

Balance sheet as of 31 December 2022
of Clearstream Banking Aktiengesellschaft, Frankfurt/Main

Assets	31/12/2022		31/12/2021		Liabilities and Shareholder's Equity	31/12/2022			31/12/2021		
	€	€	€ thousand	€ thousand		€	€	€	€ thousand	€ thousand	€ thousand
Cash and bank balances					Liabilities due to banks						
Cash at central banks		2,184,940.00		1,546,078	Due daily		1,606,227,320.59				1,341,782
<i>thereof: Deutsche Bundesbank</i>					Amounts due to customers and other liabilities						
<i>€2,184,940.00 (previous year €1,546,078 thousand)</i>					Due daily		48,092,954.07				
Receivables from banks					Other liabilities		30,000,000.00		78,092,954.07		4,720
Due daily		2,263,090,720.97		452,728	Bonds Issued				350,000,000.00		350,000
Other receivables		0.00		0	Other liabilities				33,231,403.62		50,316
Receivables from non-banks		2,750,384.05		2,906	Deferred income				1,024,270.59		1,377
Bonds and other fixed-income securities					Provisions						
Bonds and debt instruments					Provisions for pensions and other obligations		13,450,468.82				6,332
of public-sector issuers		325,592,790.21		257,076	Provisions for taxation		14,454,153.54				14,557
<i>thereof: eligible as collateral at Deutsche Bundesbank</i>					Other provisions		105,596,544.09		133,501,166.45		82,292
<i>€325,592,790.21 (previous year €257,076 thousand)</i>					Shareholders' equity						
of other issuers		118,239,441.78		132,606	Subscribed capital		25,000,000.00				25,000
<i>thereof: eligible as collateral at Deutsche Bundesbank</i>					Additional paid-in capital		297,000,000.00				297,000
<i>€118,239,441.78 (previous year €132,606 thousand)</i>					Retained earnings						
Intangible assets					Legal reserve		1,391,519.20				1,392
Software excluding prepayments		21,323.78		49	Other retained earnings		98,259,496.08		99,651,015.28		97,375
Property, plant and equipment		74,615.08		109	Balance sheet surplus		172,500,000.00		594,151,015.28		181,000
Other assets		84,058,800.46		61,411							601,767
Prepaid expenses		46,965.50		125							
Excess of plan assets over post-employment benefit liability		168,148.77		54							
Total assets		2,796,228,130.60		2,453,143	Total liabilities and shareholder's equity		2,796,228,130.60		2,796,228,130.60		2,453,143

Income statement
of Clearstream Banking Aktiengesellschaft, Frankfurt/Main
for the period 1 January to 31 December 2022

	2022				2021			
	€	€	€	€	€ thousand	€ thousand	€ thousand	€ thousand
Interest income from								
Loans and money market transactions								
Loan and money business with positive interest rates	19,565,014.70				2,036			
Loan and money business with negative interest rates	6,485,862.99	26,050,877.69			10,939	12,975		
Fixed-income securities and book-entry securities								
Fixed-income securities and book-entry securities with positive interest rates		2,829,470.65	28,880,348.34			2,255	15,230	
Interest expense								
Interest expense with positive interest rates		-8,483,262.31				-6,561		
Interest expense with negative interest rates		-7,041,550.92	-15,524,813.23	13,355,535.11		-9,913	-16,474	-1,243
Commission income			595,170,813.37				605,898	
Commission expenses			-154,481,636.29	440,689,177.08			-162,235	443,663
Other operating income				54,403,456.49				73,092
<i>thereof foreign exchange revaluation 1,431,615.79 € (previous year €23,756 thousand)</i>								
General administrative expenses								
Personnel expenses								
Wages and salaries		-44,966,167.13				-43,540		
Social security and retirement benefits		-7,890,860.86	-52,857,027.99			-6,788	-50,328	
<i>thereof: for retirement benefits</i>								
<i>€3,211,016.71 (previous year €2,278 thousand)</i>								
other administrative expenses			-140,311,050.84	-193,168,078.83			-159,351	-209,679
Depreciation and impairments of property, plant and equipment and intangible assets				-64,415.97				-78
Other operating expenses				-29,244,339.35				-53,006
<i>thereof foreign exchange revaluation €12,638,519.54 (previous year €41,055 thousand)</i>								
<i>thereof interest result from discounting provisions €1,996,662.37 (previous year €5,092 thousand)</i>								
Amortisation attributable to write-downs for receivables and certain securities as well as the increase of provisions in lending business			-49,099,965.69				-5,086	
Income attributable to write-ups for receivables and certain securities as well as the release of provisions in lending business			0.00	-49,099,965.69			198	-4,888
Ordinary result				236,871,368.84				247,861
Income tax expense				-63,487,063.44				-66,280
Annual net profit				173,384,305.40				181,580
Transfer to revenue reserves								
other revenue reserves				-884,305.40				-580
Balance sheet surplus				172,500,000.00				181,000

Notes to the financial statements for financial year 2022

General information on the Company

Clearstream Banking Aktiengesellschaft (hereinafter: Clearstream Banking Frankfurt), which has its registered office in Frankfurt/Main, Germany, is registered in the Commercial Register of the District Court of Frankfurt/Main under the number HRB 7500.

Accounting policies

The annual financial statements of Clearstream Banking Frankfurt for the financial year 2022 have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB, German Commercial Code), the Aktiengesetz (AktG, German Stock Corporation Act) and the Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute (RechKredV, German Accounting Ordinance for Banks and Financial Services Institutions).

The valuation methods applied were unchanged from the previous year.

The minimum reserve at Deutsche Bundesbank is reported as cash on hand and carried at nominal value.

Receivables and liabilities denominated in foreign currency are translated at Bloomberg average spot exchange rates upon acquisition and at the reporting date.

Receivables and other assets are always carried at their nominal amount. All discernible risks are impaired on an item-by-item basis. In addition, portfolio impairments are made for foreseeable but not yet individually specified counterparty default risks.

Bonds and other fixed-interest securities are carried at cost and recognised in the balance sheet according to the moderate lower of cost or market principle. In the case of financial assets, use is made of the option to recognise write-downs even in the case of impairments that are not expected to be permanent.

Purchased intangible assets are carried at cost and amortised using the straight-line method or valued at the lower fair value. Licences and similar rights for IT / software are amortised over a useful life of between three and ten years.

Property, plant and equipment is carried at cost. Depreciable property, plant and equipment is depreciated using the straight-line method over its useful life or valued at its lower fair value. The useful life for IT hardware is three to four years and five to thirteen years for other assets, furniture and office equipment. For movable assets, the tax simplification rules regarding the depreciation start date are applied in their valid form on the respective date of acquisition. Cooperative shares are recognised in the balance sheet at the lower of cost or fair value.

Derivative financial instruments consist solely of currency swap in US dollar, which is taken out to cover exchange rate fluctuations. These are not combined with other transactions to form a valuation unit. Realised gains and losses as well as unrealised losses from the forward exchange transactions are taken into account in accordance with section 249 (1) sentence 1 HGB.

Prepaid expenses generally include expenditure incurred before the reporting date if it represents an expense for a certain time thereafter.

In accordance with section 253 (1) sentence 2 HGB, these liabilities are recognised at their respective settlement values.

Provisions for pensions and similar obligations have been stated on the basis of actuarial tables using the projected unit credit method based on the 2018 G mortality tables (generation tables) developed by Dr Klaus Heubeck.

Actuarial assumptions		
	31.12.2022	31.12.2021
	%	%
10-year average discount rate	1.79	1.87
7-year average discount rate	1.45	1.35
Salary growth	3.00	3.00
Pension growth	2.20	2.00
Staff turnover rate (up to age 50, thereafter 0.00%)	2.00	2.00

In accordance with section 253 (2) sentence 1 HGB, provisions for pension obligations with a residual term of more than one year are to be discounted at the average market interest rate for the past ten financial years that corresponds to their residual term. Section 253 (2) sentence 2 HGB provides the option of using the average market interest rate relating to an assumed duration of 15 years in order to discount the total pension obligations. Use has been made of this option. The discount rates are calculated and announced by Deutsche Bundesbank. The calculation methodology and the modes of publication are in accordance with the Rückstellungsabzinsungsverordnung (RückAbzinsV, German Regulation on the Discounting of Provisions).

Calculations for the projected benefit obligations arising from the employee-financed deferred compensation programme were made on the basis of the present value of an actuarial interest rate of 1.79 per cent (previous year: 1.87 per cent) along with actuarial tables using 2018 G mortality tables developed by Dr Klaus Heubeck.

In accordance with section 246 (2) HGB, the settlement amount of pension liabilities as at the reporting date was offset against the fair value of those assets that are protected from all creditors and exclusively serve the purpose of meeting liabilities arising from pension obligations or comparable long-term commitments to employees (plan assets). The cumulative costs of these plan assets amounted to €49.5 million (previous year: €49.6 million). The difference between

the carrying amount and the market value amounted to €4.6 million (previous year: €10.4 million).

The netted assets, which corresponded to a 14.5 per cent share in a domestic alternative investment fund within the meaning of section 1 (10) of the Kapitalanlagegesetzbuch (KAGB, German Capital Investment Code), had a fair value as at the reporting date of €54.2 million (previous year: €60.0 million), which corresponds to the market value within the meaning of section 278 in conjunction with section 168 of the KAGB. This special fund is an international mixed fund (mixed special fund) with regulatory investment restrictions. In addition to replicating DJ STOXX 600 Europe, a capital protection concept is applied to part of the special fund alongside a non-forecast-orientated trend reporting system which is key to the portfolio management. During the period under review, €2.0 million (previous year: €2.0 million) was withdrawn. This consisted of ongoing pension payments. Allocations were immediately made to the plan assets to replace these disbursements. A total amount of €1.9 million (previous year: €2.8 million) was added to the special fund. This asset is protected from any creditor claims and is thus not repayable on demand.

The asset surplus from provisions under the partial retirement programme was recognised as an asset difference from the offsetting of assets pursuant to section 246 (2) HGB.

The provisions for anniversary payments and early retirement were measured at the amount to be paid in accordance with actuarial principles, and for early retirees at present value. The projected unit credit method was applied as the basis of this assessment. During the year under review, the interest rate of 1.45 per cent (previous year: 1.35 per cent) was applied. The 2018 G mortality tables developed by Dr Klaus Heubeck were the basis of these projections.

The other provisions take into account all recognisable risks and uncertain liabilities as at the reporting date, and were set aside when there is an external obligation that has arisen legally or has been caused economically, and if the company expects with a sufficient probability that it will be utilised. The intrinsic value of the option was used as the basis for determining provisions for the Stock Option Plan. The basis for determining provisions for the Stock Bonus Plan (ATP) is the share price at the reporting date of Deutsche Börse AG, Frankfurt/Main (hereinafter: Deutsche Börse AG).

The values of the provisions for the Stock Bonus Plan and Long-term Sustainable Instrument (LSI) are calculated on the basis of the price of Deutsche Börse AG's shares on the reporting date.

An amendment to the law relating to the implementation of the Mortgage Credit Directive requires pension provisions to be discounted using a 10-year average discount rate. This has applied since 2016 (until 2015: the 7-year average discount rate was used). The resulting difference is as follows:

Pension provision discounted using a 10-year average	66,716
Pension provision discounted using a 7-year average	69,544
Difference	2,828

The difference between the 7-year and 10-year discount on pension provisions minus the applicable deferred tax in the amount of €2,025 thousand is fundamentally restricted for distribution in accordance with section 253 (6) HGB.

At the reporting date, Clearstream Banking Frankfurt had no excess liability resulting from the on-balance-sheet and off-balance-sheet transactions of the banking book. As a result, no provision was required in accordance with section 340a in conjunction with section 249 (1) HGB.

Deferred taxes are calculated in accordance with section 274 HGB on temporary differences between the carrying amounts according to commercial law and their taxable values. Deferred tax liabilities are reported only insofar as they exceed deferred tax assets. As at 31 December 2022, the excess of deferred tax assets amounted to €21.3 million (previous year: €26.3 million). The excess of deferred tax assets is mainly the result of differences in the carrying amounts in issued bonds, in the provisions for pensions and the related cover assets, and in the other provisions. In accordance with section 274 (1) sentence 2 HGB, the Company refrained from reporting the excess of deferred tax assets. Deferred taxes are calculated on the basis of the tax rates in effect or expected in Germany on the date they are recovered.

Tax provisions are recognised in the amount of the anticipated settlement value based on prudent commercial judgement.

A uniform rate of corporation tax of 15 per cent plus a solidarity surcharge of 5.5 per cent has been applied to financial year 2022. Taking a weighted trade tax rate into account (Eschborn and Frankfurt), this results in an aggregate tax rate of 28.25 per cent. There were no carryforwards of tax losses as at the reporting date.

Accrued payables generally include receipts before the reporting date if they represent income for a certain time after this date.

Income and expenses denominated in foreign currency were translated on the respective posting date at the Bloomberg rates.

Interest income and expenses are classified as transactions with positive interest rates and transactions with negative interest rates according to their source. They are reported based on this classification in sub-positions of the interest result.

Balance sheet disclosures

Assets in foreign currency

Assets in foreign currencies as at the reporting date amounted to €301,997 thousand (previous year: €359,938 thousand).

Cash and bank balances

The minimum reserve at the Deutsche Bundesbank as at the reporting date amounted to € 2,185 thousand.

Receivables from banks

Of receivables from banks in the amount of €2,263,091 thousand (previous year: €452,728 thousand), €336,383 thousand (previous year: €392,085 thousand) related to receivables from affiliated companies.

Receivables from banks break down as follows:

	31.12.2022	31.12.2021
	€ thousand	€ thousand
Payable on demand		
Receivables from transaction processing	90,273	257,811
Interest and commission receivables	58,669	62,367
Overnight funds	2,114,149	132,550
	2,263,091	452,728

Receivables from customers

These receivables related to current-account receivables from transaction processing and amounted to €2,750 thousand (previous year: €2,906 thousand). Receivables from customers are payable on demand.

Bonds and other fixed-interest securities

The bonds held as at the reporting date were exchange-listed securities in the amount of €443,832 thousand (previous year: €389,683 thousand). Of the bonds held as at the reporting date, the portion that is due within one year amounted to €24,858 thousand (previous year: €0 thousand).

Property, plant and equipment

As at the reporting date, operating and office equipment totalled €75 thousand (previous year: €109 thousand).

Non-current assets

The changes in non-current assets are described in the statement of changes in fixed assets.

Other assets

As at the reporting date, tax receivables amounting to €50,506 thousand (previous year: €51,279 thousand) accounted for the majority of other assets. These mainly consisted of voluntary prepayments due to a tax audit. Receivables from affiliated companies amounted to €25,931 thousand (previous year: €2,575 thousand) and cooperative shares in S.W.I.F.T. SCRL totalled €6,621 thousand (previous year: €6,621 thousand). The significant increase in receivables from affiliated companies is due, among other things, to a credit from Clearstream Services S.A. for excessive discounts in internal cost allocation for various services in the amount of €11,550 thousand.

Prepaid expenses

Prepaid expenses generally include expenditure incurred before the reporting date if it represents an expense for a certain time thereafter. Prepaid expenses in accordance with section 250 (1) of the HGB amounted to €47 thousand as at the reporting date (previous year: €125 thousand).

Liabilities in foreign currency

As at the reporting date, liabilities in foreign currency amounted to €817,326 thousand (previous year: €625,005 thousand). The significant increase is mainly due to higher nostro liabilities with CBL in USD and GBP totalling €112,242 thousand as well as increased customer deposits in foreign currency of €80,080 thousand compared to the previous year.

Liabilities to banks

Of the liabilities towards banks, €155,401 thousand (previous year: €20,955 thousand) related to liabilities towards affiliated companies. The significant increase results from the rise in intercompany liabilities in foreign currency.

Liabilities to customers

In January 2022, a loan of €30,000 thousand was extended by the parent company Clearstream Holding AG. The loan is included in other liabilities. In addition, the amount shown results from an interest and fee liability from customer cash to Deutsche Börse AG of €46,005 thousand (previous year: €0 thousand) as well as from current account liabilities payable on demand in the amount of €2,088 thousand (previous year: €4,720 thousand).

Securitised liabilities

The securitised liabilities consisted exclusively of a bond issued in December 2020 with a total nominal amount of €350,000 thousand (previous year: €350,000 thousand). These liabilities are due on 1 December 2025.

Other liabilities

The other liabilities have a maturity of one year or less. As at the reporting date they comprised the following:

	31.12.2022	31.12.2021
	€ thousand	€ thousand
Liabilities towards Deutsche Börse AG	14,828	14,898
Liabilities towards Clearstream Banking S.A.	4,370	3,749
Liabilities towards Clearstream Services S.A.	0	6,885
Liabilities towards Clearstream International S.A.	0	228
Miscellaneous other liabilities	6,299	4,448
SUBTOTAL	<u>25,497</u>	<u>30,208</u>
Tax liabilities	7,734	20,108
Total other liabilities	33,231	50,316

Accrued payables

Accrued payables generally include receipts before the reporting date if they represent income for a certain time after this. As at the reporting date, accrued payables in accordance with section 250 (2) of the HGB amounted to €1,024 thousand (previous year: €1,377 thousand). This item consists solely of the premium on the bond issued.

Provisions for pensions and similar obligations

Pension liabilities on the basis of section 246 (2) HGB	
	€ thousand
Pension obligations payable	67,609
Fair value of plan assets	-54,159
Provisions for pensions and similar obligations	13,450
Netting of profit and loss	
	€ thousand
Expenses arising from pension obligations	-2,066
Net expense stated under personnel expenses	-2,066
Interest expense arising from pension obligations	-1,842
Write-downs of plan assets and expenses from plan assets	-5,788
Income from plan assets	44
Net expenses stated under net interest income	-9,652

Provisions for deferred taxes

As at the reporting date, tax provisions totalled €14,454 thousand (previous year: €14,557 thousand).

Other provisions

Other provisions totalling €105,597 thousand (previous year: €82,292 thousand) comprised the following:

	31.12.2022	31.12.2021
	€ thousand	€ thousand
Outstanding invoices	51,741	27,083
Interest on taxes	20,849	21,206
Provisions recognised as part of the efficiency programmes	13,412	16,197
Bonus and share-based remuneration components	12,157	10,310
Other personnel provisions	4,335	4,514
Miscellaneous provisions	3,103	2,982
Total other provisions	105,597	82,292

The derivative financial instruments have a negative market value of €441 thousand (previous year: €171 thousand) as at 31 December 2022. Consequently, a provision for contingent losses was set aside in this amount. The nominal value of the deposit swap amounts to US\$550,000 thousand (€515,780 thousand) as at the reporting date.

Asset offsetting pursuant to section 246 (2) sentence 2 HGB	
	€ thousand
Settlement amount of obligations under partial retirement programme	-2,861
Fair value of plan assets	3,029
Asset difference resulting from netting	168
Netting of profit and loss	
	€ thousand
Expenses from obligations under partial retirement programme	-2,861
Net expense stated under personnel expenses	-2,861
Write-downs of plan assets	-103
Income from plan assets	0
Net expenses stated under financial result	-103

Equity

The share capital of Clearstream Banking Frankfurt remains unchanged at €25,000,000. It is divided into 25,000,000 no-par value registered shares. The shares may be assigned only with the Company's consent. Equity changed as follows:

	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
	Subscribed capital	Capital reserves	Retained earnings		Net profit
			Statutory reserve	Other Retained earnings	
Brought forward as at 01.01.2022	25,000	297,000	1,392	97,375	
Addition from 2022 net income				884	
Addition to capital reserves pursuant to section 272 II no. 4 HGB					
Balance as at 31.12.2022	25,000	297,000	1,392	98,259	172,500
Total shareholder's equity					594,151

Since the market price of the pension plan assets was higher than their acquisition cost, in accordance with section 268 (8) HGB in conjunction with section 301 AktG, there was a restriction on distributions of €3,314 thousand (previous year: €7,459 thousand).

The Executive Board proposes appropriating the net profit of €173,384,305.40 reported in Clearstream Banking Frankfurt's annual financial statements as follows:

distributing €6.90 for each no-par value share granting entitlement to a dividend (25,000,000 new no-par value registered shares), i.e. a total of €172,500,000.00.

Income statement disclosures

Interest income, current income, commission income and other operating income are primarily generated in Germany; to simplify matters, a breakdown by geographical markets in accordance with section 34 (2) (1) of the RechKredV has therefore not been carried out.

Interest income

Interest income in the amount of €28,880 thousand (previous year: €15,230 thousand) mainly comprised lending and money market transactions with positive interest rates.

Interest expense

Interest expense in the amount of €15,525 thousand (previous year: €16,474 thousand) mainly comprised interest expense from transactions with positive rates.

Commission income

Commission income in the amount of €595,171 thousand (previous year: €605,898 thousand) consisted in the main of deposit fees in the amount of €296,056 thousand (previous year: €289,290 thousand) and transaction fees in the amount of €165,537 thousand (previous year: €186,116 thousand).

Commission expense

Commission expense amounted to € 154,482 thousand (previous year: €162,235 thousand) in the year under review, and was primarily related to bank fees.

Other operating income

Other operating income amounting to € 54,403 thousand (previous year: €73,092 thousand) comprises mainly income from currency translation in the amount of €1,432 thousand (previous year: €23,756 thousand), income from services for Group companies (including IT development services and reporting services) in the amount of €28,124 thousand (previous year: €21,143 thousand) as well as income from the reversal of provisions in the amount of €1,091 thousand (previous year: €1,187 thousand). The realised income from the currency translation of the deposit swap of €9,789 thousand (previous year: €17,465 thousand) is reported as other operating income from financial operations. "Force majeure" was declared to CBF, as the reason why it could no longer service its clients' claims. Because of this, other operating income includes the reduction of liabilities in RUB to customers of €7,093 thousand (previous year: €0 thousand). This income is offset by impairments in the same amount, which were recognised in write-downs and impairments on receivables and certain securities as well as additions to the provisions in the lending business. Other operating income also includes corrections of €3,049 thousand (previous year: €0 thousand) from the contract with Clearstream International from previous years for the period from November 2019 up to and including December 2021.

General administration expenses

Staff costs of €52,857 thousand (previous year: €50,328 thousand) consist of wages and salaries in the amount of €44,966 thousand (previous year: €43,540 thousand), and social security contributions and the cost of retirement benefits of €7,891 thousand (previous year: €6,788 thousand).

The other administration expenses are broken down as follows:

	31.12.2022	31.12.2021
	€ thousand	€ thousand
Agency agreement services	86,788	105,458
- of which from affiliated companies	86,788	105,458
IT costs	23,333	27,835
- of which from affiliated companies	22,862	27,277
External consultancy costs	14,060	13,958
Other administration expenses	16,130	12,100
- of which from affiliated companies	7,394	3,667
Total other administration expenses	140,311	159,351

Other operating expenses

Other operating expenses amounting to € 29,244 thousand (previous year: €53,006 thousand) were predominantly made up of expenses relating to currency translation €12,639 thousand, previous year: €41,055 thousand), expenses from the clearing item in accordance with section 246 (2) of the HGB in the amount of €7,579 thousand (previous year: €2,399 thousand) and interest expenses for taxes amounting to €807 thousand (previous year: €8,022 thousand). Other operating expenses include corrections of € 6,309 thousand (previous year: €0 thousand) from ASL Plus fees from previous years for the period from December 2018 up to and including December 2021.

Amortisation and value adjustments attributable to write-downs for receivables and securities

Amortisation and value adjustments attributable to write-downs for receivables and securities in the amount of €49,100 thousand (previous year: €5,086 thousand) resulted primarily from write-downs on securities in the amount of €41,840 thousand (previous year: €5,039 thousand).

Auditor's fee

In accordance with section 285 no.17 HGB, disclosures on the auditor's fee are contained in the notes to the consolidated financial statements of Deutsche Börse AG. In addition to the audit of the annual financial statements, other services were rendered, mainly concerning project-related consulting services.

Other disclosures

Other financial obligations

Amount in €m	Total amount	Thereof up to 1 year	Thereof: 1-5 years
Management and agency contracts (previous year)	27.8 (24.0)	27.8 (24.0)	0 (0)
Thereof to affiliated or associated companies (previous year)	27.8 (24.0)	27.8 (24.0)	0 (0)
Other contracts, including service agreements (previous year)	0.28 (0.2)	0.14 (0.1)	0.14 (0.1)

Supervisory Board

The members of the Supervisory Board are:

Dr. Stephan Leithner (Chairman)	Member of the Executive Board, Deutsche Börse AG
Dr. Oliver Engels (Deputy Chairman)	Chief Risk Officer of Deutsche Börse AG
Peter Eck	Employee representative, Settlement section employee, Clearstream Banking AG
Norfried Stumpf	Employee representative, New Issues section employee, Clearstream Banking AG
Prof. Dr. Christina Bannier	Professor for Banking and Finance at the Justus-Liebig University in Giessen, Germany
Prof. Dr. Peter Gomber	Professor for Business Administration, in particular e-finance, in the Faculty of Economics and Business Administration, Goethe University Frankfurt

The members of the Supervisory Board received remuneration in the amount of €131 thousand in financial year 2022 (previous year: €110 thousand).

Executive Board

The members of the Executive Board are:

Dr. Berthold Kracke
(Chairman) responsible for Strategy & Corporate Planning, Global Operations, Human Resources, Internal Audit, Risk Management/ BCM Insurance, Credit, Compliance, Client Onboarding & Due Diligence

Tilman Fechter
(until 30.09.2022) responsible for Products & Business Development, Product Tax Treasury, Financial Accounting & Controlling, Corporate Tax, Information Security, Facility Management / Purchasing

Dirk Loscher
(from 01.10.2022) responsible for Products & Business Development, Product Tax, Treasury, Financial Accounting & Controlling, Corporate Tax, Information Security, Facility Management/ Purchasing

Martina Gruber responsible for Sales & Business Development, Client Services, communication & Marketing, Legal, Control Assurance & Monitoring, Outsourcing & Contract Management

Volker Riebesell responsible for IT Run, IT Change

In 2022 the total remuneration of members of the Executive Board amounted to €2,271 thousand (previous year: €2,557 thousand). Total remuneration includes share-based compensation of €588 thousand (previous year: €762 thousand). The number of Long-term Sustainable Instrument (LSI) and Restricted Stock Unit (RSU) shares is 1,319 (previous year: 812 items). The price of the Deutsche Börse AG share of €141.35 represents the average price of the share in calendar month December 2021.

The compensation of former members of the Executive Board and their surviving dependants amounted to €887 thousand in 2022 (previous year: €851 thousand). A total of €20,019 thousand (previous year: €19,672 thousand) has been reserved for pension obligations to former members of the Executive Board and their surviving dependants.

Appointments to supervisory boards and other supervisory committees

In accordance with section 340a (4) (1) HGB, a list of appointments on supervisory boards and other supervisory committees is presented below:

Dr. Berthold Kracke	Clearstream Global Securities Services Ltd. (member of the Board of Directors)
Martina Gruber	Deutsche Börse Commodities GmbH (Chairwoman of the Supervisory Board)
Tilman Fechter (until 30.09.2022)	Clearstream International S.A. (Chairman of the Board of Directors) Cloud Margin Ltd. (member of the Board of Directors) HQLAx SARL (member of the Board of Directors)
Dr. Stephan Leithner	Clearstream Holding AG (Chairman of the Supervisory Board) Clearstream Banking S.A. (Chairman of the Supervisory Board) Clearstream Fund Centre S.A. (Chairman of the Supervisory Board) (since 9 September 2022) Clearstream Services S.A. (Chairman of the Supervisory Board) ISS Holdco Inc. (Chairman of the Board of Directors) Qontigo GmbH (Chairman of the Committee of Shareholders)
Dr. Oliver Engels	Clearstream Banking S.A. (member of the Supervisory Board) Clearstream Services S.A. (member of the Supervisory Board) Clearstream Fund Centre Holding S.A. (member of the Board of Directors)
Prof. Dr. Christina Bannier	Eurex Clearing AG (member of the Supervisory Board)

Employees

As at 31 December 2022, the number of employees at Clearstream Banking Frankfurt (excluding the Executive Board) was 369.1 (previous year: 343.3). The average number of employees during financial year 2022 was 356.9 (previous year: 339.1).

	Male	Female	Total
Management employees	18.3	3.8	22.1
Non-management employees	179.0	168.0	347.0
Number of employees	197.3	171.8	369.1

Intercompany agreements

Since 12 May 2010, a control agreement (Beherrschungsvertrag) has been in place between Clearstream Banking Frankfurt AG and Deutsche Börse AG as the controlling company.

Group structure

Clearstream Banking Frankfurt is a wholly owned subsidiary of Clearstream Holding AG, Frankfurt/Main (hereinafter also referred to as CHAG). CHAG is a wholly owned subsidiary of Deutsche Börse AG.

Clearstream Banking Frankfurt is incorporated into the consolidated accounts of Deutsche Börse AG, which may be viewed at the Internet homepage of Deutsche Börse AG (<https://www.deutsche-boerse.com/dbg-en/investor-relations/financial-reports/annual-reports>)

The consolidated financial statements have an exempting effect for Clearstream Holding AG (smallest group of consolidated companies). The consolidated financial statements of Deutsche Börse AG are prepared on the basis of the IFRS and published in the company register.

In accordance with section 20 (4) AktG, Clearstream Holding AG, Frankfurt/Main, and Deutsche Börse AG, Frankfurt/Main, have notified us that they hold a majority interest in our Company.

Report on events after the reporting date

In order to permanently meet the capital requirements, as a precautionary measure additional funds in the amount of €30,000 thousand were added to the equity of CBF on 2 February 2023 and another additional funds in the amount of €80,000 thousand on 21 March 2023. What is more, in February 2023 the Clearstream Group decided on a restructuring programme for the Clearstream Global Operations division, which will also have an impact on CBF. The aim of this programme is to structure the entire Clearstream Global Operations division more efficiently for the future.

Frankfurt/Main, 29 March 2023

Clearstream Banking Aktiengesellschaft

The Executive Board

Dr. Berthold Kracke

Dirk Loscher

Martina Gruber

Volker Riebesell

Clearstream Banking AG, Frankfurt am Main

Schedule of fixed assets as of 31 December 2022

	Costs					Depreciation and amortization						Carrying amounts	
	Balance as of	Additions	Disposals	Reclassification	Balance as of	Balance as of	Depreciation	Write-ups	Disposals	Reclassification	Balance as of	31/12/2022	31/12/2021
	01/01/2022	2022	2022	2022	31/12/2022	01/01/2022	2022	2022	2022	2022	31/12/2022	€	€
	€	€	€	€	€	€	€	€	€	€	€	€	€
Intangible assets													
Software excluding prepayments	7,953,311.81	0.00	0.00	0.00	7,953,311.81	7,903,977.58	28,010.45	0.00	0.00	0.00	7,931,988.03	21,323.78	49,334.23
	7,953,311.81	0.00	0.00	0.00	7,953,311.81	7,903,977.58	28,010.45	0.00	0.00	0.00	7,931,988.03	21,323.78	49,334.23
Property, plant and equipment													
Operating and business equipment	846,372.12	2,112.09	17,009.56	0.00	831,474.65	737,463.61	36,405.52	0.00	17,009.56	0.00	756,859.57	74,615.08	108,908.51
	846,372.12	2,112.09	17,009.56	0.00	831,474.65	737,463.61	36,405.52	0.00	17,009.56	0.00	756,859.57	74,615.08	108,908.51
	8,799,683.93	2,112.09	17,009.56	0.00	8,784,786.46	8,641,441.19	64,415.97	0.00	17,009.56	0.00	8,688,847.60	95,938.86	158,242.74

Management report for the 2022 financial year

1. Basic principles and business model

Clearstream Banking Aktiengesellschaft, Frankfurt/Main (hereinafter: Clearstream Banking Frankfurt (or CBF for short) is a central securities depository within the meaning of Article 2 (1) number 1 of the EU Central Securities Depositories Regulation (Regulation (EU) No 909/2014, CSDR). BaFin granted a CSDR licence to CBF pursuant to Article 16 of the CSDR. In addition, CBF received authorisation from BaFin to provide banking-type ancillary services pursuant to Article 54 of the CSDR.

CBF is also a central securities depository as defined by section 1 (3) of the Depotgesetz (DepG, German Securities Deposit Act). In this context, it also accepts deposits and grants its clients short-term loans. It is therefore a CRR credit institution pursuant to section 1 (3d) of the KWG.

Clearstream Banking Frankfurt mainly provides custody and settlement services, with the custody business making the greatest contribution towards net commission income. The revenue that is generated is mainly determined by the value of the securities held in custody. Income from the settlement business is largely dependent on the number of national and international trades executed in Germany that are settled by CBF for stock exchange and over-the-counter (OTC) transactions. Revenue is also generated by Investment Funds Services (IFS) and global securities financing (Banking, Funding and Financing, BFF), which includes the areas of General Collateral (GC) Pooling, securities lending and collateral management services.

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

Measured according to system availability of 99.9 per cent in 2022 (previous year: 100 per cent), CBF was a reliable infrastructure provider in the market. This is due both to CBF's innovative and market-compliant product and service offerings and developments, and to its high level of integration with the processes of Deutsche Bundesbank (processing, collateralisation, etc.) and the European Central Bank (Target 2 and Target 2 Securities). The fully automated integration of CBF into the trading and settlement processes of Deutsche Börse Group offers clients risk-optimised solutions. The decrease to 99.9 per cent is due to a partial system failure on 12 April 2022, which was resolved in a very short time with the restoration of complete system availability.

In addition, products and services were designed and developed in partnership with other divisions/companies of Deutsche Börse Group. In 2019, Clearstream Banking Frankfurt, in conjunction with Eurex Clearing Aktiengesellschaft, Frankfurt/Main (hereinafter: Eurex Clearing AG) as a central counterparty in connection with the settlement of repo transactions, introduced balance sheet netting between the GC Pooling and repo markets (GC & Special) for Eurex repo clients as a joint service. Clearstream's strategic position will also be affected by the implementation of the Eurosystem Collateral Management System (ECMS) which is planned by the ECB for April 2024, and thus the creation of a central technical platform for the administration of eligible collateral for Eurosystem monetary policy lending transactions, in order to combine the various national collateral management systems currently in place. In preparation for the upcoming implementation of the ECMS, the Company already migrated the

GC Pooling product to the new CmaX platform in 2022, so GC Pooling is no longer offered by CBF but by CBL as of 20 October 2022.

Furthermore, Clearstream Banking Frankfurt works closely with Eurex Clearing AG in order to offer clients further improved and comprehensive solutions for the increased requirements arising from the EU regulation on OTC derivatives, central counterparties and trade repositories (EMIR) and from CRD IV / Basel III.

As a service provider, Clearstream Banking Frankfurt does not engage in research and development activities comparable with those of manufacturing companies. Rather, CBF invests in the ongoing development and improvement of its systems. Against this background, the Company is constantly working on maintaining and further increasing the technological leadership and stability of its IT systems.

The market position of Clearstream Banking Frankfurt remains strong. CBF's strategic position takes account of the key market developments. With the provision of our offering for efficient use of liquidity in T2S, CBF is in a position to provide market participants with access to all markets connected up to T2S as a one-stop shop.

The Clearstream Group continued to invest in expanding the value chain and digitalising processes and working methods in 2022.

2. Report on economic position

2.1. Macroeconomic and sector-specific environment

The 2022 financial year was marked in particular by the Russian war of aggression against Ukraine and its economic after-effects. Nations and communities of states quickly acted to implement broad-based sanctions which, among other things, affected the development of commodity prices and made trading conditions more difficult, as well as causing a redistribution of investments. This increased the overall uncertainty and thus the demand for hedging among market participants across almost all asset classes. Accordingly, the average stock market volatility in the financial year was 36 per cent higher than in the previous year, as measured by the VSTOXX. Already in the second half of 2021 there were signs of an increase in inflation rates both in the US and in the countries of the eurozone. Central banks then intervened with a tightening of monetary policy and a rapid raising of key interest rates. For example, the US central bank (Fed) raised its interest rate corridor by over 400 basis points to 4.25–4.50 per cent in 2022 alone. The European Central Bank (ECB) reacted somewhat more cautiously and only began to raise key interest rates in the middle of the year. The ECB deposit rate was 2.00 per cent at the end of the financial year.

The International Monetary Fund estimates a growth rate for the eurozone of 3.5 per cent in 2022 compared to a growth rate of 5.3 per cent in 2021. Slightly lower growth of 3.4 per cent is expected for the global economy in 2022. For Germany, the International Monetary Fund (IMF) estimates the growth rate in 2022 at 1.9 per cent. The aggregate growth rate forecast for the global economy for 2023 goes down to 2.9 per cent. In particular, the lowered forecasts for the advanced economies lead to this result, whereas growth in the emerging markets is expected to be stable. Overall, the IMF expects growth of 1.2 per cent in the advanced economies, with the UK expected to be the weakest with a recession of -0.6 per cent. The expectation for Germany is also very low, at a mere 0.1 per cent growth.

The financial and capital market environment was largely marked by high volatility and the turnaround in the interest rate policy of central banks.

2.2. Business developments

The efficiency measures implemented in recent years have had an effect and the net profit for the year is good taking into account the overall economic situation. The number of clients was above the previous year's level. Contrary to the expectation of stable transaction volumes both in collective safe custody and in securities in the trustee business, here the number of transactions declined by a total of nine million. Most of this decline is due to the number of transactions in securities in the trustee business. The main reason for the decline in transaction volumes in the trustee business was the comparatively weaker euro and the associated unattractive exchange rates in the area of international settlement. Contrary to expectations, the average custody volume for the year was slightly lower than in the previous year. The expectation of a rise in net commission income was not met as it fell by 1 per cent in 2022 compared with the previous year, from €443,663 thousand to €440,689 thousand. The decline in net commission income is mainly related to the decline in income from transaction fees. In contrast, income from the custody business rose despite the decline in custody volume; this is due to the composition of the custody volume. Thus in 2022 the Company recorded an increase in higher-priced asset classes (especially gold) and a decrease in lower-priced asset classes.

The turnaround in interest rates in Europe and the US in the course of the year towards positive interest rates overall, is reflected in a significantly higher net interest income. The interest result in 2022 of €13,356 thousand (previous year: €-1,243 thousand) clearly exceeds the expectations of a slight increase in interest income.

The expectation of a reduction in operating expenses was met, with a reduction of 7.9 per cent from €209,679 thousand to €193,168 thousand. Expenses for IT services and agency agreement services decreased to €106,259 thousand (2021: €120,153 thousand), largely due to a decrease in expenses incurred for Group-internal services by €13,523 thousand. The amount for Group-internal services with respect to IT systems and software development also fell significantly compared with the previous year at €22,862 thousand (previous year: €27,277 thousand). The total expenses incurred in the 2022 financial year for developing systems and implementing projects (connecting to T2S and CSDR) totalled €7.3 million (previous year: €5.8 million). This includes expenses for eMission of €1.6 million, trade flow capture of €1.4 million, CSD re-engineering of €0.9 million and CABA of €0.8 million. As in the previous year, the Company decided not to exercise its option to capitalise the expenses for these development activities. Other operating expenses, at €29,244 thousand, were 44.8 per cent above the previous year's figure of €53,006 thousand. In the financial year they mainly comprised expenses for foreign currency measurement amounting to €12,639 thousand (previous year: €41,055 thousand), expenses for the Company pension plan and interest expenses for pension obligations amounting to €7,579 thousand (previous year: €2,399 thousand), and other expenses in respect of affiliated companies in the amount of €48 thousand (previous year: €0 thousand). Other operating expenses also include expenses relating to other periods in the amount of €6,309 thousand (previous year: €0 thousand) due to corrections from ASL fees. Income from foreign currency measurement decreased by €22,324 thousand. In total, foreign currency measurement resulted in an expense of €11,207 thousand (previous year: expense of €17,298 thousand); this is offset by additional proceeds from the currency forwards amounting to €9,789 thousand. Further, in 2022 the Company generated expenses for the write-down of assets in Russian Rubel and securities listed in Russia in the amount of €7,093 thousand. CBF also generated offsetting other operating income in the same amount related to the write-down of the corresponding customer liabilities in accordance with CBFs general terms and conditions.

The increase in net interest income as well as the decline in operating expenses did not, however, lead to an increase in profit before tax compared to the previous year. This is due to write-downs and impairments on assets and securities amounting to €49,100 thousand (previous year: €5,086 thousand), deriving in particular from interest rate

induced impairments on bonds. Overall, the expectation regarding the result before taxes set out in the previous year's report on expected developments was not fulfilled. CBF achieved a pre-tax profit of €236,871 thousand in 2022 (previous year: €247,860 thousand), which is 4.4 per cent below the previous year's level. Net profit was down 4.5 per cent compared with the previous year at €173,384 thousand (previous year: €181,580 thousand).

Securities held in collective safe custody

Lower custody volume

The market value of outstanding securities held in collective safe custody decreased by 4.2 per cent from €9,670 billion as at the end of 2021 to €9,265 billion as at 31 December 2022. While the value of bonds in safe custody was 8.5 per cent higher than in the previous year, the value of equities, certificates and options in safe custody declined by 15.1 per cent.

Number of transactions decreased slightly

The number of chargeable transactions processed (counted on both sides) also decreased, falling by 0.3 per cent compared with the previous year to 198.4 million transactions. This means that an average of 784,078 transactions per day (2021: 780,486) were booked for securities transactions that were fulfilled and executed securities transfers. Of the total number of transactions, 86.7 million (2021: 87.1 million) were accounted for by on-exchange transactions, 30.3 million (2021: 25.8 million) by CCP settlement and 81.4 million (2021: 86.1 million) by OTC transactions.

More classes of collective safe custody

The number of security issues included in collective safe custody increased significantly in the 2022 financial year, going up by 66.4 per cent compared to the previous year, owing to increasing issuing activity in certificates and warrants. At the end of 2022, Clearstream Banking Frankfurt held a total of 5,974,129 (year-end 2021: 3,590,912) different securities classes in custody for its clients. This consisted of 175,140 (year-end 2021: 143,297) bonds, 21,675 (year-end 2021: 20,976) equities, investment shares and participation certificates and 5,777,314 (year-end 2021: 3,426,639) warrants and certificates.

Number of clients has increased

At the end of 2022, Clearstream Banking Frankfurt had 274 clients in the collective safe custody business (year-end 2021: 249). The number of German clients decreased by 4 to 139 (year-end 2021: 143) and the foreign clients rose by 29 to 124 (year-end 2021: 95). The total number of accounts (foreign and German account holders) rose during the year to 1,110 (year-end 2021: 1,038).

Securities in the trustee business

Change in custody volume

As at the end of December 2022, the custody volume of securities held by foreign depositories was below the previous year's level. The market value of the securities held in custody amounted to €1,150 billion (year-end 2021: €1,192 billion).

Number of transactions

The number of executed transactions in foreign securities fell by a significant 18.6 per cent year on year (counted on both sides) to 35.9 million transactions. Of these, 19.4 million (2021: 27.7 million) were items relating to on-exchange transactions or transfers in the system, and 16.5 million (2021: 16.4 million) were OTC transactions executed abroad.

Number of foreign classes of securities

The number of foreign classes of securities increased by 3.5 per cent to 84,712 in 2022.

Rise in number of client custody accounts

As at the end of December 2022, Clearstream Banking Frankfurt managed a total of 1,846 foreign custody accounts. This amounts to a 14.7 per cent increase from December 2021. The number of clients increased by 23 to 233 (2021: 210).

Securities transaction counters and containers

Slight decline in number of securities certificates held

As at 31 December 2022, Clearstream Banking Frankfurt held 15.1 million (year-end 2021: 15.3 million) certificates in its securities containers.

Number of certificates received and delivered

A total of 1.9 million (2021: 1.5 million) certificates were received from our clients for collective safe custody in 2022. A total of 2.1 million (2021: 1.6 million) certificates were delivered in 2022. This does not include new issues or deliveries of securities due.

Gold holdings

As at year-end, gold holdings placed into custody to cover the Xetra gold bond amounted to around 228 tonnes (2021: 235 tonnes) with a market value of €12.5 billion (2021: €12 billion).

Banking, Funding and Financing (BFF)

The average annual volume of collateral processed via CBF decreased in 2022 by 3.3 per cent or €9.1 billion to €267.4 billion.

2.3. Results of operations, financial position and net assets

2.3.1. Results of operations

Net commission income at €440,689 thousand was almost at the previous year's level of €443,663 thousand. Income from commissions and fees fell by 1.8 per cent to €595,171 thousand (previous year: €605,898 thousand), while commission expense decreased by 4.8 per cent to €154,482 thousand (previous year: €162,235 thousand).

Deposit fees increased by 2.3 per cent to €296,055 thousand in 2022 (previous year: €289,290 thousand). This can be attributed to the composition of the assets under custody. CBF saw an increase in higher priced asset classes (esp. gold) while the assets under custody in the lower priced asset classes decreased. In contrast, transaction fees fell from €186,116 thousand to €165,537 thousand. Especially the decrease of 18.6 per cent in the number of settled

transaction in the trustee business resulted in lower settlement income. A better result was likewise achieved for other commission income, with an increase of 4.9 per cent to €134,208 thousand. Overall, net commission income fell compared to the previous year, in particular due to lower transaction fees.

Net interest income developed positively, primarily on account of the increase in interest rates in the European region, resulting in net income of €13,356 thousand in the 2022 financial year. In the previous year, on the other hand, there had been a net expense of €1,243 thousand. This was due to a higher increase in interest income (increase by €13,650 thousand) and lower interest expense (reduction by €949 thousand).

Other operating income was down to €54,403 thousand in 2022 (previous year: €73,092 thousand), in particular due to lower income from foreign currency valuation of €1,432 thousand (previous year: €23,756 thousand). In addition the company generated income in connection with corrections for ASL Plus fees for 2018–2021 of €3,049 thousand (previous year: €0 thousand). Other operating income further includes income generated from services for other group entities of €28,124 thousand (previous year: €22,602 thousand) and income from the release of provisions of €1,091 thousand (previous year: €1,187 thousand). Realised income from the foreign currency valuation of the depository swaps of €9,789 thousand (previous year: €17,465 thousand) is assigned to other operating income from finance operations.

Personnel expenses and other administration expenses represent the operating costs of Clearstream Banking Frankfurt. Personnel expenses increased by 5.0 per cent to €52,857 thousand (previous year: €50,328 thousand). The costs of wages and salaries rose by 3.3 per cent to €44,966 thousand, the costs of retirement benefits increased from €2,278 thousand to €3,211 thousand.

Other administrative expenses decreased by 11.8 per cent to €140,311 thousand (previous year: €159,351 thousand). These expenses mainly consisted of expenses for external services and agency agreements totalling €106,259 thousand (previous year: €120,153 thousand). Overall, operating costs fell more than anticipated due to effects that are deemed to be lasting.

Amortisation attributable to write-downs for receivables and certain securities in the amount of €49,100 thousand (previous year: €5,086 thousand) increased significantly due to interest rate induced decrease in the valuation of bonds.

The result from normal business activity fell by 4.4 per cent to €236,871 thousand (previous year: €247,860 thousand). Tax expense in the financial year amounted to €63,487 thousand (previous year: €66,280 thousand). The Company's net profit thus decreased by 4.5 per cent to €173,384 thousand (previous year: €181,580 thousand).

2.3.2. Financial position

The equity of CBF decreased from €601,767 thousand to €594,151 thousand as at the 2022 reporting date. The return on equity changed from 37.9 per cent in 2021 to 35 per cent in the financial year under review as a result of lower net profit in 2022.

The securitised liabilities consisted exclusively of a bond issued in December 2020 with a total nominal amount of €350,000 thousand (previous year: €350,000 thousand) and a coupon of 0.00 per cent. This bond matures on 1 December 2025.

Client deposits in the amount of €1,684,320 thousand (previous year: €1,346,502 thousand) were payable on demand. These mainly comprised the following currencies: euro, US dollar and UK pound. In contrast to the client deposits at the reporting date of 31 December 2022, in 2022 average client deposits decreased from €1,714 million to €1,554 million.

CBF holds depository swaps with a nominal value of \$US 550,000 thousand (€ 515,780 thousand) which have a negative market value of €441 thousand (previous year: €171 thousand) as of 31 December 2022.

The liquidity ratio (measured by the liquidity coverage ratio) is well above the minimum ratio of 100 per cent and fluctuates between 115 per cent and 155 per cent based on month-end values. This measurement documents the Company's sound liquidity situation. Through its affiliate Clearstream Banking S.A., Luxembourg (hereinafter: Clearstream Banking Luxembourg), it always has access to refinancing funds. The credit line at Clearstream Banking Luxembourg amounts to US\$350 million. In addition, there are approved foreign currency facilities with TD Global Finance and Standard Chartered Bank of €100 million each. As of December 31, 2022, CBF has not used any of the available credit lines.

After the distribution of €7.24 per no-par value share in the previous year, a dividend of €6.90 per no-par value share has been proposed for the 2022 financial year.

Liquidity management at CBF is based on the principles deriving from the German Banking Act (Kreditwesengesetz, KWG) and from the CSDR, which are set out in the risk report. Therefore, no analysis of liquidity on the basis of a cash flow statement is provided here.

2.3.3. Net assets

The significant decrease in the cash reserve to the minimum reserve of €2,185 thousand (previous year: €1,546,078 thousand) is the result of a changed investment strategy. In this context the receivables from credit institutions increased to €2,263,091 thousand (previous year: €452,728 thousand). These mainly comprised the investment of client deposits, of equity and of the issued bond. Exchange rates only had an insignificant effect on the net assets of the Company.

Overall, the Company's results of operations, financial position and net assets were in good order. CBF was always able to meet its payment obligations in the 2022 financial year.

2.4. Financial and non-financial performance indicators

2.4.1. Financial performance indicators

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

2.4.2. Non-financial performance indicators

Custody volume, the number of transactions and collateral volume are key factors for the performance of Clearstream Banking Frankfurt.

3. Report on expected developments, opportunities and risks

3.1. Report on expected developments

The report on expected developments describes how Clearstream Banking Frankfurt is expected to perform in the 2023 financial year. The following forward-looking statements and information are based on the Company's expectations and assumptions when this report on expected developments was published.

The economic outlook of the International Monetary Fund is marked by significant risks from the Russia-Ukraine war, inflation and the economic downturn, rising commodity prices, and uncertainties regarding the effect on supply chains and economic systems. All these factors will put a damper on the growth expected for 2023. The International Monetary Fund's growth forecast for 2023 is 2.9 per cent for the global economy and 0.1 per cent for Germany.

Clearstream Banking Frankfurt anticipates a structurally driven increase in demand for collateral and liquidity management services due to regulatory requirements. In the medium to long term, Clearstream expects its collateral and liquidity management and its strong position in the T2S network to result in increased business activity and consequently additional net commission income.

Net interest income will be affected by credit growth and rising interest rates in the US and Europe. Consequently, CBF expects a significant increase in net interest income, assuming that client deposits remain stable.

With regard to its customer structure, the Company expects that consolidation in the financial sector will persist. However, despite intense competition in the settlement and custody of international fixed-income securities, the Company does not expect to lose market share during the forecast period. Rather, the T2S strategy of CBF aims at not only maintaining market share in the medium to longer term, but also expanding it systematically and establishing itself as the leading T2S "hub" for Europe's banks. As a result, the Company expects custody volumes to increase by approximately 12 per cent in the 2023 financial year and sees the number of transactions remaining stable.

Due to the changes as part of Collateral Mobility, in the fourth quarter of 2022 the Company already recorded a significant decrease in collateral management volumes. Based on further changes as a result of Collateral Mobility, this volume will be reduced to zero in 2023.

Additionally, the Company expects an increase in commission expenses and a decrease in administrative expenses. This is due to a change in the recharging logic of Group companies for services for the operation of the international business. Taking into account the expectation of stable transaction volumes and rising custody volumes, as well as the effect from the changes in intercompany recharging logic, the Company anticipates a slightly lower net commission income for 2023.

The Company is expecting a reduction of around 3 per cent in operating costs thanks to ongoing cost management using Deutsche Börse Group's integrated model with optimised capacity allocation across multiple locations. Notwithstanding active cost management, however, the focus will remain on guaranteeing high-quality services.

In summary, against the backdrop of slightly falling net commission income, higher net interest income and a decrease in costs the Company is anticipating that profitability will be slightly higher compared with 2022. These conditions together with an expected decrease of the expenses for amortisation attributable to write-downs for

receivables and certain securities should enable an increase in pre-tax profit of around 9 per cent compared with the previous year.

3.2. Report on opportunities

CBF, as the largest central securities depository in T2S, also sees good opportunities in 2023 to gain additional market share from other CSDs through its product offering, its close cooperation with CBL and its pricing model.

The need for collateralised products will increase further in connection with the multitude of regulatory changes that are occurring. The search for financing and investment models, particularly in the banking segment, will have an indirect impact on the “non-banks” segment and pave the way for corresponding growth for CBF’s product offering.

CBF expects that it will continue to be regarded by its clients as an innovation driver because of the regulatory environment, its strong positioning in the area of liquidity and collateral management, and the transparent T2S strategy. This innovativeness should enable CBF to benefit from the business consolidation among major European companies.

Another technical opportunity lies in distributed ledger technology (DLT). For example, the development of the new D7 post-trade platform enables the end-to-end processing of electronic securities and the previously extensive bidding process, which often took several days, to be shortened to just a few minutes. An extension of the D7 platform to include decentralised functions, in line with the respective regulations and the market interest, could supplement the range of services in other countries in a similar way. Thus the central securities depository can create a fully digital alternative to the conventional issuing of securities. In December 2022, the Kreditanstalt für Wiederaufbau (KfW) became the first issuer to issue a digital issue as a fixed-income central register security based on the Electronic Securities Act (eWpG, Elektronisches Wertpapiergesetz). This technology has a direct impact on the business model of CBF, and should enable the Company to continue to offer its services in future and with changing technical requirements.

The increasing security requirements on information technology, for instance in connection with cloud computing and cyber security, will likewise bring changes to the market. Clearstream Banking Frankfurt is well-prepared for these developments and anticipates that the Company will emerge from them all the stronger. Coupled with secure IT solutions and an offering that meets the regulatory requirements of the future, CBF will have opportunities to grow and gain market share.

3.3. Risk report

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

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

- Normative perspective: The aim of this perspective is to ensure that CBF meets all regulatory capital requirements at all times and regards them as a management parameter for capital adequacy. The calculation of risk for credit, market, business, settlement, restructuring and operational risks is based on the calculation logic of the legal requirements of Capital Requirements Regulation (EU) No 575/2013 ("CRR") and/or Regulation (EU) 2019/876 ("CRR II") amending Regulation (EU) No 575/2013 and of Regulation (EU) No 909/2014 ("CSDR") of the European Parliament and of the Council. The established capital planning process for the normative perspective covers a three-year planning horizon and also takes into account possible adverse developments that deviate from the business plan.
- Economic perspective: The economic perspective complements the normative perspective and serves to provide an economic view on the basis of internal risk models. From this perspective CBF must not exhaust its available capital in more than 0.1 per cent of all years. It calculates its required economic capital (hereinafter referred to as REC) at a confidence level of 99.9 per cent and over a time horizon of 12 months. The risk-bearing capacity set against the required economic capital is the regulatory capital adjusted for unrealised losses. The risk-bearing capacity amounted to €412 million as at 31 December 2022. For the purpose of risk management, at least once a quarter CBF calculates as a metric the REC in relation to its risk-bearing capacity.
- In addition, CBF considers extreme scenarios and factors these into its risk management. These include both stress tests across risk types and stress tests for particular material risk types.

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

Internal Auditing checks the risk controlling function independently.

Risk profile

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

Operational risk

For CBF operational risk exists in particular with regard to 16 defined risk clusters, which were fundamentally revised in the 2022 reporting year and are listed below in alphabetical order. These risk clusters serve the control, monitoring and reporting of operational risk. Operational risk is assessed on the basis of scenarios. Operational risk had a share of 66 per cent of the REC of CBF as at 31 December 2022. The 16 defined risk clusters for operational risks are specified as follows:

- Infection risk: Risk that losses due to an operational risk event affecting one unit/segment will spread to other units/segments.
- Compliance risk: Compliance risk includes non-compliance with, for example, existing or new laws, rules, regulations, agreements or prescribed practices (including behavioural risks) as well as risks relating to sanctions, fraud or financial crime (AML / terrorist financing).
- Third-party risk: Risks arising from or due to activities with third parties.
- Information security risk: Risk of losses resulting from the processing of information, that directly affect compliance with the protective objectives of information security (confidentiality, integrity, availability and authenticity of information). Information security risk also includes cyber security risks.
- Information technology risk: Risk of losses resulting from the procurement, use and development of information technology (IT) that have no direct effect on compliance with the protective objectives of information security (confidentiality, integrity, availability of information).
- Model risk: Risk of losses due to decisions based on results that are inaccurate compared to the objective and intended use, or risk resulting from incorrect or inappropriate use of the models.
- Operational project risk: Risk of losses due to causes of operational risk in the implementation of projects, e.g. for new products, processes or systems.
- Personnel risk: Personnel-related risks, including unavailability, human error and employment practices.

- Physical security risk: Risk of losses due to natural and man-made hazards, including crime, civil unrest, terrorism, armed conflict and natural disasters.
- Product tax risk: Risk of losses, fines and damage to the Company and to the reputation of the Group due to non-compliance with tax laws and regulations, internal tax policies or prescribed best practices, including tax evasion (facilitation), as well as risks arising from inadequate or failed internal processes, persons and systems, or from external events relating to product taxes.
- Legal risk Risk of losses due to legal issues.
- Risk management risk: Risk of losses resulting from ineffective or only partially effective risk management methods and frameworks intended to accurately identify, assess, monitor, report and manage risk.
- Secondary reputational risk: Risk of losses due to brand or reputational damage resulting from the causes of operational risk.
- Corporate tax risk: Risk of losses, fines and damage to the Company and to the reputation of the Group due to non-compliance with tax laws and regulations, internal tax policies or prescribed best practices, including (aiding and abetting) tax evasion, as well as risks arising from inadequate or failed internal processes, persons and systems, or from external events relating to corporate taxes.
- Processing and execution risk: Risk of losses due to process defects and failures as well as inadequate products.
- Custody risk: Risk of losses due to the loss or destruction of assets held in custody for clients, including sub-custodians, and loss or damage along the entire custody chain.

Litigation and business practice

The legal risk cluster maps out the risks that can arise from legal proceedings. These may occur if CBF breaches laws or requirements, enters into inadequate contractual agreements, or fails to observe case law to a sufficient degree. For the 2022 reporting year the following pending procedures are to be noted.

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

Since 6 February 2020, a lawsuit has been pending before the court in Frankfurt in which CBF and other companies are named as defendants. The lawsuit primarily seeks the return of dividends in the amount of approximately €5.2 million plus interest. The claim asserted relates to dividends from securities that are held by CBF as the depository.

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

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

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

On 24 January 2022 a statement of claim was served on CBF in which CBF and two other parties are named as joint and severally liable defendants. The lawsuit seeks to obtain damages of around €216 million (plus interest) and to establish that the defendants are liable for future damages. The claims being pursued in the lawsuit are connected to instructions to transfer securities which were not executed because of official measures among other reasons.

Since January 2023 and February 2023, two lawsuits have been pending that were filed with the court in Frankfurt and are directed against CBF as the defendant. The actions seek a declaration of any existing claims of the plaintiff against Clearstream Banking Frankfurt in the amount of approximately €0.56 million and €6.4 million respectively and are serving in particular to suspend the time-barring of these claims. The claims asserted by the plaintiff are in connection with assets that are retained by CBF or other parties for legal reasons.

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

Risk mitigation

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

In 2022 there were no notable loss events that would have had a material impact on the institution's operational risk management. Even the partial system failure on 12 April 2022, referred to in relation to the system availability of CBF under "Basic principles and business model", did not result in a significant loss event, because the partial system failure was resolved in a very short time.

In the context of the current geopolitical events in Ukraine and the potential resulting economic policy consequences, the risks that might arise in the individual business areas are being analysed on an ongoing basis. This affects all risks from business relationships that CBF has in connection with the countries concerned (Ukraine and Russia), in particular business relationships with companies based there and their assets or the safe custody and settlement of assets with connections of both an economic and a technical nature. CBF, as part of Deutsche Börse Group, has implemented a solid and flexible system for the management of potential sanction and embargo risks. Dedicated sanctions experts are carefully monitoring current developments and are in regular dialogue with stakeholders and the business areas of Deutsche Börse Group so that they can react promptly to any restrictions.

Financial risks

CBF divides financial risks into credit, market and liquidity risks. Liquidity risks are not quantified as part of the REC calculation but instead are managed separately by the Treasury department and monitored by the risk control function. Financial risks had a share of 22 per cent of the REC of CBF as at 31 December 2022.

(a) Credit risk

Credit risk (counterparty default risk) describes the danger that a counterparty might not meet its contractual obligations, or not meet them in full. CBF's credit risk is divided into credit risks arising from securities settlement and credit risks that may arise from cash investments and from the investment of funds that are part of the ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). In addition, there are credit risks from trade receivables. Credit risk had a share of 17 per cent of the REC of CBF as at 31 December 2022.

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

Before entering into a business relationship, the creditworthiness of potential clients is assessed. CBF defines client-specific credit lines based on a regular credit check and performs ad hoc analyses as required. The primary target of the credit assessment is the assessment of the financial stability of the contracting party. The existing and potential customers are assigned an internal rating which is based on the assessment of six components according to the CAMELS-Approach. These components include capital adequacy, quality of financial assets, quality of management, result of operations, the liquidity situation and sensitivity to market risk. In the assessment of the six components CBF considers the size and the developmental state, the nature of the business activity and the complexity of the business of the institute, as well as the specific risk profile of the customer. The Company defines safety margins for collateral and reviews their appropriateness on a regular basis. CBF has issued credit lines almost exclusively to borrowers in the financial sector in Germany.

CBF build risk provisions for the credit business in case of identifiable and latent risks. All identifiable risks are valued on an item-by-item basis and allowances are established. In addition general value adjustments are established for foreseeable but not individually identifiable counterparty default risks.

Further credit risks arise in connection with cash investments. The Company has a treasury policy that defines the conditions for investing through the Clearstream Treasury department. As part of liquidity management in the Clearstream Group, CBF invests its clients' money overnight at Clearstream Banking S.A. (Luxembourg). The risk for CBF is reduced in that investments are exclusively made on a short-term basis and collateralised if possible. In addition, to further reduce risk CBF exchanges part of the US dollar client money for euros using foreign currency transactions and deposits this money with the central bank.

In the reporting year 2022, Russia issued counter-sanctions against Western sanctions that were imposed as a result of Russia's invasion of Ukraine. As a result of these counter-sanctions, Clearstream Banking S.A. has declared a force majeure event in respect of CBF, which means that CBF cannot dispose of its clients' assets in roubles held with the Russian central securities depository and is also not able to execute its clients' instructions. Consequently, on the basis of its General Terms and Conditions, and applying them, CBF was obliged to deny the settlement of its foreign currency receivables in roubles. CBF will suspend such settlement to the extent and for as long as it is unable to dispose of this foreign currency, or can only dispose of it to a limited extent, due to politically conditioned measures or events. Within this context, CBF has made write-downs and impairments on receivables and on certain securities, as well as a revaluation of client liabilities in roubles in the same amount. The revaluation of client liabilities resulted in other operating income, which offset the said expenses in the same amount from write-downs and impairments on receivables and on certain securities.

Furthermore, in the reporting year 2022 none of the types of business described resulted in any notable losses.

(b) Market price risk

Market price risks include risks of an adverse change in interest rates, currencies or other market prices. Market price risk had a share of 6 per cent of the REC of CBF as at 31 December 2022. The presentation of general market price risk also includes counterparty-specific risk in line with risk management.

Due to the largely short maturities of the cash investments and liabilities, the interest rate risk is low. As a measure to limit risk, CBF avoids open currency positions wherever possible. In addition, CBF exchanges part of the US dollar client money for euros via foreign currency transactions. Market price risks may also arise from ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). The Company reduced its risk of extreme losses by deciding to invest a predominant proportion of the CTA on the basis of a value preservation mechanism.

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

(c) Liquidity risk

CBF's liquidity risk is that there may not be sufficient liquidity for the timely and unrestricted fulfilment of the outstanding payment obligations, or that the fulfilment may only take place at increased refinancing costs. Daily and intraday liquidity is monitored by the Treasury department and managed using a limit system. The main source of financing is customer deposits. CBF's investment strategy aims to be able to repay client deposits at any time. Due to the short term of the payment obligations resulting from the business strategy, CBF does not have any material long-term refinancing needs. Nevertheless, CBF issued a bond with a total nominal amount of €350 million in 2020. The Central Securities Depository Regulation (CSDR) requires CBF to mitigate liquidity risks in order to provide banking ancillary services by using qualifying liquid resources (QLR) to support day-to-day operations and manage stress scenarios. In this context, CBF uses the net proceeds from the issuance of the bond primarily to improve its liquidity position by increasing its QLR. The bond bears no interest and has a term of 5 years. Until its maturity in 2025, there are no further structural financing needs.

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

As at 31 December 2022 the LCR of CBF was 140.10 per cent. During the reporting period, the LCR was always above the internally defined thresholds as well as the regulatory requirement of 100 per cent.

Pension risks

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

The pension risk (in the narrower sense) is defined as the risk of an increase in costs arising from the present value of pension obligations based on a longer life expectancy, growth in salaries and the rise in inflation. The pension risk (in the narrower sense) had a share of around 11 per cent of the REC of CBF as at 31 December 2022.

Business risk

Business risk is the unexpected residual risk that arises if the earnings at risk (EaR) exceed the expected net profit after tax, which may be attributable to the competitive environment (e.g. client behaviour, lack of capital investment, changes in the sector) or to failed strategic decisions on the part of the management. The unexpected loss resulting from deviations (positive or negative) from net profit after tax is calculated through the EaR. Business risk is recognised if the calculated value at risk (VaR) is higher than the planned net profit for the next four quarters. As at 31 December 2022, CBF did not have to report any business risk as the planned net profit for the next four quarters exceeded the calculated VaR.

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

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

Current macroeconomic and geopolitical risks are monitored by risk management. High inflation combined with higher interest rates does not pose a significant downside risk to CBF. The military conflict between Russia and Ukraine, which has been openly conducted since mid-February 2022, is monitored on a daily basis, and regular meetings are held with all key internal stakeholders on at least a weekly basis to assess the risk situation. Given the low number of business relationships with the countries affected and as a result the low volume of potentially affected assets, the institution established that CBF is exposed to only a very small direct economic risk overall. Indirect risks, such as those arising from the economic exposure of our clients in the relevant countries, as well as medium and long-term risks that might arise, for example, from economic and financial sanctions, will be monitored on an ongoing basis and, if necessary, controlled by means of further risk mitigation measures.

Summary

The risk profile with respect to the material types of risk did not change significantly in the 2022 financial year. As at 31 December 2022 the REC of CBF amounted to €236 million, with the REC composition for the individual risk types as follows: for operational risk, financial risk, pension risk and business risk the REC was €156 million, €53 million, €27 million and €0 million by risk type respectively. Financial risk was made up of credit risk with REC of €40 million and market risk with REC of €13 million.

The capital requirements for the risk-weighted assets of CBF in the amount of €138.8 million were at all times met by a sufficient amount of available capital in the financial year under review. The available capital as at the end of the financial year totalled €420.7 million. The overall capital ratio was 24.26 per cent as at 31 December 2022.

Since its authorisation as a CSD by BaFin in January 2020, CBF has also been subject to capital requirements under Regulation (EU) No 909/2014 ("CSDR"). This regulatory capital requirement amounted to €318,304 million as at 31 December 2022.

In a joint letter issued by BaFin and the Commission de Surveillance du Secteur Financier (CSSF), CBF was informed that “complementary capital requirements” consisting of CSDR and CRR components must be applied and met from 1 April 2023 onwards. For the calculation of these newly introduced capital requirements, the CSDR requirements for business risk, processing or restructuring and intraday credit risk must be deducted from the legal entity’s own funds. The remaining own funds are then used to calculate an overall capital ratio based on this new requirement and measured against the ICAAP management threshold. This new requirement only leads to an increased capital requirement at the CBF level, which is estimated to amount to approx.. €140,000 thousand for financial year 2023 and which will be covered accordingly.

Outlook

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

Frankfurt/Main, 29 March 2023

Clearstream Banking Aktiengesellschaft

The Executive Board

Dr. Berthold Kracke

Dirk Loscher

Martina Gruber

Volker Riebesell