



# EUROCLEAR BANK SA/NV

FINANCIAL STATEMENTS  
at 31 December

2023



The directors of Euroclear Bank SA/NV ('Euroclear Bank' or the 'Company') are pleased to present their report, together with the audited financial statements of the Company for the year ended 31 December 2023.

## I. Euroclear Bank at a glance

**As a Financial Market Infrastructure (FMI), Euroclear Bank plays a central role in helping global markets to process securities transactions efficiently, enhance liquidity and reduce risk. The Company operates secure platforms where a wide network of the world's largest financial firms and central banks hold and transact securities issued by companies, governments, supnationals and fund managers.**

### I.1 A TRUSTED FINANCIAL MARKET INFRASTRUCTURE

The Company is based in Brussels and is part of the Euroclear group ('the group' or 'Euroclear').

Euroclear Bank is the International Central Securities Depository (ICSD) of the group and owns a Banking Licence. The Company provides solutions for domestic and global financial market participants to invest in securities issued by governments, corporations, and fund managers. The Company facilitates financing in capital markets by reducing risk, increasing post-trade process efficiency, and optimising collateral mobility and access to liquidity. The Company also operates issuer CSD services for Ireland.

The Euroclear network comprises around 2,400 financial institutions which use its platform to access 50 different markets and settle transactions in almost 50 currencies. On their behalf, Euroclear Bank holds almost €18 trillion of assets under custody and enables over 163 million transactions per year, worth an equivalent of €692 trillion.

By the end of 2023, the total number of persons employed by Euroclear Bank amounts to more than 1,900.

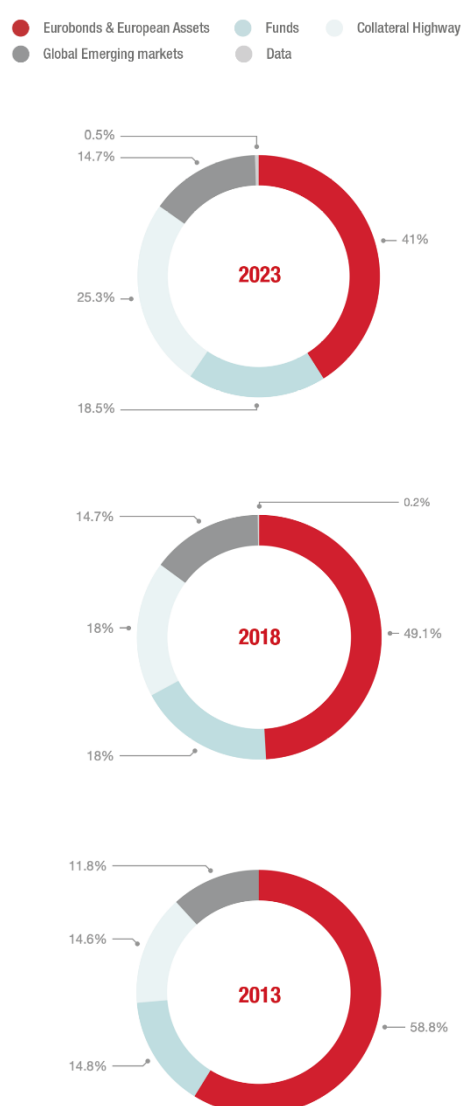
Euroclear Bank operates branches in Poland, Hong Kong and Japan. The Polish branch provides a dual-office arrangement with Euroclear Bank's existing operations in Belgium. The Hong Kong branch is an important contributor to client servicing in Asia and provides clients with a global service offering despite the time zone difference with its headquarters in Europe. The branch in Japan supports Japan-based users of its securities settlement system.

Euroclear Bank issued various capital instruments for €800 million in total. These instruments aim at structuring a relevant loss absorption mechanism to restore the capital position of the Bank in recovery and resolution scenarios in accordance with the Banking Recovery and Resolution Directive applicable to the Company. These instruments were fully subscribed by Euroclear Investments SA, with €300 million out of the total amount issued recognised as Tier 2 regulatory capital by the National Bank of Belgium.

Besides the above Long-Term Notes issue, Euroclear Bank can count on a €5 billion Euro Medium-Term Note (EMTN) program and a €20 billion Certificate of Deposits (CD) multi-currency program to increase its Qualifying Liquidity Sources in order to comply with the European Central Securities Depository Regulation (CSDR). At the end of 2023, Euroclear Bank had a total amount equivalent to €1.9 billion in issuance in euro (EUR), United States dollar (USD) and British pound sterling (GBP) through its EMTN program, and a total of €1.8 billion of CDs, mainly in USD and GBP but also in EUR for maturities from one week to one year. The CD multi-currency program addresses unforeseen liquidity shortfalls in a beyond extreme but plausible liquidity stress scenarios consistent with the recovery plan of Euroclear Bank.

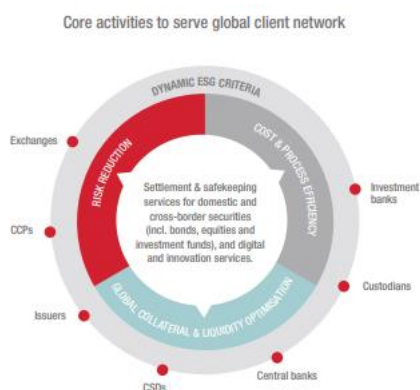
Euroclear Bank is rated AA by Fitch Ratings since 2021 and AA by Standard & Poor's since 2012, with stable outlook.

Business income breakdown



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

## I.2 AT THE HEART OF THE FINANCIAL ECOSYSTEM



Euroclear Bank connects issuers with investors: providing a platform for capital to flow where required throughout the global economy. Between those two parties are intermediaries: issuer agents, which perform multiple tasks on behalf of issuers including primary issuance and corporate actions; broker-dealers, that buy and sell securities on behalf of their investor community clients and actively support the origination of issuance and by bringing investors to the right products; and custodians, which safeguard the assets on behalf of underlying investors.

Euroclear Bank focuses relentlessly on meeting the evolving needs of its clients, always seeking to reinforce and extend its offer for:

- **Issuers, their agents and fund management companies**

For issuers and their agents, Euroclear Bank's core offering is to provide a secure place of issuance for their securities to access funding from the capital markets. Euroclear Bank plays the role of issuer CSD, which is to be the digital notary for the issued securities. A broad range of financial instruments are issued through Euroclear Bank including equities, fixed income, and exchange traded funds (iETFs).

Issuers require a place of issuance to allow for multiple asset classes and currencies, to have the right legal frameworks and to be attractive to investors. Moreover, issuers, their agents and fund management companies want to maintain a loyal investor base while meeting their regulatory responsibilities and ESG ambitions.

- **The investor community and their custodians**

Investors and their custodians expect to transact and hold their securities with a full safety and transparency. Their investment goals hinge on access to a variety of financial markets which are efficient and provide asset protection through legal certainty. Minimising risks often equates to a diversification of portfolios by accessing new geographical markets, multiple asset classes, while also developing marketplaces for sustainable finance.

Custodians seek to benefit from the automation and standardisation of processes across the entire life cycle of the securities they hold for their underlying investors. This includes seamless asset servicing and related tax processes where modernisation and standardisation are hallmarks of Euroclear Bank's custody services.

- **The broker-dealer community**

As broker-dealers act as a conduit for the trading process for the investment community, they require efficient and reliable financial market infrastructure, with complete access to liquidity. This enables them to focus on optimising funding opportunities whilst also managing costs, operational and credit risks, in line with their regulatory responsibilities.

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 respectively, meeting the needs of investors, issuers and dealers.

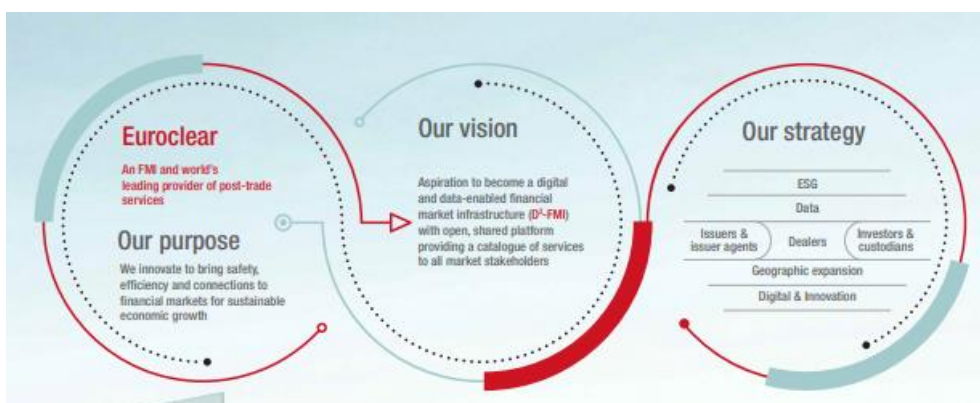
## II. Business and strategy update: one year into our journey to become a D<sup>2</sup>-FMI

**In 2023, Euroclear Bank made solid progress in delivering on the business objectives of its renewed corporate strategy. Key achievements include the expansion of its digital capabilities with the launch of the Digital Securities Issuance (D-SI) service, the successful connection of Euroclear Bank to the European Central Bank's T2S settlement system and the selection by several clients from Europe and Asia of Euroclear's fund platform for the onboarding of all of their investment funds. Euroclear Bank also expands its footprint in Asia by taking further step in making the South Korean market "Euroclearable".**

In 2022, Euroclear Bank adopted a new strategic direction, laying the foundations for the next phase of Euroclear Bank's diversification and growth. This strategy is anchored by a renewed purpose:

*"We innovate to bring safety, efficiency and connections to financial markets for sustainable economic growth".*

Euroclear Bank's purpose underpins its long-term aspiration to become a digital and data-enabled financial market infrastructure, a D<sup>2</sup>-FMI. By building an open platform providing a variety of services to all market stakeholders, Euroclear Bank continues to evolve its core settlement, custody, collateral and funds service, as well as developing new services – particularly in the data, sustainability and innovation space.



## II.1 HARNESSING TECHNOLOGY AND REALISING DATA & INNOVATION AMBITIONS

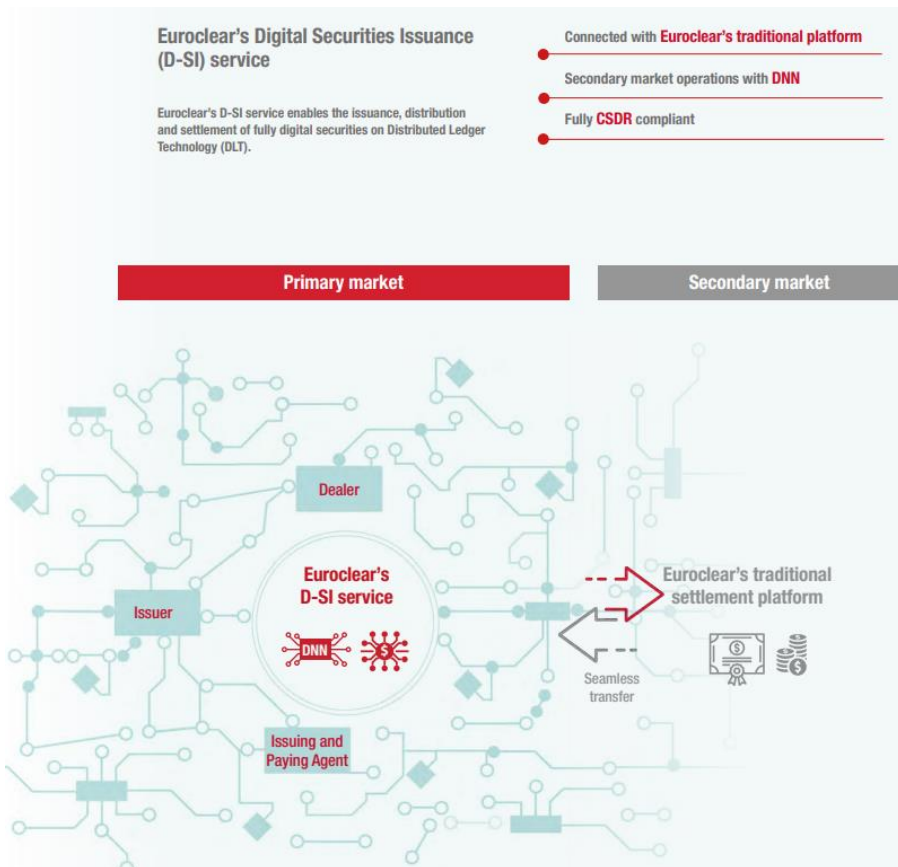
Advancing Euroclear Bank's data and innovation ambitions to provide a catalogue of data-enabled services is core to the group's D<sup>2</sup>-FMI strategy. In support of this, Euroclear Bank continues to broaden the scope of talent and grow and invest in critical capabilities such as data, digitalisation, operational resilience and cyber, while also reinforcing the client-facing, support and control functions.

### Embracing digital securities

Euroclear Bank's position as a systemic financial market infrastructure and its track-record of innovation enable the group to play a significant role in expanding digital capabilities in the post trade space whilst minimising potential risks.

Euroclear Bank recently announced the launch of its Digital Securities Issuance service, the landmark first milestone in this journey. The service enables the issuance, distribution and settlement of fully digital international securities - Digitally Native Notes (DNN) - on distributed ledger technology. This operates as part of Euroclear Bank's platform, which in turn is connected to the traditional settlement platform of Euroclear Bank for secondary market operations on DNN. For example, a DNN could also be used as part of a triparty collateral management deal.

The inaugural DNN was issued by the World Bank, raising €100 million to support its sustainable development activities. Euroclear Bank has a pipeline of future issuers in this new security format.



### Cooperating around digital assets

The benefits of Distributed Ledger Technology (DLT) innovation are highlighted in a recent paper on the financial industry's digital asset evolution published by Euroclear, The Depository Trust & Clearing Corporation (DTCC) and Clearstream. The paper calls for increased collaboration to progress an ecosystem that currently includes fragmented standards, varying regulatory treatment, limited integrations with institutional-grade payment rails and siloed liquidity – all limiting factors to the further digitalisation of global financial markets.

Through collaboration with the industry, the research identified digitalisation opportunities for global financial markets, which included reducing the costs of connectivity and enabling consistent operating standards across processes, platforms, and digital assets.

### Data-as-a-Service

Fixed income markets have grown significantly in recent years, as a result of volatile markets and rising interest rates around the globe. This new environment is driving demand for greater access to key fixed income data sets that help investors monitor market performance, liquidity conditions, and key trends.

Last year, Euroclear Bank teamed up with BondCliQ Inc, a credit market focused Data-as-a-Service (DaaS) company, to launch a new, European settlement data solution for debt instruments. This partnership has enabled Euroclear Bank to significantly enhance the transparency and accessibility of its fixed income settlement data. Market participants are now able to obtain unparalleled levels of access to refined fixed income data through customised dashboards. This will make it easier for investors to take more informed decisions and manage their portfolios with greater precision and confidence.

Euroclear Bank continues to invest in an optimal client digital experience. Through Taskize - our secure, web-based solution - clients can efficiently raise, route, track and resolve operational issues in real-time, avoiding the need to expend time on emails and phone calls. In 2023, new clients were welcomed to the Taskize network as well as existing clients increasing their adoption and experiencing higher satisfaction levels.

### Technology ensures safety

Euroclear Bank's foundations as a financial market infrastructure are its technology platforms and the operational resilience provided by its people and systems. Thanks to significant, consistent investment in technology capabilities and infrastructure

platforms, Euroclear Bank remains highly relevant, reliable, and scalable to meet growing market demand. Last year, Euroclear Bank again met its systems uptime targets while supporting record volumes, with 299 million netted transactions processed.

Euroclear Bank's settlement systems has proven to be robust when faced with these record volume levels, with an overall systems uptime of 99.9%.

Euroclear Bank's technology investments remain focused on heightening resilience and cyber security capabilities. Furthermore, they also focus on modernising existing platforms and building out new ones as part of our D<sup>2</sup>-FMI aspirations to improve market efficiencies and connections through innovation.

## II.2 DEEPENING MARKET LIQUIDITY FOR CLIENTS

Euroclear Bank supports the need for liquidity by providing settlement services and a neutral, interoperable collateral management utility to source, mobilise and segregate collateral, known as the Collateral Highway.

The Collateral Highway offers clients a complete view of exposures across the full spectrum of their asset classes and enables them to optimise collateral, including a growing trend in green collateral. At year-end 2023, the average daily collateral outstanding on the Collateral Highway was €1.2 trillion, with the business line contributing 25% of Euroclear Bank business income.

In 2023, changing macro-economic parameters impacted our business composition. Collateral scarcity impacted lending demand for high-quality, liquid fixed income securities. This was compensated by rebounding repo activity and the return of certain cash lenders to the secured financing markets. In addition, the Collateral Highway continued to benefit from our global role in providing triparty solutions to clients implementing recent uncleared margin rules (UMR) for derivatives under the Basel frameworks.

During the year, other collateral initiatives focused on the delivery of a new collateral data hub, including new criteria related amongst others to ESG stipulations. This to allow clients to implement their ESG guidelines across their collateral portfolios or to simulate to which extent these portfolios are already ESG-compliant.

In November 2024, the new Eurosystem Collateral Management System (ECMS) will change the way clients interact with central banks to post collateral and receive credit. Euroclear Bank is well prepared for this transition. Clients will be able to continue using Euroclear Bank to post collateral to their central bank and will also have the possibility to outsource this collateral management to Euroclear Bank entirely, with Euroclear Bank delivering collateral to the national central banks in T2S (TARGET2-Securities) on their behalf.

## II.3 GROWING INVESTMENT FUND SERVICES

2023 saw the investment fund industry sector rebound after markets had driven down equity and investment fund valuations in the prior year and despite ongoing geopolitical uncertainties, financial instability and recession risks.

Euroclear Bank offers a comprehensive range of services to distributors, custodians, and asset managers. The group administers €3.1 trillion of fund assets, servicing approximately 3,000 fund distributors and 2,500 fund management companies spanning across 85 countries.

In 2023, funds contribution to the Bank's business income was 15%. The core of Euroclear Bank's investment funds proposition is the automated order routing, settlement, and asset servicing. In addition, Euroclear Bank has acted as a growing place of issuance for both domestic and international exchange traded funds (iETFs).

Euroclear Bank is committed to building a digital marketplace that caters to the entire funds' ecosystem. Building on the acquisitions of MFEX and Goji by Euroclear SA/NV, Euroclear Bank has continued to enhance its service offering in funds with the launch of a new service for private market funds. Leveraging the Goji's capabilities with the FundSettle platform, the new service complements Euroclear Bank's existing money market, mutual and alternative fund offerings.

Moreover, Euroclear's partnership with Quantessence provides financial institutions around the world with technological support for a range of savings and investment products. In particular, the platform is used by some of the world's largest insurers and banks in support of individualised, customisable solutions for asset allocation. Quantessence takes care of calculation, asset rebalancing and order management for a growing number of clients.

Euroclear also continued to develop innovative services for fund distributors globally. In 2023, several clients from Europe and Asia chose Euroclear's fund platform for the onboarding of their investment funds. Euroclear provides a one-stop-shop solution for fund distribution and execution services via its extensive network, allowing these clients to have access to more than 250,000 funds.

To further streamline Euroclear's funds offering and reflect its ambition to create a true one-stop-shop offering to clients across the full spectrum of funds products, Euroclear's funds offering transitioned to a new brand name, Euroclear FundsPlace.

## II.4 FORGING STRONGER CONNECTIONS

Given Euroclear Bank's central role in global capital markets with an emphasis on our European base, we fully support the need for integrated, deep and liquid capital markets within the EU. As a common settlement platform for Europe, the European Central Bank's (ECB) TARGET2-Securities (T2S) system underpins this harmonised environment.

T2S reduces European fragmentation and makes central bank money securities settlement more efficient by reducing risk and increasing liquidity, and by fostering a more attractive European capital marketplace.

Euroclear Bank successfully completed the technical connection to the European Central Bank's T2S settlement system in late 2023. By joining this common infrastructure, Euroclear Bank will be able to offer its users delivery-versus-payment settlement of securities and cash in euro and Danish krone central bank money.

Further afield in Asia, Euroclear Bank continues to grow its international ecosystem. Euroclear Bank and the Korea Securities Depository signed an agreement to open an omnibus account structure allowing to make the South Korean market "Euroclearable" in a next phase. Building on key advancements in making Korean Treasury Bonds (KTBs) accessible through Euroclear Bank, the link will allow international investors efficient post-trade access to KTBs.

## II.5 DEVELOPING A SUSTAINABLE FINANCIAL MARKET PLACE

As a global FMI, Euroclear Bank has a role to play in facilitating and accelerating the development of a sustainable financial market by:

- **Reducing infrastructure, regulatory and informational barriers to issuance**

Euroclear is looking for ways to make the transition to green finance easier for issuers. An illustration of that is the work performed by Euroclear's partnerships, helping issuers on their reporting requirement journey as well as framing of sustainable credentials of portfolio holdings across many ESG dimensions in a user-friendly manner.

- **Providing transparency solutions so that issuers can access ESG information about their beneficial owners, and investors can access ESG market intelligence related to their investments**

InvestorInsight and Vantage by Euroclear address the need for issuers and investors (InvestorInsight) to access ESG information. These information and analysis services are provided by Euroclear ESES and Euroclear Sweden respectively. Both solutions enable issuers to boost their corporate governance by giving them easy and secure access to accurate, reliable and actionable information on the location and composition of their shareholders' base.

The Market Intelligence Tool (MINT) is a Euroclear Bank service which provides visibility on fund trends, enabling fund issuers to easily benchmark their portfolio at the time of issuance, and distributors to benchmark their target investments and make well-informed decisions. The objective is to enhance the existing MINT platform with a layer of ESG information enabling asset management companies to assess the penetration of sustainable finance in their respective asset classes and areas of expertise.

- **Processing ESG information flows from different sources, including metrics and disclosures, to enable the enhancement and development of our services**

Euroclear Bank is enhancing its collateral offering to support clients' efforts to build ESG into their collateral management by allowing them to customise their collateral baskets using :

- ESG indices composition;
- Bloomberg Green Bond data and MSCI ratings;
- Assessment of the Collateral basket impact, based on the SDG framework via Impact Cubed data by providing specific data on sovereign bonds; and
- ESG Select.

It is worth noting that ESG Select was the winning solution from Euroclear's 2022 Hackathon, a fully hybrid companywide competition where Euroclear employees tackled various concrete business challenges, from sustainability to resilience. ESG Select offers collateral clients (givers and takers) a new service enabling them to simulate their collateral baskets from an ESG perspective. It leverages the existing data relating to ESG Indices and subsequently Bloomberg Sustainable Debt Data and MSCI ESG ratings will be added.

## II.6 PEOPLE AS A KEY ENABLER OF OUR STRATEGY

Business success depends on our people. Euroclear Bank offers a platform for our colleagues to learn, grow, and connect while operating in an environment of driven experts committed to continuous improvement.

One example of this is the creation of a new tech hub in Poland, which will see Euroclear group create 400 new jobs to further leverage technology opportunities. During Euroclear Bank's 10 years in Krakow, it has seen its office grow to approximately 800 staff who primarily work in operations, support and control functions.

We continue to mobilise all layers of the organisation around its inclusive corporate culture. With strong leaders and an empowered workforce, the company is able to reinforce its client-centricity.

In order for Euroclear to engage, stimulate and develop its diverse workforce, it conducts a yearly Engagement Survey which helps set future business direction. In 2023, 87% of all staff across all Euroclear locations completed the survey, with almost 17,000 comments and good overall satisfaction score – in line with previous surveys.

## III. Economic and geopolitical context

**The macroeconomic and geopolitical environment in 2023 remained unpredictable and challenging to navigate. In particular, with geopolitical events driving macro-economic events and in turn having financial market consequences. The application of sanctions on Russian frozen and immobilised assets continued to have a material impact on Euroclear Bank in 2023. The Company responded well to the challenge by implementing the sanctions, managing the consequences of the countermeasures, while maintaining normal business operations. This diligence has helped to protect Euroclear Bank's reputation as a trusted Financial Market Infrastructure.**

### Global trends

Through 2023, the global economy proved resilient in the face of conflict, geopolitical tensions, high inflation and tightening monetary policy. The ongoing war in Ukraine led G7 governments, the EU and their partners gradually tighten their regime of trade and financial sanctions towards Russia. However, the impact of the war on energy and grain prices declined over the course of the year. The outbreak of Israel-Hamas war in October has had less impact on the world economy, but nevertheless it threatens escalate into a wider, regional conflict with potential implications for energy supply and global trade.

Tensions between the West and China continued periodically throughout the year. Both sides made efforts to redirect investment and reconfigure supply chains to "de-risk" their economic ties. Other countries looked to seize opportunities and avoid the dangers of this geo-economic fragmentation. Nevertheless, the BRICS' admission of several new countries to the grouping in 2023 was, in part, a reflection of wider wariness among emerging economies about their dependencies on Western financial systems.

Inflation remained well above target rates in most economies throughout 2023, but interest rate rises in advanced economies brought inflation down during the year. However, the end of ultra-loose monetary policy weighed on economic growth, especially in Europe. Higher interest rates also exposed vulnerabilities in the liquidity and capital positions of some financial institutions.

### 2024 outlook

2024 is likely to be marked by uncertainty around interest rate reductions, and by market concerns about the sustainability of high levels of public debt. European and US governments face ever-growing spending demands for defence, industrial policy, the energy transition, health and social care, as well as more expensive debt service. With central banks engaged in quantitative tightening, investors' appetite for more government bonds may be limited. As a result, governments may need to implement policies that channel more funds to themselves and keep interest rates low (financial repression).

Conflict and geopolitical tensions will be ongoing headwinds for the world economy through 2024, and tensions could rise between China and Taiwan following the latter's general election in January 2024. China's economic slowdown is also likely to affect global economic growth. Significant uncertainty surrounds the US presidential election in November; the outcome of which could impact geopolitics and trade. Outside politics, a key theme in the year ahead will be the adoption of AI in the financial sector, with its related opportunities and risks. Several working groups have been set up to explore the business and strategic implications of the macro developments outlined above.

### Managing Russian sanctions and countermeasures

Russia's invasion of Ukraine resulted in market-wide application of international sanctions. Euroclear Bank considers the application of international sanctions as a key priority and takes its responsibility very seriously. Therefore, well established



processes are in place which have allowed the Company to implement the sanctions while maintaining our normal course of business.

One consequence of the sanctions is that blocked coupon payments and redemptions owed to sanctioned entities result in an accumulation of cash on Euroclear Bank's balance sheet. As per Euroclear Bank's standard process, cash balances are unremunerated and cash balances are invested to minimise credit risk. Managing such credit risk is a requirement under the Capital Requirements Regulation. Like for any other reinvestment of cash balances, the interest earned is net interest income belonging to Euroclear Bank.

Euroclear Bank continues to separate Russian sanction-related earnings from the underlying financial results and retain these profits until the situation becomes clearer.

Euroclear Bank is faced with a high level of complexity in managing both the wide-ranging package of sanctions and the countermeasures implemented by Russia, since Russia does not recognise the international sanctions and considers them against public Russian order. Euroclear Bank allocates considerable time, resources and capital to manage the market issues, potential risks, and implications of these countermeasures while maintaining regular dialogue with clients and other stakeholders.

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

In parallel, the Board notes that the European Commission is contemplating various options to use the profits generated by the reinvestment of the sanctioned amounts held by financial institutions, including Euroclear Bank, for the financing of Ukraine.

Euroclear Bank is focused on minimising potential legal and operational risks that may arise for itself and its clients from the implementation of any proposals from the European Commission. The Bank continues to act in a transparent manner with all authorities involved and to retain profits related to the international sanctions applicable on Russian frozen and immobilised assets until the situation becomes clearer with no dividend distribution to its shareholders.

## IV. Financial review

**Euroclear Bank delivered a robust financial performance in 2023 driven by high business income and interest earnings, despite subdued market conditions.**

**Euroclear Bank continues to separate Russian sanctions-related earnings from the underlying financial results and retain these profits until further guidance is provided on the distribution or management of such profits. Even when excluding the exceptional Russian result, Euroclear Bank delivered another record financial performance in 2023.**

### IV.1 Company's overall financial performance

Operating income	Business income margin	Net profit
<b>€6,597 million</b>	<b>22.0%</b>	<b>€4,278 million</b>
+196% vs. 2022	-36% vs. 2022	+273% vs. 2022
Total assets	CET1 ratio	ROE
<b>€162 billion</b>	<b>83.2%</b>	<b>99.1%</b>
+31% vs. 2022	+117% vs. 2022	+99% vs. 2022

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

The selected financial information and metrics set out below are derived from the audited Financial Statements for the financial years ended 31 December 2023 and 2022.

- In 2023, Euroclear Bank recorded substantial growth in overall operating income to reach €6,597 million (compared to €2,228 million in 2022), driven by continued business income increase and higher interest earnings. The high interest rates environment combined with increase in cash balances led to a sharp increase of net interest earnings, reaching over €5,487 million for 2023, of which €4,408 million relate to interests linked to Russian sanctions and countermeasures.
- **Business income** amounted to €1,111 million in 2023, an increase of 5% compared to 2022, confirming the resilience of the Company's business model.
- **Net profit** reached €4,278 million compared to €1,148 million in 2022. The increase is mainly driven by significant growth in net interest income.
- **Total assets** amounted to €162 billion as of 31 December 2023, up €38 billion compared to 2022, corresponding to a year-on-year increase of 31% as Euroclear Bank balance sheet has experienced a material increase in cash as blocked coupon payments and redemptions linked to sanctioned assets continue to accumulate.
- Euroclear Bank continues to maintain a strong capital position with a **CET1 ratio** at 83.2% (core equity including current year's retained earnings minus ordinary dividends to be paid, compared against current year's total risk exposures) as of 31 December 2023 and a low-risk profile, which are critical as a financial market infrastructure and create headroom for further growth, and this despite the sizable increase of its balance sheet due to the Russian sanctions. Both Fitch & S&P Ratings reconfirmed the AA rating of Euroclear Bank in 2023.
- **Return on Equity (RoE)** amounted to 99.1% for the year 2023, an increase of 99% compared to 2022.

#### **IV.2 Main impacts of Russian sanctions on performance and reconciliation of Euroclear Bank figures to underlying figures**

The market-wide application of international sanctions has had a material impact on Euroclear Bank. As such, Euroclear Bank considers it necessary to separate the estimated sanctions-related earnings from the underlying financial results when assessing the Company's performance and resources.

Euroclear Bank has defined procedures and management reporting rules to segregate the sanctions-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. This impact is on a quarterly basis since 30 June 2023 subject to a limited assurance engagement by our statutory auditor to confirm that nothing has come to their attention that causes them to believe that this impact has not been assessed, in all material respects, in accordance with the internally defined reporting rules.

The main impacts of the sanctions are the following:

- Blocked coupon payments and redemptions owed to sanctioned entities results in an accumulation of cash on Euroclear Bank's balance sheet. These cash balances are invested to minimise credit risk. As a result, at 31 December 2023, Euroclear's balance sheet had increased by €38 billion year-on-year to a total of €162 billion.
- Cash balances from Russian sanctions-related assets are reinvested, generating interest earnings. Over 2023, revenues on cash balances arising from sanctions on Russia amounted to €4.4 billion. Such interest earnings are driven by two factors: (i) the prevailing interest rates and (ii) the amount of cash balances that Euroclear Bank 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 Bank incurred additional direct costs from the management of Russian sanctions of €62 million for the year 2023, with considerable senior management and Board focus on the topic. Additionally, the international sanctions and Russian countermeasures have resulted in a loss of activities from sanctioned clients and Russian securities, which negatively impacted business income by €24 million.
- Russian sanctions-related earnings (€3,223 million), net of taxes, are not distributed while uncertainties persist and are retained in shareholders' equity with no dividend distribution.

<b>Euroclear Bank - Consolidated P&amp;L (BEGAAP)</b> (EUR Mln)	FY 2022 Total	Russian sanctions impacts	FY 2022 Underlying	FY 2023 Total	Russian sanctions impacts	FY 2023 Underlying
Operating income	2,228	815	1,413	6,597	4,384	2,214
Net business income	1,059	-7	1,066	1,111	-24	1,135
Net interest, banking & other income	1,168	821	347	5,487	4,408	1,079
Operating expenses	-697	-20	-677	-866	-62	-805
Share of results	0	0	0	0	0	0
<b>Operating profit before impairment</b>	<b>1,531</b>	<b>795</b>	<b>736</b>	<b>5,731</b>	<b>4,322</b>	<b>1,409</b>
Impairment	-5	-1	-5	0	0	0
<b>Pre-tax profit</b>	<b>1,526</b>	<b>794</b>	<b>731</b>	<b>5,731</b>	<b>4,322</b>	<b>1,409</b>
Tax	-378	-197	-181	-1,453	-1,099	-353
<b>Profit for the period</b>	<b>1,148</b>	<b>597</b>	<b>550</b>	<b>4,278</b>	<b>3,223</b>	<b>1,056</b>

<b>Euroclear Bank - Consolidated B/S (BEGAAP)</b> (End-of-year   EUR Mln)	FY 2022 Total	FY 2022 Russia	FY 2022 Underlying	FY 2023 Total	FY 2023 Russia	FY 2023 Underlying
Loans and advances to banks and customers	106,784	85,785	20,999	147,373	126,769	20,605
Financial assets	15,908	7,630	8,279	13,526	7,466	6,060
Goodwill and intangible assets	47	0	47	81	0	81
Other assets & accruals	830	0	830	587	0	587
<b>Total Assets</b>	<b>123,570</b>	<b>93,415</b>	<b>30,155</b>	<b>161,567</b>	<b>134,235</b>	<b>27,333</b>
Deposits from banks and customers	114,483	92,782	21,701	149,494	130,415	19,080
Debt instruments issued	5,093	0	5,093	4,216	0	4,216
Other liabilities & provisions	1,086	35	1,051	1,515	0	1,515
Subordinated liabilities	306	0	306	307	0	307
Shareholders' equity	2,602	597	2,005	6,036	3,820	2,216
<b>Total Liabilities and Shareholders' Equity</b>	<b>123,570</b>	<b>93,415</b>	<b>30,155</b>	<b>161,567</b>	<b>134,235</b>	<b>27,333</b>

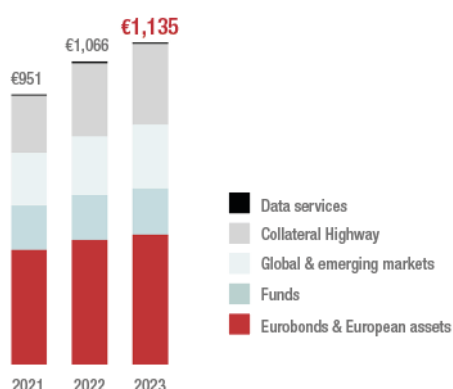
Note: The line Net Interest, banking & other income includes the cost related to liquidity lines. This cost is classified as fee expense (part of Net business income) in the financial statements.

### IV.3 Focus on underlying financial performance

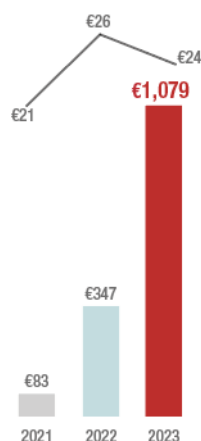
In this sub-section, Euroclear refers to its underlying results, after segregation of its Russia related sanctioned earnings.

## Euroclear's robust financial progress on an underlying basis

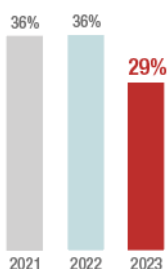
**Business income by business line**  
(in € million)



**Interest, banking and other income**  
(in € million)  
Yearly average deposits (in € billion)



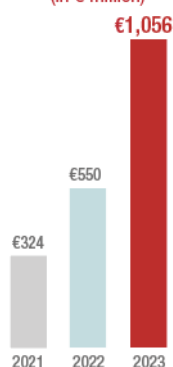
**Business income margin**



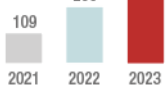
**Unit cost ratio**  
(bps)



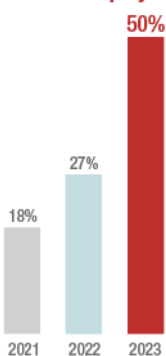
**Net profit**  
(in € million)



**Asset performance**  
(bps)



**Return on equity**



**CET1 ratio**



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

- Underlying business income improved year-on-year to reach a record €1,135 million, an increase of 6% year-on-year, reflecting a robust growth despite subdued market conditions. After volatile markets in 2022 following the invasion of Ukraine, market activity slightly reduced in 2023 and equities valuations showed a limited recovery. On the other hand,

fixed income issuance performed well. The diversification of Euroclear Bank business demonstrates its resilience with a good balance between revenues linked to market activity, revenues linked to equities valuations and revenues linked to fixed income (subscription-like business model).

- Eurobonds & European assets performance resulted from solid issuance and partial recovery of equities valuation, in spite of lower levels of trading compared to last year in most markets.
  - Funds business also suffered from lower activity mainly impacting mutual funds. Investments in ETF remained strong.
  - Collateral Highway revenue increased, despite reduced volumes for lending and borrowing thanks to revised pricing.
  - Global & Emerging Markets performance remained solid amid interest in new, emerging markets.
- **Business income margin** on an underlying basis, amounted to 29.1% in 2023 compared to 36.5% in 2022, driven by the increase in operating expenses.
  - The interest rate environment has changed drastically on a global scale over the past 2 years. Rising interest rates in 2023 had led to a large increase in interest earnings on cash balances. On an underlying basis, **2023 interest, banking and other income** increased by 211% to €1,079 million driven by interest rates hikes.
  - Underlying **operating expenses** increased to €805 million, up 19% compared to 2022. Approximately 10% of the increase in underlying operating expenses is due to inflation on costs, with the remainder reflecting continued investments in its technology and service offering, as well as one-off projects. The investments in Euroclear's technology aim at enhancing Euroclear's client proposition, business resilience, and to increase efficiency through standardisation and modernisation.
  - Underlying **net profit** reached €1,056 million compared to €550 million in 2022, reflecting a strong business performance and continued growth of Euroclear Bank's core business.
  - Underlying **RoE** amounted to 50.0% for the year 2023, up from 27.4% in 2022.

#### IV. 4 Management accounts definitions

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

Measures	Definition
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 operating expenses divided by business income.
Unit cost ratio	General administrative expenses compared to the average value of securities held.
Asset performance	Net profit compared to total average assets of current year and prior year.
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.

#### V. Risk management and internal control framework at Euroclear

**Despite the unpredictable and challenging macroeconomic and geopolitical environment, Euroclear Bank's risk profile remained strong, supported by a robust control environment and the dedication and expertise of its staff. However, sanctions against Russia and the Russian countermeasures remained one of the largest risk drivers in terms of legal, operational and financial risks for Euroclear in 2023.**

Euroclear Bank has in place an overall effective Enterprise Risk Management framework and risk appetite that have been designed to meet Board, market and regulatory expectations and govern the way in which risks are managed in Euroclear Bank. Euroclear Bank has a comprehensive Risk Library that includes all sources of risk to which it is exposed. 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](http://www.euroclear.com) as well as in Note IV to the Euroclear SA/NV's consolidated financial statements.

##### V.1 External context

As described in the section III, the macroeconomic and geopolitical environment in 2023 remained unpredictable and challenging to navigate. Whilst these drivers have had significant impacts on the environment in which Euroclear Bank operates, the Company's risk profile remained strong, supported by a robust control environment and the dedication and expertise of its staff. This conclusion is also supported by the external rating agencies (Fitch Ratings and Standard & Poor's) who have reconfirmed Euroclear Bank's credit rating.

## V.2 Evolution of Euroclear's Risk Profile

### • Operational risk (people, process, systems)

Operational risks are at the core of the Euroclear Bank's business and the Company is committed to effectively managing operational risks, ensuring its position as a resilient and strong financial market infrastructure through integrating continuous technological modernisation and innovation with the strategic development of its human resources. Euroclear Bank has a comprehensive operational risk management framework, underpinned by its dedication to investing in human capital development and fostering a culture of risk awareness.

In 2023 Euroclear Bank's processes continue to be tested by the sanctions against Russia and the Russian countermeasures. While new sanctions were issued, these still resulted in more breakage of straight through process and increased manual interventions. The Russian countermeasures equally posed operational challenges to ensure reconciliation of securities balances held within Euroclear Bank. 2023 also saw underlying clients of sanctioned Russian participants bring cases before the Russian courts against Euroclear Bank for assets freeze by international sanctions on those participants. The effects of such cases are still feeding through Euroclear Bank's processes and being reflected in its capital assessments for operational risk.

Throughout 2023, Euroclear has effectively strengthened its operational risk management, resulting in a decrease in system incidents and the continuous endorsement of its Central Securities Depository Regulation (CSDR) license.

Looking at the operational achievements, Euroclear Bank has enhanced its staff's risk management expertise through specialised development programs, resulting in heightened vigilance and capability. The bank reinforced its cybersecurity capabilities through substantial investments in its infrastructure and its Cyber Defense Centre. Business continuity plans have been refined. These are instrumental in the resilient response to potential disruptions, complement the very high system stability and demonstrate the robustness of the control environment in place.

Outlining the future outlook for 2024 and beyond, Euroclear Bank is committed to maintaining the momentum in risk management. Euroclear Bank believes its people are its greatest asset to effectively respond to the ever changing and challenging external environment and will continue to attract and develop talented individuals. The enhancement of Euroclear's training programmes is also a priority to embed a culture of risk awareness throughout the organisation.

### • Financial risks (credit, market, and liquidity)

Euroclear Bank is the only Euroclear CSD that has a banking license and thus bears the large majority of financial risks in the group.

Euroclear Bank's exposure to various financial risks kept growing throughout 2023 driven by the continuous increase in the balance sheet though to a lesser extent than in 2022. Following the international sanctions against Russia, Euroclear Bank has been blocking incoming cash proceeds linked to sanctioned assets as per sanctions legislations and reinvesting this cash safely, in line with Banking and CSD Regulations. This led to a substantial increase in financial exposures, in particular, credit risk (the risk of loss resulting from the inability of the borrower to repay the loan).

The credit risk linked to Russian exposures arises primarily when reinvesting the frozen or immobilised cash balances. To mitigate this risk, Euroclear Bank uses the 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 reinvested via FX swaps with highly rated counterparties. This prudent credit risk management strategy ensures that while exposures are substantial, the resulting risk and capital requirements remain relatively contained.

As of end 2023, there is no market risk linked to the reinvestment of frozen or immobilised balances as they 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 than the underlying balance. Additionally, market exposure to rouble has disappeared in 2023 from Euroclear Bank's balance sheet due to its decision to withdraw the Rouble from its list of accepted settlement currency earlier in the year.

Throughout 2023, Euroclear Bank has mitigated its financial risks and contained the capital impacts. Its financial soundness remains strong. Euroclear Bank continues to operate a strong credit, liquidity and market risk framework which continuously seeks to reduce the intra-day uncommitted credit provided to its participants and to ensure smooth day-to-day operations and maintain a high level of preparedness to cope with unexpected and significant liquidity shocks.

### • Legal, Compliance, Conduct and Culture risks

Euroclear Bank faces legal, compliance, conduct and culture risks given its position as a leading financial market infrastructure operating in a highly regulated environment. Legal and compliance challenges continue to increase from the scale and complexity of new sanctions as well as the related Russian countermeasures and the high volume and variety of new

regulations. These risks continue to be 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 Bank has implemented all relevant international sanctions and ensures its continued compliance with relevant legislations. Some uncertainties remain with regards to the Russian countermeasures and increasing number of the court cases brought in Russia against Euroclear Bank. Euroclear Bank considers the potential impacts of these uncertainties on its financial position when assessing the appropriate capital levels to maintain and continue to provide a 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 Bank. Early in 2022, Euroclear defined a new strategy and long-term vision to ensure that its service offering remains relevant longer term. Since then, Euroclear Bank progressed on the execution of its strategy. Euroclear Bank operates a Portfolio governance framework to translate the strategy into programme and projects and monitor their execution. Managing effectively change and project risks by reliance on project and programme management capabilities at corporate level is crucial for the successful execution of the strategy in the coming years.

During 2023 Euroclear Bank continued to invest in its operational resilience, while responding to the challenges posed by the Russian sanctions and countermeasures and executing on its new strategy and building the foundations for its longer-term vision. These will remain the challenges for the next few years.

## VI. Compliance

The mission of the Compliance & Ethics function ('C&E') is to promote a culture of integrity and support Euroclear in navigating through regulatory complexity via expertise, constructive challenge, education and oversight.

C&E is responsible for assisting the Boards and Senior Management of the Euroclear group companies in managing compliance, fraud and conduct and culture risks (hereinafter "the Compliance risks") effectively by monitoring compliance with applicable laws, regulations and regulatory standards, that fall within the scope of Euroclear Companies' competent authorities, national data protection authorities, and other foreign authorities, including providing assurance on the first line's identification, assessment and management of Compliance risks.

Euroclear has adopted a Compliance Charter, a Compliance Risk Group Policy and a Code of Ethics and Business Conduct which provide the basis for the implementation of a consistent Compliance Risk Management framework across the Euroclear Companies aligned with the Enterprise Risk Management framework.

## VII. Acting responsibly

**Euroclear Bank is committed to conducting responsible and sustainable business which is aligned with its purpose and the expectations of its stakeholders. Believing that acting responsibly will be in the best long-term interests of the company and its stakeholders, it has embedded ESG into its corporate purpose and strategy. The Board is also committed to transparent, robust reporting and to overseeing how Euroclear Bank assesses its effects on the environment and on society.**

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

In 2023, Euroclear Bank continued to build on the solid foundations established in previous years. It has started work on implementing the principles laid out in its ESG Board policy and begun to measure progress against the ESG KPIs which were approved by senior management early 2023. The group KPIs mentioned in this section include Euroclear Bank.

Euroclear Bank has made progress against its commitments in many areas, meeting its supply chain screening targets, receiving approval for its targets from the Science Based Targets initiative (SBTi) and broadening its training offer, among others. Actions are ongoing to integrate ESG into its current service offering, together with its business partners Impact Cubed and Greenomy.

Euroclear's group ESG policy was published in 2023 to drive and govern its ESG activity. This policy enables all employees and stakeholders to understand Euroclear's ESG priorities and the behaviours and culture it wishes to adopt across the group. The policy sets out the ESA Board's minimum requirements for each Euroclear company in line with its ambitions and the group's Risk Appetite. These minimum requirements capture common principles on ESG issues across the environment, workplace, community, and governance pillars of the group's ESG strategy. Euroclear's ambitions related to those pillars are to manage

climate risk in order to build climate resilience, to be an employer of choice, to demonstrate its positive impact in local and global communities and to ensure and encourage good governance across its organisation and in its value chain. This policy will be transposed for Euroclear Bank in the first quarter of 2024.

One focus in 2023 was building a pathway towards meeting CSRD obligations, both at consolidated and at Euroclear Bank level. Euroclear Bank will publish a stand-alone Sustainability Report in accordance with the CSRD in 2025, based on the financial year 2024. Euroclear Bank sees CSRD as an opportunity to take a step back, assess what sustainability topics are material to it both from the perspective of its impact on society and the environment as well as how external events create risks and opportunities for the bank. Euroclear Bank has partnered with an external advisor to conduct its double materiality assessment and internal and external stakeholder engagement, ensuring that all types of stakeholders are well represented. Together with Greenomy, it is strengthening its internal data capabilities to be in a good position to report transparently on CSRD requirements in 2025.

In addition, Euroclear Bank has also put greater focus on employee awareness, training and engagement in relation to ESG, including three new ESG-related questions in its Employee Engagement survey.

Euroclear Bank is included in the group Sustainability Report which is set out in accordance with the Global Reporting Initiative (GRI) standards. The group also reports according to the UN Global Compact framework and the Task Force on Climate-related Financial Disclosures (TCFD).

### Facilitating and accelerating a sustainable financial system

Euroclear Bank has integrated ESG into its corporate strategy. Please refer to Business and Strategy Section for details of progress in this area.

### Environment

Euroclear Bank's ambition for Environment is to be a climate resilient business and support climate resilient financial markets through the management of climate risk

To reach this ambition, Euroclear Bank has established principles to manage its environmental impact across four key areas: energy use and emissions, company-related travel, waste and resource use, and climate risk.

Euroclear Bank continuously strives to reduce its impact on the planet, aiming for the lowest possible carbon level. In 2022, the group reset its baseline emissions to base-year 2019 and to include all relevant value chain emissions (Scope 1, 2 and 3 including Purchased Goods and Services and Capital Goods spends). This had substantially increased our calculated Scope 3 emissions. In 2023, Scope 1 and 2 carbon emissions have substantially decreased, while our Scope 3 emissions have increased.

Euroclear Bank recently announced that its science-based targets, which support the pathway to reaching net zero by 2050 at the latest, were approved by the Science Based Targets initiative (SBTi) in November 2023. As part of its journey to net zero Euroclear Bank is focusing on:

- implementing green energy across its offices and data centres, with currently over 90% of all the energy used classified as non-fossil fuel,
- taking measures to reduce emissions linked to resource usage and office management in the longer term;
- investigating transition to a more sustainable IT environment;
- reducing business travel emissions, which have increased since the end of the pandemic.

In Belgium, Euroclear Bank continues its actions to reduce the carbon emissions of its car fleet and offers a comprehensive mobility programme encouraging employees to use public transport and greener transport options.

Euroclear Bank continues to work with social enterprise Close the Gap to reduce its e-waste, ensuring that old IT equipment is repurposed and re-used where it is most needed. In 2023, 6,447 items of equipment were donated to Close the Gap, equivalent to an estimated amount of 619.13 tons of carbon emissions avoided.

Euroclear Bank is included in the overall score of C awarded to Euroclear by CDP for the 2022 disclosure (previously known as the Carbon Disclosure Project).

Group KPI (including Euroclear Bank)	KPI target	KPI Current Level
Annual* reduction of Scope 1 and 2 emissions	-7%	-24%
Total reduction of Scope 1 and 2 emissions by 2030 versus 2019 baseline year	-55%	-63%
Annual** reduction of Scope 3 emissions (excluding suppliers' spends and investments)	-3%	+17%



Total reduction of Scope 3*** emissions by 2030 versus 2019 baseline year (excluding suppliers' spends and investments)	-28%	+6%
Suppliers representing 70% of total suppliers' emissions to have their own Science Based Targets set by 2027	+70%	+37%

Data for FY 2023

\* Annual reduction targets are calculated from the total reduction required by 2030. E.G. 7% reduction per year is required to reach 55% reduction by 2030.

\*\* Euroclear reports Scope 3 emissions on all 15 categories as outlined in the GHG Protocol Standard, where relevant. (Purchased Goods and Services, Capital Goods, Fuel and Energy-related activities, Upstream Transportation and Distribution, Waste, Business Travel, Employee Commuting and Working From Home and Investments)

\*\*\* Reduction target set on Scope 3 emissions coming from Fuel and Energy-related activities, Upstream Transportation and Distribution, Waste, Business Travel, Employee Commuting (see SBTi approved targets).

## Workplace

### **Euroclear Bank's ambition for Workplace is to be an employer of choice by fostering a healthy, inclusive environment and attracting, developing, and upskilling staff for the future needs of financial markets**

To reach this ambition, Euroclear Bank has established principles to manage its Workplace impact across four key areas : Diversity & Inclusion, wellbeing, training and development and talent for the future.

Euroclear Bank recognises that its people are key to achieving its strategic objectives and that having a motivated and skilled workforce with a common corporate culture will help face future challenges and take advantage of opportunities. In 2023 the group started to work with the World Economic Forum as one of its partners for 'The Good Work Alliance' to ensure that good work practices are embedded into its business.

Euroclear Bank operates a strict policy of non-discrimination and is committed to creating an environment where all employees feel supported and valued. We have internal and third-party hotlines available for staff to report any grievances or instances of discrimination and in 2023, two cases were reported. In 2023 the group implemented the revised governance for its five Diversity & Inclusion (D&I) Communities: gender diversity and inclusion; ethnic and cultural diversity and inclusion; inclusion of people with different abilities, LGBTQ+ and age inclusion, with senior sponsors for each of them and active participation from representatives of Euroclear Bank. It continues to collaborate with partners such as Diversicom to hire diverse talents.

2023 continued to be a turbulent year, with the ongoing war in Ukraine and the conflict in the Middle East. With a focus on the well-being of its staff, Euroclear Bank offers many resources to employees who may need support, such as its Employee Assistance Programme; the Employee solidarity fund; company nurses and doctor; coaches and persons of confidence, as well as training and webinars. The group is proud that its 'Career Continuity' programme, aimed at those who need support during their careers due to disability, chronic illness or accident, has been nominated for an award by the Belgian magazine 'Trends'.

Over 2023, Euroclear Bank continued to recruit to ensure that it has the right skills to realise its new strategy. Having onboarded over 400 new recruits in 2023, and more than 1,000 over the last 3 years, Euroclear Bank is taking a sustainable approach to recruitment, strengthening its workforce planning, ensuring an open pipeline for internal mobility and making sure that newcomers are provided with the time and resources to settle in.

Euroclear Bank strives to create an environment where its people can develop and thrive. With new developments in technology, Euroclear Bank's digital transformation and a fast-changing work environment, it is more important than ever to have the right skills in place and to nurture and retain talent. Therefore, Euroclear Bank has launched an upskilling programme to foster the talents of its employees. This aims at creating more internal mobility opportunities, more employee engagement, reducing its dependency on a scarce talent market and helping it to achieve its strategic objectives.

In 2023, Euroclear Bank enhanced its learning platform to enable integrated and aligned learning paths - combining soft and technical skills to support employees in their career development.

It also offers 10,000 new learning modules through LinkedIn Learning. In 2023, staff took part in over 122,000 hours of training. In 2023 we doubled the hours of training and we delivered more than 5,000 hours of peer-to-peer coaching and mentoring. In 2023, Euroclear Bank also held a dedicated Learning week with more than 140 different topics, panels and events across the group. One such topic celebrated our 119 "Legacy Leaders", acknowledging the efforts of our colleagues with 25+ years of experience in Euroclear Bank and inviting them to panels to share their individual journeys and learnings with a view to shaping our present and future, igniting motivation in future leaders and guiding younger colleagues.

Group KPI (including Euroclear Bank)	KPI Target	KPI Current Level
*Under-represented gender at senior management by 2026	40%	31%
*Overall engagement score in Your Voice survey	Maintain or above 7.7/10	7.9/10

As of December 2023

\*Excluding MFEX data

## Community

### **Euroclear Bank's ambition with respect to Community is to demonstrate impact, tied to corporate purpose and defined Community pillars, in local and global communities.**

The Community stream focuses on four main pillars: alleviation of poverty; coaching and education, social and financial inclusion, and the environment. We ensure that all our Community support is subjected to strict due diligence and impact is measured. All employees can volunteer and contribute to corporate projects during working hours for a minimum of eight hours a year.

In 2023 the group decided to raise its Community support budget and is currently adapting its governance to evolving needs.

2023 saw some devastating natural disasters and the group supported those who were impacted in Morocco, Syria and Turkey through donations. In 2023, our charitable donations were more than twice as compared to the previous year. This year, as part of its support for those impacted by the war in Ukraine, the group provided financial support to a charity working with refugees and hosted extra schooling activities for Ukrainian students in its premises in Krakow.

The group continues to work with long-term charity partners such as Junior Achievement, Plan International, the Pan-Asian Women's Association (PAWA) and Street Child, as well as other local associations across all its locations.

In 2023, the group sponsored a Financial Award at Junior Achievement's final European competition in Turkey, with the participation onsite of a delegation of Euroclear volunteers. It also took out a team of colleagues to work with the local communities it supports through the NGO Street Child in Uganda, focusing on education and financial inclusion.

This year 2,082 colleagues from the group (including Euroclear Bank) have volunteered as part of the corporate volunteering programme, representing 38% of the workforce.

Group KPI (including Euroclear Bank)	KPI Target	KPI Current Level
Corporate charities screened in accordance with ESG and anti-bribery and corruption policies in 2023	100%	100%
Staff participating in company volunteering programme in 2023	At least 20%	38%

*As of December 2023*

## ESG Governance

### **Euroclear Bank's ambition with respect to governance is to ensure robust and transparent governance across the organisation and encourage good governance in its value chain.**

To reach this ambition, Euroclear Bank has established principles to manage governance impact across four key areas: corporate governance, market resilience, supply chain and human rights.

More broadly, Euroclear Bank is subject to a variety of financial services regulations, most notably the CSDR Regulation and Banking Regulations which detail specific and also mandatory governance requirements, including related to the under-represented gender at Board level. The bank publishes governance charters which outline the main aspects of the Corporate Governance framework. The bank is also subject to climate and ESG regulations and standards from the ECB, European Commission (CRR-3/CRD-6) and related EBA Guidelines. Please refer to Corporate Governance section for details of progress in this area.

Euroclear Bank KPI	KPI Target	KPI Current Level
Under-represented gender on the Euroclear Bank Board by 2026	33%	36%

*As of December 2023*

## ESG in compliance and ethics

Euroclear Bank has strict policies in place covering compliance and ethics, in addition to its Code of Ethics and Business Conduct and related policies.

In 2023, Euroclear Bank continued with campaigns to maintain awareness around whistleblowing, focusing on psychological safety. 8 Speak Up cases were raised in 2023 at Euroclear Bank. Regarding its anti-retaliation framework, Euroclear Bank performs regular follow-ups with people who speak up to ensure they are not retaliated against.

Euroclear Bank also ran a Conduct and Culture risk survey with a 8.4/10 as average score, demonstrating that the bank has a strong ethical core; and Ethics workshop for people managers. Some areas of improvement have also been identified for which an action plan has been set up.

## ESG in Euroclear Bank's supply chain

Euroclear Bank manages the supply chain risks of its suppliers to contribute to financial market stability. It assesses all critical suppliers annually, with respect to ESG (anti-money laundering, sanctions, conflicts of interest, bribery and corruption, human rights including modern slavery, and personal data). Protocols are established and followed when issues are identified.

In addition, as of 2023, 100% of all new Critical Service Providers (CSP), Outsourcing Service Providers (OSP) and suppliers with which Euroclear Bank orders material amounts (High Spend suppliers) were screened by its third-party assessor EcoVadis, while 80% of existing CSP/OPS/HS suppliers have also been assessed. The group will publish its revised Supplier Code of Conduct in early 2024.

Group KPI (including Euroclear Bank)	KPI Target	KPI Current Level
CSPs/OSP ESG screening of new suppliers	100%	100%
CSPs/OSP ESG screening of existing suppliers	75%	80%

As of December 2023

## VIII. Corporate governance

**Euroclear Bank believes in, and implements, strong, effective, and transparent corporate governance. The Company is subject to detailed and specific corporate governance requirements. This is shown throughout the Corporate Governance section.**

### VIII.1 Corporate Governance introduction

Euroclear Bank believes that sound corporate governance is key for a trusted Financial Market Infrastructure ('FMI') to protect the interest of its stakeholders. Euroclear Bank has put in place governance procedures and practices which promote accountability and transparency of decision-making, and which seek to ensure that all stakeholder interests are duly considered and safeguarded. These procedures are underpinned by a strong focus on ethical behaviour and a positive working culture. Euroclear Bank believes that these elements together enable the Company to make better business decisions that ensure continued success.

"Our strong governance upholds our reputation as a trusted FMI and is the foundation of our ability to support the expansion of a sustainable finance market."

Euroclear Bank ensures robust and transparent governance across the organisation and encourages good governance through the value chain. Euroclear Bank is subject to a variety of financial services regulations, most notable the CSDR Regulation and Banking Regulations which detail very specific governance requirements. Euroclear publishes detailed governance charters which outline the main aspects of the Corporate Governance framework. The Company is also subject to new climate and ESG regulations and standards coming from the ECB, European Commission (CRR-3/CRD-6/CRDDD) and related EBA Guidelines. Euroclear Bank actively monitors these regulatory developments to determine their impact.

### VIII.2 Publicity of external mandates

Details of the reportable directorship mandates and managerial functions exercised by the members of the Board and the Management are provided in Appendix I.

### VIII.3 Individual and collective Committee member skills

All members of the Audit Committee, the Risk Committee, the Nominations and Governance Committee and the Remuneration Committee are non-executive directors of the Company. Each of these committees also have two independent members within the meaning of Article 3,83 of the Belgian Banking Law. The committees have the required knowledge base and skills among their members and each member has the adequate personal attributes for each committee to fulfil its role efficiently.

### VIII.4 Conflict of Interest Euroclear Bank Board

During 2023, the Board has applied Article 7:115 of the Companies Code on conflict of interest at its meetings of 14 February, 14 February (closed session) 2023. Excerpts of the minutes of these Board meetings are reproduced below.

#### 14 February 2023

*In compliance with article 7:115 of the Code on Companies and Associations, and prior to any deliberation, each executive director present declares having a conflict of interest as to item 5.4.2. Each of them requests the Company Secretary to enact that (s)he has a personal and direct financial interest conflicting with the recommendation to be issued in connection with his*

own remuneration given that (s)he would benefit personally from the proposed remuneration. There are no financial consequences for the Company other than those resulting from any payment made by the Company there under. Each executive director abstains from deliberating on this topic and abstains from voting insofar it concerns its own remuneration.

Upon the recommendation of the Remuneration Committee, the Board APPROVE:

- A value adjustment on all outstanding deferrals by 15%;
- the Award of the 2017 (5th tranche), 2018 (4th tranche), 2019 (3st tranche), 2020 (2nd tranche) and 2021 (1st tranche) Deferred Compensation to be Awarded in Feb/March 2023;
- the Release of the 2017 (4th tranche), 2018 (3th tranche), 2019 (2nd tranche), 2020 (1st tranche) and 2021 (upfront instruments) Instruments related Compensation to be Awarded in Feb/March 2023

#### 14 February 2023 (Closed session)

In compliance with article 7:115 of the Code on Companies and Associations, and prior to any deliberation, Mr. Peter Sneyers declares having a conflict of interest as to item 5 (Performance Review, Bonus and Fixed Fee for the CEO). He requests the Company Secretary to enact that he has a personal and direct financial interest conflicting with the decision to be taken as he would benefit personally from the proposed remuneration. There are no financial consequences for the Company other than those resulting from any payment made by the Company there under.

...

Mr. Sneyers leaves the meeting as having a direct patrimonial conflict of interest as defined in article 7:115 of the Code on Companies and Associations. Mr. Frenay motivates the proposal of the variable 2022 and fix fee 2023 of the EB CEO. The Board members align with the motivation to grant an exceptional bonus for the performance year 2022. Upon recommendation of the EB Remuneration Committee, the Board of Directors approve the proposed variable 2022 and proposed fix fee 2023 for the EB CEO (as presented in the memo).

### VIII.5 Board advisory committees

#### Audit Committee ('AC')

The AC assists the Board in fulfilling its financial reporting, audit, technology (ICT strategy – including ICT security and operational processes) and compliance and ethics oversight responsibilities. In addition, the AC also reviews the controls over all outsourced services on which EB is dependent. The AC is comprised of four non-executive directors of the Company, of which three independent members within the meaning of Article 3,83, § 1 of the Belgian Banking Law. All members of the AC collectively have an understanding of the Company's business as well as collective competence in accounting, audit, and IT matters. At least one member is competent in accounting and/or audit, technology and ESG matters.

#### Risk Committee ('RC')

The RC assists the Board in fulfilling its risk oversight responsibilities. The RC is comprised of three non-executive directors of the Company, a majority of whom are independent. An observer from Euroclear SA/NV's RC has been appointed to support the Committee. Equally, an observer from Euroclear Bank SA/NV's RC has been appointed to attend the Euroclear SA/NV Risk Committee. The RC assists and advises the Board of Directors in its oversight of the Company's risk management governance structure, risk tolerance, appetite and strategy and key risks as well as the processes for monitoring and mitigating such risks. The RC members individually have the skills and experience to be able to understand the Company's business and to oversee the risk strategy, risk appetite (i.e., risk tolerance), risk capacity and risk profile of the Company, including ESG.

#### Nominations and Governance Committee ('NGC')

The NGC assists and advises the Board of Directors in all matters in relation to the suitability assessment of Board, Management Committee members and key function holders, Board and Committee composition, succession planning, as well as corporate governance matters, including the suitability policy, as they apply to the Company and reviews ESG matters in its remit. The NGC is comprised of three non-executive directors of the Company with a majority of independent members. Committee members possess individual and collective appropriate knowledge, skills, expertise and professional experience regarding governance, selection process, suitability and control practices and are able to properly and independently advise the Board of Directors on the composition and the functioning of the Board and Board Committees of the Company and, in particular, on the 'fit and proper' character of their members.

#### Remuneration Committee ('RemCo')

The RemCo assists and advises the Board of Directors in defining a global compensation policy for the Company. It ensures that the members of the Management Committee ('Executives'), identified staff and the non-executive Board members of the Company are compensated as per the principles described in Euroclear Bank's compensation policy and oversees

management's implementation of the policy. The RemCo is comprised of three non-executive directors of the Company with a majority of independent members. The RemCo members exercise relevant and independent judgment on the remuneration policies and practices. They collectively have the knowledge, expertise and experience concerning remuneration 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 RemCo members collectively have an understanding of the Company's business and are competent in the sector in which the Company operates.

### VIII.6 Achievements of the Board of Directors during the year

Besides its mandatory regulatory oversight responsibilities and the monitoring of delivery of its strategy, the Euroclear Bank Board dealt with, and paid particular attention throughout 2023 to the following files:

- In continuation of last year, the Board, the Audit and Risk Committee, in close concertation with the Management Committee, was closely involved in monitoring and ensuring management of the impacts and consequences of the sanctions and countermeasures stemming from the *Russia-Ukraine war* which continued to transcend our agenda. The Company's focus has been managing the Company's risk exposures and supporting our clients through these uncertain times by providing robust infrastructure and fulfilling our duties as a trusted Financial Market Infrastructure.
- In March, several financial institutions have collapsed. During these months of market turmoil, the Board convened several times:
  - To assess the proactive actions and decisions taken by the Management Committee to progressively reduce the Company's exposures against the Credit Suisse group in their various roles, thereby consciously balancing credit risk mitigation vs operational risks whilst minimising financial stability risks;
  - To assess our actions and monitor the Company's concentration risk on Credit Suisse/UBS following the takeover of Credit Suisse by UBS.

- **People as our key enabler,**

Throughout 2023 the Euroclear Bank's Board was very active in discussing and monitoring the implementation of our people strategy. The Board engaged with People & Communications on:

- the efforts to expand our workforce and reflecting on the required new skills for the future.
- mobilizing the organisation towards the new purpose and strategy.

- **IT and Business Resilience as cornerstone of a trusted FMI**

- As in previous years, there was substantial focus on IT & cyber and the evolution of the related risk postures.
- Through quarterly Euroclear Bank's CTO reporting, Board had an opportunity to challenge management related to various IT-related topics, ranging from systems availability and stability to developments, information security and regulatory compliance.
- The Board endorsed the yearly technology strategy refresh and roadmap investments allowing to steer on investment priorities and challenges. Equally, the Board received regular updates on the strategy execution progresses.
- The Board has monitored the Cyber and Resilience investments. These have included enhancements of CISO capabilities, improving our cyber posture as confirmed by the significantly improved CIS 20 self-assessments, delivering improvements to our business resilience capabilities, as well as initiation of the Data Centre modernisation.
- Last years' focus on revision of the IT and Information Security KRIs as well as the gradual implementation of the IT and Security Controls Framework and related rollout of the control assurance will help the Board to get a more holistic view on the IT and Security capabilities in the future, while ensuring sustainability.

- **Business,**

- During the course of 2023, the Board has been actively informed and consulted on major business developments, amongst which,
- the first launch of digital DLT instrument through Euroclear Bank,
- the preparation of the MFEX integration within Euroclear Bank,
- market expansion initiatives such as launch of link with South Korea; and
- the impact of sanctions and countermeasures on our client base.

- **Sustainability,**

The Board and its committees have embedded ESG in its existing governance structure. The Board has also approved the ESG risk appetite statements and first set of key risk indicators as part of the broader embedding of ESG risks into Euroclear's risk management framework and to meet regulatory expectations.

- **Training.**

The regular training program for Non-Executive and Executive Directors included sessions on Compliance & Ethics (such as AML, Conflict of Interest, Competition Law), on international geopolitical and European Macroeconomics, dedicated strategic and Business matters.

## IX. Other disclosures

### IX.1 Supervision and regulation

The National Bank of Belgium and, to a lesser extent, the Financial Services and Markets Authority (FSMA) are the supervisors of Euroclear Bank.

### IX.2 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 SA/NV and Euroclear Bank are also subject to resolution requirements. To this end, Euroclear is implementing a multi-year resolution programme to ensure it can be deemed resolvable as it delivers the various resolution requirements. This will allow the resolution authority to resolve Euroclear in an effective way, should a very unlikely extreme event occur, where Euroclear is unable to recover.

### IX.3 Capital management in Euroclear Bank

#### Capital measurement and allocation

Euroclear Bank has in place sound, effective and comprehensive capital measurement methodologies which are integrated within the overall Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP relies on two complimentary views on capital adequacy, normative and economic view:

- **Normative view:** Euroclear Bank must comply under baseline and stressed conditions, for a planned period of at least three years, with all applicable regulatory capital requirements. These requirements stem from two major regulations that Euroclear Bank is subject to: Capital Requirement Regulation (CRR II and CRD V as transposed into Belgian Banking law) and CSD Regulation;
- **Economic view:** corresponds to the internal assessment of the level of capital necessary to sustain the Company's business and risk profile given its strategy and risk appetite.

The internal view on Euroclear Bank's capital needs is based on economic capital models, which estimate the amount of capital that Euroclear Bank needs to have in order to protect itself from unexpected losses resulting from the risks it faces in its various activities. This view is complemented by stress scenarios.

These models and stress scenarios are continuously kept up-to-date and regularly validated by an independent Model Validation function. Euroclear Bank is therefore confident that the resulting capital requirements are adequate to support the risks that it faces. The capital models run in a 99.98% confidence level, covering operational, credit and market risk, with additional methodologies to measure business and pension risks. Euroclear Bank adheres to a conservative approach to capital. Combined with Euroclear's strong risk management and effective controls, this approach leads to Euroclear Bank retaining high credit ratings. Euroclear Bank is assigned an AA credit rating by Fitch Ratings and Standard & Poor's (S&P), both with stable outlooks.

The Capital Requirement Regulation (CRR) requires Euroclear Bank, to maintain at all times:

- a ratio of total capital to risk-weighted assets that cannot fall under a threshold of 8%
- a ratio of Tier 1 capital to risk-weighted assets that must be at least 6%
- a ratio of common equity Tier 1 capital (CET1) at least 4.5%

- a Pillar 2 requirement (P2R) defined through the yearly supervisory review and evaluation process (SREP)
- a capital conservation buffer of 2.5% in common equity Tier 1 capital

In addition, Euroclear Bank is also subject to the capital requirements stipulated under CSDR.

Euroclear Bank, together with seven other banks or banking groups in Belgium, were identified in 2015 by the National Bank of Belgium 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 National Bank of Belgium applies a common equity Tier 1 capital ratio surcharge of 0.75% to Euroclear Bank standalone. The designation of Euroclear Bank as an O-SII and the related buffer of 0.75% were reconfirmed by the National Bank of Belgium in 2022.

Euroclear Bank determines risk-weighted assets for credit, operational and market risks. For credit risk, the Company uses the Foundation Internal Ratings Based Approach (FIRBA). 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.

With respect to operational risk, Euroclear Bank uses the Advanced Measurement Approach (AMA) for the calculation of Pillar 1 capital requirements.

As Euroclear Bank is a limited purpose bank and does not have a trading book, the market risk that Euroclear Bank incurs is limited. For market risk, the Company uses the Standardised Approach to cover the foreign exchange risk. Euroclear Bank intends to maintain a CET1 ratio and total capital ratio in line with the total SREP capital requirements evaluated on a yearly basis, in accordance with the supervisory review of its capital adequacy at statutory and consolidated levels. In addition to the capital ratios, Euroclear Bank complies with the leverage ratio. The current requirement is 3%. Euroclear's current levels of the leverage ratio are above this regulatory requirement and are disclosed in the Pillar 3 publication.

The table below sets out the Tier 1 and total capital, which both exceed the highest regulatory requirements applicable to the Company.

#### Regulatory capital position

(€'000)	CY	PY
Risk-weighted assets (1)	7,146,568	6,613,070
Capital requirement	571,725	529,046
- Credit risk	114,499	154,967
- Market risk	3,162	2,570
- Operational risk	454,064	371,509
Capital base (2)	6,247,757	2,837,601
CET1	5,948,690	2,538,616
Additional Tier 1	0	0
Tier 2	299,067	298,985
Solvency ratio		
CET1	83.2%	38.4%
Tier 1	83.2%	38.4%
Total	87.4%	42.9%

<sup>1</sup> 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.

<sup>2</sup> Capital base is highly comparable to the shareholders' equity as presented on the balance sheet of Euroclear Bank after incorporation of subordinated liabilities for which regulatory capital recognition was granted by the National Bank of Belgium. Differences are due to deductions required by CRR regulation, i.e., intangible assets, current year proposed dividend and provision shortfall for expected losses.

## IX. 4 Research and development

The Company 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 "Strategy and Business Review" section of this report. Euroclear Bank also continued investing in market research in line with its mission to provide increasingly commoditised market infrastructure services.

### **IX.5 Authorised capital**

The authorised capital amount stands at €500 million.

### **IX.6 Acquisition of own shares**

During the financial year, neither the Company nor any directly controlled subsidiary or person acting in his/her own name but on behalf of the Company or a directly controlled subsidiary of the Company acquired any shares of the Company.

### **IX.7 Dividends**

A dividend of €11,923 per share is proposed for distribution for the financial year ending 31 December 2023, which amounts to €844,601,474 of shareholders' equity. No interim dividend was paid in 2023.

### **IX.8 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 financial market infrastructure, Euroclear is carefully managing the various aspects resulting from this situation in cooperation with the competent authorities. Future earnings linked to the sanctions will continue to depend on the prevailing interest rate environment and the evolution of the sanctions.

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 Bank is uncertain. Euroclear is defending against all relevant legal claims and intends to continue to do so against any further claims.

Effective 15 February 2024, the EU Council adopted a Regulation (Council Regulation (EU) 2024/576 of 12 February 2024 amending Regulation (EU) No 833/2014) providing for an obligation for Central Securities Depositories holding reserves and assets of the Central Bank of Russia - or of any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Russia to apply specific rules in relation to the cash balances accumulating exclusively due to restrictive measures. In parallel the Board notes that various options to use profits generated by sanctioned amounts held by financial institutions, including Euroclear, for the financing of Ukraine are being considered at EU and international level. Euroclear is focused on minimising potential legal, technical, financial and operational risks that may arise for itself and its clients from the implementation of any proposals made or measures taken, while complying with its obligations.

### **IX.9 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

Robert Peirce  
Chairman of the Board  
18 March 2024



**Appendix I: Details of the reportable directorship mandates and managerial functions exercised by the members of the Board and the Management**

Company	Registered Office Address	Activity	If Listed (Y/N) - Exchange	If Participating Interest >5%	Function	Executive (Y/N)
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**Euroclear Bank Board/Management Committee Members**
**PEIRCE, Robert (Board Chairman)**

Independent Non-Executive Director

**External Functions**

European Money Markets Institute	Avenue des Arts 56 1000 Bruxelles, Belgium	Benchmark administrator	N	N	Member of the Board	N
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**Internal Functions**

None

**COCHRANE, Victoria (Audit Committee Chair)**

Independent Non-Executive Director

**External Functions**

IntegraFin Holdings PLC	29 Clement's Lane London EC4N 7AE United Kingdom	ultimate holding company of UK investment platform provider	Y - LES	N	Member of the Board	N
Ninety One plc	55 Gresham Street London EC2V 7EL United Kingdom	independent asset manager	Y - LSE & JSE	N	Member of the Board	N

**Internal Functions**

None

**TILKIN-FRANSENS, Carl (Chairman Nominations and Governance Committee and Chairman Remuneration Committee)**

Independent Non-Executive Director

**External Functions**

EBA Clearing	Rue de Courcelles 40, F-75008 Paris France	financial/clearing services	N	N	Independent Member of the Board,	N
Laco	Woluwelaan 13A, B-1831 Diegem Belgium	business Intelligence consultancy	N	N	Member of the Board	N
ToaC-Solutions	Nieuwstraat 123, B-3370 Boutersem Belgium	management consultancy services	N	N	Owner	Y

**Internal Functions**

None

**MARTIN, James Michael (Mike) (Risk Committee Chairman)**

Independent Non-Executive Director

**External Functions**

Consilium Sports Group Limited	42 Eskbank Road Dalkeith EH22 3BT Scotland	management consultancy services	N	N	Chairman of the Board	N
DLTM Limited	42 Eskbank Road Dalkeith EH22 3BT Scotland	personal investment vehicle	N	N	Director	N

Company	Registered Office Address	Activity	If Listed (Y/N) - Exchange	If Participating Interest >5%	Function	Executive (Y/N)
True Potential Administration LLP	Newburn House Gateway West, Newburn Riverside, Newcastle Upon Tyne, Tyne And Wear, NE15 8NX, United Kingdom	wealth & asset management services	N	N	Independent Chairman of the Board	N
Handelsbanken ACD Limited	No.1 Kingsway London WC2B 6AN United Kingdom	wealth & asset management services	N	N	Independent Board member	N
<b>Internal Functions</b>						
None						

**FRENAY Bernard (Representing Shareholder Euroclear SA/NV)**  
Non-Executive Director

<b>External Functions</b>						
None						
<b>Internal Functions</b>						
Euroclear Holding	Boulevard du Roi Albert II 1, B-1210 Brussels Belgium	Financial holding	N	Y	Member of the Board	N
Euroclear SA/NV	Boulevard du Roi Albert II 1, B-1210 Brussels Belgium	Financial holding	N	Y	Executive Member of the Board	Y
Euroclear Investments	Boulevard du Roi Albert II 1, B-1210 Brussels Belgium	Financial holding	N	Y	Executive Member of the Board	Y
Euroclear Pension Fund	Boulevard du Roi Albert II 1, B-1210 Brussels Belgium	Pension Fund Management	N	Y	Chairman of the Board	N
Euroclear Properties France SAS	66 rue de la Victoire, F-75009, Paris France	Property Management	N	Y	Chairman of the Board	N

**SWAELUS Anne (Representing Shareholder Euroclear SA/NV)**  
Non-Executive Director

<b>External Functions</b>						
None						
<b>Internal Functions</b>						
None						

**SNEYERS, Peter (Chief Executive Officer, Management Committee Chairman)**  
Executive Director

<b>External Functions</b>						
None						
<b>Internal Functions</b>						
Taskize Limited	Watling House, 33 Cannon Street London EC4M 5SB United Kingdom	financial industry software platform provider	N	Y	Member of the Board	N

Company	Registered Office Address	Activity	If Listed (Y/N) - Exchange	If Participating Interest >5%	Function	Executive (Y/N)
<b>BOONEN, Didier (Chief Financial Officer, Management Committee Member)</b> Executive Director						
<b>External Functions</b>						
Royal Oree asbl	Drève des Brûles, 59 B-1050 Brussels Belgium	sports club	N	N	Member of the Board	N
<b>Internal Functions</b>						
None						

<b>BERNARD, Stéphane (Chief Operations Officer, Management Committee Member)</b> Executive Director						
<b>External Functions</b>						
Association of Business Service Leaders (Aspire)	Rondo ONZ 1, 00-124 Warsaw Poland	Business Association	N	N	Member of the Executive Board	N
Febelfin	Boulevard du Roi Albert II 19 1210 Saint-Josse-ten-Noode Belgium	Activities of business and employers membership organisations	N	N	Member and Vice Chair of Febelfin's Financial Markets & Infrastructure Committee (FMIC)	N
<b>Internal Functions</b>						
EC Nominees Limited	Watling House, Cannon Street 33, London EC4M 5SB United Kingdom	Financial	N	Y	Director	N
Euroclear Nominees Limited	Watling House, Cannon Street 33, London EC4M 5SB United Kingdom	Financial	N	Y	Director	N
EOC Equity Limited	Watling House, Cannon Street 33, London EC4M 5SB United Kingdom	Financial	N	Y	Director	N
FundSettle EOC Nominees Limited	Watling House, Cannon Street 33, London EC4M 5SB United Kingdom	Financial	N	Y	Director	N
Euroclear Treasury Nominee Limited	Watling House, Cannon Street 33, London EC4M 5SB United Kingdom	Financial	N	Y	Director	N

<b>HAEGEMAN, Marie-Anne (Head of Banking &amp; Network Management, Management Committee Member)</b> Executive Director						
<b>External Functions</b>						
Argenta Bank en Verzekerings Groep	Belgielei 49-53, B-2018 Antwerp Belgium	Credit and Insurance Institution (Holding)	N	N	Member of the Board	N
<b>Internal Functions</b>						
None						

<b>NAGYNÉ KOMÓCSI, Szandra (Chief Risk Officer, Management Committee Member)</b> Executive Director						
<b>External Functions</b>						
None						

Company	Registered Office Address	Activity	If Listed (Y/N) - Exchange	If Participating Interest >5%	Function	Executive (Y/N)
<b>Internal Functions</b>						
Euroclear Pension Fund	Boulevard du Roi Albert II 1, 1210 Saint-Josse-ten-Noode	Pension Fund Management	N	Y	Member of the Board and Member of the Risk, Audit and Compliance Committee ("RAC")	N

**Other Euroclear Bank Branch/Senior Managers**

**BERNARD, Stéphane**  
Krakow Branch Manager

As Per Above

**BEELEN, Stefan**  
Krakow (Deputy) Branch Manager

None

**GEERAERTS, Diederik**  
Krakow (Deputy) Branch Manager

None

**KOSUDA, Ryo**  
Tokyo Branch Manager

None

**YAMANAKA, Yasuo**  
Tokyo (Deputy) Branch Manager

None

**LEE, Kin Ying (Esmond)**  
Hong Kong (Deputy) Branch Manager

None

**LO, Alice**  
Hong Kong Branch Manager

None

**FEITO, Manuel**  
Deputy CCO - Head of Funds, Collateral & Transaction Processing

None

**KAREMERA, Hugues**  
Deputy COO - Head of Asset Servicing, New Issues & Reconciliations

None

**CRYNs, Ivy** Head of Credit

None

**HOLEMANS, Kathleen**  
Head of Network Management

None

**FOYAN-DJOU DOM, Hervé**  
Head of Treasury

None

**TURUNEN, Virpi**  
EB Chief Technology Officer

None

## Euroclear Bank Board and Committees - composition

Members	Euroclear Bank Board	Audit Committee	Risk Committee	Remuneration Committee	Management Committee	Nominations & Governance Committee
<b>Robert Peirce</b> (Chairman) Independent Non-Executive Director	•	•		•		
<b>Victoria Cochrane</b> Independent Non-Executive Director	•	• (chair)	•			
<b>Mike Martin</b> Independent Non-Executive Director	•		• (chair)			•
<b>Carl Tilkin-Franssens</b> Independent Non-Executive Director	•	•		• (chair)		• (chair)
<b>Anne Swaelus</b> Non-Executive Director	•	•				•
<b>Bernard Frenay</b> Non-Executive Director	•		•	•		
<b>Didier Boonen</b> Executive Director	•				•	
<b>Marie-Anne Haegeman</b> Executive Director	•				•	
<b>Szandra Nagyné-Komocsi</b> Executive Director	•				•	
<b>Stéphane Bernard</b> Executive Director	•				•	
<b>Peter Sneyers</b> Executive Director CEO Euroclear Bank	•				• (chair)	
<b>Andrew Butcher</b> Non-Executive Director, ESA Risk Committee Chairman			• (observer)			

## Notice about additional auditing or adjusting mission

The managing board declares that no assignment neither regarding auditing nor adjusting has been given to a person who was not authorised by law, pursuant to art. 34 and 37 of the Law of 22nd April 1999 concerning the auditing and tax professions.

The annual accounts have not been audited or adjusted by an external accountant or auditor who is not a statutory auditor.

If YES, mention here after: name, first names, profession, residence-address of each external accountant or auditor, the number of membership with the professional Institute ad hoc and the nature of this engagement.

- A. Bookkeeping of the undertaking \*\*
- B. Preparing the annual accounts \*\*
- C. Auditing the annual accounts and/or
- D. Adjusting the annual accounts.

If the assignment mentioned either under A. or B. is performed by authorised accountants or authorised accountants-tax consultants, information will be given on: name, first names, profession and residence-address of each authorised accountant or accountant-tax consultant, his number of membership with the Professional Institute of Accountants and Tax consultants and the nature of this engagement.

Name, first name, profession, residence-address	Number of membership	Nature of the engagement (A, B,C and/or D)

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(\*) Delete where appropriate.

(\*\*) Optional mention.

## Balance sheet

As at 31 December 2023

(€'000)	Notes	2023	2022
<b>ASSETS</b>			
<b>I. Cash in hand, balances with central banks and post offices</b>		-	-
<b>II. Government securities eligible for refinancing at the central bank</b>		9,518,276	10,087,790
<b>III. Amounts receivable from credit institutions</b>	I	143,604,293	105,326,334
A. On demand		107,794,226	83,010,782
B. Other amounts receivable (at fixed term or period of notice)		35,810,067	22,315,551
<b>IV. Amounts receivable from customers</b>	II	3,827,642	1,912,391
<b>V. Bonds and other fixed-income securities</b>	III	3,983,107	5,792,095
A. Of public issuers		2,268,387	3,829,938
B. Of other issuers		1,714,720	1,962,157
<b>VI. Corporate shares and other variable-income securities</b>	IV	-	-
<b>VII. Financial fixed assets</b>	V, VI	9,186	9,212
B. Participating interests in other associated enterprises		-	-
C. Other shares or stakes constituting financial fixed assets		9,186	9,212
D. Subordinated loans with affiliated enterprises and with other associated enterprises		-	-
<b>VIII. Formation expenses and intangible fixed assets</b>	VII	80,859	47,329
<b>IX. Tangible fixed assets</b>	VIII	4,047	6,956
<b>X. Own shares</b>		-	-
<b>XI. Other assets</b>	IX	40,732	61,979
<b>XII. Deferred charges and accrued income</b>	X	499,124	325,852
<b>Total assets</b>		<b>161,567,266</b>	<b>123,569,938</b>

The accompanying Notes form part of these financial statements.

## Balance sheet (continued)

As at 31 December 2023

(€'000)	Notes	2023	2022
<b>LIABILITIES</b>			
<b>THIRD-PARTY FUNDS</b>			
<b>I. Amounts payable to credit institutions</b>	XI	<b>135,766,002</b>	<b>102,671,952</b>
A. On demand		135,633,236	102,551,810
B. Resulting from refinancing by rediscounting of trade bills		-	-
C. Other amounts payable at fixed term or period of notice		132,766	120,142
<b>II. Amounts payable to customers</b>	XII	<b>14,464,531</b>	<b>12,610,991</b>
A. Savings deposits		-	-
B. Other amounts payable		14,464,531	12,610,991
1. On demand		13,954,065	12,053,809
2. At fixed term or period of notice		510,466	557,182
3. Resulting from refinancing by rediscounting of trade bills		-	-
<b>III. Debt securities in issue</b>	XIII	<b>3,678,763</b>	<b>4,426,966</b>
A. Bills and bonds in circulation		-	-
B. Other		3,678,763	4,426,966
<b>IV. Other amounts payable</b>	XIV	<b>997,786</b>	<b>499,549</b>
<b>V. Accrued charges and deferred income</b>	XV	<b>310,936</b>	<b>442,789</b>
<b>VI. A. Provisions for risks and charges</b>		<b>14,387</b>	<b>16,600</b>
1. Pensions and similar obligations		12,664	12,851
2. Fiscal charges		-	-
3. Other risks and charges	XVI	1,723	3,749
B. Deferred taxes		-	-
<b>VII. Fund for general banking risks</b>		-	-
<b>VIII. Subordinated liabilities</b>	XVII	<b>299,067</b>	<b>298,985</b>
<b>Shareholders' equity</b>		<b>6,035,794</b>	<b>2,602,106</b>
<b>IX. Capital</b>	XVIII	<b>285,497</b>	<b>285,497</b>
A. Called up share capital		285,497	285,497
B. Uncalled capital		-	-
<b>X. Share premium account</b>		<b>558,008</b>	<b>558,008</b>
<b>XI. Revaluation reserve</b>		-	-
<b>XII. Reserves</b>		<b>94,048</b>	<b>94,048</b>
A. Legal reserve		28,550	28,550
B. Non available reserve		-	-
1. For own shares		-	-
2. Others		-	-
C. Untaxed reserve		-	-
D. Available reserve		65,498	65,498
<b>XIII. Profit (loss (-)) carried forward</b>		<b>5,098,241</b>	<b>1,664,553</b>
<b>Total liabilities</b>		<b>161,567,266</b>	<b>123,569,938</b>

The accompanying Notes form part of these financial statements.



## Balance sheet (continued)

As at 31 December 2023

(€'000)	Notes	2023	2022
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>I. Contingent liabilities</b>	XXII	<b>6,137,715</b>	<b>11,507,515</b>
A. Unnegotiated acceptances		-	-
B. Guarantees in the nature of credit substitutes		6,137,715	11,507,515
C. Other guarantees		-	-
D. Documentary credits		-	-
E. Assets pledged by secured guarantees on behalf of third parties		-	-
<b>II. Commitments which can give rise to a credit risk</b>	XXII	<b>4,914,900</b>	<b>2,416,838</b>
A. Firm commitments to make funds available		4,914,900	2,416,838
B. Commitments in respect of spot purchases of transferable securities or other assets		-	-
C. Available margin under confirmed credit lines		-	-
D. Commitments to underwrite and place securities		-	-
E. Repurchase commitments resulting from imperfect repurchase agreements		-	-
<b>III. Assets entrusted to the institution</b>		<b>18,427,906,240</b>	<b>17,611,836,797</b>
A. Assets held on an organised trusteeship basis		-	-
B. Assets in safe custody and under similar arrangements		18,427,906,240	17,611,836,797
<b>IV. To be paid upon corporate shares and units</b>		<b>-</b>	<b>-</b>

Under the terms of the Euroclear Securities Lending and Borrowing 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. 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).

As of 31 December 2023, assets in safe custody (heading III.B. above) include securities for a market value of 131,636,363,000 €-equivalent blocked pursuant to applicable International sanctions measures (2022: 163,956,618,000 €-equivalent) of which 121,168,812,000 €-equivalent related to Russian sanctions (2022: 153,524,503,000 €-equivalent).

In addition to the amounts presented above, Euroclear Bank holds amounts on restricted C- and I-accounts of respectively RUB 262.2 billion (2.6 billion €-equivalent) and RUB 18.6 billion (0.2 billion €-equivalent) at year end. As a consequence of the international financial sanctions imposed on Russia, various Russian countermeasures were issued, introducing special procedures regarding the repayment of debt by the Russian state and Russian debtors to non-Russian creditors. In application of these measures, 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 were paid on these accounts in RUB and blocked in accordance with the countermeasures. These new accounts do not meet the definition of financial assets, and are accordingly not recorded on balance sheet.

The accompanying Notes form part of these financial statements.

## Profit and loss statement

As at 31 December 2023

(€'000)	Notes	2023	2022
<b>INCOME STATEMENT</b>			
<i>(list form)</i>			
<b>I. Interest and similar income</b>	XXIII	<b>5,916,150</b>	<b>1,404,333</b>
Of which : from fixed-income securities		342,410	42,259
<b>II. Interest and similar charges (-)</b>		<b>(426,665)</b>	<b>(205,232)</b>
<b>III. Income from variable-income securities</b>	XXIII	<b>278</b>	<b>306</b>
A. Corporate shares and other variable-income securities		-	-
B. Participating interests in affiliated enterprises		-	-
C. Participating interests in associated enterprises		-	-
D. Other shares or stakes representing financial fixed assets		278	306
<b>IV. Commissions received</b>	XXIII	<b>1,618,722</b>	<b>1,631,203</b>
A. Brokerage and similar commissions		566,551	525,843
B. Management, advisory and safekeeping services		779,383	759,836
C. Other commissions received		272,788	345,524
<b>V. Commissions paid</b>		<b>(532,948)</b>	<b>(597,492)</b>
<b>VI. Profit from (loss on) financial operations</b>	XXIII	<b>16,948</b>	<b>(10,184)</b>
A. Foreign exchange transactions and transactions in securities and other financial instruments		16,948	(10,184)
B. Sale of investment securities and similar operations		-	-
<b>VII. General administrative expenses</b>		<b>(829,984)</b>	<b>(711,275)</b>
A. Wages and salaries, social charges and pensions		(164,902)	(141,154)
B. Other administrative expenses		(665,082)	(570,121)
<b>VIII. Depreciation and amounts written off (-) on formation expenses and intangible and tangible fixed assets</b>		<b>(4,975)</b>	<b>(4,539)</b>
<b>IX. Write-back of amounts written off (amounts written off (-)) on amounts receivable and write-back provisions (provision (-))for headings "I. Contingent liabilities" and "II. Commitments which can give rise to a credit risk" in the off-balance sheet section</b>		<b>(296)</b>	<b>(61)</b>
<b>X. Write-back of amounts written off (amounts written off(-))on the investment portfolio of bonds, shares and other fixed-income or variable-income securities</b>		<b>-</b>	<b>-</b>
<b>XI. Uses and write-back of provisions for risks and charges other than those referred to in heading "I. Contingent liabilities"and "II. Commitments which can give rise to a credit risk" in the off-balance sheet section</b>		<b>1,398</b>	<b>14,287</b>
<b>XII. Provisions for risks and charges other than those covered in headings "I. Contingent liabilities" and "II. Commitments which can give rise to a credit risk" in the off-balance sheet section (-)</b>		<b>-</b>	<b>(389)</b>
<b>XIII. Transfers from (Appropriation to) the fund for general banking risks</b>		<b>-</b>	<b>-</b>
<b>XIV. Other operating income</b>	XXIII	<b>36,501</b>	<b>32,743</b>
<b>XV. Other operating charges (-)</b>	XXIII	<b>(67,012)</b>	<b>(24,691)</b>
<b>XVI. Current profit (loss) before taxes</b>		<b>5,728,117</b>	<b>1,529,009</b>

The accompanying Notes form part of these financial statements.

## Profit and loss statement (continued)

As at 31 December 2023

(€'000)	Notes	2023	2022
<b>INCOME STATEMENT (CONTINUED)</b>			
<i>(list form)</i>			
<b>XVII. Exceptional income</b>		<b>224</b>	<b>-</b>
A. Write-back of depreciation and amounts written off on intangible and tangible fixed assets		-	-
B. Write-back of amounts written off on financial fixed assets		-	-
C. Write-back of provisions for exceptional risks and charges		-	-
D. Capital gains on disposal of fixed assets		224	-
E. Other exceptional income	XXV	-	-
<b>XVIII. Exceptional charges</b>		<b>-</b>	<b>(5,023)</b>
A. Exceptional depreciation on and amounts written off on formation expenses, intangible and tangible fixed assets		-	(5,023)
B. Amounts written off on financial fixed assets		-	-
C. Provisions for extraordinary risks and charges		-	-
D. Capital losses on disposal of fixed assets		-	-
<b>XIX. Profit (Loss (-)) for the year before taxes</b>		<b>5,728,341</b>	<b>1,523,986</b>
<b>XIX. Bis. Deferred taxes</b>		<b>-</b>	<b>-</b>
A. Transfers to deferred taxes (-)		-	-
B. Transfers from deferred taxes		-	-
<b>XX. Taxes on profit</b>	XXVI	<b>(1,450,051)</b>	<b>(376,374)</b>
A. Taxes (-)		(1,450,077)	(376,381)
B. Adjustment of income taxes and write-back of tax provisions		26	6
<b>XXI. Profit (Loss (-)) for the year</b>		<b>4,278,290</b>	<b>1,147,612</b>
<b>XXII. Transfers to the non taxable reserve (-)</b>		<b>-</b>	<b>-</b>
<b>XXIII. Profit (loss (-)) for the year to be appropriated</b>		<b>4,278,290</b>	<b>1,147,612</b>

The accompanying Notes form part of these financial statements.

## Appropriation and transfer

As at 31 December 2023

(€'000)	2023	2022
<b>APPROPRIATION AND TRANSFER</b>		
<b>A. Profit (loss (-)) to be appropriated</b>	<b>5,942,843</b>	<b>2,214,895</b>
1. Profit (loss (-)) of the year to be appropriated	4,278,290	1,147,612
2. Carried forward profit (loss (-)) of previous financial years	1,664,553	1,067,283
<b>B. Transfer from shareholder's equity</b>	<b>-</b>	<b>-</b>
1. From capital and share premium	-	-
2. From reserves	-	-
<b>C. Appropriation to shareholder's equity (-)</b>	<b>-</b>	<b>-</b>
1. To the capital and to the share premium	-	-
2. To the legal reserve	-	-
3. To the other reserves	-	-
<b>D. Profit (loss) to be carried forward (+)/(-)</b>	<b>5,098,241</b>	<b>1,664,553</b>
<b>E. Shareholders' intervention in the loss</b>	<b>-</b>	<b>-</b>
<b>F. Profit to be distributed</b>	<b>844,602</b>	<b>550,342</b>
1. Shareholders (a)	844,602	550,342
2. Directors (a)	-	-
3. Other beneficiaries (a)	-	-

(a) Solely in Belgian limited companies

A dividend of €11,923 per share will be distributed in April 2024, in respect of the financial year ending 31 December 2023, which amounts to €844,601,474 of shareholders' equity.

The accompanying Notes form part of these financial statements.

## Notes

## I. Statement of amounts receivable from credit institutions

As at 31 December 2023

(€'000)	2023	2022
<i>(heading III of the assets)</i>		
<b>A. For the heading as a whole</b>	<b>143,604,293</b>	<b>105,326,334</b>
1. Amount receivable from affiliated enterprises	-	-
2. Amount receivable from other enterprises linked by participating interests	-	-
3. Subordinated amounts receivable	-	-
In terms of nature, the following additional analysis is relevant		
- Surplus funds with banks	141,353,316	102,917,580
- Loans to banks	2,250,977	2,408,754
	143,604,293	105,326,334
<b>B. Other amounts receivable (with a term or period of notice) from credit institutions</b>	<b>35,810,067</b>	<b>22,315,551</b>
<i>(heading III B. of the assets)</i>		
1. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution	-	-
2. Breakdown according to remaining term to maturity		
- Up to 3 months	35,810,067	22,315,551
- Over 3 months and up to one year	-	-
- Over one year and up to 5 years	-	-
- Over 5 years	-	-
- Undated	-	-

## II. Statement of amounts receivable from customers

(Heading IV of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Amounts receivable from affiliated enterprises</b>	<b>176</b>	<b>110</b>
<b>2. Amounts receivable from other enterprises linked by participating interests</b>	-	-
<b>3. Subordinated amounts receivable</b>	-	-
<b>4. Bills eligible for refinancing at the central bank of the country or countries of establishment of the credit institution</b>	-	-
<b>5. Breakdown of amounts receivable according to remaining term to maturity</b>		
a. Up to 3 months	3,827,642	1,912,391
c. Over one year and up to 5 years	-	-
d. Over 5 years	-	-
e. Undated	-	-
<b>6. Breakdown according to the nature of the debtors</b>		
a. On public authorities	260	524
b. On individuals	-	-
c. On corporates	3,827,382	1,911,867
<b>7. Breakdown by type</b>		
a. Commercial paper	-	-
b. Leasing loans	-	-
c. Consumer loans	-	-
d. Real estate loans	-	-
e. Other loans superior to 1 year	-	-
f. Other	3,827,642	1,912,391
<b>8. Geographical breakdown (a)</b>		
a. Belgium	22,223	64,013
b. Foreign countries	3,805,419	1,848,378
<b>9. Analytical data related to real estate loans with reconstitution of capital at the bank</b>		
a. Initial capital granted	-	-
b. Reconstitution fund and mathematical reserve linked to the loans	-	-
c. Net position (a-b)	-	-

(a) Geographical breakdown is done according to the beneficiaries of the credits.

## III. Statement of bonds and other fixed-income securities

(Heading V of balances sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>A. GENERAL</b>	<b>3,983,107</b>	<b>5,792,095</b>
1. Bonds and other securities issued by affiliated enterprises	-	-
2. Bonds and other securities issued by other enterprises linked by participating interests	-	-
3. Bonds and securities representing subordinated loans	-	-
<b>4. Geographical breakdown of the following headings</b>		
a. Belgian public issuers	203,858	282,355
b. Foreign public issuers	2,064,529	3,436,423
c. Belgian other issuers	1,107,526	1,004,330
d. Foreign other issuers	607,194	1,068,987
<b>5. Quotations</b>		
a. Book value listed securities	3,983,107	5,792,095
b. Market value listed securities	3,869,233	5,571,867
c. Book value unlisted securities	-	-
<b>6. Quotations and durations</b>		
a. Residual term up to one year	1,037,121	2,738,231
b. Residual term over one year	2,945,986	3,053,864
<b>7. Breakdown according to whether the securities are part of :</b>		
a. Trading portfolio	-	-
b. Investment portfolio	3,983,107	5,792,095
<b>8. For the trading portfolio</b>		
a. Positive difference between the market value and the acquisition value for bonds and securities to be valued at their market value	-	-
b. Positive difference between the market value and the book value for bonds and securities valued in accordance with Article 35 ter §2 (2)	-	-
<b>9. For the investment portfolio</b>		
a. Positive difference in respect of all securities with a redemption value higher than their book value	36,246	42,301
b. Negative difference in respect of all securities with a redemption value lower than their book value	40,680	57,216

### III. Statement of bonds and other fixed-income securities (continued)

(Heading V of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>B. DETAILS OF THE BOOK VALUE OF THE INVESTMENT PORTFOLIO</b>		
<b>1. Acquisition value at the end of the previous financial year</b>	<b>5,792,096</b>	<b>4,891,153</b>
<b>2. Changes during the financial year</b>		
a. Acquisitions	4,336,614	6,230,617
b. Redemptions and disposals	(6,164,328)	(5,306,874)
c. Adjustments made in accordance with Article 35 ter §4 and 5 (+/-)	18,725	(22,801)
<b>3. Acquisition value at the end of the financial year</b>	<b>3,983,107</b>	<b>5,792,095</b>
<b>4. Transfers between portfolios</b>		
a. From the investment portfolio to the trading portfolio ( - )	-	-
b. From the trading portfolio to the investment portfolio ( + )	-	-
c. Impacts of these transfers on the result	-	-
<b>5. Write-offs at the end of the previous financial year</b>	-	-
<b>6. Changes during the financial year</b>		
a. Charged	-	-
b. Reserved because of surplus (-)	-	-
c. Cancelled (-)	-	-
d. Transferred from one heading to another (-)	-	-
<b>7. Write-offs at the end of the financial year</b>	-	-
<b>8. Book value at the end of the financial year</b>	<b>3,983,107</b>	<b>5,792,095</b>



## IV. Statement of corporate shares and other variable-income securities

(Heading VI of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Geographical breakdown of the securities</b>		
a. Belgian issuers	-	-
b. Foreign issuers	-	-
<b>2. Quotations</b>		
a. Book value listed securities	-	-
b. Market value listed securities	-	-
c. Unlisted securities	-	-
<b>3. Shares and securities belonging to the</b>		
a. Trading portfolio	-	-
b. Investment portfolio	-	-
<b>4. For the trading portfolio</b>		
a. Positive difference between the acquisition value and the market value for securities valued at their market value	-	-
b. Positive difference between the market value, when higher, and the book value for securities valued in accordance with Article 35 ter § 2 (2)	-	-

## IV. Statement of corporate shares and other variable-income securities (continued)

(Heading VI of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>B. Details of the book value of the investment portfolio</b>		
<b>1. Acquisition value at the end of the previous financial year</b>	-	-
<b>2. Changes during the financial year</b>	-	-
a. Acquisitions	-	-
b. Cancelled (-)	-	-
c. Other changes	-	-
<b>3. Acquisition value at the end of the financial year</b>	-	-
<b>4. Transfers between portfolios</b>		
a. From the investment portfolio to the trading portfolio (-)	-	-
b. From the trading portfolio to the investment portfolio (+)	-	-
c. Impact of these transfers on the result	-	-
<b>5. Write-offs at the end of the previous financial year</b>	-	-
<b>6. Changes during the financial year</b>	-	-
a. Charged	-	-
b. Reversed because of surplus (-)	-	-
c. Cancelled (-)	-	-
d. Transferred from one heading to another (+/-)	-	-
<b>7. Write-offs at the end of the financial year</b>	-	-
<b>8. Book value at the end of the financial year</b>	-	-

## V.Statement of financial fixed assets

(Heading VII of balance sheet assets)

As at 31 December 2023

(€'000)	2023		2022	
	Credit institutions	Other	Credit institutions	Other
<b>A. Breakdown of the headings VII A, B, C, D of the assets</b>				
<b>1. Economic sector of</b>				
b. Participation in other enterprises linked by participating interests	-	-	-	-
c. Other financial assets	-	9,186	-	9,212
d. Subordinated loans with affiliated enterprises and with other associated enterprises	-	-	-	-

(€'000)	2023		2022	
	Quoted	Not quoted	Quoted	Not quoted
<b>2. Quotation</b>				
b. Participation in other enterprises linked by participating interests	-	-	-	-
c. Other financial fixed assets	-	9,186	-	9,212
d. Subordinated loans with affiliated enterprises and with other associated enterprises	-	-	-	-

## V.Statement of financial fixed assets (continued)

(Heading VII of balance sheet assets)

As at 31 December 2023

(€'000)	Enterprises		Other
	Affiliated	Associated	
<b>B. Details on the book value at the end of the financial year (VII A, B and C of the assets)</b>			
<b>1. Acquisition value at the end of the previous financial year</b>	-	-	<b>9,212</b>
<b>2. Changes during the financial year</b>	-	-	<b>(26)</b>
a. Acquisitions	-	-	-
b. Sales	-	-	(26)
c. Transfers from one heading to another (+/-)	-	-	-
<b>3. Acquisition value at the end of the financial year</b>	-	-	<b>9,186</b>
<b>4. Revaluation at the end of the previous financial year</b>	-	-	-
<b>5. Changes during the financial year</b>	-	-	-
a. Charged	-	-	-
b. Acquired from third parties	-	-	-
c. Cancelled (-)	-	-	-
d. Transferred from one heading to another(+/-)	-	-	-
<b>6. Revaluation at the end of the financial year</b>	-	-	-
<b>7. Write-offs at the end of the previous financial year</b>	-	-	-
<b>8. Changes during the financial year</b>	-	-	-
a. Charged	-	-	-
b. Reversed because of surplus (-)	-	-	-
c. Acquired from third parties	-	-	-
d. Cancelled (-)	-	-	-
e. Transfers from one heading to another (+/-)	-	-	-
<b>9. Write-offs at the end of the financial year</b>	-	-	-
<b>10. Net book value at the end of the financial year</b>	-	-	<b>9,186</b>

## V.Statement of financial fixed assets (continued)

(Heading VII of balance sheet assets)

As at 31 December 2023

(€'000)	Affiliated enterprises	Associated enterprises
<b>C. Details of the subordinated loans</b>		
<b>1. Net book value at the end of the previous financial year</b>	-	-
<b>2. Changes during the financial year</b>	-	-
a. Additions	-	-
b. Repayments (-)	-	-
c. Write-off (-)	-	-
d. Write-off taken back	-	-
e. Exchange differences (+/-)	-	-
f. Other change(+/-)	-	-
<b>3. Net book value at the end of the financial year</b>	-	-
<b>4. Cumulated provisions at the end of the financial year</b>	-	-

## VI. Information on financial participations

As at 31 December 2023

### A. Participating interests and other rights in other enterprises

Mentioned hereafter are the enterprises in which the credit institution holds a participation as mentioned in the Royal Decree of 23 September 1992, as well as the other enterprises in which the credit institution holds social rights representing at least 10% of the subscribed equity.

Name, address, VAT or Nat. Id nr	Shareholder's stake				Data from the last available financial statements			
	Type of shares	Directly		Through subsidiaries %	Financial statements of	Currency	Equity	Net result
		Number	%					

## VI. Information on financial participations (continued)

As at 31 December 2023

**B. Enterprises to which the company is unlimitedly liable either as a qualified partner or member**

The annual accounts of each of the enterprises to which the company is unlimitedly liable will be added to the present accounts and published jointly. Departure from that requirement will be mentioned in the second column referring to the appropriate code (A, B, C or D) as defined hereafter.

The annual accounts of the enterprise:

- A. will be published through a deposition in the National Bank of Belgium;
- B. will be published effectively in another member state of the EC pursuant to art.16 of the directive 2017/1132;
- C. will be fully or proportionally consolidated in the consolidated annual accounts of the company which is prepared, audited and published pursuant to the provision of the Code of companies and associations related to the consolidated annual accounts;
- D. Concern a company of the common law.

Code	Name and complete address of the headquarter and for the Belgian enterprises, mention of the VAT number or the national number	Possible code (a)
	05	10

## VII.Statement of formation expenses and intangible fixed assets

(Heading VIII of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>A. Detail of the formation expenses</b>		
1. Net book value at the end of the previous financial year	-	-
2. Changes during the financial year	-	-
a. New expenses incurred	-	-
b. Depreciation	-	-
c. Other changes	-	-
3. Net book value at the end of the financial year	-	-
4. Including		
a. Formation and capital - increased expenses or issuing expenses for loans and other start-up expenses	-	-
b. Reorganisation expenses	-	-

(€'000)	Goodwill	Other intangible fixed assets	Commissions for the operations of art 27 Bis
<b>B. Intangible fixed assets</b>			
1. Acquisition value at the end of the previous financial year	-	87,584	-
2. Changes during the financial year	-	36,483	-
a. Acquisitions including production of fixed assets	-	36,535	-
b. Transfers and disposals (-)	-	(52)	-
c. Transfers from one heading to another(-)	-	-	-
3. Acquisition value at the end of the financial year	-	124,067	-
4. Depreciation and amounts written off at the end of the previous financial year	-	40,255	-
5. Changes during the financial year	-	2,953	-
a. Charged	-	2,967	-
b. Reversed because of surplus (-)	-	-	-
c. Acquired from third parties	-	-	-
d. Cancelled (-)	-	(14)	-
6. Depreciation and amounts written off at the end of the financial year	-	43,208	-
<b>7. Net book value at the end of the financial year</b>	-	<b>80,859</b>	-



## VIII. Statement of tangible fixed assets

(Heading IX of balance sheet assets)

As at 31 December 2023

(€'000)	Land and buildings	Installations, machines and tools	Furniture, fixtures and vehicles	Leasing and similar rights	Other tangible fixed assets	Fixed assets under construction and advance payments
<b>1. Acquisition value at the end of the previous financial year</b>	-	7,450	2,771	-	7,832	-
<b>2. Changes during the financial year</b>	-	(1,957)	(1,361)	-	(1,622)	-
a. Acquisitions including own production of fixed assets	-	1,225	345	-	414	-
b. Transfers and disposals (-)	-	(3,182)	(1,706)	-	(2,036)	-
c. Transfers from one heading to another (+/-)	-	-	-	-	-	-
<b>3. Acquisition value at the end of the financial year</b>	-	5,493	1,410	-	6,210	-
<b>4. Revaluations at the end of the previous financial year</b>	-	-	-	-	-	-
<b>5. Changes during the financial year</b>	-	-	-	-	-	-
a. Recorded	-	-	-	-	-	-
b. Acquired from third parties	-	-	-	-	-	-
c. Cancelled (-)	-	-	-	-	-	-
d. Transferred from one heading to another (+/-)	-	-	-	-	-	-
<b>6. Revaluations at the end of the financial year</b>	-	-	-	-	-	-
<b>7. Depreciation and amounts written-off at the end of the previous financial year</b>	-	4,752	1,920	-	4,425	-
<b>8. Changes during the financial year</b>	-	(716)	(1,176)	-	(139)	-
a. Charged	-	896	288	-	965	-
b. Reversed because of surplus (-)	-	-	-	-	-	-
c. Acquired from third parties	-	-	-	-	-	-
d. Cancelled (-)	-	(1,612)	(1,464)	-	(1,103)	-
<b>9. Depreciation and amounts written-off at the end of the financial year</b>	-	4,036	744	-	4,286	-
<b>10. Net book value at the end of the financial year</b>	-	1,457	666	-	1,924	-

## IX. Other assets

(Heading XI of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
Breakdown of this caption if it represents an important amount		
a. Taxes to recover	22,307	27,543
b. Guarantee deposits	5,345	5,205
c. Tax assets	-	20
d. Miscellaneous	13,080	29,211
	<b>40,732</b>	<b>61,979</b>

## X.Deferred charges and accrued income

(Heading XII of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Deferred charges</b>	6,158	6,274
<b>2. Accrued income</b>	492,966	319,578
	<b>499,124</b>	<b>325,852</b>

## X.bisRe-use of funds of segregated customers

(Heading XII of balance sheet assets)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Total</b>	-	-

## XI. Amounts payable to credit institutions

(Heading I of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Amounts payable to affiliated enterprises</b>	-	-
<b>2. Amounts payable to other enterprises linked by participating interests</b>	-	-
<b>3. Breakdown of the amounts payable other than at sight according to their residual term (heading I.B and C of the liabilities)</b>		
a. Up to three months maximum	130,051	117,329
b. Over three months and up to one year maximum	2,715	2,813
c. Over one year and up to five years maximum	-	-
d. Over five years	-	-
e. Undated	-	-
	<b>132,766</b>	<b>120,142</b>

## XII. Amounts payable to customers

(Heading II of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Amounts payable to affiliated enterprises</b>	<b>519,030</b>	<b>508,712</b>
<b>2. Amounts payable to other enterprises linked by participating interests</b>	-	-
<b>3. Breakdown by residual term</b>		
a. At sight	13,954,066	12,100,705
b. Up to 3 months maximum	7,046	7,168
c. Over 3 months and up to one year maximum	5,000	5,000
d. Over one year and up to 5 years maximum	199,580	199,445
e. Over 5 years	298,839	298,673
f. Undated	-	-
<b>4. Breakdown of the debts according to the nature of the debtors</b>		
a. Debts on public authorities	59,493	50,440
b. Debts on individuals	-	-
c. Debts on corporates	14,405,038	12,560,551
<b>5. Geographical breakdown of the amounts payable to</b>		
a. Belgium	608,106	46,920
b. Foreign countries	13,856,425	12,564,071
	<b>14,464,531</b>	<b>12,610,991</b>

Amounts payable to credit institutions and customers (headings I and II of balance sheet liabilities) include an amount 135,734,800,000 €-equivalent (2022: 99,567,345,000 €-equivalent) of deposits blocked pursuant to applicable international sanctions measures of which 128,738,051,000 €-equivalent related to Russian sanctions (2022: 92,570,000,000 €-equivalent).

In December 2016, a 10-year contingent convertible loan amounting to €200,000,000 was granted by Euroclear Investments SA to Euroclear Bank. In June 2018, the loan was converted for the same amount into a senior convertible note and certain features were amended in order to better meet recovery and resolutions requirements applicable to Euroclear Bank.

In June 2018, two additional notes were issued by Euroclear Bank and fully subscribed by Euroclear Investments SA, in order to strengthen the recovery profile of the Bank:

- €300,000,000 12 year fixed rate senior non preferred contingent convertible loan,
- €100,000,000 10 year fixed rate senior non preferred security.

In March 2019, the €100,000,000 10 year fixed rate senior non preferred security was converted into a new Tier 2 subordinated debt.

## XIII. Debt securities in issue

(Heading III of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable to affiliated enterprises</b>	-	-
<b>2. Amounts payable which, to the knowledge of the credit institution, constitute amounts payable to other enterprises linked by participating interests</b>	-	-
<b>3. Breakdown according to the residual term</b>		
a. Up to 3 months maximum	1,277,975	1,925,442
b. Over 3 months and up to one year maximum	863,015	552,333
c. Over one year and up to 5 years maximum	1,537,773	1,949,191
d. Over 5 years	-	-
e. Undated	-	-
	<b>3,678,763</b>	<b>4,426,966</b>

Euroclear Bank issues Medium Term Notes and Certificates of Deposits since 2018.

## XIV. Other amounts payable

(Heading IV of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Fiscal and social debts towards the fiscal administration</b>	<b>75,542</b>	<b>25,714</b>
a. Overdue	-	-
b. Not overdue	75,542	25,714
<b>2. Fiscal and social debts towards the social security authorities</b>	<b>6,026</b>	<b>5,154</b>
a. Overdue	-	-
b. Not overdue	6,026	5,154
<b>3. Taxes</b>	<b>75,542</b>	<b>25,714</b>
a. Payable	15,629	23,868
b. Estimated	59,913	1,846
<b>4. Other debts</b>		
Breakdown of this caption if it represents an important amount		
Dividend	844,602	351,288
Payroll (other than social security)	30,277	25,483
Other payable	41,339	91,910

## XV. Accrued charges and deferred income

(Heading V of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
1. Accrued charges	309,837	441,913
2. Deferred income	1,099	876
	<b>310,936</b>	<b>442,789</b>



## XVI. Provisions for other liabilities and charges

(Heading VI.A.3 of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
Breakdown of this heading if it represents an important amount		
Provisions for onerous lease contracts	-	1,665
Provisions for dilapidation costs	951	1,312
HR-related provisions	772	772
	<b>1,723</b>	<b>3,749</b>

## XVII. Statement of subordinated liabilities

(Heading VIII of balance sheet liabilities)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Debts to affiliated enterprises</b>	-	-
<b>2. Debts to other enterprises linked by participating interest</b>	299,067	298,985
<b>3. Charges in respect of subordinated debts</b>	9,961	9,979

## 4. Details of subordinated debt are as follows:

N° Ref.	Currency	Amount	Maturity date	A) Circumstances for early redemption B) Conditions for subordination C) Conditions for convertibility
1	EUR	200,000	30/03/2033	<p>A) At early redemption date (30/03/2028) the issuer has the option to redeem in whole the outstanding amount of the Note, with a notice period of 15 days. Early redemption is allowed for tax deductibility and capital disqualification events.</p> <p>B) Payment after all preferred and non-preferred creditors, equally with other subordinated obligations, before shareholders and holders of other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Note.</p> <p>C) Permanent write-off at Common Equity Tier 1 trigger of €1,175 million. Write-off amount corresponds to the lower of (i) the amount necessary to restore the level of the Issuer's Common Equity Tier 1 capital to €1,175 million and (ii) the Outstanding Principal Amount.</p>
2	EUR	100,000	30/03/2033	<p>A) At early redemption date (30/03/2028) the issuer has the option to redeem in whole the outstanding amount of the Note, with a notice period of 15 days. Early redemption is allowed for tax deductibility and capital disqualification events.</p> <p>B) Payment after all preferred and non-preferred creditors, equally with other subordinated obligations, before shareholders and holders of other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Note.</p> <p>C) Permanent write-off at Common Equity Tier 1 trigger of €1,275 million. Write-off amount corresponds to the lower of (i) the amount necessary to restore the level of the Issuer's Common Equity Tier 1 capital to €1,275 million and (ii) the Outstanding Principal Amount.</p>

## XVIII. Statement of capital and shareholding structure

As at 31 December 2023

## A. Statement of capital

	Amounts (€'000)	Number of shares
<b>1. Capital</b>		
a. Subscribed capital <i>(heading IX. A. of the liabilities)</i>		
- At the end of the last financial year	285,497	70,838
- Subscribed capital changes throughout the exercise	-	-
- At the end of the financial year	285,497	70,838
b. Structure of capital		
- Categories of shares		
* Ordinary shares	285,497	70,838
* Registered or dematerialised shares		
* Registered	xxxxxxxxxxxxxx	70,838
* Dematerialised	xxxxxxxxxxxxxx	-
	Uncalled capital	Called up capital, unpaid
<b>2. Called up but unpaid capital</b>		
a. Uncalled capital	-	-
b. Called capital, unpaid	-	-
c. Shareholders still owing capital payment	-	-
	Capital amount held	Corresponding number of shares
<b>3. Own shares held</b>		
a. By the credit institution	-	-
b. By its subsidiaries	-	-
<b>4. Share issuance commitment</b>		
a. Following the exercise of conversion rights		
- Amount of convertible loans outstanding	-	-
- Amount of capital to be subscribed	-	-
- Corresponding maximum number of shares to issue	-	-
b. Following the exercise of subscription rights		
- Number of subscription rights outstanding	-	-
- Capital amount to be subscribed	-	-
- Corresponding maximum number of shares to issue	-	-
<b>5. Non-subscribed authorised capital</b>	500,000	-

## XVIII. Statement of capital and shareholding structure(continued)

As at 31 December 2023

	2023	2022
<b>6. Shares not representing capital</b>		
a. Breakdown		
* Number of stakes	-	-
* Number of voting rights attached	-	-
b. Breakdown by shareholder		
* Held by the credit institution	-	-
* Held by its subsidiaries	-	-

**B. Structure of the institution's shareholding structure at the closing date of its accounts, as it results from the declarations received by the institution**

## XIX. Breakdown of total assets and total liabilities in euros and foreign currencies

As at 31 December 2023

(€'000)	2023
<b>1. Total assets</b>	
a. In euros	105,634,521
b. In foreign currencies (euro equivalent)	55,932,745
<b>2. Total liabilities</b>	
a. In euros	97,052,815
b. In foreign currencies (euro equivalent)	64,514,451

XX.Trustee operations referred to in Article 27ter, § 1 paragraph 3

As at 31 December 2023

(€'000)	2023
Concerned headings of the assets and liabilities	
.....	
.....	
.....	
.....	
.....	
.....	

## XXI. Statement of guaranteed liabilities and commitments

As at 31 December 2023

Secured guarantees provided or irrevocably promised by the credit institution on its own assets

(€'000)	Mortgages (a)	Pledging of goodwill (b)	Pledges on other assets (c)	Guarantees established on future assets (d)
<b>1. As security for liabilities and commitments of the credit institution</b>				
a. Headings of the liabilities				
b. Off-balance sheet headings				
- Guarantee with the National Bank of Belgium	-	-	3,549,108	-
- Guarantee with other central banks	-	-	630,953	-
<b>2. As security for liabilities and commitments of third parties</b>				
a. Headings of the liabilities				
b. Off-balance sheet headings	-	-	-	-

(a): Amount registered or book value of the real estate encumbered if the latter is lower

(b): Amount registered

(c): Book value of the assets pledged

(d): Amount of the assets in question

An amount of investment securities of €3,549,108,000 (2022: €3,529,164,000) resulting from the reserve repo activity have been deposited with the National Bank of Belgium as potential collateral for TARGET2-related exposures.

Other investments securities for an amount of €630,953,000 (2022: €249,804,000) have been deposited with the Bank of England as potential collateral for the settlement of our operations on the UK market.

## XXII.Statement of the contingent liabilities and of commitments which can give rise to a credit risk

(Heading I and II of the off-balance sheet)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Total of contingent liabilities on account of affiliated enterprises</b>	-	-
<b>2. Total of contingent liabilities on account of other enterprises linked by participating interests</b>	-	-
<b>3. Total of the commitments to affiliated enterprises</b>	-	-
<b>4. Total of the commitments to other enterprises linked by participating interests</b>	-	-



## XXIII. Operating results

(Headings I through XV of the profit and loss accounts)

As at 31 December 2023

(€'000)	2023		2022	
	Belgian entities	Entities abroad	Belgian entities	Entities abroad
<b>1. Breakdown of operating income according to origin</b>				
a. Interests and similar income	5,916,146	4	1,404,314	19
b. Income from variable-income securities				
- Corporate shares and other variable-income securities	-	-	-	-
- Participation in affiliated enterprises	-	-	-	-
- Participation in other enterprises linked by participating interests	-	-	-	-
- Participating interests and shares representing financial fixed assets	278	-	306	-
c. Commissions received	1,618,722	-	1,631,203	-
d. Profit from financial operations				
- From exchange transactions and transactions in securities and other financial instruments	17,007	(59)	(10,480)	296
- From sale of investment securities	-	-	-	-
e. Other operating income	35,356	1,145	31,870	873

## XXIII. Operating results (continued)

(Headings I through XV of the profit and loss accounts)

As at 31 December 2023

(€'000)	2023	2022
<b>2. Workers registered</b>		
a. Total number of workers at the end of the financial year	1,972	1,856
b. Average number registered as full-time equivalent	1,911	1,728
- Management	335	304
- Employees	1,576	1,424
- Manual workers	-	-
- Other	-	-
c. Number of hours worked	3,027,846	2,698,588
<b>3. Social charges</b>		
a. Wages and direct social advantages	123,788	104,601
b. Social insurance paid by the employer	24,174	20,573
c. Employer premiums for extra legal insurance	2,823	2,840
d. Other	7,248	5,883
e. Pensions	6,869	7,257
	<b>164,902</b>	<b>141,154</b>
<b>4. Provisions for pensions</b>		
a. Additions (+)	308	-
b. Write-backs (-)	-	(13,776)
	<b>308</b>	<b>(13,776)</b>
<b>5. Other operating income</b>		
a. Breakdown of the heading XIV if they represent an important amount		
.....		
.....		
.....		
<b>6. Other operating charges</b>		
(heading XV of the profit and loss account)		
a. Taxes	16,937	12,493
b. Other operating charges	50,075	12,198
c. Breakdown of the other operating charges if they represent an important amount		
- Royalties	28,297	5,773
- Other operating charges	21,778	6,425
	<b>67,012</b>	<b>24,691</b>
<b>7. Revenues linked to affiliated enterprises</b>	27,439	25,961
<b>8. Expenses linked to affiliated enterprises</b>	726,754	613,868

XXIV. Forward off balance sheet operations in securities, foreign currencies and other financial instruments that do not constitute commitments creating a credit risk as defined in section II of the off balance sheet

As at 31 December 2023

(€'000)	Amount at 31 December 2023	Of which transactions do not constitute hedging transactions
<b>A. Types of operations</b>		
<b>1. On transferable securities</b>		
a. Forward purchases and sales of transferable securities and negotiable instruments	-	-
<b>2. On currencies (a)</b>		
a. Forward exchange operations	15,005,046	-
b. Interest-rate and currency swaps	-	-
c. Currency futures	-	-
d. Currency options	-	-
e. Forward exchange rate contracts	-	-
<b>3. On other financial instruments</b>		
a. On interests (b)		
- Interest-rate swaps	3,720,928	-
- Interest-rate futures	-	-
- Forward interest-rate contracts	-	-
- Interest-rate options	-	-
b. Other forward purchases and sales (c)		
- Other option contracts	-	-
- Other futures operations	-	-
- Other forward purchases and sales	-	-
	<b>18,725,974</b>	<b>-</b>

(a) Amounts to be delivered

(b) Nominal/notional reference amount

(c) Agreed buying/selling price

XXIV. Forward off balance sheet operations in securities, foreign currencies and other financial instruments that do not constitute commitments creating a credit risk as defined in section II of the off balance sheet (continued)

As at 31 December 2023

**B. Estimation of the impact on the results of the derogation to the valuation rule defined under Article 36 BIS, § 2, granted by the Belgian Banking and Finance Commission, concerning interest-rates derivatives**

(€'000)	Amount at closing date (a)	Difference between market value and book value (b)
<b>B. Type of interest-rate derivative</b>		
1. For the purposes of treasury management	-	-
2. For the purposes of asset and liability management	-	-
3. Without effect on risk reduction	-	-

(a) Notional amount

(b) Positive fair value (Negative fair value)

## XXV.Exceptional results

(Heading XVII.E and XVIII.E of the profit and loss accounts)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Realised gain on disposal of fixed assets to affiliated enterprises</b>	-	-
<b>2. Realised loss on disposals of fixed assets to affiliated enterprises</b>	-	-
<b>4. Other exceptional incomes - Breakdown of the heading if it represents an important amount</b>		
<b>4. Other exceptional charges - Breakdown of the heading if it represents an important amount</b>		

## XXVI. Income taxes

(Heading XX of the profit and loss accounts)

As at 31 December 2023

(€'000)	2023	2022
<b>1. Income tax for the year</b>	<b>1,449,554</b>	<b>376,104</b>
a. Taxes or withholding taxes paid or due	1,389,641	374,278
b. Taxes or withholding taxes receivable booked as an asset	-	-
c. Additional estimated tax (brought to heading IV. B. of the liabilities) as fiscal debts	59,913	1,826
<b>2. Income taxes on previous financial years</b>	<b>497</b>	<b>270</b>
a. Additional taxes or withholding taxes	497	270
b. Additional estimated taxes (brought to the heading IV of the liabilities) or provisioned (brought to heading VI A.2. of the liabilities)	-	-
	<b>1,450,051</b>	<b>103,157</b>
<b>3. Sources of the differences between accounting profit and tax profit</b>		
With particular mention of those related to timing differences		
- Non-deductible expenses	3,700	4,283
- Taxable provisions	57,792	5,512
- RDT	(278)	(306)
- Non tax deductible pension costs	67	(20,865)
<b>4. Impact on the extraordinary results of the taxes on the result of the year</b>		
.....		
.....		
<b>5. Sources of deferred taxes (where those indications are important for the valuation of the credit institution)</b>		
a. Deferred tax assets		
- Cumulated tax losses, future deductible taxed benefits	-	-
- Other deferred tax assets	-	-
b. Deferred tax liabilities	-	-
- Breakdown of deferred tax liabilities	-	-
.....		

## XXVII. Other taxes and taxes at the charges of third parties

As at 31 December 2023

(€'000)	2023	2022
<b>1. VAT charged and special taxes</b>		
a. To the credit institution (deductible)	204,368	214,527
b. By the credit institution	10,778	10,710
<b>2. Taxes withheld</b>		
a. Personal income tax withheld	22,291	19,655
b. Withholding tax on financial revenue	-	-

## XXVIII. Off-balance sheet rights and commitments and transactions with related parties

As at 31 December 2023

(€'000)	2023	2022
<b>A. Off-balance sheet rights and commitments</b>		
<b>1. Major commitments for the acquisition of fixed assets</b>		
.....		
.....		
.....		
<b>2. Major commitments for the sale of fixed assets</b>		
.....		
.....		
.....		
<b>3. Important legal proceedings and other important commitments</b>		
.....		
.....		
<b>4. If necessary, brief description of the commitments relating to the supplementary retirement benefit plan for the benefit of employees and directors</b>		
<b>5. Retirement benefits which are the responsibility of the credit institution</b>		
- Estimated amount of engagement for the credit institution for services already carried out	100,613	87,812
- Method of this estimation		
<b>6. Nature and business purpose of off-balance sheet operations</b>	73,095	107,543
To the extent that the risks and advantages related to those operations are significant and that the disclosure of those risks and rewards is necessary for the correct assessment of the financial situation of the institution	3,050	3,355
The commitment of Euroclear Bank towards Euroclear SA/NV as of 31 December 2023 amounts to €73,094,520 and corresponds to the development costs related to infrastructure and innovation projects currently under development or already launched that Euroclear SA/NV, as owner, will charge out in future years. The amount of €3,050,000 is a right to receive from other group entities and relates to the Easyway infrastructure.		
.....		



## XXVIII. Off-balance sheet rights and commitments and transactions with related parties (continued)

As at 31 December 2023

	2023
<p><b>B. Transactions with related parties not carried out at arm's length</b></p> <p>Disclosure of such transactions to the extent that they are significant, including their amount, the nature of the links with the related party, as well as any other information on the transactions which would be necessary for a better understanding of the financial situation of the institution</p> <p>.....</p>	-
<p><b>C. Nature and financial impact of significant subsequent events at the balance sheet date that are not included in the income statement or in the balance sheet.</b></p> <p>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 is carefully managing the various aspects resulting from this situation in cooperation with the competent authorities. Future earnings linked to the sanctions will continue to depend on the prevailing interest rate environment and the evolution of the sanctions.</p> <p>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 Bank is uncertain. Euroclear is defending against all relevant legal claims and intends to continue to do so against any further claims of this nature.</p> <p>Effective 15 February 2024, the EU Council adopted a Regulation (Council Regulation (EU) 2024/576 of 12 February 2024 amending Regulation (EU) No 833/2014) providing for an obligation for Central Securities Depositories holding reserves and assets of the Central Bank of Russia - or of any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Russia - to apply specific rules in relation to the cash balances accumulating exclusively due to restrictive measures. In parallel the Board notes that various options to use profits generated by sanctioned amounts held by financial institutions, including Euroclear, for the financing of Ukraine are being considered at EU and international level. Euroclear is focused on minimising potential legal, technical, financial and operational risks that may arise for itself and its clients from the implementation of any proposals made or measures taken, while complying with its obligations.</p>	-

## XXIX. Financial relationships with

As at 31 December 2023

(€'000)	2023	2022
<b>A. Directors and managers, individuals or corporate bodies who control the credit institution directly or indirectly, but who are not affiliated enterprises or other enterprises controlled directly or indirectly by those persons</b>		
<b>1. Amounts receivable from them</b>		
a. Main conditions concerning amounts receivable	-	-
b. Amounts that may have been reimbursed or waived	-	-
<b>2. Amount of guarantees given on their behalf</b>		
a. Main conditions concerning guarantees given on their behalf	-	-
<b>3. Other significant commitments undertaken in their favour</b>		
a. Main conditions concerning other commitments	-	-
<b>4. The amount of direct and indirect remuneration and pensions included in the income statement, as long as this disclosure does not concern exclusively or mainly the situation of a single identifiable person</b>		
a. To directors and managers	3,778	3,239
b. To past directors and past managers	-	-
(€'000)	2023	2022
<b>B. The auditor(s) and person(s) to whom he (they) is (are) linked</b>		
<b>1. Audit fees</b>	515	468
<b>2. Non-statutory audit services</b>		
a. Other assurance services	285	245
b. Tax services	-	-
c. Other services	-	-
<b>3. Non-statutory audit services performed by individuals related to the statutory auditor</b>		
a. Other assurance services	-	-
b. Tax services	-	-
c. Other services	-	-
	<b>800</b>	<b>713</b>

**4. Disclosure in application article 3:64, §2 et §4 of the Code of companies and associations**

Euroclear Bank ensures that the independence of the external auditor is preserved through a specific policy adopted by the board and agreed to by Deloitte. This policy adheres to the highest standards of independence. The engagement of the external auditor for non-core services is subject to specific controls, supervised by the Audit Committee.

## XXX.Positions in financial instruments

As at 31 December 2023

(€'000)	2023	2022
1. Financial instruments to be received by the institution on behalf of customers	-	-
2. Financial instruments to be delivered by the institution to customers	-	-
3. Financial instruments deposited by customers by the institution	14,497,891,383	13,916,171,888
4. Financial instruments from customers deposited by the institution	18,427,906,240	17,611,789,296
5. Financial instruments from customers received in guarantee by the institution	3,930,014,857	3,695,664,909
6. Financial instruments from customers given in guarantee by the institution	-	47,501

## XXXI. Information country by country

As at 31 December 2023

Information to be completed for the institutions referred to in Article 4 Section 1, 3 of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 except those who are publishing consolidated accounts in accordance with the Royal Decree of 23 September 1992 on the consolidated accounts of credit institutions, investment firms and management companies of undertakings for collective investment.

DENOMINATION of the branch, subsidiary or joint subsidiary NATURE of activities COUNTRY	2023				
	Number of full-time employees	Revenues	Profit (loss) before tax (1)	Income taxes	Public subsidies received
Euroclear Bank Credit institution BE	983	7,554,269	5,811,501	(1,442,700)	335
Euroclear Bank's Hong Kong branch Operational support HK	180	160	(24,276)	(287)	-
Euroclear Bank's Polish branch Operational support PL	791	(2,493)	(55,143)	(6,782)	-
Euroclear Bank's Japan branch Operational support JP	18	161	(3,740)	(283)	-

(1) Figures are presented after intercompany eliminations, i.e. before the recharge of operating expenses to Head Office

## XXXII. Derivative financial instruments not estimated at fair value

As at 31 December 2023

Estimate of the fair value for each category of derivative financial instruments which are not evaluated on the basis of its economic value stating the volume and nature of the instruments concerned

Category of derivative financial instruments	Risk covered	Speculation/coverage	Volume	2023		2022	
				Book value	Fair value	Book value	Fair value
Forward foreign exchange	Forex	Coverage	15,005,046	-	8,618	-	24,524
Interest rate derivatives	Interest	Coverage	3,720,928		12,968		(90,896)

	Book value	Fair value
<b>FINANCIAL FIXED ASSETS THAT ARE CAPITALIZED AT AN AMOUNT OVER THE FAIR VALUE</b>		
Amounts of assets adequately taken separately or grouped		
Reasons for which the book value is not reduced		
Elements that allow to suppose that the book value will be covered		

### XXXIII. Note related to associated companies as defined in Article 1:20 of the Code of companies and associates

As at 31 December 2023

	2023
<b>1. Financial Assets</b>	
a. Participations	-
b. Subordinated loans	-
c. Other receivables	-
<b>2. Other receivables</b>	
a. More than one year	-
b. Up to one year	-
<b>3. Debts</b>	
a. More than one year	-
b. Up to one year	-
<b>4. Personal and real guarantees constituted or irrevocably promised</b>	
a. as security for debts or commitments to associated companies	-
b. as security for debts or commitments of the institution	-
<b>5. Other significant financial liabilities</b>	-

## Statement relative to the consolidated accounts

As at 31 December 2023

### Declaration related to consolidated accounts

#### A. Information to be completed by all the credit institutions

~~The credit institution establishes and publishes consolidated accounts and a consolidated management report\*~~

The credit institution does not establish consolidated accounts or a management report for one of the following reasons\*:

- the credit institution does not control, solely or jointly, one or more subsidiaries under Belgian or foreign law\*
- ~~the credit institution, however, submitted to the Royal Decree of 23 September 1992, is exempted to establish consolidated accounts and a consolidated management report because the credit institution is a subsidiary of a mother company that establishes and publishes consolidated accounts (Article 4 of the Royal Decree of 23 September 1992).\*~~
  - ~~justification of the respect of the provisions set out Article 4:~~
  - ~~name, complete address of the headquarter company and, if it concerns a Belgian legal entity, the VAT number or the national number of the mother company that establishes and publishes the consolidated accounts in the name of which the exemption is authorised :~~

#### B. Information to be completed by the credit institution of a subsidiary or a joint subsidiary

Name, complete address of the headquarter and, if it concerns a Belgian legal entity, the VAT number or the national number of the mother company and mention if this mother company establishes and publishes consolidated accounts in which the credit institution accounts are integrated by the consolidation\*\*:

Ultimate parent	Immediate parent
Euroclear Holding SA/NV	Euroclear SA/NV
1 Boulevard du Roi Albert II	1 Boulevard du Roi Albert II
1210 Brussels	1210 Brussels
Belgium	Belgium
BE 0700.808.073	BE 423.747.369

~~If the mother company is under foreign law, place where the above mentioned consolidated accounts can be obtained\*\*.~~

\* Delete where not appropriate.

\*\* Where the accounts of the enterprise are consolidated at different levels, the information should be given for the consolidated aggregate at the highest level on the one hand and the lowest level on the other hand of which the enterprise is a subsidiary and for which consolidated are prepared and published.

## Social report

As at 31 December 2023

Numbers of joint industrial committees which are competent for the enterprise: 310

### I. Statement of the persons employed

#### A. Number of employed persons for whom a DIMONA declaration has been introduced by the company or who are recorded in the general personnel register during the financial period

	Total	1. Men	2. Women
<b>1. During the financial year</b>			
a. Average number of staff			
- Full-time	744	352	391
- Part-time	151	23	127
- Total full-time equivalents (FTE)	857	369	488
b. Effective hours worked			
- Full-time	1,081,570	535,468	546,102
- Part-time	151,437	24,128	127,309
- Total	1,233,008	559,597	673,411
c. Personnel expenses (€'000)			
- Full-time	76,031	39,022	37,009
- Part-time	11,509	1,913	9,596
- Total	87,540	40,935	46,605
d. Benefits in addition to wages (€'000)	1,021	459	562
	P. Total	1P. Men	2P. Women
<b>2. During the previous financial year</b>			
a. Average number of staff	762	305	457
b. Effective hours worked	1,068,819	451,985	616,834
c. Personnel expenses (€'000)	76,051	33,527	42,524
d. Benefits in addition to wages (€'000)	886	371	515

In accordance with the applicable regulations, please note that the population reflected in the staff survey does not agree with the figures presented in Note C5.23 of the financial statements. The reason is that the latter present figures related to the legal entity, i.e. including its foreign branches and representative offices, whereas the former exclusively shows figures associated with the headquarters in Belgium.



## Social report (continued)

As at 31 December 2023

## I. Statement of the persons employed (continued)

## A. Number of employed persons for whom a DIMONA declaration has been introduced by the company or who are recorded in the general personnel register during the financial period (continued)

	Full-time	Part-time	Total (T) or total full-time equivalents (FTE)
<b>3. At the end of the financial year</b>			
a. Number of staff in the personnel register	788	137	892
b. Breakdown by type of employment contract			
- Contract of unlimited duration	787	137	891
- Contract of limited duration	1	-	1
- One-job contract	-	-	-
- Interim substitution contract	-	-	-
c. Breakdown by sex and school degree			
- Men	375	23	392
Primary school	-	-	-
Secondary school	15	4	18
Higher non-academic degree	128	6	132
Academic degree	232	13	242
- Women	413	114	500
Primary school	-	-	-
Secondary school	35	11	43
Higher non-academic degree	136	33	160
Academic degree	242	70	297
d. Breakdown by professional occupation			
- Management	193	22	211
- Employees	595	115	681
- Manual workers	-	-	-
- Other	-	-	-

## B. Temporary personnel and persons placed at the disposal of the enterprise

During the year	Hired personnel	Personnel put at disposal
1. Average number of people	-	-
2. Effective hours worked	-	-
3. Expenses incurred by the Company (€'000)	-	-

## Social report (continued)

As at 31 December 2023

## II. List of personnel movements during the financial period

	1. Full-time	2. Part-time	3. Total full-time equivalents
<b>A. New employment contracts</b>			
<b>1. Number of staff engaged during the financial year</b>	<b>163</b>	<b>3</b>	<b>165</b>
<b>2. Breakdown by type of employment contract</b>			
a. Contract of undefined duration	162	3	164
b. Contract of defined duration	1	-	1
c. One-job contract	-	-	-
d. Interim substitution contract	-	-	-
<b>B. Employment contracts terminated</b>			
<b>1. Number of employment contracts terminated during the financial year</b>	<b>61</b>	<b>21</b>	<b>77</b>
<b>2. Breakdown by type of employment contract</b>			
a. Contract of undefined duration	61	21	77
c. One-job contract	-	-	-
d. Interim substitution contracts	-	-	-
<b>3. Breakdown by motive for the termination of the contract</b>			
a. Retirement	-	2	1
c. Dismissal	11	-	11
d. Other reason	50	19	65
- Of which the number of staff that continues to provide services to the Company as an independent on at least a half-time basis	-	-	-

## Social report (continued)

As at 31 December 2023

## III. Information on vocational training for personnel during the financial period

(€'000)	Men	Women
<b>1. Continued training initiatives with a formal character at the expense of the Company</b>		
a. Number of staff involved	375	519
b. Number of training hours	7,539	8,960
c. Expenses incurred by the Company (€'000)	1,184	1,633
- of which gross charges directly linked to training	1,170	1,617
- of which contributions paid to collective funds	14	16
- of which subsidies and other financial advantages received	-	-
<b>2. Continued training initiatives with less formal or informal character at the expense of the Company</b>		
a. Number of staff involved	86	80
b. Number of training hours	258	240
c. Expenses incurred by the Company (€'000)	14	13
<b>3. Initial training initiatives at the expense of the Company</b>		
a. Number of staff involved	-	-
b. Number of training hours	-	-
c. Expenses incurred by the Company	-	-

## Complementary Information

As at 31 December 2023

### Pension Plans

Euroclear Bank has several defined benefit pension plans covering employees in Belgium and Japan, as well as medical plans and termination indemnities.

The most recent full actuarial valuation of the plans was made by independent qualified professional actuaries as of 31 December 2023, in compliance with IAS19. The valuation shows a deficit of €12,560,000 (2022: €12,560,000) offset by a pension surplus of €0 (2022: €59,000).

Pension plans deficit is classified as 'provisions', while pension plans surplus are presented as deferred charges.

The service and interest cost (respectively recorded as Wages and salaries and financial charge), and actuarial result (recorded as movements in provisions) are fully expensed in the current year. The contributions (directly reducing the pension provisions) reflect employers' contributions for funded plans and benefit disbursements for unfunded plans.

Funding levels are monitored on an annual basis and contributions are made to comply with minimum requirements as determined by local regulations and internal funding policy.

The actuarial valuation at 31 December 2023 is detailed as follows:

(€'000)	2023	2022
<b>Balance at 1 January</b>	<b>(12,501)</b>	<b>(33,444)</b>
<b>Movements</b>		
a. Contributions	6,706	13,856
b. Service cost	(6,158)	(6,416)
c. Interest cost	(325)	(351)
d. Transfers	170	291
e. Foreign currency difference	43	128
f. Actuarial gains (/losses)	(495)	13,434
<b>Balance at 31 December</b>	<b>(12,560)</b>	<b>(12,501)</b>

The main assumptions used are the following :

	2023	2022
Discount rate	3.18%	3.67%
Expected inflation rate	2.10%	2.20%
Future salary increases	3.09%	3.19%
Expected medical cost trend rate	2.60%	2.70%

The above percentages are weighted averages of the assumptions used for individual plans.

The value of assets in the plans and the expected rates of return were:

(€'000)	2023	2022
<b>Value of assets</b>		
Equities	49,765	42,209
Bonds	31,659	26,970
Cash	372	236
Other	6,569	5,896
<b>Total market value of assets</b>	<b>88,365</b>	<b>75,311</b>

## Valuation rules

As at 31 December 2023

The financial statements of Euroclear Bank SA/NV and its subsidiary undertakings are made up as at, and for the period ending, 31 December. The valuation rules used to draw up the group's accounts and the stand-alone accounts of Euroclear Bank have been prepared in accordance with the Royal Decree of 23 September 1992 ('the Royal Decree'), relating to the annual accounts of credit institutions.

This document contains the specification of the valuation rules in a number of areas, where the Royal Decree allows alternative treatments, where significant management estimates are required, or which are very significant areas in the financial statements.

Those areas are:

- a] Income and expenditure recognition
- b] Provisions for bad and doubtful debts
- c] Provisions for liabilities and charges
- d] Leasing
- e] Intangible fixed assets
- f] Tangible fixed assets
- g] Subsidiary undertakings
- h] Debt securities and equity shares
- i] Sale and repurchase transactions
- j] Pensions and other post-retirement benefits
- k] Derivatives and other financial instruments
- l] Foreign currencies
- m] Fund for general banking risks

### a] Income and expenditure recognition

Interest income is recognised in the profit and loss account as it accrues.

Dividend income is recognised in the profit and loss account when received.

Fees receivable, which represent a return for services provided, are credited to income when the related service is performed.

Fees receivable, which represent a return for credit risk borne or which are in the nature of interest, are taken to the profit and loss account over the period of the loan, or on a systematic basis over the expected life of the transaction to which they relate.

Expenditure is accounted for on an accrual basis.

### b] Provisions for bad and doubtful debts

Specific provisions are made against advances when, in the opinion of the directors, credit risks or economic or political factors make recovery doubtful. The need to adjust provisions is reviewed regularly in the light of actual experience. The provisions which are made during the year (less amounts released and recoveries of bad debts previously written off) are charged against operating profit. Bad debts are written off in part or in whole when a loss has been confirmed.

### c] Provisions for liabilities and charges

Specific 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.

### d] Leasing

Contracts to lease assets are classified as finance leases where they transfer substantially all the risks and rewards of ownership of the asset to the customer. Contracts not deemed to be finance leases are treated as operating leases.

Rentals payable and receivable under operating leases are accounted for on the straight-line basis over the period of the lease.

### e] Intangible fixed assets

Intangible fixed assets are amortised in equal instalments over their estimated useful lives.

### f] Tangible fixed assets

Depreciation of tangible fixed assets is provided on a straight-line basis over their estimated useful lives as follows:

- Leasehold improvements: shorter of economic life and period of lease
- Data processing and communications equipment: 3 to 5 years
- Furniture and fixtures: 7 years

### g] Subsidiary undertakings

Investments in Euroclear Bank's subsidiary undertakings are stated in the parent company's stand-alone accounts at cost less dividends received from pre-acquisition reserves and any impairment in value.

**h) Debt securities and equity shares**

Securities and shares intended for use on a continuing basis in the group's activities are classified as investment securities and are stated at cost less provision for any impairment in value. The carrying value of investment securities is adjusted over the period to maturity to allow for the amortisation of premiums or discounts on an actuarial basis. Such amortisation is included in interest receivable.

**i) Sale and repurchase transactions**

Securities that have been sold with an agreement to repurchase continue to be shown on the balance sheet and the sale proceeds recorded as a deposit. Securities acquired in reverse repurchase transactions are not recognised in the balance sheet and the purchase price is treated as a loan. The difference between the sale price and repurchase price is accrued evenly over the life of the transaction and charged or credited to the profit and loss account as interest payable or receivable.

**j) Pensions and other post-retirement benefits**

The Company 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 Company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient funds to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The provision 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 the terms of the related pension liability.

All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the income statement in the period in which they occur.

Past service cost is recognised immediately in the profit and loss account.

The costs of defined contribution plans are charged to the income statement in the period in which they fall due.

The Company provides 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 the income statement. These obligations, recorded under the form of provisions, are valued annually by independent qualified actuaries.

**k) Derivatives and other financial instruments**

Transactions are undertaken in derivative financial instruments (derivatives) for hedging purposes, which include interest rate swaps, futures, options and similar instruments. A derivative is designated as non-trading as there is an offset between the effects of potential movements in market rates on the derivative and the designated non-trading asset, liability or position being hedged. Non-trading derivatives are reviewed regularly for their effectiveness as hedges.

Non-trading derivatives are accounted for on an accruals basis, consistent with the assets, liabilities or positions being hedged. Income and expense on non-trading derivatives are recognised as they accrue over the life of the instruments as an adjustment to the income or expense of the hedged item.

Where a non-trading derivative no longer represents a hedge because either the underlying non-trading asset, liability or position has been derecognised, or the effectiveness of the hedge has been undermined, it is restated at fair value and any change in value is taken directly to the profit and loss account and reported within 'Profit from (loss on) financial operations'. Thereafter, the derivative is classified as a trading instrument and accounted for accordingly.

In other circumstances, where non-trading derivatives are terminated, any resulting gains and losses are amortised over the remaining life of the hedged asset, liability or position. Unamortised gains and losses are reported within 'Other assets' and 'Other liabilities' on the balance sheet.

Derivatives hedging anticipatory transactions are accounted for on a basis consistent with the relevant type of transaction. i.e. gains and losses are not recognised until the period the anticipated transactions occur. When anticipatory transactions do not actually occur, related derivatives are restated at fair value and changes in value are taken directly to the profit and loss account and reported within 'Profit from (loss on) financial operations'.

Treasury swaps are initiated by Euroclear Bank in order to convert balances in non-core currencies into euro or US dollars, and reduce reinvestment risk. Treasury swap are derivative contracts that involve the exchange of interest payments, as well as the exchange of principal amounts. The exchange of interest is recorded as interest expense/income.

### **l] Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into euros at rates prevailing at the balance sheet date. Profit and loss amounts in foreign currencies are translated into euros at the rates prevailing on the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies are translated into euros at historical exchange rates.

Spot foreign exchange contracts are translated into euros at market rates and the resulting gains or losses are taken into the profit and loss account.

The results of branches in foreign currencies are translated at average exchange rates for the year. Exchange differences arising on consolidation of the Company's branches are taken to the profit and loss account.

### **m] Fund for general banking risks**

Additions to, and the uses of, a fund for general banking risks are determined by the Board of directors of Euroclear Bank SA/NV.

# Statutory auditor's report to the shareholders' meeting of Euroclear Bank SA for the year ended 31 December 2023 - Annual accounts

In the context of the statutory audit of the annual accounts of Euroclear Bank SA (the "company"), we hereby submit our statutory audit report. This report includes our report on the annual accounts 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 29 April 2021, 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 annual accounts for the year ending 31 December 2023. We have performed the statutory audit of the annual accounts of Euroclear Bank SA for 6 consecutive periods.

## Report on the annual accounts

### Unqualified opinion

We have audited the annual accounts of the company, which comprises the balance sheet as at 31 December 2023 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of 161 567 266 (000) EUR and the income statement shows a profit for the year ended of 4 278 290 (000) EUR.

In our opinion, the annual accounts give a true and fair view of the company's net equity and financial position as of 31 December 2023 and of its results for the year then ended, in accordance with the financial reporting framework 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 annual accounts" section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts 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 annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts 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
<p><b>Key audit matter 1: Revenue recognition</b></p> <p>The Company's 31 December 2023 Annual Accounts show "Interests and similar income" and "Commissions received" captions amounting to 5 916 150 (000) EUR, and 1 618 722 (000) respectively. The aggregated amount of these captions represent the majority of the revenues of Euroclear.</p> <p>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.</p>	<p>We focused our audit effort on:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the design and operating effectiveness of the internal control framework relating to the billing system of Euroclear in the circumstances;</li> <li>• Assessing the appropriateness of the design and operating effectiveness of the internal control framework relating to the investment portfolio;</li> <li>• Assessing the appropriateness of the design of the internal control framework relating to the compliance with sanctions regime;</li> <li>• 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;</li> <li>• Performing substantive analytical procedures on the fee income charged by comparing monthly evolution of the volumes to the evolution of the related fee income</li> <li>• Testing a representative sample of invoices, the existence and accuracy of the amount recorded in the general ledger as commissions received;</li> <li>• For the interest margin, performing substantive analytical procedures by extrapolating the interest income based on the balances recognized on the balance sheet and the interest rates applied contractually;</li> <li>• Reviewing and validating the accounting technical analysis related to the revenue recognition of the interests generated from the reinvestment of the frozen balances;</li> <li>• Recomputing the interest income for a representative sample of treasury swaps, on the basis of the data trade ticket confirmation;</li> <li>• Recomputing the Market value of a representative sample of treasury swaps, on the basis of the data output of the</li> </ul>

	<p>operational systems;</p> <ul style="list-style-type: none"> <li>Assessing the adequacy of a representative sample of manual journals impacting the reported fee amount.</li> </ul>
<p><b>Key audit matter 2 : Technology risk</b></p> <p>The IT infrastructure of the group and its resilience is essential to the activity of the company and to the financial reporting processes.</p> <p>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.</p> <p>This assessment is based on:</p> <ul style="list-style-type: none"> <li>The multiplicity of applications;</li> <li>the very high volume of transactions;</li> <li>the importance of adequate (privileged) user access management to ensure data integrity; and</li> <li>the continuous development by Euroclear of the IT systems in terms of access management and change management.</li> </ul>	<p>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:</p> <ul style="list-style-type: none"> <li>Operating systems</li> <li>Databases</li> <li>Applications</li> </ul> <p>When required, we have also tested additional business controls and conducted audit procedures to obtain sufficient comfort.</p>

### Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the company'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 company or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts 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 annual accounts, 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 company'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 company'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 annual accounts 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 company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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 annual accounts 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 annual accounts, the statement of non-financial information attached to the directors' report on the annual accounts and other matters disclosed in the annual report, for the documents to be filed according to the legal and regulatory requirements, for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Code of companies and associations and the company's articles of association.

### 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 annual accounts, the statement of non-financial information attached to the directors' report on the annual accounts and other matters disclosed in the annual report, those documents to be filed according to the legal and regulatory requirements and compliance with certain obligations referred to in the Code of companies and associations and the articles of association, as well as to report on these matters.

### Aspects regarding the directors' report and other information disclosed in the annual report

In our opinion, after performing the specific procedures on the directors' report on the annual accounts, the directors' report on the annual accounts is consistent with the annual accounts for that same year and has been established in accordance with the requirements of article 3:5 and 3:6 of the Code of companies and associations.

In the context of our statutory audit of the annual accounts we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the annual accounts and other information disclosed in the annual report, i.e.:

- Review of activities;
- ESG;
- Risk Management;
- Capital Management;

is 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.

The non-financial information as required by article 3:6, § 4 of the Code of companies and associations, will be disclosed in a separate report (applicable to Euroclear Group) that will be published later in 2024.

### Statement on the social balance sheet

The social balance sheet, to be filed at the National Bank of Belgium in accordance with article 3:12, § 1, 8° of the Code of companies and associations, includes, both in form and in substance, all of the information required by this Code, including those relating to wages and training, and is free from any material inconsistencies with the information available to us in the context of our mission.

## Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the annual accounts.

## Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association or the Code of companies and associations.
- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) N° 537/2014.

The board of directors has taken the decisions described in the directors' report, with financial consequences as a result. In accordance with article 7:96 of the Code of companies and associations, the board of directors has informed the shareholders of the personal and direct financial interest of the executive members related to the issued recommendation for the approval of their remuneration (incl. the pension regime) considering they are directly benefiting from the proposed remuneration.

We have assessed the financial consequences for the company relating to the decisions taken in respect of the conflict of interest as described in the directors' report and we have nothing to report.

Signed at Zaventem.

## The statutory auditor



## Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL

Represented by Yves Dehogne

# Deloitte.

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Euroclear's net-zero target has been approved by the Science based targets initiative (SBTi)

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