

Euroclear plc

Annual Report 2016



Post-trade made easy

Operating Highlights

The Euroclear group delivered robust business performance in 2016, despite an increasingly uncertain operating environment, reflecting its continued relevance as a leading financial market infrastructure.

Key drivers

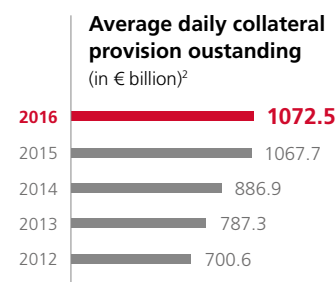
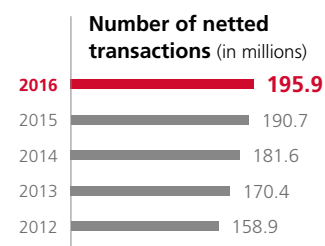
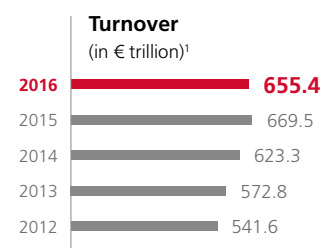
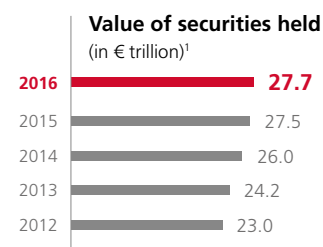
The value of securities held¹ for our clients at the end of 2016 reached €27.7 trillion, an increase of 0.8% compared to €27.5 trillion in 2015.

Turnover¹, or the value of securities transactions settled, declined by 2.1% to €655.4 trillion in 2016 compared to €669.5 trillion in 2015.

The **number of netted transactions** settled in the group reached 195.9 million in 2016, a 2.7% increase compared to 190.7 million in 2015.

On our global **Collateral Highway**, the daily outstandings for the end of 2016 averaged €1072.5 billion, an increase of 0.4% compared to €1067.7 billion in 2015.

Our group-wide **fund orders routed** declined by 13.3% to 11.1 million.



¹ The data includes intra-group holdings/transactions, as relevant.

² The Collateral Highway launched in July 2012, mobilises collateral from sources within and external to the Euroclear group.

Key performance indicators

Our key performance indicators reflect our stability and discipline as a company.

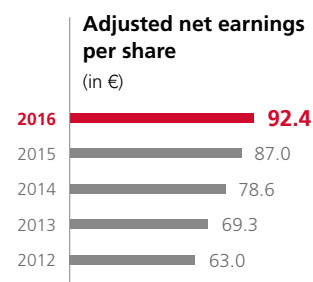
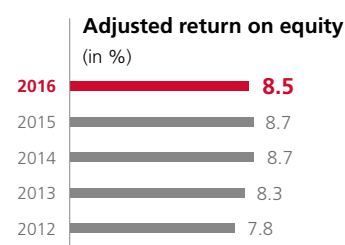
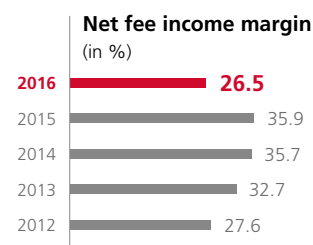
Net fee income margin (net fee income excluding administrative expenses compared to administrative expenses) reduced from 35.9% to 26.5% in 2016. After exclusion of the one-off expenses linked to provisions for early retirement, net fee income margin was 32.4% in 2016, reflecting flat net fee income and an increase in administrative expenses of 2.9% resulting from continued investments in regulatory-driven, cyber security and growth initiatives.

Operating margin (operating profit before impairment and taxation compared to operating income) was flat at 35.4% in 2016, excluding the one-off expenses linked to provisions for early retirement.

Unit cost ratio (administrative expenses compared to the average value of securities held) increased from 0.26 basis point (bps) in 2015 to 0.29 bps in 2016.

Return on equity (profit for the year compared to average shareholders' equity) reduced from 8.7% to 8.5% in 2016.

Net earnings per share (profit for the year divided by the weighted average number of shares) increased to €92.4 in 2016 compared to €87.0 in 2015, due to the slightly higher earnings combined with the impact of the share buy-back.



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