

Euroclear Holding, Euroclear Investments, Euroclear SA/NV

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Euroclear: A robust performance in an exceptional year for financial markets

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Euroclear reports results for the year ending 31 December 2020

Euroclear delivered a Stable Financial Performance

- Operating income flat compared to FY 2019 at EUR 1430 million as strong business income growth offset the impact of lower interest rates o Business Income rose 12% to EUR 1280 million as continued support for clients throughout Covid-19 combined with delivery of strategic initiatives and further business gains o Interest, Banking and Other Income down by 48% to EUR 150 million due to a lower interest rate environment
- Operating costs increased by 5% to EUR 862 million as investments continued in customer proposition, technology upgrades and regulatory- driven initiatives, despite exceptional Covid-19 circumstances
- Business Income Operating Margin, which excludes the effect of interest income, rose 4.3 percentage points to 32.7%, demonstrating business strategy progress
- EBITDA margin of 46.6% was down 2.8 percentage points compared to 2019, impacted by lower interest income
- Net profit was flat at EUR 432 million, resulting in earnings per share of EUR 137.2, in line with prior year
- Balance sheet and liquidity position remained strong through the year

Dividend expected to be maintained at prior year level

- Previously announced 2019 dividend of EUR 82.4 per share to be paid as an interim dividend during first quarter 2021
- Board signals its intention to maintain the 2020 dividend at prior year level, to be paid as an interim dividend in second half 2021

Key operating metrics remain healthy

- Resilient infrastructure enabled customers to transact in record volumes o Processed 276 million netted transactions, up 15%, equivalent to EUR 897 trillion (approximately 12x Global Economic Product)
- Increased volumes of debt issuance and success of strategic initiatives drove record Assets under Custody: o Value of securities held on behalf of clients at year end increased 5% to EUR 32.8 trillion o Fund assets under custody rose 8% to EUR 2.6 trillion as Euroclear's FundsPlace offering from asset managers and ETF issuers
- continues to grow, reflecting industry growth and demand for international distribution model o Benefits of Euroclearability attractive to both international investor and issuer communities. Global Reach assets under custody rose 7% to EUR 1.3 trillion
- Benefiting from its diversified service offering, Euroclear's Collateral Highway mobilised an average of EUR 1.5 trillion by year end, up 17% compared to 2019

Focused on Covid-19 business continuity while progressing strategic plans

Successfully delivered service continuity despite Covid-19, whilst also progressing strategy to strengthen, grow and reshape our network

- Resilience in exceptional conditions o Business continuity plans activated successfully, with 95% of staff working from home since March 2020 o Unwavering commitment of colleagues across the business to ensure customers were supported
- Strengthening our network o Continued progress in the migration of Irish corporate securities from Euroclear UK & Ireland to Euroclear Bank as Issuer CSD o All Euroclear Group entities received their CSDR licenses with Euroclear UK & Ireland securing its licence at the end of Q4 o Ongoing investment in core infrastructure to support risk reduction and settlement efficiency o Further expansion of international ETF model with addition of ETC and ETN securities
- Growing our network o Achieved strong momentum in Asia region with the launch of a new bond structure in the Chinese (Yulan bonds) and Japanese (Origami bonds) local markets o Continued emerging market partnerships including launch of a Euroclearable link with Turkey and collaboration with UAE to develop a domestic platform for issuing and settling monetary bills o Continued growth in Collateral Management solutions across business lines including the signing of a MOU with TMX Group to build a new collateral management service for Canada's capital markets
- Reshaping our network o Investing in digital and data services that support post-trade efficiency including the launch of Euroclear LiquidityDrive, offering insights into the liquidity information on all fixed income instruments settled in Euroclear o Developing and rolling out issuer solutions to support of SRDII- related opportunities o Developing our group ESG strategy and exploring how to support clients' green finance ambitions

Commenting on the results, Lieve Mostrey, Chief Executive Officer said:

"Euroclear has delivered a robust performance in what was an unprecedented year for global financial markets. The resilience shown by our systems and people, combined with ongoing strategic progress, yielded stable financial results, in spite of some strong interest rate headwinds.

I am especially proud of our teams for their remarkable efforts and dedication. As we move into 2021, we will use this momentum to further meet the evolving needs of the global financial industry."

About Euroclear

Euroclear group is the financial industry's trusted provider of post trade services. Euroclear 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 897 trillion in securities transactions in 2020, representing 276 million domestic and cross-border transactions, and held EUR 32.8 trillion in assets for clients by end 2020.

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