Pillar III Disclosure Report of Clearstream Holding AG including CSDR public disclosures for Clearstream Banking AG

Disclosures as at 31 December 2023

November 2024

Pillar III Disclosure Report of Clearstream Holding AG including CSDR public disclosures for Clearstream Banking AG -
Pillar III Disclosure Report of Clearstream Holding AG (CHAG), according to Part 8 of Regulation (EU) No 575/2013 (CRR II) as amended by Regulation (EU) 2019/876 and Regulation (EU) 2021/637 in conjunction with Section 26a German Banking Act (Kreditwesengesetz, KWG), including public disclosures according to Articles 28 and 40 of Delegated Regulation (EU) 2017/390 supplementing Regulation (EU) No 909/2014 Central Securities Depositories Regulation (CSDR).

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Clearstream Holding AG is a Deutsche Börse Group company.

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1. Basis of Pillar 3 disclosure report

1.1 Regulatory framework

The Basel Committee on Banking Supervision (BCBS) sets the global regulatory framework on capital adequacy and liquidity, called Basel III. This framework was implemented into European law by Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (Capital Requirements Directive, CRD) and the amended version of Regulation (EU) No. 575/2013 (Capital Requirements Regulation, CRR).

The objective of this report is to fulfil the qualitative and quantitative disclosures requirements in Part 8 CRR for Clearstream Holding AG, Frankfurt am Main (CHAG) as at 31 December 2023. The Regulation (EU) 2021/637 sets out the CRR disclosure requirements in more detail by providing specific requirements and formats, by stipulating the templates and tables to be used.

Since all subsidiaries of Clearstream Holding AG Group (CHAG Group) are included in the consolidated annual report of the ultimate parent company Deutsche Börse Group (DBG), CHAG is, according to Section 291 HGB, exempted from the obligation to prepare consolidated financial statements. Consolidated financial figures are therefore set up for regulatory purposes only. To provide a more clear and complete overview the following non-mandatory disclosures for Clearstream Banking AG, Frankfurt am Main (CBF) and Clearstream Banking S.A., Luxembourg, Luxembourg (CBL) as the material subsidiaries of CHAG Group are included in this disclosure report to:

- Disclosures according to Article 436 sentence 1 letter c and d CRR on the differences in the basis of consolidation for accounting and regulatory purposes for CBF and CBL using the templates EU LI1 and EU LI2
- Disclosure according to Article 437 sentence 1 letter a CRR on the differences between the composition of regulatory own funds and reconciliation of equity reported on the balance sheet using the templates EU CC1 and EU CC2

According to Article 438 sentence 1 letter c CRR there was no specific demand from the relevant competent authorities to disclose the result of the institution's internal capital adequacy assessment process (ICAAP) in the Pillar 3 report, hence this part is omitted.

1.2 Scope of application

CHAG is defined as a financial holding company according to Article 4 number 1 point 20 CRR and acts as a holding company for all companies listed below. The sole shareholder of CHAG is DBAG. The Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) has categorised CHAG as a superordinated company according to Section 10a (1) sentence 2 German Banking Act (Kreditwesentgesetz, KWG) and fulfils its disclosure requirement by publishing this Pillar 3 disclosure report. In accordance with Article 434 CRR the disclosure report can be found on its website https://www.clearstream.com/clearstream-en/about-clearstream/regulation-1-/pillar-iii-disclosure-report.

All quantitative information in this report relates to the entities consolidated for regulatory purposes pursuant to Section 10a KWG as at 31 December 2023 which are the following:

- Clearstream Holding AG, Frankfurt am Main (CHAG)
- Clearstream Banking AG, Frankfurt am Main (CBF)
- Clearstream Banking S.A., Luxembourg, Luxembourg (CBL)
- Clearstream Services S.A., Luxembourg, Luxembourg
- Clearstream Services S.A. Prague Branch, Prague, Czech Republic
- Clearstream Operation Prague, Prague, Czech Republic
- Clearstream International S.A., Luxembourg, Luxembourg

- Clearstream London Ltd, London, United Kingdom
- Clearstream Nominees Ltd (dormant), London, United Kingdom
- LuxCSD S.A., Luxembourg, Luxembourg

In accordance with CRR requirements, other non-listed institutions such as CHAG must disclose the information specified in Article 435 (1) CRR (Risk Management), Article 435 (2) CRR (Governance), Article 437 CRR (Own funds), Article 438 CRR (Total risk amounts and ICAAP), Article 442 CRR (NPL), Article 447 CRR (Key Metrics) and Article 450 CRR (Remuneration).

The Country-by-Country reporting to fulfil the requirements according to Section 26a (1) sentence 2 KWG (implementation of Article 89 CRD IV into German law) is included as an annex to the financial statements of CHAG and is published on the website of the company register (Unternehmensregister) in Germany.

Information about the Return on Assets ("RoA") are disclosed for:

- CBF in the management report of the financial statement according to Section 26a (1) sentence 4 KWG (implementation of Article 90 CRD IV into German law) which are published on the website of the company register (Unternehmensregister) in Germany and
- CBL in the notes to its financial statements according to Article 38-4 of the Luxembourg Banking Act which are published in the Trade and Companies Register (Registre de Commerce et des Sociétés) in Luxembourg

Both sets of financial statements can be found on the website of CHAG Group https://www.clearstream.com/clearstream-en/about-clearstream/reports-and-ratings/annual-reports.

Unless indicated otherwise, the quantitative disclosures in this report are rounded to the nearest whole thousands of euros. If a line item (after rounding) amounts to less than one thousand, a value of 0 is disclosed.

1.3 Differences in the basis of consolidation for accounting and regulatory purposes

Table EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

(Article 436 sentence 1 letter c CRR)

Table EU LI2 – Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements

(Article 436 sentence 1 letter d CRR)

As CHAG is exempted from the preparation of consolidated financial statements, the reconciliation of the annual financial statements to the regulatory reports are included for the two material subsidiaries CBF and CBL.

Table 1: EU LI1 - Differences between the accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories of CBF as at 31 December 2023
(Article 436 sentence 1 letter c CRR)

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying amounts of items				
in €`000				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securiti-sation framework	Subject to the market risk frame-work	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset classes according to the balance sheet in the published financial statements								
1	Cash at central banks	-	1,656,686	1,656,686	-	-	1,656,686	-
2	Receivables from banks	2,234,894	373,749	373,749	-	-	373,749	-
2a	Due daily	2,183,424	122,438	122,438	-	-	122,438	-
2b	Other receivables	51,470	251,310	251,310	-	-	251,310	-
3	Receivables from non-banks	3,981	225,401	225,401	-	-	225,401	-
4	Bonds and other fixed-income securities	434,272	434,272	434,272	-	-	434,272	-
4a	Public-sector issuers	311,152	311,152	311,152	-	-	311,152	-
4b	Other issuers	123,120	123.120	123,120	-	-	123,120	-
5	Intangible assets	3,041	3,041	-	-	-	-	3,041
6	Property, plant and equipment	40	40	40	-	-	40	-
7	Other assets	101,430	90,896	90,896	-	-	90,896	-
8	Excess of plan assets over post-employment benefit liability	167	-	-	-	-	-	-
9	**Total assets**	**2,777,825**	**2,784,085**	**2,781,044**	**-**	**-**	**2,781,044**	**3,041**

in €`000		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying amounts of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securiti-sation framework	Subject to the market risk frame-work	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by liability classes according to the balance sheet in the published financial statements								
1	Liabilities due to banks	1,404,452	1,292,249	-	-	-	1,292,249	1,292,249
2	Amounts due to customers and other liabilities	60	137,833	-	-	-	137,833	137,833
3	Bonds issued	350,000	350,674	-	-	-	350,674	350,674
4	Other liabilities	34,483	41,662	-	197	-	41,662	41,465
5	Deferred income	674	-	-	-	-	-	-
6	Provisions	148,906	152,431	-	-	-	152,431	152,431
6a	Provisions for pensions and other obligations	9,008	7,085	-	-	-	7,085	7,085
6b	Provisions for taxation	28,874	106,311	-	-	-	106,311	106,311
6c	Other provisions	111,024	39,035	-	-	-	39,035	39,035
7	Subordinated debt	30,000	-	-	-	-	-	-
8	**Total liabilities**	**1,968,575**	**1,974,849**	**-**	**197**	**-**	**1,974,849**	**1,974,652**

The differences in lines 1,2, 2a, 2b and 3 of the breakdown by assets is due to different classifications between accounting and regulatory reports. The overall difference between the positions is caused by reclassifications between the lines 1-3 and line 7 of the assets and no nettings are performed on a counterparty level for regulatory purposes. Different classifications between accounting and regulatory reports are resulting in the difference in lines 1, 2 and 7 of the liabilities.

Table 2: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements of CBF as at 31 December 2023
(Article 436 sentence 1 letter d CRR)

		a	b	c	d	e
			Items subject to			
in €`000		**Total**	**Credit risk framework**	**Securiti-sation framework**	**CCR frame-work**	**Market risk framework**
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	2,781,044	2,781,044	-	-	2,781,044
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	197	-	-	197	1,974,849
3	Total net amount under the scope of prudential consolidation	2,780,846	2,781,044	-	(197)	806,194
4	Off-balance-sheet amounts	-	-	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(392,059)	(392,059)	-	-	-
9	Differences due to credit conversion factors	-	-	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other differences	3,176	(338)	-	3,514	-
12	**Exposure amounts considered for regulatory purposes**	**2,391,964**	**2,388,647**	**-**	**3,317**	**2,757**

Line 1 and 2 are attributable to the carrying amount of the assets and liabilities under the regulatory scope of consolidation and are transferred from Table 1 to Table 2 without the exposure that are subject to direct deduction or are not subjected to capital requirements (Table 1, column g). Line 3 shows the total net amount for these items under the regulatory scope of consolidation.

Further differences between the regulatory and accounting amounts are due to different netting rules.

Differences due to the use of credit risk mitigation techniques (CRMs) correspond to the amount of collateral after volatility adjustments received for reverse repurchase agreements are presented in line 8.

The other reconciliation items in line 11 include regulatory risk adjustments to exposures in internal models.

Table 3: EU LI1 - Differences between the accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories of CBL as at 31 December 2023
(Article 436 sentence 1 letter c CRR)

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	**Carrying values under scope of prudential consolidation**	**Carrying amounts of items**				
				Subject to the credit risk framework	**Subject to the CCR framework**	**Subject to the securiti-sation framework**	**Subject to the market risk frame-work**	**Not subject to own funds require-ments or subject to deduction from own funds**
in €`000								
Breakdown by asset classes according to the balance sheet in the published financial statements								
1	Cash, cash balances at central banks and other demand deposits	11,438,436	7,535,921	7,535,921	-	-	7,535,921	-
2	Financial assets held for trading	7,331	8,477	1,146	7,331	-	8,477	-
3	Financial assets at fair value through other comprehensive income	7,699	7,699	7,699	-	-	7,699	-
4	Financial assets at fair value through profit and loss	1,146	-	-	-	-	-	-
5	Financial assets at amortised cost	5,570,502	9,475,334	9,475,334	-	-	9,475,334	-
5a	of which Debt securities	1,411,047	1,411,896	1,411,896	-	-	1,411,896	-
5b	of which Loans and Advances	4,159,456	8,063,439	8,063,439	-	-	8,063,439	-
6	Derivatives - hedge accounting	5,314	5,314	-	5,314	-	5,314	-
7	Investments in subsidiaries, joint ventures and associates	6,498	6,496	6,496	-	-	6,496	-
8	Tangible assets	14,242	14,679	14,679	-	-	14,679	-
9	Intangible assets	1	1	-	-	-	1	1
10	Tax assets	9	154	-	-	-	154	21

in €`000		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying amounts of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securiti-sation framework	Subject to the market risk frame-work	Not subject to own funds require-ments or subject to deduction from own funds
11	Other assets	33,639	35,142	35,142	-	-	35,142	-
11a	of which Other assets	32,297	33,644	33,644	-	-	33,644	-
12b	of which Prepayments and accrued income	1,343	1,498	1,498	-	-	1,498	-
13	**Total assets**	**17,084,817**	**17,089,217**	**17,076,416**	**12,646**	**-**	**17,089,217**	**22**
Breakdown by liability classes according to the balance sheet in the published financial statements								
1	Financial liabilities held for trading	2,628	2,628	-	2,628	-	2,628	-
2	Financial liabilities measured at amortised cost	15,136,054	15,135,316	-	-	-	15,135,316	15,135,316
3	Provisions	34,953	47,880	-	-	-	47,880	47,880
4	Tax liabilities	199,805	202,971	-	-	-	202,971	202,971
5	Other liabilities	72,758	52,905	-	-	-	52,905	52,905
5a	of which Other liabilities	8,223	52,905	-	-	-	52,905	52,905
5b	of which Accruals and deferred income	64,535	-	-	-	-	-	-
6	**Total liabilities**	**15,446,198**	**15,441,700**	**-**	**2,628**	**-**	**15,441,700**	**15,439,072**

The differences in lines 1 and 5 of the assets are due to different classifications between accounting and regulatory reports. The overall difference between the positions are caused due to reclassifications and nettings which are only performed on a counterparty level for accounting purposes.

Table 4: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements of CBL as at 31 December 2023
(Article 436 sentence 1 letter d CRR)

		a	b	c	d	e
			Items subject to			
in €`000		Total	Credit risk frame-work	Securiti-sation framework	CCR frame -work	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	17,089,195	17,076,416	-	12,646	17,089,217
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	2,628	-	-	2,628	15,441,700
3	Total net amount under the scope of prudential consolidation	17,086,567	17,076,416	-	10,018	1,647,516
4	Off-balance-sheet amounts	521,683	521,683	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(8,117,531)	(8,117,531)	-	-	-
9	Differences due to credit conversion factors	-	-	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other differences	36,583	-	-	36,583	-
12	**Exposure amounts considered for regulatory purposes**	**9,527,301**	**9,480,568**	**-**	**46,600**	**64,052**

Line 1 and 2 are attributable to the carrying amount of the assets and liabilities under the regulatory scope of consolidation and are transferred from Table 3 to Table 4 without the exposure that are subject to direct deduction or are not subjected to capital requirements (Table 3, column g). Line 3 shows the total net amount for these items under the regulatory scope of consolidation.

For the off-balance-sheet amounts in Line 4, please note that the off-balance-sheet exposures in column a are recognised before application of the credit conversion factors (CCFs), whereas the CCFs have been applied in columns b to e.

Further differences between the regulatory and accounting amounts arise due to different netting rules.

Differences due to the use of credit risk mitigation techniques (CRMs) correspond to the amount of collateral after volatility adjustments received for reverse repurchase agreements are presented in line 8.

The other reconciliation items in line 11 include regulatory risk adjustments to exposures in internal models.

2. Key Metrics

Table 5 summaries the most important regulatory key metrics and their input variables, in addition to own funds, risk-weighted exposure amounts (RWEAs), capital ratios, additional requirements in connection with the Supervisory Review and Evaluation Process for Basel Pillar 2 (SREP), capital buffers, leverage ratio, liquidity coverage ratio (LCR), and net stable funding ratio (NSFR).

Table 5: EU KM1 – Key metrics
(Article 447 sentence 1 letter a to g and Article 438 letter b CRR)

		a	e
in €`000		**31/12/2023**	**31/12/2022**
Available own funds (amounts)			
1	Common equity Tier 1 capital (CET1)	1,477,351	1,777,329
2	Tier 1 capital (T1)	1,477,351	1,777,329
3	Total capital	1,477,351	1,777,329
Risk-weighted exposure amounts			
4	Total risk exposure amount	4,261,261	5,552,743
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common equity Tier 1 capital ratio (CET1 ratio) (%)	34.67	32.01
6	Tier 1 ratio ratio (%)	34.67	32.01
7	Total capital ratio (%)	34.67	32.01
Additional capital requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional capital requirements to address risks other than the risk of excessive leverage (%)	4.70	7.20
EU 7b	of which: to be made up of CET1 capital (%)	2.64	4.05
EU 7c	of which: to be made up of Tier 1 capital (%)	3.53	5.40
EU 7d	Total SREP capital requirements (%)	12.70	15.20
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50	2.50
EU 8a	Capital conservation buffer due to macro-prudential or systemic risk identified at the level of a member state (%)	-	-
9	Institution-specific countercyclical capital buffer (%)	0.83	0.30
EU 9a	Systemic risk buffer (%)	-	-
10	Global systemically important institution buffer (%)	-	-
EU 10a	Other systemically important institution buffer (%)	-	-
11	Combined capital buffer requirement (%)	3.33	2.80
EU 11a	Overall capital requirements (%)	16.03	18.00
12	CET1 capital available after meeting the total SREP capital requirements (%)	21.97	16.81
Leverage ratio			
13	Total exposure measure	5,817,935	5,686,674
14	Leverage ratio (%)	25.39	31.25
Additional capital requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional capital requirements to address the risk of excessive leverage (%)	-	-

in €`000		a 31/12/2023	e 31/12/2022
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00	3.00
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer (%)	-	-
EU 14e	Total leverage ratio (%)	3.00	3.00
Liquidity coverage ratio			
15	Total high-quality liquid assets (HQLA) (weighted value–average)	20,718,552	21,867,493
EU 16a	Cash outflows - total weighted value	14,597,824	20,372,528
EU 16b	Cash inflows - total weighted value	1,547,609	2,282,572
16	Total net cash outflows (adjusted value)	13,050,215	18,089,956
17	Liquidity coverage ratio (%)	158.76	120.88
Net stable funding ratio			
18	Total available stable funding	3,290,368	2,770,754
19	Total required stable funding	380,065	531,931
20	Net stable funding ration (NSFR) (%)	865.74	520.89

The own funds decreased primarily due to the carve-out of the funds business of CBL and a dividend distribution of CBL exceeding the profit of the year 2023.

The risk-weighted exposure amount decreased mainly due to a change in the Operational Risk Model. This change outweighed the decrease in the own funds, resulting in an increase of the capital ratio by 2,66%.

The slight increase of the total exposure measure in conjunction with the decreased own funds led to a drop of the leverage ratio by 5,86%.

The increase of the LCR stems from a drop of the weighted cash outflows by almost € 6 billion. This is caused by the implementation of an operational deposits model in CBL. More details can be found in the Pillar 3 Report of CBL under chapter 12.5.1.1. points (a) and (b).

The increase of the NSFR is mainly driven by the increase of available funding, due to the implementation of the above-mentioned operational deposit model as well as a decrease of required stable funding for other assets.

3. Corporate governance arrangements

Table EU OVB – Disclosure on governance arrangements

(Article 435 sentence 2 letters a to c CRR)

CHAG maintains a comprehensive Suitability Assessment Policy and a corresponding side-letter defining specific job descriptions of the members of the Executive Board and Supervisory Board. The objective of this policy is to ensure that the members of the Executive Board and Supervisory Board as well as key function holders of CHAG (as well as of the subsidiaries of CHAG which qualify as credit institutions) are suitable in terms of reputation, experience and governance criteria, as stipulated in the "Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU" (EBA/GL/2021-06/ESMA35-36-2319) and BaFin guidance notes regarding the members of the Executive Board and the Supervisory Board in accordance with KWG as amended.

The suitability assessment is initiated when it is intended to appoint or elect a new member of the Executive Board or Supervisory Board, if a member resigns from the mandate causing material changes to the composition of the management body and on a regular basis, at least once a year. The rules of the limitation of mandates in accordance with Section 25c (2) KWG and Section 25d (3) KWG must be complied with. Under this definition, and in consideration of the legal permissibility of the aggregation of mandates, on 31 December 2023 all members of the Executive Board and Supervisory Board of CHAG complied with these rules. In the following paragraphs, the composition of all boards is reflected as at 31 December 2023.

3.1 Executive Board

According to CHAG's Articles of Incorporation, the Executive Board may consist of one or several members who are appointed by the Supervisory Board of CHAG for a period of three years. The Executive Board is chaired by the Chief Executive Officer (CEO). A notification is provided to the competent authorities in the event of the intention of an appointment and of the effectiveness of the appointment of new members of the Executive Board of CHAG.

The Executive Board is responsible for the proper business organisation (in accordance with § 25c (3) number 1 in connection with § 25a KWG). The Executive Board is also responsible for the adoption of the Business Distribution Plan, which regulates the allocation of tasks between the board members to enable a more efficient management of the company. Nevertheless, the Executive Board remains responsible for the fulfilment of the duties as defined by law and set out in the Articles of Incorporation (overall responsibility).

The members of the Executive Board must be professionally suitable and reliable for the management of a financial holding company and must be able to devote sufficient time to fulfil their tasks. Further, sufficient theoretical and practical knowledge of the business of a financial holding company is required from all members of the Executive Board. In addition, the members of the Executive Board must have:

- An understanding of banking and financial markets, especially within the regulatory framework
- An understanding of managing a financial holding company
- Sufficient experience in managerial positions

Meetings of the Executive Board are held monthly; further details are determined by the chairperson. Additional meetings take place, if required.

On 31 December 2023, the members of the Executive Board held the following directorships:

Name – Position	Number of directorships[1]	
	31/12/2023	31/12/2022
Samuel Riley (Chief Executive Officer)	2	2
Philip Brown	1	1
Dr Berthold Kracke	1	1
Dr Stephanie Eckermann	1	1
Dr Daniel Besse	1	1

With effect of 31 May 2024 Dr Stephanie Eckermann resigned as a member of the Executive Board. Anne-Pascale Malréchauffé was appointed with effect from 11 October 2024.

3.2 Supervisory Board

CHAG has established a Supervisory Board to supervise the Executive Board, in accordance with the mandatory provision of the German Stock Corporation Act (Sections 95 to 116 AktG). The members of the Supervisory Board of CHAG are elected by the shareholders. This in principle takes place during the annual general meeting. The members are elected for a period of five years (a term of office ending at the closing of the annual general meeting, which votes on the discharge of the members of the Supervisory Board for the fourth fiscal year after the commencement of the term of office, not including such fiscal year in which the term of office has commenced). If there is the need of a replacement, this is done by an extraordinary general meeting. A notification is provided to the competent authorities in the event of the election of new members of the Supervisory Board of CHAG. There were no new elections in 2023.

According to the Articles of Incorporation of CHAG, the Supervisory Board consists of three members. The members of the Supervisory Board are required to fulfil certain criteria, as laid down in the Suitability Assessment Policy, and to comply with regulatory requirements, as set out in the section above. Furthermore, the Supervisory Board in its entirety must have the necessary skills, capabilities, and experience to supervise and control the Executive Board of CHAG. This requires understanding of the business of a financial holding company. In addition, at least two members of the Supervisory Board should have a sound knowledge in each of the following areas:

- Accounting, finance, and audit;
- Risk management and compliance;
- Information technology and security;
- Clearing business; and,
- Regulatory requirements.

[1] In accordance with Article 91(4)(a) of Directive 2013/36/EU (CRD), all directorships held within the same group count as a single directorship.

On 31 December 2023, the members of the Supervisory Board held the following directorships:

Name – Position	Number of directorships[2]	
	31/12/2023	31/12/2022
Dr Stephan Leithner	1	1
Gregor Pottmeyer	2	2
Dr Christoph Böhm	1	1

With effect of 31 August 2024 Dr Stephan Leithner resigned as a member of the Supervisory Board. Dr Stephanie Eckermann was appointed with effect from 1 September 2024.

3.3 Policy on diversity with regard to selection of members of the management body

CHAG is subject to the group wide diversity policy of DBG. In addition, a specific policy for CBF and CBL is in place to benefit from a balanced gender diversity and to fulfil the requirement of Article 27 (4) of Regulation (EU) No 909/2014 and of Article 435 (2) (c) of Regulation (EU) No 575/2013. The Supervisory Boards of CBF and CBL have approved the Gender Diversity Policy as published on the Clearstream website (https://www.clearstream.com/resource/blob/1675870/575c23604235fec6fa517c36be27c046/cbf-cbl-gender-diversity-policy-data.pdf) and decided on a target to increase the number of the under-represented gender in the management body.

The members of the Supervisory Board of CBF agreed on a target quota amounted to 33% of the under-represented gender (currently female) in the Supervisory Board of CBF and a target quota of 40% of the under-represented gender for the Executive Board of CBF until 31 December 2026. At the moment 25 % of the CBF Executive Board Members and 33.33 % of its Supervisory Board Members represent the under-represented gender.

The members of the Supervisory Board of CBL agreed on the proposed 20% target quota for the representation of the under-represented gender (currently female) in both the Supervisory Board and the Executive Board until 31 December 2026. At the moment 16.66 % of the CBL Executive Board Member and 50 % of its Supervisory Board Member represent the under-represented gender.

[2] In accordance with Article 91(4)(a) of Directive 2013/36/EU (CRD), all directorships held within the same group count as a single directorship.

4. Risk management

Table EU OVA – Institution risk management approach

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

CHAG is a financial holding company with its most material subsidiaries being CBL and CBF. CBL is an international central securities depository (ICSD) and CBF the German central securities depository (CSD). CHAG Group provides the post-trade infrastructure for the Eurobond market and services for securities for over 59 domestic markets worldwide. CHAG Group' services include the settlement and custody of securities, issuance services, investment fund services as well as collateral, lending and liquidity management.

CHAG has established a risk strategy and a risk management framework which defines roles, processes, and responsibilities which is binding for all employees to ensure effective and efficient risk management.

4.1 Risk framework

Table EU OVB Row (e) – Disclosure on governance arrangements

(Article 435 sentence 2 CRR)

Risk management at CHAG is anchored in its organisational structure and workflows. The Executive Board has overall responsibility for risk management. In particular, the Executive Board of CHAG 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 CHAG 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 each other. CHAG is also included in DBAG`s Group-wide risk management. The Supervisory Board of CHAG 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.

CHAG Group gives considerable attention to its risk treatment process and ensures that appropriate measures are taken to avoid, reduce or transfer risk, or where appropriate to consciously accept it. The business strategy is updated on an annual basis taking into account internal and external environmental changes and Material Change Process view as well as action plan for projects and investments the company is engaging in. CHAG Group Risk Management ensures consistency of the risk strategy with the business strategy especially through the analysis of possible new risks and potential threats. In order to minimise the risk exposure on capital and liquidity forward-looking risk scenarios are considered. The ICAAP builds upon the material risks identified in the risk strategy. CHAG Group's risk strategy ensures and enables the timely and adequate control of risks. The information required for controlling risks is assessed using structured and consistent methods and procedures in place.

The results of the assessments are collected in the reporting system, which is used to systematically analyse and control the risks. Risk reports are prepared on a regular quarterly and ad-hoc basis and cover existing as well as potential risks identified. CHAG Group Risk Management reports the limit utilisation of the economic perspective to the Executive Board and Supervisory Board of CHAG via the regular risk reports using traffic lights that signal the respective limit utilisation. Limits are defined and approved by the CHAG Executive Board as part of the company's risk appetite and risk strategy. The risk metric is a measured risk appetite in terms of defined risk metric against red, orange and amber thresholds, which have been approved by the Executive Board. The CHAG Executive Board is informed in a timely and comprehensive manner about the company's risk profile, relevant risks and relevant losses.

CHAG follows the following pre-defined principles in its risk management:

- Each member of the Executive Board bears the ultimate responsibility for risk management of CHAG.
- All responsible management levels must always be informed about the relevant risks of CHAG in an open, timely and complete manner.
- The awareness of risk and the associated risk culture is ensured by clear organisational structure, defined responsibilities and roles, viable processes and continuous knowledge transfer to employees.
- Effective and efficient risk management supports CHAG in achieving its corporate goals and safeguards CHAG Group's continuous existence. The risk management framework is designed to provide complete, timely and consistent risk-related information to ensure the identification, notification, assessment, treatment, and monitoring(/reporting) of risks.

Regular risk reports contain risk quantification results in comparison with the limits, risk related qualitative information, information about stress tests and capital adequacy information.

CHAG risk management framework ensures that all management committees within CHAG are able to monitor and control the risk profile of the company, as well as specific material risks, in a timely manner. The aim is to identify developments that could threaten CH Group's interests and to take appropriate countermeasures.

CHAG Group differentiates between five major aggregated risk types that are managed and controlled with distinct methods. These aggregated risk types are operational risk, financial risk, pension risk, business risk as well as winding-down and restructuring risk are considered.

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

- Normative perspective: The aim of this perspective is to ensure that CHAG is always in accordance with all regulatory capital requirements 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. 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 based on internal risk models. From this perspective CHAG 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 €1,477 million as at 31 December 2023. To manage the risk, at least once a quarter CHAG calculates the REC in relation to its risk-bearing capacity.
- In addition, CHAG considers extreme scenarios and includes these into its risk management. These include stress tests across all risk types and stress tests for particular key risk types.

An early warning system is used for both perspectives in order to utilise the risk-bearing capacity (RBC). The RBC concept is designed to ensure that any risks that arise can be absorbed, thus securing CHAG Group's continued existence. The allocation of RBC to the material risk types (operational risk, business risk, pension risk and financial risk with sub-limits for credit risk and market risk) takes into account the risk profile of the respective regulated entity. Regarding the limit systems for liquidity risk and in addition to regulatory ratios, CBL has defined prudent internal limits to mitigate liquidity risk. Furthermore, all relevant factors (for example, historic values of required economic capital (REC) for certain risk types, planned development of revenues, transaction volumes, margin requirements, credit portfolio etc. as well as intended model changes to quantify certain risk types) have to be considered. The risk appetite is set by the Executive Board and the Supervisory Board of CHAG per risk type.

Capital planning is conducted over a time horizon of three years, which is in line with the time horizon for the strategic planning. The mid-term capital planning is in line with the overall capital strategy and is part of the overall capital management together with ongoing solvency/economic perspective monitoring and stress testing.

The quantitative and qualitative aspects of liquidity risk are consistent and aligned with the company's business strategy, capital planning and overall risk appetite. The liquidity risk strategy is one component of the overall risk strategy. The liquidity risk strategy demonstrates how liquidity risk fits into the overall risk appetite framework, including a description and definition of each of the risk appetite measures related to liquidity. In this way, the Internal Liquidity Adequacy Assessment Process (ILAAP) is interlinked with the liquidity risk strategy and risk appetite.

For all applicable risk categories and sub-categories, CHAG Group regularly reviewed the scenarios created, benchmarked against the RBC in the stress test scenarios and has come to the conclusion that even the maximum loss possible would be covered with capital in accordance with its risk appetite and confidence level. CHAG Group ensures that the institution holds adequate internal capital in relation to the institutions risk profile to absorb potential (unexpected) losses.

The calculated required economic capital to cover potential risk related exposure is compared with the Available Risk Bearing Capacity (ARBC), which CHAG Group defined as regulatory own funds.

In addition to traditional risk type specific stress tests, which analyse the impacts of predefined stress scenarios, CHAG Group also calculates reverse stress tests on a regular basis. With the help of this instrument, a combination of eligible stress scenarios that would exceed the entity's ARBC are identified. The findings from the reverse stress tests can give rise to further analysis and implementations of measures to mitigate/reduce risks. In addition, CHAG Group also quantifies risk wide stress tests, covering the simultaneous impacts of predefined stress scenarios combining several risk types. Additionally, the institution has created adverse scenarios which are used for capital planning purposes.

Risk profile

CHAG distinguishes between seven types of risk: operational, credit, market, liquidity, pension, business risk and winding-down and restructuring risk. In accordance with the CRR requirements, the report is focusing on operational, credit, market and liquidity risk. Information on pension and business risk are included in the CBF and CBL annual accounts published under the relevant sections.

The identified risks are mapped to the internal, annually updated risk inventory. The risk inventory process aims to ensure that CHAG Group undertakes a regular, structured identification and assessment process of the risks it might be exposed to due to its current/future business model and the industry environment. For the purpose of an effective review of the overall risk profile, the risk inventory process is not limited to certain areas of CHAG Group's activities or products but to all financial and non-financial activities, subsidiaries, and other affiliated entities and outsourcing arrangements. The risk inventory process is subject to an annual review performed by Risk Management on legal entity level and is approved by the relevant Executive Boards. As defined by the risk inventory, CHAG Group's risk profile consists of the five above mentioned aggregated risk types.

The risk inventory/taxonomy gives a comprehensive and complete list of all the potential risk items that CHAG Group may be exposed to due to its current and future business operations and therefore, includes all the risks the entity is aware of. The risk inventory/taxonomy is categorised by four levels. The five aggregated risk types cover multiple risk items. The risk inventory/taxonomy is regularly assessed, following the risk management framework. The mitigating measures per risk are reviewed and amended if needed. CHAG Group risk management additionally analyses future developments, projects and strategic initiatives.

The risk profile of CHAG Group differs fundamentally from those of other financial services providers. Operational, business, financial as well as winding-down and restructuring risk are assessed as material risk types within CHAG Group. Financial risk is further discussed in subsequent chapters. Pension risk is considered as an immaterial risk based on the quantitative assessment in the risk profile, but processes are applied treating it as a material risk type qualitatively.

Risk strategy and Risk Appetite

The risk strategy and risk appetite is based on its business strategy and provides limits by specifying the maximum risk permitted for operational risks, financial risks, business risks and winding-down and restructuring risks. In order to specify the maximum risk respective requirements for risk management, risk control and risk limitation are defined.

CHAG Group Risk Management ensures consistency of the risk strategy with the business strategy especially through the analysis of possible new risks and potential threats. In order to assess its risk exposure, forward-looking risk scenarios are considered. The ICAAP builds upon the material risks identified in the risk inventory and risk strategy. CHAG Group's risk strategy ensures and enables the timely and adequate control of risks. The information required for controlling risks is assessed using structured and consistent methods and procedures in place.

The results of the assessments are collected in the reporting system, which is used to systematically analyse and control the risks.

The risk strategy and risk appetite framework were approved by the Executive Board of CHAG Group in June 2024.

CHAG Group evaluates its risk environment and profile on an ongoing basis. Considering the stress test results, the pertaining required economic capital, and the risk management system, the Executive Board of CHAG concludes that the RBC is sufficient. Moreover, there are no identified risks with more than a very low probability that could jeopardise the continued existence of the CHAG Group. The risk management system put in place by CHAG Group is assessed as adequate for the institution's profile and strategy.

4.2 Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, from people and systems or from external events. Operational risk contains sixteen risk clusters, which were reviewed and approved in the 2023 reporting year: Compliance Risk, Contagion Risk, Corporate Tax Risk, Custody Risk, Information Security Risk, Information Technology Risk, Legal Risk, Model Risk, Operational Project Risk, People Risk, Physical Security Risk, Processing and Execution Risk, Product Tax Risk, Risk Management Risk, Secondary Reputational Risk, and Third-Party Risk. These risk clusters serve to control, monitor and report operational risk. Operational risk is assessed based on scenarios. The share of operational risk in the REC of CHAG was 59 per cent as at 31 December 2023.

CHAG actively manages operational risk with the aim of systematically identifying its risk profile as well as risk concentrations to define and implement appropriate measures for risk treatment. Operational risk can be differentiated according to the severity and frequency of losses. As operational risk management depends on the risk position of CHAG Group, the general principles are listed/described as follows:

- All main risks are identified and analysed regarding the expected or real effect on frequency and severity.
- For risks with a low frequency but high severity, risk transfers are considered – for example, through insurance contracts.
- For risks with high frequency but low severity, risk reduction is considered – for example, by optimising processes.

Operational risk capital is intended to represent the risk capital required for unexpected operational risk losses. As part of the Advanced Measurement Approach (AMA) within CHAG Group, a model for calculating operational risk capital requirements has been developed, based on the individual risk profile of the institution. In line with the common practice in other risk areas, capital requirements are calculated using the VaR model. Based on a statistical analysis of relevant data, a loss distribution is determined, which enables the calculation of the required figures.

The model has been designed to have the following features:

- Capital requirements reflect the risk profile of CHAG.
- Confidence levels can be adjusted according to the risk appetite of the bank.
- Incentives for proper risk management can be included in the model.
- Major risk drivers and ESG factors can be identified.
- Risk mitigation effects such as insurance can be considered.
- Insurance policy is not considered as a risk mitigating affect in the Operational Risk capital model.

Insurance is an additional tool used by CHAG Group to mitigate the impact of operational risk by transferring risks above a certain threshold to third parties through a comprehensive insurance program. To achieve the optimum risk/benefit versus premium ratio, insurance policies are negotiated either through insurance brokers or directly with highly rated insurers to purchase tailor-made policies reflecting the specificities of CHAG's business.

CHAG also actively monitors the operational risk profile by using Key Risk Indicators (KRI) and Risk Indicators (RI) as an early warning system, some of them are also linked to the operational risk scenarios. Following the risk appetite and defined risk limit, the breach of the monitoring indicators will be closely assessed, monitored, and reported.

Furthermore, CHAG takes specific measures to reduce its operational risk. This includes particularly 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 situation is managed based on 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, CHAG has a compliance structure and associated procedures aimed at ensuring adherence to legal requirements. The emergency plans of CHAG are regularly tested by simulating critical situations in a realistic way. The tests are carried out both on a scheduled and ad hoc basis.

4.3 Credit risk

Table EU CRA – General qualitative information about credit risk

(Article 435 sentence 1 letters a, b, d and f CRR)

Table EU CRB – Additional disclosure to the credit quality of assets

(Article 442 CRR)

Credit risk (counterparty default risk) describes the risk that a counterparty might not meet its contractual obligations, or not meet them in full. Credit risk for CHAG Group, in particular for CBL and CBF, mainly arises from intraday credit, as well as from custody, treasury operations (secured and unsecured) and for CBL only, from securities financing and settlement over the Bridge with Euroclear.

Credit is granted exclusively on a collateralised basis where prudent haircuts are applied to the pertinent collateral, apart from certain unsecured settlement limits granted to sovereign and supranational institutions based on the strong credit quality of these counterparts where zero risk weight is applied in line with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR), and amending Regulation (EU) No 2019/876 (CRR 2), and with specific approval by the Executive Board.. Furthermore, CBL and CBF record and monitor the overnight and intraday credit exposures stemming from treasury activities (unsecured exposures e.g. to CCBs / Nostro, deposits, etc.) against the approved limits and in accordance with Article 20 and 21 (a) of DR 2017/390.

Credit limits are set in accordance with the client's financial standing, as indicated by factors such as the client's credit rating and net assets.. The evaluation of counterparties and the credit risk classification takes place within the "credit assessment," which is performed by the Bank's credit division. A quarterly internal rating benchmarking exercise regarding external sources is performed and internal ratings are adjusted if it is deemed necessary.

Sources of credit risk are assessed after considering all business segments, products, and services. The Bank's list of sources of credit risk is updated annually (if any changes occur) as part of our policies and risk inventory. These sources of credit risk include:

- Credit risk from settlement activities (including income events), i.e., when CBL and CBF grant intraday credit (cash loans) to their participants, mainly to facilitate settlement activities, but also for cash withdrawals (i.e., the credit risk related to income events, FX trades and corporate actions requiring payment of exercise fees).
- Credit risk from its securities financing business in CBL: In the securities financing business, the ASL program provides opportunities for borrowers to avoid settlement failures, and for lenders to earn additional income from their portfolios. Regarding ASL, the Bank is exposed to credit risk as it acts as a guarantor.
- Credit risk from treasury activities in CBL and CBF, including repos, reverse repos, FX trades, and unsecured placements. This credit risk arises if the counterparty defaults prior to the performance of the respective obligation.
    - Additionally, from a treasury investment perspective, issuer risk may arise from a credit event affecting an issuer of securities and resulting in either the deterioration of the market value of the securities or in the issuer's inability to pay amounts due.
- Credit risk from Bridge activities in CBL, in the event of a default of Euroclear Bank before having paid for securities already delivered by Clearstream.

Additionally, the group's credit risk arises from cash investments and from the investment of funds that are part of the ring-fenced pension plan assets (Contractual Trust Arrangement – CTA). In addition, there are credit risks from trade receivables. In addition, from a credit risk perspective, TFO (Treasury Front Office) in Frankfurt manages the surplus cash of CHAG and invests it into the Deutsche Börse AG (DBAG) cash pool in line with the approved limits.

The Group creates loan loss provisions for discernible and latent default risks. Individual value adjustments are established for all discernible risks. In addition, portfolio impairments are made for foreseeable but not yet individually specified counterparty default risks.

According to Article 178 CRR, a debtor is in default when either or both of the following conditions apply:

- The institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security;
- The obligor is more than 90 days past due on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

CHAG Group's internal definition of "impairment" according to the International Financial Reporting Standards (IFRS) is compliant with the definition of "default" outlined in Article 178 CRR.

From a governance point of view, the Executive Board determines the governing principles within Clearstream Credit Strategy. This includes overall credit granting criteria and ensuring that the Bank's credit activities executed within the framework are articulated within the Credit Strategy. The credit risk management function of CHAG Group provides independent monitoring on all credit risk-related activities. It is also responsible for implementing the credit strategy, and developing policies and procedures aimed at identifying, measuring, monitoring, controlling, and reporting credit risk for all activities throughout CBL and CBF as part of CHAG Group.

The credit risk management function is responsible for ensuring credit exposures remain within levels consistent with prudential standards and therefore within predefined limits. It ensures that exceptions to the Credit Policy, procedures, and limits are reported on a timely basis to the Executive Board, and other relevant functions. All members of the Executive Board are ultimately responsible for the risk strategy, which reflects the Bank's risk appetite in defining the maximum loss the Executive Board is willing to assume in one year, the risk tolerance, and desired performance levels.

The gross carrying amount of the performing and non-performing exposures are disclosed for the companies consolidated for regulatory purposes in following table:

Table 6 – EU CQ3 – Credit quality of performing and non-performing exposures by past due days of CHAG Group as at 31 December 2023
(Article 442 letter c and d CRR)

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			**Non-performing exposures**								
in €`000			Not past due or past due ↖ 30 days	Past due → 30 days ↖ 90 days		Unlikely to pay that are not past due or are past due ↖ 90 days	Past due → 90 days ↖ 180 days	Past due → 180 days ↖ 1 year	Past due → 1 year ↖ 2 years	Past due → 2 years ↖ 5 years	Past due → 5 years ↖ 7 years	Past due → 7 years	of which: defaulted
005	Cash balances at central banks and other demand deposits	9,108,527	9,108,527	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	8,984,107	8,984,107	-	-	-	-	-	-	-	-	-	-
020	*Central banks*	8,640	8,640	-	-	-	-	-	-	-	-	-	-
030	*General governments*	3,995	3,995	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	7,121,817	7,121,817	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	1,839,701	1,839,701	-	-	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	9,924	9,924	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			**Non-performing exposures**								
in €`000			Not past due or past due ↖ 30 days	Past due → 30 days ↖ 90 days		Unlikely to pay that are not past due or are past due ↖ 90 days	Past due → 90 days ↖ 180 days	Past due → 180 days ↖ 1 year	Past due → 1 year ↖ 2 years	Past due → 2 years ↖ 5 years	Past due → 5 years ↖ 7 years	Past due → 7 years	of which: defaulted
070	*Of which SMEs*	-	-	-	-	-	-	-	-	-	-	-	-
080	*Households*	30	30	-	-	-	-	-	-	-	-	-	-
090	Debt securities	1,791,200	1,791,200	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	985,859	985,859	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	550,752	550,725	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	254,589	254,589	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	521,683	-	-	-	-	-	-	-	-	-	-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			**Non-performing exposures**								
in €`000			Not past due or past due ↖ 30 days	Past due → 30 days ↖ 90 days		Unlikely to pay that are not past due or are past due ↖ 90 days	Past due → 90 days ↖ 180 days	Past due → 180 days ↖ 1 year	Past due → 1 year ↖ 2 years	Past due → 2 years ↖ 5 years	Past due → 5 years ↖ 7 years	Past due → 7 years	of which: defaulted
180	*Credit institutions*	521,267	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	416	-	-	-	-	-	-	-	-	-	-	-
200	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
210	*Households*	-	-	-	-	-	-	-	-	-	-	-	-
220	**Total**	**20,405,516**	**19,883,834**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

The below table shows the gross carrying amount of the performing and non-performing exposures and the related accumulated impairment, provisions, accumulated changes in fair value due to credit risk, accumulated partial write-offs, and collateral and financial guarantees received based on the scope of consolidation for regulatory purposes in accordance with Part 1 Title II Chapter 2 CRR.

Table 7 – EU CR1 – Performing and non-performing exposures and related provisions of CHAG Group as at 31 December 2023
(Article 442 letter c and f CRR)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write off**	**Collateral and financial guarantees received**	
		Performing exposures			**Non-performing exposures**			**Performing exposures – accumulated impairment and provisions**			**Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk provisions**				**On performing exposures**	**On non-performing exposures**
	in €`000		of which stage 1	of which stage 2		of which stage 2	of which stage 3		of which stage 2	of which stage 3		of which stage 2	of which stage 3			
005	Cash balances at central banks and other demand deposits	9,108,527	-	-	-	-	-	-	-	-	-	-	-	-	76,668	-
010	Loans and advances	8,984,107	-	-	-	-	-	-	-	-	-	-	-	-	7,953,820	-
020	Central banks	8,640	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	3,995	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	7,121,817	-	-	-	-	-	-	-	-	-	-	-	-	6,556,562	-
050	Other financial corporations	1,839,701	-	-	-	-	-	-	-	-	-	-	-	-	1,397,258	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write off**	**Collateral and financial guarantees received**	
		Performing exposures			**Non-performing exposures**			**Performing exposures – accumulated impairment and provisions**			**Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk provisions**				**On performing exposures**	**On non-performing exposures**
	in €`000		of which stage 1	of which stage 2		of which stage 2	of which stage 3		of which stage 2	of which stage 3		of which stage 2	of which stage 3			
060	Non-financial corporations	9,924	-	-	-	-	-	-	-	-	-	-	-	-	-	-
070	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
080	Households	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt securities	1,791,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	985,859	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	550,752	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	254,589	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	521,683	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	in €`000	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write off**	**Collateral and financial guarantees received**	
		Performing exposures			**Non-performing exposures**			**Performing exposures – accumulated impairment and provisions**			**Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk provisions**				**On performing exposures**	**On non-performing exposures**
			of which stage 1	of which stage 2		of which stage 2	of which stage 3		of which stage 2	of which stage 3		of which stage 2	of which stage 3			
170	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	521,267	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	416	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	*Non-financial corperations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210	*Households*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	**Total**	**20,405,516**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,030,488**	**-**

4.4 Market risk

Table EU MRA – Qualitative disclosure requirements related to market risk

(Article 435 sentence 1 letters a to d CRR)

Market risks include risks of an adverse change in interest rates, currencies, equities or other market prices. As national and international central securities depository authorised under Central Securities Depositories Regulation (CSDR), CHAG Group's investments are aligned with the strict requirements formulated in the CSDR regulation. CHAG Group is not involved in proprietary trading activities and does not maintain a trading book. CHAG Group's investment activities, i.e., the placement of clearing members' cash collateral and the investment of CHAG Group's own funds, are allocated to the non-trading book in accordance with the CRR. The main investment objective is capital preservation, i.e., minimising market and credit risks.

Treasury activities are governed by DBG Treasury policy including limits and responsibilities. The processes are further detailed by Clearstream Banking Liquidity Management policy and Clearstream Banking Investment policy.

Treasury Front Office performs daily cash and risk management within predefined limits. This includes the application of mitigating measures to reduce market risk if necessary. Treasury and Liquidity Controls monitors compliance with the limits daily and reports breaches to the respective CH, CBF, CBL Executive Board.

All organisational units and employees must perform risk control and implement mitigating actions.

4.5 Liquidity risk

In order to meet the minimum requirements for the regulatory Liquidity Coverage Ratio (LCR), CHAG Group has established corresponding limits and early warning indicators. In the financial year 2023 CHAG Group significantly exceeded the required minimum ratio of 100% on every reporting date. At the end of 2023 the LCR was 158.76%. Given CHAG Group's business model without significant maturity transformation, the NSFR is not considered steering relevant. The leverage ratio of CHAG Group was 25.39% as at 31 December 2023.

From the economic perspective the company manages its liquidity adequacy taking into consideration the specific features of its business model and ensuring that the expected outflows are adequately covered by internal liquidity. All relevant risks are identified in the risk identification process and are considered and assessed under business-as-usual and stressed conditions.

This is performed by defining a number of internal liquidity metrics and running a set of stress tests using internally defined assumptions and methodologies.

In 2023, CHAG Group had excess liquidity on a daily basis and no liquidity shortage occurred in the normal course of business. In conclusion, the Executive Board of CHAG considers the entity's liquidity position and ILAAP adequate to cover all identified risks related to liquidity.

4.6 Declaration of adequacy of risk management arrangements

Table EU OVA Row (c) – Institution risk management approach

(Article 435 sentence 1 letter e CRR)

The Executive Board concluded on 2 September 2024 that the Risk Management System is effective and adequate with regards to risk profile and strategy of the company.

4.7 Concise risk statement

(Article 435 sentence 1 letter f CRR)

Risk management in the CHAG Group targets to ensure that the risk profile and risk tolerance are in alignment.

Effective risk management safeguards CHAG Group's continued existence and enables it to achieve its corporate goals in the long term. CHAG Group has implemented a comprehensive risk strategy and risk management framework, defining roles, processes and responsibilities for all staff. This strategy sets limits for various risks, including operational, financial, business, pension and winding-down and restructuring risks. It establishes conditions for risk management, control and limitation, ensuring appropriate measures are taken to avoid, mitigate, transfer or accept risks.

To determine the CHAG Group`s risk profile regular risk inventory checks are conducted for identifying the types of risk that are relevant to the business. These identified types of risk are included in the risk strategies that are then linked to the business strategy.

The business strategy is updated annually to reflect internal and external changes, ensuring alignment with the risk strategy. Clearstream Risk Management ensures consistency between the risk and business strategies by analysing new risks and threats. Forward looking scenarios are considered to minimise capital and liquidity risk exposure. The ICAAP is based on material risks identified in the Risk Strategy,

Risk information is systematically captured, assessed and reported quarterly and on an ad-hoc basis. CHAG Group employs a range of quantitative and qualitative risk management techniques to monitor and control its risk profile. This integrated approach ensures a comprehensive and accurate assessment of the current risk situation, enabling CHAG Group to implement measures that safeguard its continued existence. As at December 31, 2023, CHAG Group required € 509 million in economic capital, with a risk-bearing capacity of € 1,447 million.

Chapter 4 on Risk Management in this report provides important qualitative information giving a comprehensive overview of how the material risk types are managed in the CHAG Group. Material key figures for the CHAG Group risk profile and capital adequacy can be found in tables EU KM1 (Key Metrics, Table 5) and EU OV1 (overview of total risk exposure amounts, Table 13).

Intragroup transactions and transactions with related parties have no material influence on the consolidated group's risk profile (including reputational risk).

In 2023, the risks which CHAG and its subsidiaries were exposed to were well managed. CHAG Group's governance constantly identifies, updates, notifies, assesses, aggregates and monitors the company's risk. The risk identification has been performed with the required diligence and comprehensiveness to identify all risks that have occurred and the risks which have been provisioned. Those risks are stress tested in order to achieve a better understanding of the largest risks to which the firm is exposed to and to adequately model capital requirements.

The Executive Board of CHAG is sufficiently confident regarding the effectiveness of its risk management system.

The requirements regarding a concise risk statement approved by the Executive Board members are met by means of the aforementioned information in chapter 4 and as a result approving the 2023 disclosure report.

4.8 CSDR public disclosure for Clearstream Banking AG

CBF public disclosure: Article 28 of Regulation (EU) 2017/390

CBF has been authorised under the Article 54 of Regulation (EU) 909/2014 to provide banking-type ancillary services on 24 August 2021. In the set of related obligations, Article 28, for the purpose of the Article 18 (1) Delegated Regulation (EU) 2017/390 supplementing Regulation (EU) 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking type ancillary services require the public disclosure of a comprehensive qualitative statement that specifies how credit risk, including intraday credit risk, is measured, monitored and managed on an annual basis.

To respond to the identified sources of credit risks described above, CBF has put in place controls and an operational framework to answer the prudential requirements on credit risk.

Credit and Collateral Risk Management Framework

In conformity with Article 18 (1) of the DR (EU) 2017/390, CBF has in place a credit risk management framework that comply with the following requirements:

a) Measurement of intraday and overnight credit risk: CBF identifies and measures intraday credit risk exposure through analytical tools such as the Exposure Monitoring Credit & Collateral (EMC2) system. These tools enable the measurement and monitoring of credit exposures and credit limits at (i) account level, (ii) institution level, and (iii) principal holding level. More specifically, the identification and measurement of intraday credit risk is calculated at least daily for the metrics depending on external data availability and on ongoing basis. The EMC2 relies on the latest intraday capture of the data from several source systems (credit, collateral, settlement, treasury, income, etc.) enriching its data set for an in-depth analysis and monitoring.

b) Monitoring of intraday and overnight credit risk: The monitoring activity is performed through a set of daily and monthly reports and controls with the measurement tools described above. These are used to monitor and report intraday and overnight credit exposures against limits and collateral, as well as credit concentration risks.

c) Management of intraday and overnight credit risk: Through the combination of, among others, predefined credit limits, the monitoring, and the regular review of the creditworthiness of the individual participants, the collateral classification and valuation, early-warning signals, as well as the intraday and overnight credit exposure monitoring and reporting, CBF has appropriate risk-management tools in place to manage and control the identified credit risks.

d) Measure, monitor and manage the collateral and other equivalent financial resources: CBF ensures full coverage of credit exposures with collateral or other equivalent financial resources. This collateral is automatically verified in real time basis and re-evaluations are performed intraday. The collateral eligibility criteria and haircuts are subject to strict rules in compliance with Articles 9 and Article 10 (1), (b), (ii) of DR (EU) 2017/390. CBF carries out daily monitoring of collateral concentration limits at both CSD and client level. Furthermore, CBF has in place reports and controls to measure and monitor collateral on daily, monthly, and ad-hoc basis.

e) Analyses and plans how to address any potential residual credit exposures: To address any potential residual credit exposures [Article 25 of DR (EU) 2017/390], CBF monitors and identifies these exposures on a daily basis through a set of reports and analytical tools. According to the duration, amount, and other risk factors, including markets conditions and early warning signals, CBF has in place a framework for escalating and reporting of potential residual credit exposures. Additionally, alerts are used in the daily monitoring to identify an unsecured exposure above a specific threshold when they occur.

f) To comply with Article 59 (3), (i) of Regulation (EU) 909/2014 and Article 26 of DR (EU) 2017/390, CBF has put in place effective reimbursement procedures of intra-day credit and discourage overnight credit by applying sanction rates which act as an effective deterrent. The sanction rates are applied to all overnight exposures, independent of their root cause (such as delay in covering their usage of the credit limits or operational corrections like reversals).

g) Report its credit risks to the relevant competent authorities: For the purpose of Article 27 of DR (EU) 2017/390, CBF reports to the relevant competent authorities, on a monthly basis the metrics referred to in the corresponding Article 19, submits annually a qualitative statement that specifies how credit risk, including intraday credit risk, is measured, monitored and managed, and reports on ad-hoc basis any material change as well as breaches or risk of breaching Regulation (EU) 909/2014 daily, through their duration, until compliance is restored.

h) Publicly disclose its credit risks: For the purpose of Article 28 DR (EU) 2017/390, this chapter of the Pillar 3 Disclosure Report, serves as CBF's credit risk disclosure.

The policies and procedures referred to above are reviewed at least annually or ad-hoc in the event of material changes.

CBF has monthly and quarterly internal reporting's in place including the metrics described in Article 18 (4) DR (EU) 2017/390 to the Executive Board and the Credit and Risk Governance Committee.

As per the Credit and Collateral Risk Management Framework described above, CBF, as CSD-banking service provider, has designed and implemented policies and procedures to comply with the requirements of Article 18 DR (EU) 2017/390.

Liquidity risks (incl. intraday) measurement, monitoring and management: Article 40 of Regulation (EU) 2017/390

CBF's liquidity management strategy is governed by the Clearstream Banking Liquidity Management Policy.

CBF's liquidity requirements are mainly of intraday and overnight nature. CBF is required to mitigate the liquidity risks arising from the provision of CSDR banking-type ancillary services with qualifying liquid resources (QLR) in each relevant currency. The minimum amount of CBF's available QLR (i.e., the so-called "Cover 2 requirement") shall at any time at least be sufficient to manage the risk to which CBF would be exposed following the default of the two clients (including their parent undertakings and subsidiaries) towards which CBF has the highest liquidity exposures.

To address the CSDR-related liquidity risk requirements, CBF has at its disposal the following QLR:

- Own cash (uninvested CBF's own funds) deposited at the Deutsche Bundesbank in a dedicated account separated from CBF's client cash;
- Committed lines of credit or similar arrangements;
- Own assets funded with CBF's own funds; and,
- Appropriated client collateral in case of the client's default.

All sources of liquidity risk are considered for the measurement, monitoring, and management of CBF's liquidity (including intraday). The relations to entities and linked financial market infrastructures or other entities that may pose liquidity risk to its intraday liquidity flows, i.e., cash correspondent banks (CCBs), depositories, etc., are explicitly included in such measurement, monitoring and management.

Measurement

For liquidity risk measurement, CBF has put in place effective operational and analytical tools to measure and compare on an ongoing basis its liquid resources to its liquidity needs (intraday, overnight, and multiday period). A prudent value of the liquid assets is assessed by considering their quality, concentration, immediate availability, and market conditions. Intraday qualifying liquid resources are valued and calibrated under stressed market conditions including all stress scenarios referred to in DR 2017/390 Article 36 (7).

Monitoring

The operational and analytical tools used to measure liquidity risks allow CBF to effectively monitor on a near to real-time basis its actual intraday liquidity positions against its expected activities and available resources based on account balances and remaining intraday liquidity capacity. They also allow the monitoring of its intraday and overnight liquidity exposures on an ongoing basis against the maximum intraday liquidity exposure that has been historically recorded.

To monitor its actual cash balances held with its CCBs, depositories and on central bank accounts, CBF captures intraday credit and debit advices received from its agents, intermediaries and central banks, and compiles intraday on a near to real-time basis the current actual available cash balances in its intraday liquidity management tool.

This tool is also used by CBF to match its expected liquidity flows (clients' cash & securities settlement instructions and CHAG Group's Treasury activities) against incoming and outgoing funds to ensure that expected balances and pending entries can be investigated. This operational and analytical Intraday Liquidity Management tool allows on an ongoing basis liquidity management at CBF's CCBs, depositories and central banks. The tool produces management reports that support the intraday liquidity management process and issues intraday alerts in case defined intraday thresholds at CCB and/or currency levels are breached.

In addition, CBF runs extreme but plausible scenarios (including, but not limited to, those prescribed under CSDR) to identify and manage the risk of unexpected disruptions to its intraday liquidity flows. The liquidity stress tests model comprises i.a. the liquidity risk resulting from the default of at least two clients to which CBF has the largest liquidity exposures.

Management

For each currency for which CBF acts as settlement agent, CBF estimates the intraday liquidity inflows and outflows for all banking-type ancillary services provided, anticipates the timing of these flows, and forecasts the intraday liquidity needs that may arise at different periods during the day.

CBF's liquidity (including intraday) is managed by CBL's Treasury function (via a service level agreement between CBF and CBL) per currency and per cash correspondent bank or depository acting as cash agent with the aid of its intraday liquidity management tool. A real-time online overview of the flows combined with an automated alerting system ensures that Treasury can detect intraday unsecured exposure to CBF's cash correspondent banks / agents in excess of predetermined intraday concentration limits as well as intraday overdraft positions and take mitigating actions in due time. These measures aim to protect against liquidity risk which may arise from the temporary failure of a cash correspondent bank / agent or underlying participant.

CBF has arranged to acquire sufficient intraday funding to meet its intraday objectives, to manage the timing of its liquidity outflows and to deal with unexpected disruptions of its intraday liquidity flows.

In parallel, CBF assesses a prudent value of its liquid assets deemed sufficient for its intraday exposure by monitoring their quality, concentration, availability and by valuing its qualifying liquid resources under stressed market conditions. CBF has appropriate governance on the placement of its own liquid assets in place. These are maintained in separate accounts under the direct management of the liquidity management function and may only be used as source of contingent funds during stress periods.

For managing its ability to provide sufficient liquidity to honour its liquidity management objectives, CBF has put ex-ante measures in place to control the required level of liquidity. A verification that all obligations have been met is done ex post. Any pending payment due to an insufficient cash balance requires escalation.

CBF has intraday control procedures in place defining intraday liquidity management processes, timelines, thresholds for escalation to Management and a crisis management system alerting the appropriate level of management depending on the seriousness of liquidity incidents.

The Clearstream Banking Liquidity Management Policy defines the roles and responsibilities applicable when facing a crisis event where day-to-day liquidity generation measures would not be sufficient to cover a liquidity shortage in one or several currencies. The liquidity issue would be escalated to the CBF Executive Board which can decide in view of the liquidity crisis event to activate exceptional liquidity generation measures listed in CBF's liquidity contingency funding plan.

All organisational units and employees must perform risk control and implement mitigating actions.

5. Own funds

Article 437 sentence 1 letter a CRR

As CHAG is exempted from the preparation of consolidated financial statements, the composition of regulatory own funds and a reconciliation of equity reported on the balance sheet for the two material subsidiaries CBF and CBL is presented below.

5.1 Composition of regulatory own funds of CHAG Group

The total regulatory capital of CHAG consists of Common Equity Tier 1 (CET1) capital, which is comprised of reserves, retained earnings and the funds for general banking risks. Deductions of CET1 arise from intangible assets and regulatory adjustments.

The following table shows the composition of regulatory own funds of CHAG Group as at 31 December 2023:

Table 8: EU CC1 - Composition of regulatory own funds of CHAG Group
(Article 437 sentence 1 letter a CRR)

		a	b
		Amounts	**Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation**
in €`000		**31/12/2023**	
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	-	-
	of which: Instrument type 1 - Paid-in capital	-	-
	of which: Instrument type 2 - Share premium	-	-
2	Retained earnings	(95,709)	-
3	Accumulated other comprehensive income (and other reserves)	1,438,597	-
EU-3a	Funds for general banking risk	169,309	-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	-	-
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
6	**Common Equity Tier 1 capital (CET1) before regulatory adjustments**	**1,512,196**	**-**
Common Equity Tier 1 capital (CET1): regulatory adjustments			
7	Additional value adjustments (negative amount)	-	-
8	Intangible assets (net of related tax liability) (negative amount)	(11,416)	-
9	Not applicable		

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
15	Defined-benefit pension fund assets (negative amount)	-	-
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	-
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
EU-20c	of which: securitisation positions (negative amount)	-	-
EU-20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
22	Amount exceeding the 17,65% threshold (negative amount)	-	-

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	-
EU-25a	Losses for the current financial year (negative amount)	-	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments	(23,429)	-
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(34,845)**	-
29	**Common Equity Tier 1 capital (CET1)**	**1,477,351**	-
Additional Tier 1 capital (AT1): instruments			
30	Capital instruments and the related share premium accounts	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 capital (AT1) before regulatory adjustments**	-	-
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	**Total regulatory adjustments to Additional Tier 1 capital (AT1)**	-	-
44	**Additional Tier 1 capital (AT1)**	-	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,477,351**	-
Tier 2 capital (T2): instruments			
46	Capital instruments and the related share premium accounts	-	-
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	-
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	**Tier 2 capital (T2) before regulatory adjustments**	-	-
Tier 2 capital (T2): regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
56	Not applicable	-	-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-
EU-56b	Other regulatory adjustments to T2 capital	-	-
57	**Total regulatory adjustments to Tier 2 capital (T2)**	-	-
58	**Tier 2 capital (T2)**	-	-
59	**Total capital (TC = T1 + T2)**	**1,477,351**	-
60	**Total risk exposure amount**	**4,261,261**	-
Capital ratios and requirements including buffers			
61	Common equity Tier 1 capital	34.67%	-
62	Tier 1 capital ratio	34.67%	-
63	Total capital ratio	34.67%	-
64	Institution CET1 overall capital requirements	10.47%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical capital buffer requirement	0.83%	-
67	of which: systemic risk buffer requirement	0.00%	-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	4.70%	-
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**21.97%**	-
National minima (if different from Basel III)			

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	-
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	-
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Institution CET1 overall capital requirements include regulatory requirement of 4.5% plus overall buffer requirement composed of:

- Capital conservation buffer of 2.5%;
- Institution specific countercyclical buffer of 0.83%;
- SREP buffer requirement of 4.7%

The total regulatory capital of CBF consists of Common Equity Tier 1 (CET1) capital, which is comprised of subscribed capital, share premium, reserves, and retained earnings. Deductions of CET1 arise from intangible assets. CBF does not hold any investments in financial sector entities that should be deducted from own funds in accordance with Article 36 letters f, g, h and i CRR.

5.2 Composition of regulatory own funds of CBF

The following table shows the composition of regulatory own funds of CBF as at 31 December 2023:

Table 9: EU CC1 - Composition of regulatory own funds of CBF
(Article 437 sentence 1 letter a CRR)

		a	b
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
in €`000		**31/12/2023**	
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	26,108	equity (1)+(2)
	of which: Instrument type 1 - Paid-in capital	25,000	equity (1)
	of which: Instrument type 2 - Share premium	1,108	equity (2)
2	Retained earnings	99,651	-
3	Accumulated other comprehensive income (and other reserves)	405,892	equity (3)+(4)+(5)
EU-3a	Funds for general banking risk	-	-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	-	-
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**531,651**	**-**
Common Equity Tier 1 capital (CET1): regulatory adjustments			
7	Additional value adjustments (negative amount)	-	-
8	Intangible assets (net of related tax liability) (negative amount)	(3,317)	assets (10)
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
15	Defined-benefit pension fund assets (negative amount)	-	-
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	-

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
EU-20c	of which: securitisation positions (negative amount)	-	-
EU-20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
22	Amount exceeding the 17,65% threshold (negative amount)	-	-
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	-
EU-25a	Losses for the current financial year (negative amount)	-	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-
26	Not applicable	-	-

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments	-	-
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(3,317)	-
29	**Common Equity Tier 1 capital (CET1)**	**528,334**	-
Additional Tier 1 capital (AT1): instruments			
30	Capital instruments and the related share premium accounts	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	**-**
Additional Tier 1 capital (AT1): regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
41	Not applicable		

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	-
44	**Additional Tier 1 capital (AT1)**	-	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**528,334**	-
Tier 2 capital (T2): instruments			
46	Capital instruments and the related share premium accounts	-	-
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	-
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	**Tier 2 capital (T2) before regulatory adjustments**	-	-
Tier 2 capital (T2): regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-
EU-56b	Other regulatory adjustments to T2 capital	-	-
57	**Total regulatory adjustments to Tier 2 capital (T2)**	-	-
58	**Tier 2 capital (T2)**	-	-
59	**Total capital (TC = T1 + T2)**	**528,334**	-
60	**Total risk exposure amount**	**1,489,126**	**assets (1) to (13)**
Capital ratios and requirements including buffers			
61	Common equity Tier 1 capital	35.48%	-
62	Tier 1 capital ratio	35.48%	-
63	Total capital ratio	35.48%	-
64	Institution CET1 overall capital requirements	10.21%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical capital buffer requirement	0.56%	-
67	of which: systemic risk buffer requirement	0.00%	-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	5.20%	-
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	22.28%	-
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	-
74	Not applicable		

in €`000		a Amounts 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	-
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Institution CET1 overall capital requirements include regulatory requirement of 4.5% plus overall buffer requirement composed of:

- Capital conservation buffer of 2.5%;
- Institution specific countercyclical buffer of 0.56%;
- SREP buffer requirement of 5.2%

5.3 Composition of regulatory own funds of CBL

The following table shows the composition of regulatory own funds of CBL as at 31 December 2023:

Table 10: EU CC1 - Composition of regulatory own funds of CBL
(Article 437 sentence 1 letter a CRR)

		a	b
in €`000		**31/12/2023**	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	321,935	equity (1) + (2)
	of which: Instrument type 1 - Paid-in capital	92,000	equity (1)
	of which: Instrument type 2 - Share premium	229,935	equity (2)
2	Retained earnings	-	-
3	Accumulated other comprehensive income (and other reserves)	708,904	equity (3) + (4) + (5)
EU-3a	Funds for general banking risk	-	-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	-	-
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-
6	**Common Equity Tier 1 capital (CET1) before regulatory adjustments**	**1,030,839**	-
Common Equity Tier 1 capital (CET1): regulatory adjustments			
7	Additional value adjustments (negative amount)	(31)	PVA on assets (3), (4), (5), (7), (8) and liabilities (1), (3)
8	Intangible assets (net of related tax liability) (negative amount)	(1)	assets (10)
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(3,989)	equity (3a)
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilties valued at fair value resulting from changes in own credit standing	-	-
15	Defined-benefit pension fund assets (negative amount)	-	-

in €`000		a 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	-
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
EU-20c	of which: securitisation positions (negative amount)	-	-
EU-20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(21)	assets (11)
22	Amount exceeding the 17,65% threshold (negative amount)	-	-
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	-
EU-25a	Losses for the current financial year (negative amount)	-	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-
26	Not applicable		

in €`000		a 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments	(15,102)	Deductible net worth tax reserve in equity (5a)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(19,143)	-
29	**Common Equity Tier 1 capital (CET1)**	**1,011,696**	-
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	-
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	-
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-

in €`000		a 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	-
44	**Additional Tier 1 (AT1) capital**	-	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,011,696**	-
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	-	-
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	-
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	-	-
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	**Tier 2 capital (T2) before regulatory adjustments**	-	-
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-

in €`000		a 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-
EU-56b	Other regulatory adjustments to T2 capital	-	-
57	**Total regulatory adjustments to Tier 2 capital (T2)**	-	-
58	**Tier 2 capital (T2)**	-	-
59	**Total capital (TC = T1 + T2)**	**1,011,696**	-
60	**Total risk exposure amount**	**2,495,150**	**Assets (1) to (13)**
Capital ratios and requirements including buffers			
61	Common equity Tier 1 capital	40.55%	-
62	Tier 1 capital ratio	40.55%	-
63	Total capital ratio	40.55%	-
64	Institution CET1 overall capital requirements	9.11%	-
65	of which: capital conservation buffer requirement	2.50%	-
66	of which: countercyclical capital buffer requirement	1.33%	-
67	of which: systemic risk buffer requirement	0.00%	-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.50%	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.28%	-
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**32.27%**	-
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	7,699	assets (3)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	6,496	assets (7)
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	-

in €`000		a 31/12/2023	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Institution CET1 overall capital requirements include regulatory requirement of 4.5% plus overall buffer requirement composed of:

- Capital conservation buffer;
- Institution specific countercyclical buffer;
- O-SII buffer;
- SREP buffer requirement;

As an O-SII CBL is subject to additional buffer requirement of 0.5%. Further to the provisions of Article 59-5 of the Law of 5 April 1993 on the financial sector, CBL is subject to additional capital requirement equal to 2.5% of total risk exposure amount (TREA) corresponding to the capital conservation buffer.

Within its supervisory review and evaluation process (SREP) in 2019, further to Article 28 (1) of Commission de Surveillance du Secteur Financier (CSSF) Regulation 15-02, the CSSF has concluded that, in excess of the requirements specified in Article 92 CRR, CBL is required to maintain the additional own funds equal to 1% of TREA. In August 2022 this requirement was reduced to 0.5% to be held in the form of 56,25% CET1 capital and 75% of Tier 1 capital as a minimum.

5.4 Reconciliation of equity reported on the balance sheet with regulatory own funds of CBF

The following table presents the reconciliation of equity reported on the balance sheet with regulatory own funds of CBF as at 31 December 2023:

Table 11: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements of CBF
(Article 437 sentence 1 letter a CRR)

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference[3]**
in €`000		**31/12/2023**	**31/12/2023**	
Assets – breakdown by assets according to the balance sheet in the published financial statements				
1	Cash at central banks	-	1,656,686	(60)
2	Receivables from banks	2,234,894	373,749	(60)
2a	Due daily	2,183,424	122,438	(60)
2b	Other receivables	51,470	251,310	(60)
3	Receivable from non-banks	3,981	225,401	(60)
4	Bonds and other fixed-income securities	434,272	434,272	(60)
4a	Public-sector issuers	311,152	287,051	(60)
4b	Other issuers	123,120	147,221	(60)
5	Intangible assets	3,041	3,041	(8)
6	Property, plant and equipment	40	40	(60)
7	Other assets	101,430	90,896	(60)
8	Prepaid expenses	-	-	(60)
9	Excess of plan assets over post-employment benefit liabilities	167	-	(60)
10	**Total assets**	**2,777,825**	**2,784,085**	-
Liabilities – breakdown by liability according to the balance sheet in the published financial statements				
11	Liabilities due to banks	1,404,452	1,292,249	-
12	Amounts due to customers and other liabilities	60	137,833	-
13	Bonds issued	350,000	350,674	-
14	Other liabilities	34,483	41,662	-
15	Deferred income	674	-	-
16	Provisions	148,906	152,431	-
17	Provisions for pensions and other obligations	9,008	7,085	-
18	Provisions for taxation	28,874	106,311	-
19	Other provisions	111,024	39,035	-
20	Subordinated debt	30,000	-	-
21	**Total liabilities excluding equity**	**1,968,575**	**1,974,849**	-
Shareholders ´Equity				

[3] The Reference column indicates how the rows in this table refer to the corresponding rows in table EU CC1 (Table 9).

in €`000		a Balance sheet as in published financial statements 31/12/2023	b Under regulatory scope of consolidation 31/12/2023	c Reference[3]
22	Subordinated capital	25,000	25,000	(1)
23	Additional paid-in capital	407,000	407,000	(3)
24	Retained earnings	99,651	99,651	(2)
24a	Legal reserve	1,392	-	-
24b	Other retained earnings	98,259	-	-
25	Balance sheet surplus	277,600	277,584	-
26	**Total shareholders ʻEquity**	**809,251**	**809,235**	-

Further explanation on the differences is provided under chapter 1.3.

5.5 Reconciliation of equity reported on the balance sheet with regulatory own funds of CBL

The following table presents the reconciliation of equity reported on the balance sheet with regulatory own funds of CBL as at 31 December 2023:

Table 12: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements of CBL
(Article 437 sentence 1 letter a CRR)

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference[4]**
in €`000		**31/12/2023**	**31/12/2023**	
Assets – breakdown by assets according to the balance sheet in the published financial statements				
1	Cash in hand, balances at central banks	6,584,032	6,766,827	(60)
2	Loans and advances to credit institutions repayable on demand	4,854,404	769,093	(60)
3	Financial assets held for trading – FX derivatives	7,331	8,477	(7),(60)
4	Financial assets FVOCI – Participating interests	7,699	7,699	(7),(60),(71)
5	Financia assets FVPL – Participating interests	1,146	-	(7),(60)
6	Financial assets at amortised costs	5,570,502	9,475,334	(60)
6a	Debt securities	1,411,047	1,411,896	(60)
6b	Loans and advances	4,159,456	8,063,439	(60)
7	Derivatives – hedge accounting – cash flow hedges	5,314	5,315	(7),(60)
8	Investments in subsidiaries, joint ventures and associates	6,498	6,496	(7),(60),(73)
9	Tangible assets	14,242	14,679	(60)
10	Intangible assets	1	1	(8)
11	Deferred tax assets	9	21	(21)
12	Other assets	32,297	33,933	(60)
13	Prepayments and accrual income	1,343	1,343	(60)
14	**Total assets**	**17,084,817**	**17,089,217**	-
Liabilities – breakdown by liability according to the balance sheet in the published financial statements				
15	Financial liabilities held for trading – FX derivatives	2,628	2,628	(7)
16	Financial liabilities measured at amortised cost	15,136,054	15,135,316	-
17	Deposits	14,427,262	14,438,636	-
18	Debt securities issued	549,205	549,309	-
19	Other financial liabilities	159,587	147,371	-
20	Derivates – Hedge Accounting – cash flow hedges	0	0	(7)
21	Other liabilities	8,223	-860	-

[4] The Reference column indicates how the rows in this table refer to the corresponding rows in table EU CC1 (Table 10).

in €`000		a Balance sheet as in published financial statements 31/12/2023	b Under regulatory scope of consolidation 31/12/2023	c Reference[4]
22	Accruals and deferred income	64,535	53,765	-
23	Provisions for pension and similar obligations	2,907	0	-
24	Other provisions	32,046	47,880	-
25	Current tax liabilities	196,295	197,211	-
26	Deferred tax liabilities	3,510	5,760	-
27	**Total liabilities**	**15,446,198**	**15,441,700**	-
Shareholders 'Equity				
28	Paid in capital	92,000	92,000	(1)
29	Share premium account	229,935	229,935	(1)
30	Accumulated other comprehensive income	10,563	11,985	(2)
31a	Cash flow hedges (effective portion)	3,989	3,989	(2),(11)
31b	Foreign currency translation	0	-1,266	(2)
31c	Actuarial gains/loses on defined benefit pension plans	2,257	4,945	(2)
31d	Fair value changes of equity instrument measured FVOCI	4,317	4,317	(2)
32	Legal reserves	9,200	9,200	(2)
33	Other reserves	686,401	687,719	-
33a	Deductible NWT reserve	15,000	15,000	-
34	Profit for the financial year	610,520	616,677	-
35	**Total shareholders 'Equity**	**1,638,619**	**1,647,516**	-

5.6 Overview of the risk-weighted exposure amounts (RWEAs)

The following table presents the overview of risk-weighted exposure amounts (RWEAs) according to Article 438 sentence 1 letter d CRR for CHAG Group as at 31 December 2023:

Table 13: EU OV1- Overview of total risk exposure amounts of CH Group
(Article 438 sentence 1 letter d CRR)

		a	**b**	**c**
		Total risk exposure amounts		**Total own funds requirements**
in €`000		**31/12/2023**	**31/12/2022**	**31/12/2023**
Assets				
1	**Credit risk (excluding CCR)**	**713,300**	**974,522**	**57,064**
2	Of which the standardised approach	713,300	974,522	57,064
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	**97,042**	**299,722**	**7,763**
7	Of which the standardised approach	49,967	67,248	3,997
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	7,288	2,750	583
EU 8b	Of which credit valuation adjustment - CVA	8,466	11,145	677
9	Of which other CCR	31,321	218,579	2,506
10	Not applicable	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**-**	**-**	**-**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**61,565**	**51,158**	**4,925**
21	Of which the standardised approach	61,565	51,158	4,925
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	**Operational risk**	**3,389,354**	**4,227,341**	**271,148**

in €`000		a	b	c
		Total risk exposure amounts		Total own funds requirements
		31/12/2023	31/12/2022	31/12/2023
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	3,389,354	4,227,341	271,148
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**4,261,261**	**5,552,743**	**340,901**

The steep RWAs decrease by over 20% is primarily due to a significant decrease of the operational risk. In addition, the own funds requirements for counterparty credit risk could be decreased due to credit risk mitigation optimisation. Furthermore, the CSSF has approved the exclusion of the ASLPlus business from the reporting beginning of 2023.

6. Remuneration policy

Table EU REMA – Remuneration policy

(Article 450 sentence 1 letters a to d and h, i, j, k and article 450 sentence 2 CRR)

6.1 Disclosure requirements

The Remuneration Policy is a central element for the implementation of the remuneration systems and for ensuring alignment with the business and risk strategy as well as the remuneration strategy. The Policy provides the applicable framework for the design and implementation of the Remuneration systems for all employees of the Company and its branches (the term "employee" for this purpose refers to Executives, non-executive staff, Risk Takers, members of the Executive and Supervisory Board). The objectives are in particular:

- Setting out the principles governing the company's remuneration systems for all employee groups,
- Ensuring that the remuneration in the company is in line with the applicable regulations on remuneration,
- Informing employees on the applicable rules as well as on their remuneration system,

It adheres in particular to Regulation (EU) No. 2019/876 ("CRR 2"), Directive (EU) 2019/878 ("CRD V"), the German Remuneration Ordinance ("InstitutsVergV"), the EBA Guidelines 2021/04 on sound remuneration policies, the Law of 5 April 1993 on the financial sector (as amended) ("LFS") and related CSSF circulars. The Policy is regularly reviewed to ensure compliance with the latest regulations. The last review took place in 2023.

The qualitative disclosures on remuneration policy should be provided using table EU REMA below. "Policy" refers to Remuneration Policy, "Report" – to annual Remuneration Report, "Pillar 3" - to this disclosure report.

Table 14: EU REMA - Remuneration policy

Qualitative disclosures		Policy	Pillar 3
(a)	Information relating to the bodies that oversee remuneration. Disclosures shall include:		
	• Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.	1.2	6.2
	• External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.	3.11	6.1
	• A description of the scope of the institution's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries.	1.3	6.1
	• A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.	4.1	6.3
(b)	Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:		
	• An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.	1.3	6.2
	• Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.	4.4	6.3

Qualitative disclosures		Policy	Pillar 3
	• Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.	1.5	6.2
	• Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee.	3.3	6.2
	• Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.	3.3	6.2
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.	4.2	6.3
(d)	The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.	3.3	6.3
(e)	Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:		
	• An overview of main performance criteria and metrics for institution, business lines and individuals.	4.2	6.3
	• An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.	4.2	6.3
	• Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.	4.3	6.3
	• Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.	4.4	6.3
(f)	Description of the ways in which the institution seeks to adjust remuneration to take account of longterm performance. Disclosures shall include:		
	• An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.	4.3	6.3
	• Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).	4.4	6.3
	• Where applicable, shareholding requirements that may be imposed on identified staff.	n/a	6.3
(g)	The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:		
	• Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.	4.2 - 4.4	6.3
(h)	Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.	n/a	n/a

Qualitative disclosures		Policy	Pillar 3
(i)	Information on whether the institution benefits from a derogation laid down in Article 94 (3) CRD in accordance with point (k) of Article 450(1) CRR. • For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	n/a	6.3
(j)	Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.	n/a	6.1

As the CRR disclosure requirements are fulfilled in the Remuneration Policy and annual CHAG Group Remuneration Report, this disclosure report only provides a summary of the key points and features of the Policy. For more detailed information, see CHAG Group website (Link: Remuneration information (clearstream.com)).

Following templates as EBA Guidelines are available in the published CHAG Group remuneration report in Chapter 4:

- Template EU REM1 - Remuneration awarded for the financial year
- Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)
- Template EU REM3 - Deferred remuneration
- Template EU REM4 - Remuneration of € 1 million or more per year
- Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

6.2 Renumeration governance

Within CHAG, CBF and CBL two-tier board structures are in place. This structure features a clear separation between the powers of the Supervisory Board, which monitors and advises the Executive Board, and the Executive Board itself, which carries out the day-to-day business.

The Executive Board of CHAG as a superordinate company according to the KWG is responsible for the implementation of a CHAG Group-wide remuneration policy. The CHAG Group remuneration system including remuneration schemes and the respective Terms and Conditions of instruments, which apply to the respective categories of staff, is implemented according to a cascading process from CHAG at Group level down to company level.

The CHAG Group Remuneration Policy provides the applicable framework for the design and implementation of the Remuneration systems for all employees of the Company. The contents are the same unless there are relevant differences in the business model, the risk profiles or local requirements that justify a difference in an individual case.

The respective Supervisory Board decides on the remuneration system and Policy for the members of the Executive Board. In 2023, the Supervisory Boards of CHAG, CBL and CBF held each four meetings which dealt with remuneration related topics.

The Executive Board decides on the remuneration system and Policy of all employee groups except for members of the Supervisory Board and members of the Executive Board. In 2023, the Executive Board of CHAG held four meetings, the Executive Board of CBL and CBF held each three meetings which dealt with remuneration related topics.

The remuneration system has been elaborated in cooperation with the relevant CHAG Group`s control units (that is, Risk Management, Compliance, Internal Audit and the Group Compensation Officer, in the following "Compensation Officer"). Within the Group, the competent functions of the consolidated subsidiaries, are supposed to interact and exchange information as appropriate.

CBF and CBL have established in accordance with Article 48 CSDR and respectively for CBF in accordance with Article § 25d (12) KWG and § 15 InstitutsVergV, each a Remuneration Committee. The remuneration committee is set up by the Supervisory Board and responsible for advising the Supervisory Board on the remuneration policy.

The main tasks and responsibilities of the Remuneration Committee are as follows:

- Supervises the reasonableness of the remuneration system of executive management members. It supervises the appropriateness of the compensation of the Head of Risk and Head of Compliance as well as employees having a substantial influence on the overall risk profile of the institution. It also supports the Supervisory Board in monitoring the reasonableness of the remuneration system of employees as well as the institution. At the same time, it assesses the impacts of the remuneration system on the risk, capital and liquidity management.
- Supports the Supervisory Board in overseeing the internal control system and all other relevant areas in the structuring of the remuneration system.
- Further details regarding the CBL remuneration committee, in particular its composition and tasks/responsibilities, are stipulated in the CBL Supervisory Board Internal Rules and Regulations.

Members of the **remuneration committee of CBL** are:

- Dr Stephan Leithner (Chairperson)
- Gregor Pottmeyer (Vice-Chairperson)
- Wolfgang Gaertner

Members of the **remuneration committee of CBF** are:

- Dr Stephan Leithner (Chairperson)
- Prof Dr Christina Bannier (Vice-Chairperson)
- Norfried Stumpf

According to § 25a (5b) KWG and the Regulation (EU) No 2021/923 ("EBA-RTS"), employees whose professional activities have a material impact on the Company's risk profile ("Risk Takers") must be identified.

For the financial year 2023, CHAG, CBF and CBL performed a risk analysis and identified Risk Takers based on the qualitative and quantitative criteria set out in the Regulatory Technical Standards of the European Banking Authority (EBA RTS). As superordinate company, CHAG performed the risk analysis on consolidated group level in line with § 27 InstitutsVergV. Risk Takers are subject to specific regulatory requirements unless exemptions apply.

In this respect and amongst others, the following categories of staff are identified as Risk Takers:

- All members of the Executive Board or Supervisory Board
- Members of the senior management
- Employees responsible and accountable to the management body for control activities of the independent risk management function, compliance function or internal audit function
- Employees heading or having managerial responsibility and whose professional activities are deemed to have a material impact on risk profile of a material business unit
- Employees heading a (control) function responsible for legal affairs, finance including taxation, budgeting and accounting procedures, human resources, remuneration policy, information technology (which is considered as a technology function), information security, the management of outsourcing arrangements, the prevention of money laundering and terrorist financing or economic analysis

- Employees identified pursuant to quantitative criteria, for example, employees whose total Remuneration exceed criterions set out by regulation and whose professional activities are deemed to have a material impact on the institution's risk profile

Risk Takers are informed on their identification and remuneration system.

6.3 Design of the renumeration system

The remuneration for members of the Executive Board and employees consists of a fixed salary, a variable remuneration and fringe benefits.

Following the remuneration system of the Executive Board of DBAG and financial reporting KPIs, common key elements of the remuneration systems for all executive levels foster coherent motivational goals and pay-for-performance, while keeping transparency and strict alignment with the business and risk strategy. Key elements are:

- Target Amount of variable remuneration: A target bonus is set with the bonus amount ranging between 0% and 200% of the target bonus to ease understanding and transparency of variable remuneration and in line with international market practice
- Additive bonus system: The performance measurement leading to the bonus indication reflects additively generally three measurement levels to reward individual performance as well as allowing participation in the overall Group and Company results
- EBITDA and Net Revenues: The key elements measure variable remuneration in alignment with the business reporting. Both indicators are of material significance to the successful implementation of the "Compass 2023/Horizon 26" growth strategy and incentivise profitable growth. The growth driven Net Revenues target is balanced by EBITDA, providing for high performance orientation while maintaining a balanced chance-risk profile
- ESG (Environmental, Social and Governance)-target: To pursue a sustainable development and in view of its corporate responsibility, sustainability aspects are incorporated into the measurement of variable remuneration to create a meaningful financial commitment.

The variable remuneration shall consider the overall performance of DBG, the Company, the performance of the areas of responsibility and individual performance contributions. All three measurement levels are generally equally weighted. The allocation of the variable remuneration components within the Company shall also consider all types of current and future risks. When assessing individual performance, financial and non-financial criteria are considered.

If individual performance is determined, this shall be based on the achievement of a mix of quantitative/financial and qualitative/non-financial agreed goals, which shall be challenging and ambitious. The goals shall be consistent with the business and risk strategies, corporate values, risk appetite, long-term interests, as well as the cost of capital and the liquidity of the Group/Company.

The full amount of variable remuneration is subject to an ex-ante risk adjustment in the event of negative performance contributions, breach of duty and unconscionable conduct; it can be reduced to zero before the bonus award is made. The reduction shall not be compensated by positive performance contributions.

The performance of members of the Executive Board, Risk Takers and other employees is measured annually and documented and tracked in the respective appraisal systems. The performance assessment is executed by the respective line manager or, for members of the Executive Board, by the Supervisory Board.

To ensure that the remuneration parameters of Risk Takers in control units and the business units they monitor are not predominantly synchronised, targets only include the Group target achievement of DBG as well as individual goals. The overall target achievement is measured by the Group target achievement of DBG and by the individual goals, which are equally weighted.

The variable remuneration must not limit the Group's/company's ability to sustainably maintain or recover an appropriate capital base. If the Group's/company's ability to sustainably maintain or recover an appropriate suitable capital base is limited, no variable remuneration is to be granted.

The total amount of the variable remuneration ("Total Amount") shall be determined in a formal, transparent and comprehensible process. Representatives of the relevant control units (for the determination of the bonus pool, performance criteria and remuneration awards) shall be involved within their scope of duties.

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

For the determination of the variable remuneration the target achievement on Company measurement level and the target achievement of the individual targets are multiplied with a risk adjustment factor. The risk adjustment factor is in general a combination based on the ratio of VaR relative to the ARBC and the liquidity risk consideration reflecting the limits according to the respective risk strategy. In line with the Company's risk strategy, the VaR incorporates applicable risk types such as operational, financial and business risk as well as liquidity risk. The limit utilisation of each risk type (for example, operational, financial, business and liquidity risk) is measured on a regular basis and evaluated using a traffic light system in accordance with the limits defined in the risk strategy. In the situation of a yellow or red traffic light, an assessment of the escalation process and mitigating measures (for example, capital allocation) is conducted to derive a potential reduction factor.

There shall be an appropriate ratio between the fixed and the variable remuneration. The variable remuneration may amount up to a maximum of 100% of the fixed remuneration. If national regulatory requirements allow the shareholders, owners or members of the institution to approve a ratio of 1:2 between the Fixed and Variable Remuneration components, the Variable Remuneration may amount up to a maximum of 200% of the Fixed Remuneration in exceptional cases. Guidelines for variable remuneration shall take due account of possible mismatches of performance and risk periods. Payments of variable remuneration shall be deferred as appropriate. Variable remuneration is not guaranteed, that is, all variable remuneration is based on a performance measurement and can be zero. For Risk Takers, in case variable remuneration exceeds the threshold of € 50.000 or in case it is more than one third of the employee's total remuneration the respective deferral rule applies:

At least 50% of the deferred and non-deferred parts of the variable remuneration shall be linked to the Group's long-term performance. For this purpose, the corresponding parts of the variable remuneration shall be granted in the form of DBAG share-based remuneration (instruments). Instruments shall be applied to both the deferred and non-deferred (upfront) portion of variable remuneration. Exemption limits in accordance with regulatory requirements of the Company and the Group may apply.

The payout schedules shall be sensitive to the time horizon of risks. If variable remuneration is paid, due account shall be taken of possible mismatches of performance and risk periods and it shall be ensured that payments are deferred as appropriate. If the deferral rule applies, at least 40% or respectively, 60% (depending on the category of Risk Taker or in the event of a variable remuneration of a high amount) of the variable remuneration component shall be deferred over a period that is no less than four to five years. Remuneration payable shall vest no faster than on a pro rata basis.

Prior to vesting, there is only an entitlement to an accurate determination of the respective part of the variable remuneration. Details, in particular the payout schedule, are stipulated in the remuneration scheme and the terms and conditions of instruments, in each case as applicable from time to time. Exemption limits in line with regulatory requirements of the Company and the Group may apply.

This exemption on the level of the individual relates to the payout of parts of variable remuneration in instruments and the deferral of parts of the variable remuneration.

The sustainability of the performance contributions of each Risk Taker, his/her area of responsibility as well as the overall performance of the Company will be considered. Moreover, the financial situation of the Company, in particular significant changes in the capital base, decreases in the financial capacity and the risk-bearing capacity will be taken into account (back-testing).

In the event of a negative back-test, malus can apply to all elements: the cash portion as well as share-based portions of deferred remuneration, in case of evidence of misbehaviour or serious error (for example, breach of code of conduct and other internal rules, especially concerning risks), negative performance contributions, significant failure of risk management respectively significant changes in the capital base or significant downturn in the financial performance. If the circumstances described above have occurred to a significant degree, a reduction or forfeiture of portions of the deferred variable remuneration including the share-based instruments applies.

The regulations on adjustment of variable remuneration are complemented through the implementation of repayment obligations for Risk Takers in accordance with regulatory requirements (so-called "Clawback"). In the event of a significant involvement in or responsibility for a behaviour which led to a significant loss for the Company or to a major regulatory sanction, or a severe breach of relevant external or internal regulations concerning standards of suitability and conduct has been carried out, the respective Risk Taker is obliged to repay any variable remuneration already paid out respectively any claim to payment of variable remuneration shall lapse.

In addition to the share-based components already mentioned for identified Risk Takers, there are no shareholding requirements.

Guaranteed variable remuneration is exceptional and is only allowed in connection with the hiring of new staff, is limited to a maximum period of one year and subject to appropriate equity and liquid resources as well as sufficient capital to ensure the Company's Risk-Bearing Capacity.

In general, severance payments are variable remuneration. Payments in connection with premature termination shall take due account of the performance over time and shall not reward falling short of performance expectations or misconduct following Article 38-6(h) LFS resp. § 5 (6) InstitutsVergV.

7. Formal attestation from the Executive Board

(Article 431 (3) CRR)

By signing off the Disclosure Report, the Executive Board confirms that the report was prepared in accordance with the formal procedures and internal processes, systems and controls. The CHAG Executive Board has approved this report for publication and confirmed that CHAG meets the requirements of Article 431 (3) CRR.

8. List of Tables

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