

Euroclear Holding, Euroclear Investments, Euroclear SA/NV

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Euroclear Business and Financial update - Q3 2020

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Financial Highlights

- Year-to-date (Q3 YTD) 2020 revenues down 3% year-on-year, to EUR 1057 million.
 - Q3 YTD Business Income increased 12% to EUR 951 million, driven by favourable market conditions and implementation of strategic initiatives Q3 YTD Banking and Other Income decreased 55% to EUR 106 million as a result of interest rate cuts
- Q3 YTD Operating costs up 3% to EUR 637 million, in line with expectations, due to sustained investment in customer proposition, modernising technology and regulatory-driven initiatives.
- Q3 YTD Net profit was down 5% to EUR 314 million.
- Financial position remains strong.
- Outlook unchanged. While business income growth remains strong, the material impact of lower interest-related income will result in lower profitability in 2020, compared to 2019.

Business Update

- Global financial markets continue to be shaped by the response of companies, governments and other participants to the wide-ranging implications of COVID-19:
 - Q3 settlement volumes remain at more normal levels compared to exceptional volatility recorded in March and April due to the pandemic, albeit the period saw higher volumes compared to 2019 Assets under custody remain at record levels following primary issuance of fixed income by governments in response to pandemic, as well as recovery of equity market valuations compared to prior quarters Business income growth offset the financial impact of lower interest rates, which policymakers implemented in their response to COVID-19 crisis Collateral outstanding levels remain robust, up 11% compared to prior year
- Business continuity plans implemented in the context of COVID-19 pandemic continue to work effectively. Almost all staff continue to work remotely as Euroclear protects the health and safety of its people and ensures service to customers.
- Appointed Roger Storm and Michael Carty as operating entity CEOs for Swedish and UK businesses, respectively.

Strong Financial Position

We have a strong balance sheet and capital position. Given our disciplined risk management, limited leverage, prudent capital and liquidity positions, the Board remains confident in Euroclear's financial strength.

Commenting on the third quarter update, Lieve Mostrey, Chief Executive Officer said:

"The Euroclear group continues to perform robustly with key business drivers remaining healthy. As such, our outlook is unchanged. We are focused on implementing our strategy as we seek to meet evolving client needs in the financial industry."

Note to editors

Euroclear group is the financial industry's trusted provider of post trade services. At the core, the group provides settlement, safe-keeping and servicing of domestic and cross-border securities for bonds, equities and derivatives to investment funds. Euroclear is a proven, resilient capital market infrastructure committed to delivering risk-mitigation, automation and efficiency at scale for its global client franchise.

The Euroclear group includes Euroclear Bank - which is rated AA+ by Fitch Ratings and AA by Standard & Poor's - as well as Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & Ireland. The Euroclear group settled the equivalent of EUR 837 trillion in securities transactions in 2019, representing 239 million domestic and cross-border transactions and held an average of EUR 30.1 trillion in assets for clients.

For more information about Euroclear, please visit www.euroclear.com.

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