euroclear

Euroclear SA/NV
Annual report

2024

Euroclear, your global partner

Welcome

The directors of Euroclear SA/NV ('Euroclear') are pleased to present Euroclear's Annual report for the year ended 31 December 2024. The report comprises three main sections.

In the **Directors' report**, we outline how we conduct our business to create long-term value for our stakeholders.

For the first time, this report also outlines our approach to sustainability (**Sustainability statements**), conforming to the EU Corporate Sustainability Reporting Directive (CSRD).

The report concludes with our detailed 2024 consolidated **Financial statements** for Euroclear SA/NV.

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Directors' report

Sustainability statements

Financial statements

I'm confident we are now better positioned than ever to accelerate the execution of our strategic plans, as we move our company "from Good to Great."

Francesco Vanni d'Archirafi, Chairman

Message from our Chairman

As I start my fourth year as Chairman of Euroclear, I am immensely proud of the many collective accomplishments achieved in 2024. The past year has been nothing short of exceptional for Euroclear. Not only did we record the highest profits in our history, but we also continued to reinforce the foundations of our organisation to best position Euroclear for the future. Over the last twelve months, we have:

- completed the transition of our shareholder base from a user-owned, user-governed model to one more oriented towards client centricity and long-term value creation for all stakeholders.
- reduced the size of our Board and improved our governance to make it more collegial, transparent, and effective.
- completed our Management transition, with Valérie Urbain taking the CEO role and appointing the new Executive Committee.
- simplified our group structure.

A long-term investor base

Significant progress was achieved in shifting our shareholder base to one that is aimed at long-term, stakeholder value creation. The attractiveness of our model was affirmed last year by the interest shown in us by GIC and NSW TCorp, two of the world's most prestigious long-term investors which we welcomed as new shareholders. The London Stock Exchange Group sold its Euroclear stake and I would like to thank them for their strong partnership.

Euroclear Holding shareholders continue to see solid returns on their investment, with the Board proposing to pay a dividend per share of €220 by the end of Q2 2025 in relation to 2024 group earnings. This represents an increase of 5% compared to the previous year and maintains the payout ratio at 60% of the adjusted underlying earnings.

A reinvigorated model for greater value creation

In 2024, we reinforced the relationship between shareholders, the board and our executives. This involved reshaping our company structure, our Board composition and a new leadership team. At the executive level, I am delighted with Valérie Urbain as Chief Executive Officer, and that she has appointed a new leadership team to execute our strategy.

Looking ahead, a new, streamlined board and simplified group structure will make our governance even more effective and impactful. These developments will be instrumental in ensuring that we remain agile and responsive to the complex and evolving environment in which we operate.

Harnessing further growth in turbulent times

The global political landscape has been exceptionally dynamic in 2024, with over 70 countries holding elections. The outcomes of these elections introduced a significant degree of uncertainty, further complicating an already intricate global scenario.

In the face of this, the new European Commission, which took office at the start of December 2024, will have the important mission to ensure the stability and cohesion of the European Union. Ursula von der Leyen emphasised the need to adapt and expand on the six priorities from her previous mandate. Together with defence, EU competitiveness and strategic autonomy will be at the heart of her five-year mandate and will focus on key initiatives for our industry, such as the Savings and Investments Union (SIU).

As one of the leading Financial Market Infrastructure groups in Europe, we must consider this as an opportunity rather than a risk and, in support of the EU Commission, continue to act as a consolidator and a European champion with global ambitions. Integration at European and global levels has been part of Euroclear's vision for decades. Yet, a true SIU must deliver more than just integration; it must build liquidity, credibility, and trust in Europe's long-term financial future.

In parallel, and as we continue to explore and integrate AI and distributed ledger technology (DLT), the rapid advancement of new technologies continues to present both challenges and opportunities. With the rise of AI perhaps being the start of a new industrial revolution, and potential DLT developments that could revolutionise the securities market architecture and redistribute the cards between industry players, it is key that we stay abreast of developments and maintain our innovation pace. We must remain at the forefront of technological developments to ensure that Euroclear remains a leader in the post-trade industry.

Despite the ever-changing landscape and conflicts that continue to rage at the doors of Europe, I'm confident we are now better positioned than ever to accelerate the execution of our strategic plans, as we move our company "from Good to Great". With our clients and people at the centre, this journey should result in positive operating leverage, product and services innovations, increased operating earnings, and ultimately deliver more value to all our stakeholders.

Laying the foundation for good

Extensive gratitude goes to our clients, the management team, the employees and my Board colleagues for their hard work and dedication throughout 2024. Without this true collaboration we would not have achieved the results highlighted in this annual report.

I would like to welcome Guillaume Eliet, Elly Hardwick, Nils Jean-Mairet and Katleen Vandeweyer who joined our Board in 2024 and extend my heartfelt appreciation to David Abitbol, Delphine d'Amarzit, Inge Boets, Bernard Frenay, Christophe Hémon, Paul Hurd, Emeric Laforêt, Lieve Mostrey and Cécile Nagel who left our Board last year. A special thank you goes to Harold Finders, Deputy Chairman, who stepped down at the end of the year. I would also like to congratulate Eric Lombard on his new role as Minister of Economy, Finance, Industrial and Digital Sovereignty of France, and to welcome Alex Cesar, who joined our Board earlier this year as representative of the New Zealand Superannuation Fund.

My final word goes to thanking all those involved in the creation of the Euroclear Foundation, which was launched in 2024. As a core part of the world's capital markets with an extensive global network, we have a fundamental role to play in improving the communities where our talents and our clients live and operate. I'm deeply grateful and confident that the Euroclear Foundation will facilitate our efforts to be a long term force for good.

Sincerely yours,

Francesco Vanni d'Archirafi,
Chairman

As we continue to lead the way in Europe, we connect, thanks to our international reach, global pools of liquidity to serve real economies. Our vision is to harness new digital technologies, unleash the potential of data, and expand our markets. ”

Valérie Urbain, Chief Executive Officer

Message from our CEO

Charting a promising future together

2024 was a year of transition for us as I had the honour of taking over from Lieve Mostrey. It was a year marked by profound structural changes and notable successes for the company. In this new chapter, amidst technological shifts and growing geopolitical pressures, I took significant steps to prepare the company for the future and sustainable performance.

It is with immense pride and gratitude that I witness the collective efforts of our team driving this transformation. Together, we are not merely adapting to change, but actively shaping our future, ensuring that we remain at the forefront of our industry.

Our commitment to excellence remains steadfast, as demonstrated by our record financial results and progress on our objectives. Underlying operating income increased by 5% to reach €2.9 billion. Underlying business income is up by 6% to €1.7 billion, driven by record settlement and safekeeping activities, with assets under custody reaching over €40 trillion for the first time. The number of netted transactions we processed for clients reached 331 million for a value of €1,162 trillion. Underlying adjusted operating expenses increased by 4% year-on-year to €1.3 billion, in line with the continued focus on cost mitigation and our organic, cost-growth target.

This record performance truly validates the relevance of our neutral and open model. As we continue to lead the way in Europe, we connect, thanks to our international reach, global pools of liquidity to serve real economies. Our vision is to harness new digital technologies, unleash the potential of data, and expand our markets.

Clients at the centre of our business

This vision, supported by our new management structure, puts clients at the core of our plans. By taking a stronger client focus in our strategy, we aim to foster a self-reinforcing ecosystem, launching and scaling initiatives to meet the needs of investors, issuers and dealers.

With the unwavering trust of our customers, our core activities continue to thrive. With a total outstanding issuance amount in excess of €13.2 trillion equivalent, of which half is issued in euros, Eurobonds support Europe's strategic autonomy and the euro's role as a reserve currency. Euroclear's Collateral Highway daily average outstanding is now at €2 trillion, while the funds depot also hit a new high of €3.6 trillion. We are growing our funds business and European presence through the announced acquisition of Inversis in Spain. Additionally, we are actively contributing to the development of a sustainable financial market as we hold over €1.4 trillion of sustainable and sustainability-linked bonds in Euroclear Bank.

Reshaping the market through interoperability

In 2024, Euroclear attracted top-tier issuers to its DLT issuance platform and engaged in major market experiments in Europe and Asia to assess the value and market adoption of this leading-edge technology.

Our growth strategy combines in-house development, stakeholder co-operation, and strategic acquisitions to forge the best solutions for the market. Investing in IZNES, a French blockchain-based funds execution and settlement solution, and in Marketnode, a digital market infrastructure in Singapore, demonstrates our commitment to pioneering the next-generation of funds infrastructure.

Today, we use AI as an enabler, with Copilot deployed companywide. EVIA, our AI-driven assistant, uses Natural Language Processing and Smart Automation to improve client interactions and streamline processes. This shows our commitment to innovation and efficiency through the responsible use of AI.

Tomorrow, we aim to use AI as a transformative force. We envision an open, interconnected post-trade financial market infrastructure to ensure efficiency, liquidity and harmonisation. Our model fosters greater market access, flexibility, and simplifies post-trade operational processes. This core principle drives our strategy, and we remain committed to developing solutions for a more integrated financial ecosystem.

Recently, we entered into a strategic, long-term partnership with Microsoft to enhance client experience, support our strategic ambitions and drive new opportunities for business growth in key areas such as investment funds. We will leverage their leading technology, expertise and cloud solutions for an open digital and data platform. Our goal is to create an environment that fosters synergies and cost efficiencies for market participants, with Euroclear serving as a trusted, neutral financial market infrastructure.

Maintaining market trust

In today's market environment, integrity, stability and resilience are paramount. We play our part by investing in strengthening the resilience and safety of our systems and modernising our technology (Euroclear UK & International, Eurobonds, etc.). Additionally, we remain focused on connectivity to improve our core services and provide better scale to our business lines.

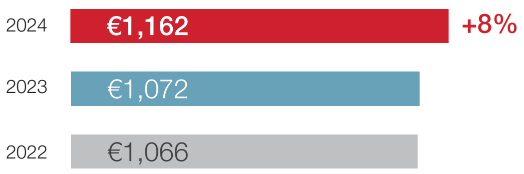
Amid geopolitical complexity and polarisation, European financial markets need to defend the current rules-based system to ensure trust and attractiveness. In that spirit, we endeavour to adhere to international sanctions regarding the war in Ukraine. While our management of sanctions and Russian countermeasures has been praised, we continue to engage with policymakers to highlight risks to Euroclear, the European and global financial markets. Profits from Russian sanctioned assets have been transferred to the European Commission through a windfall contribution for which Euroclear recorded €4 billion in 2024.

Supporting a stronger Europe

A strong capital market is vital for Europe's economic growth. Euroclear recognises the urgent need to make Europe more self-reliant in critical sectors like defence, energy and innovation. We therefore echo the European Commission's ambition: Europe must boost its competitiveness and remain the "go-to place" for issuers and investors internationally.

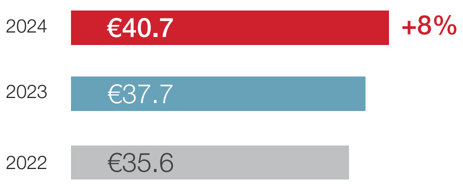
As Europe's international champion for post-trade infrastructure, Euroclear is a driving force behind improved connectivity, liquidity and integration. Our unique, open model, combining Euroclear Bank (our international CSD) and six European CSDs, is Europe's gateway to the world - enabling it to compete internationally, drive innovation and unlock further efficiency.

Turnover (in € trillion)[1]



Number of netted transactions (in million)

Values of securities held (in € trillion)



1 Figures include intra-group holdings/transactions, as relevant.

Even if equity markets and local CSDs still face fragmentation challenges, we have made significant strides in infrastructure and asset class integration. This has been achieved by engaging with our clients and introducing new products and services meeting their needs. We ensure neutrality, access to worldwide investors and liquidity through our collateral management services. Fixed income markets are more integrated and efficient thanks to ICSDs, linking issuers and investors across Europe and beyond. The Eurobond market issued in the ICSDs, is vital to Europe's ecosystem and global reach. Our international ETF model has delivered significant efficiencies, cutting through fragmentation barriers.

One Euroclear

Our people are the heartbeat of our success and at the core of our considerations. It is their dedication, passion, and resilience that drive us forward every day.

The establishment of my leadership team was completed in December 2024. This diverse group, with its blend of backgrounds, personalities, and profound understanding of Euroclear, combined with fresh external perspectives, is poised to lead us to success.

We have embarked on a cultural transformation focused on client centricity and collective ownership. This journey is about accountability, strict cost management, and ensuring proportionality in all our actions.

Our pool of expertise is nothing short of exceptional, and our collective successes are recognised and applauded by our ecosystem. It is now imperative to prepare for the future. To this end, we will develop a comprehensive leadership program and implement strategic workforce planning, with a keen focus on development and upskilling.

I am deeply aware of the pressures that the current geopolitical landscape and heightened scrutiny place upon us all. Ensuring the safety and well-being of our workforce remains our priority. Our people have demonstrated remarkable adaptability and a relentless curiosity. As the pace of change accelerates, it's our mutual trust and courage that will propel us from good to great.

I extend my heartfelt thanks to our Board, our clients and our entire ecosystem for the trust they place in us. And to our extraordinary team, across the globe, wherever we do business.

Kind regards,

Valérie Urbain,
Chief Executive Officer

Euroclear group management team

①Guillaume Eliet, Chief Risk Officer ②Peter Sneyers, Chief Executive Officer Euroclear Bank ③Nils Jean-Mariet, Chief Financial Officer ④Sébastien Danloy, Chief Business Officer ⑤Valérie Urbain, Chief Executive Officer ⑥Bernard Frenay, Chief Executive Officer European markets ⑦Daniel Miseur, Chief People & Communications Officer ⑧Michal Paprocki, Chief Information Officer

Euroclear at a glance

As a Financial Market Infrastructure (FMI), Euroclear facilitates capital markets around the world with processing securities transactions efficiently, enhancing liquidity and managing associated risks. The Euroclear group operates secure and resilient platforms where a wide network of the world's largest financial firms and central banks hold and transact securities issued by companies, governments, supranationals and investment fund managers. We are the backbone of the financial ecosystem ensuring that capital flows seamlessly to where it is needed in the real economy.

The Euroclear network comprises around 3,800 financial institutions, which use its platform to access circa 50 different markets and settle transactions in 44 currencies. On their behalf, the group holds an excess of €40 trillion of assets under custody and enables 331 million netted transactions per year, worth an equivalent of €1,162 trillion.

The group's principal operating entities are central securities depositories (CSDs) being Euroclear Bank (the international CSD (ICSD) and the domestic CSD for Ireland) and six domestic European CSDs in Belgium, Finland, France, the Netherlands, Sweden and the United Kingdom.

Together, the Euroclear group provides solutions for domestic and global financial market participants to invest in securities issued by governments, supranationals, corporations and fund managers. In addition, the group facilitates financing in capital markets by reducing risk, increasing post-trade process efficiency, and optimising collateral mobility and access to liquidity.

Through its acquisitions of MFEX and Goji, a strategic investment in IZNES and the announced acquisition of Inversis, the group continues to enrich its capabilities in the investment funds business, via its FundsPlace offering.

Euroclear's business model provides a natural hedge against capital market volatility. If markets are lower, the impact is mitigated by the group's diversified and subscription-like business model, as approximately three quarters of the group's business income is decoupled from financial market valuations.

Over the past decade, while doubling its revenue in absolute terms, Euroclear has expanded its revenue base into high-growth areas, with the share of diversified revenue increasing from 25% to close to 50%.

AA rating
Fitch/S&P

~3,800 clients
The world's largest financial institutions and Central Banks, connecting issuers and investors, and all intermediaries

1 ICSD
Euroclear Bank, the International Central Securities Depository with a banking license, which also operates CSD services for Ireland

6 CSDs
Domestic Central Securities Depositories for Belgium, Finland, France, the Netherlands, Sweden and the UK

Financial highlights

331 million netted transactions per year, worth **€1,162** trillion

€40.7 trillion assets under custody

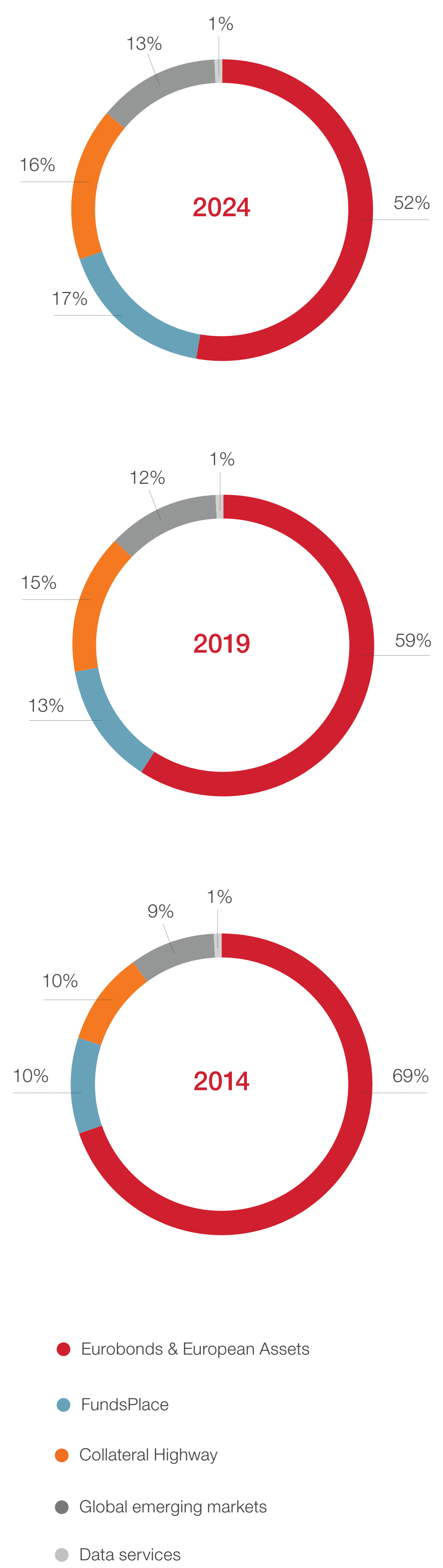
€1.9 trillion average daily collateral outstanding on the Collateral Highway

€3.6 trillion funds assets under administration

+50 markets to access

44 currencies to settle in

Business income breakdown



Euroclear's ecosystem

Euroclear supports a global ecosystem, where some of the world's largest financial firms and central banks hold and transact securities issued by companies, governments, supranationals and investment fund managers.

Our customers include:

Issuers, their agents and fund managers

For issuers and their agents, Euroclear offers a secure place of issuance for their securities to access funding from the capital markets. All six domestic CSDs and Euroclear Bank, the international CSD, play the role of issuer CSD, which is to be the digital notary for the issued securities.

Investors and their custodians

Investors and their custodians expect to transact and hold their securities with full safety and transparency. Euroclear enables the diversification of portfolios by offering access to multiple capital markets, multiple asset classes, as well as supporting the development of marketplaces for sustainable finance.

The broker-dealer community

As broker-dealers act as a conduit for the origination and trading process for the investment community, they require an efficient and reliable financial market infrastructure, with complete access to liquidity. Euroclear enables broker-dealers to focus on optimising funding opportunities while in parallel also managing their costs and operational and credit risks.

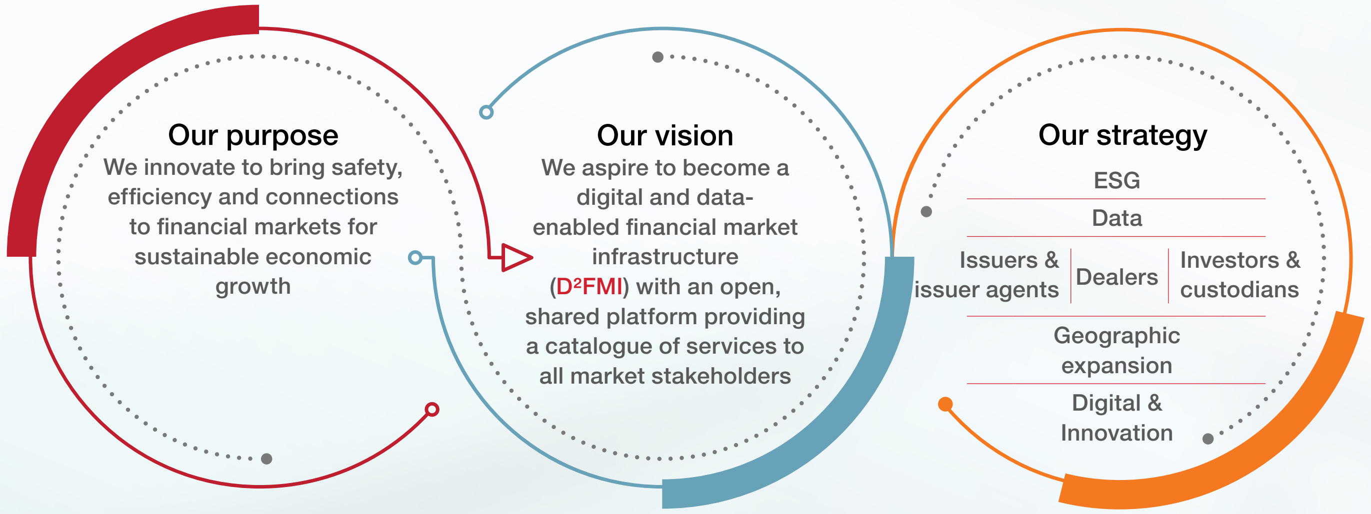
By taking a stronger client lens in our strategy, we further strengthen the virtuous circle of bringing all clients into one self-reinforcing ecosystem, focusing on launching and scaling initiatives, meeting the needs of investors, issuers and dealers. Furthermore, we add diversity and scale to our client offering, by supporting the development of the sustainable financial marketplace.

Business and strategy update

We aim to future-proof the organisation by adding innovative digital and data enabled services to our core services, covering securities settlement, custody and related services in line with our clients' evolving business requirements. Furthermore, we continue to expand into new and digital asset classes. By continuing to invest in people and technology, against the backdrop of an ever-changing regulatory and business environment, we aim to remain relevant as the trusted, resilient provider of choice.

Reshaping traditional financial services

Financial markets never stand still – and neither do we. To continue to meet the needs of our clients, we must keep investing and innovating. This means evolving our services, technologies, and open platform, to seize new opportunities while further strengthening the financial market ecosystem.



In line with our purpose and vision, our strategy is focused on taking a stronger client lens by launching and scaling strategic initiatives to serve issuers, investors and dealers; and developing Data, ESG, and Digital solutions to deliver sustained growth across geographies and asset classes.

Digital and Data-Enabled Services

Euroclear has embarked on a transformative journey, as we are redefining our role as a Digital and Data-Enabled Financial Market Infrastructure – a vision we refer to as D²-FMI.

Our ambition is to create a data-driven platform economy for the securities industry that will support and reinforce Euroclear's traditional activities. At the heart of this strategic shift, initiated in 2022, lies Euroclear's ambition to leverage data and cutting-edge technologies to provide Data-Enabled Services, which help solve clients' business problems and/or support their processes. By transitioning from a sequential value-chain to an open, collaborative platform, we aim to co-create innovative data-driven solutions for and with our clients, fintech partners and other industry stakeholders.

As a neutral, credible and above all trustworthy FMI, Euroclear is in a unique position to be the common platform for our industry, which helps unlock 'next level' efficiencies for our industry. This is what our D²-FMI strategy is all about, co-creating with the industry to bring our industry to the next level.

We expect this transition to offer considerable advantages for our clients and other stakeholders. From reducing operational costs and risks to unlocking capital for new business opportunities, our data-driven approach aims to increase efficiency, expand reach and offer greater value creation.

Supporting the adoption of digital assets

One of the key focus areas for Euroclear is to support the adoption of tokenised assets. By representing physical assets or digital rights on a blockchain, tokenisation has the potential to unlock liquidity and create new investment channels across a wide range of hard-to-access assets. However, the journey towards widespread institutional adoption of digital assets has been fragmented, with firms often working in isolation and therefore struggling to align on broader ecosystem development. As a leading FMI, Euroclear seeks to bridge the gap between digital asset securities and the conventional financial landscape in a way that promotes innovation, efficiency and safety.

Recognising the transformative potential of DLT, Euroclear has launched its own DLT platform (D-FMI) with an initial module for digital securities issuance (D-SI). In 2024, the Asian Infrastructure Investment Bank successfully issued its first Digitally Native Note (DNN) on our D-FMI platform, raising $500 million (including tap issuance) to support its sustainable development bond programme. This transaction marked the first digital issuance in USD for Euroclear and the first such issuance by an Asia-based issuer on our D-FMI platform. We anticipate a growing number of issuers leveraging this platform for future issuance.

These successful issuances further demonstrate Euroclear's growing capabilities to support market adoption of digital assets. Euroclear fully integrated the D-SI platform with its traditional settlement system, providing investors with sufficient liquidity tools and complete access to trading venues, while ensuring full Central Securities Depositories Regulation (CSDR) compliance. The service was recognised in May 2024 by the Global Custodian magazine with the 'Market Infrastructure Project of the Year' award.

Harnessing the full potential of digital assets

Euroclear is also actively engaged in exploring the full potential of digital assets and participates in various DLT projects with market partners. Alongside Digital Asset and The World Gold Council, it successfully completed a groundbreaking pilot to tokenise gold, Gilts and Eurobonds for use in collateral management. This initiative showcases how DLT can revolutionise collateral mobility, enhance liquidity and boost transactional efficiency. In collaboration with a group of French banks, Euroclear also facilitated the issuance of France's first DNN, which was successfully issued by Caisse des Dépôts et Consignations (CDC) and settled using Banque de France's DL3S platform for digital currency.

In Asia, Euroclear acquired a strategic stake in Marketnode, a Singapore-based digital market infrastructure operator. Founded by SGX Group and Temasek in 2021, Marketnode serves as Asia-Pacific's DLT-powered financial market infrastructure. By joining forces with Marketnode and its existing shareholders, Euroclear aims to participate in the setup of a key market infrastructure in Asia-Pacific designed to simplify the management of fund flows and reduce settlement times by using DLT technology.

Furthermore, we collaborated with DTCC and Clearstream, to jointly define a blueprint for an industry-wide, digital asset ecosystem. The Digital Asset Securities Control Principles (DASCP) introduced in a joint whitepaper aim to address regulatory compliance and mitigate operational risks, paving the way for the wider adoption of tokenised assets. To read the whitepaper: **Digital Asset Securities Control Principles - Euroclear.**

Euroclear also joined forces in 2024 with the Dubai International Financial Centre (DIFC) Innovation Hub and Julius Baer to address the challenges posed by the future of digital asset inheritance. This collaboration resulted in the publication of a whitepaper outlining how technologies are changing the transfer of wealth and highlighting opportunities to streamline the process, particularly in the Middle East. Digital technologies such as AI, smart contracts, DLT and tokenisation offer promising avenues to reduce friction, improve transparency and ensure secure, efficient asset transfers. To read the full report: **Navigating the future of inheritance report-2025.pdf.**

Eurobonds, a model that continues to thrive

To position Euroclear for the future, we continue to build on the strong foundations that have driven the market development over the past half century.

Eurobonds

€13.2 trillion total outstanding issuance

443,000 unique securities issuance activity

+5% annual growth rate

+25% number of issuances since 2023

With a total outstanding issuance amount in excess of €13.2 trillion equivalent, of which half is issued in euros, Eurobonds support Europe's strategic autonomy and the euro's role as a reserve currency. Today's Eurobond market brings unparalleled and deep liquidity to both issuers and investors. Furthermore, it is supported by a truly unique, globally connected ecosystem. In 2024, approximately 443,000 unique securities were issued at Euroclear Bank, and the Eurobond market's outstanding volumes have grown at an annual rate of over 5%. This further illustrates the key role Eurobonds have in the global capital markets of today.

The Eurobond model continues to evolve notably through continued automation and digitalisation, enhancing the user experience and by adding greater levels of efficiency to the issuance process. The next generation Eurobond model will look to implement more standardised data models and further evolve the digitalisation of this asset class. We also anticipate an increasing use of dedicated application programming interfaces (APIs) for the set up and maintenance of static data around both the issuance process and the asset servicing of issues.

Optimising collateral

Euroclear supports the need for liquidity by providing settlement services and a neutral, global and interoperable collateral management infrastructure, known as the Collateral Highway.

The Collateral Highway allows clients to source, mobilise and segregate collateral. It offers a complete view of exposures across the full spectrum of asset classes and enables clients to optimise their collateral, including a growing trend in the use of green collateral.

The average amount outstanding on the Collateral Highway increased throughout 2024 and is now very close to the early 2022 peak. At year-end 2024, the average daily collateral outstanding on the Collateral Highway was €1.9 trillion.

In June 2025, the new Eurosystem Collateral Management System (ECMS) will change the way clients interact with central banks to post collateral and receive credit. Euroclear is well prepared for this transition. Clients will be able to continue using Euroclear to post collateral to their central bank and will also have the possibility to outsource this collateral management to Euroclear entirely, with Euroclear delivering collateral to the national central banks in TARGET2-Securities (T2S) on their behalf.

Optimal collateral usage is often impeded by fragmented market rules and practices. Reducing market fragmentation aligns with Euroclear's vision to develop robust, liquid, and competitive markets in Europe by leveraging common platforms and systems that work across the euro area. These help remove barriers to efficiency, competition and integration.

Collateral Highway

€1.9 trillion average daily collateral outstanding on the Collateral Highway

+16% vs. 2023

To better address clients' collateral optimisation needs, Euroclear entered into a partnership with technology provider Transcend to introduce a new joint collateral optimisation service. Available through existing Euroclear connectivity, the new service will easily integrate critical data for smart decision making and settle optimised collateral allocations. By leveraging Transcend's technology, clients will be able to configure optimisation scenarios, include external collateral pools to determine the best collateral use at Euroclear, and perform 'what-if' analyses on specific constraints.

Euroclear announced its partnership with Transcend during the 2024 edition of the Euroclear Collateral Conference, an event that welcomed over 600 senior collateral management practitioners from around the world. For two decades, this event has been fundamental in encouraging dialogue and cooperation within our industry.

The transition to T+1

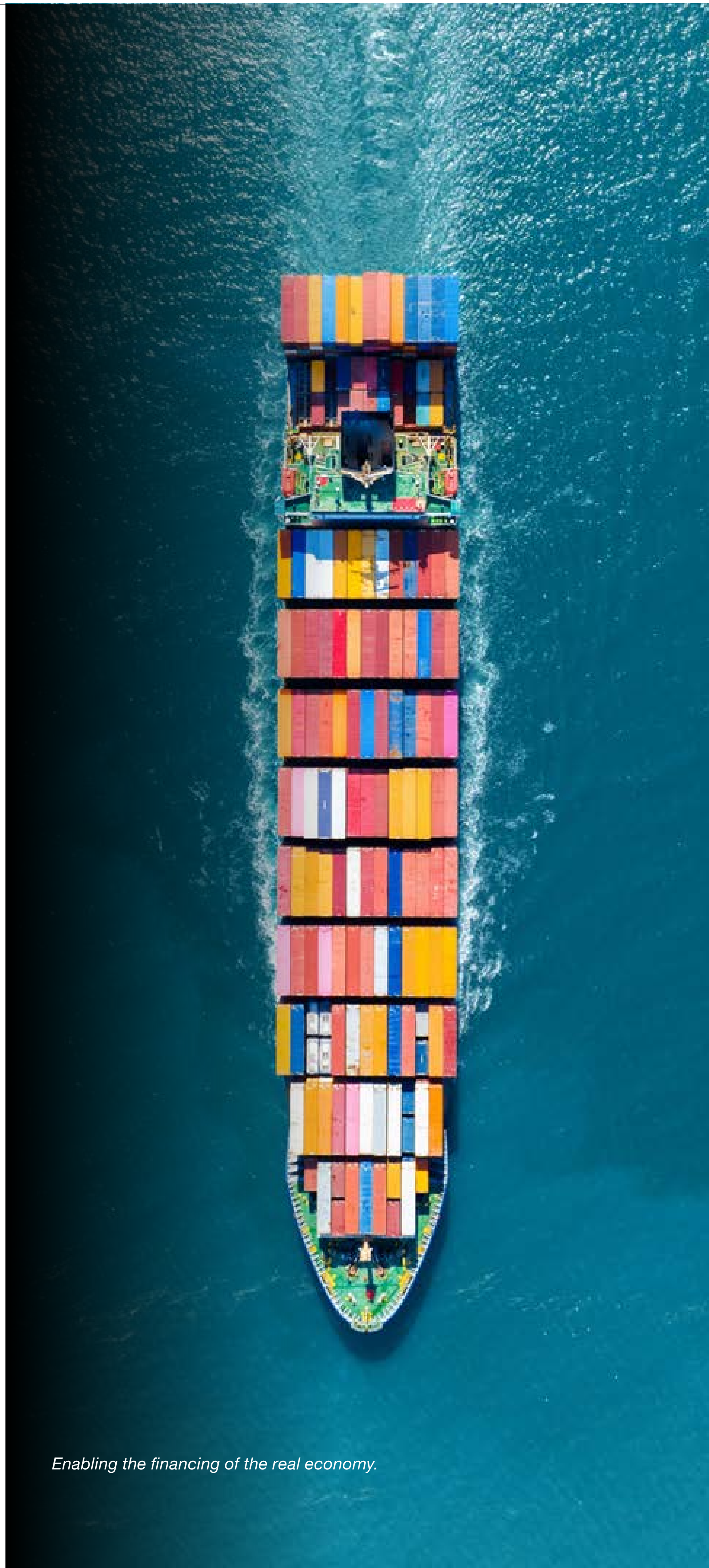
As a leading FMI, we support efficiencies that strengthen or improve the global securities settlement landscape, this includes shortening the settlement cycle (T+X), or the period of time between the trade date and settlement. The US, Canada and Mexico implemented T+1 settlement (i.e. next-day settlement) in May 2024, while Europe and the UK are setting out their plans for a shortened settlement cycle as of October 2027. A one-day settlement window is expected to help the industry achieve better operational efficiency, reduce counterparty risk and lower costs through eased margining requirements.

Transitioning to T+1 will require a collective, coordinated effort, underpinned by global alignment. Euroclear is preparing for this transition and will assist its customers throughout the process.

Growing Euroclear's FundsPlace

Investment funds are a key pillar of Euroclear's strategy. Euroclear FundsPlace offers its users – investors/distributors and funds management companies – a single place for data, distribution, trading and custody, as well as digital services on the full range of fund types: mutual funds, money market funds, alternative funds, private asset funds and Exchange-Traded Funds (ETFs).

Over the past years, Euroclear's funds offering has evolved rapidly thanks to internal investments, partnerships and acquisitions. Following the acquisitions of MFEX in 2021 and Goji in 2023, Euroclear also acquired a strategic stake in IZNES, a pan-European funds marketplace based on blockchain technology. This partnership complements Euroclear's funds services in the French market and beyond and continues to play an active role in the development of innovative funds distribution models.



Enabling the financing of the real economy.

Euroclear's FundsPlace holds a leading position within the European ETF landscape. In 2024, Euroclear Bank reached the milestone of €1 trillion ETF assets under custody, as ETFs continue to grow globally. Moreover, it is a decade since Euroclear introduced its pioneering International ETF (iETF) model, which is now the preferred model for more than 75% of European ETFs.

Under this international model, issuers and investors enjoy greater levels of market access, flexibility and liquidity management in all major currencies, while eliminating post-trade complexity. With less fragmentation, the ICSD model decreases the number of complex realignments between CSDs when trading on different stock exchanges.

Euroclear FundsPlace

€3.6 trillion assets under custody of which
€1 trillion ETFs
+16% vs. 2023

+250,000 funds

3,000 fund distributors investing via FundsPlace

2,500 fund management companies covered by FundsPlace

Local CSDs across the world hold their iETFs in Euroclear Bank, which allows global distribution and liquidity provision across local markets from the primary market activity in Euroclear Bank, reducing costs and simplifying inventory management.

In July 2024, Euroclear announced that it will acquire a 49% stake in Inversis, a leading provider of global investment technology solutions and outsourced financial services with the intention to become the full owner of the Spanish company in the future[1]. By acquiring Inversis, Euroclear aims to accelerate the delivery of its funds strategy and increase its pan-European coverage thanks to Inversis' significant presence on the Spanish market.

In 2024, a number of major new clients in Europe, Asia and the US including DBS Bank, Banque et Caisse d'Epargne de l'Etat Luxembourg (Spuerkeess), ODDO BHF, Blackrock and China Construction Bank have selected Euroclear's FundsPlace for their investment fund needs. Euroclear provides them with a one-stop-shop solution for fund distribution and execution services via its extensive network, allowing their clients to have access to more than 250,000 funds.

To foster industry dialogue, Euroclear hosted its first major funds-dedicated conference – Euroclear FundsCo – in London in March. This inaugural Euroclear funds event brought together more than 200 senior representatives from across the funds industry to discuss future global trends.

Connecting markets

Euroclear brings markets together through its open, flexible architecture and connects local issuers with international investors. In June 2024, Euroclear Bank successfully opened the first omnibus account for Korean Treasury Bonds (KTB) and Monetary Stabilisation Bonds (MSB), making South Korean government debt 'Euroclearable'.

Countries achieving Euroclearability can benefit in several ways. Foreign investors can access the local market in a more secure and standardised way with full asset protection. Local issuers have enhanced access to wider liquidity pools and can in turn realise a potential reduction in the overall volatility of their borrowing costs.

By connecting to South Korea, the 12th-largest economy in the world, Euroclear reinforces its presence in the region. This important market has a strong need for efficient post-trade access to international markets. And with its strong brand, global reach, and solid presence in Hong Kong, Tokyo, Beijing, and Singapore, Euroclear is perfectly placed to meet this need. To identify and capitalise on new growth opportunities, Euroclear appointed a dedicated CEO of Asia Pacific in September 2024.

Developing a sustainable marketplace

As a global FMI, Euroclear has a role to play in facilitating and accelerating the development of a sustainable financial market. Our presence across the developed, emerging and frontier markets allows us to facilitate engagement across diversified market participants. On behalf of clients, we hold over €1.4 trillion of green, social, sustainable and sustainability-linked bonds (GSSS) in Euroclear Bank.

To foster a more sustainable economy, markets require collateral solutions that facilitate secure, transparent, and efficient transactions, while adhering to sustainability principles. Environmental, Social and Governance (ESG) data was used to enrich €GCPlus - a secured euro cash funding solution designed to optimise collateral management and liquidity, offered by LCH in collaboration with Euroclear and the support of Banque de France. This service is designed to help fixed income trading desks, treasurers, and other market participants manage collateral efficiently and generate liquidity in a cleared environment. €GCPlus contributes to sustainability through its innovative green basket offering, which comprises euro-denominated, investment grade bonds that are aligned with market-recognised ESG criteria. €GCPlus has been awarded the 'ESG Initiative of the Year' at the Securities Finance Times Industry Excellence Awards.

Euroclear played a role in the issuance and settlement of the world's first non-financial enterprise Yulan Bond by Wuxi Construction and Development Investment, demonstrating our commitment to promoting green finance and fostering long-term partnerships among governments, banks and enterprises. The first non-financial enterprise Yulan Bond complies with the International Capital Market Association (ICMA) 'Sustainable Bond Guidelines 2021' and has received external evaluation and certification as a sustainable bond.

In August 2024, the World Bank issued the Amazon Reforestation-Linked Outcome Bond. Outcome bonds are a new type of bond that directs finance to a specific project and in turn makes a portion of the return on the bond contingent on the success of that project – in this case the partial reforestation of the Amazon Rainforest. Approximately 97% of this 9-year $225 million bond issued through international CSDs, was captured on the books of Euroclear Bank.

Streamlined organisation

To accelerate strategy execution, Euroclear continues to streamline its organisation. Following the appointment of Valérie Urbain as CEO of the group, Euroclear redesigned the structure and composition of its top management team. A new, expanded Executive Committee composed of eight members ensures the representation of all the group's constituents in all key strategic decisions and a stronger focus on business operations, people and clients – both in Europe and internationally.

In October 2024, Euroclear completed the previously announced simplification of its group structure. Two of the four financial holding companies of the Euroclear group, Euroclear AG and Euroclear Investments SA/NV, were successively merged into Euroclear Holding SA/NV, the ultimate parent entity of the Euroclear group. This simplification results in a reduction of complexity both in terms of governance and financial administration, while keeping direct participations in regulated entities at the level of Euroclear SA/NV. This merger also streamlines and accelerates the dividend upstreaming process.

Euroclear's shareholder structure also continues to evolve, and the number of shareholders (legal entities) has decreased by 27% between 2021 and 2024. This stable core shareholder base with larger shareholding supports Euroclear's long-term potential, stability and strategic direction. These shareholders are represented via a new Board structure comprising six independent non-executive directors, six non-executive directors representing the largest shareholders (one appointment pending as of 31 December 2024), and three executive directors.

The world's first listing of a work of art

Euroclear also continued to innovate by expanding the asset classes available on the Euroclear Bank platform. Euroclear has supported ARTEX Global Markets (ARTEX) – a new fine art exchange – through the primary market process linked to bringing shares of a Francis Bacon painting to the market, totalling $55 million. This was the first issuance of equity common shares issued directly in Euroclear Bank. This initial offering also marks the first time that an artwork has been taken public and fractionalised. In so doing, this has opened new avenues for investors to participate in the fine art market. Starting at approximately €100 per art share, art lovers can now own a portion of **Francis Bacon's triptych 'Three Studies for Portrait of George Dyer' (1963)**. These shares are actively traded on the art-trading facility, ARTEX.

1 49% stake acquisition took place in February 2025.

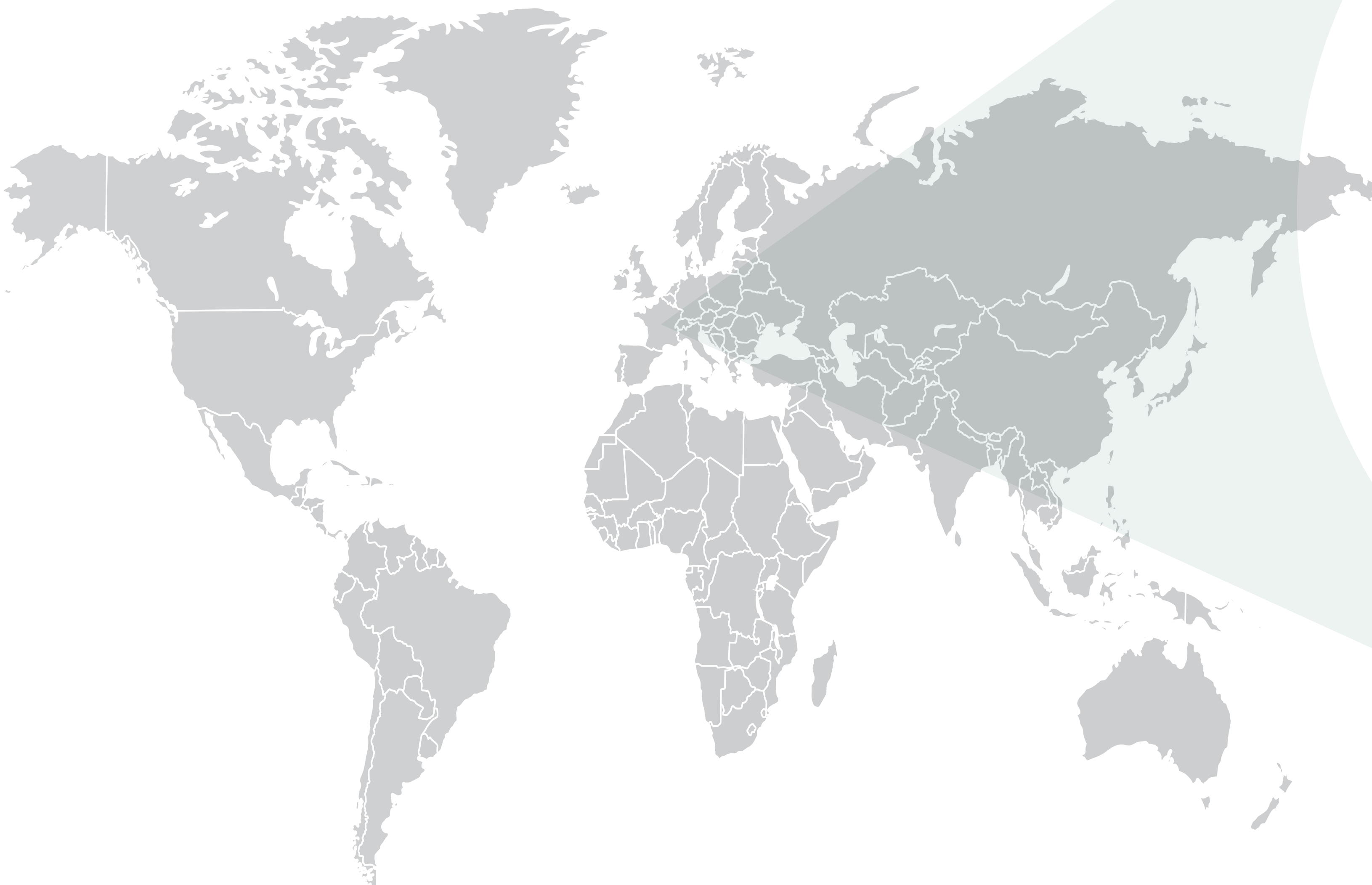
ICSD operating metrics

It is a sign of recognition and a great responsibility to oversee record numbers in turnover, transactions processed and assets under custody. We thank our clients around the world for their continued trust. ”

Euroclear Bank
Peter Sneyers, CEO

Euroclear Bank

	2024	Change from 2023
Turnover (in trillion)	€771.6	▲ 6%
Value of securities held[1] (in trillion)	€19.8	▲ 8%
Number of netted transactions (in million)	196.5	▲ 15%
Number of active issuers	29,000	
Value of fixed income issuance – nominal (in trillion)	€17.7	
Value of equity and related issuance – market (in trillion)	€1.7	



CSDs operating metrics

Our European homebase remains pivotal in the issuance of securities for governments, corporates and other entities looking to raise capital. As a market-critical provider, leading economies in Europe rely on Euroclear to conduct their monetary policy operations and fuel the growth of their economies. ”

European markets
Bernard Frenay, CEO

Euroclear UK & International

Chris Elms, CEO

	2024	Change from 2023
Turnover (in trillion)	€208	▲ 25%
Value of securities held[1] (in trillion)	€6.0	▲ 5%
Number of netted transactions (in million)	64	▲ 8%
Number of active issuers	10,000	
Value of fixed income issuance – nominal (in trillion)	€3.0	
Value of equity and related issuance – market (in trillion)	€2.97	

Euroclear ESES CSDs

Geert Desmedt, CEO

	Euroclear Belgium		Euroclear France[2]		Euroclear Nederland	
	2024	Change from 2023	2024	Change from 2023	2024	Change from 2023
Turnover (in trillion)	€0.7	0%	€160.6	▲ 2%	€8.5	▲ 8%
Value of securities held[1] (in trillion)	€0.2	0%	€9.7	▲ 3%	€1.4	0%
Number of netted transactions (in million)	2.3	0%	33.8	0%	7	▼ 1%
Number of active issuers	220		10,000		420	
Value of fixed income issuance – nominal	€475,000		€5.1 trillion		€530 million	
Value of equity and related issuance – market	€189 million		€3.0 trillion		€830 million	

1 Yearly average
2 The data for Euroclear France excludes 'pensions livrées' with Banque de France

Euroclear Finland / Sweden

Hanna Vainio, CEO[3]

	Euroclear Finland		Euroclear Sweden	
	2024	Change from 2023	2024	Change from 2023
Turnover (in trillion)	€1.5	▼ 6%	€10.5	▼ 6%
Value of securities held[1] (in trillion)	€0.4	0%	€2.9	▲ 33%
Number of netted transactions (in million)	9	▼ 10%	16	▲ 14%
Number of active issuers	400		2,000	
Value of fixed income issuance – nominal (in trillion)	€0.19		€0.427	
Value of equity and related issuance – market (in trillion)	€0.247		€1.78	

3 In addition to her role as CEO of Euroclear Finland, Hanna Vainio was appointed CEO of Euroclear Sweden on 15 January 2025

Economic and geopolitical context

As a global capital market provider, we are impacted by geopolitical and macro-economic events. 2024 was characterised by ongoing conflict in Ukraine/Russia and the Middle East, as well as more than 50% of the world's population going to the polls. Macro-economic trends saw a stabilisation of the inflationary environment, but continuing budgetary deficits being run by leading economies. Navigating through challenging macro- and geopolitical turbulence is a hallmark of Euroclear's robust business model and its operating capabilities. For more details, please refer to the Financial review section.

In 2024, the global economy faced multiple headwinds. Regional outlooks diverged, with the US outperforming much of the rest of the world.

Geopolitics

Major conflicts continued throughout 2024, but with little direct impact on global markets. The war in Ukraine caused limited disruption, with global trade relationships now rearranged, but it has forced G7 governments to find new ways to sustain their financial support for Ukraine, including the introduction of a financial contribution from the proceeds of the immobilised assets of Russia's central bank.

Likewise, conflict in the Middle East had minor impact on markets, despite escalation in Lebanon, exchanges between Israel and Iran, and attacks on shipping in the Red Sea. Efforts by the world's largest economies to prioritise economic security and domestic industry slowed growth in international trade and, in turn, contributed towards lower global growth. President Donald Trump's second presidency in the United States heralded further changes in global trade and investment. Markets expected US business to fare well under new administration, but the incoming administration's designs for tariffs and sanctions weighed on the wider world economy.

Economics

Over the course of 2024, inflation gradually approached target levels in most developed economies, and central banks began, cautiously, lowering rates to boost sluggish economic growth. In the US and much of Europe, public debt continued to increase.

In Europe, this has led the European Commission to launch new Excessive Deficits Procedures (EDP) against six EU member states, including France, Italy and Belgium. The high level of debt has weighed heavily on European economic growth due to expectations of fiscal tightening or tax raising. In contrast, US growth continued apace with no expectations of significant fiscal tightening.

Markets expect short-term interest rates to decrease in 2025 due to weak economic growth. The European Central Bank (ECB) is planning to deliver additional cuts but has to tread carefully as inflation remains slightly above its 2% target. In the US, the Fed is unlikely to keep cutting rates as inflation proves sticky and the threat to see wide-ranging inflationary tariffs being imposed on trading partners remains very real.

Markets

Term yields remained largely stable in the first part of 2024, balanced by monetary policy loosening on the one hand, and up by governments' continuing need for substantial financing. Towards the end of the year though, yields started to rise as questions arose about the sustainability of fiscal policies and the stability of governments. Issuers tapped the fixed-income market intensively throughout the year, front-loading issuance due to political developments in the United States. Equity markets showed positive performance in 2024, particularly in the US, influenced by momentum investors focusing on AI-driven productivity improvements and supportive monetary policy.

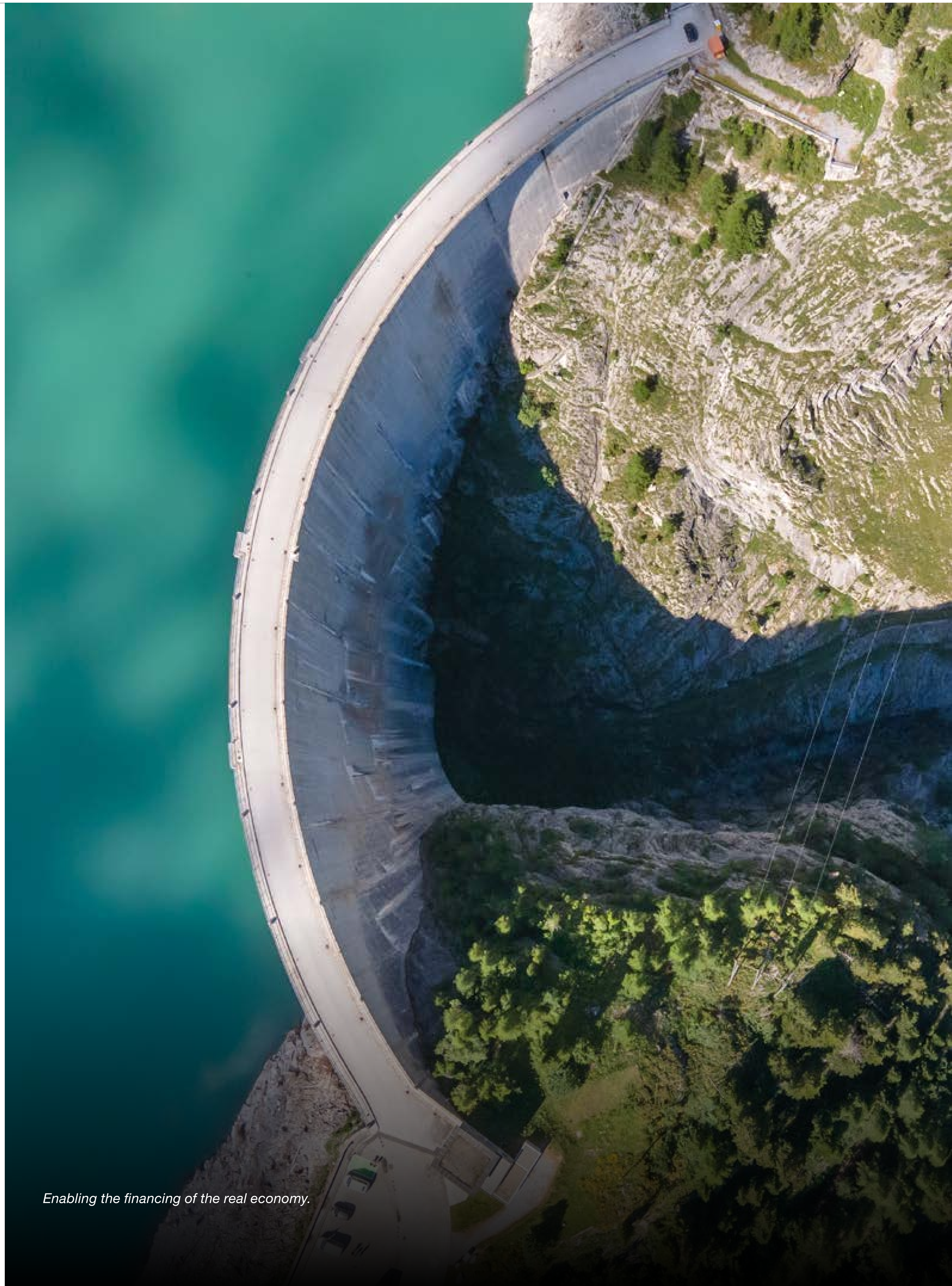
Russian sanctions and countermeasures

Russia's invasion of Ukraine in February 2022 resulted in market-wide application of international sanctions. Euroclear considers the application of international sanctions as a key obligation. Therefore, well established processes are in place which have allowed Euroclear to implement the sanctions, while maintaining our normal course of business.

In 2024, Euroclear continued to act prudently and to strengthen its capital by retaining the remainder of the Russian sanctions related profits as a buffer against current and future risks. Euroclear is focused on minimising potential legal, financial, and operational risks that may arise for itself and its clients, while complying with its obligations.

As a direct consequence of the sanctions and Russian countermeasures, Euroclear faces multiple proceedings in Russian courts. Since Russia considers international sanctions against public order, Russian claimants initiated legal proceedings aiming mainly to access assets blocked in Euroclear Bank's books, by claiming an equivalent amount in Russian rouble and enforcing their claim in Russia. Despite all legal actions taken by Euroclear and the considerable resources mobilised, the probability of unfavourable rulings in Russian courts is high since Russia does not recognise the international sanctions.

For more information about the sanctions on Russia and the application of the windfall contribution by Euroclear Bank, please refer to the next section on Financial review.



Enabling the financing of the real economy.

Financial review

Euroclear delivered a robust financial performance in 2024, driven by strong business income and interest earnings in the context of sustained high interest rates environment, despite a declining trend in the second half of 2024 due to policy decisions. Additionally, securities settlement and safekeeping activities reached record levels. Following the implementation of the EU windfall contribution regulation in 2024, Euroclear recorded €4 billion as a windfall contribution and made a first payment of €1.55 billion to the European Union to support Ukraine in July 2024.

Euroclear delivered a robust financial performance in 2024, although the group's overall consolidated financial performance was influenced by the new EU windfall contribution regulation introduced during the financial year. The implementation of the windfall contribution regulation had a direct impact on the group's overall operating income and net profit, as Euroclear recorded €4 billion as windfall contribution in 2024 and made a first payment of €1.55 billion to the European Union to support Ukraine in July 2024. A second payment for H2 2024 is expected to take place in March 2025 and should amount to approx. €2.05 billion. 10% of the windfall contribution (€0.40 billion) is retained for a period of 5 years to comply with capital and risk management requirements.

Excluding the effects of the Russian sanctions, Euroclear's core business continued to thrive, driven by sustained market activity and solid stock exchange performances. The group reached record levels in settlement and safekeeping, while interest earnings increased compared to 2023, despite the gradual policy rate cuts in the second half of 2024.

The Russian sanctions had a notable impact on Euroclear's financial results, leading to increased cash balances and additional costs. Nevertheless, Euroclear continued to maintain a strong capital position, while paying the windfall contribution. The focus on operational excellence, business performance, customer service, and cost mitigation remain vital to navigate the evolving market landscape.

Furthermore, Euroclear reported several one-off events in 2024, resulting in a total impact of €117 million post-tax. These include an initial endowment and the 2024 contribution to the newly created Euroclear Foundation and to charities (€22 million), the impact of the initial consolidation of Goji and Quantessence within the Euroclear SA/NV figures (€23 million), a voluntary retirement incentive plan and a voluntary early retirement plan (€97 million), and the related tax impact (€25 million).

Adjusted for aforementioned one-off cost events (€142 million pre-tax), business income margin on an underlying basis (i.e., the group's performance excluding Russian assets impacts) reached 23.8% in 2024, a 7% or 1.5 percentage point increase driven by rising business income together with and in line with Euroclear's focus to create positive operating leverage.

This section will first discuss Euroclear's overall financial performance, followed by a focus on the group's underlying's financials, while the last sub-section delineates the main impacts of Russian sanctions on the group's performance.

Euroclear group's overall consolidated financial performance

Operating income	Adjusted business income margin[1]	EBITDA margin	Adjusted net profit[1]
€5,755 million	17.2%	77.9%	€2,225 million

Total assets	NAV / share	Adjusted ROE[1]	CET1 ratio
€216 billion	€811	22.0%	77.7%

Selected financial information is derived from the audited Consolidated Financial Statements and is defined in the section 'Management accounts definitions'.

1 **Adjustments for one-off events**: 2024 values adjusted for an initial endowment and the 2024 contribution to the newly created Euroclear Foundation, the impact of the initial consolidation of Goji and Quantessence within the Euroclear SA/NV figures, a voluntary retirement incentive plan and a voluntary early retirement plan (€142 million), and the related tax impact (€25 million) on adjusted net income. Adjusted 2024 values compared against 2023 values adjusted for goodwill impairment (€120 million). For the reconciliation to the Consolidated Financial Statement, please refer to the table on page 28.

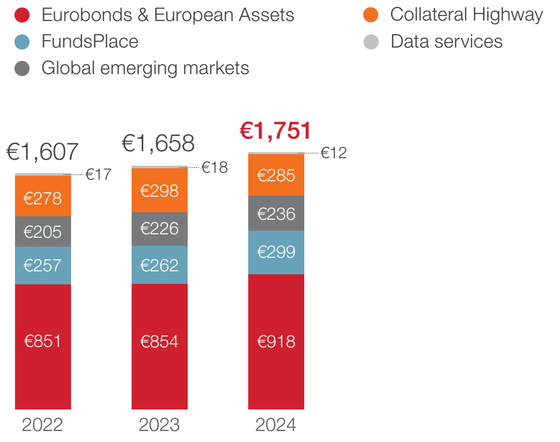
The selected consolidated financial information and metrics set out below are derived from the audited Consolidated Financial Statements for the financial years ended 31 December 2024 and 2023.

- In 2024, the Euroclear **group's operating income** totalled €5,755 million, a 19% decline from 2023, primarily driven by the implementation of the EU windfall contribution regulation that was effective from 15 February 2024. Euroclear recorded €4,009 million as windfall contribution in 2024, of which a first tranche of €1,547 million was paid to the European Union to support Ukraine in July 2024. A second payment for H2 2024 is expected to take place in March 2025 and should amount to approx. €2.05 billion.
- **Business income** amounted to €1,723 million in 2024, an increase of 5% compared to 2023, confirming the resilience of the group's business model. Excluding the aforementioned one-off cost events (€142 million pre-tax), the group's adjusted business income margin reached 17.2% in 2024. This represents a 2% decrease, primarily due to increased operating expenses related to the impacts of the Russian sanctions, rather than underlying cost increases (please refer to the next sub-sections).
- **Earnings before interest, taxes, depreciation and amortisation (EBITDA) margin** was 77.9% in 2024, down from 82.9% in 2023, following the implementation of the EU windfall contribution regulation.
- **Adjusted net profit** amounted to €2,225 million compared to €4,344 million in 2023, a year-on-year decrease of 49% reflecting the impact of the windfall contribution.
- **Total assets** reached €216 billion as of 31 December 2024, up €50 billion compared to 2023, corresponding to a year-on-year increase of 30%. The Euroclear balance sheet continues to experience a material increase in cash as blocked coupon payments and redemptions linked to sanctioned assets continue to accumulate.
- **Net asset value (NAV) per share** reached €811 on 31 December 2024, up from €731 on 31 December 2023. Shareholders' equity totalled €11 billion at year-end 2024, an increase of 11% compared to year-end 2023. In line with the prudent management of the sanctions and their application, cumulative post-tax earnings related to Russian sanctioned assets, outside the scope of the EU windfall contribution regulation, are not distributed.
- **Adjusted return on equity** (RoE) amounted to 22.0% for the year 2024, down from 57.4% in 2023 mainly driven by the impact of the windfall contribution.
- Euroclear continues to maintain a **strong capital position** with a CET1 ratio at 77.7% as of 31 December 2024. This strong capital position, along with a low-risk profile, is critical for financial market infrastructure, especially given the significant increase in our balance sheet due to Russian sanctions. Both Fitch Ratings and Standard & Poor's (S&P) Global Ratings reaffirmed the strong credit ratings of Euroclear Holding SA/NV[2] and Euroclear Bank, with Fitch Ratings confirming a rating of AA for both entities in October 2024, and S&P Global Ratings confirming ratings of AA- and AA, respectively, in May 2024.

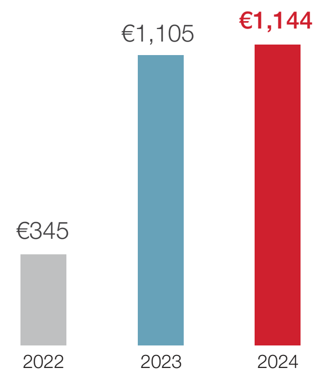
2 Substituting Euroclear Investments SA/NV from 1 October 2024.

Euroclear's robust financial progress on an underlying basis

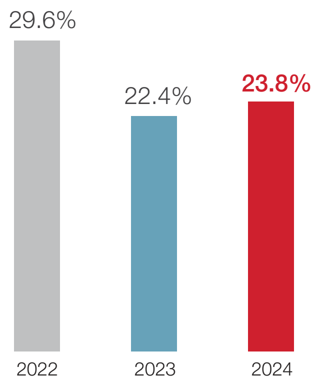
Business income by business line
(in € million)



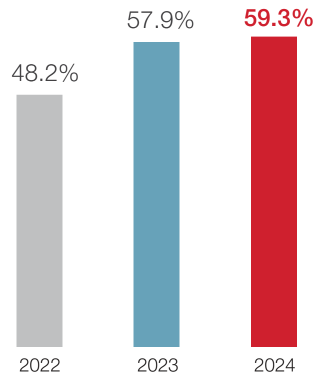
Interest, banking and other income
(in € million)



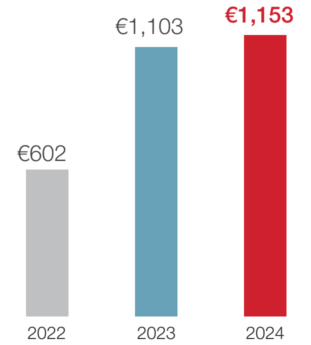
Business income margin
(adjusted, in %)



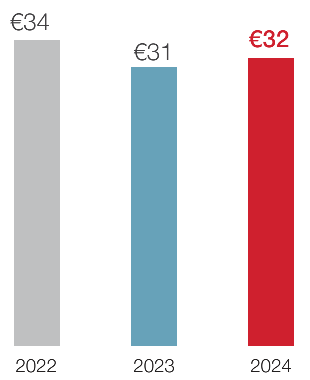
EBITDA margin
(in %)



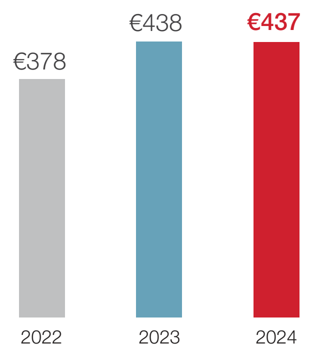
Net profit
(adjusted, in € million)



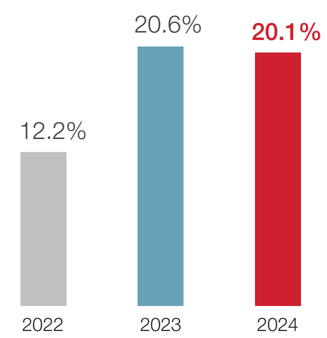
Total assets
(in € billion)



NAV per share



Return on Equity
(adjusted, in %)



Selected financial information is derived from the audited Consolidated Financial Statements and is defined in the section 'Management accounts definitions'.

Focus on underlying financial performance

In this sub-section, we refer to our underlying results, after segregation of the Russia-related sanctioned earnings.

- Underlying **business income** improved year-on-year, reaching €1,751 million, a 6% increase compared to 2023. This growth was primarily driven by record levels in settlement and safekeeping activities, alongside assets under custody also hitting unprecedented levels. In 2024, the market showed signs of improvement following subdued market conditions in 2023. Notably, there was strong performance in the Eurobonds and European assets, as well as in the funds business, boosted by the success of ETFs and positive evolution of stock valuations. This stabilisation of the economic environment, supported by gradual policy rate cuts and easing inflation pressures, has contributed to a more favourable landscape for growth.
- **Adjusted** for €142 million of one-off cost events, **business income margin** on an underlying basis reached 23.8% in 2024, a 7% or 1.5 percentage point increase driven by rising business income together with and in line with Euroclear's focus to create positive operating leverage.
- On an underlying basis, 2024 **interest, banking and other income** increased by 3% year-on-year to €1,144 million despite a decreasing trend in interest earnings in the second half of 2024 due to policy decisions.
- Underlying **adjusted operating expenses** totalled €1,333 million, up by 4% compared to 2023. Euroclear remains focused on cost mitigation while making the necessary investments in its strategy, including the improvement of operational resilience, the modernisation of CSDs' core platforms and the reinforcement of non-IT resources.
- **EBITDA margin** on an underlying basis reached 59.3%, compared to 57.9% in 2023, a level amongst the top of industry leaders in the financial market infrastructure sector.
- Underlying **net profit** reached €1,036 million (or €1,153 million when adjusted for the post-tax impacts of non-recurring cost events) compared to €983 million in 2023 (or €1,103 million when adjusted for goodwill impairment in 2023), reflecting a strong business performance and continued growth of Euroclear's core business. This not only highlights operational efficiency but also reinforces confidence among stakeholders in Euroclear's ability to navigate the evolving market landscape.
- Underlying adjusted **RoE** reached 20.1%, a slight decrease from the adjusted value of 20.6% in 2023, as shareholders' equity increased at a faster pace than (adjusted) net profit on an underlying basis, in line with Euroclear's focus on maintaining a strong capital position.
- **NAV per share** amounted to €437 in 2024 on an underlying basis, in line with 2023.

Management accounts definitions

In presenting and discussing the group's financial position, management uses certain performance measures that have not been audited although derived from the audited Consolidated Financial Statements, following the definitions below.

Measures	Definition
Adjusted net profit	Reported net profit adjusted for one-off cost events. These one-off cost events are listed in the table 'Euroclear SA/NV – Consolidated P&L (IFRS)' on the next page.
Business income	Business income also presented as 'Net fee and commission income' in the financial statements adjusted to include fees from the group's liquidity line. Business income stems mainly from the provision of settlement, asset servicing and other services.
Business income margin	Business income minus administrative expenses divided by business income.
EBITDA margin	Earnings Before Interest (paid on financial debts), Taxes, Depreciation and Amortisation (EBITDA) divided by operating income.
Net Asset Value (NAV) per share	Shareholder's equity divided by the number of shares outstanding at year-end.
Return on Equity (RoE)	Net profit divided by average shareholders' equity of current year and prior year.
Underlying	Excluding the impact of the Russian sanctions-related earnings.

Main impacts of Russian sanctions on performance and reconciliation of group figures to underlying figures

Euroclear continues to separate the estimated Russian sanctions-related earnings from the underlying financial results when assessing the group's performance and resources.

- As a result of the sanctions, blocked coupon payments and redemptions owed to sanctioned entities result in an accumulation of cash on the group's balance sheet. At the end of 2024, Euroclear's balance sheet had increased by €50 billion year-on-year to a total of €216 billion.
- In line with Euroclear's risk appetite and policies and as expected by the EU Capital Requirements Regulation (CRR), Euroclear's cash balances are reinvested to minimise risk and capital requirements. In 2024, interest from Russian-sanctioned assets was approximately €6.9 billion. Subject to Belgian corporate tax, these earnings generated €1.7 billion in tax revenue for the Belgian state. Such interest earnings are driven by two factors: (i) the prevailing interest rates and (ii) the amount of cash balances that Euroclear is required to invest. As such, future earnings will be influenced by the evolving interest rate environment and the size of cash balances as the sanctions evolve.
- Overall, Euroclear incurred additional direct costs from the management of Russian sanctions of €94 million for the year 2024, with considerable senior management and Board focus on the topic.

Effective 15 February 2024, the EU Council adopted a Regulation requiring CSDs holding assets of the Central Bank of Russia (CBR) with a total value of more than €1 million to apply specific rules in relation to the cash balances accumulating due to restrictive measures. These CSDs, such as Euroclear Bank, should account for and manage such extraordinary cash balances separately from their other activities, should keep separate the net profit generated and should not dispose of these ensuing net profits (e.g. in the form of dividends to shareholders).

FY 2023						
Euroclear SA/NV - Consolidated P&L (IFRS) Management reporting (in € million)	**FY 2023 Total**	**FY 2023 Russian sanctions impacts**	**FY 2023 Underlying**	**FY 2024 Total**	**FY 2024 Russian sanctions impacts**	**FY 2024 Underlying**
Operating income	**7,147**	**4,384**	**2,763**	**5,755**	**2,860**	**2,895**
Business income	1,634	-24	1,658	1,723	-27	1,751
Interest, banking & other income	5,513	4,408	1,105	8,040	6,897	1,144
Windfall contribution	0	0	0	-4,009	-4,009	0
Operating expenses adjusted	**-1,348**	**-62**	**-1,287**	**-1,427**	**-94**	**-1,333**
Operating profit before impairment adjusted	**5,799**	**4,322**	**1,476**	**4,328**	**2,766**	**1,561**
Impairment	-5	0	-5	-6	0	-5
Pre-tax profit adjusted	**5,794**	**4,322**	**1,472**	**4,322**	**2,766**	**1,556**
Tax	-1,450	-1,081	-369	-2,097	-1,694	-403
Profit for the period adjusted	**4,344**	**3,242**	**1,103**	**2,225**	**1,072**	**1,153**
Goodwill impairment	-120	–	-120	–	–	–
Goji & Quantessence initial consolidation	–	–	–	-23	–	-23
Early departure plan provision	–	–	–	-97	–	-97
Donations	–	–	–	-22	–	-22
Tax on adjustements	–	–	–	25	–	25
Profit for the period reported	4,224	3,242	983	2,108	1,072	1,036

Note: The line Net Interest, banking & other income includes the cost related to liquidity lines. This cost is classified as fee expense (part of Net business income) in the financial statements.

In May 2024, the European Commission adopted a new regulation imposing a windfall contribution applicable to CSDs holding CBR assets with a total value of more than €1 million. The profits generated by the reinvestment of these sanctioned amounts dating from 15 February 2024 onwards are required to be paid to the European Union.

- Following the implementation of the EU windfall contribution regulation applicable to the CBR assets dating from 15 February 2024 onwards, Euroclear recorded €4 billion as windfall contribution in 2024.
- After retention of a 10% share of the windfall contribution to comply with capital and risk management requirements, Euroclear made a first payment of €1,547 million to the European Union to support Ukraine in July 2024. The next payment is expected in March 2025 and should amount to approx. €2.05 billion.
- Gradual rate cuts have resulted in a decline in interest income from CBR assets in the second half of 2024. The outlook for future interest earnings on CBR assets remains contingent on policymaking decisions and is therefore sensitive to interest rate fluctuations. This interest rate normalisation is expected to continue in 2025.

Euroclear continues to act prudently and to strengthen its capital by retaining the remainder of the Russian sanction related profits as a buffer against current and future risks. Euroclear is focused on minimising potential legal, financial and operational risks that may arise for itself and its clients, while complying with its obligations.

Russian sanctions impacts FY 2024 (IFRS) Management reporting (in € million)	**Russian sanctions impacts**	**o/w CBR** as of 15 Feb	**o/w Other Russia**
Operating income	**2,860**	**1,379**	**1,482**
Business income	-27	0	-27
Interest, banking & other income	6,897	5,387	1,509
Windfall contribution	-4,009	-4,009	0
Operating expenses	**-94**	**-26**	**-68**
Operating profit before impairment	**2,766**	**1,353**	**1,414**
Tax	-1,694	-1,340	-353
Profit for the period	**1,072**	**12**	**1,060**

Risk management, compliance and internal control framework

In 2024, Euroclear effectively managed various risks, ensuring smooth operations and resilience against potential disruptions. Euroclear's strong risk profile was supported by a robust control environment and the dedication and expertise of its staff. Although the impact of sanctions against Russia and the Russian countermeasures is still present, the related risks are well managed and are fully integrated into Euroclear's risk management processes.

Euroclear has a Risk Management function that provides robust and independent oversight. Its role is to challenge risk-taking activities across the Euroclear group to help it achieve its goals and deliver its strategy. It has put in place an effective Enterprise Risk Management (ERM) framework governing the way in which risks are managed in the company and has determined risk appetite designed to meet Board, market and regulatory expectations. 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**.

Euroclear also has an independent Compliance & Ethics function in charge of promoting ethical conduct and helping Euroclear to navigate regulatory complexities through expertise, challenge, education, and oversight. The Compliance & Ethics function assists the Board and senior management in managing Compliance, Fraud, and Conduct & Culture risks, which is supported by robust risk management frameworks aligned with the ERM framework and relevant group policies. The Compliance & Ethics function is governed by a Board-approved charter. Detailed information on the Compliance & Ethics function's organisation, responsibilities and reporting can be found in Euroclear's yearly Pillar 3 report on **www.euroclear.com**.

External context

As described in the Economic and geopolitical context section on p. page 22, the macro-economic and geopolitical environment in 2024 has been characterised by continuous volatility and uncertainty, driven by ongoing conflicts and geopolitical tensions. Nevertheless, improving inflation conditions, coupled with slower yet steady growth, provided grounds for cautious optimism, as evidenced by recent interest rate cuts by major central banks. Despite the ongoing impact of external factors on the environment in which Euroclear operates, Euroclear's risk profile has remained strong, bolstered by a robust control environment and the dedication and expertise of its staff. This conclusion is also supported by Fitch Ratings and S&P Global Ratings, who have reconfirmed Euroclear's credit rating.

1 Type I accounts contain income proceeds from non-RUB Russian Federation Eurobonds, do not meet the definition of a financial asset (and associated liability) and are reported off-balance sheet.

2 Type C accounts contain income proceeds from RUB local corporate securities, do not meet the definition of a financial asset (and associated liability) and are reported off-balance sheet.

Evolution of Euroclear's risk profile

Principal risks	Approach
Operational risk (people, process, systems)	Operational risks are at the core of Euroclear's business. Euroclear is committed to effectively managing these risks, ensuring its position as a resilient and strong financial market infrastructure by integrating continuous technological modernisation and innovation with the strategic development of its human resources. Euroclear has a comprehensive operational risk management framework, underpinned by its dedication to investing in staff learning and development as well as fostering a culture of risk awareness. In 2024, Russia continued to issue new decrees and countermeasures to international sanctions, posing operational challenges to ensure reconciliation of securities balances held within Euroclear Bank. As a result of these decrees, during 2024, the National Settlement Depository (NSD) converted part of our type 'I' accounts[1] and debited the full balance on our Type 'C' account[2] replacing it with an obligation on NSD to compensate the affected Euroclear participants with an equivalent amount in various foreign currencies from the frozen NSD client account in Euroclear Bank. The bank is coordinating with the relevant authorities to obtain authorisation to reflect these movements while ensuring full compliance with international legislation and safeguarding its participants. Additionally, similar to the previous year, underlying clients of sanctioned Russian participants continued to bring cases before Russian courts against Euroclear Bank due to asset freezes imposed by international sanctions on those participants. The effects of such cases are managed through the group's processes and are reflected in our capital assessments for operational risk. Throughout 2024, Euroclear demonstrated robust operational risk management, resulting in a low number of incidents and operational losses, and the continued authorisation of its CSDR license. Looking at operational achievements, Euroclear has enhanced its staff's risk management expertise through specialised development programs which are led and monitored by Risk Management and the Chief Information Security Office (CISO) division, resulting in heightened vigilance and capability. Euroclear has continued to reinforce its cybersecurity capabilities through substantial investments in its infrastructure and process improvements. Euroclear has also engaged in modernising some of its applications to improve its clients' experience and using more fit for purpose technological solutions for today's needs while maintaining its robust operational risk management practices. Moreover, Euroclear is investing, in addition to the programme to be compliant with the Digital Operational Resilience Act (DORA), on improved recovery capabilities over the next years. The programme is progressing largely in line with the plan with the completed delivery of several, improved or new, detection and response capabilities. Euroclear has also defined its new data centres strategy to further increase its resilience in case of regional scale disaster and has initiated the implementation of this multi-year strategy. The investment in the IT risk and control environment resulted in improved security arrangements in a constantly evolving cyber threat landscape. Further investment will continue in 2025 and beyond to further reduce the residual risks and ensure sustainability and resilience. These are instrumental in the resilient response to potential disruptions, complementing the very high system stability and demonstrating the robustness of the control environment in place. Additionally, Euroclear has continued to strengthen its risk management in 2024 by reviewing and further implementing the ERM framework. This framework defines the roles and responsibilities of the Board, Management, and the Three Lines of Defence model, ensuring effective risk management. The implementation of the Integrated Risk Management (IRM) tool has further streamlined risk management processes and improved overall efficiency of risk, controls and issues management.
Financial risks (credit, market, and liquidity)	Throughout 2024, Euroclear has mitigated its financial risks, contained the capital impacts and maintained robust financial stability. Euroclear Bank is the only Euroclear CSD with a banking license, thus bearing the majority of financial risks within the group. Other CSDs in the group offer only securities settlement services in central bank money, do not provide credit to clients and engage in operations with counterparties solely for the investment of their own funds. Euroclear Bank continues to operate a resilient framework for credit, liquidity and market risk management. This framework aims to continuously reduce intra-day, uncommitted secured credit provided to participants, ensure smooth day-to-day operations and maintain a high level of preparedness to handle unexpected and significant liquidity shocks. Euroclear's exposure to various financial risks has stabilised in 2024 despite the continuous increase of its balance sheet driven by the international sanctions against Russia. To comply with the international sanctions, Euroclear Bank has been blocking incoming cash proceeds linked to sanctioned balances and reinvesting this cash safely in line with banking and CSD regulations. Euroclear Bank has an investment policy designed to maintain a low risk profile - where possible, sanctioned cash is deposited with the central bank of the relevant currency. Where central bank access is not available, the reinvestments are made short-term and in a secure way (reverse repo) or converted into EUR via FX swaps with highly-rated counterparties. Due to this prudent reinvestment strategy, while exposures are substantial, the resulting credit risk and capital requirements have subsided and remain stable, largely driven by routine economic activity rather than the reinvestment of accumulating sanctioned balances. Euroclear's liquidity position also remained strong in 2024, and it is further supported by the accumulating sanctioned balances as well as enhanced profitability. Liquidity risk from the reinvestment of sanctioned balances is effectively mitigated due to the short-term nature of the related assets. As of end 2024, there is no market risk linked to the reinvestment of sanctioned balances as they are either reinvested in the same currency as the underlying balance or are swapped into EUR and deposited on a central bank account. Most of Euroclear's market risk is tied to its underlying activities and more specifically to fluctuations in interest rates, which primarily create uncertainties in future earnings and economic value of equity. Euroclear has effectively contained this risk through a prudent investment strategy and appropriate hedging measures.
Legal, Compliance, Conduct and Culture risks	Euroclear faces legal, compliance, conduct and culture risks given its position as a leading FMI operating in a highly-regulated environment. In 2024, legal and compliance challenges persisted due to the scale and complexity of new international sanctions, Russian countermeasures, and the high volume and variety of new regulations. These risks are monitored and managed through the robust application of Euroclear's legal and compliance risk management frameworks and ongoing adherence to the Code of Ethics and Business Conduct. Euroclear considers the potential impacts of uncertainties arising from Russian and international regulatory changes and court cases brought primarily against Euroclear Bank on its financial position when assessing the appropriate capital levels and provisions to maintain and continue to provide safe and resilient services to its clients and the markets.
Change and Project risks, Business, and Strategic risks	The ability to anticipate and integrate change in an evolving market is essential for the longer-term strategy of Euroclear. Euroclear operates a portfolio governance framework to translate the strategy into programmes and projects and monitor their execution. This approach highlights our commitment to delivering innovative solutions while effectively managing associated risks, such as in the digital asset space. Managing change and project risks effectively through our project and programme management capabilities, at corporate level, is crucial for the successful execution of the strategy in the coming years.

Acting responsibly

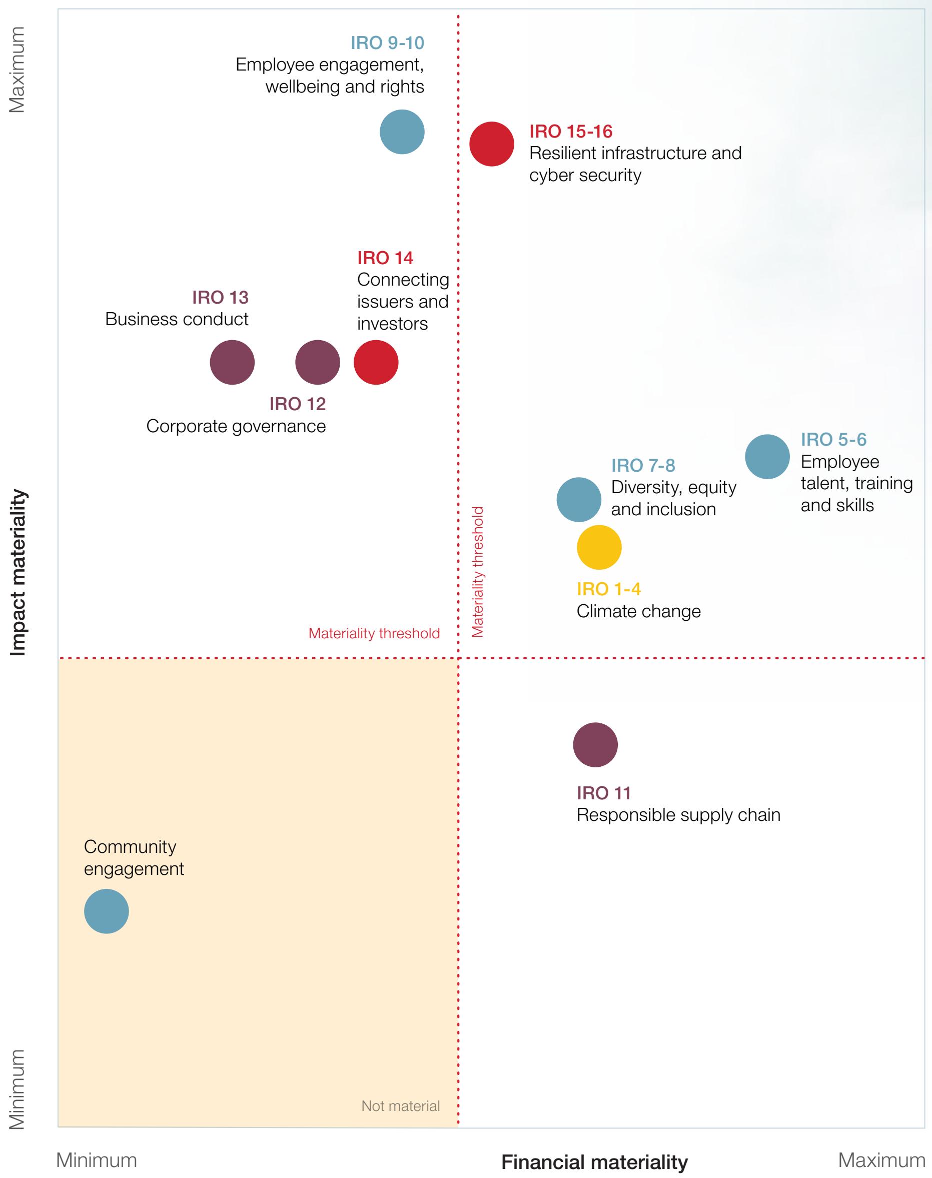
Our mission is to support and enable a sustainable financial marketplace, while limiting our impact on the environment, providing an equitable and inclusive workplace and conducting business in an ethical and responsible way.

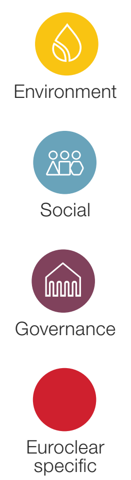
In 2024, we focused on embedding the ESG policy commitments into our day-to-day activities and preparing for reporting according to the CSRD requirements. The full CSRD-compliant Sustainability statements can be found further on in this report. We also made progress on our commitments towards reaching our net zero target and formalised our net zero Transition Plan. To ensure that we can realise our Diversity, Equity and Inclusion (DEI) ambitions, the Board approved a multi-year DEI action plan.

In line with market evolution, we split our ESG framework into Environment, Social (including Our People and Community) and Governance streams. These streams are complementary to our work to connect issuers and investors and to enable a more sustainable marketplace, see Business and Strategy update p. 14.

We performed our double materiality assessment (DMA), which was approved by the Euroclear SA/NV Board. We identified nine material topics that stem from the most important impacts, risks and opportunities (IROs) which will steer our focus and ambitions going forward. In addition, we implemented targets and KPIs for most of these material topics. For full details on our DMA, achievements for 2024 and actions for 2025 and beyond, see Sustainability statements p. 53.

Euroclear's Material topics and Impacts, Risks and Opportunities (IROs)





For the full list of IROs please refer to the section Material topics and impacts, risks and opportunities on p. 66.

Environmental commitment

We are committed to minimising our environmental footprint. Through policies and practices, we are embedding a sustainable mindset across the company, including reducing carbon emissions, conserving energy and reducing waste. This commitment extends to our key suppliers with whom we are working to ensure that our supply chain adheres to sustainability best practices. In 2024, we implemented a supplier assessment programme to monitor ESG performance and provided training and resources to support our key suppliers in meeting our environmental standards.

Net zero targets and Transition Plan

The Science Based Targets initiative (SBTi) validated Euroclear's near and long-term emissions reduction targets and classified them as compatible with limiting global warming to 1.5°C, in line with the Paris Agreement. Euroclear has committed to reach net zero greenhouse gas emissions across the value chain by 2050 from a 2019 base year. To achieve this, we have documented near, medium and long-term emissions reduction initiatives within a group Transition Plan which will be approved by the Board, and which we will begin implementing in 2025.

In 2024 Euroclear's total emissions were 89,616 tCO_2eq, an increase of 13% on 2023 and 29% on the 2019 baseline, driven largely by an increase in Scope 3 emissions, as a result of business expansion. We maintained a 66% reduction in Scope 1 and 2 market-based emissions compared to the 2019 baseline, sustaining our 55% reduction target by 2030. This was mainly due to the purchase of renewable or low carbon energy which represented 83% of energy sources in 2024. A 6% reduction in Scope 3 operational activities (Categories 3-7) has brought these emissions back to 2019 levels, primarily due to reduced business travel and employee commuting emissions. Further effort is needed to meet the 28% reduction target set for emissions from Scope 3 operational activities by 2030. For Scope 3 emissions (Categories 1-2 i.e. supplier spends) 45% of suppliers' emissions were aligned with the 1.5°C commitment in 2024, compared to a target of 70% by 2027.

Progress against our climate KPIs including Euroclear Greenhouse Gas (GHG) emissions reduction targets

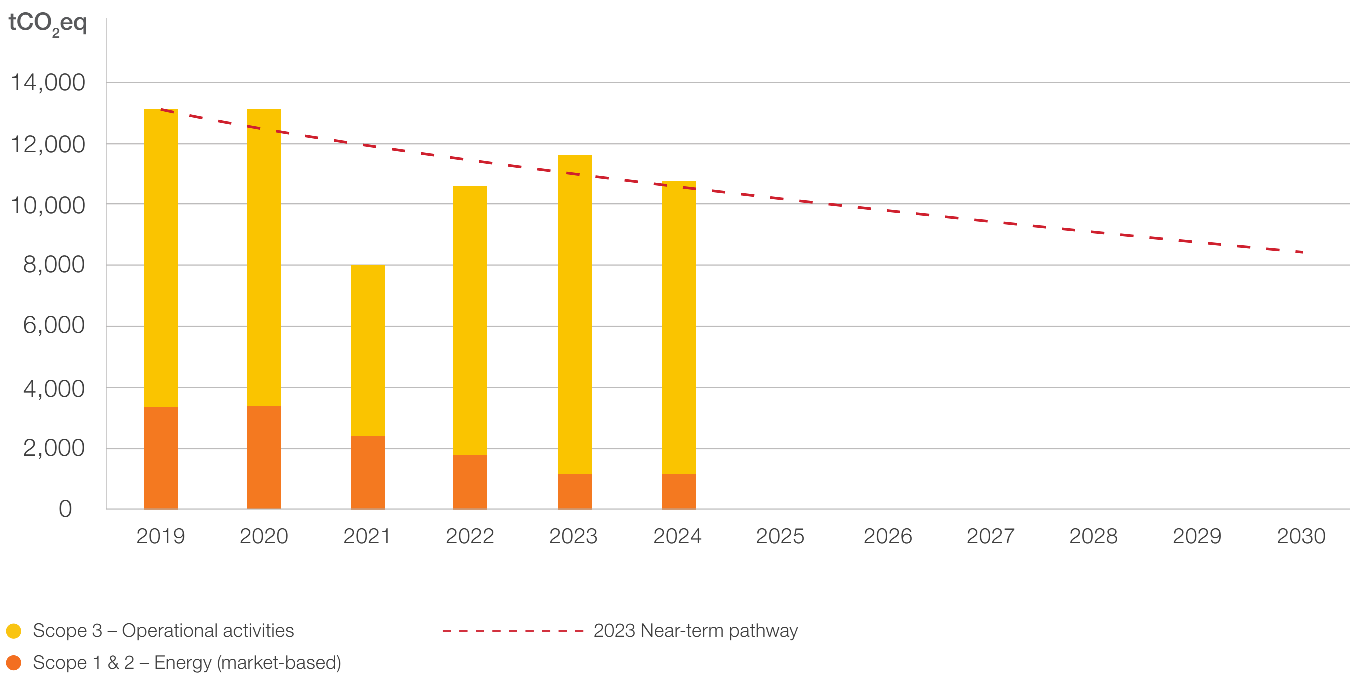
Emissions (tCO_2eq)	2024	2023	2019	2024 target	Longer-term target	2024 progress versus 2023	2024 progress versus 2019
Scope 1 and 2 Energy (market-based)	1,156	1,129	3,412	N/A[1]	-55% by 2030 -90% by 2050	2%	-66%
Scope 3 Operational Activities[2]	9,716	10,381	9,738	-5.5%	-28% by 2030 -90% by 2050	-6%	0%
Scope 3 Suppliers[3]	75,222	64,715	54,412	N/A	N/A	–	–
Scope 3 Suppliers emissions covered by targets	45%	37%	–	40%	70% by 2027	–	–
Total emissions (market-based)	89,616	79,439	69,565	N/A	N/A	13%	29%

1 2030 target to reduce by 55% exceeded in 2023. No reduction target set for 2024.

2 Categories 3-7. These categories include Fuel and energy-related activities, Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting and working from home.

3 Category 1-2 supplier spend. These categories refer to Purchased products and services and Capital goods.

Evolution of emissions versus 2030 pathway (Scope 1, 2, 3 operational activities)



Climate change scenario analysis

Euroclear has conducted a long-term scenario analysis exercise to identify risks and opportunities related to climate change, and to assess the resilience of its business model and strategy in different future climate scenarios. Although we identified several risks associated with climate change, we concluded that our business model and strategy are broadly resilient to physical and transition climate risks, with some adaptations required in the long term.

Carbon removal

Annually, we voluntarily offset our Scope 1, 2 and our operational Scope 3 emissions.

In 2024, Euroclear purchased 11,624 tons of carbon credits (for our 2023 emissions) with a mix of:

- 5% high-quality technical carbon removal credits from a Bolivian BioChar project and
- 95% non-technical removal or avoidance that it purchases in two parts:
  - 50% natural removal credits from forest reforestation in Tanzania; and
  - 45% renewable energy credits from a project in India

We aim to develop a comprehensive long-term carbon credit strategy, focusing more on carbon removal projects, during 2025.

For full details on our environment practices, achievements and ambitions, please refer to the E1 - Environment section of the Sustainability statements, p. 87.

Our people

At Euroclear, we consider our people to be a key enabler in achieving our strategic goals. The group's People Strategy focuses on six key streams:

- Mobilising the workforce to deliver on strategic priorities with a clear purpose;
- Developing strong leaders to drive the implementation of the business vision;
- Building the right skills to implement our ambitions;
- Fostering a high-performance culture;
- Shifting our corporate culture to better enable the company strategy;
- Making a positive corporate social impact in the workplace and in our communities.

In 2024, Euroclear recruited 593 employees, primarily in IT and operational roles, increasing the total number of staff to 6,009. In December 2024, we announced our intention to open a voluntary retirement incentive plan and a voluntary early retirement plan in the course of 2025. These plans will give eligible colleagues the opportunity to retire earlier and allow the company to accelerate the development of internal talent or recruitment of new talents with new skills without increasing the headcount. This multi-year plan will allow sufficient time for teams to prepare for the transition.

Diversity, Equity and Inclusion (DEI)

We believe that a truly diverse and inclusive workplace leads to better business decisions, more innovative thinking and an environment where everyone can reach their true potential. At the end of 2024, the Board approved a strategy and action plan for DEI, and Community, which we will start implementing in 2025. However, we recognise that we will need to accelerate our efforts across the group to meet our underrepresented gender targets (see below) and truly embed DEI in all its dimensions into our business practices and mindset.

Our revised DEI strategy will focus on the following areas:

- Meeting our diversity senior leadership targets;
- Reviewing the recruitment, promotion, and career development processes to ensure DEI principles are embedded at each stage of the employee career journey;
- Defining non-financial metrics to link inclusion to pay and reward;
- Further developing DEI reporting in order to expand metrics and targets beyond gender diversity and provide better insights with regards to DEI issues; and
- Rolling out an accessibility programme; focusing on physical and digital accessibility for all.

KPIs	Targets		2024
Percentage of underrepresented gender at senior management level	Minimum **40%** by end 2026		32%
Maintain or improve the employee engagement scores for non-discrimination, inclusion and diversity vs 2022 baseline	• Non-discrimination:	8.5/10	8.5/10
	• Inclusiveness:	8.1/10	8.2/10
	• Diversity:	8.5/10	8.6/10

Talent, learning and development

One of Euroclear's key focus areas is investing in the talent and skills development of our employees and we provide the necessary tools to enable employees to develop their skills and further their careers.

During 2024, we launched a new online Learning platform for all employees, so that they can tailor their learning experience to meet specific needs and introduced the Euroclear learning week, where employees can explore continuous learning opportunities in an informal setting to upskill for current or future professional challenges.

KPIs	Targets		2024
Maintain or improve the employee engagement score for training and development vs. 2022 baseline	Equal to or above	7.4/10	7.6/10

Wellbeing and employee engagement

In 2024, we revised our group wellbeing strategy, focusing on providing employees with the resources to ensure their physical, social, mental, financial and environmental wellbeing at work.

Over the last 12 months, the long-term absenteeism ratio due to sickness decreased to a historic low at 2.2% of the headcount. This reflects the success of our return-to-work programme. We actively support our staff during long-term absences to enhance their physical, emotional, and mental wellbeing.

Our global wellbeing strategy for the next five years will focus on the following key domains:

- embedding wellbeing into our processes and habits and the way we lead our teams
- ensuring our activities have a positive long-term impact and
- measuring progress and performing benchmarking

KPIs	Targets		2024
Maintain or improve the overall employee engagement score in engagement survey vs 2022 baseline	Equal to or above	7.7/10	7.8/10 ●
Maintain or improve the score regarding health & wellbeing in employee engagement survey vs 2022 baseline	Equal to or above	7.4/10	7.9/10 ●

Embedding an ESG mindset

To ensure that ESG becomes embedded into our culture and mindset, we are continually seeking ways to engage our workforce around ESG topics and actions. In 2024, our month of sustainability focus, 'Sustainable September', which featured webinars, events and communications across all ESG topics, attracted over 2,500 unique attendees.

Community focus

As a significant employer, we value our people and their communities. Our staff actively contribute to the wider community by volunteering, mentoring colleagues, proposing social impact projects, and participating in social initiatives.

We also consider that we have a duty to improve the lives of the people in the locations where we operate. We aim to tackle social issues in the community where we can make transformative impact through our people, clients, suppliers and partners.

Our Community programme focuses on four streams:

- Tackling poverty
- Coaching and education
- Social and financial inclusion
- Environmental impact

In 2024, our Board approved the establishment of a new Euroclear Foundation, which was registered by year end and the founding board members were appointed. The Foundation is endowed with an annual social dividend fixed at 1% of annual net profits (Business as Usual, excluding Russia-related earnings of Euroclear). We have decided to kickstart the Foundation with an additional special contribution of €10 million in 2024. During 2025, we will put in place the purpose, strategy and governance to manage the new Euroclear Foundation to ensure that our contributions have the biggest impact where they are most needed and are governed in the most effective way.

Over many years, Euroclear has built a strong community approach, with a group-wide volunteering programme, where all employees are entitled to a minimum of eight hours a year to take part in corporate volunteering activities; local charity committees in our main locations; long-term community partnerships and a Matching Gift programme to match employee donations. The total investment in Community projects in 2024 was €22 million. During the year, over 3,000 employees across the group took part in one of our volunteering opportunities and we supported 390 projects.

In 2024, we celebrated 10 years of partnership with Junior Achievement, coaching young people in business skills and financial literacy. A group of employees, including senior management and our Chairman attended the Gen-E event hosted by Junior Achievement in Italy to celebrate this long-term partnership.

Robust governance

Upholding the highest standards of governance is at the core of Euroclear's business. We also apply this principle to our suppliers through our due diligence practices. The company is governed by a robust framework that ensures transparency, accountability, and ethical conduct. This includes stringent compliance with regulatory requirements, continuous risk assessment, and a commitment to ethical business practices, as laid out in our 'Code of Ethics and Business Conduct.' The 'Euroclear SA/NV Governance Charter', published on the Euroclear website, covers in detail the responsibilities and accountability of the Euroclear SA/NV Board.

In 2024, we also ensured that ESG considerations are embedded into our mergers and acquisitions processes and that the human rights dimension (using independent indices) is taken into consideration when deciding to maintain or expand our geographical footprint.

For details on Board governance, compliance and ethics and business resilience, please refer to p. 38 and p. 53.

KPIs	Targets	2024
Key suppliers screened by EcoVadis	75%	80% ●
Percentage of underrepresented gender at Board level Euroclear SA/NV / Euroclear Holding	33%	36% ●

Other achievements

In 2024, the Euroclear Pension Fund received the IPE 'Small Pension Fund' award, primarily for its pioneering efforts to integrate the group's tailored ESG criteria into the Pension Fund's investment strategy. Together with our partner, Impact Cubed, Euroclear's Pension Fund team set up a specific benchmark and a new dedicated global equity mutual fund for its Defined Benefits plan, reflecting Euroclear's ESG priorities.

We are also proud to have started in 2024 to be the sponsor of a new Sustainable Finance Chair at the Solvay Brussels School of Economics and Management. This will further strengthen Euroclear's role in advancing the understanding of sustainable finance and is in line with our emphasis on continued learning and development.

In addition, we continue to invest in learning and sponsor an endowed chair at the KU Leuven to research on predictive process mining and on innovating the management core processes within financial market infrastructures.

External ESG ratings

Over the past years, we have been scored by various rating agencies on our ESG performance.

Rating agency	Entity rated	2023	2024
EcoVadis	Euroclear SA/NV	62/100	65/100
S&P Global ESG score	Euroclear Bank SA/NV	49/100	47/100
Moody's	Euroclear Holding SA/NV	47/100	47/100
CDP	Euroclear SA/NV	C	C

For details on all sustainability matters, see p. 53.

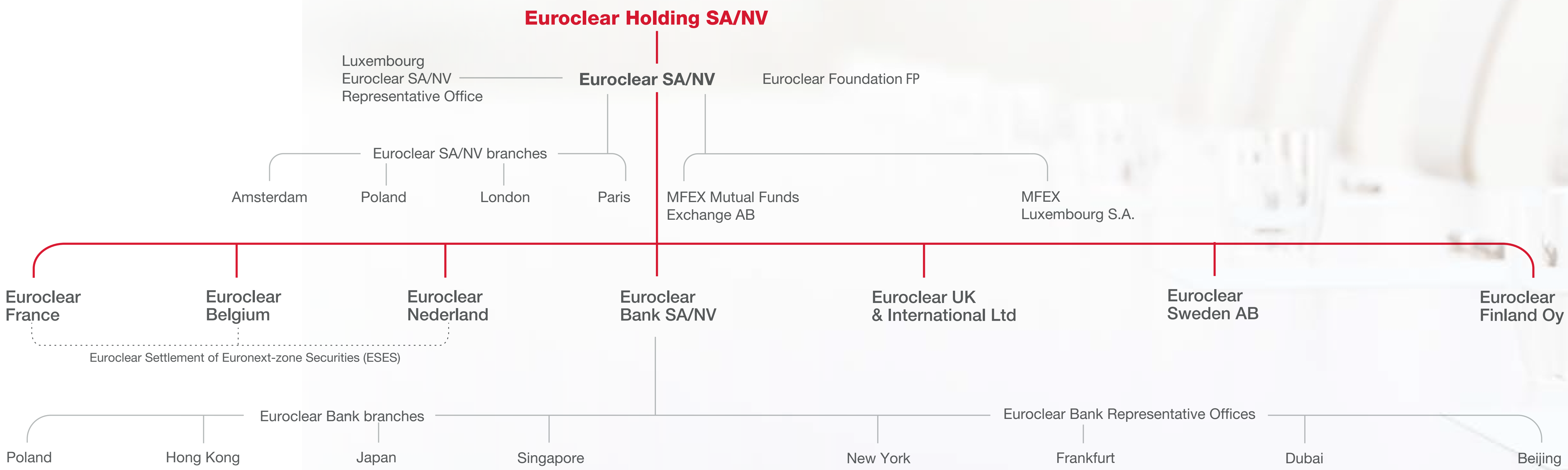
Corporate governance

Throughout 2024, the Board has demonstrated commitment and strategic oversight, guiding our organisation through a year marked by geopolitical tensions, significant macro-economic and regulatory developments. Concurrently, the Board monitored technology, industry dynamics and rapid developments across various themes such as T+1, Capital Markets Union (CMU)/Savings and Investments Union (SIU), DORA, data centres, cybersecurity, and AI. The Board monitored the actions taken to strengthen our market position and expand our service offerings and resolved to acquire a substantial stake in the Spanish credit institution Inversis. In line with our commitment to social responsibility, the Board established the Euroclear Foundation aimed at increasing our impact on the communities we serve.

Euroclear believes that sound corporate governance is key for a trusted FMI to protect the interests of its stakeholders. Euroclear has governance procedures and practices throughout the group which promote accountability and transparency of decision-making, and which seek to ensure that all stakeholders' interests are duly considered and safeguarded. These procedures are underpinned by a strong focus on ethical behaviour and a positive working culture that help it to make better business decisions ensuring continued success.

Euroclear ensures a robust and transparent governance across the organisation and encourages good governance through the value chain. Euroclear and its major subsidiaries are all subject to a variety of financial services regulations, most notably the CSDR and banking regulations, which detail very specific governance requirements. Euroclear publishes detailed governance charters, which outline the main aspects of the corporate governance framework of the major entities in the group. Euroclear is also subject to new climate and ESG regulations and standards coming from the ECB and European Commission, and related European Banking Authority (EBA) guidelines. Euroclear actively monitors regulatory developments to determine their impact, including allocating resources to address and close gaps in existing regulations.

Our group structure



Overview of the governance structure

Euroclear corporate structure

Euroclear Holding SA/NV is an unlisted public limited liability company incorporated under the laws of Belgium and Financial Holding Company[1], and subject to a number of prudential and governance-type obligations under the Banking Law. Euroclear Holding SA/NV is the ultimate holding company of the Euroclear group which owns, directly or indirectly, the entire issued ordinary share capital of the group companies and is also the issuer of listed debt securities.

Euroclear Holding SA/NV qualifies as an exempt Financial Holding Company and is subject to a light regulatory regime under the Banking Law.

Euroclear SA/NV is a limited liability company (société anonyme/naamloze vennootschap) established under Belgian law that is regulated as a support institution within the meaning of article 36/26/1 of the Organic Law and as a Financial Holding Company, in the meaning of the Capital Requirements Directive (CRD) and the Belgian Banking Law.

1 Financial Holding Company (compagnie financière / financiële holding) in the meaning of Article 3, 38° of the Banking Law and is, in that capacity, required to seek approval from the NBB as required by Article 21a (1) of CRD (as transposed into the Banking Law)

As the result of the exemption granted by the National Bank of Belgium (NBB) to Euroclear Holding SA/NV, Euroclear SA/NV, as the approved and designated Financial Holding Company of the group, shall:

- act as the top Financial Holding Company of the Regulated group (consisting of Euroclear Bank and the financial institutions controlled by the former) and therefore be responsible for the consolidated oversight over the regulated entities of the Regulated group and be accountable to the NBB to ensure compliance with prudential requirements on a consolidated basis;
- be responsible for all management, operational or financial matters relating to the Regulated group (whether or not they qualify as strategic decisions within the meaning of Article 3, 63° of the Banking Law (a 'Strategic Decision') which affect the Regulated group ('Relevant Matters'); and
- be given all the necessary means and legal authority to discharge the above obligations in an effective manner.

Furthermore, it is authorised by the NBB as a support institution within the meaning of Article 36/26/1, § 4 of the Belgian Law of 22 February 1998 on the organic status of the NBB.

As the parent entity of a Belgian credit institution (Euroclear Bank), Euroclear SA/NV qualifies – and is regulated – as an approved Financial Holding Company as referred to in article 212/1 and following of the law of 25 April 2014 on the status and supervision of credit institutions.

As a result of the systemic risk potential of the regulated entities of the Euroclear group (and in particular Euroclear SA/NV and Euroclear Bank in light of the financial market infrastructure services they provide), Euroclear SA/NV has also been designated by the NBB as a systemically important financial institution ('SIFI') under the Organic Law. The NBB has designated Euroclear SA/NV as a domestic systemically important institution pursuant to Article 14 of the Belgian Banking Law (referred to in CRD as 'Other Systemically Important Institution' or 'O-SII') under the Banking Law and, as such, Euroclear SA/NV is subject to a capital ratio surcharge.

Euroclear SA/NV is the Belgian parent company of the CSDs and of the operational subsidiaries of the Euroclear group. Euroclear SA/NV operates branches in London, Amsterdam, Paris and Krakow as well as a representative office in Luxembourg. Euroclear SA/NV is also the parent of the other regulated and non-regulated entities of the Euroclear group (non-CSDs).

Euroclear SA/NV owns the group's shared securities processing platforms and delivers a range of services to the Euroclear group's regulated and non-regulated entities (including Euroclear Holding SA/NV). Euroclear SA/NV has established support functions for the regulated and non-regulated entities of the Euroclear group (except where legal or regulatory requirements require otherwise).

Euroclear Holding's shareholders

The shares of Euroclear Holding SA/NV may be transferred. However, as the Euroclear group contains regulated entities, competent authorities must ensure the suitability of prospective shareholders.

Euroclear Holding SA/NV has 66 individual shareholders. The Top 10 shareholders represented a total of 80.7% in December 2024. The latest top 10 shareholder information is available on our website.

In the year 2024, several shareholders have acquired shares in Euroclear Holding, the ultimate parent company, contributing to the overall consolidation and stability of our shareholder base.

The ownership of 15.8% of Euroclear Holding's capital changed in 2024.

- NZSF Euro Limited ('NZ') reinforced its holdings by acquiring 3.7%, increasing its stake to 8.7%.
- Novo Holdings A/S ('Novo') reinforced its holdings by acquiring 1.7%, increasing its stake to 4.99%.
- Caisse des Dépôts et Consignations ('CDC') reinforced its holdings by acquiring 0.5%, increasing its stake to 11.4%.
- NSW TCorp ('TCorp') becoming a 4.92% shareholder by acquiring the LSEG stake.
- Amber Red Investment Pte Ltd, a fully owned subsidiary of GIC (Ventures) Pte Ltd ('GIC'), becoming a 4.99% shareholder by acquiring stakes from Société Générale and Citi.

Governance structure

In accordance with the applicable legislation and regulatory requirements, Euroclear SA/NV is managed by a Board of Directors and a Management Committee, which is assisted in its roles and responsibilities and advised by the top leadership team. The Board of Directors determines the company's general policy and strategy and is entitled to perform all powers reserved to it by law. This includes, inter-alia, the oversight over the management of the company and the responsibility to define the company's risk appetite and risk policies.

66 Shareholders

80.7% of capital represented by top 10 shareholders

15.8% of Euroclear Holding's capital changed in 2024

Since July 2021, to improve effective decision making and strategy implementation, the Boards of Euroclear Holding SA/NV and Euroclear SA/NV have been 'mirrored'. Sitting on different Boards, the members of the mirrored Boards have separate mandates and therefore manage such mandates in accordance with the Conflicts of Interest Policy of these boards.

Euroclear undertook a subsequent wave of simplification of the group's structure at the end of 2022 by transferring the registered seat of Euroclear Investments SA/NV from Luxembourg to Brussels and appointing a newly composed Board, which also mirrors the Board composition of Euroclear Holding SA/NV and Euroclear SA/NV. Since May 2024, a new composition of the mirrored Boards was implemented, reducing the number of members of the Board from 18 to 14. This coincided with the start of the new CEO, Valérie Urbain, as well as with the redesigned structure and composition of the top leadership team.

Effective 1 October 2024, the group structure was then further simplified with the merger of Euroclear Investments SA/NV (domestic merger) and Euroclear AG (cross-border merger) with Euroclear Holding SA/NV.

This simplification of the corporate structure and board structures has strengthened the governance, risk management and oversight of Euroclear SA/NV and Euroclear Holding SA/NV, creating value for shareholders, stakeholders and society. These Boards are chaired by the same Independent Non-Executive Director and contain an appropriate number of Independent Non-Executive Directors.

The governance arrangements of the Board of Directors described in this section are based on, among other things, Belgian Banking Law, Euroclear's Articles of Association, the Board's Terms of Reference and the rules of procedures for the Board.

Top 10 Shareholders of Euroclear Holding SA/NV[1]

1. Sicovam Holding S.A.	15.89%
2. Caisse des Dépôts et Consignations	11.41%
3. Société Fédérale de Participations et d'Investissement SA/NV (SFPIM)[2]	9.85%
4. Consortium of Belgian shareholders[3]	9.17%
5. NZSF Euro Limited	8.67%
6. Kuri Atyak Investment Ltd	7.25%
7. Novo Holdings A/S	4.99%
8. GIC[4]	4.99%
9. NSW TCorp[5]	4.92%
10. Euronext Brussels SA	3.53%

1 As of 31 December 2024
2 SFPIM also holds an additional 3.07% stake as part of the Consortium of Belgian shareholders.
3 A consortium of seven Belgian investors (AG Insurance, Belfius Insurance, Ethias, Fédérale Assurance, Participatiemaatschappij Vlaanderen, Societe Regionale d'Investissement de Wallonie, Societe Federale de Participations et d'Investissement) holds a combined total of 9,17% of issued share capital.
4 Held via Amber Red Investment Pte Ltd, a fully owned subsidiary of GIC (Ventures) Pte Ltd.
5 Held via J.P. Morgan Nominees Australia Pty Limited as nominee for JPMorgan Chase Bank, N.A. (Sydney Branch) as custodian for New South Wales Treasury Corporation, as trustee for TCorpIM Opportunistic Fund G.

Overview of Euroclear's Board of Directors

Composition of the Board of Euroclear SA/NV

Euroclear SA/NV's Articles of Association provide that the number of members of the Board consists of at least three directors appointed by the General Meeting of shareholders and who comply with legal and regulatory requirements. Directors, at all times, meet the fitness and propriety criteria required for their role as determined by law and applicable regulatory requirements. Only natural persons can be members of the Board. The Euroclear SA/NV Board of Directors is composed of executive and non-executive directors, whereof a suitable number of independent directors as required by law. There is no employee representation at Euroclear SA/NV Board level.

Further to the new composition of the Board since May 2024, at the end of 2024, the Euroclear SA/NV Board consisted of 14 directors; five of whom were non-executive directors proposed by firms that are major shareholders, six independent non-executives and three executive directors[1].

Mr. Vanni d'Archirafi is the Chairman of the Board, and Mr. Finders was the Deputy Chairman, but his mandate ended on 31 December 2024. Mr. Vanni d'Archirafi is and Mr. Finders was an independent director, as defined by Article 3, 83°, of the Belgian Banking Law.

Remuneration

The remuneration of the members of the Board is decided by the General Meeting of shareholders. Directors are remunerated for their mandate as Board member and such remuneration is not linked to the business performance. The amount of remuneration takes into account of the level of responsibility and time required to fulfil the Board role.

Suitability

The composition of the Euroclear Board is considered in the context of the requirements of the business of the company and the group at a given point in time, including prevailing legal and regulatory requirements.

To adequately fulfil its roles and responsibilities, the Board as a whole possesses the necessary balance of skills and experience to set the general policy and strategy of the company. This includes overseeing the effectiveness and independence of the control functions, setting all material aspects of governance arrangements relevant to Euroclear SA/NV, establishing the culture, values, standards, ethics and conduct business rules of the group, and properly supervising the implementation of such policy and strategy.

The Board performs an annual skills assessment of its members. The current composition of the Board and its Committees shows an acceptable collective level of expertise, according to the latest assessment (see graphs on p. 45). With external validation by experts, the annual skills assessment is a component of the decision-making on Board succession and is the basis to determine the annual training plan for the Board.

Diversity

All Board nominations are taken with consideration to gender, nationality, skills, knowledge, diversity and experience.

Euroclear has a target to contain at least one third of the under-represented gender or 40% of non-executive director positions to be held by members of the under-represented gender. By year end 2024, the Euroclear SA/NV Board was composed of 64% men and 36% women.

To ensure adequate diversity, the Board has implemented an annual review process of compliance with agreed targets and objectives set for achieving and maintaining gender diversity on the Board.

The graphs on p. 44 show the diversity in the Board in relation to nationality and gender on 31 December 2024. Early 2025, the Board composition will further evolve as an additional seat will be granted to a new top 6 shareholder 'NZSF Euro Limited' and succession needs for Mr. Finders who terminated his mandate and Mr. Lombard, who resigned following his recent appointment as France's Finance Minister ('Ministre de l'Économie, des Finances et de la Souveraineté industrielle et numérique') by President Emmanuel Macron.

Euroclear SA/NV Board responsibilities

The Board determines the Euroclear's general policy and strategy, including annual objectives setting, and is entitled to perform all undertakings reserved by law.

The Board oversees the effectiveness, including availability of adequately skilled resources, and independence of the control functions. It ensures that the Risk Management function provides robust, independent oversight of risk-taking activities to help Euroclear achieve its goals and deliver its strategy within the Board's risk appetite. It oversees compliance with all relevant legal, regulatory and supervisory requirements.

The Board oversees the proper management of the Conduct & Culture risk. It is expected to lead by example and uphold the corporate values.

The control and oversight of the Euroclear's Management is carried out by the Board in various ways.

Management reports to the Board and its committees at each of their meetings on business matters and the implementation of the agreed strategy and risk profile as well as on the financial position of the company and the Euroclear group. All other matters delegated from the Board to the Management Committee are the subject of regular reporting to the Board, including the internal control framework and risk control policies, capital and liquidity planning, IT security, business continuity and recovery framework, and any material change thereto.

The responsibilities of the Board are defined in detail in its Terms of Reference and the Articles of Association.

How Euroclear functions

The governance bodies of Euroclear SA/NV as the controlling shareholder of various regulated and unregulated subsidiaries formulate shareholder expectations which all the entities of the Euroclear group are expected to meet.

The Group Matters Protocol identifies matters requiring a consolidated, group-wide alignment and coordination based on shareholders' expectations and/or regulatory requirements. This Group Matters Protocol also sets minimum requirements to be implemented across the Euroclear group and outlines the governance to apply for deviations.

Within this framework, each entity of the Euroclear group sets its own strategic and operational objectives consistent with those set by Euroclear SA/NV.

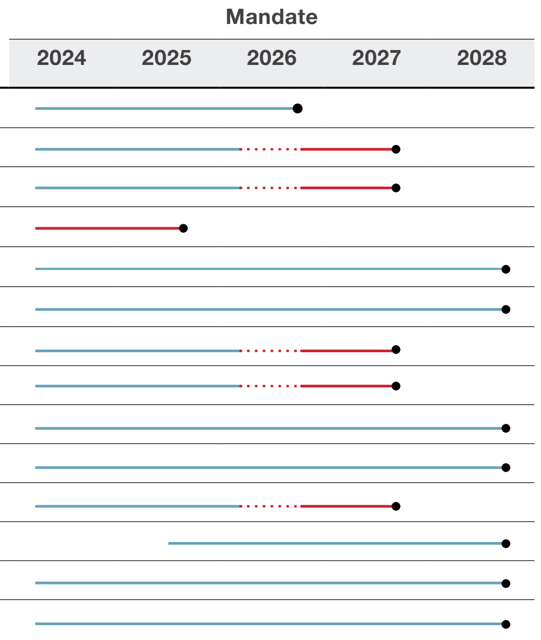
The Euroclear group's senior management helps ensure coherence between the interests of the parent companies and the entities of the Euroclear group, and that the particularities of the subsidiaries are understood by the Boards of Euroclear Holding SA/NV and Euroclear SA/NV as parent companies (and vice-versa).

1 A sixth non-executive director representing NZSF Euro Limited has been appointed in February 2025. As of that date, the Board of Euroclear SA/NV thus comprise 15 directors.

Board governance dashboard

Board composition view on 31 December 2024[1]

Name	Gender	Nationality	Category
Francesco Vanni d'Archirafi		IT	INED
Andrew Butcher[2]		GB	INED
Eilis Ferran[2]		GB/IE	INED
Harold Finders[3]		CH	INED
Elly Hardwick		GB	INED
Katleen Vandeweyer		BE	INED
Bart De Smet[3]		BE	SNED
Eric Lombard[3]		FR	SNED
Yuxin Du		CN	SNED
Tom Feys		BE	SNED
François Marion[3]		FR	SNED
Nils Jean-Mairet		CH	ED
Guillaume Eliet		FR	ED
Valérie Urbain		BE	ED



INED Independent non-executive director
SNED Shareholder non-executive director
ED Executive director

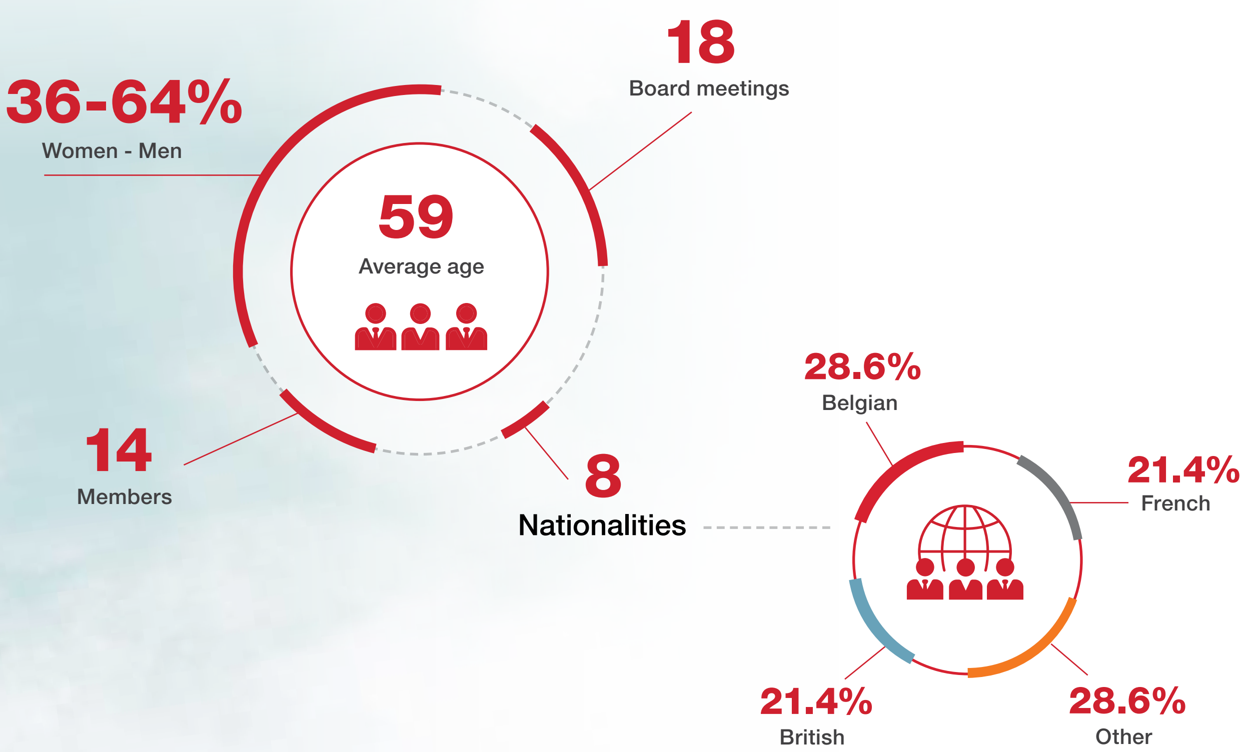
Mandate can be renewed
Board member transitioning its last mandate = succession planning needed

1 The Board regularly reviews its composition and that of its committees, and agrees, as necessary, on the measurable objectives for achieving and maintaining diversity on the Board. The composition of the Euroclear SA/NV Board has significantly evolved throughout 2024. Mr. Hurd resigned on 30 September 2024, replaced by Mr. Guillaume Eliet. Mr. Bernard Frenay resigned on 16 December 2024, replaced by Mr. Nils Jean-Mairet.

2 INEDs that will not be longer eligible as independent because at least one criteria of the Banking Law - Article 3, 83° is not met.

3 Reach(ing) the age of 70.

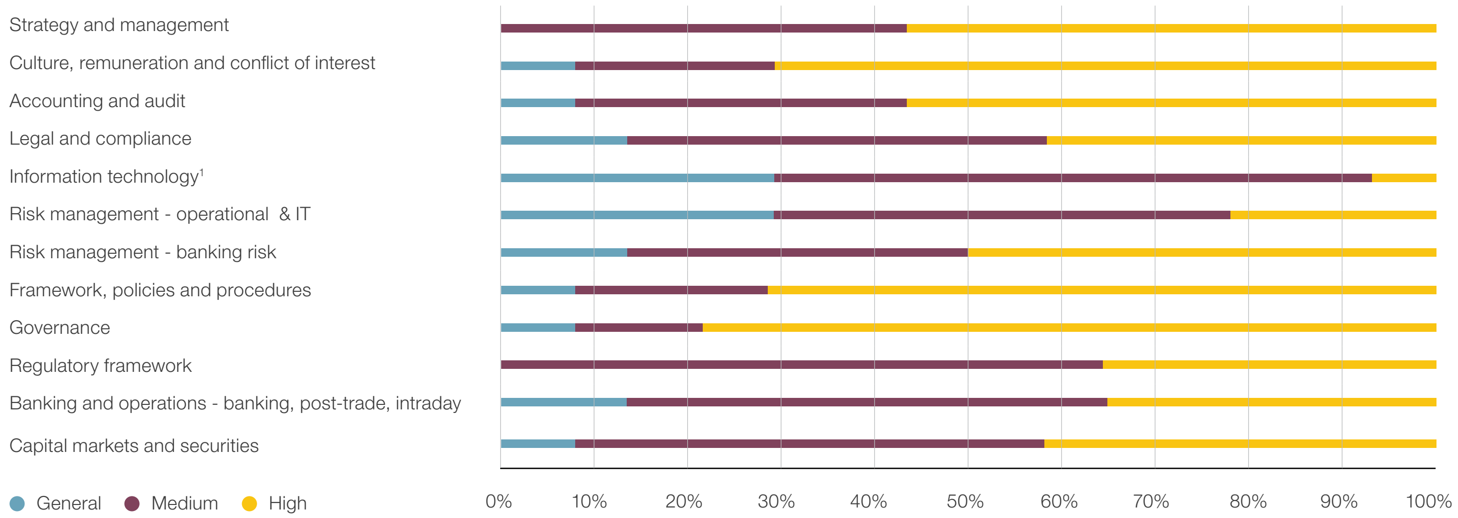
Board of Directors



Board and Board committee composition on 31 December 2024

	Number of directorships	Nature	Euroclear Holding SA/NV Board	Euroclear SA/NV Board	Risk Committee	Audit & Compliance Committee	Nominations & Governance Committee	Remuneration Committee
Francesco Vanni d'Archirafi	16	Independent	Chair, INED	Chair, INED	●			
Harold Finders	3	Independent	Deputy Chair, INED	Deputy Chair, INED	●		●	● (chair)
Andrew Butcher	5	Independent	INED	INED	● (chair)		●	●
Katleen Vandeweyer	7	Independent	INED	INED	●	● (chair)		
Eilis Ferran	6	Independent	INED	INED		●	● (chair)	●
Elly Hardwick	10	Independent	INED	INED	●	●		
François Marion	6	Shareholder, Sicovam Holding s.a.	SNED	SNED		●		●
Bart De Smet	14	Shareholder, Consortium of Belgian shareholders	SNED	SNED			●	
Eric Lombard	9	Shareholder, Caisse des Depôts et Consignations	SNED	SNED			●	
Yuxin Du	4	Shareholder, Kuri Atyak Investment Ltd.	SNED	SNED		●		●
Tom Feys	9	Shareholder, SFPI FPIM	SNED	SNED	●			
Valérie Urbain	4	ESA MC, ExCo member & Chief Executive Officer	ED	ED				
Nils Jean-Mairet	2	ESA MC, ExCo member & Chief Financial Officer	ED	ED				
Guillaume Eliet	5	ESA MC, ExCo member & Chief Risk Officer	ED	ED				

Board's collective skills



1 Including cyber

Board Advisory Committees

In order to perform its responsibilities, the Euroclear SA/NV Board has established several advisory committees. These committees meet quarterly with additional ad-hoc meetings as deemed appropriate by the chairs of each committee. The members of the committees are identical for Euroclear SA/NV and Euroclear Holding SA/NV (since July 2021 for the Audit and Compliance Committee (ACC), Remuneration Committee (RemCo) and Nominations and Governance Committee (NGC) and since July 2023 for the Risk Committee (RC)).

Audit and Compliance Committee (ACC)

The ACC is an advisory committee of the Board established to assist the Board in fulfilling its reporting, audit, as well as compliance and ethics oversight responsibilities. The ACC also assesses whether appropriate means are allocated to support the Euroclear's Information and Communication Technology ('ICT') strategy, including ICT security, and operational processes. The ACC oversees and reports to the Euroclear SA/NV Board on the outcome of the assurance of the sustainability reporting, holds ad hoc discussions on net zero progress and ensures the inclusion of ESG (long-term) risks in prudential reporting and stress testing scenarios.

The ACC has adequate interaction with the Risk Committee to ensure consistency and avoid any gaps in their respective roles and to make sure the ACC is informed of the major risk issues reported to the Risk Committee.

ACC members collectively have in-depth knowledge of financial markets and services, and they understand both the Company's and group's business as well as collective competence in the area of accounting, audit, and ESG. At least one member has specific expertise in accounting and/or auditing matters.

ACCs at entity level keep Euroclear SA/NV's ACC informed about any material issues of concern at subsidiary level, including assurances on the safety and soundness of the subsidiary. Conversely, the Euroclear SA/NV ACC keeps the group entities' ACCs informed of any material group level issues that may impact the subsidiaries.

Risk Committee (RC)

The RC assists the Board in fulfilling its oversight responsibilities for Euroclear SA/NV in respect of (inter alia) the following: risk capacity, appetite and profile, risk exposures, risk management framework and risk policies, risk management function, alignment of compensation policy and procedures with sound risk management, and business resilience, recovery and continuity. The RC will assist and advise the Board with regard to ESG risk appetite and KRIs, and climate and ESG risk reporting.

The RC shall be informed about major risk or control issues raised by/to another committee to enable it to assess the acceptability within Euroclear's risk profile. The RC has adequate interaction with the ACC to ensure consistency and avoid gaps in their respective roles. The oversight of the adequacy and effectiveness of both company and group risk management systems is the responsibility of the ACC and shall be undertaken based on reporting from Internal Audit and reported to the RC and the Board.

The Committee has adequate interaction with the Remuneration Committee to ensure compensation policies and practices are aligned with the risk culture, appetite and financial situation and long-term interests of Euroclear.

Individual RC members have the skills and experience to be able to understand both the Company's and group's business and to oversee the risk strategy, risk appetite, risk capacity and risk profile.

To ensure consistency across Euroclear on risk practices and material risk issues, the Euroclear SA/NV RC will ensure that each group entity's RC is informed, by the group Chief Risk Officer of any material group level issues under its review having an impact on that subsidiary. The group entities' RCs will similarly keep the Euroclear SA/NV RC informed about any material issues at subsidiary level.

Nominations and Governance Committee (NGC)

The NGC assists and advises the Board on all matters in relation to the nomination and suitability assessment of Board and committee members, Management and key function holders, Board and committee composition, succession planning, corporate governance matters, as well as ESG matters within its remit.

The NGC members possess individual and collective appropriate knowledge, skills, expertise and professional experience regarding governance and selection process, suitability, control practices and ESG matters.

The NGC also reviews the balance of skills, knowledge and experience of the Board.

Remuneration Committee (RemCo)

The RemCo assists and advises the Board in defining a global compensation philosophy for the group. Furthermore, it ensures the non-executive Board and Board Committee members of the Company, the members of the Executive Committee (ExCo) as well as Identified Staff are compensated as per the principles described in the Euroclear Compensation Policy and overseeing management's implementation of the Compensation Policy.

The RemCo reflects on various components of Euroclear SA/NV's Compensation Policy in regard of the Management Committee and senior management with a view of simultaneously being aligned with market practices and adhering to the most recent international governance standards, including possible ESG targets in management's variable compensation.

The RemCo works closely with the RC to evaluate incentives created by the Compensation Policy. The RC Chair attends the RemCo discussion on the performance review and year end remuneration decisions. The RC advises the RemCo on its opinion with respect to specific matters.

RemCo members collectively have the knowledge, expertise and experience concerning compensation policies and practices, risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to the company's risk and capital profiles. The Committee members collectively have an understanding of the Company's and group's business and shall have competence relevant to the sectors in which the group operates.

Management Committee

Management Committee (MC)

Composition

The MC is composed of at least three members, and as many members as the Board may decide from time to time to appoint. The size of the MC shall be adapted to the complexity of the company to enhance the efficiency of plural supervision and of collegial decision-making on the conduct of the company's activities. In addition, the MC as a whole should possess the necessary balance of skills and experience to fulfil its role and responsibilities. At least three members of the MC are members of the Board.

Members shall be of sufficiently good repute and experience so as to ensure the sound and prudent management of the company and are subject to fit and proper suitability assessment by the National Bank of Belgium.

Further information on the Euroclear MC can be found on **Euroclear SA/NV - Euroclear**.

Appointment, renewal and resignation of Management Committee members

The Chair of the MC (the CEO), upon review by the NGC, proposes to the Board the names of the candidates to be appointed as members of the MC. The Board determines the length of MC members' mandate, but MC members are generally appointed for an undetermined period of time. The Chair of the MC is appointed by the Board.

Each proposal of appointment of an MC member (and possible renewal of appointment) as well as the resignation or dismissal of an MC member is duly notified to the NBB. Any appointment of an MC member is subject to receiving the approval of the NBB as to the fit and proper character of the nominee.

Remuneration

The remuneration of the MC members is fixed by the Board on the proposal of the RemCo. The RemCo discusses and recommends to the Board for approval the MC members' annual fixed and variable compensation. Fixed and variable compensation of MC members is based on principles of the Euroclear Compensation Policy.

Responsibilities

The MC is entrusted with the general management of Euroclear SA/NV within the strategic framework defined by the Board. The Board transfers to the MC all management powers from the Board, with the exception of:

- the determination of the strategy and general policy of the company; and
- the powers reserved to the Board by virtue of the Code of Companies and Associations or the Banking Law.

The powers thus transferred may not be exercised concurrently by the Board.

The MC is entitled to represent the Company in all matters towards third parties, including legal proceedings.

The MC reports directly to the Board and, where it concerns an area within the remit of the Board Committees, to the Board's specific committees, which in turn report their analysis to the Board.

The MC may delegate specific powers which may be exercised beyond the day-to-day management, with the power to sub-delegate, to one or more persons or group of persons. It may, among others, delegate, with the power to sub-delegate, the following specific powers, to be exercised consistently with the decisions of the MC:

- Specific powers to committees in all areas necessary or useful to the management of Euroclear SA/NV; and
- Specific powers to senior management, in all areas necessary or useful to the management of Euroclear SA/NV insofar as they fall within the remit of their respective divisions.

Without prejudice to the prerogatives of the Board, certain powers are exclusive to the MC vis-à-vis any other internal structure of the Company and may not be delegated by the MC.

Executive Committee (ExCo)

The Executive Committee brings together the Management Committee and one or more senior managers, as determined by the Board upon recommendation of the Management Committee Chair. Thus, the Executive Committee forms the top leadership team of the Company. The Executive Committee assists the Management Committee in the accomplishment of its responsibilities. The Executive Committee functions as a collective body and is always meeting at the same time as and with the Management Committee.

The ExCo/MC comprises the following members:

- Valérie Urbain (Chair of the MC/ExCo) – Euroclear SA/NV executive director
- Guillaume Eliet (Chief Risk Officer) – Euroclear SA/NV executive director
- Nils Jean-Mairet (Chief Financial Officer) – Euroclear SA/NV executive director
- Bernard Frenay (Chief Executive Officer of European markets)
- Michal Paprocki (Chief Information Officer)
- Peter Sneyers (Chief Executive Officer of Euroclear Bank)
- Sebastien Danloy (Chief Business Officer)
- Daniel Miseur (Chief People & Communications Officer)

Valérie Urbain was appointed CEO of Euroclear SA/NV as from 3 May 2024.

Directors and Management Compensation Policy

Euroclear's Pillar 3 Disclosure 2024 sets out the governance principles on Euroclear's Compensation Policy. This policy, which is reviewed every year, defines the general compensation framework for all staff, members of the Board of Directors and the MC, and specific remuneration guidelines for those employees whose activities could have a material impact on the risk profile of the Company or of the Euroclear group.

Other disclosures

Research and development

Euroclear has continued investing in research and development. These investments are linked to the performance and resilience of its systems as well as business developments, which are described in more detail in the 'Business and strategy update' section of this report. Euroclear also continued investing in market research in line with its mission to provide increasingly commoditised market infrastructure services.

Recovery plan and resolution

In line with regulatory rules and guidance, a Recovery, Restructuring and Wind-down (RRW) plan is in place for Euroclear Bank as part of its overall approach to a recovery, restructuring or orderly wind-down situation. This plan is reviewed and approved by the Board of Directors, upon recommendation of the Risk Committee, on an annual basis. The aim of the RRW plan is to demonstrate Euroclear Bank's ability to recover from a series of extreme but plausible stresses that could threaten its financial viability, such that Euroclear Bank can, to the extent possible, ensure the continuous provision of critical (economic) functions. To this end, the RRW plan identifies and analyses a number of recovery and restructuring options that could be used in order to restore Euroclear Bank's capital base, liquidity position or profitability, over a short-to-medium timeframe. Finally, should these recovery and restructuring options prove insufficient to negate the stress, and thus could not recover Euroclear Bank, then the RRW plan also contains a series of wind-down actions that could be taken to ensure, to the extent possible, the orderly wind-down of the Euroclear Bank's critical (economic) functions such that it does not exacerbate or create undue stress on the market.

Euroclear is also subject to resolution planning requirements. To this end, a multi-year programme was implemented to meet the provisions of the EU's Bank Recovery and Resolution Directive (BRRD) and comply with relevant regulatory technical standards issued by the EBA and the 'Expectations for Banks' issued by the Single Resolution Board (SRB). The key outcome of this programme is to ensure that Euroclear may be deemed resolvable by the NBB, acting in its capacity as the National Resolution Authority (NRA) for the Group. Significant progress has been reached towards meeting the year-end 2024 milestones, a key timeline which has been set for all banks that are not in the direct remit of the SRB. Starting in 2024, and in line with industry requirements, Euroclear has also begun publishing the minimum requirement for own funds and eligible liabilities (MREL) targets set by the NBB, in the Pillar 3 disclosures of Euroclear Bank.

Dividends

The Board proposes to pay a dividend in respect of the financial year ending 31 December 2024 of €137 per equity share, which will distribute €1,796,738,000 of shareholders' equity. €1,131,738,000 (€86 per share) was already paid as interim dividend in 2024, leaving €665,000,000 (€51 per share) to be paid to shareholders in May 2025. €1,221,738,000 will be paid out of the parent company current year results, the remaining €575,000,000 will be paid out of the previous years' retained earnings.

Post-balance sheet events

Euroclear continues to closely monitor the invasion of Ukraine by Russia, and to implement the various sanctions. In line with its role of FMI, Euroclear is carefully managing the various aspects resulting from this situation in cooperation with the competent authorities. Euroclear continues to act prudently and to strengthen its capital by retaining the remainder of the Russian sanction related profits as a buffer against current and future risks. Euroclear is focused on minimising potential legal, financial, and operational risks that may arise for itself and its clients, while complying with its obligations.

Future earnings linked to the sanctions and the level of the windfall contribution will continue to depend on the prevailing interest rate environment and the evolution of the sanctions. Gradual rate cuts have already led to a gradual decline in interest income related to the Central Bank of Russia's assets in 2024 with the outlook for future interest earnings likely to continue to decline though dependent on future policymaking decisions.

Various parties in Russia contest the consequences of the application of sanctions, with a significant number of legal proceedings ongoing, almost exclusively in Russian courts. The impact of the lawsuits on Euroclear is uncertain. Euroclear is defending against all relevant legal claims and intends to continue to do so against any further claims.

In February 2025, Euroclear acquired a 49% stake in Inversis, a leading provider of global investment technology solutions and outsourced financial services, for an acquisition price of €172.1 million. The intention is to become the full owner of the Spanish company in the future. The group's total assets amount to €2.3 billion, with a net result after tax of approximately €26 million for the financial year 2024. By acquiring Inversis, Euroclear aims to accelerate the delivery of its funds strategy and increase its pan-European coverage thanks to Inversis' significant presence on the Spanish market.

A United Nations (UN) resolution was voted in January 2025 with regards to the Libyan assets held at Euroclear Bank for underlying clients under UN sanctions. This UN resolution aims to enable Libyan Investment Authority (LIA) to preserve the value of the frozen assets by enabling investment decisions on frozen cash balances. Although the resolution is not readily actionable and its implementation may take some time, it is expected to impact future earnings.

Information on circumstances that might materially influence the development of the Company or its subsidiaries

Other than set out in the section above, no circumstances occurred that might materially influence the development of the Company or its subsidiaries.

On behalf of the Board

Francesco Vanni d'Archirafi,
Chairman of the Board

18 March 2025

Sustainability statements

General disclosures

Euroclear's approach to sustainability

The new EU Corporate Sustainability Reporting Directive (CSRD) introduces mandatory sustainability reporting standards for reports on the financial year of 2024. In these sustainability statements, we describe our approach and performance related to material sustainability impacts, risks, and opportunities. These statements follow the structure of the European Sustainability Reporting Standards (ESRS).

Our corporate purpose is the foundation of our sustainability strategy. Aligned with this strategy and tied to our material topics, we have policies and projects which embed environmental, social, and governance practices within our operations and we track progress through metrics and KPIs.

We are committed to conducting our business in a responsible and sustainable way, believing that acting responsibly is in the best long-term interests of the company and all its stakeholders. Our main business is to facilitate the financing of the real economy by connecting global issuers, investors and intermediaries. This financing allows companies and governments to tackle some of the societal and environmental challenges which the world is currently facing.

In 2025, we will continue the implementation of the requirements of ESRS based on a gap assessment. We will focus on reporting areas, including governance processes and interaction of the strategy and business model with material impacts, risks, and opportunities. We will also evaluate policies, actions, and targets for the material impacts, risks, and opportunities, and improve the reporting of metrics.

Basis for preparation

These Statements, covering the period 1 January 2024 to 31 December 2024, have been prepared in accordance with the CSRD requirements, at consolidated level. The scope is the same as for the financial statements, except that the Euroclear SA/NV consolidated financial statements include some very small entities such as Taskize, Goji, Greenomy and Quantessence which have been excluded from these disclosures, because they are too small to be material. MFEX is, in general, part of the disclosures, unless mentioned explicitly otherwise. Euroclear has chosen to focus its disclosures on the key operational entities of the group. Both upstream suppliers and downstream value chains have been taken into consideration when preparing the report. Metrics (identified as secondary data on p. 112 -117) for these value chains have been estimated using indirect sources.

Euroclear is guided by international guidelines, such as The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, the United Nations Guiding Principles on Business and Human Rights and the principles of the United Nations Global Compact.

When preparing the statements, the CSRD structure was followed as closely as possible. In order to focus on what is really material for the company, it was decided generally not to include voluntary or phased in data points in the 2024 report. For ease of reading and logical sequence, Euroclear has chosen to present the Statements as follows:

General Disclosures

- Basis for preparation
- Double Materiality Assessment including the approach taken, the outcome, a description of the IROs linked to each material topic and Euroclear's approach to stakeholder engagement
- A description of the Policies, Actions and Targets/Metrics for each material topic, including Euroclear-specific topics
- ESRS 2 - Governance

E1 - Environment – including metrics and the EU Taxonomy

S1- Social – including metrics

G1 - Governance – including metrics

Index of disclosure requirements

Datapoints derived from other EU legislation

When information is repeated in different sections of the statements, reference is made to where that information can be found. Some parts of the sustainability statements are included in the body of the Directors' report and when this is the case, it is clearly indicated in the text.

Euroclear has not used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation; nor has it used the exemption from disclosure of impending developments or matters in course of negotiation. Resilient infrastructure is the sole material topic with significant Capital Expenditure (CapEx) and Operational Expenditure (OpEx) amounts. For reasons of confidentiality, these have been omitted based on CSRD exemption clauses. In case of uncertainty or estimation for environmental data, this is explicitly mentioned in the Data, methodology and key assumptions section on p. 112.

Double Materiality Assessment

In 2023-2024, Euroclear conducted a CSRD-aligned Double Materiality Assessment (DMA), taking into account the entities in scope for reporting under CSRD requirements (see Basis for preparation). Once a sustainability matter was defined as material, all disclosure requirements and data points related to these topics have been included. As such, very few datapoints have been excluded. The outcome of the DMA forms the basis for the reporting in these Statements. The approach taken, which followed three key phases between Q3 2023 and April 2024, is summarised below:

Phase 1

During the first phase, Euroclear:

- conducted a legal entity scoping assessment
- documented the key activities across its businesses and value chain, distinguishing between Euroclear SA/NV and (I)CSDs, where applicable.
- developed its DMA framework.

Phase 2

During this phase, potentially material ESRS topics and subtopics were identified, based on an analysis of the business model and value chain, mapping outputs and conducting a desk top review of key resources. This review also identified Euroclear-specific sustainability matters that were potentially material. Through a workshop, the Corporate Sustainability Office (CSO) and ESG Risk Management continued with the identification of impacts, risks and opportunities for these potentially material topics (see p. 66).

Phase 3

The CSO gave a preliminary score to the IROs. These were then reviewed together with the related Subject Matter Experts (SMEs) and internal stakeholders. The CSO aggregated the scoring of all IROs and reviewed it for consistency. Specific thresholds were defined at a later stage, once there was sufficient maturity in understanding the results. Once an IRO reached the threshold, either for impact, risk or opportunity, the related topic was deemed material. This led to defining the material topics through a review process by internal stakeholders and final approval by Euroclear MC, Euroclear ACC and the Board of Directors.

Affected stakeholder engagement around the DMA

For stakeholder engagement around Euroclear's strategy and ongoing stakeholder engagement, see p. 84.

Internal stakeholder engagement

The CSO identified and engaged with the following groups of internal stakeholders throughout the process.

Board and Management Committee

The Board and Management Committee are central to overseeing and approving Euroclear's CSRD disclosures, for both Euroclear Bank and Euroclear SA/NV. They were engaged at regular intervals to gather inputs and feedback.

Internal Subject Matter Experts (SMEs)

Internal SMEs were central to the process, providing input and validation, on the matters and IROs relevant to their areas of expertise. Internal SMEs were identified by considering the core operating functions of the business, in addition to the stakeholder groups with the relevant expertise relative to the sustainability matters being assessed.

Over 40 internal SMEs were engaged in their areas of expertise across ten workshops. Engagement focused on validating:

- the value chain outputs;
- the longlist of potentially material sustainability matters and associated matters;
- the initial scoring of relevant IROs; and
- the identification of relevant external stakeholder groups.

Employees

Employees are key stakeholders, in terms of expertise as well as for being consulted as affected groups. Employee views were taken into account via interviews with employee representatives from the Euroclear European Works Council (EWC) as well as surveys for selected employees and those identified as Leaders for the future, with the aim of gaining a balanced view of how employees are affected by and perceive Euroclear's relevant sustainability IROs.

External stakeholders

External stakeholders (including clients, issuers, investors and suppliers) were identified by the CSO, with input from the Chief Business Officer and internal SMEs.

The engagement method was determined taking into account the relationship with the external stakeholder and the relationship 'owner'. All external stakeholders were either engaged through an online survey or through a 1:1 interview.

Once internal views on the validation and scoring of IROs had been finalised, and materiality thresholds had been defined and applied, external stakeholder engagement was conducted for further validation on the outcomes of the assessment. The external stakeholder validation focused on identifying the matters external stakeholders considered as being material for Euroclear and the supporting rationale.

Validating the IROs and defining materiality thresholds

To validate the longlist of IROs and the associated initial scoring, a mapping exercise was first conducted to identify the relevant internal SMEs for each sustainability matter. The validation exercises were conducted for all relevant matters. After IRO scoring and validation, a consolidation exercise was carried out with the SMEs to ensure consistent application of the scoring methodology.

In order to determine which IROs are material to the business, materiality thresholds were defined. A materiality threshold is the score above which an IRO needs to have scored for the assessment to be deemed material.

Following the assessment, any IROs which scored above the threshold were considered material for Euroclear.

Using the impact and financial materiality scoring methodologies, including the score descriptors for each and the maximum possible scores, initial thresholds zones were determined.

- Impact materiality threshold range: 31-35 out of a maximum score of 75
- Financial materiality threshold range: 8-10 out of a maximum score of 25

The materiality threshold(s) were then applied to the outputs of the IRO scoring assessment, to determine which IROs were material or not material.

The materiality of IROs, as per the initial threshold ranges, were reviewed by internal stakeholders and SMEs. This review particularly focused on IROs that were emerging within the 'threshold zones' described previously, to consider whether these should be included or excluded as material IROs.

The final materiality thresholds were determined as the mid-point of the range, which ensured that IROs below the top of the 'threshold zone' and therefore 'close' to the threshold were not automatically discounted. There were a total of six IROs that emerged as 'close' to, but below the thresholds.

During the DMA, Euroclear took the connections of impacts and dependencies with risks and opportunities that may arise from those impacts and dependencies into consideration, however they are not expressed explicitly in the final outcome.

Materiality topics were assessed from an impact, risk and opportunity perspective, with some connections identified. For example, in Own Workforce, the positive impacts identified were often more significant and material than the potential risks.

Scoring methodology

A scoring framework of 1-5 was developed for financial materiality, applicable to both risks and opportunities. Euroclear's existing Enterprise Risk Management framework formed the basis of the scoring approach, and the size of potential financial effects was baselined using the 2022 annual operating income for Euroclear SA/NV and Euroclear Bank.

These calculations were made only in the context of the DMA. For the next DMA review process, the same financial impact thresholds will be used as in the Assessment and Rating Methodology (ARM), which is the risk classification system that Euroclear uses to standardise how risks are measured in terms of likelihood, impact, and final rating.

For actual negative impacts, materiality is based on the severity of the impact, while for potential negative impacts it is based on the severity and likelihood of the impact. Severity is based on the following factors:

- the scale;
- scope; and
- irremediable character of the impact. In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood.

For positive impacts, materiality is based on:

- the scale and scope of the impact for actual impacts; and
- the scale, scope and likelihood of the impact for potential impacts.

Input parameters and resources

Based on ESRS requirements, a mapping of the business model and value chain was conducted, along with a desktop analysis of key resources and the company purpose and strategy, to assess the relevance of the ESRS topics and identify any additional Euroclear-specific sustainability matters.

Resources used to identify potentially material topics:

- Industry standards including SASB and MSCI;
- The previous Euroclear materiality assessment (2021), based on GRI requirements; and
- An analysis of other financial sector firms.

For details on the management of ESG-related risk, see p. 83.

Material topics and their respective policies, actions, metrics and targets will be annually reviewed by the Board. The outcome of the DMA can be seen in the chart on p. 66.

Outcome of the DMA and associated IROs

Material topics

As described on p. 66 and 67, impacts, risks and opportunities linked to Euroclear's material topics are integrated into its purpose, strategy and business model and policies and actions are derived from that. For more information on Euroclear's business model and strategy, see p. 70 and p. 14. For more information on supply chain, see p. 146

IROs are primarily driven by Euroclear's own operations, with a few exceptions, such as the supply-chain risk.

Material risks and opportunities are not expected to negatively impact Euroclear's financial position, performance and cash flows, nor are they expected to impact the business model, value chain or decision making.

Euroclear assesses if its strategy and business model is resilient enough to cope with material risks and negative impacts.

More specifically, for climate change, and based on the long-term climate scenario analysis exercise conducted in 2023, Euroclear concluded that its strategy and business model are resilient to both physical and transition risks over the short, medium, and long term. However new risks will emerge in different scenarios which will require adaptations over time. More information on the results of the analysis can be found on p. 92.

No change to the identified impacts, risks and opportunities has taken place since the last reporting period as this is the first year of reporting according to CSRD requirements.

Non-material topics

As a result of the DMA, the following ESRS topics were found to be not material for Euroclear

ESRS sustainability topics	Rationale
E2 Pollution	Due to the limited generation of pollution through Euroclear's direct operations and following consideration of its value chain this topic was deemed to be not material.
E3 Water and marine resources	Due to the limited consumption and withdrawal of water through Euroclear's direct operations and following consideration of its value chain this topic was deemed to be not material.
E4 Biodiversity and ecosystems	Due to the locations of Euroclear's operating sites and its upstream value chain this topic was deemed to be not material.
E5 Resource use and circular economy	Due to the low quantity of resource inflows, outflows and amount of waste generated through Euroclear's direct operations and following consideration of its value chain this topic was deemed to be not material.
S2 Workers in the Value Chain	Due to the nature of our upstream value chain activities and the location of our key suppliers, the S2 sub-topics and sub-sub topics were assessed to be non-material.
S3 Affected Communities	Due to the limited impact of our business activities on local communities and limited scope and scale of engagement programmes, this topic scored below the materiality threshold. However, Community support is important to Euroclear's values and in 2024 the group established a new charitable foundation (The Euroclear Foundation). For more details, see p. 36.
S4 Consumers and End-users	Due to the nature of products and services provided by Euroclear, the S4 sub-topics and sub-sub topics were assessed to be non-material with broader consumer-related impacts considered through the governance topic Connecting Issuers and Investors.
G1.5 Political Engagement and Lobbying Contributions	Euroclear's lobbying is not sufficiently material to disclose, with a standard and prudent approach, limited to the monitoring of policy developments in the areas directly relevant to Euroclear's activities. It provides input with the aim of promoting an efficient, well-regulated and resilient post-trading environment that supports the global securities markets and the Euroclear strategy. To this effect, Euroclear is mentioned in the EU Transparency Register, the EU official list of entities or persons who perform public policy outreach towards EU entities. Euroclear and policy makers are governed through corporate, national and European policies providing boundaries to lobbying activities. Furthermore, Euroclear does not make monetary contributions to political parties.

Material topics and Impacts, Risks and Opportunities

Environment | Social | Governance | Euroclear specific

Material topic	Material IRO (Impact/Risk/Opportunity)	Classification	Positive/ Negative	Short	Medium	Long	Policies, actions, metrics and targets
Climate change	1 **Generation of emissions** Generation of GHG emissions from business operations including offices, hardware use, transport and supply chain, and associated impact on global warming and the environment. As Euroclear's business model evolves and the strategy is implemented, the impact of GHG emissions from its own operations and that of its supply chain needs to be taken into consideration if Euroclear is to remain competitive in a fast changing market. The commitment to reaching net zero by 2050 at the latest is an illustration of the importance of this IRO to Euroclear.	Impact	-	●	●	●	p. 68
	2 **Impact of climate change on employee wellbeing** Impact of climate change and global warming on employee wellbeing (e.g. long period of heat causing loss of productivity).	Risk	N/A	○	●	●	p. 68
	3 **Exposure to physical climate risks** Increased exposure to physical risks to Euroclear assets, clients, suppliers, and employees and higher climate adaptation costs associated with investment in mitigation or technology (e.g. exposure of assets, data centres, clients to flooding or pollution). Employees, assets, clients and suppliers could be adversely affected by climate events. This risk will be monitored going forward.	Risk	N/A	○	○	●	p. 68
	4 **Risk of long-term economic downturn** A general decline in economic activity as a result of climate change, e.g. de-growth or erosion of client base (due to physical risks or transition to a low-carbon economy).	Risk	N/A	○	○	●	p. 68
Employee talent, training and skills	5 **Training, development and growth opportunities for employees** In a rapidly evolving environment, providing upskilling and education opportunities for employees supports them in achieving their career goals and securing long-term employment (within Euroclear or externally). This contributes to their improved social mobility, livelihoods and wellbeing. As Euroclear's people are key to ensuring that the strategy is executed and that we remain competitive, investing in training and development ensures that employees have the skills needed to carry out the strategy, now and in the future. Euroclear provides an environment that encourages all employees to progress in their chosen careers and to develop their skills and talents.	Impact	+	●	●	○	p. 70
	6 **Lack of talent for the future** A workforce with an outdated skills profile may result in reduced innovation, slow response or adaptation to market conditions and reduced competitive advantage. As the working environment rapidly changes, it is critical to ensure that employees have the right skills and profiles to carry out the strategy and that Euroclear attracts the right talent to ensure its competitive advantage.	Risk	N/A	○	●	●	p. 70
Diversity, equity and inclusion	7 **Diversity, equity & inclusion in the workplace** A diverse, equitable and inclusive workplace leads to a more engaged, fulfilled workforce with career opportunities. A workplace where everyone can thrive and grow in their careers, no matter who they are, is beneficial for everyone, leading to better retention, more innovation and improved business decisions.	Impact	+	●	●	●	p. 70
	8 **Diverse, equitable and inclusive company** Euroclear wants to build and maintain a diverse and inclusive company to improve diversity of thought, internal and external stakeholder reputation and ability to attract and retain talent.	Opportunity	N/A	○	●	●	p. 70
Employee engagement, wellbeing and rights	9 **Employment conditions and wellbeing** Providing attractive employment conditions supports employees' livelihoods, financial security and wellbeing.	Impact	+	●	●	○	p. 70
	10 **Employee representation and consultation** Employee representation through works councils ensures a two way dialogue between employees and management with employees having a formal channel to feed back their opinions and requests and management able to address employees' concerns in a timely manner.	Impact	+	●	●	○	p. 76
Responsible supply chain	11 **Reputational risks associated with ESG performance and breaches** Reputational risks of poor ESG performance and standards in the supply chain, or as a result of upstream scandals, or failures to meet net zero commitments. Partnerships with suppliers are a key factor for Euroclear as it continues to upgrade its Data, ESG and Digital capabilities. It is critical that these suppliers' ESG performance is in line with Euroclear's sustainability commitments and with regulatory requirements, so as to ensure that Euroclear's reputation is not damaged as a result of supplier misconduct.	Risk	N/A	○	○	●	p. 76
Corporate Governance	12 **Enabling market trust and transparency from corporate governance** Maintaining good internal corporate governance, and transparent and trusted relationships with competent authorities supports Euroclear's role as a systemically significant FMI.	Impact	+	●	●	●	p. 76
Business conduct	13 **Robust business conduct frameworks contribute to a more resilient financial ecosystem** Continuous efforts to identify and mitigate instances of bribery, fraud and corruption, money laundering or terrorism financing leads to favourable outcomes for the financial ecosystem. Euroclear's position as a trusted FMI is dependent on its strong reputation. Any breach in business conduct or improper behaviour on the part of employees or third parties could damage Euroclear's reputation and as a result have a negative impact on the financial system. It is critical that Euroclear actively seeks to prevent any misconduct in its business.	Impact	+	●	●	●	p. 76
Connecting issuers and investors	14 **Increased financial stability, trust and efficiency in capital markets** Euroclear has a strong focus on the global client network, launching strategic initiatives to serve issuers, investors and dealers to further support the efficient functioning of financial markets, increased financial stability and improved access to (sustainable/green) finance (e.g. through expanded Euroclearability).	Impact	+	●	●	○	p. 76
Resilient infrastructure and cyber security	15 **Impact of maintaining a resilient infrastructure on stakeholders and financial markets** Through its resilient infrastructure, Euroclear has a positive impact on its stakeholders, the macro economy and financial stability. It ensures compliance with regulatory requirements, prevents business outages, data leakages and cyber-attacks, including destruction or corruption of databases, the leaking of confidential information and the theft of intellectual property.	Impact	+	●	●	○	p. 76
	16 **Financial risk of business outages and cyber attacks on Euroclear** Being a resilient infrastructure is core to Euroclear's purpose, business model and operations. Bringing safety and efficiency is key to Euroclear's clients and stakeholders, and it contributes to the overall stability of financial markets and the economy. Data leakages, cyber attacks and business outages can lead to negative impacts in the financial systems and create a financial risk for Euroclear. That is why Euroclear considers this as part of its license to operate.	Risk	N/A	●	●	○	p. 76

Mapping the value chain

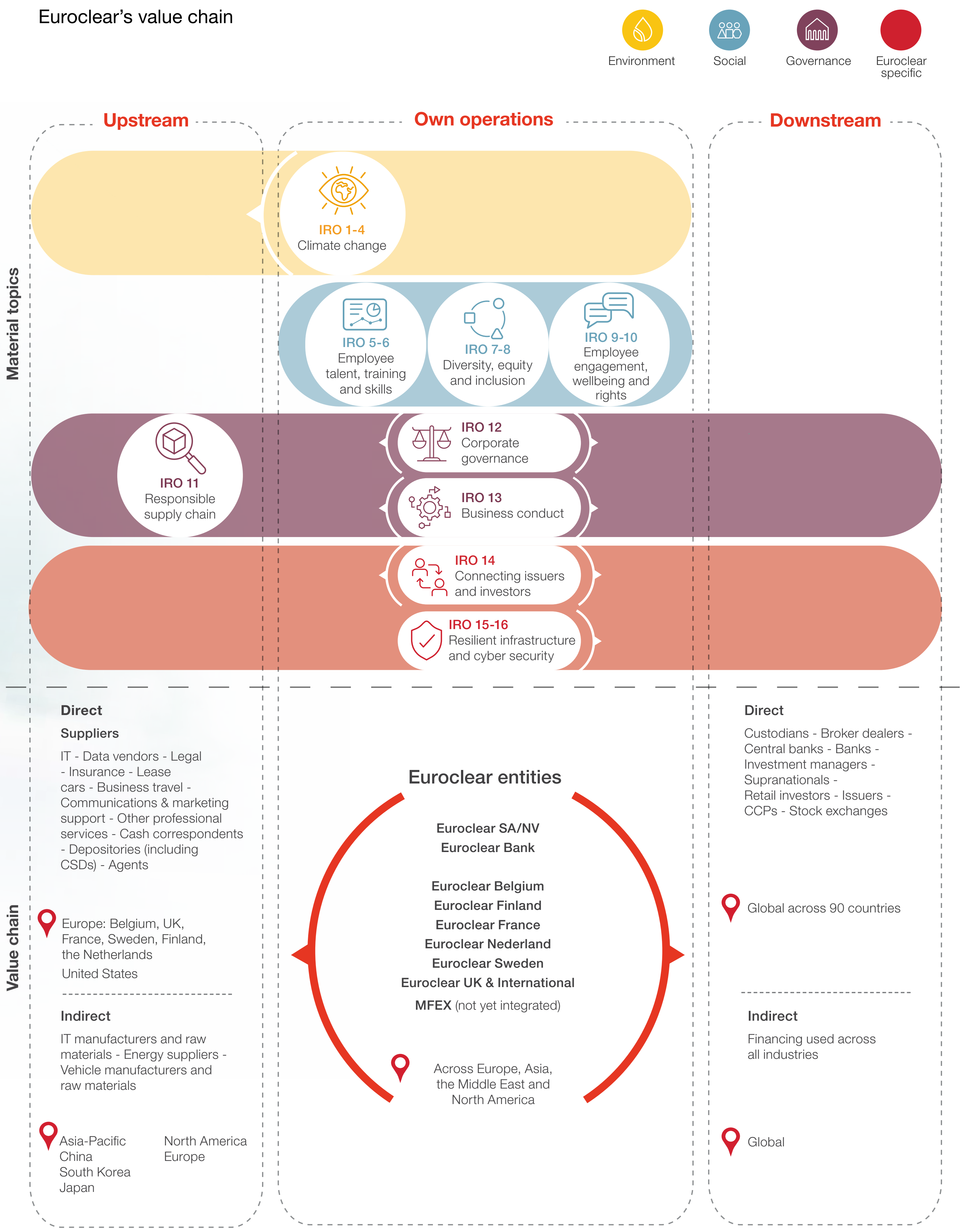
The value chain mapping took into account the Euroclear business model, as well as the group-wide value chain. In addition, as part of the consolidated group CSRD disclosure, engagement with stakeholders from each of the entities enabled Euroclear to identify any differences in business model and/or value chain that may lead to the identification of material IROs at entity level.

The ESRS requires potentially material IROs to be identified taking into account Euroclear's direct operations, as well as the wider value chain. Following the ESRS's definition of a value chain and informed by EFRAG's Value Chain Implementation Guidance, the CSO mapped Euroclear's business model and value chain to document the key business activities that occur throughout the business and its value chain. The analysis was based on:

- a review of existing internal documentation; and
- consultation with internal stakeholders from across the organisation.

The result is shown in the diagram on the opposite page.

Euroclear's value chain



Policies, Actions and Targets

This section outlines the policies, actions and targets (and in some cases metrics) linked to each material topic. Recognising that not everything is measurable, where it was not possible to measure, there are no specific targets in place. Metrics are detailed in the relevant section of the Statement. The timelines (short, long and medium term) are those defined by the ESRS. The scope of the actions covers Euroclear SA/NV, Euroclear Holding. However, some documents are applicable to the subsidiaries, such as the Group Matters Protocol, Articles of Association of each subsidiary, Terms of Reference of each subsidiary, *Suitability group policy*, *ESG group policy* and *Conflict of Interest group policy*, and each of those documents include actions to be addressed by the subsidiaries accordingly.

Policies and third party standards	Actions	KPIs	Targets

Policies and third party standards

Climate change

ESG group policy outlining the principles to mitigate climate change by reducing emissions linked to energy use, company related travel, waste and resource and supply chain. The policy is issued by Euroclear SA/NV and then transposed by Euroclear Bank and the local entities. MFEX will also transpose the policy. The policy is publicly available on the Euroclear website and available to all Euroclear employees and third parties on the Euroclear intranet. This policy is owned by the Chief Corporate Sustainability Officer, who is accountable for its implementation.

Main principles of the Environment section in *ESG group policy*

- Deliver against net zero science-based reduction targets that have been set and offset residual emissions
- Optimise all business travel and minimise emissions related to essential business travel in line with net zero targets. This principle includes car fleet management and mobility schemes for staff.
- Reduce resource consumption and waste generation, reuse and recycle, whenever possible
- Manage supply chain emissions in line with net zero ambition
- Offset residual emissions that cannot be avoided

Disclosure of third-party standards or initiatives that are respected through implementation of policy

- UN Labor and Human Rights principle
- SBTi for Carbon Emissions targets
- UN Global Compact

IRO 1: Generation of emissions

Over the past two years, Euroclear has put in place a structured action plan to support its aim to reach net zero emissions by 2050 at the latest. In 2023, Euroclear's Science-Based Targets were validated by the Science-Based Targets initiative.

Continuous actions

- Support staff to commute and travel for business in a sustainable way
- Continue to source renewable energy
- Investigate and instigate a sustainable IT transition plan
- Focus on resource management, including natural resources

Short-to-medium term actions

In 2024, Euroclear built a net zero transition plan and intends to take the following actions in 2025:

- Investigate and instigate a sustainable IT transition plan, including data centres
- Formalise the waste management system and recycling process
- Continue to mitigate emissions beyond the value chain, eventually moving to carbon offsets
- Engage with procurement chain on setting net zero targets
- Support reduction of employees' homeworking emissions

Euroclear intends to continue to implement the group-wide transition plan with the following actions:

- Further deliver electrification and energy saving initiatives
- Formalise a property portfolio strategy for targeted emissions reduction
- Start transition to air travel using Sustainable Aviation Fuel (when available)
- Implement a sustainable procurement process to reduce the impact of supply chain emissions (including IT)
- Switch emissions data from being supplied by proxies to emissions data provided by suppliers
- Implement an internal carbon pricing scheme

Long-term actions

In the long-term, Euroclear intends to:

- Continue to implement the group-wide net zero transition plan
- Neutralise emissions via high quality carbon removal

Emissions (tCO_2eq)	2024	2023	2019	2024 target	Longer-term target	2024 progress vs 2023	2024 progress vs 2019
Scope 1 and 2 Energy (market-based)	1,156	1,129	3,412	N/A[1]	-55% by 2030 -90% by 2050	2% ●	-66% ●
Scope 3 Operational Activities[2]	9,716	10,381	9,738	-5.5%	-28% by 2030 -90% by 2050	-6% ●	0% ●
Scope 3 Suppliers[3]	75,222	64,715	54,412	N/A	N/A	–	–
Scope 3 Suppliers emissions covered by targets	45% ●	37%	–	40%	70% by 2027	–	–
Total emissions (market-based)	89,616	79,439	69,565	N/A	N/A	13%	29%

1 2030 target to reduce by 55% exceeded in 2023. No reduction target set for 2024.

2 Categories 3-7. These categories include Fuel and energy-related activities, Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting and working from home.

3 Category 1-2 supplier spend. These categories refer to Purchased products and services and Capital goods.

IRO 2: Employee environmental wellbeing

Currently Euroclear does not monitor employee environmental wellbeing, though it is planned for the future.

Continuous actions

Euroclear has started to monitor employee environmental wellbeing through its annual Employee engagement survey

Short-to-medium term actions

Euroclear will investigate initiatives to foster employee environmental wellbeing

KPIs: N/A

IRO 3: Exposure to physical climate risk

Continuous actions

Euroclear performs a yearly threat assessment which assesses current and future environmental threats to physical assets from physical climate risks

- ESG KRI in the Corporate Risk Report monitoring exposure of physical assets to physical climate risks

Short-to-medium term actions

- Completion of the action plan to meet ECB expectations on the management of climate and environmental risks
- Integration of resilience to physical climate risks into the Data centre strategy

KPIs: N/A

IRO 4: Risk of long-term economic downturn

In 2024, Euroclear conducted a long-term climate scenario analysis exercise to better understand transmission channels and impacts on Euroclear.

Continuous actions

Assessing the need to adapt to stress test scenarios to incorporate climate risk drivers and impacts

Short-to-medium term actions

- Continue to incorporate latest climate change projections and economic impacts into Horizon Scanning exercise
- ESG KRI in the Corporate Risk Report monitoring the forecasted economic impacts of climate change

KPIs: N/A

Policies and third party standards	Actions	KPI	Targets[1]	2024

Employee talent, training and skills

ESG group policy (see above)

The policy states the following principles

Each Euroclear company must ensure business continuity, resilience and strategy delivery through talent succession and workforce planning.

We are committed to managing talent and planning our workforce to ensure that we can identify and grow talent at all levels within the business and recruit talent externally as needed.

IRO 5: Training, development and growth opportunities for employees

IRO 6: Talent for the future

This topic scored high in the DMA. Ensuring that Euroclear has the right skills and profiles in place and that all its employees have opportunity to develop and thrive is a key focus. Euroclear has implemented the following to ensure that all its employees have the resources and tools to develop their skills and further their careers

- Launch of new online learning platform for all employees
- Euroclear learning week where employees can explore career opportunities
- Succession planning for the top 100
- Capability assessment for the top 70
- Launch of a new online career platform with all open internal vacancies
- Enhanced career coaching offer

Continuous actions

- Euroclear intends to continue working on Workforce planning and succession planning at different levels in the company and further develop upskilling content on the learning platform
- Continuous effort on learning and upskilling staff in areas like digitalisation
- Leaders-for-the future program to identify the pipeline for future leaders

Short-to-medium term actions

- In the short term, Euroclear intends to launch a new leadership development programme and a new people management programme

KPI	Targets[1]	2024
Maintain or improve the employee engagement score for training and development vs. 2022 baseline	7.4/10	7.6/10 ●

1 For IROs 5, 6 and 8, KPIs related to Our People have been calibrated using the 2022 baseline. We compare annual results with past performance as well as Industry benchmarks and create action plans accordingly.

Diversity, equity and inclusion

ESG group policy (see above).

The Code of Ethics and Business Conduct further complements the *ESG group policy*, clarifying we 'apply a zero-tolerance policy against discrimination based on gender, race, colour, ethnic or social origin, educational background, genetic features, religion or belief, property, birth, physical conditions, age, or sexual orientation'.

The main principles outlined in the ***ESG group policy*** require each Euroclear company to:

- improve the representation of underrepresented groups in management
- build and maintain a diverse and inclusive workforce
- ensure fair and equal pay and access to work
- oppose and avoid all forms of harassment and discrimination
- foster a culture of inclusion
- report on its performance against diversity requirements of this policy

Disclosure of third-party standards or initiatives that are respected through implementation of policy

- UN Global Compact
- UN Global Compact principles related to Human Rights and Labour
- Signatory of the Women in Finance pledge and the Multi-cultural Bankers pledge (Belgium)
- MOU with Open@work supporting LGBTQ+ rights

IRO 7: Diversity, equity & inclusion in the workplace workplace

IRO 8: Diverse, equitable and inclusive company

As a multinational company, Euroclear has a long-standing DEI programme, focused on ensuring an inclusive and equitable workplace that encourages everyone to thrive and grow in their careers and to treat each other with respect, no matter who they are. Euroclear aims to build and maintain a diverse and inclusive company which appreciates diversity of thought, improves internal and external stakeholder reputation and strengthens Euroclear's ability to attract and retain talent.

Euroclear has five Employee DEI networks, covering gender, ethnic and cultural inclusion, inclusion of those with disabilities, LGBTQ+ and Age. The purpose of these networks is to provide a two-way dialogue between employees and management and raise awareness on DEI topics in the organisation. Euroclear is now focusing on driving behavioural change and focusing on inclusive behaviour and decision making on a day-to-day basis, especially at leadership level. In this context, a DEI action plan was defined and a concrete action plan for a diversity pipeline has been developed.

Short-term actions

- Deliver inclusive leadership learning plan
- Review recruitment, promotion, and career development processes to ensure DEI principles are embedded at each stage of the employee career journey
- Further build on Euroclear employee DEI networks
- Update Diversity & Inclusion section in ESG group policy
- Define non-financial metrics to link inclusion to pay and reward
- Further develop DEI reporting in order to expand metrics and targets beyond gender diversity and provide better insights with regards to DEI issues

Mid-term actions

- Expand focus beyond gender diversity
- Deliver the DEI action plan

KPI	Targets[1]	2024
Maintain or improve the employee engagement scores for non-discrimination, inclusion and diversity vs 2022 baseline	• Non-discrimination: 8.5/10 • Inclusiveness: 8.1/10 • Diversity: 8.5/10	8.5/10 ● 8.2/10 ● 8.6/10 ●
Percentage of underrepresented gender at senior management level	**40%** by 2026	32% ●

Employee engagement, wellbeing and rights

ESG group policy (see above)

The policy states that:

Euroclear is committed to taking steps to prevent and detect poor wellbeing in our employees by:

- Ensuring that group-wide wellbeing offerings are made available, clearly signposted, and easily accessible to all employees.
- Empowering employees to manage their own wellbeing and to support one another, through flexibility, trust and individual accountability.
- Fostering work practices and workplaces that ensure safe environments for all employees and visitors, including emergency provisions.

Disclosure of third-party standards or initiatives that are respected through implementation of policy

- UN Global Compact principles related to Human Rights and Labour

IRO 9: Employment conditions and wellbeing

IRO 10: Employee representation and consultation

Euroclear makes available a range of resources and activities such as the Employee Assistance Programme, the Euroclear Solidarity fund, for those who find themselves in unexpected financial difficulty. The Career Continuity programme in Belgium and France enables people with disabilities caused by chronic illness to work in an adapted environmnet and provides support to team leaders.

Over the course of the last two years, Euroclear has delivered the following:

- Flexible working from home integrated into BAU way of working
- Group-wide wellbeing programme in place
- Continued compliance with applicable laws in relevant locations

Continuous actions

- Maintain dialogue with social partners
- Embed wellbeing into the way we work and the way that leaders engage with their teams
- Focus on the reduction of stress in the organisation

Short-to-medium term actions

- Align global wellbeing practices with local country needs
- Promote global wellbeing programme to workforce
- Build action plan to strengthen the mental resilience of the workforce

KPI	Targets[1]	2024
Maintain or improve the overall employee engagement score in engagement survey vs 2022 baseline	7.7/10	7.8/10 ●
Maintain or improve the score for health & wellbeing in employee engagement survey vs 2022 baseline	7.4/10	7.9/10 ●

1 For IROs 5-9 the metrics/targets are only applicable to Euroclear's employees.

Policies and third party standards	Actions	KPIs	Targets	2024

Responsible supply chain

ESG group policy (as above); **Supplier Code of Business Conduct**; *Purchasing Goods and Services group policy*; *Outsourcing and Critical Services group policy* (all available to all staff and consultants and contractors on the Euroclear intranet)

The *ESG group policy* states that:

Each Euroclear company must integrate ESG considerations into its supplier selection and management decisions. With respect to all suppliers (new and existing), we are committed to:

- Ensuring that proportionate ESG due diligence is performed on our suppliers, where the scope and level of detail of the due diligence depends on (1) criticality of the supplier to business operations, (2) materiality of our spending with the supplier
- Ensuring all suppliers commit to the latest version of the group's Supplier Code of Business Conduct, upon entering into a relationship with us or upon contract renewal or the purchase order.
- Conducting ongoing screening, monitoring and follow-up on our ESG expectations with all existing outsourcing service providers (OSPs) and critical service providers (CSPs) in line with the existing recertification exercise.

Disclosure of third-party standards or initiatives that are respected through implementation of policy

- UN Global Compact principles related to Human Rights and Labour

IRO 11: Reputational risks associated with ESG performance and breaches

Euroclear takes its commitments to ensuring ESG compliance in its supply chain very seriously. Over the last two years Euroclear has formalised ESG practices in the procurement process, by:

- Integrating ESG in Due Diligence of new goods and service suppliers
- Screening ESG maturity of key suppliers through a third party provider
- Monitoring responsible business practices within our supply chain
- Sharing a new Supplier Code of Business conduct with suppliers
- Including ESG clauses in all new contracts

Short and medium-term actions

- Euroclear plans to engage with key suppliers to set Science-Based targets on their carbon emissions and to improve their ESG score.

KPIs	Targets	2024
Key suppliers screened by EcoVadis	75%	80%

Corporate governance

The **Governance Memorandum of Euroclear SA/NV** (ESA) is prepared in accordance with the provisions of the Governance Manual for the Banking Sector (version of 11 October 2022), relating to the prudential expectations of the National Bank of Belgium ("NBB") on good governance of financial institutions (the "Circular").

It describes the governance of ESA, including an overview of the relevant governance matters at the level of the 'Regulated Group', (consisting of ESA, Euroclear Bank SA/NV and the financial institutions controlled by the former), and in particular sets out its legal and corporate structure, a detailed overview of its Board of Directors, Board Committees and management structure, its business organisation, and principles regarding its strategic objectives and values.

The Management Committee and Board of Directors of ESA have approved this Memorandum.

Governance Charter – ESA:

Outlines the main aspects of the Corporate Governance of Euroclear SA/NV, including an overview of the relevant governance matters at the level of the Euroclear group of Central Securities Depositories.

Governance Protocol – ESA-EH:

Includes provisions

- (i) organising the allocation of competences to ESA in order to enable it to exercise all powers and responsibilities assigned to it pursuant to the ESA approval, the EH derogations and the EH exemption, in accordance with the prudential expectations of the NBB and
- (ii) defining the powers, responsibilities and role of EH consistently with the powers, responsibilities and role assigned to ESA.

Group Matter Protocol – the Group:

By adopting this Protocol, Euroclear SA/NV intends to promote a coherent approach within the Euroclear group to group matters identified by it in its capacity of

(a) parent company and

(b) approved financial holding company (CRD Framework) - and support institution (Belgian law) - subject to consolidated supervision requirements.

Articles of Association – Euroclear SA/NV and each group entity has its own articles of association which are aligned with group governance requirements and local regulation.

Terms of Reference – Euroclear SA/NV and each group entity has its own terms of reference which are aligned with group governance requirements and local regulation.

Assessment of Suitability of Board Members, Senior Management and Key Function Holders group policy

In accordance with Euroclear Group Matters Protocol, the *Assessment of Suitability of Board Members, Senior Management and Key Function Holders group policy* is part of the domains requiring consolidated oversight by Euroclear SA/NV in its capacity of parent company. This group policy sets out the Minimum Requirements of the Euroclear SA/NV Board towards the Euroclear Companies for the Suitability assessment of Board members, Senior Management members, Key Function Holders having significant influence over the direction of the business.

Conflict of Interest Group Policy

Conflict of Interest is part of the domains requiring consolidated oversight by Euroclear SA/NV in its capacity of parent company. This Group Policy sets out the Minimum Requirements of the Euroclear SA/NV Board towards each Euroclear company for the effective management and independent oversight of conflicts of interest risks in accordance with the Group's risk appetite.

Disclosure of third-party standards or initiatives that are respected through implementation of policy

- CSD Regulation (EU)
- Belgian Banking Law
- Circular NBB_2018_25 - Suitability of directors
- ESMA Guidelines - Suitability of members of the management body and key function holders

IRO 12: Enabling market trust and transparency from corporate governance

Euroclear has a strong and robust corporate governance in place. This rigorous approach to corporate governance upholds its reputation as a trusted FMI and is the foundation of its ability to support the expansion of a sustainable finance market. Over the last year, Euroclear has held an Annual Board effectiveness review, as well as an assessment of the appropriate skills knowledge and experience of the Boards. Board governance in terms of ESG has also been strengthened and regular ESG training is given to the Board members. Please refer to the Euroclear Board collective skills on p.45.

Continuous actions

- Training for Board members on ESG topics will be carried out on a regular basis
- Euroclear continues to deepen its relationships with its stakeholders through regular Investor days and the apointment of a Global Head of Investor Relations.

Short-to-medium term actions

- Further deepen relationship with shareholders
- Implement additional corporate governance KPIs for internal monitoring
- In the medium term, Euroclear intends to further broaden the diversity of the Board to include aspects other than gender

KPIs / Targets:

- **Target**: **33%** of under-represented gender at Board level
- **Scope**: All Euroclear entities fully owned by Euroclear, across all of their locations
- **Baseline**: number of Board members

2024

- Euroclear SA/NV/ Euroclear Holding: **36%**
- Euroclear Bank: **36%**
- Euroclear France: **38%**
- Euroclear Belgium: **50%**
- Euroclear Nederland: **38%**
- Euroclear UK & International: **43%**
- Euroclear Sweden: **33%**
- Euroclear Finland: **33%**
- MFEX AB: **17%**

Policies and third party standards

Business conduct

Anti-Fraud and Anti-Bribery & Corruption group policy (this policy is available on Euroclear's website).

Sets the Minimum requirements of the Euroclear SA/NV Board towards each Euroclear company for the effective management and independent oversight of Fraud risks in accordance with the ERM Framework and in line with the Group's risk appetite.

The group policy covers elements such as the Legal basis of the policy, its scope, a description of the Minimum Requirements covering the Governance aspect, the reporting alerts, the Fraud Risk Assessments, the Internal controls and the Fraud investigations. It also describes how to create awareness on those requirements throughout the organisation.

This group policy describes the framework put in place to reduce instances of bribery, fraud and corruption.

Process for monitoring: Euroclear Compliance & Ethics is responsible for overseeing how this Policy is transposed and embedded in each Euroclear company.

Anti-Money Laundering & Counter Terrorist Financing group policy

This policy describes the AML/CTF group governance and sets out the Minimum requirements of the Euroclear SA/NV Board towards the Euroclear Companies for the effective management and independent oversight of Money Laundering (ML) and Terrorist Financing (TF) risks in accordance with Euroclear's Risk Appetite.

The group policy covers elements such as the Legal basis of the policy, it scope, a description of the Minimum Requirements covering the Governance aspect, the risk-based approach, the internal controls, KYC, monitoring of transactions, know your securities, reporting. It also describes how to create awareness on those requirement throughout the organisation.

This group policy describes the framework put in place to reduce instances of ML and TF.

The process for monitoring AML/CTF is a domain requiring consolidated oversight by Euroclear SA/NV in its capacity of Parent company. At Euroclear SA/NV level, the focus is on ensuring a proper group oversight of AML/CTF risks (via the group AMLCO).

Disclosure of third-party standards or initiatives that are respected through implementation of policy

The Anti-Fraud & Anti-Bribery & Corruption Group Policy is based on the following globally recognised standards and regulations:

- Fraud Risk Management Guide issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- Standards issued by the Association of Certified Fraud Examiners (ACFE);
- Guidance issued by Transparency International;
- International Convergence of Capital Measurement and Capital Standards issued by The Basel Committee on Banking Supervision (BCBS);
- EU Regulation No 909/2014, Regulation on settlement and central securities depositories (CSDR);
- Principles for financial market infrastructures issued by the Committee on Payment and Settlement Systems and Technical Committee of the International Organization of Securities Commissions (CPMI-IOSCO);
- US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act (UK BA)
- Economic Crime and Corporate Transparency Act;
- The Organisation for Economic Cooperation and Development (OECD) guidelines for Multinational Enterprises;
- United Nations Convention against Corruption.

This Anti-Money Laundering ('AML') & Counter Terrorist Financing ('CTF') Policy is based on:

- EU Directive 2015/849 of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ('Fourth AML/CTF Directive') as amended by EU Directive 2018/843 of 30 May 2018 ('Fifth AML/CTF Directive') and, where appropriate, EU Regulation 2015/847 on information accompanying transfers of funds
- International standards: recommendations and papers from the Financial Action Task Force ('FATF'), the Wolfsberg Group, the Basel Committee on Banking Supervision and the ISSA Financial Crime Compliance Principle ('FCCP')
- Belgian legislation as Euroclear SA/NV is a Belgian regulated entity, including the Belgian anti-money laundering law of 18 September 2017, as amended on 05 August 2020, and, where appropriate, the recommendations by the National Bank of Belgium ('NBB') that refer to obligations to be respected at group level.

Actions

IRO 13: Robust business conduct frameworks contribute to a more resilient financial ecosystem

Given its role as a trusted FMI, Euroclear is focused on fighting fraud, bribery and corruption, money laundering and terrorist financing.

Over the last year there has been regular communication and awareness training for all employees on Anti-money laundering/counter terrorism financing, anti-bribery & corruption and fraud. Additionally, Euroclear continuously enhances the methodology and quality of fraud risk assessments, as well as its training coverage. Starting in 2025, there will be specific training targeting functions at risk of bribery and corruption.

Continuous actions

- The 'Know-your-client' (KYC) process is continuously monitored to promptly identify changes in client risk profile
- Transaction monitoring is being strengthened to spot possible anti-money laundering or counter terrorism financing

Short-to-medium term actions

Anti-Bribery & Corruption and Fraud

- Euroclear is rolling out fraud analytics screening tools

Anti-Money Laundering/Counter Terrorism Financing

- Euroclear will take actions to reduce the lead time for client admission and recertification procedures.

Targets/Metrics

Euroclear does not define targets for Business Conduct. For metrics, see p. 144

Policies and third party standards | Actions | 2024

Connecting issuers and investors (Euroclear specific topic)

Euroclear enables the financing of the real economy by processing transactions safely and efficiently and connecting issuers, investors and intermediaries.

That financing allows companies and governments to grow, achieve their business objectives and tackle challenges facing society and people around the world. As Euroclear is driven by its purpose, there are no policies directly applicable to its role as an FMI.

IRO 14 In line with its Purpose, Euroclear brings safety, efficiency and connections to markets

In the context of the DMA exercise, many stakeholders identified this Euroclear-specific topic as being material (see p. 32). Euroclear's core business benefits the financial system by connecting issuers and investors worldwide. These connections facilitate efficient capital markets and enable climate transition finance. Euroclear promotes stability and trust and reduces systemic risks within the global financial ecosystem. Stakeholders across the value chain recognise that Euroclear's role is crucial for the seamless operation of financial markets highlighting its important impact beyond traditional ESG considerations.

Financial Market Infrastructures (FMIs) play a critical role in facilitating the efficient operation of global capital markets and supporting the stability of the financial system. Cross-border FMIs, like Euroclear Bank, offer capabilities that enable and facilitate the connection of issuers and investors across borders through, for example, cross-border payments, settlements and collateral movements.

Over the past years, Euroclear has contributed to the stability of the financial markets through the following.

Improving efficiency

Creating a set of recommendations for the markets to improve settlement efficiency

The CSDR Settlement Discipline Regime imposed cash penalties to incentivise the market to improve efficiency. With Europe expected to follow the US move to T+1, there is an increasing need for resolving issues in near real time on T+0, more process automation, and more efficient workflows across middle-office, back-office and local markets. Euroclear created a working group with members of the Euroclear Bank User Committee to focus on settlement efficiency.

Launching new Funds solution

Faced with increasing levels of complexity and cost, fund management companies, custodians and distributors alike are on the lookout for an efficient mechanism to access a broad network of end investors in a fragmented marketplace. Euroclear FundsPlace® offers a single point of access to manage the complexities of the funds universe.

Long-term actions

- Modernisation of Eurobond model
- Enhancing the new issues processes using digital flows, standardising and harmonising the data attributes and the ways they are communicated to the ICSDs in the pre-issuance stages
- Delivery of data sharing hub with the industry, to streamline the processes across the value chain - from issuers to investors

Contributing to stability

Euroclear participated in the preparation phase of Digital Euro testing steered by the ECB

Continuous actions

- Euroclear works on the continuous improvement of infrastructure for the benefits of the capital markets leveraging the relevant technologies and in permanent dialogue with regulators

Short-to-medium term actions

- Further enhancements of transparency services for issuers (Equity, Funds & Bonds)

Expansion

With the launch of a cross-border link with South Korea, Euroclear Bank and the Korean Securities Depository (KSD) have opened the market's first omnibus account for Korean Treasury Bonds (KTBs) and Monetary Stabilisation Bonds (MSBs), making Korean government debt 'Euroclearable'

Short-to-medium term actions

- Geographical expansion in Asia and Latin America
- Continue to support development of Capital Markets Union in the EU

Sustainable growth

NextGenerationEU is a temporary recovery instrument to help repair the immediate economic and social damage brought about by the coronavirus pandemic. Euroclear continues to service NGEU assets.

LCH RepoClear SA has launched a new €GCPlus General Collateral clearing offering under the existing triparty basket repo product.

Delivered in collaboration with Euroclear, the EUR denominated Investment Grade green bonds basket is based on market recognised ESG securities reference criteria.

Short-to-medium term actions

- Feasibility study to enrich Euroclear core products with Green Sustainable Social and Sustainability-linked bonds data

	2024
Group settlement efficiency	
- Number of instructions	94.6%
- Value of instructions	96%
Euroclear Bank existing market connections	51
Euroclear Bank active new issues	1,143,620.00
Euroclear Bank GSSS bonds	6,545

Resilient infrastructure and cyber security (Euroclear specific topic)

ESG group policy (as above); Market Stability
Euroclear is committed to maintaining the stability and smooth running of the global financial markets, ensuring market efficiency, and actively reducing risk. Incidents such as technology or telecommunications failures, natural catastrophes, power outages, or terrorist attacks can disrupt financial markets. Therefore, each Euroclear company must comply with all relevant legal and regulatory requirements and standards from competent authorities, e.g. for fraud and corruption, data protection, cybersecurity, business continuity, and ESG matters.

Group Operational Resilience Policy establishes the Group's Operational Resilience Framework and outlines Euroclear's ability to handle operational disruptions through prevention, detection, response, recovery, and learning. It details control objectives for operational resilience strategy and governance, policy and framework, end-to-end services framework, mapping of internal and external resources, risk scenarios and resilience requirements, recovery strategies and business continuity plans, incident and crisis management, exercising and testing, learning and evolving, and monitoring and oversight.

IT Risk Group Policy outlines Euroclear group's approach to ICT risk management. It acknowledges the roles of the Board, senior management, and control functions in defining, operating, monitoring, and assuring ICT risk arrangements. Additionally, it sets minimum digital operational resilience requirements to ensure the continuity of critical ICT operations, systems, and services through disruptions.

IRO 15: impact of maintaining a resilient infrastructure on stakeholders and financial markets

IRO 16: Financial risk of business outages and cyber attacks on Euroclear

Euroclear takes a pro-active approach and assesses possible threats to its resilience. The long-term climate scenario analysis performed in early 2024 enabled Euroclear to identify the physical assets at risk. The measures to protect assets were then defined, as well as the gaps in the current protection measures. Recommendations following this exercise will drive the actions going forward.

Minimum requirements from a resilience perspective for physical assets are being defined and will integrate the learnings from the long-term climate scenario analysis. These will be reviewed every three years going forward to reflect any change to the climate risk evolution assumptions.

Euroclear is also evolving its data centre infrastructure to increase its resilience to physical disasters. This multi-year investment programme is integrating ESG requirements from the start.

Short-to-medium term actions

- Further enhance Business Resilience and security capabilities, in line with evolving threat and regulatory landscape
- First review of the minimum physical assets resilience requirements with a periodical review every three years
- Further improve the infrastructure of our data centers to become more resilient to physical risks

	Target	2024
System uptime in 2024:		
• Euroclear Belgium, France and Nederland:	99.7%	99.96% ●
• Euroclear Bank:	99.7%	99.85% ●
• Euroclear UK & International:	99.8%	99.96% ●
• Euroclear Finland:	99.6%	99.98% ●
• Euroclear Sweden:	99.6%	99.99% ●

Governance

For details on Board structure characteristics and general skills, please refer to the Governance section of the Directors' report, see p. 45.

Oversight of impacts, risks and opportunities

The Euroclear SA/NV Board of Directors has oversight and accountability for impacts, risks and opportunities within Euroclear. This includes, amongst other responsibilities, determining how to effectively embed sustainability matters into its Board and committee structures, and ensure that management assesses their short, medium and long-term materiality. The Euroclear SA/NV Board has also reviewed and approved the DMA that identified impacts, risks and opportunities.

The Euroclear SA/NV Executive Committee is responsible for regular review and approval of policies, actions, metrics and targets related to the impacts, risks and opportunities for material topics. In addition, the CSO coordinates the ESG Steering Committee and ESG Advisory Committee where material topics are regularly reviewed.

Over the course of 2024, the Euroclear SA/NV Board has updated its oversight of sustainability matters as follows:

- A full review of sustainability matters, including climate issues, will occur annually at the Euroclear SA/NV Board.
- The Sustainability Statements will be approved annually by the Euroclear SA/NV Board.

The Euroclear SA/NV Board has also allocated responsibilities to the following Board committees:

- **Nominations and Governance Committee** (NGC): review of the ESG-related governance, the *ESG policy*, the regulatory developments, and topics related to the Social dimension, such as DEI, wellbeing and support of local and global communities.
- **Audit and Compliance Committee** (ACC): review of Sustainability statements and reporting process, including monitoring of effectiveness of internal quality control and risk management system and assurance of sustainability reporting, delivery of net zero target (to be formalised in the TOR)
- **Risk Committee** (RC): ESG and climate Risk Appetite and KRIs, climate and ESG risk reporting.

The Annual Board workplan, detailing all the topics in scope of the Committees and Board, and scheduling them throughout the year, is mapped against the IROs to ensure adequate coverage.

For details on how the administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them, see p. 84 and p. 85.

Board ESG oversight

Material topic	IRO	Board Committee	Frequency /year
Climate change	1 Generation of emissions	Board of Directors	2
	2 Impact of climate change on employee wellbeing	Risk Committee	1
	3 Exposure to physical climate risks	Board of Directors	
	4 Risk of long-term economic downturn		
Employee talent, training and skills	5 Training, development and growth opportunities for employees	Nominations and Governance Committee	1
	6 Lack of talent for the future	Board of Directors	
Diversity, equity and inclusion	7 Diversity, equity & inclusion in the workplace	Board of Directors	1
	8 Diverse and inclusive company		
Employee engagement, wellbeing and rights	9 Employment engagement, wellbeing and employee rights	Board of Directors	1
	10 Employee representation and consultation		
Responsible supply chain	11 Reputational risks associated with ESG performance and breaches in supply chain	Board of Directors	2
Corporate Governance	12 Enabling market trust and transparency from corporate governance	Nominations and Governance Committee	1
		Board of Directors	
Business conduct	13 Robust business conduct frameworks contribute to a more resilient financial ecosystem	Audit and Compliance Committee	1
		Board of Directors	
Connecting issuers and investors	14 Increased financial stability, trust and efficiency in capital markets	Board of Directors	2
Resilient infrastructure and cyber security	15 Impact of maintaining a resilient infrastructure on stakeholders and financial markets	Audit and Compliance Committee and Risk Committee	4
	16 Financial risk of business outages and cyber-attacks on Euroclear	Board of Directors	

Skills and experience

To adequately fulfil its roles and responsibilities, the Board possesses the necessary balance of skills and experience to:

- set the general policy and strategy of the company;
- oversee the effectiveness and independence of the control functions;
- set all material aspects of governance arrangements relevant to the company; and
- establish culture, values, standards, ethics and rules of conduct to properly supervise management in the implementation of the company policy and strategy.

Directors also receive ongoing training on matters relevant and material to their directorships and committee mandates.

A separate bespoke training on sustainable finance was delivered to the Board in 2024 and Board members also followed a training session on CSRD and Double Materiality.

Board knowledge of sustainability matters is covered at a more granular level and we conducted a mapping of the material IROs against our Board members sustainability sub-skills. Collectively, Board members have a knowledge above the General level, for all sustainability skills.

Please refer to the Euroclear Board collective skills on p. 45.

Integration of sustainability-related performance in incentive schemes

Previously, there was no direct and explicit connection between performance of corporate objectives, including sustainability related targets, and senior management remuneration. For the full year 2025, based on annual corporate objectives, including sustainability-related objectives, Euroclear has defined metrics which will be linked to overall senior management remuneration. The sustainability metrics are related to the Employee engagement score, reducing Scope 3 (cat 3-7 emissions) and progressing towards the under-represented gender target at senior management level by end 2026.

Due diligence

A due diligence process is in place for two IROs

Material topic	IRO Material topic	Due diligence process	Page reference
Climate change	1 Generation of emissions	To mitigate the impact of our GHG emissions, Euroclear has committed to reaching Net Zero by 2050, with clear interim reduction targets by 2030. A Transition Plan has been drafted, which details future plans to prevent, reduce and address the impact of our GHG emissions.	See p. 70 and p. 71 for disclosures related to Euroclear's Policies, Actions, Metrics and Targets, and p. 99 for the Transition Plan.
Responsible supply chain	11 Reputational risks associated with ESG performance and breaches in supply chain	Euroclear conducts due diligence on its key suppliers. This process includes integrating ESG in due diligence of new goods and service suppliers, screening ESG maturity of key suppliers, monitoring responsible business practices within our supply chain and sharing a Supplier code of Business conduct with all suppliers. Euroclear has also set engagement targets for suppliers to set their own science based targets to reduce emissions.	See p. 74 and p. 75 for disclosures related to Euroclear's policies, actions, metrics and targets.

The management of ESG-related risks

Euroclear's risk and control framework starts from its business objectives and is systematically built around:

- risks which could impede achieving Euroclear's business objectives
- control objectives, described in policies, which ensure risks are effectively mitigated to acceptable levels
- specific control activities required to meet the defined Control Objectives

For more details on Euroclear's approach to Risk, see p. 30.

There is no positive or negative prioritisation of ESG-related risks relative to other types of risks. ESG risks are considered as drivers of existing risk types within Euroclear's risk framework. As such, ESG risks are managed within the existing risk management framework and the three lines model. Risk assessment tools used to identify and manage these risks include amendments to the Euroclear risk library where material ESG-driven risks have been identified; addition of ESG risk controls; the execution of risk assessments to understand the impact of ESG on financial and non-financial risks; and the integration of ESG considerations where appropriate into stress tests used for capital adequacy.

Ultimately, the Chief Risk Officer and the Group Risk Committee (GRC) are responsible for embedding ESG-related risks into the group risk frameworks, and for the ongoing monitoring and management of these risks.

The risks identified in the DMA form the basis of the climate risk assessment in the context of the ECB expectations on the management of climate-related and environmental risks. These results also formed the basis for making changes to the risk library, the identification of ESG risk controls, and ESG considerations added to stress tests and scenario analysis.

The set-up and embedding of control objectives in relation to CSRD data requires a phased approach. In 2024, ESG data points were inventoried and a risk assessment identified the numerical data points with the highest risk of misstatement, considering the probability of errors and level of materiality. These most critical data points were prioritised in terms of establishing and evidencing controls. Implementation of these controls is ongoing. For all CSRD numerical data, Euroclear is working towards an appropriate and evidencable set of controls, which over time should become part of the yearly control adequacy and effectiveness attestation performed by control owners. Dedicated controls and procedures applied to the management of material topics will gradually be integrated into the overall risk management process and procedures.

Significant residual risks are reported to the Euroclear SA/NV Risk Committee and Board on a quarterly basis.

On a yearly basis an extensive risk and control self-assessment is performed which concludes in an internal control system report provided to the Euroclear SA/NV Risk & Audit and Compliance Committees and Board. Going forward this will include ESG risks and CSRD regulation.

Stakeholder engagement

Ongoing stakeholder engagement

This table below shows how Euroclear engages with its key stakeholders and the outcomes of such engagement:

	Workforce	Shareholders, Board, Management & Euroclear entities	Clients, Issuers and Investors	Suppliers
Topics for which we engage with stakeholders	• Corporate strategy, objectives, priorities and challenges • Company culture and values • Health, safety and employee wellbeing • Compliance and Ethics • Training and Development • Performance and reward • Diversity, equity and inclusion • Employee experience and engagement • Environment • Community-related topics	• Strategy definition, execution and monitoring controls, including investment strategy, M&A • ESG Disclosure and performance • Group financial performance	• Client needs, experience and engagement • Quality of products, services and solutions • Assessment of market dynamics and prevailing trends • Regulatory impacts and requirements	• Business ethics and legal compliance • Products and services • Supply chain reliability and efficiency • Sustainability management practices to reduce impact on climate change, workforce and society.
Engagement channels & Frequency of engagement	• Code of Ethics and Business conduct • Interactive Company intranet • Townhalls • Training and learning Platform • Coaching and Leadership development programmes • Employee engagement survey • DEI Networks • Corporate cultural initiatives • Employee representatives • 24/7 whistleblowing Hotline • Interactions between employees and people managers	• Quarterly financial updates • ExCo & Board meetings	• User committees, Client Strategic Forum, • Client Relationship management at all levels • Annual Client satisfaction survey • Periodical Commercial events • Client services, Helpdesk, 24/7 Incident production hotline • Euroclear website • Investor day • Website updates and press releases • Thought Leadership White papers	• Supplier relationship management • Supplier Code of Conduct • Yearly risk assessment of our critical/outsourcing suppliers and screening of new suppliers • EcoVadis rating and verification
Outcome of engagement	• Employee expectations, needs and concerns understood and actionable • Safe workplace environment • Talent management: to have the right people with the right skills at the right place • Diversity, equity and inclusion vision and strategy implemented • Employees understand, feel part of the company culture and have adopted the desired mindsets and behaviours	• Strategy and execution alignment, financial position, business outlooks, risks and opportunities. • Knowledge and expertise in line with DMA.	• Greater client-centricity • Better understanding of the future needs of the financial ecosystem. • New products and services • Implementation of CSDR and other regulatory requirements	• Suppliers' services in line with needs and expectations • Reduction of Scope 3 emissions in line with net zero targets • Encouragement of a more sustainable supply chain

Stakeholder engagement around our strategy

Euroclear has established a structured process including, stakeholder engagement, for reviewing the strategy at each stage of its lifecycle, which includes a feedback loop mechanism for continuous improvement.

Euroclear engages with the following key stakeholders:

- local Euroclear entities
- Board & Management committees
- internal SMEs
- employees & employee representatives
- external stakeholders such as clients, issuers, investors

Stakeholders are engaged with as follows:

- Recurring workshops were held with Board and Management for consultation and decision making to define our strategy. Strategy execution progress updates are shared quarterly with the Board(s).
- External stakeholders are engaged with through user committees and bilateral conversations to explore market dynamics and prevailing trends to evaluate Euroclear's strategic positioning. As part of the definition of Euroclear's strategy, regular user committees were held where strategy was presented and input was considered, when applicable
- Client visits are a feedback mechanism to ensure continuous improvement.
- Information sessions were held with employees around the Business strategy, though no organised feedback mechanism was put in place. Evaluations occurred to assess capacity risks and analyse capacity structural aspects, ensuring an understanding of potential risks and challenges.
- Strategy, goals and focus areas are properly documented, shared, and cascaded across entities and to the workforce. Regular activities are held across the group to ensure that Euroclear has the right culture in place to achieve its strategic goals.

The corporate vision and mission and core values serve as the basis for the strategy definition. The strategy was defined top down, reviewed, and approved by the Euroclear SA/NV and entity Boards.

A feedback mechanism was put in place to ensure consistency between the group and entities' strategies. The strategy was formulated into plans, and client needs as well as market evolution were analysed and are being monitored.

Amendments to strategy and (or) business model

The strategy was put in place in September 2022 and structured regular updates are provided to the Euroclear SA/NV Board. Potential risks which could impede the execution of the strategy have been identified and are reviewed on a periodic basis.

Management acts on those key risks and can decide to adjust the strategic approach if necessary.

Euroclear continuously engages with internal and external stakeholders around progress and development related to its strategy.

Strategy and ESG matters are shared with the Management and Board on a periodical basis. This incorporates views and interests of affected internal and external stakeholders implicitly.

E1 – Environment

Introduction

Climate change is a major challenge globally. Euroclear is committed to managing emerging climate risks and integrating sustainability into its operations. It aims to achieve net zero emissions and has set targets to reduce its carbon footprint, guided by the Science Based Targets initiative (SBTi) and the Paris Agreement. And as a financial market infrastructure, Euroclear enables climate transition finance by connecting issuers and investors globally.

Euroclear recognises the physical and transition risks posed by climate change. Using the Network for Greening the Financial System (NGFS) climate scenarios has helped Euroclear understand these risks, allowing climate risks to be better integrated into our decision making and improving our long-term resilience to climate risks.

Climate risks are being embedded into Euroclear's enterprise risk management framework, ensuring it systematically identifies, assesses and manages climate risks across its operations and value chain.

Through its DMA exercise, Euroclear identified climate-related impacts and risks. Based on initial internal assessments, Euroclear has not identified climate-related issues over the short term that can materially impact its financial performance or position.

As a result, climate-related issues are not currently a material input into the financial planning process.

In addition to contributing to reducing overall GHG emissions, Euroclear's strategy also focuses on driving positive change with suppliers, enhancing transparency and fostering collaboration with clients, partners and regulators to support the development of a resilient and sustainable financial system for the future.

In 2024, Euroclear's total emissions were 89,616 tCO_2eq, an increase of 13% on 2023 and 29% on the 2019 baseline, driven largely by an increase in Scope 3 emissions as a result of business expansion. Euroclear maintained a 66% reduction in Scope 1 and 2 market-based emissions compared to the 2019 baseline, sustaining its 55% reduction target by 2030. This was mainly due to the purchase of renewable or low carbon energy which represented 83% of energy sources in 2024. A 6% reduction in Scope 3 operational activities (Categories 3-7) has brought these emissions back to 2019 levels, primarily due to reduced business travel and employee commuting emissions. Further effort is needed to meet the 28% reduction target set for emissions from Scope 3 operational activities. For Scope 3 emissions (Categories 1-2 i.e. supplier spends) 45% of suppliers' emissions were aligned with the 1.5°C commitment in 2024, compared to a target of 70% by 2027.

For details on climate-related Governance considerations, such as links to remuneration of management bodies, please refer to Governance p. 82.

Emissions (tCO_2eq)	2024	2023	2019	2024 target	Longer-term target	2024 progress versus 2023	2024 progress versus 2019
Scope 1 and 2 Energy (market-based)	1,156	1,129	3,412	N/A[1]	-55% by 2030 -90% by 2050	2%	-66%
Scope 3 Operational activities[2]	9,716	10,381	9,738	-5.5%	-28% by 2030 -90% by 2050	-6%	0%
Scope 3 - Suppliers[3]	75,222	64,715	54,412	N/A	N/A	–	–
Scope 3 Suppliers emissions covered by targets	45%	37%	–	40%	70% by 2027	–	–
Total emissions (market-based)	89,616	79,439	69,565	N/A	N/A	13%	29%

1 2030 target to reduce by 55% exceeded in 2023. No reduction target set for 2024.
2 Categories 3-7. These categories include Fuel and energy-related activities, Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting and working from home.
3 Category 1-2 supplier spend. These categories refer to Purchased products and services and Capital goods.

Impact, risk and opportunity management

Euroclear conducted a CSRD-aligned Double Materiality Assessment (DMA), considering all in-scope entities, for reporting under CSRD in 2025. See General Disclosures/Double Materiality Assessment p. 59.

Through this process, Euroclear assessed and identified its climate-related impact, risk and opportunities (IRO) considering its carbon footprint and profile, and the outcomes of the resilience assessment exercise using long-term climate scenario analysis. (See description of this process p. 91 and p. 92)

Impact

The initial CSRD-aligned DMA concluded that the generation of emissions has a material negative impact on the environment in the short, medium and long term. These emissions are primarily caused directly or indirectly by energy and resource usage in various activities required to operate its business. They fall into three main categories:

- **Scope 1 and 2 GHG emissions**: These are emissions from office buildings and data centres.
- **Scope 3 GHG emissions**: These include emissions from suppliers (mainly categories 1 and 2) and from operational activities such as business travel, waste, employee commuting and working from home… (categories 3, 4, 5, 6 and 7).

These GHG emissions are generated by Euroclear's employees and suppliers located in various countries around the world. Due to the nature of Euroclear's business activities, which do not involve manufacturing or selling goods that generate emissions, the Scope 1 and 2 GHG emissions from office buildings and data centres are relatively low compared to the overall GHG emission footprint. Instead, a significant portion of GHG emissions arises from the supply chain, indirectly caused by purchased goods and services, and capital goods. As an FMI and with Euroclear Bank holding a limited banking licence, Euroclear does not have a loan book or investments with Scope 3 financed emissions similar to other financial institutions. Emissions from the supply chain are currently computed by converting spends using Comprehensive Environmental Data Archive (CEDA) spends emission factors. CEDA is an economic input-output model that calculates industry averages for each spend category. Influencing suppliers' emission reduction strategies will be challenging, but Euroclear has engaged with suppliers about their GHG emissions during 2024.

In 2024, 45% of its suppliers' emissions resided with suppliers who have set targets compatible with the 1.5°C pathway. As Euroclear continues to grow, it will focus on reducing emissions by working closely with these suppliers and including ESG criteria in the supplier selection process. This approach is crucial because there is a positive correlation between business growth and associated supplier emissions.

No climate-related assumptions are made in Euroclear's financial statements, as the financial effects of climate change have not been quantified.

Climate-related risks and opportunities

In 2023, Euroclear conducted a long-term scenario analysis exercise to identify risks and opportunities related to climate change and to assess the resiliency of its business model and strategy in different future climate scenarios. See p. 92.

The results of this exercise were used as input for the DMA, which resulted in the identification of three material climate-related risks:

1. **Euroclear's exposure to physical risks**: The inherent exposure to physical risks was assessed as material in the medium term in this exercise. To identify and mitigate these risks, environmental hazards are incorporated into the annual threat assessment exercise. This exercise assesses the inherent and residual risks to Euroclear's data centres, buildings and people, from a range of environmental hazards, and assesses the effectiveness of mitigants.
2. **Impact on Euroclear staff**: The impact of climate change on Euroclear staff was assessed in terms of productivity and impacts on wellbeing in the medium and long term. Mitigating actions are considered in the same annual threat assessment exercise.
3. **Potential for climate change to trigger a long-term economic downturn**: Transition events were identified over short, medium and long-term horizons and were considered as part of the long-term climate scenario analysis exercise, including screening for likely exposure of assets and business activities and their sensitivity to identified transition events. One scenario, consistent with the Paris Agreement, was used. The exercise also concluded that no assets or business activities were incompatible, or needed significant efforts to be compatible, with transition to a climate-neutral economy.

Compared to commercial and investment banks, Euroclear is less exposed to financial risks driven by climate change. This is due to the nature of its business model and risk profile, as it does not finance or invest in clients or counterparties but provides short-term (primarily intraday) credit secured by high-quality collateral. Based on initial internal assessments, Euroclear has not identified climate-related issues over the short term which can materially impact its financial performance or position. As a result, climate-related issues are not a material input into the financial planning process.

Euroclear has not yet formalised any significant outcomes through the CSRD-aligned DMA. Through its role as an FMI, Euroclear aims to support the green, low carbon transition. In 2024 Euroclear held the equivalent of over €1.4 trillion in GSSS bonds under custody for Euroclear Bank.

Additionally, in response to growing demand from issuers and investors for climate-related data, Euroclear is expanding its capabilities to fulfil these needs. This opportunity to enhance data has been identified within the corporate strategy and the enabling of a sustainable marketplace is a key pillar of its sustainable finance strategy.

Processes to identify and assess material climate-related impacts, risks and opportunities

Euroclear continuously strives to mitigate its environmental impact by taking actions to reduce its current and future carbon levels. Additionally, it seeks to ensure the resilience of the organisation in the face of physical and transition risks. It has analysed the impact that climate change can have on its operations, risk profile and broader organisation from three key exercises.

CSRD-aligned Double Materiality Assessment

See p. 66 for detailed description of all IROs.

Assessment of carbon footprint and profile

Total emissions by year

	2024	2023	2022	2021	2019 Baseline
Total emissions (tCO_2eq)	89,616	79,439	88,002	72,726	69,565
Scope 1	788	737	721	777	928
Scope 2 (market-based)	368	391	962	1,580	2,484
Scope 3	88,460	78,311	86,319	70,369	66,153

- In 2022, Euroclear mandated EcoAct, an international sustainability consultancy, to complete screening of all Scope 3 categories (in addition to Scope 1 and Scope 2).
- As a result, Euroclear reports its emissions on Scope 1, Scope 2 and eight relevant categories of Scope 3 yearly. This is a stable inventory considering past and potential future changes that may impact GHG emissions. Euroclear does not conduct business outside of its core business.
- Euroclear uses the operational control approach, where a company accounts for 100% of emissions from operations over which it, or one of its subsidiaries, has operational control. It accounts for its GHG emissions and completed its calculations in line with the Greenhouse Gases (GHG) Protocol Corporate Accounting and Reporting Standard. It identified which sites and activities would be reported under the Scope 1 and 2 carbon footprints. Euroclear provides the global site list and activity data to EcoAct. Data gaps were addressed using estimates based on the consumption patterns of the sites within the same region and industry benchmarks.
- Within this same exercise, Euroclear assessed its capability to reach net zero and near-term targets. It screened its activities and potential actions to reduce emissions in its operations and value chain. These aspects were recorded as having the potential to increase the volume of Euroclear's emissions:
  - Potential Mergers and Acquisitions (M&As) would increase volume in Euroclear but unless they were very large scale should not substantially challenge the baseline emissions. Recent M&A candidates are also service-type companies with a similar emissions profile.
  - Organic increase in business activity
  - Increase in headcount

Resilience analysis using climate change scenarios

In 2023, Euroclear conducted a scenario analysis exercise to identify risks and opportunities related to climate change and to assess the resiliency of its business model and strategy in different long-term future climate scenarios.

It used three distinct scenarios from the Network for Greening the Financial Sector (NGFS):

- 'Net zero' (moderate transition risks and low physical risks);
- 'Current Policies' (high physical risks, low transition risks); and
- 'Delayed Transition' (high physical risks, high transition risks after 2030).

The scope of the long-term climate scenario analysis exercise encompassed the whole of the group including Euroclear Bank, the local CSDs (Euroclear Belgium, Euroclear France, Euroclear Nederland, Euroclear Finland, Euroclear Sweden, Euroclear UK and International) and MFEX. The exercise looked at the risks that both the upstream (suppliers, cash correspondents) and downstream (clients) value chain can have on Euroclear.

Euroclear used NGFS scenarios in the long-term climate scenario analysis because they are tailored to the financial sector and have become a market standard since their use in the ECB climate stress test. Assumptions taken for these three scenarios are available on the NGFS website.

For its resilience analysis, Euroclear applies the time horizon definitions described in ESRS 1 section 6.4 for short, medium and long-term periods. These align with the climate and business scenarios used to identify material physical and transition risks and to set GHG emission reduction targets. For the long-term climate scenario analysis, Euroclear considered the years 2030 and 2050. These horizons extend beyond typical strategic planning and match the Paris Agreement goals of reducing global emissions by 50% by 2030 and achieving net zero by 2050 for many governments and corporations, including Euroclear.

Using the NGFS scenarios above, Euroclear developed baseline narratives depicting different world, economy and societal conditions. It held workshops with representatives from various divisions and entities to discuss and challenge potential risks and opportunities for each scenario up to 2030 and 2050. The conclusions were endorsed and formally reviewed in accordance with its governance process. The financial impacts of material and transition risks have not been estimated due to the primarily indirect effects on Euroclear, making them difficult to quantify.

Based on this comprehensive climate analysis, Euroclear has identified several physical and transitional risks associated with climate change.

Physical risks

- **Physical assets:** Euroclear owns or has exposure to very few physical assets apart from its data centres.
- **Business:** Euroclear's strategy and business model are inherently tied to the performance of global financial markets. A long-term global economic downturn, potentially exacerbated by climate change, could reduce transaction volumes, lower the value of assets under custody, increase credit risks and result in inflationary pressure. As a multimarket infrastructure with a highly diversified portfolio of assets, services, client base and multi-office locations, it is naturally hedged against regional climate risks.
- **Own and suppliers' workforce:** in more severe physical risk scenarios, Euroclear's and it's suppliers' workforce may be increasingly negatively impacted by climate change, affecting wellbeing and productivity. The health, safety and wellbeing of its workforce are of paramount importance to Euroclear and are monitored for negative impacts.

Transition risks

As a multi-market infrastructure, Euroclear already manages complex laws and regulations and handles the arbitrages between regions, ensuring compliance and operational continuity amidst evolving climate-related regulations.

Euroclear's geographically diverse client base and office locations, with diversified assets and limited exposure to the economy (i.e. no dependency on sectors vulnerable to climate risks), allows it to manage and adapt to the challenges posed by climate change and potential economic consequences.

The table below outlines the potential climate-related risks and opportunities, identified in Euroclear's various assessment activities, including the long-term climate scenario analysis.

Resilience analysis findings

		Climate-related risks and opportunities
Risks	**Physical risks**	
	Acute and chronic climate risks to data centres, critical suppliers, network agents, or staff	• Business disruption • Impacts on staff wellbeing • Additional adaptation or insurance costs
	Physical risks trigger client defaults	• Higher probabilities of default and capital requirements • Loss of business and decreased revenues
	Prolonged macroeconomic downturn and inflation triggered by physical risks	• Lower revenues, increased costs
	Transition risks	
	More complex climate-related laws and regulations	• Increased compliance costs • More vulnerability to greenwashing accusations • Potential regulatory arbitrage between regions
	Economic shift from a transition to a low-carbon economy leads to new winners and losers	• Loss of business or revenues if existing clients or issuers are not replaced by new incumbents
Opportunities	Market demand for new green products and services	• Growth opportunities for new acquisitions and strategic investments (Greenomy, Impact Cubed) • New data services to support clients' compliance requirements
	Increased green investments in emerging markets	• GlobalReach can facilitate new issuances and increased financial flows from developed markets

Policies related to climate change mitigation and adaptation

Euroclear applies its *ESG group policy* to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation. The policy aims to reduce greenhouse gas (GHG) emissions and enhance the group's resilience to climate impacts. The policy principles are also aligned with the principles of the Corporate Sustainability Reporting Directive (CSRD), which emphasise the importance of climate change mitigation, adaptation, energy efficiency and renewable energy deployment and are listed in the table below. In addition, Euroclear has embedded ESG-driven risks (including climate-related risks) into its risk management framework as drivers of existing risks. The ESG Risk Guidelines describe how these risks are to be embedded in the risk framework, policies and processes.

Euroclear's efforts to mitigate climate change impacts include transitioning to renewable energies, improving energy efficiency, implementing more sustainable business travel, modernising its supply chain management and supporting sustainable employee commuting practices. These initiatives are crucial in reducing its Scope 1, 2 and 3 emissions due to operational activities and achieving its net zero targets.

Adaptation measures are equally important as they help manage the physical and transition risks associated with climate change. Euroclear's plans focus on building resilience through infrastructure changes, promoting sustainable practices and enhancing resource efficiency.

Policy Principles extracted from the *ESG group policy*

- **Principle 1.1A**: Each Euroclear company must be covered by, and have its progress tracked against, net zero science-based targets to reduce GHG emissions set by Euroclear SA/NV (ESA).
- **Principle 1.1B**: Each Euroclear company must have its residual emissions offset by ESA where they cannot be avoided.
- **Principle 1.2A**: Each Euroclear company must ensure that all GHG emissions from company-related transport are managed in line with the group's net zero targets.
- **Principle 1.2B**: To achieve the group's net zero targets, each Euroclear company must seek to optimise its business travel overall, while minimising GHG emissions for necessary business-related travel.
- **Principle 1.2C**: To achieve the group's net zero target, each Euroclear company must support sustainable employee commuting practices, as relevant. This principle addresses the generation of emissions and the impact of climate change on employee wellbeing.
- **Principle 1.2D**: To achieve its net zero target, each Euroclear company must seek to reduce GHG emissions in its company fleet, employee car and soft mobility schemes, as relevant.
- **Principle 1.3A**: Each Euroclear company must take steps to fully understand the environmental impact of its waste and resource use.
- **Principle 1.3B**: Each Euroclear company must take steps to improve resource and waste efficiency, by reducing resource consumption and waste, and reusing and recycling resources wherever possible.
- **Principle 1.4A**: Each Euroclear company must integrate climate risk management into its overall risk management framework, ensuring that climate risks are systematically identified, assessed and managed across operations and the value chain.
- **Principle 1.4B**: Each Euroclear company must ensure that climate risks are considered in strategic decision-making processes.
- **Principle 1.4C**: Each Euroclear company must regularly review and update its climate risk management practices to reflect evolving risks and opportunities.
- **Principle 4.4B**: Each Euroclear company must engage with suppliers to reduce emissions and ensure that suppliers are aligned with the group's net zero targets.

Policy principles related to climate change

	Mitigation vs adaptation	Progress	Targets (from 2019 baseline)	Short-term	Medium-term	Long-term	Scope 1	Scope 2	Scope 3 Upstream-operational	Scope 3 Upstream- suppliers	Euroclear policy principles	CSRD-aligned policy areas	IROs
Transition to renewable energy	Mitigation	Started	-55% by 2030	●	●	●	●	●					1
Improve energy use and efficiency (Including fuel switching and electrification)	Mitigation	Started	-55% by 2030	●	●	●	●	●			- Principle 1.1A - Principle 1.1B - Principle 1.2D	- Climate change mitigation - Climate change adaptation - Energy efficiency - Renewable energy deployment	1
Implement sustainable business travel guidelines	Mitigation	Started	-28% by 2030	●	●	●			●		- Principle 1.2A - Principle 1.2B	- Climate change mitigation	1
Support employee 'green' commuting	Mitigation	Started	-90% by 2050	●	●	●			●		- Principle 1.2C	- Climate change mitigation - Climate change adaptation	1 and 2
Engage with procurement chain	Mitigation	Started	70% suppliers' emissions covered by target by 2027	●	●	○				●	- Principle 4.4B	- Climate change mitigation	1
Integrate sustainability into property management	Adaptation	To start		○	●	●	●	●				- Climate change adaptation	1 and 3
Integrate sustainability into datacentres strategy	Mitigation	Started	-90% by 2050	○	●	●	●	●				- Climate change adaptation	1 and 3
Transition to sustainable IT	Mitigation	To start	-90% by 2050	○	●	●	●	●				- Climate change adaptation	1
Implement sustainable resource management (all)	Mitigation	Started	-90% by 2050	○	●	●			●		- Principle 1.3A - Principle 1.3B	- Energy efficiency - Climate change adaptation - Other	1
Support employees' homeworking emissions	Adaptation	To start		○	●	●			●			- Climate change adaptation	1 and 2
Implement a sustainable procurement chain	Mitigation	To start	-90% by 2050	○	●	●				●	- Principle 4.4B	- Climate change mitigation	1
Implement internal carbon pricing	Mitigation	To start		○	●	●	●	●	●	●			1

IRO 1 Generation of emissions IRO 2 Impact of climate change on employee wellbeing IRO 3 Exposure to physical climate risks

Actions and resources in relation to climate change policies

Euroclear is implementing a series of actions and resource allocations to mitigate and adapt to the impacts of climate change. These actions are designed to be applied to all entities of the Euroclear group. Their delivery is supported by a Group Net Zero Transition Plan ('Transition Plan'). See p. 99.

Actions and resources in relation to climate change policies

Actions ongoing / planned	Actions taken by end 2024	Disclosure of quantitative and qualitative information regarding progress of actions or action plans disclosed in prior periods	Short-term	Medium-term	Long-term	Affected stakeholders
Transition to renewable energy	Renewable energy installed in offices in France & Poland	66% Scope 1 and 2 market-based emissions reduction achieved in 2024 due to sustained focus set on switching the renewable energy for key operational sites	●	●	●	Energy providers, Global Facilities and real estate team
Improve energy use and efficiency (Including fuel switching and electrification)	Energy saving measures sustained	Contain the increase of energy usage in key sites despite increase in office occupancy. A global initiative to replace fluorescents lamps by LED lighting, with more than 2800 units replaced so far. Target completion date is end of Q2 2025.	●	●	●	Energy providers, Global Facilities and real estate team
Implement sustainable business travel guidelines	Group sustainable business travel guidelines	Noticeable decrease (provisional 30%) in business travel emissions - Implementation of group-wide reduction target on business travel emissions in 2024 – including an aligned target per business units, quarterly reporting, and business travel guidelines	●	●	●	Business travel agency, Global Facilities and real estate team, Supply chain team
Support employee 'green' commuting	Bi-annual survey conducted on employee commuting habits	Approximately 75% of employees commuting are done with public transport. Supportive schemes continuously support and promote more sustainable choice in key locations (Belgium, Poland…) Car policy encourages the choice of electric vehicles for employees when relevant	●	●	●	Employees, People & Communications, Supply chain team
Engage with procurement chain	Pilot supplier engagement programme	Around 50 key suppliers representing 70% of suppliers emissions were analysed for clear insights on their specific emissions and their willingness and capacity to deliver 1.5°C aligned emissions reduction targets	●	●	○	All suppliers, Supply chain team
Integrate sustainability into property management			○	●	●	Global Facilities and real estate team
Integrate sustainability into datacentres strategy			○	●	●	IT Division, Global Facilities and real estate team, Supply chain team
Transition to sustainable IT	Signature of the 'Sustainable IT Charter'		○	●	●	IT Division
Implement sustainable resource management (all)	Continuous collaboration with Close the Gap Implementation of waste management in multiple offices	Partnership with Close the Gap for the socially-beneficial re-purposing or disposal of 4,991 IT devices, including 2,064 notebooks, 1,137 iPhones, and 370 tablets, resulting in significant environmental benefits.	○	●	●	Global Facilities and real estate team, Supply chain team, IT Division
Support employees' homeworking emissions			○	●	●	Employees, People & Communications, Supply chain team
Implement a sustainable procurement chain			○	●	●	All suppliers, Finance division
Implement internal carbon pricing			○	●	●	All business units

NB: Please refer to table p. 94

Euroclear's mitigation and adaptation efforts are designed to reduce GHG emissions across its operations and value chain and to address the physical and transition risks associated with climate change, enhancing its resilience and ensuring the sustainability of its operations. These initiatives are to be implemented globally across the group to ensure a consistent and effective approach.

Euroclear's key mitigation actions can be grouped into several themes around energy transition and efficiency, sustainable supply chain, mobility and travel, and IT and data centres. Its adaptation efforts focus on building resilience through infrastructure changes and risk management, on promoting sustainable practices for remote homeworking wellbeing, for resource management and waste reduction.

To address the risks related to climate, to implement the ESG Risk Guidelines and to meet the European Central Bank's expectations on the management of climate-related and environmental risks, Euroclear developed a climate risk action plan through to the end of 2024. The actions are related to embedding climate-related risks into Euroclear's business strategy and objectives, risk management framework, risk appetite framework, stress testing and business continuity planning. Due to the nature of Euroclear's business, which does not involve manufacturing products or financing activity, and operates through global office infrastructures, it is currently not feasible to allocate specific achieved emission reduction outcomes to mitigation and adaptation actions. Similarly, it is not possible to produce a quantitative breakdown of the expected impact of its decarbonisation actions at this stage. However, Euroclear is committed to continuously improving its data collection and analysis processes to provide more accurate and comprehensive assessments in the future. To this end, Euroclear is implementing a tool that will enable the modelling of expected and achieved GHG emissions reduction outcomes in relation to specific climate change mitigation initiatives.

Relationship of significant CapEx and OpEx required to implement actions

There is currently no definitive view on the Capital Expenditures (CapEx) and Operational Expenditures (OpEx) associated with the group's Transition Plan. The relationship between significant CapEx and OpEx and key performance indicators, as well as the CapEx plan, will be established once detailed budget and financial plans are further developed in 2025. Euroclear does not anticipate requiring any material operational or capital expenditures to implement its transition Plan at this stage Euroclear does not engage in any activities related to coal, oil and gas and will not engage in any CapExp associated to these activities. See tables p. 94 and p. 96.

Transition Plan for climate change mitigation

Euroclear is committed to reaching net zero GHG emissions across its value chain by 2050, aiming to reduce absolute Scope 1, 2 and 3 GHG emissions by 90% from a 2019 base year.

To support this, Euroclear has developed an inaugural climate change Transition Plan (see table p. 96), which follows the template provided by the UK Transition Plan Taskforce (TPT) which is set to become the global standard. This plan includes time-bound targets for 2027-2030 and a longer-term outlook towards 2050. The plan contains a detailed description of decarbonisation levers and key actions as well as highlighting investments and funding required to support its implementation. It also outlines the role of the administrative, management and supervisory bodies in overseeing the plan. The Transition Plan is not public but is summarised in these sustainability statements.

Basis for preparation

Before the ideation of its Transition Plan, Euroclear assessed its full value chain emissions, including Scope 1, 2 and 3 emissions and set ambitious yet achievable science-based targets emissions reduction targets.

Following this, Euroclear assessed its capacity to reduce emissions using scenario modelling and by collecting various initiatives and concepts. This modelling was conducted in alignment with the SBTi framework, ensuring that its approach is grounded in the latest climate science.

From this assessment, Euroclear derived its GHG emission reduction targets, ensuring that they are compatible with limiting global warming to 1.5°C. These targets form the basis of its commitment to reducing absolute Scope 1, 2 and 3 GHG emissions by 90% from a 2019 base year by 2050. (See flow p. 100)

It then formalised its action plan, which includes detailed governance structures, descriptions of specific initiatives and mechanisms for monitoring and reporting progress.

Transition plan and science-based targets

Euroclear did not follow the Sectoral Decarbonisation pathway as it is not a primary finance institution as defined by the Sectoral Decarbonisation Approach (SDA).

As a financial services provider without a typical credit, investment and/or loan book, Euroclear concluded, in agreement with the SBTi, that it falls outside the scope of the SDA. Consequently, Euroclear adopted the absolute reduction approach and set its targets in alignment with the cross-sector pathway provided by the SBTi. For more details, please refer to the table p. 94.

This pathway is compatible with limiting global warming to 1.5°C and includes predefined reduction expectations for Scope 1, 2 and 3 emissions. Science-based emission reduction targets are a core component of Euroclear's net zero strategies. Each of its science-based target serves as an interim abatement target for reaching net zero emissions, defining the emission reductions required over the medium to long term to limit global warming.

Because Euroclear has aligned its targets with the predefined reduction expectations provided by the cross-sector pathway, the company can directly compare its own GHG emission reduction targets and interim targets against these reduction expectations. As a result, Euroclear does not need to calculate a separate 1.5°C aligned reference target value for Scope 1 and 2 (or separately for Scope 3) emissions. Therefore, reference target values will not be disclosed separately. Euroclear's targets are aligned with the minimum coverage criteria and are set out in detail in the table p. 71 in the General Disclosures.

Value chain calculation (the sum of direct and indirect emissions) is a requirement for setting a science-based target. Euroclear uses the SBTi net zero framework for corporates. To neutralise the remaining 5-10% of unabated emissions, it intends to purchase credits from permanent Carbon Dioxide Removal (CDR) projects at net zero.

The inaugural Transition Plan and climate change targets will be adjusted over time allowing Euroclear to respond to new information, technological advancements and changes in its operating environment.

Setting science-based targets in Euroclear

1 Define climate industry context

Euroclear has been committed to reducing its environmental impact through emissions reduction targets since 2012. In 2021, after a gap assessment facilitated by PWC on Euroclear's sustainability performance versus industry and stakeholders' expectations, Euroclear committed to strengthening its climate ambition to further support its credibility and stance as a reliable, ESG-compliant service provider.

2 Establish baseline emissions and base year

In the scoping assessment all organisational activities were mapped to the three emissions scopes.

Euroclear selected calculation tools and relevant emissions factors to identify data requirements and sources and to define its calculation methodology. EcoAct uses proprietary bespoke calculation models for:

- Working from home emissions
- Employee commuting
- Business travel
- Emissions from investments
- Output of Scope 1, 2 and 3 footprint

All relevant data was collected, suitability reviewed and gaps in data were addressed (e.g. use of proxy data such as spends).

3 Engage internal teams

Workshops were held with participants representing different levels and domains. These sessions collected initiatives to reduce emissions and classify initiatives by phase i.e. ongoing, proposed/approved initiatives, concepts. This enabled an informed assessment of Euroclear's capacity to reach net zero.

4 Define targets

Baseline data and the information from engaged teams was used to establish targets:

- Scope 1 and 2 target is modelled by ambition level. EcoAct uses ACA SBTi methods where applicable
- Scope 3 targets suitability is performed

EcoAct recommendations come from modelling in CRaFT.

The defined targets were approved by Euroclear's Executive Committee.

5 SBTi validation

The submission in 2022 and successful validation from SBTi in 2023, sets Euroclear on a disciplined course to reach net zero no later than 2050, with firm interim targets. These objectives are a first step to support a wider transition to a low carbon economy.

Disclosure of decarbonisation levers and key actions in the Transition Plan

To support its overall ESG strategy and achieve its net zero commitments, Euroclear has documented near, medium and long-term emissions reduction initiatives within a Transition Plan.

The Net Zero project will enable their delivery, overseen and steered by dedicated committees in accordance with Euroclear's governance arrangements. The initiatives are organised into Working Groups and each Business Unit is responsible for delivering the transposed climate objective into its own operations and within the sub-entities as relevant.

The decarbonisation initiatives support Euroclear's broader business objectives, such as enhancing operational efficiency, reducing costs and enhancing stakeholder relations.

For example, investments in renewable energy and energy efficiency can lead to cost savings and increased resilience against energy price volatility. The financial aspects of the Transition Plan and the decarbonisation initiatives will be considered in Euroclear's overall budget planning and investment priorities. This includes setting aside specific budgets for sustainability projects and ensuring that these initiatives are aligned with the company's long-term financial goals. Euroclear's emissions reduction targets are primarily derived from its business activities and suppliers, unlike typical financial institutions. To reach these targets, the focus is mainly on transforming internal operations to become more sustainable. Since, the content of the Transition Plan is centred on these internal actions, it is not currently published externally. All key aspects of the Transition Plan are included, where relevant, in this section.

Mechanisms are in place for monitoring and reporting the progress of the decarbonisation initiatives, including regular updates to the relevant committees and the use of tools like the Carbon Reduction and Feasibility Tool[1] (CRaFT) to evaluate and report the quantitative contributions of the decarbonisation strategies.

- Euroclear does not foresee any changes in product and service portfolio or adoption of new technologies in its own operations or value chain at this stage. See table p. 96.
- Euroclear does not anticipate requiring any material operational or capital expenditures to implement its action plan at this stage.
- There are no material locked-in GHG emissions in Euroclear's key assets or products that may jeopardise achievement of GHG emission reduction targets and drive transition risk.
- Euroclear currently does not plan to align the eligible economic activities under the Taxonomy Regulation (Commission Delegated Regulation 2021/2139) with the technical screening criteria. Financially, the eligible activities are a very small part of Euroclear's overall business, as they are limited to the data processing and computer programming activities of Euroclear SA/NV. This is largely due to the low materiality of these economic activities in relation to Euroclear's overall business and its role as an FMI (rather than a financer of the real economy).
- Euroclear is not excluded from the EU Paris-aligned Benchmarks.

The Transition Plan was approved by the Euroclear SA/NV Executive Committee in January 2025, with the involvement of Euroclear Bank, and will be implemented from 2025. Some of the documented actions have already been initiated as part of the continuous effort to deliver a steep emissions reduction by 2030. These actions are assigned across the organisation to responsible business functions.

1 The Carbon Reduction and Feasibility Tool (CRaFT) is a comprehensive solution designed to help organisations manage and reduce their carbon emissions by providing modelling features, analytics and insights to evaluate and report the quantitative contributions of decarbonisation strategies. The tool is owned and provided by EcoAct.

Targets related to climate change

To ensure the effectiveness of its policies and actions, Euroclear set its science-based targets in 2023 and to address climate-related risks it also established several Key Risk Indicators.

These targets, as detailed in the table p. 71 in the General Disclosures' received validation from the SBTi. Euroclear chose 2019 as its base year and emissions baseline because it is representative of the activities covered and external influences. In addition, as the last pre-Covid year, 2019 reasonably reflects usual practices in terms of energy consumption and regular business activities. However, the Capital Goods category tends to fluctuate for most corporations, including Euroclear. CapEx for Euroclear relates largely to office and building management (e.g. office investment, rebuilds, refurbishment). Any large office design and build projects, will create a swing to the fit-out/structural categories. The general replacement of equipment due to wear and tear is more consistent across years.

When establishing its science-based near-term, long-term, and net zero targets with a base year and baseline of 2019, and with near-term horizons of 2027 and 2030, Euroclear ensured that its targets were consistent with its GHG inventory boundaries, covering all relevant sub-entities within its geographical scope. These targets are aligned with the minimum coverage criteria from the relevant SBTi framework, see table p. 104. Euroclear also took into account potential organic business growth, spending, and headcounts.

The intention is to follow the SBTi's recommendations and threshold for rebaselining (i.e. updating the baseline year or emissions data to reflect more accurate or current information). Their threshold sets boundaries of 5% or less of total emissions.

Euroclear has also considered a diverse range of climate scenarios to detect relevant environmental, societal, technology, market and policy related developments and determine decarbonisation levers as described p. 102. For each of these scenarios the transmission channels to Euroclear were identified and their impact on Euroclear's decarbonisation efforts were assessed.

In addition to emissions reduction targets, Euroclear includes several Key Risk Indicators related to climate change in its quarterly Corporate Risk Report. These indicators help track the success of the company's policies and actions:

- Vulnerability of data centres, buildings and suppliers to physical risks leading to business disruption
- Euroclear collateral exposure to sectors and countries vulnerable to climate risk
- Euroclear participant, treasury counterparty and investment exposure to sectors or countries vulnerable to climate risk

These metrics rely on EBA classifications of sectors vulnerable to climate risk and the ND-GAIN[2] database for determining countries vulnerable to climate risk. The metrics are not validated by an external body.

Euroclear has outlined its GHG emissions reduction targets in its Transition Plan and identified several key actions as part of its decarbonisation strategies. These targets and associated actions are designed to manage material climate-related impacts, risks and opportunities effectively.

These include investments in renewable energy, enhancements in energy efficiency, containing emissions linked to operational activities, sustainable procurement practices and carbon offsetting. These efforts demonstrate Euroclear's dedication to reducing its carbon footprint and meeting its sustainability targets. Currently, however, it is not yet able to attribute specific and quantitative impacts of these actions towards its overall GHG emission reduction goals.

2 The Notre Dame Global Adaptation Initiative (ND-GAIN) is an open-source scoring of a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience.

Greenhouse gas emissions reduction targets versus base year

Target	Target type	Emissions scope	Target change from base year	Base year	Target year	Interim target	Interim target year
Scope 1 and 2	Long-term absolute	1, 2 (Market-based)	-90%	2019	2050	see below	see below
	Short-term absolute	1, 2 (Market-based)	-55%	2019	2030		
	Interim annual absolute	1, 2 (Market-based)		Annual		-7%[1]	
Scope 3	Long-term absolute	3 (excluding Cat.15)	-90%	2019	2050	see below	see below
	Short-term absolute	3 (Cat. 3-7)	-28%	2019	2030		
	Interim annual absolute	3 (Cat. 3-7)		Annual		-5.5%	
	Short-term supplier engagement	3 (Cat. 1-2)	70% emissions covered by targets	Annual	2027		

1 The yearly reduction target is adjusted year-on-year to reflect progress made or regression

Greenhouse gas emissions reduction targets per Scope of emissions and consistency with inventory boundaries

	Near-term SBTs		Long-term SBTs	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3
Boundary The minimum coverage criteria defines what sources of emissions must be included in the near-term and long-term SBT as part of the net- zero emissions reduction ambition.	95%	67%	95%	90%
Target Timeframe Euroclear's targets are set on 2019 base year (must not be before 2015)	Near-term targets are set 5-10 years from date of submission (in 2022)		Long-term targets are set at 2050 (or sooner)	
Minimum ambition Euroclear's minimum ambition is in line with the 1.5°C pathway	The minimum ambition is 1.5°C for Scope 1 & 2 and well below 2°C for Scope 3		90% absolute reduction is required in the long-term	

Measuring progress on actions

Euroclear's progress in reducing its emissions compared to its 2019 baseline is described p. 108.

Currently, Euroclear does not attribute specific and quantitative impacts of its emissions reduction initiatives towards its overall GHG emission reduction goals. To bridge this gap, Euroclear plans to enhance its knowledge of the feasibility and cost implications of the identified activities. It intends to use the CRaFT tool, which provides modelling features, analytics and insights, to evaluate and report the quantitative contributions of the decarbonisation strategies toward Euroclear's emission reduction objectives. Euroclear integrated CRaFT at the end of 2024 and expects to implement it fully from mid-2025. Additionally, it will employ a carbon metric calculation tool to better measure and monitor emissions reduction.

Energy consumption and mix

Euroclear does not operate in, nor is it active in, any high-climate impact sectors used to determine energy intensity.

Euroclear's net revenue used in environmental calculations cannot be directly cross-referenced to a line item or disclosure in the financial statements.

Euroclear's energy consumption has been relatively stable since 2019. In 2024, Euroclear made efforts to manage and optimise its energy consumption. Although several energy efficiency measures were implemented across facilities, overall energy consumption increased.

This increase is primarily due to the need to accommodate higher occupancy rates in key offices associated with a growing workforce and heightened office activities. On the other hand, there was a stronger focus on procuring renewable energy and reducing fossil fuel consumption, which has allowed Euroclear to keep its market-based emissions at a low level.

In 2024, to address continuing challenges in accurately tracking and managing energy data, Euroclear enhanced its energy monitoring capabilities, enabling the capture of a broader range of energy consumption data. This improvement not only allowed for more comprehensive data collection but also facilitated more accurate estimations where data was missing. This resulted in a more complete and accurate reporting of our overall energy use.

Despite these data improvement efforts, Euroclear does not yet have granular data on the share of consumption from nuclear sources in total energy consumption and therefore cannot report on it. However, this should be of limited impact as nuclear energy, which is likely negligible, is not included in the reported figure of renewable energy, since the countries where Euroclear's key offices are located do not consider nuclear as renewable.

Euroclear is considering the impact of artificial intelligence (AI) usage on energy consumption. In 2025, it plans to analyse the effects of AI on its energy footprint and explore ways to mitigate any negative impacts. This approach ensures that Euroclear continues to improve its energy management practices while leveraging the benefits of new technologies such as AI.

Energy consumption and mix	2023	2024
Total fossil energy consumption	4,841 MWh	5,307 MWh
Share of fossil sources in total energy consumption	17%	17%
Consumption from nuclear sources	N/A	N/A
Share of consumption from nuclear sources in total energy consumption	N/A	N/A
(1) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	N/A	N/A
(2) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	24,196 MWh	25,810 MWh
(3) Consumption of self-generated non-fuel renewable energy	N/A	N/A
Total renewable and low carbon energy consumption (sum of (1) to (3))	24,196 MWh	25,810 MWh
Share of renewable and low carbon sources in total energy consumption	83%	83%
Total energy consumption	**29,037 MWh**	**31,117 MWh**

Energy production	2023	2024
Renewable	0 MWh	0 MWh
Non-renewable	0 MWh	0 MWh
Total energy production	**0 MWh**	**0 MWh**

N/A

Gross scopes 1, 2, 3 and total GHG emissions (tCO_2eq)

Gross scopes 1, 2, 3 and total GHG emissions – Numerical

	Base year 2019	Comparative 2023	N 2024	%N/N-1	2025	2030	-2050	Annual % target/base year
				Delta % 24-23		% reduction from 2019 or absolute	If available	
Scope 1								
Gross Scope 1	928	737	788	7%	-7%	-55%	-90%	5%
Percentage of Scope 1	N/A	1%	1%	N/A	N/A	N/A	N/A	N/A
Scope 2								
Location-based	5,174	3,934	4,127	5%	N/A	N/A	N/A	5%
Market-based	2,484	391	368	-6%	-7%	-55%	-90%	5%
Significant Scope 3								
Total gross indirect	66,153	78,311	88,460	13%	-	-	-	-
1 Purchased goods and services	50,536	61,246	71,522	17%	Excluded	Excluded		Excluded
2 Capital goods	3,876	3,468	3,700	7%	Excluded	Excluded		Excluded
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	1,186	1,344	1,221	-9%			-90%	
4 Upstream transportation and distribution	381	178	241	36%	-5.5%	-28%		3%
5 Waste generated in operations	126	25	14	-44%				
6 Business traveling	4,728	3,618	2,471	-32%				
7 Employee commuting	3,317	5,216	5,769	11%				
8 Upstream leased assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9 Downstream transportation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10 Processing of sold products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11 Use of sold products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12 End-of-life treatment of sold products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13 Downstream leased assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14 Franchises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
15 Investments	2,003	3,217	3,522	9%	N/A	N/A	N/A	N/A
Total GHG emissions								
Location-based	72,255	82,982	93,375	13%	N/A	N/A	N/A	N/A
Market-based	69,565	79,439	89,616	13%	N/A	N/A	N/A	N/A

N/A

GHG emissions footprint for 2024

Compared with 2023, Euroclear has stabilised the increasing trend of its emissions caused by growth in business and headcount. Total emissions stand at 89,616 tCO_2eq compared with 79,439 tCO_2eq in 2023. The data used to calculate emissions vary in terms of quality and maturity, and therefore, uncertainty about the exact emission figures cannot be excluded. See table p. 112 for descriptions of data sources.

Scope 1 and 2 energy-related emissions

In 2024, Euroclear maintained the reduction achieved in 2023 by securing renewable energy sourcing, despite a noticeable increase in energy consumption to support higher office occupancy. Ongoing and future identified initiatives will focus on containing energy consumption. This effort has been crucial in stabilising the emissions from Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company).

Scope 3 emissions related to operational activities

For Scope 3 emissions related to operational activities (categories 3-7), Euroclear has managed to contain the increasing trend since 2021 by returning to the level of its 2019 baseline emissions. This achievement is due to a decrease in business travel emissions and employee-related commuting. The categories included here are:

- Category 3: Fuel and energy-related activities (not included in Scope 1 or 2)
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting and working from home

Scope 3 emissions linked to suppliers' products and services

Euroclear's Scope 3 emissions linked to suppliers' products and services, calculated from spends, have increased mainly due to a switch from the usage of CEDA 6 to CEDA 7. The update from CEDA 6 to CEDA 7 reflects more current emissions factors, which can lead to changes in reported emissions. Since Euroclear started including its suppliers' emissions in the baseline emissions of 2019, it has followed market best practices and updates of emissions factors databases to closely reflect the reality of the decarbonisation effort of the economy. However, these changes add substantial volatility to the reported emissions, making it difficult to have a relevant year-to-year comparison of the absolute numbers. Additionally, the reliance on spends to convert to emissions restricts by design Euroclear's capability to drive down the absolute emissions.

As an intermediary measure to address these challenges, Euroclear has targeted that 70% of its suppliers' emissions should be covered by 1.5°C aligned targets by 2027. This approach provides a coherent way of tracking progress and making an impact in the procurement chain. In 2024, Euroclear conducted a pilot supplier engagement programme with several key suppliers to better understand their environmental profiles and start engaging with them. This programme will be expanded and complemented with concrete actions in the course of 2025. Currently, the coverage stands at 45%.

Ultimately, Euroclear aims to move to a hybrid method for calculating suppliers' emissions, which will involve using suppliers' specific emission factors applied to their relevant emissions. This approach will allow for more precise and pertinent data, effectively driving down emissions from the most emitting suppliers.

Technical note: Euroclear uses the cash flow view of the purchase ledger for emissions calculation, rather than the Profit and Loss (P&L) view. This approach provides more real-time insights into cash flows, aligning with our supply chain practices and enabling focused engagement with key suppliers based on significant cash spends. Although this method does not allow for reconciliation with the financial accounting P&L view, it facilitates more targeted and effective ongoing supplier engagement.

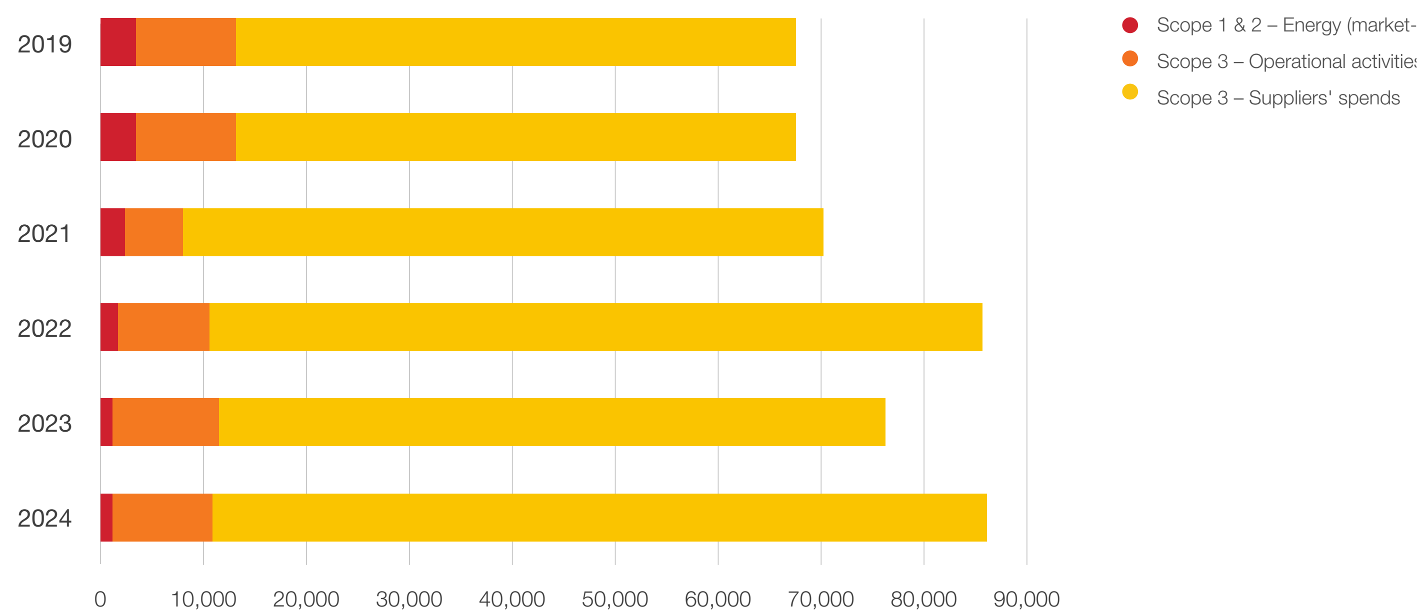
Carbon accounting and data quality

Euroclear has performed its carbon accounting exercise using a 9 month actual +3 month data extrapolation approach. This means that some peak activity effects may not have been accounted for, or some emissions could be higher due to the conservative approach when doing extrapolation. Within its ongoing effort to improve data quality and coverage, in 2024 Euroclear increased the number of sources of data, for instance, for sites where data were not available before from its smaller entities. As a result, some emissions segments have increased. Additionally, some emissions sources have been excluded for materiality and data reliability reasons. These exclusions are consistent with previous year's accounting. These sources include:

- **Emissions from assets in custody, including sovereign debts, corporate bonds, equities, and other financial instruments, are excluded from Euroclear's calculations.** Euroclear's role with respect to these assets is purely that of a financial market infrastructure. Euroclear does not finance or facilitate the underlying emissions of these assets. Consequently, emissions from these assets do not qualify under the typical definition of financed or facilitated emissions as described by the Partnership for Carbon Accounting Financials (PCAF), and are not attributed to Euroclear in accordance with PCAF standards.
- **Network and banking fees associated spends:** These emissions are excluded because there is no commonly recognised framework to calculate them, even within the Partnership for Carbon Accounting Financials (PCAF).
- **Pension funds:** Emissions from pension funds are excluded due to their lack of relevance to Euroclear's core business activities.
- **Hazardous waste:** This is excluded due to its immateriality and the difficulty in obtaining accurate data.
- **Waste linked to confidential paper:** Similarly to hazardous waste, this is excluded due to its immateriality and the challenge in obtaining precise data.
- **Expat rented locations:** Emissions from private housing for expats contracted in the name of Euroclear are excluded due to their immateriality and the lack of reliable data.
- **Business travel booked directly (not centrally) by employees:** This is excluded because the size of these emissions is currently unknown. A process will be put in place to track these bookings in 2025.

These exclusions are made because they either lack a reliable calculation method, are not material to Euroclear's core business activities, or the data quality is too imprecise to provide accurate measurements. However, Euroclear is actively monitoring changes in framework availability, recommendations and best practices of emissions accounting and is working to improve data capture.

Evolution of emissions (in tCO_2q)



Intensity of GHG emissions per net revenue

	Comparative 2023	N 2024	% N/N-1
Total GHG emissions (location-based) per net revenue (tCO_2eq/€ million)	10.28	8.78	-15%
Total GHG emissions (market-based) per net revenue (tCO_2eq/€ million)	9.84	8.42	-14%

Details	Amount
Net revenue used to calculate GHG Intensity	€10,642,391,334

Net revenue can be directly cross-referenced to the financial statements of Euroclear SA/NV in the Segmental Reporting Note V.

Net revenue is the sum of Interest income, fee and commission income, dividend income, net gains/(losses) on non trading financial assets mandatorily at FVPL, net gains/(losses) on financial assets and liabilities held for trading, net gains on foreign exchange and other operating income.

The annual carbon accounting exercise

In 2024, there have been no significant changes in how Euroclear defines its reporting entity and its upstream and downstream value chain.

To calculate its emission footprint, Euroclear accounts for 100% of GHG emissions over which it has operational control and therefore has not accounted for emissions from non-consolidated subsidiaries (See p. 111).

This approach was used to identify which sites and activities would be reported under the Scope 1 and 2 carbon footprints. In a similar way to the process for assessing our baseline carbon footprint (see p. 91), Euroclear provides the global site list and activity data to EcoAct. Data gaps are addressed using estimates, extrapolation or proxy data, based on the consumption patterns of the sites within the same region and industry benchmarks. (See table p. 112)

Euroclear does not yet collect primary data to compute Scope 3 GHG emissions using inputs from specific activities in its upstream and downstream value chain. Instead, it converts activity data into emissions using an emission factors database.

Euroclear's total carbon footprint (Scopes 1, 2 and 3) is calculated for the period from 1 January 2023 to 30 September 2023, with the last quarter of the year being extrapolated. Emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), a standard unit used to compare the global warming effect of the six 'Kyoto' greenhouse gases. The carbon footprint calculations mainly consist of converting collected data into emissions using formulas and published conversion factors.

The emission factors applied do not separate the percentage of biomass or biogenic CO_2. Additionally, GHG emissions other than CO_2, particularly CH4 and N2O, are not available for or are excluded from location-based grid average emissions factors or market-based method information. This is because Euroclear is not involved in manufacturing or industrial activities where these gases would be more relevant. However, when performing emissions calculation, EcoAct considers all relevant GHGs for Euroclear and converts them into CO_2 equivalent (CO_2e) as per the GHG Protocol.

The conversion factors used are internationally-recognised emission factors specifically designed for GHG accounting and can be consulted in the Data, methodology and key assumptions table.

Investee companies

Euroclear will continue to report the emissions of its investee companies under Scope 3, Category 15 Investments, given the current limitations on data availability. This approach aligns with Disclosure Requirement E1-6, which mandates the disclosure of gross Scope 1, 2 and 3 and total GHG emissions in metric tonnes of CO_2eq. The objective is to provide a comprehensive understanding of the direct and indirect impacts of the undertaking on climate change, including the emissions occurring in the upstream and downstream value chain. Euroclear acknowledges that these companies are small and may not have the resources to calculate their carbon emissions accurately. Therefore, a proxy approach is used to estimate their emissions, which will be refined as more data becomes available. This involves estimating the emissions based on economic activity data collected and using the attribution factor. Specifically, the approach includes:

- **Economic activity data:** emissions are estimated based on the economic activity data collected from investee companies, including information on their financial transactions and operational activities.
- **Attribution factor:** an attribution factor is used to allocate a portion of the emissions to Euroclear's investments. This factor is derived from the proportion of Euroclear's investment in the company relative to its total value.
- **Extrapolation and proxy data:** when actual data is missing, extrapolation methods such as using previous year's data are employed to estimate emissions.

Renewable energy procurement in 2024

In 2024, Euroclear secured renewable energy through various contractual arrangements to ensure the integrity and verification of its renewable energy usage.

Energy bundled with attributes:

Green tariff contracts: Euroclear purchases renewable electricity through green tariff contracts from major national and international energy providers. These contracts often include Guarantees of Origin (GOs) or Renewable Energy Certificates (RECs) bundled with the energy supply. This means that the renewable energy Euroclear consumes is directly verified by the accompanying certificates, ensuring that its energy is sourced from renewable generation. In some cases, contracts explicitly specify that the electricity supplied is 100% renewable, without the need for separate certificates. The types of renewable energy provided under these contracts are mostly wind and hydraulic.

Future considerations for unbundled Energy Attribute Certificates (EACs):

While Euroclear did not procure any unbundled EACs in 2024, it is considering this option for future procurement. It will approach this with prudence to ensure that its actions support the development of renewable energy in the grid and offset its consumption in a meaningful way. This includes paying attention to potential weaknesses such as geographical irrelevance, time zone discrepancies and the risk of double counting. By carefully selecting unbundled EACs, Euroclear aims to maximise their environmental impact and ensure they contribute effectively to its sustainability goals.

Share of bundled energy attributes

Type	Share
Green tariff	56.37%
Guarantee of origin	39.21%
Renewable Energy Certificate	4.41%
Total EC backed by contractual instrument	*25,806 MwH (97.54%)*
Total electricity consumption	*26,456 MwH (100%)*

Data, methodology and key assumptions

Euroclear's carbon emissions are calculated by EcoAct based upon raw data provided by Euroclear. Metrics are reported for full year 2024. Methodologies used to calculate the metrics and significant assumptions are reported below. Raw data are evidenced, controlled. The process is reviewed by Deloitte.

	Description	Data used for emissions calculation	Type of data	Metrics calculation methodology	Key assumptions 2024	% versus total
Scope 1 Direct GHG Emissions	All direct emissions from Euroclear's owned and controlled resources: 1. stationary combustion (e.g fuels, heating sources) 1. mobile combustion (all vehicles owned or controlled, burning fuel) 2. fugitive emissions (leaks from greenhouse gases from refrigeration, air conditioning units...) 3. process emissions released during industrial processes, and on-site manufacturing	Activity data	Primary	**Fuel-based method** Euroclear's site data on fuel usage and refrigerants was imported by EcoAct. Activity data was multiplied with location-specific emission factors based on Euroclear's instructions. EcoAct's Scope 1, 2, and 3 tool ensured alignment with GHG Protocol requirements. **Sources for emission factors** BEIS; IEA	**Vehicle fuel consumption**: Only 0.5% of total fuel consumption is relevant to company transportation, consistent with previous footprints. **Refrigerants** are calculated using only primary data. If data is absent, estimation is assumed as 0 for this category. **Extrapolation**: Conservative methods are used to ensure robust and credible emissions estimates. **Consumption pattern**: Current year's consumption follows the previous year's pattern, accounting for trends and anomalies.	79%
		Extrapolated or proxy data (when actual data is missing)	Secondary	**Extrapolation method** This method is considered as the standardised one and is applied throughout the calculation exercise unless otherwise specified, complemented or adjusted. When actual data is missing, previous year's data is used to estimate the current year's monthly usage. In some cases, previous year's data is used as a proxy for the current year's emissions. Data for 9 months is collected, and the last 3 months are extrapolated based on the last 12-month trend. **Estimation methods** Natural gas, gas oil, diesel and petrol: estimated using global intensity per m² or office benchmark.		21%
Scope 2 Indirect emissions associated with purchased electricity, heat or stream	All indirect emissions from the generation of purchased energy, from a utility provider	Activity data	Primary	**Fuel-based method** Refer to explanation in Scope 1 **Sources for emission factors** BEIS, IEA - non UK electricity	Electricity sources are assumed to be non-renewable without evidence of renewable generation. **Consumption pattern**: Refer to Scope 1	Location based: 74% Market based: 58%
		Extrapolated or proxy data (when actual data is missing)	Secondary	**Extrapolation method** (same as standardised one) **Estimation methods** • Electricity, district heating, district cooling: estimated using global intensity per m² from sites with actual data. • Renewable energy: Grid emissions are used when market-based factors are absent.		Location based: 26% Market based: 42%
Scope 3 Other Indirect emissions	**Category 1 | Purchased goods and services**					
	All upstream (i.e., cradle-to-gate) emissions from all production and non-production-related products and services purchased or acquired by Euroclear in the reporting year.	Raw data	Primary	**Raw data method** For water and paper, activity data is used and multiplied with the relevant emission factor. **Sources for emission factors** BEIS	Closest currency conversions are applied when countries are not available in the CEDA database. Categories labeled 'Occupancy' are assumed to be related to rent and excluded. Directors' fees are assumed to be part of payroll and excluded. **Consumption pattern**: Refer to Scopes 1 & 2	0%
		Spends	Secondary	**Spend-based method** Euroclear's purchase ledgers, including MFEX, are used to convert spend into emissions. Each spend category gets an emissions factor from the CEDA database, which uses industry averages. Best practice is to use CEDA factors in the local currency. Previously assigned CEDA factors are reused, and new categories get new CEDA mappings. **Sources for emission factors** Comprehensive Environmental Data Archive (CEDA) v7.0		100%
		Extrapolated or proxy data (when actual data is missing)	Secondary	**Extrapolation method** (same as standardised one) For spend data in cat.1, in addition to standard extrapolation, the last 3 months are extrapolated with a 10% top-up to account for the seasonal spending peak and any other unplanned expenses at the end of the year. This top-up % is defined based on the spending pattern of 2 previous years. An additional 7.5% adjustment is applied to emissions in categories 1, 2, 4, and 6, which are calculated using the spend-based method on expenses from the Euroclear purchase ledger. This adjustment is made to account for potential effects generated by the 9+3 cut-off process. **Estimation methods** Water and paper: Estimated using global intensity per m² from sites with actual data.		
	Category 2 | Capital goods					
	All upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or aquired by Euroclear in the reporting year.	Spends	Secondary	**Spend-based method** Refer to Scope 3 Category 1 **Sources for emission factors** CEDA v7.0	Spends referring to hard facilities are assumed to be category 2.	100%
		Extrapolated data (when actual data is missing)	Secondary	**Extrapolation method** Refer to Scope 3 Category 1		

	Description	Data used for emissions calculation	Type of data	Metrics calculation methodology	Key assumptions 2024	% versus total
Scope 3 Other Indirect emissions	**Category 3 | Fuel- and energy-related activities (not included in Scope 1 or Scope 2)**					
	Emissions associated with the production of energy or fuel used during the reporting year which has not been accounted for in Scope 1 and 2	Activity data	Primary	**Fuel-based method** Refer to Scope 1&2 Country-specific emission factors are applied to calculate WTT, WTT and T&D emissions. **Sources for emission factors** BEIS, IEA		Refer Scope 1&2
	Category 4 | Upstream transportation and distribution					
	Emissions from Euroclear's inbound transport and outbound transport (Category 9 - Downstream transport and distribution) as Euroclear does not have separate data for these two categories.	Spends	Secondary	**Spend-based method** Refer to Scope 3 Category 1 **Sources for emission factors** CEDA v7.0		100%
		Extrapolated data (when actual data is missing)	Secondary	**Extrapolation method** (same as above, specific for spends)		
	Category 5 | Waste generated in operations					
	Emissions from third-party disposal and treatment of waste that is generated in Euroclear's owned or controlled operations in the reporting year.	Raw data	Primary	**Raw data method** EcoAct imported Euroclear's site data and used specific instructions to calculate emissions with waste-type specific factors from BEIS and EcoInvent. Emissions were calculated based on the total weight of each waste disposal method. Waste estimates were split between recycling and landfill based on national recycling rates. **Sources for emission factors** BEIS, EcoInvent	It is assumed that sites with no FTEs i.e. spare offices have no waste if data was not already provided **Consumption pattern**: see above	34%
		Spends	Secondary	**Spend-based method** Waste-related spend identified in purchase ledgers is included in the emissions calculation.		66%
		Extrapolated data (when actual data is missing)	Secondary	**Extrapolation method** Estimation uses global intensity per m² from sites with actual data, plus a global waste benchmark.		
	Category 6 | Business travel					
	Transportation of employees for business-related activities during the reporting year	Activity data	Primary	**Distance-based method** Primary data is provided for all type of travel. Flight and Train distances are calculated using EcoAct's tool, and flights are classified by type and cabin class. Car data is split between spend and distance data. Hotel emissions are based on the number of nights and rooms **Sources for emission factors** BEIS, IEA, CEDA v7.0, DEFRA, Hotel footprinting tool, other best practice sources	• Short-haul flights: up to 3,700 km. • Long-haul flights: over 3,700 km. • Train: Use national or international rail emission factors.	72%
		Spends	Secondary	**Spend-based method** Commodity-specific emission factors are applied for each category of direct spend. Emission factors are based on per Euro spent in each category. These factors are from the CEDA database, which uses industry averages.		28%
		Extrapolated data (when actual data is missing)	Secondary	**Extrapolation method** (standardised method and specific for spends) When data is missing for a region, calculations are extrapolated based on available data. The number of Full-Time Equivalents (FTEs) is used to determine the region's percentage, which is then applied to each relevant category, such as transport modes, using the applicable emissions factors.		
	Category 7 | Employee commuting + Working From Home (WFH)					
	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by Euroclear)	Employee commuting and Work from Home (WFH) survey	Secondary	**Average data method** Euroclear conducts an employee survey every two years. The latest results are used until new ones are available and applied to relevant FTE numbers. Annual distances by transport type are multiplied by emission factors, including well-to-tank emissions. Emissions are calculated by country and office, considering home-working rates in % and FTE terms. Home-working emissions include office equipment, lighting, heating (natural gas and electricity), and cooling (air-conditioning where applicable). **Sources for emission factors** BEIS; IEA, EcoAct Working From Home tool	• For sites with unavailable data, a WFH rate of 80% is assumed. • Office equipment power load per desk is 140 W. • Lighting is assumed to be 10 W throughout the year. • Heating energy assumes typical usage of 12,000 kWh per year.	100%

	Description	Data used for emissions calculation	Type of data	Metrics calculation methodology	Key assumptions 2024	% versus total
Scope 3 Other Indirect emissions	**Category 15 | Investments**					
	Emissions associated with Euroclear's investments in the reporting year, not already included in Scope 1 or Scope 2	Previous year data on business loans, unlisted equity	Secondary	**Complex estimation method** • Applied to business loans and unlisted equity. • When yearly data is missing, previous year's data is used. • The company accounts for a portion of the annual emissions of the borrower and investee, using the attribution factor (ratio of outstanding amount to the value of the financed company). • Emissions are estimated based on economic activity data collected from the borrower or investee company and allocated using the attribution factor. **Sources for emission factors** CEDA v7.0	• Where total equity is negative, it is set to zero in accordance with PCAF. • Where financial data is not available, previous year's data is used.	100%
	Suppliers' emissions covered by 1.5°C aligned targets					
	This metric measures the percentage of our suppliers' GHG emissions that are covered by science-based targets aligned with the 1.5°C pathway	Suppliers' emissions		**Arithmetic target-based method** • Calculate the proportion of suppliers' GHG emissions aligned with the 1.5°C target set by the Paris Agreement. • List all suppliers and their GHG emissions. • Check if each supplier has set science-based targets (SBTs) aligned with the 1.5°C pathway. • Sum the GHG emissions of suppliers with 1.5°C aligned targets. • Divide the total emissions of these suppliers by the total emissions of all suppliers to get the percentage covered by 1.5°C aligned targets.		N/A

GHG removals and GHG mitigation projects financed through carbon credits

Due to the nature of its business, Euroclear has not developed any GHG removal or storage projects within its own operations, nor has it contributed to such projects in its upstream or downstream value chain. Currently, there are no plans to initiate or support these projects.

Nevertheless, Euroclear recognises the importance of mitigating the impact of its currently produced emissions on the pathway to net zero. Please see table p. 71 in the General Disclosures for its net zero target and GHG emission reduction targets in detail.

To support the transition to net zero, Euroclear will continue to compensate for its operational emissions through the annual spot purchase of carbon credits. These operational emissions are the residual amounts after reduction efforts and encompass Scope 1, Scope 2 market-based and part of Scope 3 (i.e. emissions related to fuel and energy, upstream transportation and distribution, waste, business travel, employee commuting and working from home). Euroclear intends to mature its approach by adopting a medium to longer-term carbon credit strategy during 2025.

Avoidance or removal outside the value chain

Project name	Wind India	Unchindele	Biochar	Totals
% in total amount compensated	40%	55%	5%	100%
Tons	4,650	6,393	581	11,624
Location	India	Tanzania	Bolivia	
Type of project	Avoidance – Wind renewable energy	Nature-based removal – Reforestation	Technical removal – Biochar	
Standards	Gold Standard	VCS	Puro Earth	

Euroclear does not count the offset credits towards its reduction targets; instead, they remain part of its beyond value chain mitigation efforts. This approach focuses on achieving absolute reduction targets.

Euroclear annually determines the amount of emissions to offset through an emissions calculation exercise performed by EcoAct and purchases a portfolio of carbon credits corresponding to the amount of emissions to be offset. The data, calculation assumptions, methodologies and frameworks used to determine the amount of carbon credits to offset are the same as those of the general emissions calculation performed yearly. They can be consulted in relevant sections of the disclosure. The actual data was collected for the first three quarters and extrapolated temporally to a full year.

For FY 2024 reporting, Euroclear reports on the carbon credits that have been purchased and cancelled/retired in 2024 for the emissions produced in the year 2023 (Scope 1, 2 and Scope 3 categories 3-7). This amounted to 11,624 tCO_2e.

This will be the first year Euroclear performs its disclosure with a one-year arrear. This means it will report the same figures for FY 2024 as already reported in the Sustainability Report of 2023. It is therefore impossible to compare the FY 2024 carbon removal disclosure with its N-1.

The total amount of GHG avoidance or removal for FY2024 is 11,624 tCO_2e and can be broken down into:

- Own operations (Scope 1 and Scope 2 market-based): 1,277 metric tonnes of CO_2eq
- Upstream value chain (Scope 3 categories 3-7): 10,347 metric tonnes of CO_2eq
- Downstream value chain: these categories have been assessed and deemed non-applicable to Euroclear (except emissions from Investments that are excluded from its targets baseline).

Euroclear compensates these emissions in total, regardless of the underlying scopes versus type of removal. It purchases carbon credits in a mix of:

- 5% of high-quality technical removal (biochar project in Bolivia)
- 95% of non-technical removal or avoidance that it purchases in two parts:
  - 50% of natural removal (reforestation and sustainable forest management project in Tanzania)
  - 45% of offset (renewable energy project in India)

In total, Euroclear has cancelled/retired all purchased carbon credits, with 55% of these being removal-type carbon credits. This includes 5% from biochar projects and 50% from nature-based projects.

As disclosed, Euroclear did not finance any projects within the EU. The share of carbon credits it purchased that qualify as corresponding adjustments is 0%.

Use of carbon credits

Euroclear will repeat this annual process in 2025, when it will purchase carbon credits to compensate for residual emissions produced in 2024. The estimated amount of carbon credits to be purchased and retired/cancelled is expected to be at 10,871 tCO_2eq.

Euroclear will continue with annual spot purchases, which are not subject to ongoing contractual agreements, and will mitigate the yearly impact of its carbon emissions by purchasing progressively higher quality carbon removal projects.

During 2025, Euroclear intends to develop a comprehensive medium to long-term carbon credit strategy. This strategy will rely on high-quality, technically-based Carbon Dioxide Removal (CDR) projects to neutralise its residual emissions at net zero claim (5-10% unabated emissions). This may include exploring longer-term Advance Market Commitment (AMC) options for the 2030 horizon.

Internal carbon pricing

Euroclear currently does not use any type of internal carbon pricing scheme to support its decision making. Euroclear, however, recognises the importance of internal carbon pricing as a tool for managing its carbon footprint and driving sustainability initiatives.

In 2025, Euroclear will explore the implementation of Internal Carbon Pricing (ICP) to incentivise sustainable behaviour and support its net zero targets particularly in relation to business travel emissions.

EU Taxonomy disclosures

The disclosure requirements imposed by the EU Taxonomy Regulation upon Euroclear SA/NV involve a detailed analysis of the following *eligible* economic activity:

Climate change mitigation – Sector 8.1 Data processing, hosting and related activities.

Climate change adaptation – Sector 8.1 Data processing, hosting and related activities.

For FY 2024, as required by the Regulation, we analysed whether the economic activity:

- substantially contributes to one or more defined environmental objectives and technical screening criteria;
- does not significantly harm any of the other identified environmental objectives; and
- whether the relevant Euroclear entity complies with certain minimum social safeguards.

The proportion of turnover derived from products and services associated with such economic activity, and the proportion of capital expenditures and operating expenditures related to assets and processes associated with such economic activity was calculated.

From a financial point of view, the activity eligible under the Taxonomy regulation is a very small part of the overall Euroclear business, as it is limited to the data processing, hosting and related activities of Euroclear SA/NV.

Euroclear performed the required exercise of going through the technical screening criteria. The conclusion of the assessment is that the eligible activity is currently not aligned with the EU Taxonomy technical screening criteria for the following main reasons:

1. Euroclear does not meet the full detailed requirements of the technical screening criteria, such as fully audited compliance with the expected requirements of the European Code of Conduct and Energy Efficiency.
2. Euroclear does not have the necessary tracking processes in place to demonstrate alignment with the '*do no significant harm*' criteria.
3. Euroclear does not yet meet all the requirements related to the climate risk and vulnerability assessment.

Euroclear currently meets the minimum social safeguards, comprised of four main pillars (human rights, bribery and corruption, taxation, and fair competition) cited in the Regulation.

Due to the low materiality of the economic activity in relation to Euroclear's overall business and its role as an FMI, Euroclear does not foresee full alignment to the Taxonomy in the short-term. This is also due to the importance of balancing lengthy detailed requirements of the Taxonomy against Euroclear's other ESG priorities with higher materiality.

Euroclear has continued to make certain improvements to its data centre activities, including taking steps to complying with the European Code of Conduct on Energy Efficiency. Further assessment would need to be carried out to obtain compliance over the coming years.

Financial KPI preparation

The denominators figures reconcile with Euroclear SA/NV's entity contribution to the consolidated figures and are compliant with IFRS and shown after intercompany eliminations.

Euroclear SA/NV's turnover is recorded under 'Other operating income' (Consolidated income statement of the Euroclear SA/NV consolidated financial statements). Euroclear SA/NV's turnover is almost exclusively made of intercompany revenues from services recharged that are eliminated at group level and thus excluded from the total figure shown in the table.

Capital expenditures are part of the line 'Cost-additions', in note XVIII 'Property, plant and equipment' and note XVIII 'Goodwill and Intangible assets' of the consolidated financial statements.

Operational expenditure represents short-term expenses required to meet the ongoing operational costs of running a business and are recorded under Administrative expenses (note IX of the Euroclear SA/NV consolidated financial statements). The amount reported under Operational expenditure includes non-capitalised costs that relate to research and development, short-term leases, maintenance and repair, and other direct expenditure relating to the day-to-day servicing of items of property plant and equipment, as defined in the Taxonomy regulation.

The numerators and allocation to activities have been computed using additional accounting fields (asset class and project codes for Capitalised expenditure and Operational expenditure, service catalog for Turnover), in such a way that double count is avoided.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

E Enabling economic Activity
T Transitional economic activity

Y Yes
N No

EL Taxonomy-eligible activity for the relevant objective
N/EL Taxonomy non-eligible activity for the relevant objective

N/A

Financial year N	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
(1) Economic Activities	(2) Code	(3) Turnover	(4) Proportion of Turnover, year N	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	(18) Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1	(19) Category enabling activity	(20) Category transitional activity
		euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which transitional		0.00	0.00%	0.00%													0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1.	0.00	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0.00	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities		3,819,777.34	100.00%																
Total (A+B)		**3,819,777.34**	**100.00%**																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.00%	0.00%
Climate change adaptation	0.00%	0.00%
Sustainable use and protection of water and marine resources	0.00%	0.00%
Transition to a circular economy	0.00%	0.00%
Pollution prevention and control	0.00%	0.00%
Protection and restoration of biodiversity and ecosystems	0.00%	0.00%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

E	Enabling economic Activity	Y	Yes
T	Transitional economic activity	N	No
EL	Taxonomy-eligible activity for the relevant objective		N/A
N/EL	Taxonomy non-eligible activity for the relevant objective		

Financial year N	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
(1) Economic Activities	(2) Code	(3) CapEx	(4) Proportion of CapEx, year N	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	(18) Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1	(19) Category enabling activity	(20) Category transitional activity
		euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which transitional		0.00	0.00%	0.00%													0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1.	2,146,519.00	3.11%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								30.09%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,146,519.00	3.11%	3.11%	0.00%	0.00%	0.00%	0.00%	0.00%								51.13%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**2,146,519.00**	**3.11%**	**3.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**51.13%**		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		66,922,705.27	96.89%																
Total (A+B)		**69,069,224.27**	**100.00%**																

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.00%	3.11%
Climate change adaptation	0.00%	0.00%
Sustainable use and protection of water and marine resources	0.00%	0.00%
Transition to a circular economy	0.00%	0.00%
Pollution prevention and control	0.00%	0.00%
Protection and restoration of biodiversity and ecosystems	0.00%	0.00%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

E	Enabling economic Activity	Y	Yes	EL	Taxonomy-eligible activity for the relevant objective
T	Transitional economic activity	N	No	N/EL	Taxonomy non-eligible activity for the relevant objective

(hatched cell) N/A

Financial year N	2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
(1) Economic Activities	(2) Code	(3) OpEx	(4) Proportion of OpEx, year N	(5) Climate Change Mitigation	(6) Climate Change Adaptation	(7) Water	(8) Pollution	(9) Circular Economy	(10) Biodiversity	(11) Climate Change Mitigation	(12) Climate Change Adaptation	(13) Water	(14) Pollution	(15) Circular Economy	(16) Biodiversity	(17) Minimum Safeguards	(18) Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1	(19) Category enabling activity	(20) Category transitional activity
		euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which enabling		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which transitional		0.00	0.00%	0.00%													0.00%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data processing, hosting and related activities	CCM 8.1.	9,554,744.00	3.12%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.24%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		9,554,744.00	3.12%	3.12%	0.00%	0.00%	0.00%	0.00%	0.00%								95.65%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**9,554,744.00**	**3.12%**	**3.12%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**95.65%**		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		297,021,147.90	96.88%																
Total (A+B)		**306,575,891.90**	**100.00%**																

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0.00%	3.12%
Climate change adaptation	0.00%	0.00%
Sustainable use and protection of water and marine resources	0.00%	0.00%
Transition to a circular economy	0.00%	0.00%
Pollution prevention and control	0.00%	0.00%
Protection and restoration of biodiversity and ecosystems	0.00%	0.00%

Nuclear and fossil gas related activities

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	N
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	N
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	N
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	N
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	N
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	N

S1 – Social

Impacts on Euroclear's workforce

Euroclear's workforce is critical to carrying out its corporate strategy and serving the markets in which it operates. Through policies and programmes, Euroclear provides a safe, inclusive and healthy environment where everyone has the opportunity to thrive.

All the people in Euroclear's own workforce who can be materially impacted are included in the scope of disclosure under ESRS 2, see p. 58 for details.

Euroclear's own workforce consists of (i) employees, that have a direct contractual relationship with Euroclear and (ii) non-employees, such as contractors and consultants, who are engaged indirectly through third parties. In addition, there is also a limited number of other types of workers, such as interns, including summer students. Contractors, consultants and other types of workers are not included in the employee figures.

In the DMA, no material negative impacts on Euroclear's own workforce were identified. However, risks related to employee wellbeing as a result of climate change were identified and there are three climate change related risks with possible negative impact on Euroclear's own workforce:

- climate change;
- physical climate risks; and
- long-term economic downturn

There is also a potential long-term risk for Euroclear not being able to attract or retain the right skills and talent to achieve its strategic objectives.

No material impacts on workers that may arise from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations have been identified.

Euroclear creates a safe and inclusive environment for its workforce. These are mainly related to the wellbeing, DEI, Community and Training and development programs. Euroclear also ensures employee representation and continued alignment with legal requirements.

Please refer to *General Disclosures, Policies*, actions and targets, p. 72 for actions related to these topics.

There are limited particular contexts or activities which could create a greater risk of harm for workers with particular characteristics. Such occasions would be identified through risk assessments or specific People & Communications processes. Almost all activities linked to hazardous activities are outsourced to suppliers as they require specific technical skills. A limited number of employees work at night.

Policies

There have been no changes versus last year, as this is the first reporting year. All policies are aligned to internationally recognised standards. Euroclear's policies apply by default to employees and contractors. For more details on policies, see p. 72.

There is currently no policy in place to manage the three climate change related IROs which could have a negative impact on employees over time. Euroclear has not identified other material topics or IROs which have a significant impact on its workforce and would require additional policies to manage these impacts.

Human rights and employee wellbeing policies

Employee wellbeing is covered through the group-wide wellbeing programme and also covered in the *ESG group policy*.

The *Code of Ethics and Business Conduct* states that running Euroclear's business in an environmentally and socially responsible manner is critical to its business success. The *ESG group policy* also covers human rights stating in Principle 4.5A: '*Each Euroclear company must respect human rights as defined by international conventions, standards and norms*'.

For more details on policies, see p. 72.

Employee policies (i.e. working regulations) are in place in each entity and location, detailing the rights and obligations of employees in accordance with applicable international and national laws in each location.

In Belgium, France, the UK and the Netherlands, social dialogue bodies are in place. In addition, a Euroclear European Works Council (EWC) includes representatives from these and other European Euroclear entities. Euroclear complies with the regulation on social dialogue in all locations and keeps minutes of meetings with its social partners.

Measures to address and remedy human rights impacts

Euroclear recognises human rights as defined by internationally recognised standards. These include, at a minimum, human rights as expressed within the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work and reflect the UN Guiding Principles on Business and Human Rights.

Euroclear is committed to acting ethically and with integrity. Its governance framework and related corporate policies such as the *Code of Ethics and Business Conduct, ESG group policy, Speak-up policy*, and dedicated training on ethics, reflect this and empower employees to report and escalate any concerns of unethical conduct or conduct that infringes on human rights. Measures are in place to make sure the workforce can raise issues and claim protection in the event of a breach to human rights, such as the whistleblowing mechanism, discrimination claim processes and protection against harassment. Internal and external prevention services are in line with national employment laws.

Human rights violations (in Euroclear's workforce) raised via the whistleblowing process are communicated to the People and Communications Division and investigated. If allegations are confirmed, remediation actions are taken. See p. 144 for more information.

In order to comply with the UK Modern Slavery Act 2015, Euroclear publishes a Modern slavery and human trafficking statement on its website setting out the steps taken to ensure there is no modern slavery in Euroclear's own business or in its supply chain. In this context, Euroclear confirms there is no investigation or litigations in relation to any activity equating to modern slavery within Euroclear's own workforce.

Accident prevention and management of impacts

Euroclear has a well-established workplace accident management process in place to effectively manage the reporting of workplace accidents to the insurers, in compliance with current legislation. The system is designed to ensure the safety of all employees and to promote a culture of prevention. Through this process, incidents can be quickly identified and their causes analysed. When necessary, corrective measures are put in place to prevent their recurrence. There is currently no accident prevention policy.

Euroclear complies with all its obligations with respect to prevention of accidents and the protection of its workforce.

All necessary insurance is in place. In some countries, workplace accidents are covered by the social security systems. There is a Health and Safety management system in place that is designed to meet legal obligations and ensure a safe working environment for all employees.

Eliminating discrimination and promoting equal opportunities

Diversity, Equity and Inclusion is embedded in a number of Euroclear policies such as the *ESG group policy, The Code of Ethics and Business Conduct, Speak Up Policy* and *Remuneration Policy.*

Most grounds of discrimination are explicitly covered in Euroclear's policies:

- *ESG group policy*: 'We recognise and support diversity across all dimensions, including gender, gender identity, disability (including physical and mental conditions), neurodiversity, ethnic and cultural heritage, socio-economic and educational background, age, and sexual orientation'.
- *Code of Ethics and Business Conduct*: 'Applying a zero-tolerance policy against discrimination based on gender, race, colour, ethnic or social origin, educational background, genetic features, religion or belief, property, birth, physical conditions, age, or sexual orientation'.
- For Euroclear SA/NV, Euroclear Bank and ESES a 'Suitability Policy' sets out suitability standards for the Board, taking 'all aspects of diversity into account (educational and professional background, gender, age and geographical provenance as the case may be) when considering new appointments.'

The *ESG group policy* makes specific commitments towards people at risk of vulnerability in Euroclear's workforce and also commits to targets in these areas.

For more details on policies, see p. 72.

Euroclear has a comprehensive Diversity, Equity and Inclusion strategy and action plan which is currently being deployed across the group, with the aim of embedding DEI into all aspects of the company. Diversity, Equity and Inclusion policy requirements are embedded through different means, such as training, inclusive hiring, audit of accessibility of the Euroclear buildings and a regular evaluation and adaptation of the management non-discrimination approach. There is also a process to track whether decisions impact men and women differently during the performance review process.

Euroclear gains insight into perspectives of people in its workforce that may be particularly vulnerable through five dedicated Employee Resource groups: the WoMen Empowering Academy, the Community on Ethnic and Cultural Inclusion, All-Abilities Included (employees with neurodiversity, a disability or chronic illness and their caregivers), the Proud Network (LGBTQ+) and Age-ility (focusing on age discrimination). These networks create a safe space for colleagues to interact, raise awareness and act as a sounding board for management.

Engaging with the workforce and workers' representatives

The Euroclear European Works Council (EWC) is the Europe-based employees' information and consultation entity for all matters concerning Euroclear, including the group's strategic economic, financial and social ambitions and major changes in direction.

The following subjects are addressed by the EWC (at group level):

- Major evolutions in the economic, financial, and social position of the company
- Services and investments
- Turnover and developments in the markets in which the group is present

In case of exceptional circumstances with an impact on the employees' interests, in particular the closure of an establishment, a redundancy plan, a plan to transfer an activity, or a plan modifying the balance of the group's structure, the EWC is convened for an extraordinary session in order to be informed and to allow for an exchange of views on the measures having a significant impact on employees.

Euroclear engages with the employee representatives according to the applicable legislation of the location.

If a topic requires an information and consultation process, employee representatives are informed as of the moment Euroclear Management has a clear intention. Frequency of engagement is dependent on the topic under discussion. There are four EWC plenary sessions per year. In addition, there were two extraordinary EWC meetings for specific ad hoc topics in the course of 2023.

The Chief People & Communications Officer together with the Head of People & Communications, Legal, Social Relations, Compliance and Risk Management are responsible for the engagement approach with Euroclear's workforce.

Euroclear performed an effectiveness assessment of its EWC in 2023, which led to an action plan to continue to improve ways of working.

Process to address staff concerns and remediate negative impacts

In line with the process described in the *Anti-Fraud and Anti-Bribery group policy*, Euroclear's workforce can raise any concerns via the channels described on p. 145. This will trigger an investigation either by People & Communications, if the case concerns cases of unfair treatment of staff, or by Compliance & Ethics if the case concerns fraud.

As stated in the *Speak Up group policy*, each Euroclear company encourages all employees, senior management and third parties to raise and discuss acts, or potential acts, of misconduct with confidence and without fear of retaliation.

For details on actions related to own workforce material impacts, see p. 72 and p. 73.

Tracking and assessing actions and initiatives

Euroclear issues an annual Employee engagement survey (hosted by a third party to ensure anonymity and enable benchmarking), which covers a broad range of topics. The outcome is analysed within the teams and divisions and action plans set up to tackle any issues identified. Metrics and targets are tracked by Management.

In addition to the annual Employee engagement survey, standard processes, reporting and governance are in place with explicit coverage of people risk, such as a yearly Risk and control self-assessment, quarterly risk reporting and dedicated people risk reporting to the Group Risk Committee.

Actions to mitigate risks, to manage impacts or to pursue opportunities are usually resourced through divisional resources and budget. In case specific actions require significant investments, these are reviewed and managed through Euroclear's governance process.

Mitigating risks related to dependencies on the workforce

Strategic workforce planning provides a view on skills demand and supply, supporting the actions required in terms of skills development. There is a regular review to avoid the possible risk of not having the appropriate workforce to implement the corporate strategy. This is the only material impact with a dependency on Euroclear's own workforce.

In 2024, a new inclusive leadership training for leaders at all levels and focusing on impact was created. This will be rolled out in 2025. Euroclear started to embed inclusion goals and KPIs in People and Communications processes, such as recruitment, talent attraction and development.

Actions related to employee wellbeing, talent and development and diversity, equity and inclusion all offer material opportunities for Euroclear's workforce. See p. 72 and p. 73.

Euroclear ensures, through risk assessments, that potential material negative impacts on its own workforce are identified upfront and can be mitigated.

Material topics and related impacts are owned and managed by a Division head.

Setting targets

For a description of the targets set to manage material impacts, risks and opportunities related to own workforce, see p. 72 and p. 73.

Targets for material topics have been defined by the accountable Business Owner, in collaboration with the CSO and have been approved by the Euroclear SA/NV Management Committee and Euroclear SA/NV Board. Some targets defined in the *ESG group policy* are in line with market standards or are externally certified, for example, SBTi. The workforce or workforce representatives were not directly involved in setting targets.

The yearly employee engagement survey invites employees to provide their personal views on a broad range of subjects, from strategy definition to all own workforce related material topics. The results of the employee engagement survey are part of Euroclear's externally reported KPIs.

Each team is asked to review the outcome of the employee engagement survey and to propose actions for further improvement.

Characteristics of Euroclear's employees

The following tables show the breakdown by gender, contract type, age, region and seniority, as well as information on leavers. All tables include MFEX data. The data in these tables includes Euroclear employees only.

Data collection process and methodology

The reported numbers are compiled using a comprehensive data collection process that involves gathering all available employee and worker data as at 31 December 2024 for entities within the scope of the report. The methodology includes:

- Data Sources: Employee data is sourced from internal P&C systems
- Data Verification: The collected data undergoes a verification process to ensure accuracy and completeness
- Assumptions: It is assumed that the data from the entities included is representative of the overall employee population.

The reported numbers are based on the collection of all employee/worker data available on 31 December 2024 for entities in scope of the report.

Employee turnover

The data shows the headcount as it stood at the end of 2024.

'Leavers' includes voluntary and involuntary leavers who leave Euroclear, but excludes movers from one Euroclear entity to another.

Voluntary and involuntary leavers are included and also natural (death and retirements).

Calculation

The results are calculated on a roll-over 12 months period.

The definition of 'Employee turnover' used within Euroclear is: number of leavers out of the company (voluntary, involuntary and natural (death and retirement)) compared to the average of headcounts.

The turnover for MFEX is calculated separately applying the same methodology.

Headcount by gender

Gender	Headcount
Male	3,130
Female	2,877
Other	0
Not reported	2
Total	**6,009**

Headcount by region

Country/region	Headcount
Asia	338
Belgium	3,045
Finland	135
France	522
Germany	3
Italy	1
Luxembourg	27
Poland	1,070
Spain	4
Sweden	253
Switzerland	4
The Netherlands	71
United Arab Emirates	8
United Kingdom	510
United States	18
Total	**6,009**

Headcount by contract type and gender

Permanent / temporary contract	Female	Male	Not disclosed	Total
Permanent	2,864	3,102	2	5,968
Temporary	13	28	0	41
Number of non-guaranteed hours employees[1]	N/A	N/A	N/A	N/A
Grand total	**2,877**	**3,130**	**2**	**6,009**

1 Euroclear does not employ workers with non-guaranteed hours

Headcount by age group

Age group	Headcount	Percentage
Under 30 years old	1,025	17.06%
30-50 years old	3,682	61.27%
Over 50 years old	1,301	21.65%
No data	1	0.02%
Grand total	**6,009**	**100.00%**

Leavers (at 31 December 2024)

Total number of employees who have left the undertaking during the reporting period	373
Rate of employee turnover in the reporting period	6.30%

Underrepresented gender at senior management level

Gender	Absolute	Percentage
Female	61	31.61%
Male	132	68.39%
Grand total	**193**	**100.00%**

Remuneration

The level of fixed remuneration of employees is benchmarked on a regular basis within the Financial Services industry in each location. Pillar 3 annual reporting provides further details.

The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as a percentage of the average pay level of male employees is at -21% for Euroclear SA/NV consolidated and at -13% for Euroclear Bank. This gap can be explained by the fact that there are fewer women at senior levels in the company, something Euroclear is addressing through its DEI strategy.

The total remuneration for the highest paid individual at Euroclear SA/NV is 40 times that of the Euroclear SA/NV median, and for the highest paid individual at Euroclear Bank it is 19 times that of the Euroclear Bank median.

In line with EBA guidelines, the gender pay gap is calculated based on the annual salary of employees (full time salary, not the salary adjusted to reflect working regime) and not the hourly rate as stipulated by CSRD. A snapshot of the annual salary is taken in the month of May, when Euroclear closes the annual performance and compensation cycle. The population considered for the calculation excludes:

- MFEX employees (as they are not yet part of the same compensation cycle as the other Euroclear employees);
- employees who have started working after September of the previous year;
- employees who retired before April of the current year; and
- employees with zero presence time over the past year.

For MFEX employees, the calculation is performed separately and results in a lower gender pay gap than for Euroclear SA/NV consolidated.

Base salary, fixed fees remuneration, variable payments and benefits in kind are taken into consideration to calculate the remuneration ratio of the highest paid to the median.

Collective bargaining coverage and social dialogue

All employees in EEA locations are represented on the European Works Council (EWC) by an EWC representative. Euroclear engages with local employee representatives according to the applicable legislation of each country.

For the following EEA countries, the coverage rate for **workplace representation** is over 80%: Belgium, France, the Netherlands, the United Kingdom, Finland and Sweden.

Collective bargaining Agreements

Coverage Rate	Employees - EEA	Employees - Non-EEA
0-19%	Switzerland[1], Spain[1], Sweden, Finland, The Netherlands, Poland, United Kingdom, Germany[1]	Hong Kong, Singapore[1], Malaysia, Beijing[1], Japan[1], United Arab Emirates[1]
20-39%	Luxembourg[1]	
40-59%		
60-79%	Sweden	
80-100%	Belgium, France	
Collective Bargaining agreement ratio EEA countries	66.02%	
Collective Bargaining Agreement ratio all countries	**61.97%**	

1 Countries with fewer than 50 employees, representing less than 10% of total workforce

Health and safety metrics

The table below is a summary of the key data points with regard to Health & Safety.

Euroclear's Health & Safety management practices are designed to meet legal obligations and ensure a safe working environment for the workforce.

A methodology has been drafted for the data collection process for the Sustainability statements of 2024 to guarantee that accurate and consistent data is shared across all Euroclear entities.

The result of all the inputs is summarised in the table below.

	Euroclear SA/NV
The percentage of people who are covered by Euroclear's health and safety management system based on legal requirements and/or recognised standards or guidelines [1]	98%
Fatalities as a result of work-related injuries and work-related ill health	0
The number of recordable work-related accidents	4
The rate of recordable work-related accidents [2]	0.44%

1 excluding offices with less than 50 employees

2 based on standard working hours

Incidents, complaints and severe human rights impacts

Euroclear keeps a record of incidents reported through the whistleblowing channels. No severe human rights issues or incidents connected to own workforce occurred during 2024. There were no material fines, penalties or compensation for damages as a result of violations regarding social and human rights factors in 2024.

Incidents of discrimination[1]	14
Complaints filed through channels for people in the undertaking's own workforce to raise concerns	37
Complaints filed to National Contact Points for OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (if applicable)	0
Total amount of material fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements	€0
Severe human rights issues and incidents connected to own workforce that are cases of UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct	0
Severe human rights issues and incidents connected to own workforce	0
Total amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	€0

1 Based on the number of reported cases opened in 2024 with an allegation of discrimination. Comprises incidents subject to litigation and not subject to litigation (the latter also being included in the number of complaints filed through whistleblowing channels)

See p. 144 for details on the whistleblowing process.

G1 – Governance

Business conduct

Ensuring that all its interactions are based on ethical and responsible conduct is important for Euroclear. Euroclear's Code of Ethics and Business Conduct sets out the ethical standards that are the basis for behaviour, actions and decision making and which are based on the corporate values. These ethical standards are integrated into day-to-day work and interactions with employees, contractors, consultants, suppliers, clients and regulators.

Euroclear has one IRO in terms of business conduct: *Robust business conduct frameworks contribute to a more resilient financial system*. To achieve this the *Conduct* and *Culture Risk group policy* states that each Euroclear company must assess its exposure to Conduct and Culture risk and document and review the assessment on a regular basis. They must implement preventive, detective and corrective controls to mitigate such risks. They must also continuously assess the adequacy and effectiveness of these controls and take any necessary corrective actions.

Identifying and investigating unlawful/ unethical behaviour

Each Euroclear company must:

- Ensure that Conduct and Culture risks are appropriately monitored through Key Risk Indicators, allowing Euroclear to track and monitor risk across the organisation.
- Put in place an internal process allowing Board members, staff and external third parties to report all actual and suspected misconduct cases through Management, Compliance & Ethics, People & Communications (P&C) or specific independent and autonomous channels, in accordance with the applicable laws and regulations.
- Have an internal process in place to assess suspected cases of misconduct and perform investigations if necessary.
- Report incidents identified via the internal control processes to the Compliance & Ethics department. There is an internal process in place to assess suspected cases of misconduct and perform investigations. Depending on the nature of the misconduct, Compliance & Ethics and/or P&C will conduct a preliminary assessment and investigate, if necessary. All investigations follow the principles described in the *Anti-Fraud* and *Anti-Bribery & Corruption group Policies*. Appropriate administrative or disciplinary action is applied, depending on the outcome of the investigation.

For each investigation, an Investigation Oversight Body (IOB) is set up. Together with P&C and the business line, the IOB is accountable for all decisions related to the investigations including ensuring that consequence management is adequately followed up on by Senior management, and for the remediation plan.

If the case creates a potential conflict of interest with Euroclear SA/NV or the Local CCO or any member of its team, then the IOB defines an independent lead (generally the Chief Audit Officer).

As stated in the *Speak Up group policy*, each Euroclear company encourages all employees, senior management and third parties to raise and discuss acts, or potential acts, of misconduct with confidence and without fear of retaliation.

Channels for reporting unlawful/unethical behaviour

The following channels are available for Board members, staff and external third parties to report all actual or suspected cases of misconduct:

- Internal contact points:
  - Line manager (employees) or Euroclear point of contact (contractors);
  - Compliance & Ethics
  - People & Communications
- Internal Hotline
- External Hotline
- Competent authorities, where applicable.

As stated in the *Speak up group policy*, no Euroclear company tolerates acts or retaliation against whistleblowers. Anyone who retaliates against a person who has raised a concern in good faith may face disciplinary action. Follow-up controls are in place to ensure that no-one who raises a concern is retaliated against.

Communication and training

Each Euroclear company must ensure that expected conduct is clearly communicated to all Board members and staff.

There is a dedicated site on the Euroclear intranet containing all relevant information on how to report unlawful behaviour or behaviour in contradiction of the Code. Training sessions and communication campaigns are held regularly for all staff.

A training plan for Board members and staff covering the different business conduct topics (such as conduct & culture, money laundering, bribery & corruption, fraud, sanctions) is delivered on a yearly basis. Examples of training and communication towards staff are:

- Mandatory bi-yearly compliance & ethics test (covering, amongst other topics, business conduct) for all employees and recommended for contractors;
- Internal awareness raising campaigns; and
- Ethics workshops for all people managers and members of specific committees

Dedicated training sessions were given to the following functions most at risk in respect of Corruption and Bribery: Senior management, functions advising Senior management, functions dealing with government officials, service providers, clients and functions facilitating payments.

Trust in the whistleblowing process is evaluated through the Conduct & Culture risk survey and the employee engagement survey, which includes dedicated questions on the topic.

Corruption and bribery

Procedures

To ensure that allegations or incidents of bribery and corruption are prevented, detected and addressed to the extent possible, the *Anti-Fraud* and *Anti-Bribery and Corruption group policy* sets out the behaviours and processes that Euroclear expects its people to adhere to. The risk of bribery and corruption is integrated under fraud risks, which are referred to in the following section. As such, the processes detailed include, among others, control activities to mitigate fraud risks, assessments of fraud risk, as well as of allegations or incidents of fraud and finally fraud investigations in case of sufficient grounds.

The main role of the IOB is to take all key decisions related to the fraud investigation including, but not limited to, the extent of the scope and the follow up by senior management on any sanctions. The Chief Compliance Officer (CCO) is in the driving seat for the IOB and decides the composition of the IOB (taking into consideration the characteristics and sensitivity of the case). If the alert creates a potential conflict of interest with the CCO or any member of their team, then the IOB defines an independent lead (generally the Chief Audit Officer). To ensure objectivity, Investigators or investigating committees are separate from the chain of management involved in the matter.

The group CCO reports on a regular basis a comprehensive list of local and group Fraud investigations as well as the Fraud investigation activity (including analysis of occurrence and potential trends) to the Euroclear SA/NV Executive Committee, the Audit Committee, the Entity CCO, if the respective company is impacted, and the Chief Audit Executive. Entity CCOs report in a similar way within their entity.

Communication and training

Policies are made available to staff and contractors on the group intranet and are made publicly available, when relevant, for external consultation. Please refer to the *Policies* table on p. 70.

The *Anti-fraud and Anti-bribery and Corruption Group policy* has been communicated to 100% of the Executive Committee.

98.7% of Euroclear employees received an e-learning course on anti-bribery and corruption, with 98% completing it and 95% of people in functions at risk from bribery and corruption completing it. The remaining, i.e. Board and Management members, declared their compliance with the *Anti-Bribery and Corruption policy* through a separate process.

A campaign on receiving gifts and hospitalities was rolled out to all employees.

All employees are requested to annually certify that they comply with the Anti-Bribery and Corruption policy and that they declared their gifts and hospitalities.

Incidents of corruption or bribery

Description	
Convictions for violation of anti-corruption and anti-bribery laws	0
Fines for violation of anti-corruption and anti-bribery laws	0
Functions-at-risk that attended and completed training programmes	96.5%
Confirmed incidents of corruption or bribery	0
Confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0
Confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0

Management of relationships with suppliers

Euroclear manages the relationship with its suppliers through an end-to-end purchasing process, covered by different policies which encompass:

- Procurement: business needs definitions, sourcing strategy, tendering, due diligence and contractual management
- Ordering and payment: purchase request, purchase order, invoicing and payment
- Supplier management: supplier registration, performance and risk monitoring

To best manage operational risk, and in compliance with regulatory requirements, Euroclear has established a comprehensive framework, robust governance, and a well-defined lifecycle to oversee the relationship with suppliers. Key suppliers are expected to manage and limit any negative impacts, ensuring their operations are sustainable as stated in our *ESG group policy* and *Supplier Business code of Conduct*.

The group of key suppliers is composed of:

- Outsourcing Service Providers (OSP): playing a crucial role in performing functions that would typically be carried out by Euroclear as part of its regular business operations.
- Critical Service Providers (CSP): providing services deemed essential for maintaining the stability, security, and continuity of our business.
- Suppliers with a material spend: these are likely to contribute substantially to our indirect environmental and social impact and are more likely to represent a reputational risk in case they fail to manage and limit any negative impacts.

Euroclear's *ESG group policy* outlines a series of principles to promote sustainable and responsible business practices within the supply chain which cover:

- Supplier selection and management
- Measurement and reduction of supply chain GHG emissions
- Social and ethical responsibility of suppliers
- Supply chain transparency and disclosure

This approach addresses the material reputational risks associated with ESG performance and breaches from our key suppliers.

All Euroclear companies must incorporate social and environmental criteria into their key supplier selection and management, as established in Principle 3.4.4A of our *ESG group policy*. Suppliers go through a due diligence assessment, where their ESG risks are evaluated in line with our existing Enterprise Risk Management framework. In addition, OSP and CSP suppliers go through a recurrent risk review.

ESG criteria are being progressively and proportionally embedded into the tendering phase, with the aim of highlighting the sustainable elements of our suppliers during the selection process. Most of our key suppliers go through a comprehensive ESG screening performed by a third-party entity, which provides Euroclear with their respective sustainability performance score card. Dialogue is established with key suppliers who are below the minimum desired target with the aim of monitoring their actions to reach at least the minimum level of performance.

Payment practices

No distinction is made for categories of suppliers. Unless otherwise stated in the Purchase Order, payment will be made within 60 days from date of receipt of an invoice, provided the goods and/or services have been correctly delivered and accepted by Euroclear. The supplier has the right to charge Euroclear for late payment of any undisputed amounts at the then current rate of Euribor at 11.00 CET plus 2%, but in no event more than the highest rate allowed by applicable law, calculated from the day payment was due to the date of actual payment.

Average time to pay an invoice	23 days
Payments aligned with the standard terms	91%
Legal proceedings currently outstanding for late payments	0

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Datapoints derived from other EU legislation

(ESRS-2 Appendix B)

Disclosure Requirement and related datapoint	Applicability	Page reference number	Response	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)			Please refer to the Directors' Report, section 'Composition of the Board of Euroclear SA/NV in 2024'.	Indicator n. 13 of Table #1 of Annex 1		Commission Delegated Regulation (CDR) (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Please refer to the Directors' Report, section 'Composition of the Board of Euroclear SA/NV in 2024'.			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30		82		Indicator n. 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not applicable. Euroclear has no exposure to this sector.			Indicators n. 4 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not applicable. Euroclear has no exposure to this sector.					Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14		99					Regulation (EU) 2021- 1119 Article 2 (1)
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ESRS E1-5 Energy consumption from non-renewable sources disaggregated by sources (only high climate impact sectors) paragraph 38	Not applicable. Euroclear has no exposure to high climate impact sectors.	107		Indicator n. 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37		107		Indicator n. 5 Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	E1-5.40 is not applicable to Euroclear.	107 and 111		Indicator n. 6 Table #1 of Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44		107		Indicators n. 1 and 2 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55		107		Indicators n. 3 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56		118					Regulation (EU) 2021- 1119 Article 2 (1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			We are currently aggregating how best we wish to reflect this answer and we aim to begin reporting on this figure in the future.			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).			We are currently aggregating how best we wish to reflect this answer and we aim to begin reporting on this figure in the future.		Article 449a CRR; Final draft ITS, paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)			We are currently aggregating how best we wish to reflect this answer and we aim to begin reporting on this figure in the future.		Article 449a CRR; Final draft ITS, paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collatera		

Disclosure Requirement and related datapoint	Applicability	Page reference number	Response	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			We are currently aggregating how best we wish to reflect this answer and we aim to begin reporting on this figure in the future.			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not applicable. This is not within the scope of Euroclear activities.			Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 8 Table 2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (a)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 6.2 Table #2 of Annex 1			
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 6.1 Table #2 of Annex 1			
ESRS 2-SBM3-E4 paragraph 16 (a)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 7 Table #1 of Annex 1			
ESRS 2-SBM3-E4 paragraph 16 (b)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 10 Table #2 of Annex 1			
ESRS 2-SBM3-E4 paragraph 16 (c)	Not applicable. Euroclear has no exposure to this sector.			Indicator n.14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 11 Table #2 of Annex 1			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 12 Table #2 of Annex 1			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 15 Table #2 of Annex 1			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 13 Table #2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Not applicable. Euroclear has no exposure to this sector.			Indicator n. 9 Table #1 of Annex 1			
ESRS 2-SBM3-S1 Risk of incidents of forced labour paragraph 14 (f)	Not applicable to Euroclear.			Indicator 13 Table #3 of Annex I			
ESRS 2-SBM3-S1 Risk of incidents of child labour paragraph 14 (g)	Not applicable to Euroclear.			Indicator 12 Table #3 of Annex I			

Disclosure Requirement and related datapoint	Applicability	Page reference number	Response	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS S1-1 Human rights policy commitments paragraph 20		141		Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		138				Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22		140	Additionally, please refer to our 'Modern Slavery and Human Trafficking Statement' on our website.	Indicator n. 11 Table #3 of Annex I			
ESRS S1-1 Workplace accident prevention policy or management system paragraph 24		138		Indicator n. 1 Table #3 of Annex I			
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)		144		Indicator n. 5 Table #3 of Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)		140		Indicator n. 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)			We are currently aggregating how best we wish to reflect this answer and we aim to begin reporting on this figure in the future.	Indicator n. 3 Table #3 of Annex I			
ESRS S1-16 Unadjusted gender pay gap and weighted average gender pay gap paragraph 97 (a)		138		Indicator n. 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)		138		Indicator n. 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)		141		Indicator n. 7 Table #3 of Annex I			
ESRS S1-17 Violations of UNGC principles and OECD paragraph 104 (a)		141		Indicator n. 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS 2-SBM3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Not applicable.		In Euroclear we require our Supplier to comply with the Euroclear Supplier Code of Conduct, where as a result we do not engage with suppliers exposed to the risk of child labour or forced labour.	Indicators n. 12 and n. 13 Table #3 of Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17			The Supplier Code of Business Conduct states under the section 'social' that Euroclear supports the protection of human rights and is guided by fundamental principles such as those in the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organisation (ILO) conventions. It also expect its suppliers to support to the following principles in their own business and supply chains: (1) Comply wit all applicable labour, human and social rights laws, regulations and standards (2) Healthy, safe and secure work environment (3) Refusal of forced labour (4) refusal of child labour (5) Freedom of asssociation and collective bargaining (6) Privacy and protection of personal information (7) Non-discrimination and harassment. In order to comply with the UK Modern Slavery Act 2015, Euroclear is required to publish a slavery and human trafficking statement setting out the steps taken to ensure there is no modern slavery in Euroclear's own business and in its supply chain. In this context, supply chain performs a yearly assessment on risky suppliers. Would there be any concerns highligted during the risk assessment, it will be reported to Senior Management and it will trigger remedy for human rights impacts.	Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			

Disclosure Requirement and related datapoint	Applicability	Page reference number	Response	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS S2-1 Policies related to value chain workers paragraph 18			There is a Supplier Code of Business Conduct stating that it expects its suppliers to support to the following principles in their own business and supply chains: (1) Comply wit all applicable labour, human and social rights laws, regulations and standards (2) Healthy, safe and secure work environment (3) Refusal of forced labour (4) Refusal of child labour (5) Freedom of asssociation and collective bargaining (6) Privacy and protection of personal information (7) Non-discrimination and harassment.	Indicator n. 11 and n. 4 Table #3 of Annex 1			
ESRS S2-1 Violations of UNGC principles and OECD guidelines paragraph 19			The Supplier Code of Business Conduct states that it is guided by fundamental principles such as those in the United Nations (UN) Universal Declaration of Human Rights and the International Labour Organisation (ILO) conventions. We are currently writing a Human Rights Statement that will be publicly available referring to Euroclear's adherence to the 'UN Guiding Principles on Business and Human Rights' and the 'OECD Guidelines for Multinational Enterprises' (it wil be published in the coming weeks). However, there is currently no reference to any reporting upstream and downstream about violations in relations to the UN Global Compact Principles and the OECD Guidelines for Mutlinational Enterprises that involve workers in the value chain.	Indicator n. 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			For key suppliers, Euroclear conducts a more prescriptive Supplier due diligence which addresses Euroclear group's ESG requirements and its adherence to the Code of Business Conduct, aiming for ethical and socially responsible actions and respect towards human and children's rights (including the prohibition of child labour), applicable principles on environmental protection, and appropriate working conditions.			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36			Severe human rights issues and incidents connected to downstream value chain would be identified through the supplier due diligence and the monitoring on existing suppliers and would be reported in the sustainability report.	Indicator n. 14 Table #3 of Annex 1			
ESRS S3-1 Human policy commitments paragraph 16	Not applicable. Euroclear has no exposure to this client group.			Indicator n. 9 Table #3 of Annex 1 and Indicator n. 11 Table #1 of Annex 1			
ESRS S3-1 Violations of UNGC principles and OECD guidelines paragraph 17	Not applicable. Euroclear has no exposure to this client group.			Indicator n. 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S3-4 Human rights issues and incidents paragraph 36	Not applicable. Euroclear has no exposure to this client group.			Indicator 14 Table #3 of Annex 1			

Disclosure Requirement and related datapoint	Applicability	Page reference number	Response	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not applicable. Euroclear has no exposure to this client group.			Indicator n. 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
ESRS S4-1 Violations of UNGC principles and OECD guidelines paragraph 17	Not applicable. Euroclear has no exposure to this client group.			Indicator 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Not applicable. Euroclear has no exposure to this client group.			Indicator n. 14 Table #3 of Annex 1			
ESRS G1-1 United Nations Convention against corruption paragraph 10 (b)		144		Indicator n. 15 Table #3 of Annex 1			
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)		144		Indicator n. 6 Table #3 of Annex 1			
ESRS G1-4 Fines for violation of anti corruption and anti-bribery laws paragraph 24 (a)		145		Indicator n. 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)	
ESRS G1-4 Standards of anticorruption and anti-bribery paragraph 24 (b)		144		Indicator 16 Table #3 of Annex 1			

Financial statements

Consolidated income statement

For the year ended 31 December 2024

(€'000)	Notes	2024	2023
Interest income	VI	8,379,340	5,754,117
Interest expense	VI	(381,124)	(401,262)
Net interest income		**7,998,216**	**5,352,855**
Fee and commission income	VII	2,198,725	2,138,749
Fee and commission expense	VII	(497,628)	(527,704)
Net fee and commission income		**1,701,097**	**1,611,045**
Net interest and fee income		**9,699,313**	**6,963,900**
Windfall contribution	VIII	(4,008,685)	-
Net interest and fee income after windfall contribution		**5,690,628**	**6,963,900**
Dividend income		4,626	9,530
Net gains/(losses) on non-trading financial assets mandatorily at FVPL		-	4,635
Net gains/(losses) on financial assets and liabilities held for trading	IX	52,850	153,235
Net gains/(losses) on foreign exchange		(7,295)	5,355
Other operating income		14,146	10,059
Net operating income		**5,754,955**	**7,146,714**
Administrative expenses	X	(1,564,916)	(1,345,608)
Share of the profit/(loss) of investments accounted for using equity method	I	(4,055)	(2,602)
Operating profit/(loss) before impairment and taxation		**4,185,984**	**5,798,504**
Impairment	XI	(5,730)	(124,566)
Operating profit/(loss) before taxation		**4,180,254**	**5,673,938**
Taxation	XII, XIII	(2,071,978)	(1,449,777)
Profit/(loss) for the year		**2,108,276**	**4,224,161**
Non-controlling interests		(2,004)	-
Group profit attributable to the owners of the company		**2,110,280**	**4,224,161**

For the list of companies in the group, see Note I.

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

Consolidated statement of comprehensive income

For the year ended 31 December 2024

		2024			2023		
(€'000)	Notes	Gross	Tax	Net	Gross	Tax	Net
Changes in other comprehensive income							
Debt instruments measured at FVOCI	XIV, XXVIII	36,464	(9,223)	27,241	110,517	(27,043)	83,474
Cash flow hedges	XVI, XXVIII	(28,378)	7,097	(21,281)	63,927	(15,982)	47,945
Foreign currency translation reserve	XXVIII	7,650	-	7,650	16,791	-	16,791
Recyclable subsequently to profit/(loss)		15,736	(2,126)	13,610	191,235	(43,025)	148,210
Equity instruments designated at FVOCI	XIV, XXVIII	(182,875)	186	(182,689)	21,773	(581)	21,192
Defined benefit plans	XXIV	29,210	(7,341)	21,869	(3,399)	778	(2,621)
Not recyclable subsequently to profit/(loss)		(153,665)	(7,155)	(160,820)	18,374	197	18,571
Derecognised equity instruments designated at FVOCI		227,261	-	227,261	39,644	-	39,644
Other comprehensive income for the year		**89,332**	**(9,281)**	**80,051**	**249,253**	**(42,828)**	**206,425**
Profit/(loss) for the year		**4,180,254**	**(2,071,978)**	**2,108,276**	**5,673,938**	**(1,449,777)**	**4,224,161**
Total comprehensive income for the year		**4,269,586**	**(2,081,259)**	**2,188,327**	**5,923,191**	**(1,492,605)**	**4,430,586**
Attributable to :							
Owners of the company		4,271,667	(2,081,259)	2,190,408	5,923,191	(1,492,605)	4,430,586
Non-controlling interests		(2,081)	-	(2,081)	-	-	-

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

Consolidated statement of changes in equity

For the year ended 31 December 2024
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(€'000)	Notes	Called up share capital	Share premium account	Other reserves	Retained earnings	Total	Non-controlling Interests	Total equity
At 1 January 2024		916,293	1,771,936	198,994	6,695,135	9,582,358	-	9,582,358
Profit for the year		-	-	-	2,110,280	2,110,280	(2,004)	2,108,276
Other comprehensive income								
- Debt instruments measured at FVOCI	XXVIII	-	-	27,241	-	27,241	-	27,241
- Equity instruments designated at FVOCI	XXVIII	-	-	(182,689)	227,261	44,572	-	44,572
- Cash flow hedges	XVI, XXVIII	-	-	(21,281)	-	(21,281)	-	(21,281)
- Foreign currency translation reserve	XXVIII	-	-	7,727	-	7,727	(77)	7,650
- Defined benefit plans	XXIV	-	-	-	21,869	21,869	-	21,869
Total Other Comprehensive Income		-	-	(169,002)	249,130	80,128	(77)	80,051
Total Comprehensive Income		-	-	(169,002)	2,359,410	2,190,408	(2,081)	2,188,327
Dividends paid	XXIX	-	-	-	(1,131,752)	(1,131,752)	-	(1,131,752)
Adjustments arising from change in Non-controlling interests		-	-	-	(240)	(240)	-	(240)
Non-controlling interests arising from business combination		-	-	-	-	-	1,143	1,143
At 31 December 2024		916,293	1,771,936	29,992	7,922,553	10,640,774	(938)	10,639,836

(€'000)	Notes	Called up share capital	Share premium account	Other reserves	Retained earnings	Total	Non-controlling Interests	Total equity
At 1 January 2023		916,293	1,771,936	29,592	2,829,415	5,547,236	-	5,547,236
Profit for the year		-	-	-	4,224,161	4,224,161	-	4,224,161
Other comprehensive income								
- Debt instruments measured at FVOCI	XXVIII	-	-	83,474	-	83,474	-	83,474
- Equity instruments designated at FVOCI	XXVIII	-	-	21,192	39,644	60,836	-	60,836
- Cash flow hedges	XVI, XXVIII	-	-	47,945	-	47,945	-	47,945
- Foreign currency translation reserve	XXVIII	-	-	16,791	-	16,791	-	16,791
- Defined benefit plans	XXIV	-	-	-	(2,621)	(2,621)	-	(2,621)
Total Other Comprehensive Income		-	-	169,402	37,023	206,425	-	206,425
Total Comprehensive Income		-	-	169,402	4,261,184	4,430,586	-	4,430,586
Dividends paid	XXIX	-	-	-	(395,464)	(395,464)	-	(395,464)
At 31 December 2023		916,293	1,771,936	198,994	6,695,135	9,582,358	-	9,582,358

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

Consolidated statement of financial position

As at 31 December 2024

(€'000)	Notes	2024	2023
Assets			
Cash and balances with central banks	IV	144,638,449	108,683,767
Loans and advances at amortised cost	IV	52,247,920	39,300,876
Financial assets at FVOCI	XIV	15,862,892	14,455,141
Non-trading financial assets mandatorily at FVPL		33,311	33,329
Financial assets held for trading	XV	53,255	85,161
Derivatives used for hedging	XVI	105,811	93,648
Current income tax assets	XII	19,246	25,398
Deferred income tax assets	XIII	157,210	156,765
Other assets	XVII	379,289	394,402
Pre-payments and accrued income		447,842	436,350
Pension asset	XXIV	9,463	11,116
Property, plant and equipment	XVIII	216,322	221,023
Goodwill and intangible assets	XIX	1,499,692	1,491,648
Investments accounted for using the equity method	I	16,115	7,369
Total assets		**215,686,817**	**165,395,993**
Liabilities			
Deposits from central banks	IV	157,270,725	115,913,293
Deposits from banks and customers	IV	39,038,604	33,564,939
Debt securities issued and funds borrowed	XXII	3,672,423	4,300,110
Financial liabilities held for trading	XV	53,160	55,001
Derivatives used for hedging	XVI	101,517	72,061
Lease liabilities		158,665	167,340
Other liabilities	XX	2,728,898	457,502
Accruals and deferred income	XXI	1,036,159	602,261
Current income tax liabilities		298,550	63,700
Deferred income tax liabilities	XIII	1,809	3,495
Provisions for liabilities and charges	XXIII	109,212	16,493
Pension deficit	XXIV	41,810	62,254
Subordinated liabilities	XXVI	535,449	535,186
Total liabilities		**205,046,981**	**155,813,635**
Shareholders' equity			
Called up share capital	XXVII	916,293	916,293
Share premium account	XXVII	1,771,936	1,771,936
Other reserves	XXVIII	29,992	198,994
Retained earnings		7,922,553	6,695,135
Equity attributable to owners of the company		**10,640,774**	**9,582,358**
Non-controlling interests		(938)	-
Total shareholders' equity		**10,639,836**	**9,582,358**
Total liabilities and shareholders' equity		**215,686,817**	**165,395,993**

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

These financial statements were authorised for issue by the Board of Directors on 18 March 2025 and signed on its behalf by

Francesco Vanni d'Archirafi, Chairman of the Board

Consolidated statement of cash flows

For the year ended 31 December 2024

(€'000)	Notes	2024	2023
Profit/(loss) before taxation		**4,180,254**	**5,673,938**
Adjustments for:			
- Depreciation and amortisation	XVIII, XIX	91,134	88,347
- Impairment	XI	5,730	124,566
- Provisions for liabilities and charges	XXIII	92,624	(7,012)
- Dividends received		(4,626)	(9,530)
- (Gains)/losses on disposal of property, plant and equipment		-	(227)
- (Gains)/losses on disposal of subsidiaries	I	-	(2,536)
- Share of the (profit)/loss of investments accounted for using equity method	I	4,055	2,602
- Interest on financing activities	VI	147,980	160,138
- Interest on leases	VI	2,344	1,203
Other non-cash movements		(242,936)	(933,779)
- of which effect of exchange rate changes		(111,430)	(757,296)
Cash flows from operating profit/loss before changes in operating assets/liabilities		**4,276,559**	**5,097,710**
Net increase/(decrease) in deposits and short term funds borrowed		44,834,612	35,747,459
Net (increase)/decrease in monetary reserve	IV	(460,515)	(1,482,031)
Net (increase)/decrease in loans and advances (including central banks)	IV	(1,433,652)	(4,021,252)
Net (increase)/decrease in other assets		18,542	479,155
Net increase/(decrease) in other liabilities		2,276,874	(122,964)
Net cash inflow/(outflow) from operating activities		**49,512,420**	**35,698,077**
Tax paid		(1,838,722)	(1,418,235)
Net cash from operating activities		**47,673,698**	**34,279,842**
Cash flows from investing activities			
Investments in subsidiaries and joint ventures	I	(16,784)	(49,712)
Purchase of financial instruments at FVOCI	XIV	(56,673,257)	(35,659,496)
Redemption and disposals of financial instruments at FVOCI	XIV	55,971,537	38,437,712
Purchase of property, plant and equipment	XVIII	(27,236)	(48,467)
Purchase of intangible assets	XIX	(66,061)	(58,545)
Sale of property, plant and equipment		-	227
Proceeds from disposal groups classified as held for sale		-	4,382
Dividends received		4,626	9,530
Loans	XXXII	(6,612)	(6,620)
Net cash from/(used in) investing activities		**(813,787)**	**2,629,013**
Cash flows from financing activities			
Reimbursement of financing activities	XXII	(9,251,104)	(7,356,948)
Proceeds from financing activities	XXII, XXVI	8,492,491	6,522,476
Interest paid on financing activities	XXII,XXVI	(66,279)	(65,043)
Equity dividends paid	XXIX	(1,131,752)	(395,464)
Payment of lease liabilities		(25,362)	(28,699)
Net cash from/(used in) financing activities		**(1,982,006)**	**(1,323,678)**
Net increase/(decrease) in cash and cash equivalents		**44,877,905**	**35,585,177**
Cash and cash equivalents at beginning of year		137,682,788	102,411,878
Effects of exchange rate changes on cash and cash equivalents		1,888,942	(314,267)
Cash and cash equivalents at end of year		**184,449,635**	**137,682,788**
Cash and balances with central banks	IV	144,638,449	108,683,767
Excluding monetary reserve		(1,942,546)	(1,482,031)
Loans and advances	IV	52,247,920	39,300,876
Excluding loans and advances with initial maturity above three months		(10,494,188)	(8,819,824)
Cash and cash equivalents at end of year		**184,449,635**	**137,682,788**

Reconciliation of liabilities arising from financing activities

(€'000)	Notes	2023	Cash flows	Non-cash changes	2024
Long term loans with related party		588,937	(97,052)	15,325	507,210
Medium term notes		1,948,491	(453,022)	86,037	1,581,506
Certificates of deposits		1,738,636	(256,923)	84,276	1,565,989
Total debt securities issued and funds borrowed	**XX**	**4,276,064**	**(806,997)**	**185,638**	3,654,705
Subordinated liabilities	XXVI	535,186	(17,895)	18,158	535,449
Lease liabilities		167,340	(25,362)	16,687	158,665
Total liabilities arising from financing activities		**4,978,590**	**(850,254)**	**220,483**	4,348,819

(€'000)	Notes	2022	Cash flows	Non-cash changes	2023
Long term loans with related party		591,432	(18,859)	16,364	588,937
Medium term notes		2,458,533	(533,323)	23,281	1,948,491
Certificates of deposits		1,978,154	(329,438)	89,920	1,738,636
Total debt securities issued and funds borrowed	**XX**	**5,028,119**	**(881,620)**	**129,565**	**4,276,064**
Subordinated liabilities	XXVI	535,001	(17,895)	18,080	535,186
Lease liabilities		143,893	(28,699)	52,146	167,340
Total liabilities arising from financing activities		**5,707,013**	**(928,214)**	**199,791**	**4,978,590**

Notes to the consolidated financial statements

I. Interests in other entities

I.1. General information

Euroclear SA/NV (the 'Company') and its subsidiaries (together, the 'group') arrange for the provision of settlement and related services, including banking services in the case of Euroclear Bank, for domestic and international securities transactions, covering bonds, equities, investment funds and derivatives. Euroclear SA/NV also provides software development and a variety of administrative and non-operational support services to the group entities.

Euroclear has completed early October the simplification of its group structure, whereby two out of the four financial holding companies of the Euroclear group, Euroclear AG and Euroclear Investments SA/NV, were successively merged into Euroclear Holding SA/NV, the ultimate parent entity of the Euroclear group. This simplification of the corporate structure results in a significant reduction of complexity both in terms of governance and financial administration, while keeping direct participations in regulated entities at the level of Euroclear SA/NV.

Euroclear SA/NV is a limited liability company and is incorporated and domiciled in Belgium. The address of its registered office is:

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

I.2. Subsidiaries

At 31 December 2024, the Company's subsidiaries are as follows:

	Country of incorporation	Nature of business	Proportions of voting rights and ordinary shares held
Consolidated subsidiaries			
Caisse interprofessionelle de dépôts et de virements de titres SA	Belgium	Central Securities Depository for Belgium	100%
EMX Company Limited	United Kingdom	Dormant	100%
Euroclear Bank SA/NV	Belgium	Banking, securities settlement and custody services	100%
Euroclear Finland Oy	Finland	Central Securities Depository for Finland	100%
Euroclear France SA	France	Central Securities Depository for France	100%
Euroclear Global Collateral Ltd	United Kingdom	Collateral services	100%
Euroclear Sweden AB	Sweden	Central Securities Depository for Sweden	100%
Euroclear UK & International Limited	United Kingdom	Central Securities Depository for the United Kingdom and International, and Investment-fund order routing	100%
Global Fund Watch GFW AB	Sweden	Fund trading and distribution services	100%
MFEX France	France	Fund trading and distribution services	100%
MFEX Hong Kong Limited	Hong Kong	Fund trading and distribution services	100%
MFEX Luxembourg SA	Luxembourg	Fund trading and distribution services	100%
MFEX Malaysia SDN. BHD.	Malaysia	Fund trading and distribution services	100%
MFEX Mutual Funds Exchange AB	Sweden	Holding company and Fund trading and distribution services	100%
MFEX Singapore Pte Ltd	Singapore	Fund trading and distribution services	100%
MFEX Suisse SA	Switzerland	Fund trading and distribution services	100%
Nederlands Centraal Instituut voor Giraal Effectenverkeer BV (Necigef)	The Netherlands	Central Securities Depository for the Netherlands	100%
STAK Euroclear	Belgium	Foundation	100%
Taskize Limited	United Kingdom	Proprietary services	100%
CREST International Nominees Limited[1]	United Kingdom	Nominee company	100%
Goji holding Limited	United Kingdom	Private market technology and services	90%
Quantessence Limited	United Kingdom	Proprietary services	92%
Number of wholly owned subsidiaries			**20**
Number of non-wholly owned subsidiary			**2**
Total subsidiaries			**22**

[1] Nominee company held through CREST Depository Limited

All subsidiaries other than the nominee company are held through Euroclear SA/NV.

	Country of incorporation	Nature of business	Proportions of voting rights and ordinary shares held
Non-consolidated subsidiaries			
Nominees			
CIN(Belgium) Limited[1]	United Kingdom	Nominee company	100%
CREST Client Tax Nominee(No.1) Limited[1]	United Kingdom	Nominee company	100%
CREST USD Nominee Limited[2]	United Kingdom	Nominee company	100%
CREST Depository Limited[2]	United Kingdom	Nominee company	100%
CREST EURO nominee Limited[2]	United Kingdom	Nominee company	100%
CREST Stamp Nominee(No.1) Limited[2]	United Kingdom	Nominee company	100%
CREST Stamp Nominee(No.2) Limited[2]	United Kingdom	Nominee company	100%
CRESTCo Limited[2]	United Kingdom	Nominee company	100%
EC Nominees Limited[3]	United Kingdom	Nominee company	100%
ENL Nominee Limited[4]	United Kingdom	Nominee company	100%
EOC Equity Limited[3]	United Kingdom	Nominee company	100%
Euroclear Nominees Limited[3]	United Kingdom	Nominee company	100%
Euroclear Treasury Nominee Limited[3]	United Kingdom	Nominee company	100%
Fundsettle EOC Nominees Limited[3]	United Kingdom	Nominee company	100%
Trinity Nominees Limited[2]	United Kingdom	Nominee company	100%

[1] Held through CREST Depository Limited

[2] Held through Euroclear UK & International Limited

[3] Held through Euroclear Bank SA/NV

[4] Held through Nederlands Centraal Instituut voor Giraal Effectenverkeer BV (Necigef)

Quantessence was fully consolidated for the first time in 2024.

I.3. Associates

	Country of incorporation	Shareholding	Carrying value
Impact Cubed Limited	United Kingdom	36%	€8,701,061
IZNES SAS	France	21%	€7,413,513
Greenomy SRL	Belgium	52%	€0

Impact Cubed Limited offers ESG tech-enabled data analytics and data science solutions to the financial market. The company is since 2024 accounted for using the equity method. As year-end, the company's total assets amount to GBP 1,248,000, while total net equity stands at GBP 944,000. The profit and loss statement for the year shows losses amounting to GBP 2,746,000.

Euroclear SA/NV acquired a stake in IZNES, a pan-European funds marketplace based on blockchain technology, this year. At year-end, the company's total assets amount to €16,516,000, while total net equity stands at €15,031,000. The profit and loss statement for the year shows losses amounting to €2,321,000.

Greenomy SRL is a provider in sustainability reporting software-as-a-service. At year-end, Greenomy shows a total net asset value of zero in the books (2023: €2,013,000). At year end, the company shows total assets of €3,609,000 and a negative equity of €6,454,000 due to accumulated losses (of which €4,955,000 losses recognised in 2024). A provision of €624,000 has been recorded in 2024 to recognise Euroclear's share of negative equity.

II. Accounting policies

II.1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments and are prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note III.

II.1.1. Adoption of interpretation, new standards and amendments to standards effective on 1 January 2024

The following amendments to standards became effective on 1 January 2024:
- Amendments to IAS 1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current Date (issued on 23January 2020); Classification of Liabilities as Current or Non-current -Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

The application of the above amendments to standards had no impact on the group's financial statements.

II.1.2. Standards, amended standards and interpretations endorsed by the EU, but not yet effective in 2024

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)

The application of the above amendments to standards will have no impact on the group's financial statements.

II.2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

II.2.1. Consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets is recognised as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Where permitted under local legislation, the accounting policies of subsidiaries have been changed to ensure consistency with the policies of the group.

Joint ventures are accounted for using the equity method of accounting. The group's share of the joint venture's profit or loss is recognised in its income statement. The group's interest in a joint venture or associate is carried in the statement of financial position at its share in the net assets of the joint venture, less any impairment loss. The accounting policies of the joint venture are changed where necessary to ensure consistency with the policies adopted by the group.

II.2.2. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Euroclear SA/NV Management Committee.

II.2.3. Foreign currency translation

II.2.3.1. Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in EUR, which is the company's functional and presentation currency.

II.2.3.2. Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges. Translation differences on non-monetary items measured at fair value through profit or loss are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Translation differences on other non-monetary items are included in the profit or loss account.

II.2.3.3. Group companies
The results and financial position of all the group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the balance sheet date;
- income and expenses for each income statement are translated at average exchange rates for the year; and
- the resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income, in the foreign currency translation reserve and the hedge of net investments in foreign operations reserve. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on the sale.

None of the group companies have used the currency of a hyperinflationary economy as its functional currency.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

II.2.4. Revenue recognition

II.2.4.1 Interest income and expense
Interest income and expense are recognised in the income statement using the effective interest rate method.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in the income statement include:
- interest of financial assets and liabilities presented at amortised cost;
- interest on debt instruments measured at FVOCI;
- interest on non SPPI-compliant loans classified as non-trading financial assets mandatorily at FVPL.

Group loans to, and deposits from, banks and customers are principally related to Euroclear Bank clients' cash accounts operated in connection with their securities settlement activity, with balances generally changing on a daily basis. Time deposits and the re-deposits of surplus funds rarely have maturities of more than three months.

II.2.4.2. Fee and commission income and expense
Fee and commission income and expense which respectively represent a return and cost for services rendered (such as safekeeping, settlement and custody) are recognised in the income statement point in time when the related service is performed and resulting the performance obligation is met.

Settlement and Clearing includes the settlement service, but also the securities and borrowing service and other collateral management services directly linked to settlement business. Settlement fees are charged at an average fee rate multiplied by the number of settled transactions during the month. Fees are aggregated by market and instrument type. Fees are calculated applying a sliding scale tariff to the number of instructions. Fee and commission income and expense, which represent a return for credit risk borne or which are in the nature of interest (securities borrowing), are recognised in the income statement over the period of the loan, or on a systematic basis over the expected life of the transaction to which they relate, net of rebates granted.

The safekeeping service ensures that a record of title to the customer's securities is maintained on the books of a higher-tier entity, and that the number of securities owned by the customer as recorded in the custodian books can always be delivered to the customer's order. Safekeeping fees are computed on the monthly average depot value of securities held in custody.

Other fee and commission income mainly relates to communication fees, custody operations, the recovery of out-of-pocket expenses incurred on behalf of clients, issuer services fees earned by Euroclear Finland and Euroclear Sweden, and revenue earned by Euroclear UK & International for collecting Stamp Duty Reserve Tax on behalf of Her Majesty's Revenue & Customs in the United Kingdom and Stamp Duty on behalf of the Irish Revenue Commissioners. The fees are monthly charged at an average fee rate multiplied by the number of transactions.

II.2.4.3. Dividends
Dividends on equity instruments are recognised in the income statement when the group's right to receive payment is established.

II.2.4.4. Windfall contribution

A new EU Regulation adopted in May 2024 provides for the obligation for CSDs such as Euroclear Bank holding more than €1,000,000 of assets and reserves of the Central Bank of Russia ("CBR Assets") to (i) account for cash balances accumulated on these assets, (ii) register the revenues accruing from or generated by these cash balances and (iii) contribute to the European Union 99.7% of the "net profits" generated from the CBR assets as of 15 February 2024 (the "Windfall Contribution"). Euroclear Bank may provisionally retain a share not exceeding 10% of the Windfall Contribution in view of complying with statutory capital requirements and for risk management purposes. If this 10% becomes insufficient in the future, Euroclear Bank may request to the National Bank of Belgium (NBB) to retain an additional percentage of the financial contribution due. After consultation of the European Commission (EC) and the European Central Bank (ECB), the NBB may approve the retention of the additional percentage if it determines that this is strictly necessary to comply with risk management requirements in view of the impact due to the war in Ukraine with regard to the assets held by Euroclear Bank.

Net profits are determined in respect of revenues accruing from or generated by the redeposit of the CBR immobilised cash balances, in accordance with national law, including by deducting all relevant expenses linked to or resulting from the management of the immobilised assets and the risk management associated with the immobilised assets, and after deduction of corporate tax under the general regime of Belgium.

The windfall contribution is presented in a separate caption of the financial statements under Net Operating income.

On balance sheet, Euroclear makes the distinction between the contribution amount, payable every 6 months (recorded under Other liabilities) and the provisionally retained contribution that becomes payable after 5 years if not used (recorded under Accruals and deferred income).

II.2.5. Financial assets

II.2.5.1. Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost, Fair Value through Other Comprehensive Income (‘FVOCI’) or Fair value through profit and loss (‘FVPL’). The classification results from a two-step approach: The “cash flow characteristics” test will check whether the cash flows can be considered as Solely Payments of Principal and Interest (‘SPPI’), and the business model for managing the asset.

Regular way purchases and sales of financial assets are accounted for at settlement date.

A financial asset is classified and measured at amortised cost if it is not designated as FVPL, and if it meets both of the following conditions: it is held for collection of contractual cash flows (Held to Collect) and its contractual terms give rise to cash flows that represent solely payments of principal and interest (‘SPPI’). A financial asset classified and measured at amortised cost is recognised in the balance sheet on settlement date at fair value plus any directly related transaction costs. It is subsequently measured at amortised cost using the effective interest method less any loss allowances.

A financial asset is classified and measured at FVOCI if it is not designated as FVPL, and if it meets both of the following conditions: it is held for collection of contractual cash flows and for selling the assets, and its cash flows represent solely payments of principal and interest. A financial asset classified and measured at FVOCI is recognised in the balance sheet on settlement date at fair value less any directly related transaction costs. Gains or losses arising from changes in the fair value are recognised directly in equity, until the asset is either sold or matures, at which time the cumulative gain or loss previously recognised in equity is released to the income statement. Interest revenues are recognised using the effective interest method.

The group may irrevocably elect to designate an equity instrument at FVOCI, if it not held for trading. This election is made on an investment by investment basis. In this case, dividends that qualify as a return on investment are recognised in profit and loss, but gains and losses are not recycled to profit and loss on derecognition and no impairment is recognised. The revaluation gains/losses accumulated in other comprehensive income are transferred to distributable reserves in case of sale of the investment.

All other financial assets are measured at FVPL. These assets are initially recognised and subsequently measured at fair value. The movements in fair value are recognised in the income statement.

Because of the international financial sanctions imposed on Russia, various Russian countermeasures were issued. Countermeasures issued in 2022 have introduced special procedures regarding the repayment of debt by the Russian state and Russian issuers to non-Russian creditors. In application of these measures, the National Settlement Depository (NSD), the Russian CSD, opened new types of restricted accounts (C- and I-accounts) in the name of Euroclear Bank where all amounts received from Russian issuers are blocked. For the clients of Euroclear Bank, the main consequence is that the funds are paid on these accounts in RUB and blocked in accordance with the countermeasures. These accounts do not meet the definition of financial assets, and are accordingly not recorded on balance sheet.

New countermeasures came into effect in 2024 introducing a special procedure for the C-account as a result of which, the C-Account of Euroclear Bank in NSD has been fully debited. In parallel, NSD has authorised Euroclear Bank to debit its client account in the books of Euroclear Bank for the corresponding amount. The NSD account in the books of Euroclear Bank is however blocked as per international sanctions and Euroclear Bank may not perform such debit without permission from the competent authorities. Awaiting such permission (or ultimately the lifting of the international sanctions), Euroclear Bank recognises a potential entitlement of €2.8 billion that is not recorded on balance sheet. The approach is consistent with Euroclear Bank’s legal position. Euroclear Bank is not responsible for the loss resulting from the debit of its C-Account at NSD.

II.2.6. Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost except for derivatives (see section 2.7.).

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

Financial liabilities are derecognised when they are extinguished (when the obligation specified in the contract is discharged, cancelled or expires).

II.2.7. Derivative financial instruments and hedge accounting

The group applies the IFRS 9 hedge accounting requirements in full as issued by the IASB.

All derivative financial instruments are recognised, and subsequently re-measured at fair value. Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models.

Gains and losses arising from changes in fair value of a derivative are recognised as they arise in profit and loss, unless the derivative is part of a qualifying cash flow hedge.

At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Under IFRS 9, if a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the profit and loss account.

The group designates the full change in the fair value of a forward contract (i.e. including the forward elements).

The group currently designates certain derivatives as hedging instruments in respect of foreign currency and interest rate risk in cash flow hedges. In the case of a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge should be recognised directly in other comprehensive income and released to profit and loss when the hedged item (for instance the forecasted transaction) affects profit and loss.

II.2.8. Impairment of financial assets

The group recognises loss allowances on financial assets measured at amortised cost, on debt instruments at fair value through other comprehensive income, loan commitments and financial guarantees. No impairment loss is recognised on equity instruments.

The expected credit loss (ECL) is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. Expected credit losses on financial assets are individually assessed (except for trade receivables with no significant financing component).

IFRS 9 does not give explicit definition of default, but clearly states that it must be consistent with the one used for internal credit risk management purposes, with the rebuttable presumption that 90 days past due is a default criterion. This definition must be used when assessing whether the credit risk on a financial instrument has increased significantly. Euroclear uses the default definition as stated in the Financial Risk Policy Handbook and used for regulatory capital purposes, to ensure consistency with Basel Committee guidelines.

The impairment requirements are complex and require management judgements, estimates and assumptions that are detailed in section III Critical accounting estimates and judgements.

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For trade receivables with no significant financing component, a simplified approach requiring the recognition of lifetime ECLs at all times applies. The expected credit losses on these assets are collectively assessed and estimated using a provision matrix based on the group’s historical credit loss experience and macro-economic factors. If no significant statistical relationship is observed between impairment losses and macro-economic factors, macro-economic factors are not considered. Expected credit losses are based on the age of the receivables. If all or part of a client’s receivable is confirmed as being irrecoverable, the value of that receivable will be reduced accordingly.

The group writes off financial assets including trade receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

The aggregate of provisions made (less amounts released and recoveries of bad debts previously written off) is charged against operating profit in the profit and loss account.

II.2.9. Purchase and resale agreements

Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

II.2.10. Goodwill and intangible assets

II.2.10.a. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the identifiable net tangible and intangible assets of an acquired entity at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses and tested for impairment annually or more frequently where events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units, the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If impairment is identified, the carrying value of goodwill is written down to its net recoverable amount. Impairment losses are immediately recognised in profit and loss and are not subsequently reversed.

II.2.10.b. Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with the development phase of computer software being developed by, and for use of, the group are capitalised only when the following can be demonstrated:
- technical feasibility;
- intention to complete;
- ability to use or sell the asset;
- generation of probable future economic benefits;
- availability of technical, financial and other resources; and
- reliable measurement of attributable expenditure.

Borrowing costs that are directly attributable to the acquisition or development of software are considered as part of the cost of the software.

The cost of computer software is amortised using the straight-line method over its estimated useful life, normally estimated to be between three and five years.

Impairment tests are performed annually or more frequently if events or circumstances indicate that the asset might be impaired.

Costs associated with maintaining or upgrading computer software programmes are recognised as an expense as incurred.

II.2.10.c. Other intangible assets

At the time of a business combination, part of the cost might be attributed to one or more intangible assets when these are separable or arise from contractual or other legal rights (such as contractual customer relationships), provided a fair value can be measured reliably.

For each asset, the expected useful life is also assessed. Where this is a finite period, the cost of the asset will be amortised using the straight-line method over that period. The estimated useful life is assessed to be indefinite when, following an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. In such circumstances, the cost will not be amortised.

After initial recognition, the amortisation period and amortisation method for assets with a finite life are reviewed at least at each financial year-end, and changed when necessary.

For assets with an indefinite life, impairment tests are performed annually or more frequently if events or circumstances indicate that the asset might be impaired.

II.2.11. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for separately.

Borrowing costs that are directly attributable to the acquisition of an asset are considered as part of the cost of the asset.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably. All other costs are charged to the income statement during the financial year in which they are incurred.

Depreciation on property, plant and equipment is determined using the straight-line method to allocate the depreciable amount (difference between the cost and the residual value) over its estimated useful life.

The estimated useful life of property, plant and equipment is as follows:
- buildings (including enhancements): 20 to 40 years;
- leasehold improvements: shorter of economic life and period of lease;
- furniture and fixtures: seven years; and
- IT equipment (data processing and communications): between two and five years.

Land is not depreciated.

II.2.12. Leases

Leases where the group is a lessee are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:
- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- end of lease obligations.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of property, plant and equipment and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Leases of vehicles are recognised as a right-of-use asset and a corresponding liability, and associated payments are recognised on a straight-line basis as an expense in profit or loss.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

II.2.13. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with an original maturity of not more than three months, including cash and non-restricted balances with central banks, and loans and advances to banks and other customers.

II.2.14. Provisions

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.

Provisions are recognised in respect of onerous contracts where the unavoidable costs of the future obligations under the contract exceed the economic benefits expected to be received.

Human resources-related provisions are recognised when a decision has been made, a formal plan exists and the main features are known by those affected. Human resources-related provisions include provisions for voluntary early retirement and retirement incentive plans (see note III).

Contingent liabilities are possible obligations whose existence depends on the outcome of one or more uncertain future events not wholly under the control of the group. For those present obligations where the outflows of resources are uncertain, or in the rare cases where these outflows cannot be measured reliably, this will give rise to a contingent liability. Contingent liabilities are not recognised in the financial statements but are disclosed, unless they are remote.

II.2.15. Employee benefits

II.2.15.a. Pension obligations

The group 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 group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions.

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 to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in equity in the period in which they occur.

Past service costs are recognised immediately in the profit and loss account.

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

II.2.15.b. Other post-retirement benefits

Some group companies provide 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 equity. These obligations are valued annually by independent qualified actuaries.

II.2.15.c. Share-based payments

The group offers share-based payments to Euroclear senior executives. The payments are either part of fixed compensation or variable compensation. Share-based payments as part of fixed remuneration are unconditional, recurring, irrevocable amounts which are earned on a monthly basis and converted into certificates of shares (hereafter called units) every quarter. Upon grant, the units are unavailable for sale during a period of 3 years. After this lock-up period the beneficiary can sell the certificates back to Euroclear SA/NV. The remuneration is recorded as an expense against a liability. The liability is reduced when the units are released and transferred to the beneficiaries, followed by a corresponding derecognition in treasury shares at the level of Euroclear Holding SA/NV. There are no vesting conditions attached to the scheme.

Variable remuneration on behalf of Euroclear's senior executives is governed by the remuneration guidelines set by the European Banking Authorities (EBA Guidelines) and the Belgian Banking Act. As a result of these regulations 50% of all variable remuneration should be paid in non-cash equivalent instruments and at least 40% of all variable remuneration (in cash or in non-cash equivalent instruments) should be deferred over a period no less than 4 years (5 years for the members of the management committee). This period is prolonged with another year for non-cash equivalent instruments.

Where variable remuneration matures for release, the award of non-cash equivalent instruments will occur in the form of units at that moment in time. The beneficiaries, since all restriction on the disposal of these amounts have lapsed, are free to dispose of the units at that moment and can either decide to keep, partially keep/sell or sell the totality of the award back to Euroclear SA/NV. The fair value of services rendered by employees in consideration for the granting of share-based payments is recorded as an expense. This expense is recognised in profit and loss when services are rendered. At each reporting date and until the liability settlement date, the group remeasures the fair value of the liability based on the fair value of Euroclear Holding SA/NV's shares and adjusted to reflect the performance vesting conditions. Changes in the fair value of the liability are recognised in profit or loss. When the units are released and transferred to the beneficiaries, the liability is reduced and the treasury shares derecognised.

II.2.16. Treasury shares

Treasury shares are purchased for the purpose of the share-based payment program offered to Euroclear senior executives. Treasury shares are deducted from equity. Upon the vesting of the shares or their repurchase from the beneficiaries, the shares are respectively derecognised or recognised. Shares issued to employees are recognised on a first-in-first-out basis.

II.2.17. Current and deferred income taxes

Current tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the year in which profits arise.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted in each relevant country by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from:
- depreciation of tangible fixed assets and amortisation of intangible assets;
- revaluation of certain financial assets and liabilities, including derivative contracts;
- provisions for pensions and other post-retirement benefits;
- tax losses carried forward; and
- in relation to acquisitions, the difference between the fair values of the net assets acquired and their tax base.

Temporary differences on the initial recognition of assets and liabilities other than those acquired in a business combination are not recognised unless the transaction affects accounting or taxable profit.

Deferred tax assets, including those related to income tax losses available for carry forward, are recognised when it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where:
- the timing of the reversal of the temporary difference is controlled by the group; and
- it is probable that the difference will not reverse in the foreseeable future.

Current tax assets and liabilities are offset when they arise in the same entity and where there is both a legal right of offset and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax related to a transaction or event which is charged or credited directly to equity (e.g. fair value re-measurement of available-for-sale investments and cash flow hedges) is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

Deferred tax assets and liabilities are not discounted.

II.2.18. Dividends

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

Dividends for the year that are declared after the balance sheet date are not recognised as a liability and are instead disclosed as subsequent events.

III. Critical accounting estimates and judgements

The Euroclear group makes estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are considered to be important to understand the group's financial condition, since they require management to make complex and subjective judgements, some of which may relate to matters that are inherently uncertain. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As a financial market infrastructure, Euroclear is closely monitoring the effects of the Russian sanctions on the estimates it is using and the new sources of uncertainty they create.

III.1. Impairment of goodwill and contractual customers' relationships with an indefinite useful life

The group tests goodwill and contractual customers' relationships for impairment annually (during the fourth quarter), irrespective of whether there is an indication of impairment. Furthermore, the group remains alert for indicators of impairment throughout the year and conducts a high-level impairment review at each quarter end.

Such impairment reviews are deemed to detect:
- overpayment;
- under-performance compared with expectations; and
- significant changes with an adverse effect on the acquired business. Such changes can stem from, for example, new business parameters (e.g. volatility of stock markets, changes in the volume of securities safekept on behalf of customers, ...) or from changes in market data used to determine the cost of capital of the acquired businesses.

An impairment loss is recognised whenever the recoverable amount of the goodwill is less than its carrying amount (book value). The recoverable amount of an asset is the higher of its net selling price and its value in use, both based on present value calculations.

- Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the cost of disposal.
- Value in use is the amount obtainable from the use of an asset until the end of its useful life and from its subsequent disposal. Value in use is calculated as the present value of estimated future cash flows. The value in use calculation may take into account not only the post-acquisition performance of the acquired entity itself, but also the changes in cash flows in other entities in the group that are positively or negatively affected by the acquisition.

No impairment charge was recorded at the end of 2024 (2023: €100,000,000). See Note XIX.

Contractual customers' relationships with an indefinite useful life relate to the acquisition of Euroclear Belgium.

III.2. Impairment of other intangible assets

The group tests internally developed software for impairment annually (during the fourth quarter), irrespective of whether there is an indication of impairment. Furthermore, the group remains alert for indicators of impairment throughout the year and conducts a high-level impairment review at mid-year.

In assessing whether there is any indication that an asset is impaired, the group considers significant adverse changes that have taken place or are expected in the near future in the extent to which, or in the way that, an asset is used or expected to be used. This includes the asset becoming idle, plans to discontinue or restructure the operation to which the asset belongs, or the asset's disposal.

Indications of impairment exist if:
- there are plans to discontinue the development;
- Inefficiencies are noted (i.e. costs higher than expected);
- there is material delay in the delivery of the project;
- there is an adverse event in the market;
- technology becomes obsolete;
- resources needed are not available anymore;
- under-performance is noted compared with expectations;
- economic performance is lower than expected.

III.3. Russian sanctions

Russia's invasion of Ukraine resulted in market-wide application of international sanctions. A consequence of the sanctions is that assets owned by sanctioned parties are blocked or immobilised in the respective financial market infrastructures, including Euroclear Bank. As the sanctioned assets mature through their lifecycle, cashflows (e.g. coupons and redemptions) that are normally transferred to the underlying parties accumulate on Euroclear Bank's balance sheet for as long as the sanctions remain in place.

Russian countermeasures were issued, introducing special procedures regarding the repayment of debt by the Russian state and Russian issuers to non-Russian creditors. In application of these measures, the National Settlement Depository (NSD), the Russian CSD, opened new types of restricted accounts (C- and I- type of accounts) in 2022 in the name of Euroclear Bank where all amounts received from Russian issuers are blocked. In light of the loss of control of Euroclear Bank on the blocked accounts (C- and I- accounts) and in accordance with the risk transfer measures foreseen in Euroclear Bank's Terms and Conditions governing use of Euroclear, Euroclear Bank does not have a debt obligation towards its clients for the amounts that are held in these new types of accounts in case of insolvency of NSD. The client money is not under the control of Euroclear Bank and no economic benefits associated with the client money flow to Euroclear Bank. Euroclear Bank does not bear the credit risk associated with these sanctioned accounts. Furthermore, in case of bankruptcy, the amounts in these accounts represent amounts paid by the issuer for the benefit of the owners of the securities and would not fall within the bankrupt estate of Euroclear Bank. As long as the Russian countermeasures are maintained, the amounts on these accounts do not meet the definition of a financial asset (and an associated liability).

New countermeasures came into effect in 2024 introducing a special procedure for the C-account as a result of which, the C-Account of Euroclear Bank with NSD has been fully debited in August 2024. In parallel, NSD has authorised Euroclear Bank to debit its client account in the books of Euroclear Bank for the corresponding amount. However, as long as the NSD account in the books of Euroclear Bank is blocked by international sanctions, Euroclear Bank may not perform such debit without permission from the competent authorities. Awaiting such permission (or ultimately the lifting of the international sanctions), Euroclear Bank recognises a potential entitlement to the cash and a commitment to pass the cash to the clients on its off balance sheet.

Current and future measures enacted by Russia in reaction to the international sanctions may have, as a result, an impact on the future amounts of immobilised and frozen assets and related net profits.

In May 2024, the European Commission has adopted a new regulation about a windfall contribution applicable to CSDs holding CBR assets with a total value of more than €1 million (see note VIII).

As a direct consequence of the sanctions and countermeasures, Euroclear faces multiple proceedings in Russian courts. Since Russia considers international sanctions against public order, Russian claimants initiated legal proceedings aiming mainly to be compensated for assets blocked in Euroclear Bank's books, by claiming an equivalent amount in Russian Ruble and enforcing their claim in Russia. Russian asset holders are litigating against Euroclear Bank not only for the notional blocked amounts, but also lost income and other damages. The potential impact of these claims is currently unknown. Despite all legal actions taken by Euroclear and the considerable resources mobilised, the probability of unfavourable rulings in Russian courts is high since Russia does not recognise the international sanctions. A best estimate of the costs claimed that Euroclear Bank may need to support is recorded in the profit and loss account as soon as a claim is accepted by a Russian court.

III.4. Provisions

A provision is a liability of uncertain timing or amount. At each reporting year, the necessity to record or adjust provisions is considered based on the latest information available.

Onerous lease provisions can result from a decision to vacate premises leased by the group and when the space is expected to remain empty or to be sub-let at terms and/or conditions below those in the Euroclear lease. The provision represents the lower of the cost to breach the contract and the cost of fulfilling it, taking into account the expected benefits that might be received under a sub-lease, providing the entity is actively seeking to sub-let the property.

The onerous contract provision represents the best estimate of the unavoidable costs of the obligations under the contract over the economic benefits expected to be received under it.

Human resources-related provisions are recognised when a decision has been made, a formal plan exists and the main features are known by those affected. Human resources-related provisions include provisions for voluntary early retirement and retirement incentive plans. The provisions represent the best estimate of the full cost of implementing the plans. The expected cost depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the eligible population and success rate.

Provisions for dilapidation, or end-of-lease obligations, are recorded when the group is contractually bound to incur such costs and a reliable estimate can be made.

Provisions for litigation are recorded if and when there are strong indications that costs will be incurred to settle any possible legal cases concerned and a reliable estimate can be made.

III.5. Defined benefit plans

The present value of the defined benefit plan obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the obligations.

The assumptions used in determining the net cost/(income) for the plans include the discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the plan obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds (or mortgage-backed bonds in Sweden) 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 plan liability.

Other key assumptions for plan obligations are based in part on current market conditions.

The major assumptions used are shown in Note XXIV.

III.6. Deferred tax assets

Deferred tax assets are recognised to reflect the future tax benefit from unused tax losses or tax credits and other temporary differences. If there is a concern about the relevant entities' capacity to utilise the tax assets within a reasonable period, the assets are impaired, even when there remains a possibility to benefit longer term if sufficient taxable profits arise.

IV. Risk management and the financial risk management environment

IV.1. Main risks affecting the group

Euroclear's key sources of risk are elaborated in our group Risk Library providing a structured classification system. It is broken down into ten main risk categories and used to identify, define, analyse, assess and report risks in a consistent manner across Euroclear. The Risk Library is approved by the group Chief Risk Officer.

Periodically the Risk Library undergoes a focused review of the Risk Categories to ensure that the definitions and classifications remain fit for purpose.

These ten risk categories and their Risk Library Definitions can be found in the table below.

Risk Category	Definition Risk Library
Change and Project Risk	The risk of failure with respect to the change management process including the tools and techniques to manage the people side of change to achieve the required business outcome. Project Risk is defined as an uncertain event or condition that, if it occurs, has a negative effect on a project's objectives (including scope (value to stakeholders), budget and time to market).
Compliance Risk	The risk of failure to comply with laws, regulations and regulatory standards falling within the scope of: • Euroclear companies' Competent Authorities; and • other foreign authorities where relevant.
Conduct and Culture risk	The risk arising from our corporate and risk culture, governance arrangements, conduct and dealings with stakeholders and shareholders, and our corporate responsibility as an international financial market infrastructure. Stakeholders might include clients, participant, suppliers, regulators, competitors and other counterparts (e.g. treasury counterparts, depository, ...).
Credit Risk	The risk to Euroclear's earnings or capital arising from Euroclear's obligor's failure to perform due to inability or unwillingness on its financial obligations to Euroclear on time and in full. In the scope of its activities Euroclear's obligors are defined as borrowing clients, cash correspondents and settlement banks, treasury counterparts and issuers of securities in the investment and treasury securities portfolio.
Legal Risk	The risk arising from: a) the inadequate identification, applicability assessment and interpretation of relevant new or amended legal and regulatory requirements, including the identification of conflict of laws; b) unenforceable, non-compliant, inadequate legal documentation; c) failure to protect the group's rights or prevent the breach of third party's rights, including intellectual property rights; d) failure to act in accordance with competition law requirements; and e) adverse litigation environment or failure to adequately manage actual or threatened litigation, regulatory and enforcement actions.
Liquidity Risk	Risks arising from being unable to settle a cash or securities obligation when due resulting from inappropriate and/or insufficient liquidity sources.
Market Risk	The risk of uncertainty on the value of assets and liabilities (on- or off-balance sheet) and on the future earnings (linked to foreign exchange or interest rate movements).
Operational risk	The risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. This definition excludes legal and compliance risk.
Strategic & Business Risk	The risk that Euroclear's strategy and supporting business model are not fit for purpose, including poor decision making and ineffective strategy implementation. Business Risk: The risk that the company is not achieving its aimed predicted financial results or risk to its solvency or ability to meet capital requirements. Pension Risk: the risk that Euroclear has an underfunded defined benefits pension scheme exposure.
Systemic Risk	The risk of disruption to financial services organisations that has the potential to have serious consequences for the financial system and/or the real economy. Systemic risk events can originate in, propagate through, or remain outside of Euroclear.

Euroclear does not treat ESG risk as a standalone risk category but rather as a driver of existing risk types. As a result, ESG risk is handled as a transversal risk which drives existing risk types (e.g. operational risks, financial risks, business risks) and ESG considerations were added to existing risk type definitions over the course of 2023. Group ESG Risk Appetite Statements and Key Risk Indicators (KRIs) were approved by the Board during 2023 and are now included in the Corporate Risk Report. For more details on all these topics, please refer to the group's sustainability statement in the Annual Report.

To manage and mitigate the above-mentioned risks in the most efficient way the Euroclear group employs a comprehensive Enterprise Risk Management (ERM) Framework.

IV.2. Enterprise Risk management framework and governance

Governance

Euroclear operates within a highly regulated environment and is a systemically important financial market infrastructure. CSDs of the group are designated as critical national infrastructure in seven countries. In this context, the Enterprise Risk Management (ERM) Framework:

- defines the overall approach on how risks are managed within the board risk appetite while pursuing our strategy and business objectives;
- details the roles and responsibilities of the Board, Management and the three lines;
- defines the minimum requirements for risk strategy; risk appetite; risk culture; risk in execution and risk policies;
- is subject to continuous improvement and its effectiveness is assessed annually;
- is supported by a number of Board approved policies, guidelines and an internal control system, all of which are also reviewed regularly and updated to maintain their relevance.

The Euroclear SA/NV Board of Directors is the ultimate decision-making body for the group. Its overarching responsibility is to define and oversee the implementation of the group's strategy and objectives, as well as its risk policies (including risk appetite), and to supervise the Euroclear SA/NV Executive Committee. To perform its responsibilities more efficiently, the Board has established:

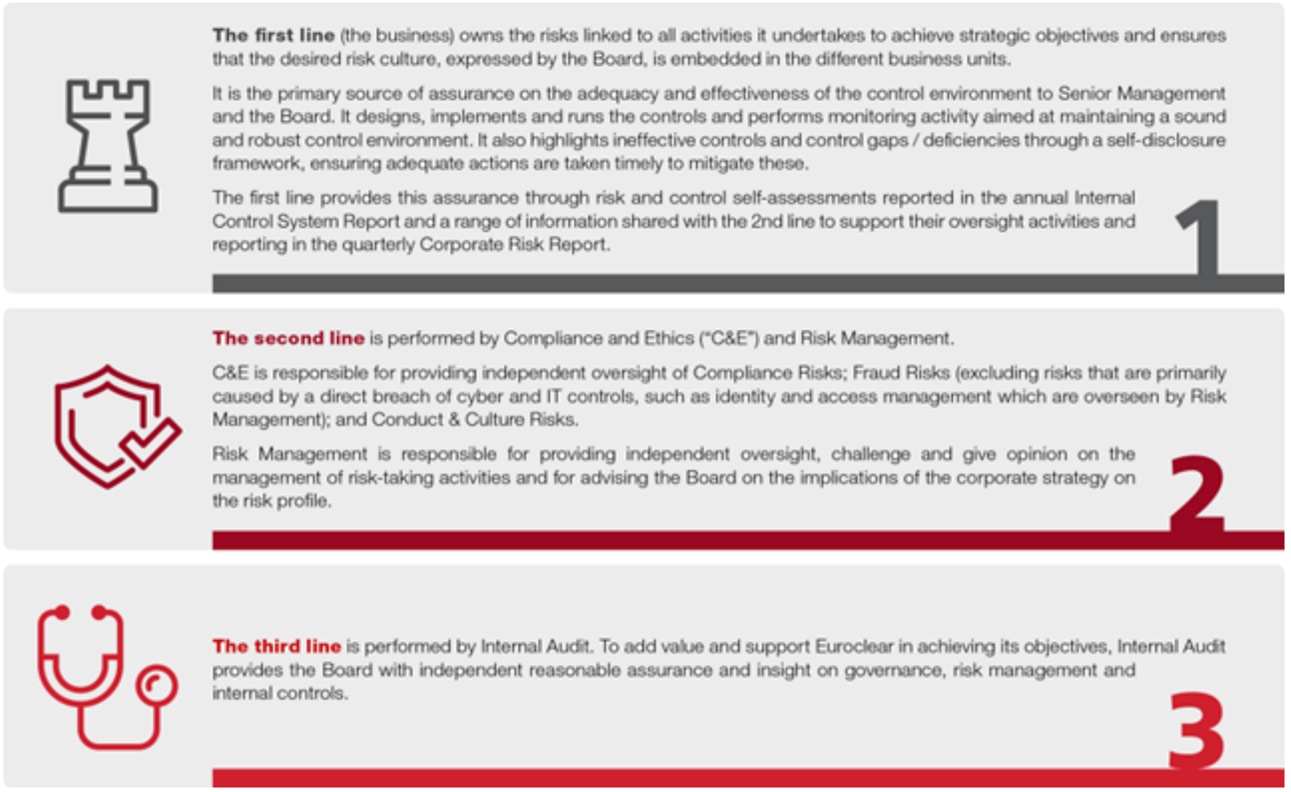
- Several advisory committees: the Audit and Compliance Committee, the Risk Committee, the Remuneration Committee and the Nominations and Governance Committee.

- An ESA Executive Committee (ExCo) with decision-making authority and entrusted it with the management powers of the Group, except for setting the strategy, risk capacity, risk appetite, board policy and other powers reserved to the Board or the shareholders by law or by the Articles of Association. The Euroclear SA/NV Executive Committee is advised on risk-related matters by various committees such as the Group Risk Committee (GRC); Euroclear SA/NV Credit and Assets and Liabilities Committee (CALCO); Group Security Committee (GSC) and; Outsourcing Committee (OSC).

- The group Control Functions (2nd and 3rd Lines) have direct reporting lines to the Chairs of their respective Board Committees, in addition to direct reporting lines to the group Chief Executive Officer (CEO). Where required, they have unmediated access to the Board Chair, the Board itself, and its members. They may also contact the statutory auditor or the supervisory authority directly where deemed necessary.

Three lines model

Euroclear operates a three lines model that facilitates the effective functioning of our Enterprise Risk Management Framework (ERM Framework). Each line plays a distinct role providing Senior Management and the Board with confidence that the group is likely to achieve its key goals through the effective management of risks. The illustration below describes the role of each line.



The group also operates a network of Risk and Compliance Champions, who are individuals in the first line with specific knowledge and responsibilities to ensure that the Enterprise Risk Management Framework and the Compliance Management Framework are effectively embedded and applied in the culture, processes and business activities of their entity/division.

Framework Components

The ERMF follows from the group's Purpose, which is: 'We innovate to bring safety, efficiency and connections to financial markets for sustainable economic growth'. The purpose is complemented by the group's strategy "By adopting a stronger client lens - reinforcing our focus towards the global client network, and launching strategic initiatives to serve issuers, investors and dealers.

As illustrated in the visual above, the ERMF consists of 9 components that work together to create a self-reinforcing and effective risk framework:

1. **Governance** - Governance refers to Euroclear's various governance bodies, including the Board and Board sub-committees such as the Board Risk Committee, Executive Committee, Group Risk Committee etc. Euroclear has strong risk governance arrangements in place which allow us to provide robust, independent oversight of risk-taking activities to help the group achieve its goals and deliver its strategy.

2. **Risk Culture** - Risk culture forms an integral part of the overall corporate culture that the Board and Senior Management seek to promote and embed in Euroclear. Our risk culture is described in the Code of Ethics and Business Conduct and, with our values, enable all staff to make sound and informed decisions in their day-to-day work, consistent with our risk appetite, strategy and business objectives, preserving the long-term strength of the company and the trust of all key stakeholders.

3. **Risk Resource Capacity** - Risk Resource Capacity is the maximum level of risk Euroclear is able to assume given its capital base, its risk management and control capabilities, and its regulatory constraints. To be a resilient business, able to weather storms from both internal and external factors, it is important to have sufficient risk capacity in financial (capital, profits, and liquidity) and operational (people, processes and systems) areas. Assessments of the business resilience are typically performed from two perspectives – operational resilience and financial resilience - on an annual basis and provide assurance to the Board that risk taking remains within the capacity to take risks on both a baseline and stress basis.

4. **Strategic and Business Objective Setting** - While ensuring our business objectives are met, Euroclear has defined its group long term strategy as follows: "We take a stronger client lens reinforcing organisational focus towards the global client network. We launch and scale strategic initiatives to serve issuers, investors, and dealers. We develop Data, ESG, and Digital solutions to deliver sustained growth across geographies and asset classes". Risk Strategy means the overall approach to risk management which should support and be aligned with the corporate strategy, strategic and business objectives, purpose, values and risk culture expectations of the Board with a view to ensure the effective, consistent and prudent management and oversight of the risk-taking activities.

5. **Risk Appetite Framework** - Risk Appetite is the Board's articulation of the aggregate level and types of risks Euroclear is willing to take to achieve its strategic objectives and business plan. It directs strategic and operational decision making and provides a mechanism to measure and monitor Euroclear's risk profile. Management proposes and the Board approves Risk Appetite Statements that succinctly express its appetite for a particular risk type given the group's strategy, business objectives, business activities, and model.

6. **Risk Policies** - Management proposes and the Board approves group Risk Policies that build on the Board Risk Appetite Statements to express the principles and minimum requirements that are expected to be followed in the management of the group's risks.

7. **Risk Exposure Management** - Risk Exposure Management is the process linking risk assessments with effectiveness of the related controls and possible resulting issues. First Lines identify, analyse and assess, respond to and monitor the risk exposures they generate in pursuit of the strategy, business objectives and business activities. The Second Line, performed by Risk Management and Compliance & Ethics (C&E), provides independent oversight, challenge, and opinion on First Line risk-taking activities and management. Risks can also be identified through inspections and from external factors. Internal Audit assesses governance, risk management and internal controls, enabling the function to provide independent reasonable assurance through their audit activities. The visual below illustrates the steps involved in Risk Exposure Management.

8. **Information, Communication and Reporting** - Information, Communication and Reporting facilitates and underpins the smooth operation of the risk management processes and provides the Board and Management with value-added risk insight to enable decisions on risk related topics such as on the Risk Resource Capacity, Risk Appetite Statements, Risk Policies, Risk Exposure Management and Risk Assessments.

9. **Review and Revision** - Review and revision of the ERMF ensures the risk framework remains self-reinforcing to continue to create, preserve and realise strategic value. On a periodic basis, ESA Risk Management facilitates the review of the ERMF, evaluating the design and effectiveness of the ERMF components and the effectiveness of the Risk Management Function.

Reporting

Euroclear has developed several reporting serving different purposes:

- First line assurance to Management and the Board is provided by operational and financial risk dashboards that report on key risk indicators linked to the risk appetite.

- First lines report the outcome of its risk and control self-assessment via Risk and Control Self-Assessment (RCSA) maintained at the level of group entities and divisions. This process supports a yearly review of the inherent and residual risk level by category of risk, based on the assessment of the controls' design and operational effectiveness.

- The conclusions from the RCSA process are used to feed the Internal Control System (ICS) report with a link to the risk appetite, reflecting material risks and control issues along with remedial actions for the management and the Board. The Internal Control System reports include independent Compliance and Ethics, Risk Management and Internal Audit opinions. This reporting by the three lines provides effective and comprehensive monitoring of the risk and control environment and is submitted to the Euroclear SA/NV and entity Boards.

- Risk Management reports the conclusions of its continuous oversight and risk monitoring activities via a quarterly Corporate Risk Report (CRR) submitted to the Euroclear SA/NV Board with entity specific reports submitted to the Boards of each CSD respectively. The CRR reports outline the group and the entities' key risks and their current risk profiles versus the risk appetite.

- Risk Management reports the overall effectiveness assessment of the ERM framework to the ESA and entity Risk Committees.

- Risk Management maintains the Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP) and Recovery Plans. The ICLAAP assessment draws on the ICS and other risk monitoring processes, as well as scenario and stress testing to assess the adequacy of the group's financial resources (capital and liquidity) and provide feedback on whether the Risk Appetite can be maintained or needs to be adjusted given the level of financial resources available. The ICLAAP and Recovery and Restructuring Plan (RRP)/ Recovery, Restructuring and Wind-Down Plans (RRWPs)[1] are designed to ensure that Euroclear maintains the financial resources necessary to carry out its business strategy and fulfil its role as an FMI even under severe periods of stress. The ICLAAP and RRP/RRWP are supported by a series of monitoring metrics and limits which are periodically reported to management and the Board and are subject to a thorough review and validation on a yearly basis. The outcome of the yearly ICLAAP exercise, along the updated recovery plans, are submitted to the relevant authorities as part of the Supervisory Review and Evaluation Process (SREP).

IV.3. Operational risk management

All Euroclear entities are inherently exposed to operational risk in their daily activities. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, due to failings of people and systems, or stemming from external events, leading to the actual outcome of a process to differ from the intended outcome. Moreover, it can affect the smooth provisioning of services.

Euroclear has identified the following operational risk categories:

- Execution, delivery and process management
- Fraud Risk
- Information and Communications Technology (ICT) & Data Risks
- ICT Security Risks
- Business disruption
- Custody risk
- Clients, products and business practices
- Supplier and outsourcing risk
- Employment practices and workplace safety

[1] RRP is prepared and maintained at the group level (Euroclear Holding SA/NV) while RRWPs are prepared and maintained at the level of (I)CSDs in line with the relevant legislation.

- Damage to or loss of physical assets
- Model risk

Euroclear uses key risk indicators, key performance indicators and regular risk and control (self)-assessments to identify and monitor operational risk effectively. Risk Management has well established incident management framework to ensure that all incidents are consistently and timely identified, documented, analysed, escalated and followed up, regardless of their type (e.g. operational, compliance, IT). Euroclear has also introduced a new framework on controls and issues management, further enhancing the organization's ability to manage risks effectively and ensure compliance with regulatory requirements.

Euroclear (anonymously) shares its internal loss data with the Operational Risk data Exchange Association (ORX) in order to access their database of high-quality operational risk loss data. Euroclear uses such data for its capital modelling, and to understand and manage operational risk appropriately.

IV.3.1. Information Security and Business Resilience

The CSDs of the Euroclear group are designated as critical national infrastructure in seven countries. Therefore, security and resilience are key components of the group approach to operational risk and are fully integrated in the group's ERM framework and aligned with recognised international standards.

Euroclear maintains and tests comprehensively 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; supplemented by three geographically separate data centres to sustain operations in the event of a local and regional-scale disaster. Euroclear also regularly runs exercises and tests of its operational and management response and provides adequate training at all levels of the organisation.

Euroclear continues to invest significantly in its resilience and cyber security capabilities including improvements to the cyber security risk culture, and the implementation of a new data centres strategy further increasing resilience in case of regional-scale disaster. The investment in the IT risk and control environment resulted in improved security arrangements in a constantly evolving cyber threat landscape. Investment will continue in 2025 and beyond to further reduce the residual risks and ensure sustainability and resilience.

IV.3.2. Russian sanctions impact

The number of international sanctions and Russian countermeasures that have been introduced since February 2022 are unprecedented. Their speed of issuance and level of complexity have a significant impact on the daily operations of Euroclear Bank. This complexity is compounded by international financial institutions stepping out of their capital market roles, and the changing requirements of the Russian CSD resulting in changing counterparties and the appearance of new process flows. These events have led to:

- An increased 'Execution, Delivery and Process Management' (EDPM) Risk due to (I) the breaking of some internal automated processes linked to the Russian Market such as payment processes or reconciliation, (II) ad-hoc design of new manual operational flows, (III) increased volumes that manually need to be processed.

- Increased Client, product and Business practices risk arising from (I) litigations against Euroclear Bank predominantly by underlying Russian clients attempting to retrieve back or being compensated for the frozen or immobilised balances in Euroclear Bank due to international sanctions (II), conflicts between Russian countermeasures or new Russian regulations trying to mitigate the effects of international sanctions issued by European and International bodies.

The existing operational control framework has been and continues to be adapted. Efforts are made to restore as much as possible Straight-Through Processing (STP), while staff is hired to handle the increased manual volumes. A dedicated transversal team of experts are monitoring and managing cases and processes related to Russia. These actions are mitigating significantly the operational risk related to Russian related services, demonstrated by the low number of operational incidents and minor related losses.

IV.4. Financial risk management

IV.4.1. Credit risk

Euroclear defines credit risk as the risk to earnings or capital arising from the obligors' failure to perform, due to inability or unwillingness, on its financial obligations to Euroclear on time and in full. Given the scope of its activities, Euroclear Bank takes credit risk primarily on its (borrowing) participants, cash correspondents, settlement banks, treasury counterparties and in some cases issuers of securities[2].

To manage the credit risk efficiently and in line with the risk appetite, Euroclear Bank has a robust and comprehensive Credit Risk Framework in place. This framework sets credit risk limits addressing among others the size and conditions of credit facilities for borrowing participants and market facilities to support treasury activity, including concentrations and collateral quality. Furthermore, operational processes are designed and reassessed on a regular basis to actively monitor and minimise credit risks.

Euroclear Bank business as usual credit risks (excluding Russian impacts)

Euroclear Bank's credit exposures are predominantly towards its borrowing participants from the extension of intraday credit to support their settlement activity. Most of these exposures have very short (intraday) duration, as clients may only need credit for a few milliseconds to allow the transactions to settle. Only in unforeseen circumstances (primarily as the result of settlement failures or delayed credits) part of the exposure can become an end-of-day overdraft retained in the books of Euroclear Bank until the next day. To prevent participant' intraday credit exposures turning into an overnight exposure, Euroclear Bank uses penalising rates as a deterrent.

All credit granted to borrowing participants is uncommitted and must be secured by proprietary collateral, for which strict collateralisation rules apply. Unsecured exposure on borrowing participants is only permitted when allowed under CSDR[3] (e.g. exempted entities as per Article 23(2) of Regulation (EU) 390/2017). In the event of default of a borrowing participant, Euroclear Bank can contractually and operationally appropriate and monetise the collateral pledged. To date Euroclear Bank has not experienced any credit losses, not even during periods of market turmoil. This is largely due to the controls in place ensuring adherence to its low credit risk appetite.

Additionally, Euroclear Bank has credit exposures to other counterparts. These are treasury exposures arising from performing day-to-day balance sheet management, in particular re-depositing or investing participant's end-of-day long cash balances and the proceeds of own debt issuances and capital. Treasury credit exposures are either with central banks, or with high-quality market counterparties for a short duration. For the latter, preference is given to reverse repurchase agreements (reverse repos) or to very high-quality securities with relatively short-term maturities. Unsecured treasury credit exposure is allowed but kept limited.

While there is some credit risk linked to reverse repos, it is rather limited given the short-term and fully collateralised nature of these instruments. This is because in the event of default of the counterpart, Euroclear Bank can appropriate and monetise the collateral pledged to cover the losses from the default. Furthermore, Euroclear Bank has a strict framework in place in order to eliminate or drastically reduce the (counterparty) credit risk linked to reverse repos:

- Counterparties must have high internal credit rating (i.e. BBB+ or more), and all collateral posted must be of high quality (i.e. investment grade).
- Collateral acceptance criteria and collateral haircuts are defined internally by Euroclear Bank's Credit department.
- Repos are subject to daily margining requirements to mitigate the potential exposure should the value of the collateral fall during the life of the deal.

Other credit exposures that can go beyond the short-term (intraday and overnight) are related to Euroclear Bank's client Securities Lending and Borrowing (SLB) and General Collateral Access (GCA) activity. These exposures arise from securities lending between different participants for which Euroclear Bank guarantees the return of the original securities back to the lender (or alternative equivalent securities) or to compensate the equivalent in cash. Like the majority of other credit risk at Euroclear Bank, these exposures are highly-collateralised.

Russian sanctions and countermeasures credit risk impacts

The international sanctions applicable to Russian entities and individuals mandate financial institutions and market infrastructures (incl. Euroclear Bank) to block or immobilise any assets owned by the sanctioned parties. As the assets mature through their lifecycle, cashflows (i.e. income payments and redemptions) that are normally transferred to the underlying parties remain blocked on the accounts. This means that as long as the sanctions remain in place, these cash balances will remain on Euroclear Bank's balance sheet and should be reinvested.

The reinvestment of sanctioned balances carries a risk that Euroclear Bank's treasury counterparts could default during the term of the deal, potentially leading to a credit loss. However, the significant increase in assets has not led to a material change in credit risk profile, as the frozen or immobilised balances are reinvested in line with a strict investment policy designed to maintain a low risk profile. Where possible, cash is principally redeposited with central banks in their own currency, reinvested in short-term reverse repos with highly rated counterparties or in government bonds through outright purchase. As these exposures are predominantly secured or concentrated with highly rated central banks or governments in their currency of issuance, the risk of default is marginal and credit risk is considered immaterial or quasi risk-free. Currently, Euroclear Bank relies on Belgian National Bank and Bank of England for EUR and GBP redeposits and on US government for USD Treasuries. Work is ongoing to put in place additional access to other central banks.

For frozen or immobilised balances denominated in foreign currencies it may be difficult to find a suitable reinvestment option. In these cases, Euroclear Bank typically uses foreign exchange (FX) swaps to convert these balances mainly into EUR. As these swaps are currently done on a bilateral basis (i.e., they are not centrally cleared) they give rise to counterparty credit risk. Similarly to reverse repo strategy, Euroclear Bank engages in FX swaps only with highly rated counterparties:

- Euroclear Bank manages counterparty credit risk via global and counterparty family limits (applicable for all types of exposures). These limits depend on both the counterparty credit rating and the maturity of the deal.

- During the life of the deal, the credit exposure linked to the FX swap portfolio is minimal as the exposure at default is only equivalent to the positive market value of the swap (instead of the full notional amount). Furthermore, there are strict margin requirements that limit the exposure to the size of the margin call.

- On the settlement date of the transaction, Euroclear Bank may be exposed for a limited time to intraday settlement risk - risk of not receiving the currency bought from the counterparty despite delivering the currency sold - for the full notional amount. This risk is partially mitigated as Euroclear Bank has now an indirect access to CLS - a specialist US financial institution that provides payment-vs-payment settlement services (via the Continuous Linked Settlement (CLS) platform) to its members in the foreign exchange market. CLS mitigates settlement risk by netting the cash in- and outflows in a currency.

[2] Issuers of securities in the investment, treasury and liquidity book portfolios.

[3] Regulation EU 909/2014 on settlement and central securities depositaries

Other Entities credit risks

As a global fund distribution platform, MFEX faces credit risk primarily from the use of its cash correspondents and from its fund distribution activity. The latter stems from the rebates commitment payment model (refunds collected from fund managers and paid to the distributors). Currently, Euroclear SA/NV as a parent entity capitalises against MFEX's Credit Risk under the normative and economic view.

Euroclear CSDs settle in central bank money and cannot extend loans or credit facilities to their clients. Euroclear CSDs can potentially face a certain level of credit risk arising from unpaid fees by their clients. The impact of these is rather limited given the high frequency of the billing and their relatively broad customer base.

Euroclear CSDs and Euroclear SA/NV are also exposed to credit risk related to the reinvestment of their cash surplus with their bank counterparties. Since 2018, some Euroclear CSDs, as well as Euroclear SA/NV reinvest in a dedicated common investment fund and a longer term investment portfolio. Credit risk is, however, mitigated through a strict investment policy limiting, among others, the allowed counterparties, issuers, type of instruments, currencies and maturity.

IV.4.1.a. Credit exposure

The table below represents the maximum exposure to credit risk (i.e. end-of-day carrying amount as reported in the financial statements), without taking into account any collateral held or other credit enhancement attached.

Deposits blocked pursuant to applicable international sanctions amount to €181,639,000,000 €-equivalent, of which 174,021,000,000 €-equivalent related to Russian sanctions and 7,617,000,000 €-equivalent related to Libyan sanctions.

Most of Euroclear Bank's credit risk stems from cash balances with central banks, driven primarily by the redepositing of the frozen or immobilised balances. This exposure is largely unsecured given the nature of the instrument. The second largest credit exposure stems from loans and advances, driven by the reinvestment of long (incl. frozen or immobilised) clients balances, cash on current accounts and clients that remain unexpectedly in overdraft at the end of the day. Nearly all of this exposure is collateralised in line with the extensive use of reverse repo for the re-investments and the Euroclear Credit Risk Framework and applicable legislation (see IV.4.1.b Credit risk mitigation). Some credit exposure stems as well from financial assets at FVOCI – predominately listed debt securities – which are also driven by the reinvestment of long clients balances. Remaining items make up a minority of total financial assets of Euroclear Bank.

Euroclear Bank also has off-balance sheet credit exposure – contingent exposure that may materialise in the future under certain conditions. Euroclear Bank's off-balance sheet credit exposure consists of loan commitments and financial guarantees. The latter makes up the large majority of total off-balance sheet credit exposure as it relates to guarantees issued in favour to securities lenders in the context of the SLB and GCA programs (see note XXX).

		2024		2023	
(€'000)	Notes	Total exposure	Of which secured:	Total exposure	Of which secured:
At 31 December					
Financial assets					
- Cash and balances with central banks		144,638,449	3,408,711	108,683,767	2,878,044
- Loans and advances at amortised cost		52,247,920	48,084,455	39,300,876	35,148,409
- Financial assets at FVOCI	XIV	15,862,892	-	14,455,141	-
- Non-trading financial assets mandatorily at FVPL		33,311	-	33,329	-
- Financial assets held for trading	XV	53,255	-	85,161	-
- Derivatives used for hedging	XVI	105,811	-	93,648	-
Total financial assets		**212,941,638**	**51,493,166**	**162,651,922**	**38,026,453**
Loan commitments	XXX	1,200	-	1,726	-
Financial guarantees	XXX	5,208,654	3,440,428	6,137,715	4,339,976
Total		**218,151,492**	**54,933,594**	**168,791,363**	**42,366,429**

As of year-end 2024, Euroclear Bank holds amounts on restricted C- and I-accounts recognised off-balance sheet (see Notes II and III). These restricted accounts were opened unilaterally by NSD in 2023 in the name of Euroclear Bank as countermeasure to the international financial sanctions imposed. The amounts held on the restricted C- and I-accounts have significantly decreased and amount to respectively to RUB 41.9 billion (0.4 billion €-equivalent) and RUB 9.7 billion (0.1 billion €-equivalent), compared to RUB 262 billion (2.6 billion €-equivalent) and RUB 19 billion (0.2 billion €-equivalent) last year.

Between April and September 2024, Euroclear Bank's C-account has been seized or debited on several occasions following Russian decrees for an amount of approximately 2.8 billion €-equivalent for the benefit of NSD's sanctioned clients. These clients are consequently no longer entitled to the balance blocked in Euroclear Bank and these balances could potentially serve to compensate the affected clients if the competent authorities provide the authorisation to release these amounts. NSD I-accounts balances have decreased as NSD has paid out some of the underlying to bondholders outside of Euroclear Bank in RUB.

The EU has introduced in December a loss recovery and no liability clause to its Russian sanctions regime now allowing the competent authority of a Member State to authorise the release of cash balances frozen by a CSD and attributable to the National Settlement Depository (NSD) under certain conditions. Essentially, this new clause allows the Belgian Ministry of Finance to authorise Euroclear Bank to debit NSD's account with the amounts that have been taken from Euroclear Bank's accounts with NSD following Russian court decisions or in application of Russian countermeasures, so that Euroclear Bank can compensate its Participants. Euroclear Bank will only be able to pay out the compensation amounts once the Belgian Ministry of Finance has provided its authorisation.

The table below presents an analysis of the loans and advances at amortised cost (incl. cash and balances with central banks) using the group's internal ratings. The internal ratings are those of Euroclear's borrowers at legal entity level. In line with Euroclear's low credit risk appetite, nearly all of Euroclear's borrowing participants and other counterparties are of high credit quality (internal rating Ea and above), for which limited credit loss allowances are recorded under IFRS9. Credit exposure on lower credit quality entities is essentially due to cash balances left with network of cash correspondents established in low rated countries.

Euroclear has only stage 1 exposures (i.e. exposure for which the credit risk has increased significantly since initial recognition).

(€'000)	2024	2023
At 31 December		
Loans and advances at amortised cost (incl. cash and balances with central banks)		
Eaaa	132,398,024	95,379,127
Eaa	25,144,256	26,626,982
Ea	37,540,465	24,559,758
Ebbb+ and Ebbb	1,605,396	1,213,380
Ebbb- and below	199,084	206,309
Total gross carrying amount	**196,887,225**	**147,985,556**
Expected credit loss allowance	(856)	(913)
Carrying amount	**196,886,369**	**147,984,643**

The table below presents an analysis of Euroclear's financial assets at FVOCI using the second-best approach on Long-term Issuer Default Rating (LT IDR) assigned by the three major rating agencies. Euroclear Bank's FVOCI financial assets are short-term debt instruments of high credit quality. The Euroclear CSD's FVOCI financial assets are longer term investment grade debt instruments. All of Euroclear's FVOCI financial assets are considered as Stage 1 (i.e. low credit risk) assets under IFRS9. In 2024, Euroclear's FVOCI financial assets remain very highly rated (AA and above).

(€'000)	Notes	2024	2023
At 31 December			
Debt instruments at FVOCI			
AAA		6,417,125	8,536,182
AA+		2,515,702	2,049,902
AA		6,259,001	309,566
AA-		563,625	1,097,907
A+ to A-		3,529	1,659,433
BBB+		695	-
BBB		23,215	22,836
Carrying amount	XIV	**15,782,892**	**13,675,826**
Including expected credit loss allowance		(639)	(664)

The table below presents an analysis of the loan commitments and financial guarantees, using the group's internal ratings. The internal ratings are those of the Euroclear's clients or counterparties for which loan commitments and financial guarantees are given. Credit exposure arising from loan commitment and financial guarantees has decreased in 2024 compared to the previous year. Moreover, as the large majority of these exposures are towards highly rated clients and counterparties (internal rating of Ea and above) this further limits the credit risk. Small minority of these credit exposures are towards clients and counterparties with acceptable low investment grade rating (Between Ebbb+ and Ebbb). The share of loan commitments and financial guarantees provided to entities with low internal credit rating (Ebbb- and below) is immaterial. Additionally, these exposures are off-balance sheet, meaning they are likely to be incurred only under certain circumstances.

(€'000)	Notes	2024	2023
At 31 December			
Loan commitments and financial guarantees			
Eaaa		313,223	308,908
Eaa		894,338	796,486
Ea		3,609,579	4,697,713
Ebbb+ and Ebbb		389,652	327,278
Ebbb- and below		3,062	9,056
Carrying amount	XXX	5,209,854	6,139,441
Including expected credit loss allowance		(4)	(9)

IV.4.1.b. Credit risk mitigation

Euroclear Bank uses different recourses (e.g. collateral, guarantees or letter of credit) to mitigate potential losses it may incur due to a credit event (i.e. default) of participants, treasury counterparties or Clearstream Banking Luxembourg (CBL). The most frequent recourse to secure the credit exposure is a pledge of proprietary collateral (cash and/or securities), supported by standard credit documentation (Collateral Agreement).

All credit granted to borrowing participants must be secured with collateral held and pledged in Euroclear Bank, regardless of the nature of the exposure and the original currency. In line with the applicable regulation[4], strict collateralisation rules apply concerning the quality and quantity of securities used as collateral. Euroclear Bank uses a four-category collateral classification system which relies on a number of credit, market and liquidity indicators to allocate collateral in the different categories. Any collateral that cannot be categorised in one of the four categories is not accepted to secure credit exposures. Frequent monitoring shows that more than 99% of the collateral securing the exposures of Euroclear Bank has investment grade quality.

In order to accurately determine the value of the collateral it takes, Euroclear Bank has developed a dynamic internal collateral valuation model which takes into account market, credit, country, foreign exchange and liquidity risks. Haircuts are computed at least once a day for each security, reflecting the latest risk factors and conditions. The collateral valuation model is back-tested (daily) and stress tested (yearly). The results show that the collateral valuation model has provided continually adequate valuations for securities securing the credit exposure, even during periods of high volatility in the markets.

In case of a participant default, if the post-liquidation value of collateral does not cover the defaulted credit exposure, Euroclear Bank may end up with a residual credit exposure. Euroclear Bank monitors the potential residual credit exposure after considering all credit mitigations and protective measures in place on a daily basis.

In specific cases Euroclear Bank can also use other mechanisms to mitigate credit risk. For instance, for (reverse) repo activity with treasury counterparties, Euroclear Bank signs Global Master Repurchase Agreements (GMRAs), which allow for close-out netting of positions in case of a counterparty default. The GMRA defines the conditions and the rules for the enforceability of the collateral in case of default of the borrowing party but also what happens if the lender is in default. The GMRA also defines the margining process (frequency, Minimum Transferable Amount, nature and currency of collateral). Where Euroclear Bank engages in over-the-counter (OTC) derivatives (FX and Interest Rate Swaps), daily variation margin is used as collateral. Variation margin is cash collateral exchanged on a regular basis to reflect changes to the market value of relevant outstanding contracts.

Euroclear Bank can also resort to other equivalent financial resources such as capital, after deducting CSDR capital requirements. However, this capital can only be used to cover unsecured exposure to central banks, Multilateral Development Banks (MDBs) and international organisations.

Finally, Euroclear Bank also faces credit exposure through its interoperable link (i.e. the Bridge) with CBL. This exposure is secured[5] by means of a letter of credit issued by a consortium of credit worthy financial institutions in Euroclear Bank's favour. In accordance with Article 16(k) of Regulation (EU) 390/2017, no credit institution has committed to a share of the total outstanding letter of credit above 10%. The guarantee amounted to USD 3 billion at the end of 2024 (2023: USD 3 billion) and is reviewed on a regular basis. Credit exposure to CBL is monitored regularly to ensure it does not surpass the amount of the guarantee. Additionally, Euroclear Bank has a right to set-off which extinguishes the mutual debts owed between the parties in exchange for a new net amount.

[4] Articles 9-10-11 of Regulation (EU) 390/2017.

[5] In line with CSDR requirements, the CBL Bridge risk management principles and processes do not allow for unsecured credit exposure over the Bridge.

IV.4.1.c. Concentration risk

As a provider of post-trade services to global capital markets Euroclear Bank is almost exclusively exposed to the financial sector. To ensure that the group does not take excessive exposures on a limited number of clients or counterparties, there are regulatory and internal concentration limits in place. These concentration limits are set per collateral asset type, individual issuers, country (including geographic region), economic sector, type/activity of the issuer, rating, settlement currency, etc.

The origin of Euroclear Bank's concentration risk is two-fold: firstly, it stems from the credit exposure itself, where excessive exposure to a certain institution may result in large losses should the latter default; secondly, the concentration risk also stems from collateral Euroclear Bank receives, where excessive exposure secured by the same collateral may result in large losses in case both collateral provider and issuer are unable to meet their obligations.

With regards to the exposure concentration, Euroclear Bank applies the Large Exposure limits, as defined by the European regulation[6]. This limit defines the maximum exposure that Euroclear Bank can have to a single participant's family or group of connected entities after taking into account the effect of the credit risk mitigation[7] at the end of day as 25% of its Tier 1 capital. Additionally, Euroclear Bank also applies the limits on concentration risk arising from exposures to shadow banking entities[8] at an aggregated level. The exposure concentration risk is monitored against the above-mentioned limits on a daily basis to anticipate the exposure concentration and take actions on time should the need arise. Depending on the exposure the monitoring is performed at legal entity, family and/or individual currency level.

With regards to the collateral concentration, Euroclear Bank relies on collateral concentration limits to ensure that collateral received to secure its credit exposures is sufficiently diversified to allow its monetisation and liquidation within a specific timeframe. The limits apply to the aggregate exposure on an entity and/or family level and are set in line with Euroclear Bank's risk appetite. Euroclear Bank ensures to have a minimum amount of collateral that can be monetised same day in case of default in line with the Article 10 of Regulation (EU) 390/2017. The collateral concentration risk is monitored against the above-mentioned limits ex-ante, intraday and post-fact to anticipate the collateral concentration and take actions on time should the need arise.

The table below shows the geographical concentration of financial assets and liabilities and are those in which Euroclear Bank's clients or counterparties are located. Cash is classified under the country of the issuing central bank.

Most of Euroclear Banks' financial assets are concentrated in countries of the European Union and to a lesser extent in other European countries. This is largely explained by the reinvestment strategy of the long balances, where redeposits in central banks are a preferred reinvestment instrument. Most of Euroclear Banks' financial liabilities are concentrated in other European countries, notably Russia. These have further increased compared to the previous year as credited income (coupons, redemptions, dividends, etc.) accumulate on accounts belonging to Russian sanctioned clients.

(€'000)	Notes	European Union	Europe - Other	Americas	Asia	Rest of the world	Total
At 31 December 2024							
Total financial assets		163,967,860	34,417,317	8,468,138	5,870,978	217,345	212,941,638
Total financial liabilities		9,353,074	179,234,194	2,441,953	9,193,518	607,805	200,830,544
At 31 December 2023							
Total financial assets		120,900,116	30,170,263	7,357,544	3,870,048	353,950	162,651,921
Total financial liabilities		8,918,547	134,007,746	2,706,255	8,603,920	371,462	154,607,930

IV.4.2. Liquidity risk

Euroclear defines liquidity risk as the risk of failure to settle a cash or security obligation on time due to inappropriate and/or insufficient liquidity sources. In addition to liquidity risk, Euroclear also faces funding liquidity risk - risk that over a specific horizon, Euroclear will be unable to repay, refinance or refinance at an economic price its debts when they fall due.

Effective management of liquidity risks is an important component for offering efficient settlement and custody services in a cross-market and multi-currency environment. The main liquidity risks of the group lie with Euroclear Bank when it comes to the management of clients' long and short balances and extension of credit to clients to support settlement. This is why Euroclear Bank has a Liquidity Risk Framework in place to identify, assess, control and manage its liquidity risks in line with sound risk management principles. As part of its Liquidity Risk Framework, Euroclear Bank monitors and manages access to a wide range of liquid resources to cope with the daily multi-currency liquidity needs in each

[6] Article 395 of Regulation (EU) 575/2013 amended by Regulation (EU) 2019/876.

[7] In accordance with Articles 399 to 403 of Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876.

[8] As required by Article 395 of Regulation (EU) 575/2013 as amended by Regulation (EU) 2019/876 and using EBA/GL/2015/20.

currency. Furthermore, it is able to transform such resources, when needed, to cover its liquidity needs in the right currency through highly reliable funding arrangements.

Other entities in the group are also exposed to liquidity risks albeit to a lesser extent. On an annual basis, the group conducts an Internal Liquidity Adequacy Assessment Process (ILAAP) to thoroughly review its liquidity risks, liquidity resources and risk appetite. This review is performed at the levels of Euroclear SA/NV consolidated and Euroclear Bank SA/NV, with final approval by their respective Boards.

IV.4.2.a. Liquidity risk at Euroclear Bank

Euroclear Bank's liquidity risk appetite is very low, given the criticality of intraday liquidity for the efficient delivery of its settlement and custody services and given its systemic importance as an FMI. Euroclear Bank has therefore adopted a strong risk management framework to anticipate, monitor and manage the intraday liquidity flows to ensure the quality of its services.

Given the scope of its activities, Euroclear Bank liquidity needs are largely intraday and transactional with daily cash outflows and inflows mostly matching. Euroclear Bank provides its borrowing clients with liquidity through intraday credit facilities to support its settlement and custody services. It ensures timely cross-border settlement with domestic markets, supports new issues and custody activities, and enables clients to transfer sales and income proceeds in a timely manner.

Euroclear Bank's clients may end up with residual long and short cash positions at the end of the day. On a day-to-day basis, Euroclear Bank is normally net long cash, which it invests mostly on a very short-term basis to match the volatility of clients' settlement and money transfer activities.

In 2024, Euroclear Bank's liquidity position has further improved driven largely by the continuous accumulation of the Russian frozen or immobilised balances at Euroclear Bank. Although these balances primarily are a source of funding, they also carry inherent liquidity risks linked to their reinvestment. Liquidity risk may arise if frozen or immobilised balances are reinvested via long-term placements and all the relevant authorities lift the sanctions suddenly, without providing sufficient notice period. Euroclear Bank mitigates this risk by reinvesting cash from these balances essentially via overnight deposits with the central bank and the ongoing dialogue with the relevant EU and international bodies. In addition, in November 2024 the Terms and Conditions governing the use of Euroclear were updated to allow for a deferred release of cash blocked due to sanctions, should the latter be lifted.

IV.4.2.a.1. Liquidity funding

Euroclear Bank's settlement system allows for an efficient recycling of liquidity. Euroclear Bank uses its liquidity to smoothen or accelerate the payment process and to ensure the timely execution of time critical payments throughout the day. The liquidity is used prudently - out of total settlement turnover of over €3,086 billion each day (2024 average). Euroclear Bank only extends about 1% in secured intraday cash credit to its clients.

To support its daily payment activity, Euroclear Bank relies on the long cash balances from its clients, on a large network of highly rated cash correspondents, on the reserve accounts with National Bank of Belgium and the Bank of England and on its direct access to the TARGET2 system for EUR payments.

Additionally, Euroclear Bank can use its investment book, funded by equity and retained earnings, to raise liquidity when needed. The investment book is invested with the objective of capital and liquidity preservation, meaning predominately in euro-denominated sovereign, supranational or agency ECB-eligible debt instruments rated AA- or above.

Euroclear Bank can also raise liquidity from securities held for regulatory purposes and funded by the debt issued. For instance, Euroclear Bank has issued various recovery capital instruments under a Belgian law registered note format for a total of €800 million. These instruments contribute to structuring Euroclear's loss absorption mechanism that would restore the capital position of the Bank should any of the recovery and resolution scenarios[9] be triggered:

- a senior non-preferred loan issued in 2018 for €200 million (maturing in 2026);
- a convertible subordinated loan issued in 2018 for €200 million (maturing in 2033), recognised as Tier 2 regulatory capital;
- a senior non-preferred loan issued in 2018 for €300 million (maturing in 2030);
- a convertible subordinated loan issued in 2019 for €100 million (maturing in 2033), recognised as Tier 2 regulatory capital.

The above notes were all originally subscribed by Euroclear Investments SA prior to its dissolution in 2024, and funded with the proceeds of three issuances for a total amount of €1.3 billion (a €300 million unsecured and unsubordinated 12-year fixed rate senior note, a €400 million subordinated resettable 30-years fixed rate hybrid note callable at the option of the issuer after 10 years, and a €600 million note due in 2026). Following the dissolution of the Euroclear Investments SA in 2024, the notes are now held by Euroclear Holding SA/NV.

Besides the above Long Term notes issuances, Euroclear Bank launched a €5 billion EUR Medium Term Note (EMTN) and a €20 billion Certificate of Deposits multi-currency programs in 2018 to increase its Qualifying Liquidity Sources under the European Central Securities Depository Regulation. Out of its EMTN program, Euroclear Bank issued a total outstanding amount equivalent to €1.5 billion in EUR, USD and GBP at the end of 2024 (2023: €1.9 billion). Out of its Certificate of Deposits program, Euroclear Bank has a total outstanding amount of €1.6 billion in EUR, USD and GBP (2023: €1.7 billion). The amounts have decreased as some securities have matured in 2024 and were not rolled over given that the need to raise liquidity through debt issuance or borrowing has decreased due to growing retained earnings.

[9] In line with the Banking Recovery and Resolution Directive applicable to the Company

Euroclear Bank may also do repo transactions with a goal to maintain an active relationship with cash givers in case Euroclear Bank would need to generate liquidity in contingency situations. Finally, Euroclear Bank also has broad access to the inter-bank market and has contingency liquidity facilities in place for the major currencies, which are tested regularly.

IV.4.2.a.2. Liquidity stress testing

Euroclear Bank regularly performs idiosyncratic and market-wide liquidity stress tests to assess potential liquidity strains and to ensure efficient access to sufficient liquidity sources to fund any shortfalls. For this purpose, Euroclear Bank first identifies liquidity needs under normal and stressed conditions based on the results of day-to-day and extreme but plausible stress scenarios run on a regular basis. Liquidity needs are then compared to liquidity sources to identify potential liquidity gaps that need to be covered at aggregate and at individual currency levels. These stress tests are also used as part of the ILAAP.

Examples of liquidity stress tests are:

- default of the top two clients (at family level);
- operational issue affecting a cash correspondent;
- unusual behaviour of participants' deposits.

In addition, Euroclear Bank has to comply with regulatory liquidity stress test Liquidity Coverage Ratio (LCR) as mandated by CRR. The LCR aims to ensure that credit institutions hold sufficient liquid assets to withstand a period of significant liquidity stress lasting 30 calendar days. Euroclear Bank complies with LCR regulatory requirements. Moreover, as part of its Risk Appetite Framework, Euroclear Bank has set a higher internal LCR limit than the 100% limit prescribed by the legislation.

Although Euroclear Bank is not subject to the Net Stable Funding Ratio (NSFR) stress test requirement[10], the Bank still monitors and complies with the ratio. The NSFR is defined as the amount of available stable funding (Liabilities) relative to the amount of required stable funding (Assets). Similarly to the LCR, Euroclear Bank has set a higher internal NSFR limit than the 100% limit prescribed by the legislation.

Finally, Euroclear Bank also runs two intraday liquidity stress tests on a daily basis - the 'Cover 1' and 'Cover 2'. The purpose of these stress-tests is to assess whether Euroclear Bank has sufficient qualifying liquidity resources to withstand the default, at group level, of one participant (Cover 1 as per CPMI-IOSCO) and of two participants simultaneously (Cover 2 as per CSDR) towards which Euroclear Bank has the largest liquidity exposure. These stress test results are reported daily and approved monthly by the Credit and Assets and Liabilities Committee (CALCO) and reported semi-annually to the Euroclear Bank Management Committee. Moreover, the results of these stress-tests are used to size participant currency credit facilities on aggregate level and when individual currencies are considered.

IV.4.2.a.3. Liquidity contingency plan

Sound management of liquidity risks includes the establishment and maintenance of an appropriate liquidity contingency plan to ensure the business continuity of its core settlement and custody services. This plan documents the relevant operational procedures and foresees liquidity preservation and generation measures ensuring Euroclear Bank's access to all liquidity sources including contingency sources in the event of an operational or financial crisis.

On top of its own capital and access to regular market funding, Euroclear Bank has negotiated committed liquidity lines and can call upon a total of €0.75 billion syndicated backstop facility, a total of €1.0 bilateral standby facility, approximatively €12.9 billion committed forex swap facilities and a total of €0.3 billion committed repo facilities. The contingency plan and the availability of contingency liquidity are regularly tested.

Finally, to cover the short-term liquidity needs that could result from the default of a client, Euroclear Bank has agreements in place allowing Euroclear Bank to appropriate the client pledged collateral (immediate transfer of ownership). In order to generate liquidity, this appropriated collateral can be re-used with liquidity providers or pledged with the National Bank of Belgium or the Bank of England, pending full liquidation. The Euroclear Bank Terms and Conditions (T&Cs) also foresee exceptional measures should Euroclear Bank experience an unexpected liquidity shortfall.

IV.4.2.b. Liquidity risks in Euroclear SA/NV and other group entities

Although most of liquidity risks in the group lie with Euroclear Bank, other group entities are also exposed to liquidity risks to some extent. Unlike for Euroclear Bank where most liquidity risks are linked to its credit-granting activities, for other entities within the Euroclear group, liquidity risks arise when available liquidity is insufficient to meet working cash needs and or the regulatory minimum qualifying liquid resources requirements.

To minimize these liquidity risks, cash belonging to the group entities is invested in the following way:

- MFEX:
  - Regulatory own funds are either kept on bank current accounts or invested in eligible debt securities via Common Investment Funds (CIF).
  - Same holds true for surplus cash (cash exceeding regulatory liquidity obligations).
- Group CSDs:
  - Regulatory own funds are either kept on bank current accounts or invested in eligible debt securities through a direct investment mandate.
  - Surplus cash can be left on current accounts, placed in term deposits, or invested in eligible debt securities via CIF.
- Euroclear SA/NV:

[10] In line with the Article 6 of Regulation (EU) 575/2013 as amended by the Regulation (EU) 2019/876

- Regulatory own funds and additional recovery capital are primarily invested in eligible debt securities via CIF.
- Surplus cash can also be invested via CIF or in equity, provided it serves a strategic purpose and aligns with the group's long-term vision and mission.

Liquidity stress tests are performed on a regular basis for the group CSDs and Euroclear SA/NV to ensure adequate funding and, where applicable, compliance with local regulatory liquidity obligations. While for group CSDs most regulatory liquidity obligations are specified by the CSDR, Euroclear SA/NV is subject to and complies with regulatory requirements on LCR and NSFR. Moreover, as part of the Risk Appetite Framework, Euroclear SA/NV has set higher internal LCR and NSFR limits than the 100% limit prescribed by the legislation.

To comply with regulatory liquidity obligations CSDs and Euroclear SA/NV can only use the following types of investments in line with the applicable regulatory framework of each entity: cash, overnight or term deposits, or High-Quality Liquid Assets (HQLA). The latter include level 1 plain vanilla debt securities issued or guaranteed by (i) a government; (ii) a central bank; (iii) a multilateral development bank[11]; or (iv) the European Financial Stability Facility or the European Stability Mechanism.

Maturity limits for securities investments are set at a maximum of three years for the investment of regulatory own funds for Euroclear SA/NV, MFEX and group CSDs. Specifically for Euroclear SA/NV, available surplus cash—defined as cash exceeding regulatory liquidity obligations—can be invested in plain vanilla corporate fixed income securities via CIF with maturities up to five years, provided the average maturity does not exceed three years. These investments adhere to strict and conservative investment policy principles aligned with the group's risk and credit rating profiles.

Similarly to Euroclear Bank, Euroclear SA/NV can also raise liquidity from securities held for regulatory purposes and funded by the debt issued for that purpose. For instance, in 2018 Euroclear SA/NV issued convertible subordinated liabilities for a total amount of €100 million (maturing in 2033) under a Belgian law registered note format. This note contributed to structuring a loss absorption mechanism that would be used to restore Euroclear SA/NV capital position should recovery and resolution scenarios[12] realise. In December 2019 this note was recognised as Tier 2 regulatory capital. Similarly as for Euroclear Bank, the note was originally subscribed by Euroclear Investments SA/NV and is now held by Euroclear Holding SA/NV.

In addition to that, Euroclear SA/NV can also raise liquidity from debt issued by other group entities. For instance, on 16 June 2021, Euroclear Investments SA/NV (now-dissolved) issued a 30-year non-callable - 10-year hybrid - subordinated Eurobond on the Irish stock exchange for an amount of €350 million. The proceeds of this long-term debt were down streamed to Euroclear SA/NV under the form of a capital increase (€225 million) and the subscription to an Additional Tier 1 instrument of €125 million (maturing in 2031). The purpose was to fund the acquisition of the MFEX group and mitigate the impact of the acquisition on Euroclear SA/NV's regulatory capital adequacy. The residual balance of approximately €300 million between the issuance and subscriptions is held as a liquidity reserve invested in the Common Investment Fund. Following the dissolution of the Euroclear Investments SA in 2024, all the debt issued by the Euroclear Investments SA/NV has now moved to Euroclear Holding SA/NV.

IV.4.2.c. Overview of financial liabilities by remaining maturity

The table below shows the consolidated financial liabilities analysed by remaining contractual maturity at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows at spot rate and the book value of the derivatives.

Expectedly, the large majority of Euroclear's financial liabilities are repayable on demand or within one week as these are deposits from central banks, banks and customers. Large proportion of these deposits are frozen or immobilised balances that belong to Russian sanctioned clients. These have grown in 2024 compared to the previous year as credited income accumulates on the blocked accounts. Overnight deposits from non-sanctioned clients are moderate as leaving cash overnight on the account is discouraged through penalising interest rates.

Debt securities issued and funds borrowed make a small minority of Euroclear's financial liabilities. These are predominately short- (3 months) or medium-term (between 1 and 5 years). As Euroclear's liquidity position grows stronger due to growing earnings, the need to raise liquidity through debt issuance or borrowing has decreased. This is also the reason why the GBP 350 million security issued by the Euroclear Bank which matured in September 2024 was not rolled over. This is reflected in the table below.

Remaining financial liabilities make up a negligible share of the total book value.

11 As listed under Article 117 of Regulation (EU) No 575/2013 of the European Parliament and of the Council

12 In line with the Banking Recovery and Resolution Directive applicable to the Company

(€'000)	Notes	Repayable on demand or within one week	Other amounts maturing within 3 months	Maturity between 3 and 6 months	Maturity between 6 months and 1 year	Maturity within 1 to 5 years	Maturity after 5 years	Undiscounted contractual cash flows - Total	Book value
At 31 December 2024									
Financial liabilities									
- Deposits from central banks		157,270,725	-	-	-	-	-	157,270,725	157,270,725
- Deposits from banks and customers		38,934,792	104,008	-	-	-	-	39,038,800	39,038,604
- Debt securities issued and funds borrowed	XXII	17,720	1,304,550	275,058	527,411	1,357,647	307,890	3,790,276	3,672,423
- Financial liabilities held for trading	XV	53,160	-	-	-	-	-	53,160	53,160
- Derivatives used for hedging	XVI	1,410	14,166	12,284	21,531	52,126	-	101,517	101,517
- Lease liabilities		-	7,314	7,636	15,191	88,156	40,368	158,665	158,665
- Subordinated liabilities	XXVI	-	12,520	5,375	-	71,580	556,130	645,605	535,449
Total financial liabilities		**196,277,807**	**1,442,558**	**300,353**	**564,133**	**1,569,509**	**904,388**	**201,058,748**	**200,830,543**

(€'000)	Notes	Repayable on demand or within one week	Other amounts maturing within 3 months	Maturity between 3 and 6 months	Maturity between 6 months and 1 year	Maturity between 1 and 5 years	Maturity after 5 years	Undiscounted contractual cash flows - Total	Book value
At 31 December 2023									
Financial liabilities									
- Deposits from central banks		115,913,293	-	-	-	-	-	115,913,293	115,913,293
- Deposits from banks and customers		33,442,961	114,453	7,882	-	-	-	33,565,296	33,564,939
- Debt securities issued and funds borrowed	XXII	28,499	1,289,289	466,692	439,759	1,936,144	315,780	4,476,163	4,300,110
- Financial liabilities held for trading	XV	55,001	-	-	-	-	-	55,001	55,001
- Derivatives used for hedging	XVI	197	4,625	1,121	548	65,570	-	72,061	72,061
- Lease liabilities		-	7,739	7,707	15,509	88,401	47,984	167,340	167,340
- Subordinated liabilities	XXVI	-	12,520	5,375	-	71,580	603,725	693,200	535,186
Total financial liabilities		**149,439,951**	**1,428,626**	**488,777**	**455,816**	**2,161,695**	**967,489**	**154,942,354**	**154,607,930**

IV.4.2.d. Fair value of financial instruments

The group uses fair value to obtain the objective, market-based price of financial instruments at a given measurement day. In order to measure fair values, the group is using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices in active markets for the same instruments. A market is regarded as active if quoted prices are readily and regularly available (exchange, dealer, broker, pricing service or regulatory agency) and if these prices represent actual and regularly occurring market transactions on an arm's length basis.

- Level 2: The fair value of these instruments is determined by using quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments, quoted prices for similar instruments in markets that are less active, or other valuation techniques. The valuation techniques maximise the use of observable market data where it is available. If all significant inputs that are required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:
  - quoted market prices or dealer quotes for similar instruments;
  - the present value of the estimated future cash flows based on observable yield curves, for the fair value of interest rate swaps;
  - the forward exchange rates at the balance sheet date, with the resulting value discounted back to present value, for the fair value of forward foreign exchange contracts;
  - other techniques, such as discounted cash flow analysis, used to determine the fair value of remaining financial instruments.

IV.4.2.d.1 Financial instruments measured at fair value

The table below shows the three-level hierarchy of the financial instruments measured at fair value. Overall, Euroclear has a very good visibility on the fair value of its financial instruments as the large majority of financial instruments are classified as level 1 or level 2.

Only a minority of financial instruments are classified in level 3. These relate to minority long-term participating interests of Euroclear Bank (SWIFT and Monte Titoli) and Euroclear SA/NV (amongst which Marketnode, Fnality and DSB Limited).

(€'000)	Notes	Level 1	Level 2	Level 3	Total
At 31 December 2024					
Financial assets					
Financial assets at FVOCI	XIV				
- Equity instruments		-	31,754	48,245	79,999
- Debt instruments		15,782,893	-	-	15,782,893
Non-trading financial assets mandatorily at FVPL					
- Debt instruments		-	-	19,602	19,602
- Loans		-	-	13,709	13,709
Financial assets held for trading	XV				
- Forward foreign exchange		-	53,255	-	53,255
Derivatives used for hedging	XVI				
- Forward foreign exchange		-	3,910	-	3,910
- Interest rate swaps		-	101,901	-	101,901
Total financial assets		15,782,893	190,820	81,556	16,055,269
Financial liabilities					
Financial liabilities held for trading	XV				
- Forward foreign exchange		-	53,160	-	53,160
Derivatives used for hedging	XVI				
- Forward foreign exchange		-	48,571	-	48,571
- Interest rate swaps		-	52,946	-	52,946
Total financial liabilities		-	154,677	-	154,677

(€'000)	Notes	Level 1	Level 2	Level 3	Total
At 31 December 2023					
Financial assets					
Financial assets at FVOCI	XIV				
- Equity instruments		366,347	369,033	43,935	779,315
- Debt instruments		13,675,826	-	-	13,675,826
Non-trading financial assets mandatorily at FVPL					
- Debt instruments		-	-	19,346	19,346
- Loans		-	-	13,983	13,983
Financial assets held for trading	XV				
- Forward foreign exchange		-	85,161	-	85,161
Derivatives used for hedging	XVI				
- Forward foreign exchange		-	14,401	-	14,401
- Interest rate swaps		-	79,247	-	79,247
Total financial assets		14,042,173	547,842	77,264	14,667,279
Financial liabilities					
Financial liabilities held for trading	XV				
- Forward foreign exchange		-	55,001	-	55,001
Derivatives used for hedging	XVI				
- Forward foreign exchange		-	5,782	-	5,782
- Interest rate swaps		-	66,279	-	66,279
Total financial liabilities		-	127,062	-	127,062

The table below shows the reconciliation of the level 3 fair value measurements.

(€'000)	Notes	At 31 December 2023	(Disposals)/ acquisitions	Fair value adjustment released in profit or loss	Fair value adjustment recognised in equity	Accrued Interest	At 31 December 2024
Financial assets							
Financial assets at FVOCI							
- Equity shares	XIV	43,935	3,886	-	424	-	48,245
Non-trading financial assets mandatorily at FVPL							
- Debt instruments		19,346	256	-	-	-	19,602
- Loans		13,983	(948)	-	-	674	13,709
Total financial assets		77,264	3,194	-	424	674	81,556

(€'000)	Notes	At 31 December 2022	(Disposals)/ acquisitions	Fair value adjustment released in profit or loss	Fair value adjustment recognised in equity	Accrued Interest	At 31 December 2023
Financial assets							
Financial assets at FVOCI							
- Equity shares	XIV	71,254	9,702	-	(37,021)	-	43,935
Non-trading financial assets mandatorily at FVPL							
- Debt instruments		14,711	-	-	4,635	-	19,346
- Loans		18,590	(4,984)	-	-	377	13,983
Total financial assets		104,555	4,718	-	(32,386)	377	77,264

IV.4.2.d.2 Financial instruments not measured at fair value

The table below shows the three-level hierarchy of the financial instruments not measured at fair value. These are predominately sanctioned balances held by Russian sanctioned clients (liabilities-side) and their reinvestment (asset side). Cash and balances with central banks almost exclusively reflect redeposited long balances. Loans and advances include reverse repos and long balances deposited with financial institutions other than central banks, and to a lesser extent overdrafts and fixed term advances to clients. Loans and advances at amortised cost and deposits are short-term (less than 12 months), hence their carrying amount is a reasonable approximation of their fair value.

(€'000)	Notes	Level 1	Level 2	Level 3	Total	Carrying amount
At 31 December 2024						
Financial assets						
- Cash and balances with central banks		141,230,368	3,408,081	-	144,638,449	144,638,449
- Loans and advances at amortised cost		6,409,448	45,838,472	-	52,247,920	52,247,920
Total financial assets		147,639,816	49,246,553	-	196,886,369	196,886,369
Financial liabilities						
- Deposits from central banks		157,270,725	-	-	157,270,725	157,270,725
- Deposits from banks and customers		38,934,792	103,812	-	39,038,604	39,038,604
- Debt securities issued and funds borrowed	XXII	3,114,672	508,403	-	3,623,075	3,672,423
- Lease liabilities		-	158,665	-	158,665	158,665
- Subordinated liabilities	XXVI	-	511,009	-	511,009	535,449
Total financial liabilities		199,320,189	1,281,889	-	200,602,078	200,675,866

(€'000)	Notes	Level 1	Level 2	Level 3	Total	Carrying amount
At 31 December 2023						
Financial assets						
- Cash and balances with central banks		105,806,274	2,877,493	-	108,683,767	108,683,767
- Loans and advances at amortised cost		6,882,896	32,417,979	-	39,300,875	39,300,875
Total financial assets		112,689,170	35,295,472	-	147,984,642	147,984,642
Financial liabilities						
- Deposits from central banks		115,913,293	-	-	115,913,293	115,913,293
- Deposits from banks and customers		33,442,961	121,978	-	33,564,939	33,564,939
- Debt securities issued and funds borrowed	XXII	3,616,834	591,731	-	4,208,565	4,300,110
- Lease liabilities		-	167,340	-	167,340	167,340
- Subordinated liabilities	XXVI	-	475,042	-	475,042	535,186
Total financial liabilities		152,973,088	1,356,091	-	154,329,179	154,480,868

IV.4.3. Market risk

Euroclear defines market risk as the uncertainty on the value of assets and liabilities (on- or off-balance sheet) and on the future earnings (linked to foreign exchange or interest rate movements) due to changes in the market rates or prices.

In line with the group's risk appetite, the market risk tolerance is very low for all group entities and is a by-product of its business operations and strategy. As an FMI, Euroclear undertakes very few market transactions, does not trade in terms of taking market-related positions for short-term profits, and keeps it equity investments prudent and purely for strategic purposes. All in all, Euroclear's strategy is to minimise market risk in all parts of the business, via strict hedging and investment policies and use of tight limits.

Market risk at Euroclear arises mostly from fluctuations in interest rates (IR) and foreign exchange rates (FX), as well as maturity mismatches between Assets and Liabilities in banking activities. In the event of a participant default, collateral received in different currencies from borrowing participants would also contribute to market risk by exposing Euroclear Bank to both foreign exchange rates evolution and market prices evolution, which is why stringent haircuts are applied (see IV.2.1.b. Credit risk mitigation). Euroclear Bank has a Market Risk Framework in place to effectively manage and minimise market risks to ensure stability of earnings and capital protection.

Euroclear employs a number of tools to measure and closely monitor the market risk across the group:

- Interest rate risk: sensitivities of economic value of equity (EVE) and net interest income (NII) to interest rate shocks under the Interest Rate Risk in the Banking Book (IRRBB) and to credit spread shocks under the Credit Spread Risk in the Banking Book (CSRBB);
- Foreign exchange risk: future earnings not in EUR, end-of-day FX exposure and daily FX VaR at a 99% confidence level.

In 2024 Euroclear's limited market risk exposures remained well within regulatory and internal risk appetite limits. The interest rate cuts, gradually implemented by central banks in the second half of 2024, after two years of historically high rates, had a negative impact on Euroclear's net interest income, but it was partially offset by their positive impact on the economic value of equity.

IV.4.3.a. Market risk at Euroclear Bank

Similarly to other financial risk types, the majority of market risk in the group is concentrated at Euroclear Bank. As Euroclear Bank does not engage in any activity that is not consistent with its role of FMI or is a consequence of its clients' activity (i.e. trading[13]) the main sources of market risk are uncertainties related to its future earnings and core equity.

In order to preserve its core equity, Euroclear Bank applies a prudent investment strategy in line with the group-wide very low appetite for market risk. Euroclear Bank invests its core equity (shareholders' equity plus retained earnings) predominately in euro-denominated highly rated and liquid debt instruments rated AA- or higher. These assets have a maximum maturity of 5 years and an average maturity target of 2.5 years.

To protect future earnings against adverse market conditions Euroclear Bank applies an appropriate hedging strategy. Euroclear Bank engages in a series of market derivatives in order to hedge the forex risk exposure resulting from future non-EUR income streams, with the aim of ensuring that the financial results are not adversely affected by market evolutions ('predictability of future revenues'). Such transactions are classified as cash flow hedges. The Foreign Exchange Manageable Amount owned by the Finance Division forecasts the future income by currency, based on the plan figures. The outcome of this exercise is used by the Treasury Department to carry out the Foreign Exchange hedging activity, with the whole process overseen by the Euroclear Bank Credit Assets & Liabilities Committee (CALCO).

To hedge the interest rates exposures and manage the Net Interest Income (NII) volatility through the interest rate cycle, Euroclear Bank uses interest rate swap hedges. CALCO reviews the evolution of the investment and hedging strategy on a monthly basis and associated hedge effectiveness on a quarterly basis. Controls are in place to ensure that the hedging item and instruments remain aligned to minimise market risk.

The activities and instruments in which Euroclear Bank can engage must be in line with its low-risk profile. Therefore, Euroclear Bank is not significantly exposed to equity risk.

Russian sanctions and countermeasures market risk impact

The impact of Russian sanctions on Euroclear Bank's FX risk was limited since sanctioned balances are either reinvested in the same currency as the underlying balance or are hedged through the FX markets where the reinvestment is in a different currency to the underlying balance.

The impact of Russian sanctions on Euroclear Bank's IR risk was somewhat greater since current year earnings generated from the reinvestment of the Russian sanctioned balances are invested overnight, causing Euroclear Bank to be more exposed to interest rate shocks. However, the large majority of these earnings stem from the reinvestment of the Central Bank of Russia immobilised balances and are thus subject to the European Council Regulation (EU) 2024/576 and have to be transferred to the European Commission semi-annually (see Note VIII).

IV.4.3.b. Market risk at Euroclear SA/NV and other group entities

Euroclear SA/NV, other group entities face market risk only to a limited extent. Predominantly, they are exposed to interest rate risk as these entities do not operate commercial cash accounts but invest their cash positions, where applicable, in accordance with regulatory liquidity requirements. This is particularly the case for group CSDs. They reinvest their cash positions in four ways:

- straight overnight or term deposits;
- regulatory cash is invested in a Common Investment Fund (CIF) with a maximum maturity of three years, or is left on cash accounts where appropriate;
- excess of cash is invested in a CIF with a maximum maturity of five years;
- a loan for recovery purposes (in line with the Minimum Requirement Eligible Liabilities - MREL) from Euroclear Holding SA/NV is invested in a CIF with a maturity of maximum eight years.

MFEX faces some foreign exchange risk largely due to the currency mismatch between the rebates collected (from fund managers) and paid (to distributors). Currently, Euroclear SA/NV as a parent entity capitalises against MFEX's Market Risk under the normative and economic view.

Foreign exchange risk is not significant in Euroclear SA/NV and the CSDs. FX risk for these entities could primarily arise when reinvesting their surplus cash position in a non-local currency. To avoid the potential foreign exchange risk, group entities can only make these investments in their local currency, meaning in EUR for entities whose functional currency is EUR, in GBP for the entities located in the United Kingdom, and in SEK for the Swedish entity. From a consolidated group perspective, the main source of foreign exchange risk stems from the potential change in net asset values of Euroclear SA/NV's non-euro shareholdings (for example, Euroclear UK & International and Euroclear Sweden).

Starting in April 2018, Euroclear launched its Euroclear Treasury Funds and Treasury Investment mandates in France and the UK (Common Investment Funds) to manage regulatory and excess treasury positions of the group (excluding Euroclear Bank). The aim is to better mitigate risks (credit, market and liquidity) arising from treasury investments in EUR and GBP for Euroclear SA/NV and the CSDs, including capital erosion risks in the previous negative interest rate environment.

[13] Please note that under IFRS certain transactions in derivatives carried out by Euroclear Bank do not qualify as hedges and are therefore may be recognised under trading activities. These, however, do not constitute trading in its traditional finance understanding.

The Euroclear Treasury Fund and Treasury Investment Mandate structures (recorded as financial assets designated at FVOCI) rely on two common investment funds and two investment mandates, which are all managed by two custodians domiciled in Belgium and Luxembourg. The assets under management are totaling approximatively €0.3 billion as of end 2024 (2023: €0.6 billion).

Such structures enable eligible Euroclear entities to invest their regulatory cash and to some extent their surplus cash positions under strict rules such as to invest into EUR and GBP government or supra-national ECB eligible securities with rating, maturities, duration and concentration limitations. They also enable group subsidiaries to invest their respective excess cash positions to allow for optimised treasury returns and risk mitigation on cash in excess of regulatory obligations. Applicable investment rules also include rating, maturity, and concentration limitations.

Unlike Euroclear Bank, Euroclear SA/NV is exposed to equity risk to some extent. Euroclear SA/NV invests in equity provided that it serves a strategic purpose and aligns with the group's long-term vision and mission. Following the sale of the majority of the Euroclear SA/NV's long-term participating interest in Euronext in early 2024, the group's equity risk has substantially decreased and now principally relates to minority long-term participating interests of Euroclear Bank (SWIFT and Monte Titoli) and Euroclear SA/NV (amongst which Marketnode, Fnality and DSB Limited).

IV.4.3.c. Interest rate risk

The majority of interest rate risk in the group lies with the Euroclear Bank and is a by-product of its business operations and balance sheet management (i.e. reinvestment of capital and proceeds from debt issuance). As a result, Euroclear Bank's balance sheet structure and earnings are sensitive to changes in interest rates.

To measure and closely monitor the interest rate sensitivity of the equity value (EVE) and profitability (NII), the group measures and manages Interest Rate Risk in the Banking Book (IRRBB) for Euroclear Bank standalone, Euroclear SA/NV consolidated. The IRRBB framework looks at the EVE and NII sensitivities by comparing a baseline scenario against six stressed scenarios for EVE and two stressed scenarios for NII. The assessment takes into account the interest rate sensitive elements on- and off- balance sheet as well as interest rate sensitive income/expenses. Interest rate-sensitive financial instruments held off-balance sheet include interest rate swaps and foreign exchange swaps and forwards.

The table below shows the IRRBB assessment at the level of Euroclear SA/NV. The column with effective 2024 result represents the actual interest earned over the reporting year while 2025 is a projection for the next year.

Assets and liabilities held in the Banking book are predominantly denominated in euro, and they are expressed at market value for the purpose of this disclosure. The economic value of the Banking book is computed by discounting the future cash flows for assets and liabilities.

The IRRBB assessment is based on the IRRBB Standardised Approach, in compliance with the 2022 IRRBBB SA RTS[14] and EBA IRRBB SOT RTS[15]. The key modelling and parametric assumptions used for the IRRBB measures are:

- It assumes a run-off balance sheet for EVE method, where existing banking book positions are amortised and are not replaced by any new business, and a constant balance sheet for the NII calculation;
- It calculates the mark-to-model (MtM) values, i.e., net present values of cash flows, by discounting with risk-free rates, e.g. EUR Short-Term Rate (ESTR) and USD Secured Overnight Financing Rate (USD SOFR), and stressed interest rates;
- It assumes an overnight maturity for the clients' Non-Maturing Deposits/long balances (NMDs), except for sanctioned client cash balances, for which a conservative maturity cap of 3 months is applied, so long as there is no indication of sanctions being lifted;
- It considers 4 material currencies for interest sensitive exposures in the banking book. The non-material currencies are mapped to the base currency, EUR.

In addition, the model includes the following main features in compliance with the SA RTS:

- Pre-defined slotting: All cashflows are slotted into 19 regulatory pre-defined buckets according to their re-pricing dates. The mid-bucket points are considered as their «bucketed maturities», instead of their actual maturity dates in the old model (e.g. a cash flow with effective maturity date between 4Y and 5Y will constantly receive a 4.5Y maturity).
- Currency weights applied on DeltaEVE and DeltaNII when aggregating them across different currencies.
- Fixed commercial margin in NII calculations.

Under the IRRBB SA model, as per the above specifications, the overall income sensitivity to interest rate changes appears limited due to the fixed commercial margin requirement imposed by the EBA SA RTS and EBA SOT RTS.

[14] EBA/RTS/2022/09

[15] EBA/RTS/2022/10

2024 (€'000)	Economic value of banking book	Interest result Effective 2024	Income sensitivity Interest result Expected 2025
Interest scenario's			
Parallel increase in interest rates with 200 basis points	11,954,236,358	-	8,444,452,089
No movement	12,231,614,975	7,998,216,000	8,398,105,332
Parallel decrease in interest rates with 200 basis points	12,377,732,047	-	8,242,260,858

2023 (€'000)	Economic value of banking book	Interest result Effective 2023	Income sensitivity Interest result Expected 2024
Interest scenario's			
Parallel increase in interest rates with 200 basis points	7,766,176,028	-	6,143,745,777
No movement	8,020,899,131	5,352,855,000	6,135,534,443
Parallel decrease in interest rates with 200 basis points	8,156,294,043	-	6,036,321,837

The tables below reflect the interest rate risk profile of assets and liabilities at 31 December 2024 for Euroclear SA/NV, based on the earlier of maturity date and interest rate resetting date. Amounts are net of any impairment loss.

(€'000)	Repayable on demand or within one week	Other amounts maturing within 3 months	Maturity between 3 and 6 months	Maturity between 6 months and 1 year	Maturity between 1 and 5 years	Maturity after 5 years	Non-interest bearing	Total
At 31 December 2024								
Assets								
- Cash and balances with central banks	144,605,399	-	-	-	-	-	33,050	144,638,449
- Loans and advances at amortised cost	9,437,987	42,616,423	18,090	18,084	-	-	157,336	52,247,920
- Financial assets at FVOCI	-	12,558,865	545,727	83,428	2,258,358	312,735	103,779	15,862,892
- Non-trading financial assets mandatorily at FVPL	-	-	10,213	-	2,412	-	20,686	33,311
- Financial assets held for trading	-	-	-	-	-	-	53,255	53,255
- Derivatives used for hedging	-	1,452	935	1,586	40,938	-	60,900	105,811
- Other assets	-	-	-	-	-	-	2,745,179	2,745,179
Total assets	**154,043,386**	**55,176,740**	**574,965**	**103,098**	**2,301,708**	**312,735**	**3,174,185**	**215,686,817**
Liabilities								
- Deposits from central banks	157,270,725	-	-	-	-	-	-	157,270,725
- Deposits from banks and customers	38,934,327	103,071	-	-	-	-	1,206	39,038,604
- Debt securities issued and funds borrowed	17,504	1,293,018	274,971	499,558	1,274,396	299,009	13,967	3,672,423
- Financial liabilities held for trading	-	-	-	-	-	-	53,160	53,160
- Derivatives used for hedging	-	14,888	12,284	21,531	32,628	-	20,186	101,517
- Lease liabilities	-	7,314	7,636	15,191	88,156	40,368	-	158,665
- Other liabilities	-	2,057,594	-	-	-	522,973	2,171,320	4,751,887
Shareholders' equity	-	-	-	-	-	-	10,639,836	10,639,836
Total liabilities and shareholders' equity	**196,222,556**	**3,475,885**	**294,891**	**536,280**	**1,395,180**	**862,350**	**12,899,675**	**215,686,817**
Total interest sensitivity gap	(42,179,170)	51,700,855	280,074	(433,182)	906,528	(549,615)	(9,725,490)	-
Cumulative gap	(42,179,170)	9,521,685	9,801,759	9,368,577	10,275,105	9,725,490	-	-

(€'000)	Repayable on demand or within one week	Other amounts maturing within 3 months	Maturity between 3 and 6 months	Maturity between 6 months and 1 year	Maturity between 1 and 5 years	Maturity after 5 years	Non-interest bearing	Total
At 31 December 2023								
Assets								
- Cash and balances with central banks	108,616,557	-	-	-	-	-	67,210	108,683,767
- Loans and advances	11,379,402	27,771,589	-	-	-	-	149,884	39,300,875
- Financial assets at FVOCI	-	9,996,684	547,199	64,557	2,726,206	317,146	803,349	14,455,141
- Non-trading financial assets mandatorily at FVPL	-	-	-	690	11,597	1,151	19,891	33,329
- Financial assets held for trading	-	-	-	-	-	-	85,161	85,161
- Derivatives used for hedging	-	6,997	1,711	5,692	30,231	-	49,017	93,648
- Other assets	-	-	-	-	-	-	2,744,071	2,744,071
Total assets	**119,995,959**	**37,775,270**	**548,910**	**70,939**	**2,768,034**	**318,297**	**3,918,583**	**165,395,992**
Liabilities								
- Deposits from central banks	115,913,293	-	-	-	-	-	-	115,913,293
- Deposits from banks and customers	33,442,522	113,393	7,715	-	-	-	1,309	33,564,939
- Debt securities issued and funds borrowed	23,705	1,277,975	462,660	406,860	1,812,353	298,839	17,718	4,300,110
- Financial liabilities held for trading	-	-	-	-	-	-	55,001	55,001
- Derivatives used for hedging	-	4,753	668	548	46,707	-	19,385	72,061
- Lease liabilities	-	7,739	7,707	15,509	88,401	47,984	-	167,340
- Other liabilities	-	-	-	-	-	522,744	1,218,146	1,740,890
Shareholders' equity	-	-	-	-	-	-	9,582,358	9,582,358
Total liabilities and shareholders' equity	**149,379,520**	**1,403,860**	**478,750**	**422,917**	**1,947,461**	**869,567**	**10,893,917**	**165,395,992**
Total interest sensitivity gap	(29,383,561)	36,371,410	70,160	(351,978)	820,573	(551,270)	(6,975,334)	-
Cumulative gap	(29,383,561)	6,987,849	7,058,009	6,706,031	7,526,604	6,975,334	-	-

IV.4.3.d. Foreign exchange risk

While the majority of the group's Foreign Exchange (FX) exposures lies with the Euroclear Bank, the Bank's residual FX risk remains relatively limited given its low market risk appetite, the focus on the preservation of its capital and prohibition of any trading activities.

To ensure FX risks remains limited, Euroclear Bank has set tight market risk limits that are controlled via strict hedging and investment policies and daily monitoring. In particular, Euroclear Bank uses a Value-at-Risk (VaR) methodology to measure the FX market risk sensitivity relative to the management of its portfolio. The VaR model measures the maximum expected loss for a portfolio over a determined time horizon at a given confidence level (99%). The model assumes a holding period, until positions can be closed, of one day. The market parameters are derived from the volatility and correlation observed from historical daily changes. The VaR model is back-tested on an annual basis or in case of material changes.

The FX-VaR is shown on an aggregated basis. The decrease in the average FX-VaR in 2024 is explained by the reduced size and lower fluctuations of the RUB exposures. Since 2022, Euroclear Bank has taken action to reduce the volumes of these balances and throughout 2024 the overall contribution of RUB to the FX-VaR has had a minimal impact. The main driver behind Euroclear Bank's FX-VaR in 2024 has been volatility in Argentinian peso (ARS) over political events in Argentina - the election of the new Argentinian president in December 2023 and its unorthodox economic policies led to a decline in the Peso. Given that Euroclear Bank has a structural position in ARS due to currency controls in Argentina, increased volatility in the ARS gave rise to the volatility of the FX VaR in the first months of 2024.

(€'000)	2024 average	2024 min	2024 max	2023 average	2023 min	2023 max
Aggregate - FX	67	11	1,300	147	30	3,639

At the group level, most FX risk stems from the potential change in net asset values of Euroclear SA/NV's non-euro shareholdings. With the exception of subsidiaries, principally located in the United Kingdom and Sweden, the group's entities have the EUR as their functional currency.

The table below reflects the group's principal structural currency exposures (foreign exchange translation risk) as of 31 December 2024 for Euroclear SA/NV. The large majority of the group's structural currency exposure stems from the consolidation of operations in Pound sterling and Swedish krona. The currency exposure in Polish zloty stems from the Euroclear Bank's and Euroclear SA/NV's branches located in Poland while exposure in Hong Kong stems from Euroclear Bank's branch located respectively in Hong Kong. The currency exposure in US Dollar and Singapore Dollar stems from the Euroclear Bank's representative offices in the respective countries.

(€'000)	Net investments in non-euro operations	Currency hedges other than borrowings	Remaining structural currency exposures
Functional currency of the operation involved			
At 31 December 2024			
- US dollar	1,201	-	1,201
- Pound sterling	232,281	-	232,281
- Swedish krona	76,593	-	76,593
- Polish zloti	28,813	-	28,813
- Hong Kong dollar	8,618	-	8,618
- Singapore dollar	1,975	-	1,975
At 31 December 2023			
- US dollar	1,666	-	1,666
- Pound sterling	216,441	-	216,441
- Swedish krona	73,729	-	73,729
- Polish zloti	18,884	-	18,884
- Hong Kong dollar	8,060	-	8,060
- Singapore dollar	2,992	-	2,992

The table below summarises the group's exposure to foreign currency exchange rate risk. Included in the table are the group's assets and liabilities at carrying amounts, categorised by currency. The large majority of the group's assets and liabilities are Euro-denominated. The net non-EUR balance sheet positions mainly reflect the net assets of subsidiaries and branches located in the United Kingdom and Sweden, and other transactional positions, being almost fully offset by currency swaps.

Concentration of assets and liabilities per currency

(€'000)	Euro	US Dollar	Canadian Dollar	Pound Sterling	Other	Total
At 31 December 2024						
Total assets	145,146,852	26,616,260	6,710,098	30,806,910	6,406,697	215,686,817
Total liabilities and shareholders' equity	137,577,927	26,025,947	14,157,563	30,182,050	7,743,330	215,686,817
Net balance sheet position	7,568,925	590,313	(7,447,465)	624,860	(1,336,633)	-

Concentration of assets and liabilities per currency

(€'000)	Euro	US Dollar	Canadian Dollar	Pound Sterling	Other	Total
At 31 December 2023						
Assets						
Total assets	108,941,763	22,061,862	3,867,220	24,021,427	6,503,720	165,395,992
Total liabilities and shareholders' equity	100,662,757	21,086,714	12,196,686	23,628,997	7,820,838	165,395,992
Net balance sheet position	8,279,006	975,148	(8,329,466)	392,430	(1,317,118)	-

IV.5. Capital management

IV.5.1. Capital measurement and allocation

Euroclear has in place sound, effective and comprehensive capital measurement methodologies integrated within its overall internal capital adequacy assessment process (ICAAP). The ICAAP relies on two complimentary views on capital adequacy:

- Normative view: This view focuses on ensuring that Euroclear complies with all regulatory capital requirements, even under adverse conditions. These requirements stem from two major regulations that Euroclear is subject to: Capital Requirement Regulation (CRR and CRD IV as transposed into Belgian Banking law) and CSD Regulation.
- Economic view: This view focuses on ensuring that the institution has enough capital to cover all potential losses from risks that it is or might be exposed to, including risks that are not directly reflected in the regulatory capital requirements. The economic view is based on the concept of economic capital and relies on internally developed risk quantification methodologies at a 99.98% confidence level.

Under the normative view Euroclear Bank, Euroclear SA/NV consolidated and Euroclear Holding SA/NV consolidated have to comply with the CRR requirements, which mandate to maintain at all times:

- a ratio of total capital to risk-weighted assets at or above 8%;
- a ratio of Tier 1 capital to risk-weighted assets at or above 6%;
- a ratio of common equity Tier1 capital (CET1) at or above 4.5%;
- Pillar 2 requirement (P2R) as defined through the yearly supervisory review and evaluation process (SREP);
- a Combined Buffer Requirement (CBR) comprising countercyclical buffer (CCyB), capital conservation buffer (CCB) and other systemic institution buffer (O-SII)[16].

For the computation of risk-weighted assets, Euroclear relies on a mix of internally developed models and standardised approaches[17]:

- To compute credit risk-weighted assets Euroclear uses the Foundation Internal Ratings Based Approach (FIRBA). Under this approach, credit risk-weighted assets take into consideration balance sheet assets and off-balance sheet exposures that may give rise to credit risk. Collateral and other eligible guarantees are taken into account appropriately. Credit risk-weighted assets are calculated for Euroclear Bank, Euroclear SA/NV consolidated.
- For the calculation of operational risk-weighted assets, Euroclear combines the Advance Measurement Approach (AMA) for Euroclear Bank, Euroclear SA/NV (standalone) with the Basic Indicator Approach for the other group's entities depending on the level of consolidation. The Advance Measurement Approach (AMA) was developed internally and approved by the NBB for regulatory purposes.
- For the calculation of market risk-weighted assets, Euroclear uses the Standardised Approach to cover the foreign exchange risk for Euroclear Bank, Euroclear SA/NV consolidated.

Additionally, under the normative view, Euroclear CSDs and Euroclear Bank are also subject to the CSDR capital requirements, in accordance with the Commission Delegated Regulation (EU) 2017/390. These requirements are calculated as the aggregate of capital requirements for: Operational, legal and custody risks; Investment risks; Business risks; and Winding-down[18] or restructuring. Additionally, Euroclear Bank, as the only Euroclear entity that provides banking-type ancillary services under CSDR, is subject to an additional capital surcharge for the provision of intraday credit.

Euroclear Bank complies with the 'combined capital requirement', which is composed of the CRR requirements, plus the additional capital requirements under CSDR Articles 47. This ensures that all risks faced by Euroclear Bank are adequately covered by its own funds, as defined under the CRR.

Lastly, in addition to the capital ratios, Euroclear also complies with the leverage ratio at all consolidation levels. As part of its Risk Appetite Framework, Euroclear has set a higher internal leverage ratio limit than the 3% limit prescribed by the legislation. Euroclear's current levels of the leverage ratio are already well above this regulatory requirement and are disclosed in the Pillar 3 report.

IV.5.2. Regulatory capital position

The table below sets out the Euroclear SA/NV Consolidated CET1, Tier 1 and total capital levels against the total risk-weighted assets. The latter has somewhat stabilised in 2024 as reduction in credit risk was offset by an increase in operational risk. The latter has increased following revisions of the severity and/or frequency parameters for several scenarios underlying its computation. Operational risk remains the largest driver behind Euroclear's risk-weighted assets.

The group is well-capitalised and remains comfortably above the regulatory requirements. Euroclear's capital has further increased in 2024 as Euroclear continues to act prudently and further strengthening its capital providing cushion against current and future risks.

[16] NBB identifies Euroclear Bank, Euroclear SA/NV and Euroclear Holding as domestic systemically important banks (referred to in EU legislation as 'other systemically important institutions', or O-SIIs) under Belgian banking law and CRD IV. Subsequently, the NBB applies a common equity Tier 1 capital ratio surcharge of 1.5% to Euroclear Bank standalone, Euroclear SA/NV consolidated and Euroclear Holding consolidated.

[17] Additional information on the capital requirements and related methodologies can be found in the Capital Management section of Euroclear's Pillar 3 report.

[18] Only applicable for the (I)CSDs at a standalone level, not for the ESA group at a consolidated level.

(€'000)	2024	2023
Risk-weighted assets[(1)]	**10,833,944**	**10,948,674**
Capital requirement	**866,716**	**875,894**
- Credit risk	222,804	302,064
- Market risk	24,333	12,825
- Operational risk	619,579	561,005
Capital base[(2)]	**8,699,939**	**8,433,888**
- CET1	8,423,231	8,052,575
- Additional Tier 1	124,133	124,023
- Tier 2	152,575	257,290
Solvency ratio		
- CET1	77.7%	73.5%
- Tier 1	78.9%	74.7%
- Total	80.3%	77.0%

[1] Risk-weighted assets represent the total capital requirement multiplied by a factor of 12.5. This means that the risk-weighted assets do not only relate to credit and market risk, but also comprise the gross-up of the capital requirements related to operational risks. For Euroclear, the latter are the main source of capital consumption.
[2] Capital base is highly comparable to the shareholders' equity presented in the Statement of financial positions. Differences are due to deductions required by CRR regulation, mainly goodwill and intangible assets, defined benefit pension fund assets, current year proposed dividend, limits on investments in financial sector entities and deferred tax assets, cash-flow hedging reserve, prudent valuation and provision shortfall for expected losses.

IV.5.3. Minimum required eligible liabilities (MREL)

Consistent with the requirements of Bank Recovery and Resolution Directive (BRRD), as transposed by Belgian law and interpreted by the Belgian National Bank as the National Resolution Authority (NRA), Euroclear SA/NV and Euroclear Bank are required and maintain a minimum level of MREL to facilitate the orderly resolution of the group should this ever be deemed necessary by the NRA. MREL is expressed both as a percentage of the Total Risk Exposure Amount (TREA) and the Total Exposure Measure (TEM). MREL can be met with own funds (Common Equity Tier 1 (CET1), Additional Tier 1 and Tier 2) and a sub-set of eligible liabilities[19] which, in case of resolution, the authorities may bail-in, write down or convert to capital.

V. Segment analysis

The Euroclear SA/NV Management Committee receives internal reports for Euroclear Bank, Euroclear SA/NV, Euroclear UK & International, the ESES CSDs, Euroclear Sweden, Euroclear Finland. as well as for the MFEX group.

The business segments are reported per entity as follows:

- Euroclear Bank (including its Hong Kong, Polish and Japanese branches) is a Central Securities Depository with a Banking License. The market-wide application of international sanctions has had a material impact on Euroclear. As such, Euroclear considers it necessary to separate the estimated Russian sanctions-related earnings from the underlying financial results when assessing the Company's performance and resources. Euroclear has defined procedures and management reporting rules to segregate the sanction-related earnings from the underlying performance, as to isolate the impact from the proceeds and the costs linked to the management of sanctioned assets from the regular conduct of business.
- Euroclear SA/NV (including its branches in Amsterdam, London, Paris and Krakow) is the provider of software development and non-operational support services to the CSDs
- Euroclear UK & International is the Central Securities Depository (CSD) subsidiary located in the United Kingdom. This entity also runs an investment fund order routing business
- the ESES segment includes the group's CSDs located in Belgium, France and the Netherlands
- Euroclear Sweden (CSD in Sweden)
- Euroclear Finland (CSD in Finland)
- MFEX (Funds platform).

Information reported within 'Other' relates to Taskize, Euroclear Global Collateral Limited, Goji Holding Limited and Quantessence Limited. None of these entities qualified as a reportable segment in 2024 or 2023.

A matrix structure exists that allows management to view the business by legal entity but also by product line. MFEX funds platform together with Euroclear Bank's FundsPlace business and Goji funds activities represent a separate Cash Generating Unit (CGU).

No single client generated 10% or more of the group's revenues.

Transactions between the companies are on normal commercial terms and conditions. Recharges of software development costs and support services are based on formal agreements between the entities concerned.

[19] Own funds and MREL eligible liabilities must met specific conditions to qualify as loss absorbing in resolution. These conditions are laid out in Art. 44 of the BRRD.

2024

(€'000)	Notes	Euroclear Bank (excluding Russian impacts)	Euroclear Bank - Russian impacts	Euroclear SA/NV	Euroclear UK & International	ESES CSDs	Euroclear Sweden	Euroclear Finland	MFEX	Other	Eliminations	Group
Interest income	VI	1,488,620	6,853,739	15,600	8,285	6,135	3,164	1,558	6,887	392	(5,040)	**8,379,340**
Interest expense	VI	(369,897)	-	(12,847)	(191)	(284)	(101)	(30)	(1,361)	(1,396)	4,983	**(381,124)**
Net fee and commission income	VII	1,160,012	(27,176)	(39)	155,502	232,995	66,160	55,167	52,207	6,280	(11)	**1,701,097**
Windfall contribution	VIII	-	(4,008,685)	-	-	-	-	-	-	-	-	**(4,008,685)**
Intra-group recharges		3,457	-	950,736	127	37	63	379	1,226	643	(955,006)	**1,662**
Other income		696	42,818	1,118,353	221	116	1,101	37	7,829	766	(1,109,272)	**62,665**
Operating income		**2,282,888**	**2,860,696**	**2,071,803**	**163,944**	**238,999**	**70,387**	**57,111**	**66,788**	**6,685**	**(2,064,346)**	**5,754,955**
Staff costs	X	(153,363)	(23,118)	(471,654)	(24,846)	(24,985)	(18,629)	(14,475)	(35,332)	(16,592)	-	**(782,994)**
Other direct costs	X	(59,905)	(9,198)	(514,782)	(24,160)	(11,694)	(18,773)	(16,597)	(19,262)	(16,914)	553	**(690,732)**
Depreciation and amortisation	XVIII, XIX	(14,357)	-	(59,430)	(168)	(757)	(3,166)	(7,901)	(3,619)	(1,736)	-	**(91,134)**
Royalty fees		(14,402)	-	-	(552)	(768)	(209)	(181)	-	-	16,112	**-**
Group non-operational and administrative support services		(634,583)	(61,659)	(1,513)	(96,445)	(119,701)	(23,045)	(7,742)	(9,451)	(823)	954,906	**(56)**
Share of result in joint venture		-	-	(4,055)	-	-	-	-	-	-	-	**(4,055)**
Operating profit/(loss) before impairment and taxation		**1,406,278**	**2,766,721**	**1,020,369**	**17,773**	**81,094**	**6,565**	**10,215**	**(876)**	**(29,380)**	**(1,092,775)**	**4,185,984**
Impairment	XI	(103)	(254)	(2,064)	25	640	(207)	(93)	(566)	(3,108)	-	**(5,730)**
Operating profit/(loss) before taxation		**1,406,175**	**2,766,467**	**1,018,305**	**17,798**	**81,734**	**6,358**	**10,122**	**(1,442)**	**(32,488)**	**(1,092,775)**	**4,180,254**
Taxation	XII	(354,885)	(1,693,851)	8,887	(4,014)	(21,024)	(1,524)	(2,022)	(4,881)	1,336	-	**(2,071,978)**
Profit/(loss) for the year		**1,051,290**	**1,072,616**	**1,027,192**	**13,784**	**60,710**	**4,834**	**8,100**	**(6,323)**	**(31,152)**	**(1,092,775)**	**2,108,276**
External revenues		3,101,728	6,896,557	21,633	184,389	238,001	72,343	51,613	69,503	6,625	-	**10,642,392**
Revenues from other segments		30,698	-	970,293	2,586	36,167	595	9,158	1,587	1,529	(1,052,613)	**-**
Total revenues		**3,132,426**	**6,896,557**	**991,926**	**186,975**	**274,168**	**72,938**	**60,771**	**71,090**	**8,154**	**(1,052,613)**	**10,642,392**
Segment assets		37,843,392	174,020,804	1,980,221	261,420	350,167	163,614	128,671	878,002	60,526	-	**215,686,817**
of which non-current assets		2,580,798	-	1,067,046	76,432	146,616	61,367	53,427	481,841	45,718	-	**4,513,245**
Segment liabilities and shareholders' equity		36,728,174	174,020,804	4,282,163	217,713	335,974	(42,073)	(150,117)	343,873	(49,694)	-	**215,686,817**

Segment assets and liabilities comprise all third-party assets and liabilities. The Russian segment liabilities represent the Russian clients' deposits blocked pursuant to applicable sanctions.

2024

(€'000)	Belgium	France	Sweden	United Kingdom	Other	Group
Revenues	10,033,723	183,895	141,846	184,389	98,539	**10,642,392**
Profit And Loss before Tax	4,099,799	70,447	4,916	16,605	(11,513)	**4,180,254**
Tax on Profit and Loss	(2,039,969)	(18,201)	(6,406)	(4,014)	(3,388)	**(2,071,978)**
Total Assets	213,899,798	229,462	1,041,616	261,420	254,521	**215,686,817**
- of which Non-current assets	3,673,915	113,361	543,208	76,432	106,329	**4,513,245**
Total Liabilities	215,056,325	255,479	301,800	217,713	(144,500)	**215,686,817**
Number of employees on Full Time Equivalent basis	4,947	93	485	328	162	**6,015**

2023

(€'000)	Notes	Euroclear Bank (excluding Russian impacts)	Euroclear Bank - Russian impacts	Euroclear SA/NV	Euroclear UK & International	ESES CSDs	Euroclear Sweden	Euroclear Finland	MFEX	Other	Eliminations	Group
Interest income	VI	1,269,934	4,466,439	3,808	4,899	1,813	3,142	376	4,169	142	(605)	**5,754,117**
Interest expense	VI	(324,250)	(64,778)	(12,722)	(12)	1,182	(83)	-	(595)	(576)	572	**(401,262)**
Net fee and commission income	VII	1,109,733	(23,960)	(64)	134,526	223,004	59,885	54,478	51,866	1,548	29	**1,611,045**
Intra-group recharges		3,495	-	883,394	61	39	62	318	6,360	-	(892,206)	**1,523**
Other income		160,051	5,892	436,847	431	391	(22)	168	3,271	57	(425,795)	**181,291**
Operating income		**2,218,963**	**4,383,593**	**1,311,263**	**139,905**	**226,429**	**62,984**	**55,340**	**65,071**	**1,171**	**(1,318,005)**	**7,146,714**
Staff costs	X	(156,472)	(8,252)	(411,632)	(20,408)	(23,550)	(17,325)	(13,981)	(35,133)	(6,486)	-	**(693,239)**
Other direct costs	X	(15,811)	(18,389)	(448,239)	(19,873)	(5,464)	(17,652)	(16,862)	(21,294)	(1,099)	704	**(563,979)**
Depreciation and amortisation	XVIII, XIX	(8,655)	-	(64,806)	(88)	(700)	(3,141)	(6,517)	(4,251)	(189)	-	**(88,347)**
Royalty fees		(28,297)	-	-	(554)	(675)	(249)	(147)	-	-	29,922	**-**
Group non-operational and administrative support services		(601,711)	(34,922)	(1,149)	(92,557)	(127,157)	(19,359)	(8,746)	(5,933)	(726)	892,217	**(43)**
Share of result in joint venture		-	-	(2,602)	-	-	-	-	-	-	-	**(2,602)**
Operating profit/(loss) before impairment and taxation		**1,408,017**	**4,322,030**	**382,835**	**6,425**	**68,883**	**5,258**	**9,087**	**(1,540)**	**(7,329)**	**(395,162)**	**5,798,504**
Impairment	XI	508	-	(19,806)	90	(199)	(100,230)	(44)	473	(5,358)	-	**(124,566)**
Operating profit/(loss) before taxation		**1,408,525**	**4,322,030**	**363,029**	**6,515**	**68,684**	**(94,972)**	**9,043**	**(1,067)**	**(12,687)**	**(395,162)**	**5,673,938**
Taxation	XII	(352,077)	(1,080,508)	(537)	(819)	(18,440)	(1,204)	(1,802)	1,915	3,695	-	**(1,449,777)**
Profit/(loss) for the year		**1,056,448**	**3,241,522**	**362,492**	**5,696**	**50,244**	**(96,176)**	**7,241**	**848**	**(8,992)**	**(395,162)**	**4,224,161**
External revenues		3,024,082	4,472,300	15,759	159,022	227,082	66,577	47,883	61,203	1,772	-	**8,075,680**
Revenues from other segments		27,482	-	913,798	1,795	34,599	(80)	8,905	1,650	(24)	(988,125)	**-**
Total revenues		**3,051,564**	**4,472,300**	**929,557**	**160,817**	**261,681**	**66,497**	**56,788**	**62,853**	**1,748**	**(988,125)**	**8,075,680**
Segment assets		27,312,462	134,253,508	2,097,837	231,455	334,067	157,981	124,397	873,839	10,447	-	**165,395,993**
of which non-current assets		2,990,353	19,000	1,102,177	120,119	128,270	65,393	57,919	489,564	1,456	-	**4,974,251**
Segment liabilities and shareholders' equity		26,181,287	134,253,508	4,334,730	194,461	314,337	(48,509)	(153,859)	340,393	(20,355)	-	**165,395,993**

2023

(€'000)	Belgium	France	Sweden	United Kingdom	Other	Group
Revenue	7,526,320	174,689	127,780	159,022	87,869	**8,075,680**
Profit And Loss before Tax	5,701,373	58,735	(96,039)	6,514	3,355	**5,673,938**
Tax on Profit and Loss	(1,433,928)	(15,788)	711	(819)	47	**(1,449,777)**
Total Assets	163,719,025	220,916	1,031,820	231,455	192,777	**165,395,993**
- of which Non-current assets	4,137,881	92,916	554,957	120,119	68,378	**4,974,251**
Total Liabilities	164,794,224	242,934	291,883	194,461	(127,509)	**165,395,993**
Number of employees on Full Time Equivalent basis	4,593	88	512	216	161	**5,570**

The €1,092,775,000 remaining in the Eliminations column relates to dividends received from companies within the group (2023: €395,162,000).

The country reporting is disclosed in compliance with article 89 of the European Capital Regulatory Directive IV and IFRS 8. The country information reflects the country of residence of the entities. Revenues are allocated to the country that generated the revenue. Revenues include interest income, fee income, net income on financial assets and other operating income.

VI. Net interest income

(€'000)	Notes	2024	2023
Interest income on financial instruments			
- Cash and balances with central banks		5,144,966	3,637,240
- Loans and advances at amortised cost		2,432,031	1,655,396
- Debt instruments measured at FVOCI		630,246	350,785
- Non-trading financial assets mandatorily at FVPL		654	1,214
- Derivatives used for hedging (only interest flows)		110,309	82,609
- Negative interest on financial liabilities		3,678	5,569
- Other		56,898	20,810
Interest income on defined benefit plans	XXIV	558	494
Total interest income		**8,379,340**	**5,754,117**
Interest expense on financial instruments			
- Deposits from banks and customers		(21,070)	(23,751)
- Debt securities issued and funds borrowed		(138,478)	(155,738)
- Subordinated liabilities		(18,158)	(18,080)
- Derivatives used for hedging (only interest flows)		(171,223)	(121,942)
- Negative interest on financial assets at amortised cost		(228)	(327)
- Negative interest on financial assets at FVOCI		(2,416)	(3,716)
- Other		(25,387)	(74,642)
Interest expense on lease liabilities		(2,344)	(1,203)
Interest expense on defined benefit plans	XXIV	(1,820)	(1,863)
Total interest expense		**(381,124)**	**(401,262)**
Net interest income		**7,998,216**	**5,352,855**

The level of interest revenues has increased despite a decrease trend in interest rates in the second half of 2024 thanks to the growth of cash balances arising from sanctions on Russia.

VII. Net fee and commission income

(€'000)	2024	2023
Fee and commission income		
Clearing and settlement	632,562	677,698
Safekeeping	1,038,251	988,696
Other	527,912	472,355
Total fee and commission income	**2,198,725**	**2,138,749**
Fee and commission expense		
Clearing and settlement	(127,214)	(168,808)
Safekeeping	(249,414)	(236,779)
Other	(121,000)	(122,117)
Total fee and commission expense	**(497,628)**	**(527,704)**
Net fee and commission income	**1,701,097**	**1,611,045**

Other fee and commission income principally include communication fees amounting to €216,000,000 (2023: €201,000,000), custody servicing fees amounting to €48,000,000 (2023: €47,000,000), issuer and securities services amounting to €44,000,000 (2023: €38,000,000), distribution fees (MFEX) amounting to €56,000,000 (2023: €34,000,000) and the recovery of out-of-pocket expenses.

VIII. Windfall contribution

Regulation (EU) No 2024/1469 provides for the obligation for CSDs such as Euroclear Bank holding more than €1,000,000 of assets and reserves of the Central Bank of Russia ("CBR Assets") to contribute to the European Union 99.7% of the "net profits" generated from the CBR assets from 15 February 2024 (the "Windfall Contribution"). Net profits are determined in respect of revenues accruing from or generated by the redeposit of the CBR immobilised cash balances, in accordance with Belgian GAAP, after deduction of all relevant expenses linked to or resulting from the management of the immobilised assets and the risk management associated with the immobilised assets, and after deduction of corporate tax under the general regime of Belgium.

Euroclear Bank may provisionally retain 10% of the windfall contribution for a period of 5 years to comply with capital and risk management requirements.

(€'000)	CBR from 15/02/2024 to 31/12/2024	Windfall contribution (99.7%)
Net interest income	**5,386,755**	**-**
Windfall contribution	**-**	**(4,008,685)**
of which Windfall Contribution - 90%	-	(3,604,962)
of which Windfall Contribution - 10% provisionally retained	-	(403,723)
Administrative expenses	(25,758)	-
Operating profit before tax	**5,360,997**	**(4,008,685)**
Taxation	(1,340,249)	-
Profit for the year	**4,020,748**	**(4,008,685)**

Out of the total windfall contribution of €4,008,685,000, €1,547,368,000 were paid in July 2024, €2,057,594,000 are payable in March 2025 (see note XX), and €403,723,000 (10%) (see note XXI) are accrued and become payable after 5 years.

IX. Net gains/(losses) on financial assets and liabilities held for trading

(€'000)	2024	2023
Foreign exchange derivatives	52,850	153,235

Treasury swaps are derivatives that are not designated as hedging instruments. The net gains on foreign exchange trading mainly relate to treasury swaps initiated by Euroclear Bank in order to convert balances in non-core currencies into EUR or USD for re-investment purposes. Under IFRS, these results may not be included within net interest income.

X. Administrative expenses

(€'000)	Notes	2024	2023
Staff costs			
- Wages and salaries		567,743	506,199
- Social security costs		122,973	109,984
- Defined benefit plans	XXIV	32,896	27,801
- Defined contribution plans		13,711	11,428
- Other staff costs		45,671	37,827
Auditors' remuneration		4,450	3,798
Consultants fees		375,604	387,422
Occupancy		26,921	25,589
Maintenance and repairs		53,961	53,395
Travel and training		18,472	20,234
Communications		9,354	9,191
Other rent and non capitalised expenses		45,586	36,830
Other taxes		31,304	26,350
Depreciation and amortisation	XVIII, XIX	91,134	88,347
Other administrative expenses		86,433	57,687
Provisions for liabilities and charges	XXIII	92,624	(7,012)
Capitalised expenses		(53,921)	(49,936)
Contingent consideration adjustment		-	474
Total		**1,564,916**	**1,345,608**

The average number of persons employed by the group during the year was 6,027 (2023: 5,571). The total number of employees based on the CSRD required methodology shows the headcount at year-end, and contrary to the above figure, self-employed employees are included and headcount of smaller entities (Taskize, Goji and Quantessence) are excluded.

The auditors' remuneration for Euroclear SA/NV and its subsidiary undertakings was as follows:

(€'000)	2024	2023
Fees payable to the Company's auditor for the audit of the Company's financial statements	708	639
Fees payable to the Company's auditor and its associates for other services:		
- The audit of the Company's subsidiaries, pursuant to legislation	2,025	2,174
- Other attest and assurance services	1,580	985
Total	**4,313**	**3,798**

The audit fees for the company's subsidiaries include a remuneration of €137,000 in 2024 to external auditors of Quantessence and Goji, distinct from the group auditors.

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

XI. Impairment

(€'000)	Notes	2024	2023
Impairment charges			
Goodwill and intangible assets	XIX	5,159	105,402
Financial assets		270	(771)
Other assets		301	152
Group participations and associates		-	19,783
Total		**5,730**	**124,566**

(€'000)	Notes	2024	2023
Other assets impaired			
At 1 January		**7,403**	**7,633**
Charge to the income statement		301	152
Amounts used		(1,159)	(352)
Exchange differences		(69)	(30)
At 31 December		**6,476**	**7,403**

For other assets, impairment mainly relates to the lifetime expected credit loss computed on fees receivable from clients in several group's (I)CSD subsidiaries.

The amounts recognised under Goodwill and intangible assets include €5,159,000 impairment recorded on acquired and internally developed software due to the uncertainty as to the future revenues of the new services recently developed or under development. Last year's figure included €100,000,000 impairment recorded on ESW goodwill (see note XIX).

The movements of expected credit losses on financial assets during the year are as follows:

(€'000)	Cash and balances with central banks	Loans and advances at amortised cost	Debt instruments at FVOCI	Loan commitments & financial guarantees	Total
At 1 January 2024	**293**	**621**	**664**	**9**	**1,587**
Financial instruments originated/acquired during the period	346	505	199	4	1,054
Financial instruments derecognised during the period	(293)	(512)	(244)	(9)	(1,058)
Change due to change in credit risk	-	(104)	20	-	(84)
At 31 December 2024	**346**	**510**	**639**	**4**	**1,499**

For details on the expected credit loss (ECL) per internal rating, please refer to note IV.

The rates used by the group entities to determine the expected credit losses for trade receivables (simplified method) are as follows:

Expected loss rate	2024	2023
Current	0.86%	0.86%
Less than 30 days	0.76%	0.76%
30 to 60 days	3.16%	3.16%
60 to 90 days	3.85%	3.85%
90 to 360 days	15%-90%	15%-90%
Over 360 days	20%-100%	20%-100%

XII.Taxation

(€'000)	2024	2023
Current income tax expense	2,086,060	1,476,301
Adjustments to tax charge in respect of previous years	(1,425)	(2,415)
Total current income tax	**2,084,635**	**1,473,886**
Deferred tax charge/(income) relating to the origination and reversal of temporary differences	(12,571)	(23,964)
Deferred tax charge/(income) resulting from change in tax rate	(86)	(145)
Tax expense for the year	**2,071,978**	**1,449,777**

Further information on deferred tax is presented in Note XIII.

The tax on the group's profit before tax differs from the theoretical amount that would arise from using the standard rate as follows:

(€'000)	2024	2023
Operating profit/(loss) before tax	**4,180,254**	**5,673,938**
At standard rate of tax(1)	1,045,063	1,418,485
Effects of:		
- Net tax effect related to Windfall Contribution	1,002,171	-
- Expenses not deductible for tax purposes	18,995	9,497
- Net tax effect of intercompany dividend elimination and dividend received	(1,156)	(2,225)
- Net tax effect of change in consolidation perimeter	2,687	-
- Disposal of subsidiaries	-	443
- Impairment of subsidiaries	-	25,546
- Net tax effect of intercompany dividend elimination and dividend received	1,014	651
- Net tax effect of change in consolidation perimeter	(103)	(2,402)
- Different rates in the companies in the group	(2,950)	2,342
- Change of tax rate on deferred taxation	(86)	(145)
- Impairment of deferred tax asset	7,768	-
- Adjustments to tax charge in respect of previous period	(1,425)	(2,415)
Tax expense for the year	**2,071,978**	**1,449,777**

(1) A rate of 25.00% (2023: 25.00%) has been used as the standard rate.

The current income tax asset of €19,246,000 at 31 December 2024 (2023: €25,398,000) represents the total of amounts recoverable from the tax authorities relating to over-payments of income tax pre-payments, prior year adjustments and research and development (R&D) tax credit.

The net tax effect linked to the intercompany dividends eliminated for consolidation purposes have been considered separately in order to adequately reflect the impact of this item of reconciliation on the tax expense.

The expenses not deductible for tax purposes include the other tax effects of consolidation adjustments not subject to deferred tax. The net movement comprises also the effect of changes in facts and circumstances that affect the judgement and estimates of the acceptability of certain tax treatments.

The year-to-year variation of the effect of the different rates applicable to the companies within the group is explained by a combination of factors: decrease of the above group's effective tax rate and changes in the taxable basis of certain sizeable entities.

XIII. Deferred taxation

The details of deferred taxation are as follows:

(€'000)	Total	Maturity on or before 31 December 2025	Maturity after 31 December 2025
At 31 December 2024			
Assets			
Defined benefit plans	10,902	-	10,902
Financial assets at FVOCI	19,888	-	19,888
Financial assets (ECL)	378	378	-
Cash flow hedging reserve	9,106	-	9,106
Financial assets/(liabilities) held for trading	118	-	118
Software development	3,717	3,445	272
Property, plant and equipment	241	241	-
Tax loss carried forward	69,202	-	69,202
Other temporary differences	43,658	27,830	15,828
Total	**157,210**	**31,894**	**125,316**
Liabilities			
Defined benefit plans	2,236	-	2,236
Financial assets at FVOCI	11	-	11
Property, plant and equipment	(4)	(4)	-
Other temporary differences	(434)	9	(443)
Total	**1,809**	**5**	**1,804**

(€'000)	Total	Maturity on or before 31 December 2024	Maturity after 31 December 2024
At 31 December 2023			
Assets			
Defined benefit plans	16,034	-	16,034
Financial assets at FVOCI	28,915	-	28,915
Financial assets (ECL)	235	235	-
Cash flow hedging reserve	2,011	-	2,011
Software development	2,357	2,357	-
Property, plant and equipment	697	697	-
Tax loss carried forward	79,083	-	79,083
Other temporary differences	27,433	27,320	113
Total	**156,765**	**30,609**	**126,156**
Liabilities			
Defined benefit plans	2,576	-	2,577
Financial assets at FVOCI	(4)	-	(4)
Property, plant and equipment	313	313	-
Other temporary differences	609	609	-
Total	**3,495**	**922**	**2,573**

Deferred taxes are classified as assets or liabilities depending on the total net deferred tax asset or liability across all types of deferred tax at year-end for each entity.

Deferred taxation for tax losses carried forward mainly relates to Euroclear SA/NV.

Analysis of the movements of the net deferred tax asset and liability balances is as follows:

(€'000)	Notes	2024	2023
At 1 January		153,270	170,882
Acquisition of subsidiaries	XXXIII	3	-
Income statement	XII	12,657	24,109
Deferred tax relating to items (charged) or credited to equity			
- Defined benefit plans	XXIV	(7,341)	778
- Financial assets at FVOCI		(9,037)	(27,624)
- Cash flow hedging reserve	XXVIII	7,097	(15,982)
Exchange differences		(1,248)	1,107
At 31 December		155,401	153,270

The deferred tax income/(charge) in the income statement comprises the following temporary differences:

(€'000)	Notes	2024	2023
Defined benefit plans	XXIV	2,596	(1,647)
Impairment of financial assets		138	(230)
Software development		1,238	1,971
Property, plant and equipment		185	(61)
Tax losses carried forward		(3,348)	4,738
Tax losses carried forward impaired		(6,200)	-
Other temporary differences		18,048	19,338
Total		12,657	24,109

There were no unrecognised deferred taxes as of year-end.

The Euroclear group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

In 2023, the government of Belgium where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024.

Based on a performance assessment over 2024 figures, the group came to the conclusion that transitional safe harbours can reasonably be applied in 2024. Therefore the related top-up tax in 2024 is expected to be zero. The group will continue to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

XIV. Financial assets at FVOCI

(€'000)	2024	2023
At 31 December		
Financial assets at FVOCI		
Equity shares		
- Listed	-	366,348
- Unlisted but fair value determinable	48,245	41,135
Equity funds	31,755	371,831
Listed debt instruments	15,782,892	13,675,826
Total	15,862,892	14,455,140

All debt securities have fixed coupons.

For unlisted securities, the valuation is based on the prices at which the securities could probably be sold to willing and knowledgeable parties. These prices are determined using generally accepted valuation techniques, including discounted cash flow models and relevant market multiples.

The maturity profile of the financial assets at FVOCI can be found in Note IV.

The movement in financial assets at FVOCI can be summarised as follows:

(€'000)	Equity shares	Fund units	Debt instruments	Total
At 1 January 2024	407,483	371,831	13,675,826	14,455,140
Additions	13,967	71,865	56,587,425	56,673,257
Redemptions and disposals	(181,745)	(415,124)	(55,147,407)	(55,744,276)
FVOCI revaluation reserve				
- Redeemed or sold financial assets	(217,417)	(9,844)	-	(227,261)
- Gains/(losses) on held financial assets	31,538	12,849	36,464	80,851
Amortisation of discounts and (premiums)	-	-	573,003	573,003
Net change in accrued interest	-	-	(255)	(255)
Expected credit loss allowance	-	-	25	25
Exchange difference	357	178	57,811	58,346
Transfer to Investments accounted for using the equity method	(5,938)	-	-	(5,938)
At 31 December 2024	48,245	31,755	15,782,892	15,862,892

(€'000)	Equity shares	Fund units	Debt instruments	Total
At 1 January 2023	393,398	460,658	15,919,613	16,773,669
Additions	13,367	15,591	35,638,592	35,667,550
Redemptions and disposals	(6,465)	(119,008)	(38,272,595)	(38,398,068)
FVOCI revaluation reserve				
- Redeemed or sold financial assets	40,835	(1,191)	-	39,644
- Gains/(losses) on held financial assets	(33,652)	15,781	110,517	92,646
Amortisation of discounts and (premiums)	-	-	288,801	288,801
Net change in accrued interest	-	-	(3,403)	(3,403)
Expected credit loss allowance	-	-	213	213
Exchange difference	-	-	(5,912)	(5,912)
At 31 December 2023	407,483	371,831	13,675,826	14,455,140

XV. Financial instruments held for trading

The fair value and notional amounts of the group's trading derivatives were as follows:

	Notional amount	Fair value	
(€'000)		Assets	Liabilities
At 31 December 2024			
Foreign exchange derivatives			
- Forward foreign exchange	12,355,065	53,255	53,160
At 31 December 2023			
Foreign exchange derivatives			
- Forward foreign exchange	13,155,870	85,161	55,001

The notional amount related to forward foreign exchange contracts at 31 December 2024 and 31 December 2023 principally reflects to outstanding currency swaps.

XVI. Derivatives used for hedging

XVI.1. Cash flow hedges

Foreign exchange hedges

Euroclear Bank uses the EUR as functional currency and is exposed to foreign exchange exposure (changes in the relevant spot exchange rate) that could adversely influence fee and interest income streams.

The group applies hedge accounting for these highly probable forecasted revenue streams influenced by changes in foreign exchange rates for certain currencies. The policy foresees to hedge a minimum 75% threshold of the total operating profit exposures in foreign currencies, 65% of the net interest earnings in foreign currencies for Business as Usual and 60% of the net interest earnings on Russian frozen assets.

Euroclear Bank enters into currency forward foreign exchange contracts whereby it sells the relevant currencies on a future date at a predetermined price. One contract is done per month, per currency and per nature of exposures (fees and interests) to offset the net currency stream (usually an income) of the same month. These contracts are done on a rolling 12-month basis (or 3-month basis for less liquid currencies) for total operating profit, a rolling 12-month basis for the business as usual part of net interest earnings in USD and 6-month basis for the other currencies, and a rolling 3-month basis for net interest earnings on Russian frozen assets. Such transactions are classified as cash flow hedges.

Hedge effectiveness is assessed based on the critical terms of the contracts. The economic relationship is verified at inception of the deal confirming that the characteristics of the hedging instrument are aligned to those of the hedged item (forward contract with the same maturity and currency as expected revenues, notional of the derivatives matching the hedged positions). The hedged items create an exposure to buy euros and sell foreign currencies at the payment date. The forward contract to sell euros for forex currencies on the payment date creates an offset for these two transactions. Values will thus generally move in the opposite direction.

The hedge ratio is determined by comparing the notional of the derivative with the quantity of hedged items. The following sources of ineffectiveness are identified and monitored:

- change in timing and / or level of the incoming flows of any of the two items constituting the hedged item. To mitigate this risk, Euroclear Bank ensures that no material changes are observed in the timing and/or level of the incoming flows of the hedged item;
- change in the credit risk of Euroclear Bank or the counterparty of the forward contract. The credit risk of both the counterparties and Euroclear Bank is monitored for adverse changes by Treasury. As all contracts must be entered with counterparties with a credit rating of A or higher, the credit risk is minimal and does not dominate the value change;
- impact of foreign currency basis spreads (materialised through the forward points included in the hedging relationship). The hedging horizon is adapted to limit the impact of currency basis spread (3-month, 6-month or 12-month basis, depending on the interest rate level associated to the hedged currency).

As 31 December 2024, Euroclear Bank monthly secures an average of €-equivalent 109,675,000 currency stream (2023: €-equivalent 233,369,000). The reduction in hedged volumes is primarily due to the net interest earnings on CBR immobilised assets that are no longer hedged.

Interest rate hedges

Euroclear Bank also enters into interest rate derivatives aiming to reduce the income volatility linked to the reinvestment of the stable part of its client deposits in EUR, USD and GBP, and the repricing of short-term assets financed by its core equity. The hedged items are the highly probable variable cash flows stemming from the reinvestment of client deposits and core equity.

The total hedging position are built-up gradually over time.

In assessing Euroclear Bank's exposure to interest rate risk, the following assumptions are taken to assign:
- a maximum term of 5 years for the core equity;
- a maximum maturity of 5 years for the stable operational balances.

The following sources of ineffectiveness are identified and monitored:
- Change in timing and/or level of the incoming flows of the hedged item and the outgoing flows of the hedging instruments. To mitigate this risk, Euroclear Bank ensures that the timing and level of the incoming flows of the hedged item and the outgoing flows of the hedging instrument will be closely matched.
- Significant discrepancy between the stable operational client deposits and the notional amount of interest rate derivatives. In accordance with the evolution of the stable operational client deposits, Euroclear will adjust the notional amounts.

The fair value and notional amounts of the group's derivatives used for cash flow hedges were as follows:

(€'000)	Notional amount	Fair value Assets	Fair value Liabilities
At 31 December 2024			
Foreign exchange derivatives			
- Forward foreign exchange	1,271,494	3,910	48,571
Interest rate derivatives			
- Interest rate swaps	4,741,548	101,901	52,946
Total	**6,013,042**	**105,811**	**101,517**
At 31 December 2023			
Foreign exchange derivatives			
- Forward foreign exchange	1,269,300	14,401	5,782
Interest rate derivatives			
- Interest rate swaps	3,720,928	79,247	66,279
Total	**4,990,228**	**93,648**	**72,061**

No ineffectiveness arose from cash flow hedging in 2024 and 2023. At the reporting date, the group has considered the most recent forecasts, and no new ineffectiveness was observed.

The amounts recognised in the cash flow hedging reserve at year-end are gradually released to the income statement (net gains/losses on foreign exchange and net interest income) in the following year, when the related cash flows materialise.

The movements in the cash flow hedging reserve can be detailed as follows:

		Foreign exchange derivatives			Interest rate derivatives			Total derivatives		
(€'000)	Notes	Gross amount	Deferred tax	Net amount	Gross amount	Deferred tax	Net amount	Gross amount	Deferred tax	Net amount
At 1 January 2024		**8,618**	**(2,155)**	**6,463**	**(16,662)**	**4,166**	**(12,496)**	**(8,044)**	**2,011**	**(6,033)**
Change of fair value directly recognised in other comprehensive income		(69,053)	17,264	(51,789)	(36,013)	(6,226)	(42,239)	(105,066)	11,038	(94,028)
Amount released from other comprehensive income to profit or loss										
- Amount reclassified to profit and loss because hedged future cash flows are no longer expected to incur		-	-	-	-	-	-	-	-	-
- Amount reclassified to profit and loss because hedged item has affected profit or loss		15,774	(3,944)	11,830	60,914	-	60,914	76,688	(3,944)	72,745
Total change to cash flow hedging reserve	XXVIII	(53,279)	13,320	(39,959)	24,901	(6,226)	18,675	(28,378)	7,094	(21,283)
At 31 December 2024		**(44,661)**	**11,165**	**(33,496)**	**8,239**	**(2,060)**	**6,179**	**(36,422)**	**9,105**	**(27,316)**
At 1 January 2023		**24,524**	**(6,131)**	**18,393**	**(96,495)**	**24,124**	**(72,371)**	**(71,971)**	**17,993**	**(53,978)**
Change of fair value directly recognised in other comprehensive income		3,087	(772)	2,315	40,500	(19,958)	20,542	43,587	(20,730)	22,857
Amount released from other comprehensive income to profit or loss										
- Amount reclassified to profit and loss because hedged future cash flows are no longer expected to incur		-	-	-	-	-	-	-	-	-
- Amount reclassified to profit and loss because hedged item has affected profit or loss		(18,993)	4,748	(14,245)	39,333	-	39,333	20,340	4,748	25,089
Total change to cash flow hedging reserve	XXVIII	(15,906)	3,976	(11,930)	79,833	(19,958)	59,875	63,927	(15,982)	47,946
At 31 December 2023		**8,618**	**(2,155)**	**6,463**	**(16,662)**	**4,166**	**(12,496)**	**(8,044)**	**2,011**	**(6,032)**

XVI.2. Hedges of net investments in foreign operations

The group has hedged, until July 2011, part of the currency translation risk of net investments in foreign operations (EMXCo, Euroclear UK & International, the UK branch of Euroclear SA/NV and Euroclear Sweden).

The balance of the hedge of net investments in foreign operations reserve can be detailed as follows:

(€'000)	Notes	2024	2023
At 1 January and 31 December	XXVIII	(18,238)	(18,238)

XVII. Other assets

(€'000)	2024	2023
Items in process of collection	33,619	53,627
Other taxation and social security	28,996	28,642
Debtors	77,669	70,423
Variation margins	180,053	199,936
Other assets	58,952	41,774
At 31 December	**379,289**	**394,402**

Items in the process of collection principally relate to coupon and redemption proceeds for participants of Euroclear Bank.

XVIII. Property, plant and equipment

								of which Right-of-use assets:		
(€'000)	Notes	Land and buildings	Leasehold improvements	Furniture and fixtures	IT equipment	Other equipment	Total	Land and buildings	Vehicles and Other equipment	Total
Cost										
At 1 January 2024		**243,786**	**57,888**	**16,925**	**199,800**	**17,602**	**536,001**	**243,786**	**16,550**	**260,336**
Acquisition of subsidiaries		710	-	-	193	16	919	710	-	710
Additions		12,192	14,387	1,359	11,409	2,232	41,579	12,192	2,151	14,343
Transfers		(96)	-	-	-	-	(96)	(96)	-	(96)
Sales and disposals		(1,743)	-	(152)	(2,161)	(116)	(4,172)	(1,743)	(109)	(1,852)
Exchange differences		1,294	445	83	474	19	2,315	1,294	3	1,297
At 31 December 2024		**256,143**	**72,720**	**18,215**	**209,715**	**19,753**	**576,546**	**256,143**	**18,595**	**274,738**
Accumulated depreciation										
At 1 January 2024		**(115,842)**	**(41,444)**	**(11,269)**	**(146,063)**	**(360)**	**(314,978)**	**(115,842)**	**-**	**(115,842)**
Acquisition of subsidiaries		-	-	-	(105)	(3)	(108)	-	-	-
Depreciation charge		(23,391)	(4,852)	(1,465)	(16,853)	(152)	(46,713)	(23,391)	-	(23,391)
Transfers		(216)	88	-	(164)	(2)	(294)	(216)	-	(216)
Sales and disposals		1,418	-	145	2,159	7	3,729	1,418	-	1,418
Exchange differences		(1,019)	(318)	(64)	(450)	(9)	(1,860)	(1,019)	-	(1,019)
At 31 December 2024		**(139,050)**	**(46,526)**	**(12,653)**	**(161,476)**	**(519)**	**(360,224)**	**(139,050)**	**-**	**(139,050)**
Net book value at 31 December 2024		**117,093**	**26,194**	**5,562**	**48,239**	**19,234**	**216,322**	**117,093**	**18,595**	**135,688**

								of which Right-of-use assets		
(€'000)	Notes	Land and buildings	Leasehold improvements	Furniture and fixtures	IT equipment	Other equipment	Total	Land and buildings	Vehicles and Other equipment	Total
Cost										
At 1 January 2023		**221,356**	**58,973**	**16,882**	**176,014**	**12,361**	**485,586**	**221,356**	**9,419**	**230,775**
Additions		38,517	6,632	3,112	38,685	12,464	99,410	38,517	12,426	50,943
Capitalisation of dilapidation provisions	XXIII	-	1,123	-	-	-	1,123	-	-	-
Transfers		-	104	14	-	(118)	-	-	-	-
Sales and disposals		(572)	(8,806)	(3,081)	(13,180)	(85)	(25,724)	(572)	(85)	(657)
Exchange differences		(15,515)	(138)	(2)	(1,719)	(7,020)	(24,394)	(15,515)	(5,210)	(20,725)
At 31 December 2023		**243,786**	**57,888**	**16,925**	**199,800**	**17,602**	**536,001**	**243,786**	**16,550**	**260,336**
Accumulated depreciation										
At 1 January 2023		**(95,303)**	**(45,326)**	**(12,753)**	**(142,543)**	**(959)**	**(296,884)**	**(95,304)**	**-**	**(95,304)**
Depreciation charge		(30,403)	(4,010)	(1,163)	(15,838)	(463)	(51,877)	(30,403)	-	(30,403)
Transfers		-	29	(14)	(76)	62	1	-	-	-
Sales and disposals		-	7,851	2,835	11,693	-	22,379	-	-	-
Exchange differences		9,864	12	(174)	701	1,000	11,403	9,865	-	9,865
At 31 December 2023		**(115,842)**	**(41,444)**	**(11,269)**	**(146,063)**	**(360)**	**(314,978)**	**(115,842)**	**-**	**(115,842)**
Net book value at 31 December 2023		**127,944**	**16,444**	**5,656**	**53,737**	**17,242**	**221,023**	**127,944**	**16,550**	**144,494**

The figures above include cost of property, plant and equipment under construction for an amount of €4,445,000 (2023: €28,000).

There was no modification made during the year to any of the lease contracts that would have resulted in the recognition of a new contract.

XIX. Goodwill and intangible assets

(€'000)	Notes	Internally developed software	Purchased software	Know-how	Goodwill	Contractual customer relationship	Unpatented technology	Trademarks	Total
Cost									
At 1 January 2024		260,358	155,092	45,781	1,897,858	27,161	59,725	10,200	2,456,175
Additions		54,816	16,245	-	-	-	-	-	71,061
Transfers		(1,633)	868	-	(9,794)	-	-	-	(10,559)
Sales and disposals		(4,099)	(478)	-	-	-	-	-	(4,577)
Exchange differences		1,568	9	(34)	(3,069)	-	-	-	(1,526)
At 31 December 2024		311,010	171,736	45,747	1,884,995	27,161	59,725	10,200	2,510,574
Accumulated amortisation and impairment									
At 1 January 2024		(133,874)	(100,791)	(45,781)	(622,666)	(1,690)	(59,725)	-	(964,527)
Amortisation charges		(28,964)	(14,441)	-	-	(1,016)	-	-	(44,421)
Impairment		(3,079)	(2,080)	-	-	-	-	-	(5,159)
Transfers		(3,708)	(20)	-	-	-	-	-	(3,728)
Sales and disposals		4,099	478	-	-	-	-	-	4,577
Exchange differences		(901)	(9)	34	3,252	-	-	-	2,376
At 31 December 2024		(166,427)	(116,863)	(45,747)	(619,414)	(2,706)	(59,725)	-	(1,010,882)
Net book value at 31 December 2024		144,583	54,873	-	1,265,581	24,455	-	10,200	1,499,692

(€'000)	Internally developed software	Purchased software	Know-how	Goodwill	Contractual customer relationship	Unpatented technology	Trademarks	Total
Cost								
At 1 January 2023	222,745	134,416	45,779	1,848,227	27,161	59,725	10,200	2,348,253
Acquisition of subsidiaries	-	-	-	48,922	-	-	-	48,922
Additions	37,602	20,943	-	-	-	-	-	58,545
Transfer and disposals	86	(86)	-	-	-	-	-	-
Sales and disposals	(877)	(188)	-	-	-	-	-	(1,065)
Exchange differences	802	7	2	709	-	-	-	1,520
At 31 December 2023	260,358	155,092	45,781	1,897,858	27,161	59,725	10,200	2,456,175
Accumulated amortisation and impairment								
At 1 January 2023	(107,774)	(89,485)	(45,779)	(533,360)	(579)	(59,725)	-	(836,702)
Amortisation charges	(22,165)	(13,194)	-	-	(1,111)	-	-	(36,470)
Impairment	(5,402)	-	-	(100,000)	-	-	-	(105,402)
Transfer and disposals	(89)	89	-	-	-	-	-	-
Sales and disposals	224	12	-	-	-	-	-	236
Exchange differences	1,332	1,787	(2)	10,694	-	-	-	13,811
At 31 December 2023	(133,874)	(100,791)	(45,781)	(622,666)	(1,690)	(59,725)	-	(964,527)
Net book value at 31 December 2023	126,484	54,301	-	1,275,192	25,471	-	10,200	1,491,648

Goodwill and the contractual customer relationship relate to the acquisition of Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden, Euroclear UK & International, MFEX group and Goji Holding Limited.

The unpatented technology relates to the infrastructure of Euroclear Finland and Euroclear Sweden is fully amortised.

XIX.1. Determination of the cash-generating units

Goodwill impairment reviews are based on the cash-generating units (CGUs) for the group relevant operating segments: the ESES CSDs (Euroclear Belgium, Euroclear France and Euroclear Nederland), EUI (Euroclear UK & International), Euroclear Finland, Euroclear Sweden, the MFEX group and Goji Holding Limited.

The MFEX CGU has been created in 2022 and already combined the MFEX group acquired in 2021 and Euroclear Bank's Fundsettle business. Since 2023 MFEX and Fundsettle are highly integrated with clients already being transferred from one to the other and leveraging a combined commercial approach, with expected joint synergies. The decision was taken this year to further extend the CGU to incorporate Goji and the full Euroclear Bank funds business. This evolution is based on market evolutions pointing out to a convergence of all asset classes (mutual funds, ETFs and private assets) which is being reflected in the launch of the Euroclear FundsPlace, the partnership between Goji and Euroclear Bank, and the upcoming integration of MFEX within Euroclear Bank.

Except for Euroclear Sweden, goodwill and contractual customer relationship are expressed and tested for impairment purposes in euros. At the time of the acquisition of Euroclear UK & International, the related goodwill was considered as a non-monetary asset of the acquirer and therefore expressed in euros. At the time of migration to IFRS, which considers goodwill to be a monetary asset of the acquired entity, Euroclear decided not to restate prior years' business combinations.

XIX.2. Basis on which recoverable amounts have been determined

The recoverable amounts are based on the 'value in use' using the discounted cash flow methodology for each segment. The 2024 valuation of all the entities concerned is based on a five-year free cash flow forecast with projections for periods beyond this assuming a perpetual annuity of 2.5% similar to last year.

The net book values of the goodwill, and Euroclear Belgium's contractual customer relationships, are set out in the table below:

(€'000)	2024	2023
Euroclear UK & International	204,577	203,817
ESES	484,626	484,626
Euroclear Finland	37,689	37,689
Euroclear Sweden	56,194	58,032
MFEX *	504,458	512,992
	1,287,544	**1,297,156**

* In 2023, Euroclear SA/NV acquired Goji Holding Limited for a total consideration of €48,922,000. The entire value of the participation has been recognised under goodwill in 2023 as a separate CGU, and adjusted in 2024 upon completion of the purchase price allocation exercise.

These are intangible assets considered to have indefinite useful lives.

XIX.3. Key assumptions related to discount factors

The appropriate discount rates are determined by applying the Capital Asset Pricing Model (CAPM). The discount rates and perpetual growth rates used for each CGU in the 2024 and 2023 impairment reviews were as follows:

	2024		2023	
	Discount rate	Perpetual growth rate	Discount rate	Perpetual growth rate
Euroclear UK & International	7.80%	2.50%	7.96%	2.50%
ESES	6.96%	2.50%	7.44%	2.50%
Euroclear Finland	6.93%	2.50%	7.60%	2.50%
Euroclear Sweden	6.35%	2.50%	7.15%	2.50%
MFEX	9.96%	2.50%	10.38%	2.50%

XIX.4. The 2024 impairment review

The key assumptions for the valuation exercise are based on both external sources of information and on internal expectations (assets held in custody, transaction volumes, interest rates, etc.). Forecasts are taken from Board approved plans which translate into resilient profitability trends throughout 2025 and over the next four years. For all operating segments, their valuation indicated that the current values of goodwill and related intangibles are fair and justified.

All other factors being equal, an increase of the discount rate by 1%, or a decrease of the total business income by 5%, which are assessed as reasonable sensitivity, would result in no impairment in any of the entities.

The changes in the parameters used for the sensitivity analysis set out above are based on management's estimates of what level of change is reasonably possible.

No impairment was recorded in 2024, while €100,000,000 impairment was recorded on Euroclear Sweden's goodwill in 2023.

XX. Other liabilities

(€'000)	Notes	2024	2023
Funds to be assigned		311,343	217,662
Taxation and social security		28,969	32,647
Creditors		105,007	104,207
Windfall contribution payable	VIII	2,057,594	-
Other		225,985	102,986
At 31 December		2,728,898	457,502

'Funds to be assigned' principally represent funds received and other items in the process of reconciliation.

XXI. Accruals and deferred income

(€'000)	Notes	2024	2023
Fees accruals		298,624	263,031
Windfall contribution provisional amount	VIII	403,724	-
Payroll accruals		200,087	184,032
Other accruals		129,641	152,706
Deferred income		4,083	2,492
Total		1,036,159	602,261

XXII. Debt securities issued and funds borrowed

(€'000)	Maturity date	2024	2023
At 31 December			
Certificates of Deposits issued in EUR	2024	-	238,765
Certificates of Deposits issued in GBP	2024	-	761,984
Certificates of Deposits issued in USD	2024	-	737,887
Certificates of Deposits issued in EUR	2025	-	-
Certificates of Deposits issued in GBP	2025	792,545	-
Certificates of Deposits issued in USD	2025	773,444	-
Total certificates of deposits		1,565,989	1,738,636
Medium Term Notes issued in GBP	2024	-	403,637
Medium Term Notes issued in EUR	2025	499,863	499,001
Medium Term Notes issued in USD	2026	579,393	544,080
Medium Term Notes issued in EUR	2027	502,250	501,773
Total medium term notes		1,581,506	1,948,491
EUR 200,000,000 8.5 year Fixed rate senior non-preferred contingent convertible loan	2026	200,159	200,019
EUR 300,000,000 12 year Fixed rate senior non-preferred contingent convertible loan	2030	304,997	304,810
Total long term debt issued with related party		505,156	504,829
Total debt securities issued		3,652,651	4,191,956
Overdrafts		12,352	24,046
Overnight borrowings		5,366	-
Loans with related party	2024	-	9,108
Loans with related party	2025	2,054	-
Loans with related party	2026	-	75,000
Total funds borrowed		19,772	108,154
Total debt securities issued and funds borrowed		3,672,423	4,300,110

XXIII. Provisions for liabilities and charges

(€'000)	Notes	HR-related	Dilapidation	Litigation	Commitments and guarantees given	Other provisions	Total
At 1 January 2024		5,597	8,500	1,466	9	921	16,493
Additions		97,221	-	32	4	1,062	98,319
Unused amounts reversed during the period		(3,463)	(554)	(1,469)	(9)	(200)	(5,695)
Amounts used		-	(31)	-	-	-	(31)
Exchange differences		-	116	-	-	10	126
At 31 December 2024		99,355	8,031	29	4	1,793	109,212

Provisions for dilapidation costs are recorded to reflect end-of-lease obligations in several countries.

Provisions for voluntary early retirement and retirement incentive plans amounting to €97,085,000 were established at the end of 2024. These provisions will be reclassified to accruals once the amount and timing of the payments are determined. The expected cost highly depends on the success rate of the plans. A 5% increase or decrease in the success rate would result in a financial impact of €7,500,000.

A provision for MFEX restructuring provision recorded under HR has been revised downward from €3,891,000 to €460,000. HR provisions also include other smaller amounts for redundancy.

The increase in Other provisions is mainly explained by the provision of €624,000 related to Greenomy (see Note I).

The current portion of the provisions for liabilities and charges is estimated at €17,545,000 (2023: €4,448,000).

XXIV. Defined benefit plans

The group operates various post-employment schemes, including defined benefit (DB) and defined contribution (DC) pension plans, and post-employment medical plans.

The group has several DB pension plans covering employees in Belgium, France, Japan, the Netherlands and Sweden under broadly similar regulatory frameworks. The plans exclusively provide retirement and death benefits to the eligible participants. All of the DB pension plans are final or average salary pension plans, which provide benefits to members in the form of a lump sum payment or a guaranteed level of pension payable for life. The level of benefits provided generally depends on members' length of service and their salary in the final years leading up to retirement. The plans face broadly similar risks, as described below. The majority of benefit payments are from the administered funds; however, there are also a limited number of unfunded plans where the company meets the benefit payment obligation as it falls due (Japan). Plan assets are governed by local regulations and practice in each country, as is the nature of the relationship between the group and the pension funds' Board of Directors. Responsibility for governance of the plans - including investment decisions and contribution schedules - lies jointly with the sponsoring companies and the Board of Directors. The Board of Directors must be composed of representatives of the company and plan participants in accordance with the plan's regulations.

The group also operates a number of post-employment medical benefit schemes, in Belgium and France. These plans are unfunded. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for DB pension schemes with the addition of actuarial assumptions relating to the long-term increase in healthcare costs.

Finally, the group operates certain DC schemes in Belgium which present particular features usually associated with DB plans. All employees joining on or after 1 January 2019 are affiliated to a Belgian DC scheme, while all other employees made the choice between staying in the existing DB plan, which turned from an annuity into a lump sum plan as of 1 January 2019, or joining to the new DC plan. The DC scheme presents features of a DB plan because of the Belgian legal guaranteed return of 1,75% until the end of 2024 and 2,5% as of 1 January 2025. The DC plan is a regular pension plan, with premiums paid by the employer. The premium is a fixed percentage per bracket of the base salary. Neither the DC plan nor the DB lump sum plan affect the benefits accrued for past service, which continue to be revalued with salary increases (so called dynamic management). The end date for both plans is age 67. Both plans are managed by the Euroclear Pension Fund OFP.

A full actuarial valuation of the plans, under IFRS, was made by independent qualified professional actuaries as of 31 December 2024 and showed a deficit of €41,810,000 (2023: €62,254,000) (35% in Belgium, 41% in France, 14% in Sweden, 10% in Japan), offset by a pension surplus of €9,463,000 (2023: €11,116,000) in the Netherlands. The valuation covered all the DB plans and DC plans with DB-like features.

The pension charge recognised in profit and loss in 2024 amounts to €34,158,000 (2023: €29,170,000). The contribution, reflecting employer's contributions for funded plans and benefit disbursements for unfunded plans, amounted to €23,566,000 (2023: €36,042,000).

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

	2024	2023
Discount rate	3.40%	3.20%
Expected inflation rate	2.02%	2.09%
Future salary increases	3.15%	3.22%
Expected medical cost trend rate	2.24%	2.30%

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

Assumptions regarding future mortality experience are set based on advice and published statistics in each territory (IABE prospective tables in Belgium for retirement benefits, TGHF 05 table in France, AG Prognosetafel 2024 in the Netherlands, EPF 2020 rates in Japan and DUS 2023 in Sweden).

The amounts recognised in the balance sheet are as follows:

(€'000)	2024	2023
Present value of funded obligations	(494,839)	(459,509)
Fair value of plan assets	504,302	452,469
	9,463	(7,040)
Present value of unfunded obligations (principally made of medical plans)	(41,810)	(44,098)
Net pension deficit	**(32,347)**	**(51,138)**

The value of assets in all plans were:

	2024			2023		
(€'000)	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity instruments						
- European equities	768	-	768	740	-	740
- Global equities	229,105	-	229,105	199,258	-	199,258
- Emerging markets equities	19,451	-	19,451	18,576	-	18,576
- European real estate equities	16,049	-	16,049	14,389	-	14,389
Debt instruments						
- EMU government bonds	99,357	-	99,357	86,407	-	86,407
- EMU corporate bonds	87,426	-	87,426	78,341	-	78,341
- Euro inflation-linked bonds	23	-	23	20	-	20
Property	2,975	-	2,975	3,214	-	3,214
Cash and cash equivalents	1,552	-	1,552	1,236	-	1,236
Qualifying insurance policies	-	884	884	-	857	857
Other	46,712	-	46,712	49,431	-	49,431
Total market value of assets	**503,418**	**884**	**504,302**	**451,612**	**857**	**452,469**

The assets of the funded plans are held separately from those of the group. The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. A large proportion of assets consists of equities and bonds, although the group also invests in property, cash and holds some insurance assets. The group believes that equities offer the best returns over the long term with an acceptable level of risk.

The vast majority of the group's pension assets are quoted and highly liquid.

The changes in the net deficit are as follows:

		Medical plans			Pension plans			All plans
(€'000)	Notes	Present value of obligations	Fair value of plan assets	Total	Present value of obligations	Fair value of plan assets	Total	Net pension deficit
At 1 January 2024		**42,461**	**-**	**42,461**	**461,146**	**(452,469)**	**8,677**	**51,138**
Current service cost	X	1,412	-	1,412	31,484	-	31,484	32,896
Net interest expense/(income)	VI	1,349	-	1,349	14,315	(14,402)	(87)	1,262
Income statement		**2,761**	**-**	**2,761**	**45,799**	**(14,402)**	**31,397**	**34,158**
Remeasurements								
Return on plan assets (excluding interest)		-	-	-	-	(40,551)	(40,551)	(40,551)
Experience (gains)/losses		(1,606)	-	(1,606)	27,801	-	27,801	26,195
(Gains)/losses due to change in demographic assumptions		(625)	-	(625)	(1,066)	-	(1,066)	(1,691)
(Gains)/losses due to change in financial assumptions		(2,276)	-	(2,276)	(10,887)	-	(10,887)	(13,163)
Statement of other comprehensive income		**(4,507)**	**-**	**(4,507)**	**15,848**	**(40,551)**	**(24,703)**	**(29,210)**
Employer's contributions		-	(626)	(626)	-	(22,940)	(22,940)	(23,566)
Exchange differences		-	-	-	(869)	696	(173)	(173)
Transfers		-	-	-	(22)	22	-	-
Benefit payments		(626)	626	-	(25,342)	25,342	-	-
At 31 December 2024		**40,089**	**-**	**40,089**	**496,560**	**(504,302)**	**(7,742)**	**32,347**

		Medical plans			Pension plans			All plans
(€'000)	Notes	Present value of obligations	Fair value of plan assets	Total	Present value of obligations	Fair value of plan assets	Total	Net pension deficit
At 1 January 2023		**37,413**	**-**	**37,413**	**412,958**	**(395,415)**	**17,543**	**54,956**
Current service cost	X	1,286	-	1,286	26,497	-	26,497	27,783
Past service cost		(364)	-	(364)	382	-	382	18
Net interest expense/(income)	VI	1,371	-	1,371	14,948	(14,950)	(2)	1,369
Income statement		**2,293**	**-**	**2,293**	**41,827**	**(14,950)**	**26,877**	**29,170**
Remeasurements								
Return on plan assets (excluding interest)		-	-	-	-	(27,308)	(27,308)	(27,308)
Experience (gains)/losses		(98)	-	(98)	(1,468)	-	(1,468)	(1,566)
(Gains)/losses due to change in demographic assumptions		-	-	-	6,272	-	6,272	6,272
(Gains)/losses due to change in financial assumptions		3,397	-	3,397	22,738	-	22,738	26,135
Exchange differences		-	-	-	(134)	-	(134)	(134)
Statement of other comprehensive income		**3,299**	**-**	**3,299**	**27,408**	**(27,308)**	**100**	**3,399**
Employer's contributions		-	(565)	(565)	-	(35,477)	(35,477)	(36,042)
Exchange differences		-	-	-	(219)	(90)	(309)	(309)
Transfers		21	-	21	904	(961)	(57)	(36)
Benefit payments		(565)	565	-	(21,732)	21,732	-	-
At 31 December 2023		**42,461**	**-**	**42,461**	**461,146**	**(452,469)**	**8,677**	**51,138**

The weighted average duration of the defined benefit obligations is 11.7 years (2023: 12.2 years).

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.

Expected contributions to post-employment benefit plans for the year ending 31 December 2025 are €22,487,000.

The cumulative actuarial gain recognised in other comprehensive income as at 31 December 2024 was €12,814,000, compared to a loss of €16,395,000 in 2023.

The sensitivity of the defined benefit obligations to a 1% movement in the weighted principal assumptions is:

	Increase in assumption	Decrease in assumption
Discount rate	(10.2%)	11.7%
Salary increase rate	8.7%	(8.7%)
Inflation rate	6.3%	(6.3%)
Medical trend rate	1.6%	(1.3%)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. As the majority of the liabilities are not affected by the life expectancy risk (because of lump sum payments), no life expectancy sensitivity is considered.

Through its defined benefit pension plans and post-employment medical plans, the group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: the risk is kept under control thanks to proper risk management procedures and strategic asset allocation driven by the financial characteristics of the plans, in particular the plans liabilities and the risk tolerance of the Board and the group. The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. Belgian plans hold 60% of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. The group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently. See above for more details on the group's asset-liability matching strategy.
- Changes in bond yields: a decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
- Inflation risk: the plans' benefit obligations are linked to inflation (see sensitivity impact), and higher inflation will lead to higher liabilities. The impact is however limited and the assumptions are cautiously monitored annually.
- Life expectancy: as mentioned, longevity risk is limited as the majority of the benefit payments are lump sums.
- Medical trend rate risk: as the liabilities of the Belgian and French medical plans are very sensitive to the used medical trend rate, the evolution of this trend rate is monitored regularly to make sure that this trend rate properly reflects the long term expected evolution of the medical cost.
- Salary increase: as the pension liabilities are quite sensitive to salary increase, the used assumptions are monitored closely and historic salary evolution is compared against the used assumptions.

The group has not changed the processes used to manage its risks from previous periods.

The movement in the deferred tax asset relating to the pension deficit is as follows:

(€'000)	Notes	2024	2023
Amount credited/(charged) through equity	XIII	(7,341)	778
Amount credited/(charged) through the income statement	XIII	2,596	(1,647)
Exchange differences		(46)	44
Increase/(decrease) in deferred tax asset		**(4,791)**	**(825)**

XXV. Share-based payments

The plan grants certain eligible senior executive management members of Euroclear certificates (which represent shares of Euroclear Holding SA/NV) as part of their remuneration. The purpose of the plan is to align the interests of the beneficiaries with the long-term interests of the shareholders of Euroclear Holding SA/NV.

In the year 2022, Euroclear SA/NV has acquired Euroclear Holding SA/NV shares which have been transferred to STAK Euroclear, a foundation established as an administration office under application of the Certification law. In exchange for the transferred Euroclear Holding SA/NV Shares, STAK Euroclear has issued certificates, each certificate representing one Euroclear Holding SA/NV share.

Fixed remuneration

On top of the fixed cash remuneration, Euroclear may grant additional fixed remuneration in the form of certificates, which are earned and awarded on a quarterly basis. Since the share-based payment plan has no vesting conditions, each award vests immediately after each quarter-end. Each award happens at the actual fair value of the certificates at the end of each respective quarter.

Where fixed cash is actually paid every month, fixed certificates earned on a quarterly basis are blocked for a period of 3 years as from the quarter in which they were earned. After the 3-year restriction period, beneficiaries can either sell the vested certificates, either retain them for future sale.

The plan rules foresee a liquidity mechanism whereby it is agreed that the beneficiaries can only sell to Euroclear SA/NV which is committed to buy back the certificates from the beneficiaries according to a transparent pricing mechanism, once such certificates are mature to sell or at any later moment upon the discretion of the beneficiary within the limits of the plan.

The sale price of certificates shall correspond to their actual fair market value. Upon acquisition of the certificates, Euroclear SA/NV will retain them for future share-based remuneration.

Any dividend paid by Euroclear Holding SA/NV in relation to Euroclear Holding SA/NV shares represented by certificates are paid to STAK Euroclear and transferred to the certificate holders within a pre-determined period. The dividends are locked up for a period of equal to the (remaining) lock-up period of the underlying certificates held by the beneficiaries

Variable remuneration

In line with the EBA Guidelines on sound remuneration, variable remuneration is paid in cash or instruments and subject to deferral rules as per regulation. The deferral period is at least 4 years (5 years for Executive Committee members) and the deferred portion is at least 40% (60% if bonuses exceed €200,000).

The actual payment of any deferred compensation, no matter whether it qualifies as upfront instruments or deferred cash/instruments, is subject to the malus & claw-back provisions included in the deferred compensation plan. The value of outstanding variable remuneration can be adjusted either discretionarily upon decision of the Board of Directors within a 20% limit in plus or in minus, either on the basis of the evolution of the underlying share price over the reference period. For Executive Committee members, as from performance year 2021, the instruments related portion of variable compensation will be settled in certificates upon the award date at the fair market value of the underlying share at the end of the performance year which proceeds the award date.

Share Based Payment Expense

(€'000)	2024	2023
Fixed renumeration	2,960	660
Variable renumeration	4,135	3,550
Total Expense for the year	**7,095**	**4,210**

The increase in expenses is primarily due to the extension of the Share-Based Program to a wider population of beneficiaries within the Euroclear group.

Granted Shares movement

	2024			2023		
	Fixed	Variable	Total	Fixed	Variable	Total
Opening Balance	185	151	336	84	-	84
Granted during the year	347	491	838	101	151	252
Bought back during the year	(5)	(151)	(156)	-	-	-
Closing Balance	**527**	**491**	**1,018**	**185**	**151**	**336**

Granted shares situation (Locked/Non-Locked)

	2024			2023		
	Fixed	Variable	Total	Fixed	Variable	Total
Locked up shares	497	-	497	185	-	185
Non-Locked up shares	30	491	521	-	151	151
Total	**527**	**491**	**1,018**	**185**	**151**	**336**

XXVI. Subordinated liabilities

(€'000)	Maturity date	2024	2023
EUR 125,000,000 Fixed rate Additional Tier 1 Subordinated Liability	2031	127,108	126,989
EUR 200,000,000 Fixed rate convertible Tier 2 Subordinated Liability	2033	204,450	204,350
EUR 100,000,000 Fixed rate convertible Tier 2 Subordinated Liability	2033	101,675	101,637
EUR 100,000,000 Fixed rate convertible Tier 2 Subordinated Liability	2033	102,216	102,210
Total		535,449	535,186

Fixed rate subordinated Tier 2 notes were issued by Euroclear Bank and Euroclear SA/NV in 2018 and 2019 (€400,000,000 in total) and fully subscribed by Euroclear Investments SA. These notes provide Tier 2 regulatory capital to Euroclear Bank and Euroclear SA/NV. The Notes constitute direct, subordinated, unsecured and unconditional obligations of the issuers.

In November 2021, Euroclear SA/NV has issued a new Additional Tier 1 instrument (€125,000,000) which has been fully subscribed by Euroclear Investments SA. This perpetual note provides Tier 1 regulatory capital to Euroclear SA/NV and constitutes deeply subordinated, unsecured and unconditional obligations of the issuer.

Following the dissolution of the Euroclear Investments SA/NV in 2024, the notes are now held by Euroclear Holding SA/NV.

XXVII. Share capital and share premium

		(€'000)		
Equity shares	Number of shares	Share Capital	Share Premium	Total
At 1 January and 31 December 2024	13,112,014	916,293	1,771,936	2,688,229
At 1 January and 31 December 2023	13,112,014	916,293	1,771,936	2,688,229

The shares have attached to them full voting, dividend and capital distribution rights.

XXVIII. Other reserves

(€'000)	Notes	Equity instruments at FVOCI	Debt instruments at FVOCI	Cash flow hedging reserve	Hedge of net inv. in foreign operations reserve	Foreign currency translation reserve	Legal reserve	Total
At 1 January 2024		196,828	(87,182)	(6,034)	18,238	(43,038)	120,182	198,994
Fair value adjustments	XIV, XVI	(182,875)	36,464	(28,378)	-	-	-	(174,789)
Deferred tax on fair value adjustments	XIII, XVI	186	(9,223)	7,097	-	-	-	(1,940)
Foreign currency translation differences		-	-	-	-	7,727	-	7,727
At 31 December 2024		14,139	(59,941)	(27,315)	18,238	(35,311)	120,182	29,992

(€'000)	Notes	Equity instruments at FVOCI	Debt instruments at FVOCI	Cash flow hedging reserve	Hedge of net inv. in foreign operations reserve	Foreign currency translation reserve	Legal reserve	Total
At 1 January 2023		175,636	(170,656)	(53,979)	18,238	(59,829)	120,182	29,592
Fair value adjustments	XIV, XVI	21,773	110,517	63,927	-	-	-	196,217
Deferred tax on fair value adjustments	XIII, XVI	(581)	(27,043)	(15,982)	-	-	-	(43,606)
Foreign currency translation differences		-	-	-	-	16,791	-	16,791
At 31 December 2023		196,828	(87,182)	(6,034)	18,238	(43,038)	120,182	198,994

The tables show the other reserves attributable to the owners of the Company.

The hedge of net investment in foreign operations reserve and the foreign currency translation reserve relate to the group's subsidiaries in Sweden and the United Kingdom.

In addition to the translation of structural currency exposures relating to the group's subsidiaries and joint venture with a functional currency other than EUR, the foreign currency translation reserve includes the translation impact of goodwill and intangible assets expressed in Swedish krona (SEK) and GBP that were recognised at the time of acquisition of subsidiaries in Sweden and the United Kingdom.

The legal reserve represents non-distributable amounts required to be established as separate reserves in compliance with local laws in certain countries where the group operates.

XXIX. Dividends paid

	2024	2023
Dividend pe share (€)	86.31	30.16
Dividend paid (€'000)	1,131,752	395,463

Dividends principally relate to the interim dividends of €706,738,000 (€53.90 per share) and €425,000,000 (€32.41 per share) that were respectively paid in May and December 2024 by Euroclear SA/NV in respect of the financial year ending 31 December 2024.

XXX. Contingent liabilities and commitments

(€'000)	2024	2023
At 31 December		
Collateral pledged, of which:	2,086,770	4,184,334
- Own assets	388,650	635,226
- Re-use of collateral received	1,698,120	3,549,108
Financial guarantees	5,208,654	6,137,715
Loan commitments	1,200	1,726

The collateral pledged mainly relates to:

- securities deposited with the National Bank of Belgium as potential collateral, principally for Target2-related exposures. It includes investment securities with a market value of €359,576,000 (2023: €605,953,000) and the reuse of securities received as collateral for reverse repurchase agreements from participants with a market value of €1,698,120,000 (2023: €3,549,108,000); There was no exposure at 31 December 2024 (2023: €0);
- a bank deposit of €4,074,000 pledged by Euroclear SA/NV to a landlord (2023: €4,074,000); and
- Other operational pledged deposits for a total amount of €25,000,000 (2023: €25,200,000).

Financial guarantees principally relate to guarantees under the Securities Lending and Borrowing (SLB) and GCA (Global Collateral Access) programmes. Under the terms of the Euroclear SLB 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. 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 clients. Euroclear Bank also provides a guarantee to the GCA lenders, should the GCA borrowers fail to return lent Securities. This guarantee is provided on a net basis (difference between the market value of the unreturned Loan Securities and the market value of the Collateral Securities relating to the unreturned Loan Securities).

XXXI. Lease commitments

(€'000)	2024 Software	2023 Software
Group company as lessee		
Future aggregate minimum lease payments under non-cancellable leases:	**64,772**	**46,159**
- up to one year	31,870	15,318
- later than one year and not later than five years	32,889	30,730
- over five years	13	111

The lease expenses/revenues in the income statement are as follows:

(€'000)	Notes	2024	2023
Net interest income			
Interest expenses on lease liabilities	VI	2,344	1,203
Administrative expenses			
Depreciation expenses		23,390	30,403
Expenses from low-value assets		223	289
Expenses from software leases		43,438	34,694
Expenses from car leases (including non-lease components)		15,590	12,058

XXXII. Related party disclosures

Euroclear SA/NV is directly controlled by Euroclear Holding SA/NV, the parent and controlling party of the group. Euroclear Holding SA/NV is also incorporated in Belgium.

Euroclear SA/NV's investments in its subsidiaries are set out in Note I.

Transactions with related parties, other than those between companies of the group eliminated on consolidation, principally relate to investments in subsidiaries and joint ventures and to key management compensation.

Euroclear has established a foundation in 2024, the 'Euroclear Foundation'. This initiative aims to make a significant positive social impact in our local and global communities, and builds on the Company's existing initiatives, including a group-wide volunteering programme, local charity committees in its main locations, long-term community partnerships and a Matching Gift programme to match employee donations.

The group also considers its Belgian pension fund as a related party as it has the ability to exercise significant influence over it in taking financial or operational decisions. Disclosures related to the pension funds are presented in Note XXIV.

The following is a summary of the balances relating to transactions with Euroclear SA/NV's parent and other companies in the Euroclear group included in its consolidated financial statements:

	2024				2023				
(€'000)	Parent company	Other group companies	Associates and Other	Total	Immediate parent	Ultimate parent company	Other group companies	Associates and Other	Total
Assets									
Loans and advances at amortised cost	-	-	1,557	1,557	-	-	3,421	-	3,421
Financial assets at FVOCI	21,748	-	-	21,748	-	22,530	-	-	22,530
Non-trading financial assets mandatorily at FVPL	-	-	5,781	5,781	-	-	6,347	2,782	9,129
Other assets	-	647	-	647	11	-	35	-	46
Prepayments and accrued income	-	-	-	-	20	39	-	-	59
Property, plant and equipment	-	10,860	-	10,860	-	-	9,242	-	9,242
Investments in subsidaries and joint ventures	-	-	16,115	16,115	-	-	5,356	2,013	7,369
Total assets	**21,748**	**11,507**	**23,453**	**56,708**	**31**	**22,569**	**24,401**	**4,795**	**51,796**
Liabilities									
Deposits from banks and customers	-	-	-	-	6	-	-	-	6
Debt securities issued and funds borrowed	507,210	-	-	507,210	588,938	-	-	-	588,938
Lease liabilities	-	11,004	-	11,004	-	-	9,271	-	9,271
Other liabilities	7	-	18,457	18,464	-	-	7,740	2,889	10,629
Accruals and deferred income	59	-	-	59	59	59	-	-	118
Subordinated liabilities	535,449	-	-	535,449	535,186	-	-	-	535,186
Total liabilities	**1,042,725**	**11,004**	**18,457**	**1,072,186**	**1,124,189**	**59**	**17,011**	**2,889**	**1,144,148**
Shareholders' equity									
Other reserves	11,210	-	2	11,212	-	10,785	-	-	10,785
Total liabilities and shareholders' equity	**1,053,935**	**11,004**	**18,459**	**1,083,398**	**1,124,189**	**10,844**	**17,011**	**2,889**	**1,154,933**
Income statement									
Interest income	-	-	367	367	-	-	736	82	818
Interest expense	(33,405)	(313)	(2)	(33,720)	(34,443)	-	(26)	-	(34,469)
Fee and commission income	76	-	-	76	-	76	-	-	76
Fee and commission expense	(51)	-	-	(51)	(59)	-	-	-	(59)
Dividend income	744	-	-	744	-	462	-	-	462
Other operating income	1,452	222	-	1,674	573	848	208	-	1,629
Administrative expense	-	(3,572)	(17,000)	(20,572)	-	-	(10,036)	-	(10,036)
Impairment	-	-	(11)	(11)	-	-	(5,639)	(14,166)	(19,805)
Total income statement	**(31,184)**	**(3,663)**	**(16,646)**	**(51,493)**	**(33,929)**	**1,386**	**(14,757)**	**(14,084)**	**(61,384)**
Off-balance sheet									
Liquidity facility received	20,000	-	-	20,000	25,000	-	-	-	25,000
Liquidity facility given	-	-	(1,200)	(1,200)	-	-	(1,726)	-	(1,726)
Total off-balance sheet	**20,000**	**-**	**(1,200)**	**18,800**	**25,000**	**-**	**(1,726)**	**-**	**23,274**

Further details about transactions with related parties and of key management compensation are provided below.

XXXII.1. Transactions with other companies in the Euroclear group

XXXII.1.a. Loans and liquidity facilities granted

In 2024, Euroclear SA/NV has granted additional loans of €4,200,000 to Greenomy, bringing the total amount of loans with Greenomy to €6,900,000.

XXXII.1.b. Borrowings and liquidity facilities received

See Note XXVI.

XXXII.1.c. Bank accounts and term deposits

Some companies in the Euroclear group have bank accounts open with Euroclear Bank, a subsidiary of Euroclear SA/NV. Deposits are remunerated at market rates of interest.

XXXII.1.d. Administrative support

Certain administrative support costs are periodically recharged to and by other companies within the Euroclear group.

XXXII.2. Key management compensation

The compensation of key management (members of the Management Committees of Euroclear SA/NV and its (I)CSD subsidiaries and group division heads) and non-executive directors was as follows:

(€'000)	2024	2023
Short-term employee benefits	32,408	30,688
Share-based payment	6,844	690
Post-employment benefits	3,523	3,208
Other long-term benefits	4,904	4,026
Termination benefits	127	5,774
Total compensation of key management	47,806	44,386
Emoluments of non-executive directors	3,848	3,729
Total compensation of key management and directors	**51,654**	**48,115**

The National Bank of Belgium has been informed of the compensation principles for the members of the Management Committees of Euroclear SA/NV and Euroclear Bank and of certain other Senior Management, taking into account the applicable regulations. The amounts - as approved by the respective Remuneration Committees/Boards - reflect these principles and more specifically the allocation between short-term and long-term benefits.

No loans or similar transactions occurred with directors, key management or their close family members.

The companies employing the Euroclear SA/NV non-executive directors are subject to the same terms, conditions and tariffs as other companies.

Directors' emoluments are in the form of fees with the exception of life insurance benefits for one director amounting to €17,293 (2023: €19,167).

XXXIII. Business Combinations

In July 2023, Euroclear completed its acquisition of Goji, a leading provider of digital access and technology-enabled solutions to private markets for a total price consideration of €48,922,000. Euroclear SA/NV acquired 412,774 shares representing 89.86% of the total shareholding.

The acquisition of Goji aligns with Euroclear's strategy of expanding its reach and capabilities in private markets, building upon its successful acquisition of the MFEX funds distribution platform. Euroclear is now able to provide a true one stop shop offering to clients across a spectrum of products including mutual and alternative funds, ETFs and private market funds. The acquisition coincides with rapidly increasing demand for entry into private markets as investors seek strong, predictable returns and the security that comes from portfolio diversification.

The details of the assets and liabilities recognised, and goodwill, at the date of acquisition are set out below.

(€'000)	Notes	Acquiree's carrying value	Preliminary Fair value	Adjustemnt acquiree's carrying value	Final Fair value 31/12/2024
Assets					
Loans and advances at amortised cost	IV	12,140	12,140	-	12,140
Deferred income tax assets	XIII	-	-	1	1
Other assets	XVII	207	207	-	207
Pre-payments and accrued income		153	153	-	153
Property, plant and equipment	XVIII	101	101	710	811
Total assets		**12,601**	**12,601**	**711**	**13,312**
Liabilities					
Debt securities issued and funds borrowed	XXII	(450)	(450)	-	(450)
Lease liabilities		-	-	(705)	(705)
Other liabilities	XX	(274)	(274)	-	(274)
Accruals and deferred income		(889)	(889)	-	(889)
Deferred income tax liabilities	XIII	(5)	(5)	-	(5)
Provisions for liabilities and charges	XXIII	-	-	(90)	(90)
Total liabilities		**(1,618)**	**(1,618)**	**(795)**	**(2,413)**
Fair value of assets and liabilities of acquired entity		**-**	**10,983**	**-**	**10,899**
Of which related to minority interests			1,114		1,105
Cost of acquisition					
Cash consideration					41,582
Estimated deferred consideration					7,340
Total cost of acquisition					**48,922**
Goodwill, residual amount of purchase consideration					**39,128**
Cash outflow on acquisition					(41,582)
Less: Cash and cash equivalents in subsidiaries acquired					12,140
Net cash outflow					**(29,442)**

The Cash Generating Unit (CGU) defined for goodwill impairment purposes includes MFEX, Goji and EB Funds activities (see note XIX).

XXXIV. Events after the balance sheet date

Euroclear continues to closely monitor the invasion of Ukraine by Russia, and to implement the various sanctions. In line with its role of financial market infrastructure (FMI), Euroclear Bank is carefully managing the various aspects resulting from this situation in cooperation with the competent authorities. The Company continues to act prudently and to strengthen its capital by retaining the remainder of the Russian sanction related profits as a buffer against current and future risks. Euroclear is focused on minimising potential legal, financial, and operational risks that may arise for itself and its clients, while complying with its obligations.

Future earnings linked to the sanctions and the level of the windfall contribution will continue to depend on the prevailing interest rate environment and the evolution of the sanctions. Gradual rate cuts have already led to a gradual decline in interest income related to the Central Bank of Russia's assets in 2024 with the outlook for future interest earnings likely to continue to decline though dependent on future policymaking decisions.

Various parties in Russia contest the consequences of the application of sanctions, with a significant number of legal proceedings ongoing, almost exclusively in Russian courts. The impact of the lawsuits on Euroclear is uncertain. Euroclear is defending against all relevant legal claims and intends to continue to do so against any further claims.

An United Nation (UN) resolution was voted in January 2025 with regards to the Libyan assets held at Euroclear Bank for underlying clients under UN sanctions. This UN resolution aims to enable the Libyan Investment Authority (LIA) to preserve the value of the frozen assets by enabling investment decisions on frozen cash balances. Although the resolution is not readily actionable and its implementation may take some time, it is expected to impact the future earnings.

In February 2025, Euroclear acquired a 49% stake in Inversis, a leading provider of global investment technology solutions and outsourced financial services, for an acquisition price of €172.1 million. Euroclear's intention is to become the full owner of the Spanish company in the future. The group's total assets amount to €2.3 billion, with a net result after tax of approximately €26 million for the financial year 2024. By acquiring Inversis, Euroclear aims to accelerate the delivery of its funds strategy and increase its pan-European coverage thanks to Inversis' significant presence on the Spanish market.

The Board proposes to pay a dividend in respect of the financial year ending 31 December 2024 of €137 per equity share, which will distribute €1,796,738,000 of shareholders' equity. €1,131,738,000 (€86 per share) was already paid as interim dividend in 2024, leaving €665,000,000 (€51 per share) to be paid to shareholders in May 2025. €1,221,738,000 will be out of the parent company current year results, the remaining €575,000,000 will be paid out of the previous years' retained earnings.

Board and Committees - composition

NAME	Euroclear SA Board	Audit and Compliance Committee	Risk Committee	Remuneration Committee	Nominations & Governance Committee
Francesco Vanni d'Archirafi (Chairman) Independent	•		•	•	•
Katleen Vandeweyer Independent	•	• (chair)	•		
Andrew Butcher Independent	•		• (chair)	•	•
Eilis Ferran Independent	•	•		• (chair)	• (chair)
Elly Hardwick Independent	•	•	•		
Bart De Smet Non-Executive Director Consortium of Belgian shareholders	•				•
Yuxin Du Non-Executive Director Kuri Atyak Investment Ltd	•	•		•	
To be confirmed Non-Executive Director Caisse des Dépôts et Consignations	•				•
François Marion Non-Executive Director Sicovam Holding s.a.	•	•		•	
Tom Feys Non-Executive Director SFPI-FPIM Société Fédérale de Paricipations et d'Investissement - De Federale Participatie- en Investeringsmaatschappij	•		•		
Alex Cesar Non-Executive Director NZ Super Fund	•				
Valérie Urbain Executive Director, CEO	•				
Nils Jean-Mairet Executive Director	•				
Guillaume Elliet Executive Director	•				

The table shows the directors in office on 18 March 2025.

Statutory auditor's report to the shareholders' meeting of Euroclear SA for the year ended 31 December 2024 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Euroclear SA ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 3 May 2024, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2026. We have performed the statutory audit of the consolidated financial statements of Euroclear SA for 7 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 215 686 817 (000) EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 2 108 276 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2024 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Key Audit Matter 1: Valuation of Goodwill	
The Company's 31 December 2024 consolidated financial statements show a "Goodwill" caption amounting to 1 265 581 (000) EUR, as further disclosed in note XIX. The International Financial Reporting Standards prescribe that Goodwill is subject to an annual impairment assessment. We identified valuation of goodwill as a Key Audit Matter due to the significance of the balance and because the impairment assessment requires significant judgment of management with regards to the valuation methodology applied and the underlying assumptions used, mainly those relating to the ability to generate future free cash flows, and to the discount factor applied to these cash flows, taking into account the appropriate risk factors.	We focused our audit effort on (i) the valuation model used for the assessment, (ii) the appropriateness of the discount rate and terminal growth rates used in the model, (iii) the judgements relating to the future cash flow forecasts and (iv) the review of the disclosure note related to the goodwill in the financial statements: • Together with our valuation experts, we have assessed the "Discounted Cash Flow" model used by management and evaluated the underlying assumptions for the use of this model. • We evaluated and challenged management's future cash flow forecasts, and the process by which they were drawn up and implemented, including the oversight and challenge by the board of directors. We compared the current year's results with the figures included in the prior years' forecasts to assess the organisation's ability to accurately forecast future cash flows. • We challenged management's assumptions in their forecasts of the long-term growth rates – by comparing those to publicly available economic and industry forecasts- and the discount rates - by comparing the cost of capital for the company with comparable organizations, as well as by considering territory specific factors. • We considered the impact of regulatory and business evolutions, including stress test scenario, which have the potential to significantly affect the future cash flows of these entities on which goodwill had been recognised. • We evaluated and challenged management's assumptions in their definition of Cash Generating Unit. • We challenged management on the adequacy of their sensitivity calculations. • We have reviewed the completeness and accuracy of the disclosure note XIX related to Goodwill.

Key audit matter 2: Revenue recognition	
The Company's 31 December 2024 Annual Accounts show "Interests income" and "Fee and commission income" captions amounting to 8 379 340 (000) EUR and 2 198 725 (000) EUR respectively, as further disclosed in note V and VII. The aggregated amount of these captions represents the majority of the revenues of Euroclear. We identified these revenues as a Key Audit Matter due to (i) the significance of the balance, (ii) the accounting treatment applied, (iii) the risks surrounding the revenue recognition related to frozen liabilities in application of the sanctions regime and (iv) the dependency on IT systems.	We focused our audit effort on: • Assessing the appropriateness of the design and operating effectiveness of the internal control framework relating to the billing system of Euroclear in the circumstances; • Assessing the appropriateness of the design and operating effectiveness of the internal control framework relating to the investment portfolio; • Assessing the appropriateness of the design of the internal control framework relating to the compliance with sanctions regime; • Testing the IT Systems and IT General Controls over the fee and interest income system infrastructure. We performed specific testing on the appropriateness of the access rights and the system changes brought to the IT systems; • Performing substantive analytical procedures on the fee income charged by comparing monthly evolution of the volumes to the evolution of the related fee income; • Testing a representative sample of invoices, the existence and accuracy of the amount recorded in the general ledger as commissions received; • For the interest margin, performing substantive analytical procedures by extrapolating the interest income and expense based on the balances recognized on the balance sheet and the interest rates applied contractually; • Reviewing and validating the accounting technical analysis related to the revenue recognition of the interests generated from the reinvestment of the frozen balances; • Assessing the adequacy of a representative sample of manual journals impacting the reported fee amount.

Key audit matter 3 : Technology risk	Our review procedures involve the participation of IT experts. In accordance with our defined audit approach we tested the design, implementation and operating effectiveness of internal control and governance procedures relating to General IT Controls (GITC) applicable to the components considered as key in the financial reporting process. The scope includes privileged access management and change management procedures on:
The IT infrastructure of the group and its resilience is essential to the activity of the company and to the financial reporting processes. We have identified the operating systems (including the mainframe), the databases, the applications and their interfaces as key elements of the IT infrastructure. We consider the general computer controls and controls over application interfaces as being key in mitigating technology risk across the IT infrastructure. This assessment is based on: • The multiplicity of applications; • the very high volume of transactions; • the importance of adequate (privileged) user access management to ensure data integrity; and • The continuous development by Euroclear of the IT systems in terms of access management and change management.	• Operating systems • Databases • Applications When required, we have also tested additional business controls and conducted audit procedures to obtain sufficient comfort.
Key audit matter 4 : Russian Sanction The Russian sanctions led to significant changes in the structure of the balance sheet of Euroclear SA consolidated and the related accounting treatment. The Russian sanctions and related continuous increase of the balance sheet are considered as pervasive to the financial statements. We identified 4 main areas of focus related to the Russian sanctions: • Litigations and related accrued charges. We refer to note III.3 'Russian Sanctions' and note XXI 'Accruals and deferred income'. • The accounting treatment, classification and determination of the Windfall Contribution following the EU Council Regulation 2024/576: The Windfall Contribution amounts to 4 008 685 (000) EUR as per 31 December 2024. We refer to note VIII 'Windfall Contribution'. • The increase of the deposits from Russian counterparties and their reinvestment. We refer to note IV 'Risk management and the financial risk environment'.	Our key audit procedures related to the Russian sanctions entail: • Assessing the appropriateness of the design of the internal control framework relating to the accounting balances linked to Russian sanctions; • Reviewing the legal claims (if any), assessing the adequacy of the related accrued charges recorded and the underlying assumptions; • Sending confirmation letters to lawyers handling any litigations related to the Russian sanctions; • Reviewing and assessing the impacts of the latest Decrees (both from Russia and EU) and other European Union decisions; • Performing substantive analytical procedures by extrapolating the the interest margin generated on the re-investment of the frozen assets; • Reconciling the frozen assets to the accounting ledgerReviewing the accounting treatment of the C and I-accounts; • Reviewing the accounting treatment, classification and determination of the Windfall Contribution;

• The disclosure of the Russia sanction-related balances as an operating segment in compliance with IFRS 8. We refer to note V 'Segment Analysis'.	• Perform subsequent event procedures on the claims and litigations; • Reviewing the correspondence of Euroclear Bank with the regulator on the potential modification of the prudential treatment of the activities and related requirements in terms of capital, liquidity, etc; • Reading the various minutes of the committee to follow the actions taken by Euroclear Bank; • Reviewing the selected Russian sanction-related balances to ensure that – These are free of material misstatement based on principles defined by management; – Russia sanction-related balances are properly classified under the segment analysis disclosure note and the Windfall contribution disclosure.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, including the sustainability statement and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

The annual report contains the sustainability statement which is the subject of our separate limited assurance report on the sustainability statement. This section does not pertain to the assurance on the consolidated sustainability statement included in the annual report. For this part of the annual report on the consolidated financial statements, we refer to our report on the matter.

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

- Risk management;
- Acting responsibly;

are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Zaventem.

The statutory auditor

Digitally signed by
Franky Wevers
DocuSign
Signed By: Franky Wevers (Signature)
Signing Time: 03-apr-2025 | 21:51 CEST
C: BE
Issuer: Citizen CA
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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Franky Wevers

Limited assurance report of the statutory auditor on the consolidated sustainability statement of Euroclear SA/NV

To the general shareholders' meeting

In the framework of our legal limited assurance engagement on the consolidated sustainability statement of Euroclear SA/NV ("the company") and its subsidiaries ("the group"), we hereby submit our report on this mission.

We were appointed by the by the general meeting dated 3 May 2024, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee and as proposed by the works council of the group, to perform a limited assurance engagement on the sustainability statement of the group, included in the section "Acting responsibly" of the Director's report as at 31 December 2024 and for the financial year then ended (the "sustainability statement").

Our mandate expires on the date of the general meeting deliberating on the financial statements for the financial year ended 31 December 2026. We have performed our limited assurance engagement on the sustainability statement of the group for the first time during the current reporting period.

Limited assurance conclusion

We have performed a limited assurance engagement on the sustainability statement of the group.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement, in all material respects:

- has not been prepared in accordance with the requirements stipulated in article 3:32/2 of the Code of Companies and Associations, in accordance with the applicable *European Sustainability Reporting Standards (ESRS)*;
- has not been prepared in accordance with the process carried out by the group to identify the information reported in the consolidated sustainability statement (the "process") as set out in the note "Double Materiality Assessment"
- does not comply with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") regarding the disclosures in subsection "EU Taxonomy disclosures" within the environment section of the sustainability statement.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), as applicable in Belgium.

Our responsibilities under this standard are described in more detail in the section of our report "Responsibilities of the statutory auditor relating to the limited assurance engagement on the sustainability statement".

We have complied with all ethical requirements relevant to limited assurance engagements on the consolidated sustainability statement in Belgium, including those regarding independence.

We apply the International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and the company's and group's officials all explanations and information required for our limited assurance engagement.

We believe that the evidence we have obtained in the framework of our limited assurance engagement is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The scope of our work is limited to our limited assurance engagement on the consolidated sustainability statement of the group for the year ended 31 December 2024. Our limited assurance engagement does not extend to information related to the comparative figures included in the consolidated sustainability statement.

Responsibilities of the board of directors relating to the preparation of the consolidated sustainability statement

The board of directors of the company is responsible for designing and implementing a process and for disclosing this process in the note « Basis of preparation » of the consolidated sustainability statement. This responsibility includes:

- understanding the context in which the group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The board of directors of the company is also responsible for the preparation of the consolidated sustainability statement, which includes the information established by the process,

- in accordance with the requirements set out in article 3:32/2 of the Code of Companies and Associations, including the applicable European Sustainability Reporting Standards (ESRS);
- in compliance with the requirements of Article 8 of the Taxonomy Regulation regarding the disclosure of the information included in subsection "EU Taxonomy disclosures" within the environment section of the sustainability statement.

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors deems necessary for the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee and board of directors are responsible for overseeing the group's sustainability reporting process.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and deviations may be of material importance.

Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken based on the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgement and maintain professional scepticism throughout the engagement. The work performed in an engagement aiming to obtain a limited level of assurance, for which we refer to the section "Summary of the work performed" is less in scope than in an engagement aiming to obtain a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

Since the forward-looking information in the consolidated sustainability statement and the assumptions on which it is based, relate to the future, they may be affected by events that may occur in the future and/or by potential actions of the group. The actual outcomes are likely to be different from the assumptions made, as the anticipated events often do not occur as expected, and the deviation from them could be material. Therefore, our conclusion does not provide any assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statement.

Our responsibilities in respect of the consolidated sustainability statement, in relation to the process, include:

- obtaining an understanding of the process, but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process; and
- designing and performing procedures to evaluate whether the process is consistent with the company description of its process, as disclosed in the note "Basis for preparation".

Our other responsibilities in respect of the consolidated sustainability statement include:

- acquiring an understanding of the group's control environment, the relevant processes, and information systems for preparing the consolidated sustainability statement, but without assessing the design of specific control activities, obtaining supporting information about their implementation, or testing the effective operation of the established internal control measures;
- identifying where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statement. The procedures in a limited assurance engagement vary in nature and timing and are less in extent than procedures performed for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of the procedures selected depend on professional judgement, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the process, we:

- obtained an understanding of the process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the group's internal documentation of its process; and
- evaluated whether the assurance evidence obtained from our procedures with respect to the process implemented by the group was consistent with the description of the process set out in the note "Double Materiality Assessment".

In conducting our limited assurance engagement, with respect to the consolidated sustainability statement, we have:

- obtained an understanding of the group's reporting processes relevant to the preparation of its consolidated sustainability statement by obtaining an understanding of the company's / group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statement but not with the purpose of providing a conclusion on the effectiveness of the group's internal control;
- evaluated whether the information identified by the process is included in the consolidated sustainability statement;
- evaluated whether the structure and the presentation of the consolidated sustainability statement has been prepared in accordance with the ESRS;
- performed inquires with relevant personnel and analytical procedures on selected information in the consolidated sustainability statement;
- performed substantive assurance procedures on selected information in the consolidated sustainability statement;
- compared disclosures in the sustainability statement with the corresponding disclosures in the financial statements;
- obtained evidence on the methods and assumptions for developing estimates and forward-looking information as described in the section "Responsibilities of the statutory auditor related to the limited assurance engagement on the consolidated sustainability statement";
- obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statement.

Statement related to independence

Our audit firm and our network have not performed any engagements which are incompatible with the limited assurance engagement, and our audit firm has remained independent of the group throughout the course of our mandate.

Signed at Zaventem.

The statutory auditor

Digitally signed by
Franky Wevers
DocuSign
Signed By: Franky Wevers (Signature)
Signing Time: 03-apr-2025 | 21:05 CEST
C: BE
Issuer: Citizen CA
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Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Franky Wevers

Acronyms

ACA	Absolute Contraction Approach
ACC/AC	Audit and Compliance Committee/Audit Committee
ACFE	Association of Certified Fraud Examiners
AMC	Advanced Market Commitment
AML	Anti-Money Laundering
ARM	Assessment and Rating Methodology
BCBS	Basel Committee on Banking Supervision
BEGAAP	Belgian Generally Accepted Accounting Principles
BRRD	Bank Recovery and Resolution Directive
CapEx	Capital Expense/Expenditure
CBR	Central Bank of Russia
CCO	Chief Compliance Officer
CDR	Carbon Dioxide Removal
CEDA	Comprehensive Environmental Data Archive
CPMI	Committee on Payments and Market Infrastructures
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSD	Central Securities Depository
CSDR	Central Securities Depositories Regulation
CSO	Corporate Sustainability Office
CSP	Critical Service Providers
CSRD	Corporate Sustainability Reporting Directive
CTF	Counter Terrorist Financing
D^2FMI	Data and Digital-Enabled Financial Market Infrastructure
DEI	Diversity, Equity and Inclusion
D-FMI	Digital Financial Market Infrastructure
DL3S	Distributed Ledger for Securities Settlement System
DLT	Distributed Ledger Technology
DMA	Double-Materiality Assessment
DNN	Digitally Native Note
DORA	Digital Operational Resilience Act
D-SI	Digital Securities Issuance
DTCC	Depositary Trust Clearing Corporation
EAC	Energy Attribute Certificate
EBA	European Banking Authority
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECB	European Central Bank
ECMS	Eurosystem Collateral Management System
EFRAG	European Financial Reporting Advisory Group
EMTN	Euro Medium-Term Note
ERM	Enterprise Risk Management
ESES	Euroclear Settlement of Euronext-zone Securities
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
ETF/iETF	Exchange-Traded Funds/International Exchange-Traded Funds
EWC	European Works Council
ExCo	Executive Committee
FATF	Financial Action Task Force
FMI	Financial Market Infrastructure
FSMA	Financial Services and Markets Authority
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GSSS	Green, Social, Sustainable and Sustainability-linked bonds
ICMA	International Capital Market Association
ICSD	International Central Securities Depository
INED	Independent Non-Executive Director
IOB	Investigation Oversight Body
IOSCO	International Organization of Securities Commissions
IRO	Impact, Risk and Opportunity
ISSA	International Securities Services Association
KPI	Key Performance Indicator
KRI	Key Risk Indicator
KSD	Korean Securities Depository
KTB	Korean Treasury Bonds
LSEG	London Stock Exchange Group
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MSB	Monetary Stabilisation Bonds

NAV	Net Asset Value
NBB	National Bank of Belgium
NGC	Nominations and Governance Committee
NGEU	Next Generation European Union
NGFS	Network for Greening the Financial Sector
NRA	National Resolution Authority
NSD	National Settlement Depository
OECD	Organization for Economic Co-operation and Development
OpEx	Operating Expense/Expenditure
OSP	Outsourcing Service Providers
PCAF	Partnership for Carbon Accounting Financials
RC	Risk Committee
REC	Renewable Energy Certificate
RoE	Return on Equity
RRW	Recovery, Restructuring and Wind-down
SASB	Sustainability Accounting Standards Board
SBT	Science Based Target
SBTi	Science Based Targets initiative
SDA	Sectoral Decarbonization Approach
SME	Subject Matter Expert
SNED	Shareholder (Representative) Non-Executive Director
SRB	Single Resolution Board
T&D	Transmission and Distribution
T2S	TARGET2-Securities
UK BA	UK Bribery Act
UK TPT	UK Transition Plan Taskforce