

Euroclear Bank

Stand-alone financial statements
at 31 December 2015

Directors' report

The directors of Euroclear Bank SA/NV (the 'company') are pleased to present their report, together with the audited financial statements of the company for the year ended 31 December 2015.

Principal activities

Euroclear Bank provides settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, investment funds and derivatives.

The company is based in Brussels and is part of the Euroclear group. The Euroclear group is the world's leading provider of post-trade services. The group provides settlement, safekeeping and servicing of domestic and cross-border securities, with asset classes covered including bonds, equities, derivatives and investment funds. The Euroclear group includes the International Central Securities Depository (ICSD), Euroclear Bank, based in Brussels, as well as the domestic Central Securities Depositories (CSDs) Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. Euroclear Bank is the only credit institution in the Euroclear group. Euroclear SA/NV provides system development and support services to the other companies of the group. Euroclear plc is the holding company which owns, directly or indirectly, the entire issued share capital of these companies.

Euroclear Bank SA/NV is rated AA+ by Fitch Ratings and AA by Standard & Poor's, with stable outlook. It operates two branches in Hong Kong and Krakow.

Euroclear Bank's branch in Krakow, Euroclear Bank SA/NV (Spółka Akcyjna) - Oddział w Polsce, officially opened in January 2013. By the end of 2015, it had grown to over 400 employees who serve our global client base. The Krakow branch will continue to grow over the coming years, providing a dual-office arrangement with Euroclear Bank's existing operations in Belgium.

With more than 100 employees, Euroclear Bank SA/NV (Hong Kong Branch) is an important contributor to client satisfaction levels in Asia. Through the Hong Kong office, we are able to provide clients with a global service offering, despite the time zone difference with our headquarters in Europe.

On 26 September 2014, Euroclear SA/NV and The Depository Trust & Clearing Corporation (DTCC) became owners of DTCC-Euroclear Global Collateral Ltd, a joint venture shared equally between both shareholders, specialised in Collateral services (i.e. Margin Transit services and Collateral Management services). Euroclear Bank will provide operating services to the joint venture.

In June 2015, Euroclear Bank exercised its optional redemption rights on all of its Upper Tier 2 note with Euroclear Finance 2 at base redemption price. At the same time, Euroclear Finance 2 redeemed the outstanding Hybrid Tier 1 instrument issued by Euroclear Finance 2 on the Luxembourg stock market. Subsequently, Euroclear Finance 2 was liquidated in December 2015.

Business review

Our strategy to support the evolving capital markets

Euroclear is committed to supporting its clients in an operating environment that is being shaped by two major trends. First, market authorities and regulators, particularly in Europe, have played an increasingly active role in defining capital markets since the last financial crisis. Secondly, over the medium term, globalisation continues to be a major driver of economic growth.

Our ambition remains to reduce risk and complexity for the market as well as reducing clients' cost and improving operating efficiency. The group continues to invest in regulation-driven initiatives that ensure compliance with the market infrastructure regulatory framework and foster open access. Furthermore, we continue to make the necessary investments to ensure our cyber-resilience, as evidenced in the risk section of this report.

Clients and other market participants are seeking greater access to liquidity and collateral mobility, and the operational benefits of increased process automation. We continue to invest in developing products and services that fulfil these evolving requirements.

Investing in our European franchise

Europe is becoming a single marketplace as a result of a broad range of regulations that impact every facet of its financial markets and, in particular, through the development of a Capital Markets Union (CMU). The post-trade sector has already taken some important steps towards becoming a single market, with the new CSD Regulation providing a single, pan-European rulebook for the sector, while the launch of the ECB's Target2-Securities platform will provide a single settlement environment for the Eurozone.

The longer-term effects of the many new regulations that have been implemented since 2008 continue to drive the operating environment. The cost of regulatory compliance and the de-leveraging of balance sheets have spurred the quest for further operating efficiencies and cost savings. This, in turn, is driving market participants to consolidate and rationalise market access, and embrace services that help realise latent efficiencies.

At the same time, authorities have been playing a more active role as market participants since the financial crisis. Most notably, the ECB continued to undertake its quantitative easing programme, while moving interest rates beyond their historic low levels and into negative territory.

These unprecedented developments, along with continued historically low interest rates and meagre economic growth in Europe, have proven a further challenge to clients, prompting many to adapt their approach to funding and collateral management activities.

- *Capital Markets Union*

On 30 September 2015, the European Commission published its Action Plan for the CMU. The plan sets out a wide range of steps that aim to remove barriers between investors and businesses, through better integration of Europe's capital markets. In addition, the Commission began an important review of the cumulative impact of recent legislation.

Although the post-trade environment is not the central focus of the plan, there are potential implications for the sector in two core areas. First, the Commission will gather evidence on the main barriers to the cross-border distribution of investment funds. Secondly, it will take forward previous work to clarify securities ownership and conflict of law rules. Euroclear fully supports the Commission's plans to efficiently link savings with growth, while enhancing financial stability.

- *CSD regulation*

CSD Regulation (CSDR) not only introduces a complete review and standardisation of regulation that applies to (I)CSDs in the European Union, but also standardises settlement cycles and settlement discipline procedures across Europe.

It is also anticipated that (I)CSDs' capital requirements will significantly increase under CSDR. In all likelihood, the constraint that Euroclear Bank will face under CSDR will not exceed its current Pillar II requirements, even considering a conservative view. As a result, we believe that the company already complies with the capital requirements stemming from CSDR as of 31 December 2015.

In 2016, CSDR will be a major focus for the group as the Euroclear (I)CSDs will apply for authorisation under the new regulation. CSDR will also require changes by our clients to comply with record keeping requirements, in particular. The introduction of standardised settlement discipline and buy-in regimes across Europe will occur in mid-2018. Euroclear is well advanced with its CSDR implementation projects and detailed discussions with regulators are underway.

- *TARGET2-Securities*

The launch of the TARGET2-Securities (T2S) platform will significantly alter the European post-trade landscape. In June 2015, the first wave of Eurozone CSDs successfully migrated to T2S.

In the T2S environment, Euroclear will provide the same level of asset servicing across asset classes, regardless of the service access option and the asset location. The group will offer a range of harmonised services across all T2S markets, despite the continuing co-existence of varying market practices.

- *Optimising pan-European liquidity and collateral management*

The investments that we are making in our European franchise are aimed at helping clients to further optimise their liquidity across European markets.

We have already completed a number of investments to increase interoperability between Euroclear Bank and the ESES CSDs. Once the ESES CSDs' migration to T2S has been completed, Euroclear's clients will benefit from access to both global commercial and European central bank liquidity, a unique proposition that will enable clients to improve management of their short-term liquidity requirements.

In addition, €GCPlus, which successfully launched in 2014, enables clients to manage their medium-term funding requirements using standardised baskets of securities, complementing the global collateral management services offered through Euroclear Bank.

Realising opportunities in the global capital markets

As an open financial market infrastructure, Euroclear supports the evolving requirements of participants as they look to benefit from the opportunities created by globalisation and an increasingly interconnected global economy.

- *Global collateral management*

Financial market participants are increasingly demanding collateral that can be mobilised across borders and time zones. With new global regulations in the un-cleared, over-the-counter (OTC) derivative market coming into force in 2016, demand for collateral is poised to accelerate in the years ahead.

A key tenet of our strategy has been to support the financial market's requirement for a neutral, inter-operable utility to source, mobilise and segregate such collateral. This led us to launch the Euroclear Collateral Highway in 2012, the world's first open architecture global infrastructure for collateral management.

The Collateral Highway provides a comprehensive solution for managing collateral, offering clients a complete view of exposures across the full spectrum of asset classes. In addition to more traditional collateral management functions (typically repos, securities lending, derivatives and access to central bank liquidity), our range of collateral management solutions includes dedicated services for corporate treasurers, and a specialised equity financing service. By the end of 2015, average daily collateralised outstandings on the Collateral Highway reached €1,068 billion, up 20% on the prior year.

Our joint venture with the Depository Trust & Clearing Corporation (DTCC), DTCC-Euroclear GlobalCollateral Ltd, is connecting two of the largest pools of collateral to provide a truly global, end-to-end collateral management solution. By leveraging our European OTC derivative solutions, we will enable the automatic transfer and segregation of collateral, through DTCC-Euroclear GlobalCollateral, based on agreed margin calls relating to OTC derivatives and other collateralised contracts.

In 2016, we will begin to rollout GlobalCollateral's collateral margin utility, bringing unprecedented operating efficiencies to market participants and improving the stability and soundness of financial markets.

In addition, we took a further step to consolidate our collateral management offering, through our investment in AcadiaSoft, an industry-leading provider of electronic messaging for the OTC derivatives market.

- *International markets*

Across the globe, growth economies are establishing international market infrastructure links to attract foreign investors, to help fund long-term development needs. At the same time, international investors are seeking opportunities to diversify and increase the profitability of their investments around the world, particularly during a period of historically low yields in Europe and North America.

To this end, we made further progress in bringing benefits to domestic capital markets that might otherwise have more limited access to global participants, enabling more efficient capital flows while seeking to provide stability in the domestic markets. Over the course of 2015, a number of banks added 'Euroclear eligibility' as a criteria for inclusion in their emerging market bond indices, further illustrating the strength of our global franchise.

Asia is widely expected to be a driving force of global economic growth in the coming decades. As an open post-trade infrastructure, Euroclear is committed to supporting the growth and stability of the region's financial markets, building on an unwavering presence in Asia for over 25 years. Euroclear was delighted to be recognised as CSD of the Year in The Asian Banker's Financial Market Awards 2015.

During the course of 2015, we established a partnership with the China Construction Bank in support of the offshore Renminbi capital market.

Our increased focus on growing the Asia Pacific franchise was demonstrated by Frédéric Hannequart's relocation to Asia in his continuing roles as Chairman of Euroclear Bank and Euroclear UK & Ireland, and the group's Chief Business Development Officer. The group also established a new position of Head of Government Relations and Strategy for Asia, based in Hong Kong. These moves allow us to further develop the open and collaborative approach that has helped the group become a trusted and relevant partner for many of the world's authorities and market infrastructures.

We made further progress in strengthening our franchise around the world, with continued success in bringing 'Euroclearability' to domestic capital markets. We took an important step by reaching agreement with Indian authorities to provide access to India's government bonds through our platform. We also supported Mexico in the launch of a corporate bonds asset class, Cebures, following the setup of that market's link to Euroclear in late 2014.

- *Global Funds*

Funds are increasingly the means by which investors are choosing to participate in international markets, and a way for issuers to efficiently access a global investor base.

Through its expanding network of funds markets, Euroclear is establishing itself as the place for funds, providing a single entry point for the effective distribution of cross-border, offshore and domestic funds.

In early 2016, we launched Euroclear FundsPlace, our new umbrella brand for our fund solutions. Our range of trade and post-trade services for funds is fully automated, to drive out the cost, risks and complexity associated with the manual processing of fund trades. These services include order routing, account opening, settlement and asset servicing, providing access to a network of over 900 fund administrators.

In Europe, we are now one of the largest providers of fund processing services in Europe, with over 12.7 million orders routed through our platforms in 2015. Our fund services have continued to grow in the Swedish market, following the launch in 2014 of a link from Euroclear Sweden to FundSettleTM. In the UK, we have been supporting clients in achieving compliance with the new Clients Asset Sourcebook regulations for their own client reporting.

In 2015, we further expanded our network outside of Europe, opening an account with Hong Kong's Central Securities Depository, the Central Moneymarkets Unit. This opening coincided with a decision by Hong Kong and China's regulatory bodies to allow eligible Hong Kong-domiciled funds to be sold to retail investors in China. Qualifying Chinese funds will also be available to the retail investor base in Hong Kong. As a result, Euroclear Bank clients will be able to access China-domiciled funds through FundSettle, as well as Hong Kong-domiciled funds.

In addition, working closely with the China Construction Bank, the group supported the launch of the first ever RMB-denominated money market international ETF, listed in London in March 2015. This was followed in June by the first in mainland Europe, listed in Paris.

We also made further progress in supporting existing users of the international ETF structure in 2015. BlackRock, the world's largest provider of ETFs, was the inaugural issuer of international ETFs in 2013. With investors from across European markets benefitting from the simplified issuance structure, BlackRock migrated another 20 ETFs to the international form, in the first ever corporate action of its type.

- *Simplifying the client experience*

Clients around the world expect a user-friendly client experience, and we continue to meet this demand through the growth of our EasyWayTM communication tool. With the launch of new corporate action and settlement functionality in the first quarter, as well as a new more user-friendly and mobile compatible web interface, client uptake for EasyWayTM increased substantially in 2015. There are now over 300 clients using the service, with users ranging from investment banks to corporate treasury teams.

Launched in 2012, in close collaboration with many of our clients, EasyWayTM allows users to work in real time through dashboards, alerts and intuitive navigation. Over the coming year, we plan to further enhance the settlement and corporate actions dashboards, as well as additional collateral management features through EasyWayTM, to create an unparalleled digital client experience.

Operating highlights

Euroclear Bank delivered robust business performance in 2015, a year that is characterised by increased activity levels leading to higher revenue and slight increase in operating expenses.

The value of securities held for Euroclear Bank clients at the end of 2015 rose by 5% to €12.4 trillion compared to €11.8 trillion in 2014.

The turnover, or the value of securities transactions settled, reached €442.6 trillion in 2015, up by 12% compared to €394.6 trillion in 2014.

The number of netted transactions settled in the Euroclear Bank amounted to 83.3 million in 2015, a 11% increase compared with the 75.2 million reported in 2014.

The average daily value of collateral provision outstanding at the end of 2015 was €511 billion, a 14% increase compared to €450 billion at the end of 2014. The growth in collateral provision outstanding was sustained throughout 2015, reflecting strong needs from market participants to ensure high levels of efficiency when switching from unsecured to secured activity, in line with new regulatory requirements.

Average overnight cash deposits stood at €25.3 billion, an increase of 23% compared to €20.5 billion in 2014. Year-end cash deposits stood at €20.7 billion compared to €23.4 billion the previous year.

Key business parameters

Euroclear Bank SA/NV's financial performance is mainly influenced by the following parameters:

- Net fee and commission income is mainly a function of the value of securities deposited, the number of settlement transactions and the daily value of collateral provision outstanding. The value of bonds is based on nominal value whilst for equities, their market value is taken into consideration.
- Interest income stems principally from Euroclear Bank's clients' cash balances invested partially in overnight deposits and in money market short term securities and from the investment of Euroclear Bank's capital, together with retained earnings.
- Administrative expenses include staff costs, depreciation and amortization as well as other operating expenses. Administrative expenses are impacted to a certain level by business volume levels as well as by inflation.

Financial performance highlights

The detailed results for the year are set out on page 10 of the financial statements.

Net interest income (interest and similar income less interest and similar charges) amounted to €122.8 million, an increase of 22% compared to last year due to high level of average client's balances invested partially in short term securities.

Net commission income (commissions received less commissions paid) increased by 5% to €569.1 million in 2015 driven by higher business volumes.

Other income amounted to €9.0 million in 2015 compared to €8.7 million in 2014.

General administrative expenses grew marginally to €428.2 million, a 3% increase compared to last year resulting from higher activity and investments in growth initiatives while maintaining a constant focus on cost management.

Current profit before taxes was €232 million, 24% higher compared to last year, reflecting higher operating income which exceeds the slight increase of administrative expenses reported end 2015.

Taxes: The effective tax rate slightly decreased in 2015 to 29% compared to 30% in the prior year.

Profit for the year: The profit after tax for the year ended 31 December 2015 reached €164.5 million, compared with a profit of €131.9 million in the prior year.

Balance sheet: Total assets stood at €19,756 million on 31 December 2015, down €4,198 million compared to previous year. Loans and deposits decreased by 14% and 19% to €17,401 million and €17,831 million, respectively. Total shareholders' equity increased to €1,447 million compared to €1,428 million in 2014.

Share capital remained unchanged at the end of 2015 at €285 million represented by 70,838 shares.

Key performance indicators

Net fee income margin (net fee income minus administrative expenses compared to net fee income) has increased from 22.5% to 24.8% in 2015 reflecting continued control of expenses, and growth of fee income.

Operating margin (profit before tax compared to operating income) has increased from 29.0% in 2014 to 33.1% in 2015.

Unit cost ratio (administrative expenses compared to the average value of securities held) has improved from 0.37 bps in 2014 to 0.35 bps in 2015 resulting from material evolution of depot in 2015 which exceeds the slight increase of administrative expense.

Return on equity (net profit compared to average shareholder's equity) has improved from 9.2% in 2014 to 11.4% in 2015 as a result of the higher net earnings and almost stable capital base.

Asset performance (net profit compared to total assets) increased slightly from 52bps in 2014 to 55bps in 2015.

Related parties

Euroclear Bank is controlled by Euroclear SA/NV, incorporated in Belgium, which owns more than 99.9% of its shares. The ultimate parent of the group is Euroclear plc, incorporated in the United Kingdom. Euroclear Bank enters into several transactions with its parent companies as well as with other entities in the Euroclear Group, as described below. All transactions are at arm's length.

Bank accounts and term deposits

The company provides banking services to other companies in the Euroclear group. Deposits are remunerated at market rates of interest.

Securities settlement and custody services

In its normal course of business as an International Central Securities Depository, Euroclear Bank provides banking services to, and provides and receives settlement and custody services to and from, the Euroclear group's Central Securities Depositories. Terms and conditions applying to these depository links are the same as those applying to depositories outside the Euroclear group.

Software development, data centre and support services

Euroclear Bank has entered into agreements with Euroclear SA/NV and the group's CSD subsidiaries, whereby Euroclear SA/NV provides software development, data centre and a variety of non-operational and administrative support services to the (I)CSDs. Furthermore, Calar Belgium SA, a wholly-owned subsidiary of Euroclear Bank, leases premises in Brussels to Euroclear SA/NV at market rates.

Licence agreements

Under a licence agreement, Euroclear plc has granted to Euroclear Bank the right to operate the Euroclear System and the right to use and sub-licence the Euroclear trademark. The agreement may be terminated by either party with 3 years notice. Euroclear Bank pays Euroclear plc a royalty fee computed on certain qualifying revenues. Euroclear Bank has granted sub-licences to other companies in the group that use the Euroclear trademark, the rates depending on the use of the trademark by the sub-licencee.

Post balance sheet events

There are no important post-balance events to report for the company and its subsidiaries.

Information on circumstances that might materially influence the development of the consolidated perimeter

No circumstances occurred that might materially influence the development of the company.

Research and development

The company has continued investing in research and development. These investments are linked to product and services development activities as well as performance and resilience of our systems. Euroclear Bank also continues investing in market research in line with its mission to provide increasingly commoditised market infrastructure services.

Risk management in Euroclear

Risk management framework and governance

Euroclear has always tried to nurture a culture that supports a high standard of business ethics and risk awareness. We base our Enterprise Risk Management framework (ERM) on relevant market and regulatory standards. The ERM framework captures the key risks in the group.

To manage these risks, Management develops a Euroclear risk appetite consistent with Euroclear's short- and long term strategy. It ensures the risk appetite is appropriately communicated and monitored in the organisation through limits, processes and controls.

Approved Board policies define the overall framework. The full roll-out of the framework, along a three lines of defence model, gives all stakeholders comfort that risks in delivering settlement and custody services, as well as settlement-related banking activities, are well managed.

A clear governance defines accountability for identifying, monitoring and controlling the risks related to the business. Sufficient measures are in place to ensure the Risk Management, Compliance and Internal Audit Divisions are independent from the business lines they monitor. These functions operate independently from each other but where relevant, do coordinate initiatives to ensure proper coverage whilst minimising overlap.

The first line of defence is the main provider of assurance on the adequacy and effectiveness of the control environment to Senior Management and Board. The first line of defence provides this assurance through supporting documents and processes, like regular self-assessments, 'positive assurance reports' and 'assurance maps'. The assurance maps are complemented by Risk Management (2nd line of defence) and Internal Audit (3rd line of defence), who each, independently from the first line of defence and from each other, add their opinion and provide their own assurance on the adequacy and effectiveness of the control environment.

This regular reporting by the three lines of defence allows a frequent, effective and comprehensive monitoring of the control environment. It includes and confronts the views of the three lines of defence, where Risk Management plays its role as an independent challenger to the first line of defence and where Internal Audit provides comprehensive assurance based on the highest level of independence and objectivity.

Risks affecting the company

Euroclear Bank faces *operational* risk (the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events). Effective monitoring, appropriate reporting and the maintenance of a database of operational risks containing more than a decade of data enable us to manage operational risk well. Cyber is an operational risk high on the agenda. Being a market infrastructure, the integrity, confidentiality and availability of our and our clients' data, and the continuous availability of our services, is very important.

Euroclear is designated as critical national infrastructure in seven countries. Therefore as security and resilience is a key aspect of our approach to operational risk we developed and tested comprehensive processes in all entities to ensure the security and continuous availability of business-critical services, including effective management response to incidents and crises. All locations have appropriate security and contingency arrangements for recovery from workplace disruptions, and have three data centres to sustain operations in the event of a local and regional- scale disaster. Disaster recovery response capability is proven through regular switches of activity between the primary data centres. We also regularly exercise and test our operational and management response and provide adequate training at all levels of the organisation.

Financial risks are borne by Euroclear Bank in its role as single-purpose settlement bank.

As a settlement bank, Euroclear Bank mainly faces collateralised intra-day *credit* exposures on its clients. In addition, it runs credit risk resulting from the intra-day use of a high-quality correspondent network and from short-term placements, mainly by using reverse repos, of clients' end-of-day cash positions in the market with high-quality counterparties.

Because liquidity is key for the efficient functioning of Euroclear Bank, it has built a strong framework to ensure smooth day-to-day operations and a high level of preparedness to cope with unexpected and important liquidity shocks.

A very low level of market risk (interest rate and foreign exchange rate risks only) arises as a by-product of the investment of Euroclear Bank's capital (interest rate risk) and future earnings (interest rate and foreign exchange rate risks). There is no trading book. A hedging strategy was put in place to mitigate interest rate risk and foreign exchange risk.

Compliance

The group concluded a three-year review cycle that reinforced the group-wide ethical and compliance risk management framework that allows us to adequately identify, monitor and manage the full spectrum of legal and compliance risks. These include, amongst others, fraud, market abuse and money laundering. In addition, a specific focus has been devoted to re-assess our controls linked to economic sanctions

taken by authorities. This framework is supported by a major communication effort (e-learning, case-based compliance tests, etc.) that undoubtedly increases the awareness of staff on compliance matters.

Supervision and regulation

The National Bank of Belgium and the Financial Services and Markets Authority are the supervisors of Euroclear Bank.

Recovery plan

In line with regulatory rules and guidelines, we prepared recovery plans for Euroclear Bank SA/NV. These plans are re-approved by the Board of Directors, upon recommendation of the Risk and Audit Committees on a yearly basis. These recovery plans are designed to allow Euroclear Bank SA/NV to recover its financial health in the face of extreme stress scenarios and thereby avoid going into resolution. To that aim, they identify and analyse a number of recovery options that the entity could take in order to restore its capital base, liquidity position or profitability, over a short- to- medium timeframe.

Detailed information on the risks faced by Euroclear, as well as its risk management strategies, policies and processes can be found in Euroclear's yearly Pillar 3 report on www.euroclear.com as well as in Note III to the Consolidated financial statements.

Authorised capital

On 24 April 2014, the Extraordinary General Meeting decided to renew the authorised capital amount of €350 million for a 5 years period.

Dividends

The Board is pleased to propose to the Annual General Meeting of shareholders a final ordinary dividend of €145 million (or €2,047 per ordinary share) of which €100 million (or €1,412 per share) was already paid to shareholders as interim dividend in September 2015. The remaining €45 million (or €635 per share) will be paid early May 2016.

This dividend evidences that the group stays committed to delivering long-term value to shareholders whilst leaving sufficient means for the group to fund its activity going forward.

Acquisition of own shares

During the financial year, neither the company nor any directly controlled subsidiary or person acting in his own name but on behalf of the company or a directly controlled subsidiary of the company acquired any shares of the company.

Conflict of interests

Board members

During 2015, the Board has applied Article 523 of the Companies Code on conflict of interest at its meeting of 12 January 2015. Excerpts of the minutes of the Board held on that day are reproduced below:

“Approval of the total amount of Management Committee Remuneration

The Chairman noted that Belgian legal requirements provide that the Board should approve the overall compensation of the Management Committee as reviewed and recommended by the Remuneration Committee. He noted that the members of the Management Committee present declared an interest in connection with the proposed decision on their remuneration and did not participate in the discussion or the voting.

The Chairman noted that the proposed remuneration for members of the Management Committee had been set in accordance with the applicable remuneration policies of the company and the Group. The Remuneration Committee also concluded that the proposal reflects the individual and collegial commitment and performance of the members of the Management Committee in line with Belgian legal requirements.

Upon the recommendation of the Remuneration Committee, the Board approved the total amounts for 2014 incentive compensation and 2015 fixed remuneration for the members of the Management Committee.”

The 2014 Incentive Compensation and 2015 Fixed Remuneration for the members of the Management Committee will not exceed 0.26% of the net operating income of the company in 2014.

Management Committee members

During the financial year, the Management Committee did not take any decision whereby any one of its members had a conflict of interest within the meaning of Article 524ter of the Belgian Companies Code.

Non-statutory audit services

The amount of fees charged to Euroclear Bank SA/NV and its subsidiaries for non-statutory audit services amounted to €180,000 relating to the ISAE 3402 report. Further details of fees for audit and non-audit services are provided in Note XXIX of the financial statements.

Publicity of external mandates

Details of the reportable directorship mandates and managerial functions exercised in companies outside the Euroclear group by the members of the Board and the management are posted on Euroclear's website.

Individual and collective Committee member skills

All members of the Audit Committee, the Risk Committee, the Nominations and Governance Committee and the Remuneration Committee are non-executive directors of the Company and at least one member of each of these committees is independent within the meaning of Article 526ter of the Belgian Companies Code. The committees have the correct knowledge base and skills among their members and each

member has the adequate personal attributes in order for each committee to fulfil its role efficiently.

Audit Committee

In 2015, the Audit Committee (AC) was comprised of two non-executive directors of the Company and as from October is also now supported by an observer. All members of the AC collectively have in-depth knowledge of the financial markets and services and also collectively have an understanding of the company's business, accounting and audit matters. At least one member is competent in accounting and/or audit matters.

Risk Committee

In 2015, the Risk Committee (RC) was comprised of two non-executive directors of the Company and as from October is also now supported by an observer. The RC assists and advises the Board of Directors in its oversight of the Company's risk management governance structure, risk tolerance, appetite and strategy and key risks as well as the processes for monitoring and mitigating such risks. The RC members have the skills and experience to be able to understand and oversee such risk strategy, risk appetite and risk tolerance of the Company.

Nominations and Governance Committee

In 2015, the Nominations and Governance Committee (NGC) was comprised of two non-executive directors of the Company. The NGC is composed in such a way so as to be able to properly and independently advise the Board of Directors on the composition and the functioning of the Board and Board Committees of the Company and, in particular, on the fit and proper character of their members.

Remuneration Committee

In 2015, the Remuneration Committee (RemCom) was comprised of two non-executive directors of the Company, supported by an advisor who is the Group Chief Executive Officer. He attends meetings upon invitation of the RemCom Chairman when necessary. The RemCom is composed in such a way to be able to properly and independently advise the Board of Directors on remuneration policies and practices as a whole taking into account the risks and liquidity needs of the Company.

By order of the Board



Frederic Hannequart
Chairman of the Board

29 February 2016

Euroclear Bank Board and Committees - composition

as at 31 December 2015

Members	<i>Euroclear Bank Board</i>	<i>Audit Committee</i>	<i>Risk Committee</i>	<i>Management Committee</i>	<i>Nominations & Governance Committee</i>	<i>Remuneration Committee</i>
Frédéric Hannequart (Chairman)	•				• (chair)	• (chair)
Pierre Berger Independent Director	•	• (chair)	• (chair)			
Mike Martin Independent Director	•				•	•
Lieve Mostrey	•	•	•			
Jo Van de Velde	•					
Valérie Urbain Executive Director CEO Euroclear Bank	•			• (chair)		
Pierre Yves Goemans Executive Director	•			•		
Pierre Slechten Executive Director	•			•		
Luc Vantomme Executive Director	•			•		
Tim Howell CEO Euroclear SA/NV						• (advisor)
OBSERVER						
Franco Passacantando		•	•			

Balance sheet

For the year ended 31 December

(€'000)	Notes	2015	2014
Assets			
I. Cash in hand, balances with central banks and post offices		-	539
II. Government securities eligible for refinancing at the central bank		1,343,481	2,542,486
III. Amounts receivable from credit institutions	I	13,484,627	15,937,366
A. On demand		1,833,978	2,415,968
B. Other amounts receivable (at fixed term or period of notice)		11,650,649	13,521,398
IV. Amounts receivable from customers	II	3,968,812	4,280,116
V. Bonds and other fixed-income securities	III	809,729	1,027,948
A. Of public issuers		566,610	677,860
B. Of other issuers		243,119	350,088
VI. Corporate shares and other variable-income securities	IV	-	-
VII. Financial fixed assets	V, VI	31,242	35,127
A. Participating interests in affiliated enterprises		23,200	27,699
B. Participating interests in other associated enterprises		-	-
C. Other shares or stakes constituting financial fixed assets		8,042	7,428
D. Subordinated loans with affiliated enterprises and with other associated enterprises		-	-
VIII. Formation expenses and intangible fixed assets	VII	13	12
IX. Tangible fixed assets	VIII	2,998	3,838
X. Own shares		-	-
XI. Other assets	IX	15,765	18,779
XII. Deferred charges and accrued income	X	99,697	107,783
Total assets		19,756,364	23,953,994

The accompanying Notes form part of these financial statements.

Balance sheet (continued)

For the year ended 31 December

(€'000)	Notes	2015	2014
Liabilities			
I. Amounts payable to credit institutions	XI	12,957,520	18,289,035
A. On demand		12,552,002	16,620,153
B. Resulting from refinancing by rediscounting of trade bills		-	-
C. Other amounts payable at fixed term or period of notice		405,518	1,668,882
II. Amounts payable to customers	XII	5,104,978	3,888,694
A. Savings deposits		-	-
B. Other amounts payable		5,104,978	3,888,694
1. On demand		4,634,310	3,799,183
2. At fixed term or period of notice		470,668	89,511
3. Resulting from refinancing by rediscounting of trade bills		-	-
III. Debt securities in issue	XIII	-	-
A. Bills and bonds in circulation		-	-
B. Other		-	-
IV. Other amounts payable	XIV	159,573	160,272
V. Accrued charges and deferred income	XV	81,538	79,784
VI. A. Provisions for risks and charges		5,714	6,109
1. Pensions and similar obligations		1,065	889
2. Fiscal charges		-	-
3. Other risks and charges	XVI	4,649	5,220
B. Deferred taxes		-	-
VII. Fund for general banking risks		-	-
VIII. Subordinated liabilities	XVII	-	102,505
Shareholders' equity		1,447,041	1,427,595
IX. Capital	XVIII	285,497	285,497
A. Called up share capital		285,497	285,497
B. Uncalled capital		-	-
X. Share premium account		558,008	558,008
XI. Revaluation reserve		-	-
XII. Reserves		94,047	94,047
A. Legal reserve		28,549	28,549
B. Non available reserve		-	-
1. For own shares		-	-
2. Others		-	-
C. Untaxed reserve		-	-
D. Available reserve		65,498	65,498
XIII. Profit (loss (-)) carried forward		509,489	490,043
Total liabilities		19,756,364	23,953,994

The accompanying Notes form part of these financial statements.

Off-balance sheet items

For the year ended 31 December

(€'000)	Notes	2015	2014
Off-balance sheet items			
I. Contingent liabilities	XXII	18,576,063	11,231,337
A. Unnegotiated acceptances		-	-
B. Guarantees in the nature of credit substitutes		18,576,063	11,133,237
C. Other guarantees		-	98,100
D. Documentary credits		-	-
E. Assets pledged by secured guarantees on behalf of third parties		-	-
II. Commitments which can give rise to a credit risk	XXII	2,195,948	8,403,579
A. Firm commitments to make funds available		2,195,948	8,403,579
B. Commitments in respect of spot purchases of transferable securities or other assets		-	-
C. Available margin under confirmed credit lines		-	-
D. Commitments to underwrite and place securities		-	-
E. Repurchase commitments resulting from imperfect repurchase agreements		-	-
III. Assets entrusted to the institution		12,550,755,920	12,080,967,521
A. Assets held on an organised trusteeship basis		-	-
B. Assets in safe custody and under similar arrangements		12,550,755,920	12,080,967,521
IV. To be paid upon corporate shares and units		-	-

Under the terms of the Euroclear Securities Lending and Borrowing Programme, Euroclear Bank provides a guarantee to securities lenders whereby if a securities borrower is unable to return the securities, Euroclear Bank guarantees the lender to receive replacement securities or their cash equivalent. A similar guarantee applies to Euroclear Bank's GC Access Programme. The guarantee is valued at market value of the loan securities plus accrued interest. Euroclear Bank's policy is that all securities borrowings are covered by collateral pledged by the borrowing banks and customers.

The accompanying Notes form part of these financial statements.

Profit and loss statement

As at 31 December

(€'000)	Notes	2015	2014
Income statement			
<i>(list form)</i>			
I. Interest and similar income	XXIII	149,000	124,106
Of which : from fixed-income securities		(4,203)	1,583
II. Interest and similar charges (-)		(26,216)	(23,257)
III. Income from variable-income securities	XXIII	39	1,225
A. Corporate shares and other variable-income securities		-	-
B. Participating interests in affiliated enterprises		-	1,007
C. Participating interests in associated enterprises		-	-
D. Other shares or stakes representing financial fixed assets		39	218
IV. Commissions received	XXIII	977,219	916,023
A. Brokerage and similar commissions		269,765	268,844
B. Management, advisory and safekeeping services		494,565	453,035
C. Other commissions received		212,889	194,144
V. Commissions paid		(408,094)	(378,706)
VI. Profit from (loss on) financial operations	XXIII	3,771	1,453
A. Foreign exchange transactions and transactions in securities and other financial instruments		3,771	847
B. Sale of investment securities and similar operations		-	606
VII. General administrative expenses		(428,209)	(416,627)
A. Wages and salaries, social charges and pensions		(119,736)	(120,398)
B. Other administrative expenses		(308,473)	(296,229)
VIII. Depreciation and amounts written off (-) on formation expenses and intangible and tangible fixed assets		(1,409)	(1,135)
IX. Write-back of amounts written off (amounts written off (-) on amounts receivable and write-back provisions (provision (-))for headings "I. Contingent liabilities" and "II. Commitments which can give rise to a credit risk" in the off-balance sheet section		(288)	202
X. Write-back of amounts written off (amounts written off(-))on the investment portfolio of bonds, shares and other fixed-income or variable-income securities		-	-
XI. Uses and write-back of provisions for risks and charges other than those referred to in heading "I. Contingent liabilities"and "II. Commitments which can give rise to a credit risk" in the off-balance sheet section		224	140
XII. Provisions for risks and charges other than those covered in headings "I. Contingent liabilities" and "II. Commitments which can give rise to a credit risk" in the off-balance sheet section (-)		(1,764)	(4,343)
XIII. Transfers from (Appropriation to) the fund for general banking risks		-	-
XIV. Other operating income	XXIII	4,696	6,050
XV. Other operating charges (-)	XXIII	(37,239)	(37,401)
XVI. Current profit (loss) before taxes		231,729	187,730

The accompanying Notes form part of these financial statements.

Profit and loss statement (continued)

As at 31 December

(€'000)	Notes	2015	2014
Income statement (continued)			
<i>(list form)</i>			
XVII. Exceptional income		513	-
A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets		-	-
B. Write-back of amounts written off on financial fixed assets		-	-
C. Write-back of provisions for exceptional risks and charges		-	-
D. Capital gains on disposal of fixed assets		513	-
E. Other exceptional income	XXV	-	-
XVIII. Exceptional charges		(39)	(3)
A. Exceptional depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets		(38)	-
B. Amounts written off on financial fixed assets		-	-
C. Provisions for extraordinary risks and charges		-	-
D. Capital losses on disposal of fixed assets		(1)	(3)
E. Other exceptional charges	XXV	-	-
XIX. Profit (Loss (-)) for the year before taxes		232,203	187,727
XIX. Bis. Deferred taxes		-	-
A. Transfers to deferred taxes (-)		-	-
B. Transfers from deferred taxes		-	-
XX. Taxes on profit	XXVI	(67,752)	(55,835)
A. Taxes (-)		(68,704)	(56,084)
B. Adjustment of income taxes and write-back of tax provisions		952	249
XXI. Profit (Loss (-)) for the year		164,451	131,892
XXII. Transfers to the non taxable reserve (-)		-	-
XXII. Transfers from the non taxable reserve		-	-
XXIII. Profit (loss (-)) for the year to be appropriated		164,451	131,892

The accompanying Notes form part of these financial statements.

Appropriation and transfer

As at 31 December

(€'000)	2015	2014
Appropriation and transfer		
A. Profit (loss (-)) to be appropriated	654,494	635,403
1. Profit (loss (-)) of the year to be appropriated	164,451	131,892
2. Carried forward profit (loss (-)) of previous financial years	490,043	503,511
B. Transfer from shareholder's equity	-	-
1. From capital and share premium	-	-
2. From reserves	-	-
C. Appropriation to shareholder's equity (-)	-	-
1. To the capital and to the share premium	-	-
2. To the legal reserve	-	-
3. To the other reserves	-	-
D. Carried forward result	(509,489)	(490,043)
1. Carried forward profit (-)	(509,489)	(490,043)
2. Carried forward loss	-	-
E. Shareholders' intervention in the loss	-	-
F. Profit to be distributed (-)	(145,005)	(145,360)
1. Shareholders (a)	(145,005)	(145,360)
2. Directors (a)	-	-
3. Other beneficiaries (a)	-	-

(a) solely in Belgian limited companies

The accompanying Notes form part of these financial statements.

Notes to the stand-alone financial statements

I. Amounts receivable from credit institutions

(Heading III of balance sheet assets)

As at 31 December

(€'000)	2015	2014
<i>(heading III of the assets)</i>		
A. For the heading as a whole	13,484,627	15,937,366
1. Amount receivable from affiliated enterprises	-	-
2. Amount receivable from other enterprises linked by participating interests	-	-
3. Subordinated amounts receivable	-	-
In terms of nature, the following additional analysis is relevant		
- Surplus funds with banks	13,065,021	14,962,946
- Loans to banks	419,606	974,420
	13,484,627	15,937,366
B. Other amounts receivable (with a term or period of notice) from credit institutions	11,650,649	13,521,398
<i>(heading III B. of the assets)</i>	-	-
1. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution	-	-
2. Breakdown according to remaining term to maturity		
- Up to 3 months	11,558,796	13,292,474
- Over 3 months and up to one year	91,853	228,924
- Over one year and up to 5 years	-	-
- Over 5 years	-	-
- Undated	-	-

II. Amounts receivable from customers

(Heading IV of balance sheet assets)

As at 31 December

(€'000)	2015	2014
1. Amounts receivable from affiliated enterprises	364	338
2. Amounts receivable from other enterprises linked by participating interests	-	-
3. Subordinated amounts receivable	-	-
4. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution	-	-
5. Breakdown of amounts receivable according to remaining term to maturity		
a. Up to 3 months	1,546,517	2,581,612
b. Over 3 months and up to one year	2,422,295	1,698,504
c. Over one year and up to 5 years	-	-
d. Over 5 years	-	-
e. Undated	-	-
6. Breakdown according to the nature of the debtors		
a. On public authorities	23	130
b. On individuals	-	-
c. On corporates	3,968,789	4,279,986
7. Breakdown by type		
a. Commercial paper	-	-
b. Leasing loans	-	-
c. Consumer loans	-	-
d. Real estate loans	-	-
e. Other loans superior to 1 year	-	-
f. Other	3,968,812	4,280,116
8. Geographical breakdown (a)		
a. Belgium	10,526	8,023
b. Foreign countries	3,958,286	4,272,093
	3,968,812	4,280,116
9. Analytical data related to real estate loans with reconstitution of capital at the bank		
a. Initial capital granted	-	-
b. Reconstitution fund and mathematical reserve linked to the loans	-	-
c. Net position (a-b)	-	-

(a) The geographical breakdown is made in function of the beneficiaries of the credit.

III. Bonds and other fixed-income securities

(Heading V of balance sheet assets)

As at 31 December

(€'000)	2015	2014
A. General	809,729	1,027,948
1. Bonds and other securities issued by affiliated enterprises	-	-
2. Bonds and other securities issued by other enterprises linked by participating interests	-	-
3. Bonds and securities representing subordinated loans	-	-
4. Geographical breakdown of the following headings		
a. Belgian public issuers	-	203,046
b. Foreign public issuers	566,610	474,814
c. Belgian other issuers	91,101	-
d. Foreign other issuers	152,018	350,088
5. Quotations		
a. Book value listed securities	809,729	1,027,948
b. Market value listed securities	809,061	1,027,289
c. Book value unlisted securities	-	-
6. Quotations and durations		
a. Residual term up to one year	304,052	1,027,948
b. Residual term over one year	505,677	-
7. Bonds and securities belonging to		
a. Trading portfolio	-	-
b. Investment portfolio	809,729	1,027,948
8. For the trading portfolio		
a. Positive difference between the market value and the acquisition value for bonds and securities to be valued at their market value	-	-
b. Positive difference between the market value and the book value for bonds and securities valued in accordance with Article 35 ter §2 (2)	-	-
9. For the investment portfolio		
a. Positive difference in respect of all securities with a redemption value higher than their book value	-	-
b. Negative difference in respect of all securities with a redemption value lower than their book value	14,329	9,198

III. Bonds and other fixed-income securities (continued)

(Heading V of balance sheet assets)

As at 31 December

(€'000)	2015	2014
B. Details of the book value of the investment portfolio		
1. Acquisition value at the end of the previous financial year	1,027,948	655,426
2. Changes during the financial year		
a. Acquisitions	1,475,617	1,039,916
b. Redemptions and disposals	(1,679,623)	(650,000)
c. Adjustments made in accordance with Article 35 ter §4 and 5 (+/-)	(14,213)	(17,394)
3. Acquisition value at the end of the financial year	809,729	1,027,948
4. Transfers between portfolios		
a. From the investment portfolio to the trading portfolio (-)	-	-
b. From the trading portfolio to the investment portfolio (+)	-	-
c. Impacts of these transfers on the result	-	-
5. Write-offs at the end of the previous financial year	-	-
6. Changes during the financial year		
a. Charged	-	-
b. Reserved because of surplus (-)	-	-
c. Cancelled (-)	-	-
d. Transferred from one heading to another (-)	-	-
7. Write-offs at the end of the financial year	-	-
8. Book value at the end of the financial year	809,729	1,027,948

IV. Corporate shares and other variable-income securities

(Heading VI of balance sheet assets)

As at 31 December

(€'000)	2015	2014
A. General information		
1. Geographical breakdown of the issuers of the securities		
a. Belgian issuers	-	-
b. Foreign issuers	-	-
2. Quotations		
a. Book value listed securities	-	-
b. Market value listed securities	-	-
c. Unlisted securities	-	-
3. Shares and securities belonging to the		
a. Trading portfolio	-	-
b. Investment portfolio	-	-
4. For the trading portfolio		
a. Positive difference between the acquisition value and the market value for securities valued at their market value	-	-
b. Positive difference between the market value, when higher, and the book value for securities valued in accordance with Article 35 ter § 2 (2)	-	-

IV. Corporate shares and other variable-income securities (continued)

(Heading VI of balance sheet assets)

As at 31 December

(€'000)	2015	2014
B. Details of the book value of the investment portfolio		
1. Acquisition value at the end of the previous financial year	-	-
2. Changes during the financial year	-	-
a. Acquisitions	-	-
b. Cancelled (-)	-	-
c. Other changes	-	-
3. Acquisition value at the end of the financial year	-	-
4. Transfers between portfolios		
a. From the investment portfolio to the trading portfolio (-)	-	-
b. From the trading portfolio to the investment portfolio (+)	-	-
c. Impact of these transfers on the result	-	-
5. Write-offs at the end of the previous financial year	-	-
6. Changes during the financial year	-	-
a. Charged	-	-
b. Reversed because of surplus (-)	-	-
c. Cancelled (-)	-	-
d. Transferred from one heading to another (+/-)	-	-
7. Write-offs at the end of the financial year	-	-
8. Book value at the end of the financial year	-	-

V. Financial fixed assets

(Heading VII of balance sheet assets)

As at 31 December

(€000)	2015		2014	
	Credit institutions	Other	Credit institutions	Other
A. Breakdown of the headings VII A, B, C, D of the assets				
1. Economic sector of				
a. Participation in affiliated enterprises	-	23,200	-	27,699
b. Participation in other enterprises linked by participating interests	-	-	-	-
c. Other financial assets	-	8,042	-	7,428
d. Subordinated loans with affiliated enterprises and with other associated enterprises	-	-	-	-

(€000)	2015		2014	
	Quoted	Not quoted	Quoted	Not quoted
2. Quotation				
a. Participation in affiliated enterprises	-	23,200	-	27,699
b. Participation in other enterprises linked by participating interests	-	-	-	-
c. Other financial fixed assets	124	7,918	124	7,304
d. Subordinated loans with affiliated enterprises and with other associated enterprises	-	-	-	-

V. Financial fixed assets (continued)

(Heading VII of balance sheet assets)

As at 31 December 2015

(€'000)	Affiliated (VII.A.)	Enterprises Associated (VII.B.)	Other (VII.C.)
B. Details on the book value at the end of the financial year (VII A, B and C of the assets)			
1. Acquisition value at the end of the previous financial year	27,699	-	7,428
2. Changes during the financial year	-	-	-
a. Acquisitions	-	-	614
b. Sales	(4,499)	-	-
c. Transfers from one heading to another (+/-)	-	-	-
3. Acquisition value at the end of the financial year	23,200	-	8,042
4. Revaluation at the end of the previous financial year	-	-	-
5. Changes during the financial year	-	-	-
a. Charged	-	-	-
b. Acquired from third parties	-	-	-
c. Cancelled (-)	-	-	-
d. Transferred from one heading to another(+/-)	-	-	-
6. Revaluation at the end of the financial year	-	-	-
7. Write-offs at the end of the previous financial year	-	-	-
8. Changes during the financial year	-	-	-
a. Charged	-	-	-
b. Reversed because of surplus (-)	-	-	-
c. Acquired from third parties	-	-	-
d. Cancelled (-)	-	-	-
e. Transfers from one heading to another (+/-)	-	-	-
9. Write-offs at the end of the financial year	-	-	-
10. Net book value at the end of the financial year	23,200	-	8,042

V. Financial fixed assets (continued)

(Heading VII of balance sheet assets)

As at 31 December 2015

(€'000)	Affiliated enterprises	Associated enterprises
C. Details of the subordinated loans		
1. Net book value at the end of the previous financial year	-	-
2. Changes during the financial year	-	-
a. Additions	-	-
b. Repayments (-)	-	-
c. Write-off (-)	-	-
d. Write-off taken back	-	-
e. Exchange differences (+/-)	-	-
f. Other change(+/-)	-	-
3. Net book value at the end of the financial year	-	-
4. Cumulated provisions at the end of the financial year	-	-

VI. A. List of affiliated enterprises

As at 31 December 2015

Mentioned hereafter are the enterprises in which the credit institution holds a participation as mentioned in the Royal Decree of 23 September 1992, as well as the other enterprises in which the credit institution holds social rights representing at least 10% of the subscribed equity.

Name, address, VAT or Nat. Id nr	Shareholder's stake				Data from the last available financial statements			
	Type of shares	Number	%	Through subsidiaries %	Financial statements of	Currency	Equity	Net result
Calar Belgium SA/NV 1 Boulevard du Roi Albert II 1210 Brussels, Belgium Registre des sociétés civiles : 1489	Ordinary shares	157,354	100		31/12/2015	€'000	21,329	918
Euroclear Finance 2 SA (liquidated in December 2015) 5, Rue Guillaume Kroll 1882 Luxembourg, Luxembourg RCS Lux: B - 108194	Ordinary shares	0	0		31/12/2015	€'000	-	8

VI. B. List of enterprises for which the credit institution as a shareholder is bearing unlimited liability

As at 31 December 2015

	Name and complete address of the headquarter and for the Belgian enterprises, mention of the VAT number or the national number	Possible code (a)
Code	05	10

(a) *The financial statements of the enterprise:*

- A. *are published by deposit at the National Bank of Belgium by this enterprise;*
- B. *are effectively published by this enterprise in another EU Member State as per Article 3 of the Directive: 68/151/CEE; and*
- C. *are integrated in the global consolidation or by proportional consolidation of the consolidated financial statements of the credit institution controlled and published in agreement with the Royal Decree of 23 September 1992 related to the consolidated accounts of credit institutions*

VII. Formation expenses and intangible fixed assets

(Heading VIII of balance sheet assets)

As at 31 December 2015

(€'000)	2015		
A. Detail of the formation expenses			
1. Net book value at the end of the previous financial year			-
2. Changes during the financial year			-
a. New expenses incurred			-
b. Depreciation			-
c. Other changes			-
3. Net book value at the end of the financial year			-
4. Including			
a. Formation and capital - increased expenses or issuing expenses for loans and other start-up expenses			-
b. Reorganisation expenses			-
B. Intangible fixed assets			
(€'000)	Goodwill	Other intangible fixed assets	Commissions for the operations of art 27 Bis
1. Acquisition value at the end of the previous financial year	-	37,886	-
2. Changes during the financial year	-	54	-
a. Acquisitions including production of fixed assets	-	54	-
b. Transfers and disposals (-)	-	-	-
c. Transfers from one heading to another(-)	-	-	-
3. Acquisition value at the end of the financial year	-	37,940	-
4. Depreciation and amounts written off at the end of the previous financial year	-	37,874	-
5. Changes during the financial year	-	53	-
a. Charged	-	3	-
b. Reversed because of surplus (-)	-	-	-
c. Acquired from third parties	-	-	-
d. Cancelled (-)	-	-	-
e. Transferred from one heading to another (+/-)	-	50	-
6. Depreciation and amounts written off at the end of the financial year	-	37,927	-
7. Net book value at the end of the financial year	-	13	-

VIII. Tangible fixed assets

(Heading IX of balance sheet assets)

As at 31 December 2015

(€'000)	Land and buildings	Installations, machines and tools	Furniture, fixtures and vehicles	Leasing and similar rights	Other tangible fixed assets	Fixed assets under construction and advance payments
1. Acquisition value at the end of the previous financial year	-	2,448	1,384	-	4,021	-
2. Changes during the financial year	-	310	15	-	347	-
a. Acquisitions including own production of fixed assets	-	317	97	-	351	-
b. Transfers and disposals (-)	-	(7)	(82)	-	(4)	-
c. Transfers from one heading to another (+/-)	-	-	-	-	-	-
3. Acquisition value at the end of the financial year	-	2,758	1,399	-	4,368	-
4. Revaluations at the end of the previous financial year	-	-	-	-	-	-
5. Changes during the financial year	-	-	-	-	-	-
a. Recorded	-	-	-	-	-	-
b. Acquired from third parties	-	-	-	-	-	-
c. Cancelled (-)	-	-	-	-	-	-
d. Transferred from one heading to another (+/-)	-	-	-	-	-	-
6. Revaluations at the end of the financial year	-	-	-	-	-	-
7. Depreciation and amounts written-off at the end of the previous financial year	-	1,535	634	-	1,846	-
8. Changes during the financial year	-	496	125	-	891	-
a. Charged	-	440	161	-	805	-
b. Reversed because of surplus (-)	-	-	-	-	-	-
c. Acquired from third parties	-	-	-	-	-	-
d. Cancelled (-)	-	(6)	(52)	-	(4)	-
e. Transferred from one heading to another (+/-)	-	62	16	-	90	-
9. Depreciation and amounts written-off at the end of the financial year	-	2,031	759	-	2,737	-
10. Net book value at the end of the financial year	-	727	640	-	1,631	-

IX. Other assets

(Heading XI of balance sheet assets)

As at 31 December

(€'000)	2015	2014
Breakdown of this caption if it represents an important amount		
a. VAT & WHT to recover	11,352	14,504
b. Guarantee deposits	4,017	3,561
c. Tax assets	-	-
d. Miscellaneous	396	714
	15,765	18,779

X. Deferred charges and accrued income

(Heading XII of balance sheet assets)

As at 31 December

(€'000)	2015	2014
1. Deferred charges	2,514	2,416
2. Accrued income	97,183	105,367
	99,697	107,783

X.bis Re-use of funds of segregated customers

(Heading XII of balance sheet)

As at 31 December

(€'000)	2015	2014
1. Total amount	-	-

XI. Amounts payable to credit institutions

(Heading I of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
1. For the heading as a whole, amounts payable to affiliated enterprises	-	14,210
2. For the heading as a whole, amounts payable to other enterprises linked by participating interests	-	-
3. Breakdown of the amounts payable other than at sight according to their residual term (heading I.B and C of the liabilities)		
a. Up to three months	405,518	1,668,882
b. Over three months and up to one year	-	-
c. Over one year and up to five years	-	-
d. Over five years	-	-
e. Undated	-	-
	405,518	1,668,882

XII. Amounts payable to customers

(Heading II of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
1. Amounts payable to affiliated enterprises	2,420	3,009
2. Amounts payable to other enterprises linked by participating interests	-	-
3. Breakdown by residual term		
a. At sight	5,001,733	3,799,253
b. Up to 3 months	87,745	89,081
c. Over 3 months and up to one year	15,500	360
d. Over one year and up to 5 years	-	-
e. Over 5 years	-	-
f. Undated	-	-
4. Breakdown of the debts according to the nature of the debtors		
a. Debts on public authorities	45,226	3,353
b. Debts on individuals	-	-
c. Debts on corporates	5,059,752	3,885,341
5. Geographical breakdown of the amounts payable to		
a. Belgium	95,592	72,120
b. Foreign countries	5,009,386	3,816,574
	5,104,978	3,888,694

Amounts payable to credit institutions and customers (headings I and II of balance sheet liabilities) include an amount of 3,726,977,000 €-equivalent of deposits blocked pursuant to applicable international sanctions measures.

XIII. Debt securities in issue

(Heading III of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
1. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable to affiliated enterprises	-	-
2. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable to other enterprises linked by participating interests	-	-
3. Breakdown according to the residual term		
a. Up to 3 months	-	-
b. Over 3 months and up to one year	-	-
c. Over one year and up to 5 years	-	-
d. Over 5 years	-	-
e. Undated	-	-
	-	-

XIV. Other amounts payable

(Heading IV of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
1. Fiscal and social debts towards the fiscal administration	59,728	59,383
a. Overdue	-	-
b. Not overdue	59,728	59,383
2. Fiscal and social debts towards the social security authorities	3,817	3,363
a. Overdue	-	-
b. Not overdue	3,817	3,363
3. Taxes		
a. Payable	119	27,193
b. Estimated	59,609	32,190
4. Other debts		
Breakdown of this caption if it represents an important amount		
Dividend	44,982	45,336
Payroll (other than social security)	36,906	42,478
Other payable	14,140	9,710

XV. Accrued charged and deferred income

(Heading V of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
1. Accrued charges	80,905	78,906
2. Deferred income	633	879
	81,538	79,784

XVI. Provisions for risks and charges

(Heading VI.A.3 of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
Breakdown of this heading if it represents an important amount		
Onerous contracts	-	403
Dilapidation costs	131	117
Taxes	4,518	4,700
	4,649	5,220

XVII. Statement of subordinated liabilities

(Heading VIII of balance sheet liabilities)

As at 31 December

(€'000)	2015	2014
1. Debts to affiliated enterprises	-	102,505
2. Debts to other enterprises linked by participating interest	-	-
3. Charges in respect of subordinated debts	2,043	4,384

4. Details of subordinated debt are as follows:

N° Ref.	Currency	Amount	Maturity date	A) Circumstances for early redemption B) Conditions for subordination C) Conditions for convertibility
1	EUR	102,600	Undated issue	A) On demand of the issuer with a notice period of 30 to 60 days, at each interest payment date as from 15 June 2015. B) Payment after all preferred creditors, equally with other subordinated obligations, before shareholders, if the guarantor is solvent. C) Not convertible

The Fixed/Floating Rate Subordinated Guaranteed Non-Cumulative Perpetual Securities listed above were denominated in euro and were issued at par by Euroclear Finance 2 in June 2005 (principal amount of €300,000,000). The proceeds of the issue and the €4,500,000 capital of Euroclear Finance 2 were lent to Euroclear Bank through the full subscription of Fixed/Floating Rate Subordinated Perpetual Notes (principal amount of €304,500,000, net of €2,600,000 of issue costs) issued by Euroclear Bank. These notes provide Upper Tier II regulatory capital to Euroclear Bank on a stand-alone basis, whereas the securities provide Hybrid Tier I regulatory capital to Euroclear Bank on a consolidated basis.

Euroclear Bank has exercised on 15 June 2015 the optional redemption rights of the Bank on all of its Upper Tier 2 note with Euroclear Finance 2 at the base redemption price.

XVIII. Shareholders' capital

As at 31 December 2015

	Amounts (€'000)	Number of shares
1. Capital		
a. Subscribed capital <i>(heading IX. A. of the liabilities)</i>		
- At the end of the last financial year	285,497	70,838
- Subscribed capital changes throughout the exercise	-	-
- At the end of the financial year	285,497	70,838
b. Structure of capital		
- Categories of shares		
* Ordinary shares	285,497	70,838
- Registered or bearer shares		
* Registered	xxxxxxxxxxxxxx	70,838
* Bearer	xxxxxxxxxxxxxx	-
	Uncalled capital	Called up capital, unpaid
2. Called up but unpaid capital		
a. Shareholders still owing capital payment	-	-
	Capital amount held	Corresponding number of shares
3. Own shares held		
a. By the credit institution	-	-
b. By its subsidiaries	-	-
4. Share issuance commitment		
a. Following the exercise of conversion rights		
- Amount of convertible loans outstanding	-	-
- Amount of capital to be subscribed	-	-
- Corresponding maximum number of shares to issue	-	-
b. Following the exercise of subscription rights		
- Number of subscription rights outstanding	-	-
- Capital amount to be subscribed	-	-
- Corresponding maximum number of shares to issue	-	-
5. Non-subscribed authorised capital	-	-
	Number of stakes	Number of voices related to
6. Shares not representing capital		
Which are		
a. Held by the credit institution	-	-
b. Held by its subsidiaries	-	-

XIX. Breakdown of total assets and total liabilities in euros and foreign currencies

As at 31 December 2015

(€'000)	In euros	In foreign currencies (euro equivalent)
Total assets	8,087,394	11,668,970
Total liabilities	7,259,697	12,496,667

XX. Trustee operations referred to in Article 27ter, § 1 paragraph 3

As at 31 December

(€'000)	2015
Concerned headings of the assets and liabilities	

XXI. Guaranteed liabilities and commitments

As at 31 December 2015

Secured guarantees provided or irrevocably promised by the credit institution on its own assets

(€'000)	Mortgages (a)	Pledging of goodwill (b)	Pledges on other assets (c)	Guarantees established on future assets (d)
1. As security for liabilities and commitments of the credit institution				
a. Headings of the liabilities				
b. Off-balance sheet headings				
- Guarantee w ith the National Bank of Belgium	-	-	2,112,278	-
- Guarantee w ith credit institutions	-	-	35,927	-
2. As security for liabilities and commitments of third parties				
a. Headings of the liabilities				
b. Off-balance sheet headings				

(a): Amount registered or book value of the real estate encumbered if the latter is lower

(b): Amount registered

(c): Book value of the assets pledged

(d): Amount of the assets in question

Investment securities with a book value of € 2,112,278,000 (2014: € 3,535,439,000) have been deposited with the National Bank of Belgium as potential collateral for TARGET2-related exposures. There was an exposure amounting to €7,889,000 at 31 December 2015 (2014: €840,651,000)

XXII. Statement of the contingent liabilities and of commitments which can give rise to a credit risk

(Heading I and II of the off-balance sheet)

As at 31 December

(€'000)	2015	2014
Total of contingent liabilities on account of affiliated enterprises	-	98,100
Total of contingent liabilities on account of other enterprises linked by participating interests	-	-
Total of the commitments to affiliated enterprises	-	-
Total of the commitments to other enterprises linked by participating interests	-	-

XXIII. Details concerning the results of the current and previous financial year

(Headings I through XV of the profit and loss accounts)

As at 31 December

(€'000)	2015		2014	
	Belgian entities	Entities abroad	Belgian entities	Entities abroad
1. Breakdown of operating income according to origin				
a. Interests and similar income	148,961	39	124,070	36
b. Income from variable-income securities				
- Corporate shares and other variable-income securities	-	-	-	-
- Participation in affiliated enterprises	-	-	1,007	-
- Participation in other enterprises linked by participating interests	-	-	-	-
- Participating interests and shares representing financial fixed assets	39	-	218	-
c. Commissions received	977,219	-	916,023	-
d. Profit from financial operations				
- From exchange transactions and transactions in securities and other financial instruments	3,695	76	634	213
- From sale of investment securities	-	-	606	-
e. Other operating income	4,558	138	5,908	142

XXIII. Details concerning the results of the current and previous financial year (continued)

(Headings I through XV of the profit and loss accounts)

As at 31 December

(€'000)	2015	2014
2. Workers registered		
a. Total number of workers at the end of the financial year	1,672	1,542
b. Average number registered as full-time equivalent	1,574	1,467
- Management	243	224
- Employees	1,331	1,243
- Manual workers	-	-
- Other	-	-
c. Number of hours worked	2,394,988	2,191,257
3. Social charges		
a. Wages and direct social advantages	92,490	87,787
b. Social insurance paid by the employer	20,403	19,741
c. Employer premiums for extra legal insurance	1,911	1,467
d. Other	4,578	3,883
e. Pensions	354	7,520
	119,736	120,398
4. Provisions for pensions		
a. Additions (+)	400	137
b. Write-backs (-)	(224)	(140)
	176	(3)
5. Other operating income		
a. Breakdown of the heading XIV if they represent an important amount		
.....		
.....		
.....		
6. Other operating charges		
(heading XV of the profit and loss account)		
a. Taxes	5,859	5,881
b. Other operating charges	31,380	31,520
c. Breakdown of the other operating charges if they represent an important amount		
- Other operating charges	5,702	7,918
- Licence fees	25,678	23,602
	37,239	37,401
7. Operating results linked to affiliated enterprises		
a. Revenues	11,261	9,832
b. Expenses	346,757	333,741

XXIV. Forward off-balance sheet operations in securities, foreign currencies and other financial instruments which do not constitute commitments which can give rise to a credit risk within the meaning of heading II of the off-balance sheet

As at 31 December 2015

(€'000)	Amount at 31 December 2015	Of which transactions do not constitute hedging transactions
A. Types of operations		
1. On transferable securities		
a. Forward purchases and sales of transferable securities and negotiable instruments	-	-
2. On currencies (a)		
a. Forward exchange operations	1,398,117	-
b. Interest-rate and currency swaps	-	-
c. Currency futures	-	-
d. Currency options	-	-
e. Forward exchange rate contracts	-	-
3. On other financial instruments		
a. On interests (b)		
- Interest-rate swaps	-	-
- Interest-rate futures	-	-
- Forward interest-rate contracts	-	-
- Interest-rate options	-	-
b. Other forward purchases and sales (c)		
- Other option contracts	-	-
- Other futures operations	-	-
- Other forward purchases and sales	-	-
	1,398,117	-

(a) Amounts to be delivered

(b) Nominal/notional reference amount

(c) Agreed buying/selling price

Estimation of the impact on the results of the derogation to the valuation rule defined under Article 36 Bis, § 2, granted by the Belgian Banking and Finance Commission, concerning interest-rate derivatives.

(€'000)	Amount at 31 December 2015 (a)	Difference between market value and book value (b)
B. Type of interest-rate derivative		
1. For the purposes of treasury management	-	-
2. For the purposes of asset and liability management	-	-
3. Without effect on risk reduction	-	-

(a) Notional amount

(b) Positive fair value (Negative fair value)

XXV. Exceptional results

(Heading XVII.E and XVIII.E of the profit and loss accounts)

As at 31 December

(€'000)	2015	2014
1. Realised gain on disposal of fixed assets to affiliated enterprises	-	-
2. Realised loss on disposals of fixed assets to affiliated enterprises	-	-
3. Breakdown of the heading if it represents an important amount (heading XVII. E. of the income statement)		
.....		
.....		
4. Other exceptional charges - Breakdown of the heading if it represents an important amount (heading XVIII. E. of the income statement)		
.....		
.....		

XXVI. Income taxes

(Heading XX of the profit and loss accounts)

As at 31 December

(€'000)	2015	2014
1. Income tax for the year	68,598	55,986
a. Taxes or withholding taxes paid or due	8,989	23,796
b. Taxes or withholding taxes receivable booked as an asset	-	-
c. Additional estimated tax (brought to heading IV . B. of the liabilities) as fiscal debts	59,609	32,190
2. Income taxes on previous financial years	(846)	(151)
a. Additional taxes or withholding taxes	(846)	(151)
b. Additional estimated taxes (brought to the heading IV of the liabilities) or provisioned (brought to heading VI A.2. of the liabilities)	-	-
	67,752	55,835
3. Sources of the differences between accounting profit and tax profit		
With particular mention of those related to timing differences (if the impact on the corporate profit is significant)		
- Non-deductible expenses	4,091	3,768
- Taxable provisions	971	10,423
- Notional interest	(22,500)	(36,180)
- RDT	(502)	(1,164)
4. Impact on the extraordinary results of the taxes on the result of the year		
.....		
.....		
.....		
5. Sources of deferred taxes (where those indications are important for the valuation of the credit institution)		
a. Deferred tax assets		
- Cumulated tax losses, future deductible taxed benefits	-	-
b. Deferred tax liabilities	-	-
.....		

XXVII. Other taxes and taxes at the charges of third parties

As at 31 December

(€'000)	2015	2014
1. VAT charged and special taxes		
a. To the credit institution (deductible)	136,976	129,670
b. By the credit institution	13,564	11,721
2. Taxes withheld		
a. Personal income tax withheld	18,838	18,352
b. Withholding tax on financial revenue	1	14

XXVIII. Off-balance sheet rights and commitments and transactions with related parties

As at 31 December

(€'000)	2015	2014
1. Major commitments for the acquisition of fixed assets		
.....		
.....		
.....		
2. Major commitments for the sale of fixed assets		
.....		
.....		
.....		
3. Important legal proceedings and other important commitments	-	-
.....		
.....		
4. If necessary, brief description of the commitments relating to the supplementary retirement benefit plan for the benefit of employees and directors		
5. Retirement benefits which are the responsibility of the credit institution		
- Estimated amount of engagement for the credit institution for services already carried out	-	-
- Method of this estimation	-	-
6. Nature and business purpose of off-balance sheet operations	78,514	53,955
To the extent that the risks and advantages related to those operations are significant and that the disclosure of those risks and rewards is necessary for the correct assessment of the financial situation of the institution		
The commitment of Euroclear Bank towards Euroclear SA/NV as of 31 December 2015 amounts to €78,514,000 and corresponds to the development costs related to infrastructure and innovation projects currently under development or already launched that Euroclear SA/NV, as owner, will charge out in future years.		
.....		
.....		
7. Transactions with related parties not carried out at arm's length	-	-
Disclosure of such transactions to the extent that they are significant, including their amount, the nature of the links with the related party, as well as any other information on the transactions which would be necessary for a better understanding of the financial situation of the institution		
.....		
NIHIL		
.....		

XXIX. Financial relations with

As at 31 December

(€'000)	2015	2014
A. Directors and managers, individuals or corporate bodies who control the credit institution directly or indirectly, but who are not affiliated enterprises or other enterprises controlled directly or indirectly by those persons		
1. Amounts receivable from them		
a. Main conditions concerning amounts receivable	-	-
2. Amount of guarantees given on their behalf		
a. Main conditions concerning guarantees given on their behalf	-	-
3. Other significant commitments undertaken in their favour		
a. Main conditions concerning other commitments	-	-
4. The amount of direct and indirect remuneration and pensions included in the income statement, as long as this disclosure does not concern exclusively or mainly the situation of a single identifiable person		
a. To directors and managers	1,728	2,266
b. To past directors and past managers	-	-
B. The auditor(s) and person(s) to whom he (they) is (are) linked		
1. Audit fees	357	336
2. Non-statutory audit services		
a. Other assurance services	180	180
b. Tax services	-	-
c. Other services	-	-
3. Non-statutory audit services performed by individuals related to the statutory auditor		
a. Other assurance services	-	-
b. Tax services	-	-
c. Other services	-	-
4. Notices in application of alinea 133, paragraph 6 of the Belgian Company Code		
	537	516

Euroclear Bank ensures that the independence of the external auditor is preserved through a specific policy adopted by the Board and agreed to by PwC. This policy adheres to the highest standards of independence. The engagement of the external auditor for non-core services is subject to specific controls, supervised by the Audit Committee.

XXX. Positions in financial instruments

As at 31 December

(€'000)	2015	2014
1. Financial instruments to be received on behalf of customers	-	-
2. Financial instruments to be delivered to customers	-	-
3. Financial instruments deposited by customers	9,475,167,856	8,914,087,269
4. Financial instruments from customers deposited	12,550,388,614	12,080,967,520
5. Financial instruments from customers received in guarantee	3,075,588,064	3,166,880,251
6. Financial instruments from customers given in guarantee	367,306	-

XXXI. Derivative financial instruments not estimated at fair value

As at 31 December

(€'000)	2015	2014
Estimation of the fair value of every category of derivative financial instruments not estimated at fair value in the financial statements, with indications of the nature and volumes of such instruments		
a. Foreign exchange options	-	-
b. Forward foreign exchange	1,538	(425)
c. Interest rate derivatives	-	-

XXXII. Statement relative to the consolidated accounts

As at 31 December 2015

Declaration related to consolidated accountsA. Information to be completed by all the credit institutions

The credit institution establishes and publishes consolidated accounts and a consolidated management report in accordance with the Royal Decree of 23 September 1992 relating to the consolidated accounts of credit institutions: ~~YES~~ / NO¹

The credit institution does not establish consolidated accounts or a management report for one of the following reasons¹:

- ~~• the credit institution does not control, solely or jointly, one or more subsidiaries under Belgian or foreign law~~
- ~~• the credit institution, however, submitted to the Royal Decree of 23 September 1992, is exempted to establish consolidated accounts and a consolidated management report because the credit institution is a subsidiary of a mother company that establishes and publishes consolidated accounts (Article 4 of the Royal Decree of 23 September 1992):~~
 - ~~◦ justification of the respect of the provisions set out Article 4~~
 - ~~◦ name, complete address of the headquarter company and, if it concerns a Belgian legal entity, the VAT number or the national number of the mother company that establishes and publishes the consolidated accounts in the name of which the exemption is authorised~~
- the credit institution only controls subsidiaries which are, both individually and on a combined basis, insignificant for providing a true and fair view on the consolidated financial statements.

B. Information to be completed by the credit institution if a subsidiary or a joint subsidiary

Name, complete address of the headquarter and, if it concerns a Belgian legal entity, the VAT number or the national number of the mother company and mention if this mother company establishes and publishes consolidated accounts in which the credit institution accounts are integrated by the consolidation²:

Ultimate parent

Euroclear plc
33 Cannon Street
London EC4M 5SB
United Kingdom

Immediate parent

Euroclear SA/NV
1 Boulevard du Roi Albert II
1210 Brussels
Belgium
BE 423.747.369

If the mother company is under foreign law, place where the above-mentioned consolidated accounts can be obtained²:

Euroclear plc
Baarematte
6340 Baar
Switzerland

Euroclear SA/NV
1 Boulevard du Roi Albert II
1210 Brussels
Belgium
BE 423.747.369

¹ Delete as appropriate

² If the accounts of the institution are consolidated at several levels, the indications are given on the one hand for the biggest consolidation scope and on the other hand, for the smallest consolidation scope to which the institution belongs as a subsidiary, and for which consolidated accounts are prepared and published

Staff survey

As at 31 December 2015

Social security number : 30/01186583-53

Number of the social consulting committees governing the Company: 310

I. Details of staff employed

A. Staff under contract

	Total	1. Men	2. Women
1. During the financial year			
a. Average number of staff			
- Full-time	883	379	504
- Part-time	179	17	162
- Total full-time equivalents (FTE)	1,022	392	630
b. Effective hours worked			
- Full-time	1,220,579	548,624	671,955
- Part-time	188,389	17,526	170,863
- Total	1,408,968	566,150	842,818
c. Personnel expenses (€'000)			
- Full-time	68,793	32,821	35,972
- Part-time	11,849	1,104	10,745
- Total	80,642	33,925	46,717
d. Benefits in addition to wages (€'000)	1,130	442	688
	P. Total	1P. Men	2P. Women
2. During the previous financial year			
a. Average number of staff	1,062	406	656
b. Effective hours worked	1,435,134	576,692	858,442
c. Personnel expenses (€'000)	81,053	34,036	47,017
d. Benefits in addition to wages (€'000)	1,182	465	717

Staff survey (continued)

As at 31 December 2015

	Full-time	Part-time	Total (T) or total full-time equivalents (FTE)
3. At the end of the financial year			
a. Number of staff in the personnel register	875	187	1,020
b. Breakdown by type of employment contract			
- Contract of unlimited duration	814	187	959
- Contract of limited duration	61	-	61
- One-job contract	-	-	-
- Interim substitution contract	-	-	-
c. Breakdown by sex and school degree			
- Men	377	17	390
Primary school	-	-	-
Secondary school	33	5	37
Higher non-academic degree	124	6	129
Academic degree	220	6	224
- Women	498	170	630
Primary school	-	-	-
Secondary school	59	19	74
Higher non-academic degree	142	56	185
Academic degree	297	95	371
d. Breakdown by professional occupation			
- Management	151	36	181
- Employees	724	151	839
- Manual workers	-	-	-
- Other	-	-	-

B. Hired staff and staff put at disposal of the Company

	Hired personnel	Personnel put at disposal
1. Average number of people	1	-
2. Effective hours worked	387	-
3. Expenses incurred by the Company (€'000)	37	-

Staff survey (continued)

As at 31 December 2015

II. Evolution of staff numbers during the financial year

	1. Full-time	2. Part-time	3. Total full-time equivalents
A. New employment contracts			
1. Number of staff engaged during the financial year	78	1	79
2. Breakdown by type of employment contract			
a. Contract of undefined duration	25	1	26
b. Contract of defined duration	53	-	53
c. One-job contract	-	-	-
d. Interim substitution contract	-	-	-
B. Employment contracts terminated			
1. Number of employment contracts terminated during the financial year	90	10	98
2. Breakdown by type of employment contract			
a. Contract of undefined duration	75	10	83
b. Contract of defined duration	15	-	15
c. One-job contract	-	-	-
d. Interim substitution contracts	-	-	-
3. Breakdown by motive for the termination of the contract			
a. Retirement	4	-	4
b. Early retirement	6	2	7
c. Dismissal	4	2	6
d. Other reason	76	6	81
- Of which the number of staff that continues to provide services to the Company as an independent on at least a half-time basis	-	-	-

Staff survey (continued)

As at 31 December 2015

III. Staff participating in training programmes

(€'000)	Men	Women
1. Continued training initiatives with a formal character at the expense of the Company		
a. Number of staff involved	285	478
b. Number of training hours	6,249	10,196
c. Expenses incurred by the Company (€'000)	1,286	2,097
- of which gross charges directly linked to training	1,275	2,081
- of which contributions paid to collective funds	11	16
- of which subsidies and other financial advantages received	-	-
2. Continued training initiatives with less formal or informal character at the expense of the Company		
a. Number of staff involved	36	43
b. Number of training hours	108	129
c. Expenses incurred by the Company (€'000)	4	5
3. Initial training initiatives at the expense of the Company		
a. Number of staff involved	-	-
b. Number of training hours	-	-
c. Expenses incurred by the Company	-	-

Complementary Information

As at 31 December 2015

I. Pension Plan

The group, which adopted IAS 19 in 2006, has a wide range of defined-benefit pension plans and medical plans covering employees in Belgium.

The assets of the plans are held separately from those of the group.

The most recent full actuarial valuations of the plans, under IFRS (IAS 19), were made by independent qualified professional actuaries as of 31 December 2015.

Funding levels are monitored on an annual basis and contributions are made to comply with minimum requirements as determined by local regulations and, if applicable, internal funding policy. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The pension cost in 2015, computed in accordance with IAS 19 (taking into account, for example, projected salary increases and inflation up to the time of retirement) amounted to €5,307,000 (2014: €4,431,000) and was fully expensed in the current year. The contribution, reflecting employers' contributions for funded plans and benefit disbursements for unfunded plans, amounted to €2,854,000 (2014: €545,000). The actuarial valuation at 31 December 2015, also computed in accordance with IAS 19, showed a deficit of €14,217,000 (2014: €16,705,000).

The deficit is detailed as follows:

(€'000)	2015	2014
1. Balance at 1 January	(16,705)	(9,809)
2. Movements		
a. Contributions	2,854	545
b. Service cost	(4,991)	(4,121)
c. Interest cost	(316)	(310)
d. Foreign currency difference	(112)	4
e. Actuarial gains / (losses)	5,053	(3,014)
3. Balance at 31 December	(14,217)	(16,705)

The major assumptions used by the actuaries in their valuation were:

(€'000)	2015	2014
Discount rate	2.18%	2.09%
Expected inflation rate	1.70%	1.70%
Future salary increases	3.00%	3.00%
Expected medical cost trend rate	3.20%	3.70%

The above percentages are weighted averages of the assumptions used for individual plans.

The value of assets in the plans and the expected rates of return were:

(€'000)	2015	2014
Value of assets		
Equities	31,793	30,519
Bonds	21,195	20,347
Total market value of assets	52,988	50,866

II. Additional clarification on staff survey

In accordance with the applicable regulations, please note that the population reflected in the staff survey does not agree with the figures presented in Note XXIII of the financial statements. The reason is that the latter present figures related to the legal entity, i.e. including its foreign branches, whereas the former exclusively shows figures associated with the headquarters in Belgium.

III. Country by country reporting

As per relevant regulations, the country by country reporting includes all the entities in the scope of consolidation of Euroclear Bank. Figures in the below table do hence differ from these statutory financial statements due to the contribution of Euroclear Bank's subsidiaries.

The reportable country segments are as follows:

- Belgium includes Euroclear Bank and Calar Belgium SA/NV (property investment);
- Hong Kong includes Euroclear Bank's Hong Kong branch (operational support to ICSD);
- Luxembourg includes Euroclear Finance 2 SA (financing vehicle);
- Poland includes Euroclear Bank's Polish branch (operational support to ICSD);

(€'000)	2015					Group
	Belgium	Hong Kong	Luxemburg	Poland	Eliminations	
Turnover	1,127,487	593	2,011	(245)	(2,011)	1,127,835
Other income	12,197	17,828	-	35,883	(55,051)	10,857
Charges	(928,406)	(16,357)	(2,002)	(21,243)	57,062	(910,946)
Profit before tax	211,278	2,064	9	14,395	-	227,746
Tax on profit and loss	(64,270)	(261)	(1)	(2,815)	-	(67,347)
Profit after tax	147,008	1,803	8	11,580	-	160,399
Average number of employees (FTE)	1,091	123	-	360	-	1,574
Subsidies	1,071	-	-	-	-	1,071

(€'000)	2014					Group
	Belgium	Hong Kong	Luxemburg	Poland	Eliminations	
Turnover	1,038,137	344	4,357	(123)	(4,357)	1,038,358
Other income	14,073	12,661	-	22,891	(36,191)	13,434
Charges	(870,132)	(11,423)	(4,237)	(15,498)	40,548	(860,742)
Profit before tax	182,078	1,582	120	7,270	-	191,050
Tax on profit and loss	(49,886)	(204)	(35)	(1,442)	-	(51,567)
Profit after tax	132,192	1,378	85	5,828	-	139,483
Average number of employees (FTE)	1,125	106	-	236	-	1,467
Subsidies	2,390	-	-	142	-	2,532

Valuation rules

As at 31 December 2015

The financial statements of Euroclear Bank SA/NV and its subsidiary undertakings are made up as at, and for the period ending, 31 December. The valuation rules used to draw up the group's accounts and the stand-alone accounts of Euroclear Bank have been prepared in accordance with the Royal Decree of 23 September 1992 ('the Royal Decree'), relating to the annual accounts of credit institutions.

This document contains the specification of the valuation rules in a number of areas, where the Royal Decree allows alternative treatments, where significant management estimates are required, or which are very significant areas in the financial statements.

Those areas are:

- a) Income and expenditure recognition
- b) Provisions for bad and doubtful debts
- c) Provisions for liabilities and charges
- d) Leasing
- e) Intangible fixed assets
- f) Tangible fixed assets
- g) Subsidiary undertakings
- h) Debt securities and equity shares
- i) Sale and repurchase transactions
- j) Pensions and other post-retirement benefits
- k) Derivatives and other financial instruments
- l) Foreign currencies
- m) Fund for general banking risks

a] Income and expenditure recognition

Interest income is recognised in the profit and loss account as it accrues.

Dividend income is recognised in the profit and loss account when received.

Fees receivable, which represent a return for services provided, are credited to income when the related service is performed.

Fees receivable, which represent a return for credit risk borne or which are in the nature of interest, are taken to the profit and loss account over the period of the loan, or on a systematic basis over the expected life of the transaction to which they relate.

Expenditure is accounted for on an accrual basis.

b] Provisions for bad and doubtful debts

Specific provisions are made against advances when, in the opinion of the directors, credit risks or economic or political factors make recovery doubtful. The need to adjust provisions is reviewed regularly in the light of actual experience. The provisions which are made during the year (less amounts released and recoveries of bad debts previously written off) are charged against operating profit. Bad debts are written off in part or in whole when a loss has been confirmed.

c] Provisions for liabilities and charges

Specific provisions are recognised where there is a present obligation arising from a past event, there is a probable outflow of resources, and the outflow can be estimated reliably.

d] Leasing

Contracts to lease assets are classified as finance leases where they transfer substantially all the risks and rewards of ownership of the asset to the customer. Contracts not deemed to be finance leases are treated as operating leases.

Rentals payable and receivable under operating leases are accounted for on the straight-line basis over the period of the lease.

e] Intangible fixed assets

Intangible fixed assets are amortised in equal instalments over their estimated useful lives.

f] Tangible fixed assets

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives as follows:

- Leasehold improvements: shorter of economic life and period of lease
- Data processing and communications equipment: 2 to 5 years
- Furniture and fixtures: 7 years

g] Subsidiary undertakings

Investments in Euroclear Bank's subsidiary undertakings are stated in the parent company's stand-alone accounts at cost less dividends received from pre-acquisition reserves and any impairment in value.

h] Debt securities and equity shares

Securities and shares intended for use on a continuing basis in the group's activities are classified as investment securities and are stated at cost less provision for any impairment in value. The carrying value of investment securities is adjusted over the period to maturity to allow for the amortisation of premiums or discounts on an actuarial basis. Such amortisation is included in interest receivable.

Valuation rules (continued)

As at 31 December 2015

ij) Sale and repurchase transactions

Securities that have been sold with an agreement to repurchase continue to be shown on the balance sheet and the sale proceeds recorded as a deposit. Securities acquired in reverse repurchase transactions are not recognised in the balance sheet and the purchase price is treated as a loan. The difference between the sale price and repurchase price is accrued evenly over the life of the transaction and charged or credited to the profit and loss account as interest payable or receivable.

jj) Pensions and other post-retirement benefits

The Company operates a number of post-retirement benefit schemes for its employees, including both defined contribution and defined benefit pension plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient funds to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the income statement in the period in which they occur.

Past service cost is recognised immediately in the profit and loss account.

The costs of defined contribution plans are charged to the income statement in the period in which they fall due.

The Company provides post-retirement healthcare benefits to their retirees. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are charged or credited to the income statement. These obligations are valued annually by independent qualified actuaries.

kj) Derivatives and other financial instruments

Transactions are undertaken in derivative financial instruments (derivatives) for hedging purposes, which include interest rate swaps, futures, options and similar instruments. A derivative is designated as non-trading as there is an offset between the effects of potential movements in market rates on the derivative and the designated non-trading asset, liability or position being hedged. Non-trading derivatives are reviewed regularly for their effectiveness as hedges.

Under a derogation granted by the Belgian Banking and Finance Commission to Article 36 bis, § 2 of the Royal Decree of 23 September 1992, derivatives entered into for the purposes of asset and liability management can be accounted for as hedges.

Non-trading derivatives are accounted for on an accruals basis, consistent with the assets, liabilities or positions being hedged. Income and expense on non-trading derivatives are recognised as they accrue over the life of the instruments as an adjustment to the income or expense of the hedged item.

Where a non-trading derivative no longer represents a hedge because either the underlying non-trading asset, liability or position has been derecognised, or the effectiveness of the hedge has been undermined, it is restated at fair value and any change in value is taken directly to the profit and loss account and reported within 'Profit from (loss on) financial operations'. Thereafter, the derivative is classified as a trading instrument and accounted for accordingly.

In other circumstances, where non-trading derivatives are terminated, any resulting gains and losses are amortised over the remaining life of the hedged asset, liability or position. Unamortised gains and losses are reported within 'Other assets' and 'Other liabilities' on the balance sheet.

Derivatives hedging anticipatory transactions are accounted for on a basis consistent with the relevant type of transaction. i.e. gains and losses are not recognised until the period the anticipated transactions occur. When anticipatory transactions do not actually occur, related derivatives are restated at fair value and changes in value are taken directly to the profit and loss account and reported within 'Profit from (loss on) financial operations'.

lj) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into euros at rates prevailing at the balance sheet date. Profit and loss amounts in foreign currencies are translated into euros at the rates prevailing on the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies are translated into euros at historical exchange rates.

Spot foreign exchange contracts are translated into euros at market rates and the resulting gains or losses are taken into the profit and loss account.

The results of branches in foreign currencies are translated at average exchange rates for the year. Exchange differences arising on consolidation of the Company's branches are taken to the profit and loss account.

mj) Fund for general banking risks

Additions to, and the uses of, a fund for general banking risks are determined by the Board of directors of Euroclear Bank SA/NV.

Statutory auditor's report

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF EUROCLEAR BANK SA ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

As required by law and the company's articles of association, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2015, the income statement for the year then ended, and the disclosures.

Report on the annual accounts – Unqualified opinion

We have audited the annual accounts of Euroclear Bank SA ("the Company") for the year ended 31 December 2015, prepared in accordance with the financial reporting framework applicable to Credit Institutions in Belgium, which show a balance sheet total of '000' EUR 19.756.364 and a profit for the year of '000' EUR 164.451.

The board of directors' responsibility for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts 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 Company'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 annual accounts.

We have obtained from the board of directors and company's officials the explanations and information necessary for performing our audit.

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

Unqualified Opinion

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2015 and of its results for the year then ended in accordance with the financial-reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report, for the compliance with the applicable legal and regulatory requirements regarding bookkeeping, the Companies' Code and the Company's articles of association.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statements which do not impact our opinion on the annual accounts:

- The directors' report includes the information required by the Companies' Code, is consistent with the financial statements, and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.
- In accordance with Article 523 of the Companies' Code, the financial consequences of the decision of the Board of Directors on 12 January 2015 relating to the compensation scheme for the members of the management committee have been adequately disclosed in the 'conflict of interest' section of the annual report on the statutory accounts.

- An interim dividend has been distributed during the year in relation to which we have issued the attached report in accordance with legal requirements.

Sint-Stevens-Woluwe, 03 March 2016

The statutory auditor
PwC Belgium
Representative



Damien Van der Auwera
Revised

Attached : Statutory Auditor's Report of 4 September 2015 to the Board of Directors of Euroclear Bank SA on the proposed distribution of an interim dividend, issued in accordance with article 618 of the Companies' Code

STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF EUROCLEAR BANK SA ON THE STATEMENT OF ASSETS AND LIABILITIES IN CONNECTION WITH THE PROPOSED DISTRIBUTION OF AN INTERIM DIVIDEND

Introduction

We have reviewed the accompanying statement of assets and liabilities (hereafter the "Statement") as of 31 July 2015, included in appendix of this report, based on which the Board of Directors of Euroclear Bank SA (hereafter "Company") proposes to distribute an interim dividend of '000 EUR 100.023. The board of directors is responsible for the preparation of this Statement, which should *fairly present, in all material respects, the Company's capital and financial position* in accordance with the financial reporting framework applicable in Belgium. Our responsibility is to express a conclusion on this Statement based on our review, performed in accordance with the related professional standards and by virtue of Article 618 of the Companies' Code.

Scope of Review

We conducted our review of the Statement in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). A review consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Statement does not fairly present, in all material respects, the Company's capital and financial position as of 31 July 2015, in accordance with the financial reporting framework applicable to Banks in Belgium.

Finally, according to the Statement, and the draft Board resolution submitted to us, the proposed distribution would not lead to a decrease in the Company's net assets to an amount lower than the sum of the Company's paid-up capital and those reserves that the Companies' Code or the Company's Articles of Association do not allow to be distributed, as required by Article 617 of the Companies' Code.

This report is prepared solely to address the requirements as set by virtue of Article 618 of the Companies' Code, and may not be used for any other purpose.

Sint-Stevens-Woluwe, 4 September 2015

The statutory auditor
PwC Bedrijfsrevisoren BCVBA
Represented by



Damien Walgrave
Revisieur d'Entreprises

Appendix: Statement of assets and liabilities as of 31 July 2015

(€'000)	Notes	2014	2013
Assets			
I. Cash in hand, balances with central banks and post offices		0	539
II. Government securities eligible for refinancing at the central bank		4,361,111	2,542,486
III. Amounts receivable from credit institutions	I	20,330,013	15,937,366
A. On demand		2,855,047	2,415,868
B. Other amounts receivable (at fixed term or period of notice)		17,474,966	13,521,398
IV. Amounts receivable from customers	II	5,435,726	4,280,116
V. Bonds and other fixed-income securities	III	375,428	1,027,948
A. Of public issuers		167,058	677,860
B. Of other issuers		208,370	350,088
VI. Corporate shares and other variable-income securities	IV	-	-
VII. Financial fixed assets	V, VI	35,741	35,127
A. Participating interests in affiliated enterprises		27,699	27,699
B. Participating interests in other associated enterprises		-	-
C. Other shares or stakes constituting financial fixed assets		8,042	7,428
D. Subordinated loans with affiliated enterprises and with other associated enterprises		-	-
VIII. Formation expenses and intangible fixed assets	VII	11	12
IX. Tangible fixed assets	VIII	3,476	3,838
X. Own shares		-	-
XI. Other assets	IX	26,706	18,779
XII. Deferred charges and accrued income	X	95,682	107,783
Total assets		30,663,894	23,953,994

(€'000)	Notes	2014	2013
Liabilities			
I. Amounts payable to credit institutions	XI	21,337,808	18,289,035
A. On demand		20,553,357	16,620,153
B. Resulting from refinancing by rediscounting of trade bills		-	-
C. Other amounts payable at fixed term or period of notice		784,451	1,668,882
II. Amounts payable to customers	XII	7,599,678	3,888,694
A. Savings deposits		-	-
B. Other amounts payable		7,599,678	3,888,694
1. On demand		7,488,658	3,799,183
2. At fixed term or period of notice		111,020	89,511
3. Resulting from refinancing by rediscounting of trade bills		-	-
III. Debt securities in issue	XIII	-	-
A. Bills and bonds in circulation		-	-
B. Other		-	-
IV. Other amounts payable	XIV	123,590	160,272
V. Accrued charges and deferred income	XV	59,094	79,784
VI. A. Provisions for risks and charges		6,427	6,109
1. Pensions and similar obligations		758	869
2. Fiscal charges		-	-
3. Other risks and charges		5,669	5,220
B. Deferred taxes	XVI	-	-
VII. Fund for general banking risks		-	-
VIII. Subordinated liabilities	XVII	-	102,505
Shareholders' equity		1,537,297	1,427,595
IX. Capital	XVIII	285,497	285,497
A. Called up share capital		285,497	285,497
B. Uncalled capital		-	-
X. Share premium account		558,008	558,008
XI. Revaluation reserve		-	-
XII. Reserves		94,048	94,047
A. Legal reserve		28,550	28,549
B. Non available reserve		-	-
1. For own shares		-	-
2. Others		-	-
C. Untaxed reserve		-	-
D. Available reserve		65,498	65,498
XIII. Profit (loss (-)) carried forward		599,744	490,043
Total liabilities		30,663,894	23,953,994