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Euroclear reports robust H1 2025 results

Brussels (ots/PRNewswire) -

Results for the first half year ended 30 June 2025

Financial highlights

Solid business performance and improved operating margin despite challenging geopolitical and macroeconomic environment

- *Underlying*¹ business income for H1 2025 reached €932 million, an 8% increase compared to H1 2024. Higher safekeeping revenues, supported by an increase in group depot and in settlement and communication income, reflect a robust equity market recovery and strong issuance activity.
- Following the acquisition of a 49% stake in Inversis, Inversis' results are consolidated as from March 1st, contributing for €4.7 million to Euroclear's share of results in H1 2025.
- In line with expectations, underlying interest and banking income continues to decrease (-6%) to €551 million, mainly impacted by lower interest rates. This was partly offset by an increase in average deposits.
- Operating costs increased by 3% to €682 million when adjusted for non-recurring items². Cost mitigation measures initiated last year continue to progress and partially compensate the inflation and higher compensation spend.
- As result of the positive operating leverage, business income operating margin improved to 27.2% (approx. +4% percentage points), reflecting continued growth in core activities and effective cost control.
- Resulting adjusted net profit remains stable year-on-year at €598 million. Adjusted Earnings Per Share is €1903.
- Q2 2025 business income remained consistent with the very strong performance in Q1, which was marked by volatility due to US announcements and geopolitical uncertainties. Volatility slightly decreased in the second quarter while issuances remained strong. As a result of the ongoing cost control measures, Q2 expenses remained in line with previous quarter.
- Euroclear Group's capital position remains very strong, comfortably above regulatory requirements with a Common Equity Tier 1 capital ratio of around 61%⁴.

The impacts of the Russian sanctions are detailed in the last section of this press release.

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Valerie Urbain, Chief Executive Officer of Euroclear, commented:

"We are reporting robust results for the first half of 2025, in line with our expectations. Our business income continues to increase (+8%) to €932 million, reflecting our strong operational performance in settlement and safekeeping activities, and making our results less reliant on interest income. I am also pleased to see initiatives such as our strategic partnership with Inversis in Spain start to contribute to the company's profit.

As Europe's largest player in post-trade, Euroclear has been actively contributing to the financing of the European economy and integration of European markets for decades, notably through the Eurobond and iETF models. As we move forward, we are accelerating our strategy to answer the clear needs outlined in Europe's Savings and Investments Union (SIU). Our ambition is to further facilitate the seamless flow of capital across Europe by building on the know-how, synergies, scale and global connectivity of our model which combines our international CSD (Euroclear Bank) with our six domestic CSDs in Europe and the UK. This unique, open model positions Euroclear as Europe's gateway to the world.

In the same spirit, the recent announcement of our AI powered tool EasyFocus+ is part of our commitment to make our clients' life easier and to support industry transitions such as widescale T+1 settlement by optimising market connectivity and boosting settlement efficiency. As a business of scale, Euroclear is accelerating its use of AI to automate increasingly sophisticated processes and enhance its customer service. Euroclear's open access model gives clients a choice of interconnected international and national CSDs, supporting competition, avoiding costly silos -

ultimately delivering a single, seamless interface."

Business performance

The key operating metrics (end of period unless stated otherwise) demonstrate an excellent business performance during the period.

	H1 2024	H1 2025	YoY evolution	3-year CAGR
Assets under custody	€39.6 trillion	€41.5 trillion	+5 %	+5 %
Number of transactions	165 million	177 million	+8 %	+4 %
Turnover	€565 trillion	€665 trillion	+18 %	+8 %
Fund assets under custody	€3.3 trillion	€3.6 trillion	+8 %	+8 %
Collateral Highway	€1.87 trillion	€2.01 trillion	+8 %	+1 %
Underlying cash deposits (full year average)	€22.5 billion	€24.5 billion	+9 %	-1 %

Euroclear continued its strong performance, with assets under custody reaching record levels, marking an eleventh consecutive quarter of growth. Turnover rose 18% from H1 2024, driven by robust fixed income and settlement activity amid volatile markets and geopolitical uncertainty. Collateral Highway outstanding and fund depots remain near peak levels.

Q2 2025 business milestones

Savings & Investments Union

Euroclear recently unveiled a comprehensive plan to establish a true single market for post-trade services in all 27 Member States across all asset classes. This initiative, aimed at enhancing the efficiency and effectiveness of European market infrastructure, will support the Savings and Investments Union's (SIU) ambitions and ensure Europe remains the 'go-to place' for investors and issuers globally.

Euroclear's ambitious project builds on the know-how, scale and global connectivity of its unique model: combining the leading international Central Securities Depository (Euroclear Bank) with its local CSDs in Europe. This open-model positions Euroclear as Europe's gateway to the world - enabling it to connect global markets, drive innovation and unlock further efficiency.

Contributing to stability and liquidity in the Eurosystem

At the end of Q2, Euroclear successfully connected to the European Central Bank's Eurosystem Collateral Management System (ECMS), marking a major step forward in the harmonisation of the management of collateral used in the Eurosystem. The recently launched ECMS replaces 20 separate National Central Bank (NCB) access points with a single, unified platform.

This connection strengthens Euroclear's central position in asset custody and liquidity management, supported by our Collateral Highway, the world's first neutral and global open architecture for institutions looking to optimise their collateral strategies.

Supporting the transition to T+1 with AI enabled data-driven insights

In support of the industry's transition to T+1 settlement in Europe by October 2027, Euroclear has announced the next generation of its EasyFocus service in partnership with Meritsoft and Taskize. EasyFocus+ provides clients with an enhanced, AI-powered platform, running on a Microsoft cloud, to deliver real-time data, insights and resolution capabilities across all of Euroclear's Central Securities Depositories (CSDs). The move aligns with Euroclear's strategy of reducing industry fragmentation, advancing the EU's Savings and Investments Union (SIU) and delivering services that optimise market connectivity.

End-to-end solution for investment funds in Asia Pacific

Euroclear and Marketnode, the Singapore based digital market infrastructure operator, have announced the roll out of a comprehensive, end-to-end fund order and processing solution for retail and institutional investors in Singapore. The service streamlines multiple activities across the retail cash and pension fund order and settlement lifecycle, allowing client to reduce manual intervention, improve reconciliation processes and accelerate settlement times. This launch follows Euroclear's strategic investment in Marketnode in 2024, reinforcing Euroclear FundsPlace as a one stop shop for fund services across Asia Pacific and supporting its broader global funds strategy.

Euroclear Foundation: from vision to execution

Euroclear marked a pivotal step in its commitment to social impact with the recent launch of the Euroclear Foundation. Dedicated to improving life chances for underserved, marginalised, and at-risk youth, the Foundation will enable better access to resources, skills, support networks, and opportunities for fuller participation in society. In addition, it will provide capacity-building support to nonprofits with bold ambitions for change.

Russian sanctions impacts

Financial impacts of the Russian assets

- Interest earnings from Russian sanctioned assets were €2.7 billion, a 21% decrease from H1 2024 due to gradual rate cuts. Future interest earnings will continue to evolve in line with future policy rates.
- As required by the EU windfall contribution regulation, Euroclear provisioned €1.8 billion as windfall contribution for H1 2025, of which €1.6 billion will be paid to the European Commission in July 2025.
- *The Russian sanctions and countermeasures resulted in direct costs of €52 million and a loss of business income of €16 million.*

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Update on 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 the group to implement the sanctions while maintaining our normal course of business.

As a result of the sanctions, blocked coupon payments and redemptions owed to sanctioned entities continue to accumulate on Euroclear Bank's balance sheet. At the end of June 2025, Euroclear Bank's balance sheet totalled €229 billion, of which €194 billion relate to sanctioned Russian assets.

In line with Euroclear's risk appetite and policies and as expected by the EU Capital Requirements Regulation, Euroclear's cash balances are re-invested to minimise risk and capital requirements. In the first half of 2025, interest arising on cash balances from Russian-sanctioned assets was approximately €2.7 billion.

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.

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 access assets blocked in Euroclear Bank's books, by claiming an equivalent amount in Russian Ruble 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.

Annexes

Cash balances related to Russian sanctions

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Business as usual cash balances

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Euroclear Bank and Euroclear Holding are the two group issuing entities. The Q2 2025 summary income statements and financial positions for both entities are shown below.

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Photo - https://mma.prnewswire.com/media/2733518/Euroclear_H1_2025_Results_6.jpg

About Euroclear

Euroclear group is the financial industry's trusted provider of post trade services. Guided by its purpose, Euroclear innovates to bring safety, efficiency, and connections to financial markets for sustainable economic growth. Euroclear provides settlement and custody of domestic and cross-border securities for bonds, equities and derivatives, and investment funds. As a proven, resilient capital market infrastructure, Euroclear is committed to

delivering risk-mitigation, automation, and efficiency at scale for its global client franchise. The Euroclear group comprises Euroclear Bank, the International CSD, as well as Euroclear Belgium, Euroclear Finland, Euroclear France, Euroclear Nederland, Euroclear Sweden and Euroclear UK & International.

1 Excluding Russian sanctions impacts

2 Non-recurring items include transformation costs (provision for early retirement plan and spend effectiveness programme), acquisition and disposal related costs (Inversis, MFEX), donation to Euroclear Foundation.

3 Pre 10:1 share split as of July 1, 2025

4 Based on estimated RWA of around €14.3 billion (of which around €6.1 billion of RWA are related to Russian assets) and CET1 capital of around €8.7 billion

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