is designed to prevent control gaps, conflicts of interest, and redundancies. The model supports the implementation of the risk strategy and ensures the maintenance of an effective monitoring system.

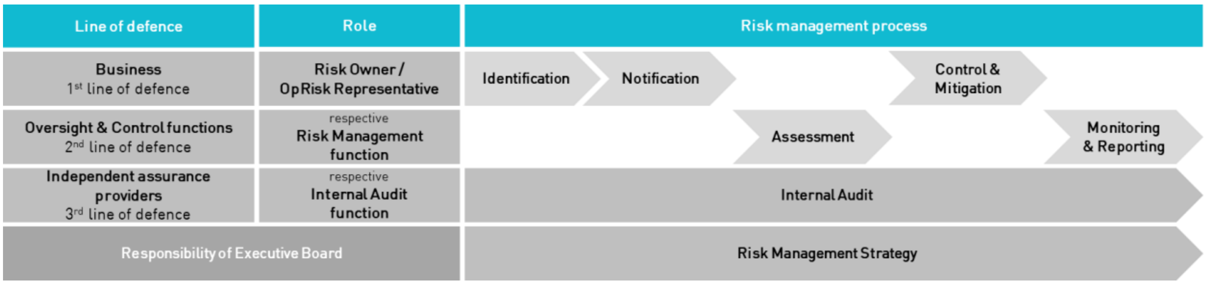

Figure 4: Risk management process

As illustrated in the figure above, CFCH's risk management process can be categorised into five distinct steps: Identification, notification, assessment, control and mitigation, and monitoring and reporting.

The Group Risk Management Policy delineates these five key elements and the corresponding quality standards. These standards are subject to continuous review by an independent audit to ensure the ongoing effectiveness and appropriateness of the risk management process.

The process ensures that all threats, causes of loss, and potential disruptions are:

- **Identified:** Properly recognised and documented;
- **Notified:** Centrally recorded for reference;
- **Assessed:** Thoroughly evaluated, with financial quantification wherever possible;
- **Controlled and mitigated:** Effectively monitored and reduced;
- **Monitored and reported:** Timely and consistently communicated, along with relevant recommendations to the Authorised Management.

Risk control is managed within the decentralised business areas where risks arise. Operational risk representatives in CFCH's operational units ensure effective risk control by identifying, notifying, and managing risks. The Risk Management function, as a central function, evaluates all current and potential future risks, reporting monthly, quarterly, and ad hoc to the Authorised Management.

4.7.1 Risk identification

Risk identification is a thorough process that involves recognising all threats, causes of loss, and potential disruptions. These risks can arise from internal activities or external factors and may be linked to existing or new processes, new business ventures, or expanding into new service areas.

The process is both proactive and reactive. Proactively, it involves regular reviews to identify weak areas and potential failure points, such as manual input requirements, lack of foureyes controls, high-volume or tight-deadline procedures, and potential disruptions from system unavailability or human error. Reactively, the risk identification process may be initiated following an incident. To ensure comprehensive identification of potential risks, the Risk Management function conducts a risk inventory process at least annually.

The identification phase also encompasses the quantification of risks. This process involves establishing parameters derived from statistical data during actual process monitoring or relying on expert judgement when statistical data is insufficient. These parameters illustrate the risk and are determined by the relevant organisational units.

All organisational units and individual employees are required to identify and assess potential risks within their respective areas of responsibility. This holistic approach to risk identification guarantees a comprehensive understanding and effective management of potential threats.

4.7.2 Risk notification

Risk notification is a critical component of the risk management process, ensuring that all identified and assessed risks are centrally documented. This step is essential for maintaining continuity in risk management. All organisational units and individual employees must promptly inform the Risk Management function of any risks they have identified and assessed.

This procedure enables CFCH to swiftly address identified risks that could potentially disrupt business operations. It is crucial that any issues that could significantly impact CFCH's business or alter its risk profile are recognised as early as possible.

4.7.3 Risk assessment

After risk notification, the assessment of an incident or potential risk development involves both qualitative and quantitative evaluations. This process enables a comprehensive validation of the risk appetite, aiding in the prioritisation of risk management actions.

The Risk Management function conducts the risk assessment phase using data and information gathered from relevant areas, whether through periodic and ad hoc reports or upon request. This phase considers existing mitigation measures, such as business continuity plans, and may employ a qualitative approach when it adds value or is considered more appropriate.

CFCH continuously assesses material risks, using an economic perspective to aggregate risks at the company level. The main tool for this purpose is the Value-at-Risk ("VaR") concept. VaR quantifies CFCH's risk exposure by indicating the maximum potential cumulative loss from independent loss events within a specific time frame and probability. CFCH's risk management models consistently operate on a one-year time horizon, with risk values determined at a 99.9% confidence level.

In addition to assessing extreme scenarios in risk management, CFCH performs stress test calculations using more conservative parameters than those employed in standard VaR calculations. Quarterly, the Risk Management function conducts comprehensive stress tests that consider the interaction of all major risk types. The results are reported to the Authorised Management, who use these outcomes to implement appropriate risk mitigation measures and strategically allocate resources across CFCH.

In addition to traditional stress tests that evaluate the impacts of predefined scenarios, CFCH performs a reverse stress test. This test aims to identify scenarios that would surpass the ARBC. The results of reverse stress tests can prompt further analyses and the implementation of additional risk mitigation measures.

4.7.4 Risk control and mitigation

At CFCH, the risk controlling and mitigation process involves identifying and implementing the most suitable approach for managing identified risks. This includes risk avoidance, mitigation, transfer, and intentional acceptance. Business units identify and monitor relevant risk metrics. When a risk materialises, the risk owners are responsible for implementing appropriate mitigation measures. Following this, business processes, the risk control framework, and crisis management are adapted based on lessons learned, with the business responsible for the implementation. Generally, the effectiveness of these control measures is monitored iteratively, beginning at the risk quantification phase of the risk identification process.

4.7.5 Risk monitoring and reporting

In the final phase of the risk management process, the Authorised Management is regularly and promptly updated on significant risks and the corresponding control measures. This ensures they can take appropriate actions. The Risk Management function is responsible for delivering this information.

Regular and ad hoc risk reports address both current and potential risks. These reports include risk quantification results compared to established limits, qualitative risk information, stress test outcomes, and details on CFCH's capital adequacy. The Risk Management function uses these reports to inform the Boards about limit utilisation from an economic standpoint, utilising a traffic light system to indicate the level of limit usage. Thresholds are established for each risk, acting as early warning indicators and helping ensure compliance with applicable limits.

The Risk Management function may issue ad hoc reports to inform the Boards about new risk situations or developments in existing risks. This is particularly important when a risk significantly impacts CFCH's risk profile.

Information is collected and evaluated using structured and consistent procedures. The assessment results are compiled for systematic risk analysis and control.

Additionally, the Internal Audit function acts as a 3rd line of defence, providing additional assurance through independent audits. These audits verify that risk control and management are performed effectively, and their results are integrated into the risk management system.

5. Key metrics

(Article 447 CRR)

In compliance with Articles 433c (2) (e) and 447 CRR, CFCH discloses its key metrics annually. The following template provides a quarterly overview of CFCH's key metrics, including available capital, own funds requirements, capital ratio, leverage ratio and liquidity ratios, for the periods ending 31 December 2024, 30 September 2024, 30 June 2024, 31 March 2024, and 31 December 2023.

Template EU KM1 – Key metrics template

k EUR		T	T-1	T-2	T-3	T-4
		31/12/2024	30/09/2024	30/06/2024	31/03/2024	31/12/2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	183,226	178,880	180,061	176,369	178,549
2	Tier 1 capital	183,226	178,880	180,061	176,369	178,549
3	Total capital	183,226	178,880	180,061	176,369	178,549
Risk-weighted exposure amounts						
4	Total risk exposure amount	615,868	534,777	543,642	557,872	558,213
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	29.75%	33.45%	33.12%	31.61%	31.99%
6	Tier 1 ratio (%)	29.75%	33.45%	33.12%	31.61%	31.99%
7	Total capital ratio (%)	29.75%	33.45%	33.12%	31.61%	31.99%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 7b	*Of which: to be made up of CET1 capital (percentage points)*	0.00%	0.00%	0.00%	0.00%	0.00%
EU 7c	*Of which: to be made up of Tier 1 capital (percentage points)*	0.00%	0.00%	0.00%	0.00%	0.00%
EU 7d	Total SREP own funds requirements (%)	8.00%	8.00%	8.00%	8.00%	8.00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%

9	Institution specific countercyclical capital buffer (%)	0.69%	0.78%	0.75%	0.48%	0.92%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.19%	3.28%	3.25%	2.98%	3.42%
EU 11a	Overall capital requirements (%)	11.19%	11.28%	11.25%	10.98%	11.42%
12	CET1 available after meeting the total SREP own funds requirements (%)	21.75%	25.45%	25.12%	23.61%	23.99%
Leverage ratio						
13	Total exposure measure	391,613	346,164	338,807	369,838	370,504
14	Leverage ratio (%)	46.79%	51.67%	53.15%	47.69%	48.19%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	*Of which: to be made up of CET1 capital (percentage points)*	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	269,759	266,163	264,598	263,799	261,738
EU 16a	Cash outflows - Total weighted value	33,064	31,669	38,510	41,142	40,268
EU 16b	Cash inflows - Total weighted value	18,902	21,482	20,744	19,086	21,138
16	Total net cash outflows (adjusted value)	16,996	16,198	23,840	27,038	26,603

17	Liquidity Coverage Ratio (%)	2,506.78%	2,875.08%	2,687.00%	2,692.85%	3,525.23%
Net Stable Funding Ratio						
18	Total available stable funding	322,517	322,299	342,355	357,427	332,632
19	Total required stable funding	162,351	162,257	166,856	182,805	177,617
20	NSFR ratio (%)	198.65%	198.63%	205.18%	195.52%	187.27%

6. Own funds and capital adequacy

6.1 Composition of own funds

(Article 437 CRR)

In accordance with Article 92 (1) CRR, CFCH is mandated to consistently maintain an adequate level of regulatory own funds. As of 31 December 2024, CFCH's total own funds are exclusively composed of Common Equity Tier 1 ("CET1") capital, which includes subscribed capital, share premium, retained earnings, and reserves. Deductions from CET1 arise from intangible assets, goodwill, CET1 instruments of financial sector entities in which CFCH holds significant investments, as well as other deductions. The following template presents a detailed breakdown of CFCH's own funds composition as of 31 December 2024. To facilitate comparison with Template EU CC2, as presented in Section 6.2, a corresponding breakdown of CFCL on a standalone basis as of 31 December 2024 has been added.

Template EU CC1 – Composition of regulatory own funds – CFCH consolidated

k EUR		(a) Amounts	(b) Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	270,159	
	Of which: instrument type 1	30	
	Of which: instrument type 2	270,129	
	Of which: instrument type 3		
2	Retained earnings	769	
3	Accumulated other comprehensive income (and other reserves)	30,359	
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		

5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**301,287**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		
8	Intangible assets (net of related tax liability) (negative amount)	(106,790)	
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
15	Defined-benefit pension fund assets (negative amount)	(259)	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(8,261)	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		

EU-20b	*Of which: qualifying holdings outside the financial sector (negative amount)*		
EU-20c	*Of which: securitisation positions (negative amount)*		
EU-20d	*Of which: free deliveries (negative amount)*		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		
23	*Of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*		
24	Not applicable		
25	*Of which: deferred tax assets arising from temporary differences*		
EU-25a	Losses for the current financial year (negative amount)		
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments	(2,750)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(118,061)	
29	**Common Equity Tier 1 (CET1) capital**	**183,226**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		
31	*Of which: classified as equity under applicable accounting standards*		
32	*Of which: classified as liabilities under applicable accounting standards*		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in		

	row 5) issued by subsidiaries and held by third parties		
35	*Of which: instruments issued by subsidiaries subject to phase out*		
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		
44	**Additional Tier 1 (AT1) capital**		
45	**Tier 1 capital (T1 = CET1 + AT1)**	**183,226**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts		
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	*Of which: instruments issued by subsidiaries subject to phase out*		

50	Credit risk adjustments		
51	**Tier 2 (T2) capital before regulatory adjustments**		
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	**Total regulatory adjustments to Tier 2 (T2) capital**		
58	**Tier 2 (T2) capital**		
59	**Total capital (TC = T1 + T2)**	**183,226**	
60	**Total Risk exposure amount**	**615,868**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	29.75%	
62	Tier 1 capital	29.75%	
63	Total capital	29.75%	
64	Institution CET1 overall capital requirements	7.69%	
65	*Of which: capital conservation buffer requirement*	2.50%	
66	*Of which: countercyclical capital buffer requirement*	0.69%	
67	*Of which: systemic risk buffer requirement*	0.00%	
EU-67a	*Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	0.00%	

EU-67b	*Of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	0.00%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	21.75%	
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		

Template EU CC1 – Composition of regulatory own funds – CFCL standalone

k EUR		(a) Amounts	(b) Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	285,728	Equity (1)+(2)
	Of which: instrument type 1	8,701	Equity (1)
	Of which: instrument type 2	277,027	Equity (2)
	Of which: instrument type 3		
2	Retained earnings	22	Equity (6)
3	Accumulated other comprehensive income (and other reserves)	14,761	Equity (3)+(4)+(5)
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**300,510**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		
8	Intangible assets (net of related tax liability) (negative amount)	(106,790)	Assets (10)
9	Not applicable		

10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
15	Defined-benefit pension fund assets (negative amount)	(259)	Assets (12)
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(8,339)	Assets (5)
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
EU-20b	*Of which: qualifying holdings outside the financial sector (negative amount)*		
EU-20c	*Of which: securitisation positions (negative amount)*		
EU-20d	*Of which: free deliveries (negative amount)*		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		

23	*Of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*		
24	Not applicable		
25	*Of which: deferred tax assets arising from temporary differences*		
EU-25a	Losses for the current financial year (negative amount)		
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments	(2,750)	Deductible net worth tax reserve in other reserves (5)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(118,138)	
29	**Common Equity Tier 1 (CET1) capital**	**182,372**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		
31	*Of which: classified as equity under applicable accounting standards*		
32	*Of which: classified as liabilities under applicable accounting standards*		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	*Of which: instruments issued by subsidiaries subject to phase out*		
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		

38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		
44	**Additional Tier 1 (AT1) capital**		
45	**Tier 1 capital (T1 = CET1 + AT1)**	**182,372**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts		
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	*Of which: instruments issued by subsidiaries subject to phase out*		
50	Credit risk adjustments		
51	**Tier 2 (T2) capital before regulatory adjustments**		
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal		

	cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	**Total regulatory adjustments to Tier 2 (T2) capital**		
58	**Tier 2 (T2) capital**		
59	**Total capital (TC = T1 + T2)**	**182,372**	
60	**Total Risk exposure amount**	**615,602**	**Assets (1) to (13)**
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	29.62%	
62	Tier 1 capital	29.62%	
63	Total capital	29.62%	
64	Institution CET1 overall capital requirements	7.69%	
65	*Of which: capital conservation buffer requirement*	2.50%	
66	*Of which: countercyclical capital buffer requirement*	0.69%	
67	*Of which: systemic risk buffer requirement*	0.00%	
EU-67a	*Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	0.00%	
EU-67b	*Of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	0.00%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	21.62%	
National minima (if different from Basel III)			
69.00	Not applicable		
70.00	Not applicable		
71.00	Not applicable		

Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	19,071	Assets (8)
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

6.2 Balance sheet reconciliation

(Article 437 (a) CRR)

In accordance with Article 437 (a) CRR, institutions are required to reconcile their own funds with the audited financial statements. CFCH has applied the exemption under Article 1711-5 of the Law of 10 August 1915 on commercial companies, opting to consolidate at the level of the group's ultimate parent entity, DBAG. As a result, CFCH does not prepare its own consolidated financial statements. While CFCH is subject to consolidated prudential reporting obligations, it is not obliged to prepare consolidated annual financial statements. Consequently, CFCH prepares and publishes its annual financial statements on a standalone basis.

In this context, the following templates are presented at the standalone level of CFCL, which constitutes the main contributor to CFCH's own funds, as illustrated in Template EU CC1 above. The following comparison highlights the differences between CFCL's standalone audited financial statements and its standalone regulatory own funds figures.

It is important to highlight that CFCL's COREP reporting is derived from figures reported under its FINREP submissions. The variances observed between the balance sheet items used in the calculation of regulatory own funds for COREP purposes (as outlined in Template EU CC1) and those disclosed in the audited financial statements (as presented in Template EU CC2) are immaterial and primarily attributable to IFRS 9-related adjustments. These adjustments predominantly stem from the reconciliation process between Lux GAAP and IFRS, performed in accordance with FINREP reporting standards. Additionally, minor discrepancies may result from fluctuations in foreign exchange rates.

Template EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

k EUR		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets – Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash balances at central banks	320,699	320,699	(60)
2	Cash in hand, balances with banks	18,243	18,244	(60)
3	Financial assets held for trading - FX derivatives	0	0	(7), (60)
4	Financial assets FVOCI - Participating interests	0	0	(7), (60), (72)
5	Financial assets FVPL - Participating interests	0	0	(7), (60)
6	Financial assets at amortised cost	0	8,478	(60)
6a	Debt securities	0	0	(60)
6b	Loans and advances	0	8,478	(60)
7	Derivatives – hedge accounting - cash flow hedges	0	0	(7), (60)
8	Investments in subsidiaries, joint ventures and associates	27,410	27,410	(7), (60), (73)
9	Tangible assets	19,885	19,885	(60)
10	Goodwill and other intangible assets	108,324	108,324	(8)
11	Deferred tax assets	52	52	(21)
12	Other assets	19,183	10,713	(60)
13	Prepayments and accrued income	0	0	(60)

	Total assets	**513,796**	**513,805**	
Liabilities – Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Financial liabilities held for trading - FX derivatives	0	0	(7)
2	Financial liabilities measured at amortised cost	46,639	88,579	
2a	Deposits	53	54	
2b	Debt securities issued	20,258	0	
2c	Other financial liabilities	26,327	88,525	
3	Derivatives – Hedge Accounting - cash flow hedges	0	0	(7)
4	Other liabilities	0	2,433	
5	Accruals and deferred income	44,364	0	
6	Provisions for pension and similar obligations	0	0	
7	Other provisions	13,362	13,362	
8	Current tax liabilities	27,154	27,154	
9	Deferred tax liabilities	1,578	1,578	
	Total liabilities	**133,097**	**133,105**	
Shareholders' Equity				
1	Paid in capital	8,701	8,701	(1)
2	Share premium account	277,027	277,027	(1)
3	Accumulated other comprehensive income	141	141	(2)
3a	Cash flow hedges (effective portion)	0	0	(2), (11)
3b	Foreign currency translation	0	0	
3c	Actuarial gains/losses on defined benefit pension plans	141	141	(2)
3d	Fair value changes of equity instr. measured FVOCI	0	0	(2)
4	Legal reserves	870	870	(2)
5	Other reserves	13,750	13,750	(2)
5a	Deductible NWT reserve	2,750	2,750	(27a)
6	Retained Earnings	22	22	
7	Profit for the financial year	80,189	80,189	
	Total shareholders' equity	**380,699**	**380,699**	

Furthermore, in line with the provisions of CSSF Circular 08/340, as amended, a comprehensive reconciliation between the FINREP prudential reporting figures and the audited financial statements of CFCL for the financial year 2024 is detailed in the table below. The differences between both scopes are considered immaterial.

(expressed in EUR)	CFCL standalone Financial Statements 31/12/2024	CFCL standalone FINREP 31/12/2024	Variance	Comment
ASSETS				
Cash, cash balances at central banks and other demand deposits:				
Cash in hand, balances with central Banks and post office Banks	320,699,080	320,699,080	-	Small difference due to adoption of different FX rates for foreign currencies: Bloomberg rates adopted by accounting for audited figures compared to ECB rates adopted by FINREP reporting.
Loans and advances to credit institutions repayable on demand	18,243,145	18,243,833	*(689)*	
Financial assets at fair value through profit- or loss:				
Equity instruments				
Participating interests	27,409,803	27,409,803	-	
		8,477,501		Accounting is disclosing trade receivables together with other current assets under "other assets", while for FINREP trade receivables are disclosed separately and treaded as financial assets - loans and advances. Subtotal is matching, small difference attributable to FX rates on foreign receivables.
		10,713,024		
Other assets	19,183,111	**19,190,525**	*(7,415)*	
Tangible assets	19,885,291	19,885,291	-	
Deferred tax assets	51,957	51,957	-	
Goodwill and other intangible assets	108,324,017	108,324,017	-	
TOTAL ASSETS	513,796,404	513,804,507	(8,103)	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Financial liabilities measured at amortised cost				Small difference due to the adoption of different FX rates for foreign currencies: Bloomberg rates adopted by accounting for audited figures compared to ECB rates adopted by regulatory reporting for FINREP.
Deposits from customers repayable on demand	53,151	53,572	*(421)*	
Short term lease liabilities	2,830,232			
Long term lease liabilities	17,428,263			
Other financial liabilities	26,327,414			
	46,639,060			Accounting is presenting the figures differently, but the overall subtotal for financial and other current liabilities is matching. Small difference due to FX.
		88,525,056		
Accruals and deferred income	44,364,347	2,432,815		
	90,950,256	**90,957,871**	*(7,615)*	
Provisions				
Other provisions	13,362,023	13,362,023	-	
Tax liabilities				
Current tax liabilities	27,153,871	27,153,871	-	
Deferred tax liabilities	1,577,923	1,577,923	-	
	28,731,794			
TOTAL LIABILITIES	133,097,224	133,105,260	(8,036)	
Issued capital				
Paid up capital	8,700,800	8,700,800	-	
Share premium account	277,026,895	277,026,895	-	
Reserves				
Legal reserves	870,100			
Other reserves not available for distribution	13,750,000			
	14,620,100	14,620,100	-	
		19,685,758		FINREP template requires interim dividend to be de-netted from Retained earnings. Amounts are matching.
		(19,663,808)		
Retained Earnings	21,949	**21,950**	*(0)*	
Accumulated other comprehensive income				
Revaluations	140,565	140,565	-	
Profit for the financial year	80,188,871	80,188,938	*(68)*	
TOTAL EQUITY	380,699,180	380,699,248	(68)	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	513,796,404	513,804,507	(8,103)	

Table 5: Reconciliation between CFCL standalone FINREP prudential reporting and CFCL audited annual accounts as of 31 December 2024

6.3 Countercyclical capital buffer

(Article 440 CRR)

The institution-specific countercyclical capital buffer addresses the risks posed by the macro-financial cycle to the banking system. It incrementally increases banks' capital requirements when these risks are moderate or high and reduces them when such systemic risks become evident. The buffer is designed to enhance banks' capacity to absorb losses and to ensure a stable supply of financing to the economy.

The following templates provide an overview of CFCH's institution-specific countercyclical capital buffer as of 31 December 2024.

Template EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

k EUR		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market	Relevant credit exposures -	Total			
10	**Breakdown by country:**													
	Austria	0.6					0.6	0.05			0.05	0.6	0.00%	0.00%
	Australia	19,237					19,237	1,539			1,539	19,237	39.83%	1.00%
	Switzerland	1,134					1,134	91			91	1,134	2.35%	0.00%
	Germany	58					58	5			5	58	0.12%	0.75%
	Hong Kong	52					52	4			4	52	0.11%	1.00%
	Luxembourg	27,817					27,817	2,225			2,225	27,817	57.59%	0.50%
20	Total	48,297					48,297	3,864			3,864	48,297	100.00%	

Template EU CCyB2 – Amount of institution-specific countercyclical capital buffer

	k EUR	a
1	Total risk exposure amount	615,868
2	Institution-specific countercyclical capital buffer rate	0.688%
3	Institution-specific countercyclical capital buffer requirement	4,239

6.4 Capital requirements

(Article 438 (d) CRR)

The following template outlines CFCH's capital requirements for the different risk types and corresponding calculation methods. Consistent with CFCL's current business operations, the majority of the total capital requirements are attributed to operational risk, followed by credit risk and market risk.

The Basic Indicator Approach, as outlined in Article 315 of the CRR, is used to calculate own funds requirements for operational risk. Additionally, the Standardised Approach, in line with Part Three, Title II, Chapters 2 and 4 CRR, is employed to determine own funds requirements for credit risk. As of 31 December 2024, CFCH had no derivative exposures and did not engage in transactions specified in Article 271 (2) CRR. Consequently, CFCH was not subject to counterparty credit risk or credit value adjustments.

Template EU OV1 – Overview of total risk exposure amounts

	k EUR	Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31/12/2024	31/12/2023	31/12/2024
1	Credit risk (excluding CCR)	82,359	101,037	6,589
2	*Of which: the standardised approach*	82,359	101,037	6,589
3	*Of which: the Foundation IRB (F-IRB) approach*			
4	*Of which: slotting approach*			
EU 4a	*Of which: equities under the simple risk-weighted approach*			
5	*Of which: the Advanced IRB (A-IRB) approach*			
6	Counterparty credit risk - CCR			
7	*Of which: the standardised approach*			
8	*Of which: internal model method (IMM)*			
EU 8a	*Of which: exposures to a CCP*			
EU 8b	*Of which: credit valuation adjustment - CVA*			
9	*Of which: other CCR*			
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			

15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)			
17	*Of which: SEC-IRBA approach*			
18	*Of which: SEC-ERBA (including IAA)*			
19	*Of which: SEC-SA approach*			
EU 19a	*Of which: 1250% / deduction*			
20	Position, foreign exchange and commodities risks (Market risk)	27,433	27,410	2,195
21	*Of which: the standardised approach*	27,433	27,410	2,195
22	*Of which: IMA*			
EU 22a	Large exposures			
23	Operational risk	506,075	429,766	40,486
EU 23a	*Of which: basic indicator approach*	506,075	429,766	40,486
EU 23b	*Of which: standardised approach*			
EU 23c	*Of which: advanced measurement approach*			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**615,868**	**558,213**	**49,269**

6.5 Internal capital adequacy

(Article 438 (a) CRR)

Table EU OVC – ICAAP information

CFCH conducts the ICAAP on an annual basis to evaluate the adequacy of its internal capital. The regulatory framework for this risk assessment and the internal capital requirements is defined by the latest consolidated version of the CRD, as amended, and the national regulatory framework in Luxembourg, including the amended LFS, CSSF Circular 12/552, and CSSF Circular 07/301.

The ICAAP must be structured to evaluate the adequacy of internal capital in covering all current and potential risks to which CFCH is exposed. As such, the ICAAP complements regulatory capital requirements by providing a broader, institution-specific perspective. The ICAAP encompasses CFCH's internal procedures and strategies to identify all economically relevant current and future risks and to determine the necessary level of internal capital. CFCH's ICAAP process incorporates a normative and economic perspective, along with comprehensive stress testing, to address all significant risk types faced by CFCH, including operational, credit, market, and liquidity risk. In terms of risk coverage, the overarching objective is to ensure CFCH's long-term viability through the maintenance of sufficient capital buffers at all times.

CFCH's ICAAP undergoes an annual review and is integrated into its monthly and quarterly management reporting.

7. Leverage ratio

(Article 451 CRR)

Table EU LRA – Disclosure of leverage ratio qualitative information

CFCH complies with the leverage ratio requirements set out in Part 7 CRR, which complement the risk-based capital adequacy requirements by serving as non-risk based "backstop" measure that limits the accumulation of excessive leverage in the banking sector, which could threaten the stability of the broader financial system and the economy.

The leverage ratio is a metric used to assess an institution's exposure to the risk of excessive leverage. CFCH calculates and manages its leverage ratio in accordance with Part 7 CRR. This process involves calibrating its Tier 1 capital measure (numerator of the leverage ratio) and monitoring its exposure measure (denominator of the leverage ratio). Exposures are diligently controlled to ensure continuous compliance with regulatory requirements. Consequently, the leverage ratio is embedded into the risk appetite and is monitored daily. As part of this risk management approach, internal limits have been established to ensure that leverage consistently remains well above the regulatory minimum of 3%.

As per year-end 2024, CFCH's exposure measure was composed exclusively of on-balance sheet items, primarily originating from the Banque centrale du Luxembourg ("BCL") reserve and intercompany transactions.

As of 31 December 2024, CFCH maintained a consolidated Leverage Ratio of 46.79%, substantially exceeding the regulatory threshold of 3% as mandated by Article 92 (1) (d) CRR. This robust ratio underscores CFCH's prudent capital management, reflecting a strong capital base relative to its total asset exposure.

Template EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposure

EUR		a Applicable amount
1	Total assets as per published financial statements	506,924
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	

6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustment for derivative financial instruments	
9	Adjustment for securities financing transactions (SFTs)	
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	(115,311)
13	Total exposure measure	391,613

Template EU LR2 – LRCom: Leverage ratio common disclosure

k EUR		CRR leverage ratio exposures	
		a	b
		31/12/2024	31/12/2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	506,924	483,479
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(115,311)	(113,602)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	391,613	369,877
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)		
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions		

EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	Total derivatives exposures		
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures		
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount		0.60
20	(Adjustments for conversion to credit equivalent amounts)		
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	Off-balance sheet exposures		0.60
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a (1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		

EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a (1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a (1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Total exempted exposures)		
Capital and total exposure measure			
23	Tier 1 capital	183,226	178,549
24	Total exposure measure	391,613	370,504
Leverage ratio			
25	Leverage ratio (%)	46.79%	48.19%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	46.79%	48.19%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	46.79%	48.19%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	*Of which: to be made up of CET1 capital*		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		

30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	391,613	370,504
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	391,613	370,504
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	46.79%	48.19%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	46.79%	48.19%

Template EU LR3 – LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

k EUR		a CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	506,924
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	506,924
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	320,699
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	
EU-7	Institutions	20,102
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	
EU-10	Corporates	1,375
EU-11	Exposures in default	
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	164,748

8. Credit risk

8.1 Credit risk management

(Article 435 (1) (a) and (f) CRR)

Table EU CRA – General qualitative information about credit risk

Credit risk encompasses the risk of potential losses arising from counterparties not meeting their contractual obligations, either partially or fully. Measurement criteria include, among other factors, the credit rating of the counterparty, the degree to which a credit line has been utilised, the collateral deposited, and concentration risk.

CFCH's general structure, organisation, and risk management processes, along with its risk strategy, are detailed in Section 4.

As of 31 December 2024, no credit was granted to counterparties, and CFCH was not subject to credit risk from treasury activities. Starting in the second half of 2025, when credit services will be activated, credit risk management will adhere to the requirements set out in Article 435(1) CRR. To facilitate securities settlement, intraday cash lending and overdraft facilities will be granted to creditworthy counterparties, following internal credit assessment and rating assignments using internal credit rating models and methodologies. Prior to initiating any lending activities, a credit policy and strategy approved by the Boards will be implemented.

Until credit facilities are granted, credit risk primarily arises from cash exposures to the BCL, other commercial banking relationships and receivables against other entities of Deutsche Börse Group.

Credit risk exposures are determined for risk management purposes using a Pillar II model, which employs a single-factor Merton credit portfolio model. Based on the probability of default, exposure at default, and loss given default for each position within the credit portfolio, a portfolio loss distribution is generated through Monte Carlo simulation of default losses. Utilising a VaR approach, the capital requirements for credit risk are subsequently established as the 99.9% quantile of the loss distribution derived from the simulation.

8.2 General measurement

(Articles 442 and 444 CRR)

Table EU CRD – Qualitative disclosure requirements related to Standardised Approach

CFCH applies the Standardised Approach in accordance with Part Three, Title II, Chapters 2 and 4 CRR to determine its own funds requirements for credit risk, as required by Article 92 (3) (a) CRR.

The Standardised Approach assigns standardised risk weights on external ratings provided by eligible External Credit Assessment Institutions ("ECAI"), as outlined in Part Three, Title II, Chapter 2, Section 3 CRR. For the financial year ending 31 December 2024, no ECAI was nominated. Instead, the predefined rules set out in CRR were applied to the following exposure classes that CFCH was exposed to:

- **Central banks:** 0% risk weight was applied in accordance with Article 114 (4) CRR;
- **Institutions:** 20% risk weight was applied in accordance with Article 121 (1) CRR in connection with Article 114 (2) and (4) CRR ("Sovereign Method");

- **Corporates:** 100% risk weight was applied in accordance with Article 122 (2) CRR;
- **Equity:** 250% risk weight was applied in accordance with Article 133 (2) CRR;
- **Other items:** 100% and 250% risk weight were applied in accordance with Article 134 CRR.

As of 31 December 2024, CFCH did not have any non-performing or forborne exposures.

Template EU CR1 – Performing and non-performing exposures and related provisions

k EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	339,417	339,417													
010	Loans and advances	2,759	2,759													
020	Central banks															
030	General governments															
040	Credit institutions	1,397	1,397													
050	Other financial corporations	1,361	1,361													

060	Non-financial corporations															
070	*Of which SMEs*															
080	Households															
090	Debt securities															
100	Central banks															
110	General governments															
120	Credit institutions															
130	Other financial corporations															
140	Non-financial corporations															
150	Off-balance-sheet exposures															
160	Central banks															
170	General governments															
180	Credit institutions															
190	Other financial corporations															
200	Non-financial corporations															
210	Households															
220	**Total**	**342,176**	**342,176**													

Template EU CR1-A – Maturity exposures

k EUR		a	b	c	d	e	f
		Net exposure value					
		On demand	←= 1 year	→ 1 year ←= 5 years	→ 5 years	No stated maturity	Total
1	Loans and advances		2,759				2,759
2	Debt securities						
3	**Total**		**2,759**				**2,759**

Template EU CQ3 – Credit quality of performing and non-performing exposures by past due days

k EUR		a	b	c
		Gross carrying amount / nominal amount		
		Performing exposures		
			Not past due or past due ↖ 30 days	Past due → 30 days ↖ 90 days
005	Cash balances at central banks and other demand deposits	339,417	339,417	
010	Loans and advances	2,759	2,759	
020	Central banks			
030	General governments			
040	Credit institutions	1,397	1,397	
050	Other financial corporations	1,361	1,361	
060	Non-financial corporations			
070	*Of which SMEs*			
080	Households			
090	Debt securities			
100	Central banks			
110	General governments			
120	Credit institutions			
130	Other financial corporations			
140	Non-financial corporations			
150	Off-balance-sheet exposures			
160	Central banks			
170	General governments			
180	Credit institutions			

190	Other financial corporations			
200	Non-financial corporations			
210	Households			
220	**Total**	**342,176**	**342,176**	

Template EU CR5 – Standardised Approach

k EUR	Exposure classes	Risk weight				Total	*Of which unrated*
		0%	20%	100%	250%		
		a	e	j	l	p	q
1	Central governments or central banks	320,699				320,699	
2	Regional government or local authorities					0	
3	Public sector entities					0	
4	Multilateral development banks					0	
5	International organisations					0	
6	Institutions		20,102			20,102	20,102
7	Corporates			1,375		1,375	1,375
8	Retail exposures					0	
9	Exposures secured by mortgages on immovable property					0	
10	Exposures in default					0	
11	Exposures associated with particularly high risk					0	
12	Covered bonds					0	
13	Exposures to institutions and corporates with a short-term credit assessment					0	
14	Units or shares in collective investment undertakings					0	
15	Equity exposures				19,149	19,149	19,149
16	Other items			28,962	52	29,014	29,014
17	**Total**	**320,699**	**20,102**	**30,337**	**19,201**	**390,339**	**69,640**

8.3 Credit risk mitigation

(Article 453 CRR)

Table EU CRC – Qualitative disclosure requirements related to CRM techniques

CFCH applies the Financial Collateral Comprehensive Method ("FCCM") in accordance with Article 223 CRR and considers eligible collateral meeting the conditions set out in Articles 197 and 198 CRR, respectively.

The following template illustrates that, given CFCH's low credit risk exposure, no mitigating measures were applied as of 31 December 2024. Mitigating measures will be considered as CFCH's credit risk exposure increases.

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

k EUR		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	*Of which secured by financial guarantees*	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	342,176				
2	Debt securities					
3	Total	342,176				
4	*Of which non-performing exposures*					
EU-5	*Of which defaulted*					

Template EU CR4 – Standardised Approach – Credit risk exposure and CRM effects

k EUR	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	320,699		320,699		0	0.00%
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	20,102		20,102		4,020	20.00%

7	Corporates	1,375		1,375		1,375	100.00%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	19,149		19,149		47,872	250.00%
16	Other items	29,014		29,014		29,092	100.27%
17	**Total**	**390,339**		**390,339**		**82,359**	**21.10%**

9. Asset encumbrance

(Article 443 CRR)

Table EU AE4 – Accompanying narrative information

An asset shall be treated as encumbered where it has been pledged or is subject to any form of arrangement to secure, collateralise or credit enhance any transaction, preventing its free withdrawal.

As of 31 December 2024, CFCH did not engage in transactions requiring asset encumbrance. Consequently, the data presented below reflects only unencumbered assets, calculated as the median of quarterly values reported throughout the financial year 2024.

Template EU AE1 – Encumbered and unencumbered assets

k EUR		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			Of which notionally eligible EHQLA and HQLA		*Of which notionally eligible EHQLA and HQLA*		*Of which EHQLA and HQLA*		*Of which EHQLA and HQLA*
		10	30	40	50	60	80	90	100
10	**Assets of the disclosing institution**					**475,492**	**279,021**		
30	Equity instruments								
40	Debt securities								
50	*Of which: covered bonds*								
60	*Of which: securitisations*								
70	*Of which: issued by general governments*								
80	*Of which: issued by financial corporations*								
90	*Of which: issued by non-financial corporations*								
120	Other assets					475,492	279,021		

10. Operational risk

10.1 Operational risk management

(Article 435 (1) (a) CRR)

Table EU ORA – Qualitative information on operational risk

CFCH has adopted Basel's definition of operational risk, which identifies it as the risk that deficiencies in information systems or internal processes, human errors, management failures, or disruptions from external events will lead to the reduction, deterioration, or breakdown of services provided by CFCH.

Operational risk constitutes a significant risk category for CFCH, and as such, it is systematically managed and controlled.

CFCH has established segregation of duties and follows the three lines of defence governance concept for the management of operational risk, with the Executive Management holding ultimate responsibility. The main responsibilities for the management of operational risks within the risk management framework are as follows:

- **Executive Management / risk owners:** Establish and oversee the overall framework for managing and mitigating operational risk, appoint risk representatives for the areas under their responsibility, and ensure the existence of a strong risk management culture through the whole organisation;
- **Risk representatives:** Management of the day-to-day risks, serve as key contact for employees and CFCH's Risk Management function, and are responsible for identifying, assessing and managing risks within their areas of responsibility;
- **Individual employees:** Identify risks and report them to the risk representative, supporting the stakeholders involved in the risk management process as experts when necessary;
- **Risk Management function:** Assesses and independently monitors the management of operational risk, develops instruments to monitor and control risks, ensures compliance with regulatory requirements, maintains transparency over the risk situation, and oversees CFCH's risk profile.

CFCH's risk strategy focuses on mitigating operational risks to reduce the frequency and impact of financial losses, adhering to international best practices. The Risk Self-Assessment ("RSA"), carried out annually and recorded in the risk register, is CFCH's primary method for assessing operational risk. It aims to provide a thorough and consistent evaluation of CFCH's exposure by identifying and assessing all pertinent operational risks.

The RSA process for assessing risks at CFCH involves the following phases:

- **Identification:** A structured process to obtain a comprehensive and distinct set of risks;
- **Assessment:** Each risk is individually evaluated by the 1st line of defence, including quantitative impact estimates in RSA workshops organised by the Risk Management function;
- **Review:** The Risk Management function reviews the assessments to ensure quality, consistency, and eligibility for operational risk quantification.

The RSA process evaluates residual risk by considering key controls, thereby establishing parameters for quantifying operational risk. A loss distribution is determined by a Monte Carlo simulation. In this approach, event frequency is modelled using Bernoulli or Poisson distributions, while loss severity is represented by a lognormal distribution. Capital requirements are determined as the 99.9th percentile ("quantile") of the resulting loss distribution under the VaR framework.

Furthermore, the Risk Management function conducts regular and ad-hoc stress tests to gauge potential capital vulnerability to exceptional but plausible events. This process includes:

- **Scenario selection:** Scenarios with a probability of severe loss occurring at least once in 1,000 years and a loss amount of at least 1m EUR are automatically considered. Additionally, scenarios with lower frequency or loss amount may also be included;
- **Storyline creation:** Vulnerabilities and risk drivers are combined into storylines, assuming they occur within a short period in stressed situation over one year;
- **Extreme scenarios:** Storylines representing plausible, relevant, but extreme situations are derived from the eligible scenarios, assuming they occur within a short period in a stressed situation over one year;
- **Parameter translation:** Risk drivers and vulnerabilities are combined into scenarios that are then translated into stressed parameters.

Operational risk scenarios are regularly reviewed and updated as needed. Additionally, reverse stress testing is conducted by combining multiple scenarios to identify potential vulnerabilities in CFCH's operational risk framework at an early stage. Furthermore, operational risk stress testing is incorporated into the annual ICAAP exercise.

The operational risk framework also includes a comprehensive a Business Continuity Management System ("BCMS"), established to ensure that business continuity arrangements and plans are kept relevant, up-to-date and operationally ready to respond, minimising the impact of workspace and staff unavailability, and ensuring the continuity of identified mission critical processes.

10.2 General measurement

(Article 446 CRR)

As of 31 December 2024, CFCH applied the Basic Indicator Approach ("BIA") for calculating its own funds requirements for operational risk, in accordance with Article 315 CRR. Under this methodology, CFCH's capital requirements for operational risk are calculated as 15% of the three-year average of the relevant indicator specified in Article 316 CRR.

As of the end of the financial year 2024, the total risk exposure for operational risk amounted to 506m EUR, in contrast to 43m EUR reported the preceding year. This increase is attributable to the significant rise in CFCH's gross income during 2024.

Template EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts

k EUR		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	315,439	284,795	209,487	40,486	506,075
2	Banking activities subject to standardised (TSA) / alternative standardised approaches (ASA)					
3	Subject to TSA:					
4	Subject to ASA:					
5	Banking activities subject to advanced measurement approaches AMA					

11. Market risk

11.1 Market risk management

(Article 435 (1) (a) CRR)

Table EU MRA – Qualitative disclosure requirements related to market risk

Market risk refers to the potential for financial losses in both trading and non-trading portfolios resulting from unfavourable movements in key market variables, such as interest rates, foreign exchange rates, equity prices, commodity prices, and credit spreads.

In accordance with the established investment policy, CFCH does not engage in proprietary trading activities and does not maintain a trading book. At CFCH, market risk primarily arises from foreign exchange ("FX") risk and interest rate risk in the banking book ("IRRBB"). Additionally, market risk may also stem from exposures to interest rate fluctuations and, to a lesser extent, from equity price risk associated with investments in exchange-traded funds ("ETFs") tracking major European equity indices.

Responsibility for market risk control lies with CBL Treasury and Liquidity Controls, operating under an established outsourcing agreement. This function ensures adherence to defined risk limits through daily monitoring of exposures and promptly escalates any breaches to the Authorised Management, the Risk Management function, and CBL Treasury. Crucially, the Risk Management function operates independently from the CBL Treasury Front Office, which is responsible for liquidity management and the execution of financial transactions, thereby ensuring a clear segregation of duties and reinforcing the integrity of the risk control framework.

Additionally, the Risk Management function conducts independent controls and monitoring activities to ensure that market risk exposures remain within the predefined limits set out in CFCH's risk appetite framework. To mitigate CFCH's exposure to market risk, a VaR method is followed, structured as a scenario-based Pillar II model. This model extends the Standardised Approach for IRRBB to encompass not only interest rate risk but also FX and equity risk.

The risk assessment is calculated for a 250-day holding period at the 99.9th percentile confidence level, in accordance with prevailing regulatory standards. For each asset class – interest rate, FX, and equity – the potential risk is quantified by evaluating the change in the portfolio's present value under an adverse shift scenario, relative to a baseline scenario using unaltered market data. The REC is derived from the combination of the worst scenario loss of each asset class, thereby ensuring conservative and comprehensive measure of market risk.

Stress testing is conducted quarterly by the Risk Management function and is systematically incorporated into the regular reporting submitted to the Authorised Management. Additionally, CFCH integrates stress testing into its annual ICAAP, leveraging macroeconomic scenarios to assess the potential adverse effects of external shocks on its financial resilience and overall business model.

11.2 General measurement

(Article 445 CRR)

At CFCH, market risk arises from cash positions held with different financial institutions, contributing to interest rate risk. This is further complemented by market risk exposures at the CFCL level, which are predominantly driven by three key sources:

- Participation in CAL, which entails FX risk, particularly with respect to AUD;
- CFCL's allocated share in the pension fund, which contributes to interest rate risk – due to duration mismatches between assets and liabilities – as well as FX and equity risk;
- Cash positions held in bank accounts, which give rise to interest rate risk.

As of 31 December 2024, CFCH had not engaged in any material trading activities. Accordingly, it was subject solely to own funds requirements related to FX risk and IRRBB. No reportable exposures were identified under other market risk categories.

An overview of CFCH's market risk arising from FX positions is presented in the following template.

Template EU MR1 – Market risk under the standardised approach

k EUR		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	
2	Equity risk (general and specific)	
3	Foreign exchange risk	27,433
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	
8	Securitisation (specific risk)	
9	**Total**	**27,433**

11.3 Interest rate risk in the banking book

(Article 448 CRR)

Table EU IRRBBA – Qualitative information on interest rate risk of non-trading book activities

CFCH defines interest rate risk as the potential for financial loss arising from structural mismatches in the refinancing of assets and liabilities within the banking book, particularly in response to fluctuations in the interest rate environment. Interest rate risk in the banking book ("IRRBB") materialises through adverse movements in interest rates that may significantly impact CFCH's financial position.

To comply with regulatory obligations set forth in CSSF Circular 24/849, which transposes the EBA Guidelines EBA/GL/2022/14 into Luxembourg law, and Commission Delegated Regulation (EU) 2024/856, supplementing CRD with regards to the definition of a large decline in terms of Net Interest Income ("NII"), CFCH conducts a quarterly IRRBB assessment. This process evaluates exposure to interest rate fluctuations through both NII and the Economic Value of Equity ("EVE"). These assessments are based on interest-bearing net positions within the banking book, with results submitted quarterly to the CSSF and reported to the Clearstream Asset and Liability Committee ("ALCO") and the respective Boards.

In compliance with Article 448 CRR, CFCH discloses changes in EVE, calculated under the six supervisory shock scenarios outlined in Article 98 (5) CRD. Additionally, CFCH reports the impact on NII, assessed under the two supervisory shock scenarios referenced in the same Article.

The IRRBB calculations at CFCH level are performed in accordance with the provisions outlined in the EBA Guidelines (EBA/GL/2022/14). The results are presented in the following template, ensuring both transparency and compliance with regulatory expectations at consolidated level.

CFCH has established a clear risk strategy, incorporating specific risk appetite parameters for both EVE and NII to ensure robust regulatory compliance and internal governance alignment.

The results are disclosed for the current reporting period (31/12/2024) and the previous reporting period (31/12/2023), providing a structured overview of CFCH's IRRBB exposure.

Template EU IRRBB1 – Interest rate risk of non-trading book activities

Supervisory shock scenarios EUR		a	b	c	d
		Changes of the economic value of equity	Changes of the net interest income		
		Current period	Last period	Current period	Last period
1	Parallel up	287,993	427,715	2,944,062	5,394
2	Parallel down	-767,249	-1,124,747	-5,888,125	-10,787
3	Steepener	170,729	226,795		
4	Flattener	-263,384	-335,695		
5	Short rates up	-55,998	-32,445		
6	Short rates down	28,661	16,805		

12. Liquidity risk

12.1 Liquidity risk management

(Article 451a (4) CRR)

In accordance with Article 451a (4) CRR, the risk management arrangements around liquidity risk are disclosed in the following sections.

Table EU LIQA – Liquidity risk management

CRR Article	Row number	Free format	Section
451a (4)	(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding.	Section 12.1.1 Section 12.1.2 Section 12.1.3 Section 12.1.5 Section 12.1.6 Section 12.1.7 Section 12.1.8 Section 12.1.9
451a (4)	(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	Section 12.1.1 Section 12.1.3
451a (4)	(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units.	Section 12.1.1 Section 12.1.3
451a (4)	(d)	Scope and nature of liquidity risk reporting and measurement systems.	Section 12.1.1 Section 12.1.4 Section 12.1.8
451a (4)	(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	Section 12.1.1
451a (4)	(f)	An outline of the bank`s contingency funding plans.	Section 12.1.1 Section 12.1.6
451a (4)	(g)	An explanation of how stress testing is used.	Section 12.1.1 Section 12.1.5
451a (4)	(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.	Section 12.1.10
451a (4)	(i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.	Section 4.1 Section 12.1.4

		These ratios may include: • Concentration limits on collateral pools and sources of funding (both products and counterparties). • Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank. • Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity. • Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.	

12.1.1 Liquidity risk profile

CFCH's liquidity risk appetite is defined as the level of liquidity risk that CFCH is willing to accept to pursue its business objectives while meeting regulatory requirements.

The risk acceptance criteria are translated into a limit system and incorporated into liquidity stress tests.

In relation to the limit system and in addition to regulatory ratios, CFCH has defined prudent internal limits to mitigate liquidity risk.

CBL's Treasury function performs the liquidity management of CFCH based on an outsourcing agreement. Treasury closely monitors and manages the liquidity position per currency against expected incoming and outgoing flows as well as CFCH's available resources.

CFCH has implemented a dedicated contingency funding plan with a set of specific contingency measures tailored to CFCH's business model. The liquidity contingency funding plan outlines:

- Roles and responsibilities;
- Liquidity risk management;
- Contingency description and activation process;
- Liquidity contingency measures;
- Escalation procedure;
- Review of the plan.

For further details on CFCH's liquidity risk mitigation, please refer to Section 12.1.6. As of 31 December 2024, no liquidity risk hedging was performed.

The Risk Management function conducts daily liquidity risk assessments, ensuring compliance with established limits and promptly reporting any breaches to the Authorised Management. These assessments include liquidity stress tests, which evaluate whether sufficient resources are available to meet liquidity demands under stressed market conditions within a defined timeframe. These tests incorporate extreme yet plausible assumptions to ensure a rigorous assessment of liquidity resilience.

Stress tests are conducted as follows:

- Daily for internal liquidity metrics;
- Quarterly for LCR and NSFR;
- Reports are submitted to the Authorised Management monthly for internal liquidity metrics, and quarterly for LCR and NSFR.

Based on the results, CFCH evaluates the adequacy of its liquidity sources and makes relevant adjustments, if necessary.

In accordance with CSSF Circular 09/403, a liquidity management policy and liquidity risk framework have been established, both of which received approval by the Boards. These frameworks define the parameters and models used to manage liquidity, and are subject to regular review and updates. The liquidity parameters and models outlined in these frameworks are subject to regular review.

The policy outlines a structured approach to liquidity risk management, incorporating contingency planning, governance structures, and clearly defined responsibilities for senior management. Any necessary amendments to the policy are submitted for approval through the ALCO and subsequently validated by the Authorised Management, either during the annual review cycle or on an ad-hoc basis, as needed.

The operational execution of the liquidity management strategy is handled by the CBL Treasury Front Office, which is responsible for monitoring key performance indicators. Oversight of liquidity risk from a 2nd line of defence perspective is provided by the Risk Management function, which validates assessments, monitors exposures, and conducts reporting. ALCO supervises these activities and provides recommendations to the Boards.

12.1.2 Liquidity strategy

As outlined in Section 4.4, CFCH has established a comprehensive risk strategy that incorporates its liquidity risk appetite. This represents the level of liquidity risk the entity is willing to accept in pursuit of its business objectives while ensuring regulatory compliance.

To operationalise this approach, CFCH has implemented a limit system that translates its risk acceptance criteria into measurable controls. Liquidity stress test results are systematically evaluated to ensure alignment with the established risk appetite.

The primary objectives of CFCH's liquidity management framework are to:

- Effectively manage its cash position to ensure sufficient liquidity availability at all times;
- Implement contingency measures to address unexpected disruptions in cash flows.

These objectives are achieved through continuous measurement, monitoring, and control of expected and actual cash flows, reinforcing CFCH's commitment to maintaining financial stability.

12.1.3 Liquidity risk governance

Liquidity risk management is embedded within CFCH's organisational framework. The Treasury Front Office, acting as the 1st line of defence, is responsible for day-to-day liquidity risk management. This function is outsourced to CBL.

The Risk Management function monitors and controls the activities of CBL Treasury Front Office. Both Risk Management function and CBL Treasury Front Office oversee internal liquidity metrics and daily limit observances breaches, including those affecting internal thresholds, are communicated on an ad-hoc basis.

As the 2nd line of defence, the Risk Management function oversees liquidity risk exposure by validating the assessment, monitoring, and reporting activities of the 1st line of defence. Additionally, the Risk Management function is also responsible for conducting liquidity stress tests (see Section 12.1.5 for further details).

The ALCO monitors all liquidity risk management activities and provides recommendations to the Boards, which ultimately hold responsibility for ensuring the soundness and oversight of CFCH's liquidity risk management framework.

12.1.4 Internal liquidity metrics

To complement regulatory liquidity ratios, CFCH has established several internal liquidity metrics. These metrics are calculated using assumptions tailored to the liquidity risk drivers inherent in CFCH's business model.

- **Liquidity buffer:** As of 31 December 2024, the liquidity buffer consists of own funds held at the BCL, which have remained comfortably high and stable. Given CFCH's current business state, where client migration is still in its early stages and only a small portion of deposits have transferred from CBL to CFCH, maintaining it solely composed of own funds is deemed appropriate.
- **Maximum buffer usage:** Represents the highest percentage of the utilisation of the liquidity buffer within the first week, specifically to cover projected net liquidity outflows.
- **Survival horizon:** Refers to the earliest point in time when net liquidity outflows exceed the available liquidity buffer.

12.1.5 Stress testing

CFCH's liquidity risk stress testing framework complies with CSSF Circular 11/506, as amended by CSSF Circular 20/753. The framework is built on internally developed assumptions and methodologies defined in CFCH's liquidity model documentation and risk framework.

Stress testing covers liquidity risk drivers identified through risk assessments and models contingency situations across various forward-looking scenarios:

- **Idiosyncratic stress scenario:** Assumes additional liquidity outflows resulting from operational risk events;
- **Market stress scenario:** Considers a potential reduction in CFCH's liquidity income from the investment fund services business;
- **Combined stress scenario:** Simulates both idiosyncratic and market stress scenarios jointly.

As client migration progresses, additional reverse stress tests will be integrated to challenge results by examining potential stress effects beyond the existing scenarios. Stress test projections for regulatory liquidity ratios (LCR, NSFR) incorporate effects from internal liquidity metrics, ensuring a comprehensive approach.

Adverse stress scenarios capture CFCH's material vulnerabilities, which remain significantly reduced under current conditions. However, stress testing continues to apply relevant idiosyncratic, market-wide, and combined risk factors. As of 31 December 2024, only EUR is considered, but as migration progresses, stress effects will also encompass foreign exchange exposures.

If a liquidity stress test reveals a breach, meaning liquidity needs exceed available sources on a same-day basis, the Risk Management function reports the breach to ALCO. Based on the analysis, CFCH will review and adjust its contingency funding plan or funding plan as necessary. The Authorised Management will be informed accordingly, and CFCH will assess the adequacy of its liquidity risk framework and liquidity providers, making adjustments if needed.

Throughout 2024, no breaches occurred in the liquidity stress scenarios, neither in the regulatory liquidity ratios nor in the internal liquidity metrics. Stress test results confirmed that CFCH maintained sufficient qualifying liquid resources to meet its identified liquidity needs at all times.

12.1.6 Risk mitigation

CFCH maintains a defined liquidity buffer in EUR to meet liquidity obligations under both normal and stressed conditions. More details can be found in Section 12.1.4. The following subsections outlines additional measures that can be used in contingency situations.

12.1.7 Contingency funding

CFCH has additional liquidity generation capabilities to address contingency situations. The following measures can be used for exceptional liquidity generation:

- Selling CFCH's liquid assets;
- Exercising rights such as retention, pledge, set-off, and other legal claims;
- Accessing intra-group funding.

12.1.8 Monitoring and reporting

CFCH employs operational and analytical tools to assess liquidity risks, allowing effective monitoring of its actual liquidity position in relation to expected activities and available resources based on account balances and remaining liquidity capacity.

Liquidity risk reporting follows the framework outlined in the liquidity risk framework document and involves daily, monthly, and quarterly monitoring of internal liquidity metrics and regulatory liquidity ratios.

The responsibility for monitoring liquidity risk is distributed among different units. The CBL Treasury & Liquidity Controls unit, under an outsourcing agreement, conducts daily liquidity risk assessments and reports any breaches of liquidity limits to CFCH's Authorised Management. The Risk Management function is responsible for the daily, monthly, and quarterly monitoring of internal liquidity metrics, while the CBL Supervisory Reporting unit, also under an outsourcing agreement, monitors regulatory liquidity ratios. If a breach is identified in daily calculations, CFCH's Authorised Management and the ALCO members are informed promptly.

Liquidity risk exposures and limit breaches are addressed through the reporting approach outlined in Section 4.7.5. As part of this framework, breaches are included in the monthly and quarterly risk report submitted to the Authorised Management.

CFCH reviews its ILAAP on an annual basis. The corresponding ILAAP report is developed collaboratively across various units, including 1st and 2nd lines of defence, under the leadership of the Risk Management function. It is then reviewed by the Compliance unit and the Chief Risk Officer ("CRO"), among others, before being submitted to the Boards for approval and subsequently to regulatory authorities. Internal Audit, acting as the 3rd line of defence, conducts regular audits of the ILAAP process to ensure compliance and effectiveness.

12.1.9 Liquidity adequacy

CFCH ensures liquidity adequacy through its integrated Internal Capital and Liquidity Adequacy Assessment Process ("ICLAAP"), which combines capital and liquidity risk management into a unified framework. This approach enables CFCH to assess, monitor, and manage its liquidity position in line with its business model, strategic objectives, and regulatory requirements.

Liquidity adequacy is assessed from two complementary forward-looking perspectives:

- **Economic perspective:** CFCH considers the specific characteristics of its business model and ensures that expected outflows can be met in a timely and reliable manner, even under stress. This includes the maintenance of internal liquidity buffers and the monitoring of key indicators such as survival horizon and buffer usage.
- **Normative perspective:** CFCH ensures compliance with regulatory liquidity requirements, including the LCR and NSFR. These are supported by internal management buffers and multi-year projections under both baseline and adverse scenarios.

CFCH's Authorised Management holds ultimate responsibility for the ICLAAP, including the approval of the Liquidity Adequacy Statement ("LAS"), the liquidity risk strategy, and the methodologies used for risk identification, quantification, and stress testing. It also oversees the integration of liquidity and capital planning into CFCH's overall risk management and decision-making processes.

CFCH's liquidity governance is structured around the three lines of defence model as outlined in Section 4.7. The 1st line of defence (e.g. Treasury and business units) manages daily liquidity and implements the liquidity strategy. The 2nd line of defence (the Risk Management function) defines the liquidity risk framework, monitors adherence to risk appetite, and develops stress testing methodologies. The 3rd line of defence (Internal Audit) provides independent assurance on the effectiveness of the ICLAAP.

The ALCO supports the governance process by reviewing key ICLAAP components, including the LAS, and making recommendations to the Authorised Management.

This integrated and forward-looking approach ensures that CFCH maintains sufficient liquidity to meet its obligations under both normal and stressed conditions, while aligning liquidity risk management with its evolving business model.

12.1.10 Liquidity risk adequacy declaration

The Authorised Management annually approves the LAS as part of the ICLAAP, confirming that CFCH maintains sufficient liquidity in line with its risk profile and regulatory obligations. This statement is based on the comprehensive analysis, assumptions, and methodologies outlined throughout the ICLAAP report.

In 2024, CFCH consistently maintained a strong and stable liquidity position. No liquidity shortfalls occurred under business-as-usual conditions, and all payment obligations were met in full and on time. Daily liquidity buffers remained comfortably above internal thresholds, and key indicators such as the LCR, NSFR, survival horizon, and buffer usage showed no breaches throughout the year.

Stress testing results further confirmed CFCH's resilience, demonstrating that even under severe but plausible stress scenarios, the institution would retain sufficient liquidity to cover all identified risks. While client migration and treasury activities (such as access to cash correspondent bank credit lines and participation in the repo market) are anticipated to grow in 2025, CFCH's existing liquidity framework already offers a robust foundation for managing future developments.

In conclusion, based on the 2024 assessment, CFCH's liquidity position is deemed adequate, with appropriate tools, processes, and governance in place to monitor, manage, and report liquidity risk effectively.

12.2 Regulatory liquidity ratios

12.2.1 Liquidity Coverage Ratio

(Article 451a (2) CRR)

Table EU LIQB – On qualitative information on LCR, which complements template EU LIQ1

The Liquidity Coverage Ratio ("LCR") is designed to enhance institutions' short-term resilience to liquidity risks. It requires banks to maintain a sufficient reserve of high-quality liquid assets ("HQLA") that are unencumbered and can be quickly and easily converted into cash in private markets, thereby ensuring their capacity to withstand liquidity stress scenarios over a 30-day horizon. The regulatory framework for the LCR is outlined in Part 6 CRR, in conjunction with Commission Delegated Regulation (EU) 2015/61 ("LCR Delegated Act").

CFCH conducts daily calculations and monitoring of its LCR as part of its robust liquidity risk management framework. In alignment with its defined risk appetite, CFCH maintains internal LCR limits that significantly exceed the regulatory minimum of 100%, thereby facilitating early detection and mitigation of potential adverse developments or liquidity stress events.

As of 31 December 2024, CFCH's liquidity buffer was exclusively composed of central bank reserves, classified as Level 1 eligible HQLA in accordance with Article 10 LCR Delegated Act. CFCH's funding structure is predominantly composed of capital, as the migration of clients is still in its early stages. As a result, the contribution from deposits is insignificant. The available capital, represented by equity and retained earnings, is deposited with the central bank, where it qualifies as HQLA, reinforcing CFCH's liquidity position and regulatory compliance. Throughout the reporting period, CFCH maintained a conservative risk profile, with no exposure to derivatives or contingent collateral obligations.

In accordance with Article 415 (2) CRR, CFCH publishes its liquidity reports both in its reporting currency, EUR, as well as in any other currency that represents 5% or more of its total liabilities on the relevant reporting date, excluding own funds and off-balance sheet items. As of 31 December 2024, CFCH liquidity reporting was conducted exclusively in EUR, considering the non-materiality of foreign currencies.

Throughout 2024, CFCH demonstrated a robust liquidity position, with average quarterly LCR levels ranging from 2,506.78% to 2,875.08%. These levels underscore CFCH's substantial liquidity buffer, significantly surpassing the regulatory minimum requirement of 100%. The following template provides the LCR computation over a 12-month rolling average calculation based on the reporting periods ranging from July 2023 to December 2024.[2]

[2] The 12-month rolling average calculation dates back only to July 2023, as CFCH became subject to regulatory reporting obligations for LCR figures starting from that month.

Template EU LIQ1 – Quantitative information of LCR

k EUR		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2024	30.09.2024	30.06.2024	31.03.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	9	12	12	12	9
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					269,759	266,163	264,598	263,799
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:								
3	Stable deposits								
4	Less stable deposits								
5	Unsecured wholesale funding	19	0.50			19	0.50	-	-
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks								
7	Non-operational deposits (all counterparties)	19	0.50			19	0.50		
8	Unsecured debt								
9	Secured wholesale funding								
10	Additional requirements								

11	Outflows related to derivative exposures and other collateral requirements	452				452			
12	Outflows related to loss of funding on debt products								
13	Credit and liquidity facilities								
14	Other contractual funding obligations	62,887	653,478	77,826	81,518	32,593	31,669	38,510	41,142
15	Other contingent funding obligations	51	205	360	479				
16	TOTAL CASH OUTFLOWS					33,064	31,669	38,510	41,142
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)								
18	Inflows from fully performing exposures	18,902	21,482	20,744	19,086	18,902	21,482	20,744	19,086
19	Other cash inflows								
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								

EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	18,902	21,482	20,744	19,086	18,902	21,482	20,744	19,086
EU-20a	Fully exempt inflows								
EU-20b	Inflows subject to 90% cap								
EU-20c	Inflows subject to 75% cap	18,902	21,482	20,744	19,086	18,902	21,482	20,744	19,086
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					269,759	266,163	264,597	263,799
22	TOTAL NET CASH OUTFLOWS					16,996	16,198	23,840	27,038
23	LIQUIDITY COVERAGE RATIO					2,506.78%	2,875.08%	2,687.00%	2,692.85%

12.2.2 Net Stable Funding Ratio

(Article 451a (3) CRR)

The Net Stable Funding Ratio ("NSFR") is designed to foster long-term funding resilience. It ensures that institutions maintain a sound and stable funding structure by requiring that available stable funding ("ASF") meets or exceeds required stable funding ("RSF") over a one-year horizon. The NSFR reduces reliance on short-term wholesale funding, mitigates liquidity risk, and promotes alignment between the maturity profiles of assets, liabilities, and off-balance sheet exposures, thereby enhancing financial stability.

Analogous to LCR, CFCH upholds internal NSFR limits that significantly surpass the regulatory minimum requirement of 100%.

As of 31 December 2024, CFCH maintained a robust liquidity profile, evidenced by a year-end NSFR of 198.65%. This markedly exceeds the regulatory threshold of 100%, reflecting CFCH's resilient funding structure.

Template EU LIQ2 – Net Stable Funding Ratio

k EUR		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	← 6 months	6 months to ← 1yr	↗ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	301,287				301,287
2	Own funds	301,287				301,287
3	Other capital instruments					
4	Retail deposits					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:		894			
8	Operational deposits					
9	Other wholesale funding		894			
10	Interdependent liabilities					
11	Other liabilities:		102,480		21,231	21,231
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		102,480		21,231	21,231
14	**Total available stable funding (ASF)**					**322,517**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					

17	Performing loans and securities:		21,477		27,410	29,558
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut					
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		21,477			2,148
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:					
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products				27,410	27,410
25	Interdependent assets					
26	Other assets:		9,089		128,249	132,794
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted					

31	All other assets not included in the above categories		9,089		128,249	132,794
32	Off-balance sheet items					
33	**Total RSF**					**162,351**
34	**Net Stable Funding Ratio (%)**					**198.65%**

13. Other risk types

The following sections have been incorporated into the report to offer further insights into additional risk categories encompassed within CFCH's overall risk profile.

13.1 Business risk

Business risk represents CFCH's exposure to external threats, such as changes in the competitive landscape, macroeconomic conditions, regulatory developments, or political instability, as well as internal vulnerabilities, including suboptimal strategic decisions. This risk encompasses potential adverse impacts from increased competition, unfavourable economic trends, or other factors that may result in revenues falling short of projections or costs exceeding expectations.

CFCH's approach to manage business risk is documented in its risk strategy and frameworks, supported by a control system that ensures the identification, assessment and monitoring of risks that the entity is exposed to, ensuring the timely detection of potential shifts in the underlying risk profile and that these are treated appropriately.

Business risk is quantified using a scenario-based approach that produces a VaR metric. If the calculated VaR exceeds the budgeted earnings before taxes ("EBT") for the upcoming four quarters, the capital requirement for business risk is determined as the difference between the VaR and the projected EBT. A capital requirement of 0 EUR indicates that the VaR remains below the budgeted EBT threshold.

13.2 Environmental, social and governance risks

(Article 449a CRR)

While CFCH is not obligated to disclose ESG risks under Article 449a CRR and Commission Implementing Regulation (EU) 2022/2453, it acknowledges the increasing importance of these considerations. This section outlines CFCH's strategic approach for identifying, managing, and integrating ESG risks across its operations and governance framework.

In line with the EBA's definition (EBA/REP/2021/18), CFCH categorises ESG risks as environmental, social, or governance-related factors that may influence the financial performance or solvency of its entities. These risks are regarded as both risk drivers and transversal elements, with the potential to impact a broad spectrum of financial and non-financial risk categories within CFCH's risk management framework — including credit, market, liquidity, pension, operational, and business risks.

In 2024, CFCH's Risk Management function completed the "CFS Sustainability – ESG Climate & Environmental Risk Project," identifying and addressing regulatory gaps (CRR III, CRD VI, and CSSF Circular 21/773). This ensured CFCH's ESG risk management framework fully complies with regulatory requirements and aligns with best market practices. Although no material ESG risks were identified for CFCH in 2024, ESG risks were integrated into CFCH's risk management process. This includes the assessment of ESG factors and their potential short-, medium-, and long-term impacts on CFCH and its business model, the periodic identification and monitoring of ESG-related risks, the enhancement of the risk taxonomy and inventory to capture ESG dimensions, and the execution of ESG-specific stress testing exercises.

CFCH aligns with Deutsche Börse Group's overarching sustainability and climate objectives, actively contributing to the green transition through the provision of ESG-related data, products, and infrastructure. By embedding ESG considerations into the fund segment and following Deutsche Börse Group's strategic framework, CFCH ensures that climate and environmental risks are thoroughly integrated into its decision-making processes, operational procedures, employee training initiatives, and stakeholder communications.

CFCH places strong emphasis on workforce diversity, employee engagement, and leadership development, while upholding the principles of market integrity, transparency, efficiency, and operational resilience. By disclosing its sustainability performance, maintaining ESG ratings, and engaging proactively with regulatory bodies, CFCH fosters a transparent, inclusive, and accountable approach to sustainability.

14. Remuneration

(Article 450 (1) CRR)

In accordance with Article 450 (1) CRR, the qualitative information on CFCH's Remuneration Policy is disclosed in the following sections.

Table EU REMA – Remuneration Policy

<table>
<tr><th>CRR Article</th><th>Row number</th><th>Free format</th><th>Section</th><th>Link to Remuneration Policy</th></tr>
<tr><td rowspan="3">450 (1) (a) to (f) CRR</td><td>(a)</td><td>Information relating to the bodies that oversee remuneration. Disclosures shall include:
• Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.
• External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.
• A description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries.
• A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.</td><td>Section 15.1
Section 15.2
Section 15.3</td><td>Section 1.2
Section 1.3
Section 3.11
Section 4.1</td></tr>
<tr><td>(b)</td><td>Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:
• An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.
• Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.
• Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.
• Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee.
• Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.</td><td>Section 15.1
Section 15.2
Section 15.5
Section 15.8
Section 15.9</td><td>Section 1.3
Section 1.5
Section 3.3
Section 4.4</td></tr>
<tr><td>(c)</td><td>Description of the ways in which current and future risks are taken into account in the</td><td>Section 15.6</td><td>Section 4.2</td></tr>
</table>

	remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.		
(d)	The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.	Section 15.7	Section 3.3
(e)	Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include: • An overview of main performance criteria and metrics for institution, business lines and individuals. • An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance. • Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments. • Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.	Section 15.8	Section 4.2 Section 4.3 Section 4.4
(f)	Description of the ways in which the institution seeks to adjust remuneration to take account of long term performance. Disclosures shall include: • An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff. • Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law). • Where applicable, shareholding requirements that may be imposed on identified staff.	Section 15.8	Section 4.3 Section 4.4
(g)	The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include: • Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.	Section 15.4 Section 15.8	Section 4.2 Section 4.3 Section 4.4

	(h)	Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.	N/A – CFCH is not subject to such demand.	N/A
	(i)	Information on whether the institution benefits from a derogation laid down in Article 94 (3) CRD in accordance with point (k) of Article 450 (1) CRR: • For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94 (3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	Section 15.7	N/A
	(j)	Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.	N/A – CFCH is no large institution.	N/A

14.1 Remuneration Policy

The Remuneration Policy is a key component in implementing remuneration systems and ensuring they align with the business, risk, and remuneration strategies. This Policy establishes the framework for designing and implementing remuneration systems for all employees of CFCH. For this purpose, "employee" includes executives, non-executive staff, risk takers, and members of the Executive and Supervisory Board. The main objectives are:

- Defining the principles that govern CFCH's remuneration systems for all employee groups;
- Ensuring that CFCH's remuneration practices comply with applicable regulations;
- Informing employees about the applicable rules and their remuneration system.

14.2 Governance

The Supervisory Board is responsible for determining the remuneration system and policy for the members of the Executive Board. In 2024, the Supervisory Board convened four meetings to address remuneration-related topics. It also oversees the remuneration of senior officers in independent control functions, such as Risk Management and Compliance.

The Executive Board decides on the remuneration system and policy for all employee groups, except for the Supervisory Board and Executive Board members. In 2024, the Executive Board held two meetings to discuss remuneration-related matters.

At the end of 2023, both Boards reviewed and approved the Remuneration Policy for 2024. Compared to previous version, this review included editorial changes and clarifications, particularly regarding the remuneration of control units.

As of 31 December 2024, CFCH has not formed a Remuneration Committee as a subcommittee of the Supervisory Board.

The remuneration system has been developed in collaboration with the relevant control units, including the Risk Management, Compliance, and Internal Audit functions.

14.3 Risk taker identification

CFCH performs an annual risk analysis to identify staff categories whose professional activities significantly impact its risk profile ("risk takers"). These individuals are subject to specific regulatory requirements, except where duly justified exemptions apply.

An employee is classified as risk taker if at least one of the qualitative and quantitative criteria outlined in Regulation (EU) 2021/923 is met. The following categories of staff are identified as risk takers:

- All members of the Executive Board or Supervisory Board;
- All members of the senior management;
- Employees responsible and accountable to the management body for control activities in the independent Risk Management, Compliance, or Internal Audit functions;
- Employees heading or having managerial responsibility and whose professional activities are deemed to have a material impact on the risk profile of a material business unit;
- Employees heading a (control) function responsible for legal affairs, finance (including taxation, budgeting and accounting procedures), human relations, Remuneration Policy, IT, information security, management of outsourcing arrangements, prevention of money laundering and terrorist financing, or economic analysis;
- Employees identified pursuant to quantitative criteria, e.g. employees whose total remuneration exceeds criteria set out by regulation and whose professional activities are deemed to have a material impact on the company's risk profile.

Risk takers are notified of their identification and the applicable remuneration system.

14.4 Link between performance and remuneration

The remuneration for Executive Board members and employees below this level includes a fixed salary, variable remuneration, and fringe benefits.

Aligned with the remuneration system of the Executive Board of Deutsche Börse Group and financial Key Performance Indicators ("KPIs"), the remuneration system for all executive levels promotes motivational goals and pay-for-performance, ensuring transparency and strict alignment with CFCH's business and risk strategy. Key elements include:

- **Target amount of variable remuneration:** A target bonus is established, ranging from 0% to 200% of the predefined target, to enhance understanding and transparency of variable remuneration, in line with international market practice;
- **Additive bonus system:** Performance measurement leading to the bonus indication reflects additively and generally three measurement levels to reward individual performance as well as allowing participation in the overall Group and CFCH results;
- **EBITDA and net revenues:** These key elements measure variable remuneration in alignment with the business reporting. Both indicators are of material significance to the successful implementation of CFCH's strategy and incentivise profitable growth. The growth driven net revenues target is balanced by EBITDA, providing for high performance orientation while maintaining a balanced chance-risk profile;
- **ESG targets:** Sustainability aspects are incorporated into variable remuneration to support sustainable development and corporate responsibility.

Variable remuneration shall consider the overall performance of Deutsche Börse Group and CFCH, derived from the segment and the respective areas of responsibility covering the individual contributions. All three measurement levels are generally equally weighted, and the allocation considers current and future risks. The evaluation incorporates a balanced mix of financial and non-financial criteria to ensure a comprehensive and responsible assessment of individual performance.

14.5 Performance measurement

When determining individual performance, it should be assessed based on achievement of a balanced combination of quantitative (financial) and qualitative (non-financial) agreed goals that are both ambitious and challenging. These goals shall align with the business and risk strategy, corporate values, risk appetite, long-term interests, as well as its cost of capital and liquidity position.

The full amount of variable remuneration is subject to an ex-ante risk adjustment for negative performance contributions, breaches of duty, or misconduct, and can be reduced to zero before the bonus awarded. Positive performance contributions cannot offset this reduction.

The performance of Executive Board members, risk takers, and other employees is evaluated annually, with results documented and monitored through the appraisal systems. While line managers are responsible for assessing employee performance, the Supervisory Board conducts the evaluations of Executive Board members.

Individual performance is measured through structured appraisal systems. For risk takers in control functions, objectives are set independently from the business areas they oversee to preserve their objectivity and prevent conflicts of interest. These individuals primarily receive control-related targets.

14.6 Total amount of variable remuneration

Variable remuneration must not compromise CFCH's ability to sustainably maintain or restore an adequate capital base. If CFCH's ability to sustainably maintain or recover an appropriate capital base is limited, no variable remuneration is to be granted. The total amount of the variable remuneration shall be determined in a formal, transparent and comprehensible process. Representatives of the relevant control units (for the determination of the bonus pool, performance criteria and remuneration awards) shall be involved within their scope of duties.

The total amount of variable remuneration is determined by summing up the actual individual variable remuneration that shall be awarded to all employees of the company whereas such summed up amount is subject to the examination of side conditions, for example, on performance criteria derived from the business and risk strategy in order to promote long-term sustainable success of the company and to adequately reflect costs of capital and liquidity as well as risks incurred.

Variable remuneration generally reflects the three measurement levels Deutsche Börse Group, company (CFCL, derived from segment) and individual goals. It is calculated by multiplying the achievement of targets at both CFCH and individual levels by a risk adjustment factor. This factor is derived from the ratio of VaR to ARBC, along with a liquidity risk indicator, and is assessed monthly using a traffic light system. If a yellow or red signal is triggered, a review is conducted, and a potential reduction factor may be applied.

Variable remuneration considers both current and future risks, as well as corporate values, risk appetite, and long-term interests, aligned with the risk strategy. Current risks are reflected at CFCH and individual levels through the risk adjustment factor and risk-adjusted goals. Future risks are addressed through sustainability reviews and the application of malus and clawback provisions. Current risks are addressed at both CFCH and individual levels. At CFCH level, risks are measured by business segment and adjusted using a risk adjustment factor based on risk bearing capacity utilisation by risk type and liquidity indicators. At the individual level, risk-adjusted goals ensure that employees' activities are aligned with the risk strategy (e.g., risk reporting, risk committee preparation, fire drills).

Future risks are addressed through sustainability reviews at CFCH level, aligning the total amount of variable remuneration with CFCH's future development. At the individual level, malus and clawback arrangements are applied where necessary.

14.7 Ratio between fixed and variable remuneration

The ratio between the fixed and the variable remuneration must remain appropriate. Variable remuneration may reach up to 100% of the fixed component. Where permitted by national regulations, the shareholders, owners, or members may approve a 1:2 ratio, allowing variable remuneration to reach a maximum of up to 200% of fixed remuneration in exceptional cases.

14.8 Link to long-term performance

The guidelines for variable remuneration are designed to address potential misalignments between performance periods and the timing of associated risks. To ensure alignment, variable remuneration payments must be appropriately deferred, with pay-out schedules aligned to the duration of the underlying risks. CFCH has implemented a deferral system for risk takers, consistent with the practices of its sister companies within Clearstream Group.

Variable remuneration is not guaranteed, depends on performance, and can result in no payout.

For risk takers, when variable remuneration exceeds 50,000 EUR or one-third of the total remuneration, the following deferral rules apply:

- At least 50% of both deferred and non-deferred variable remuneration shall be linked to the Group's long-term performance, granted as DBAG share-based instruments;
- At least 40% or 60% – depending on the risk taker classification or high amount of variable remuneration – is deferred over period of four to five years, with vesting occurring on a pro rata basis.

Prior to vesting, there is only an entitlement to an accurate determination of the variable remuneration portion. The final award is subject to an assessment of the sustainability of each risk taker's performance, their specific responsibilities, and the overall performance of CFCH. Additionally, CFCH's financial condition – including any significant changes in its capital base and financial capacity – is taken into account through a back-testing process.

In the event of a negative back-test, a malus may be applied to all components of deferred remuneration, including both cash and share-based elements. This is particularly relevant in cases involving misconduct, negative performance, significant failures in risk management, or financial downturns. If such circumstances are deemed material, portions of the deferred variable remuneration, including share-based instruments, may be reduced or forfeited.

Repayment obligations ("clawbacks") are implemented for risk takers in accordance with regulatory requirements. If a risk taker is found to be significantly involved in, or responsible for, actions that result in substantial losses for CFCH, major regulatory sanctions, or severe regulatory breaches, the risk taker is required to repay any variable remuneration already paid out. In such cases, any claim to payment of variable remuneration will lapse. Apart from share-based components, there are no shareholding requirements for identified risk takers.

14.9 Specific elements of variable remuneration

Guaranteed variable remuneration may only be granted in exceptional cases, such as for new hires. It is restricted to a maximum duration of one year and is subject to the company maintaining adequate equity, liquidity, and capital to meet its regulatory and operational requirements.

Severance payments are generally classified as variable remuneration. Any payments made in the event of early termination must reflect the individual's performance over time and must not reward underperformance or misconduct, in line with Article 38-6 (h) LFS.

14.10 Quantitative information

Quantitative remuneration information for CFCH's identified staff (risk takers, including Group risk takers), who are not Supervisory Board members, is disclosed in EUR. Any remuneration awarded in foreign currencies is converted to EUR and reflects compensation granted for the financial year 2024. The remuneration information in "Template EU REM4 – Remuneration of 1m EUR or more per year" pertains to identified staff holding contracts with CFCL.

To maintain confidentiality and ensure compliance with data protection requirements, remuneration data is presented in an aggregated and rounded format. Minor deviations may occur due to commercial rounding. Disclosure is provided only when the data pertains to at least three employees. The reported risk takers are identified based on their status for the financial year 2024, with full-time equivalent ("FTE") status as of 31 December 2024.

Template EU REM1 – Remuneration awarded for the financial year

EUR			a MB Supervisory function	b MB Management function	c Other senior management	d Other identified staff
1	Fixed remuneration	Number of identified staff	4	7	0	23
2		Total fixed remuneration	0	2,763,466	0	7,182,360
3		*Of which: cash-based*	0	2,426,898	0	6,620,261
4		(Not applicable in the EU)				
EU-4a		*Of which: shares or equivalent ownership interests*	0	0	0	0
5		*Of which: share-linked instruments or equivalent non-cash instruments*	0	0	0	0
EU-5x		*Of which: other instruments*	0	0	0	0
6		(Not applicable in the EU)				
7		*Of which: other forms*	0	336,568	0	562,098
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	4	7	0	23
10		Total variable remuneration	0	2,050,786	0	3,257,985
11		*Of which: cash-based*	0	774,181	0	1,277,547
12		*Of which: deferred*	0	464,508	0	722,252
EU-13a		*Of which: shares or equivalent ownership interests*	0	0	0	0
EU-14a		*Of which: deferred*	0	0	0	0
EU-13b		*Of which: share-linked instruments or equivalent non-cash instruments*	0	1,276,605	0	1,980,439
EU-14b		*Of which: deferred*	0	966,933	0	1,461,188
EU-14x		*Of which: other instruments*	0	0	0	0
EU-14y		*Of which: deferred*	0	0	0	0
15		*Of which: other forms*	0	0	0	0
16		*Of which: deferred*	0	0	0	0
17	Total remuneration (2 + 10)		0	4,814,252	0	10,440,345

Template EU REM3 – Deferred remuneration

	Deferred and retained remuneration EUR	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	0	0	0	0	0	0	0	0
2	Cash-based	0	0	0	0	0	0	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5	Other instruments	0	0	0	0	0	0	0	0
6	Other forms	0	0	0	0	0	0	0	0
7	MB Management function	4,592,573	950,151	3,314,166	0	0	0	950,151	549,204
8	Cash-based	1,569,715	549,204	1,020,511	0	0	0	549,204	0

9	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
10	Share-linked instruments or equivalent non-cash instruments	3,022,859	400,947	2,293,655	0	0	0	400,947	549,204
11	Other instruments	0	0	0	0	0	0	0	0
12	Other forms	0	0	0	0	0	0	0	0
13	Other senior management	0	0	0	0	0	0	0	0
14	Cash-based	0	0	0	0	0	0	0	0
15	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
16	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
17	Other instruments	0	0	0	0	0	0	0	0
18	Other forms	0	0	0	0	0	0	0	0
19	Other identified staff	6,385,731	1,332,398	4,521,225	0	0	0	1,332,398	805,875
20	Cash-based	2,274,415	827,150	1,447,265	0	0	0	827,150	0
21	Shares or equivalent ownership interests	0							
22	Share-linked instruments or equivalent non-cash instruments	4,111,316	505,248	3,073,959	0	0	0	505,248	805,875
23	Other instruments	0	0	0	0	0	0	0	0
24	Other forms	0	0	0	0	0	0	0	0
25	Total amount	10,978,305	2,282,549	7,835,390	0	0	0	2,282,549	1,355,079

Template EU REM4 – Remuneration of 1 million EUR or more per year

EUR		a
		Identified staff that are high earners as set out in Article 450 (i) CRR
1	1.000.000 to below 1.500.000	0
2	1.500.000 to below 2.000.000	1
3	2.000.000 to below 2.500.000	0
4	2.500.000 to below 3.000.000	0
5	3.000.000 to below 3.500.000	0
6	3.500.000 to below 4.000.000	0
7	4.000.000 to below 4.500.000	0
8	4.500.000 to below 5.000.000	0
9	5.000.000 to below 6.000.000	0
10	6.000.000 to below 7.000.000	0
11	7.000.000 to below 8.000.000	0

Template EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions risk profile (identified staff)

EUR		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						Total
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
1	Total number of identified staff										34
2	*Of which: members of the MB*	4	7	11							
3	*Of which: other senior management*				0	0	0	0	0	0	
4	*Of which: other identified staff*				0	0	0	9	8	6	
5	Total remuneration of identified staff	0	4,814,252	4,814,252	0	0	0	3,882,949	3,624,796	2,932,600	
6	*Of which: variable remuneration*	0	2,050,786	2,050,786	0	0	0	1,327,540	757,312	1,173,133	
7	*Of which: fixed remuneration*	0	2,763,466	2,763,466	0	0	0	2,555,409	2,867,484	1,759,467	

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