# *Attestation Exemplar*

Clearstream Banking Aktiengesellschaft
Frankfurt am Main

Annual Financial Statements for the Period Ending December 31, 2023 and the Management Report for Financial Year 2023

INDEPENDENT AUDITOR'S REPORT

(Translation - the German text is authoritative)

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# Annual Financial Statements and Management Report Clearstream Banking AG for the financial year 2023

# Management report for the financial year 2023

## 1. Basic principles and business model

Clearstream Banking Aktiengesellschaft, Frankfurt am Main (Clearstream Banking Frankfurt or CBF) 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 German Safe custody Act (Depotgesetz or DepG). 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 German Banking Act (Kreditwesengesetz or KWG).

Clearstream Banking Frankfurt mainly provides custody and settlement services, with the custody business making the greatest contribution towards net commission income. The value of the securities held in custody predominantly determines the revenue. Income from the settlement business largely depends 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 Clearstream Funds Services (CFS) and global securities financing (GSF), which includes the areas of 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 2023 (2022: 99.9 per cent), CBF was a reliable infrastructure provider in the market. This is due to CBF's 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 (T2S)). The fully automated integration of CBF into the trading and settlement processes of Deutsche Börse Group offers clients risk-optimised solutions.

In addition, products and services were designed and developed in partnership with other divisions/companies of Deutsche Börse Group. Clearstream Group's strategic position will also be affected by the implementation of the Eurosystem Collateral Management System (ECMS) which is planned by the European Central Bank (ECB) for November 2024, and thus the related 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, since 2022 the Company no longer offers the GC Pooling product. It has been offered by Clearstream Banking Luxembourg S.A. (CBL) since then.

Furthermore, Clearstream Banking Frankfurt works closely with Eurex Clearing AG, Frankfurt am Main 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. Due to this reason, CBF 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 2023.

## 2. Economic Report

### Macroeconomic and sector-specific environment

The macroeconomic and sector-specific environment, which we cannot directly influence, directly impact our business development.

In 2023 these included:

- Persistently high inflation rates, which did fall over the course of the year, but remained significantly above the central banks' target rates
- The resulting ongoing restrictive monetary policy of central banks in the USA and Europe, and their insistence that this policy will be pursued until inflation rates approach the desired level
- The insolvency of some US banks in mid-March and the consolidation in the Swiss banking market
- Russia's ongoing war of aggression against Ukraine and the associated sanctions and effects on global supply chains and energy supply
- The Hamas attack on Israel in October 2023 and the resulting new escalation in the Israeli-Palestinian conflict in the Middle East since then

In its world economic outlook of January 2024, the International Monetary Fund (IMF) expects global growth in 2023 to have fallen to 3.1 per cent (2022: 3.5 per cent). It is projecting growth of 0.5 per cent in 2023 (2022: 3.5 per cent) for the eurozone and of only 0.3 per cent for Germany (2022: 1.8 per cent).

### Business developments

The 2023 financial year was dominated by the central banks' efforts to contain high inflation levels. While inflation eased in the US and Europe during the year, it remained too high to allow any easing of monetary policy.

The ECB raised the deposit rate in several steps, most recently in September to 4.0 per cent, while the Federal Reserve had already raised the range to 5.3 – 5.5 per cent in July. It has maintained this level since then. Both central banks have stated that a departure from their restrictive monetary policy will depend on the development of important economic indicators. Clearstream Banking Frankfurt benefited from higher key interest rates thanks to the increase in net interest income.

Stock market volatility, as measured by the VSTOXX, was significantly lower compared to the previous year`s level. Higher trading volumes were only seen briefly in March following the insolvency of several US banks and the consolidation on the Swiss banking market. The VSTOXX averaged at 18 points and was therefore

35.0 per cent below the previous year. The number of transactions processed by CBF was correspondingly lower during trading hours.

Contrary to the expectation of stable transaction volumes both in collective safe custody and in the securities trustee business, here the number of transactions declined by a total of 13 million (-5.6 per cent). Most of this decline is due to the number of transactions in the securities trustee business. In line with the expectations, the average custody volume for the year was slightly higher than in the previous year. The expectation of only a slight decline in net commission income was not met, as it fell by 9.0 per cent in 2023 compared with the previous year, from €440.7 million to €399.1 million. The decline in net commission income resulted in particular from a decrease in income from transaction fees and changes in the charging methodology by affiliated companies for CBFs international funds business and the resulting increase in commission expenses. The change in the charging methodology was already considered in the 2023 outlook in the annual financial statements 2022. In contrast, income from the custody business was up as a result of higher custody volumes.

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. Net interest income of €80.0 million in 2023 (2022: €13.4 million) significantly exceeded expectations of a slight increase.

The expectation of a reduction in operating expenses was met, with a reduction of 17.2 per cent from €193.2 million to €160.0 million. Expenses for IT services and agency agreement services decreased to €91.8 million (2022: €106.3 million), largely as a result of a significant €17.3 million fall in Group-internal services with respect to IT systems and software development and a €6.6 million decline in Group-internal expenses for agency agreement services.

The increase in net interest income as well as the decline in operating expenses led to a higher profit before tax compared to the previous year. Overall, the expectation regarding the result before taxes set out in the previous year's report on expected developments was exceeded. CBF achieved a profit before tax of €377.5 million in 2023 (2022: €236.9 million), which is 59.4 per cent above the previous year's level. Net profit rose by 60.1 per cent compared with the previous year to €277.6 million (2022: €173.4 million).

## Securities held in collective safe custody

### Change in custody volume

The average market value of outstanding securities held in collective safe custody increased by 5.1 per cent, from an average of €9,260 billion in 2022 to an average of €9,735 billion in 2023. While the value of bonds in safe custody was 11 per cent higher than in the previous year, the value of equities, certificates and options in safe custody decreased by 0.8 per cent.

### Number of transactions

The number of chargeable transactions processed decreased by 6.9 per cent compared with the previous year to 184.7 million transactions. This means that an average of 735,687 transactions per day (2022: 784,078) were booked for securities transactions that were fulfilled and executed securities transfers. Of the total number of transactions, 76.8 million (2022: 86.7 million) were accounted for by on-exchange transactions, 23.5 million (2022: 30.3 million) by CCP settlement and 84.4 million (2022: 81.4 million) by OTC transactions.

### Number of participants

At the end of 2023, Clearstream Banking Frankfurt had 243 participants in the collective safe custody business (CASCADE) (year-end 2022: 274). The total number of accounts (foreign and German account holders) declined during the year to 1,098 (year-end 2022: 1,110).

### Securities in the trustee business

#### Change in custody volume

In 2023, the average custody volume of securities held at foreign depositories was slightly above the previous year's level. The market value of the securities held in custody in 2023 averaged €1,189 billion (2022 average: €1,188 billion).

#### Number of transactions

The number of executed transactions in foreign securities increased slightly by 1.4 per cent year over year to 36.4 million transactions. Of these, 18.5 million (2022: 19.4 million) were items relating to on-exchange transactions or transfers in the system, and 18.0 million (2022: 16.5 million) were OTC transactions executed abroad.

#### Number of client custody accounts

As at the end of December 2023, Clearstream Banking Frankfurt managed a total of 1,782 foreign custody accounts. This is a 3.5 per cent decrease compared to December 2022. The number of clients fell by 11 to 222 (2022: 233).

### Securities transaction counters and vaults

#### Number of securities certificates held

As at 31 December 2023, Clearstream Banking Frankfurt held 15.1 million certificates in its securities vaults (year-end 2022: 15.1 million).

#### Number of certificates received and delivered

In 2023, a total of 1.7 million (2022: 1.9 million) certificates were received from our clients for collective safe custody. A total of 1.6 million (2022: 2.1 million) certificates were delivered in 2023. This does not include new issues or deliveries of securities due.

### Global Securities and Financing (GSF)

The average annual volume of collateral processed via CBF decreased in 2023 by 58.8 per cent from €267.4 billion to €110.1 billion.

## 3. Net assets, financial position and results of operations

### Net assets

The cash reserve was reduced to €0 thousand (2022: €2.2 million) and receivables from banks fell slightly to €2,234.9 million (2022: €2,263.1 million). These mainly comprised the investment of client deposits, of equity and of the issued bond.

## Financial position

The shareholder`s equity of CBF increased from €594.2 million to €809.3 million as at the 2023 reporting date. The increase is the result of two capital injections of in total €110.0 million and a higher net profit of the year. The return on shareholder`s equity changed from 35.0 per cent in 2022 to 46.8 per cent in the financial year under review as a result of higher net profit in 2023.

The bonds issued consist of a bond issued in December 2020 with a total nominal amount of €350.0 million (2022: €350.0 million) with a coupon of 0.0 per cent. This bond matures on 1 December 2025.

Liabilities due to banks amounting to €1,404.5 million (2022: €1,606.3 million) are payable on demand. These mainly include the following currencies: Euro, US dollar and UK pound. The annual average volume of client deposits fell from €1,533.7 million in 2022 to €1,535.5 million in 2023.

In addition, there were subordinated, non-current debt to Clearstream Holding AG in the amount of €30.0 million.

CBF also has foreign currency swaps with a nominal value of US$300.0 million (€271.0 million), which had a positive market value of €0.2 million as at 31 December 2023 (2022: negative market value of €0.4 million).

The liquidity ratio, measured by the liquidity coverage ratio (LCR), is well above the minimum ratio of 100 per cent and fluctuates between 121.4 per cent and 177.3 per cent based on month-end values. This measurement documents the Company's sound liquidity situation. Through its affiliate Clearstream Banking S.A., Luxembourg, Luxembourg, it always has access to refinancing funds. The credit line at Clearstream Banking S.A. 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 at 31 December 2023, CBF had not drawn down any of the available credit lines.

After the distribution of €6.90 per no-par value share in the previous year, a dividend of €10.80 per no-par value share has been proposed for the 2023 financial year.

Liquidity management at CBF is based on the principles deriving from the German Banking Act (Kreditwesengesetz or KWG) and from the Central Securities Depository Regulation (Verordnung über Wertpapierzentralverwahrer or CSDR), which are set out in the risk report.

## Results of operations

Net commission income at €399.1 million decreased compared to the previous years of €440.7 million. Commission income decreased by 0.9 per cent to €590 million (2022: €595.2 million), while commission expense rose by 23.5 per cent to €190.9 million (2022: €154.5 million). The increase in commission expense is mainly due to a change in how the payment for Group-internal services is made for CBF's international fund business.

Deposit fees increased by 1.1 per cent in 2023 to €362.5 million (2022: €358.5 million) as a result of higher custody volumes. In contrast, transaction fees fell from €156.9 million to €151.2 million as a result of lower transaction volumes. Overall, net commission income fell slightly compared to the previous year, in particular due to lower transaction fees and higher commission expenses in the context of the Group-internal services related to the international funds business.

Development in net interest income was considerably positive, primarily due to the increase in interest rates in the European and US regions, resulting in net income of €80.0 million (2022: €13.4 million) in the financial year 2023.

Other operating income decreased to €51.2 million (2022: €54.4 million) in 2023. The figure declined marginally mainly as a result of lower income from financing operations €0 million (2022: €16.9 million), partially compensated by higher income from foreign currency valuation of €10.0 million (2022: €1.4 million). CBF is applying the special coverage according to section 340h of the HGB to net corresponding gains and losses from foreign currency valuation. Other operating income also includes mainly income from services for Group companies (including IT development services and reporting services) in the amount of €35.2 million (2022: €28.1 million).

Personnel expenses and other administrative expenses represent the operating costs of Clearstream Banking Frankfurt. Personnel expenses fell by 1.6 per cent to €52.0 million (2022: €52.9 million). The expenses of wages and salaries decreased by 2.9 per cent to €43.7 million, the costs of retirement benefits fell from €3.2 million to €2.9 million.

Other administration expenses decreased by 23.1 per cent to €107.9 million (2022: €140.3 million). These expenses mainly consisted of expenses for external services and agency agreements totalling €91.8 million (2022: €106.3 million).

Positive changes in the market value of some bonds resulted in income from write-ups of securities treated as fixed assets in the amount of €18.6 million (2022: write-downs of €49.1 million).

The results from ordinary activities increased by 59.4 per cent to €377.5 million (2022: €236.9 million). Income taxes in the financial year amounted to €99.9 million (2022: €63.5 million). The Company's net profit thus increased by 60.1 per cent to €277.6 million (2022: €173.4 million).

Overall, the Company's results of net assets, financial position, and operations were in good order. CBF was always able to meet its payment obligations in the financial year 2023.

## Financial and non-financial performance indicators

### Financial performance indicators

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

### 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

## Report on expected developments

The report on expected developments describes how Clearstream Banking Frankfurt is expected to perform in the financial year 2024. It contains statements and information on events in the future and is based on the company's expectations and assumptions at the time of publication of this annual report. These are subject to known and unknown opportunities, risks and uncertainties. The Company's success, business strategy and results are influenced by a variety of factors, many of which are outside the Company's control. Should opportunities or risks arise or one of the uncertainties materialise, or one of the assumptions made turn out to be incorrect, Clearstream Banking Frankfurt's actual performance could deviate either positively or negatively from the expectations and assumptions contained in the forward-looking statements and information contained in this report on expected developments.

Global economic growth weakened further during 2023 as a result of the much more restrictive monetary policy pursued by central banks. The expansion of the conflict in the Middle East between Israel and Palestine in the second half of the year generated uncertainty among market participants. We expect the economic situation to remain tense in 2024, due to higher benchmark interest rates. On the one hand, as inflation continues to fall, rate cuts by the central banks could have a positive impact on the economic environment. However, a stronger than expected decline in economic growth or a recession could lead to uncertainty among market participants.

Due to regulatory requirements, Clearstream Banking Frankfurt anticipates a structurally driven increase in demand for collateral and liquidity management services. In the medium to long term, Clearstream Banking Frankfurt expects its strong position in the T2S network to lead to increased business activity.

With regards 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.

Considering the above as well as the expectation of slightly lower transaction volumes and a moderate increase in assets under custody the Company anticipates an overall slight increase in net commission income for 2024.

Net interest income will be influenced by the central banks' decisions. The Company currently expects key interest rates to be lowered slightly during the year ahead, resulting in lower net interest income.

Additionally, CBF expects a slight increase of the administrative expenses.

The Company expects a slight increase in administrative expenses, despite 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 rising net commission income, slightly lower net interest income and the small increase in expenses, the Company is anticipating that profitability will be slightly lower compared with 2023. In addition, CBF expects significantly lower income from write-ups from securities. These conditions should result in moderately lower profit before tax compared with the previous year.

## Report on opportunities

CBF, as the largest central securities depository in T2S, also sees good opportunities in 2024 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.

A further technological opportunity is the development of the D7 post-trade platform, which 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. 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, as a result of cloud computing and cyber security, among others, 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.

## 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 is not expected to exhaust its available capital in more than 0.1 per cent of all years. It calculates its required economic capital (hereinafter referred to as REC) at a confidence level of 99.9 per cent and over a time horizon of 12 months. The risk-bearing capacity set against the required economic capital is the regulatory capital adjusted for unrealised losses. The risk-bearing capacity amounted to €525 million as at 31 December 2023. To manage the risk, at least once a quarter CBF calculates as a metric the REC in relation to its risk-bearing capacity.

- In addition, CBF considers 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 Audit 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 according to their current definition. These risk clusters serve the control, monitoring and reporting of operational risk. Operational risk is assessed on the basis of scenarios. The share of operational risk in the REC of CBF was 78 per cent as at 31 December 2023. 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 reporting year 2023 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.

The lawsuit that has been pending before the court in Frankfurt since 6 February 2022 on the return of dividends in the amount of approximately €4.5 million plus interest, in which CBF and other companies are named as defendant, was dismissed in its entirety on 13 July 2023. The proceedings were concluded with legally binding effect. In January 2021 a statement of claim was served on CBF. The lawsuit, which was filed with the court in Frankfurt and is directed against CBF as the defendant, seeks damages totalling around €11.1 million plus interest. The claims asserted by the plaintiff are in connection with assets that are retained by CBF or other parties for legal reasons. The claim was rejected in the courts of first and second instance; an appeal was launched against the judgement. On 23 July 2021, pursuant to an ad hoc announcement by Air Berlin PLC in liquidation of 25 June 2021, a statement of claim was served on CBF. In this lawsuit the insolvency administrator of the assets of Air Berlin PLC in liquidation is applying for CBF as personally liable partner of Air Berlin PLC to be sentenced to make a payment of around €497.8 million, as a result of Brexit, and for it to be established that CBF is liable for the obligations that have not already been established in the schedule of creditors' claims in the insolvency 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 January 22, 2018 to CBF the Cologne public prosecutor consulted CBF and Clearstream Banking S.A. as potential ancillary parties. From August 27, 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.

According to information reported by the competent court on 28 March 2023, the claimant withdrew a claim served on CBF on 24 January 2022, in which CBF and two other parties were sued as joint and severally liable defendants for damages of approximately €216 million (plus interest) and to establish that the defendants are liable for future damages.

Since February 2023, a claim has been pending that was filed with the court in Frankfurt and is directed against CBF as the defendant. The action seeks a declaration of any existing claims of the plaintiff against CBF in the amount of approximately €6.4 million and serves in particular to suspend the time-barring of these claims. The claims asserted by the plaintiff are in connection with assets that are retained by CBF or other parties for legal reasons. One claim was still pending since January 2023, which also related to assets retained by the CBF or other agencies for legal reasons. According to information given by the competent court, this claim, which was pending since January 2023 and aiming to establish a potential claim of the plaintiff of €0.56 million, was withdrawn by the plaintiff in October 2023.

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

## Risk mitigation

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

In the reporting year 2023 there was one significant loss event in relation to a capital measure. However, it did not have any material impact on the institution's operational risk management. In addition, there were no notable loss events in the reporting year.

In the context of the current geopolitical events in Ukraine and the potential resulting economic policy consequences, the risks that might arise in the individual business areas continued to be analysed on an ongoing basis in the  reporting year 2023. This affects all risks from business relationships that CBF has in connection with the countries concerned (Ukraine and Russia), in particular business relationships with companies based there and their assets or the safe custody and settlement of assets with connections of both an economic and a technical nature. The range of sanctions imposed in response to Russia's large-scale invasion of Ukraine have reached unprecedented scale and complexity. This has heightened the risk of control failure or a potential breach or contravention of applicable laws or regulations. CBF continues to manage this risk through consistent monitoring and takes active steps if changes arise. The measures taken and sanctions imposed are followed very closely. The main focus was on adjusting internal procedures and controls in line with the counter-sanctions ordered by Russia in response to the sanctions imposed by the West following Russia's incursion into Ukraine. CBF, as part of Deutsche Börse Group, has implemented a solid and flexible system for the management of potential sanction and embargo risks. Dedicated sanctions experts are carefully monitoring the developments and are in regular dialogue with stakeholders and the business areas of Deutsche Börse Group so that they can react promptly to any restrictions.

## Financial risks

CBF divides financial risks into credit, market, and liquidity risks. Liquidity risks are not quantified as part of the REC calculation but instead are managed separately by the Treasury department and monitored by the risk control function. Financial risks had a share of 14.0 per cent of the REC of CBF as at 31 December 2023.

### (a) Credit risk

Credit risk (counterparty default risk) describes the danger that a counterparty might not meet its contractual obligations, or not meet them in full. CBF's credit risk arises largely from securities settlement, cash investments and from the investment of funds that are part of the ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). In addition, there are credit risks from trade receivables. Credit risk had a share of 4 per cent of the REC of CBF as at 31 December 2023.

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

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

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

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

As a result of Russia's counter-sanctions against Western sanctions due to Russia's incursion into Ukraine, Clearstream Banking S.A. declared a force majeure event in respect of CBF in 2022, 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.

Furthermore, none of the types of business described resulted in any notable losses in the reporting year 2023.

### (b) Market price risk

Market price risks include risks of an adverse change in interest rates, currencies, equities or other market prices. Market price risk had a share of 9 per cent of the REC of CBF as at 31 December 2023. The presentation of general market price risk also includes counterparty-specific risk in line with risk management.

Due to the largely short maturities of the cash investments and liabilities, the interest rate risk is low. As a measure to limit risk, CBF avoids open currency positions wherever possible. CBF predominantly invests its clients' money where possible overnight at Clearstream Banking S.A. or with the central bank. However, it may also conclude FX swap and triparty repo transactions with treasury counterparties. 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.. Investments in the liquidity reserve are only made in euros.

### (c) Liquidity risk

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

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

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 2023, the LCR of CBF was 177.31 per cent. During the reporting period, the LCR was always above the internally defined thresholds as well as the regulatory requirement of 100 per cent.

### Pension risks

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

The pension risk (in the narrower sense) is defined as the risk of an increase in costs arising from the present value of pension obligations based on a longer life expectancy, growth in salaries and the rise in inflation. The pension risk (in the narrower sense) had a share of around 8 per cent of the REC of CBF as at 31 December 2023.

## Business risk

Business risk is the unexpected residual risk that arises if the earnings at risk (EaR) exceed the expected net profit before tax, which may be attributable to the competitive environment (e.g. client behaviour, lack of capital investment, changes in the sector) or to failed strategic decisions on the part of the management. The unexpected loss resulting from deviations (positive or negative) from net profit before tax is calculated through the EaR. Business risk is recognised if the calculated value at risk (VaR) is higher than the planned net profit before tax for the next four quarters. As at 31 December 2023, CBF did not have to report any business risk as the planned net profit before tax for the next four quarters exceeded the calculated VaR.

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

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

Current macroeconomic and geopolitical risks are monitored by risk management. High inflation 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, continued to be monitored on a daily basis in the reporting year 2023 too, 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.

CBF is not affected by the crisis in the Middle East that has developed since the attack by Hamas on 7 October 2023. The Group security function of Deutsche Börse Group monitors the developments in the region on an ongoing basis.

## Summary

The change in the risk profile with respect to the material types of risk in the financial year 2023 was largely attributable to model changes and to the annual reviews and revisions of risk scenarios. As at 31 December 2023 the REC of CBF amounted to €162 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 €127 million, €22 million, €13 million and €0 million by risk type, respectively. Financial risk was made up of market risk with an REC of €15 million and credit risk with an REC of €7 million.

The capital requirements for the risk-weighted assets of CBF in the amount of €119.1 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 €528.3 million. The overall capital ratio was 35.5 per cent as at 31 December 2023.

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 €226.3 million as at 31 December 2023.

Since 1 April 2023, CBF must apply and meet complementary capital requirements comprising CSDR and CRR components. 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 led to an increased capital requirement at the level of CBF, which was covered accordingly by two cash deposits of Clearstream Holding AG totalling €110 million in the capital reserves of CBF. The complementary capital requirements were met at all times since they came into force.

### Outlook

CBF continually assesses its risk situation. Based on ongoing monitoring of the risk situation using the implemented risk management system, the Executive Board of CBF concludes that the available risk-bearing capacity 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.

# Balance sheet as at 31 December 2023

| **in € `000** | Notes | | 2023 | 2022 |
|---|---|---|---|---|
| 1. Cash reserves | | | | |
| a) Balances with central banks | | | 0 | 2,185 |
| *thereof: with Deutsche Bundesbank €0 thousand (2022: €2,185 thousand)* | | | | |
| 2. Receivables from banks | 4, 5, 6 | | | |
| a) Due on demand | | 2,183,424 | | 2,263,091 |
| b) Other receivables | | 51,470 | | 0 |
| | | | 2,234,894 | 2,263,091 |
| 3. Receivables from customers | 4, 6 | | 3.981 | 2.750 |
| 4. Bonds and other fixed-income securities | 7, 8 | | | |
| a) Bonds and debt instruments | | | | |
| aa) of public-sector issuers | | 311,152 | | 325,593 |
| *thereof: eligible as collateral with Deutsche Bundesbank €311,152 thousand (2022: €325,593 thousand)* | | | | |
| ab) of other issuers | | 123,120 | | 118,239 |
| *thereof: eligible as collateral with Deutsche Bundesbank € 123,120 thousand (2022: € 118,239 thousand)* | | | | |
| | | | 434,272 | 443,832 |
| 5. Intangible assets | 8 | | | |
| a) Purchased intangible assets | | | 3,041 | 21 |
| 6. Property, plant and equipment | 8 | | 40 | 75 |
| 7. Other assets | 9 | | 101,430 | 84,059 |
| 8. Prepaid expenses | | | 0 | 47 |
| 9. Overfunded plan assets | 10 | | 167 | 168 |
| Total assets | | | 2,777,825 | 2,796,228 |

| in € `000 | Notes | | | 2023 | 2022 |
|---|---|---|---|---|---|
| 1. Liabilities due to banks | 4, 6 | | | | |
| a) Due on demand | | | | 1,404,452 | 1,606,227 |
| 2. Liabilities due to customers | 4, 6 | | | | |
| a) Due on demand | | | | 60 | 48,093 |
| 3. Bond issued | 11 | | | 350,000 | 350,000 |
| 4. Other liabilities | | | | 34,483 | 33,231 |
| 5. Deferred income | | | | 674 | 1,024 |
| 6. Provisions | | | | | |
| a) Provisions for pensions and similar obligations | 12 | | 9,008 | | 13,450 |
| b) Provisions for taxes | 13 | | 28,873 | | 14,454 |
| c) Other provisions | 14 | | 111,024 | | 105,597 |
| | | | | 148,905 | 133,501 |
| 7. Subordinate debt | 4, 15 | | | 30,000 | 30,000 |
| 8. Shareholder's equity | 17 | | | | |
| a) Subscribed capital | | | 25,000 | | 25,000 |
| b) Capital reserve | | | 407,000 | | 297,000 |
| c) Revenue reserves | | | | | |
| ca) Statutory reserve | | 1,392 | | | 1,392 |
| cb) Other revenue reserves | | 105,859 | 107,251 | | 98,259 |
| d) Distributable profit | | | 270,000 | | 172,500 |
| | | | | 809,251 | 594,151 |
| Total shareholder's equity and liabilities | | | | 2,777,825 | 2,796,228 |

# Income Statement for the period from 1 January to 31 December 2023

| **in € `000** | Notes | | | 2023 | 2022 |
|---|---|---|---|---|---|
| 1. Interest income from | 19 | | | | |
| a) Lending and money market transactions | | | | | |
| aa) Lending and money market transactions with positive interest rates | | 84,028 | | | 19,565 |
| ab) Lending and money market transactions with negative interest rates | | 294 | | | 6,486 |
| b) Fixed-income securities and government-inscribed securities | | | | | |
| ba) Fixed-income securities and government-inscribed securities with positive interest rates | | 3,796 | | | 2,829 |
| | | | 88,118 | | 28,880 |
| 2. Interest expense | 19 | | | | |
| a) Interest expense from transactions with positive interest rates | | -8,006 | | | -8,483 |
| b) Interest expense from transactions with negative interest rates | | -129 | | | -7,042 |
| | | | -8,136 | | -15,525 |
| | | | | 79,982 | 13,356 |
| 3. Commission income | 20 | | 589,950 | | 595,171 |
| 4. Commission expenses | 20 | | -190,852 | | -154,482 |
| | | | | 399,098 | 440,689 |
| 5. Other operating income | 21 | | | 51,220 | 54,403 |
| 6. General administrative expenses | 22 | | | | |
| a) Personnel expenses | | | | | |
| aa) Wages and salaries | | -43,665 | | | -44,966 |
| ab) Social security contributions and expenses for pensions and other employee benefits<br>*thereof: for pensions €2.942 thousand (2022: €3.211 thousand)* | | -8,368 | | | -7,891 |
| | | | -52,033 | | -52,857 |
| b) Other administrative expenses | | | -107,945 | | -140,311 |
| | | | | -159,978 | -193,168 |
| 7. Depreciation, amortization and write-downs of intangible assets, and property, plant and equipment | 8 | | | -162 | -64 |
| 8. Other operating expenses<br>*thereof: interest result from discounting provisions €128 thousand (2022: €1.997 thousand)* | 21 | | | -11,083 | -29,244 |
| 9. Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses | | | | -124 | -49,100 |
| 10. Income from write-ups of securities treated as fixed assets | 23 | | | 18,573 | 0 |
| **11. Results from ordinary activities** | | | | 377,526 | 236,871 |
| 12. Income taxes | 24 | | | -99,926 | -63,487 |
| **13. Net profit** | | | | 277,600 | 173,384 |
| 14. Allocations to revenue reserves | | | | | |
| a) other revenue reserves | | | | -7,600 | -884 |
| **15. Distributable profit** | | | | 270,000 | 172,500 |

# Notes for financial year 2023

## General Information

### 1. Corporate information

Clearstream Banking Aktiengesellschaft (Clearstream Banking Frankfurt or CBF), which has its registered office in Frankfurt am Main, Germany, is registered in the Commercial Register B of the Local Court in Frankfurt am Main under the number HRB 7500.

The sole shareholder of Clearstream Banking Frankfurt is Clearstream Holding AG, Frankfurt am Main, itself being a 100 percent subsidiary of Deutsche Börse AG, Frankfurt am Main. In accordance with section 20 (4) AktG, Clearstream Holding AG, and Deutsche Börse AG have notified us that they hold a majority interest in Clearstream Banking Frankfurt.

A control agreement is in place between Clearstream Banking Frankfurt and Deutsche Börse AG as the controlling company.

### 2. Accounting principles

The annual financial statements of Clearstream Banking Frankfurt for the financial year 2023 have been prepared in accordance with the regulations of the German Commercial Code (Handelsgesetz or HGB), the German Stock Corporation Act (Aktiengesetz or AktG) and the German Ordinance on Accounting Policies for Banks and Financial Service Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute or RechKredV).

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

During the financial year CBF migrated to SAP/S4 HANA implementing a parallel general ledger for HGB and IFRS accounting and redesigned the current chart of accounts. By optimising interface systems and the new account structure, a higher level of data granularity was achieved which resulted in the following adjustments compared to the previous year:

| in € `000 | 1 Jan 2023 |
|---|---|
| Receivables from banks | -6,075 |
| a) payable on demand | -236,282 |
| b) other receivables | 230,207 |
| Receivables from customers | 11 |
| Other assets | 6,064 |

## 3. Accounting policies

### Cash reserve

The cash reserve are accounted at nominal value.

### Receivables

Receivables are carried at cost. All identifiable risks will be value adjusted. In addition, general loan loss provisions are made for foreseeable but not yet individually specified counterparty default risks.

### Bonds and other fixed-interest securities

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

### Intangible assets and property, plant and equipment

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

### Other assets

Other assets are recognised at the lower of cost or fair value.

### Deferred income

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

### Liabilities

In accordance with section 253 (1) sentence 2 HGB, liabilities are recognised at their settlement values. The liabilities include, among other things, subordinated debt.

### Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are stated using the projected unit credit method in accordance with actuarial principles. They are based on the Heubeck 2018 G mortality tables and average market interest rate for the last ten years published by Deutsche Bundesbank in accordance with section 253 (2) sentence 1 HGB. The applicable discount rate is determined and announced by Deutsche Bundesbank in accordance with the Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung or RückAbzinsV). In accordance with section 253 (2) sentence 2 HGB, pension obligations are discounted by the average market interest rate according to the option, arising from an assumed remaining term of 15 years.

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

### Other provisions

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

The assessment as to whether a provision should be created for anticipated losses from uncompleted transactions in accordance with section 249 (1) sentence 1 HGB also includes the appraisal of whether the transactions with derivative financial instruments in the banking book result in an excess liability.

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. The 2018 G mortality tables developed by Dr. Klaus Heubeck were the basis of these projections.

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

### Deferred taxes

Deferred tax assets and liabilities are recognised for temporary differences between the accounting and tax values for bonds and other fixed-interest securities, provisions for pensions and similar obligations and the corresponding cover assets, as well as other provisions. Deferred tax liabilities are netted against deferred tax assets and the remaining deferred tax assets are not stated in the balance sheet in line with the option pursuant to section 274 (1) sentence 2 HGB. The deferred taxes are measured using the relevant combined German income tax rate of 28.4 per cent, consisting of corporate income tax, trade tax and solidarity surcharge.

### Introduction of global minimum taxation

In October 2021, as part of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS), over 135 countries agreed to introduce a global minimum taxation for multinational corporations with a consolidated annual turnover of at least €750 million. The objective of the proposed Pillar 2 reform is to ensure effective minimum taxation of the profits of multinational groups concerned at 15.0 per cent per jurisdiction. This should limit international tax competition and ensure fair and appropriate taxation. After the OECD published the Pillar 2 model rules in December 2021, the EU member states agreed on 12 December 2022 on a directive for the effective minimum taxation of multinational groups, which was required to be transposed into domestic law by December 31, 2023. On 10 November 2023, the German Bundestag adopted a draft bill to implement the Minimum Taxation Act (Mindestbesteuerungsrichtlinie-Umsetzungsgesetz or MinStG) with effect for financial years starting from 1 January 2024; corresponding provisions also apply in most jurisdictions outside the EU that are relevant for Deutsche Börse Group. No tax effects are expected for the Company in the first year of application 2024. The Company does not have foreign subsidiaries or offices.

### Foreign currency valuation

Foreign currency valuation is carried out in accordance with the provisions of section 256a HGB in conjunction with section 340h HGB. Receivables and liabilities denominated in foreign currency are valuated at the respective average spot exchange rates upon acquisition and at the reporting date. Due to the special coverage, gains and losses from the currency valuation for Customer Cash, Reverse Repos, Cash and Foreign Currency Deposit Swaps are stated net in the same currency in the other operating income or the other operating expenses.

## Notes to the balance sheet

### 4. Maturity structure

The following table presents the maturity structure of receivables:

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Receivables from banks | | |
| Due on demand | 2,183,424 | 2,263,091 |
| Other receivables | 51,470 | 0 |
| Total | 2,234,894 | 2,263,091 |
| | | |
| Receivables from customers | | |
| Due on demand | 3,981 | 2,750 |
| Total | 3,981 | 2,750 |

The following table presents the maturity structure of liabilities:

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Liabilities due to banks | | |
| Due on demand | 1,404,452 | 1,606,227 |
| Total | 1,404,452 | 1,606,227 |
| | | |
| Liabilities due to customers | | |
| Due on demand | 60 | 48,093 |
| Total | 60 | 48,093 |
| | | |
| Subordinated debt | | |
| With a remaining maturity of more than one year up to five years | 30,000 | 30,000 |
| Total | 30,000 | 30,000 |

### 5. Receivables from banks

Receivables from banks mainly consist of reverse repos in the amount of €2,056,627 thousand (2022: €1,883,942 thousand).

## 6. Relationship with affiliated companies

The following table presents amounts receivables and liabilities from and to affiliated companies:

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Receivables from banks | 306,972 | 336,383 |
| Receivables from customers | 167 | 56 |
| Liabilities to banks | 202,693 | 155,401 |
| Liabilities to customers | 60 | 46,005 |
| Subordinated debt | 30,000 | 30,000 |

## 7. Bonds and other fixed-interest securities

The bonds held as at the reporting date are exchange-listed securities in the amount of €434,272 thousand (2022: € 443,832 thousand).

## 8. Changes in fixed assets

The following table shows changes in fixed assets:

| in € `000 | Bonds and other fixed-income securities | Intangible assets | Property, plant and equipment |
|---|---|---|---|
| Acquisition/production costs as at 01.01.2023 | 490,946 | 7,953 | 831 |
| Additions | - | 3,147 | - |
| Disposals | (28,133) | - | - |
| Acquisition/production costs as at 31.12.2023 | 462,813 | 11,100 | 831 |
| Accumulated depreciation as at 01.01.2023 | 47,113 | 7,932 | 757 |
| Amortisation and depreciation for the financial year | - | 127 | 35 |
| Reversal | (18,573) | - | - |
| Disposals | - | - | - |
| Accumulated depreciation as at 31.12.2023 | 28,541 | 8,059 | 792 |
| Carrying amount as at 31.12.2022 | 443,832 | 21 | 75 |
| Carrying amount as at 31.12.2023 | 434,272 | 3,041 | 40 |

The increase in intangible assets in the financial year 2023 result mainly from the purchase of software developed by Deutsche Börse AG including ancillary acquisition costs totalling €3,147 thousand. Property, plant and equipment comprise office equipment in the amount of €40 thousand (2022: €75 thousand), which are mostly depreciated.

## 9. Other assets

Other assets mainly consist of tax receivables due to a voluntary prepayment of €75,640 thousand as part of a tax audit (2022: €50,506 thousand) and cooperative shares in S.W.I.F.T. SCRL, La Hulpe, Belgium in the amount of €6,621 thousand (2022: € 6,621 thousand).

## 10. Overfunded plan assets

The overfunded plan assets developed as follows:

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Settlement amount for obligations arising from partial retirement programmes | -5,448 | -2,861 |
| Fair value of plan assets | 5,615 | 3,029 |
| Total | 167 | 168 |

## 11. Bond issued

The bond issued consist of a bond issued in December 2020 with a total nominal amount of €350,000 thousand (2022: €350,000 thousand).

## 12. Provisions for pensions and similar obligations

Provisions for pensions and similar obligations amount to €9,008 thousand (2022: €13,450 thousand). The decrease mainly results from the increase of the netted plan assets compared to the previous year.

The key underlying actuarial assumptions are set out in the table below:

| | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Discount rate | 1.83% | 1.79% |
| Salary growth | 3.00% | 3.00% |
| Pension growth | 2.20% | 2.20% |

The 10-year interest rate of 1.83 per cent that was forecasted in September 2023 for the calculation of pension provisions differs by one basis point from the interest rate of 1.82 per cent announced by the Deutsche Bundesbank as at December 2023. The 7-year interest rate of 1.76 per cent that was forecasted differs by two basis points from the interest rate of 1.74 per cent published by the Deutsche Bundesbank as at December 2023.

In application of section 246 (2) HGB, provisions for pension obligations of €66,094 thousand were offset with plan assets of €57,086 thousand and corresponding expenses of €5,448 thousand against income of €2,347 thousand.

The netted assets, which corresponded to a 14.4 per cent share in a domestic alternative investment fund within the meaning of section 1 (10) of the German Capital Investment Code (Kapitalanlagegesetzbuch or KAGB), had a fair value as at the reporting date of €59,008 thousand (2022: €54,159 thousand), 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. In the financial year, €2,304 thousand was withdrawn for current pension payments (2022: €2,005 thousand), in contrast to an allocation of €2,231 thousand (2022: €1,926 thousand) The accumulated acquisition costs of these assets were €49,457 thousand (2022: €49,531 thousand). The difference between the carrying amount and the market value amounted to €7,629 thousand (2022: €4,629 thousand).

### 13. Provisions for taxes

Provisions for taxes in the amount of €28,873 thousand (2022: €14,454 thousand) consisted mainly of provisions for corporate income tax for the current and previous years.

### 14. Other provisions

Other provisions are made up primarily of provisions for outstanding invoices of €73,990 thousand (2022: €51,741 thousand), provisions for variable and share-based remuneration components of €13,379 thousand (2022: €12,157 thousand), personnel provisions of €11,945 thousand (2022: €17,747 thousand) and interest on taxes of €6,476 thousand (2022: €20,849 thousand). Personnel provisions included provisions for anniversary payments and early retirement. The projected interest rate of 1.76 per cent that was used to calculate these provisions differs by two basis points from the interest rate of 1.74 per cent published by the Deutsche Bundesbank as at December 2023.

### 15. Subordinated debt

The subordinated debt of €30,000 thousand (2022: €30,000 thousand) was issued to the parent company Clearstream Holding AG and is due on 19 January 2026. The interest rate in the period between 19 January 2022 to 18 January 2024 was 0.07 per cent. It was adjusted to 3.8 per cent effective 19 January 2024.

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

Interest expense for the subordinated debt amounted to a total of €21 thousand (2022: €20 thousand). This figure includes interest accrued but not yet due of €20 thousand (2022: €20 thousand).

For reasons of comparability, the previous year`s value were disclosed under subordinated debt instead of liabilities to customers.

### 16. Foreign currency volumes

As at 31 December 2023, the total amount of assets denominated in a foreign currency amounted to €477,371 thousand (2022: €301,997 thousand) while the liabilities denominated in a foreign currency was €746,121 thousand (2022: €817,326 thousand). The liabilities denominated in a foreign currency largely consists of funds belonging to customers.

### 17. Equity

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

The capital reserves were increased by a total of €110,000 thousand by Clearstream Holding AG cash deposits of €30,000 thousand on 2 February 2023 and of €80,000 thousand on 21 March 2023, to meet the higher capital requirements.

For the financial year ending on 31 December 2022, the 2022 annual financial statements were approved by resolution of the Supervisory Board on 28 April 2023 and by resolution of the Annual General Meeting as at 28 April 2023 a dividend of €172,500 thousand was distributed to the sole shareholder.

In the financial year 2023 €7,600 thousand were allocated to other revenue reserves. It is proposed to distribute a dividend of €270,000 thousand to the sole shareholder.

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

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

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Difference resulting from the discounted provisions for pension obligations | 522 | 2,828 |
| Unrealised gains from plan assets less deferred taxes created | 5,462 | 3,314 |
| Total | 5,984 | 6,142 |

## Notes to the income statement

### 19. Interest income and expense

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

### 20. Commission income and expense

Commission income of €589,950 thousand (2022: €595,171 thousand) mainly consist of deposit fees in the amount of €362,495 thousand (2022: €358,491 thousand) and transaction fees in the amount of €151,203 thousand (2022: €156,890 thousand).

Commission expense amount to €190,852 thousand (2022: €154,482 thousand) and was primarily related to bank fees.

### 21. Other operating income and expenses

Other operating income in the amount €51,220 thousand (2022: €54,403 thousand), mainly includes income from services for Group companies (including IT development services and reporting services) in the amount of €35,175 thousand (2022: €28,124 thousand), income realised from foreign currency translation of €10,002 thousand (2022: €1,432 thousand) and income from the clearing item in accordance with section 246 (2) of the HGB in the amount of €2,121 thousand (2022: other operating expenses of €7,579 thousand).

Other operating expenses in the amount €11,083 thousand (2022: €29,244 thousand) were predominantly made up of expenses relating to foreign currency translation of €2,840 thousand (2022: €12,639 thousand), interest on taxes of €2,227 thousand (2022: €807 thousand) and expenses for other services provided by affiliated companies of €1,905 thousand (2022: €48 thousand).

### 22. General administrative expenses

Personnel expenses of €52,033 (2022: €52,857 thousand) comprise wages and salaries amounting to €43,665 thousand (2022: €44,966 thousand), and social security contributions and expenses for pensions amounting to €8,368 thousand (2022: €7,891 thousand).

The other administrative expenses are broken down as follows:

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Agency agreement services | 80,167 | 86,788 |
| of which from affiliated companies | 80,167 | 86,788 |
| IT expenses | 6,016 | 23,333 |
| of which from affiliated companies | 5,547 | 22,862 |
| External consultancy costs | 11,064 | 14,060 |
| Other administrative expenses | 10,698 | 16,130 |
| of which from affiliated companies | 2,980 | 7,394 |
| Total | 107,945 | 140,311 |

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

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

### 24. Income taxes

Income taxes consist of the following:

| in € `000 | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Corporate income tax | 53,829 | 42,996 |
| Trade tax | 43,642 | 35,632 |
| Solidarity surcharge | 2,315 | 2,364 |
| Taxes from previous years | 140 | -17,505 |
| Total | 99,926 | 63,487 |

## Additional comments

### 25. Other financial obligations

Management and agency agreements are in place with affiliated or associated companies in the amount of €109,644 thousand (2022: €28,105 thousand).

### 26. Financial instruments of the banking book

Financial instruments of the banking book contain foreign currency swaps with a nominal value of US$300,000 thousand (€271,039 thousand) and a positive market value of €196 thousand (2022: negative market value of €441 thousand) as at 31 December 2023. The foreign currency swaps were entered into to hedge foreign currency risks.

### 27. Auditor’s fee

Disclosures on the auditor’s fee are contained in the notes to the consolidated financial statements of Deutsche Börse AG in accordance with section 285 (17) HGB.

## 28. Executive Board

The members of the Executive Board are:

| | |
|---|---|
| Dr Stephanie Eckermann (Chairperson, appointed with effect from 1 July 2023) | responsible for Strategy & Corporate Governance, Internal Audit, Human Resources, Financial Accounting & Controlling and Legal |
| Martina Gruber | responsible for Sales & Client Management, Customer Onboarding & Maintenance, Communication & Marketing, Treasury Front Office |
| Udo Henkelmann (appointed with effect from 1 July 2023) | responsible for Risk Management, Compliance, Control Assurance & Monitoring, Outsourcing & Contract Management, Information and Corporate Security (2nd LoD) |
| Dirk Loscher | responsible for Product Management, Network Management, Product Tax, Corporate Tax, Credit, Facility Management & Purchasing |
| Volker Riebesell | responsible for Operations, Information and Corporate Security (1st LoD), IT |
| Dr Berthold Kracke (Chairman, resigned with effects as from the end of 30 June 2023) | responsible for Strategy & Corporate Planning, Global Operations, Human Resources, Internal Audit, Risk Management / BCM Insurance, Credit, Compliance, Client Onboarding & Due Diligence |

In the financial year 2023, the total remuneration of members of the Executive Board amounted to €2,948 thousand (2022: €2,271 thousand). Total remuneration included share-based remuneration of €937 thousand (2022: €588 thousand) with 3,817 shares issued (2022: 1,319). The price of the Deutsche Börse AG share of €168.05 represents the average price of the share in calendar month December 2022.

The compensation of former members of the Executive Board and their surviving dependants amounted to €891 thousand in 2023 (2022: €887 thousand). A total of €20,492 thousand (2022: €20,019 thousand) has been reserved for pension obligations to former members of the Executive Board and their surviving dependants.

## 29. Supervisory Board

The members of the Supervisory Board are:

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

The members of the Supervisory Board received remuneration in the financial year 2023 in the amount of €140 thousand (2022: €131 thousand).

## 30. 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 are presented below:

| | |
|---|---|
| Dr Stephanie Eckermann | Clearstream Fund Centre S.A., Luxembourg, Luxembourg (Deputy Chairperson of the Supervisory Board) |
| | SimCorp A/S, Copenhagen, Denmark (member of the Supervisory Board, appointed with effect from 3 November 2023) |
| | Clearstream Banking S.A., Luxembourg, Luxembourg (member of the Supervisory Board, resigned with effects as from the end of 4 May 2023) |
| | ISS HoldCo Inc., Rockville, USA (member of the Board of Directors, resigned with effects as from the end of 30 September 2023) |
| Martina Gruber | Deutsche Börse Commodities GmbH, Frankfurt am Main (Chairman of the Board of Directors) |
| Dr Berthold Kracke | Clearstream Global Securities Services Ltd., Cork, Ireland (member of the Board of Directors) |

## 31. Employees

During the financial year 2023, the average number of employees was 353 (2022: 357).

| | Male | Female | Total |
|---|---|---|---|
| Management employees | 16 | 4 | 20 |
| Non-management employees | 172 | 161 | 333 |
| Number of employees | 188 | 165 | 353 |

Frankfurt am Main, 11 March 2024

Clearstream Banking Aktiengesellschaft

Executive Board

| | | |
|---|---|---|
| Dr Stephanie Eckermann | Martina Gruber | Udo Henkelmann |
| Dirk Loscher | Volker Riebesell | |

## INDEPENDENT AUDITOR'S REPORT

To Clearstream Banking Aktiengesellschaft, Frankfurt am Main

*Audit Opinions*

We have audited the annual financial statements of Clearstream Banking Aktiengesellschaft, Frankfurt am Main, which comprise the balance sheet as at December 31, 2023 and the income statement for the financial year from January 1 to December 31, 2023, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Clearstream Banking Aktiengesellschaft for the fiscal year from January 1 to December 31, 2023.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023 in compliance with the German Legally Required Accounting Principles, and

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

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

*Basis for the Audit Opinions*

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

Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

*Key Audit Matters in the Audit of the Annual Financial Statements*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

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

❶ Assessment of specific legal risks

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

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matter:

❶ Assessment of specific legal risks

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

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

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

*Responsibilities of the executive directors and the supervisory board for the annual financial statements and the management report*

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

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

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

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

*Auditor's responsibilities for the audit of the annual financial statements and of the management report*

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

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

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

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

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

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

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

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

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

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

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

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

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

### *OTHER LEGAL AND REGULATORY REQUIREMENTS*

#### *Further Information pursuant to Article 10 of the EU Audit Regulation*

We were elected as auditor by the annual general meeting on April 28, 2023. We were engaged by the supervisory board on July 24, 2023. We have been the auditor of the Clearstream Banking Aktiengesellschaft, Frankfurt am Main, without interruption since financial year 2021.

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

### *GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT*

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

Frankfurt am Main, March 12, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Signed by Dr. Michael Rönnberg<br>Wirtschaftsprüfer<br>(German Public Auditor) | Signed by Benjamin Kunz<br>Wirtschaftsprüfer<br>(German Public Auditor) |

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