

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

- OR -

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-31553

**CME GROUP INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20 South Wacker Drive**  
(Address of principal executive offices)

**Chicago Illinois**

**36-4459170**  
(I.R.S. Employer  
Identification No.)

**60606**  
(Zip Code)

**(312) 930-1000**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock	CME	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares outstanding of each of the registrant's classes of common stock as of April 13, 2022 was as follows: 359,418,140 shares of Class A common stock, \$0.01 par value; 625 shares of Class B-1 common stock, \$0.01 par value; 813 shares of Class B-2 common stock, \$0.01 par value; 1,287 shares of Class B-3 common stock, \$0.01 par value; and 413 shares of Class B-4 common stock, \$0.01 par value.

**CME GROUP INC.**  
**FORM 10-Q**  
**INDEX**

	<u>Page</u>
<b><u>PART I. FINANCIAL INFORMATION</u></b>	3
<b>Item 1. <u>Financial Statements</u></b>	5
<u>Consolidated Balance Sheets at March 31, 2022 and December 31, 2021</u>	5
<u>Consolidated Statements of Income for the Quarters Ended March 31, 2022 and 2021</u>	6
<u>Consolidated Statements of Comprehensive Income for the Quarters Ended March 31, 2022 and 2021</u>	7
<u>Consolidated Statements of Equity for the Quarters Ended March 31, 2022 and 2021</u>	8
<u>Consolidated Statements of Cash Flows for the Quarters Ended March 31, 2022 and 2021</u>	10
<u>Notes to Unaudited Consolidated Financial Statements</u>	12
<b>Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u></b>	23
<b>Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u></b>	31
<b>Item 4. <u>Controls and Procedures</u></b>	31
<b><u>PART II. OTHER INFORMATION</u></b>	32
<b>Item 1. <u>Legal Proceedings</u></b>	32
<b>Item 1A. <u>Risk Factors</u></b>	32
<b>Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u></b>	32
<b>Item 6. <u>Exhibits</u></b>	33
<b><u>SIGNATURES</u></b>	34

## **PART I. FINANCIAL INFORMATION**

### **Certain Terms**

All references to “options” or “options contracts” in the text of this document refer to options on futures contracts.

Further information about CME Group and its products can be found at <http://www.cmegroup.com>. Information made available on our website does not constitute a part of this Quarterly Report on Form 10-Q.

### **Information about Contract Volume and Average Rate per Contract**

All amounts regarding contract volume and average rate per contract are for CME Group's listed futures and options on futures contracts unless otherwise noted.

### **Trademark Information**

CME Group, the Globe logo, CME, Chicago Mercantile Exchange, Globex, and E-mini are trademarks of Chicago Mercantile Exchange Inc. CBOT and Chicago Board of Trade are trademarks of Board of Trade of the City of Chicago, Inc. NYMEX, New York Mercantile Exchange and ClearPort are trademarks of New York Mercantile Exchange, Inc. COMEX is a trademark of Commodity Exchange, Inc. NEX, BrokerTec and EBS are trademarks of various entities of NEX Group Limited (NEX). Dow Jones, Dow Jones Industrial Average, S&P 500 and S&P are service and/or trademarks of Dow Jones Trademark Holdings LLC, Standard & Poor's Financial Services LLC and S&P/Dow Jones Indices LLC, as the case may be, and have been licensed for use by Chicago Mercantile Exchange Inc. ("CME"). All other trademarks are the property of their respective owners.

### **Forward-Looking Statements**

From time to time, in this Quarterly Report on Form 10-Q as well as in other written reports and verbal statements, we discuss our expectations regarding future performance. These forward-looking statements are identified by their use of terms and phrases such as "believe," "anticipate," "could," "estimate," "intend," "may," "plan," "expect" and similar expressions, including references to assumptions. These forward-looking statements are based on currently available competitive, financial and economic data, current expectations, estimates, forecasts and projections about the industries in which we operate and management's beliefs and assumptions. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied in any forward-looking statements. We want to caution you not to place undue reliance on any forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Among the factors that might affect our performance are:

- increasing competition by foreign and domestic entities, including increased competition from new entrants into our markets and consolidation of existing entities;
- our ability to keep pace with rapid technological developments, including our ability to complete the development, implementation and maintenance of the enhanced functionality required by our customers while maintaining reliability and ensuring that such technology is not vulnerable to security risks;
- our ability to continue introducing competitive new products and services on a timely, cost-effective basis, including through our electronic trading capabilities, and our ability to maintain the competitiveness of our existing products and services, including our ability to provide effective services to the swaps market;
- our ability to adjust our fixed costs and expenses if our revenues decline;
- our ability to maintain existing customers at substantially similar trading levels, develop strategic relationships and attract new customers;
- our ability to expand and globally offer our products and services;
- changes in regulations, including the impact of any changes in laws or government policies with respect to our products or services or our industry, such as any changes to regulations and policies that require increased financial and operational resources from us or our customers;
- the costs associated with protecting our intellectual property rights and our ability to operate our business without violating the intellectual property rights of others;
- decreases in revenue from our market data as a result of decreased demand or changes to regulations in various jurisdictions;
- changes in our rate per contract due to shifts in the mix of the products traded, the trading venue and the mix of customers (whether the customer receives member or non-member fees or participates in one of our various incentive programs) and the impact of our tiered pricing structure;

- the ability of our credit and liquidity risk management practices to adequately protect us from the credit risks of clearing members and other counterparties, and to satisfy the margin and liquidity requirements associated with the BrokerTec matched principal business;
- the ability of our compliance and risk management programs to effectively monitor and manage our risks, including our ability to prevent errors and misconduct and protect our infrastructure against security breaches and misappropriation of our intellectual property assets;
- our dependence on third-party providers and exposure to risk through third parties, including risks related to the performance, reliability and security of technology used by our third-party providers;
- volatility in commodity, equity and fixed income prices, and price volatility of financial benchmarks and instruments such as interest rates, credit spreads, equity indices, fixed income instruments and foreign exchange rates;
- economic, social, political and market conditions, including the volatility of the capital and credit markets and the impact of economic conditions on the trading activity of our current and potential customers;
- the impact of the COVID-19 pandemic and response by governments and other third parties;
- our ability to accommodate increases in contract volume and order transaction traffic and to implement enhancements without failure or degradation of the performance of our trading and clearing systems;
- our ability to execute our growth strategy and maintain our growth effectively;
- our ability to manage the risks, control the costs and achieve the synergies associated with our strategy for acquisitions, investments and alliances, including those associated with our joint venture with IHS Markit and our partnership with Google Cloud;
- uncertainty related to the transition from LIBOR;
- our ability to continue to generate funds and/or manage our indebtedness to allow us to continue to invest in our business;
- industry and customer consolidation;
- decreases in trading and clearing activity;
- the imposition of a transaction tax or user fee on futures and options transactions and/or repeal of the 60/40 tax treatment of such transactions;
- our ability to maintain our brand and reputation; and
- the unfavorable resolution of material legal proceedings.

For a detailed discussion of these and other factors that might affect our performance, see Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission on February 25, 2022 and Item 1A. in Part II of this Quarterly Report on Form 10-Q.

**ITEM 1. FINANCIAL STATEMENTS**

**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(dollars in millions, except par value data; shares in thousands)

	March 31, 2022 (unaudited)	December 31, 2021
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,045.7	\$ 2,834.9
Marketable securities	109.6	115.0
Accounts receivable, net of allowance of \$5.2 and \$5.6	608.9	434.5
Other current assets (includes \$4.8 and \$4.8 in restricted cash)	503.4	427.8
Performance bonds and guaranty fund contributions	167,736.7	157,949.6
<b>Total current assets</b>	<b>171,004.3</b>	<b>161,761.8</b>
Property, net of accumulated depreciation and amortization of \$1,070.5 and \$1,039.4	493.9	505.3
Intangible assets—trading products	17,175.3	17,175.3
Intangible assets—other, net	3,463.2	3,532.0
Goodwill	10,515.8	10,528.0
Other assets (includes \$0.5 and \$0.5 in restricted cash)	3,265.2	3,277.9
<b>Total Assets</b>	<b>\$ 205,917.7</b>	<b>\$ 196,780.3</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable	\$ 80.8	\$ 48.8
Short-term debt	—	749.4
Other current liabilities	641.1	1,650.6
Performance bonds and guaranty fund contributions	167,736.7	157,949.6
<b>Total current liabilities</b>	<b>168,458.6</b>	<b>160,398.4</b>
Long-term debt	3,437.1	2,695.7
Deferred income tax liabilities, net	5,381.7	5,390.4
Other liabilities	903.5	896.5
<b>Total Liabilities</b>	<b>178,180.9</b>	<b>169,381.0</b>
Shareholders' Equity:		
Preferred stock, \$0.01 par value, 10,000 shares authorized as of March 31, 2022 and 2021; 4,584 issued and outstanding as of March 31, 2022 and December 31, 2021	—	—
Class A common stock, \$0.01 par value, 1,000,000 shares authorized at March 31, 2022 and December 31, 2021; 358,631 and 358,599 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	3.6	3.6
Class B common stock, \$0.01 par value, 3 shares authorized, issued and outstanding as of March 31, 2022 and December 31, 2021	—	—
Additional paid-in capital	22,206.3	22,190.3
Retained earnings	5,498.9	5,151.9
Accumulated other comprehensive income (loss)	28.0	53.5
<b>Total CME Group Shareholders' Equity</b>	<b>27,736.8</b>	<b>27,399.3</b>
<b>Total Liabilities and Equity</b>	<b>\$ 205,917.7</b>	<b>\$ 196,780.3</b>

See accompanying notes to unaudited consolidated financial statements.

**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(dollars in millions, except per share data; shares in thousands)  
(unaudited)

	Quarter Ended March 31,	
	2022	2021
<b>Revenues</b>		
Clearing and transaction fees	\$ 1,138.1	\$ 1,007.0
Market data and information services	151.7	144.2
Other	56.8	102.1
<b>Total Revenues</b>	<u>1,346.6</u>	<u>1,253.3</u>
<b>Expenses</b>		
Compensation and benefits	185.2	225.0
Technology	45.9	48.2
Professional fees and outside services	31.8	37.4
Amortization of purchased intangibles	58.4	60.6
Depreciation and amortization	33.5	37.6
Licensing and other fee agreements	80.9	64.7
Other	51.8	54.7
<b>Total Expenses</b>	<u>487.5</u>	<u>528.2</u>
<b>Operating Income</b>	859.1	725.1
<b>Non-Operating Income (Expense)</b>		
Investment income	73.1	30.9
Interest and other borrowing costs	(42.5)	(41.5)
Equity in net earnings of unconsolidated subsidiaries	73.3	56.2
Other non-operating income (expense)	(46.7)	(18.4)
<b>Total Non-Operating Income (Expense)</b>	<u>57.2</u>	<u>27.2</u>
<b>Income before Income Taxes</b>	916.3	752.3
Income tax provision	205.3	177.5
<b>Net Income</b>	711.0	574.8
Less: net (income) loss attributable to non-controlling interests	—	(0.4)
<b>Net Income Attributable to CME Group</b>	711.0	574.4
<b>Net Income Attributable to Common Shareholders of CME Group</b>	<u>\$ 702.0</u>	<u>\$ 574.4</u>
<b>Earnings per Share Attributable to Common Shareholders of CME Group:</b>		
Basic	\$ 1.96	\$ 1.60
Diluted	1.95	1.60
<b>Weighted Average Number of Common Shares:</b>		
Basic	358,609	358,147
Diluted	359,180	358,817

See accompanying notes to unaudited consolidated financial statements.

**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(in millions)  
(unaudited)

	Quarter Ended	
	March 31,	
	2022	2021
<b>Net income</b>	\$ 711.0	\$ 574.8
Other comprehensive income (loss), net of tax:		
Investment securities:		
Net unrealized holding gains (losses) arising during the period	(1.3)	(1.1)
Income tax benefit (expense)	0.3	0.3
Investment securities, net	(1.0)	(0.8)
Defined benefit plans:		
Net change in defined benefit plans arising during the period	(3.7)	—
Amortization of net actuarial (gains) losses included in compensation and benefits expense	0.3	1.1
Income tax benefit (expense)	0.9	(0.3)
Defined benefit plans, net	(2.5)	0.8
Derivative investments:		
Reclassification of net unrealized (gains) losses to interest expense and other non-operating income (expense)	0.8	(0.3)
Income tax benefit (expense)	(0.2)	0.1
Derivative investments, net	0.6	(0.2)
Foreign currency translation:		
Foreign currency translation adjustments	(22.6)	(51.2)
Foreign currency translation, net	(22.6)	(51.2)
Other comprehensive income (loss), net of tax	(25.5)	(51.4)
Comprehensive income	685.5	523.4
Less: comprehensive (income) loss attributable to non-controlling interests	—	(0.4)
<b>Comprehensive income attributable to CME Group</b>	<u>\$ 685.5</u>	<u>\$ 523.0</u>

See accompanying notes to unaudited consolidated financial statements.

**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(dollars in millions, except per share data; shares in thousands)  
(unaudited)

	Preferred Stock (Shares)	Class A Common Stock (Shares)	Class B Common Stock (Shares)	Preferred Stock, Common Stock and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total CME Group Shareholders' Equity
Balance at December 31, 2021	4,584	358,599	3	\$ 22,193.9	\$ 5,151.9	\$ 53.5	\$ 27,399.3
Net income					711.0		711.0
Other comprehensive income (loss)						(25.5)	(25.5)
Dividends on common and preferred stock of \$1.00 per share					(364.0)		(364.0)
Vesting of issued restricted Class A common stock		31		(4.3)			(4.3)
Shares issued to Board of Directors		1		0.3			0.3
Stock-based compensation				20.0			20.0
<b>Balance at March 31, 2022</b>	<u>4,584</u>	<u>358,631</u>	<u>3</u>	<u>\$ 22,209.9</u>	<u>\$ 5,498.9</u>	<u>\$ 28.0</u>	<u>\$ 27,736.8</u>



**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY** (continued)  
(dollars in millions, except per share data; shares in thousands)  
(unaudited)

	Class A Common Stock (Shares)	Class B Common Stock (Shares)	Common Stock and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total CME Group Shareholders' Equity	Non- controlling Interest	Total Equity
Balance at December 31, 2020	358,110	3	\$ 21,189.1	\$ 4,995.9	\$ 134.9	\$ 26,319.9	\$ 31.6	\$ 26,351.5
Net income				574.4		574.4	0.4	574.8
Other comprehensive income (loss)					(51.4)	(51.4)		(51.4)
Dividends on common stock of \$0.90 per share				(323.0)		(323.0)		(323.0)
Purchase of non-controlling interest			(2.2)			(2.2)	(4.0)	(6.2)
Exercise of stock options	31		1.7			1.7		1.7
Vesting of issued restricted Class A common stock	99		(13.1)			(13.1)		(13.1)
Stock-based compensation			21.6			21.6		21.6
<b>Balance at March 31, 2021</b>	<b>358,240</b>	<b>3</b>	<b>\$ 21,197.1</b>	<b>\$ 5,247.3</b>	<b>\$ 83.5</b>	<b>\$ 26,527.9</b>	<b>\$ 28.0</b>	<b>\$ 26,555.9</b>

**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)  
(unaudited)

	Quarter Ended March 31,	
	2022	2021
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 711.0	\$ 574.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	20.0	21.6
Amortization of purchased intangibles	58.4	60.6
Depreciation and amortization	33.5	37.6
Net realized and unrealized (gains) losses on investments	(3.5)	(0.8)
Cash dividends in excess of earnings of unconsolidated subsidiaries	11.9	13.1
Deferred income taxes	(5.1)	(7.8)
Change in:		
Accounts receivable	(174.0)	(146.2)
Other current assets	(69.7)	(30.5)
Other assets	19.0	12.3
Accounts payable	32.0	(8.7)
Income taxes payable	165.9	115.7
Other current liabilities	6.3	(32.3)
Other liabilities	(14.7)	(8.6)
Other	8.1	1.9
<b>Net Cash Provided by Operating Activities</b>	<u>799.1</u>	<u>602.7</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from maturities of available-for-sale marketable securities	2.7	2.2
Purchases of available-for-sale marketable securities	(2.2)	(1.5)
Purchases of property, net	(23.4)	(28.5)
Purchase of non-controlling interest	—	(6.2)
<b>Net Cash Used in Investing Activities</b>	<u>(22.9)</u>	<u>(34.0)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from debt, net of issuance costs	742.7	—
Repayment of debt, including call premium	(756.1)	—
Cash dividends	(1,543.5)	(1,217.5)
Change in performance bond and guaranty fund contributions	9,787.1	36,632.2
Employee taxes paid on restricted stock vesting	(4.3)	(13.1)
Other	(4.3)	(2.6)
<b>Net Cash Provided by Financing Activities</b>	<u>8,221.6</u>	<u>35,399.0</u>

**CME GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS** (continued)  
(in millions)  
(unaudited)

	Quarter Ended March 31,	
	2022	2021
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	\$ 8,997.8	\$ 35,967.7
Cash, cash equivalents, restricted cash and restricted cash equivalents, beginning of period	160,789.9	88,420.3
<b>Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents, End of Period</b>	<b>\$ 169,787.7</b>	<b>\$ 124,388.0</b>
<b>Reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents:</b>		
Cash and cash equivalents	\$ 2,045.7	\$ 936.4
Cash classified as assets held for sale	—	30.0
Short-term restricted cash	4.8	4.5
Long-term restricted cash	0.5	3.1
Restricted cash and restricted cash equivalents (performance bonds and guaranty fund contributions)	167,736.7	123,414.0
<b>Total</b>	<b>\$ 169,787.7</b>	<b>\$ 124,388.0</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Income taxes paid	\$ 44.6	\$ 65.8
Interest paid	43.4	42.4

See accompanying notes to unaudited consolidated financial statements.

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****1. Basis of Presentation**

The consolidated financial statements consist of CME Group Inc. (CME Group) and its subsidiaries (collectively, the company), including Chicago Mercantile Exchange Inc. (CME), Board of Trade of the City of Chicago, Inc. (CBOT), New York Mercantile Exchange, Inc. (NYMEX), Commodity Exchange, Inc. (COMEX) and NEX Group Limited (NEX). The clearing house is operated by CME.

In January 2021, the company announced that it agreed with IHS Markit to combine their post-trade services into a new joint venture, OSTTRA. The joint venture was launched in September 2021. OSTTRA performs trade processing and risk mitigation services.

The accompanying interim consolidated financial statements have been prepared by CME Group without audit. Certain notes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. In the opinion of management, the accompanying consolidated financial statements include all adjustments (consisting only of normal recurring adjustments) considered necessary to present fairly the financial position of the company at March 31, 2022 and December 31, 2021 and the results of operations and cash flows for the periods indicated. Quarterly results are not necessarily indicative of results for any subsequent period.

During the fourth quarter of 2021, the company revised the presentation of the consolidated statements of cash flows to include cash performance bonds and guaranty fund contributions as restricted cash and restricted cash equivalents within the beginning and ending balances of the reconciliation of cash, cash equivalents, restricted cash and restricted cash equivalents. Total cash flows from financing activities were revised to include the changes associated with the cash performance bonds and guaranty fund contribution liability. See Note 4. Performance Bonds and Guaranty Fund Contributions for additional information on cash performance bonds and guaranty fund contributions.

The prior period amounts have been revised to conform to the current period presentation. The revision in presentation is considered immaterial to the company's overall financial statements and has had no impact on the consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income or consolidated statements of equity, including all previously filed financial statements. These cash performance bonds and guaranty fund contributions cannot be used for the company's operations or to satisfy any operational liabilities.

The following table presents the effects of the changes on the presentation of these cash flows to the previously reported consolidated statements of cash flows of March 31, 2021:

<i>(in millions)</i>	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Revised</u>
Net cash provided by (used in) financing activities	\$ (1,233.2)	\$ 36,632.2	\$ 35,399.0
Net change in cash, cash equivalents, restricted cash and restricted cash equivalents	(664.5)	36,632.2	35,967.7

The accompanying consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in CME Group's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission (SEC) on February 25, 2022.

**2. Accounting Policies**

*Newly Adopted Accounting Policies.* The company adopted the following accounting policies during 2022:

In August 2020, FASB issued an accounting update that simplifies the accounting for convertible instruments and amends certain guidance on the computation of EPS for convertible instruments. This guidance reduces the number of accounting models used for the allocation of proceeds attributable to the issuance of a convertible instrument, thereby eliminating the beneficial conversion feature model. It is also noted that this guidance revises and eliminates certain criteria for achieving equity classification on the balance sheet. This accounting update requires entities to provide expanded disclosures about the terms and features of convertible instruments, including information about events, conditions, and circumstances that can affect how to assess the amount or timing of an entity's future cash flows related to those instruments. The company adopted this guidance on January 1, 2022. Adoption of this guidance did not have an impact on the consolidated financial statements.

**3. Revenue Recognition**

The company generates revenue from customers from the following sources:

*Clearing and transaction fees.* Clearing and transaction fees include electronic trading fees and brokerage commissions, surcharges for privately-negotiated transactions, portfolio reconciliation and compression services, risk mitigation and other volume-related charges for trade contracts. Clearing and transaction fees are assessed upfront at the time of trade execution. As

such, the company recognizes the majority of the fee revenue upon successful execution of the trade. The minimal remaining portion of the fee revenue related to settlement activities performed after trade execution is recognized over the short-term period that the contract is outstanding, based on management's estimates of the average contract lifecycle. These estimates are based on various assumptions to approximate the amount of fee revenue to be attributed to services performed through contract settlement, expiration, or termination. For cleared trades, these assumptions include the average number of days that a contract remains in open interest, contract turnover, average revenue per day, and revenue remaining in open interest at the end of each period.

The nature of contracts gives rise to several types of variable consideration, including volume-based pricing tiers, customer incentives associated with market maker programs and other fee discounts. The company includes fee discounts and incentives in the estimated transaction price when there is a basis to reasonably estimate the amount of the fee reduction. These estimates are based on historical experience, anticipated performance, and best judgment at the time. Because of the company's certainty in estimating these amounts, they are included in the transaction price of contracts.

*Market data and information services.* Market data and information services represent revenue from the dissemination of market data to subscribers, distributors, and other third-party licensees of market data. Pricing for market data is primarily based on the number of reportable devices used as well as the number of subscribers enrolled under the arrangement. Fees for these services are generally billed monthly. Market data services are satisfied over time and revenue is recognized on a monthly basis as the customers receive and consume the benefit of the market data services. However, the company also maintains certain annual license arrangements with one-time upfront fees. The fees for annual licenses are initially recorded as a contract liability and recognized as revenue monthly over the term of the annual period.

*Other.* Other revenues include certain access and communication fees, fees for collateral management, equity membership subscription fees, and fees for trade order routing through agreements from various strategic relationships. Access and communication fees are charges to customers that utilize various telecommunications networks and communications services. Fees for these services are generally billed monthly and the associated fee revenue is recognized as billed. Collateral management fees are charged to clearing firms that have collateral on deposit with the clearing house to meet their minimum performance bond and guaranty fund obligations on the exchange. These fees are calculated based on daily collateral balances and are billed monthly. This fee revenue is recognized monthly as billed as the customers receive and consume the benefits of the services. The company also has an equity membership program which provides equity members the option to substitute a monthly subscription fee for their existing requirement to hold CME Group Class A common stock. Choosing to pay this fee in lieu of holding Class A shares is entirely voluntary and the client's choice. Fee revenue under this program is earned monthly as billed over the contractual term. Pricing for strategic relationships may be driven by customer levels and activity. There are fee arrangements which provide for monthly as well as quarterly payments in arrears. Revenue is recognized monthly for strategic relationship arrangements as the customers receive and consume the benefits of the services.

The following table represents a disaggregation of revenue from contracts with customers by product line for the quarters ended March 31, 2022 and 2021:

<i>(in millions)</i>	Quarter Ended March 31,	
	2022	2021
Interest rates	\$ 374.8	\$ 299.7
Equity indexes	259.1	198.5
Foreign exchange	44.8	40.5
Agricultural commodities	126.0	120.5
Energy	175.2	158.1
Metals	54.4	58.3
BrokerTec fixed income	44.4	45.5
EBS foreign exchange	42.3	45.3
Optimization	—	24.3
Interest rate swap	17.1	16.3
Total clearing and transaction fees	1,138.1	1,007.0
Market data and information services	151.7	144.2
Other	56.8	102.1
Total revenues	<u>\$ 1,346.6</u>	<u>\$ 1,253.3</u>
<b>Timing of Revenue Recognition</b>		
Services transferred at a point in time	\$ 1,077.3	\$ 945.1
Services transferred over time	264.7	305.2
One-time charges and miscellaneous revenues	4.6	3.0
Total revenues	<u>\$ 1,346.6</u>	<u>\$ 1,253.3</u>

The timing of revenue recognition, billings and cash collections results in billed accounts receivable, and customer advances and deposits (contract liabilities) on the consolidated balance sheets. Certain fees for transactions, annual licenses, and other revenue arrangements are billed upfront before revenue is recognized, which results in the recognition of contract liabilities. These liabilities are recognized on the consolidated balance sheets on a contract-by-contract basis upon commencement of services under the customer contract. These upfront customer payments are recognized as revenue over time as the obligations under the contracts are satisfied. Changes in the contract liability balances during the quarter ended March 31, 2022 were not materially impacted by any other factors. The balance of contract liabilities was \$46.1 million and \$15.2 million as of March 31, 2022 and December 31, 2021, respectively.

#### 4. Performance Bonds and Guaranty Fund Contributions

*Performance Bonds and Guaranty Fund Contributions.* CME has been designated as a systemically important financial market utility by the Financial Stability Oversight Council and is authorized to maintain cash accounts at the Federal Reserve Bank of Chicago. At March 31, 2022, CME maintained \$158.2 billion within the cash account at the Federal Reserve Bank of Chicago. The cash deposit at the Federal Reserve Bank of Chicago is included within performance bonds and guaranty fund contributions on the consolidated balance sheets.

*Clearing House Contract Settlement.* The clearing house marks-to-market open positions for all futures and options contracts twice a day (once a day for CME's cleared-only interest rate swap contracts). Based on values derived from the mark-to-market process, the clearing house requires payments from clearing firms whose positions have lost value and makes payments to clearing firms whose positions have gained value. Under the extremely unlikely scenario of simultaneous default by every clearing firm who has open positions with unrealized losses, the maximum exposure related to positions other than cleared-only interest rate swap contracts would be one half day of changes in fair value of all open positions, before considering the clearing house's ability to access defaulting clearing firms' collateral deposits.

For CME's cleared-only interest rate swap contracts, the maximum exposure related to CME's guarantee would be one full day of changes in fair value of all open positions, before considering CME's ability to access defaulting clearing firms' collateral.

During the first quarter of 2022, the clearing house transferred an average of approximately \$6.4 billion a day through its clearing systems for settlement from clearing firms whose positions had lost value to clearing firms whose positions had gained

value. The clearing house reduces its guarantee exposure through initial and maintenance performance bond requirements and mandatory guaranty fund contributions. Management has assessed the fair value of the company's settlement guarantee liability by taking the following factors into consideration: the design and operations of the clearing risk management process, the financial safeguard packages in place, historical evidence of default by a clearing member and the estimated probability of potential payouts by the clearing house. Based on the assessment performed, management estimates the guarantee liability to be nominal and therefore has not recorded any liability at March 31, 2022 and December 31, 2021. The company does not have a history of significant losses recognized on performance bond collateral as posted by our clearing members, and management currently does not anticipate any future credit losses on its performance bond assets. Accordingly, the company has not provided an allowance for credit losses on these performance bond deposits, nor has it recorded any liabilities to reflect an allowance for credit losses related to our off-balance sheet credit exposures and guarantees.

## 5. Intangible Assets and Goodwill

Intangible assets consisted of the following at March 31, 2022 and December 31, 2021:

<i>(in millions)</i>	March 31, 2022			December 31, 2021			Net Book Value
	Assigned Value	Accumulated Amortization	Net Book Value	Assigned Value	Accumulated Amortization	Deconsolidation <sup>(2)</sup>	
<b>Amortizable Intangible Assets:</b>							
Clearing firm, market data and other customer relationships	\$ 4,714.0	\$ (1,757.5)	\$ 2,956.5	\$ 5,818.2	\$ (1,847.7)	(950.0)	\$ 3,020.5
Technology-related intellectual property	62.5	(50.2)	12.3	175.3	(76.3)	(84.6)	14.4
Other	72.8	(28.4)	44.4	105.7	(35.5)	(23.1)	47.1
<b>Total amortizable intangible assets</b>	<b>\$ 4,849.3</b>	<b>\$ (1,836.1)</b>	<b>\$ 3,013.2</b>	<b>\$ 6,099.2</b>	<b>\$ (1,959.5)</b>	<b>\$ (1,057.7)</b>	<b>\$ 3,082.0</b>
<b>Indefinite-Lived Intangible Assets:</b>							
Trade names			450.0				450.0
<b>Total intangible assets – other, net</b>			<b>\$ 3,463.2</b>				<b>\$ 3,532.0</b>
Trading products <sup>(1)</sup>			\$ 17,175.3				\$ 17,175.3

(1) Trading products represent futures and options products acquired in our business combinations with CBOT Holdings, Inc., NYMEX Holdings, Inc. and The Board of Trade of Kansas City, Missouri, Inc. Clearing and transaction fees are generated through the trading of these products. These trading products, most of which have traded for decades, require authorization from the Commodity Futures Trading Commission (CFTC). Product authorizations from the CFTC have no term limits.

(2) The activity from deconsolidation includes intangible assets as part of the contribution of the net assets of the optimization business to OSTTRA.

Total amortization expense for intangible assets was \$58.4 million and \$60.6 million for the quarters ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, the future estimated amortization expense related to amortizable intangible assets is expected to be as follows:

<i>(in millions)</i>	Amortization Expense
Remainder of 2022	\$ 173.3
2023	229.7
2024	223.2
2025	223.2
2026	223.2
2027	221.9
Thereafter	1,718.7

Goodwill activity consisted of the following for the periods ended March 31, 2022 and December 31, 2021:

<i>(in millions)</i>	Balance at December 31, 2021	Deconsolidation <sup>(1)</sup>	Other Activity <sup>(2)</sup>	Balance at March 31, 2022
CBOT Holdings	\$ 5,066.4	\$ —	\$ —	\$ 5,066.4
NYMEX Holdings	2,462.2	—	—	2,462.2
NEX	2,959.0	—	(12.2)	2,946.8
Other	40.4	—	—	40.4
Total Goodwill	<u>\$ 10,528.0</u>	<u>\$ —</u>	<u>\$ (12.2)</u>	<u>\$ 10,515.8</u>

<i>(in millions)</i>	Balance at December 31, 2020	Deconsolidation <sup>(1)</sup>	Other Activity <sup>(2)</sup>	Balance at December 31, 2021
CBOT Holdings	\$ 5,066.4	\$ —	\$ —	\$ 5,066.4
NYMEX Holdings	2,462.2	—	—	2,462.2
NEX	3,229.8	(246.2)	(24.6)	2,959.0
Other	40.4	—	—	40.4
Total Goodwill	<u>\$ 10,798.8</u>	<u>\$ (246.2)</u>	<u>\$ (24.6)</u>	<u>\$ 10,528.0</u>

1) The activity from deconsolidation includes goodwill as part of the contribution of the net assets of the optimization business to OSTTRA.

2) Other activity includes currency translation adjustments.

## 6. Debt

In March 2022, the company completed an offering of \$750.0 million of its 2.65% fixed rate notes due March 2032. The company used the net proceeds from the offering, together with cash on hand, to redeem all \$750.0 million of its 3.00% fixed rate notes due September 2022 in March 2022. As part of the redemption, the company paid a call premium of \$6.2 million, which is recognized in other non-operating income (expense).

Short-term debt consisted of the following at March 31, 2022 and December 31, 2021:

<i>(in millions)</i>	March 31, 2022	December 31, 2021
\$750.0 million fixed rate notes due September 2022, stated rate of 3.00% <sup>(1)</sup>	—	749.4
Total short-term debt	<u>\$ —</u>	<u>\$ 749.4</u>

(1) The company maintained a forward-starting interest rate swap agreement that modified the interest obligation associated with these notes so that the interest payable on the notes effectively became fixed at a rate of 3.32%.

Long-term debt consisted of the following at March 31, 2022 and December 31, 2021:

<i>(in millions)</i>	March 31, 2022	December 31, 2021
€15.0 million fixed rate notes due May 2023, stated rate of 4.30%	16.6	16.8
\$750.0 million fixed rate notes due March 2025, stated rate of 3.00% <sup>(1)</sup>	747.9	747.7
\$500.0 million fixed rate notes due June 2028, stated rate of 3.75%	497.3	497.2
\$750.0 million fixed rate notes due March 2032, stated rate of 2.65%	741.2	—
\$750.0 million fixed rate notes due September 2043, stated rate of 5.30% <sup>(2)</sup>	743.4	743.4
\$700.0 million fixed rate notes due June 2048, stated rate of 4.15%	690.7	690.6
Total long-term debt	<u>\$ 3,437.1</u>	<u>\$ 2,695.7</u>

(1) The company maintained a forward-starting interest rate swap agreement that modified the interest obligation associated with these notes so that the interest payable on the notes effectively became fixed at a rate of 3.11%.

(2) The company maintained a forward-starting interest rate swap agreement that modified the interest obligation associated with these notes so that the interest payable on the notes effectively became fixed at a rate of 4.73%.



Long-term debt maturities, at par value (in U.S. dollar equivalent), were as follows at March 31, 2022:

<i>(in millions)</i>	<b>Par Value</b>
2023	\$ 16.7
2024	—
2025	750.0
2026	—
2027	—
Thereafter	2,700.0

## **7. Contingencies**

*Legal and Regulatory Matters.* In the normal course of business, the company discusses matters with its regulators raised during regulatory examinations or otherwise subject to their inquiry and oversight. These matters could result in censures, fines, penalties or other sanctions. Management believes the outcome of any resulting actions will not have a material impact on its consolidated financial position or results of operations. However, the company is unable to predict the outcome or the timing of the ultimate resolution of these matters, or the potential fines, penalties or injunctive or other equitable relief, if any, that may result from these matters.

A putative class action complaint was filed January 15, 2014 in the Circuit Court of Cook County, Chancery Division, against CME Group Inc. and the Board of Trade of the City of Chicago, Inc. The plaintiffs, certain Class B shareholders of CME Group and Class B members of CBOT, allege breach of contract and breach of the implied covenant of good faith and fair dealing for violations of their core rights granted in the defendants' respective Certificates of Incorporation. On December 2, 2021, the court granted the plaintiffs' motion for certification of a damages-only class. No trial date has been set. Given the uncertainty of factors that may potentially affect the resolution of the matter, at this time the company is unable to estimate the reasonably possible loss or range of reasonably possible losses in the unlikely event it were found to be liable at trial. Based on its investigation to date, the company believes that it has strong factual and legal defenses to the claims.

In addition, the company is a defendant in, and has potential for, various other legal proceedings arising from its regular business activities. While the ultimate results of such proceedings against the company cannot be predicted with certainty, the company believes that the resolution of any of these matters on an individual or aggregate basis will not have a material impact on its consolidated financial position or results of operations.

No accrual was required for legal and regulatory matters as none were probable and estimable as of March 31, 2022 and December 31, 2021.

*Intellectual Property Indemnifications.* Certain agreements with customers and other third parties related to accessing the CME Group platforms, utilizing market data services and licensing CME SPAN software may contain indemnifications from intellectual property claims that may be made against them as a result of their use of the applicable products and/or services. The potential future claims relating to these indemnifications cannot be estimated and therefore no liability has been recorded.

## **8. Leases**

The company has operating leases for corporate offices. The operating leases have remaining lease terms of up to 16 years, some of which include options to extend or renew the leases for up to an additional five years, and some of which include options to early terminate the leases in less than 12 months. Management evaluates whether these options are exercisable at least quarterly in order to determine whether the contract term must be reassessed. For a small number of the leases, primarily the international locations, management's approach is to enter into short-term leases for a lease term of 12 months or less in order to provide for greater flexibility in the local environment. For certain office spaces, the company has entered into arrangements to sublease excess space to third parties, while the original lease contract remains in effect with the landlord.

The company also has one finance lease, which is related to the sale of our data center in March 2016. In connection with the sale, the company leased back a portion of the property. The sale leaseback transaction was recognized under the financing method and not as a sale leaseback arrangement.

The right-of-use lease asset is recorded within other assets, and the present value of the lease liability is recorded within other liabilities (segregated between short term and long term) on the consolidated balance sheets. The discount rate applied to the lease payments represents the company's incremental borrowing rate.

The components of lease costs were as follows:

<i>(in millions)</i>	Quarter Ended March 31,	
	2022	2021
<b>Operating lease expense:</b>		
Operating lease cost	\$ 14.7	\$ 16.8
Short-term lease cost	0.1	0.2
Total operating lease expense included in other expense	<u>\$ 14.8</u>	<u>\$ 17.0</u>
<b>Finance lease expense:</b>		
Interest expense	\$ 0.7	\$ 0.8
Depreciation expense	2.2	2.2
Total finance lease expense	<u>\$ 2.9</u>	<u>\$ 3.0</u>
Sublease revenue included in other revenue	\$ 2.7	\$ 2.5

Supplemental cash flow information related to leases was as follows:

<i>(in millions)</i>	Quarter Ended March 31,	
	2022	2021
Cash outflows for operating leases	\$ 16.9	\$ 15.3
Cash outflows for finance leases	4.3	4.2

Supplemental balance sheet information related to leases was as follows:

**Operating leases**

<i>(in millions)</i>	March 31, 2022	December 31, 2021
Operating lease right-of-use assets	\$ 338.8	\$ 345.3
<b>Operating lease liabilities:</b>		
Other current liabilities	\$ 47.4	\$ 47.3
Other liabilities	433.7	449.4
Total operating lease liabilities	<u>\$ 481.1</u>	<u>\$ 496.7</u>
Weighted average remaining lease term (in months)	129	132
Weighted average discount rate	3.9 %	3.9 %

### Finance leases

<i>(in millions)</i>	March 31, 2022	December 31, 2021
Finance lease right-of-use assets	\$ 78.0	\$ 80.2
Finance lease liabilities:		
Other current liabilities	\$ 8.0	\$ 7.9
Other liabilities	73.9	75.9
Total finance lease liabilities	<u>\$ 81.9</u>	<u>\$ 83.8</u>
Weighted average remaining lease term (in months)	108	111
Weighted average discount rate	3.5 %	3.5 %

Future minimum lease payments were as follows as of March 31, 2022 for operating and finance leases:

<i>(in millions)</i>	Operating Leases	
Remainder of 2022	\$	49.0
2023		65.9
2024		61.3
2025		58.3
2026		54.0
2027		51.7
Thereafter		252.1
Total lease payments		<u>592.3</u>
Less: imputed interest		(111.2)
Present value of lease liability	<u>\$</u>	<u>481.1</u>
<i>(in millions)</i>	Finance Leases	
Remainder of 2022	\$	12.8
2023		17.2
2024		17.4
2025		17.5
2026		17.6
2027		17.8
Thereafter		58.9
Total lease payments		<u>159.2</u>
Less: imputed interest		(77.3)
Present value of lease liability	<u>\$</u>	<u>81.9</u>

### 9. Guarantees

*Mutual Offset Agreement.* CME and Singapore Exchange Limited (SGX) maintain a mutual offset agreement with a current term through May 2023. This agreement enables market participants to open a futures position on one exchange and liquidate it on the other. The term of the agreement will automatically renew for a one-year period after May 2023 unless either party provides advance notice of their intent to terminate. CME can maintain collateral in the form of irrevocable, standby letters of credit. At March 31, 2022, CME was contingently liable to SGX on letters of credit totaling \$330.0 million. CME also maintains a \$350.0 million line of credit to meet its obligations under this agreement. Regardless of the collateral, CME guarantees all cleared transactions submitted through SGX and would initiate procedures designed to satisfy these financial obligations in the event of a default, such as the use of performance bonds and guaranty fund contributions of the defaulting clearing firm. Management has assessed the fair value of the company's guarantee liability under this mutual offset agreement by taking the following factors into consideration: the design and operations of the clearing risk management process, the financial safeguard packages in place, historical evidence of default by a clearing member and the estimated probability of

potential payouts by the clearing house. Based on the assessment performed, management estimates the guarantee liability to be nominal and therefore has not recorded any liability at March 31, 2022 and December 31, 2021.

*Family Farmer and Rancher Protection Fund.* In 2012, the company established the Family Farmer and Rancher Protection Fund (the Fund). The Fund is designed to provide payments, up to certain maximum levels, to family farmers, ranchers and other agricultural industry participants who use the company's agricultural commodity products and who suffer losses to their segregated account balances due to their CME clearing member becoming insolvent. Under the terms of the Fund, farmers and ranchers are eligible for up to \$25,000 per participant. Farming and ranching cooperatives are eligible for up to \$100,000 per cooperative. The Fund was established with a maximum of \$100.0 million available for distribution to participants. Since its establishment, the Fund has made payments of approximately \$2.0 million, which leaves \$98.0 million available for future claims. If, at any time, payments due to participants were to exceed the amount remaining in the fund, payments would be pro-rated. Clearing members and customers must register with the company in advance and provide certain documentation in order to substantiate their eligibility. The company believes that its guarantee liability is nominal and therefore has not recorded any liability at March 31, 2022 and December 31, 2021.

#### 10. Accumulated Other Comprehensive Income (Loss)

The following tables present changes in the accumulated balances for each component of other comprehensive income (loss), including current period other comprehensive income (loss) and reclassifications out of accumulated other comprehensive income (loss):

<i>(in millions)</i>	Investment Securities	Defined Benefit Plans	Derivative Investments	Foreign Currency Translation	Total
Balance at December 31, 2021	\$ 1.1	\$ (34.8)	\$ 66.1	\$ 21.1	\$ 53.5
Other comprehensive income (loss) before reclassifications and income tax benefit (expense)	(1.3)	(3.7)	—	(22.6)	(27.6)
Amounts reclassified from accumulated other comprehensive income (loss)	—	0.3	0.8	—	1.1
Income tax benefit (expense)	0.3	0.9	(0.2)	—	1.0
Net current period other comprehensive income (loss)	(1.0)	(2.5)	0.6	(22.6)	(25.5)
Balance at March 31, 2022	\$ 0.1	\$ (37.3)	\$ 66.7	\$ (1.5)	\$ 28.0

<i>(in millions)</i>	Investment Securities	Defined Benefit Plans	Derivative Investments	Foreign Currency Translation	Total
Balance at December 31, 2020	\$ 1.6	\$ (57.1)	\$ 67.0	\$ 123.4	\$ 134.9
Other comprehensive income (loss) before reclassifications and income tax benefit (expense)	(1.1)	—	—	(51.2)	(52.3)
Amounts reclassified from accumulated other comprehensive income (loss)	—	1.1	(0.3)	—	0.8
Income tax benefit (expense)	0.3	(0.3)	0.1	—	0.1
Net current period other comprehensive income (loss)	(0.8)	0.8	(0.2)	(51.2)	(51.4)
Balance at March 31, 2021	\$ 0.8	\$ (56.3)	\$ 66.8	\$ 72.2	\$ 83.5

#### 11. Fair Value Measurements

The company uses a three-level classification hierarchy of fair value measurements for disclosure purposes:

- Level 1 inputs, which are considered the most reliable evidence of fair value, consist of quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs consist of observable market data, such as quoted prices for similar assets and liabilities in active markets, or inputs other than quoted prices that are directly observable.
- Level 3 inputs consist of unobservable inputs which are derived and cannot be corroborated by market data or other entity-specific inputs.

The company's level 1 assets generally include investments in publicly traded mutual funds, equity securities and corporate debt securities with quoted market prices. In general, the company uses quoted prices in active markets for identical assets to determine the fair value of marketable securities.

The company's level 2 assets and liabilities generally consist of long-term debt notes. The fair values of the long-term debt notes were based on quoted market prices in an inactive market.

The company's level 3 assets and liabilities include certain investments that were adjusted to fair value.

*Recurring Fair Value Measurements.* Financial assets and liabilities recorded at fair value on the consolidated balance sheet as of March 31, 2022 were classified in their entirety based on the lowest level of input that was significant to each asset and liability's fair value measurement. The following table presents financial instruments measured at fair value on a recurring basis:

<i>(in millions)</i>	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets at Fair Value:</b>				
Marketable securities:				
Corporate debt securities	\$ 14.2	\$ —	\$ —	\$ 14.2
Mutual funds	95.2	—	—	95.2
Equity securities	0.2	—	—	0.2
Total Marketable Securities	109.6	—	—	109.6
<b>Total Assets at Fair Value</b>	<b>\$ 109.6</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 109.6</b>

*Non-Recurring Fair Value Measurements.* During the first quarter of 2022, the company recognized a net unrealized gain on an investment of \$1.0 million on an equity investment without readily determinable fair value. The fair value of the investment was estimated to be \$7.3 million at March 31, 2022. The assessment was based on quantitative and qualitative indicators of fair value. The fair value measurement of the investment is considered level 3 and non-recurring.

*Fair Values of Long-Term Debt Notes.* The following presents the estimated fair values of long-term debt notes, which are carried at amortized cost on the consolidated balance sheets. The fair values below are classified as level 2 under the fair value hierarchy and were estimated using quoted market prices in inactive markets.

At March 31, 2022, the fair values (in U.S. dollar equivalent) were as follows:

<i>(in millions)</i>	Fair Value	Level
€15.0 million fixed rate notes due May 2023	17.4	Level 2
\$750.0 million fixed rate notes due March 2025	755.1	Level 2
\$500.0 million fixed rate notes due June 2028	511.9	Level 2
\$750.0 million fixed rate notes due March 2032	718.7	Level 2
\$750.0 million fixed rate notes due September 2043	914.4	Level 2
\$700.0 million fixed rate notes due June 2048	738.2	Level 2

## 12. Earnings Per Share

The company uses the two-class method to calculate basic and diluted earnings per common share because its Series G preferred stock are participating securities. Under the two-class method, undistributed earnings are allocated to common stock and participating securities according to their respective rights in undistributed earnings, as if all of the earnings for the period had been distributed. Basic earnings per common share is computed by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the period. Net income attributable to common shareholders is reduced for preferred stock dividends earned during the period. Preferred stock also receives a proportionate allocation of undistributed or overdistributed earnings for the period because Series G preferred stock has a contractual obligation to share in profits and losses of the company. Diluted earnings per share is computed by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding plus potentially dilutive common shares. Anti-dilutive stock awards were as follows for the periods presented:

<i>(in thousands)</i>	Quarter Ended March 31,	
	2022	2021
Stock awards	78	154
Total	78	154

The following table presents the earnings per share calculation for the periods presented:

	Quarter Ended March 31,	
	2022	2021
Net Income Attributable to CME Group <i>(in millions)</i>	\$ 711.0	\$ 574.4
Less: preferred stock dividends	(4.6)	—
Less: undistributed earnings allocated to preferred stock	(4.4)	—
Net Income Attributable to Common Shareholders of CME Group	\$ 702.0	\$ 574.4
Weighted Average Number of Common Shares <i>(in thousands)</i> :		
Basic	358,609	358,147
Effect of stock options, restricted stock and performance shares	571	670
Diluted	359,180	358,817
Earnings per Common Share Attributable to Common Shareholders of CME Group:		
Basic	\$ 1.96	\$ 1.60
Diluted	1.95	1.60

## 13. Subsequent Events

The company has evaluated subsequent events through the date the financial statements were issued. The company has determined that there were no subsequent events that met the requirement for recognition or disclosure in the consolidated financial statements.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion is provided as a supplement to, and should be read in conjunction with, the accompanying unaudited consolidated financial statements and notes in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022.

References in this discussion and analysis to “we” and “our” are to CME Group Inc. (CME Group) and its consolidated subsidiaries, collectively. References to “exchange” are to Chicago Mercantile Exchange Inc. (CME), the Board of Trade of the City of Chicago, Inc. (CBOT), New York Mercantile Exchange, Inc. (NYMEX), and Commodity Exchange, Inc. (COMEX), collectively, unless otherwise noted.

**RESULTS OF OPERATIONS**
**Financial Highlights**

The following summarizes significant changes in our financial performance for the periods presented.

<i>(dollars in millions, except per share data)</i>	Quarter Ended March 31,		Change
	2022	2021	
Total revenues	\$ 1,346.6	\$ 1,253.3	7 %
Total expenses	487.5	528.2	(8)
Operating margin	63.8 %	57.9 %	
Non-operating income (expense)	\$ 57.2	\$ 27.2	110
Effective tax rate	22.4 %	23.6 %	
Net income attributable to CME Group	\$ 711.0	\$ 574.4	24
Diluted earnings per common share attributable to CME Group	1.95	1.60	22
Cash flows from operating activities	799.1	602.7	33

**Revenues**

<i>(dollars in millions)</i>	Quarter Ended March 31,		Change
	2022	2021	
Clearing and transaction fees	\$ 1,138.1	\$ 1,007.0	13 %
Market data and information services	151.7	144.2	5
Other	56.8	102.1	(44)
Total Revenues	<u>\$ 1,346.6</u>	<u>\$ 1,253.3</u>	7

**Clearing and Transaction Fees**
Futures and Options Contracts

The following table summarizes our total contract volume, revenue and average rate per contract for futures and options. Total contract volume includes contracts that are traded on our exchange and cleared through our clearing house and certain cleared-only contracts. Volume is measured in round turns, which is considered a completed transaction that involves a purchase and an offsetting sale of a contract. Average rate per contract is determined by dividing total clearing and transaction fees by total contract volume. Contract volume and average rate per contract disclosures exclude trading volume for the cash markets business and interest rate swaps volume.

	Quarter Ended March 31,		Change
	2022	2021	
Total contract volume (in millions)	1,607.1	1,331.5	21 %
Clearing and transaction fees (in millions)	\$ 1,034.3	\$ 875.6	18
Average rate per contract	\$ 0.644	\$ 0.658	(2)

We estimate the following net changes in clearing and transaction fees based on a change in total contract volume and a change in average rate per contract for futures and options during the first quarter of 2022 when compared with the same period in 2021.

<i>(in millions)</i>	<b>Quarter Ended</b>
Increase due to changes in total contract volume	\$ 177.4
Decrease due to changes in average rate per contract	(18.7)
Net increase in clearing and transaction fees	\$ 158.7

Average rate per contract is impacted by our rate structure, including volume-based incentives; product mix; trading venue, and the percentage of volume executed by customers who are members compared with non-member customers. Due to the relationship between average rate per contract and contract volume, the change in clearing and transaction fees attributable to changes in each is only an approximation.

#### Contract Volume

The following table summarizes average daily contract volume. Contract volume can be influenced by many factors, including political and economic conditions, the regulatory environment and market competition.

<i>(amounts in thousands)</i>	<b>Quarter Ended March 31,</b>		<b>Change</b>
	<b>2022</b>	<b>2021</b>	
<b>Average Daily Volume by Product Line:</b>			
Interest rates	12,484	10,349	21 %
Equity indexes	7,950	6,117	30
Foreign exchange	904	852	6
Agricultural commodities	1,474	1,471	—
Energy	2,515	2,363	6
Metals	593	675	(12)
Aggregate average daily volume	25,920	21,827	19
<b>Average Daily Volume by Venue:</b>			
CME Globex	24,060	20,436	18
Open outcry	1,030	678	52
Privately negotiated	830	713	16
Aggregate average daily volume	25,920	21,827	19
Electronic Volume as a Percentage of Total Volume	93%	94 %	

Overall market volatility increased throughout the first quarter of 2022 following lower overall volatility in the first quarter of 2021. During the first quarter of 2022, the Federal Reserve's indication of multiple rate increases in 2022 as well as its decision to taper bond purchases resulted in higher volatility within the interest rate market. In addition, equity and energy contract volume increased in the first quarter 2022 when compared with the same period in 2021, largely due to the rising tension and geopolitical uncertainty with Russia and Ukraine. We believe these factors led to the changes in contract volume during the first quarter of 2022, when compared with the same period in 2021.



### Interest Rate Products

The following table summarizes average daily contract volume for our key interest rate products.

<i>(amounts in thousands)</i>	Quarter Ended March 31,		Change
	2022	2021	
<b>Eurodollar futures and options:</b>			
Futures expiring within two years	1,869	1,262	48 %
Options	1,489	1,106	35
Futures expiring beyond two years	811	1,414	(43)%
<b>SOFR futures and options:</b>			
Futures expiring within two years	1,043	102	n.m.
Futures expiring beyond two years	156	10	n.m.
Options	39	—	n.m.
<b>U.S. Treasury futures and options:</b>			
10-Year <sup>(1)</sup>	2,855	2,941	(3)
5-Year <sup>(1)</sup>	1,742	1,480	18
2-Year <sup>(1)</sup>	711	502	41
Treasury Bond <sup>(1)</sup>	557	688	(19)
Federal Funds futures and options	414	100	n.m.

(1) U.S. Treasury futures and options now include respective weekly treasury options that were previously separated under a unique product category. Prior period amounts have been revised to conform to the current period presentation.

*n.m. not meaningful*

In the first quarter of 2022, overall interest rate contract volume increased when compared with the same period in 2021. We believe this increase in volume resulted from higher interest rate volatility as a result of a change in market expectations regarding the Federal Reserve's interest rate policy, following indication that it is planning multiple rate increases in 2022 as well as its decision to taper bond purchases. The increase in Secured Overnight Financing Rate contract (SOFR) volume is due to more market participants transitioning to the new reference rate.

### Equity Index Products

The following table summarizes average daily contract volume for our key equity index products.

<i>(amounts in thousands)</i>	Quarter Ended March 31,		Change
	2022	2021	
E-mini S&P 500 futures and options <sup>(1)</sup>	4,477	3,490	28 %
E-mini Nasdaq 100 futures and options <sup>(1)</sup>	2,381	1,725	38
E-mini Russell 2000 futures and options <sup>(1)</sup>	452	416	9

(1) E-mini S&P 500 and Nasdaq 100 futures and options now include respective weekly Micro E-mini options that were previously separated under a unique product category. Prior period amounts have been revised to conform to the current period presentation.

In the first quarter of 2022, equity index contract volume increased when compared with the same period in 2021. Volatility within the broad-based indexes increased as a result of the rising tensions and geopolitical uncertainty with Russia and Ukraine as well as the Federal Reserve's proposed interest rate policy changes for 2022. In addition, a market repricing of certain technology-based stocks contributed to the increase in the E-mini Nasdaq 100 contract volume. We believe these factors led to the overall increase in equity contract volume.

### Foreign Exchange Products

The following table summarizes average daily contract volume for our key foreign exchange products.

<i>(amounts in thousands)</i>	Quarter Ended March 31,		Change
	2022	2021	
Euro	249	229	8 %
Japanese Yen	134	112	20
British Pound	118	100	18
Australian dollar	102	120	(15)

Overall foreign exchange contract volume increased in the first quarter of 2022 when compared with the same period in 2021. Market volatility increased in early 2022 following low foreign exchange volatility in 2021 as a result of the rising tension and geopolitical uncertainty with Russia and Ukraine as well as the Federal Reserve's proposed policy changes for 2022. We believe these factors led to the overall increase in foreign exchange contract volume.

### Agricultural Commodity Products

The following table summarizes average daily contract volume for our key agricultural commodity products.

<i>(amounts in thousands)</i>	Quarter Ended March 31,		Change
	2022	2021	
Corn	487	511	(5)%
Soybean	323	328	(1)
Wheat	224	197	14

Overall commodity contract volume was flat in the first quarter of 2022 when compared with the same period in 2021. Corn and soybean contract volumes decreased due to lower volatility as a result of stable prices and demand. However, wheat volume increased due to higher volatility due to uncertainty around wheat exports out of the Ukrainian region following the rising tension and geopolitical uncertainty within that region.

### Energy Products

The following table summarizes average daily contract volume for our key energy products.

<i>(amounts in thousands)</i>	Quarter Ended March 31,		Change
	2022	2021	
WTI crude oil	1,438	1,265	14 %
Natural gas	542	569	(5)
Refined products	408	382	7

Overall energy contract volume increased in the first quarter of 2022 when compared with the same period in 2021, largely due to an increase in volatility within the crude oil market. We believe the crude oil market exhibited higher volatility as a result of rising crude oil prices due to rising tensions and geopolitical uncertainty with Russia and Ukraine. This was partially offset by a decrease in natural gas volume due to lower volatility as a result of stabilized prices and market equilibrium. We believe these factors led to the overall increase in energy contract volume.

### Metal Products

The following table summarizes average daily volume for our key metal products.

<i>(amounts in thousands)</i>	Quarter Ended March 31,		Change
	2022	2021	
Gold	390	404	(3)%
Copper	89	120	(25)
Silver	86	128	(33)

In the first quarter of 2022, metal contract volume decreased when compared with the same period in 2021. We believe the decrease is attributed to lower overall market volatility within the gold and silver markets. Volatility was higher in 2021, as investors were using gold and other precious metals as safe-haven investments following the COVID-19 pandemic.

### Average Rate per Contract

The average rate per contract decreased in the first quarter of 2022 when compared with the same period in 2021. The decrease in the average rate per contract was primarily due to a change in product mix. Interest rate and equity index contract volume increased by 3 percentage points as a percent of total volume, while all other products collectively decreased by 3 percentage points. In general, interest rate and equity index products have a lower rate per contract compared with the remaining contracts. In addition, the average rate per contract decreased due to higher volume-based incentives and discounts on our contracts.

### Cash Markets Business

Total clearing and transaction fees revenues in the first quarter of 2022 included \$86.7 million of transaction fees attributable to the cash markets business, compared with \$115.1 million in the first quarter of 2021. This revenue primarily includes BrokerTec Americas LLC's fixed income volume and EBS's foreign exchange volume. In September 2021, we contributed the net assets of our optimization business to OSTTRA, our new joint venture with IHS Markit, which contributed to a \$24.3 million decrease in transaction fees in the first quarter of 2022 when compared with the same period in 2021.

<i>(amounts in millions)</i>	Quarter Ended March 31,		Change
	2022	2021	
BrokerTec fixed income transaction fees	\$ 44.4	\$ 45.5	(2)%
EBS foreign exchange transaction fees	42.3	45.3	(7)%
Optimization transaction fees	—	24.3	n.m.

The related average daily notional value for the first quarter of 2022 were as follows:

<i>(amounts in billions)</i>	Quarter Ended March 31,		Change
	2022	2021	
European Repo (in euros)	\$ 320.8	\$ 287.3	12 %
U.S. Treasury	147.4	136.0	8
Spot FX	68.1	72.7	(6)

Overall average daily notional value for the cash markets business increased in the first quarter of 2022 compared with the same period in 2021. The increase in European Repo and U.S. Treasury transactions was largely due to increased volatility as a result of rising tensions and geopolitical conflicts in Russia and Ukraine as well as the Federal Reserve's indication of multiple rate increases in 2022. We believe these factors led to the overall increase in cash market average daily notional value. Despite the increase in average daily notional value, transaction revenue decreased slightly due to the tiered pricing structure and incentive rate programs.

### Concentration of Revenue

We bill a substantial portion of our clearing and transaction fees directly to our clearing firms. The majority of clearing and transaction fees received from clearing firms represent charges for trades executed and cleared on behalf of their customers. One individual firm represented approximately 11% of our clearing and transaction fees in the first quarter of 2022. Should a clearing firm withdraw, we believe that the customer portion of the firm's trading activity would likely transfer to another clearing firm of the exchange. Therefore, we do not believe we are exposed to significant risk from the ongoing loss of revenue received from or through a particular clearing firm.

### Other Sources of Revenue

During the first quarter of 2022, overall market data and information services revenues increased when compared with the same period in 2021, largely due to a price increase for certain products and an increase in certain device counts.

The two largest resellers of our market data represented approximately 33% of our market data and information services revenue in the first quarter of 2022. Despite this concentration, we consider exposure to significant risk of revenue loss to be minimal. In the event that one of these vendors no longer subscribes to our market data, we believe the majority of that vendor's customers would likely subscribe to our market data through another reseller. Additionally, several of our largest institutional customers that utilize services from our two largest resellers report usage and remit payment of their fees directly to us.

In the first quarter of 2022, the decrease in other revenue when compared with the same period in 2021 was largely attributable to the deconsolidation of the optimization business in September 2021 as part of the contribution of the business's net assets to OSTTRA, our joint venture with IHS Markit. In the first quarter of 2021, the optimization business generated \$42.5 million of other revenue. The decrease is also due to a decline in custody fees on non-cash collateral.

## Expenses

<i>(dollars in millions)</i>	Quarter Ended March 31,		Change
	2022	2021	
Compensation and benefits	\$ 185.2	\$ 225.0	(18)%
Technology	45.9	48.2	(5)
Professional fees and outside services	31.8	37.4	(15)
Amortization of purchased intangibles	58.4	60.6	(4)
Depreciation and amortization	33.5	37.6	(11)
Licensing and other fee agreements	80.9	64.7	25
Other	51.8	54.7	(5)
Total Expenses	<u>\$ 487.5</u>	<u>\$ 528.2</u>	(8)

Operating expenses decreased by \$40.7 million in the first quarter of 2022 when compared with the same period in 2021. The following table shows the estimated impacts of key factors resulting in the change in operating expenses:

<i>(dollars in millions)</i>	Quarter Ended, March 31, 2022	
	Amount of Change	Change as a Percentage of Total Expenses
Salaries, benefits and employer taxes	\$ (25.0)	(5)%
Employee separation and retention costs	(9.5)	(2)
Non-qualified deferred compensation	(8.3)	(2)
Foreign currency exchange rate fluctuation	(6.7)	(1)
Professional fees and outside services	(5.6)	(1)
Bonus	4.6	1
Licensing and other fee agreements	16.2	3
Other expenses, net	(6.4)	(1)
Total decrease	<u>\$ (40.7)</u>	<u>(8)%</u>

Decreases in operating expenses in the first quarter of 2022 when compared with the same period in 2021 were as follows:

- Salaries, benefits and employer taxes were lower during the first quarter of 2022 when compared to the same period in 2021 due to a net decrease in headcount since March 31, 2022, including the contribution of employees from CME Group's optimization businesses to the new joint venture with IHS Markit in September 2021.
- Employee separation and retention costs were lower during the first quarter of 2022 due to a lower reduction in workforce compared to the same period in 2021.
- A decrease in our non-qualified deferred compensation liability during the first quarter of 2022, the impact of which does not affect net income because of an equal and offsetting change in investment income, contributed to a decrease in compensation and benefits expense.
- In the first quarter of 2022, we recognized a net gain of \$4.3 million, compared with a net loss of \$2.4 million in the same period in 2021, due to currency exchange rate fluctuations. Gains and losses from exchange rate fluctuations are recognized in the consolidated statements of net income when subsidiaries with a U.S. dollar functional currency hold certain monetary assets and liabilities denominated in foreign currencies.
- Professional fees and outside services expenses decreased due to a greater reliance on consultants for platform integrations, information security and systems enhancements in the first quarter of 2021 as well as a reduction in legal fees related to our business activities and product offerings. The decrease in professional fees was partially offset by an increase in Google-related consulting fees that occurred as a result of CME Group's partnership with Google Cloud, which began in November 2021.

Increases in operating expenses in the first quarter of 2022 when compared with the same period in 2021 were as follows:

- Bonus expense increased in the first quarter of 2022 largely due to performance relative to our 2022 cash earnings target when compared with our first quarter of 2021 performance relative to our 2021 cash earnings target.
- An increase in licensing and other fee agreements expense was due to higher volumes for certain equity products in the first quarter of 2022 compared to the same period in 2021.

### Non-Operating Income (Expense)

<i>(dollars in millions)</i>	Quarter Ended March 31,		Change
	2022	2021	
Investment income	\$ 73.1	\$ 30.9	136 %
Interest and other borrowing costs	(42.5)	(41.5)	2
Equity in net earnings of unconsolidated subsidiaries	73.3	56.2	30
Other non-operating income (expense)	(46.7)	(18.4)	155
<b>Total Non-Operating</b>	<b>\$ 57.2</b>	<b>\$ 27.2</b>	<b>110</b>

*Investment income.* In the first quarter of 2022 when compared with the same period in 2021, there was an increase in earnings from cash performance bond and guaranty fund contributions that are reinvested due to higher reinvestment balances as well as higher rates of interest earned in the cash account at the Federal Reserve Bank of Chicago following an interest rate hike in early 2022.

*Equity in net earnings (losses) of unconsolidated subsidiaries.* In the first quarter of 2022, we recognized our share of net earnings on our investment in OSTTRA, our new joint venture with IHS Markit that was formed in September 2021. Higher income generated from our S&P/Dow Jones Indices LLC (S&P/DJI) business venture also contributed to an increase in equity in net earnings of unconsolidated subsidiaries in the first quarter of 2022 when compared with the same period in 2021.

*Other income (expense).* In the first quarter of 2022 when compared with the same period in 2021, we recognized higher expense related to the distribution of interest earned on performance bond collateral reinvestments to the clearing firms caused by higher interest income earned on our reinvestment during the period due to a higher Federal Funds rate in early 2022.

### Income Tax Provision

The following table summarizes the effective tax rates for the periods presented:

	2022	2021
Quarter ended March 31	22.4 %	23.6 %

The overall effective tax rate decreased in the first quarter of 2022 when compared with the same period in 2021. The effective tax rate was lower in the first quarter of 2022 due to a benefit recognized for the settlement of various tax audits.

### Liquidity and Capital Resources

*Sources and Uses of Cash.* Net cash provided by operating activities increased in the first quarter of 2022 when compared with the same period in 2021 largely due to an increase in trading volume and revenue. Net cash used in investing activities was lower during the first quarter of 2022 when compared with the same period in 2021 largely due to payments made in early 2021 to purchase non-controlling interests as well as a decrease in purchases of property in the first quarter of 2022. Cash provided by financing activities was lower during the first quarter of 2022 when compared with the same period in 2021 due to a smaller increase in cash performance bonds and guaranty fund contributions.

*Debt Instruments.* The following table summarizes our debt outstanding at March 31, 2022:

<i>(in millions)</i>	<b>Par Value</b>	
Fixed rate notes due May 2023, stated rate of 4.30%	€	15.0
Fixed rate notes due March 2025, stated rate of 3.00% <sup>(1)</sup>	\$	750.0
Fixed rate notes due June 2028, stated rate of 3.75%	\$	500.0
Fixed rate notes due March 2032, stated rate of 2.65%	\$	750.0
Fixed rate notes due September 2043, stated rate of 5.30% <sup>(2)</sup>	\$	750.0
Fixed rate notes due June 2048, stated rate of 4.15%	\$	700.0

- (1) We maintained a forward-starting interest rate swap agreement that modified the interest obligation associated with these notes so that the interest payable on the notes effectively became fixed at a rate of 3.11%.
- (2) We maintained a forward-starting interest rate swap agreement that modified the interest obligation associated with these notes so that the interest payable effectively became fixed at a rate of 4.73%.

We maintain a \$2.3 billion multi-currency revolving senior credit facility with various financial institutions, which matures in November 2026. The proceeds from this facility can be used for general corporate purposes, which includes providing liquidity for our clearing house in certain circumstances at CME Group's discretion and, if necessary, for maturities of commercial paper. As long as we are not in default under this facility, we have the option to increase it up to \$3.3 billion with the consent of the agent and lenders providing the additional funds. This facility is voluntarily pre-payable from time to time without premium or penalty. Under this facility, we are required to remain in compliance with a consolidated net worth test, which is defined as our consolidated shareholders' equity at September 30, 2021, giving effect to share repurchases made and special dividends paid during the term of the agreements (and in no event greater than \$2.0 billion in aggregate), multiplied by 0.65. We currently do not have any borrowings outstanding under this facility, but any commercial paper balance if or when outstanding can be backstopped against this facility.

We maintain a 364-day multi-currency revolving secured credit facility with a consortium of domestic and international banks to be used in certain situations by the clearing house. The facility provides for borrowings of up to \$7.0 billion. We may use the proceeds to provide temporary liquidity in the unlikely event a clearing firm fails to promptly discharge an obligation to CME Clearing, in the event of a liquidity constraint or default by a depository (custodian for our collateral), in the event of a temporary disruption with the domestic payments system that would delay payment of settlement variation between us and our clearing firms, or in other cases as provided by the CME rulebook. Clearing firm guaranty fund contributions received in the form of cash or U.S. Treasury securities as well as the performance bond assets (pursuant to the CME rulebook) can be used to collateralize the facility. At March 31, 2022, guaranty fund contributions available to collateralize the facility totaled \$8.6 billion. We have the option to request an increase in the line from \$7.0 billion to \$10.0 billion. Our 364-day facility contains a requirement that CME remain in compliance with a consolidated tangible net worth test, defined as CME consolidated shareholder's equity less intangible assets (as defined in the agreement), of not less than \$800.0 million. We currently do not have any borrowings outstanding under this facility.

The indentures governing our fixed rate notes, our \$2.3 billion multi-currency revolving senior credit facility and our 364-day multi-currency revolving secured credit facility for \$7.0 billion do not contain specific covenants that restrict the ability to pay dividends. These documents, however, do contain other customary financial and operating covenants that place restrictions on the operations of the company that could indirectly affect the ability to pay dividends.

At March 31, 2022, we have excess borrowing capacity for general corporate purposes of approximately \$2.3 billion under our multi-currency revolving senior credit facility.

At March 31, 2022, we were in compliance with the various covenant requirements of all our debt facilities.

CME Group, as a holding company, has no operations of its own. Instead, it relies on dividends declared and paid to it by its subsidiaries in order to provide the funds which it uses to pay dividends to its shareholders.

To satisfy our performance bond obligation with Singapore Exchange Limited, we may pledge irrevocable standby letters of credit. At March 31, 2022, the letters of credit totaled \$330.0 million. We also maintain a \$350.0 million line of credit to meet our obligations under this agreement.

The following table summarizes our credit ratings at March 31, 2022:

Rating Agency	Short-Term Debt Rating	Long-Term Debt Rating	Outlook
Standard & Poor's Global Ratings	A1+	AA-	Stable
Moody's Investors Service, Inc.	P1	Aa3	Stable

Given our cash flow generation, our ability to pay down debt levels and our ability to refinance existing debt facilities if necessary, we expect to maintain an investment grade rating. If our ratings are downgraded below investment grade within certain specified time periods due to a change of control, we are required to make an offer to repurchase our fixed rate notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest. No report of any rating agency is incorporated by reference herein.

**Liquidity and Cash Management.** Cash and cash equivalents totaled \$2.0 billion and \$2.8 billion at March 31, 2022 and December 31, 2021, respectively. The balance retained in cash and cash equivalents is a function of anticipated or possible short-term cash needs, prevailing interest rates, our corporate investment policy and alternative investment choices. A majority of our cash and cash equivalents balance is invested in money market mutual funds that invest only in U.S. Treasury securities, U.S. government agency securities and U.S. Treasury security reverse repurchase agreements and short-term bank deposits. Our exposure to credit and liquidity risk is minimal given the nature of the investments. Cash that is not available for general corporate purposes because of regulatory requirements or other restrictions is classified as restricted cash and is included in other current assets or other assets in the consolidated balance sheets.

On May 4, 2022, the board of directors declared a regular quarterly dividend of \$1.00 per share for all outstanding common and preferred shares. The dividend will be payable on June 27, 2022 to shareholders of record on June 10, 2022. Assuming no changes in the number of shares outstanding, the second quarter dividend payment will total approximately \$363.0 million.

**Regulatory Requirements.** CME is regulated by the CFTC as a Derivatives Clearing Organization (DCO). DCOs are required to maintain capital, as defined by the CFTC, in an amount at least equal to one year of projected operating expenses as well as cash, liquid securities, or a line of credit at least equal to six months of projected operating expenses. CME was designated by the Financial Stability Oversight Council as a systemically important financial market utility under Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As a result, CME must comply with CFTC regulations applicable to a systemically important DCO for financial resources and liquidity resources. CME is in compliance with all DCO financial requirements.

CME, CBOT, NYMEX and COMEX are regulated by the CFTC as Designated Contract Markets (DCM). DCMs are required to maintain capital, as defined by the CFTC, in an amount at least equal to one year of projected operating expenses as well as cash, liquid securities or a line of credit at least equal to six months of projected operating expenses. Our DCMs are in compliance with all DCM financial requirements.

BrokerTec Americas LLC is required to maintain sufficient net capital under Securities Exchange Act of 1934, as amended (Exchange Act), Rule 15c3-1 (the Net Capital Rule). The Net Capital Rule focuses on liquidity and is designed to protect securities customers, counterparties, and creditors by requiring that broker-dealers have sufficient liquid resources on hand at all times to satisfy claims promptly. Rule 15c3-3, or the customer protection rule, which complements Rule 15c3-1, is designed to ensure that customer property (securities and funds) in the custody of broker-dealers is adequately safeguarded. By law, both of these rules apply to the activities of registered broker-dealers, but not to unregistered affiliates. The firm began operating as a (k)(2)(i) broker dealer in November 2017 following notification to the Financial Industry Regulatory Authority and the SEC. A company operating under the (k)(2)(i) exemption is not required to lock up customer funds as would otherwise be required under Exchange Act Rule 15c3-3.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to various market risks, including those caused by changes in interest rates, credit, foreign currency exchange rates and equity prices. There have not been material changes in our exposure to market risk since December 31, 2021. Refer to Item 7A. of CME Group's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022, for additional information.

### ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

(b) Changes in Internal Control Over Financial Reporting. As required by Rule 13a-15(d) under the Exchange Act, the company's management, including the company's Chief Executive Officer and Chief Financial Officer, have evaluated the company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to determine whether any changes occurred during the quarter covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting. There were no changes in the company's internal control over financial reporting which occurred during the fiscal quarter ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The disclosure under "Legal and Regulatory Matters" in Note 7. Contingencies in the Notes to Unaudited Consolidated Financial Statements in Item 1 of Part I of this report is incorporated herein by reference. Such disclosure includes updates to the legal proceedings disclosed in the company's Annual Report on Form 10-K, for the year ended December 31, 2021, filed with the SEC on February 25, 2022.

### ITEM 1A. RISK FACTORS

There have been no material changes in the company's risk factors from those disclosed in the company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 25, 2022.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### *Issuer Purchases of Equity Securities*

Period	(a) Total Number of Class A Shares Purchased (1)	(b) Average Price Paid Per Share	(c) Total Number of Class A Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Value) that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1 to January 31	449	\$ 225.80	—	\$ —
February 1 to February 28	—	—	—	—
March 1 to March 31	17,856	232.09	—	—
Total	<u>18,305</u>	\$ 231.94	<u>—</u>	<u>—</u>

(1) Shares purchased consist of an aggregate of 18,305 shares of Class A common stock surrendered in the first quarter of 2022 to satisfy employees' tax obligations upon the vesting of restricted stock.



**ITEM 6. EXHIBITS**

4.2	<a href="#">Tenth Supplemental Indenture (including the form of 2.650% Notes due 2032), dated as of March 8, 2022, between CME Group Inc. and U.S. Bank Trust Company, National Association (incorporated by reference to Exhibit 4.2 to CME Group Inc.'s Current Report on Form 8-K filed with the SEC on March 8, 2022).</a>
10.1 <sup>(1)</sup>	<a href="#">Retirement Agreement, effective as of April 12, 2022, between Chicago Mercantile Exchange Inc. and Kevin Kometer. (incorporated by reference to Exhibit 10.1 to CME Group Inc.'s Current Report on Form 8-K filed with the SEC on April 14, 2022).</a>
31.1	<a href="#">Section 302 Certification—Terrence A. Duffy</a>
31.2	<a href="#">Section 302 Certification—John W. Pietrowicz</a>
32.1	<a href="#">Section 906 Certification</a>
101	The following materials from CME Group Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, formatted in Inline XBRL (Xtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Equity, (v) the Consolidated Statements of Cash Flows and (vi) Notes to Unaudited Consolidated Financial Statements, tagged as blocks of text.
104	Cover Page Interactive Data File included in the Inline XBRL Document Set for Exhibit 101.
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CME Group Inc.**  
(Registrant)

Dated: May 4, 2022

By: \_\_\_\_\_ /s/ John W. Pietrowicz  
**John W. Pietrowicz**  
**Chief Financial Officer & Senior Managing  
Director Finance**  
**Principal Financial Officer and  
Duly Authorized Officer**

## CERTIFICATION

I, Terrence A. Duffy, certify that:

1. I have reviewed this report on Form 10-Q of CME Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 4, 2022

/s/ Terrence A. Duffy

\_\_\_\_\_  
Name: Terrence A. Duffy

Title: Chief Executive Officer

## CERTIFICATION

I, John W. Pietrowicz, certify that:

1. I have reviewed this report on Form 10-Q of CME Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 4, 2022

/s/ John W. Pietrowicz

Name: John W. Pietrowicz

Title: Chief Financial Officer

**Certification of CEO and CFO Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of CME Group Inc. (the "Company") for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Terrence A. Duffy, as Chief Executive Officer of the Company, and John W. Pietrowicz, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Terrence A. Duffy

Name: Terrence A. Duffy

Title: Chief Executive Officer

Dated: May 4, 2022

/s/ John W. Pietrowicz

Name: John W. Pietrowicz

Title: Chief Financial Officer

Dated: May 4, 2022

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by § 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.