Directors' report for the year ended 31 December 2016

The Directors present their report and the financial statements of Euroclear Investments SA (the 'Company') for the year ended 31 December 2016. Euroclear Investments SA is domiciled and incorporated in Luxembourg. The address of its registered office is 12, Rue Eugene Ruppert, L-2453 Luxembourg.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

On 27 September 2016, the Board of Euroclear Investments approved the selling to Euroclear SA/NV of its share participations in Taskize Ltd (Taskize) and Euroclear Market Solutions Ltd (EMS) for a total cash consideration of around EUR 8.2 million equivalent (at their initial acquisition price). The transaction took place on 15 November 2016.

On 28 November 2014, the Board revised the terms of the lending agreement with Leaseplan Fleet Management NV/SA who will exclusively use the funds as sole car lease service provider for the group, to finance the initial purchase costs of the car fleet leased by the Bank (EB) and Euroclear SA/NV (ESA).

In 2015, Euroclear Investments SA granted a €16 million credit facility to Leaseplan Fleet Management SA/NV. On 21 November 2016, the Board agreed to increase such facility to €24 million, of which €9,408,996 were drawn at 31 December 2016.

The joint arrangement between Euroclear Investments SA and Participaciones Grupo BMV, S.A. de C.V. to offer order routing and settlement services in relation to Mexican funds did finally not go through.

On 7 December 2016, the Company issued a 10-year senior, unsecured and unsubordinated Eurobond on the Euronext Amsterdam stock exchange for an amount up to €600 million (10 year maturity - fixed coupon). Such issue is deemed to enhance the group funding flexibility over the next 10-year period, maintain a suitable level of investment capacity in the group and strengthen the recovery capacity of operating entities.

On 16 December 2016, a €200 million 10-year contingent convertible loan corresponding to one third of the proceeds of the senior unsecured debt instrument issued by Euroclear Investments SA was granted to Euroclear Bank SA/NV (principal amount of €198,955,000, net of €1,045,000 of issue costs).

On 16 December 2016, €100 million of the proceeds of the senior unsecured debt instrument issued by Euroclear Investments SA have been lent to Euroclear plc under the form of a 6 month renewable loan.

RESULTS AND DIVIDENDS

As per the statutory accounts, the year ended 31 December 2016 presented a net profit of €89,795,156 compared to net profit of €212,036,884 for the previous year.


The gross income mainly represents the recovery from the Euroclear entities of costs related to group insurance and other management functions monitored out of Euroclear Investments SA. The dividend income is largely the result of an ordinary dividend paid to the Company by Euroclear SA/NV.

The proceeds of these dividends were largely distributed in 2016 by Euroclear Investments SA further to Euroclear plc under the form of an ordinary dividend payment in May 2016 for €87,459,037 (see note XVI).

The Company's administrative expenses increased to €1,476,771 in 2016, compared to €1,441,954 in 2015 (see note IV).
Euroclear Investments SA annual report 2016 Directors’ report

**Risk Management**

Euroclear Investments SA is closely monitoring the quality of its financial data by performing daily and monthly controls, among which cash reconciliations and trend analysis.

Enterprise risk management

Euroclear Investments SA's Board considers that a strong and effective risk governance framework, underpinned by a sound risk culture, is critical to the overall effectiveness of its activities.

To ensure the organisation’s risk arrangements continue to meet Board, market and regulatory expectations, Euroclear group has initiated a group-wide risk transformation programme. The programme aims to reinforce the entities robust risk management framework whilst further clarifying the roles and responsibilities of the Board and its Committees, Senior Management, Line Management, and the Control Functions.

The Euroclear group oversees that effective and independent control functions are in place. In particular, it ensures that the Risk Management Function provides robust, independent oversight of risk-taking activities to help group entities - among which Euroclear investments SA- achieve its goals and deliver its strategy within the Board’s risk appetite. The Risk Management Function does this by: aiming to deliver and maintain a leading Enterprise Risk Management (ERM) framework; providing the Board and Senior Management with high quality, independent risk advice and guidance; and helping foster a healthy risk culture throughout the organisation.

The ERM framework structures the way the Company manages its risks, within the Board’s risk appetite, whilst pursuing its strategy and corporate objectives. It also details the roles and responsibilities of the three lines of defence, in line with the Board’s expectations and the governance arrangements. The first line of defence is the primary source of (non-independent) assurance on the adequacy and effectiveness of the control environment to Senior Management and the Board. The first line of defence provides this assurance through amongst others regular risk and control self-assessment. The assurance on the adequacy of the control environment is complemented by independent Risk Management (second line of defence) and Internal Audit (third line of defence) opinions.

Risks affecting the company

Euroclear Investments faces limited operational risk (the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events). Euroclear Investments SA does not provide services to external clients. It mainly engages in financial operations with market counterparties to issue debt and invest funds. Effective identification, monitoring, management and appropriate reporting are nevertheless key.

The exposure of the Company to credit risk, market risk and liquidity risk is discussed in note III.

Compliance

The group-wide ethical and compliance risk management framework allows Euroclear Investments SA to adequately identify, monitor and manage the full spectrum of legal and compliance risks (including conduct risk). These include, amongst others, fraud, market abuse and money laundering. This framework is supported by a major communication effort (e-learning, case-based compliance tests, etc.) that helps maintain the staff’s high levels of awareness.

**Acquisition of Own Shares**

During the financial year, neither the Company nor a person acting in his own name but on behalf of the Company acquired any shares of the Company.
RESEARCH AND DEVELOPMENT
The Company does not invest in research and development.

EXISTENCE OF BRANCHES
None

GOING CONCERN
After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the Directors continue to adopt the 'going concern' basis in preparing the financial statements.

DIVIDENDS
On 30 March 2017, the Directors resolved to propose no dividend payment in respect of the financial year ending 31 December 2016 and to allocate the full 2016 profit to retained earnings.

DIRECTORS AND THEIR INTERESTS
The Company is administrated by a Board of Directors which is vested with the broadest powers to perform all acts necessary or useful for accomplishing the Company’s object. The Board of Directors is composed of at least three members and held office throughout the year. In 2016, its members were Mr Koenraad Geebels (Chairman of the Board), Mr Danilo Giuliani, Me Jacques Loesch who resigned on 30 November 2016 and Mr Masashi Kurabe who was appointed on 30 June 2016 to replace Me Jacques Loesch. The Board meetings of the Company took place eight times in 2016, i.e. on 28 January, 25 February, 28 April, 30 June, 27 September, 7 November, 21 November and 16 December respectively.

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Euroclear Investments SA annual report 2016 Directors' report

INDEPENDENT AUDITOR
PricewaterhouseCoopers, Société Coopérative acted as Euroclear Investments SA’s auditor during the year.

INTERNATIONAL FINANCIAL REPORTING STANDARDS
The Company, as allowed by the Luxembourg legislation, prepares its financial statements in accordance with International Financial Reporting Standards and International Accounting Standards (IAS) issued by the International Accounting Standards Board, and interpretations issued by the International Financial Reporting Interpretation Committee (together IFRS), endorsed for use by the European Union (EU).

We ask you to grant discharge to the Directors and Statutory Auditor for the proper performance of their duties.

By order of the Board

Chairman of the Board
30 March 2017
Statement of comprehensive income
For the year ended 31 December 2016

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses</td>
<td>IV</td>
<td>$(1,476,771)</td>
<td>$(1,441,954)</td>
</tr>
<tr>
<td>Dividend income</td>
<td>V</td>
<td>90,109,828</td>
<td>212,179,350</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercompany recoveries</td>
<td>XVII</td>
<td>877,451</td>
<td>1,077,150</td>
</tr>
<tr>
<td>Net: gains/(losses) on foreign exchange</td>
<td></td>
<td>821</td>
<td>4,874</td>
</tr>
<tr>
<td>Net interest income</td>
<td></td>
<td>181,927</td>
<td>222,166</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>731,207</td>
<td>222,776</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(549,280)</td>
<td></td>
<td>(610)</td>
</tr>
<tr>
<td>Profit/(loss) before income tax</td>
<td></td>
<td>88,693,257</td>
<td>212,041,700</td>
</tr>
<tr>
<td>Income tax</td>
<td>VI, VII</td>
<td>-101,899</td>
<td>(4,815)</td>
</tr>
<tr>
<td>Profit/(loss) after income tax</td>
<td></td>
<td>88,795,156</td>
<td>212,036,884</td>
</tr>
</tbody>
</table>

The Company has no items of other comprehensive income and therefore the profit for the year is also the total comprehensive income for the year.

The accompanying notes form an integral part of these financial statements.
## Statement of financial position

As at 31 December 2016

<table>
<thead>
<tr>
<th>(€)</th>
<th>Notes</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and advances</td>
<td>VIII</td>
<td>209,790,925</td>
<td>15,529,658</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>IX</td>
<td>2,754</td>
<td>3,712</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>X</td>
<td>581,238,708</td>
<td>569,432,414</td>
</tr>
<tr>
<td>Deferred income tax assets</td>
<td>VII</td>
<td>310,319</td>
<td>206,249</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>791,342,706</td>
<td>605,174,033</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>XI</td>
<td>1,475,567</td>
<td>356,432</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>XII</td>
<td>416,560,519</td>
<td>5,343,739</td>
</tr>
<tr>
<td>- of which cash and cash equivalents</td>
<td></td>
<td>121,469,890</td>
<td>5,343,739</td>
</tr>
<tr>
<td>Current income tax assets</td>
<td></td>
<td>9,630</td>
<td>9,630</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>418,046,716</td>
<td>5,711,801</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>1,209,388,422</td>
<td>610,885,834</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>XII</td>
<td>119,076,550</td>
<td>119,076,550</td>
</tr>
<tr>
<td>Share premium</td>
<td>XII</td>
<td>258,623,586</td>
<td>258,623,586</td>
</tr>
<tr>
<td>Other reserves</td>
<td></td>
<td>11,907,655</td>
<td>11,907,655</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>222,977,980</td>
<td>220,641,861</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>612,585,771</td>
<td>610,249,652</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term debt</td>
<td>XIV</td>
<td>594,513,694</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>594,513,694</td>
<td>-</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>XV</td>
<td>2,288,957</td>
<td>636,182</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>2,288,957</td>
<td>636,182</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>596,802,651</td>
<td>636,182</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>1,209,388,422</td>
<td>610,885,834</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.

These financial statements were authorized for issue by the Board of Directors on 30 March 2017 and signed on its behalf by Koenraad Geebels, Chairman of the Board
## Statement of cash flows

As at 31 December 2016

<table>
<thead>
<tr>
<th>(€)</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit/(loss) before income tax</strong></td>
<td></td>
<td>89,683,257</td>
<td>212,041,700</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Depreciation and amortisation</td>
<td>K</td>
<td>958</td>
<td>957</td>
</tr>
<tr>
<td>- Dividends received</td>
<td>V</td>
<td>(90,109,026)</td>
<td>(212,179,350)</td>
</tr>
<tr>
<td>- Interest on loan from related party</td>
<td></td>
<td>610</td>
<td></td>
</tr>
<tr>
<td>- (Gains)/losses on disposal of subsidiary undertakings</td>
<td></td>
<td>(114)</td>
<td></td>
</tr>
<tr>
<td><strong>Net (increase)/decrease in loans and advances</strong></td>
<td></td>
<td></td>
<td>2,470,342</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>XI</td>
<td>(1,117,135)</td>
<td>(54,874)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>XV</td>
<td>1,652,775</td>
<td>245,132</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td></td>
<td>1,20,027</td>
<td>2,524,403</td>
</tr>
<tr>
<td>Tax paid</td>
<td></td>
<td>(171)</td>
<td>(3,770)</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td></td>
<td>119,856</td>
<td>2,520,633</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Ownership in subsidiary undertakings</td>
<td>X</td>
<td></td>
<td>(8,193,706)</td>
</tr>
<tr>
<td>- Proceeds from disposal of subsidiary undertaking</td>
<td>X</td>
<td>8,193,706</td>
<td>1,114</td>
</tr>
<tr>
<td>- Dividends received</td>
<td>V</td>
<td>90,109,828</td>
<td>212,179,350</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td></td>
<td>96,303,534</td>
<td>203,986,758</td>
</tr>
<tr>
<td><strong>Cash flow used in financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net (increase)/decrease in loans and advances</td>
<td></td>
<td>(489,351,896)</td>
<td>-</td>
</tr>
<tr>
<td>- Long term debt</td>
<td>XIV</td>
<td>594,513,894</td>
<td>-</td>
</tr>
<tr>
<td>- Loans from related party</td>
<td></td>
<td>-</td>
<td>(610)</td>
</tr>
<tr>
<td>- Equity dividend paid</td>
<td>XVI</td>
<td>(87,459,037)</td>
<td>(211,698,792)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td></td>
<td>17,702,761</td>
<td>(211,699,402)</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash and cash equivalents</strong></td>
<td></td>
<td>116,126,151</td>
<td>(5,192,011)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td></td>
<td>5,343,739</td>
<td>10,550,750</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the year</strong></td>
<td></td>
<td>121,469,890</td>
<td>5,343,739</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of these financial statements.
### Statement of changes in equity

For the year ended 31 December 2016

<table>
<thead>
<tr>
<th>(£)</th>
<th>Notes</th>
<th>Capital</th>
<th>Share premium</th>
<th>Legal reserve</th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2016</td>
<td></td>
<td>119,076,650</td>
<td>258,623,586</td>
<td>11,907,655</td>
<td>220,641,861</td>
<td>610,249,652</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89,795,156</td>
<td>89,795,156</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>XVI</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(87,450,037)</td>
<td>(87,450,037)</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td></td>
<td>119,076,550</td>
<td>258,623,586</td>
<td>11,907,655</td>
<td>222,977,980</td>
<td>612,585,771</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(£)</th>
<th>Capital</th>
<th>Share premium</th>
<th>Legal reserve</th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2015</td>
<td></td>
<td>119,076,650</td>
<td>258,623,586</td>
<td>11,907,655</td>
<td>220,303,769</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>212,036,884</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>XVI</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(211,698,792)</td>
</tr>
<tr>
<td><strong>At 31 December 2015</strong></td>
<td></td>
<td>119,076,550</td>
<td>258,623,586</td>
<td>11,907,655</td>
<td>220,641,851</td>
</tr>
</tbody>
</table>

The total equity is attributable to the owners of the parent company.

Under Luxembourg law, a minimum of 5% of the annual net profit must be transferred to a legal reserve until this reserve equals 10% of the issued share capital. The reserve is not available for distribution.

The accompanying notes form an integral part of these financial statements.
Notes to the Financial Statements

I. General information

Euroclear Investments SA (the 'Company') may participate in any form whatsoever in Luxembourg and foreign companies and enterprises of whatever nature and in whatever legal form. The Company may also acquire in whatever manner, own, administer, develop and manage its investments or any industrial or intellectual property rights. It may perform any kind of financial and administrative assistance and services in favour of its parent companies and of any other company or entity which is part of its parent group.

Currently, the Company manages its financial participations within the Euroclear group, i.e. Euroclear SA/NV, Euroclear Properties France SAS, Euroclear Re SA, Euroclear Bank SA/NV and Euroclear Belgium SA/NV.

Euroclear Market Solutions Ltd and Taskize have been transferred to Euroclear SA/NV in November 2016 at their initial acquisition price.

Euroclear Investments SA also monitors the Euroclear group insurance management function since 1 January 2005.

II. Accounting policies

A. Basis of preparation

The financial statements of Euroclear Investments SA have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and with the Luxembourg legal and regulatory requirements applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience.

In preparing the financial statements for the current year, consideration was given to new IFRSs as well as amendments to IFRS and IFRIC interpretations. We have concluded that none of the amendments has effect on current practices, consequently there are no new IFRSs or amendments to existing IFRSs and IFRIC which apply to the Company for the year under review. There is no standard that has been early adopted.

B. Summary of significant accounting policies

Foreign currency translation

1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the functional currency). The financial statements are presented in euro, which is the Company’s functional and presentation currency.

2) Transactions and balances

All the assets and liabilities denominated in foreign currencies are translated into euro at the exchange rate prevailing at year-end. Unrealised gains and losses on exchange are recognised in the profit and loss account. Income and expenses are recorded at exchange rates prevailing at the date of the transaction. The realised gains and losses on exchange are recognised in the profit and loss account.
Interest income and expense

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant accounting periods.

The effective interest rate is the rate that exactly discounts the estimated cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the future expected cash flows are estimated after considering all the contractual terms of the instrument but not future credit losses.

Taxation

Corporation tax payable is provided at the current rate on the profits arising in the period.

Deferred income tax is provided in full on a non-discounted basis, using the liability method, on temporary differences arising between the tax bases of assets and liabilities at the anticipated rate of recovery and their carrying amount in the financial statements. Deferred tax assets, including those related to income tax losses available for carry forward, are recognised when it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Dividend income

Dividend income is recognised in the income statement within dividend income when the Company’s right to receive payments is established.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated using the straight-line method of cost less estimated residual value in equal annual instalments over the expected useful economic life of the assets.

Investments in subsidiaries

These assets are investments in subsidiary undertakings which are intended to be held for an indefinite period of time, but which may be sold in response to changes in the group’s financial environment.

The Company has elected to account for its investments in subsidiary undertakings at cost.

Loans and advances

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised in the balance sheet on settlement date at fair value plus directly related transaction costs, if any, when cash is advanced to the borrowers. They are subsequently measured at amortised cost using the effective interest method. If maturity or collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables

Trade and other receivables are amounts due from debtors for goods or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances including: cash on hand; deposits held on call with banks; and other short-term, highly liquid investments which are subject to insignificant risk of change in fair value. These balances are assumed to have a maturity of less than 3 months.
Impairment of assets

The Company assesses at each balance sheet date whether there is objective evidence that assets are impaired. Where there is an indication of impairment, an assessment of the difference between the carrying amount and the present value of estimated future cash flows is performed. Any excess of carrying amount over the present value of estimated future cash flows is reduced through the use of an allowances account.

The group determines that investments in subsidiaries are impaired when there has been a decline in the fair value below its cost. Where appropriate, the group has recourse to adequate valuation techniques (e.g. discounted cash flows, market multiples) to estimate the value of non-quoted available-for-sale equity investments.

Long term debts

Long term debts are recognised initially at fair value, being the issue proceeds (fair value of consideration received) net of transaction costs incurred. Long term debts are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the debt using the effective interest rate method.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the normal course of business. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Pensions

The Company operates a Company Personal Pension scheme for employees. This is a defined contribution scheme, and the costs of the scheme are charged to the income statement as incurred.

Dividend expense

Dividends on ordinary shares are recognised in equity and as a liability in the period in which they are approved by the Company’s shareholders.

III. Risk management

While the Company had very limited exposure to credit, market and liquidity risk (it had no financial instruments other than cash deposits, loans and receivables and investments in subsidiary undertakings), its risk profile is mainly driven by:

- The issuance of a 10-year senior, unsecured and unsubordinated Eurobond on the Euronext Amsterdam stock exchange for an amount up to €600 million (10 year maturity - fixed coupon);
- The granting of a €200 million 10-year contingent convertible loan corresponding to one third of the proceeds of the senior unsecured debt instrument to Euroclear Bank SA/NV;
- The investments of the remaining €400 million: €100 million invested with Euroclear plc and €300 million invested in short-term deposits with external banks.

Credit risk

Credit risk is defined as the risk of loss arising from the failure of a counterpart to meet its obligations to the Company.

The Company does not operate commercial cash accounts and does not extend credit to third parties. The risks are limited by their duration, as well as policy limits. Except for the €200 million loan to Euroclear Bank SA/NV (see below), the duration of the investments cannot exceed 3 years, and the types of instruments to be used are limited to cash deposits or similar products. To limit the credit risk taken on counterparties, the banks that are considered for these investments should at least have a rating in A range or above.
Euroclear Investments SA annual report 2016 Notes to the separate financial statements

The credit risk exposures of the Company arise mainly from:

- The investments of the proceeds related to the issuance of a €600 million senior debt instrument;
- The granting of a €200 million 10-year contingent convertible loan to Euroclear Bank SA/NV that includes a clause of full & permanent write-off with a share capital trigger.

The company has also limited credit exposure related to the loans granted to Leaseplan Fleet Management NV/SA and €100 million loan granted to Euroclear plc under the form of a 6-month renewable loan.

Market risk
Market risk is the uncertainty on future earnings and on the value of assets and liabilities (or on off balance sheet) due to changes in interest rates and foreign exchange rates.

The Company’s exposure to interest rate risk increased with the direct investment of the debt proceeds for €300 million with external banking counterparties and for €100 million with Euroclear plc.

The long term debt and the reinvestment of the underlying cash being recognised at amortised cost, a movement in interest rates would have no impact on the profit and loss account or on equity.

The Company has no currency exposure as at 31 December 2016. The Company uses the euro as functional currency. To avoid the potential foreign exchange risk that would arise from the investment of their surplus cash, the investments can only be made in their local currency, i.e. in euro.

Liquidity risk
Liquidity risk is the risk of loss arising from the Company being unable to settle an obligation for full value when due. Liquidity risk does not imply that the Company is insolvent since it may be able to settle the required debit obligations at some unspecified time thereafter.

The investment policy followed by the Company ensures at all times that sufficient funds are available, to cover obligations arising from its outstanding funding arrangements.
IV. Administrative expenses

<table>
<thead>
<tr>
<th>(€)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Wages and salaries</td>
<td>73,144</td>
<td>147,103</td>
</tr>
<tr>
<td>– Social security costs</td>
<td>7,583</td>
<td>12,683</td>
</tr>
<tr>
<td>– Defined contribution plans</td>
<td>13,092</td>
<td>17,076</td>
</tr>
<tr>
<td>– Other staff costs</td>
<td>231</td>
<td>1,793</td>
</tr>
<tr>
<td>Auditor’s remuneration</td>
<td>15,565</td>
<td>10,637</td>
</tr>
<tr>
<td>Consultants’ fees</td>
<td>258,924</td>
<td>126,573</td>
</tr>
<tr>
<td>Services provided by group entities XVIII</td>
<td>693,861</td>
<td>696,558</td>
</tr>
<tr>
<td>Occupancy</td>
<td>75,920</td>
<td>75,539</td>
</tr>
<tr>
<td>Depreciation and amortisation IX</td>
<td>958</td>
<td>957</td>
</tr>
<tr>
<td>Other taxes</td>
<td>313,100</td>
<td>258,241</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>24,393</td>
<td>94,794</td>
</tr>
<tr>
<td>Total</td>
<td>1,476,771</td>
<td>1,441,954</td>
</tr>
</tbody>
</table>

The Company employed in average 0.5 employee and 0.8 manager in 2016 against 0.5 employee and 1.4 managers in 2015.

<table>
<thead>
<tr>
<th>(€)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees payable to the Company’s auditor for the audit of the Company’s annual accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,500</td>
<td>13,637</td>
</tr>
<tr>
<td>Fees payable to the Company’s auditor and its associates for other services:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Tax services</td>
<td>5,065</td>
<td></td>
</tr>
<tr>
<td>– Other services</td>
<td>94,540</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>110,105</td>
<td>10,637</td>
</tr>
</tbody>
</table>

Fees paid to the Company’s auditor for Other services relate to fees charged by PwC in the context of the debt issue. These fees are part of the transactions costs reported in note XIV.
V. Dividend income

<table>
<thead>
<tr>
<th>(£)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend income XVII</td>
<td>90,109,828</td>
<td>212,179,350</td>
</tr>
</tbody>
</table>

Dividend income is made of €90,109,193 dividends received from Euroclear SA/NV Brussels (2015: €212,177,112) and €635 from Euroclear Bank SA/NV (2015: €2,052).

VI. Taxation

<table>
<thead>
<tr>
<th>(£)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income tax expense</td>
<td>171</td>
<td>560</td>
</tr>
<tr>
<td>Deferred tax charge/(income) relating to the origination and reversal of temporary differences</td>
<td>(102,070)</td>
<td>4,256</td>
</tr>
<tr>
<td>Tax charge/(income) for the year</td>
<td>(101,899)</td>
<td>4,816</td>
</tr>
</tbody>
</table>

Operating profit before tax

<table>
<thead>
<tr>
<th>(£)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before tax</td>
<td>89,693,257</td>
<td>212,041,700</td>
</tr>
<tr>
<td>At standard tax rate(1)</td>
<td>26,208,370</td>
<td>61,958,585</td>
</tr>
<tr>
<td>- Expenses not deductible for tax purposes</td>
<td>44,656</td>
<td>44,477</td>
</tr>
<tr>
<td>- Non taxable dividend income</td>
<td>(26,330,092)</td>
<td>(61,998,806)</td>
</tr>
<tr>
<td>- Deferred tax charge/(income) - other</td>
<td>(25,004)</td>
<td>-</td>
</tr>
<tr>
<td>- Withholding tax on dividend received</td>
<td>171</td>
<td>560</td>
</tr>
<tr>
<td>Tax charge/(income) for the year</td>
<td>(101,899)</td>
<td>4,816</td>
</tr>
</tbody>
</table>

1 A rate of 29.22% (in 2015: 29.22%), representing the effective corporate tax rate, has been used.

The deferred tax has been computed using the 2016 effective tax rate of 29.22%, while the effective tax rate at which the losses are expected to be used will amount to 27.08%.

A change in the Luxemburg main corporation tax rate to 27.08% is indeed effective from 1 April 2017, and a further reduction to 26.01% will be effective from 1 January 2018.
VII. Deferred taxation

<table>
<thead>
<tr>
<th>(€)</th>
<th>Maturity before 31 December 2017</th>
<th>Maturity after 31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>At 31 December 2016</td>
<td>310,319</td>
<td>310,319</td>
</tr>
<tr>
<td>Tax loss carried forward</td>
<td>310,319</td>
<td>310,319</td>
</tr>
<tr>
<td>Total</td>
<td>310,319</td>
<td>310,319</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(€)</th>
<th>Maturity before 31 December 2016</th>
<th>Maturity after 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>At 31 December 2015</td>
<td>208,249</td>
<td>3,829</td>
</tr>
<tr>
<td>Tax loss carried forward</td>
<td>208,249</td>
<td>3,829</td>
</tr>
<tr>
<td>Total</td>
<td>208,249</td>
<td>3,829</td>
</tr>
</tbody>
</table>

The asset will be recovered against the expected future profits of the Company. Maturity of deferred tax asset has been estimated based on forecasts (estimation excludes any computation of disallowed expenses).

The Company is subject to the general tax regulations applicable to all commercial companies in Luxembourg.
VIII. Non-current loans and advances

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany loan</td>
<td>189,250,047</td>
<td>-</td>
</tr>
<tr>
<td>Other loans and advances</td>
<td>10,500,978</td>
<td>15,529,658</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>209,790,925</strong></td>
<td><strong>15,529,658</strong></td>
</tr>
</tbody>
</table>

On 16 December 2016, a €200,000,000 10-year contingent convertible loan corresponding to one third of the proceeds of the senior unsecured debt instrument issued by Euroclear Investments SA (see note XIV) was granted to Euroclear Bank SA/NV (principal amount of €198,955,000, net of €1,045,000 of issue costs).

This loan bears interest from and including 16 December 2016 to (but excluding) the interest payment date falling on 16 December 2026 at the rate of 4.74% per annum. Accrued interests for the year amount to €337,644.

The fees are amortised on an actuarial basis until 30 November 2026. The amortisation for the current year amounted to €2,597.

The fair value of the contingent convertible loan at 31 December 2016 was €280,329,000 (net present value of future cash flows).

Other non-current loans and advances relate to long term deposits and loans and mainly include a €1,000,000 deposit maturing in February 2017 and loans to Leaseplan Fleet Management NV/SA. Euroclear Investments SA granted a credit facility (maximum amount of €24,000,000) to Leaseplan Fleet Management NV/SA of which €9,408,996 has been drawn as of end of 2016 (2015: €4,529,658). The carrying value of the loans and advances is a reasonable approximation of their fair value.
**IX. Property, plant and equipment**

<table>
<thead>
<tr>
<th></th>
<th>Furniture and fixtures</th>
<th>IT equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2016</td>
<td>18,694</td>
<td>46,689</td>
<td>65,383</td>
</tr>
<tr>
<td>Transfer and disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td>18,694</td>
<td>46,689</td>
<td>65,383</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2016</td>
<td>(14,982)</td>
<td>(46,689)</td>
<td>(61,671)</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(958)</td>
<td>-</td>
<td>(953)</td>
</tr>
<tr>
<td>Transfer and disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>At 31 December 2016</strong></td>
<td>(15,940)</td>
<td>(46,689)</td>
<td>(62,629)</td>
</tr>
<tr>
<td><strong>Net book value at 31 December 2016</strong></td>
<td></td>
<td></td>
<td>2,754</td>
</tr>
</tbody>
</table>
Euroclear Investments SA annual report 2016 Notes to the separate financial statements

X. Investments in subsidiaries

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>589,432,414</td>
<td>581,238,708</td>
</tr>
<tr>
<td>Acquisition of subsidiaries</td>
<td>-</td>
<td>8,193,706</td>
</tr>
<tr>
<td>Disposal of subsidiaries</td>
<td>(6,193,706)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>At 31 December</td>
<td>581,238,708</td>
<td>589,432,414</td>
</tr>
</tbody>
</table>

The Company has sold its participations in Taskize and Euroclear Market Solutions Ltd to Euroclear SA/NV in November 2016.

<table>
<thead>
<tr>
<th>Shares</th>
<th>Registered Office</th>
<th>% of Participation</th>
<th>Net Book Value 31/12/2016</th>
<th>Net Book Value 31/12/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euroclear Bank SA/NV</td>
<td>Belgium</td>
<td>0.0014</td>
<td>6,045</td>
<td>6,045</td>
</tr>
<tr>
<td>Euroclear SA/NV</td>
<td>Belgium</td>
<td>99.9999</td>
<td>566,233,117</td>
<td>566,233,117</td>
</tr>
<tr>
<td>Euroclear Re SA</td>
<td>Luxembourg</td>
<td>99.9999</td>
<td>9,999,000</td>
<td>9,999,000</td>
</tr>
<tr>
<td>Euroclear Properties France SAS</td>
<td>France</td>
<td>100</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Euroclear Belgium SA</td>
<td>Belgium</td>
<td>0.0018</td>
<td>546</td>
<td>546</td>
</tr>
<tr>
<td>Taskize Limited</td>
<td>United Kingdom</td>
<td>73 *</td>
<td>-</td>
<td>6,293,706</td>
</tr>
<tr>
<td>Euroclear Market Solutions Ltd</td>
<td>United Kingdom</td>
<td>100 *</td>
<td>-</td>
<td>1,900,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares</th>
<th>Registered Office</th>
<th>Net equity as of 31/12/2016 (€ '000)</th>
<th>Result of the year (€ '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euroclear Bank SA/NV</td>
<td>Belgium</td>
<td>1,532,294</td>
<td>55,253</td>
</tr>
<tr>
<td>Euroclear SA/NV</td>
<td>Belgium</td>
<td>2,641,019</td>
<td>39,931</td>
</tr>
<tr>
<td>Euroclear Re SA</td>
<td>Luxembourg</td>
<td>10,020</td>
<td>0</td>
</tr>
<tr>
<td>Euroclear Properties France SAS</td>
<td>France</td>
<td>10,523</td>
<td>960</td>
</tr>
<tr>
<td>Euroclear Belgium SA</td>
<td>Belgium</td>
<td>22,196</td>
<td>2,702</td>
</tr>
</tbody>
</table>

* Percentage of participation as at 31/12/2015.

As far as above investments are concerned, no indicator of impairment has been detected. The group therefore estimates that their values in the accounts of the Company are still justified.
Euroclear Investments SA annual report 2016 Notes to the separate financial statements

**Xl. Trade and other receivables**

<table>
<thead>
<tr>
<th>(€)</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts due from group entities</td>
<td>XVI</td>
<td>1,310,317</td>
<td>248,425</td>
</tr>
<tr>
<td>Pre-payments</td>
<td></td>
<td>70,882</td>
<td>63,231</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>94,368</td>
<td>46,776</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1,475,567</td>
<td>358,432</td>
</tr>
</tbody>
</table>

Trade and other receivables consist of amounts due from affiliated undertakings and non-affiliated undertakings. These amounts are short-term, hence their carrying value is a reasonable approximation of their fair value.

**Xll. Current loans and advances**

<table>
<thead>
<tr>
<th>(€)</th>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>36,068,045</td>
<td>2,686,285</td>
</tr>
<tr>
<td>Short term bank deposits</td>
<td></td>
<td>85,401,845</td>
<td>2,657,454</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td></td>
<td>121,469,890</td>
<td>5,343,739</td>
</tr>
<tr>
<td>Other current loans and advances</td>
<td></td>
<td>295,080,629</td>
<td>-</td>
</tr>
<tr>
<td>Total current loans and advances</td>
<td></td>
<td>416,560,519</td>
<td>5,343,739</td>
</tr>
</tbody>
</table>

Current loans and advances relate to short term deposits and loans with a maturity of less than 1 year.

They mainly include a loan of €100,000,000 granted to Euroclear plc under the form of a 6 month renewable loan bearing a 0% interest rate and a euro commercial paper of €85,000,000 maturing on 8 June 2017.

The carrying value of the loans and advances is a reasonable approximation of their fair value.
XIII. Share capital

<table>
<thead>
<tr>
<th>Equity shares</th>
<th>Number of shares</th>
<th>Share Capital</th>
<th>Share Premium</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued and fully paid share capital</td>
<td>1,198,069</td>
<td>119,076,550</td>
<td>258,623,586</td>
<td>377,700,136</td>
</tr>
<tr>
<td>At 1 January and 31 December 2016</td>
<td>1,198,069</td>
<td>119,076,550</td>
<td>258,623,586</td>
<td>377,700,136</td>
</tr>
<tr>
<td>At 1 January and 31 December 2015</td>
<td>1,198,069</td>
<td>119,076,550</td>
<td>258,623,586</td>
<td>377,700,136</td>
</tr>
</tbody>
</table>

The Company’s capital management objectives are primarily to ensure the Company’s ability to continue as a going concern. The Company has a budgeting process in place by which the forecasted cash needs are communicated to the equityholders who then provide the necessary funding to the Company by way of equity contributions.

XIV. Long term debt

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value</td>
<td>Fair value</td>
<td>Book value</td>
<td>Fair value</td>
</tr>
<tr>
<td>Long term debt</td>
<td>(594,513,694)</td>
<td>(603,240,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(594,513,694)</td>
<td>(603,240,000)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

On 7 December 2016, the Company issued a senior, unsecured and unsubordinated Eurobond on the Euronext Amsterdam stock exchange for an amount up to €600,000,000 (10 year maturity - fixed coupon). Such issue is deemed to enhance the group funding flexibility over the next 10-year period, maintain a suitable level of investment capacity in the group and strengthen the recovery capacity of operating entities.

As long as not used for business purposes, the proceeds of the issue will be invested according to group investment principles so to manage effectively credit and liquidity risks.

The issue was realised at a re-offer price slightly below par (€598,536,000), leading to a re-offer yield of 1.151% or 2.6 bps above the annual interest rate. A combined management and underwriting commission of 0.55% was levied on the nominal amount of the securities. These fees (€3,300,000) together with other transactions costs (€1,219,000) are amortised on an actuarial basis. The amortisation charge for the current year amounted to €34,464.
Euroclear Investments SA annual report 2016 Notes to the separate financial statements

The €600,000,000 senior unsecured debt instrument bears an interest rate of 1.125% per annum. Interest cost for the year amounts to €462,329.

€200,000,000 of the proceeds of the issue of Euroclear Investments SA were lent to Euroclear Bank SA/NV through a 10-year contingent convertible loan (see note VIII).

€100,000,000 of the proceeds of the issue of Euroclear Investments SA has been lent short term onwards to Euroclear plc under the form of a 6 month renewable loan (see note XII).

**XV. Trade and other payables**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due to related parties</td>
<td>XVIII</td>
<td>313,626</td>
<td>141,445</td>
</tr>
<tr>
<td>Social security and other taxes</td>
<td></td>
<td>122,903</td>
<td>474,902</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td></td>
<td>1,456,265</td>
<td>9,005</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td>396,163</td>
<td>10,831</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>2,288,957</td>
<td>636,183</td>
</tr>
</tbody>
</table>

All amounts owed to group entities are due on receipt of invoice. All current trade and other payables are due within three months and hence their carrying value is reasonable approximation of their fair-value.

**XVI. Dividends paid**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ per share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity paid</td>
<td>73.00</td>
<td>176.70</td>
</tr>
<tr>
<td>(€)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity paid</td>
<td>87,459,037</td>
<td>211,698,792</td>
</tr>
</tbody>
</table>

In May 2016, Euroclear Investments SA paid ordinary dividends of €87,459,037 to its parent company (€211,698,792 in 2015).

**XVII. Ultimate Parent Company**

On the basis of the criteria set by the Luxembourg law, the Company is exempted from establishing consolidated accounts.

Euroclear Investments SA is a wholly owned subsidiary of Euroclear plc. Euroclear plc is a limited liability company. The address of its registered office is Cannon Street 33 - EC4M 5SB London, United Kingdom. Copies of the Euroclear plc group accounts can be obtained on www.euroclear.com.
### XVIII. Related party disclosures

<table>
<thead>
<tr>
<th>(€)</th>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td>780,528,755</td>
<td>589,432,414</td>
</tr>
<tr>
<td>Investment in subsidiaries</td>
<td>X</td>
<td>581,238,708</td>
<td>589,432,414</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>VIII</td>
<td>199,290,047</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td>101,312,924</td>
<td>52,032</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>XI</td>
<td>1,310,317</td>
<td>248,425</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td></td>
<td>100,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>2,607</td>
<td>272,607</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>881,841,879</td>
<td>589,953,446</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>XV</td>
<td>313,626</td>
<td>141,445</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>313,626</td>
<td>141,445</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td>(693,861)</td>
<td>(696,558)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>II</td>
<td>90,109,828</td>
<td>212,192,350</td>
</tr>
<tr>
<td>Dividend income</td>
<td>V</td>
<td>877,451</td>
<td>1,077,150</td>
</tr>
<tr>
<td>Other operating income</td>
<td></td>
<td>335,047</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>-</td>
<td>(610)</td>
</tr>
<tr>
<td>Interest cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Comprehensive income</strong></td>
<td></td>
<td>90,628,465</td>
<td>212,559,332</td>
</tr>
</tbody>
</table>

The Company has entered into various agreements with group entities for the provision of services. These are priced on an arm’s length basis in accordance with the group’s intercompany transaction policy.

The gross income represents the recuperation of costs from the Euroclear entities principally for the group insurance management function monitored out of Euroclear Investments SA.

Euroclear Bank SA/NV is one of the Company’s bank counterparties for cash deposits.

**DIRECTORS’ EMOLUMENTS**

The emoluments of the Euroclear Investments non-executive directors amounted to €7,500 as of 31 December 2016 (2015: €7,500). In 2016, no director waived the right to receive emoluments (2015: €0).
Euroclear Investments SA annual report 2016 Notes to the separate financial statements

**XIX. Contingent liabilities and Commitments**

Euroclear Investments established a banking guarantee of €36,720 in favour of Bank Degroof Luxembourg SA.

In addition, in accordance with the pledge agreement dated 28 November 2014, the Company agreed to make available a term loan facility to Leaseplan Fleet Management NV/SA up to a total commitment amounting to €24,000,000 as at 31 December 2016 and periodically reassessed (See Note VIII).

**XX. Events after Balance Sheet Date**

**A. Dividend 2016**

On 30 March 2017, the Directors resolved to propose no dividend payment in respect of the financial year ending 31 December.

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Audit report

To the Shareholders of
Euroclear Investments S.A.

Report on the financial statements

We have audited the accompanying financial statements of Euroclear Investments S.A., which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 31 December 2016 and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Rèviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Rèviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Rèviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Euroclear Investments S.A. as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Report on other legal and regulatory requirements

The management report is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 30 March 2017

Marc Voncken