

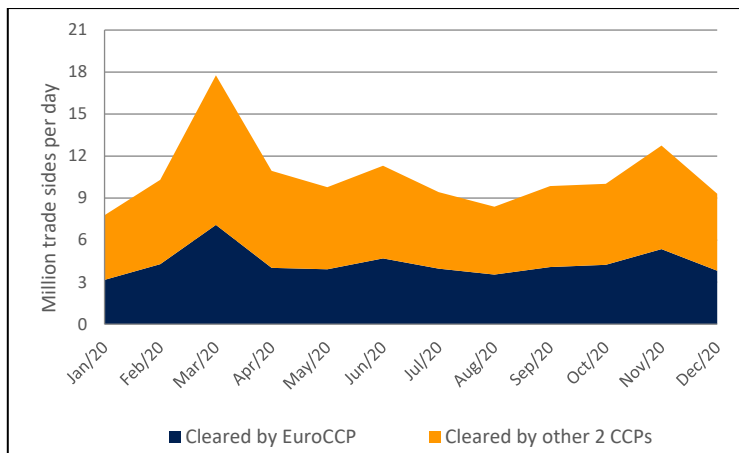


Annual Report 2020

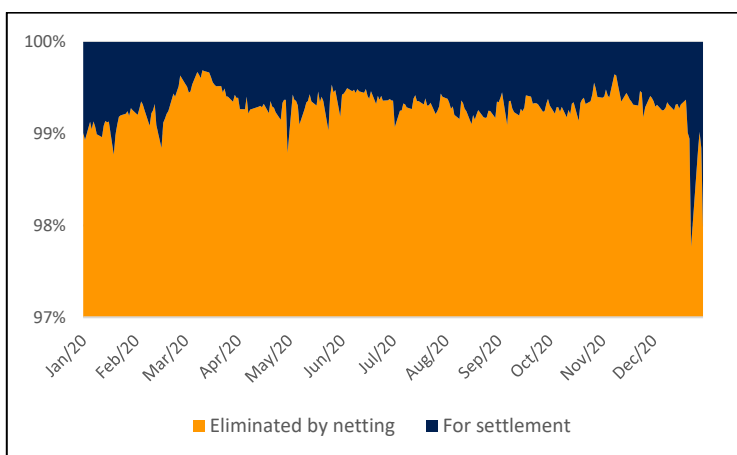
EuroCCP is the leading equities CCP in Europe. Our core focus remains to minimise post-trade costs, maximise netting and increase capital efficiency, while continuously improving risk management.

In partnership with our clients, we continue to diversify our business by providing new products and services offering capital and operational efficiencies. ETFs and equity derivatives have become a key focus for us.

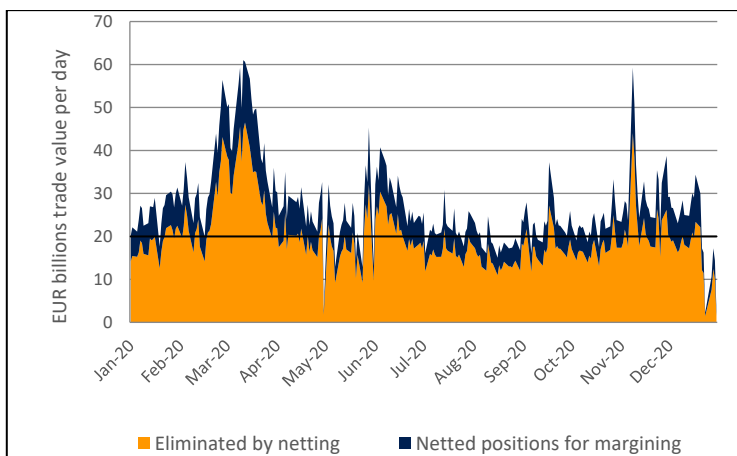
EuroCCP cleared 41% of trades on platforms to which it has access, and which are interoperable¹.



Through netting, EuroCCP eliminates 99.3% of trades for settlement ...



... and 73% of trading firms' market risk exposure, an equivalent of EUR 20 billion daily.



¹ Accessed platforms can be found in section "EuroCCP at a glance" on page 7.

Letter from the CEO

- 2020 was a significant year in EuroCCP's history. Despite the Covid-19 pandemic having an unprecedented impact on businesses and financial markets, as well as remote working and Brexit, we reached several major milestones during the year, most notably EuroCCP's acquisition by Cboe Global Markets on 1 July 2020. This paves the way for our planned expansion into clearing equity derivatives, which is scheduled to be launched on 6th September 2021, subject to regulatory approvals. The move is a natural expansion of our pan-European cash equities business and a major strategic opportunity for EuroCCP to grow and diversify. Our objective is to bring a modern, transparent and vibrant pan-European model to the region's derivatives markets in partnership with Cboe. On the clearing side, we will be able to bring efficiencies and cost savings to market participants and end investors, including through portfolio margining.
- Other key achievements during the past year include the implementation of our new liquidity framework which was put in place on 1 July 2020 and significantly enhances our ability to manage liquidity risk. In addition, we went live with our new margin risk system on 18 April 2021, and clients now benefit from an improved risk management infrastructure and a model that provides more transparent, predictable and efficient margining.
- One of our ongoing objectives is to consolidate our position as the leading cash equities CCP in Europe by growing our client base and expanding our products and services. We cleared a record 1.12 billion trades in 2020 compared to 870 million in 2019, an increase of nearly 30%. Despite the challenging pandemic-induced circumstances, we experienced no disruption to our services and all trades were cleared as normal. Volumes in preferred clearing, which enables market participants to benefit from increasing netting and lower costs, have continued to grow since competition was introduced to the Euronext markets and this is expected to accelerate in 2021 on all our preferred clearing venues, including Borsa Italiana and Deutsche Börse. Expanding our ETF offering through primary and secondary market clearing in partnership with ETF issuers, ETF RfQ venues like Bloomberg and Tradeweb and other participants in the ecosystem also remains a key part of our growth and diversification efforts.
- Unsurprisingly, Brexit contingency planning remained a significant part of our work in the course of the year. We successfully onboarded six new EU-based clearing members and four new EU-based trading venues in 2020 to help the industry ensure a smooth transition of trading activity from the UK to the EU on 4th January 2021. As an EU-based clearing house, EuroCCP will be looking to continue to help clients address the challenges of Brexit in the years ahead.
- To close, I would like once again to offer my sincere thanks to all the clients and colleagues who have supported EuroCCP during an unprecedented, challenging but successful year. Whilst we were able to adapt quickly to a work-from-home model with no disruption to our activities, I am looking forward to being back in the office together when circumstances allow. I am of course also very excited about our plans for this year, especially our move into equity derivatives clearing, and look forward to deepening further our

relationship with our clients by offering them the products and services they need.

Cécile Nagel
Chief Executive Officer

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About us

European Central Counterparty N.V. (EuroCCP) provides post-trade services to stock exchanges, multilateral trading facilities (MTFs) and for OTC equities trades.

EuroCCP centrally manages counterparty risk after a trade has been executed. EuroCCP will deliver securities or make payment to clients at the price agreed at trade execution, even if the original counterparty to the trade has defaulted on its obligations. In 2020, EuroCCP provided central counterparty (CCP) protection for an average of EUR 40.85 billion of value on a daily basis. Through the process of netting, EuroCCP eliminated 80%, or EUR 30.3 billion, of the value that required settlement on average each day. EuroCCP also reduces settlement costs and operational complexity for clients. Regardless of how many trades a client has executed in the same security on multiple platforms on a given day, EuroCCP nets the trades across all platforms into a single settlement obligation. In 2020, over 99% of trades were netted into single settlement obligations. Headquartered in Amsterdam, EuroCCP was formed in December 2013 following the combination of European Multilateral Clearing Facility N.V. (EMCF) and European Central Counterparty Limited (ECCP Limited), both of which were incorporated in 2007. On 1 July 2020, Cboe Worldwide Holdings Limited, an affiliate of Cboe, acquired 100% of the EuroCCP business as of which date EuroCCP became part of the Cboe group.

EuroCCP provides central counterparty services for 39 trading platforms in Europe as of the end of 2020. The securities traded on these platforms and cleared by EuroCCP include equities, depositary receipts and ETFs across 19 national markets and settle in 20 (I)CSDs.

As of December 2020, EuroCCP services 151 firms that trade on platforms it clears for and has 45 active Clearing Participants with headquarters in 13 jurisdictions in Europe.

CCPs are highly regulated financial market infrastructures. EuroCCP's home regulators are De Nederlandsche Bank (DNB, the Dutch Central Bank) and Autoriteit Financiële Markten (AFM, the Dutch Authority for Financial Markets).

The European Market Infrastructure Regulation (EMIR) governs the CCPs operating in the European Union and requires them to meet common risk management, governance and capital adequacy standards. EuroCCP received regulatory authorisation under EMIR from DNB in April 2014.

Aquis	Euronext Growth Paris
Aquis Exchange Europe	ETFplus Market
BlockMatch	London Stock Exchange
Borsa Italiana Equity MTF	Mercato Telematico Azionario (MTA)
Cboe Europe Limited	Morgan Stanley MTF
Cboe Europe BV	Nasdaq Copenhagen
Deutsche Börse	Nasdaq Helsinki
Equiduct	Nasdaq Stockholm
Euronext Amsterdam	Nasdaq First North
Euronext Brussels	Oslo Børs
Euronext Lisbon	Sigma-X
Euronext Paris	Sigma-X Europe
Euronext Access Brussels	SIX Swiss Exchange
Euronext Access Lisbon	Traiana
Euronext Access Paris	Turquoise
Euronext Block	Turquoise Global Holdings Europe
Euronext Growth Brussels	UBS MTF
Euronext Dublin Atlantic Securities Market	
Euronext Dublin Enterprise Securities Market	
Euronext Dublin Main Securities Market	
Euronext Growth Brussels	
Euronext Growth Lisbon	

19 markets covered

Austria	Netherlands
Belgium	Norway
Czech Republic	Poland
Denmark	Portugal
Finland	Spain
France	Sweden
Germany	Switzerland
Hungary	United Kingdom
Ireland	United States
Italy	

5 cash accounts with Central Banks

De Nederlandsche Bank	Euro
Danmarks Nationalbank	Danish krone
Norges Bank	Norwegian krone
Sveriges Riksbank	Swedish krona
Swiss National Bank	Swiss franc

Direct member of 17 (international) Central Securities Depositories settling across 20 settlement locations / markets & asset types

Austria	OeKB
Belgium	Euroclear Belgium
Denmark	VP
France	Euroclear France
Finland	Euroclear Finland
Germany	Clearstream Banking Frankfurt
IDRs / International ETFs	Euroclear Bank /
IDRs / International ETFs	CBF International
Ireland	Euroclear UK & Ireland
Portugal	Interbolsa
Italy	Monte Titoli
Netherlands	Euroclear Nederland
Norway	VPS

Spain
Switzerland
Sweden
United Kingdom

Iberclear
SIX SIS
Euroclear Sweden
Euroclear UK & Ireland

EuroCCP uses settlement agents in the markets Czech Republic, Poland and Hungary.

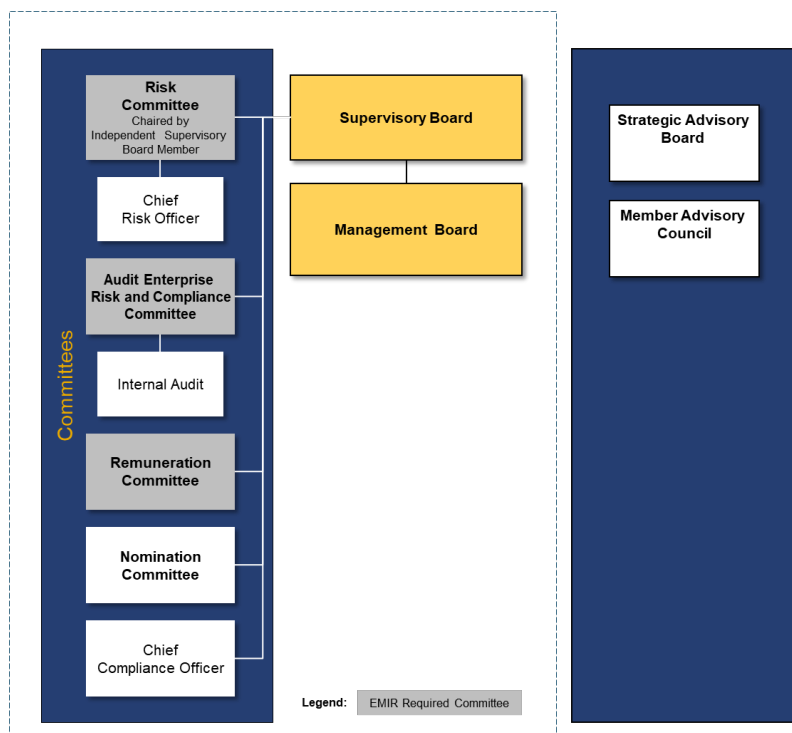
Governance and organisation

Governance structure

The governance structure of EuroCCP reflects the requirements of EMIR. EuroCCP has a two-tier board structure under Dutch corporate law.

In addition, the governance structure is designed to enable stakeholders – both Clearing Participants who pay for services and platforms which give EuroCCP access to their trade feeds – to advise management of their service requirements.

EuroCCP governance structure overview as at 31 December 2020.



EuroCCP's Chief Risk Officer and Chief Compliance Officer have a direct reporting line to the Supervisory Board, while Head of Internal Audit reports to the Audit Committee of the Supervisory Board.

Supervisory Board

As of 1 July 2020, as a result of the acquisition of EuroCCP by Cboe and the termination of the shareholders' agreement, the composition of the Supervisory Board was amended in accordance with EuroCCP's articles of association, and the EuroCCP Supervisory Board consisted of five members: two independent members and three members nominated by Cboe. Prior to 1 July 2020, and in accordance with the shareholders' agreement in place at the time, the EuroCCP Supervisory Board consisted of eight members: three independent members and five members nominated by the shareholders.

On 1 July 2020, Cboe nominated three Supervisory Board members and the general meeting of shareholders appointed all members of the Supervisory Board. Prior to the acquisition of EuroCCP by Cboe, each shareholder had nominated one Supervisory Board member and the general meeting of shareholders appointed all members of the Supervisory Board.

In compliance with the EMIR requirement that independent members comprise one third of the board, as of 1 July 2020, EuroCCP had two independent Supervisory Board members (prior to 1 July 2020, EuroCCP had three independent Supervisory Board members).

The Supervisory Board oversees the Management Board, supervises the general affairs of the company and its associated business and provides advice to the Management Board.

From 1 July 2020, the EuroCCP Supervisory Board consists of five members: two independent members and three members nominated by Cboe as 100% shareholders.

As of 1 July 2020, the Supervisory Board consist of the following members:

- David Howson, Chairman, Chief Executive Officer of Cboe Europe Ltd.
- Stephanie Renner, member, Chief Financial Officer Cboe Europe Ltd.
- John Deters, member, Chief Strategy Officer, Cboe Global Markets Inc
- Peter Bezemer, independent member, former member of the Executive Committee of Euronext; currently a financial services consultant.
- Clotilde Bouchet, independent member, former Deputy CEO of Credit Immobilier de France; currently independent consultant.

As of 31 December 2020, the Supervisory Board has three committees:

- The Audit Enterprise Risk and Compliance Committee advises the Supervisory Board on the effectiveness of the company's internal audit function (financial accounting, the role and functioning of the internal auditor and the appointment of the external auditor) and on the effectiveness of the company's enterprise risk management and compliance with regulatory obligations.
- The Remuneration Committee oversees the Company's remuneration strategy and principles for members of the Management Board. It reviews the policies and general principles on which the Company's compensation plans are based. The Remuneration Committee performs its task in preparation for decision-making by the Supervisory Board.
- The Nomination Committee makes recommendations for the appointment of independent members of the Supervisory Board.

Risk Committee

The Risk Committee is an EMIR-required advisory committee composed of three representatives from Clearing Participants, one representative from clients of Clearing Participants, and one independent member of the Supervisory Board, in compliance with EMIR requirements. Paul Hilgers chaired the Risk Committee until 30 June 2020. Since 1 July 2020, Peter Bezemer is the chair of the Risk Committee. The Chief Executive Officer, Chief Risk Officer and Chief Compliance Officer attend the committee meetings. The committee held four meetings during 2020 and discussed the following subjects:

Credit/Market risk framework

- Changes to the risk framework/new margin model
- Model validation
- Stress test policy and scenarios
- Criteria for accepting clearing members
- Default handling procedure
- Collateral haircuts

Other

- Liquidity management framework
- Investment policy
- Review of outsourced functions
- Recovery and resolution
- Brexit
- Risk tolerance statements
- Settlement efficiency
- Impact of the Covid-19 crisis period
- New product initiatives

At each meeting, reports concerning the performance of the risk framework were reviewed by the committee.

The most material risks faced by EuroCCP are described in the Risk Management section on page 30.

Advisory boards and councils

The Advisory Board met twice in 2020 and was chaired by Martyn Nott, Managing Director, Global Head of Network Management at Bank of America Merrill Lynch and Chair of the Post Trade Board of the Association for Financial Markets in Europe (AFME). The Advisory Board has representatives from 18 Clearing Participants.

In October 2020, the Advisory Board was renamed the Strategic Advisory Board, which is composed of 5 Clearing Participants who provide input to and validation of EuroCCP product and business strategy, as well as advice on market and regulatory developments. To ensure continuity of representation of the wider Clearing Participant community, a Member Advisory Council was established and is responsible for providing advice on operational matters and corroborating output from the Strategic Advisory Board.

Management Board

As of 31 December 2020, the Management Board consisted of 2 members:

- Cécile Nagel, Chief Executive Officer, joined from the London Stock Exchange Group (LSEG) where she held a number of senior positions across the organisation, including Head of Strategic Planning for the Group and Global Head of Equities and Commodities at LCH, LSEG's multi-asset clearinghouse. Prior to joining EuroCCP, she was Head of LSE Markets Global Product Development and LSE Exchange Traded Products.
- Arnoud Siegmann, Chief Risk Officer, joined EMCF in 2008. He was previously Head of Risk at Fortis Clearing Americas between 2001 and 2008, and had risk-related roles at Object+ BV and Extra Clearing BV.

As of 23 March 2021, the following changes took place in the composition of the Management Board:

- Arnoud Siegmann has been appointed Chief Operating Officer
- Edward Hughes has joined the Management Board as the third member as Chief Technology Officer. Ed joined EuroCCP in 2019,

initially to manage its expansion into equity derivatives. He previously held change, technology and operations roles at LCH.

Internal Audit

The internal audit function provides independent, objective assurance and consulting services designed to add value and improve EuroCCP's operations. The internal audit function has a direct reporting line to the chairman of the Audit Enterprise Risk and Compliance Committee and administratively reports to the Chief Executive Officer. Internal Audit, the Audit Enterprise Risk and Compliance Committee and the external auditor have regular contact to share information, discuss and consult on specific risk and control topics. In the meetings of the Audit Enterprise Risk and Compliance Committee, risk analysis, audit plan, and findings and resolutions are presented and discussed. As of 1 January 2020, the internal audit function has been performed by PricewaterhouseCoopers.

Organisation

EuroCCP currently has 68 employees on its payroll.

Most of the critical functions from a regulatory perspective, apart from the CEO function, are located at the company headquarters in Amsterdam. Client-facing functions, consisting of eight employees, are located in London.

Remuneration policy

Fixed salary levels are aligned with similar functions in the financial industry in each location where the company operates.

Variable compensation is discretionary and is according to legislation in the employees' jurisdiction of employment.

The variable compensation of risk management, compliance and internal audit staff is based on performance indicators that are independent of the business performance and aligned with prudent risk management.

Report from the Management Board

Service development

In 2020, our main focus was to consolidate our position as the leading cash equities CCP in Europe by growing our client base and expanding our products and services. We cleared a record 1.12 billion trades in 2020 compared to 870 million in 2019, an increase of nearly 30%. Volumes in preferred clearing, which enables market participants to benefit from reductions in clearing fees, have continued to grow since competition was introduced to the Euronext markets for the first time, and we cleared 3.5 million trades via preferred clearing in 2020 compared to 34,000 trades in 2019.

Brexit contingency planning has been a key part of our work following the UK's decision to leave the European Union. In 2020, we successfully onboarded six new EU-based clearing members and four new EU-based trading venues to help the industry ensure a smooth transition of trading activity from the UK to the EU on 4th January 2021. We also successfully supported the switch from Euroclear UK & Ireland to Euroclear Bank for the settlement of Irish securities on Euronext Dublin, where we are sole CCP, on 15th March 2021. As an EU-based clearing house, EuroCCP will be looking to continue to help clients address the challenges of Brexit.

2020 also saw significant developments to support our roadmap for the future. First, we began work on our planned move into equity derivatives clearing which is scheduled to launch on 6th September 2021, subject to regulatory approvals. Second, we continued to work on expanding our offering across products and services, including clearing for the ETF primary and secondary markets, as well as settlement services which will create efficiencies for our clients and help them prepare for new regulation such as Central Securities Depositories Regulation (CSDR). Of course, our focus on risk management and resiliency also continued with the implementation of our improved liquidity risk management framework on 1 July 2020, and the go-live of our new margin risk system on 18 April 2021.

Technology

EuroCCP's technology enables straight-through processing of millions of equity transactions per day, eliminating manual intervention and resulting in significant efficiency gains. Trade capture, multilateral netting, settlement and risk management applications form the core of EuroCCP's information technology infrastructure, with high availability and robust operational processes being a prerequisite.

During 2020, significant effort was made to develop and implement our new liquidity risk management framework and our new margin risk system, as well as to kick start the development of our equity derivatives clearing service. Additional areas of work included enhancements to security, processing capacity and integration activities related to Cboe's acquisition.

The technology department continues to seek improvement of agile methods and associated working practices that allow the delivery of new functionality, as well as the protection of existing services. In addition, and particularly as part of the derivatives project, EuroCCP is exploring new technologies that can support and enhance its operational capabilities and support its critical role in the markets.

Financial results

For the year ending 31 December 2020, EuroCCP made a profit before tax of EUR 2.7 million, which is EUR 1.4 million lower compared to the prior year.

This decrease in gross profit was due to higher costs for developing derivatives clearing, for the completion of the improvement of the liquidity risk

framework and costs incurred in the context of the acquisition of EuroCCP by Cboe.

The company's core revenues developed favourably compared to the previous year. Stock market volatility resulted in near-record volumes, particularly at the end of the first quarter, but volumes were also high towards the end of the year. Thanks to these developments, net fee income increased by almost 22%. Market conditions also led to higher cash collateral levels, which more than doubled net interest compared to the previous year. These developments together resulted in an increase in total revenues of more than 24%.

Non-recurring costs incurred for the derivatives project, the improvement of the liquidity framework and for the Cboe acquisition totalled EUR 7.2 million. Excluding these non-recurring, total expenses would have amounted to EUR 20.2 million.

Total capital as at year-end 2020 was EUR 49.7 million, well above the capital of EUR 25.3 million required by EMIR.

Detailed figures are disclosed in the financial statements and in the notes to the financial statements.

Outlook

While there is still significant uncertainty about the long-term impact of the Covid-19 pandemic, the vaccine rollout has raised expectations of a return to more normal conditions later this year as well as a bounce back in economic activity. Meanwhile, we will be continuing to work on consolidating our position as the leading cash equities CCP in Europe by growing our client base, increasing preferred clearing further and expanding our offering for the ETF industry.

We have already seen a dramatic shift in trading activity from London to Continental Europe as a result of Brexit and we expect to see further changes in the coming months and years. Our focus is very much on engaging with the industry to minimise any disruption and help with contingency planning. We will, of course, also continue to invest in and enhance risk management and resiliency, which always remains a key focus for us.

However, our key priority for this year is our planned move into clearing equity derivatives, which is scheduled to take place on 6th September, subject to regulatory approvals. As noted before, this is a major strategic opportunity and a natural expansion for EuroCCP's core cash equities business.

Amsterdam, 4 June 2021

Cécile Nagel

Arnoud Siegmann

Edward Hughes

Report of the Supervisory Board

The Supervisory Board held four board meetings in 2020 in the presence of the Management Board and other members of senior management.

The Management Board provided the Supervisory Board with information on a regular basis on business operations and on financial and strategic developments. The Supervisory Board was involved in all key decisions. Risk management is a standing agenda item at every Supervisory Board meeting.

The Supervisory Board recognises the significant work undertaken by the EuroCCP management team to not only develop the business commercially, but also to strengthen the organisation's risk management and its operational and technical resilience. Specifically, this includes the significant work undertaken to strengthen EuroCCP's liquidity risk management framework which involved obtaining regulatory approval and securing the syndicated loan.

On behalf of the Supervisory Board,

David Howson

Chairman

Financial statements for 2020

Statement of financial position as at 31 December 2020

Before proposed profit appropriation (x EUR 1,000)

Assets	Note	2020	2019 restated*
Cash and cash equivalents	1	704,901	571,204
Due from banks and due from customers	2	1,440	9,134
Property and equipment	3	1,434	1,785
Intangible assets	4	4,516	3,293
Other assets	5	9,913	6,072
Total assets		722,204	591,488

Liabilities			
Due to banks	6	367,174	248,220
Due to customers	7	296,432	285,969
Tax payables	8	110	58
Other liabilities	9	8,768	9,480
Total liabilities		672,484	543,727

Shareholders' equity	10		
Share capital		7,500	7,500
Share premium		5,392	5,392
Retained earnings		25,703	24,254
Other reserves (EMIR)		4,994	4,787
Other reserves (legal reserve)		4,265	2,861
Other reserves		-93	-123
Result for the year		1,980	3,071
Other comprehensive income for the year		-21	19
Total shareholders' equity		49,720	47,761
Total liabilities and shareholders' equity		722,204	591,488

*The comparative information is restated on account of correction of errors. See note 13.

Contingent assets	11	847,491	692,319
Contingent liabilities	12	293,970	257,770

**Statement of profit or
loss for 2020**

(x EUR 1,000)

Statement of profit or loss			
	Note	2020	2019
Negative interest on liabilities		10,611	6,104
Interest expense		-218	-786
Negative interest on assets		<u>-5,436</u>	<u>-2,974</u>
Net interest income (expense)	14	4,957	2,344
Net fees and commissions	15	24,858	20,443
Syndicated loan fees	16	-5,950	-
Other revenue	17	6,192	1,366
Revenue		30,057	24,153
Personnel expenses	18	-9,865	-8,543
Depreciation and amortisation	19	-974	-962
Other operating and administrative expenses	20	-16,513	-10,588
Total expenses		-27,352	-20,094
Profit before tax		2,705	4,059
Income tax expense	21	-725	-988
Net profit/(loss)		1,980	3,071

**Statement of total
comprehensive income
for 2020**

(x EUR 1,000)

Statement of total comprehensive income			
	Note	2020	2019
Net profit/(loss)		1,980	3,071
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation reserve		-27	25
Income tax relating to other comprehensive income	21	6	-6
Other comprehensive income/(expense)		-21	19
Total comprehensive income for the year		1,959	3,090

**Statement of changes in
shareholders' equity** (x EUR 1,000)

	Share capital	Share premium	Retained earnings	Other reserves EMIR	Other reserves*	Other reserves - legal reserve	Result for the year	Total 2020
Opening balance as at 1 January 2020	7,500	5,392	24,254	4,787	-123	2,861	3,090	47,761
Total comprehensive income	-	-	-	-	-	-	1,959	1,959
IFRS 16 Adjustment	-	-	-	-	-	-	-	-
Profit appropriation	-	-	3,071	-	-	-	-3,071	-
Change in other reserves EMIR	-	-	-207	207	-	-	-	-
Change in other reserves - legal reserves	-	-	-1,404	-	-	1,404	-	-
Change in other reserves*	-	-	-11	-	30	-	-19	-
Issue ordinary shares	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2020	7,500	5,392	25,703	4,994	-93	4,265	1,959	49,720

* employment benefits and currency translation

	Share capital	Share premium	Retained earnings	Other reserves EMIR	Other reserves*	Other reserves - legal reserve	Result for the year	Total 2019
Opening balance as at 1 January 2019	7,500	5,392	24,854	4,744	-120	1,013	1,274	44,657
Total comprehensive income	-	-	-	-	-	-	3,090	3,090
IFRS 16 Adjustment	-	-	14	-	-	-	-	14
Profit appropriation	-	-	1,277	-	-	-	-1,277	-
Change in other reserves EMIR	-	-	-43	43	-	-	-	-
Change in other reserves - legal reserves	-	-	-1,848	-	-	1,848	-	-
Change in other reserves*	-	-	-	-	-3	-	3	-
Issue ordinary shares	-	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2019	7,500	5,392	24,254	4,787	-123	2,861	3,090	47,761

* employments benefits and currency translation

**Cash flow statement for
2020**

(x EUR 1,000)

	2020	2019 restated*
Cash flows from operating activities		
Profit before tax	2,705	4,059
<i>Adjustment to reconcile profit to net cash generated by operating activities:</i>		
Depreciation and amortisation	974	962
Effect of foreign exchange rate	-60	9
Other	11	-
<i>Changes in operating assets and liabilities</i>	132,398	3,753
Due from banks and due from customers	7,694	29,971
Due to banks	118,954	-78,568
Due to customers	10,463	51,795
Net changes in all other operational assets and liabilities	-4,713	555
Cash generated by operating activities	136,028	8,783
Income taxes paid	-273	-1,291
Net cash from operating activities	135,755	7,492
Cash flows from investing activities		
Acquisition of property and equipment	-252	-234
Acquisition of intangible assets	-1,495	-1,960
Net cash flow generated by investing activities	-1,747	-2,194
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from share premium contribution	-	-
Dividend paid	-	-
IFRS 16 adjustment - lease liabilities	21	-
Finance charges - lease liabilities	-3	-3
Repayment of lease liabilities	-329	-284
Net cash from financing activities	-311	-287
Net decrease (-) / increase (+) in cash and cash equivalents	133,697	5,011
Cash and cash equivalents — as at 1 January	571,204	566,193
Cash and cash equivalents — as at 31 December	704,901	571,204
Supplementary disclosures of operating cash flow information		
Interest received	16,454	8,750
Interest paid	-11,138	-7,068

*The comparative information is restated on account of correction of errors. See note 13.

Accounting principles

General

EuroCCP was incorporated on 28 February 2007, with its registered office in Amsterdam, the Netherlands.

EuroCCP is registered as a UK establishment of an overseas company at UK Companies House, with the office located in London.

On 1 April 2014, EuroCCP was granted authorisation under European Market Infrastructure Regulation (EMIR) by the National Competent Authority, De Nederlandsche Bank N.V. In addition, EuroCCP is regulated by the “Autoriteit Financiële Markten”.

On 1 July 2020, Cboe Worldwide Holdings Limited, an affiliate of Cboe Europe Limited - one of the prior shareholders of EuroCCP - acquired 100% of the shares of EuroCCP, becoming the sole shareholder of the company.

EuroCCP provides post-trade services to stock exchanges, multilateral trading facilities (MTFs), other equities trading platforms and for OTC equities trades.

The assets and liabilities of the London office are included in these financial statements; they are initially denominated in Pounds Sterling and then translated into euro, EuroCCP's functional currency.

Basis of preparation

These financial statements are prepared by EuroCCP's Management Board on 25 May 2021, in accordance with IFRS, as adopted by the European Union, and with Title 9 of Book 2 of the Dutch Civil Code. All amounts in the tables of these financial statements are denominated in thousands of euros, unless otherwise stated.

Changes in accounting policies

Amended IFRSs

Amendments resulting from improvements to standards did not have a significant impact on the accounting policies, financial position or performance of EuroCCP during this financial year.

The amendments relevant to EuroCCP, effective for annual periods beginning on or after 1 January 2020, are listed below:

Conceptual Framework in IFRS Standards offer guidelines for the development of accounting policies and support in understanding and interpreting the standards. The amendments to the Conceptual Framework may impact the application of IFRS in situations when no standard is applicable to particular transactions or events. The endorsed adjustments have no impact on EuroCCP's financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and to IAS 1 Presentation of financial statements, revise and clarify the definition of Material, aligning the definition used in the Conceptual Framework and other standards. There is no significant impact from the adoption of these amendments on EuroCCP's financial statements.

IFRS 3 Business Combinations: the amendments issued have the scope of helping entities to determine whether a transaction should be accounted for as a business or assets acquisition, by offering a more clear definition of a business for the purpose of this standard IFRS 3. These amendments have no impact on the EuroCCP's financial statements.

Amendments in Interest Rate Benchmark Reform (amendments to IFRS 9, IAS 39 and IFRS 7) offer more clarity to entities in continuing to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flow from hedging instruments are based will not be modified as a result of interest rate benchmark reform. The adjustments are not applicable to EuroCCP.

The amendment to IFRS 16 endorsed in October May 2020 provides relief from the standard's guidelines on the lease modification for rent concessions that are a consequence of the Covid-19 pandemic. As a result of the Covid-19 pandemic, concessions in the rental were granted to lessees, in different forms, from payment holiday to delay of lease payments. EuroCCP did not receive any rent concession since the begin of Covid-19 pandemic. The amendment has no impact of EuroCCP's financial statements.

Annual Improvements to IFRS Standards 2015-2017 contain amendments to IAS 12, IAS 19, IAS 23, IFRS 3 and IFRS 11 with effective date beginning for annual periods beginning on or after 1 January 2019. No impact occurred in EuroCCP's financial statements from the application of these amendments.

New and amended IFRSs not yet effective

EuroCCP is in the process of assessing the impact on the financial statements of the following standards, that will become effective for the company for annual periods beginning on or after 1 January 2021:

The amendments to IAS 1 Presentation of financial statements address the classification of liabilities in current or non-current depending on the rights existing at the end of the reporting period and clarifies the meaning of settlement of a liability. These amendments are not yet endorsed for use in the EU. It is currently expected that no significant changes would incur from the adoption of these adjustments.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. EuroCCP does not expect significant impact on financial statements from the adoption of these amendments.

IFRS 17 Insurance contracts lays out the requirements for recognition, measurement, presentation and disclosure of the insurance contracts. EuroCCP is currently reviewing the impact of adopting this standard. Amendments to IFRS 3 Business Combinations bring clarity in the standard in relation to Conceptual Framework for Financial Reporting, without modifying the requirements for business combinations. It is the current expectation that these amendments will have no impact on the EuroCCP's financial statements.

Amendments in Interest Rate Benchmark Reform – Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) offer more clarity to situations arising from the implementation of the reforms. It is expected that the adjustments are not applicable to EuroCCP.

Amendments to IAS 37 Provisions, contingent liabilities and contingent assets specify the costs an entity should consider in assessing whether contract will be loss making. It is expected that the adjustments are not applicable to EuroCCP.

Annual Improvements to IFRS Standards 2018-2020 contain amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 with effective date beginning for annual periods beginning on or after 1 January 2022. EuroCCP's is currently reviewing the impact on the financial statements from the application of these amendments.

Principles

Functional currency

The financial statements are stated in euros, the functional currency of EuroCCP.

Foreign currency translation

Foreign currency transactions are accounted for using the exchange rate at the date of transaction.

Outstanding balances in foreign currencies at year end are translated at year end exchange rates for monetary items.

Translation of non-monetary items depends on whether the non-monetary items are carried at historical cost or at fair value. Non-monetary items carried at historical cost are translated using the historical exchange rate that existed at the date of the transaction. Non-monetary items that are carried at fair value are translated using the exchange rate on the date that the fair values are determined.

The resulting exchange differences are recorded in the statement of profit or loss as foreign currency gains (losses) except for those non-monetary items whose fair value change is recorded as a component of shareholders' equity.

The statement of profit or loss and the cash flow statement of entities whose functional currency is not denominated in euro are translated into the presentation currency (the euro) at the exchange rate at the date of the transaction and their balance sheets are translated using the exchange rates prevailing at the balance sheet date. Translation exchange differences are recognised in the currency translation reserves within the shareholders' equity.

Trade date and settlement date accounting

All purchases and sales of financial assets requiring delivery within the period established by regulation or market convention are recognised on the settlement date, which is the date on which the instrument is delivered to or by EuroCCP.

Accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying these accounting principles. Therefore, actual results may differ from these estimates and judgemental decisions. Estimates are reviewed on an ongoing basis.

Judgements and estimates are principally made in the following areas:

- estimation of present obligations resulting from past events in recognition of provisions;
- key assumptions underlying the estimation of the recoverable amount of intangible assets in the context of annual impairment test. The recoverable amount of the intangible asset is calculated using the estimated future cash flows based on approved forecasts. If the estimated recoverable amount is lower than the carrying amount, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized in the period in profit or loss.
- determination of the expected useful life of intangible assets and amortization method applied;
- income taxes for the current year are recognised within the statement of profit or loss, based on estimations; actual income tax might differ from it, based on the applicable tax/fiscal laws in each jurisdiction and

are available upon the tax return forms filed with and accepted by local tax authorities.

Offsetting

Financial assets and liabilities are offset, and the net amount reported on the balance sheet if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Assets are recorded net of any accumulated provision for impairment loss.

Cash flow statement

The statement of cash flows, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year. The cash flows are divided into cash flows from operating activities, investing activities and financing activities.

The net result is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Given the nature and the short-term character of the funding, cash flows from funding activities are recognised under cash flows from operating activities and not as cash flows from financing activities. Interest received and interest paid are presented as cash flows from operating activities in the cash flow statement. Dividends received are classified as cash flows from operating activities.

Investing activities are comprised of acquisitions/disposals of property and equipment and intangibles.

Dividends paid are classified as cash flows from financing activities.

Classification and measurement of financial assets and liabilities

EuroCCP classifies financial assets and liabilities based on the business purpose of entering into these transactions.

All maturities were shorter than three months. If this is not the case, they are separately disclosed in the notes to these financial statements.

Financial assets

Financial assets comprise cash and cash equivalents, loans (due from banks and due from customers) and receivables (other assets). Their objective of business model for the purpose of IFRS 9 is to hold in order to collect the contractual flows rather than selling the assets in order to realize the changes in the fair values. The characteristics of the cash flows refer to solely payments of principal amount and interest on the principal amount outstanding, on specified dates.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The measurement and income recognition in the statement of profit or loss depend on the IFRS classification of the financial assets being:

- cash and cash equivalent; or
- loans and receivables.

Cash and cash equivalents are recognised and measured at nominal value.

Loans and receivables are recognised on the date at which they are originated and are initially measured at fair value (transaction price) plus any directly attributable transaction costs. Subsequently, they are measured at

amortised cost using the effective interest method, with the periodic amortisation recorded in the statement of profit or loss.

Measurement of impaired assets

Financial assets are impaired using the expected credit loss model and based on the characteristics of the CCP business model and the risk mitigation measures in place. Expected credit loss is the probability-weighted estimate of the credit loss. Expected credit loss is measured either as the present value of all cash shortfall for the financial assets that are not credit-impaired at the reporting date or as the difference between the gross carrying amount and the present value of estimated future cash flows for the financial assets that are credit impaired at the reporting date.

A non-financial asset is impaired when its carrying amount exceeds its recoverable amount. The carrying amount of impaired assets is reduced to the net present value of its estimated recoverable amount and the change in the current year is recognised in the statement of profit or loss.

Financial liabilities

Financial liabilities comprise within the books of EuroCCP of amounts due to banks and amounts due to customers (demand deposits).

Financial liabilities are recognised on the date at which they are originated and are initially measured at fair value (transaction price). They are subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the statement of profit or loss.

Statement of financial position

Financial assets

Cash and cash equivalents

Cash and cash equivalents comprise freely available balances with central banks and other credit and financial institutions, with original maturity of three months or less, and subject to insignificant risk of changes in value.

Due from banks and due from customers

Due from banks and due from customers includes loans originated by EuroCCP by providing money directly to the borrower or to a sub-participation agent.

Other assets

Other assets arising from the normal course of business and originated by EuroCCP are initially recorded at fair value (transaction price) plus any directly attributable transaction costs and subsequently measured at the amortised cost using the effective interest method, less provisions for impairment.

Non-financial assets

Property and equipment

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction. Depreciation is recognised as expense in the statement profit or loss account and it is calculated on the straight-line method to write down the cost of such assets to their residual values over their estimated useful lives. The residual value and the useful life of property and equipment is reviewed at each financial year-end.

At 31 December 2020, EuroCCP's fixed assets include leasehold improvements, right of use asset for the rental of data centre space and office premises located in Amsterdam and London, equipment and motor vehicles and IT equipment.

Subsequent expenditure on fixed assets is capitalised only when it increases the asset's future economic benefits.

Repairs and maintenance expenses are charged to the statement of profit or loss when the expenditure is incurred. Expenditures that enhance or extend the benefits of fixed assets beyond their original use are capitalised and subsequently depreciated.

The useful life for EuroCCP's property and equipment is set at either three or five years.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by the entity as a result of past events and from which future economic benefits are expected to flow. When initially recognised, an intangible asset is measured at cost (reliably measured).

At 31 December 2020, EuroCCP's intangible assets represented acquired software and software under development. Software for computer hardware that cannot operate without that specific software, such as the operating system, is an integral part of the related hardware and it is treated as property and equipment.

The acquired software is stated at cost less accumulated amortisation and accumulated impairment losses. It is amortised using the straight-line method over the estimated useful life of three years.

Amortisation is recognised as expense in the statement of profit or loss on a straight-line basis over the estimated useful life, from the date the software is available for use. Amortisation methods, useful lives and residual value are reviewed at each financial year-end.

Subsequent expenditure on software is capitalised only when it increases the asset's future economic benefits.

Software under development include mostly core application software in course of development. For year ended 2020, software under development is stated at cost and it consists mostly of licences and software development work acquired from external parties for the replacement of the cash equity and derivatives risk management system.

Impairment of non-financial assets

Property, equipment, acquired software (that is not an integral part of the hardware) and software under development are assessed at each balance sheet date or more frequently if necessary, in order to determine whether there is any indication of impairment. If such indication exists, the assets are subject to an impairment review. Intangible assets not available for use at the end of the reporting period are also subject to an impairment review annually. An impairment loss is recognised whenever the carrying amount of an asset that generates largely independent cash flows, exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Impairment losses are recognised in the statement of profit or loss as a component of depreciation and amortisation expense. Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

During 2020, no impairment loss was recognised relevant to non-financial assets.

Financial liabilities

Due to banks and due to customers

Due to banks and due to customers are amounts on demand.

Demand deposits are initially measured at fair value (transaction price) and subsequently measured at amortised cost using the effective interest method, with the periodic amortisation recorded in the statement of profit or loss.

Balances with clearing members (clearing fund) are included in due to banks and due to customers upon initial recognition.

Other liabilities

Other liabilities arising in the normal course of business are recognised and recorded at cost.

Defined contribution pension plan

A defined contribution plan is a pension plan under which EuroCCP pays fixed contributions. EuroCCP has no legal or constructive obligations to pay further contributions if the assets are not sufficient to pay the employee the benefits relating to employee service in the current and prior periods. The risk that benefits will be less than expected (actuarial risk) and the risk that assets invested will not be sufficient to meet the expected benefits (investment risk) fall on the employee.

EuroCCP's contributions to defined contribution pension plan are charged to the statement of profit or loss in the year to which they relate.

Provisions

Provisions are liabilities with uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits (such as cash flows), as a result of past events and a reliable estimate can be made at the balance sheet date. Provisions are estimated based on all relevant factors and information existing at the balance sheet date.

Contingent assets and liabilities

Contingent assets and liabilities are those uncertainties where an amount cannot be reasonably estimated.

A contingent asset is disclosed where economic benefit is probable as a possible asset arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain events. When the realization of the asset becomes virtually certain, the related asset is not a contingent asset anymore and the asset is to be recognized in the statement of financial position.

A contingent liability is disclosed where there is a possible obligation depending on an uncertain event taking place in the future or a present obligation whose payment is not probable that payment will be required to settle the obligation.

Contingent assets and liabilities are not recognised in the statement of financial position.

Transactions with related parties

In the normal course of business, EuroCCP enters into various transactions with related companies. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

Within the context of these financial statements and until 1 July 2020, related parties were ABN AMRO Clearing Investments B.V. in Amsterdam and its group companies, Cboe Europe Limited and its group companies, DTCC Global Holdings B.V. and its group companies, Nasdaq AB and its group companies, Euronext N.V. and its group companies and the members of the Management Board and Supervisory Board of EuroCCP.

As of 1 July 2020, related parties are Cboe Worldwide Holdings Limited and its group companies and the members of the Management Board and Supervisory Board of EuroCCP.

EuroCCP operates at arm's length from related party companies. EuroCCP's transactions with related party companies are subject to normal market contracts and relate mainly to some of its funding, clearing, settlement and securities borrowing.

The amounts receivable or payable to related companies are disclosed in the notes to the financial statements.

Shareholders' equity

Share capital

Incremental costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes. Other elements recorded in shareholders' equity are related to foreign currency translation effect.

Statement of profit or loss

Interest income and expense

Interest income and interest expense are recognised for all interest bearing instruments in the statement of profit or loss on an accrual basis, using the effective interest method based on the actual purchase price, including direct transaction costs. When calculating the interest income and expense, the effective interest rate is applied to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected lives of the financial instruments to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

In the context of negative interest rates environment in the last years, the interest charged by EuroCCP on financial liabilities is disclosed as negative interest on liabilities while the interest paid by EuroCCP on financial assets (cash and cash equivalents deposited with credit institutions) is disclosed as negative interest on assets.

Interest amounts paid by EuroCCP for the use of credit lines, directly related to EuroCCP's settlement needs in different markets are disclosed as interest expense.

Realised and unrealised gains and losses

Realised and unrealised gains and losses represent foreign exchange transaction differences, from translation of monetary and non-monetary items. For further accounting treatment, refer to foreign currency transactions.

Fees, commission income and transaction costs

Fees earned on services provided are recognised as revenue in the period the services have been provided to the clients (when the trades are novated and settlements are performed), based on the performance obligation and delivery of the services. The transaction price is allocated to the relevant service on a clearly addressed selling price. The transaction price does not contain any variable amount.

The specific settlement and fail fees charged by settlement agents are passed on to the clients, provided that revenue and costs are measured reliably.

Fees and commission expenses are recognised as cost in the period in which the services are provided to EuroCCP. These include fees and commissions paid mainly to settlement agents, CSDs, brokers and liquidity providers.

Transaction costs are included in the initial measurement of financial assets and liabilities other than those measured at fair value through profit or loss. Transaction costs refer to incremental costs directly attributable to the acquisition or disposal of a financial asset or liability..

Expenses

EuroCCP's expenses include staff expenses and other administrative expenses, charged to the statement of profit or loss in the period in which they arise.

Income tax expenses

Income tax expense is recognised in the statement of profit or loss in the period in which profits arise, to the extent that it does not arise from a transaction recognised directly in shareholder's equity. Income tax expenses comprises current and deferred tax expenses. The current tax expense takes into account the taxable and deductible amounts for the period. Differences may arise when the accounting profits differ from the taxable profits as IFRS recognition criteria for items of income and expense are different from the tax law treatment. In such situations, the differences are to be recognised in the

statement of financial positions as a deferred tax asset or deferred tax liability: a tax liability is recognised in full, while a tax asset is recognised to the extent it is likely to be recovered in the future. Current tax assets and liabilities are measured at the amounts expected to be recovered from and paid to the tax authorities, based on the applicable tax laws in each jurisdiction.

The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which those losses can be utilised.

Risk management

Credit risk

EuroCCP is exposed to credit risk predominantly in the event that a Clearing Participant fails to meet a financial or contractual obligation.

The credit risk that EuroCCP is exposed to as a result of holding cash with third parties is limited as almost all cash is held at the Central Bank of the Netherlands (DNB). EuroCCP mitigates credit risk on Clearing Participants through minimum capital requirements for Clearing Participants and by monitoring their financial health. To cover potential loss to EuroCCP in the event of a Clearing Participant default, collateral is required from Clearing Participants.

EuroCCP accepts both cash and non-cash collateral with haircuts as specified in EuroCCP's Regulation Acceptable Collateral². Clearing Participants must deposit their required collateral directly by means of title transfer with EuroCCP. During 2020, those Clearing Participants who make use of clearing services with a higher probability of intra-day margin calls towards the end of the Clearing Day, such as OTC trades and/or ETRs, may, after the approval of EuroCCP, deposit its collateral in an account pledged to EuroCCP. This service is being phased out. As at 31 December 2020, EUR 722.7 million was directly deposited with EuroCCP with no collateral pledged to EuroCCP. The total value of collateral (cash and bonds after haircut) held by EuroCCP as at 31 December 2020 was EUR 722.7 million and EUR 516.5 million in 2019.

Cash held by Clearing Participants in cash collateral accounts, EuroCCP's own funds and cash held in Clearing Fund account as detailed in the EuroCCP's Regulation Clearing Fund³, are invested in accordance with the Regulation EuroCCP Investment Policy⁴ (REIP). The REIP specifies approved types of transactions which EuroCCP may enter into for the purpose of investments, the category of securities that may be invested in, the eligible counterparties and the custodians where the securities can be held. Placements of cash made pursuant to the REIP are safeguarded by government securities received as collateral for the cash placements. Collateral received is subject to concentration limits as stipulated in the REIP. Collateral is used to secure intraday credit from DNB and/or to support credit arrangements with commercial banks.

Besides potential defaults of Clearing Participants, the main credit risk faced by EuroCCP is exposure to Clearing Participants when open positions fail to settle on settlement date. To mitigate this risk, EuroCCP charges a fail fee to discourage late settlements. This fee covers EuroCCP's costs but also acts as a deterrent as required by Regulation (EU) No 236/2012 on short selling, together with certain aspects of credit default swaps. In the event that an open position still fails to settle after a certain period of time, EuroCCP will start its buy-in process, the costs of which are borne by the failing Clearing Participant. For more detail, refer to EuroCCP's Regulation Buy-in⁵.

Offsetting financial assets and liabilities

The financial assets and liabilities of EuroCCP do not meet the criteria for offsetting in the statement of financial position and are shown gross.

The financial assets and liabilities are subject to the agreements in place, as part of the company's day to day activities. The agreements create a right of

² Regulation Collateral is available on our website: www.euroccp.com.

³ Regulation Clearing Fund is available on our website: www.euroccp.com.

⁴ Regulation EuroCCP Investment Policy is available on our website: www.euroccp.com.

⁵ Regulation Buy-in is available on our website: www.euroccp.com.

set-off of recognised amounts, enforceable only following an event of default, insolvency or bankruptcy of the other party to the contract.

Liquidity risk

EuroCCP is exposed to liquidity risk – the risk that the company is unable to meet its payment obligations when due. EuroCCP operates a liquidity risk framework to identify, measure and monitor its settlement and funding flows.

Liquidity is mainly required for securities settlement. The payment and settlement obligations at EuroCCP stem from its function as a cash equity Clearing House: shares are bought and sold by Clearing Participants on a trading platform or OTC, and netted to settle two business days later. During the settlement, the actual payment for and delivery of the shares take place; this process requires intraday liquidity. If counterparties, which receive shares against payment, are unable to settle, an overnight liquidity need arises. This overnight liquidity need is usually limited and very short term - no more than a few business days at most.

To ensure liquidity risks are identified and mitigated, EuroCCP operates a liquidity program that is designed to mitigate liquidity risks. The foundation of this program consists of methodologies, policies and procedures that enable EuroCCP to mitigate for the risk referred to earlier.

The tables below set out the maturities of the company's financial assets and liabilities, as at 31 December 2020:

Financial assets (x EUR 1,000)	Less than one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	Between five and ten years	Total
Cash and cash equivalents	704,901	-	-	-	-	-	-	704,901
Due from banks and due from customers	1,440	-	-	-	-	-	-	1,440
Other assets	1,460	5,268	1,892	229	79	-	-	8,928
Total	707,801	5,268	1,892	229	79	-	-	715,269

Financial liabilities (x EUR 1,000)	Less than one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and five years	Between five and ten years	Total
Due to banks	367,174	-	-	-	-	-	-	367,174
Due to customers	296,432	-	-	-	-	-	-	296,432
Accrued interest, expenses and other liabilities	5,810	1,235	-	-	212	-	-	7,257
Total	669,416	1,235	-	-	212	-	-	670,863

Other assets and accrued interest, expenses and other liabilities have maturities up to one month. All other financial assets and financial liabilities have maturities up to 7 days, unless otherwise mentioned.

Market risk

EuroCCP is exposed to market risk in the event that a Clearing Participant defaults and the market prices of the securities in the open positions of the defaulter have moved adversely so that EuroCCP can only close out the Participant's obligations at a loss.

To mitigate market risk, EuroCCP collects collateral from Clearing Participants to cover for the probable loss during normal market conditions, together with contributions to the clearing fund to cover losses if a default occurred during extreme, but plausible, market conditions. An appropriate haircut is taken on the collateral to withstand extreme, but plausible, market conditions. Adverse movements in exchange rates affecting the value of obligations and collateral are factored into the calculation.

After each day's trades have been netted, EuroCCP calculates the maximum theoretical loss of the portfolio of all net open positions based upon a 99.7% confidence level (three standard deviations) and assumes that a three-day time horizon would be required for liquidation. In this calculation, the dominant factor is the price risk for each security; however, other risk factors such as currency risk are also taken into account. On a daily basis, back tests are performed to assess the adequacy of the margin model. In 2020, this process demonstrated that EuroCCP did not need to make any adjustment to the parameters of the model. The outcome of these back tests is reported to EuroCCP's national competent authority.

For intraday calculations, EuroCCP recalculates the margin requirement continuously, using the current positions and market prices. EuroCCP has the authority and the operational ability to demand additional collateral at first notice, whenever there is a significant intraday collateral deficit.

EuroCCP provides a real-time cleared trade feed to Clearing Participants to enable them to also perform intraday or real-time risk management in respect of their clients.

The collateral required to cover for extreme, but plausible, market conditions is placed in the Clearing Fund. The amounts and percentages of the respective contribution per Clearing Participant are stipulated in the Regulation Clearing Fund, available on our website.

On a daily basis, stress tests are performed where portfolios are stressed along various scenarios. These stress tests can be as extreme as anticipating a market move of 40% across the whole portfolio of equities. The results of the stress tests are used to confirm that the EuroCCP risk framework is adequate at all times. The outcome of these stress tests is reported to EuroCCP's national competent authority.

EuroCCP is exposed to currency risk where receipts and payments take place in non-euro currencies, such as invoices received from settlement agents and CSDs. This exposure is handled on a monthly basis, buying relevant currency amounts using spot transactions.

EuroCCP does not take significant interest rate risk on the cash part of margin and clearing fund deposits it holds since EuroCCP passes on the interest income / charges including costs.

Investment risk is the risk that invested cash is reduced in value upon maturity. This risk is mitigated through the strict application of the investment policy of EuroCCP, as set out in REIP.

EuroCCP does not run other price risk (the risk that fair value of future cash flows of the financial instruments will fluctuate due to changes in the market prices, other than those arising from interest rate risk or currency risk). The required Clearing Fund size of EuroCCP Clearing Fund as at 31 December 2020 stood at EUR 301.9 million.

Operational risk

Operational risk is monitored and controlled by the operational risk and control team within the risk management department (hereinafter OR&C).

OR&C is responsible for the maintenance of the entire control framework, including policies, processes and procedures, business continuity management, operational risk events including operational errors. Within all processes and procedures, (key) risk indicators and (key) performance indicators are defined, being used in daily and monthly monitoring. OR&C reports on a monthly basis to the Management Board on the status of the control framework, with separate detailed report sent to all department heads. Additional reporting is sent to the Supervisory Board, Audit Committee and the Risk Governance Board. These reports may include an overview of framework compliance (policies, processes and procedures), business continuity, operational losses, risk tolerance statements, open audit findings, issue and action management.

EuroCCP did not incur any material operational loss in 2020.

Cyber & Information Security risk is managed as a key component of the control framework by the information security department. The department is responsible for the monitoring, logging and auctioning of cyber risks. EuroCCP has based its cyber and information security strategy and framework on the NIST Cybersecurity framework, the CPMI-IOSCO Guidance on cyber resilience for financial market infrastructures and ISO 27001/2.

Fraud risk is managed as part of the Control Framework with Business Conduct, Whistleblowing and vendor due diligence policies in place. Internal Controls are in place to mitigate fraud risk in a number of business procedures including the processing of settlements and payments. Fraud risk is considered as part of the review of Information Security risk completed by management.

Employees are expected to act in accordance with EuroCCP's Employee Business Conduct Rules Policy. This policy details the principles for business conduct that the EuroCCP Management Board has adopted and expects its employees and representatives to uphold at all times. This policy is applicable to all EuroCCP employees whether permanent, fixed-term or temporary, including interns, trainees, consultants, contractors and seconded staff. Periodic attestation by employees is required.

The outbreak of COVID-19 spread rapidly since beginning of 2020, affecting the economic activity worldwide and the health and safety of the global population. When assessing the impact of COVID-19 on the financial performance of EuroCCP and its stakeholders, EuroCCP considered possible events and conditions that may affect the current and future business, looking into a 12 months period after end of the reporting period as well as the period up to 12 months after the date of these financial statements. EuroCCP and its stakeholders have all shown that they have adapted well to the situation and we see no reason to assume that this will develop negatively in the coming period.

As a result of the COVID19 pandemic, the volumes cleared and settled by EuroCCP have increased sharply especially in March and April 2020 due to the increased trading activities of the Clearing Participants. This increased trading activity of our customers, combined with the exceptional market conditions, has led to an increase in collateral requirements vis-à-vis EuroCCP's clients.

Fair value measurement

Fair value reflects the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The transaction is considered to take place either in the principal market for that asset/liability or in the most advantageous market where no principal market exists.

Fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that they act in their own economic best interest.

Fair value of financial assets and liabilities

Financial assets and liabilities are valued using the hierarchy below, to determine their fair value:

- level 1: unadjusted quoted prices for identical assets or liabilities in active markets;
- level 2: inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- level 3: unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

The assumption used in the measurement is that the liabilities would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.

When a quoted price for the transfer of an identical (or a similar) liability or entity's own equity instrument is not available, and that identical (or similar) item is held by another party as an asset, the measurement of the fair value is performed from the perspective of a market participant that holds the identical item as an asset at the measurement date, by:

- using the quoted price in an active market for the identical item, or if not available;
- using other observable inputs, or if not available;
- using another valuation technique (i.e. income approach, or market approach).

Financial assets and financial liabilities are recognised on the date at which they are originated and are initially measured at transaction price. Subsequently, they are measured at amortised cost using the effective interest method, with the periodic (monthly) amortisation recorded in the statement of profit or loss.

As at 31 December 2020, there were no material differences between the carrying value of the financial assets and financial liabilities and their estimated fair value, as all financial liabilities are short-term.

Disclosure of the contingent assets as at 31 December 2020 is presented below:

Contingent assets (x EUR 1,000)	Value (market value)	Quoted market prices in active markets (level 1)	Valuation techniques - observable inputs (level 2)	Valuation techniques - significant unobservable inputs (level 3)	Net amount
Non-cash contribution to clearing fund (bonds)	56,856	56,856	-	-	56,856
Non-cash deposits to interoperability fund (bonds)	142,862	142,862	-	-	142,862
Non-cash mandatory collateral deposits (bonds)	326,981	326,981	-	-	326,981
Collateral received (bonds)	12,198	12,198	-	-	12,198
Total	538,897	538,897	-	-	538,897

EuroCCP does not have any economic interest in the contingent assets.
Details of the contingent assets are presented in note 11.

Notes to the statement of financial position as at 31 December 2020

(x EUR 1,000)

ASSETS

	2020	2019
1. Cash and cash equivalents	704,901	571,204

This item comprises cash on hand, freely available balances with central banks and credit and financial institutions with less than three months maturity from the date of acquisition.

From the total balance, EUR 260 million relates to the clearing fund balance of participants available only pursuant to the rules of the clearing fund.

The table below shows the components of cash and cash equivalents at 31 December.

Cash and cash equivalents with central banks	692,721	542,143
Cash and cash equivalents with related party companies	-	20,758
Cash and cash equivalents with third party companies	12,180	8,303
Closing balance as at 31 December	704,901	571,204

Components of cash and cash equivalents:

Own cash	43,034	46,046
Cash and cash equivalents, related to business operations	661,867	525,157
Closing balance as at 31 December	704,901	571,204

Cash and cash equivalents related to business operations consists of cash required for settlement funding and cash received from clients to meet the collateral requirements.

	2020	2019 restated*
2. Due from banks and due from customers	1,440	9,134

This item consists of accounts receivables from participants, both credit and non-credit institutions, that relate to business operations. Due from banks and due from customers are fully collateralised by securities and do not belong to cash and cash equivalents. They reflect the value of transactions for which securities are delivered to EuroCCP in exchange for cash compensation. The securities are to be further delivered by EuroCCP to participants versus agreed cash compensation.

Due from banks and due from customers have an expected credit loss close to nil. When assessing this, EuroCCP considered the CCP business model and the risk mitigation measures in place (for which we refer to the risk management chapter in this document).

*The comparative information is restated on account of correction of errors. See note 13.

					2020	2019
3. Property and equipment					1,434	1,785
	Right-of-use asset	Lease-hold improvement	Equipment and motor vehicles	IT equip- ment	2020 Total	2019 Total
Cost as at 1 January	1,391	583	471	2,505	4,950	3,325
Impact of adopting IFRS 16	-	-	-	-	-	1,391
Additions	115	-	12	241	368	234
IFRS 16 adjustment	-21	-	-	-	-21	-
Removal of fully depreciated assets	-	-	-	-	-	-
Closing balance as at 31 December	1,485	583	483	2,746	5,297	4,950
Accumulated depreciation at 1 January	-544	-214	-347	-2,060	-3,165	-2,172
Impact of adopting IFRS 16	-	-	-	-	-	-301
Depreciation expense	-281	-97	-45	-275	-698	-692
Adjustment to depreciation due to removal of fully depreciated assets	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	1
Accumulated depreciation as at 31 December	-825	-311	-392	-2,335	-3,863	-3,165
Closing balance as at 31 December	660	272	91	411	1,434	1,785

Leasehold improvement is depreciated over 6 years (Amsterdam office premises, based on exiting contract). Most of the equipment and motor vehicles are depreciated over 5 years. IT equipment is depreciated over 3 years.

The depreciation periods of the right-of-use assets correspond to the lease periods relevant to each asset.

On 1 July 2020, EuroCCP entered into a lease agreement for the rental of London office premises.

As per 31 December 2020, EuroCCP identified four leases which are subject to IFRS16. These include the office premises located in Amsterdam and London and the racks space located in two data centres in the Netherlands (one rack in each data centre).

For these leases, an agreement / order is in place with the relevant vendor, as follows:

- Office premises:
 - Amsterdam: agreement entered in September 2017 for a minimum period of five years.
 - London: agreement entered in July 2020 for a period of 18 months.
- Data centres:
 - Entered in vigour in July 2018 for a minimum period of three years.
 - Entered in vigour in November 2018 for a minimum period of three years.

For year ended 31 December 2020, EuroCCP has no impaired assets.

	2020	2019
4. Intangible assets	4,516	3,293

The intangible assets consist of acquired software (that is not an integral part of the hardware) and software under development. The acquired software is amortised in 3 years.

Software under development (not yet in use) consist of licenses, development and customization services for the new risk software covering stress testing and daily calculation of margin requirements, extended during current year to include also the expansion of EuroCCP's business into equity derivatives clearing. This risk management software for cash equities and derivatives is the single asset which generates the cash flow. For year-end 2020, software under development (not yet in use) totalled EUR 4.3 million, as an additional EUR 1.4 million was capitalized during the year. EuroCCP conducted an annual impairment test for the software under development considering the value in use based on annual 4-year financial estimations and forecasts in terms of revenue and costs for the 6 year period - which is the estimated useful life of the asset. The remaining 2 years was calculated based on a 3% growth.

The result of the analysis performed for this reporting period is consistent with the result of the analysis performed during prior period, the management of EuroCCP concluding that no impairment incurred for the software under development as at 31 December 2020.

As of end of April 2021, EuroCCP started to use the improved risk software license for the cash equity business of the entity.

EuroCCP has no impaired intangible assets by 31 December 2020.

The tables below show the components of intangible assets at 31 December.

	Intangible assets under development	Intangible assets	2020 Total	2019 Total
Software at cost as at 1 January	2,861	4,037	6,898	4,938
Additions	1,404	91	1,495	1,960
Closing balance as at 31 December	4,265	4,128	8,393	6,898
Accumulated amortisation as at 1 January	-	-3,605	-3,605	-3,330
Amortisation expense	-	-272	-272	-275
Accumulated amortisation as at 31 December	-	-3,877	-3,877	-3,605
Closing balance as at 31 December	4,265	251	4,516	3,293

	2020	2019
5. Other assets	9,913	6,072

The table below shows the components of other assets at 31 December:

Fees receivable from clients	584	296
Prepayments and accruals	8,161	3,977
Corporation tax receivable	676	1,129
Deferred tax asset	92	84
Other	400	586
Closing balance as at December 31	9,913	6,072

Prepayments and accruals consists of payments made in advance to providers of services and goods (according to commercial agreements in place). Fees receivables from clients relate to the month of December 2020, as the invoicing process takes place after the end of the month.

Deferred tax asset arise as a result of the difference between the carrying amounts of assets for financial reporting purposes and the amounts used for taxation purposes.

Components of other assets:		
Other assets (accruals) related parties	244	403
Other assets third parties	9,669	5,669
Closing balance as at 31 December	9,913	6,072

Other assets related parties include EUR 244 thousand representing advanced payments to the Dutch tax authorities on behalf of one of the members of the Management Board. The outstanding balance of EUR 244 thousand is not interest-bearing.

LIABILITIES

	2020	2019
6. Due to banks	367,174	248,220

The table below shows the components of due to banks at 31 December:

Demand deposits due to banks	367,174	248,220
Closing balance as at 31 December	367,174	248,220

This item includes, among others, balances of those clearing participants which are banks in the Clearing Fund (EUR 134 million) and mandatory collateral deposits (EUR 232 million).

The due to banks item can be split up as follows:

Demand deposits due to related party banks	-	143,550
Demand deposits due to third party banks	367,174	104,670
Closing balance as at 31 December	367,174	248,220

	2020	2019
7. Due to customers	296,432	285,969

The components of due to customers at 31 December are as follows:

Demand deposits due to customers	296,432	285,969
Closing balance as at 31 December	296,432	285,969

This item comprises balances of non-bank clearing participants (customers) in the clearing fund (EUR 126 million) and mandatory collateral deposits (EUR 170 million).
The demand deposits are all due to third party customers.

	2020	2019
8. Tax payable	110	58
EuroCCP settles its tax obligations directly with the tax authorities in the relevant jurisdictions (the Netherlands and the UK).		
As at 31 December the composition of tax payables is as follows:		
Corporate tax payable	-	-
VAT payable	110	58
Closing balance as at 31 December	110	58

	2020	2019 restated*
9. Other liabilities	8,768	9,480
As at 31 December the composition of accrued interest and other liabilities is as follows:		
Accrued interest charges	749	546
Payables	63	556
Accruals	4,941	2,284
Employment related payables	2,042	1,701
Lease liability	761	995
Other	212	3,398
Closing balance as at 31 December	8,768	9,480

The accruals item consists of cost reservations for services performed by providers to EuroCCP, services for which invoices are not yet received. Most of the reservations relate to costs incurred in December 2020, relevant to both core business and administrative activities of EuroCCP. The business operations liabilities constantly change because pending settlements differ per day. These fluctuations can result in relatively large differences in the statement of financial position at year-end.

“Other” includes business operations liabilities which relate to pending settlements and the Settlement Efficiency Improvement Fund (SEIF), as described in our Regulation Fees and Penalties⁶, whose disbursements are made upon consultation of the Advisory Board of EuroCCP.

The value of total disbursements made out throughout the year are reflected in note 16. As at 31 December 2020, SEIF value is nil.

*The comparative information is restated on account of correction of errors. See note 13.

Components of accrued interest, expense and other liabilities:

Accrued interest, expense and other liabilities related parties	65	102
Accrued interest, expense and other liabilities third parties	8,703	9,378
Closing balance as at 31 December	8,768	9,480

⁶ Regulation Fees and Penalties is available on our website: www.euroccp.com.

Included in Other liabilities is the IFRS 16 lease liability amounting to EUR 761 thousands, calculated using the following assumptions:

Office premises Amsterdam

Lease term: 72 Months
Interest rate: 0.25% (marginal lending rate)
Annual increase: 2.00% (linked to index rate)

Office premises London

Lease term: 18 Months
Interest rate: 0.25% (marginal lending rate)
Annual increase: 0% (linked to index rate in the agreement)

Data centres

Lease term: 36 Months
Interest rate: 0.25% (marginal lending rate)
Annual increase: 3.00% (linked to index rate)

The interest rate applicable at the date of initial application was 0.25%, there have not been a change to this rate subsequently therefore the liability has not been restated.

The underlying assets are disclosed in note 3.

The following table shows the maturity of the lease liabilities for the above leases:

Maturity of lease liabilities

	Within 12 Months	More than 1 year but less than 5 years	More than 5 years	Total
Lease liabilities	359	396	-	755

	2020	2019
10. Shareholders' equity	49,720	47,761
At year-end 2020, EuroCCP has 7,500 ordinary shares in issue. The authorised share capital amounts to EUR 15 million distributed over 15,000 ordinary shares, each having a nominal value of EUR 1,000.		
Share capital	7,500	7,500
Share premium	5,392	5,392
Retained earnings	25,703	24,254
Other reserves EMIR	4,994	4,787
Other reserves - legal reserve	4,265	2,861
Other reserves	-93	-123
Proposed result of the year	1,980	3,071
Other comprehensive income for the year	-21	19
Shareholders' equity	49,720	47,761

*As at year-end 2020, the capital required by EMIR is EUR 25,259 thousands.

Other reserves EMIR consist of dedicated own resources, as are required by Regulation (EU) no. 648/2012 and Regulation (EU) no.153/2013. Other reserves (legal reserve) – incurring since 2018 as a

requirement under Title 9 of Book 2 of the Dutch Civil Code - are in relation to the replacement of the risk management system.

Other reserves - legal reserve consist of reserves as required by article 2:373 paragraph 4 of Book 2 of the Dutch Civil Code in relation to software under development as disclosed in note 4 of these financial statements.

Other reserves consist of employment benefits and currency translation.

Other comprehensive income for the year comprises the impact of the currency translation differences arising on consolidation of the London Branch, net of tax.

	2020	2019
11. Contingent assets	847,491	692,319
The details of contingent assets at 31 December are presented below.		
Non-cash contribution to clearing fund (bonds)	56,856	63,339
Non-cash deposits to interoperability fund (bonds)	142,862	71,165
Cash deposits to interoperability fund	308,594	321,933
Non-cash mandatory collateral deposits (bonds)	326,981	214,664
Collateral received	12,198	21,218
Total contingent assets	847,491	692,319

Contingent assets comprises of bonds and cash received from clients in the account of EuroCCP and bonds received under treasury agreements in vigour by end of the year, as follows:

The non-cash contribution to the clearing fund is governed by the rules of the Regulation Clearing Fund⁷.

Interoperability fund deposits are comprised of cash and non-cash deposited by clearing participants of EuroCCP, according to the Regulation Interoperability Fund⁸.

Mandatory collateral deposits are subject to the Regulation Collateral.

The collateral received is relevant for and subject to REIP, that safeguards the cash provided by the clearing participants as clearing fund contributions and mandatory collateral deposits. EuroCCP does not have any economic interest in the collateral.

As per 31 December 2020, EuroCCP did not have any contingent assets received from related parties.

	2020	2019
12. Contingent liabilities	293,970	257,770
Commitments (rental of premises)	-	172
Guarantee given	293,970	257,598
Total contingent liabilities	293,970	257,770

⁷ Regulation Clearing Fund is available on our website: www.euroccp.com.

⁸ Regulation Interoperability Fund is available on our website: www.euroccp.com.

Rental of premises represent the minimum period commitments as per 31 December 2019 for the rental agreement for London office premises. As of 1 July 2020 EuroCCP applies IFRS 16 for the lease related to the office premises located in London. For details we refer to note 3.

The “guarantee given” represents collateral pledged by EuroCCP on 31 December 2020 to the other interoperable CCPs, to cover margin calls EuroCCP received from other interoperable CCPs under reciprocal collateral arrangements in place with Clearstream Banking, which allow the co-operating CCPs to provide collateral to each other to meet the interoperable CCPs’ margin obligations. For EuroCCP, the assets used to provide collateral are deposited by the Clearing Participants in the interoperability fund designated account.

There are no contingent liabilities arising from post-employment obligations.

13. Correction of errors

During 2020, EuroCCP discovered that incorrect manual entries were made in 2019 that resulted in overstatement of assets (Due from banks and due from customers) and liabilities (Other liabilities) amounting to EUR 20.1 million. The error did not have an impact on the income statement. The error has been corrected by restating each of the effected financial statement line items in 2019.

The table below shows a summary of the impact of this correction on the statement of financial position and cashflow statement at the end of 2019.

Statement of financial position

31 December 2019	Impact of correction of error		
Assets	As previously reported	Adjustments	As restated
Cash and cash equivalents	571,204	-	571,204
Due from banks and due from customers	29,245	-20,111	9,134
Property and equipment	1,785	-	1,785
Intangible assets	3,293	-	3,293
Other assets	6,072	-	6,072
Total assets	611,599	-20,111	591,488
Liabilities			
Due to banks	248,220	-	248,220
Due to customers	285,969	-	285,969
Tax payables	58	-	58
Other liabilities	29,591	-20,111	9,480
Total liabilities	563,838	-20,111	543,727
Shareholder’s equity	47,761	-	47,761
Total liabilities and shareholders’ equity	611,599	-20,111	591,488

The correction of error did not have impact on opening balances of the statement of financial position for year 2019.

Cashflow statement 2019

	As previously reported	Adjustment	As restated
Cash flows from operating activities			
Profit before tax	4,059	-	4,059
<i>Adjustment to reconcile profit to net cash generated by operating activities:</i>	971	-	971
Depreciation and amortisation	962	-	962
Effect of foreign exchange rate	9	-	9
Other	-	-	-
<i>Changes in operating assets and liabilities</i>	3,753	-	3,753
Due from banks and due from customers	9,860	20,111	29,971
Due to banks	-78,568	-	-78,568
Due to customers	51,795	-	51,795
Net changes in all other operational assets and liabilities	20,666	-20,111	555
Cash generated by operating activities	8,783	-	8,783
Income taxes paid	-1,291	-	-1,291
Net cash from operating activities	7,492	-	7,492
Cash flows from investing activities			
Acquisition of property and equipment	-234	-	-234
Acquisition of intangible assets	-1,960	-	-1,960
Net cash flow generated by investing activities	-2,194	-	-2,194
Cash flows from financing activities			
Proceeds from issue of share capital	-	-	-
Proceeds from share premium contribution	-	-	-
Dividend paid	-	-	-
IFRS 16 adjustment - lease liabilities	-	-	-
Finance charges - lease liabilities	-3	-	-3
Repayment of lease liabilities	-284	-	-284
Net cash from financing activities	-287	-	-287
Net decrease (-) / increase (+) in cash and cash equivalents	5,011	-	5,011
Cash and cash equivalents — as at 1 January	566,193	-	566,193
Cash and cash equivalents — as at 31 December	571,204	-	571,204
Supplementary disclosures of operating cash flow information			
Interest received	8,750	-	8,750
Interest paid	-7,068	-	-7,068

Notes to the statement of profit or loss for 2020

(x EUR 1,000)

	2020	2019
14. Net interest income	4,957	2,344
Negative interest on liabilities	10,611	6,104
Interest expense	-218	-786
Negative interest on assets	-5,436	-2,974
Net interest income	4,957	2,344

Negative interest on liabilities comprises of interest charged by EuroCCP for the financial liabilities to its clients, as a result of negative interest rates.

The breakdown of negative interest on liabilities is as follows:

Negative interest on liabilities related parties	1,763	1,536
Negative interest on liabilities third parties	8,848	4,568
Negative interest on liabilities	10,611	6,104

The amount above mentioned as negative interest on liabilities related parties for year 2020 incurred before 1 July 2020. After this date, as a result of the change in EuroCCP's ownership, no additional negative interest on liabilities related parties incurred.

Interest expense comprises of interest amounts paid by EuroCCP for use of credit lines, directly related to EuroCCP's settlement needs in different markets).

The breakdown of net interest expense is as follows:

Interest expense related parties	68	371
Interest expense third parties	150	415
Interest expense	218	786

The amount disclosed as interest expense related parties for year 2020 incurred before 1 July 2020. After this date, as a result of the change in EuroCCP's ownership, no additional interest expense related parties incurred.

Negative interest on assets include interest amounts paid on financial assets - cash and cash equivalents deposited with credit institutions, part of treasury arrangements - as a result of negative interest rates

Negative interest on assets can be split in:

Negative interest on assets related parties	-87	-142
Negative interest on assets third parties	-5,349	-2,832
Negative interest on assets	-5,436	-2,974

The amount disclosed as negative interest on assets related parties for year 2020 incurred before 1 July 2020. After this date, as a result of the change in EuroCCP's ownership, no additional interest on assets related parties incurred.

Included in negative interest on assets third parties, the interest on lease liabilities amounts to EUR 2 thousand.

	2020	2019
15. Net fees and commissions	24,858	20,443

The Commissions and fees item can be split as follows:

Commission and fee income	37,173	33,523
Commission and fee expense	-12,315	-13,080
Net commissions and fees	24,858	20,443

The components of fee and commission are:

Net commissions securities	24,953	20,536
Net commissions - other	-95	-93
Net commissions and fees	24,858	20,443

The breakdown of the net commissions and fees item is:

Net commissions and fees related party companies	2,716	3,839
Net commissions and fees third party customers/banks	22,142	16,604
Net commissions and fees	24,858	20,443

Net commissions and fees related party companies as above disclosed for year 2020 incurred before 1 July 2020. After this date, as a result of the change in the EuroCCP's ownership, no additional commission and fees related parties were incurred.

	2020	2019
16. Syndicated loan fees	5,950	-

As of 1 July 2020, EuroCCP secured a syndicated multicurrency credit facility of EUR 1.5 billion, whose fees totalled EUR 6 million at the end of the reporting period.

	2020	2019
17. Other revenue (expense)	6,192	1,366

Other revenue (expense) consists mainly of cost recovery items (SEIF release) related to company's initiatives for new products and settlement process enhancement.

Included in this item are also the foreign exchange differences on monetary items and the result coming from operational activity, whose net impact is a profit of EUR 60 thousand.

Details of Other revenue are presented below:

Cost recovery related to settlement efficiency improvement	2,531	1,419
Cost recovery Syndicated loan fees	3,624	-
Other revenues	37	-53
Total Other revenue	6,192	1,366

	2020	2019
18. Personnel expenses	9,865	8,543

Details are presented below:

Salaries and wages	6,922	5,989
Social security charges	939	911
Contributions to defined contribution pension plans	631	674
Bonus expenses	1,180	735
Other	193	234
Total staff expenses	9,865	8,543

The remuneration of the Management Board in 2020 was EUR 1.4 million, composed of salary and bonus, comparable with EUR 1.7 million in 2019. The contributions made for the defined contribution pension plans amounted to EUR 28 thousand (2019: EUR 42 thousand).

The average number of full-time equivalent employees in 2020 was 61.9 (2019: 57.6).

The remuneration to the Supervisory Board was EUR 103 thousand in 2020 (including VAT) relevant to 2 members for the full year and 1 member for half a year. The remuneration to the Supervisory Board was EUR 146 thousand in 2019 (including VAT) relevant to 3 members.

The breakdown of personnel expense is as follows:

Expense related parties	261	549
Expense third parties	9,604	7,994
Total personnel expense	9,865	8,543

The personnel expense related parties as above disclosed for year 2020 incurred before 1 July 2020. After this date, as a result of the change in the EuroCCP's ownership, no additional personnel expense related parties were incurred.

Employee benefits

Defined contribution pension plan

By 31 December 2020, all EuroCCP employees benefited from defined contribution pension plans. The amount paid to defined contribution pension plans of employees in Amsterdam and London amounted to EUR 631 thousand in the statement of profit or loss which is comparable with the amount for 2019 (EUR 674 thousand).

	2020	2019
19. Other operating and administrative expenses	16,513	10,589

Details of other operating and administrative expenses are presented below:

Technology and system costs	6,339	5,440
External staff	4,079	1,385
Audit, legal and compliance expenses	3,121	1,417
Consultancy	1,950	1,146
Travel and representation expenses	29	227
Rental expenses	220	303
Other	775	671
Total other operating and administrative expenses	16,513	10,589

The allocation of total operating and administrative expenses was as follows:

Expenses related parties	1,627	2,998
Expenses third parties	14,886	7,591
Total other operating and administrative expenses	16,513	10,589

The related parties expenses parties as above disclosed for year 2020 incurred before 1 July 2020. After this date, as a result of the change in the EuroCCP's ownership, no additional related parties expenses were incurred for the operating and administrative expenses.

Operating and administrative expenses increased by EUR 5.9 million compared with prior year. The increase in these costs was mainly due to the required improvement of the liquidity risk framework, the development of derivatives clearing capacity to be launched in 2021 and advisory and legal costs incurred for the syndicated loan and for the Cboe acquisition.

External auditor's fee

The remuneration to be paid to the external auditor totals EUR 245 thousand for the audit of the financial statements (2019: EUR 355 thousand).

	2020	2019
20. Depreciation and amortisation	974	962
Details of depreciation and amortisation expense are presented below:		
Depreciation expense	422	444
Depreciation right-of-use assets (IFRS 16)	280	243
Amortisation expense	272	275
Total depreciation and amortisation	974	962

	2020	2019
21. Income tax	725	988

The details of the corporate income tax are presented below (“-“ is profit in this particular note):

Profit before tax	2,705	4,059
Tax	25%	25%
Current tax expense for the current period	676	1,014
Tax rate difference London office	-12	-7
Adjustment recognised in the period for current tax of prior periods	61	-68
Deferred tax expense arising from previous period	-	49
Total income tax expenses	725	988
Income tax relating to other comprehensive income	-6	6
Total income tax	719	994

The effective tax rate was 27% in 2020, comparable with the previous year's effective tax rate of 24%. During 2020, the corporate income tax was 25% in the Netherlands.

**Proposal for profit
appropriation**

The Management Board proposes that the net profit for 2020 totalling EUR 2.0 million be added to retained earnings.

Post-balance sheet date events

Some important events have occurred after the date of the reporting period of these financial statements, as disclosed below.

Capital contribution

In both February and May 2021, EuroCCP received a capital contribution of EUR 4 million (in total EUR 8 million) from the shareholder, which has been added to the company's share premium.

Lease agreement UK office premises

The lease agreement of the office in London has ended as of 1 May 2021 and currently EuroCCP is renting office space from our affiliate in London.

Legal procedures

EuroCCP is not involved in court procedures.

Amsterdam, 4 June 2021

Management Board:

Cécile Nagel

Arnoud Siegmann

Edward Hughes

Supervisory Board:

David Howson

Stephanie Renner

John Deters

Clotilde Bouchet

Peter Bezemer

Other information

Independent auditor's report

Independent auditor's report

To: the General Meeting and the Supervisory Board of European Central Counterparty N.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2020 of European Central Counterparty N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Central Counterparty N.V. as at 31 December 2020 and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the statement of financial position as at 31 December 2020;
- 2 the following statements for 2020: statement of profit or loss, statement of total comprehensive income, statement of changes in shareholders' equity and cash flow statement; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of European Central Counterparty N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- letter from the CEO;
- about us;
- governance and organisation;
- report from the Management Board;
- report of the Supervisory Board;
- rules on profit appropriation, and Other information; and
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the Report from the Management Board, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amstelveen, 4 June 2021

KPMG Accountants N.V.

R. Smeeing RA

Rules on profit appropriation

As per article 24 of the Articles of Association of EuroCCP, the authority deciding over the allocation of profits (as determined by the adoption of the annual financial statements) and making distributions is vested in the General Meeting of Shareholders, with due observance of the limitations prescribed by law. A resolution to make a distribution will not be effective until approved by the Management Board. The Management Board may only refuse to grant such approval if it knows or reasonably foresees that after the distribution, EuroCCP would not be able to continue to pay its debts as they fall due.

Other information

EuroCCP is registered as a UK establishment of an overseas company at UK Companies House, with the office located in London.



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