

50

**YEARS OF
ADVANCING
FINANCIAL
MARKETS.**

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The Moments That Made Us

For 50 years,

DTCC has safeguarded the global financial markets and protected the industry through prosperity and crisis. Our organization was forged on the tenets of risk mitigation, efficiency and cost savings. But carved deep into the culture of the firm is an enduring commitment to innovation and stewardship. The one constant: to create opportunities for our clients to achieve optimum performance.

1970s

1973

The Depository Trust Company (DTC) is created in response to Wall Street's "paperwork crisis," brought on by a sharp increase in securities trading and the growing number of trades that fail to settle. DTC is an evolution of the NYSE Stock Clearing Corporation's Central Certificate Service.

DTC introduces the Institutional Delivery (ID) System on a pilot basis, which links together all parties to an institutional trade—the broker-dealer, the institution and the institution's agent bank. The ID system is a predecessor to the TradeSuite product and Omgeo joint venture.

1974

The Continuous Net Settlement system is launched to clear and settle trades and reduce the number of trade obligations requiring financial settlement. This represents a leap forward in delivering market efficiency.

1975

Branching into the global markets, DTC begins to service American Depositary Receipts, which represent non-U.S. securities.

1976

National Securities Clearing Corporation (NSCC), a merger of clearing subsidiaries of the NYSE, AMEX and NASD, begins operations in a move to centralize the clearing and settlement of listed and OTC securities transactions.

1978

DTC begins accepting over-the-counter issues. The move is designed to accommodate a merger of clearing corporations of NYSE, AMEX and NASD that form the NSCC, centralizing the clearance and settlement of broker-to-broker trades.

1979

Mortgage-Backed Securities Clearing Corporation (MBSCC) is formed and begins clearing trades in the growing market for Ginnie Mae Securities.

The Canadian Depository for Securities (CDS) becomes a DTC member, setting the stage for NSCC, DTC and CDS in 1984 to establish their first cross-border clearing, settlement and asset servicing link. This remains the most trafficked cross-border link in the world. As the demand for global operations increases, DTCC would forge links with market infrastructures in Europe, Asia, Latin America and the Middle East.

DTC further automates services by linking the depository's computers directly to those of its clients, transmitting and receiving daily processing information electronically.

1980s

1981

DTC launches groundbreaking municipal bond program that demonstrates the power of book-entry processing and netting, setting the stage for automating these instruments.

1982

Book-Entry Only (BEO) bonds are underwritten through DTC for the first time in which there were no physical certificates available for investors.

To leverage the benefits of economies of scale, consolidation of regional clearing, settlement and depository services begins.

In 1982, the Boston Stock Exchange closes its clearing and depository subsidiaries, followed by the Pacific Stock Exchange (closing Pacific Clearing Corporation and Pacific Securities Depository Trust Company in 1987), the Chicago Stock Exchange (closing Midwest Clearing Corporation and Midwest Securities Trust Company in 1996) and culminating with the Philadelphia Stock Exchange's decision to close Stock Clearing Corporation of Philadelphia and Philadelphia Depository Trust Company in 1997.

1983

National Association of Securities Dealers and the exchanges adopt the New York Stock Exchange Rule 387, which mandates the use of automated confirmation and book-entry settlement for Cash on Delivery transactions in equity securities between brokers, dealers and their institutional clients. Similar rules for municipal bonds become effective in 1984-85. These rules ensure that most transactions are settled electronically, rather than use of securities certificates.

1984

The company vault in Garden City is expanded to house and immobilize a fast-growing inventory of securities certificates.

1985

Automated Customer Account Transfer Service (ACATS) begins operation, providing efficient transfer of accounts between brokers; 100 firms participate by year's end.

1986

NSCC launches Fund/SERV, which delivers efficiencies that enable the explosive growth of the mutual funds industry.

Government Securities Clearing Corporation (GSCC) is formed to bring automated trade comparison and netting to the settlement of U.S. Government securities.

1987

Reducing risk, DTC launches Same-Day Funds Settlement, allowing trades in certain asset classes to settle in same-day funds.

A volatile stock market tests DTC's capacity as NYSE's daily trading volume twice surpasses 600 million shares. During the week of October 19, immediately following Black Monday, DTC settles a daily average of 1.7 billion shares.

1989

GSCC introduces the central counterparty (CCP) settlement guarantee and netting system, providing net positions with guaranteed settlement for all U.S. Treasury securities.

1990s

1990

A revolution begins in the commercial paper (CP) market. DTC launches fully dematerialized settlement with the first paperless CP issue by Westinghouse. Within a decade, DTCC would be processing virtually all U.S. commercial paper transactions via book entry.

1993

The company introduces an innovative clearing service, integrating the creation and redemption of exchange-traded funds (ETFs), as well as the distribution of portfolios into NSCC's Continuous Net System (CNS). It also brings this asset class under its DTC umbrella.

1995

NSCC and DTC lead the industry in moving the U.S. equity settlement cycle from T+5 to T+3 in a seamless transition that dramatically reduces risk in the markets.

The company opens a London office, its first outside the U.S., in connection with the implementation of International ID, the ID system targeted at cross-border trades of U.S. securities. This office would become part of a DTC-NSCC joint venture for all international activities called International Depository & Clearing (IDC), a precursor to the affiliation of the two companies.

1996

DTC and NSCC reach a major industry milestone as they move all securities transactions to Same-Day Funds Settlement.

1997

NSCC automates another industry segment with the creation of the Insurance Services business, bringing operational and cost efficiencies to the processing of annuities.

1998

DTC transitions its backup sites from the basement at One Liberty Plaza over to what is now DTCC Brooklyn. This move proved crucial three years later when the Brooklyn facility became the focal point of recovery operations post-9/11. Had this transition not been made, the DTC backup data center would have been located directly across from the World Trade Center and impacted by the 2001 attacks.

1999

The Depository Trust & Clearing Corporation (DTCC), a holding company, is created with the affiliation of DTC and NSCC under the single DTCC corporate umbrella. The new company meets the industry's needs for greater operational efficiency, lower costs and more robust risk management in the new century.

DTC is merged with four independent clearing corporations to create The Depository Trust & Clearing Corporation.

Jill M. Considine is named President & CEO, DTCC.

2000s

2000

DTCC greets the new millennium, as years of Y2K preparations pay off with customers smoothly transitioning post-trade processing from the 1900s to the 2000s.

2001

DTCC forges its first joint venture and expands its global footprint with the creation of Omgeo, merging DTC's Institutional Delivery (ID) System with the post-trade services of Thomson Financial. Omgeo would later become a fully owned subsidiary of DTCC in 2013.

DTC and NSCC receive Standard & Poor's highest credit rating, AAA, for strong financial safeguards and robust risk management; the companies go on to maintain the highest rating for more than a decade through periods of prosperity and crisis.

Amid devastating tragedy and a blow to the heart of the financial district, DTCC provides the critical services to maintain liquidity and confidence in the U.S. financial markets, remaining fully operational and shifting personnel to an alternative site. Despite a lockdown in virtually all of Lower Manhattan, the company settles \$282 billion in trades that day and \$1.8 trillion by the end of that week, helping to ensure the markets reopen on September 17.

2002

GSCC and MBSCC merge to become the Fixed Income Clearing Corporation (FICC), DTCC's third subsidiary, providing clearing and settlement services.

2003

DTCC begins to implement a sweeping post-9/11 business continuity initiative to fortify the organization's resiliency against acts of terror and natural disasters, creating redundant operations centers in Dallas, followed by Tampa in 2005.

2004

DTCC opens an office in Shanghai, China, providing round-the-clock service for its growing Global Corporate Actions (GCA) Validation Service, later sold to Markit in 2013. The company would continue expansion in Asia with subsequent offices in Chennai, Singapore and Tokyo in years to come.

DTCC settles more than \$1 quadrillion (\$1,015) in securities transactions for the first time — a historic milestone.

DTCC creates Deriv/SERV, an automated post-trade processing solution for the over-the-counter (OTC) derivatives market.

2006

The Deriv/SERV Trade Information Warehouse becomes the first and only centralized global repository for trade reporting and post-trade processing of OTC credit derivatives contracts. The service proved critical during the 2007-2008 financial crisis by returning some stability to the marketplace.

2000s

2006/2007

Information sharing and collaboration agreements are made with clearing and depository organizations in Brazil, China, India and Pakistan.

2007

DTCC launches its European clearing subsidiary, EuroCCP, which cuts the cost of clearing in Europe and becomes a driving force for full interoperability between clearinghouses. EuroCCP achieves a peak daily record of more than 500,000 transactions in its second month of operations.

Donald F. Donahue succeeds Jill Considine as DTCC Chairman & CEO.

2008

The bankruptcy of Lehman Brothers is a defining moment in the history of global markets and sparks a financial crisis that nearly leads to the meltdown of the financial system. DTCC plays a critical role in protecting the industry and ensuring market stability by resolving \$530 billion in market participants' exposure resulting from the Lehman bankruptcy, the largest liquidation in U.S. financial history.

DTCC transforms processing in the rapidly expanding alternative investment industry by introducing the Alternative Investment Products (AIP) service linking market participants through a single platform.

2010s

2010

The U.S. Congress passes the Dodd-Frank Act – creating the most significant changes to financial regulation in more than 70 years. While DTCC faces heightened requirements, the legislation creates opportunities for the firm to extend its leadership role in the financial services industry.

Robert Druskin is named DTCC Executive Chairman.

2012

DTCC successfully manages two major crises within a 3-month span – the Knight Capital market event and Superstorm Sandy – but continues to seamlessly execute, protecting market stability. The week of the storm, DTCC subsidiaries processed nearly \$19 trillion in securities transactions.

DTCC launches the Mortgage-Backed Securities (MBS) Central Counterparty, reducing risk and costs in the \$100-trillion-a-year U.S. market by guaranteeing settlement of all matched MBS trades.

The Global Trade Repository (GTR) launches, aggregating global data for systemic risk management in order to support mandatory regulatory reporting requirements for OTC derivatives.

Three DTCC subsidiaries (NSCC, FICC and DTC) are designated Systemically Important Financial Market Utilities (SIFMUs) under the U.S. Dodd-Frank Act, reflecting the critical role the firm plays in the global markets.

Michael C. Bodson is named President & Chief Executive Officer.

2013

DTCC acquires 100% of Omgeo to expand its reach across the full post-trade life cycle and grow its global footprint to 15 countries.

2015

As excitement over the potential of new technologies sweeps across the industry, DTCC establishes the Office of Fintech Strategy to spearhead research and thought leadership as well as capitalize on opportunities in the emerging space.

DTCC completes an \$800 million capital raise to strengthen the firm's balance sheet and create opportunities for investments in key priorities, such as risk management, cyber defense and new product innovation.

2017

DTCC helps lead one of the most significant changes to market structure in decades by shortening the U.S. settlement cycle for equities, corporate and municipal bonds and unit investment trusts to T+2.

DTCC's Fixed Income Clearing Corporation (FICC) expands access to central clearing with its Sponsored Member Program, increasing market capacity and reducing systemic risk.

2018

DTCC tackles the operational challenges of the Securities Financing Transactions Regulation (SFTR) in Europe and the UK by enhancing its European GTR to help market participants meet the new requirements.

DTCC is recognized for the first time as a Best Mid-Size Employer by Forbes, based on criteria that includes a work environment where employees feel engaged, inspired and well-compensated.

2010s

2019

DTCC continues to advance several use cases leveraging distributed ledger technology, winning recognition for its innovative work and global leadership with a spot on the Forbes Blockchain 50 list.

2020s

2020

As the COVID-19 pandemic impacts all aspects of life worldwide, DTCC remains fully operational amidst a shift to a virtually fully remote workforce for more than two years.

In response to the UK's Brexit decision, which would require firms to report derivatives trade data to multiple regulators, DTCC establishes a new subsidiary, DTCC Data Repository, and opens an office in Dublin, Ireland, to enable clients to continue to comply with rules in the European Union and the UK.

DTCC introduces its Application Programming Interface (API) Marketplace to provide its clients, partners and internal developers with a single, central, on-demand location for APIs created by DTCC, streamlining access to services and improving the user experience.

DTCC recognized by Forbes as a Best Employer for Diversity, placing the firm as one of the top 500 employers in the U.S. with the most diverse boards and executive ranks, and the most proactive diversity and inclusion initiatives.

The DTCC Consulting Services offering is introduced to provide clients worldwide with access to the firm's expertise and experience to assist in optimizing their post-trade business operations.

With the Securities Financing Transactions Regulation (SFTR) going live in 2020, DTCC launched the SFTR Service and DTCC Report Hub solutions to help firms comply with one of the industry's most complex regulatory mandates to date.

2021

DTCC named to the Forbes Annual Blockchain 50 list for the third straight year, reinforcing its credentials as a company that is at the forefront of digital innovation in using distributed ledger technology (DLT).

DTCC sets a new single-day processing record of 475 million transactions during the meme stock event, eclipsing the previous peak established at the start of the global pandemic.

DTCC's ALERT service surpassed 10 million Standing Settlement Instructions (SSI) for the first time, confirming its position as the central SSI utility to reduce trade fails and increase operational efficiencies.

DTCC achieved a major milestone in establishing a single, global institutional trade matching and confirmation platform with the migration of U.S. domestic transactions to its global Central Trade Manager (CTM) platform and retiring its legacy allocation service, OASYS.

DTCC launched the Sponsored General Collateral (GC) Service, a new solution from its Fixed Income Clearing Corporation (FICC) subsidiary, that builds upon the firm's existing Sponsored Service.

DTCC introduced the Insurance Information Exchange (IIEX) offering to deliver a transformative, centralized platform that helps clients turn insurance data into actionable insights.

2022

Mike Bodson retires as President and CEO of DTCC after a successful 10-year tenure leading the organization that included managing through major crises, including Superstorm Sandy and the COVID-19 pandemic, and transforming virtually every part of the organization.

2020s

DTCC appoints Frank La Salla as President and CEO. La Salla joins the firm following a 28-year career at BNY Mellon, where he held several senior-level positions, including most recently as CEO of its Issuer Services business and a member of BNY Mellon's Executive Committee, the senior-most leadership committee at the firm.

DTCC launched the Project Ion platform – recognized as one of the largest DLT initiatives in equities settlement across the financial services industry – which processed more than 100,000 settlement transactions per day using DLT in a parallel production environment.

DTCC and data cloud provider Snowflake announced a partnership to transform how data is accessed, shared and leveraged across a number of DTCC services, further promoting market transparency, reducing risk and providing greater operational efficiency.

2023

DTCC celebrates its 50th anniversary, having successfully managed through practically every disruption to the financial industry possible. DTCC will continue to focus on doing what is in the best interests of clients and the industry to respond to and overcome threats to the stability of global financial markets.

A Legacy of Leadership

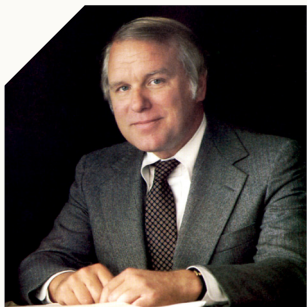
Our success over the past half-century belongs to strong leaders who shaped our vision. Through their expertise, knowledge and commitment to our mission, they have made invaluable contributions that have driven our growth.



William T. Dentzer

Founding DTC Chairman and CEO
1973-1994

Beginning in 1972, William Dentzer led the Central Certificate Service's transformation into an independent, self-supporting company with a bank charter serving the securities and banking industries, a direct outgrowth of an effort to solve the paperwork crisis of the 1960s, which led to the forming of the Depository Trust Company in May 1973. Bill chronicled the development of the depository in his 2008 book, "DTC's Formative Years and Creation of The Depository Trust & Clearing Corporation." Bill's focus on excellence has served the organization well for generations, as he hired many of DTCC's future leaders – including former chairmen and CEOs Bill Jaenike and Don Donahue.



Jack Nelson

First NSCC President
1976-1983

Jack Nelson served as the first president and director of National Securities Clearing Corporation (NSCC). Jack played a leading role in automating the clearance of securities and was a major

proponent of clearing fixed income securities within NSCC's Continuous Net Settlement System. Prior to this, he served as senior vice president of the Securities Industry Automation Corporation. He had also been senior vice president of the New York Stock Exchange's Clearing Corporation and a director of the American Stock Exchange Clearing Corporation, two of the three companies that merged to become NSCC.



David M. Kelly

NSCC CEO
1983-1999

During his tenure as the CEO of NSCC, David Kelly was responsible for overseeing the company during a time of enormous growth in volume and change in the industry. He also guided the development of new risk management systems and policies to improve and support safety and soundness of markets and participants. Dave's leadership in nurturing the growth of NSCC and the creation and growth of Government Securities Clearing Corporation (GSCC), International Securities Clearing Corporation (ISCC) and Emerging Markets Clearing Corporation (EMCC) has served as his lasting legacy at DTCC.



William F. Jaenike

DTC Chairman and CEO
1994-1999

William Jaenike's influence was unmistakable. He served on the staff of the high-powered committee that proposed the establishment of DTC and, as CEO, implemented several major projects for DTC—the most notable being the implementation of shortened trade settlement from T+5 to T+3 and the industry's conversion to a same-day funds settlement system. Bill was a change agent throughout his years of service, as he helped improve clearance and settlement processing and increase operational efficiencies. He exemplified the qualities of integrity, honor and fairness, and he taught those values to the next generation of management and staff.



Jill M. Considine

First Chairman and CEO of DTCC
1999-2006

Jill Considine has had a profound influence on DTCC and on the industry, initially as a DTC board member and then as DTCC's first chairman and CEO. She led the historic drive to consolidate several clearing corporations and the depository into the single

infrastructure organization that DTCC is today. She also steered the company through one of the nation's biggest tragedies on Sept. 11, 2001, during which DTCC helped to ensure market continuity on a global scale. Her leadership helped create an organizational culture at DTCC that is focused on quality, innovation and an unyielding commitment to customers.



Donald F. Donahue

DTCC President and CEO
2006-2012

Donald Donahue represented the gold standard for leadership. His vision for DTCC brought together an extraordinary command of the business, a profound understanding of the industry and the ability to think strategically about DTCC's role in a rapidly changing and ever-more-complex environment. Don executed a forward-looking vision to fundamentally redefine DTCC, making the company more globally oriented, client-centric, risk-focused and diverse, while also expanding the boundaries of DTCC's thought leadership. He also led the company through the 2007-08 financial crisis and the resulting wave of financial regulations, through which DTCC established itself as a critical force for the implementation of sound policies. He inspired and shaped a new generation of DTCC leaders with his integrity, intellect, hard work, high standards and commitment to diversity.



Michael C. Bodson

DTCC President and CEO
2012-2022

Michael Bodson served as President and CEO of DTCC from 2012-2022. Under Mike's leadership, DTCC became more client-centric, commercially focused and financially stable. He built a culture of innovation and made strategic investments to strengthen the firm's capabilities at a time when fintech and digitalization were gaining momentum. Notable achievements from Mike's tenure include: DTCC's North America Data Repository, the Omgeo acquisition, prescient Distributed Ledger Technology (DLT) thought leadership, re-platforming DTCC's Trade Information Warehouse and the DTCC API Marketplace. Mike guided DTCC, its clients and the industry through crises that included the collapse of Knight Capital Market, Hurricane Sandy, the COVID-19 pandemic and meme Stock event. Mike strongly believed in diversity, working with outside organizations to promote more inclusive workplaces and within the firm to transform DTCC's employee community. Those efforts included creating employee resource groups, advancing diverse hiring and promotions, advocating for employee mental health and well-being, as well as sponsoring numerous programs to support and develop diverse talent. Other notable initiatives that began development during Mike's time as CEO, and remain part of his legacy, include the Digital Securities Management platform, accelerating settlement to T+1, as well as Projects Ion and Lithium.



Robert Druskin

DTCC Executive Chairman
2011-2015
DTCC Non-Executive Chairman
2015-Present

Robert Druskin became the first executive chairman of DTCC in 2011 when the company decided to split the roles of chairman and CEO to ensure a best-in-class approach to DTCC's governance. Bob brought decades of financial industry leadership experience to his role as DTCC's executive chairman, which includes leadership oversight for the company as a whole and the day-to-day operations of its core control functions. He drove cultural changes at DTCC to develop a more commercially focused orientation and open communication style across the company. Previously, Bob spent nearly 16 years at Citigroup in a number of senior executive positions, including chief operating officer, member of Office of the Chairman, and CEO of the Corporate & Investment Banking division. He also served as chairman of the board at E*Trade.



Frank La Salla

DTCC President and CEO
2022-Present

Frank La Salla joined DTCC as president and Chief Executive Officer (CEO) in June of 2022. At his previous organization, BNY Mellon, Frank held several senior-level positions over a 28-year career, including most recently CEO of its Issuer Services business, and a member of the BNY Mellon Executive Committee, the senior-most leadership committee at the firm. Previously, Frank held a series of senior-level positions at BNY Mellon, including CEO of the firm's Corporate Trust and Alternative Investment Services & Structured Products businesses, a member of the Executive Committee of Pershing LLC, and President/COO of BNY Clearing Services LLC. Prior to his tenure at BNY Mellon, Frank was CEO of BHF Securities Corporation. He is currently a member of the Financial Industry Regulatory Authority's Board of Arbitrators.

Leading Forward

As we look to the next 50 years,

we will build on our rich legacy to create new opportunities for our clients and the industry to grow by protecting and advancing the global financial markets. As stewards of progress, we will leverage our expertise, innovate purposefully and deliver value so our clients achieve optimum performance.



A New Era of Industry Leadership

FRANK LA SALLA

President and CEO, DTCC

DEAR STAKEHOLDER,

2023 marks an important milestone in DTCC's history – it's our 50th anniversary. It's an honor to lead the organization as we celebrate this landmark event and to thank all our colleagues, clients and stakeholders – past and present – for their support and contributions to the firm's longevity and success.

Anniversaries like this are more than just a date on the calendar. They are special moments that allow us to reconnect with the past, reflect on the path our company has traveled and gain perspective on how those experiences have shaped our firm's evolution. But anniversaries are also about the future – about setting bigger goals, building upon past achievements and elevating the organization to new levels of success.

DTCC's storied history began in response to the paperwork crisis of the late 1960s and early 1970s. At that time, the industry was buried under mountains of physical securities, checks, order sheets and other documents due to a lack of automation and digital processing. The situation became so dire that the U.S. Congress stepped in and charged the Securities & Exchange Commission with fixing the problem, leading to the establishment of The Depository Trust Company (DTC) in 1973.

When an organization's founding is rooted in solving a crisis, it indelibly shapes the firm — from its culture to its personality to its strategy and operations. Our company is purpose-driven: We protect and safeguard the stability and integrity of the global financial markets. That makes us unique among our industry colleagues. It also means we have a critical responsibility to our constituents and the investing public. While DTCC has grown considerably in scale and scope over the past half-century, our commitment and dedication to fulfilling our mission have remained constant. The secret of our longevity, however, has been our ability to transform at key moments to meet the evolving needs of our stakeholders.

We are once again in a period of significant transformation for the industry. Our firm's long-term success requires us to adapt to the realities of a marketplace that will be more global, digital and interconnected than ever before. That's why we're seizing the opportunity to proactively evolve the company and grow our stewardship of the industry.

Our Strategic Transformation

Since joining DTCC, I've traveled around the globe to meet with colleagues, clients, policymakers, business leaders and other key constituents to listen and learn. DTCC is a complex business, so there's no better sources of information than these groups. I've gained a great deal of insight from these conversations, which have helped shape my thoughts on the future of the firm.

The feedback I received was clear and consistent: The pace of change is accelerating and will only get faster. Organizations will need to keep pace or face the prospect of dying and not even realizing it. As retired four-star U.S. Army General Eric Shinseki once said: "If you don't like change, you're going to like irrelevance a lot less." In addition, the current business cycle – already one of the most

challenging in decades – will require financial firms to manage the triple threat of an uncertain macroeconomic environment, heightened regulatory expectations and a volatile geopolitical landscape. As I write this letter, the war in Ukraine continues to rage, three regional banks have collapsed and a global bank had to be rescued through acquisition, and the failure of one of the world’s largest crypto exchanges has prompted a strong response from policymakers.

This moment may not yet represent a full-blown crisis, but it’s certainly a gathering storm. And while the issues today don’t resemble the ones we addressed back in 1973, as I said earlier, a company borne from crisis is wired differently and rises to the occasion precisely during times like this.

Over the past several months, the senior leadership team and I have held a series of strategy sessions to dig into the current state of the industry, examine the dynamics affecting our clients and brainstorm how and where we can help. We know our platform is powerful and a differentiator. We’re already taking steps to enhance it by further interconnecting our businesses, modernizing our technology and developing new approaches and models with different partners. But we also recognize there’s more we can do, so we’re challenging ourselves to identify ways to strengthen our value proposition by purposefully innovating and leading on large-scale initiatives to strengthen market structure and make the financial system more resilient.

The discussions have been very productive, and we’ve begun to infuse the findings into a refresh of our corporate strategy. We’ve also kicked off work to update our brand identity – we’re excited to preview a first iteration of it with this year’s Annual Report – to reflect the elevated role we intend to play in the future.

2022: A Strong Year Despite Headwinds

While this work is ongoing, we’re moving quickly because time is of the essence. And we’re confident we can deliver increased value sooner because we’re starting from a position of financial and operational strength. For that, I want to thank my predecessor, Mike Bodson, and the DTCC executive leadership team for their outstanding stewardship of the firm.

There are several factors that play to our advantage right now, including our strong financial position and unique business model, with all key metrics continuing in a positive direction. Revenue in 2022 grew to \$2.16 billion (up 1.6% from 2021 before payment of the NSCC participant rebate), and net income attributable to DTCC increased to \$333 million (up 14%). While expenses were at \$1.83 billion, up 9% from the previous year, they were driven primarily by increased inflationary costs associated with compensation as well as third-party contracts, and also our continued work to modernize and advance our key risk, infrastructure and digital platforms.

Operationally, we continued to seamlessly clear and settle, despite the heightened volatility that roiled markets last year. In fact, we set a new processing record again in 2022, handling securities transactions valued at \$2.5 quadrillion, up nearly 9% from \$2.3 quadrillion in 2021. One could argue that alone fulfills our mission, but we consider it table stakes. We see our future vision in broader terms: To lead the advancement of the global financial markets as the most influential, strategic and tech-focused partner. To achieve that, we’ll further leverage our talent and expertise, purposefully innovate and deliver even greater value so clients achieve optimum performance

Growing Our Leadership Profile

The move to a T+1 settlement cycle in the U.S. is a good example of what I mean by that. We identified an opportunity to improve market structure, galvanized support among a diverse cross-section of stakeholders and are collaborating with industry partners – the Securities Industry and Financial Markets Association (SIFMA) and the Investment Company Institute (ICI) – to reduce risk, enhance efficiencies and strengthen resilience. In 2022, we took a number of key steps to advance this effort, and with the go-live date set for May 2024, we will be accelerating this work to ensure a smooth transition.

Another example of DTCC's leadership is the role we're playing to meet the U.S. Securities & Exchange Commission's (SEC) proposed plan to expand access to central clearing for U.S. Treasury transactions, including repo and secondary market cash UST. We are strong proponents of central clearing, and we have a long history of creating innovative clearing services across asset classes and market participants, including the original introduction of our Sponsored Service in 2005 and its related expansions over the past 6 years, the creation of a central counterparty for the Mortgage-Backed Securities market in 2012 and the launch of the Securities Financing Transaction (SFT) Clearing service for securities lending transactions in 2022. Each is making the financial system safer and more efficient while delivering value.

When it comes to U.S. Treasury clearing, we recognize there are many industry viewpoints to reconcile on the SEC's proposal. Our primary focus right now is to provide thought leadership and transparency as well as to share information and grow awareness of how our products and services can support the proposed expansion of Treasury clearing. To the extent that the final rule is approved, we will devote our energies to successfully delivering on this clearing requirement.

Shaping the Digital Frontier

As I think about the future of our industry, digital transformation likely represents the most significant change over the next decade. Most firms are making significant investments to upgrade their tech capabilities, and we know that tokenization represents the next transformation of financial markets. DTCC has been a leader in digitization dating back to our founding and our creation of the first digitized security. More recently, we've pioneered major initiatives using distributed ledger technology (DLT), and we've been trailblazers in leveraging public and private cloud and experimenting with other emerging technologies.

For instance, last year we completed a multi-year re-platforming of our Trade Information Warehouse onto a scalable and resilient cloud-hosted architecture – a significant achievement that reduces risks and costs and enhances efficiencies for market participants. We completed two important DLT initiatives in 2022, including launching the first phase of the Project Ion initiative, which demonstrated alternative settlement capabilities that leverage DLT, and publishing a white paper with the Digital Dollar Project that explores how tokenized securities and a wholesale Central Bank Digital Currency could operate within the U.S. settlement infrastructure using DLT. These examples reinforce DTCC's commitment to invest in, experiment with and work collaboratively with our stakeholders on opportunities to use the newest technologies to enhance how markets function.

We will be stepping up our efforts around digital assets in the coming year, with an emphasis on purposeful innovation to deliver immediate value through improvements in processes and business models. We look forward to sharing more information with you in the months ahead.

Optimizing for Long-Term Growth

Given the impact of world events on our industry, our operational performance in 2022 was particularly notable. While the COVID-19 pandemic waned after more than two years, and we returned to our offices and pre-pandemic life, change came at breakneck speed. The instability of the external environment has had a negative and compounding impact on our industry. No firm, including our own, has escaped untouched by the decades-high inflation, surging interest rates and market volatility, among other dynamics.

Recognizing the need to prepare for this challenging business cycle, we took decisive action last summer to bring greater prioritization and discipline to our business planning and expense management processes, including reducing operating expenses, to optimize for long-term growth. We viewed this as a key step to position the company for continued success, but it also reinforced to clients and stakeholders that we're empathetic to the challenges they face, and that we would "walk-the-walk" alongside them.

The goal of this corporate-wide initiative is to optimally align capital and talent to our priorities. At a time when the industry needs – and we will provide – a higher level of support, we must bring greater rigor to the initiatives we pursue from a budget and execution standpoint and reevaluate projects with limited impact or lower return on investment. One example of this was our decision last year to wind down Margin Transit Utility (MTU). Philosophically, and in fact, we're being more precise and targeted in how we invest and generate value for our clients.

Prioritizing People and ESG

Strategy is meaningless without the right culture and the best

talent to successfully execute, and we are truly fortunate to have an incredible caliber of people across the company. Our culture has always prioritized rewarding and recognizing our people for their outstanding work and commitment to DTCC. With labor markets remaining tight and continued fierce competition for talent, we took specific actions last year to further differentiate our firm as an employer of choice, including refining our Employee Value Proposition (EVP), which is integral to hiring, developing, retaining and recruiting the best people. As part of this broader effort, we also continued our annual review of gaps in pay and made recommendations to adjust salaries, enhanced benefits and strengthened programs that support talent management, leadership development and Diversity, Equity & Inclusion (DEI).

Our commitment to DEI is a source of pride for me. So, too, is our passion for giving back to the communities where we work and live. That's why we continue to integrate ESG into all aspects of our corporate strategy. While we still view this as an emerging area for the firm, we can already count a number of successes that will help us build for the future. We cover these topics in our 2022 Environmental, Social and Governance (ESG) Report, which is included as part of our Annual Report, but there were several achievements in 2022 that deserve recognition.

One of the most noteworthy was our effort last year to reinforce the importance of diversity in hiring practices, including retaining, recruiting and promoting women and people from diverse backgrounds. Our efforts are making a difference – and we're committed to expanding upon them in the coming years. Additional highlights include our work to grow our talent pipeline and engage future leaders in development programs, including Advancing Women Leaders, Emerging Women Leaders and the McKinsey Black Leadership Academy. On the environmental front, we continue to lead the effort to dematerialize physical certificates to reduce

stress on natural resources and raw materials, including trees and ink needed to print them. As a measure of our success, we've reduced the number of physical certificates held by DTC to just under 775,000 from slightly over 1 million in 2015, a reduction of nearly 25%.

We are very proud that it's not just our employees who recognize our commitment to creating a world-class organization. Forbes ranked us again as one of America's "Best Midsize" employers, and Seramount, a leader in DEI, also honored us as one of the Top 100 companies for working mothers and fathers. In addition, our firm scored 100% from the Human Rights Campaign for the 12th consecutive year. And we continued to give back to the communities where we live and work, setting a record of more than \$1 million in donations from colleagues and company matching gifts, with 10,500 volunteer hours. Congratulations to our team for such outstanding work.

A Springboard to the Future

Longevity is something that few companies ever achieve, and I'm proud of our history as well as our commitment to build future success. That we're embarking on this journey during our 50th anniversary makes the moment seem even more meaningful. We have defied the odds because we have consistently demonstrated the courage and foresight to evolve as markets have changed.

I want to extend my personal gratitude to the Board of Directors, the Management Committee and our employees for their partnership and support this year. Bob Druskin, our outgoing non-executive chairman, has been a mentor and good friend during our time together. On behalf of the organization, we thank Bob for his 12 years of service, his leadership and commitment to the firm. He has had a tremendous impact on the organization and its strategic

direction, and he has helped shape DTCC into the company it is today. I look forward to working with Kevin Kessinger, our new non-executive chairman, to continue driving the firm forward.

We are fortunate to have a strong Board, and I'd like to acknowledge Gary Stern, who will also be retiring at the end of 2023, for his 13 years of service, including holding the positions of Chair of the Risk and Governance Committees as well as Presiding Director. Bob and Gary will certainly be missed. I also want to recognize several outstanding Board members who recently stepped down, including Claudine Gallagher, David Goone, Pinar Kip, Kathleen Lynch and Graeme McEvoy. And I want to extend my thanks to Mike Bodson for his leadership of the firm for the past decade and his graciousness in sharing his knowledge with me during our transition.

Our firm's success belongs to those who came before us and is a testament to our past and present DTCC colleagues, whose dedication and commitment make it all possible. And to our clients and stakeholders, we appreciate the trust you've placed in us to safeguard the industry and support you. We're committed to building upon that rich heritage, and I'm very optimistic that DTCC can serve as a stronger strategic partner to you in the future. Indeed, the best way we can honor DTCC's legacy is by taking definitive steps today to prepare the firm for a new era of industry leadership. I look forward to working with all of you as we begin writing the next chapter in this amazing company's history.



Frank La Salla, Chief Executive Officer



The Future Will Be Even Brighter

ROBERT DRUSKIN

Non-Executive Chairman, DTCC

DEAR STAKEHOLDER,

In the life of every company, there are important milestones that warrant celebration. For DTCC, we are very fortunate to have two such opportunities occur within a matter of months. The first is the 50th anniversary of our founding, which we are commemorating in 2023; the second was the appointment of a new CEO last year. That these two events occurred so close together is coincidental, yet there is an undeniable link between them.

Few companies achieve the longevity of a half-century in business. Many often fall victim to competition, complacency, inadequate financial discipline or a lack of agility in recognizing and responding to marketplace trends and client needs. The single most important factor in avoiding these traps and attaining enduring success is effective management. For DTCC, having the right leadership in place at pivotal moments to evolve the organization has driven our growth since 1973.

There's no better example of this than DTCC's renaissance over the past decade – and how this has positioned the firm for a new era of industry stewardship. Mike Bodson's planned retirement after 10 years as President and CEO, and the appointment and seamless transition of Frank La Salla as DTCC's new leader, illustrates this point. It reflects the Board's diligence in thoughtful succession

planning to ensure the stability of the organization and the continued execution of its mission. For the CEO transition, the Board developed and executed a rigorous search process, which included extensive discussions on the company's long-term strategic direction and how it would need to evolve to maintain its leadership position in the future. We then utilized this information to help define the qualities that would be essential for the next CEO.

We were fortunate to be working from a position of strength. During his tenure, Mike transformed the organization into a client-driven company that is now regarded globally as the premier financial market infrastructure and an influential voice on a wide range of industry topics. He fortified the firm's financial position, strengthened its risk management framework, and successfully handled multiple crises, including the devastating fallout from Superstorm Sandy. And he proved during the COVID-19 pandemic that a company can be disciplined and effective as well as empathetic and caring. Mike was the right leader at the right time for DTCC.

With the pace of change accelerating due to a number of dynamics, including the advent of powerful technologies, the emergence of new forms of risk, a more competitive business landscape and shifting worker expectations post-pandemic, the Board coalesced around a core set of characteristics for our next CEO. We interviewed a talented and diverse slate of highly qualified candidates, and Frank emerged as the right choice.

Frank's experience and leadership have already made an impact. He has demonstrated a deep appreciation for DTCC's role in safeguarding the financial system. In addition, he has brought a global perspective and entrepreneurial mindset to the complex business challenges facing our company, our clients and the industry. Within weeks of becoming CEO, Frank kicked off important work to refresh our corporate strategy as well as its vision, mission

and values. He prioritized building relationships with colleagues across the organization globally as well as our many external stakeholder groups, including clients, regulators and industry partners. In addition, he has preserved the qualities that make DTCC's culture special and infused greater levels of innovation, urgency and accountability into how the company operates. We believe this will be critical in an increasingly competitive and fast-moving environment.

Looking to the year ahead, the Board applauds the decision by senior management to launch an enterprise-wide corporate initiative that will enable it to optimize performance, prioritize initiatives and reduce operating expenses. This action recognizes the difficult business cycle facing clients and sends a clear message that leadership appreciates the unique nature of DTCC's ownership model and the need to align priorities with the state of the industry. We also look forward to hearing more from the management team on opportunities to elevate DTCC's role, including spearheading the transition to a T+1 settlement cycle in the U.S., plans for implementing a central clearing mandate in the U.S. Treasury market, advancing a robust digital asset strategy and delivering greater overall value to clients.

Change is inevitable in life, and that includes business. To that end, I want to thank David Goone, Pinar Kip, Kathleen Lynch and Graeme McEvoy, all of whom left the Board in 2022, and Claudine Gallagher, who moved on in 2023. They were active and engaged members, and their knowledge and experience helped shape many of our deliberations and decisions. I also want to welcome Bill Capuzzi, Kelley Conway, Hope Jarkowski, and, of course, Frank, who joined the Board last year. We look forward to their fresh insights and perspectives.

This past April marked my 12th anniversary leading the DTCC Board.

It also represents my final year as Non-Executive Chairman, as I plan to retire at the end of 2023. I want to congratulate Kevin Kessinger, who has served on the DTCC Board of Directors since 2021, on his appointment as DTCC's new Non-Executive Chairman, effective January 1, 2024. Like Frank and Mike, Kevin is the right leader at this time for DTCC. He brings the perfect combination of industry expertise, business acumen and deep experience in technology, operations and business management to the position. I look forward to working with him throughout this year to ensure a smooth transition of responsibilities, and I wish him much success in the role.

As I look back over my tenure at DTCC, it's been an incredibly rewarding experience to lead the Board during such a dynamic period in financial services and world history. My initial impression of DTCC in 2011 was that it had all the makings of a great company. That's not to suggest that the firm hadn't done outstanding work in the past. To the contrary, it had built a reputation as a trusted, reliable and effective organization. But in the years after the 2008 financial crisis, policymakers placed an even greater emphasis on risk management and financial strength, creating an added responsibility for the firm and a huge opportunity to grow its impact across the industry.

All the pieces were in place to elevate DTCC. The company did critical and important work. It had deep subject matter expertise. And it had a compelling purpose, a strong and vibrant culture and outstanding people, who are among the very best in the industry.

However, leveraging those strengths to drive the company's future success would require transforming every part of the organization.

The Board set a bold vision for the strategic direction of the organization, and the leadership team consistently executed against

it. Looking back, some of my most memorable experiences are of working in partnership with my fellow Board members and senior management to instill a commercial orientation in how the company is run, build its financial strength and sophistication, embed a client-focused outlook and prioritize reinvesting back into the business to support long-term growth.

I will miss our company and all of you, but I'm looking forward to retirement, spending more time with my family and friends and traveling, among other things. I'm grateful to my fellow Board members over the past 12 years for their support and contributions, to DTCC senior management and our global team for their hard work and commitment to our company's mission and to our many stakeholders for trusting us to serve you. It's been a great 12 years. We already have so much to be proud of, and I have no doubt that the future will be even brighter for DTCC.

A handwritten signature in black ink that reads "Bob".

Robert Druskin, Non-Executive Chairman

A Year of Impact

When it comes to solving the complex operational issues facing financial firms today, we pursue the toughest challenges. They are experts in their field. And they bring passion, creativity, courage and a forward-looking mindset to their work. Our achievements in 2022 reflect their contributions to delivering value to our clients and the industry.



Hitting the Accelerator on T+1

Accelerating the U.S. settlement cycle for transactions in cash equities, corporate debt and unit investment trusts remained a top priority in 2022 as we continued to advance this key strategic initiative.

We first proposed the move to T+1 in a 2021 white paper and have since been working with SIFMA and ICI, our partners on the move to T+2 in 2017, and a wide cross-section of market participants to help the industry prepare for the transition in May 2024.

This year, we executed an integrated strategy across several of our businesses to support the move to a shorter settlement cycle, including:

Publishing the T+1 Playbook, which identified implementation activities, timelines, dependencies and risk impacts that firms should consider to prepare for the transition, as well as the T+1 Detailed Testing Framework.

Launching a highly successful program of virtual events, Accelerating to T+1 Series, which explored the impact of accelerated settlement and T+1 globally across the industry.

Reinforcing the value of DTCC's CTM[®] solution and, specifically, its Match to Instruct (M2I) workflow, to automate post-trade processes for allocation, confirmation and central matching, which is critical in reducing the number of post-trade exceptions and costly reconciliation efforts and help achieve Same Day Affirmation (SDA) – a key enabler of T+1.

Expanding the use of ALERT[®], the golden source of over 14 million Standing Settlement Instructions (SSI), and encouraging that trades sent for matching in CTM are enriched with accurate and timely SSIs via the service. This will aid in the timely and accurate settlement of trading activity to support T+1.

Providing our expertise via DTCC Consulting Services to buy- and sell-side clients by helping assess the impact of T+1 on their securities workflows – from front to back – and optimizing their global operating models.

Center Stage: How We're Expanding Access and Insights with Central Clearing

As the U.S. Federal Reserve raised interest rates seven times in 2022 to control a spike in inflation, Treasury market volatility experienced a corresponding jump in activity, with the total value of transactions processed by DTCC's Fixed Income Clearing Corporation (FICC) surging to \$1.35T from \$1.05T, an increase of 7.7%. Central clearing of U.S. Treasury repos through FICC's Sponsored Service also experienced significant growth last year, with the average daily value of \$333M transactions, up 28% over 2021. In addition, the service expanded last year to more than 35 sponsoring members in nearly 40 global jurisdictions.

Focused our efforts on how to support a U.S. Treasury Clearing requirement, following the release of a proposal by the U.S. SEC in September. With industry consensus growing on the significant risk-mitigation, stability, and resiliency benefits of central clearing of U.S. Treasury transactions, we have ramped up outreach to help buy-side firms understand FICC's role in the U.S. Treasury market, as well as how to participate in central clearing through one of our different models of membership.

Executed the first Securities Financing Transaction (SFT) Clearing Service trade in October, providing participants with maximized capital efficiency and mitigating systemic risk with greater NSCC membership and cleared transaction opportunities for firms utilizing our central clearing model.

Launched in February 2022, DTCC Treasury Kinetics gives market participants access to a single, comprehensive data source on repo trade activity, moving beyond the end-of-day average to a view of aggregated and anonymized transactional activity. The service continues to see strong client uptake and has added delivery via the Snowflake Data Marketplace.

Meeting Derivatives Trade Reporting Challenges Head On

A wave of trade reporting rule changes was set into motion with the December 2022 CFTC Rewrite phase-one go-live. These updates, which will be implemented over the next two years, will impact all major derivatives reporting regimes and introduce greater harmonization of data standards across jurisdictions – a policy long advocated by DTCC. This positive step forward was the result of years of work by regulators globally to forge consensus on how to achieve the goals of enhanced market transparency and greater risk mitigation in the wake of the 2008 financial crisis.

Educating market participants about the incoming reporting rule changes and the impacts to in-scope reporting firms while preparing our Global Trade Repository service (GTR) infrastructure to support reporting under the revamped rules.

Creating a new assisted reporting model under DTCC Report Hub®, which allows buy-side firms to take control of their own regulatory reporting. Report Hub also grew its community of clients to more than 70 firms including leading banks, major swap dealers and some of the largest custodians, clearing houses and buy-side firms globally as the demand for pre- and post-trade reporting solutions has grown.

Providing expert guidance to firms through DTCC Consulting Services. In 2022, nearly 40 firms benefited from consulting engagements and our proprietary test packs, which are designed to help firms test their systems for CFTC rewrite readiness.

Creating Insights: How Data is Transforming Financial Markets

Rapidly shifting and volatile market conditions in 2022 intensified the need across the industry for reliable, empirically based market data and enhanced data analytics, to drive strategic decision making while lowering financial and operational risk. In response to these trends, we undertook several key initiatives to advance our data strategy by:

Launching Treasury Kinetics to deliver a single, comprehensive data source that provides greater insights and increased transparency into the U.S. repurchase agreement (repo) market.

Partnering with Snowflake, the Data Cloud company, to transform how clients access, share and leverage data across a number of DTCC services. This collaboration will enable DTCC to build applications using Snowflake technology to provide an enhanced user experience with greater interactivity and access controls.

Initiating our Data Management Center of Excellence to drive a comprehensive, enterprise approach to data management, which will include implementation of a simpler data architecture, enhanced data quality and support for enterprise modernization efforts.

Reimagining Capabilities to Accelerate Our Cloud Journey

As the industry transforms in response to digital technologies, evolving regulatory requirements and new forms of risk, including a proliferation of cyber-attacks, we continued to advance our multi-year IT modernization strategy.

This multi-faceted body of work is focused on reimagining IT capabilities and delivery through state-of-the-art applications, innovative data approaches and powerful platforms. DTCC's foremost priority is to maintain the highest levels of production stability, security, control and resilience, and an enhanced client experience.

Advanced a robust hybrid cloud strategy that provides optionality, scalability, and flexibility across our businesses, while prioritizing production stability and resilience for the industry. Additionally, DTCC installed Capacity on Demand infrastructure for its private cloud platform to facilitate seamless trade processing during periods of market volatility.

Strengthened resilience capabilities by developing modern architectures that enable granular recovery of technology applications across regionally distributed data centers.

Leveraged containerization technology to keep modern applications portable across platforms to rapidly respond to evolving business needs.

Partnered with Snowflake, the data cloud company, to transform how our clients access, share and leverage data across several DTCC services to facilitate greater data interactivity and broader access controls.

Learning From the Past to Manage Current and Emerging Risk

The risk landscape remained extremely challenging in 2022 as DTCC navigated periods of extreme market volatility, a wave of global cyberattacks, ongoing issues related to the COVID-19 pandemic and continued geopolitical tensions around the globe.

The firm continued to advance key initiatives to further strengthen its risk management framework and build greater resilience to protect the organization, our clients and the industry and safeguard financial stability.

Led discussions on current and emerging risk with our Systemic Risk Roundtable forums and conducted our 10th annual Systemic Risk Barometer survey in December, which identified geopolitical, inflation and cyber as the most significant threats to the financial services ecosystem for 2023.

Published white papers on critical risk topics including quantum computing, which examined the security risk of post-quantum computing for financial institutions, and interconnectedness risk, which analyzed the risks due to the growing complexity of the global financial system.

Mitigated prevailing and emerging risks through continuous and timely responses to changes in financial markets, technology, cyber threats, regulation/legislation and stakeholder priorities.

Successfully adopted a new Governance, Risk, and Compliance module, which will support a more efficient and effective approach for assessing the firm's organizational controls, identifying gaps and acting upon them to address a wide range of enterprise risks.

Awards



wfe WORLD FEDERATION OF EXCHANGES

WFE's Women Leaders 2022

MICHELE HILLERY
MANAGING DIRECTOR, GENERAL MANAGER, EQUITIES CLEARING AND SETTLEMENT



Report Hub: Best Solution- Trade Reporting of the Year

Winner

DTCC
Best Solution
Trade Reporting



Pinnacle Inclusion Index Company 2022, Seramount



Global Trade Repository: Best Market Infrastructure of the Year

Winner

DTCC
Market Infrastructure
of the Year



MARKETS CHOICE AWARDS
**WOMEN
FINANCE**

**Markets Media
Women in
Finance 2022
"Excellence in
Regulation"**

BARI WOLFE
MANAGING DIRECTOR, REGULATORY RELATIONS



TAMPA BAY BUSINESS JOURNAL
**40
UNDER
40**

**Tampa Bay
Business
Journal, 40
Under 40**

KEIRON RAMOUTAR
EXECUTIVE DIRECTOR OF FINANCIAL OPERATIONS



MARKETS CHOICE AWARDS
**WOMEN
FINANCE**

**Markets Media
Women in
Finance 2022
"Excellence in
Human
Resources"**

ANDREA GIBBONS
MANAGING DIRECTOR, HUMAN RESOURCES



**DTCC 2021
Annual Report,
Gold Award
Hermes
Creative Award**



**Best Companies
for Multicultural
Women,
Seramount 2022**



**Report Hub: Best
Regulatory
Reporting
Solution, FTF
News Awards**



**Best Places to
Work for
LGBTQ+ Equality**

We Are a Global Organization Serving the World's Financial Markets

DTCC AT A GLANCE

Founded 50 years ago as a market-neutral industry utility, today DTCC is the premier post-trade infrastructure for the global financial markets. We provide stability, certainty and reliability for the industry and support our clients by mitigating risk, increasing transparency, lowering costs and driving efficiencies by developing innovative solutions to solve complex business challenges.

TOTAL VALUE OF SECURITIES PROCESSED (IN USD)

2022

\$2.50
QUADRILLION

Fixed Income Clearing

\$1,512
TRILLION

in government securities and \$61 trillion in mortgage-backed securities processed

Settlement & Asset Services

1.40
TRILLION

World's largest depository of active U.S. issues. 957 million transactions settled last year valued at \$462 trillion.

National Securities Clearing Corporation

\$2,081
TRILLION

cleared daily in broker-to-broker transactions for 50+ exchanges and trading venues


Trade Reporting

19
BILLION

messages annually across 12 trade repositories reporting to 60+ global regulators in 35 countries.


 **5,635**
CLIENTS

 **93**
COUNTRIES

 **20**
OFFICE LOCATIONS IN AMERICAS,
EMEA, APAC

 **5,389**
EMPLOYEES

 **23**
REGULATORS ACROSS THE GLOBE
WHO GOVERN US

 **271**
SHAREHOLDERS

 **130**
THIRD-PARTY TECHNOLOGY PROVIDER PARTNERSHIPS

We provide innovative solutions across the post-trade ecosystem

INSTITUTIONAL TRADE PROCESSING

CLEARING SERVICES

SETTLEMENT & ASSET SERVICES

WEALTH MANAGEMENT SERVICES

REPOSITORY & DERIVATIVES SERVICES

DATA SERVICES

ENTERPRISE SERVICES

2022

Financial Update



Providing Certainty and Stability to the Global Markets

SUSAN COSGROVE
Chief Financial Officer

DEAR STAKEHOLDER,

In 2022, we faced another year of widespread volatility in the global financial markets, with macroeconomic and geopolitical factors producing significant impacts across many segments. This, coupled with significant movements in equity markets, rising interest rates and inflationary pressures, drove heightened trading activity in the equities and fixed income asset classes. Our role as a critical market infrastructure was reinforced last year as we provided certainty and stability to the global markets in this rapidly changing economic environment.

Our strong balance sheet and solid operating performance once again drove favorable returns, with revenue across all businesses hitting an all-time high of \$2.16 billion, up 5% over 2021. By leveraging our strong revenue performance, we advanced key initiatives to further improve the resilience, operation and stability of our systems and capabilities. We delivered strong net income of \$333 million in 2022 before payment of our preferred dividend, an increase of \$41 million (nearly 14%) from 2021.

Despite the positive top- and bottom-line performance in 2022, we took steps to prepare for a more challenging economic landscape in 2023. In November, we embarked on an internal program to create

capacity, drive operational efficiencies and reduce costs to deliver significant operating expense reductions by year-end 2024. These savings will create capacity to weather headwinds, continue robust investment in resilience and further market structure initiatives like the move to a T+1 settlement cycle in the U.S. and expanding U.S. Treasury clearing.

Total Revenue
(IN MILLIONS)

\$2,163

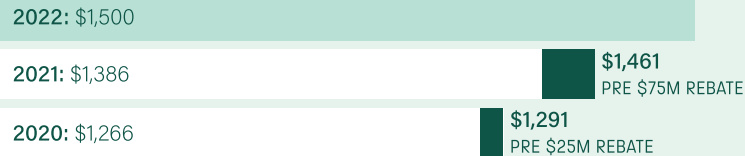


Our operating segment revenue achieved record levels in 2022, with our Systemically Important Financial Market Utilities (SIFMU) businesses (The Depository Trust Company, National Securities Clearing Corporation and Fixed Income Clearing Corporation) reaching \$1.5 billion, up \$39 million (3%) vs. 2021 before payment of the participant rebate. Our non-SIFMU businesses grew revenue to \$682 million, up \$32 million (5%) compared to the prior year, due primarily to elevated and sustained market activity in our Institutional Trade Processing (ITP) business as well as growth in derivatives reporting in the Repository & Derivatives Services business.

SIFMU Revenue

(IN MILLIONS)

\$1,500



Solutions Revenue

(IN MILLIONS)

\$683



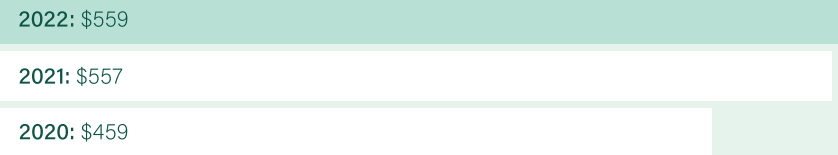
Earnings Performance

Total EBITDA (earnings before interest, tax, depreciation, and amortization) was \$559 million, consistent with the prior year. Despite facing significant operating expense headwinds due to inflationary pressures on compensation and third-party contracts, we prioritized continued investments in our critical systems infrastructure, risk management capabilities and digital innovation. We believe this strategy is essential to delivering on our goal to further grow DTCC’s reach and impact in the years ahead.

Total EBITDA

(IN MILLIONS)

\$559



Summary Balance Sheet

The strength of our balance sheet reflects our core mission as a critical market infrastructure operating three SIFMUs in the United States. Our balance sheet is key to financial resilience and enables us to provide continuity of services in volatile market conditions and maintain stability for our clients and the industry. We achieve this by investing shareholders' equity in highly liquid assets composed primarily of cash and cash equivalents. We minimize the use of financial leverage by issuing debt predominantly for default liquidity purposes. We also collect margin deposits from our member firms, which in aggregate represent the Participant and Clearing Funds to cover market and liquidity risk associated with clearance and settlement. These resources are a key element to our default liquidity strategy.

We maintain a robust and diverse default liquidity portfolio consisting of prefunded and committed resources. Reliable access to liquidity in various market conditions is our top priority. To achieve this, we diversify the portfolio not only with respect to duration, but also from numerous liquidity providers in different financial and geographical markets. This includes the commercial paper market, investment grade debt capital markets, the syndicated loan market as well as directly from our participants.

The largest components of our balance sheet are the default management and liquidity resources, which are available in the event of a clearing member default where the clearinghouse would need to facilitate settlement. These resources include the Participants and Clearing Funds as well as proceeds from the issuance of commercial paper and senior notes. In 2022, we increased our commercial paper issued by ~\$800 million to meet temporary heightened liquidity needs from increased trading activity, particularly from exercised equity options and index rebalancing.

As expected, 2022 was a challenging year filled with significant market volatility and economic uncertainty. We successfully weathered these issues through rigorous financial planning and execution. In 2023, we will continue to focus on expense management, initiative prioritization and product development innovation to maintain a strong financial performance and advance our corporate strategy to enhance our ability to serve clients and the industry.

\$MILLIONS	2022	2021
ASSETS		
CASH & CASH EQUIVALENTS	\$16,917	\$14,682
PARTICIPANTS' ASSETS	\$62,668	\$57,835
ALL OTHER ASSETS	\$1,469	\$1,538
TOTAL ASSETS	\$81,054	\$74,055
LIABILITIES		
COMMERCIAL PAPER	\$9,110	\$8,292
PARTICIPANTS' LIABILITIES	\$62,668	\$57,835
LONG-TERM DEBT	\$4,734	\$3,732
ALL OTHER LIABILITIES	\$1,125	\$1,116
TOTAL LIABILITIES	\$77,636	\$70,975
SHAREHOLDERS EQUITY	\$3,418	\$3,080



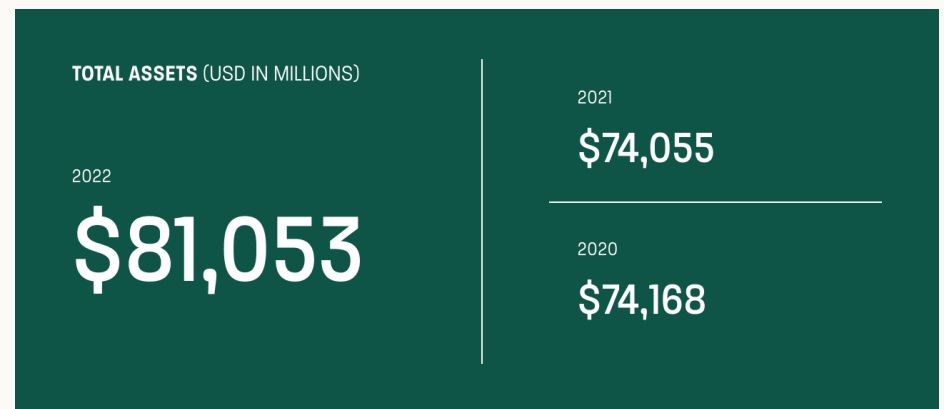
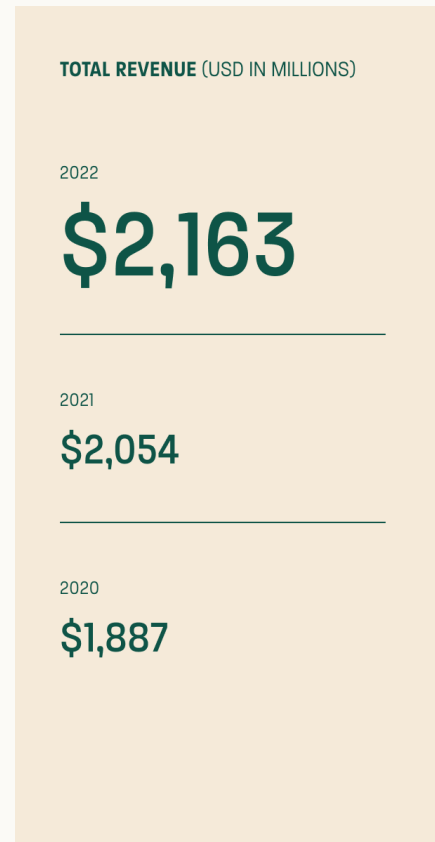
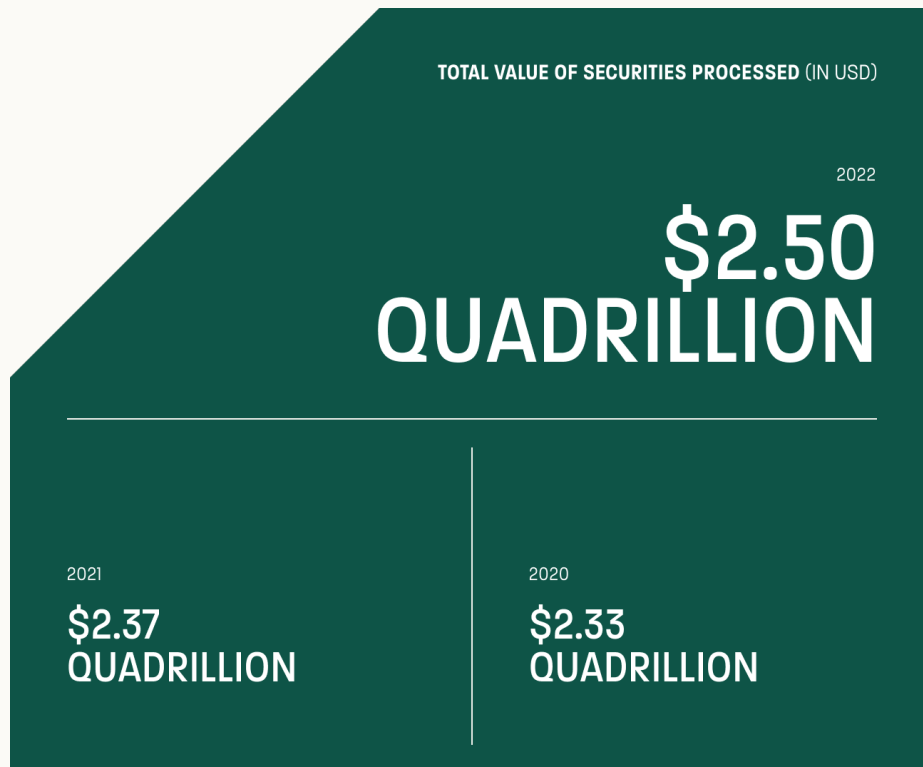
Susan Cosgrove, Chief Financial Officer

SUSAN COSGROVE SERVED AS DTCC CFO UNTIL APRIL 10, 2023. SHE IS CURRENTLY MANAGING DIRECTOR AND PRESIDENT, CLEARING & SECURITIES SERVICES.

We Stand at the Center of the Financial Marketplaces.

PERFORMANCE DASHBOARD

Check out our financial results and operational processing statistics to learn more about how we're supporting the growth of the global financial markets.



National Securities Clearing Corporation

AVERAGE DAILY VALUE OF NSCC TRANSACTIONS PROCESSED
(USD IN TRILLIONS)

\$2,081



AVERAGE DAILY VOLUME OF NSCC TRANSACTIONS PROCESSED
(USD IN MILLIONS)

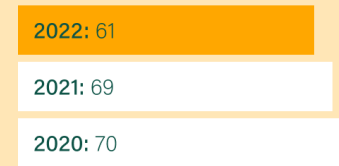
214.7



Fixed Income Clearing: Mortgage Backed Securites

MBS: PAR VALUE NETTING DESTINED
(IN TRILLIONS)

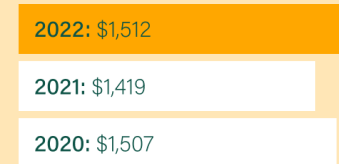
61



Fixed Income Clearing: Government Securities Division

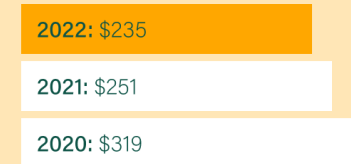
GSD: TOTAL \$ VALUE IN NET
(USD IN TRILLIONS)

\$1,512



GSD: GCF REPO TOTAL VALUE IN NET
(USD IN TRILLIONS)

\$235



Settlement

TOTAL VALUE OF TRANSACTIONS SETTLED
(USD IN TRILLIONS)

\$462

2022: \$462

*2021: \$432

*2020: \$373

TOTAL VOLUME OF TRANSACTIONS SETTLED
(IN MILLIONS)

957

2022: 957

*2021: 915

*2020: 822

Asset Services

**NUMBER OF ACTIVE SECURITY ISSUES
HELD AT DTCC**
(IN MILLIONS)

1.40

2022: 1.40

2021: 1.39

2020: 1.37

**TOTAL VALUE OF ACTIVE ISSUES
HELD AT DTCC**
(USD IN TRILLIONS)

\$72

2022: \$72

2021: \$87

2020: \$74

*RESTATED TO ALIGN WITH 2022

Wealth Management Services – Mutual Funds

VALUE OF FUND/SERV TRANSACTIONS
(USD IN TRILLIONS)

\$9.4

2022: \$9.4

2021: \$8.5

2020: \$8.6

VOLUME OF FUND/SERV TRANSACTIONS
(IN MILLIONS)

273

2022: 273

2021: 261

2020: 263

Wealth Management Services – Mutual Funds

MUTUAL FUNDS DEFINED CONTRIBUTION CLEARANCE AND SETTLEMENT
(IN MILLIONS)

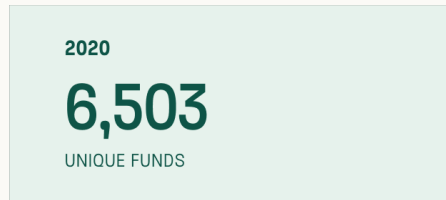
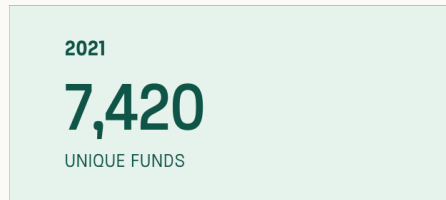
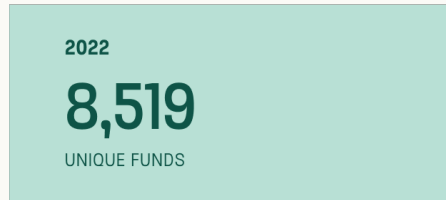
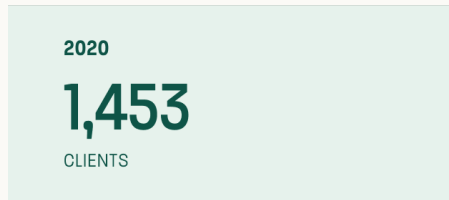
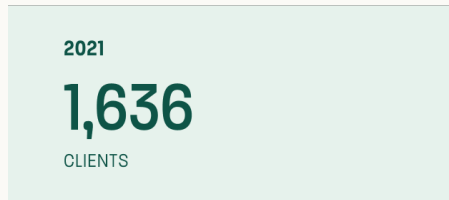
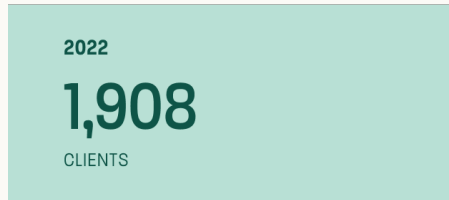
159

2022: 159

2021: 154

2020: 151

Wealth Management Services – Alternative Investment Products



Wealth Management Services - Insurance & Retirement Services

**TOTAL PROCESSED SETTLEMENT
VALUE**
(USD IN BILLIONS)

\$205

2022: \$205

2021: \$163

2020: \$136

**TOTAL TRANSACTION VOLUME
FOR INSURANCE**
(IN BILLIONS)

16

2022: 16

2021: 15

2020: 14

Institutional Trade Processing

**INSTITUTIONAL TRADE PROCESSING
VOLUME OF SECURITIES TRANSACTIONS
PROCESSED**
(IN MILLIONS)

1,004

2022: 1,004

2021: 822

2020: 799

**STANDING SETTLEMENT
INSTRUCTIONS**
(IN MILLIONS)

14.0

2022: 14.0

2021: 12.1

2020: 10.2

2022

Environmental, Social & Governance Report

Embracing Our Responsibility to the World

We are proud to share our progress across the four pillars that underpin our ESG strategy.



ESG Report Introduction

KEISHA BELL

Managing Director - Head of Talent
Management and Diversity, Equity & Inclusion

DEAR STAKEHOLDER,

DTCC's purpose-driven culture enables us to embrace our mission and values with excitement and energy. Our mission is unique in the financial services industry, and it helps drive our environmental, social and governance strategy. Our ability to protect the stability of the global financial markets is underpinned by our commitment to rigorous risk management, strong governance and growing and developing our people.

Throughout our 50-year history, we have always sought to making an impact through our employee and community engagement programs, philanthropy, and volunteerism. More recently, we have strengthened this focus by developing a cohesive ESG strategy that incorporates a broader set of priorities, actions and metrics.

Our framework is comprised of four pillars – governance, people, environment, and prosperity – which follows the World Economic Forum's Measuring Stakeholder Capitalism recommendations. This framework enables us to identify the risks and opportunities in each area. It also serves as a guide to maximize the positive effect we have on society and helps us carefully manage the environmental and social impact of our business.

We have developed our ESG priorities through research to identify the issues that are most relevant to our people and business.

As we publish our second ESG report, we remain focused on building our ESG strategy to achieve our goals. This strategy will continue to evolve to reflect new challenges and needs. And, as it does, we will embrace our responsibilities, and strive to contribute to a sustainable economic growth – helping to protect healthy markets, enhance our own business resiliency, and deliver positive impact for our clients, employees, and communities.



Governance

Governance is foundational to achieving long-term value. In this section, you will see metrics and disclosures outlining DTCC’s approach to good governance, including:

- Purpose, mission and vision
- Governance body composition
- Approach to managing ethical behavior
- Risk management and oversight

A Purpose-Driven Organization

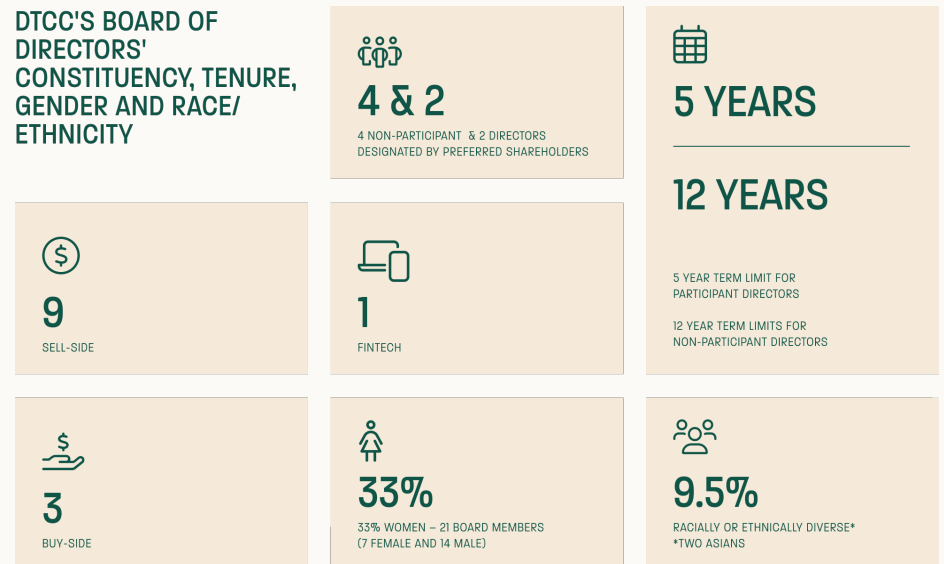
We act as trusted stewards for the industry, protecting and advancing the global capital markets by leveraging our insights, innovating purposefully, and delivering value. We are committed to attracting and retaining top talent through our human capital strategy, enabling employees to fulfill their roles with excellence and integrity, as well as upholding a strong purpose-driven culture. Our people are client-focused, forward-thinking, creative, passionate, courageous and experts, enabling the whole firm to deliver for our clients, partners and the industry at large. We are responsible citizens, actively advancing ESG principles and managing related risks. At DTCC, we are stewards of progress.

Governance Body Composition

The DTCC Board of Directors is currently composed of 21 Directors. Of these, 13 are participant Directors who represent clearing agency members, including international broker/dealers, custodian and

clearing banks, and investment institutions; four are non-participant Directors; two Directors are designated by DTCC’s preferred shareholders, ICE and FINRA; and the remaining two Board members are DTCC’s Non-Executive Chairman and its President and Chief Executive Officer. The Board plays a critical role in setting the strategic direction of DTCC, providing oversight and offering guidance on topics including risk management, regulatory matters, technology, innovation and the development of new products and services.

Below is information about DTCC’s Board of Directors’ ESG-related competencies, tenure, gender and membership of under-represented social groups.



DTCC'S BOARD OF DIRECTORS' ESG-RELATED COMPETENCIES

THIS INFORMATION IS CURRENT AS OF MARCH 2023.



THESE ARE COMPETENCIES RELATED TO DTCC'S ESG PRIORITIES. ANY BOARD DIRECTOR THAT HAS SOME, CONSIDERABLE OR EXTENSIVE EXPERIENCE IN EACH OF THESE COMPETENCIES IS INCLUDED IN THE PERCENTAGE CALCULATIONS.

Ethical Behavior

The DTCC Code of Conduct for Employees and The DTCC Code of Conduct for Contingent Workers express and reinforce our foundational values and demonstrate the commitment of all who work at DTCC to conduct themselves with the highest integrity.

The Code of Conduct also features clearly defined reporting and escalation guidelines and consequences up to and including termination of employment for policy violation.

Here are some of the key topics covered in the Code of Conduct:

- Compliance with the law: this includes ethical business practices, fraud and bribery prevention, anti-money laundering, conflicts of interest, and global sanctions.

- Protection of confidential information: this includes confidential client information, insider trading prohibition, and protection of Personally Identifiable Information (PII).
- Safeguarding DTCC assets and reputation: this includes information security, electronic communications, social media activity, intellectual property, and records management.
- Ethical conduct: this includes personal integrity and professional conduct, anti-harassment & anti-discrimination, whistleblower policy, diversity equity and inclusion, gift and entertainment restrictions, and workplace safety.
- Community impact and commitments: this includes human rights and social responsibility.

There are preventative measures in place to build awareness of expectations and discourage violations. This includes a global ethics hotline, awareness and remedial training, communication campaigns, monitoring and reporting and employee and people manager outreach.

100% of DTCC employees and contingent workers are required to take training on anti-bribery and anti-corruption policies.

In addition, contingent staff who access DTCC's networks are subject to DTCC's Code of Conduct and must complete related training. In 2022, 99.95% of employees and contingent workers completed the training.



ANTI-CORRUPTION

DTCC believes that corruption poses serious legal and reputational risks to the business. Therefore, compliance with relevant laws is something that is taken very seriously.

DTCC and its subsidiaries are subject to numerous laws in the jurisdictions in which they operate relating to bribery and corruption prevention, anti-money laundering, insider trading and global sanctions. DTCC has controls in place to ensure identification and compliance with regulatory requirements and identified bribery and corruption risks. Controls are designed to reduce both the impact and likelihood of a risk event.

DTCC employees must comply with personal investment account disclosure requirements and trading restrictions, ensuring robust controls are in place to prevent trading on the basis of non-public information which may affect securities.

To protect itself from unlawful entities and ensure compliance with all global sanctions regulations, DTCC has established a Global Sanctions Policy. DTCC has implemented a program to screen clients, agents, employees, third parties and securities against the various global watch lists to prevent DTCC from conducting business with entities and individuals listed.

DTCC Compliance periodically screens all vendors for relevant adverse news that may indicate participation in modern slavery and would flag participation in bribery or corruption. Adverse news screening is also carried out for new clients as part of the onboarding process.

A 2022 Corporate Compliance Risk Assessment determined that DTCC's controls are sufficient to address regulatory requirements

and identified bribery and corruption risks. The Compliance Risk Assessments team did not identify any additional material remediation or mitigation that is necessary to reduce residual risk.

PROTECTED ETHICS AND REPORTING MECHANISM

At DTCC, our employees and clients have access to a global ethics hotline as well as supportive measures such as a whistle blower policy, all of which are highlighted in our Code of Conduct. These resources give employees the ability to seek advice, share any information or concerns, or report conduct by anyone in the Company that they believe to be a violation of policy, ethics or the law.

Employees can report concerns 24 hours a day, 7 days a week and have the option to do so anonymously. DTCC Human Resources collaborates with relevant partners to investigate and resolve issues with follow-up and reporting as appropriate. For example, relevant regulators are notified of whistleblower reports as required.

Risk of Incident of Child Labor

Our suppliers are predominantly highly skilled IT professionals, putting DTCC at low risk of incidents of child labor or modern slavery. Despite this, we recognize the dangers of child labor and modern slavery and support the Modern Slavery Act. This is why DTCC will not offer any employment (including internships) without compensation, and we closely monitor our vendors and address any suspected non-compliance with our vendor engagement requirements.

Risk and Opportunity Oversight

Risk management is a primary function of DTCC and has been since the organization's inception 50 years ago. The company's risk management framework includes effective and efficient identification, measurement, monitoring and control of credit, market, liquidity, systemic, operational and other risks for the DTCC enterprise, our members and the marketplace. To learn more, visit our Managing Risk website.

A risk that has gained prominence over the past few years is climate-related risk. DTCC's primary exposure to climate-related risk is in the form of direct physical risk to our sites around the world. Each of our DTCC locations has its own set of risks associated with climate change. Recent observations and modeling indicate a global mean sea level rise, which at some point may affect DTCC offices, staff and third parties located along coastlines. In addition, critical infrastructure and resources in metropolitan regions may have underlying vulnerabilities, including age, deterioration, construction or maintenance flaws and usage that exceeds capacity. This infrastructure becomes directly vulnerable to climate change risk factors, such as extreme heat, heavy downpours, sea level rise and coastal storms. Additionally, interdependent infrastructures create vulnerabilities that can develop into cascading impacts.

With respect to potential direct impacts from transition risks, defined as the risks associated with a move toward a lower-carbon economy and the implementation of defensive controls to counter climate change impact, DTCC's businesses are not directly impacted by changes to a low-carbon economy (e.g., as a result of business with fossil fuel or alternative energy companies, or as a result of direct involvement in energy markets).

OUR ACTIONS

DTCC maintains robust metrics on financial and operational risk, including coverage for potential risks posed by member firms and other counterparties or third parties. These metrics show that as risks have evolved, DTCC has responded by implementing risk mitigants or increasing resources to be able to absorb these risks. DTCC also maintains risk tolerance plans across risk categories to track the level of risk relative to the company's risk appetite. Given the increasing importance of climate-related risk, DTCC's Systemic Risk Office (SRO) has also included climate-related financial risk as one of the many potential systemic threats it actively analyzes and monitors.

The SRO conducts a systemic risk barometer survey, which is an annual pulse check of member and non-member firms that monitors emerging trends on significant risks that may impact the safety, resiliency and stability of the global financial system. Climate risk has consistently placed among the top risk concerns by market participants since it was added to the survey a few years ago.

In February 2023, DTCC published a white paper, "Climate-Related Financial Risk - A Financial Market Infrastructure's Perspective", to provide insight on how climate-related financial risk applies to DTCC and, by extension, other Financial Market Infrastructures (FMIs) as well as what can be done to address this type of risk. More specifically, the paper examined the exposure of FMIs to climate-related physical risk and transition risk and identified unique aspects of these exposures as they pertain specifically to FMIs. The paper then built on this analysis to explore the interplay of regulation and FMIs, and it suggested how existing regulatory frameworks and standards could be applied to effectively mitigate climate-related challenges.

DTCC has also continued to gather more information over the past year on risk exposure related to ESG, with a particular focus on climate-related risk exposure. Given DTCC's subsidiaries' roles as central counterparties, one key aspect of their climate-related risk exposure is indirect exposure via their member firms. As a result, DTCC's Counterparty Credit Risk (CCR) department has begun to incorporate an assessment of each member's exposure to climate-related risk into the overall assessment of credit risk. CCR plans to review the Task Force on Climate-related Financial Disclosures (TCFD) reports from its publicly traded full-service members, and CCR has begun to ask due diligence questions of each member related to physical and transition risk. DTCC also continues to monitor regulatory developments in this space, which should enhance transparency and standardization of disclosure over time.

Beyond considering direct and indirect impacts of climate change to mitigate potential risks, DTCC believes it is important to be a positive partner in combating the causes of climate change. The Environment section of this ESG report outlines anticipated enhancements to DTCC's existing programs that were designed with this goal in mind.

In addition, DTCC Global Business Continuity maintains standards and practices for how the organization will address defined impacts posing a high level of risk to the continuity of enterprise operations, including climate-related risk. Governance and implementation of proactive and reactive measures are well sustained via integration with risk functions throughout the enterprise and alignment with risks in the financial sector. Programs within Business Continuity continue to be expanded to consider and act upon climate change risk across DTCC operations, locations and geographies.



“There is a growing recognition that global warming is not only an environmental issue, but that it also poses a myriad of economic, strategic, legal and other risks that might impact the stability of the global financial system. Given these developments, we have published an FMI-specific white paper that explores how existing regulatory frameworks and standards could be applied to effectively mitigate climate-related challenges. We hope that this paper will contribute to a better understanding of this important topic and that it will foster a constructive dialogue with our members, the regulatory community and other stakeholders.”

ADRIEN VANDERLINDEN

DTCC Systemic Risk Executive

People

The world we returned to this year was very different from the one we left in March 2020. One of the most notable changes was a massive shift in the global talent landscape. Expectations changed dramatically as candidates and employees reevaluated their thoughts about work and the place it held in their lives, reconsidering how, when and where they worked, as well as what they wanted their work experience to be.

We focused our efforts on renewing our Employee Value Proposition (EVP) and defining pillars that are most likely to influence whether candidates join the firm and current employees stay with us: Community, Growth, Our Ways of Working and Holistic Well-Being. Our EVP — a combination of rewards, benefits and experiences that our colleagues receive in return for the capabilities and contributions they bring to the workplace — is integral to attracting the right talent to DTCC as well as retaining the best and brightest employees.

We know that a strong EVP is more than tangible rewards; it ensures that a person feels a sense of belonging before, during and after they join DTCC. This year's People section provides a comprehensive update on how DTCC is building its workforce for the future.

Building Belonging

The essence of DTCC is comprised of its people, core values and a fundamental belief in inclusion - who we are and how we operate together to support our clients and the industry. We are committed to fostering a thriving community and creating a workplace that looks like the world that we serve.

Publishing our demographic diversity data is part of our commitment to increasing representation.

At DTCC, our Diversity & Inclusion theme for 2022 was "Building Belonging". Belonging at work is defined as the experience of being wholly accepted and included by those around you. It's an emotional outcome rooted in feeling secure, supported, and an important member of a group, and this is a key aspect of our retention efforts. We brought this theme to life in 2022 by increasing support for groups that have been historically under-represented, linking these efforts to existing work to expand our talent pool. We also consolidated these activities within the Office of Diverse Talent Management & Advancement (DTMA) to take a more holistic approach to our outreach and engagement. As a result, we're able to expand opportunities for internal mobility, training and development for all employees.

Diversity and equity are essential in bringing different points of view to the table, which is why we have implemented new programs and enhanced existing ones to bring the broadest perspective possible to innovate and solve business challenges.

Diversity and Inclusion – Action and Recognition

The DTMA team brought our theme to life during 2022 by increasing support for groups that have been historically under-represented. Our October 2022 Diversity & Inclusion Employee Engagement Survey score was 81, which is 5 points above the industry benchmark. We have consistently scored above the benchmark in D&I for the past several years, which indicates our employees seem to agree that we've created an inclusive workplace environment.

We also continue to be recognized externally for our diversity and inclusion achievements. Once again, DTCC was recognized by Seramount as one of the Top 100 companies for working mothers and fathers, and we scored 100% on the Human Rights Campaign for the 12th consecutive year.

INCLUSION WORKS

- 1,500 registered users actively learning about D&I and ESG.
- Launched a monthly leaderboard highlighting employees who completed the most learning topics.
- Awarded learning credits for training hours achieved through this program, which can be applied to meeting employees' D&I performance goals.

COUNT ME IN – SELF-IDENTIFICATION PROGRAM

- 31% of our employees self-identified, which is above the benchmark for an organization of our size.
- Launched self-ID program for our Board of Directors.

JUNETEENTH 2022

- Sponsored our first-ever educational trip to the National Museum of African American History and Culture in Washington, D.C. for 50 participants.
- Opportunity to learn about the rich knowledge of African American history curated at the museum.
- Encouraged participants to host a teach-back session and/or a relevant volunteer experience for their department or peer group to spread the learning across DTCC globally.

ALLY TO UPSTANDER TRAINING

- 1,264 employees have participated in this training during the two-year period 2020-22.

RACIAL EQUITY TRAINING

- Piloted this new program with 2 training sessions. Expect to fully launch in Q4 2023.

We also continue to be recognized externally for our diversity and inclusion achievements. Once again, DTCC was recognized by Seramount as one of the Top 100 companies for working mothers and fathers, and we scored 100% on the Human Rights Campaign for the 12th consecutive year.

EMPLOYEE RESOURCE GROUPS

Employee Resource Groups (ERGs) are the brand and culture carriers of our organization. It is important that we acknowledge and understand how they impact our work, our culture and feeling of belonging. All the ERGs are overseen by an advisory council and DTCC's Management Committee. Their work is organized across three areas: Workplace Belonging, Professional Development and Recruitment.

In 2022, membership in our ERGs experienced rapid growth, particularly outside the U.S., driven in part by their activities throughout the pandemic to regularly engage colleagues across time zones, business lines and functions. To build upon this, we expanded the ERG Leadership teams and, for the first time since our ERGs launched more than 10 years ago, we now have ERG Leadership (Co-Chair and/or Executive Sponsor) representation

across all regions and primary office locations. This has led to increased collaboration across teams, heightened employee interest in ERG initiatives and recognition of how ERG events are supporting our colleagues' personal and professional development.

In addition, we successfully launched the ERG Recruitment Tribe as part of the ERG structure. This group partners with Talent Acquisition to improve our diverse talent pipeline. ERG Recruitment Tribe members provide referrals and volunteer their time to represent DTCC at external facing events that we hold with our diversity partners such as the Association of Latino Professionals for America (ALPFA), Reaching Out MBA (ROMBA) and Grace Hopper.



ARISE



BOLD



IGNITE



MVP



PRIDE+



UNIDOS



WETHRIVE



WINS

SUPPLIER DIVERSITY PROGRAM: MOVING FROM OUTCOME TO IMPACT

The DTCC Supplier Diversity Program aims to build a more diverse supply base and expand the organization's strategy to attract novel solutions. Increasing DTCC's investment in its relationships with diverse suppliers promotes collaboration and innovation. In 2022, DTCC's goals were to increase its use of diverse suppliers (including small businesses) and deploy the DTCC Supplier Diversity Program with internal and external stakeholders.

To move the needle on these goals and targets, DTCC has developed a robust roadmap. As part of DTCC's next steps in 2023, the firm will explore levers to increase its diverse spend through building new supplier relations and enhancing existing ones.

Sourcing, Recruiting, and Retaining Diverse Talent

Competition for talent remained fierce in 2022, with organizations seeking to recruit the best people to their workplace. DTCC was no exception, and we streamlined our hiring process to identify and recruit new employees. This year, we implemented several initiatives to position us as a leading company of choice for potential candidates, with a focus on raising brand awareness, expanding our talent pool reach and enhancing talent engagement. These actions have enabled us to continue attracting the talent needed to drive the organization forward.

DIVERSITY SOURCING

As part of our diversity sourcing focus in 2022, we attended external events such as ALPFA, Grace Hopper, ROMBA and more. As a result, DTCC interacted with 588 unique diverse prospects. Additionally, 78 Associate Director and above level prospects were engaged in 2022. Of all direct diversity sourcing applicants, 38% moved through to the interview stage, compared to an average of 17.5% overall.

CONTINUED SOURCING PARTNERSHIPS

HACKERRANK

DTCC and HackerRank hosted two coding contests in August and October of 2022. Over 700,000 candidates clicked on DTCC ads published on our HackerRank challenges page and homepage, which yielded over 13,000 registrants. Of that group, over a thousand worldwide participants completed the contests, and more than 3,000 applied for jobs at DTCC.

We continue to partner with HackerRank in our ongoing efforts to continue engaging with active candidates and building our talent pipelines.

DICE

Dice continues to be a preferred platform to target active prospects and candidates for our U.S.-based IT roles. Our continued partnership with Dice allows us to engage with people on the platform through our company pages.

DTCC has been able to participate in virtual engagements and career fairs through Dice, such as a Diversity, Equity and Inclusion

event that focused on female talent and yielded over 300 prospects.

HANDSHAKE

Our partnership with Handshake allows us to connect directly with thousands of students based on demographics, interests and background. For example, Handshake's ambassador program enables DTCC to speak candidly with students and provide insights on opportunities at DTCC, our company culture and give them the ability to envision themselves pursuing a career at DTCC.

In 2022, DTCC created over 30 campaigns on Handshake to either promote open roles or provide opportunities for students to engage directly with DTCC through our events. We sent 121,000 messages, received 97,000 views on our job postings and garnered 7,000 unique applicants – an average of 178 applicants per job posting.

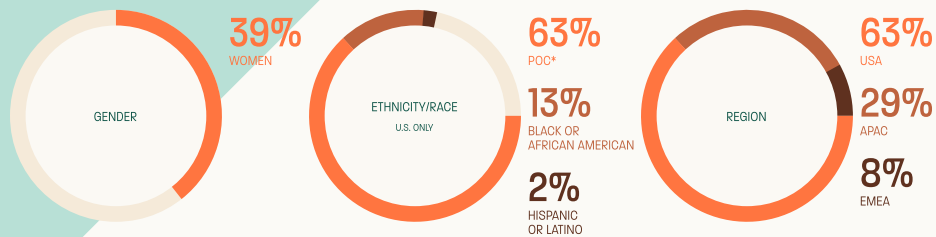
INCREASING BRAND AWARENESS

The Talent Acquisition team has continued offering recruiter "ask me anything" sessions, virtual open houses and the community reflection series for potential candidates to connect with DTCC leaders. In 2022, we hosted 5 events which yielded over 800 registrants, 180 applicants and 23 seasoned external hires.

Our broad strategy combined the use of talent market data, a wide range of recruitment events targeted at diverse audiences and enhanced use of our social media channels to reach prospective candidates across the marketplace.

EXTERNAL HIRES

All of our efforts have resulted in hiring numbers which maintained our commitment to increasing representation in our workforce.



*ASIAN, BLACK OR AFRICAN AMERICAN, HISPANIC OR LATINO, NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER, AND TWO OR MORE RACES

MITIGATING TURNOVER

We've weathered the dynamics of "The Great Resignation," "quiet quitting" and the tightest labor market in generations well compared to our industry colleagues, with employee attrition around 11% in 2022 — below the average in financial services.



Promoting Pay Parity

Pay equity is essential to attracting and retaining a diverse and inclusive workforce. More than that, it's a matter of fairness and a reflection of our commitment to creating an environment that respects and rewards the contributions of all employees regardless of race, sex, religion or other characteristics. At DTCC, we focus on maintaining pay equity among ethnicities in our U.S. locations and across genders in our global workforce. Our colleagues recognize these efforts, rating us highly on several equity measures in our 2022 employee engagement surveys.

We work closely with business leaders and hiring managers to ensure pay parity across all employees.

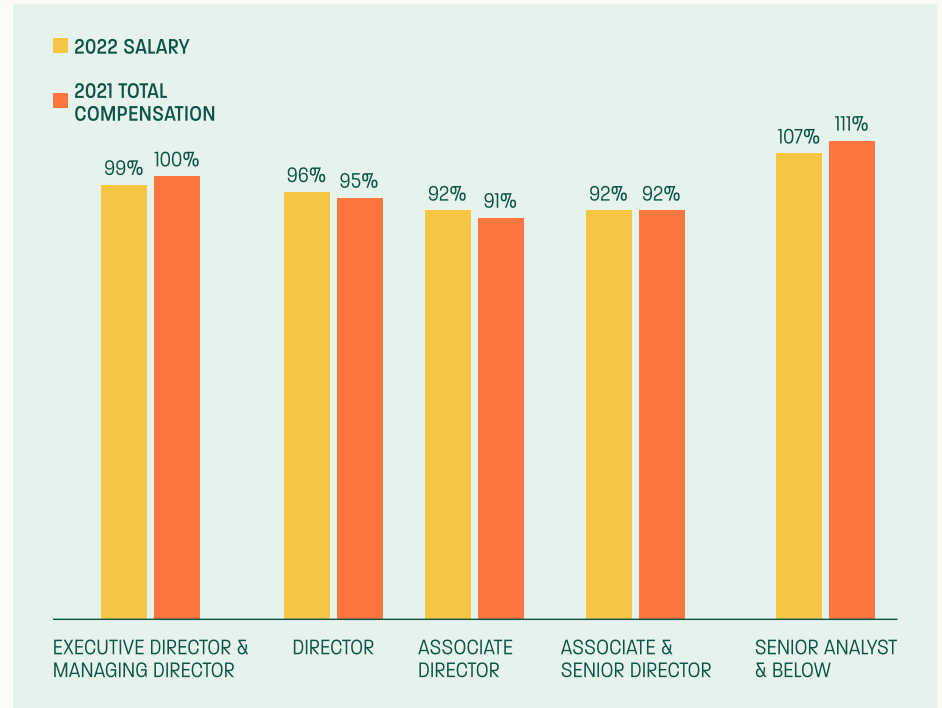
UNITED STATES

Our U.S. gender pay equity review shows female DTCC employees' salary and total compensation as percentages of male employees' earnings. Across each corporate title, females are compensated at 90% or greater relative to their male peers. Our ethnicity pay equity review found that our African American and Latinx employee salaries at all levels are 89% or greater relative to white peers.

While we've maintained these statistics from 2021 and there are various factors impacting them, they're not good enough — our goal is 100% pay parity. To achieve this, we're taking several actions, including annually reviewing gaps in pay and making recommendations to adjust salaries.

2022 U.S. GENDER PAY EQUITY

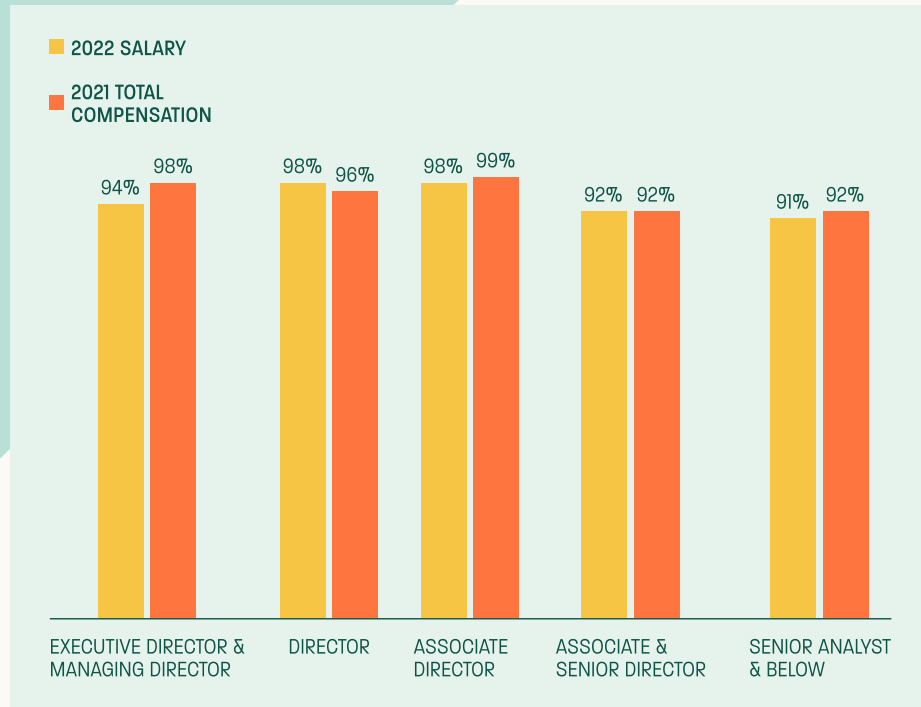
FEMALE PAY AS A PERCENTAGE OF MALE PEERS' PAY*



*AS OF SEPTEMBER 30, 2021

2022 U.S. ETHNICITY PAY EQUITY

AFRICAN AMERICAN AND LATINX PAY AS A PERCENTAGE OF WHITE PEERS' PAY*



*AS OF SEPTEMBER 30, 2021

UNITED KINGDOM

Annually, we are required by UK regulation to publish the gender pay gap for DTCC Europe. Unlike the global pay equality review, this review is irrespective of key compensation drivers such as location, role, responsibilities, level in the organization or years of experience. Its focus is an aggregate comparison of all males and females.

Maintaining Our Employees' Well-being

Employee benefits are the cornerstone of our Employee Value Proposition and, more importantly, a critical success factor in maintaining the health and productivity of our teams. In 2022, we conducted a comprehensive review of our U.S. benefits offerings, using a market-leading benefits brokerage service company to understand common benefits practices and market trends. We also partnered with other brokerage firms to collect market insights for other countries. We then used these insights to identify potential improvements to enhance benefits in targeted areas and regions. Because we know that wellbeing is not just physical and emotional but also financial, we also monitored trends in compensation and took smart and responsible actions to retain and attract top talent. As part of this, we became more flexible and nimbler in offering competitive compensation to employees and external candidates.

We integrated wellbeing into our culture through both physical programs and educational sessions that focused on the whole person and their individual needs. Our engagement surveys also helped shape our wellbeing programs by giving us deeper insights into the individualized needs of our colleagues.

ENHANCED BENEFITS OFFERINGS

U.S.

- Increased back-up child/adult dependent care days from 20 to 30 days per employee per year
- Enhanced family planning benefits to cover adoption and surrogacy at \$20,000 per employee lifetime
- Introduced whole life insurance with long-term care rider as a voluntary benefit

U.K.

- Increased back-up child/adult dependent care days from 20 to 30 days per employee per year
- Changed pension provider for better employee experience and risk management
- Building on free employee annual physical check-up, provided employees with free access to Nuffield Health 24/7 for enhanced mental health/wellbeing support

PHILIPPINES

- Implemented a health first aid program for enhanced resources and support
- Introduced critical illness benefit

"DTCC TAKES A GENUINE INTEREST IN EMPLOYEES' WELLBEING" SCORES

77

4 POINTS OVER BENCHMARK

"I AM SATISFIED WITH THE BENEFITS OFFERED AT DTCC" SCORES

75

2 POINTS OVER BENCHMARK

"I BELIEVE I AM COMPENSATED FAIRLY FOR WHAT I DO" SCORES

70

5 POINTS OVER BENCHMARK



GLOBAL

MENTAL

- Mindfulness Meditation

APAC

PHYSICAL

- Healthy Lifestyle
- Healthy Weight Management

MENTAL

- Para-Counseling for Peer-Support
- Emotional Support
- That's Life: Interactive Team Board Game

OCCUPATIONAL

- COVID-19 Updates

INDIA

PHYSICAL

- COVID-19 Updates and Return-to-Site Readiness
- Insurance Benefits

PHILIPPINES

PHYSICAL

- Avoiding Dental Problems & Emergencies
- Gym Sessions

MENTAL

- Self-Compassion
- Learned Optimism
- Mental Health First Aid Training

FINANCIAL

- Navigating Heightened Volatility
- Hacking Retirement

OCCUPATIONAL

- COVID-19 Management, Prevention and Vaccinations

U.K.

PHYSICAL

- UNUM Dental Educational
- Flu Clinic

FINANCIAL

- AVIVA Pension

FAMILY

- Bright Horizons Back-Up Dependent Care Benefits Overview

U.S.

PHYSICAL

- Making Time for Fitness
- Medicare
- Flu Clinic
- Health Fair

MENTAL

- Get the Best of Stress
- How to Beat Fatigue
- Embracing Happiness

FINANCIAL

- Whole Life Insurance/Long Term Care Rider
- Market Volatility
- Retirement Planning
- Late Career Planning

FAMILY

- Taking Care of Elders
- Pet Solutions

Protecting the Health and Safety of Our Employees

DTCC is committed to the health and safety of all personnel globally. We have established and implemented a global health and safety policy to support a safe working environment for all.

Due to the nature of DTCC's business, it is highly unlikely that our staff would be prone to serious work-related injuries or fatalities. In 2022, there were only 12 minor medical events that were reported. In those instances where an emergency response was needed, either the member of staff required no further medical attention or they were transported to the hospital, treated and released.

Any time there is a medical-related event on DTCC premises, initial first aid is provided and/or emergency medical services are requested to respond. In 2022, DTCC did not experience any serious work-related injuries or fatalities.

Building Skills for the Future

One of DTCC's top priorities is supporting all employees on their personal and professional journeys from the moment they join the firm. We see growth opportunities as both an important part of attracting people and as a critical enabler to develop existing talent within our company. Our Employee Value Proposition reinforces the culture and values of the organization, and, within that framework, professional development and career progression ignite the sparks that motivate individuals to innovate and propel us forward. This has become even more important when faced with the challenges of recruiting top-quality talent in a highly competitive job market.

In 2022, we launched several programs and offerings to equip our employees with the critical skills to navigate a dynamic and accelerating external environment. By supporting personal and professional journeys, we have proactively developed a diverse talent pipeline that can meet current and future business needs. We've accomplished this by strengthening our assessment, identification, development and tracking of our colleagues earlier in their career journeys. We've asked our people managers to model the EVP — both through training and community — to build the trust and leadership behaviors that inspire innovation in the business through individual and team performance.

 **127,896**
2022 TOTAL HOURS OF TRAINING

 **25**
2022 AVERAGE TRAINING
HOURS PER EMPLOYEE

 **\$390**
2022 AVERAGE SPEND
PER EMPLOYEE

ADVANCING WOMEN LEADERS (AWL)

We have worked to reduce the obstacles women face in attaining promotions to management levels at DTCC. One of the steps we have taken is pivoting our Advancing Women Leaders (AWL) program from the Director level to the Associate Director level to address the “broken rung” identified in the McKinsey Women in the Workplace report, in which we have participated for four consecutive years. In 2022, we had 22 total participants in AWL, including the cohort from the previous year.

EMERGING WOMEN LEADERS (EWL)

We have continued expanding our Emerging Women Leaders (EWL) program, shifting it from Associate Directors to Senior Associates. This seven-month program challenges the group to grow through a dynamic combination of on-the-job learning experiences, visibility and education. In response to business demand, the 2022 program increased its cohort size to 42 participants from an average of 25 women in previous years.

MCKINSEY BLACK LEADERSHIP ACADEMY

We also placed our second cohort into the McKinsey Black Leadership Academy, which was designed to help organizations enhance networking and development resources for Black professionals. The 2022 cohort was comprised of 18 participants at the Associate Director and Director levels who participated in the McKinsey Management Accelerator program, and three Executive Directors who participated in the Black Executive Leadership Program.

DEVELOPING EARLY CAREER TALENT

We remain committed to attracting early career professionals through the EDGE (Exploration, Development, Growth, Experiences) Analyst program. The two-year program provides employees with a comprehensive understanding of our company, the industry, the technical and functional skills needed for the various business areas and the leadership skills required for success. In 2022, we had 58 EDGE Analysts and hosted 74 interns.

EDGE REDESIGN FOR INFORMATION TECHNOLOGY

Our Early Career pipeline programs are an important source of emerging talent, infusing our organization with cutting edge knowledge and potential future leaders. In 2021, we identified an opportunity to re-imagine the IT EDGE program into a more experiential, rotation-based learning journey, both to stay current with best practices of our competitors and to build the valuable skills needed for the future of the organization. The two-year program was completely reformulated to create immersive, hands-on experiences from orientation, through “roadshow” tours of each department in the business line, and six-month rotations through specific, critical path experiences that build the breadth of understanding across IT.

The program offers education, experience and exposure throughout, to develop technical, leadership, and organizational skills and knowledge. The program has reached its sixth month of delivery at this time and has received exceptionally high ratings.

PEOPLE MANAGER COMMUNITY

In 2022, we launched a new virtual program to facilitate knowledge sharing on a wide range of subjects, including how to motivate and engage teams in a hybrid work environment for our people managers. This community provides a forum via MS Teams for people managers at all levels to collaborate, share best practices and learn from one another. It also allows us to reinforce a best-in-class approach to people leadership by sharing key updates and resources directly with the community. As of December 2022, the Community has 1,292 active users.

CLIENT SERVICES PEOPLE MANAGER LEARNING PATH

Over the last two years, the DTCC Client Services organization has undergone tremendous change and transformation. Client Services leadership recognized that although people managers are navigating various priorities, it is essential that they also take time to prioritize their own growth and the development of their teams. We launched a customized learning path to support people managers in leading teams, building a strategic mindset and driving change through influence. This six-month program included online learning through Harvard Manage Mentor, leader-led discussion groups to contextualize learning, and just-in-time resources to reinforce key skills. Fifty-seven people managers are actively participating in this ongoing learning and eight Director/Executive Director level leaders are facilitating the discussion groups.

THE CATALYST LEADERSHIP PROGRAM

The Catalyst Leadership Program is designed to develop the growth mindset, learning agility and future focus for DTCC's

high-performing Directors. In 2022, we had 21 participants. We intentionally kept this cohort small to allow for a highly individualized development experience so participants can focus on self-development, leadership skills and strategic thinking.

Verbatim quotes from our Phase I survey as of 9/22/22 (90% response rate):

- "It has been a great experience so far, and the process of working with my team and developing our plan was exciting. I look forward to the journey ahead."
- "I find the program extremely organized and well planned out. Thanks for all the great work."
- "I loved the Hogan and 360 review activities as well as the very insightful personalized analysis that identified my strengths and weaknesses."

CARE PROGRAM: DEVELOPING CLIENT RELATIONSHIPS

When Relationship Management (RM) reorganized in 2021, it reinforced a commitment to developing more impactful relationships with key clients and stakeholders, with an emphasis on building trust and evolving into strategic advisors. To support this new vision, in January 2022, we launched a series of highly interactive, instructor-led, half-day learning sessions entitled "CARE: Developing Client Relationships" for all relationship managers and "High Performance Coaching" for RM leadership. These programs focused on the skills needed to enhance collaboration, gain a deeper understanding of our clients' needs and expectations, and proactively offer insights, strategies and solutions to drive business growth. To further reinforce learning, in July 2022, Relationship Managers participated in a reinforcement session to discuss progress, fortify key skills and

identify focus areas for development. Due to its success, this training was expanded to the Sales team, with workshops hosted in October and November of 2022. Fifty-four Relationship Managers and 30 Sales employees completed this training. Overall, this training curriculum represents a significant investment and commitment to transforming the way we help our clients – and our organization – succeed in our constantly changing industry.

BUSINESS ARCHITECTURE OFFICE (BAO) SPECIALIZATIONS

To support the growth and development of all employees in the BAO, we created a customized, on-demand learning specialization in partnership with their leadership team. The program aims at strengthening our employees' leadership and interpersonal skills, DTCC business and product knowledge and understanding of emerging technologies. Employees and managers were asked to partner to identify focus areas and set aside time to dedicate to their chosen learning. All employees in Business Architecture have access to this tool. In 2022, eight employees completed the training.

FULL STACK DEVELOPER CURRICULUM

Full Stack Developers work in the IT department performing both front- and back-end operations on computer systems. Led by industry experts and DTCC staff, the Full Stack Developer Curriculum provides a framework that allows developers to build upon their existing skills and gain additional skills in areas where they lack expertise, including programming languages, databases, middleware, design architecture, security, user experience and design, big data, cloud platforms, infrastructure automation and testing. In 2022, 671 employees completed 1,562 total courses through this curriculum.

DISTRIBUTED LEDGER TECHNOLOGY (DLT) CURRICULUM

As digitalization drives changes in the global markets, DTCC continues to take a leadership role in experimenting with and deploying technologies, including cloud computing, distributed ledger technology (DLT) and machine learning. The DLT Curriculum provides multi-level DLT learning to help accelerate skills development in blockchain basics, decentralized finance, smart contracts, Ethereum, Corda, Kotlin, Daml, APIs, security and testing. In 2022, 331 employees completed 879 total courses through the curriculum.

INSTRUCTOR-LED LEADERSHIP DEVELOPMENT PROGRAMS

In addition to the targeted and business-specific trainings, instructor-led leadership development is available to all employees. Scores are the percentage of survey respondents who answered "somewhat agree" or "strongly agree" to the following statements:

"COMPLETING THIS TRAINING HAS INCREASED MY KNOWLEDGE AND/OR SKILLS ON THIS TOPIC"

97.7%

"APPLYING THE KNOWLEDGE AND/OR SKILLS GAINED WILL HAVE A POSITIVE IMPACT ON MY JOB PERFORMANCE"

96.9%

"THIS TRAINING WAS A WORTHWHILE INVESTMENT IN MY CAREER DEVELOPMENT"

97.7%

Environment



DTCC's journey to become more environmentally sustainable started in 2016 through improving efficiency of equipment in buildings (retro-commissioning), LED lighting, decommissioning aging equipment and many more. We are proud that these actions have led to a 33% reduction in energy consumption compared to 2016. We continue to invest in our sustainability journey through our ISO certifications and on-site renewable energy generation and look forward to becoming carbon-neutral in the future.

NICK DALESANDRO
DTCC Executive Director, Workplace Design Services

Reducing Our Environmental Impact

DTCC has prioritized and is committed to taking meaningful steps to reduce our energy footprint. Considering that energy consumption makes up nearly 60% of the world's greenhouse gas emissions, this is a priority for us.

DTCC has been on a journey to reduce energy use and protect and preserve the environment since 2016. We've significantly enhanced foundational capabilities, including improved energy data governance, enhanced operational framework, Energy/Environmental Certifications and analytics. These tools will ultimately help reduce DTCC's carbon footprint and, over time, achieve carbon neutrality.



2016

Started monitoring energy usage in business centers



ENERGY SAVING ACTIONS

LED lighting, decommissioning aging equipment, improving efficiency of equipment in buildings (retro-commissioned)



33% REDUCTION

in energy consumption compared to 2016, which translates to 21.4 million kilowatt hours of electricity saved



ISO 50001:2018 AND ISO 14001:2015 CERTIFICATIONS

with TUV Rheinland of North America for Brooklyn, Chennai, Dallas Beltline and Crestside, Jersey City, London, Manila, Tampa Bermuda Green and Wrexham

DTCC AIMS TO CONSISTENTLY REDUCE ITS ENERGY CONSUMPTION



ISO FRAMEWORK

Received the ISO 50001:2018 Energy Management certification for our locations. ISO 50001:2018 is the global energy management systems standard that specifies requirements for establishing, implementing, maintaining and improving an energy management system. Additionally, DTCC received an ISO 14001:2015 Environmental Management certification in 2023. Both

certifications were obtained with TUV Rheinland of North America – locations mentioned in preceding graphic.

SOLAR POWER

DTCC is continuing to install onsite solar power. However, continuous use of this energy source is currently delayed due to manufacturing and supply chain issues. DTCC remains committed to generating solar energy as part of our goal to become carbon neutral.

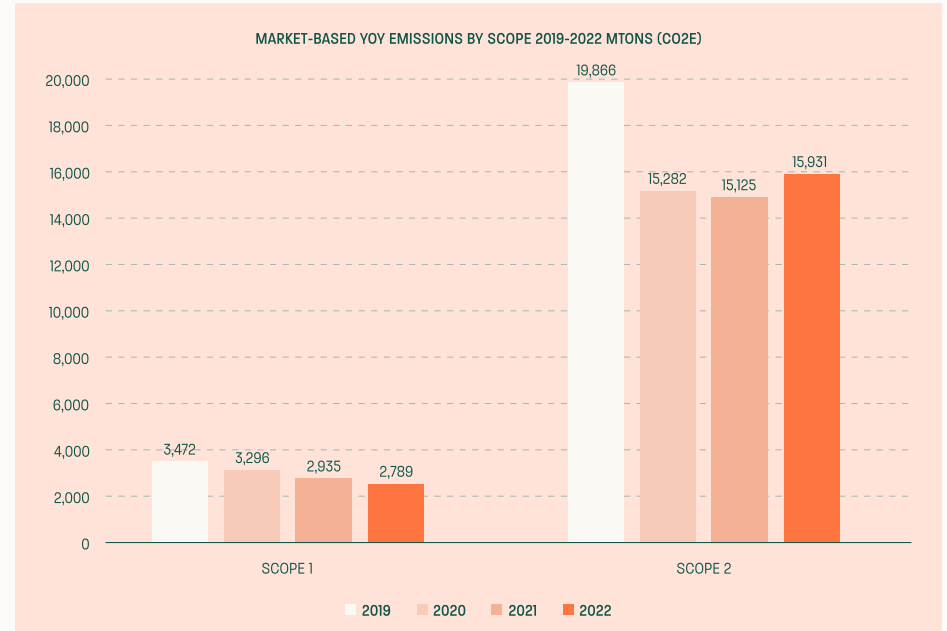


OUR EMISSIONS DATA (2019-2022)

DTCC’s GHG inventory is consistent with the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development’s (WBCSD) Greenhouse Gas Protocol Initiative (GHG Protocol) for corporate GHG accounting and reporting.

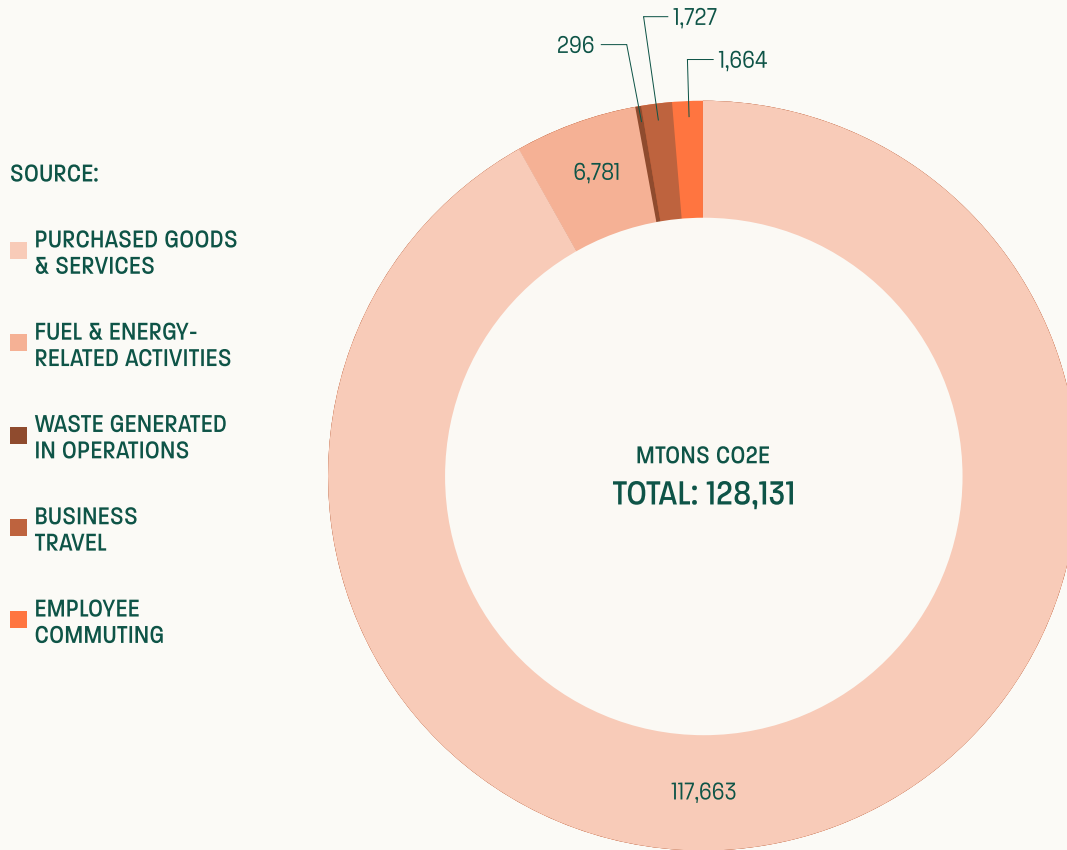
DTCC defines its organizational boundary conditions consistent with the GHG Protocol according to the “control approach” for Scope 1, 2, and 3 sources. The scope of DTCC’s organizational boundaries includes buildings in the company’s ownership or under its control.

We show year-over-year Market-Based Emissions, to the right, which quantify Scope 1 and Scope 2 GHG emissions based on the generators from which DTCC purchases electricity and other required instruments.



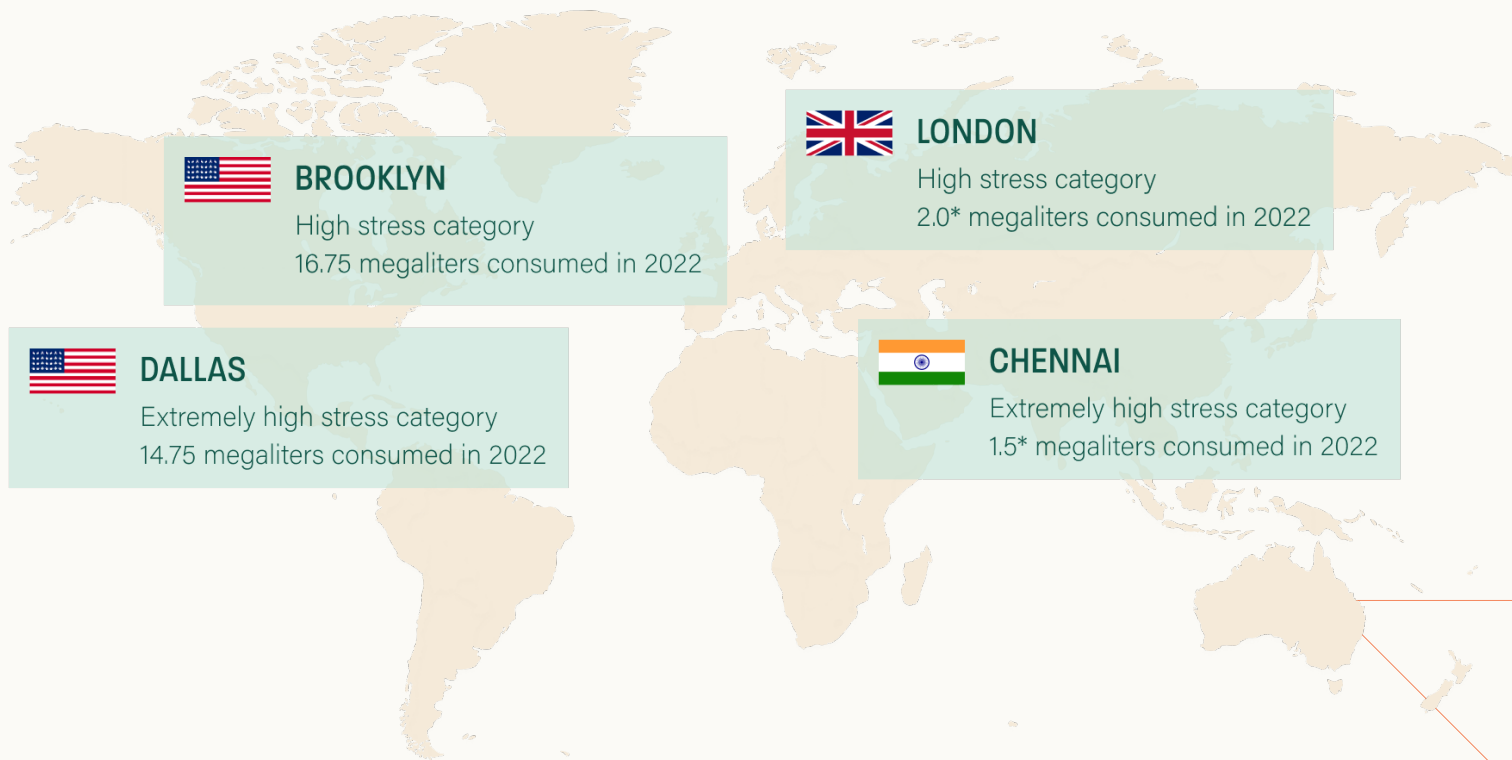
2022 SCOPE 3 EMISSIONS BY CATEGORY

DTCC has baselined its Scope 3 emissions. This is a key milestone in developing our future net zero targets.



Water Consumption and Withdrawal in Water-Stressed Areas

The following DTCC sites are located in higher tier water stressed areas, which equate to 38% of our total footprint:



*EXCLUDES WATER USED FOR BUILDING COOLING

From Physical to Digital: The Move Toward Dematerialization

As a user-owned organization, DTCC leverages its unique market position to anticipate the market's future needs and respond with solutions that lower costs, improve efficiency and bring stability and certainty to the industry. Over the years, the industry has made significant progress toward eliminating paper certificates, a process known as dematerialization. However, existing inventory of physical securities remains.

In 2021, DTCC settled 957 million assets, valued at \$462 trillion. Less than 1% of assets serviced through the depository are held in physical form. However, this still represents a value of around \$700 billion. To address this significant number of physical securities, DTCC outlined a roadmap toward dematerialization and published a white paper to the industry in 2020.

Each dematerialized security leads to a reduction in carbon dioxide emissions for the life of the security. The emissions are related to the issuance of the paper itself, as well as the servicing of the physical security, including creation, authorization, ownership change, and maturity.

Since the launch of the dematerialization program, almost 90% of all newly issued retail Certificate of Deposits (CDs) are now leveraging the e-CD platform via DTC's Underwriting Central (UWC) application. Industry adoption of e-CDs has resulted in the successful dematerialization of more than 20,000 physical certificates, a considerable milestone.

This translates into reduction in emissions by:

- Avoiding 25-30,000 courier trips per year, including air and ground motorized transport.
- Eliminating the printing of 50-60,000 pages per year (as certificates typically have multiple pages).
- And eliminating the management, storage, and destruction of paper processes.



“The impact of the COVID-19 pandemic really emphasized the importance of moving away from physical certificates to mitigate risk and cost. Our e-CDs provide efficiency and speed to market for issuers and investors.”

ANN MARIE BRIA

DTCC Managing Director, Asset
Services Business Management

Prosperity

For 50 years, DTCC, through its family of companies, has been advancing industry-leading solutions that help secure and shape the future growth and development of the global financial marketplace. But above and beyond that, as an employer, we have the responsibility to contribute to the United Nations Sustainable Development Goals to promote economic growth and advancement.

We take pride in creating economic value for employees, shareholders and society through job creation and strong financial performance—all while investing in innovation and improving local communities.

Economic Contribution

DTCC created significant economic value by generating healthy returns for employees and shareholders. Full details are available in our Financial Statements and Notes.

Giving Back to Our Communities

Despite the obvious challenges of organizing in-person volunteer and philanthropy events, fundraising continued throughout the year at most of our sites. This year, DTCC has continued fundraising efforts along with organizing in-person volunteer and philanthropic events. In fact, in 2022 our employees raised more funds than in prior years, contributing \$1,093,331 in donations and company matching gifts.



\$5,177,408

2022 TOTAL PHILANTHROPIC GIVING



10,500

2022 VOLUNTEER HOURS



\$1,093,331

2022 EMPLOYEE DONATIONS AND
COMPANY MATCHING GIFTS



\$4,084,077

2022 TOTAL CORPORATE CONTRIBUTIONS

OUR EMPLOYEES MAKING AN IMPACT THROUGH GIVING

We apply the same rigor and excellence in delivering on our Corporate Social Responsibility promises as we do in protecting the global financial system. Our agenda and achievements were above and beyond in this area, with many DTCC employees contributing to this outstanding track record.

Our participation rate in employee charitable giving increased to 36% in 2022 from 25% in 2021, exceeding our goal of 35%. The amount of employee giving and matching gifts increased to \$1,093,331 in 2022, up from \$253,000 in 2021. Driving this sizeable uptick in employee giving was the quarterly special match program, which was introduced in late 2021.

PARTNERING WITH WORLD CENTRAL KITCHEN TO AID IN DISASTER RELIEF

DTCC provides support for disaster relief when a disaster or a crisis strikes in a city or a country in which it operates. This year was no different; the company provided corporate donations as well as employee matching to support several disaster relief programs.

To facilitate disaster relief, DTCC works closely with a wide range of organizations, including World Central Kitchen (WCK). In 2022, DTCC supported WCK's efforts to help those affected by Hurricane Ian, Hurricane Fiona, and the humanitarian crisis in Ukraine. WCK is first to the frontlines, providing meals in response to humanitarian, climate, and community crises.

ONE TREE PLANTED

As part of its commitment to sustainability, DTCC has donated to the nonprofit group, One Tree Planted, to plant 11,000 trees around the world.

Supporting ongoing tree-planting projects in the United Kingdom, the Philippines, India, the United States and Rwanda is just one part of DTCC's focus on sustainability – it reflects the company's larger commitment to environmental, social and governance (ESG) efforts.

DTCC will continue to work with One Tree Planted in 2023 to support additional reforestation efforts around the globe.

STEM PROGRAMS

Advancing STEM (science, technology, engineering, and mathematics) education and training remained a DTCC priority in 2022.

We have expanded DTCC's CSR program with a focus on STEM persistence, college access, readiness, completion, employment opportunities, and financial literacy. Rising Stars is our alumni program intended to continue DTCC's relationship with high school and college students who are alumni of one of our CSR partnership programs such as Girls Who Code, New York University Computer Science for Cyber Security (CS4CS), and PENCIL. The goal is to build a pipeline which will feed into DTCC's Early Career programs. In 2022, we offered programming around DTCC's business and career information, soft skills and mentoring to 78 Rising Star students, 20 of whom are college level, and several are being considered for this year's summer internship program.

The Girls Who Code (GWC) program has continued to grow since the partnership began in 2018. In 2022, we successfully hosted the GWC Summer Immersion Program for the fourth consecutive year, with more than 100 students taking part. Kicking off on July 2, our students joined 5,000 other high schoolers to become part of the largest graduating class in GWC's history. These efforts have already paid dividends as we recruited several past participants for our summer intern program and hired another as a full-time employee. DTCC engaged its Privacy, SATEC, and Cybersecurity colleagues to educate 48 New York University Computer Science for Cyber Security (CS4CS) students. DTCC also worked with Students 2 Science and supported the PENCIL School Partnership program.

Financial Investment

We invested \$162.6 million in capital investments for premises, equipment and intangible assets for the year ended December 31, 2022. Our primary investments are technology focused and involve the purchase of computer equipment and the development of software. These investments improve our core processes, increase the pace of technological innovation and align our services with our clients' needs.

For that purpose, we regularly update and upgrade our technology systems to meet industry, regulatory and compliance standards. Additionally, these investments create highly skilled jobs for our employees and vendors.

Operationally, our systems are fully backed up at alternate locations for business contingency purposes and are frequently tested to ensure that full capabilities are maintained in the event of an emergency. We also maintain significant excess capacity to manage

market volatility and related volume spikes that may require us to process substantially more transactions, which is particularly important during periods of market stress or dislocation. In addition, we play an active role on various securities industry technology committees, which include sub-committees and working groups on major technology issues, such as information security and industry-wide testing for business recovery.

SHARE BUYBACKS AND DIVIDEND PAYMENTS

During 2022, the organization paid dividends totaling \$16.9 million to our series D preferred stock shareholders. During 2021, the organization paid dividends totaling \$6.8 million to our Series C preferred stock shareholders and \$8.7 million to our Series D preferred stock shareholders.

On June 8, 2021, DTCC issued 2,000 shares of Series D Fixed Rate Reset Non-Cumulative Perpetual Preferred stock, resulting in issuance costs of \$9.1 million and net proceeds of \$490.9 million. On June 15, 2021, DTCC redeemed all 1,600 shares outstanding related to the Series C Preferred stock totaling \$400 million with issuance costs of \$9.5 million.

Governance

Our Board plays a critical role in overseeing the strategic direction of DTCC, working closely with the firm's leadership and advising on topics including risk management, regulatory matters, the development of new products and services, emerging technology and more. The Code of Ethics governs the ethical behavior of the Board. In addition, the company has developed a Code of Conduct which governs the ethical behavior of employees and contingent workers.

MEET OUR

Board of Directors



Frank La Salla

President, CEO and Director, DTCC; President & CEO, DTC, FICC and NSCC



William (Bill) Capuzzi

CEO, Apex Fintech Solutions



Robert L.D. Colby

Chief Legal Officer, Financial Industry Regulatory Authority (FINRA)



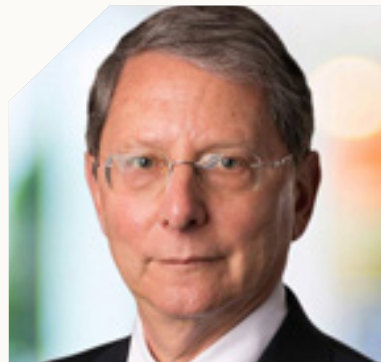
Kelley Conway

Executive Vice President Head of Corporate & Digital Strategy Northern Trust



Deborah Cunningham

Chief Investment Officer of Global Liquidity Markets at Federated Hermes, Inc.



Robert Druskin

Non-Executive Chairman of DTCC's Board and Chairman of the Board Executive Committee



Shawn K. Feeney

Director, Citigroup Global Markets Inc.



Kieran Hanrahan

Managing Director, Corporate and Investment Bank, J.P. Morgan Chase

MEET OUR

Board of Directors



William Hirshorn

Managing Director and Head of Shared Services and Banking Operations and Americas Branch Operations, Morgan Stanley



Lori Hricik

Former Chief Executive Officer and Head of Treasury Services, JP Morgan



David Inggs

Global Head of Operations at Citadel and Citadel Securities



Hope Jarkowski

General Counsel of NYSE Group, Inc.



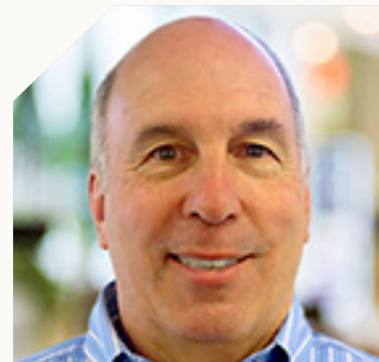
Kevin M. Kessinger

Independent Board Member, Chair, Business Technology and Operations Committee



Raj Mahajan

Global Head, Systematic Client Franchise, Goldman Sachs



Craig Messinger

Vice Chairman of Virtu Financial



Anthony Miller

Executive Vice President at Janney Montgomery Scott

MEET OUR

Board of Directors



Andrea Pfenning

President and Chief Operating Officer, BNY Mellon Government Securities Services Corp.



Ann N. Reese

Founder and Co-Executive Director, The Center for Adoption Policy and Head of Treasury Services, JP Morgan



Gary H. Stern

Former President and Chief Executive Officer, Federal Reserve Bank of Minneapolis



James M. Tabacchi

President & Chief Executive Officer at South Street Securities Holdings Inc.



Susan Yung

Managing Director at Bank of America Merrill Lynch

MEET OUR

Management Committee



Frank La Salla

President and Chief Executive Officer, DTCC



Lynn Bishop

Managing Director and Chief Information Officer (CIO)



Susan Cosgrove

Managing Director and President, Clearing & Securities Services



Timothy Cuddihy

Managing Director and Group Chief Risk Officer



Timothy Keady

Managing Director and Chief Client Officer



Renee LaRoche-Morris

Managing Director and Chief Financial Officer



Jennifer Peve

Managing Director, Global Head of Strategy & Innovation



Anthony Portannese

Managing Director, Human Resources



Ann Shuman

General Counsel, DTCC