



Euroclear plc

Annual Report 2017



Euroclear's business model: meeting our commitments to stakeholders

Our business model enables Euroclear to deliver its corporate commitments to a broad range of stakeholders. We aim to create long-term value as a trusted cornerstone of the capital markets by providing robust and relevant services as a financial market infrastructure.





1. We are dedicated to reducing risk and providing liquidity to make global financial markets safer

Our DNA is built on actively enabling risk reduction in the capital markets. For the past 50 years, clients have entrusted Euroclear to provide safe and efficient settlement, safekeeping and servicing of transactions for European and Global capital markets.

We have built our position as a scale provider of post-trade services through industry expertise, client engagement and reliable technology. We continue to develop products and services that make it easier for clients to manage risk and liquidity in a more robust regulatory context, including through collateral management solutions.

€28.6 trillion assets held in custody for our clients



215
million
transactions
processed

€733
trillion
in turnover

>1.5
million
securities
worldwide



2. We operate trusted financial market infrastructure and related services that are open to all

As an open-architecture financial market infrastructure, we have created a global network and client franchise founded on partnerships across financial markets.

Underpinning our role as a market infrastructure is our prudent and structured approach to risk management, enhanced by a risk-conscious culture, operating within a strong regulatory framework. We strive to strike an effective balance between managing risk and achieving the company's strategic objectives.

The group's strong and stable financial position is vital in maintaining the confidence of its stakeholders and is demonstrated by Euroclear Bank's credit agency ratings of AA+ (Fitch) and AA (Standard & Poor's).

Our Ethical and Compliance framework and governance structures establish the principles we follow to conduct business with integrity, honesty and fairness, and in accordance with applicable laws. We have robust controls to combat money-laundering and other criminal activities.



> 2000 clients

> 100
central banks

90%
of the world's
50 largest banks

AA+
Fitch



AA
Standard & Poor's



3. We support the efficiency and development of capital markets worldwide

As a leading partner for the global capital markets, we connect our traditional European core to the world’s financial markets, helping clients to benefit from the opportunities created by an interconnected global economy.

We have an extensive global network across major markets, currencies and serving a broad range of asset classes, from bonds, equities and derivatives to investment funds. By developing collateral management solutions, we meet the needs of financial market participants to mobilise collateral across borders and time-zones.

Our open architecture model supports growth economies in attracting foreign investors to help fund long-term development needs, while facilitating access to growth opportunities for international investors.

>120
countries



Our clients are located in over 120 countries

50
currencies



We deal in 50 settlement currencies

50
major markets



We have links to 50 major markets

16
languages



We offer personalised client support in 16 languages



4. We provide relevant, robust products and services to meet clients evolving needs

We deliver efficient and low risk mechanisms for the acceptance, issuance and distribution of securities. We lead the way in automation and provide delivery-versus-payment (DVP) settlement. In addition, we provide direct access to Eurozone securities through our connection to the Target2-Securities (T2S) platform.

We automate complex corporate actions, continuously improving deadlines and reducing risks. Clients also benefit from streamlined voting and tax services.

Our Collateral Highway is utility to source, mobilise and optimise collateral across geographical borders and time zones. Our joint venture with the DTCC, DTCC-Euroclear Global Collateral Ltd (DEGCL), extends this offer by connecting collateral pools across the Atlantic, further supporting clients as they manage liquidity constraints across borders.

Our funds offer includes fully automated funds order-routing, settlement and asset servicing within local markets and across international borders. We provide a single point of access for funds investors to process subscriptions, redemptions, transfers and switches, covering 145,000 investment funds worldwide.



€2.1 trillion
funds under custody



10.5 million
fund orders routed annually



145,000
investment funds processed by Euroclear



> 1200
fund administrators

We also centralise settlement for ETF international trades conducted on multiple trading venues across Europe, a structure that eases cross-border processing.

We are exploring a range of innovative opportunities that support our clients’ evolving needs, frequently in collaboration with a range of specialised partners, including FinTech companies. These initiatives aim to find applications for technology and data insights that make markets run more smoothly and safely.



5. The combination of our people's expertise, corporate culture and our robust technology platforms enables our business model to deliver

We employ over 3,900 people across the globe who represent 89 nationalities, of which 50% are women.

Renowned for our in-depth understanding of the operational intricacies associated with post-trade transaction processing, we have the global experience and knowledge to lend expertise to our stakeholders as we collectively respond to market change.

Our values extend to encouraging a diverse workforce and building a stable and sustainable future while reducing risk and ensuring value for our shareholders. Euroclear's reliable technology platforms underpin the provision of the services we provide. We continuously invest in their development as we manage operational risk and offer new client solutions.



50%
women workers

of 3,900 employees worldwide

Our corporate values



6. We generate sustainable financial performance that allows us to invest

We generate net fee income and interest income, predominantly through the provision of settlement and safekeeping services.

Our goal is to derive sustainable levels of profitability, return on equity and earnings per share from our income after investments in the costs to provide our products and services.

Stakeholders benefit from the investments that are enabled by our profitability, including those in new products and services, training and development opportunities, strong levels of regulatory capital and returns to our shareholders.

Senior Management and the Board regularly monitor the group's performance through both operational metrics and against financial key performance indicators.



7. We nurture trusted relationships and long-term value for all our stakeholders

Clients: We enable clients to securely and efficiently undertake post-trade activities.

Shareholders: We aim to deliver robust returns and long-term sustainable value for our investors.

Employees: We strive to build engaged and effective teams, underpinned by strong values, to make Euroclear a great place for employees to grow their careers.

Regulators: We engage with governing bodies to support the effective functioning of the financial system and the broader economy

Society: We serve the public good by ensuring the efficiency of markets, actively enabling risk reduction and by acting as a responsible corporate citizen.



[euroclear.com](https://www.euroclear.com)

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Euroclear is a carbon neutral company – PAS2060 certified

MA4130 – 2018