

clearstream

**Clearstream Banking AG**

(Frankfurt am Main, Federal Republic of Germany)

**EUR 350,000,000 0.000 per cent. Notes due 2025**

ISIN XS2264712436, Common Code 226471243, WKN A3H24R

Issue Price: 100.502 per cent.

Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany (the "Issuer" or "CBF") will issue on 1 December 2020 (the "Issue Date") EUR 350,000,000 0.000 per cent. notes due 2025 (the "Notes") in the denomination of € 100,000 per Note.

The Notes will be governed by the laws of the Federal Republic of Germany ("Germany").

The Notes will not bear interest. Unless previously redeemed or repurchased and cancelled, the Notes will be redeemed at par on 1 December 2025 (the "Maturity Date").

The Issuer may, at its option, redeem the Notes prior to their maturity date on the terms set forth in § 5 of the terms and conditions of the Notes (the "Terms and Conditions"). Upon occurrence of a Change of Control Event or an event of default (each as described in the Terms and Conditions), each holder of Notes will have the option to declare all or some only of its Notes not previously redeemed due prior to the Maturity Date. In such case the Issuer will redeem such Notes at their principal amount.

The Notes will initially be represented by a temporary global note in bearer form (the "Temporary Global Note"). Interests in the Temporary Global Note will be exchangeable, in whole or in part, for interests in a corresponding permanent global note (the "Permanent Global Note" and together with the Temporary Global Note, the "Global Notes") not earlier than 40 days after the Issue Date (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership.

This prospectus (the "Prospectus") does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended, the "Prospectus Regulation"). Neither the Luxembourg Financial Supervisory Authority (*Commission de Surveillance du Secteur Financier*), the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), nor any other "competent authority" (as defined in the Prospectus Regulation) has approved this Prospectus or reviewed information contained in this Prospectus.

This Prospectus constitutes a prospectus for the purpose of Part IV of the Luxembourg Law of 16 July 2019 on Prospectuses for Securities. Application has been made to list the Notes on the official list (the "Official List") of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended, ("MiFID II"), and, therefore, not an EU-regulated market.

This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

**The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.**

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. Investing in the Notes involves certain risks. Please review the section entitled "Risk Factors" beginning on page 6 of this Prospectus.

*Global Coordinator*

**HSBC**

*Joint Bookrunners*

**Commerzbank**

**DZ BANK AG**

**HSBC**

## RESPONSIBILITY STATEMENT

The Issuer, with registered office in Frankfurt am Main, Germany, accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Prospectus misleading in any material respect; (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements; and (v) the statements of opinion, intention, belief or expectation expressed in the Prospectus are honestly and reasonably held.

## NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners (as defined in the section "*Subscription and Sale of the Notes*").

This Prospectus should be read and understood in conjunction with any supplement hereto and any documents incorporated herein or therein by reference.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Bookrunners to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Bookrunners to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as of its date. The offering, sale and delivery of the Notes and the distribution of this Prospectus and any other information supplied in connection with the issue of the Notes may not be taken as an implication that the information contained herein or therein is accurate and complete subsequent to the date hereof or thereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither any Joint Bookrunner nor any of its respective affiliates nor any other person mentioned in this Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any document incorporated by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Joint Bookrunners have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions applicable in the EEA, the United States of America, Singapore and the United Kingdom, see "*Subscription and Sale of the Notes – Selling Restrictions*".

For the avoidance of doubt, the content of any website referred to in this Prospectus does not form part of this Prospectus (except for the information expressly incorporated by reference into this Prospectus) and the information on such websites has not been scrutinised or approved by the Luxembourg Stock Exchange.

The language of this Prospectus is English. In respect of the Terms and Conditions German is the controlling and legally binding language.

In this Prospectus all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

## **MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

## **PRIIPS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Bookrunners the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

## **SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION**

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## STABILISATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, HSBC BANK PLC (THE "STABILISING MANAGER") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## FORWARD-LOOKING STATEMENTS

This Prospectus includes certain "*forward-looking statements*". All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer's financial positions, business strategies, plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "*aim*", "*anticipate*", "*believe*", "*continue*", "*could*", "*estimate*", "*expect*", "*forecast*", "*guidance*", "*intend*", "*may*", "*plan*", "*project*", "*probability*", "*target*", "*goal*", "*objective*", "*should*" or "*will*" or, in each case, their negative, or other variations or comparable terminology. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer operate in the future. In addition, even if their financial condition, results of operations and cash flows, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this Prospectus speak only as of the date on which they are made. The Issuer and the Joint Bookrunners expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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## RISK FACTORS

*Before deciding to purchase the Notes, investors should carefully review and consider the following risk factors and the other information contained in this Prospectus. Should one or more of the risks described below materialise, this may have a material adverse effect on the business, prospects, shareholders' equity, assets, financial position and results of operations (Vermögens-, Finanz- und Ertragslage) or general affairs of the Issuer. Moreover, if any of these risks occur, the market value of the Notes and the likelihood that the Issuer will be in a position to fulfil its payment obligations under the Notes may decrease, in which case the holders of the Notes (the "Noteholders") could lose all or part of their investments. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay principal or other amounts on or in connection with the Notes for other reasons than those described below. Additional risks of which the Issuer is not presently aware could also affect the business operations of the Issuer and have a material adverse effect on the Issuer's business activities and financial condition and results of operations. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the business, financial condition and results of the operations of the Issuer.*

*Words and expressions defined in the Terms and Conditions of the Notes below shall have the same meanings in this section.*

*Potential investors should, among other things, consider the following:*

### **Risks relating to the Issuer**

#### ***Operational Risks***

*Unavailability of operational resources essential to the services offered by the Issuer could cause such services to be delayed or not provided at all.*

The Issuer is exposed to the risk of the unavailability of key operational resources, such as computer and communication systems, suppliers / service providers, premises and employees. The Issuer's business depends on the performance and reliability of complex technical infrastructure, computer and communications systems. Failure to maintain such infrastructure and systems, to ensure security or to ensure sufficient capacity could result in prolonged delay of settlement and/or the unavailability of funds and securities causing exposures to clients. Systems failures could be caused by, among other things, periods of insufficient capacity of network bandwidth, power or telecommunications failures, acts of God, war, terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, complications experienced in connection with system upgrades, computer viruses, intentional acts of vandalism and similar events over which the Issuer has little or no control. In addition, the Issuer relies on third parties for systems support and any interruption in these third-party services or deterioration in the performance of these services could be disruptive to its business. In the event that any of its systems, or those of its third-party service providers, fail, operate slowly or experience disruptions in service, the Issuer could incur reputational damage, regulatory sanctions, litigation, loss of market share and loss of revenues. The Issuer is further subject to the risk of the unavailability of business-critical suppliers / service providers, a shortage of sufficient office space for mission critical staff and the potential loss of significant numbers of staff in emergency scenarios or as a result of potential pandemics, such as the ongoing Covid-19 crisis.

The unavailability of any such operational resources could cause the services offered by the Issuer to be delayed or not provided at all. Although the Issuer seeks to mitigate such operational risks through its risk management framework (see "*Description of the Issuer – Risk Management – Management of Operational Risk*"), any failure to effectively manage these risks could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*Deficiencies in the Issuer's performance of services for its clients due to improperly performed processes, problems with service providers or product flaws could result in losses.*

Although the Issuer primarily relies on straight-through processing, some manual processing in relation to certain services rendered to its customers is required. As a result, operator errors or omissions may occur. In addition, manual intervention in system management is necessary in certain cases. The manual intervention may lead to mistakes and disputes with its customers, which could harm its reputation and have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

The Issuer also relies on third-party service providers, including information technology hardware providers and certain data suppliers that it does not control. In particular, the Issuer uses a network of depositories to settle transactions between customers in the markets in which it operates. To the extent that any external service providers provide inadequate products, experience difficulties or losses, do not provide sufficiently experienced personnel, are unable to provide services to the required levels or otherwise fail to meet their obligations under their service arrangements with the Issuer, a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations could occur.

The Issuer may also face risks from damages to physical assets. This category includes risks due to accidents and natural hazards, as well as those stemming from terrorism, sabotage and vandalism which may amongst others impair the service level or ability of the Issuer to process transactions.

*The Issuer's networks and those of its third-party service providers may be vulnerable to security risks.*

The secure transmission of confidential information over public and other networks is a critical element of the Issuer's operations. Cybercrime is increasingly becoming a focus for organised crime. The Issuer's networks, based on links provided by third parties, and those of its third-party service providers may be vulnerable to unauthorized access, computer viruses, trojan horses and other security problems. Persons who circumvent security measures could wrongfully access and use the Issuer's information or its customers' information, or cause interruptions or malfunctions in its operations. The Issuer has frequently been the target of attempted information security attacks, but due to the security centre (Computer Emergency Response Team, CERT) of Deutsche Börse AG, the Issuer's parent company, which detects and assesses threats from cybercrime in cooperation with national and international financial intelligence units at an early stage and coordinates risk mitigation measures in cooperation with the business areas, none of these attempts has as of the date of this Prospectus resulted in any material issues for either the Issuer or its customers. However, the security measures taken by the Issuer may ultimately prove inadequate. This could cause the Issuer to incur reputational damage, regulatory sanctions, litigation and/or loss of revenues, any of which could also have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*Leakage of sensitive data may violate laws and regulations that could result in fines and loss of reputation.*

The Issuer accumulates, stores and uses in its operating business data which is sensitive and/or protected by data protection laws in the countries in which it operates. Although the Issuer takes precautions to protect data in accordance with applicable laws, it is possible that there may be losses or leakages in the future. Loss or leakage of sensitive data or violation of data protection laws may result in fines and loss of reputation, which could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*Damage to the Issuer's reputation could materially adversely affect the Issuer's business.*

In the assessment of the Issuer, one of the Issuer's competitive strengths is its reputation and brand name. The Issuer's reputation could be harmed in many different ways, including by regulatory, governance or technology failures. Damage to the Issuer's reputation could, for example, reduce custody and/or settlement volumes. Any of these events could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer operates in a business environment that continues to experience significant and rapid technological change.*

Technology is a key component of the Issuer's business strategy and is crucial to its success. The Issuer seeks to offer market participants a comprehensive suite of best-in-class technology solutions in a centralized environment. However, the Issuer operates in a business environment that has undergone, and continues to experience, significant and rapid technological change. To remain competitive, the Issuer must continue to enhance and improve the responsiveness, functionality, capacity, accessibility and features of its software, systems and technologies. The Issuer must also adopt technological changes for regulatory reasons. Its success will depend, in part, on its ability to develop and license leading technologies, enhance existing custody and settlement platforms and services and create new platforms and services. Furthermore, it needs to respond to customer demands, technological advances and emerging industry standards and practices on a cost-effective and timely basis and continue to attract and retain highly skilled technology staff to maintain and develop existing technology and to adapt to and manage emerging technologies.

The development and expansion of electronic settlement, custody and collateral management technologies entail significant technological, financial and business risks. These risks include the Issuer failing or being unable to provide reliable and cost-effective electronic services to its customers, responding to technological developments or service offerings by competitors, and generating sufficient revenue to justify the substantial capital investment the Issuer has made and will continue to make enhancements to its clearing and settlement systems. The adoption of new technologies or market practices may require the Issuer to devote additional resources to improve and adapt its services. The Issuer operates on a high cost base and has accordingly a high operational leverage.

Any failure or delay in exploiting technology, or failure to exploit technology as effectively as competitors of the Issuer, or any requirements to adopt costs due to the required changes could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*A failure to protect the Issuer's intellectual property rights, or allegations that the Issuer has infringed intellectual property rights of others, could adversely affect the Issuer's business.*

The Issuer owns or licenses rights to a number of trademarks, service marks, trade names, copyrights and patents that it uses in its businesses. To protect its intellectual property rights, the Issuer relies on a combination of trademark laws, copyright laws, patent laws, trade secret protection, database laws, confidentiality agreements and other contractual arrangements with affiliates, customers, strategic investors and others. The protective steps taken may be inadequate to deter misappropriation of its intellectual property. The Issuer may be unable to detect the unauthorized use of, or take appropriate steps to enforce, its intellectual property rights. Failure to protect intellectual property adequately could harm the Issuer's reputation and affect its ability to compete effectively. Further, defending its intellectual property rights may require significant financial and managerial resources. Furthermore, some of the products and processes of the Issuer may not be subject to intellectual property protection. Any of the foregoing could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

Third parties may assert intellectual property rights claims against the Issuer, which may be costly to defend, could require the payment of damages and could limit the Issuer's ability to use certain technologies, trademarks or other intellectual property. The Issuer may face allegations that it has infringed or otherwise violated the intellectual property rights of third parties. Any intellectual property rights claims, with or without merit, could be expensive to litigate or settle and could divert management resources and attention. Successful challenges against the Issuer could require it to modify or discontinue its use of technology or business processes where such use is found to infringe or violate the rights of others, or require the Issuer to purchase licenses from third parties, any of which could also have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.



*The Issuer operates in a highly regulated industry that is constantly developing and may be subject to censures, fines and other legal proceedings if it fails to comply with its legal and regulatory obligations.*

The Issuer is subject to extensive legal and regulatory obligations. The key legal and regulatory risks to the Issuer's business arise from (i) the application of laws, regulations, market rules and prescribed practices to the Issuer's business, (ii) new laws being passed, and (iii) the changing regulatory environment to which the Issuer is subject.

More specifically, the Issuer is subject to the risk of having insufficient capital resources to meet the minimum regulatory capital requirements applicable to it. In particular, due to its licences as credit institution and as central securities depository, the Issuer has to comply with (i) capital requirements according to Regulation (EU) 575/2013 of 26 June 2013 on minimum capital requirements (the "**CRR**") in conjunction with capital requirements determined by the German Banking Act (*Kreditwesengesetz* – "**KWG**"), (ii) capital requirements introduced by the Central Securities Depositories Regulation (EU) 909/2014 of 23 July 2014 (the "**CSDR**"), and (iii) the obligation on credit institutions to hold a minimum level of own funds and eligible liabilities ("**MREL**") set by Directive 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**"). Such capital requirements may increase if economic conditions or negative trends in the financial markets worsen. Any failure of the Issuer to maintain its minimum regulatory capital ratios could result in administrative action or sanctions, which, in turn, may have an adverse impact on the Issuer's results, financial condition and prospects. A shortage of available capital may restrict the Issuer's opportunities for expansion and may affect the Issuer's ability to fulfil all or part of its payment obligations under the Notes.

Additionally, the Issuer is subject to various laws and regulations arising from the fiscal or other policies and actions of various governmental and regulatory authorities in Germany, the European Union and elsewhere, including the CSDR, which came into force in September 2014 and is the main piece of legislation applicable to the Issuer. The Issuer is also subject to substantial and evolving prudential regulations promulgated by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**"). The other areas where policy and regulatory changes could have an impact on the Issuer include, but are not limited to:

- (i) monetary policies, interest rates, crisis management, asset quality review, recovery and resolution and other policies of central banks and regulatory authorities;
- (ii) changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Issuer operates;
- (iii) increased capital requirements and changes relating to capital treatment;
- (iv) changes in, and rules on, competition and pricing environments;
- (v) developments in the financial reporting environment;
- (vi) stress-testing exercises to which financial institutions are subject;
- (vii) implementation of conflicting or incompatible regulatory requirements in different jurisdictions relating to the same products or transactions;
- (viii) changes to policies aimed at combating money laundering, bribery and terrorist financing and enforcing compliance with economic sanctions;
- (ix) unfavourable developments producing social instability or legal uncertainty; and
- (x) regulatory compliance risk arising from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry.

For more information on the regulatory regime applicable to the Issuer please see "*Description of the Issuer – Regulatory Framework*".

Laws and regulations of the type described above can significantly affect the way that the Issuer does business by restricting the scope of its existing businesses, limiting its ability to expand its product and service offerings, limiting its ability to pursue acquisitions, increasing the Issuer's operating costs, and/or making its products and services more

expensive for clients, all of which could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

In addition, non-compliance could lead to fines, public reprimands, damage to reputation, criminal and civil penalties, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

*The Issuer may face competitive disadvantages, or may lose or impede its business opportunities, if it does not receive necessary or timely regulatory approvals for new business initiatives.*

The Issuer operates regulated businesses in multiple jurisdictions, in particular based on the passporting of its license granted under the CSDR into other member states of the European Union. Regulators in each of these countries regulate in particular central security depositories, banking and financial services institutions through the adoption and enforcement of rules governing the business conduct and financial responsibility of such entities and individuals associated with them. The Issuer's initiatives in these jurisdictions with regulatory implications must be approved by the relevant authorities in each of these countries. In particular, the Issuer may from time to time seek to engage in new business activities, some of which may require changes to its processes, its organisational documents or rules that may also require approvals or additional passporting procedures.

Any delay or denial of a requested approval or passporting could cause the Issuer to lose business opportunities, slow its ability to integrate its different markets or slow or impede its ability to change its governance practices. The Issuer's competitive position could be significantly weakened if its competitors are able to obtain regulatory approval for new functionalities faster, or with less cost or difficulties, or if approval is not required for the Issuer's competitors but is required for the Issuer. In addition, as the Issuer seeks to expand its product base, it could become subject to the oversight of additional regulatory bodies. As a consequence, any delay or denial of requested approvals or passporting could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer is subject to significant litigation risks and other liabilities.*

The Issuer is subject to a comprehensive range of legal obligations. As a result, the Issuer is exposed to the risk that legal proceedings may be brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Issuer is successful.

Please see "*Description of the Issuer – Litigation*" for a description of the significant legal proceedings of the Issuer.

An adverse result with respect to any of these various proceedings or a failure to manage these could have a negative impact on the Issuer's reputation and could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

### ***Financial Risks***

*The Issuer's business may be adversely affected by credit risks associated with its securities settlement activities and from its cash investments.*

The Issuer is subject to credit risk in connection with its securities settlement activities and from its cash investments arising from the failure by obligors of the Issuer to perform (due to inability or unwillingness) their financial obligations to the Issuer on time and in full. In the scope of its activities, the Issuer's obligors are defined as borrowing participants, cash correspondent banks and depositories, treasury counterparts and issuers of securities in the investment portfolio.

As a central securities depository offering settlement limits, the Issuer has operating exposures to participants and other counterparties, such as cash correspondent banks and depositories. The Issuer extends short-term secured uncommitted credit to its participants to facilitate the settlement of securities transactions. When a buyer does not have sufficient cash in its account to settle a transaction, temporary credit can be extended which allows settlement to take place efficiently. Generally, the duration of this exposure is less than 24 hours (i.e. intra-day), but the duration varies with the source of exposure. In unforeseen circumstances (primarily as the result of settlement failures or

delayed credits from participants) part of the operating exposure can become an end-of-day overdraft, retained in the books of the Issuer until the next day.

The Issuer also faces credit risk from financial institutions on its cash investments as part of its treasury activities resulting from the intra-day use of its cash correspondent network and from short-term placements of participants' end-of-day cash positions in the market with its counterparties.

Although the Issuer seeks to mitigate its credit risk through its risk management framework (see "*Description of the Issuer – Risk Management – Management of Credit Risk*"), any failure to effectively manage these risks could have a negative impact on the Issuer's reputation and a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer is exposed to market price risk resulting from adverse changes in interest rates, foreign exchange rates and other market prices.*

Market price risk is the uncertainty of future earnings and of the value of assets and liabilities (on or off-balance sheet) due to changes in interest rates, foreign exchange rates and other market prices. The Issuer believes that it faces relatively low levels of market risk as it does not engage in any activity that is not considered as part of its normal business or a consequence of its clients' activity and as such it does not engage in trading activity. Further, as a central securities depository, the Issuer follows a restrictive investment policy. The Issuer is not involved in proprietary trading activities and does not maintain a trading book. Thus, the Issuer's investment activities, i.e. the placement of customer cash and the investment of its own liquidity, are allocated to the non-trading book in accordance with the CRR.

Notwithstanding the above, the Issuer continues to bear a degree of market price risk which is mainly driven by equity price risk from the portion of the Deutsche Börse Group pension contractual trust agreement allocated to the Issuer and to a smaller extent by foreign-exchange risk from balance sheet items and interest rate risk.

Although the Issuer seeks to mitigate its market price risk through its risk management framework (see "*Description of the Issuer – Risk Management – Management of Market Price Risk*"), any failure to effectively manage these risks could have a negative impact on the Issuer's reputation and a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer is exposed to liquidity risk and may lack sufficient liquidity to meet its daily payment obligations or may incur increased refinancing costs.*

Liquidity risk is the risk that the Issuer may be unable to meet its daily payment obligations and other payments when they are due or that they can only be met through the raising of funds at uneconomic rates. The Issuer provides liquidity to offer efficient custody services and to facilitate settlement on a delivery versus payment basis. This liquidity bridges what is mainly intra-day imbalances in clients' cashflows. As a result, any unforeseen inability of participants to fulfil their settlement and payment obligations may increase demand for the Issuer's liquidity and create an imbalance such that the Issuer may consequently lack sufficient liquidity to meet its own daily payment obligations and facilitate settlement, or could incur increased refinancing costs as a result of liquidity bottlenecks.

Although the Issuer seeks to mitigate its liquidity risk through its risk management framework (see "*Description of the Issuer – Risk Management – Management of Liquidity Risk*"), any failure to effectively manage these risks could have a negative impact on the Issuer's reputation and a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

### ***Business Risks***

*Adverse economic and legal conditions and disruptions in financial markets could negatively affect clearing activities and thereby the Issuer's business.*

General economic conditions affect the overall level of custody and settlement activity which directly impact the Issuer's results of operations. A significant portion of the Issuer's revenue will depend, either directly or indirectly,

on transaction-based fees that, in turn, depend upon the volume of financial instruments settled and the Issuer's ability to attract and maintain order flow, both in absolute terms and relative to other market centres.

The last several years have been characterised by increased political and economic uncertainty in Europe, and numerous factors continue to contribute to the considerable uncertainty going forward. In Europe, potential future changes to monetary policy, continued doubts about the future of the Eurozone (as well as questions about the European Union more generally in connection with the United Kingdom's exit from the European Union), the impact of negative interest rates or tariff conflicts, insufficient deleveraging in the private and public sectors, a halt in implementing structural and financial reforms and an elevated level of political uncertainty could adversely affect the Issuer's operations.

Uncertainties concerning the outlook and future economic environment have been exacerbated by the outbreak of SARS-CoV-2 first identified in December 2019 and its associated diseases ("**Covid-19**"). The rapid growth of the outbreak of Covid-19 and the existing uncertainties regarding the further progression of the crisis means that only very limited exact forecasts can be made regarding the further impact on the global economy as well as consequences resulting therefrom. However, it is clear that measures aimed at mitigating a further expansion of Covid-19, such as restrictions on travel, imposition of quarantines, prolonged closures of workplaces, or curfews or other social distancing measures, are likely to have a material adverse effect on the global economy and financial markets.

Adverse economic conditions may result in a decline in settlement volume and a decrease of custody fees, which may adversely affect the Issuer's revenues and future growth. Declines in volumes may impact the Issuer's market share or pricing structures.

The major share of the Issuer's customer base is part of the financial market, meaning that the Issuer's credit exposures are highly concentrated to the financial sector. The Issuer could therefore be adversely affected by negative developments of the financial sector as a whole or in part. A lack of investor confidence in the financial markets could also have a negative effect on the Issuer's financial performance. Over the last few years and in particular since the start of the Covid-19 crisis, global financial markets and economic conditions have been volatile, in particular for financial services companies that are the Issuer's most significant customers. These conditions have resulted in outflows of customer funds and securities, losses resulting from declining asset values, defaults on securities, reduced liquidity and regulatory and legislative changes. In the event of a significant and sustained decline in settlement volumes, regulatory or legislative changes that result in reduced trading activity, heightened capital maintenance requirements, changes to its contract specifications that are not viewed favourable by its market participants or significant defaults by issuers of debt leading to market disruption, the Issuer would lose revenue, and its inability to quickly reduce infrastructure and overhead expenses could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer faces significant competition in the markets in which it operates.*

The Issuer faces significant competition, particularly in the areas of settlement and custody of international securities. Regulation is driving an increasing commoditisation of settlement functions and with it, the expectation that competition will intensify among providers, as clients rationalise their central securities depository relationships. Along with the likelihood of further consolidation of central securities depositories, there is a risk of the possible arrival of new entrants in the market which may be able to leverage new technology in order to gain competitive advantage. This creates a risk of disruption to the Issuer's current business model, which could have a negative effect. Furthermore, the Issuer's competitors may be better positioned to take advantage of rationalisation and consolidation in the industry and may thereby gain a competitive advantage or increase an existing competitive advantage over the Issuer.

In addition, the markets in which the Issuer operates are characterised by intense price competition. The Issuer expects that consolidation in the financial sector will persist and that clients in both the domestic and international markets will merge or outsource back-office activities to service providers due to the continued increase in regulatory requirements. These larger clients or externally handled portfolios could then switch to a higher discount level, which may lead to a decline in average fees. In particular, the pricing model for settlement services has changed in response to competitive market conditions. In recent years, some of the Issuer's competitors have engaged in aggressive pricing strategies. It is likely that the Issuer will continue to experience significant pricing pressure and that some of its

competitors will seek to increase their share of the market by reducing their fees or by offering other forms of financial or other incentives. Profit margins could also decline if the Issuer reduces pricing in response, particularly in light of the substantially fixed cost nature of the settlement businesses of the Issuer.

Although the Issuer monitors the market in order to assess and address the materiality of these risks, if there was an increase in the number of new entrants in the market, a rapid deployment of new technology in competition with the activities of the Issuer or sustained price competition, this could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer intends to continue offering new products, enter into or increase its presence in new markets and attract new customers, which will involve risks. The Issuer may not be successful in offering new products or identifying opportunities.*

The Issuer intends to continue to explore and pursue opportunities to strengthen its business and grow the company. In doing so, the Issuer may launch new products and enter into or increase its presence in other markets. In relation to the expansion of its business, the Issuer may incur risks which may be material. The Issuer may spend substantial time and money developing new products or improving current product offerings. If these product offerings are not successful, the Issuer may miss a potential market opportunity and not be able to offset the cost of such initiatives. The Issuer may enter into or increase its presence in markets that already possess established competitors who may enjoy the protection of barriers to entry. In addition, offering new products requires substantial time and attention of its management team, which could prevent the management team from successfully overseeing other initiatives. If the Issuer is unable to expand its business to successfully compete, this could have a material adverse effect on its business and cash flows, financial condition and results of operations.

*The Issuer depends on large customers.*

A considerable portion of the Issuer's revenues are derived from business conducted by the Issuer with institutional clients and large financial institutions. The Issuer's 10 largest customers accounted for almost 65 per cent. of its sales revenues in 2019. Loss of all or a substantial portion of settlement volumes of any of the Issuer's large customers for whatever reason could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer may not be able to retain and/or attract personnel that are key to the Issuer's business.*

The Issuer's success is dependent upon the experience and industry knowledge of its management personnel and the contributions of qualified personnel to operate its business and execute its business plans. There is surplus demand in the employment market for specialists in a number of fields, such as in the information technology field, and the Issuer competes for employees with a large number of other enterprises in these industries. Should the Issuer be unsuccessful in recruiting and retaining an adequate number of qualified employees in the future, this could have a material adverse effect on its business and cash-flows, financial condition and results of operations.

*The Issuer may be unable to deliver on its corporate objectives.*

It is possible that the Issuer's business model is not able to deliver its corporate objectives as a result of its inability to implement internal changes or external changes in the environment in which it operates, or the inherent uncertainty associated with business planning over a medium to long-term horizon. Any such failure by the Issuer to manage such risks could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*Upcoming legislation may lead to significant changes in the competitive environment and may have a major impact on the overall market infrastructure and result in increased costs and expenses. Furthermore, uncertainties in connection with the development and implementation of new regulations may reduce the level of activities of the Issuer.*

Significant new regulatory requirements, as well as legal developments and draft proposals for potential future legislation, continue to impact either the Issuer or its customers and markets in which it operates. These include, for

example, the CSDR and its potential review (CSDR II), the Basel III framework, Capital Requirements Directive (CRD V) and Capital Requirements Regulation (CRR II), Securities Financing Transactions Regulation (SFTR), Shareholders Rights Directive (SRD II), AIFMD and UCITS V, the Capital Markets Union and evolving regulatory initiatives around digital securities, DLT technology, cybersecurity, data strategy, environment, social and governance (ESG), and sustainable finance, among others. Requirements for compliance with regulations such as these may increase costs and expenses or limit the potential for further development of some areas of the Issuer's activity.

If any of the legislation mentioned above or any other legislation that might be adopted in the future adversely affects the legal and regulatory environment surrounding the markets in which the Issuer operates, or the market perceptions thereof, it may make it difficult for the Issuer to compete with its competitors in different jurisdictions. Additionally, the reforms of the legislative framework lead to uncertainties in the context of the regulatory framework for financial markets and the Issuer's businesses, which may reduce the levels of activity of the Issuer.

The Issuer is highly dependent upon the levels and nature of activity in its markets. It is expected that market participants will change their behaviour in response to these new regulations. To the extent that the above regulatory changes cause market participants to reduce the levels or restrict the nature of activity in these markets, this could have an adverse effect on the Issuer's results, financial condition and prospects.

If and when legislative proposals are adopted, and/or if any other legislation relevant to the Issuer's business is adopted or amended, this could adversely impact the businesses of the Issuer in various and significant ways and this could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

*The Issuer could be adversely affected by the impact of the Brexit on customers and markets.*

The orderly exit of the United Kingdom from the European Union ("**Brexit**") on 31 January 2020 allows for a transition period up to the end of 2020, which may be extended once by up to two years. EU law shall apply in and for the UK during the transition period although the UK will have no co-determination right in the EU institutions. The UK will also remain a part of the EU single market and the EU customs union in this time. The EU and the UK are expected to negotiate a free trade agreement during the transition period. The risk of an unregulated Brexit from January 2021 onwards remains if an agreement cannot be reached within this timeframe. The risk therefore remains that, following the transition period, the UK will be considered as a third country and UK market participants will lose their 'passporting' rights to access to the EU – and vice versa. Access to the EU internal market will only be possible through licensing of a subsidiary in the European Union or via third country rules based on equivalence decision by the EU Commission and recognition or registration with European Securities and Markets Authority (ESMA). This has led to significant uncertainty for market participants and may, in particular, have a negative impact on the Issuer's business with UK based customers. This could have a material adverse effect on the Issuer's business and cash flows, financial condition and results of operations.

## **Risks relating to the Notes**

### ***Risk relating to the nature of the Notes***

*The Notes may not be a suitable investment for all investors*

Potential investors should consider whether an investment in the Notes is appropriate in their respective circumstances and should consult with their legal, business, and tax advisors to determine the consequences of an investment in the Notes and to get their own idea about the investment.

An investment in the Notes is only suitable for investors who

- possess the required knowledge and experience in financial and business matters to evaluate the chances and risks of an investment in the Notes and the information contained or incorporated by reference into the Prospectus;

- have access to, and knowledge of, appropriate analytical tools to evaluate such chances and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Notes will have on their overall investment portfolio;
- understand thoroughly the terms of the Notes and are familiar with the behaviour of the financial markets;
- are capable of bearing the economic risk of an investment in the Notes, including where the currency for principal payments is different from the potential investor's currency;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all; and
- are able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic and other factors that may affect its investment and ability to bear the applicable risks.

*Risks in connection with the implementation of a resolution regime for banks*

On 15 May 2014, the European Parliament and the Council of the European Union adopted a directive for establishing a framework for the recovery and resolution of credit institutions and investment firms (the so-called Bank Recovery and Resolution Directive ("**BRRD**")). The BRRD (as amended from time to time, in particular by Directive (EU) 2019/879 of the European Parliament and of the Council – "**BRRD II**") was also implemented in Germany through the Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**SAG**"), which became effective on 1 January 2015 (and is currently subject to further review and amendments with a view to implementing the changes resulting from BRRD II into German law). For credit institutions established in the eurozone that are supervised within the framework of the Single Supervisory Mechanism ("**SSM**"), Regulation (EU) No 806/2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism and a single bank resolution fund and amending Regulation (EU) No 1093/2010 ("**SRM Regulation**", as amended from time to time, in particular by Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 – "**SRMR II**") provides for a coherent application of the resolution provisions across the SSM with effect since 1 January 2016.

Under the SRM Regulation and SRMR II, the Issuer is subject to the resolution decisions that might be taken by the European Single Resolution Board and in close cooperation with the European Central Bank, the European Commission and the national resolution authorities. The SRM's decisions are executed by the competent German authority, BaFin.

The SRM Regulation and SRMR II include inter alia potential loss participation of creditors of credit institutions. Accordingly, the competent resolution authorities shall be given the authority to write down the claims of unsecured creditors of a failing institution and to convert debt claims into equity (so-called "**bail-in tool**"), transfer assets, rights and liabilities to a bridge bank or an asset management vehicle, sell the credit institution or its business to a third party or change the maturity or the interest rate of the instruments if certain requirements are met ("**Resolution Tools**").

Under the bail-in tool, the competent resolution authority shall have the power, upon certain trigger events, to cancel existing shares, to write down liabilities eligible for bail-in (i.e. own funds instruments and other subordinated debt and even non-subordinated debt (such as the Notes), subject to exceptions in respect of certain liabilities) of a failing credit institution or to convert such eligible liabilities of a failing credit institution into shares or other instruments of ownership at certain rates of conversion in order to strengthen the credit institution's financial position and allow it to continue as a going concern subject to appropriate restructuring.

Pursuant to the SRM Regulation and SRMR II, any write-down (or conversion into equity) shall not result in an early redemption. Consequently, any amounts so written down would be irrevocably lost and the holders of such instruments would cease to have any claims thereunder, regardless whether or not the bank's financial position is restored.

Furthermore, the competent resolution authority may transfer all or parts of the assets, rights and liabilities of the institution to a bridge bank, a publicly controlled entity holding such assets, rights or liabilities with a view to reselling them. Under the asset separation tool, the resolution authority is empowered to transfer assets, rights or

liabilities to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value. By making use of the sale of business tool, the resolution authority is enabled to direct the sale of the respective credit institution or parts or the whole of its business to a third party without requiring the shareholder's consent. Under the aforementioned Resolution Tools, the assets will no longer be available for meeting the claims of the Noteholders. Therefore, the capacity of the firm to meet its repayment obligations to the Noteholders may be significantly limited.

In addition, or alternatively, the resolution authorities may alter the maturity of the Notes and suspend the payments under the Notes for a certain period in case of a resolution. The provisions of the SRM Regulation, SRMR II or of the similar provisions under the SAG may severely affect the rights of the holders of the Notes in the event that conditions for resolution of the Issuer are met. This may result in the loss of their entire investment and could – also before the conditions for resolution are met (and resolution is initiated) – adversely affect the market price of relevant Notes.

If the resolution authorities were to apply the bail-in-tool on indebtedness of the Issuer other than the Notes, such application will not constitute an event of default under the Notes and will therefore not entitle the Noteholders to declare their Notes due and demand immediate redemption.

*The Notes are long-term securities.*

The Issuer will redeem the Notes on the Maturity Date, unless they have been previously redeemed or repurchased and cancelled.

The Noteholders will only be entitled to request a redemption of their Notes prior to the Maturity Date upon occurrence of a Change of Control Event or an event of default (each as described in the Terms and Conditions).

There is also no guarantee that an active public market in the Notes will develop. In an illiquid market, an investor might not be able to sell Notes at any time at fair market prices or at all.

Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Notes until their Maturity Date and may not recover their investment before the end of this period.

*Risks related to the effective subordination of the Notes*

Under the Terms and Conditions, the Issuer will not be restricted from providing security interests over its assets.

To the extent the Issuer provides security interests over its assets for the benefit of other indebtedness without also securing the Notes, the Notes will be effectively junior to such debt to the extent of such assets.

As a result of the foregoing, holders of (present or future) secured debt of the Issuer may recover disproportionately more on their claims than the Noteholders in an insolvency, bankruptcy or similar proceeding. The Issuer may not have sufficient assets remaining to make payments under the Notes.

*The Notes do not contain any financial covenants*

Neither the Issuer nor any of its subsidiaries will be restricted from incurring additional unsecured debt or other liabilities, including debt ranking equal to the obligations under or in connection with the Notes.

If the Issuer incurs additional debt or liabilities, the Issuer's ability to pay its obligations under the Notes could be adversely affected. Such issuance of further debt could further reduce the amount recoverable by the Noteholders upon liquidation of the Issuer.

Noteholders will not be protected under the terms of the Notes in the event of a highly leveraged transaction, a reorganization or a restructuring, merger or similar transaction that may adversely affect Noteholders.

*Despite the fact that the Notes will not bear interest, the Noteholders are exposed to risks relating to fixed interest rate notes*

The Noteholders are exposed to the risk that the prices of the Notes can fall as a result of changes in the interest rate on the market. The Notes will not bear interest and this nominal interest rate of 0.000 per cent. *per annum* is fixed



for the entire period of the Notes. However, the current interest rate on the capital market ("market interest rate") typically changes on a daily basis. As the market interest rate changes, the price of securities with a fixed interest rate also changes – but in the opposite direction. If the market interest rate increases, the price of securities with a fixed interest rate typically falls until the yield of such instrument approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate security typically increases, until the yield of such instrument is approximately equal to the market interest rate. Noteholders should be aware that movements of the market interest rate can adversely affect the market price of the Notes and can lead to losses for Noteholders if they sell their Notes.

In addition, the credit spread of the Issuer, on which the fixed interest rate of 0.000 per cent. *per annum* was based, may change. A credit spread is the margin payable by the Issuer to the Noteholders as a premium for the assumed credit risk of the Issuer. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price. Factors influencing the credit spread include, among other things, the creditworthiness and rating of the Issuer, probability of default, recovery rate, remaining term to maturity of obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a positive or negative effect.

Investors are exposed to the risk that the credit spread of the Issuer widens, resulting in a decrease in the price of the Notes.

*Noteholders are subject to the risk of a partial or total failure of the Issuer to make redemption payments*

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Noteholders are subject to the risk of a partial or total failure of the Issuer to make redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer, the higher the risk of loss (see also "*Risks relating to the Issuer*" above). A materialisation of the credit risk may result in partial or total failure of the Issuer to make redemption payments under the Notes.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless be of that opinion. Market participants may in particular be of such opinion if market participants' assessment of the creditworthiness of corporate debtors in general or debtors operating in the industries sector adversely change. If any of these risks occur, third parties would only be willing to purchase the Notes for a lower price than before the materialisation of said risk. The market value of the Notes may therefore decrease.

***Risk relating to specific provisions in the terms and conditions of the Notes***

*The Issuer may call and redeem the Notes prior to the Maturity Date*

The Issuer may, at its option, call and redeem the Notes on each Business Day in a three-month period prior to the Maturity Date.

The Issuer may call the Notes for redemption (in whole but not in part) at any time at the Make-Whole Redemption Amount.

The "**Make-Whole Redemption Amount**" will be the higher of the Principal Amount of the Notes and their Present Value (as defined in the Terms and Conditions).

In addition, the Issuer may, at its option, call and redeem each the Notes at any time upon occurrence of certain changes in taxation or if 80 per cent. or more in principal amount of the Notes initially issued have been redeemed or purchased.

In the event that the Issuer exercises the option to call and redeem the Notes, the Noteholders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

*Risks in connection with the Application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen, "SchVG")*

Since the Terms and Conditions of the Notes provide for meetings of Noteholders or the taking of votes without a meeting, the Terms and Conditions of the Notes may be amended by majority resolution of the Noteholders and a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. The rules pertaining to resolutions of Noteholders are set out in the SchVG and are largely mandatory. Pursuant to the SchVG the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding. As such majority resolution is binding on all Noteholders, certain rights of a Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled.

Since the Terms and Conditions provide that the Noteholders are entitled to appoint a Noteholders' Representative by a majority resolution, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' Representative who is then exclusively responsible to claim and enforce the rights of all Noteholders.

***Market and other risks relating to the Notes***

*Risk of change in market value*

The market value of the Notes is influenced by a change in the creditworthiness (or the perception thereof) of the Issuer and by the credit rating of the Issuer and a number of other factors including, but not limited to, market interest and rate of return and certain market expectations with regard to the Issuer making use of a right to call the Notes for redemption.

The value of the Notes depends on a number of interacting factors, including, but not limited to, economic and political events in Germany or elsewhere, factors affecting the capital markets in general and the stock exchanges on which the Notes are traded. The price at which a Noteholder can sell the Notes might be considerably below the issue price or the purchase price paid by such Noteholder.

*There is no active public trading market for the Notes*

There is currently no secondary market for the Notes.

Application has been made to the Luxembourg Stock Exchange to list the Notes on the Official List of the Luxembourg Stock Exchange and for admission to trading of the Notes on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of MiFID II, and, therefore, not an EU-regulated market.

There can, however, be no assurance regarding the future development of a liquid secondary market for the Notes or the ability of Noteholders to sell their Notes or the price at which Noteholders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by declines in the market for debt securities generally. Such a decline may affect any liquidity and trading of the Notes independent of the Issuer's financial performance and prospects. In an illiquid market, an investor might not be able to sell the Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

*Risk of change in rating*

Ratings assigned to the Issuer by certain independent rating agencies are an indicator of the Issuer's ability to meet its obligations in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. The market

value of the Notes from time to time is likely to depend upon the level of credit rating assigned to the long-term debt of the Issuer. Rating agencies may change, suspend or withdraw their ratings at short notice. A rating's change, suspension or withdrawal may affect the price and the market value of the outstanding Notes. An investor may thus incur financial disadvantages as he may not be able to sell the Notes at a fair price. The Notes are expected to be assigned a credit rating by S&P Global Ratings Europe Limited. The rating may not reflect the potential impact of all risks related to the structure, market and additional factors discussed herein, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the respective rating agency at any time.

*An investment in the Notes may be subject to the risk of inflation*

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Notes. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

*There may be transaction costs and/or charges in connection with the purchase or sale of the Notes*

When the Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). These incidental costs may significantly reduce or eliminate any profit from holding the Notes.

*The income under the Notes may be reduced by taxes*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor.

*No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Prospectus*

The Terms and Conditions of the Notes are based on German law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to German law or administrative practice or the official application or interpretation of German law after the date of this Prospectus.

*A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes*

Each potential investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A potential investor may not rely on the Issuer, the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Without independent review and advice, an investor may not adequately understand the risks inherent with an investment in the Notes and may lose parts or all of its capital invested without taking such or other risks into consideration before investing in the Notes.

*Exchange rate risks and exchange controls*

The Notes are denominated in Euro. Potential investors should bear in mind that an investment in the Notes could involve currency risks. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the investor's currency) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the Euro would decrease (i) the investor's currency-equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes and (iii) the investor's currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Noteholders may receive less principal than expected, or no principal at all.

## USE OF PROCEEDS

In connection with the issue of the Notes, the Issuer will receive net proceeds of approximately EUR 350,882,000.

The Central Securities Depositories Regulation (Regulation (EU) No 909/2014 (the "**CSDR**")) requires the Issuer, for the provision of banking-type ancillary services (see "*Description of the Issuer – Regulatory Framework*"), to mitigate liquidity risks by using "Qualifying Liquid Resources" ("**QLR**") to support its day-to-day business as well as to handle stress scenarios. In this context, the Issuer intends to use the net proceeds from the issuance of the Notes primarily to improve its liquidity position by increasing its QLR. The net proceeds from the issuance of the Notes are intended to be re-invested in safe assets in line with financial risk policies to minimize credit and market risks.

## TERMS AND CONDITIONS OF THE NOTES

### ANLEIHEBEDINGUNGEN

#### § 1 BESTIMMTE DEFINITIONEN UND AUSLEGUNG

Soweit aus dem Zusammenhang nicht etwas anderes hervorgeht, haben die nachfolgenden Begriffe in diesen Anleihebedingungen die folgende Bedeutung:

"**Abgezinsten Marktwert**" hat die in § 5(5)(a) festgelegte Bedeutung.

"**Anleihebedingungen**" bezeichnet diese Bedingungen der Schuldverschreibungen.

"**Anleihegläubiger**" bezeichnet jeden Inhaber eines Miteigentumsanteils oder vergleichbaren Rechts an der Globalurkunde.

"**Benchmark-Rendite**" hat die in § 5(5)(a) festgelegte Bedeutung.

"**Berechnungsstelle**" hat die in § 9(2) festgelegte Bedeutung.

"**Brutto-Ausgleichs-Ereignis**" hat die in § 5(2) festgelegte Bedeutung.

"**Clearingsystem**" bedeutet jeweils folgendes: Clearstream Banking S.A. (42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg) ("**CBL**") und Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**") (CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**") sowie jeder Funktionsnachfolger.

"**Dauerglobalurkunde**" hat die in § 2(3)(b) festgelegte Bedeutung.

"**Emittentin**" ist die Clearstream Banking AG.

"**Endfälligkeitstag**" ist der 1. Dezember 2025.

"**Geschäftstag**" bezeichnet jeden Kalendertag (außer einen Samstag oder einen Sonntag), an dem sowohl das Clearingsystem als auch das Trans-European Automated Real-time Gross settlement Express Transfer system 2 ("**TARGET**") betriebsbereit sind.

"**Globalurkunde**" hat die in § 2(3)(b) festgelegte Bedeutung.

"**Hauptzahlstelle**" hat die in § 9(1) festgelegte Bedeutung.

"**Kontrollstichtag**" hat die in § 13(1) festgelegte Bedeutung.

"**Kontrollwechsel**" hat die in § 13(1) festgelegte Bedeutung.

"**Kontrollwechsel-Ereignis**" hat die in § 13(1) festgelegte Bedeutung.

"**Kontrollwechselmitteilung**" hat die in § 13(1) festgelegte Bedeutung.

### TERMS AND CONDITIONS

#### § 1 CERTAIN DEFINITIONS AND INTERPRETATION

Unless the context otherwise requires, the following terms shall have the following meanings in these Terms and Conditions:

"**Present Value**" has the meaning specified in § 5(5)(a).

"**Terms and Conditions**" means these terms and conditions of the Notes.

"**Noteholder**" means any holder of a proportional co-ownership participation or similar right in the Global Note.

"**Benchmark Yield**" has the meaning specified in § 5(5)(a).

"**Calculation Agent**" has the meaning specified in § 9(2).

"**Gross-up Event**" has the meaning specified in § 5(2).

"**Clearing System**" means each of the following: Clearstream Banking S.A. (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) ("**CBL**") and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity.

"**Permanent Global Note**" has the meaning specified in § 2(3)(b).

"**Issuer**" means Clearstream Banking AG.

"**Maturity Date**" means 1 December 2025.

"**Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as the Trans-European Automated Real-time Gross settlement Express Transfer system 2 ("**TARGET**") are open.

"**Global Note**" has the meaning specified in § 2(3)(b).

"**Principal Paying Agent**" has the meaning specified in § 9(1).

"**Control Record Date**" has the meaning specified in § 13(1).

"**Change of Control**" has the meaning specified in § 13(1).

"**Change of Control Event**" has the meaning specified in § 13(1).

"**Change of Control Notice**" has the meaning specified in § 13(1).

"**Kontrollwechsel-Zeitraum**" hat die in § 13(1) festgelegte Bedeutung.

"**Make-Whole Rückzahlungsbetrag**" hat die in § 5(5)(a) festgelegte Bedeutung.

"**Negatives Rating-Ereignis**" hat die in § 13(1) festgelegte Bedeutung.

"**Nennbetrag**" hat die in § 2(1) festgelegte Bedeutung.

"**Optionalen Rückzahlungstag**" hat die in § 5(4) festgelegte Bedeutung.

"**Qualifizierte Mehrheit**" hat die in § 14(2) festgelegte Bedeutung.

"**Rückzahlungs-Berechnungstag**" hat die in § 5(5)(a) festgelegte Bedeutung.

"**Schuldverschreibungen**" hat die in § 2(1) festgelegte Bedeutung.

"**SchVG**" hat die in § 14(1) festgelegte Bedeutung.

"**Vereinigte Staaten**" bezeichnet die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und der Northern Mariana Islands).

"**Vorläufige Globalurkunde**" hat die in § 2(3)(a) festgelegte Bedeutung.

"**Zahlstellen**" und "**Zahlstelle**" hat die in § 9(2) festgelegte Bedeutung.

"**Change of Control Period**" has the meaning specified in § 13(1).

"**Make-Whole Redemption Amount**" has the meaning specified in § 5(5)(a).

"**Negative Rating Event**" has the meaning specified in § 13(1).

"**Principal Amount**" has the meaning specified in § 2(1).

"**Optional Redemption Date**" has the meaning specified in § 5(4).

"**Qualified Majority**" has the meaning specified in § 14(2).

"**Redemption Calculation Date**" has the meaning specified in § 5(5)(a).

"**Notes**" has the meaning specified in § 2(1).

"**SchVG**" has the meaning specified in § 14(1).

"**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

"**Temporary Global Note**" has the meaning specified in § 2(3)(a).

"**Paying Agents**" and "**Paying Agent**" has the meaning specified in § 9(2).

## § 2 NENNBETRAG UND STÜCKELUNG; VERBRIEFUNG; VERWAHRUNG; ÜBERTRAGBARKEIT

### (1) **Nennbetrag.**

Die Emission der Schuldverschreibungen der Emittentin ist eingeteilt in auf den Inhaber lautende Teilschuldverschreibungen (die "**Schuldverschreibungen**") mit einem Nennbetrag von jeweils EUR 100.000 (in Worten: Euro einhunderttausend) (der "**Nennbetrag**") und einem Gesamtnennbetrag von EUR 350.000.000 (in Worten: dreihundertfünfzig Millionen Euro).

### (2) **Verbriefung.**

Die Schuldverschreibungen lauten auf den Inhaber.

### (3) **Vorläufige Globalurkunde – Austausch gegen Dauerglobalurkunde.**

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Inhaber-Globalurkunde (die "**Vorläufige Globalurkunde**") verbrieft.

(b) Die Vorläufige Globalurkunde wird an einem Tag, der nicht weniger als 40 Tage nach dem Tag der Ausgabe der Vorläufigen Globalurkunde liegt, gegen eine dauerhafte

## § 2 PRINCIPAL AMOUNT AND DENOMINATION; FORM; DEPOSIT; TRANSFERABILITY

### (1) **Principal Amount.**

The issue of the notes by the Issuer is divided into notes (the "**Notes**") payable to bearer with a principal amount of EUR 100,000 (in words: euro one hundred thousand) each (the "**Principal Amount**") and in the aggregate principal amount of EUR 350,000,000 (in words: three hundred and fifty million euro).

### (2) **Form.**

The Notes are being issued in bearer form.

### (3) **Temporary Global Note – Exchange against Permanent Global Note.**

(a) The Notes are initially represented by a temporary global bearer note (the "**Temporary Global Note**").

(b) The Temporary Global Note shall be exchanged by a permanent global note (the "**Permanent Global Note**") (the Temporary Global Note and the Permanent Global Note are each a "**Global**

Inhaber-Globalurkunde (die "Dauerglobalurkunde") (die Vorläufige Globalurkunde und die Dauerglobalurkunde sind jeweils eine "Globalurkunde") ausgetauscht. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die Vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Person(en) ist (sind) (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der Vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese Vorläufige Globalurkunde gemäß § 2(3)(b) auszutauschen. Wertpapiere, die im Austausch für die Vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten zu liefern.

- (c) Ein Recht der Anleihegläubiger auf Ausgabe und Lieferung von Einzelurkunden besteht nicht.
- (d) Jede Globalurkunde trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist jeweils von der Hauptzahlstelle oder in deren Namen mit einer Kontrollunterschrift versehen.

#### (4) Clearing System.

Jede Globalurkunde wird von einem oder für das Clearingsystem verwahrt bis, im Fall der Dauerglobalurkunde, sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind.

Die Schuldverschreibungen werden in Form einer New Global Note ("NGN") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.

#### (5) Register der ICSDs.

Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind maßgeblicher Nachweis des Gesamtnennbetrages der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine für zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Betrag der so verbrieften Schuldverschreibungen ist maßgebliche Bescheinigung des Inhalts des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.

Bei jeder Rückzahlung von durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die

**Note**) on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is/are not (a) U.S. person(s) (other than certain financial institutions or certain persons holding Notes through such financial institutions). Any such certification received on or after the 40th day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to § 2(3)(b). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States.

- (c) The right of the Noteholders to require the issue and delivery of definitive notes is excluded.
- (d) The Global Notes shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Principal Paying Agent.

#### (4) Clearing System.

The Global Notes will each be kept in custody by or on behalf of the Clearing System until, in the case of the Permanent Global Note, all obligations of the Issuer under the Notes have been satisfied.

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

#### (5) Records of the ICSDs.

The aggregate principal amount of Notes represented by the global note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the global note and, for these purposes, a statement issued by a ICSD stating the amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption being made in respect of, or purchase and cancellation of, any of the Notes represented by the global note the Issuer shall procure that details of any redemption or purchase and



Emittentin sicher, dass die Einzelheiten der Rückzahlung oder des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden

### § 3

#### STATUS IN DER LIQUIDATION ODER DER INSOLVENZ DER EMITTENTIN

##### (1) Status.

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind mit Ausnahme von Verbindlichkeiten, die nach geltenden Rechtsvorschriften vorrangig sind.

##### (2) Hinweis auf die Möglichkeit von gesetzlichen Abwicklungsmaßnahmen.

Die zuständige Abwicklungsbehörde kann nach den für die Emittentin geltenden Abwicklungsvorschriften Verbindlichkeiten der Emittentin aus den Schuldverschreibungen vor einer Insolvenz, Auflösung oder Liquidation der Emittentin herabschreiben (bis einschließlich auf null), in Eigenkapital (zum Beispiel Stammaktien der Emittentin) umwandeln oder sonstige Abwicklungsmaßnahmen treffen, einschließlich (jedoch nicht ausschließlich) einer Übertragung der Verbindlichkeiten auf einen anderen Rechtsträger, einer Änderung der Anleihebedingungen oder einer Löschung der Schuldverschreibungen.

### § 4

#### KEINE ZINSEN

##### (1) Keine Verzinsung.

Auf die Schuldverschreibungen werden keine periodischen Zinszahlungen geleistet.

##### (2) Auflaufende Zinsen.

Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag, an dem der Nennbetrag dem Clearingsystem zur Verfügung gestellt worden ist. Die Verzinsung des ausstehenden Nennbetrages ab dem Tag der Fälligkeit (einschließlich) bis zum Tag der Rückzahlung der

cancellation (as the case may be) in respect of the global note shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the global note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.

### § 3

#### STATUS IN THE LIQUIDATION OR INSOLVENCY OF THE ISSUER

##### (1) Status.

The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

##### (2) Note on the possibility of statutory resolution measures.

Prior to any insolvency, dissolution or liquidation of the Issuer, under bank resolution laws applicable to the Issuer from time to time, the competent resolution authority may write down (including to zero) the obligations of the Issuer under the Notes, convert them into equity (e.g. ordinary shares of the Issuer) or apply any other resolution measure, including (but not limited to) any transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes.

### § 4

#### NO INTEREST

##### (1) No Interest.

There will not be any periodic payments of interest on the Notes.

##### (2) Accrual of interest.

If the Issuer shall fail to redeem the Notes when due, interest shall accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law<sup>1</sup>, from and including the due date to but excluding such date as principal has been placed at the disposal of the Clearing System.

Schuldverschreibungen (ausschließlich) erfolgt zum gesetzlich festgelegten Satz für Verzugszinsen.<sup>1</sup>

## § 5 RÜCKZAHLUNG UND RÜCKKAUF

### (1) Rückzahlung bei Endfälligkeit.

Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Nennbetrag am Endfälligkeitstag zurückgezahlt.

### (2) Vorzeitige Rückzahlung aus steuerlichen Gründen.

Bei Eintritt eines Brutto-Ausgleichereignisses ist die Emittentin berechtigt, durch Kündigungserklärung unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen die ausstehenden Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Kündigungserklärung festgelegten Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Kündigungserklärung festgelegten Rückzahlungstag zu ihrem Nennbetrag zurückzuzahlen.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge (wie in § 7 beschrieben) zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von solchen zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 11 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

Ein "**Brutto-Ausgleichereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (die Emittentin gibt der Hauptzahlstelle eine Kopie davon), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Ausgabebetrag der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften der Bundesrepublik Deutschland, einer ihrer Gebietskörperschaften oder zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung

## § 5 REDEMPTION AND PURCHASE

### (1) Redemption at maturity.

Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Principal Amount on the Maturity Date.

### (2) Early redemption for tax reasons.

If a Gross-up Event occurs, the Issuer may, upon giving not less than 30 and not more than 60 days prior notice of redemption, call the outstanding Notes for early redemption (in whole but not in part) at any time with effect as of the redemption date specified in the notice. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at their Principal Amount on the redemption date specified in the notice.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such additional amounts (as described in § 7) were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such additional amounts does not remain in effect.

Any such notice shall be given in accordance with § 11. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

A "**Gross-up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (the Issuer shall provide the Principal Paying Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Federal Republic of Germany, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for

<sup>1</sup> Der gesetzliche Verzugszins beträgt für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 BGB.

The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 paragraph 1, 247 German Civil Code (*Bürgerliches Gesetzbuch*).

findet), oder aufgrund einer Änderung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, zusätzliche Beträge gemäß § 7 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

**(3) Vorzeitige Rückzahlung bei geringem ausstehenden Gesamtnennbetrag.**

Wenn zu irgendeinem Zeitpunkt der Gesamtnennbetrag der ausstehenden und nicht von der Emittentin gehaltenen Schuldverschreibungen auf 20 % oder weniger des Gesamtnennbetrags der Schuldverschreibungen, die ursprünglich ausgegeben wurden (einschließlich Schuldverschreibungen, die gemäß § 10 zusätzlich begeben worden sind), fällt, ist die Emittentin berechtigt, durch Kündigungserklärung unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen die ausstehenden Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Kündigungserklärung festgelegten Rückzahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Kündigungserklärung festgelegten Rückzahlungstag zu ihrem Nennbetrag zurückzuzahlen.

Eine solche Kündigung hat gemäß § 11 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

**(4) Vorzeitige Rückzahlung nach Wahl der Emittentin.**

Die Emittentin ist berechtigt, unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Tagen die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu jedem Optionalen Rückzahlungstag (wie nachstehend definiert) zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Kündigungserklärung festgelegten Optionalen Rückzahlungstag zu ihrem Nennbetrag zurückzuzahlen.

"**Optionalen Rückzahlungstag**" bezeichnet jeden Geschäftstag während des Zeitraums ab dem 1. September 2025 (einschließlich) bis zum Fälligkeitstag (ausschließlich).

the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective on or after the issue date of the Notes, the Issuer has or will become obliged to pay additional amounts pursuant to § 7 on the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

**(3) Redemption in case of minimal outstanding aggregate principal amount.**

If at any time the aggregate principal amount of the Notes outstanding and held by persons other than the Issuer is equal to or less than 20 per cent. of the aggregate principal amount of the Notes originally issued (including any Notes additionally issued in accordance with § 10), the Issuer may, upon giving not less than 30 and not more than 60 days prior notice of redemption, call the outstanding Notes for early redemption (in whole but not in part) at any time with effect as of the redemption date specified in the notice. If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at their Principal Amount on the redemption date specified in the notice.

Any such notice shall be given in accordance with § 11. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**(4) Early redemption at the option of the Issuer.**

The Issuer may, upon giving not less than 15 and not more than 30 days prior notice of redemption, call the Notes for early redemption (in whole but not in part) with effect as of each Optional Redemption Date (as defined below). If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem the Notes at their Principal Amount on the Optional Redemption Date specified in the notice.

"**Optional Redemption Date**" means each Business Day during the period from and including 1 September 2025 to but excluding the Maturity Date.

Eine solche Kündigung hat gemäß § 11 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

**(5) Vorzeitige Rückzahlung nach Wahl der Emittentin zum Make-Whole Rückzahlungsbetrag.**

- (a) Die Emittentin ist berechtigt, unter Einhaltung einer Frist von nicht weniger als 15 und nicht mehr als 30 Tagen die Schuldverschreibungen (insgesamt und nicht nur teilweise) jederzeit mit Wirkung zu dem in der Kündigungserklärung gemäß § 5(5)(b) festgelegten Kündigungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt, ist die Emittentin verpflichtet, jede Schuldverschreibung an dem in der Kündigungserklärung gemäß § 5(5)(b) festgelegten Rückzahlungstag zu ihrem Make-Whole Rückzahlungsbetrag zurückzuzahlen.

Der "**Make-Whole Rückzahlungsbetrag**" je Schuldverschreibung entspricht dem Abgezinsten Marktwert, mindestens jedoch dem Nennbetrag. Der Make-Whole Rückzahlungsbetrag wird von der Berechnungsstelle berechnet.

Der "**Abgezinsten Marktwert**" ist der auf den für die Rückzahlung festgelegten Tag abgezinsten Nennbetrag.

Die Berechnungsstelle errechnet den Abgezinsten Marktwert gemäß der Marktkonvention, wobei sie die Benchmark-Rendite zuzüglich 0,10 % zugrunde legt.

Die "**Benchmark-Rendite**" bezeichnet die am Rückzahlungs-Berechnungstag bestehende Rendite der entsprechenden Bundesanleihe 0,000% fällig Oktober 2025 (ISIN DE0001141828) oder sollte die Rendite zu diesem Zeitpunkt nicht verfügbar sein, bezeichnet die Benchmark-Rendite eine ersetzende Referenzanleihe, die von der Berechnungsstelle festgesetzt wird, die jeweils mit einer Laufzeit, die mit der verbleibenden Restlaufzeit der Schuldverschreibungen bis zum Fälligkeitstag vergleichbar ist, und die im Zeitpunkt der Auswahlentscheidung und entsprechend der üblichen Finanzmarktpraxis zur Preisbestimmung bei Neuemissionen von Unternehmensanleihen mit einer bis zum Fälligkeitstag der Schuldverschreibung vergleichbaren Laufzeit verwendet werden würde.

"**Rückzahlungs-Berechnungstag**" ist der sechste Geschäftstag vor dem Tag, an dem die Schuldverschreibungen gemäß diesem § 5(5) zurückgezahlt werden.

Any such notice shall be given in accordance with § 11. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

**(5) Early Redemption at the Option of the Issuer at Make-Whole Redemption Amount.**

- (a) The Issuer may, upon giving not less than 15 and not more than 30 days prior notice of redemption, call the Notes for early redemption (in whole but not in part) at any time with effect on the redemption date specified in the notice in accordance with § 5(5)(b). If the Issuer exercises its call right in accordance with sentence 1, the Issuer shall redeem each Note at its Make-Whole Redemption Amount on the redemption date specified in the notice in accordance with § 5(5)(b).

The "**Make-Whole Redemption Amount**" per Note shall be the higher of the Present Value and Principal Amount. The Make-Whole Redemption Amount shall be calculated by the Calculation Agent.

The "**Present Value**" will be the Principal Amount discounted to the date fixed for redemption.

The Calculation Agent will calculate the Present Value in accordance with market convention, using the Benchmark Yield plus 0.10 per cent.

The "**Benchmark Yield**" means the yield at the Redemption Calculation Date of the corresponding Bundesanleihe 0.000% due October 2025 (ISIN DE0001141828), and if such yield is not available at that time the Benchmark Yield shall be the yield of a substitute benchmark security chosen by the Calculation Agent, in each case as having a maturity comparable to the remaining term of the Notes to the Maturity Date, that would be used at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Maturity Date.

"**Redemption Calculation Date**" means the sixth Business Day prior to the date on which the Notes are redeemed in accordance with this § 5(5).

- (b) Die Kündigung ist den Anleihegläubigern durch die Emittentin gemäß § 11 bekannt zu machen und sollte zumindest Angaben enthalten über:
- (i) den Rückzahlungstag; sowie
  - (ii) den Namen und die Geschäftsstelle der Institution, welche durch die Emittentin als Berechnungsstelle ernannt wurde.

**(6) Rückkauf von Schuldverschreibungen.**

Die Emittentin kann unter Einhaltung der einschlägigen gesetzlichen Vorschriften jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis kaufen. Derartig erworbene Schuldverschreibungen können entwertet, gehalten oder wieder veräußert werden.

**§ 6  
ZAHLUNGEN**

**(1) Zahlung von Kapital.**

Die Emittentin verpflichtet sich, Kapital sowie alle sonstigen auf die Schuldverschreibungen zahlbaren Beträge bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital erfolgt an die Zahlstelle zur Weiterleitung an das Clearingsystem oder an dessen Order zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an das Clearingsystem oder an dessen Order, vorausgesetzt, die Schuldverschreibungen werden noch durch das Clearingsystem gehalten, befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen.

**(2) Geltende steuerliche und sonstige Vorschriften.**

Sämtliche Zahlungen stehen in allen Fällen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien, Verordnungen oder Verträgen, denen sich die Emittentin oder eine Zahlstelle unterworfen haben. Die Emittentin ist nicht für irgendwelche Steuern oder Abgaben gleich welcher Art verantwortlich, die aufgrund solcher gesetzlichen Vorschriften, Richtlinien, Verordnungen oder Verträgen auferlegt oder erhoben werden. Dies berührt jedoch nicht die Bestimmungen von § 7. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt.

**(3) Geschäftstagekonvention.**

Falls ein Fälligkeitstag für die Zahlung von Kapital kein Geschäftstag ist, erfolgt die Zahlung erst am nächstfolgenden Geschäftstag; Anleihegläubiger sind nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

**(4) Lieferung und Zahlungen nur außerhalb der Vereinigten Staaten.**

Unbeschadet der übrigen Bestimmungen in diesen Anleihebedingungen erfolgen die Lieferung oder Kapitalrückzahlungen bezüglich der

- (b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with § 11 and shall at least specify:
- (i) the redemption date; and
  - (ii) name and address of the institution appointed by the Issuer as Calculation Agent.

**(6) Purchase of Notes.**

The Issuer may, in compliance with applicable laws, at any time purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

**§ 6  
PAYMENTS**

**(1) Payment of principal.**

The Issuer undertakes to pay, as and when due, principal as well as all other amounts payable on the Notes in euro. Payment of principal on the Notes shall be made to the Paying Agent for on-payment to the Clearing System or to its order for credit to the respective accountholders. Payments to the Clearing System or to its order shall, to the extent of amounts so paid and provided the Notes are still held on behalf of the Clearing System, constitute the discharge of the Issuer from its corresponding obligations under the Notes.

**(2) Applicable fiscal and other laws.**

All payments will be subject in all cases to any applicable fiscal and other laws, directives and regulations or agreements to which the Issuer or any Paying Agent agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of § 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

**(3) Business Day Convention.**

If the due date for any payment of principal is not a Business Day, payment shall be effected only on the next Business Day; a Noteholder shall have no right to claim payment of any interest or other damages in respect of such delay in payment.

**(4) No delivery or payment except outside United States.**

Notwithstanding any other provision of these Terms and Conditions, no delivery or payment of principal in respect of the Notes, whether in cash, reference

Schuldverschreibungen, sei es in bar oder in anderer Form, ausschließlich außerhalb der Vereinigten Staaten.

**(5) Bezugnahmen auf Kapital.**

Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Make-Whole Rückzahlungsbetrag der Schuldverschreibungen; sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge; sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge.

**§ 7**

**BESTEUERUNG UND BRUTTOAUSGLEICH**

**(1) Zusätzliche Beträge.**

Sämtliche Zahlungen auf die Schuldverschreibungen (seien es Kapital oder sonstige Beträge) sind von der Emittentin frei von und ohne Einbehalt oder Abzug von oder wegen gegenwärtiger oder zukünftiger Steuern oder sonstiger Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder einer ihrer Gebietskörperschaften oder einer dortigen zur Steuererhebung ermächtigten Behörde oder Stelle erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Wenn die Emittentin zu einem solchen Einbehalt oder Abzug gesetzlich verpflichtet ist, wird die Emittentin diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die von jedem Anleihegläubiger zu empfangenden Beträge nach einem solchen Abzug oder Einbehalt den Beträgen entsprechen, die der Anleihegläubiger ohne einen solchen Abzug oder Einbehalt erhalten hätte. Derartige zusätzliche Beträge müssen jedoch nicht für Zahlungen auf eine Schuldverschreibung erbracht werden, wenn:

- (a) die Zahlungen an einen Anleihegläubiger oder in dessen Namen an einen Dritten geleistet werden, der solchen Steuern, Abgaben, Steuerveranlagungen oder behördlichen Gebühren in Bezug auf diese Schuldverschreibung deshalb unterliegt, weil er eine andere Beziehung zur Rechtsordnung der Emittentin hat als den bloßen Umstand, dass er (i) Inhaber einer solchen Schuldverschreibung ist oder (ii) Kapital oder einen anderen Betrag in Bezug auf eine solche Schuldverschreibung erhält; oder
- (b) die Schuldverschreibung von einem Anleihegläubiger oder im Namen eines Anleihegläubigers zur Auszahlung vorgelegt wird, welcher einen solchen Einbehalt oder Abzug nach rechtzeitiger Aufforderung durch die Emittentin durch Vorlage eines Formulars oder einer Urkunde und/oder durch Abgabe einer Nichtansässigkeits-Erklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines

property or otherwise, shall be made unless such payment is made outside the United States.

**(5) References to Principal.**

References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Make-Whole Redemption Amount of the Notes; any additional amounts which may be payable under § 7; and any other amounts which may be payable under or in respect of the Notes.

**§ 7**

**TAXATION AND GROSS-UP**

**(1) Additional Amounts.**

All amounts payable (whether in respect of principal or otherwise) in respect of the Notes by the Issuer will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Federal Republic of Germany or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required by law to make such withholding or deduction, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholder after such deduction or withholding shall equal the respective amounts which would have been receivable by such Noteholder in the absence of such deduction or withholding; except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

- (a) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having a connection with the jurisdiction of incorporation of the Issuer other than (i) the mere holding of such Note or (ii) the receipt of principal or other amounts in respect of such Note; or
- (b) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund upon timely request by the Issuer; or

Erstattungsanspruches hätte vermeiden können;  
oder

- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

## **(2) Andere Steuerrechtsordnung.**

Falls die Emittentin zu irgendeinem Zeitpunkt einer anderen Steuerrechtsordnung als der gegenwärtig maßgeblichen Steuerrechtsordnung der Emittentin oder einer zusätzlichen Steuerrechtsordnung unterworfen wird, sollen die Bezugnahmen in diesem § 7 auf die Rechtsordnung der Emittentin als Bezugnahmen auf die Rechtsordnung der Emittentin und/oder diese anderen Rechtsordnungen gelesen und ausgelegt werden.

## **§ 8**

### **VORLEGUNGSFRIST**

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird auf 10 Jahre verkürzt.

## **§ 9**

### **ZAHLSTELLEN UND BERECHNUNGSSTELLE**

#### **(1) Hauptzahlstelle.**

Die HSBC Bank plc ist die Hauptzahlstelle ("**Hauptzahlstelle**"). Die Geschäftsstelle der Hauptzahlstelle lautet wie folgt:

**HSBC Bank plc**  
8 Canada Square

- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which Issuer's country of domicile for tax purposes or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding.

In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**") or indemnify any investor in relation to any FATCA Withholding.

## **(2) Different taxing jurisdiction.**

If at any time the Issuer becomes subject to any taxing jurisdiction other than, or in addition to, the currently relevant taxing jurisdiction of the Issuer, references in this § 7 to the jurisdiction of the Issuer shall be read and construed as references to the jurisdiction of the Issuer and/or to such other jurisdiction(s).

## **§ 8**

### **PRESENTATION PERIOD**

The term for presentation of the Notes as laid down in § 801 paragraph 1, sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to 10 years.

## **§ 9**

### **PAYING AGENTS AND CALCULATION AGENT**

#### **(1) Principal Paying Agent.**

HSBC Bank plc shall be the principal paying agent ("**Principal Paying Agent**"). The specified office of the Principal Paying Agent shall be:

**HSBC Bank plc**  
8 Canada Square

London E14 5HQ  
Vereinigtes Königreich

**(2) Berechnungsstelle.**

"**Berechnungsstelle**" bezeichnet eine unabhängige international anerkannte Bank oder eine unabhängige Finanzberaterin mit einschlägiger Expertise, die von der Emittentin rechtzeitig vor Ausübung des Kündigungsrechts gemäß § 5(5) ausgewählt und bestellt werden wird.

**(3) Änderung der Bestellung oder Abberufung.**

Die Emittentin behält sich das Recht vor, jederzeit eine weitere Zahlstelle (gemeinsam mit der Hauptzahlstelle, die "**Zahlstellen**", und jede eine "**Zahlstelle**") oder eine andere Zahlstelle oder Berechnungsstelle zu beauftragen oder eine solche Beauftragung zu ändern oder zu beenden und zusätzliche oder Nachfolge-Zahlstellen zu ernennen. Den Anleihegläubigern werden Änderungen in Bezug auf die Zahlstellen und/oder die Berechnungsstelle oder ihre jeweils angegebenen Geschäftsstellen umgehend gemäß § 11 mitgeteilt.

**(4) Erfüllungsgehilfen der Emittentin.**

Die Zahlstellen und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keine Verpflichtungen gegenüber den Anleihegläubigern; es wird kein Vertrags-, Auftrags- oder Treuhandverhältnis zwischen ihnen und den Anleihegläubigern begründet.

**§ 10  
AUFSTOCKUNG**

Die Emittentin darf von Zeit zu Zeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (oder mit abweichender Ausstattung, sofern sich diese Abweichung nur auf den Emissionspreis bezieht) wie diese Schuldverschreibungen begeben, so dass die neu begebenen Schuldverschreibungen mit diesen eine einheitliche Serie bilden.

**§ 11  
MITTEILUNGEN**

**(1) Mitteilungen.**

- (a) Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, außer den in § 14(6) vorgesehenen Bekanntmachungen, die ausschließlich gemäß den Bestimmungen des SchVG erfolgen, werden auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Jede Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.
- (b) Die Emittentin ist berechtigt, alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearingsystem zur Weiterleitung an die Anleihegläubiger zu

London E14 5HQ  
United Kingdom

**(2) Calculation Agent.**

"**Calculation Agent**" means an independent bank of international standing or an independent financial adviser with relevant expertise, which will be selected and appointed by the Issuer in good time prior to the exercise of the call right in accordance with § 5(5).

**(3) Variation or Termination of Appointment.**

The Issuer reserves the right at any time to appoint an additional paying agent (together with the Principal Paying Agent, the "**Paying Agents**", and each a "**Paying Agent**") or to vary or terminate the appointment of any Paying Agent or the Calculation Agent and to appoint successor or additional Paying Agents. Notice of any change in the Paying Agents or the Calculation Agent or in the specified office of any Paying Agent or the Calculation Agent will be given without undue delay to the Noteholders in accordance with § 11.

**(4) Agents of the Issuer.**

The Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of contract, agency or trust for or with any of the Noteholders.

**§ 10  
FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Noteholders issue further notes having the same Terms and Conditions as such Notes in all respects (or in all respects except for the issue price) so as to form a single series with the Notes.

**§ 11  
NOTICES**

**(1) Notices.**

- (a) All notices regarding the Notes, other than any notices stipulated in § 14(6) which shall be made exclusively pursuant to the provisions of the SchVG, will be published on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date on which such notices was first published).
- (b) The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders to the extent that the rules of the



übermitteln, sofern die Regularien der Börse, an der die Schuldverschreibungen auf Veranlassung der Emittentin notiert sind, dies zulassen.

**(2) Wirksamwerden der Mitteilungen.**

Jede Bekanntmachung wird am Tag der ersten Veröffentlichung (oder, soweit eine Veröffentlichung in einer Zeitung vorgeschrieben ist, am Tag, an dem die Veröffentlichung in der vorgeschriebenen Zeitung erfolgt ist) oder am vierten Geschäftstag nach dem Tag einer Weitergabe an das Clearingsystem wirksam.

**§ 12  
KÜNDIGUNGSGRÜNDE**

**(1) Kündigungsgründe.**

Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zu verlangen, falls:

- (a) die Emittentin Kapital nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitstag zahlt; oder
- (b) die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung nicht geheilt werden kann oder, falls sie geheilt werden kann, länger als 45 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; oder
- (c) die Emittentin eine Verbindlichkeit aus aufgenommenen Geldern oder einen Betrag aus einer Garantie für eine solche Verbindlichkeit mit einem Euro 50.000.000 (oder den entsprechenden Betrag in jeder anderen Währung) übersteigenden Betrag innerhalb von 30 Tagen nach dem Fälligkeitstag nicht zahlt oder ein Gläubiger infolge Vorliegens eines Kündigungsgrundes (wie auch immer beschrieben) berechtigt ist, eine solche Verbindlichkeit vorzeitig fällig zu stellen oder falls eine für solche Verbindlichkeiten bestellte Sicherheit für die oder von den daraus berechtigten Gläubiger(n) in Anspruch genommen wird; oder
- (d) die Emittentin ihre Zahlungsunfähigkeit bekanntgibt oder ihre Zahlungen einstellt; oder
- (e) ein Gericht ein Insolvenzverfahren gegen die Emittentin eröffnet, oder die Emittentin ein solches Verfahren einleitet oder beantragt, oder ein Dritter ein Insolvenzverfahren gegen die Emittentin beantragt und ein solches Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist; oder
- (f) die Emittentin in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des

stock exchange on which the Notes are listed at the initiative of the Issuer so permit.

**(2) Effectiveness of notices.**

Any notice will be deemed to have been validly given on the date of the first publication (or, if required to be published in a newspaper, on the first date on which publication shall have been made in the required newspaper) or, as the case may be, on the fourth Business Day after the date of such delivery to the Clearing System.

**§ 12  
EVENTS OF DEFAULT**

**(1) Events of default.**

Each Noteholder shall be entitled to declare its Notes due and demand immediate redemption thereof at their Principal Amount in the event that:

- (a) the Issuer fails to pay principal within 30 days from the relevant due date, or
- (b) the Issuer fails duly to perform any other obligation arising from the Notes which failure is not capable of remedy or, if such failure is capable of remedy, such failure continues for more than 45 days after the Principal Paying Agent has received notice thereof from a Noteholder, or
- (c) the Issuer fails to pay, within 30 days after the due date, any indebtedness for borrowed money which exceeds Euro 50,000,000 (or its equivalent in any other currency) or any amount payable under any guarantee in respect of such indebtedness or any creditor is entitled to declare by reason of an event of default (howsoever described) that any such indebtedness is payable before its stated maturity or if a security granted therefor is enforced on behalf of or by the creditor(s) entitled thereto; or
- (d) the Issuer announces its inability to meet its financial obligations or ceases its payments; or
- (e) a court opens insolvency proceedings against the Issuer or the Issuer applies for or institutes such proceedings or offers, or a third party applies for insolvency proceedings against the Issuer and such proceedings are not discharged or stayed within 60 days, or
- (f) the Issuer goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such

Zusammenschlusses mit einer anderen Gesellschaft und diese Gesellschaft übernimmt alle Verpflichtungen, die die Emittentin im Zusammenhang mit diesen Schuldverschreibungen eingegangen ist; oder

- (g) in der Bundesrepublik Deutschland ein Gesetz, eine Verordnung oder behördliche Anordnung Geltung erlangt, durch welche die Emittentin rechtlich gehindert ist, die von ihr gemäß diesen Anleihebedingungen übernommenen Verpflichtungen zu erfüllen und diese Lage nicht binnen 90 Tagen behoben ist.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

Zur Klarstellung: Wenn die zuständigen Abwicklungsbehörden gemäß der Verordnung (EU) Nr. 806/2014 in ihrer jeweils gültigen Fassung ein so genanntes "Bail-in-Instrument" auf andere Verbindlichkeiten der Emittentin als die Schuldverschreibungen anwenden, stellt eine solche Anwendung keinen Fall des Vorliegens eines Kündigungsgrundes in Bezug auf die relevante Verbindlichkeit im Sinne des § 12(1)(c) dar.

## **(2) Quorum.**

In den Fällen des § 12(1)(b) und § 12(1)(c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in § 12(1)(a) und § 12(1)(d) bis (g) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Hauptzahlstelle Kündigungserklärungen von Anleihegläubigern von Schuldverschreibungen im Gesamtnennbetrag von mindestens 25 % der dann ausstehenden Schuldverschreibungen eingegangen sind.

## **(3) Kündigungserklärung.**

Eine Kündigung der Schuldverschreibungen gemäß § 12(1) ist in deutscher oder englischer Sprache gegenüber der Hauptzahlstelle zu erklären und in Textform an deren bezeichnete Geschäftsstelle zu übermitteln. Der Benachrichtigung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Anleihegläubiger zum Zeitpunkt der Abgabe der Benachrichtigung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung seiner Depotbank oder auf andere geeignete Weise erbracht werden.

## **§ 13 KONTROLLWECHSEL**

### **(1) Kontrollwechsel.**

Wenn ein Kontrollwechselereignis eintritt, wird die Emittentin sobald wie möglich, nachdem sie Kenntnis davon erhalten hat, den Kontrollstichtag bestimmen und den Eintritt des Kontrollwechselereignisses und den Kontrollstichtag gemäß § 11 bekannt machen (die "**Kontrollwechselmitteilung**").

company assumes all obligations contracted by the Issuer in connection with this issue, or

- (g) any governmental order, decree or enactment shall gain recognition in the Federal Republic of Germany whereby the Issuer is legally prevented from performing its obligations as set forth in these Terms and Conditions and this situation is not cured within 90 days.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

For the avoidance of doubt: If the competent resolution authorities under Regulation (EU) No 806/2014, as amended, were to apply a so called bail-in-tool on indebtedness of the Issuer other than the Notes, such application would not constitute an event of default under § 12(1)(c) in regards of such indebtedness.

## **(2) Quorum.**

In the events specified in § 12(1)(b) and § 12(1)(c), any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in § 12(1)(a) and § 12(1)(d) through (g) entitling Noteholders to declare their Notes due has occurred, become effective only when the Principal Paying Agent has received such notices from the Noteholders of at least 25 per cent. in aggregate principal amount of Notes then outstanding.

## **(3) Termination notice.**

Any notice declaring Notes due in accordance with § 12(1) shall be made in the German or English language delivered in text form to the specified office of the Principal Paying Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of its depository bank or in other appropriate manner.

## **§ 13 CHANGE OF CONTROL**

### **(1) Change of Control.**

If a Change of Control Event occurs, the Issuer will fix the Control Record Date and give notice in accordance with § 11 of the Change of Control Event and the Control Record Date as soon as practicable after becoming aware thereof (the "**Change of Control Notice**").

Ein "**Kontrollwechsel-Ereignis**" tritt ein, wenn

- (a) eine Person oder mehrere Personen (außer die Deutsche Börse Aktiengesellschaft oder eines ihrer direkten oder indirekten Tochterunternehmen), die abgestimmt handeln, oder einer oder mehrere Dritte, die im Auftrag einer solchen Person oder solchen Personen handeln, zu irgendeinem Zeitpunkt mittelbar oder unmittelbar (x) mehr als 50 % der Aktien der Emittentin oder (y) eine solche Anzahl von Aktien der Emittentin, auf die mehr als 50 % der bei Hauptversammlungen der Emittentin ausübenden Stimmrechte entfallen, erworben hat bzw. haben (jeweils ein "**Kontrollwechsel**"), und
- (b) entweder (x) in Erwartung eines Kontrollwechsels oder (y) während des Kontrollwechsel-Zeitraums ein Negatives Rating-Ereignis eintritt, mit der Maßgabe, dass im Fall eines erwarteten Kontrollwechsel-Ereignisses ein Kontrollwechsel-Ereignis nur dann als eingetreten gilt, wenn in der Folge tatsächlich ein Kontrollwechsel eintritt, und
- (c) die betreffende Ratingagentur öffentlich bekanntgibt oder der Emittentin schriftlich bestätigt, dass das in Absatz (ii) genannte Negative Rating-Ereignis insgesamt oder teilweise aufgrund des Eintritts oder erwarteten Eintritts des Kontrollwechsels eingetreten ist.

"**Kontrollstichtag**" bezeichnet den von der Emittentin in der Kontrollwechselmitteilung festgelegten Geschäftstag, der nicht weniger als 40 und nicht mehr als 60 Tage nach dem Tag der Bekanntmachung der Kontrollwechselmitteilung liegen darf.

Ein "**Kontrollwechsel-Zeitraum**" bezüglich eines Kontrollwechsels ist der Zeitraum, der 120 Tage nach der ersten öffentlichen Bekanntmachung des Kontrollwechsels endet.

Ein "**Negatives Rating-Ereignis**" bezüglich eines Kontrollwechsel-Ereignisses gilt als eingetreten, wenn das Rating, das eine der vorrangigen unbesicherten Verbindlichkeiten der Emittentin von Moody's Investors Services, Inc. ("**Moody's**") oder Standard & Poor's Rating Services, einem Unternehmen der McGraw-Hill Companies Inc. ("**Standard & Poor's**") oder von Fitch Ratings Limited ("**Fitch**") (oder den sie zu diesem Zeitpunkt ersetzenden Ratingagenturen) erhält, (i) um mindestens eine volle Ratingstufe herabgesetzt wird und diese Herabsetzung dazu führt, dass den vorrangigen unbesicherten Verbindlichkeiten der Emittentin ein Rating unterhalb von Baa3 durch Moody's oder unterhalb von BBB- durch Standard & Poor's oder Fitch erteilt wird, oder (ii) entzogen wird.

## (2) **Recht der Anleihegläubiger auf Rückzahlung.**

Falls die Emittentin gemäß § 13(1) ein Kontrollwechselereignis bekannt gemacht hat, ist jeder Anleihegläubiger nach seiner Wahl berechtigt, mit

A "**Change of Control Event**" shall occur if

- (a) any person or persons (other than Deutsche Börse Aktiengesellschaft or any of its direct or indirect subsidiaries) acting in concert or any third person or persons acting on behalf of such person(s) at any time acquire(s) directly or indirectly (x) more than 50 per cent. of the shares in the capital of the Issuer or (y) such number of shares in the capital of the Issuer granting more than 50 per cent. of the voting rights exercisable at general meetings of the Issuer (any such event being a "**Change of Control**"), and
- (b) either (x) in anticipation of a Change of Control or (y) during the Change of Control Period, there is a Negative Rating Event, provided that, in the case of an anticipated Change of Control, a Change of Control Event will be deemed to have occurred only if and when a Change of Control subsequently occurs, and
- (c) the relevant rating agency announces publicly or confirms in writing to the Issuer that the Negative Rating Event referred to in paragraph (ii) above resulted, in whole or in part, from the occurrence or anticipation of the Change of Control.

"**Control Record Date**" means the Business Day fixed by the Issuer in the Change of Control Notice which will be not less than 40 nor more than 60 days after the date in which the Change of Control Notice is published.

A "**Change of Control Period**" in respect of a Change of Control is the period ending 120 calendar days after the first public announcement of the Change of Control.

A "**Negative Rating Event**" shall be deemed to have occurred in respect of a Change of Control Event if the rating assigned to any of the Issuer's senior unsecured obligations by Moody's Investors Services, Inc. ("**Moody's**") or by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. ("**Standard & Poor's**") or by Fitch Ratings Limited ("**Fitch**") (or their respective equivalents at such time), (i) is reduced by at least one full rating notch, provided such reduction results in a rating of the Issuer's senior unsecured obligations below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch or (ii) is withdrawn.

## (2) **Noteholders' right to demand repayment.**

If the Issuer gives notice in accordance with § 13(1) of a Change of Control Event, each Noteholder may at his option on giving not less than 10 days' notice declare

einer Frist von mindestens 10 Tagen mit Wirkung zum Kontrollstichtag alle oder einzelne seiner Schuldverschreibungen, die noch nicht zurückgezahlt wurden, vorzeitig fällig zu stellen. In einem solchen Fall hat die Emittentin die betreffenden Schuldverschreibungen am Kontrollstichtag zu ihrem Nennbetrag zurückzuzahlen.

Eine Fälligestellung der Schuldverschreibungen gemäß diesem § 13(2) ist in deutscher oder englischer Sprache gegenüber der Hauptzahlstelle zu erklären und in Textform an deren bezeichnete Geschäftsstelle zu übermitteln. Die Erklärung ist unwiderruflich. Der Erklärung ist ein Nachweis beizufügen, aus dem sich ergibt, dass der betreffende Anleihegläubiger zum Zeitpunkt der Abgabe der Erklärung Inhaber der betreffenden Schuldverschreibung ist. Der Nachweis kann durch eine Bescheinigung der Depotbank oder auf andere geeignete Weise erbracht werden.

#### **§ 14 ÄNDERUNG DER ANLEIHEBEDINGUNGEN DURCH BESCHLUSS DER ANLEIHEGLÄUBIGER; GEMEINSAMER VERTRETER**

- (1) Die Emittentin kann die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen ("**SchVG**") in seiner jeweiligen gültigen Fassung ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5(3) SchVG vorgesehenen Maßnahmen, mit den in dem nachstehenden § 14(2) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.
- (2) Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5(3) Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75% der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**").
- (3) Die Anleihegläubiger können Beschlüsse in einer Gläubigerversammlung gemäß §§ 5 ff. SchVG oder im Wege einer Abstimmung ohne Versammlung gemäß § 18 und § 5 ff. SchVG fassen.

all or some only of its Notes not previously redeemed due which notice shall take effect on the Control Record Date. In such case the Issuer will redeem such Notes at their Principal Amount on the Control Record Date.

Any notice declaring Notes due in accordance with this § 13(2) shall be made in the German or English language delivered in text form to the specified office of the Principal Paying Agent together with proof that such Noteholder at the time of such notice is a holder of the relevant Notes by means of a certificate of his depositary bank or in other appropriate manner. Such notice is irrevocable.

#### **§ 14 AMENDMENTS TO THE TERMS AND CONDITIONS BY MAJORITY RESOLUTION OF THE NOTEHOLDERS; JOINT REPRESENTATIVE**

- (1) The Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seqq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (the "**SchVG**"), as amended from time to time. There will be no amendment of the Terms and Conditions without the Issuer's consent. In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, with such majority of the votes of the Noteholders as stated under § 14(2) below. A duly passed majority resolution shall be binding upon all Noteholders.
- (2) Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**").
- (3) The Noteholders can pass resolutions in a meeting (*Gläubigerversammlung*) in accordance with § 5 et seqq. of the SchVG or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 18 and §§ 5 et seqq. of the SchVG.

- (a) Die Teilnahme an der Gläubigerversammlung und die Ausübung der Stimmrechte ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss unter der in der Bekanntmachung der Einberufung mitgeteilten Adresse spätestens am dritten Tag vor der Gläubigerversammlung zugehen. Mit der Anmeldung müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 14(4)(a)(i) und (ii) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Absendung der Anmeldung (einschließlich) bis zum angegebenen Ende der Gläubigerversammlung (einschließlich) nicht übertragbar sind, nachweisen.
- (b) Zusammen mit der Stimmabgabe müssen die Anleihegläubiger ihre Berechtigung zur Teilnahme an der Abstimmung durch einen in Textform erstellten besonderen Nachweis der Depotbank gemäß § 15(4)(a)(i) und (ii) und durch Vorlage eines Sperrvermerks der Depotbank, aus dem hervorgeht, dass die betreffenden Schuldverschreibungen ab dem Tag der Stimmabgabe (einschließlich) bis zum letzten Tag des Abstimmungszeitraums (einschließlich) nicht übertragbar sind, nachweisen.
- (4) Wird für die Gläubigerversammlung gemäß § 14(3)(a) oder die Abstimmung ohne Versammlung gemäß § 14(3)(b) die mangelnde Beschlussfähigkeit festgestellt, kann – im Fall der Gläubigerversammlung – der Vorsitzende eine zweite Versammlung im Sinne von § 13(3) Satz 2 SchVG und – im Fall der Abstimmung ohne Versammlung – der Abstimmungsleiter eine zweite Versammlung im Sinne von § 13(3) Satz 3 SchVG einberufen. Die Teilnahme an der zweiten Versammlung und die Ausübung der Stimmrechte sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Für die Anmeldung der Anleihegläubiger zu einer zweiten Versammlung gelten die Bestimmungen des § 14(3)(a) entsprechend.
- (5) Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung
- (a) Attendance at the meeting and exercise of voting rights is subject to the Noteholders' registration. The registration must be received at the address stated in the convening notice no later than the third day preceding the meeting. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the depositary bank in accordance with § 14(4)(a)(i) and (ii) hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent to and including the stated end of the meeting.
- (b) Together with casting their votes, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of the depositary bank in accordance with § 15(4)(a)(i) and (ii) hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such vote has been cast to and including the day the voting period ends.
- (4) If it is ascertained that no quorum exists for the meeting pursuant to § 14(3)(a) or the vote without a meeting pursuant to § 14(3)(b), in case of a meeting, the chairman (*Vorsitzender*) may convene a second meeting in accordance with § 13(3) sentence 2 of the SchVG or, in case of a vote without a meeting, the scrutineer (*Abstimmungsleiter*) may convene a second meeting within the meaning of § 13(3) sentence 3 of the SchVG. Attendance at the second meeting and exercise of voting rights is subject to the Noteholders' registration. The provisions set out in § 14(3)(a) shall apply *mutatis mutandis* to the Noteholders' registration for a second meeting.
- (5) The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative.

des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen oder sonstigen wesentlichen Maßnahmen gemäß § 14(2) zuzustimmen.

- (6) Bekanntmachungen betreffend diesen § 14 erfolgen ausschließlich gemäß den Bestimmungen des SchVG.

### **§ 15 ANWENDBARES RECHT; ERFÜLLUNGORT; GERICHTSSTAND**

#### **(1) Anwendbares Recht.**

Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger und der Emittentin bestimmen sich ausschließlich nach deutschem Recht unter Ausschluss der Kollisionsnormen des deutschen internationalen Privatrechts.

#### **(2) Erfüllungsort.**

Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.

#### **(3) Gerichtsstand.**

(a) Die Emittentin erklärt sich unwiderruflich zugunsten der Anleihegläubiger damit einverstanden, dass die Gerichte in Frankfurt am Main, Bundesrepublik Deutschland, für alle Klagen, Prozesse und Verfahren (die "**Verfahren**") und die Beilegung aller Streitigkeiten, die aus oder im Zusammenhang mit den Schuldverschreibungen entstehen (die "**Rechtsstreitigkeiten**"), ausschließlich zuständig sind. Die Emittentin erkennt diesen Gerichtsstand zu diesem Zweck unwiderruflich an. Dies gilt nur vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem SchVG.

(b) Die Emittentin verzichtet unwiderruflich auf jede Einrede, die sie jetzt oder später dagegen geltend machen könnte, dass die zuständigen Gerichte von Frankfurt am Main als Gerichtsstand für die Anhörung und Entscheidung von Verfahren und die Beilegung von Rechtsstreitigkeiten benannt sind und erklärt sich damit einverstanden, keinen Einwand der Unzuständigkeit gegen eines dieser Gerichte zu erheben.

#### **(4) Geltendmachung von Rechten.**

Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle

Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent, in accordance with § 14(2) hereof, to a material change in the substance of the Terms and Conditions or other material matters.

- (6) Any notices concerning this § 14 shall be made exclusively pursuant to the provisions of the SchVG.

### **§ 15 GOVERNING LAW; PLACE OF PERFORMANCE; JURISDICTION**

#### **(1) Governing law.**

The form and contents of the Notes and the rights and obligations of the Noteholders and the Issuer shall be governed exclusively by, and construed in accordance with, German law without giving effect to the principles of conflict of laws thereof.

#### **(2) Place of Performance.**

Place of performance is Frankfurt am Main, Federal Republic of Germany.

#### **(3) Jurisdiction.**

(a) The Issuer irrevocably agrees for the benefit of the Noteholders that the courts of Frankfurt am Main, Federal Republic of Germany shall have jurisdiction to hear and determine any suit, trials and proceedings (the "**Proceedings**") and to settle any disputes which may arise out of or in connection with the Notes (the "**Legal Disputes**") and, for that purpose, the Issuer irrevocably submits to the exclusive jurisdiction of the courts of Frankfurt am Main. This is subject to any exclusive court of venue for specific legal proceedings in connection with the SchVG.

(b) The Issuer irrevocably waives any objection which they might now or hereafter have to the competent courts of Frankfurt am Main being nominated as the forum to hear and determine any Proceedings and to settle any Legal Disputes and agree not to claim that any such court is not a convenient or appropriate forum.

#### **(4) Enforcement of rights.**

Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate denomination

Anschrift des Anleihegläubigers bezeichnet, (ii) den gesamten Nennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearingsystem und der Hauptzahlstelle eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearingsystems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunde.

#### **§ 15 SPRACHE**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer unverbindlichen Übersetzung in die englische Sprache versehen. Der deutsche Wortlaut ist maßgeblich und allein rechtsverbindlich. Die englische Übersetzung ist unverbindlich und dient nur der Information.

of Notes credited on the date of such certificate to such Noteholder' s securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the Clearing System as well as to the Principal Paying Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System accountholder as well as (b) a copy of the Global Note certified by a duly authorised officer of the Clearing System or the Principal Paying Agent as being a true copy.

#### **§ 15 LANGUAGE**

These Terms and Conditions are drawn up in the German language and provided with a non-binding English language translation. The German version shall be decisive and the only legally binding version. The English translation is for convenience and for information purposes only.

## DESCRIPTION OF THE ISSUER

### General Information on the Issuer

#### *Incorporation, Corporate Seat, Duration*

Clearstream Banking AG (the "**Issuer**" or "**CBF**"), a German stock corporation (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, is registered in the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 7500 and maintains its registered seat (*Sitz*) in Frankfurt am Main. The Issuer's business address is Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany (+49 (0) 69 211 110). The Legal Entity Identifier (LEI) of the Issuer is 549300298FD7AS4PPU70.

The Issuer operates under the laws of the Federal Republic of Germany predominately in Germany.

The website of the Issuer is [www.clearstream.com](http://www.clearstream.com). The information on such website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

The Issuer is established for an unlimited period of time.

#### *Corporate Objectives*

The Issuer's corporate objectives, as stated in § 2 of its articles of incorporation (*Satzung*), include the operation of:

- a securities clearing and deposit bank and the performing of all tasks relating to this, including data and information transfer between shareholders, institutions and issuers as well as the provision of appropriate systems;
- a central accountancy and clearing office in order to facilitate the international securities clearing system; and
- a system for collateral provision and management.

#### *Financial Year*

The financial year of the Issuer is the calendar year.

#### *Auditors*

The Issuer's independent auditors are KPMG AG Wirtschaftsprüfungsgesellschaft, Klingelhöferstraße 18, 10785 Berlin ("**KPMG**"). KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*).

KPMG has audited the annual financial statements of the Issuer as of 31 December 2018 and 31 December 2019, respectively, and has issued in each case an unqualified opinion.

#### *Organisational Structure*

The Issuer is a wholly owned subsidiary of Clearstream Holding AG ("**Clearstream Holding**").

Clearstream Holding is licensed as a financial holding company as defined in Article 4 (1) Number 20 of Regulation (EU) 575/2013 of 26 June 2013 on minimum capital requirements ("**CRR**") and, together with its subsidiary companies (including Clearstream Banking S.A., Luxembourg ("**CBL**") and the Issuer), forms a financial holding group under German law (the "**Clearstream Group**").

Clearstream Holding was founded under the name Deutsche Börse Verwaltungs AG on 4 June 2007 in Frankfurt am Main. On 12 May 2009, this company was officially renamed Clearstream Holding AG. Clearstream Holding is headquartered in Germany and has its registered office at Mergenthalerallee 61, 60485 Frankfurt am Main, Germany.

Clearstream Holding is a wholly owned subsidiary of Deutsche Börse AG. Deutsche Börse AG is the parent company of Deutsche Börse Group. As of 31 March 2020, Deutsche Börse Group consisted of 71 consolidated subsidiaries. Deutsche Börse AG has received a "AA" rating (outlook: stable) from S&P Global Ratings Europe Limited ("**Standard & Poor's**").



The Issuer does not have any subsidiaries.

The following illustration provides a simplified overview of the corporate structure of the Clearstream Group and the position of the Issuer within the Clearstream Group (highlighted) as of the date of this Prospectus:



### ***Share Capital and Major Shareholders***

As of 31 December 2019, the share capital of the Issuer was EUR 25,000,000 and was divided into 25,000,000 ordinary registered shares with no par value. There are no other classes of shares besides the ordinary shares. There are no non-voting shares. All shares in the Issuer are fully paid up.

All shares in the Issuer are held by Clearstream Holding.

For the financial year 2019, the shareholder of the Issuer resolved on a dividend of EUR 4.93 per share (2018: EUR 3.70).

### ***Ratings***

The Issuer has received a "AA" rating<sup>2</sup> (outlook: stable) from Standard & Poor's which is in line with the rating of Deutsche Börse AG.<sup>3</sup>

## **Business Overview, Objectives and Strategies**

### ***Overview***

The Issuer is the sole central securities depository in Germany, providing the post-trade infrastructure for the German securities industry. As one of Europe's leading post-trade services providers, the Issuer facilitates the settlement of over the counter ("OTC") and stock exchange transactions on the German domestic market and plays an important

<sup>2</sup> Standard & Poor's defines "AA" as follows: An obligor rated "AA" has very strong financial security characteristics, differing only slightly from those rated higher. Standard & Poor's rating scale for the long-term credit ratings consists of the following categories: "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC" (in descending order). Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>3</sup> A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

role in contributing to the safety and efficiency of the financial markets, providing direct and secure access to domestic liquidity pools and a growing number of international markets.

The Issuer provides a broad range of custody, asset servicing and settlement services in relation to German and foreign securities, as well as global securities financing, collateral management and investment fund services. As the sole central securities depository in Germany, the Issuer offers its customers a number of custodial services in relation to their securities. In addition, the Issuer acts as a safekeeper and trustee in relation to asset- and commodity-backed securities. As of 31 December 2019, the Issuer held outstanding securities in collective safe custody with a market value of €7,951 billion and outstanding securities in non-collective safe custody with a market value of €1,315.7 billion.

In addition to its core custodial services, the Issuer settles transactions against payment or free of payment for all German securities and financial futures markets, as well as various global trading platforms. Through its CASCADE platform, the Issuer offers the settlement of both stock exchange trades and OTC transactions for the securities it keeps in collective safe custody by using the TARGET 2 Securities ("T2S") European securities settlement system. The Issuer also offers and performs administration services regarding rights deriving from the securities that it holds in custody for its customers.

The Issuer's clients are credit and financial services institutions based in Germany and abroad, including foreign central securities depositories similar to the Issuer, central counterparties as well as national, international and supranational organisations that provide financial services. As of 31 December 2019, the Issuer had 485 customers, 261 in the collective safe custody business and 224 in the non-collective safe custody business.

### ***Objectives and Strategy***

The Issuer is a part of Deutsche Börse Group. The goal of Deutsche Börse Group as a global market infrastructure provider is to contribute to the capital markets' stability, efficiency and integrity. In order to maintain and expand its leading position among exchange organisations, Deutsche Börse Group is pursuing the "Compass 2023" growth strategy. To achieve this strategic objective, Deutsche Börse Group is focusing on generating structural, organic growth, while at the same time accelerating non-organic growth through acquisitions in five defined business areas – namely Data/Index, Commodities, Foreign Exchange, Fixed Income and Investment Funds.

As part of an ongoing process, Deutsche Börse Group is reviewing its organic growth initiatives, focusing in particular on expansion into markets and asset classes characterised by structural growth, while attaching great importance to ensuring that the initiatives launched are implemented in a consistent, successful manner. As far as external growth opportunities are concerned, the focus is on strengthening existing high-growth areas, and on exploring new asset classes and services.

The Issuer's core business is the settlement and custody of financial assets. Both the trading and post-trading market environment have become more complex in recent years, and the Issuer's over-arching goal continues to be to streamline the post-trade services industry in the interest of its customers.

The Issuer's business model has been essentially revolving around the automation and standardisation of business that was previously conducted by agent banks on a more bespoke basis. Due to the historical and geopolitical circumstances in Europe, market infrastructure has developed in a piecemeal manner and is, to this day, still broadly constrained along national lines. With the advent of CSDR, roles of CSDs are becoming more formalised and defined, paving the way for greater intra-CSD competition. As the largest CSD in T2S, the Issuer believes it is ideally positioned as a single gateway for EU-wide market access. The Issuer remains committed to expanding the market coverage, trade flow source links as well as the pool of assets available on T2S, allowing customers to consolidate European domestic and international assets into a single pool of liquidity.

Alongside strengthening its core value proposition in the European custody space, the Issuer is pursuing break-out growth opportunities in new issuance services, the fast-growing market segment of investment funds, while in parallel undertaking the necessary investments in IT infrastructure needed to future-proof the business by paving the way towards new digital CSD services.

## Regulatory Framework

The Issuer is a central securities depository ("CSD") within the meaning of Article 2 (1) Number 1 of the CSDR and Section 1 (3) of the German Securities Deposit Act (*Depotgesetz – DepotG*). The Issuer is also authorised and regulated as a credit institution under the German Banking Act (*Kreditwesengesetz – KWG*). Accordingly, it is subject to requirements under the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "CRR") and to the supervision of BaFin, which operates in close cooperation with the Deutsche Bundesbank.

In addition, the Issuer is designated as an operator of securities settlement systems ("SSS") by the Deutsche Bundesbank in accordance with Section 24b (1) of the German Banking Act, transposing Article 10 (1) of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, as amended by Directive 2009/44/EC of the European Parliament and of the Council of 6 May 2009 and by Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010.

The Issuer was granted a licence by BaFin pursuant to Article 16 of the CSDR, effective from 21 January 2020. The licence is valid for the following core services (as well as non-banking-type ancillary services):

- *Notary Service*: initial recording of securities in a book-entry system;
- *Central Maintenance Service*: providing and maintaining securities accounts at the top tier level; and
- *Settlement Service*: operating a securities settlement system.

Further, the Issuer has filed an application with BaFin to be granted a license for the provision of banking-type ancillary services pursuant to Article 54 of the CSDR. The license will cover banking-type ancillary services, such as

- Providing of cash accounts to and accepting deposits from participants;
- Providing cash credit;
- Payment services;

directly related to core services or non-banking-type ancillary services. Until the decision is made on the license application, the Issuer is allowed to provide these services based on its authorisation as a credit institution under the German Banking Act (*Kreditwesengesetz – KWG*).

## Business Activities

The Issuer primarily provides custody and settlement services, with its custody business making the greatest contribution towards its net revenue. The revenue that is generated is mainly determined by the value of the securities held in its custody. Income from the Issuer's settlement business is largely dependent on the number of international and national transactions carried out by the Issuer via stock exchanges and OTC. Revenue is also generated by its provision of administration and investment funds services and its global securities financing businesses, which includes securities lending and collateral management services.

### *Custody*

German law in relation to securities deposits distinguishes between three different types of custody, which are also reflected in the functional and technical organisation of the Issuer and the custodial services it offers: collective safe custody ("CSC"), non-collective safe custody (i.e. book-entry credits on a fiduciary basis or trustee business) ("NCSC") and individual safe custody (also referred to as jacket custody).

### *Collective Safe Custody*

CSC is regulated under Section 5 of the German Securities Deposit Act. This states that fungible (i.e. freely negotiable) securities can be kept in safe custody with or via a CSD. If securities are issued under German law and evidenced by a global certificate, the law stipulates that they must be deposited with a CSD.

As a CSD, the Issuer creates a collective holding with the securities deposited by its customers, which are then eligible for securities transfers by book entry. The Issuer maintains links with numerous CSDs outside of Germany, allowing for securities kept with these CSDs to be included in the Issuer's collective safe custody service. Where CSD links exist (for example, mutual account connections to CSDs outside Germany which are subject to special requirements under Section 5 (4) of the German Securities Deposit Act), the securities deposited with these CSDs also form part of the collective holding.

The process for admission of securities to CSC by the Issuer is initiated by the applicant, the issuing bank (i.e. lead manager) or the relevant issuer. The applicant must be a credit institution and a customer of the Issuer. To simplify and shorten the admission process for certificates, warrants and certain types of bearer bonds, the Issuer offers its customers the eMission Service – an automated issuance platform, which serves as a single gateway for issuers and their agents to connect directly to the T2S markets. Issuers and issuing banks (lead managers) can use an internet portal to submit the terms and conditions of issue and the basic data for new issues of securities certificates to the Issuer, as well as to increase the nominal value of global certificates or to exchange global certificates and/or modify the terms and conditions for certificates and warrants. The Issuer issues the global securities certificate in physical form as required by the German securities deposit law.

As of 30 June 2020, the market value of outstanding securities held in collective safe custody by the Issuer amounted to EUR 8,014.1 billion (31 December 2019: EUR 7,951 billion, 31 December 2018: EUR 7,367.1 billion).

### *Non-collective Safe Custody*

Internationally, the Issuer provides custodial services for foreign securities held in NCSC. For securities that are not settled via the T2S platform, the Issuer keeps the positions in the form of book-entry credits on a fiduciary basis, using the technical infrastructure of its sister company CBL, which uses custodians in various countries for purposes of custody.

The Issuer also acts as a trustee to cover specific types of asset-backed bonds. With respect to commodity-backed bonds, the commodity is stored physically in its vaults.

As of 30 June 2020, the market value of outstanding securities held in non-collective safe custody by the Issuer amounted to EUR 1,359.4 billion (31 December 2019: EUR 1,315.7 billion, 31 December 2018: EUR 1,193.9 billion).

### *Individual Safe Custody*

The Issuer offers customers the option of lodging their own safe custody positions with CBF. The customers' positions are kept in individual safe custody separately from the collective safe custody positions held by the Issuer in its vaults. This separation preserves the depositor's sole ownership of the physical securities certificate in question and when the certificate is deposited this ownership is not transformed into fractional co-ownership of the collective holding.

### ***Settlement***

The Issuer settles transactions against payment or free of payment for all German securities and financial futures markets as well as various global trading platforms.

The Issuer's settlement system, CASCADE, provides a highly efficient platform for the settlement of transactions in German as well as foreign and international securities that are eligible for CSC. CASCADE covers the entry and processing of instructions for all parts of the settlement process, including the transfer and administration of securities, as well as the matching of free and against payment instructions and the settlement of transactions through the transfer of cash and securities. Stock exchange trades held in collective safe custody are for the most part settled

in collaboration with one central counterparty (Eurex Clearing AG), which eliminates the counterparty risk and ensures delivery positions can be offset.

Through the CASCADE platform, the Issuer offers the settlement of both stock exchange trades and OTC transactions for the securities it keeps in collective safe custody by using the T2S settlement platform of the Eurosystem for the settlement of T2S eligible securities. CASCADE supports cash settlement in euros in central bank money via the T2S system (the interbank payment system for the real-time processing of cross-border transfers throughout the European Union) and in other currencies via the Issuer's correspondent banks in commercial bank money. The number of chargeable transactions processed by the Issuer (counted on both sides) in the first six months of 2020 amounted to 90.9 million (full year 2019: 119.6 million, full year 2018: 112.9 million).

The Issuer also offers special services for the administration of registered shares on the CASCADE platform via its CASCADE-RS functionality. This service allows customers to submit shareholder data to the share ledger of the respective issuer in a highly automated and cost-efficient way.

The Issuer uses Creation (the central settlement platform of its sister company, CBL) for the settlement of transactions in NCSC securities. The number of executed transactions in foreign securities (counted on both sides) in the first six months of 2020 amounted to 16.5 million (full year 2019: 18 million, full year 2018: 16.6 million).

In addition, the Issuer provides settlement of transactions in physical securities kept in individual safe custody, ensuring that cash and securities are promptly, effectively and concurrently delivered between the parties involved. These services include deposit and withdrawal of physical securities to and from the holdings in the vaults, recording and administration of certificate numbers, conducting checks against the list of invalidated or stopped securities, and processing defective and replacement certificates.

### ***Administration***

The Issuer provides settlement, custody and administration services for foreign and international securities held by its customers either directly by the Issuer or through the Issuer in accordance with Section 5 of the German Securities Deposit Act via links to foreign CSDs or via its link to the ICSD operated by its sister company, CBL.

In the field of income, the Issuer offers settlement and payment as well as the collection of repayments, redemption amounts, and income payments (interest and dividends). In the field of non-income, the Issuer settles mandatory corporate action events (for example, the allocation of rights and exchange of shares) and voluntary corporate action events (for example, tender offers). In the field of taxation, the Issuer offers services to both customers residing in Germany and customers outside Germany for a great number of markets. The Issuer's customers also have access to pre-advice of forthcoming AGMs/EGMs and can benefit from proxy voting services, such as the exercise of voting rights.

With the functional scope of CASCADE-RS on the CASCADE platform, the Issuer offers special services for the administration of registered shares. These services allow cost reduction in customers' settlement processes. CASCADE-RS electronically supports the conversion of bearer shares into registered shares held in collective safe custody, as well as the settlement of stock exchange trades and OTC transactions in registered shares through transfers of positions and entries or re-registrations in the share ledger of the issuer or the share ledger manager.

### ***Investment Fund Services***

#### ***Vestima***

The Issuer offers its clients order routing services for investment funds. Vestima is the Issuer's automated order routing service for the Investment Funds industry. It provides an entry and reception point for domestic, international and offshore funds, allowing orders and order confirmations to be submitted, validated and routed to the relevant recipient. Orders can be submitted using authenticated communication channels with a choice of settlement methods.

The Issuer offers two services to its clients: Vestima and VestimaPRIME. Vestima provides a highly automated service aimed towards mutual funds, whereas VestimaPRIME targets complex and alternative investment funds.

### *CFF settlement and custody services*

The Central Facility for Funds ("CFF") is the Issuer's post-trade infrastructure for investment funds. The Issuer's CFF service is available to investment funds under both CSC and NCSC.

### ***Global Securities Financing***

Through its CASCADE and Creation platforms, the Issuer offers various services for the brokerage and administration of securities loans (lending) and for the administration of collateral for CSC and NCSC securities.

#### *Securities Lending*

Through its Automated Securities Lending Programme (ASL), the Issuer offers its customers an automated securities lending service for stock exchange trades and OTC transactions versus payment that cannot be delivered on the settlement date due to insufficient positions.

In addition, through its KAGplus service, the Issuer offers the brokerage of securities loans between lender and borrower to investment management companies (*Kapitalverwaltungsgesellschaften – KVG*) and their depositories that wish to increase their investors' income by lending out their securities holdings. In this context, the Issuer is certified as an "organised system" by BaFin in accordance with Section 202 of the German Capital Investment Code (*Kapitalanlagegesetzbuch – KAGB*).

#### *Collateral Management Services*

With the Xemac® system, the Issuer offers its customers collateral management services for the following areas:

- Providing collateral for money market transactions and credit facilities with Deutsche Bundesbank.
- Money market trading of general collateral repos through the Eurex Repo trading platform.
- Supporting trading activities through various stock exchange and OTC trading platforms, that is, the derivatives exchange, Eurex Deutschland, through the efficient supply and management of collateral on the basis of the risk-based margining of Eurex Clearing AG as a clearing house and CCP.
- Furthermore Xemac® participants have the option of providing each other with collateral on a bilateral basis for the settlement of OTC transactions.
- By linking Xemac® to CBL's Collateral Management System, CmaX, Xemac® participants can also use the securities they hold in Creation for the provision of collateral.

The Xemac® system enables the Issuer's customers to pool the securities positions in their CASCADE and Creation accounts in a pool of collateral. Suitable securities from this pool are allocated to the claims that have been entered.

#### *Taxbox (German flat-rate withholding tax)*

In response to the flat rate withholding tax introduced in Germany on 1 January 2009, the Issuer introduced its Taxbox service, which provides a platform for the electronic transfer of the data needed for a correct tax assessment from the transferring bank to the receiving bank of a securities transfer.

### **Employees**

As of 31 December 2019, the Issuer had 347 (2018: 358) employees (excluding the Executive Board). The average number of employees during the financial year 2019 was 355.8 (2018: 355.5).

## **Litigation**

The Issuer is currently party to a number of legal proceedings within the normal course of its business. The following is an overview of significant legal proceedings as of the date of this Prospectus. Except for the proceedings cited in this section, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened, of which the Issuer is aware), nor have there been proceedings during the previous 12 months, which may have or have had in the recent past material effects on the Issuer's financial position or profitability.

### ***MBB Clean Energy AG***

Legal disputes have arisen in Germany regarding a bond issued by MBB Clean Energy AG ("**MBB**"), which is held in safe custody at CBF. MBB issued a first tranche of the bond in April 2013 and a second tranche of the bond in December 2013. The global certificates for the two tranches of the bond were delivered to CBF by the paying agent of the issuer. The legal disputes relate to the non-payment of the bond and the purported lack of validity of the bond. The role of CBF in connection with the allegedly invalid MBB bond is principally to hold the global certificate in safe custody as the national central securities depository. Insolvency proceedings have meanwhile been opened in respect of the issuer, MBB. Furthermore, a buyer of a bond issued by MBB, which is held in safe custody at CBF and was listed on the Frankfurt Stock Exchange, filed a claim for damages before a Dutch court against CBF, Deutsche Börse AG and other parties.

### ***Proceedings by the Public Prosecutor's Office in Cologne***

In September 2017, CBF and CBL were made aware that the Public Prosecutor's Office in Cologne had initiated proceedings for tax evasion against an employee of CBF for his alleged involvement in the settlement of transactions of market participants over the dividend date (cum/ex transactions). On 22 January 2018, the Public Prosecutor's Office in Cologne addressed to CBF a notification of hearing CBF and CBL as potential secondary participants (*Nebenbeteiligte*). Starting on 27 August 2019, together with other supporting authorities, the Public Prosecutor's Office in Cologne conducted searches of the offices of CBF, CBL, as well as other Deutsche Börse Group companies and sites. In the course of these measures, Deutsche Börse Group entities were made aware that the Public Prosecutor's Office in Cologne has extended the group of accused persons (*Beschuldigte*) to include further current and former employees and members of the Executive Board of CBF and of other Deutsche Börse Group companies. Due to the early stage of the proceedings, it is not possible to predict timing, scope or consequences of a potential decision. The affected companies are cooperating with the competent authorities. The concerned entities do not expect that they could be successfully held liable.

### ***Proceedings before the court in Frankfurt***

On 6 February 2020, a plaintiff filed a complaint naming CBF and one other entity as defendants. The complaint, which was filed before the courts in Frankfurt, primarily seeks rights to information and turnover of dividends in the amount of approximately € 4.1 million plus interest.

## **Material Contracts**

The Issuer entered into a domination agreement (*Beherrschungsvertrag*) under German law with Deutsche Börse AG as the controlling company with effect from 12 May 2010.

According to the domination agreement, the management of Deutsche Börse AG may issue binding instructions to the Issuer. As compensation, Deutsche Börse AG is obliged by mandatory law to compensate for balance sheet losses of the Issuer.

## Management and Supervisory Bodies of the Issuer

### General

The governing bodies of the Issuer are the Executive Board (*Vorstand*), Supervisory Board (*Aufsichtsrat*) and general shareholders' meeting (*Hauptversammlung*). The powers of these entities are determined by the German Stock Corporation Act (*Aktiengesetz*), the articles of association (*Satzung*) and the internal rules of procedure (*Geschäftsordnung*) of the Supervisory Board and of the Executive Board.

The Executive Board is responsible for managing the company in accordance with applicable law. The Executive Board represents the company in dealings with third parties.

The Supervisory Board appoints the members of the Executive Board and is entitled to dismiss them for good cause. The Supervisory Board advises and oversees the Executive Board on the management of the company, but is not itself authorised to manage the company, as set out in the German Stock Corporation Act (*Aktiengesetz*).

The members of the Supervisory Board and the Executive Board may be contacted via the Issuer's business address, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.

### Executive Board

The members of the Executive Board of the Issuer as of the date of this Prospectus are:

<b>Name</b>	<b>Area of Responsibility</b>	<b>Principal Outside Board Memberships</b>
Dr. Berthold Kracke (Chief Executive Officer)	Internal Audit, Strategy, Human Resources, Global Operation, Risk Management / BCM & Insurance	-
Tilman Fechter	Products & Business, Network Management, Communication & Marketing, Facility Management / Purchasing	HQLAx S.a.r.l. Cloud Margin Ltd.
Martina Gruber	Sales & Business Development, Customer Onboarding & Maintenance, Treasury, Legal	-
Mathias Papenfuß	Financial Accounting & Controlling, Credit, Tax, Compliance, Outsourcing & Contract Management, Control Assurance & Monitoring, Regulatory Management, Information Security	ECSDA (Chairman of the Board of Directors)
Volker Riebesell	IT Run, IT Change	-

### Supervisory Board

The members of the Supervisory Board of the Issuer as of the date of this Prospectus are:



<b>Name</b>	<b>Primary Occupation</b>	<b>Principal Outside Board Memberships</b>
Dr. Stephan Leithner (Chairman)	Member of the Executive Board, Deutsche Börse AG	Digital Asset Holding LLC Menzerna Polishing Compounds GmbH & Co KG BBUG e.V. Baden-Baden (Management Board) Dean's Council WHU University
Dr Oliver Engels (Vice-Chairman)	Chief Risk Officer, Deutsche Börse AG	-
Prof. Peter Gomber	Professor of Business Administration, in particular e-finance, in the Faculty of Economics and Business Administration, Goethe University Frankfurt	E- Finance Lab (Co-Chairman of the Board)
Prof. Christina Bannier	Professor of Banking and Finance at Giessen University	-
Peter Eck (Employee Representative)	Settlement section employee, Clearstream Banking AG	-
Norfried Stumpf (Employee Representative)	New Issues section employee, Clearstream Banking AG	-

### ***Conflicts of Interest***

As of the date of this Prospectus, no member of the Supervisory Board or of the Executive Board has advised the Issuer of any conflicts of interest or potential conflicts of interests between their duties as members of the Executive Board or the Supervisory Board *vis-a-vis* the Issuer and their private interests or other duties.

### ***Committees of the Supervisory Board***

The CSDR requires each CSD to implement an Audit Committee, a Remuneration Committee and a Risk Committee, as well as a User Committee for each security settlement system it operates.

#### ***Audit Committee***

The Audit Committee monitors the Issuer's accounting and reporting processes, as well as the effectiveness of the Issuer's risk management process, in particular, the internal control system, the risk management system and internal audit. In addition, the Audit Committee monitors the execution of audits, particularly in relation to the selection and independence of the Issuer's auditor and the services provided by the auditor (for example the scope and frequency of reports). The Audit Committee provides the Supervisory Board with proposals for the election of the auditor, as well as the auditor's compensation, and advises the Supervisory Board with regard to the termination or continuation of the audit engagement. The Audit Committee submits recommendations to the Supervisory Board to ensure the integrity of the reporting and accounting processes and monitors the speedy remedy of deficiencies by the Executive Board by means of appropriate measures.

The members of the Audit Committee of the Issuer as of the date of this Prospectus are:

- Peter Gomber (Chairman)
- Oliver Engels (Vice-Chairman)
- Norfried Stumpf

### *Remuneration Committee*

The Remuneration Committee Supervises the reasonableness of the remuneration system of the members of the Executive Board. In particular, it supervises the appropriateness of the compensation of the head of the risk control function and of the compliance function, as well as employees having a substantial influence on the overall risk profile of the institution. The Remuneration Committee also supports the Supervisory Board in monitoring the reasonableness of the remuneration system of employees. At the same time, it assesses the impacts of the remuneration system on the risk, capital and liquidity management processes of the Issuer.

The Remuneration Committee prepares the resolutions of the Supervisory Board regarding the determination of the aggregate remuneration of any member of the Executive Board and, in doing so, takes into account the effects of the resolutions on the risk and the risk management processes of the Issuer, as well as on the long-term interests of the shareholders, investors and other stakeholders of the Issuer. The Remuneration Committee also designs and further develops the Remuneration Policy covering the remuneration of the Executive Board. In addition, it supports the Supervisory Board in overseeing the internal control system and all other relevant areas in the structuring of the remuneration system.

In performing its functions, the Remuneration Committee cooperates with the Risk Committee and uses internal advice (for example from risk controlling) and external advice from individuals independent of the Executive Board. Members of the Executive Board are not allowed to participate in meetings of the Remuneration Committee, the subject of which is their remuneration.

The members of the Remuneration Committee of the Issuer as of the date of this Prospectus are:

- Stephan Leithner (Chairman)
- Christina Bannier (Vice-Chairman)
- Norfried Stumpf

### *Risk Committee*

The purpose of the Risk Committee is to advise the Supervisory Board on the Issuer's overall current and future risk appetite, risk tolerance and risk strategy and assist the Supervisory Board in overseeing the implementation of that strategy. The Risk Committee reviews whether the conditions offered to customers take into account the Issuer's business model and risk structure. If this is not the case, the Risk Committee submits proposals to the Executive Board regarding how such conditions could be created. In addition, the Risk Committee examines whether incentives provided by the remuneration system take into consideration the risk, capital and liquidity structure of the institution and the likelihood and timing of earnings. The Risk Committee determines the type, comprehensiveness, format and frequency of information to be provided by the Executive Board with regard to strategy and risk.

The members of the Risk Committee of the Issuer as of the date of this Prospectus are:

- Oliver Engels (Chairman)
- Stephan Leithner (Vice-Chairman)
- Peter Eck

### *User Committee*

The Issuer operates the securities settlement systems CASCADE and CREATION and offers services through both systems. Consequently, the Issuer has established two User Committees. The User Committees consist of representatives of issuers and participants in the securities settlement systems. The Issuer follows a proactive approach towards its customers by hosting a User Committee on a quarterly basis. If required, a user task force is formed to address ad hoc topics.

According to CSDR Article 28, the Issuer is required to establish a user committee. Pursuant to Article 28 of the CSDR, the User Committee advises the Executive Board on key arrangements that impact on its members, including the criteria for accepting issuers or participants in the securities settlement systems and on service level. In addition, the User Committee may submit non-binding opinions to the Executive Board, containing detailed reasons regarding

the pricing structures of the securities settlement systems of the Issuer. Beyond the areas required by the CSDR, the Executive Board may seek advice and recommendation from the User Committee with respect to matters which are of relevance for the business of the Issuer and its relationship with customers, in particular in relation to business and marketing strategy, development of new products and general market trends and requirements. The advice of the User Committee is independent from any direct influence of the Executive Board.

The members of the CASCADE User Committee of the Issuer as of the date of this Prospectus are:

- BNP Paribas
- Citigroup
- Commerzbank
- Deutsche Bank
- Dwpbank
- HSBC

The members of the CREATION User Committee of the Issuer as of the date of this Prospectus are:

- BNP Paribas
- Commerzbank
- Deutsche Bank
- Dwpbank
- HSBC
- LBBW

## **Risk Management**

Risk management is a fundamental component of the Issuer's management and internal control framework. Effective and efficient risk management is vital to protect the Issuer's interests and simultaneously enables the Issuer to achieve its corporate goals.

The Issuer has developed its own corporate risk structure and distinguishes between operational, financial, and business risk. The Issuer's risk strategy is based on its business strategy and sets limits specifying the maximum risk permitted for operational risks, financial risks (credit, market and liquidity risks), and business risks and overall risk of the Issuer. This is done by laying down respective requirements for risk management, risk control and risk limitation. The Issuer ensures that appropriate measures are taken to avoid, reduce and transfer, or intentionally accept, risk.

The Clearstream Group also has a Clearstream Risk Committee that deals with all relevant risk and compliance related topics of the Clearstream Group – including the Issuer.

### ***Organisation and Methodology***

The Executive Board has overall responsibility for risk management. In particular, the Executive Board of the Issuer determines the risk appetite within the context of the risk strategy. It ensures that the risk appetite is compatible with the Issuer's short and long-term strategy, business and capital planning, risk-bearing capacity and remuneration systems. The Executive Board also determines which metrics are used to assess risk and how regulatory capital in terms of risk bearing capacity is allocated to the different types of risk. It ensures that the requirements placed on risk strategy and risk appetite are complied with. The Issuer is integrated into the group-wide risk management framework of Deutsche Börse. The Supervisory Board of the Issuer monitors the effectiveness of the risk management system and its ongoing development. In addition, the Supervisory Board discusses the risk strategy once a year.

Using a range of tools, the Issuer evaluates and monitors material risks on an ongoing basis. The main instrument that it uses for the purpose of quantification is the value at risk ("**VaR**") model.

In accordance with the economic perspective, the Issuer must not exhaust its regulatory capital in more than 0.02 per cent of all years. It calculates its required economic capital ("**REC**") at a confidence level of 99.98 per cent and over

a time window of 12 months. The risk-bearing capacity set against the required economic capital is the regulatory capital adjusted for certain factors such as, for example, ongoing litigation. For the purpose of risk management, at least once a quarter, the Issuer calculates and reports as a metric the REC in relation to its risk-bearing capacity.

In addition, the Issuer considers extreme scenarios and factors these into its risk management. These include both risk-wide stress tests and stress tests for particular material risk types.

For the economic perspective, an early warning system on utilisation of the risk-bearing capacity is deployed. This shows green, amber, orange or red. In addition to the quantification of risks, risk reporting also includes qualitative information on the risk profile in the form of risk indicators or analyses of realised or potential losses. Events relevant to risk are comprehensively explained, and possible countermeasures are described. A corresponding risk report is submitted to the Executive Board at least once a quarter. Reporting to the Risk Committee of the Supervisory Board and the Supervisory Board takes place quarterly.

### ***Risk Management Framework***

The Issuer's risk management process is based on the three lines of defence model and aims at ensuring that all threats, causes of loss and potential disruptions are:

- properly identified as soon as possible (identification);
- centrally recorded (notification);
- assessed (that is, quantified in financial terms to the largest possible extent);
- controlled (mitigation & control); and
- reported in a timely manner and consistently, together with suitable recommendations to the Executive Board (monitoring & reporting).

These five key processes, as well as adequate quality standards, are defined in the Group Risk Management Policy and are reviewed regularly by an independent audit function.

Controlling risks is performed in the decentralised business areas, that is, where the risks occur. Risk control in the Issuer's operational units is ensured by nominating "Operational Risk Representatives" who are responsible for identifying, notifying and controlling any risk in their area. Clearstream Risk Management, a central risk controlling function within the Issuer, assesses all existing and potential new risks and reports at least on a quarterly basis, and if necessary ad hoc, to the Executive Board.

### ***Management of Credit Risk***

Credit risk refers to the risk that a counterparty may default and therefore be unable to partly or entirely meet its liabilities against the Issuer.

Given the unique nature of the Issuer's business, its lending operations cannot be compared with those of other credit institutions. Firstly, the loans are extended solely on an extremely short-term basis. Secondly, they are extended solely for the purposes of increasing the efficiency of securities settlement.

With regard to credit risk, the credit risk is translated into a limit system, which is monitored on a regular basis and ad hoc. Credit is only granted to creditworthy customers with very good credit ratings and credit lines granted are uncommitted and can be revoked at any time.

Credit is exclusively granted on a collateralised basis, with the exception of certain unsecured settlement limits granted to sovereign and supranational institutions (as per the exemption foreseen in Article 23 (2) of the CSDR). Borrowers are central banks, banks and financial institutions. Furthermore, credit limits are set for the placement of funds with counterparties. The credit processing is arranged in guidelines and work instructions.

All credit risk exposures are regularly reviewed and monitored. The exposure limits (on level of each single customer principal holding level and on level of each country) are set to ensure that the Issuer does not take too large an exposure, and therefore risk, on too few participants or counterparties.

In addition, the Issuer uses credit risk mitigation techniques, such as collateralisation.

### ***Management of Operational Risk***

Operational risk is defined as the risk of loss resulting from inadequate or defective systems and internal processes, human or technical failure, from inadequate or defective external processes, from damage to physical assets as well as from legal risks that could arise from non- or inappropriate compliance with new or existing laws and regulations and all contractual commitments.

Operational risks are estimated and quantified using a VaR concept. A key component of the Issuer's operational risk assessment is its internally developed operational risk model based on the Advanced Measurement Approach. The operational risk model combines a frequency distribution, that models the likelihood of the occurrence of loss events, with a severity distribution, that describes the size of operational losses, yielding in a loss distribution. The loss distribution allows the Issuer to estimate potential operational risks at different confidence levels.

The Executive Board has implemented an internal control system, designed to ensure the effectiveness and profitability of the business operations, prevent or detect financial loss and thus protect its business assets. The Issuer's internal control system is an integral part of the risk management system and is continuously developed and adjusted to reflect changing conditions.

### ***Management of Market Price Risk***

Market price risk may result from currency, equity price or interest rate fluctuations.

As a central securities depository, the Issuer follows a restrictive investment policy. The Issuer is not involved in proprietary trading activities and does not maintain a trading book. Thus, the Issuer's investment activities (i.e. the placement of excess cash balances and the investment of the Issuer's own liquidity), are allocated to the non-trading book in accordance with the CRR.

As the leading principle, placements are collateralised to the extent possible. Direct security purchases are permitted subject to limits and investment criteria approved by the Executive Board of the Issuer. Uninvested cash is deposited with central banks or placed with financial institutions to avoid concentration. Transactions in derivative instruments are allowed only for hedging purposes.

### ***Management of Liquidity Risk***

Liquidity risk is the risk arising from the inability to meet short-term payment obligations in case of mismatches between liquidity needs and liquidity sources.

The aim of the Issuer's liquidity management is the ability to respond to daily, including intraday, changing customer net long/short cash balances. Customers maintain cash balances with the Issuer and may additionally draw on credit facilities (unconfirmed funds facility (UCF) and intraday technical overdraft facilities (i-TOFs)) as a result of their securities settlement activities.

As the Issuer's investment strategy is driven by the cash amounts customers leave on their settlement accounts with the Issuer, strict mismatch limits are established to limit liquidity risk that may arise from treasury investments. Funds must be invested with the objective to have sufficient liquid resources such as highly liquid collateral or investments readily available and convertible into cash to sustain liquidity risks under a wide range of potential stress scenarios including intraday. The liquidity management strategy is executed on a centralised basis combining liquidity from CBL, CBF and other Clearstream Group entities for which cash pooling arrangements are in place. In line with regulatory standards, the Issuer has established a comprehensive set of liquidity indicators to detect critical developments early and initiate mitigating measures in time.

### **Trend Information and Significant Changes**

There has been no material adverse change in the prospects of the Issuer since 31 December 2019.

There has been no significant change in the financial performance of the Issuer since 31 December 2019, except for the overall positive business development, as also outlined in "*Selected Financial Information as of 30 June 2020 and as of 30 September 2020*" below.

There has been no significant change in the financial position of the Issuer since 31 December 2019.

## Recent Developments

On 13 November 2020, Clearstream Holding, the sole shareholder of the Issuer, made a payment into the Issuer's capital reserve (*Kapitalrücklage*) in the amount of EUR 20 million in order to ensure that the Issuer does not only meet the minimum regulatory capital requirements, but fulfils the internal buffers that the Issuer has implemented on top of the regulatory thresholds at all times.

On 17 November 2020, Deutsche Börse AG, the ultimate parent company of the Issuer, announced that it had signed agreements with Institutional Shareholder Services Inc. ("ISS") and Genstar Capital LLC according to which Deutsche Börse AG will acquire a majority share of approximately 80% in ISS.

There have been no recent developments which are to a material extent relevant to the evaluation of the Issuer's solvency.

## Financial Information

### *Historical Financial Information*

The audited financial statements of the Issuer as of and for the financial years ended 31 December 2018 and 31 December 2019 which have been prepared in accordance with German Generally Accepted Accounting Principles ("GAAP") are incorporated by reference in and form part of this Prospectus.

The Issuer does not prepare interim financial statements.

### *Selected Financial Information as of 30 June 2020 and as of 30 September 2020*

The unaudited financial information contained in the following tables was prepared in accordance with German GAAP and was taken or derived from the Issuer's internal accounting system.

	As of 30 June		YoY growth
	2020	2019	
<i>(amounts in €)</i>	<i>(unaudited)</i>		
Interest income	6,612,224	9,446,344	-30%
Interest expense	4,384,201	4,034,160	+9%
Commission income	273,677,880	211,452,906	+29%
Commission expenses	73,340,699	54,559,048	+34%

	As of 30 September		YoY growth
	2020	2019	
<i>(amounts in €)</i>	<i>(unaudited)</i>		
Interest income	8,966,584	14,069,777	-36%
Interest expense	6,993,994	6,341,608	+10%
Commission income	407,319,177	323,168,379	+26%
Commission expenses	108,828,202	88,212,396	+23%

### **Regulatory figures and ratios**

The following table sets forth certain regulatory figures and ratios of the Issuer:

	<b>As of 30 June 2020</b>	<b>As of 31 December</b>	
		<b>2019</b>	<b>2018</b>
<i>(amounts in € thousands, unless otherwise specified)</i>		<i>(unaudited)</i>	
Total Own Funds	369,882	369,696	369,306
Common Equity Tier 1 Capital (CET1)	369,882	369,696	369,306
Additional Tier 1 Capital (AT1)	0	0	0
Tier 1 Capital	369,882	369,696	369,306
Tier 2 Capital	0	0	0
Total Capital	369,882	369,696	369,306
Total Risk Weighted Assets	1,771,166	1,658,658	1,290,395
CET1 Capital Ratio (in %)	20.88%	22.29%	28.62%
Tier 1 Capital Ratio (in %)	20.88%	22.29%	28.62%
Total Capital Ratio (in %)	20.88%	22.29%	28.62%
Minimum Capital Requirements (in %)	8.00%	8.00%	8.00%
<i>thereof: CET1 Capital Requirements (in %)</i>	4.50%	4.50%	4.50%
<i>thereof: Additional Tier 1 Capital Requirements (in %)</i>	1.50%	1.50%	1.50%
<i>thereof: Tier 2 Capital Requirements (in %)</i>	2.00%	2.00%	2.00%
SREP Add-on Requirements (in %)	4.70%	4.70%	4.70%
Total SREP Capital Requirement (in %)	12.70%	12.70%	12.70%
CSDR Capital Ratio (in %)	122.17%	_(1)	_(1)
Leverage Ratio (in %)	14.15%	17.05%	15.04%
Liquidity Coverage Ratio (in %)	152.06%	141.59%	128.47%

(1) Compliance with a CSDR Capital Ratio was applicable to the Issuer for the first time following the CSDR authorisation of the Issuer in January 2020. No prior year figures have been calculated.

## **TAXATION WARNING**

The tax legislation of the state of residence of a prospective purchaser of Notes and the Issuer's country of incorporation may have an impact on the income received from the Notes.

**Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes.**



## SUBSCRIPTION AND SALE OF THE NOTES

### Subscription by the Joint Bookrunners

Commerzbank Aktiengesellschaft, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and HSBC Bank plc (the "**Joint Bookrunners**") will enter into a subscription agreement with the Issuer on or about 27 November 2020 (the "**Subscription Agreement**") in which they agree to subscribe for the Notes on a firm commitment basis. The Joint Bookrunners will be entitled, under certain circumstances, to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors.

The Issuer will agree in the Subscription Agreement to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes. The Issuer has furthermore agreed to pay certain fees to the Joint Bookrunners in connection with the offering, placement and subscription of the Notes and to reimburse the Joint Bookrunners for certain expenses incurred in connection with the issue of the Notes.

The Joint Bookrunners or their respective affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Bookrunners or their respective affiliates have received or will receive customary fees and commissions. In addition, the Joint Bookrunners or their respective affiliates may be involved in financing initiatives relating to the Issuer or its affiliates. Furthermore, in the ordinary course of their business activities, the Joint Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Joint Bookrunners or their respective affiliates that have a lending relationship with the Issuer and/or its affiliates, routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunners and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's or its affiliates' securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Joint Bookrunners and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### Selling Restrictions

#### *General*

Each Joint Bookrunner has acknowledged that other than explicitly mentioned in this Prospectus no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Joint Bookrunner has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

#### *Prohibition of Sales to EEA and UK Retail Investors*

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### ***United States of America and its Territories***

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### ***United Kingdom of Great Britain and Northern Ireland***

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### ***Singapore***

Each Joint Bookrunner has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## GENERAL INFORMATION

**1. Interest of Natural and Legal Persons involved in the Issue/Offer:** Certain of the Joint Bookrunners and their affiliates may be customers of, borrowers from or creditors of the Issuer and/or its affiliates. In addition, certain Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.

**2. Authorisations:** The creation and issue of the Notes has been authorised by a resolution of the Executive Board (*Vorstand*) of the Issuer on 7 September 2020 and a resolution of the Supervisory Board (*Aufsichtsrat*) of the Issuer on 30 September 2020.

**3. Legal Entity Identifier:** The legal entity identifier (LEI) of the Issuer is 549300298FD7AS4PPU70.

**4. Expenses for Admission to Trading:** The total expenses related to the admission to trading of the Notes are expected to amount to EUR 8,000.

**5. Clearing Systems:** The Notes have been accepted for settlement through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Notes have the following securities codes:

ISIN: XS2264712436

Common Code: 226471243

German Securities Code (WKN): A3H24R

**6. Eurosystem Eligibility:** The Notes are intended to be held in a manner which would allow Eurosystem eligibility.

This does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met.

**7. Listing and Admission to Trading:** Application has been made for the Notes to be admitted to the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange. The Euro MTF market of the Luxembourg Stock Exchange is not a regulated market for the purposes of MIFID II.

**8. Documents on Display:** For so long as any Note is outstanding, electronic versions of the following documents are available for viewing in electronic form at the website of the Issuer:

- (a) the Articles of Incorporation (*Satzung*) of the Issuer; and
- (b) the documents specified in the section "*Documents incorporated by reference*" below.

This Prospectus will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

**9. Third Party Information:** With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Joint Bookrunner has independently verified any such information and neither the Issuer nor any Joint Bookrunner accepts any responsibility for the accuracy thereof.

**10. Yield:** For the investors, the yield of the Notes is negative 0.100 per cent. *per annum*, calculated on the basis of the Issue Price.

The yield is calculated in accordance with the ICMA (International Capital Markets Association) Method.

## 11. Ratings<sup>4</sup>:

The Issuer has received a "AA" rating<sup>5</sup> (outlook: stable) from Standard & Poor's.

The Notes are expected to be rated "AA"<sup>6</sup> by Standard & Poor's.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the respective rating agency at any time.

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<sup>4</sup> Credit ratings included or referred to in this Prospectus have been issued by Standard & Poor's which is established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**"). A list of credit rating agencies registered under the CRA Regulation is available for viewing at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

<sup>5</sup> Standard & Poor's defines "AA" as follows: An obligor rated "AA" has very strong financial security characteristics, differing only slightly from those rated higher. Standard & Poor's rating scale for the long-term credit ratings consists of the following categories: "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC" (in descending order). Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>6</sup> Standard & Poor's defines "AA" as follows: An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong. Standard & Poor's rating scale for the long-term credit ratings consists of the following categories: "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC" (in descending order). Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

## DOCUMENTS INCORPORATED BY REFERENCE

The pages specified below of the following documents, which have previously been published or are published simultaneously with this Prospectus and which have been filed with the Luxembourg Stock Exchange are incorporated by reference into, and form part of, this Prospectus:

- (i) the audited Annual Financial Statements as at 31 December 2019 and Management Report of the Issuer (the "**Annual Financial Statements 2019**"); and
- (ii) the audited Annual Financial Statements as at 31 December 2018 and Management Report of the Issuer (the "**Annual Financial Statements 2018**").

Any information not incorporated by reference into this Prospectus but contained in one of the documents mentioned as source documents in the cross-reference list below is either not relevant for the investor or covered in another part of this Prospectus.

**(i) Extracted from: Annual Financial Statements 2019**

- Reproduction of the Independent Auditor's Report ..... pages 10-17
- Balance Sheet as of 31 December 2019..... page 105
- Income Statement for the Period 1 January to 31 December 2019..... page 107
- Notes to the Financial Statements for the Financial Year 2019 ..... pages 109-121

**(ii) Extracted from: Annual Financial Statements 2018**

- Reproduction of the Independent Auditor's Report ..... pages 10-17
- Balance Sheet as of 31 December 2018..... page 151
- Income Statement for the Period 1 January to 31 December 2018..... page 153
- Notes to the Financial Statements for the Financial Year 2018 ..... pages 155-167

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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*Global Coordinator*

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