



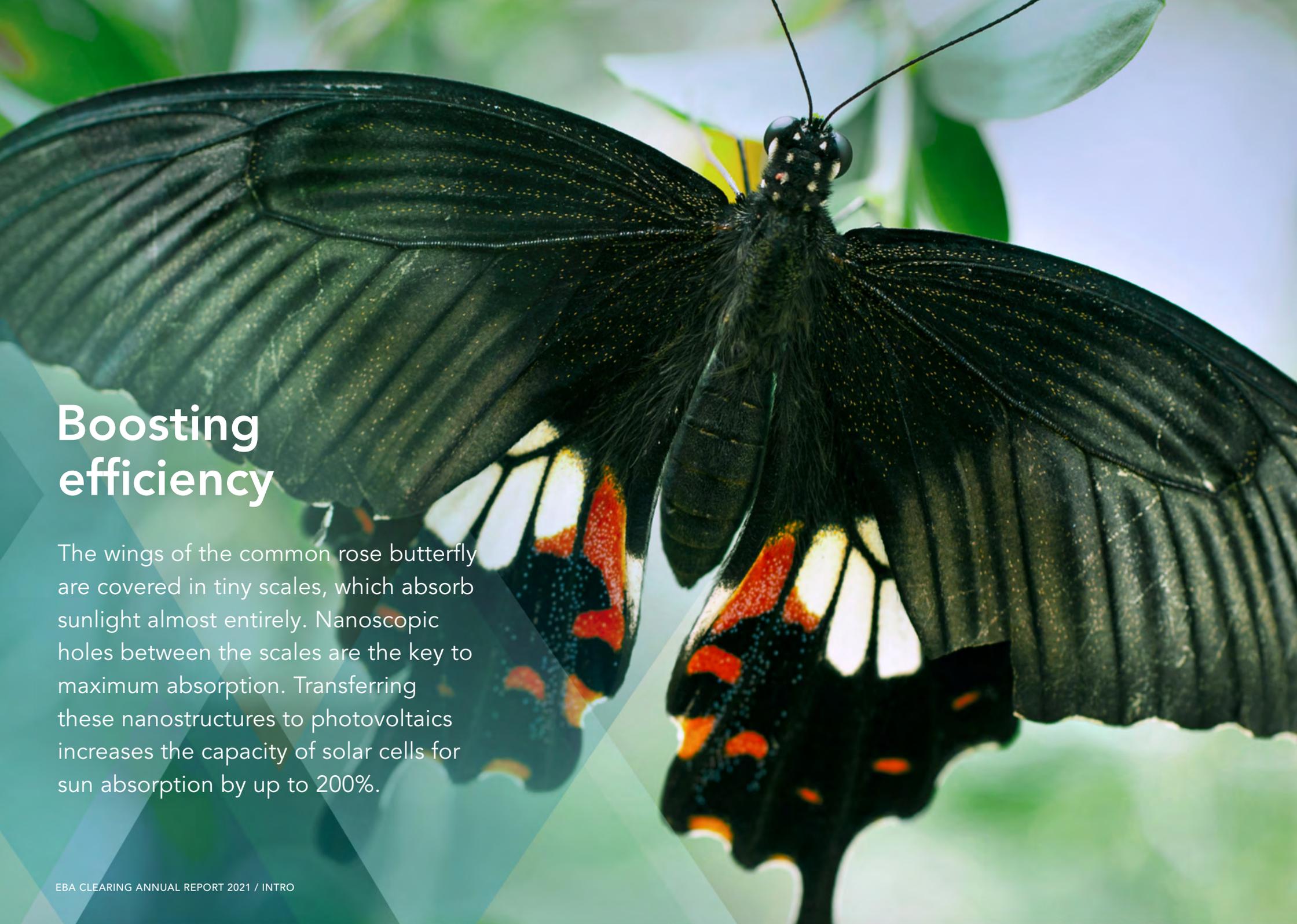
EBA CLEARING

ANNUAL REPORT 2021

Practitioners Creating
Pan-European
Payment Infrastructures

Agility by design

As it has no swim bladder, the Atlantic mackerel can quickly rise or sink in water, tucking its fins for extra speed. When schooling, mackerels use the stripes on their backs as feedback mechanism to align themselves with adjacent fish and match their speed.



Boosting efficiency

The wings of the common rose butterfly are covered in tiny scales, which absorb sunlight almost entirely. Nanoscopic holes between the scales are the key to maximum absorption. Transferring these nanostructures to photovoltaics increases the capacity of solar cells for sun absorption by up to 200%.

The background of the slide is a teal-to-blue gradient with several semi-transparent circular shapes. In the foreground, there are several dandelion seed heads. One is in sharp focus, showing its long stem and the delicate, feathery structure of its seeds. Other seed heads are visible in the background, some slightly out of focus, creating a sense of depth. The overall aesthetic is clean and natural.

Optimised for building reach

Thanks to the unique morphology of their characteristic featherlike hairs, dandelion seeds can maximise dispersal and germination.

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WELCOME

The Company's Mission and Strategic Aims

Our mission

EBA CLEARING's mission is to deliver market infrastructure solutions for the pan-European payments industry, to support its users' needs in line with user requirements.

The strategic aims of the Company are to ensure a **pan-European** and country-neutral approach for the development and delivery of infrastructure solutions, and to ensure **excellence** and **robustness** in delivering our services. EBA CLEARING will maintain its track record of timely delivery of **user-driven** solutions responding to evolving and new demands for infrastructure solutions, thereby demonstrating its **openness to stakeholders' needs** and **agility** in its role as a market infrastructure solutions provider.

Our objectives

EBA CLEARING aims to allow cost optimisation for its users, and is not seeking profit or shareholder value maximisation. In pursuing its mission, EBA CLEARING is guided by the objective to offer its users solutions that are fit for purpose and efficient, with a special focus on safety and ensuring compliance with regulatory and oversight requirements. EBA CLEARING recognises its role in supporting financial stability and promoting fair and efficient markets; it is committed to discharging these responsibilities.

E-U-R-O-P-A

Excellence

User-driven

Robustness

Openness to stakeholders' needs

Pan-European

Agility

Chairperson's Statement

In normal times, infrastructure systems attract little attention: they serve our daily needs as a highly efficient and mostly invisible fabric. In 2021, however, a number of these systems moved into the public spotlight, as Europe's continuing struggle against the Covid-19 pandemic was raising increasing concerns about their vulnerability and flexibility.



Some of these infrastructure systems took centre stage because of rising hospitalisation figures or due to their role in the vaccination campaigns that were being scaled up by public- and private-sector actors across Europe. Others attracted worries about their robustness and business continuity when the virus started to move the goalposts by becoming more easily transmissible.

It is fair to say that, in the second year of the pandemic, a few infrastructure systems revealed occasional, and in some cases even structural, weaknesses. But overall, Europe's infrastructure, from healthcare systems over public transportation to electricity or logistics providers, successfully demonstrated the levels of resilience and agility required to overcome the different chapters of this crisis as they unfolded – and continue to unfold.

The same can be said for Europe's payment systems, which served as a stable and reliable backbone to the continent's economy throughout the year. The SEPA retail payment systems, in particular, smoothly onboarded significant additional volume flows from the ongoing replacement of cash transactions by electronic payments, which was accelerated by changing payment and shopping behaviour during the pandemic.



At EBA CLEARING, the resilience of our financial market infrastructure continued to be our prime focus in both the Company's day-to-day operations and any strategic considerations.

At EBA CLEARING, the resilience of our financial market infrastructure, which includes two systemically important payment systems (SIPS), continued to be our prime focus in both the Company's day-to-day operations and any strategic considerations. At all times, major attention was given to the maintenance and development of the IT architecture of the Company's payment systems, the regular testing of business continuity arrangements as well as the monitoring and assessment of our risk environments, including in the area of cyber security. EBA CLEARING's office automation infrastructure and processes, which had enabled a seamless deployment of home office capabilities in 2020, were further strengthened in 2021.

The strengthening and enhancement of infrastructure were key drivers of the European payments industry's activities over the past year as well. The start of the migration to the continuous gross settlement (CGS) mechanism for the STEP2 SEPA Services in early 2021, the move of the RT1 technical account from TARGET2 to TIPS in late 2021, which helped RT1 Participants to fulfil the instant payment obligations of the European Central Bank (ECB), and the preparations for the ISO 20022 migration of TARGET2 and EURO1 in November 2022 required considerable implementation and changeover efforts. To optimally onboard its service users and their technical providers on these migration journeys, the Company deployed comprehensive information and testing programmes and designed a phased approach with six CGS migration windows for the STEP2-T community, thereby ensuring a risk-minimising completion of this effort well ahead of the ISO 20022 migration for large-value payment systems.

The goal of these major implementation and migration efforts is to pave the way for the development of faster end-user solutions, delivering payments around the clock. As a European-owned, European-governed and European-regulated market infrastructure provider, EBA CLEARING is optimally positioned to contribute key infrastructure components to innovative end-to-end solutions with a European identity and governance, as promoted by the European Commission and the ECB in their respective retail payments strategies.

Underpinned by the Company's pan-European DNA, the unique positioning of the EBA CLEARING Services is further reinforced by the organisation's relentless striving for evolving system functionality in line with user needs while minimising user impact and investments.

In practice, this means that, throughout any change process, utmost care is given to ensuring that our users can continue to rely on their existing, highly standardised service set-ups and interfaces, which preserves the benefits these bring in terms of resilience or liquidity efficiency. But, at the same time, users can also take full advantage of the new opportunities offered by migrated systems, such as RT1, STEP2-T and – soon – EURO1, through the functional enhancements put in place to unlock these opportunities.

It is with these considerations in mind that the EBA CLEARING Board, shortly after the introduction of instant payments in 2017, took the decision to embark the Company's two systemically important payment systems on a modernisation journey towards faster and more flexible payment output. We believe this approach is the most efficient way to support the ongoing

digitalisation and acceleration of the European payments ecosystem, because it introduces near-real-time processing and enhanced functionality for the biggest portion of the European payment business, without requiring users to move away from channels and services that are very robust and well embedded into their customers' business processes.

Thanks to the STEP2-T upgrade, in particular, our users should be able to focus their available resources and processing capacity for instant payments to those time-critical payments for which merchants and consumers are requesting innovative solutions, for example at the point of sale (POS) or in e-commerce. This is where instant availability of funds, instant reporting and 24/7 availability could make an important difference for merchants and consumers alike, removing the settlement risk for commercial transactions over the payment account.

To help users turn the instant payment rails into a game changer for e-commerce and POS transactions, we put at their disposal improved RT1 functionality in late 2021, which has allowed them to further simplify their daily handling of instant payments and manage all their traffic and liquidity 24x7 from one single place; this should enable the RT1 community to easily scale up their instant payment offerings as these are gaining



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further traction. In addition, they will be able to enrich their customer propositions with value-added services based on our request to pay messaging infrastructure system, R2P, which we delivered in June 2021. We think that the R2P Service, leveraging the performance and resilience of RT1, can play a pivotal role in enabling the creation of innovative end-user solutions for the above-mentioned use cases.

As we have learnt from the most prominent distribution challenges at the height of the pandemic, the build-up of any mass-scale infrastructure should be followed by practical pilots rather quickly in order to generate first learnings and subsequent system iterations.

Given the industry's heavily loaded implementation agenda for 2021 and this year, we will probably see first request to pay pilots in 2023 only. EBA CLEARING and its subsidiary PRETA, which has developed an RTP+ solution to ensure certainty with regard to the underlying payment, stand ready to support first movers in their request to pay-related efforts. As we have learnt from the most prominent distribution challenges at the height of the pandemic, the build-up of any mass-scale infrastructure should be followed by practical pilots rather quickly in order to generate first learnings and subsequent system iterations.

EBA CLEARING has adopted this approach for the Immediate Cross-Border Payments (IXB) initiative, which we jointly took forward with The Clearing House from the United States and SWIFT in 2021 and early 2022 at the request of our respective user communities. After a successful proof of concept in October 2021, which demonstrated the ability to synchronise settlement of real-time payment messages in one instant payment system with settlement in the other, the group of supporting banks grew to 24 institutions from both sides of the Atlantic. With their support, we are preparing to start a pilot by the end of this year. We trust that this pilot will provide valuable input for the development of a fully-fledged immediate cross-border payment service in 2023 for the U.S. dollar and euro corridor, which can be extended to other currency channels and more liquidity-efficient high-value payment systems, such as EURO1.

The Transatlantic exchanges that it took to progress this important initiative are only one of many examples where the Company, its partners, its user community and relevant stakeholders managed to multiply touchpoints and intensify interaction to nurture a continuous dialogue and concertation on relevant topics despite the Covid-19-related travel and meeting restrictions. Early 2022 saw a stepping up of alert levels and exchanges with EBA CLEARING's critical service providers, the Overseers of the EBA CLEARING Systems as well as with cyber security-related bodies and net-

works in the context of the Ukraine situation. I take this opportunity to thank our technology partners for their dedication and efforts throughout the period under report as well as to our Overseers for the continued constructive dialogue.

I would like to end this look back on 2021 with a big thank-you to all our shareholders and all service user representatives who have participated in our committees, expert groups, working groups and country group meetings: it is your engagement and your input that enable the Company to develop its services in line with your needs and expectations.

I am also very grateful to my fellow Board members, the management and the staff of this Company for their great commitment. On their behalf, I would like to stress that we look forward to continuing our fruitful co-operation and exchanges with all of you, for the benefit of our – your! – services and the wider ecosystem.



Michele Olin

CEO's Statement

As in previous years, EBA CLEARING has remained on its firm course of providing reliable, efficient and cost-effective payment infrastructure services on a daily basis and delivering pan-European service developments and projects on time and on budget.

The Company continued to pursue this course based on a user-driven and collaborative approach, with the aim to create value and cost savings for its user community and the wider industry.



Against the backdrop of Covid-19-related developments in 2021 and the current geopolitical disruptions, I am happy to report that these events have had no impact on the day-to-day operations of the Company's payment systems, which remained stable throughout 2021 and early 2022. In close coordination with our critical service providers and other relevant stakeholders, such as our Overseers, we have deployed different risk mitigation measures over the past year, including frequent adjustments of our cyber alert levels.

There were a few side effects of the Covid-19-related restrictions that EBA CLEARING had to manage during the period under report. As an organisation that thrives on bringing communities together to solve common problems, the Company had to intensify its coordination and communication efforts in the face of the pandemic to make sure that its infrastructure deliverables remained top-of-mind among the users supporting and implementing them. I am pleased to say that, in spite of these extra challenges, all development and implementation work in 2021 was completed as scheduled and all ongoing migration projects are progressing according to plan.

RT1, the infrastructure powerhouse for the instant payment ramp-up across Europe with nearly 2,600 users, certainly went through the most comprehensive changeover in 2021. As first movers to the liquidity

I am pleased to say that, in spite of these extra challenges, all development and implementation work in 2021 was completed as scheduled and all ongoing migration projects are progressing according to plan.

funding set-up for instant payments in TIPS, RT1 Participants were able to use the new 24/7 funding capabilities from the start. Thanks to the upgrades introduced to the RT1-TIPS functionality, participants are now in a position to manage their liquidity and transaction flows for instant payments in one single place, which has helped them to optimise their liquidity efficiency in preparation of the further expansion of their instant payment activities. They are also able to take advantage of a single connection to save costs and implementation effort.

RT1 has continued to see a considerable rise in transaction volumes and participation: following a year-on-year volume growth of 75% in 2021, it currently processes 1.7 million transactions per day on average and counts 80 participants from 25 countries. If we look at the STEP2 SEPA Credit Transfer volumes that these same payment service providers process today, they represent around 80% of the pan-European traffic.

Today, we understand that most of the transactions processed over instant payment rails are migrated SEPA Credit Transfers that benefit from being faster, such as urgent payments and person-to-person payments. Going forward, however, we believe these rails will become very popular for commercial retail transactions, provided there are solutions to capture them quickly and securely. That is why we continue to put a lot of effort into developing additional components that will help to leverage these rails for e-commerce and point of sale use cases. The delivery of our pan-European request to pay messaging infrastructure service, R2P, contributed one key piece of the puzzle. Our ongoing exploratory work on advanced fraud detection and prevention mechanisms based on data unique to the payments in our SEPA Systems may result in further deliverables.

Based on the latest feedback from our R2P frontrunners, we expect to see first pilots combining the benefits of request to pay and instant payments in 2023. This is a bit later than we had hoped, due to delays in scheme implementation, and diversion of resources to other industry initiatives and regulatory requirements. Our ideation contest in June 2021 provided special insights into the vast range of product opportunities that could be delivered based on this powerful toolset and it will be exciting to see which propositions will be the first to materialise, and get the momentum going.

Thanks to the Europe-wide standards and rules that the SEPA Request-to-Pay Scheme has set for the interaction between service providers and the ongoing work on application programming interfaces, it should also be relatively easy to take successful local solutions to a pan-European level or even connect them to other solutions. We are confident that the performance of R2P, built on the RT1 rails, will be fit for even the most demanding use cases, like POS and e-commerce. It is becoming clear these will be game changers for the European economy, and R2P can enable extremely fast and predictable account-driven payment solutions to consumers and businesses.



We are currently working with the STEP2 user community on a detailed roadmap for the adoption of these improved service levels, which should pave the way for a wide roll-out to end users in the near future.

The approach of taking successful solutions to the next level is also a fitting description for the work we have been taking forward with regard to our STEP2-T System. The industry's pre-eminent platform for processing SEPA transactions saw its transaction volumes increase by over 10% in 2021 and also witnessed a continued growth in participant numbers. This growth has continued into 2022 so far.

With the activation of the continuous gross settlement mechanism in April 2021 and additional enhancements to be implemented in 2022, the system will be ready to process SEPA transactions around the clock, seven days a week, and to provide settlement results to service users within minutes. This will enable participants to shorten end-to-end processing timelines for retail payments in euro from hours to minutes, for the benefit of European businesses and consumers. We are currently working with the STEP2 user community on a detailed roadmap for the adoption of these improved service levels, which should pave the way for a wide roll-out to end users in the near future.

The participants in our other systemically important payment system, EURO1, will be able to reap the opportunities offered by a uniform and widely used messaging standard and extended opening hours in the near future as well. The major changeover programme to the ISO 20022 standard continued according to plan and in close alignment with the TARGET2 project throughout 2021 and early 2022. This has allowed our

users to minimise project costs and will make it easy for them to switch payments from one large-value payment system to the other, as business needs require.

While EURO1 participant figures have seen a small decline over the past year, processing volumes have remained stable at a daily average of close to 175,000 transactions. EURO1 continues to provide liquidity savings, resilience and choice in euro large-value payments to its user community, which is currently exploring how to optimally use the system as a back-up option in case of a crisis. At the request of the participants, we introduced new functionality in December 2021, which allows EURO1 Banks to opt for a daily overnight return of their liquidity shares.

Due to its extraordinary liquidity efficiency, EURO1 is also being considered for inclusion in a future phase of the Immediate Cross-Border Payments (IXB) initiative, which we have been jointly progressing with The Clearing House and SWIFT over the past year. We were pleased to see the group of supporters from both sides of the Atlantic grow to 24 banks after our successful proof of concept last autumn and are eager to kick off a first pilot by the end of this year. The approach to re-use existing payment infrastructures, standards and tools for a cross-border payment concept that can be replicated across other currency

corridors is fully in line with our philosophy to leverage existing building blocks and minimise connection efforts for potential participants. We trust that this approach will make a future IXB solution attractive for users of all sizes.

The IXB initiative is aimed at tackling the pain points outlined by the Committee on Payments and Market Infrastructures and Financial Stability Board for enhancing cross-border payments. It also responds to the goal of the European Commission's Retail Payments Strategy to support the international role of the euro by contributing to improving the cost-efficiency of international payments. We therefore expect that these authorities in turn will support this and other market initiatives by working towards more international harmonisation in areas such as sanction-screening.

EBA CLEARING will continue its open exchange with other industry players and stakeholders on this and many other payments ecosystem topics and contribute practical input to different advisory bodies. As the remaining Covid-19-related travel and meeting restrictions are being lifted, we are looking forward to the enhanced dynamics that in-person meetings should bring to these exchanges and cooperative initiatives. I take this opportunity to thank all the participants in our user say bodies and community groups for the contributions they provided to the nearly 70 meetings that we held, mostly in an online format, in 2021 alone.

The approach to re-use existing payment infrastructures, standards and tools for a cross-border payment concept that can be replicated across other currency corridors is fully in line with our philosophy to leverage existing building blocks and minimise connection efforts for potential participants.

I would also like to thank our staff for putting in the extra effort and demonstrating the considerable flexibility that were needed to successfully deal with the exceptional circumstances we witnessed over the past two years. This commitment did not only result in the many service-related achievements detailed above but also in the timely execution of a number of internal modernisation projects with regard to the Company's IT and office automation environments. As in previous years, we also conducted numerous resilience and crisis management exercises and successfully completed a number of cyber security-related tests, including the Threat Intelligence-Based Ethical Red (TIBER-EU) teaming exercise carried out with the European Central Bank as Competent Authority.

The financials of EBA CLEARING are robust, with cash levels covering the liquidity requirements set for SIPS operators by the SIPS Regulation and enabling the Company to finance some continuing investments itself, without any recourse to shareholders or bank credit lines.

I am happy to conclude that EBA CLEARING looks back on a very successful year 2021 and is well-positioned and ready to embrace the deliverables our shareholders and users expect us to contribute to the evolution of the pan-European payments ecosystem. By the end of 2022, our users will be running their EURO1 and STEP2 traffic over much-enhanced payment rails, will start piloting cross-border transactions in the U.S. dollar and euro corridor via RT1 and will be preparing for first request to pay propositions via R2P. We look forward to tackling these and any further deliverables in cooperation with our user community and our technology partners as well as relevant stakeholders, for the benefit of European citizens and companies.



Hays Littlejohn

THE COMPANY'S ACTIVITIES IN 2021

AND OUTLOOK FOR 2022

The period under report is
1 January 2021 – 31 December 2021.
The outlook for 2022 is included
for information.

SERVICES

Ready 24/7

Except when nesting, common swifts spend their lives in the air. They eat, drink and sleep in the air; some of them spend up to 10 months in flight without landing.



Introduction

Service developments

Throughout the period under report, EBA CLEARING delivered best-of-breed payment infrastructure services to a large European user community on a daily basis and in accordance with the highest levels of resilience.

While transaction volumes in EURO1 remained stable in 2021, volumes across the STEP2 SEPA and Card Clearing Services as well as in RT1 continued to increase significantly. Throughout the year, EBA CLEARING handled the settlement of 17.2 billion transactions across all services.

EBA CLEARING payment services:

Evolution of annual transaction volumes and values in 2020/2021

Service	2020		2021		Evolution	
	Volume*	Value*	Volume*	Value*	Volume	Value
EURO1	44.33m	49,542bn	44.11m	46,442bn	-0.52%	-6.26%
STEP1	1.92m	409bn	1.23m	227bn	-35.72%	-44.57%
STEP2 SCT	4.94bn	14,837bn	5.64bn	17,742bn	+14.06%	+19.58%
STEP2 SDD Core	7.27bn	1,346bn	7.95bn	1,500bn	+9.48%	+11.44%
STEP2 SDD B2B	84.94m	744bn	89.95m	813bn	+5.89%	+9.28%
STEP2 CC	2.89bn	138bn	3.04bn	144bn	+5.06%	+3.93%
RT1	243.07m	126bn	428.85m	281bn	+76.43%	+122.92%
Total	15.47bn	67,142bn	17.19bn	67,149bn	+11.12%	+0.01%

* Rounded figures, all values in EUR

2021 saw the activation of the continuous gross settlement (CGS) mechanism in the STEP2 SEPA Services as well as the kick-off of the user migration to this settlement mode. Together with its RT1 user community, the Company successfully completed another major migration exercise by December 2021, which consisted in the move of the RT1 technical account from TARGET2 to TIPS. Preparations for the migration of EURO1 to the ISO 20022 messaging standard continued to be taken forward in close coordination with the participants and in alignment with the TARGET2-related planning.

The period under report also witnessed the delivery of the first version of the Request to Pay (R2P) Service in June 2021 for the launch date of the relevant EPC Scheme, as well as the go-live of the Overnight Return Function in EURO1 in December 2021. Together with The Clearing House and SWIFT, EBA CLEARING also successfully carried out a proof of concept as part of a new initiative, Immediate Cross-Border Payments (IXB), which demonstrated that existing regional instant payment systems can be leveraged for cross-border payments.

Furthermore, EBA CLEARING continued to enhance its current systems through planned service releases. As in previous years, the release planning was based on an annual change request process involving input to and from the user consultation bodies of the respective services. The relevant user say bodies also closely accompanied the implementation of the different releases.

User information and interaction

EBA CLEARING held four EURO1 Business Committee and two STEP2 Business Committee meetings in 2021. The various other service user and expert groups also met according to schedule. In addition, over 30 user community meetings were organised with service participants from 13 countries. Nearly all user meetings in 2021 took place in a digital format.

To accommodate Covid-19-related travel and meeting restrictions, EBA CLEARING further organised various online information sessions and onboarding meetings to support its service users in preparing for the November releases and to help coordinate the user migration to the STEP2-T CGS mechanism and the new set-up of the RT1 technical account in TIPS.

As part of the EURO1/STEP1 ISO migration project, the participant community was provided with information sessions on the planned changes and the set-up of the future system. EBA CLEARING also stayed in contact with the EURO1 Participants and kept track of the project progress via readiness questionnaires.

Since these events were very popular – with up to 300 registrations per session – the Company continued to expand this information channel in 2022, offering web sessions on the EURO1 ISO migration, the STEP2-T CGS migration as well as on the STEP2-T and RT1 releases for 2022.

As in previous years, the Company also pursued its regular relationship meetings with large users of the EBA CLEARING Services.

Industry engagement and communication

The Company contributed to collaborative industry initiatives and bodies fostering the pan-European development of instant payments and request to pay. At industry conferences and roundtables, the Company regularly provided updates on this work, as well as on its ISO 20022 migration preparations and Immediate Cross-Border Payments (IXB) initiative.

Communication highlights included Sibos monthly and Sibos TV contributions in cooperation with The Clearing House and SWIFT as well as joint press releases with both parties in October 2021 and April 2022 to report on the progress made by the IXB initiative. In June 2021, the Company organised an R2P ideation contest with seven participants as a side ses-

sion preceding the opening of the EBAday conference. The ideation videos were published on the microsite detailing the RT1 by-country reach and promoting instant payments and request to pay via bank testimonials. In January 2022, a thought leadership piece on the opportunities that existing building blocks, such as instant payments, application programming interfaces (APIs) and request to pay, offer for the creation of programmable money propositions was published.

EURO1 Service

The private-sector LVPS
for euro payments
providing liquidity savings,
resilience and choice

1 Overview

EBA CLEARING's large-value payment system continued to reliably serve its participants during the period under report as the resilient and cost-effective RTGS-equivalent system for single euro payment transactions that allows participants to optimise liquidity efficiency.

The implementation of the Company's programme for the future positioning of EURO1 continued according to plan. It involves the introduction of extended opening hours for the system, the migration to ISO 20022 message standard and the adaptation of EURO1 procedures to reflect changes related to the T2/T2S Consolidation project.

The live implementation is scheduled for 21 November 2022 as a big bang introduction, coordinated with the live implementation of the T2/T2S Consolidation project. Throughout the period under report, EBA CLEARING continued to ensure optimal alignment with the TARGET2-related planning and deliverables in order to minimise participant efforts and to support seamless rerouting of payments between the future services.

2021 saw the introduction of functionality enabling a daily pay-out and pay-in of the liquidity pool shares in EURO1, which allows participants to opt for a daily overnight return of their liquidity pool shares. This Overnight Return Function came into effect on 1 December 2021.

At the request of the EURO1 user community, the Company also started an initiative aimed at assessing the procedures to be put in place for the use of EURO1 as a non-similar back-up in case of a temporary unavailability of TARGET2.

BENEFITS

Immediate finality of processed payments

Minimal counterparty exposure
managed by participants

Optimal liquidity recycling

Operational robustness and resilience

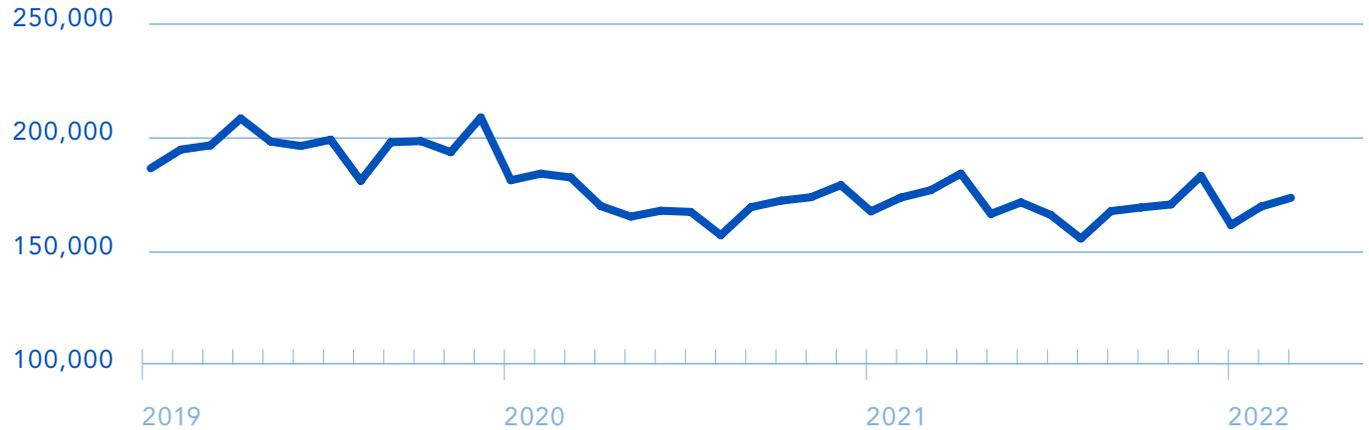
Liquidity-saving advantages of
a multilateral system

2 Evolution of EURO1 volumes, values and participation

In 2021, the transaction volumes processed in EURO1 remained at the level witnessed during the first year of the Covid-19 pandemic. The average daily transaction value declined by 6% during the same period, after a 2% increase in 2020.

Service participation went from 39 in 2020 to 36 in 2021, reaching 35 in Q1 2022.

AVERAGE DAILY VOLUME OF PAYMENTS PROCESSED



AVERAGE DAILY VOLUME

173,593 transactions

AVERAGE DAILY VALUE

€ 198 billion

REACH

Close to 6,000 participant BICs and over 10,000 additional BICs reachable via EURO1/STEP1 Participants

PARTICIPATION

35 Participants
36 Sub-Participants

3

Progress on EURO1 future positioning and ISO 20022 migration

System development work for the ISO 20022 migration of EURO1 continued as planned in 2021, with users starting their functional testing of the future system in December. Testing has been proceeding in accordance with the underlying schedule and has been flanked by a number of supporting measures, including a stepping-up of user communication and information sessions offered to EURO1 Participants as well as to their confirmed suppliers and service bureaus.

The development and testing programme covers the alignment with T2 RTGS message formatting and changes related to the extension of the EURO1 opening hours. The latter are in line with the Company's objective to further strengthen the strategic value that EURO1 holds for its user community as a highly liquidity-efficient, cost-effective and resilient service for large-value payments.

As part of these efforts, EBA CLEARING will expand the availability of the EURO1 Liquidity Bridge to optimally assist users in their liquidity management. The Company also remains strongly committed to helping its participants streamline the management and monitoring of their payment and liquidity flows across the different EBA CLEARING Services they use.

4

System developments in 2020 and 2021

In light of the ongoing implementation of the ISO 20022 migration project, the service release in November 2021 was restricted to minor technical updates and included no functional changes.

On 1 December 2021, the EURO1 Overnight Return Function was successfully introduced into the system. This optional functionality allows EURO1 Participants to request the overnight return of the cash deposit representing their liquidity pool share. The deposit is paid out to the participant after the closing of the EURO1 business day and paid in again on the following business day prior to the start of EURO1 processing. The new function was implemented at the request of and in close consultation with the EURO1 Business Committee and the Treasury and Liquidity Group.

In 2022, all system development activities for EURO1 will focus on the development, testing programme and live implementation of the ISO 20022 migration project as well as on the adaptation of any system procedures to ensure alignment with the T2/T2S Consolidation project.

LIVE DATE

4 January 1999

TECHNICAL OPERATOR

SWIFT

LEGAL BASIS

Identified by the ECB as SIPS

ECB SIPS Regulation fully applicable

FUNCTION

Large-value payment system

RTGS-equivalent net system

Settlement in TARGET2 via ASI-4 at processing cut-off time

STEP1 Service

A turn-key solution for single euro payment processing

The STEP1 Service offers a direct and cost-effective access to a highly resilient single euro payment processing platform. With its limited joining and running costs as well as its wide reach, STEP1 provides a low-investment solution for the exchange of non-SEPA euro transactions with all key payment banks operating in Europe.

There was a decrease in the number of STEP1 Participants during the period under report, which was mainly due to the continuation of industry consolidation across Europe.

EVOLUTION OF AVERAGE DAILY VOLUME OF PAYMENTS PROCESSED



AVERAGE DAILY VOLUME

4,057 transactions

AVERAGE DAILY VALUE

€1 billion

BENEFITS

Pan-European access and extensive reach

Operational simplicity and low costs

Full resilience and flexibility

FUNCTION

Single euro payment service for commercial transactions, mainly used by medium-sized and smaller banks

EURO1 Banks act as settlement banks for STEP1 Participants

LIVE DATE

21 November 2000

TECHNICAL OPERATOR

SWIFT

The number of STEP1 Participants decreased during the period under report, which was mainly due to the continuation of industry consolidation across Europe.

PARTICIPATION

13 Participants
4 Sub-Participants

REACH

Close to 6,000 participant
BICs and over 10,000
additional BICs reachable
via EURO1/STEP1
Participants

STEP2 SEPA Services

Reaching all corners of SEPA
for retail payments

1 Overview

A cornerstone of the Single Euro Payments Area (SEPA), the STEP2-T System provides full reach to the European payments industry, processing very high volumes of domestic and cross-border euro credit transfers and direct debits in a reliable, cost-effective and disruption-free manner. Its position as a strategically important infrastructure for a number of communities and individual payment service providers across Europe was further strengthened by the continued growth in participation numbers during the period under report.

In terms of service development, 2021 saw the activation of the continuous gross settlement (CGS) mechanism in the STEP2-T System as well as several other upgrades. The CGS mechanism and the existing cycle-based settlement model will co-exist until July 2022 to enable a phased, risk-minimising migration of the large STEP2 user community. The migration to the new settlement mechanism successfully started in June 2021 with the first eight participants moving to CGS.

The move to CGS will be followed by further upgrades to the STEP2-T System in 2022. Together, these enhancements will enable the STEP2 SEPA Services to process payment transactions around the clock, seven days a week, and to provide settlement results to participating banks within minutes.

BENEFITS

Full reach across Europe

Highly resilient and robust processing infrastructure

Rich and flexible functionality

Low-cost processing

Pan-European approach to service development

LIVE DATES

SCT: 28 January 2008

SDD Core and SDD B2B: 2 November 2009

TECHNICAL OPERATOR

Nexi Payments

2 Evolution of STEP2 volumes and participation

Daily average volumes in the STEP2 SEPA Services climbed by 11% in 2021 to 53 million transactions processed per day on average.

AVERAGE DAILY VOLUME

SCT

22.1 million transactions

SDD CORE

31.1 million transactions

SDD B2B

360,585 transactions

AVERAGE DAILY VOLUME

SCT

€75.9 billion

SDD CORE

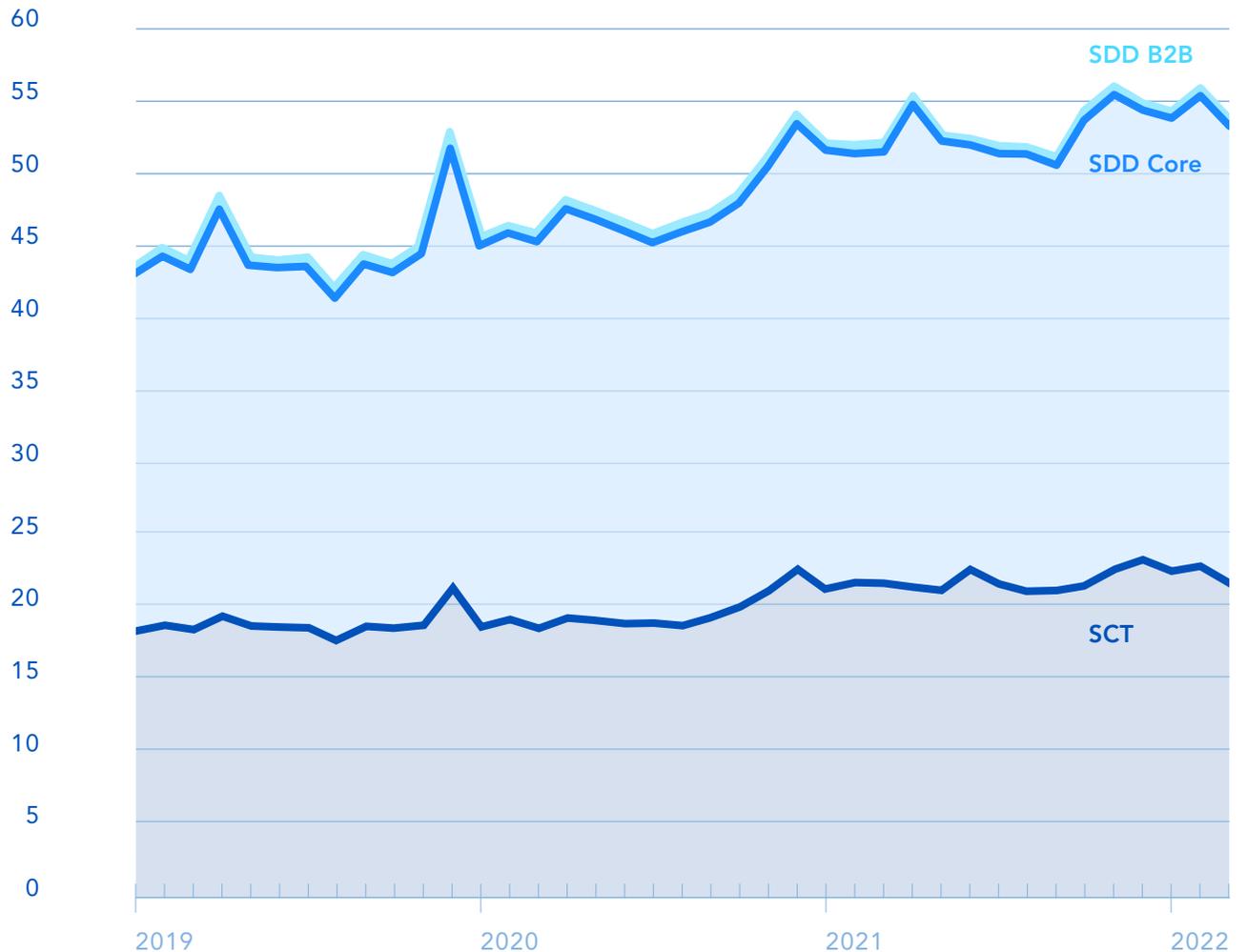
€6.2 billion

SDD B2B

€3.4 billion

EVOLUTION OF AVERAGE DAILY VOLUME OF PAYMENTS PROCESSED

million



A substantial part of this continued growth throughout 2020 and 2021 was driven by changes in customer behaviour triggered by the Covid-19 pandemic and related restrictions. These changes led to a significant rise in e-commerce transactions as well as in electronic payments at the point of sale, many of which are settled through SEPA Credit Transfers or Direct Debits.

Participation in the STEP2 SEPA Services continued to grow throughout 2021 and early 2022, with seven participants joining the STEP2 SEPA Credit Transfer (SCT) Service, three participants joining the STEP2 SEPA Direct Debit (SDD) Core Service and three participants connecting to the STEP2 SDD Business-to-Business (B2B) Service.

The STEP2 SEPA Services continued to extend full reachability to financial institutions across the Single Euro Payments Area.

PARTICIPATION

SCT

156 Participants

SDD CORE

114 Participants

SDD B2B

94 Participants

Status: March 2022

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3 Successful activation of continuous gross settlement mechanism

Following the technical delivery of CGS for the STEP2 SEPA Services in November 2020, EBA CLEARING intensified its preparations for the activation of the new settlement mechanism and the phased migration of its user community, which began on 22 June 2021. A key focus was put on assisting service participants in their move to the new settlement mechanism. Two of the migration windows were scheduled for 2021 with four additional windows following in 2022. A number of information and onboarding sessions were organised in support of the testing activities and other preparations related to the migration.

REACH

SCT

Close to 4,700 Reachable BICs

SDD CORE

Close to 3,700 Reachable BICs

SDD B2B

Close to 3,100 Reachable BICs

THE STEP2-T SYSTEM IS FULLY INTEROPERABLE WITH 15 OTHER CSMs.

CGS allows service participants to settle STEP2 SEPA payments at any time the settlement windows are open, provided the participant has enough liquidity to cover its outgoing credit transfers or incoming direct debits. The continuous settlement mechanism paves the way for STEP2 users to offer improved service levels to their customers with bulk payments being processed in near real-time. Participants can also tap into a wider range of liquidity management functionalities and align their liquidity management across different EBA CLEARING Services.

The user community's phased migration from the cycle-based settlement mode to CGS will be completed in July 2022. The co-existence period from June 2021 to July 2022 was designed to minimise changeover risks in light of the industry's loaded implementation agenda in 2021 and 2022. It has enabled individual banks and communities to choose their preferred migration window in relation to their other ongoing projects.

4 System developments in 2021 and outlook on 2022

As in previous years, EBA CLEARING continued to pass on the benefits of the significant economies of scale generated by STEP2 to the service users in terms of cost savings, keeping transaction prices at a low level.

SETTLEMENT

During a transition period until July 2022, STEP2 offers two settlement mechanisms:

Cycle-based settlement:

simultaneous settlement on a gross basis of all euro bulk payment orders included in a settlement cycle. Positions are settled on STEP2 Participants' TARGET2 RTGS accounts via ASI-4 or ASI-6 Interfaces (night-time settlement).

Continuous gross settlement (CGS):

real-time gross settlement mechanism providing for the continuous execution of euro bulk payment orders. Participants maintain a funds balance in the system, which is adjusted upon release of each bulk payment order and funded from the participant's TARGET2 RTGS account via ASI-6 Real-Time in central bank funds.

A functional release was put in place in November 2021, which mostly focused on updates related to the EPC SCT Scheme Rulebook and the introduction of additional self-provisioning capabilities. In addition, the system was upgraded to a new version of the EBICS protocol.

From the second quarter of 2022 on, participants in the STEP2 SEPA Services will have the possibility to use the STEP2 application programming interfaces (APIs) for static data and liquidity management over the SWIFT network. At the same time new queries will be introduced to enable STEP2-T users to monitor the amount of available liquidity in the system as well as the status of their payment orders in real time.

The June 2022 enhancements to the STEP2-T liquidity management and reconciliation will be complemented by a second release scheduled for November 2022, which will include the connection of STEP2-T to the new TARGET2 RTGS system. This release will introduce new features supporting extended opening hours, faster settlement, and cross-service liquidity management for the STEP2 SCT and SDD Services. It will also bring further improvements to the self-provisioning capabilities, which will help participants manage their configuration parameters.

Thanks to the major upgrade that the CGS migration and the 2021/2022 enhancements represent for the STEP2-T System, users will be able to reliably process large payment volumes at near-real-time speed and around the clock. These gains in output speed and availability will allow the participants in the STEP2 SEPA Services to shorten end-to-end processing timelines for retail payments in euro from hours to minutes, for the benefit of European businesses and consumers. In consultation with the user community, EBA CLEARING is working on a detailed roadmap for the adoption of these improved service levels, which should pave the way for a wide roll-out to end users.

FUNCTION

ACH Services processing SEPA Credit Transfers and SEPA Core and Business-to-Business Direct Debits, which offer full pan-European reach to all financial institutions adhering to the respective EPC Scheme Rulebooks

LEGAL BASIS

Identified as SIPS under the ECB SIPS Regulation

Compliant with the respective EPC Scheme Rulebooks and Implementation Guidelines

RT1 Service

The leading
pan-European infrastructure
for instant payments

1 Overview

A key facilitator of real-time payment connectivity and the build-up of critical mass across Europe, the pan-European instant payment infrastructure system RT1 saw a continued steep ramp-up of participation and volumes during the period under report.

EBA CLEARING maintained its focus on managing the onboarding of its users and on supporting them in scaling up their instant payment activities. Major emphasis also continued to be placed on driving the development of system functionality and support tools through semi-annual system releases, in response to user needs and regulatory requirements.

In 2021, this development work was mainly aimed at helping RT1 users to take full advantage of the 24/7 liquidity management capabilities introduced by the move of the RT1 technical account to the Eurosystem's TIPS Service, by leveraging their existing RT1 connectivity. The migration of the RT1 Participants to this new set-up was successfully completed by the Company in December 2021. EBA CLEARING and the RT1 user community had opted to use the first possible migration window for RT1 to become an ancillary system in TIPS.

During the period under report, the Company also continued to contribute to industry initiatives geared at growing and further developing the real-time payments ecosystem and enabling well-functioning end-to-end processes.

BENEFITS

24/7 non-stop service

End-to-end processing within less than 5 seconds

Full settlement certainty

Future-proof in terms of scalability and flexibility

Use case-agnostic design

Liquidity-efficient arrangements and 24/7 liquidity management

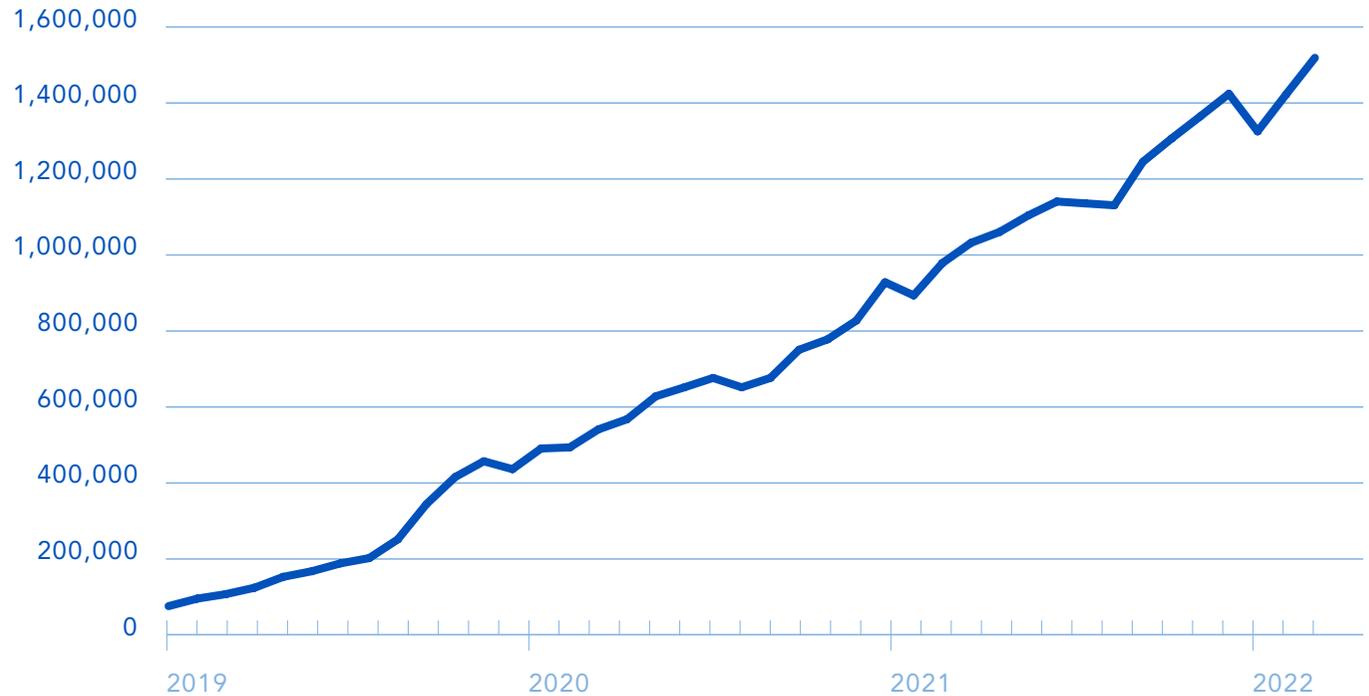
2 Evolution of RT1 volumes and participation

In 2021, RT1 volumes grew by 76% compared to 2020. On average, the system processed 1.17 million transactions per day with a value of EUR 770 million. RT1 transaction values saw a year-on-year 123% increase.

During 2021, the system witnessed several peak days with over 2 million transactions. A new peak record was reached on 30 November 2021 with 2,096,722 transactions settled on that day. A new record for the value of transactions processed was achieved on 13 December 2021 with EUR 1,878,872,841.57 successfully processed on that day.

Since March 2022, RT1 has been processing over 1.5 million transactions per day on average, all across Europe. The proportion of rejected transactions has dropped below 2% and each transaction is processed in around one second on average.

EVOLUTION OF AVERAGE DAILY VOLUME OF PAYMENTS PROCESSED



AVERAGE DAILY VALUE

€1.1 billion

AVERAGE DAILY VOLUME

1.5 million transactions

3

Continuous build-up of SCT Inst reach across Europe

RT1 offers full reach for instant payments to all payment service providers that adhere to the SCT Inst Scheme. In line with the rising adoption rate for euro instant payments across Europe, the service continued to further expand its pan-European reach during the period under report. By the end of February 2022, RT1 was extending reach to close to 2,600 payment service providers from 25 European countries through 80 participants.

PARTICIPATION

80 Participants

REACH

RT1 extends reach to close to 2,600 PSPs from 25 SEPA countries, which are addressable via the 80 participants connected to the service

Prior to 2021, RT1 had already established connectivity with nearly all national clearing and settlement mechanisms (CSMs) offering instant payments in euro. The possibility for PSPs to leverage their technical connection to a national CSM for the exchange of SEPA-wide instant payments via RT1 helps to provide local communities with pan-European reach and has been boosting cross-border connectivity for instant payments. This reach-building set-up is based on robust, reliable and cost-effective connections across systems and avoids the introduction of new risks or legal uncertainties with regard to payment finality. Through the reachability measures taken by the ECB in 2021 and early 2022, further progress in this respect was made, with RT1 users increasing their reach by 3–5%.

4

Successful migration of RT1 technical account to TIPS

During 2021, EBA CLEARING and the RT1 user community devoted major efforts to the migration of the RT1 technical account from TARGET2 to TIPS. The migration involved comprehensive deployment and testing activities supported by a communication campaign including RT1 Participants and their technical providers. With the successful completion of this changeover on 10 December 2021, RT1 became the first CSM to be compliant with the reachability requirements of the European Central Bank and to enable its service participants to fully comply with these new obligations as well. By being an early adopter, the Company was in a position to actively contribute to the deployment phase, to the benefit of the euro payments ecosystem.

This migration marked a significant milestone for the SEPA instant payments ecosystem, thanks to the 24/7 liquidity management facilitated by the new environment.

5 Enhancement of instructing party function

At the request of the RT1 community, EBA CLEARING introduced a number of enhancements in 2021 to enable service users to take full advantage of the new capabilities opened up by the RT1 technical account migration. A major focus was put on supporting RT1 Participants in simplifying their daily handling of payment flows and liquidity across different systems. To this effect, the Company introduced improvements to the RT1-TIPS Instructing Party Function, which has been providing RT1 Participants with a single interface for sending and receiving transactions settling in RT1 or in TIPS since 2018.

Users of the Instructing Party option are now able to manage not only real-time messages but also all their liquidity for instant payments via this single interface. Further enhancements included the introduction of functionality that allows the settlement of instant payments across both systems. With the consolidated transaction flow and liquidity management opportunities offered through these improvements, EBA CLEARING aims to help RT1 Participants to minimise complexity for their internal network and system arrangements, which allows users to optimally leverage their infrastructure investments.

By December 2021, two third of the RT1 Participants, representing more than 90% of the RT1 volumes, relied on the enhanced Instructing Party option to manage their payments across both systems.

6 System developments in 2021 and outlook on 2022

In addition to the changes mentioned above, RT1 also saw the implementation of updates brought to the EPC SCT Inst Scheme Rulebook and improvements to the participant workstation requested by the RT1 Participants as part of the annual user consultation process. The RT1 System was also upgraded to the latest version of the EBICS protocol.

In light of the ISO 20022 and CGS migration processes to be completed in 2022 by the EURO1 and STEP2-T user communities respectively, RT1-related changes for 2022 will be kept to a minimum. The Q2 2022 release will introduce further improvements to the exchange of messages between RT1 and TIPS while the Q4 2022 release will bring enhancements to the investigation process, the management of routing tables and self-provisioning capabilities. This release will also enable participants to leverage the RT1 application programming interfaces (APIs) over SWIFTNet.

FUNCTION

Pan-European 24/7/365 real-time payment system open to any AS-PSP adhering to the EPC SCT Inst Scheme

Transactions are processed in real time and settled with instant finality in the system. Participants maintain a position in the system, which is adjusted upon release of each payment transaction. The position of each participant is funded in central bank funds.

LEGAL BASIS

Full compliance with the SCT Inst Rulebook and Implementation Guidelines of the EPC, including validation

Fully protected by the Settlement Finality Directive

LIVE DATE

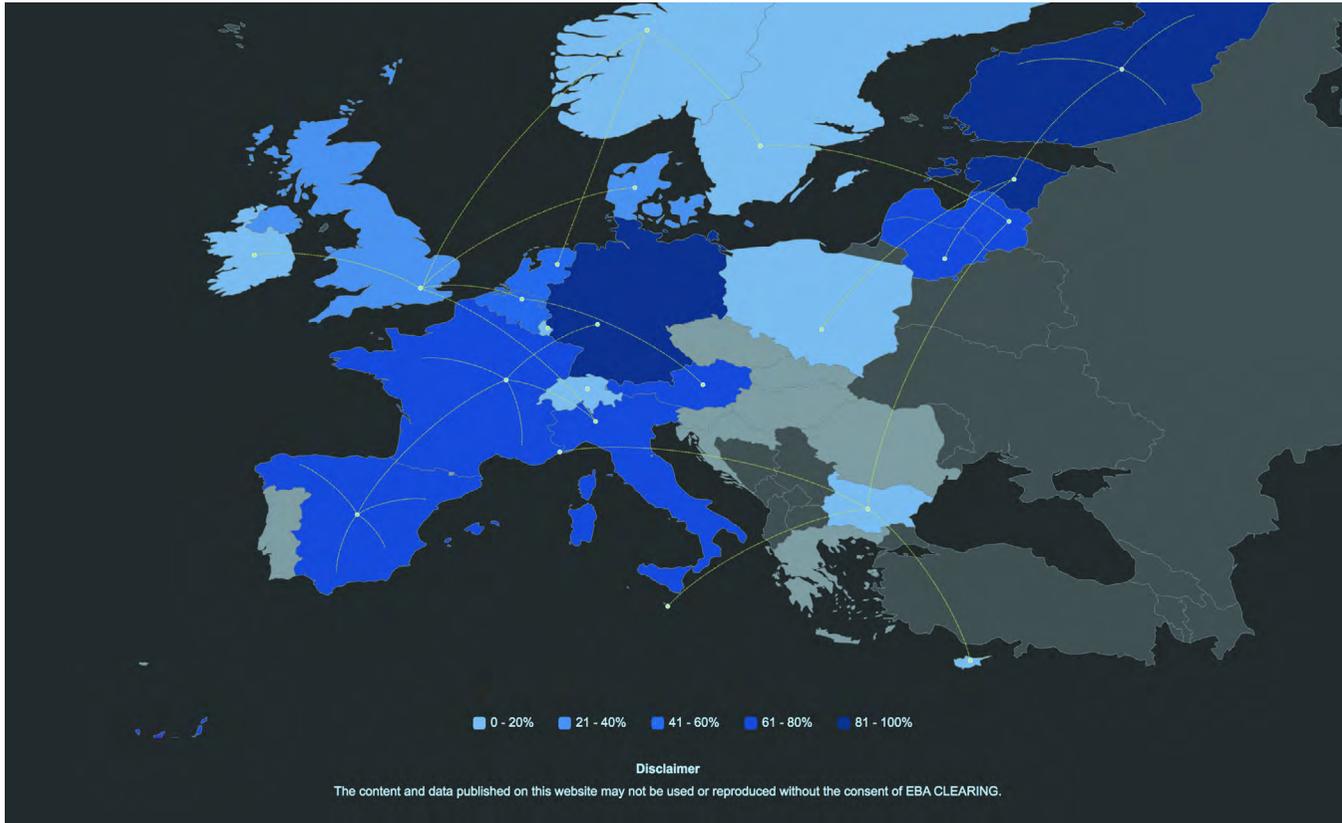
21 November 2017

TECHNICAL OPERATOR

Nexi Payments

RT1 Reach ramp-up

The map illustrates how the RT1 ramp-up is progressing throughout Europe and shows the percentage of STEP2 SCT traffic by PSPs addressable in RT1. Upon click, it also provides more detailed statistics for each country.



**7
Contribution to industry debates**

EBA CLEARING has been fostering an open exchange on real-time payment matters with other industry players and stakeholders, participating in the AMI-Pay, the ECB’s advisory group on market infrastructures for payments, as well as the TIPS consultative group and ad hoc workshops by the Eurosystem on pan-European reachability. The Company is also a member of the EPC Scheme Technical Forum (ESTF) and the EPC Scheme Evolution and Maintenance Standards Task Force (SEMSTF).

EBA CLEARING further contributed to other industry bodies and fora, such as the Real-Time Payments Group (RTPG; the group under the ISO 20022 standardisation body focussing on ISO messages for real-time payments) and the Global Real Time / Instant Payment Group. In 2021, EBA CLEARING also started to take part in the Payments Systems Market Experts Group organised by the European Commission.

R2P Service

The missing piece
of the puzzle

1 Overview

In 2021, EBA CLEARING launched its pan-European Request to Pay Service (R2P), coinciding with the EPC SEPA Request-to-Pay (SRTP) Scheme effective date on 15 June 2021. The R2P real-time messaging service was developed with the support of 27 users from 11 European countries. It provides a thin infrastructure layer in the inter-PSP domain based on the ISO 20022 messaging standard and supporting the EPC SRTP Scheme.

This request to pay messaging layer is considered to be a key element to support the European payments industry in unlocking the full potential of instant payments for the development of state-of-the-art digitally integrated end-user solutions with a European DNA. While R2P remains separate from the clearing and settlement infrastructure and the end-user solution layers, it links both domains and provides a building block for the creation of innovative value-added payment services.

At the request of the R2P Project Working Group supporting the development of the service, an additional connectivity option for R2P via APIs was introduced in a second release of R2P at the end of 2021. This option allows R2P Participants to leverage technology

implemented for PSD2 APIs. Its underlying aim is to facilitate an easier integration of R2P in the participants' end-user solutions, which should support the build-up of reach for these solutions.

During the period under report, EBA CLEARING also consulted the R2P Project Working Group on their needs for support with regard to request to pay solutions, beyond providing the R2P infrastructure service. Based on user guidance, EBA CLEARING's subsidiary PRETA developed a proposal for an RTP+ solution aimed at addressing the certainty of the payment following an approval of a request. RTP+ has been adopted by a number of the R2P funding institutions.

2 Interest and uptake

At the time of this report, 36 institutions and service providers from 16 countries in total had expressed an interest in joining the R2P Service and received access to the documentation, in addition to the 27 funding institutions. Testing is ongoing by a number of individual users as well as user communities with first movers expected to go live with R2P in the course of 2022.

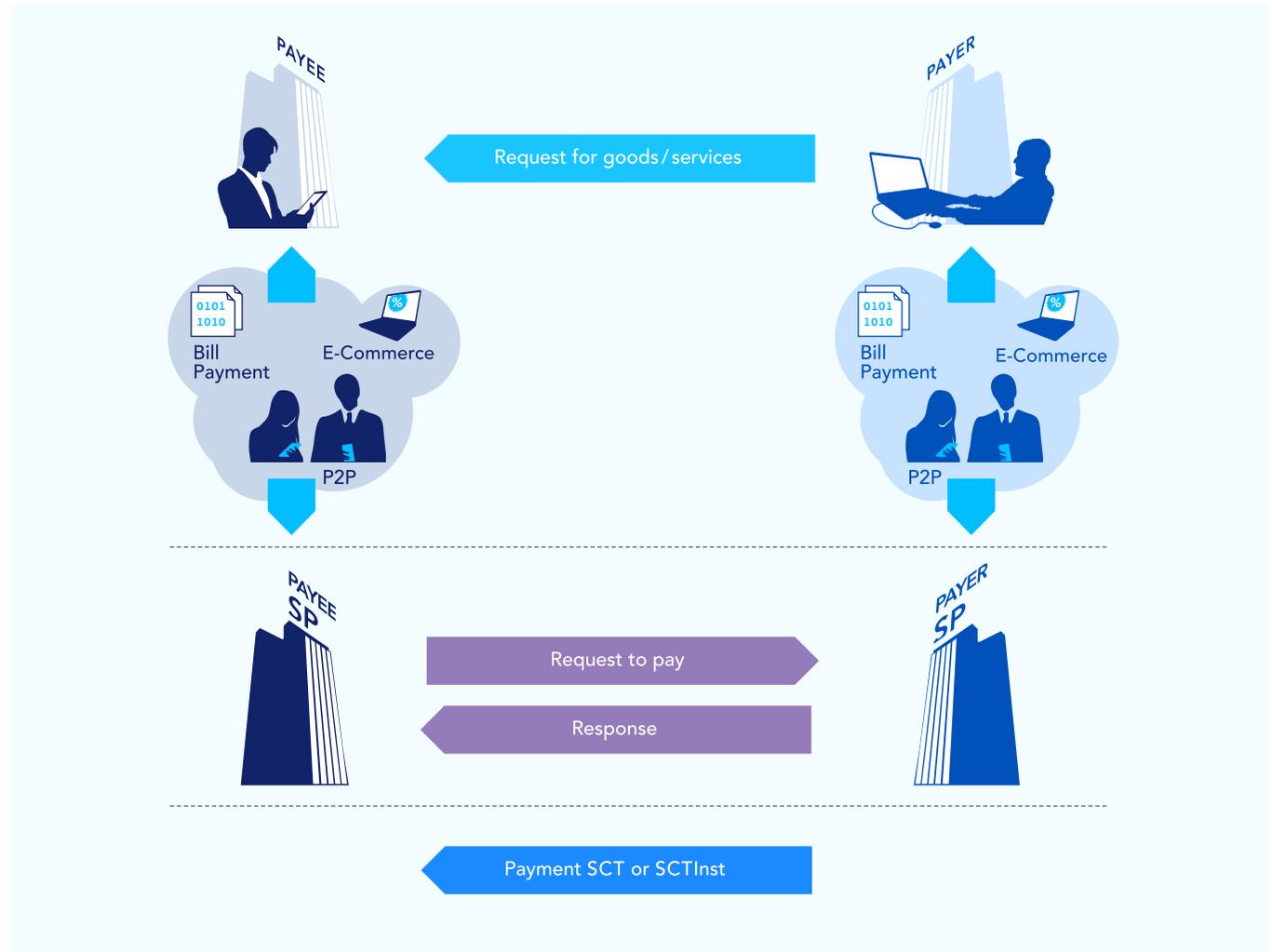
The access and participation model put in place for R2P is aimed at providing optimal reach for SRTP Scheme-adhering entities while ensuring the creation of a trusted, secure and reliable ecosystem for service users by following a risk-based approach. This model will be continuously evaluated over time based on EPC Scheme developments regarding the homologation process, as well as market demand for and experience with request to pay services.

Throughout 2021 and early 2022, EBA CLEARING continued to promote the request to pay concept and the benefits of the standardised messaging exchange facilitated by the R2P Service based on the EPC SRTP Scheme. The Company’s communication efforts included, among others, a dedicated R2P ideation contest in June 2021 where supply side players presented their visions and plans for end-user solutions based on request to pay.

In its set of recommendations for instant payments, “Benefits of instant payments and recommendations for payment service providers,” published in September 2021, the European Central Bank flagged the importance of developing request to pay solutions for the European payments landscape.

Scope of the pan-European R2P messaging service

Standardised interaction for service providers and maximum flexibility for end-user payment solutions.



3 Service developments and outlook for 2022

EBA CLEARING contributed to EPC SEPA SRTP Scheme developments through active participation in the EPC Request-to-Pay Multi-Stakeholder-Group and the Scheme Evolution and Maintenance Standards Task Force, which developed the first and second versions of the SRTP Scheme Rulebook and Implementation Guidelines published in February and November 2021 respectively.

As part of the second version of EPC SRTP, it is planned to publish SRTP API requirements. EBA CLEARING continues to contribute to developments in this area, based on the guidance provided by the R2P funding institutions.

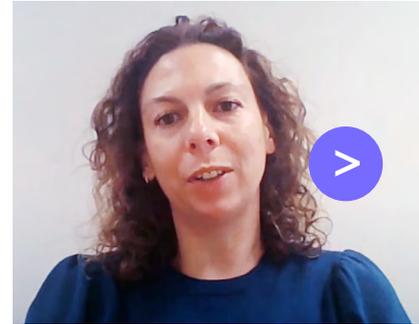
R2P service developments for 2022 will focus on aligning the service with the second version of the EPC SRTP Scheme Rulebook and setting up a closed user group for R2P participants wishing to leverage PRETA's RTP+ solution.

About the future of RT1 and R2P: Payment experts views



RAPHAEL BARISAAC
UNICREDIT

Global Head of Cash Management



CHANTAL FOKKE
ING

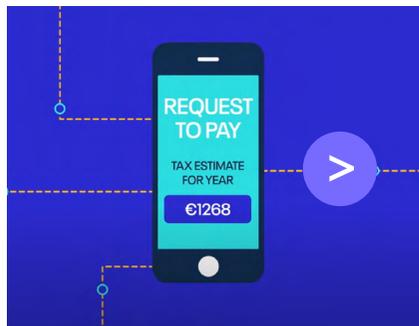
Global Product Area Lead Payments



SERGE WAGENER
SPUERKEESS (BCEE)

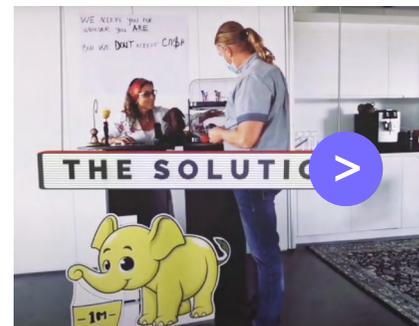
Vice President & Head of Business Unit Payments

R2P ideation: winners of the contest in June 2021



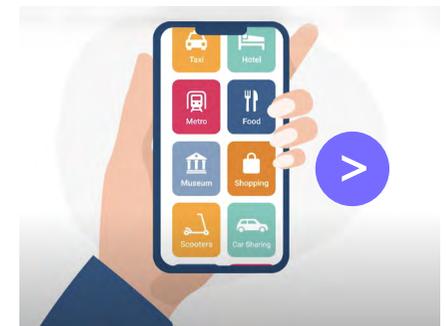
ACI WORLDWIDE
Making tax less taxing

Winner in the category "Most creative"



ERSTE GROUP BANK
Spot on – Payment on the spot

Winner in the category "Easiest to implement"



SIA
R2P and smart cities, the perfect fit

Winner in the category "The biggest problem solver"

STEP2 Card Clearing Service

An ISO 20022-compliant system for settling card-initiated payments

Throughout the period under report, the STEP2 Card Clearing (STEP2 CC) Service provided a reliable service for the clearing and settlement of pre-authorised card-based transactions based on the SEPA Card Clearing Framework defined by the Berlin Group.

The Berlin Group is a pan-European payments interoperability standards and harmonisation initiative of major payments industry players from all across Europe with the primary objective of defining open and common scheme- and processor-independent standards in the inter-banking domain.

LIVE DATE

14 April 2015

FUNCTION

High volume, commercial and retail euro clearing service for pre-authorised card messages based on a direct debit collection mechanism capable of routing card clearing messages between the participants

Positions are settled in TARGET2 via the Ancillary System Interface (ASI)

STEP2 CC is currently used by seven participants for debit card transactions under the German girocard scheme. Nearly 2,000 BICs are registered in the STEP2 CC Routing Tables.

AVERAGE DAILY VOLUME

12.4 million transactions

AVERAGE DAILY VALUE

€580 million

During the period under report, STEP2 CC continued to benefit from the changes in customer behaviour triggered by the Covid-19 pandemic and related restrictions. In 2021, the STEP2 CC Service handled on average over 11.7 million transactions per day, which represents an increase of 5% compared to 2020. The positive trend was also prominently illustrated by a peak of 13.4 million transactions in November 2021.

System developments in 2021 and 2022

In November 2021, the STEP2 CC System saw an upgrade of the EBICS protocol. The STEP2 CC user community did not submit any change requests for 2022.

LEGAL BASIS

Compliant with the SEPA Card Clearing Framework as developed by the Berlin Group, a group of major players in the cards industry from all across Europe

BENEFITS

Pan-European design

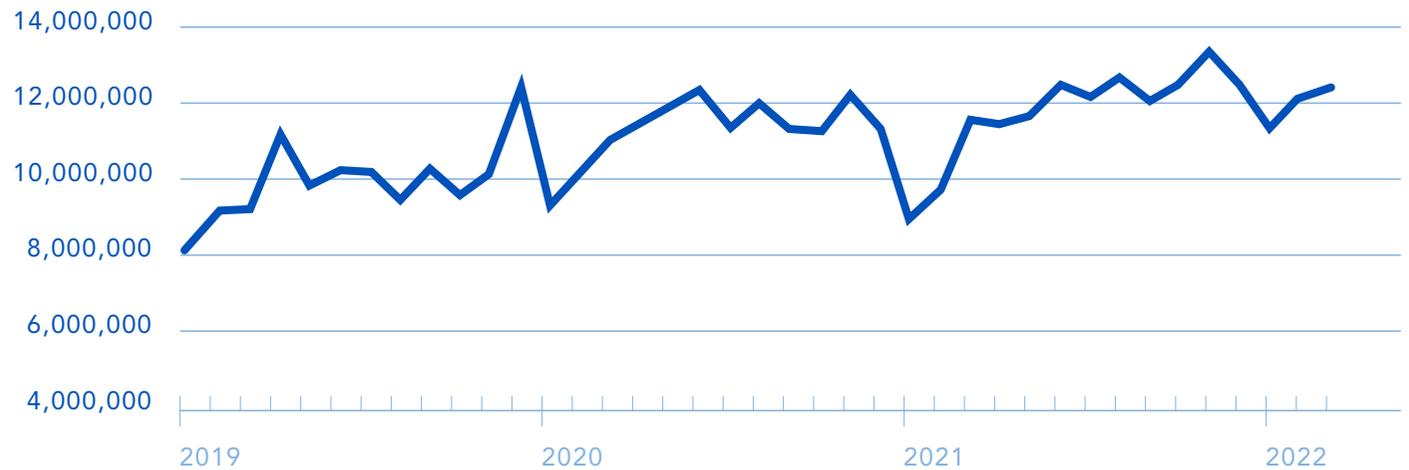
Allows re-use of SEPA interbank infrastructures

Supported by STEP2 technical infrastructure

TECHNICAL OPERATOR

Nexi Payments

EVOLUTION OF AVERAGE DAILY VOLUME OF PAYMENTS PROCESSED



REACH

Close to 2,000 Reachable BICs. Full reach for the clearing of pre-authorized girocard transactions in Germany through interoperability with the SCC Service offered by Deutsche Bundesbank.

PARTICIPATION

7 Participants

SEDA – SEPA-compliant Electronic Database Alignment

A mandate information
exchange service
for SEPA Direct Debits

EBA CLEARING’s SEPA-compliant Electronic Database Alignment (SEDA) Service allows financial institutions to exchange, process and route mandate-related information according to business rules specified by the Italian Banking Association (ABI). It is currently mainly used by Italian banks to exchange mandate-related information connected to SEPA Direct Debits.

LIVE DATE

14 October 2013

TECHNICAL OPERATOR

Nexi Payments

BENEFITS

Direct exchange of mandate information

Full reach of all banks that offer SEDA

FUNCTION

The purpose of SEDA is to exchange, process and route mandate-related information between two financial institutions according to the business rules specified by the Italian Banking Association (ABI)

Compliant with rules and guidelines developed by ABI

Continued volume increase for SEDA Service

The SEDA Service processed a monthly average of 10.03 million mandate-related information messages during 2021, which constitutes a 20.3% increase in comparison to 2020. The service witnessed a peak of 15.5 million transactions in April 2021. This significant transaction growth should remain exceptional as it was triggered by a merger in the Italian community.

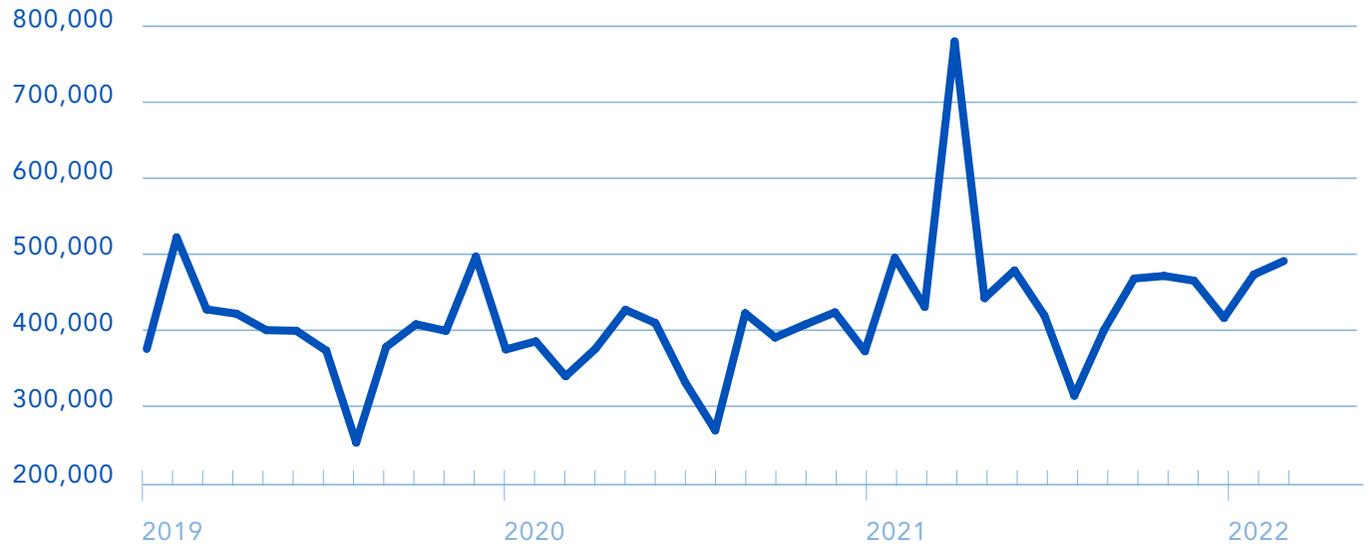
PARTICIPATION

38 Participants

REACH

Full reach of all banks that offer SEDA

EVOLUTION OF AVERAGE DAILY VOLUME OF PAYMENTS PROCESSED



Status: March 2022

Operations

EBA CLEARING's Operations are spread across several sites located in different countries. They focus on the business administration and monitoring of the EURO1, STEP1, STEP2 SEPA, RT1, STEP2 CC and SEDA Services.

Core activities include clearing and settlement, service monitoring, customer support, crisis and incident management, business continuity, data and statistical reporting, operational IT management, integration services for new products and functionality, integration of new participants as well as release and resilience testing activities.

1

Clearing and Settlement

The systems operated by EBA CLEARING performed in line with the highest resilience and security standards during the period under report.

The measures deployed by the Company in 2020 to ensure business continuity in the context of the Covid-19 pandemic mostly remained in place throughout 2021. In accordance with its Business Continuity Plan, EBA CLEARING maintained its increased monitoring of Covid-19-related developments and heightened

alert levels as well as an intensified exchange with critical service providers. The Company kept adjusting its principles and protocols for onsite and home office activities in line with the evolving situation and related requirements. All EBA CLEARING Services continued to run smoothly with no noticeable impact of any Covid-19-related measures on daily operations.

Service availability of all EBA CLEARING payment services was uninterrupted from January to December 2021.

2

Incident Management

The incident management arrangements of EBA CLEARING are reviewed and tested regularly to maintain best-in-class services and processes and to ensure alignment with oversight requirements.

The Company's incident management processes allowed the accurate and timely handling of the few incidents that occurred in 2021.

The incident management framework, which consists of detection, escalation, investigation, recovery and reporting, was activated for all incidents with the highest level of attention from operational and technical experts as well as the management of EBA CLEARING and providers.

3

Business Continuity and Resilience Exercises

EBA CLEARING conducts a significant number of business continuity exercises on an annual basis with the aim of assessing the resilience of the services against a number of adverse scenarios. These scenarios test the resilience of the infrastructure, including connectivity, communication, and escalation procedures. Furthermore, to ensure the preparedness of all parties involved, the resilience testing activities involve internal staff as well as external parties, including the Company's critical service providers and service participants.

The scope of these testing activities is regularly reviewed and updated to cover newly implemented services, functionalities, regulatory requirements and service agreements with providers. The 2021 testing programme was completed successfully. An enhanced and updated set of tests are being executed as part of the 2022 programme.

4

Customer Support

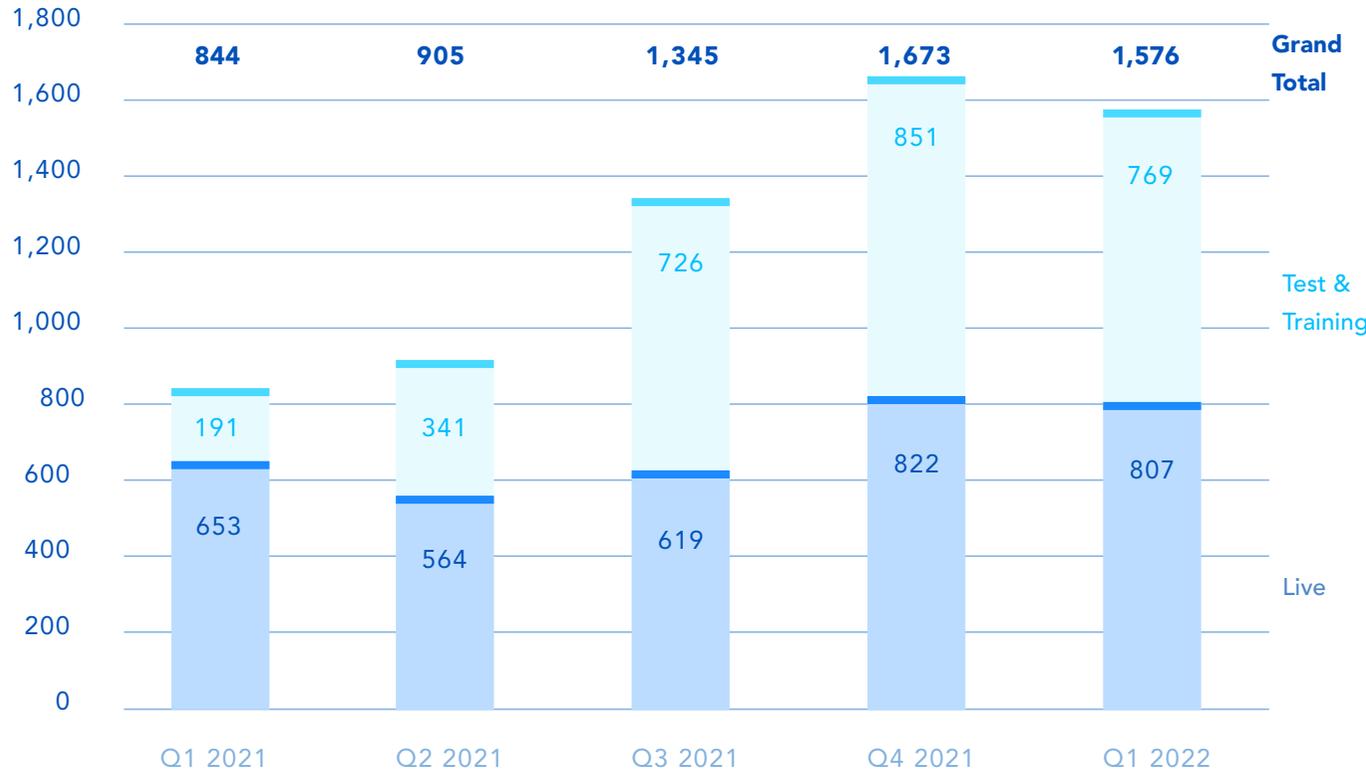
EBA CLEARING's customer support service provides a fully secured first point of contact for user queries. Via an emergency helpdesk available 24/7/365, EBA CLEARING gives practical support and assists users with inquiries related to their service participation and their operations.

The Company's interaction with its participants is supported by the EBA CLEARING customer portal, which enables user representatives to access online support tools as well as service-specific documentation and information.

In light of the major implementation and testing activities triggered by the migration projects for STEP2-T (changeover to continuous gross settlement), RT1 (move of technical account to TIPS) and EURO1 (introduction of ISO 20022 standard), EBA CLEARING witnessed a significant increase in user queries related to its test environment in 2021 and Q1 2022.

To assess user satisfaction with the services provided by the Company, EBA CLEARING conducts an annual quality survey. The survey looking back on 2020 was carried out in March 2021 and showed excellent results with an increased overall average user satisfaction rate of 4.2 (out of 5) and an above-average net promoter score of 39; the net promoter score is a widely-used market research indicator for measuring customer loyalty. The survey covering 2021 was started in the second half of April 2022.

Customer support cases raised in 2021 and Q1 2022



5 Statistics & Data Reporting

EBA CLEARING’s statistics and data reporting services respond to a wide range of needs, including regulatory and oversight requirements as well as user requests for customised information.

Immediate Cross-border Payment (IXB) Initiative

Overview

Banks from both sides of the Atlantic contributed to the Immediate Cross-Border Payments (IXB) initiative pursued by EBA CLEARING, the Clearing House (TCH) in the United States and SWIFT in 2021 and early 2022.

The initiative had been started in late 2020 by the two financial market infrastructures at the request of their users and in response to a call to action by international and European authorities to enhance cross-border payments at a global level. With the support of a task force composed of representatives from both user communities, the initiative focused on analysing to what extent the two financial market infrastructures could facilitate immediate cross-border payments and address frictions pointed out by the Committee on Payments and Market Infrastructures (CPMI), the Financial Stability Board (FSB) and the European Commission.

This joint analysis resulted in the delivery of a blueprint in May 2021 outlining possibilities to improve cross-border payments. Based on wider user consultation, it was concluded that TCH and EBA CLEARING should continue this exploration in cooperation with SWIFT, with a view to leveraging building blocks provided by these three entities for an IXB service that would link existing payment systems. Key features of the service should be aligned with the focus areas related to speed, access, cost and transparency, as identified by the before-mentioned authorities.

A successful proof of concept was conducted in October 2021, with the participation of seven banks from both communities and the support of 11 institutions. The proof of concept showed that existing regional instant payment systems can be leveraged for cross-border payments and could provide financial institution participants of all sizes with access to a solution

for cross-border payments without the need to build and connect to a separate network. More specifically, it also demonstrated the ability to synchronise settlement in one instant payment system with settlement in the other and to convert real-time messages between both systems.

Based on this result, EBA CLEARING as well as TCH and SWIFT reached out to their shareholding institutions to form a user group across entities, now consisting of 24 banks, to further design an IXB service. The first focus of this service will be on linking instant payments systems in the U.S. dollar and euro currency corridor euro, but it will provide a model that can be expanded to other currency corridors as well as more liquidity-efficient large-value payment systems in the future. In the design phase, special attention will be paid to creating the necessary flexibility for the service to support different foreign exchange (FX) models. The design will also provide the required transparency to ensure that compliance requirements can be fully met by all users of the service.

Outlook for 2022 and beyond

Based on the interest expressed by their users, EBA CLEARING, TCH and SWIFT aim to deliver a minimal viable IXB pilot service by the end of 2022. The plan to launch this pilot service, which benefits from the expert input of 24 banks from 10 countries, was announced in April 2022. Subject to the support of the governance bodies of the involved entities, it is envisaged that the IXB pilot service will be followed by a full service offering in 2023.



RISK MANAGEMENT

Ensuring business continuity

Because of their ability to store water and their water-saving features, succulents can thrive where other plants cannot. Some of them are able to go without water for up to two years.

Corporate Risk Management

1 Internal developments

Throughout 2021, the Risk Management function was duly sustained as part of the Company's 'second line of defense'. It was assured that all relevant tools and methodologies were maintained in line with best industry practice and relevant oversight requirements. In addition, efforts continued to keep the level of risk awareness and understanding high among the Company's Board members, management and staff.

Simultaneously, the Enterprise Risk Management Framework was appropriately maintained in line with the Company's governance, policies and guidelines.

A regular dialogue took place with the Board Risk Committee (BRC) with a view to assessing and mitigating the Company's ongoing and newly emerging risks.

Cyber security-related activities

Throughout the period under report, cyber resilience remained a prominent focus of the Risk Management function. To keep pace with its constant evolution, the Company continued to invest in enhancing its intru-

sion detection capabilities as well as its ability to respond should any incidents occur. In addition, various threat intelligence sources were continually consulted to stay abreast of any specific risks that could compromise EBA CLEARING's smooth operations. In this respect, a high level of staff alertness is expected and continuously reinforced through a comprehensive educational programme.

During the year, the interaction with the Company's critical service providers was well maintained. In addition, the Company remained in close contact with other financial market infrastructures on cyber threats that could affect the services. Penetration testing continued as part of the Company's business continuity test plan.

The before-mentioned work strands are aimed at achieving the highest possible levels of security proportionate to the scope of the Company's activities and its size. The Board of EBA CLEARING received regular updates on measures taken in relation to the Company's compliance with the Cyber Resilience Oversight Expectations (CROE) for financial market

infrastructures as well as the outcomes of the Threat Intelligence-Based Ethical Red (TIBER-EU) teaming exercise. Additionally, the Board was provided with direct reports by the Chief Information Security Officers of the Company's critical service providers.

EBA CLEARING continued to actively participate in various cyber-related industry initiatives, such as the Euro Cyber Resilience Board's initiative for the deployment of an industry-wide threat intelligence platform.

2 External developments

In 2021, EBA CLEARING continued to monitor the external risk factors within the scope of its risk universe and to assess their potential impact on the Company's services. The impact of the Covid-19 pandemic and related requirements on the Company's day-to-day operations continued to be carefully monitored and assessed. The Company remained especially vigilant with regard to any other risks and potential knock-on effects that could have arisen in this context. These activities were pursued under the guidance of the BRC and in dialogue with the Company's critical service providers, users and third-party advisors.

3 Risk information sessions

During 2021, the broader topic of enterprise risk management was a central item on the agenda of the 'compliance days' organised by EBA CLEARING. Relevant updates were also provided at country group meetings and on request of other user communities. Yet again, special attention was given to the evolution of cyber risk and threat management.

4 Business continuity management system

The maintenance and evolution of EBA CLEARING's Business Continuity Management System (BCMS), which is aligned with the international ISO 22301 standard, continued to be a top priority during the period under report. The BCMS covers all the Company's capabilities, i.e. policies, plans, procedures, processes, structures, tools and people, necessary to maintain and further strengthen the business continuity capabilities and resilience of the Company's services and activities. This was achieved in line with industry best practice. With regular reports towards the BRC, a strong focus was put on the organisation and timely execution of the business continuity tests plan, including tests in co-operation with the Company's critical service providers and service participants.

5 Information security

EBA CLEARING's Information Security Management System (ISMS) was re-certified in January 2022 against the ISO 27001 standard. The re-certification is valid for three years and confirmed the Company's continued compliance with the requirements of the ISO 27001 standard, which is designed to ensure the selection, implementation and maintenance of adequate and proportionate security controls to protect an organisation's information assets and to give the necessary confidence to all stakeholders.

Throughout the period under report, the Company's Information Security Coordination Group, which is composed of information security coordinators of each unit, continued to meet frequently to discuss any new developments and to stay focused on further strengthening the Company's information and cyber security risk awareness, culture and controls.

Internal Audit

EBA CLEARING's Internal Audit function was maintained in line with best practice and continued its mission as the 'third line of defence' within the Company during the period under report.

The Company's audit strategy and planning for 2021 was established under the guidance of the Audit and Finance Committee (AFC), with which an open dialogue on all audit-related matters was maintained throughout the year. In line with the annual audit plan, various internal and external audits were completed in 2021 as scheduled. The AFC met five times in 2021 and, among other things, received updates on the audit plan completion and follow-ups on any relevant audit findings. The 2022 audit plan was also presented to and validated by the AFC during the period under report.

2021 saw the completion of audit assessments of the Company's key critical service providers, SIA and SWIFT, where no points of attention were identified. Furthermore, an audit of the Infrastructure Management Unit in Operations was conducted during the period under report, with no major findings identified. A compliance assessment of SWIFT's Customer Security Programme was also carried out in 2021 and confirmed compliance with the programme.

Legal and Regulatory

1 Oversight of the SIPS operated by EBA CLEARING

In August 2014, the Governing Council of the European Central Bank (ECB) identified the EURO1 and STEP2-T Systems as Systemically Important Payment Systems (SIPS) under the ECB Regulation on Oversight Requirements for Systemically Important Payment Systems (the SIPS Regulation).

In 2016, the ECB as lead Overseer (with the involvement of Eurosystem national central banks) carried out comprehensive oversight assessments of the EURO1 and STEP2-T Systems against the requirements of the SIPS Regulation.

In the context of the Revised SIPS Regulation requirements, notably for credit and liquidity risks, EBA CLEARING took the opportunity to also assess the evolution of the STEP2-T design, in particular with regard to the settlement model. As a result, the Company developed the new STEP2-T Continuous Gross Settlement (CGS) mechanism and implementation plan. In April 2020, the Company submitted a comprehensive self-assessment of the compliance of the

CGS mechanism with the Revised SIPS Regulation. The Overseer issued the Closure Report of the Major Change Assessment in January 2022.

In relation to the Cyber Resilience Oversight Expectations (CROE), EBA CLEARING undertook a comprehensive self-assessment against the applicable requirements and submitted it to the Overseer in April 2019. EBA CLEARING engaged in a dialogue with the Joint Oversight Team throughout 2020 and 2021 to share relevant information and ensure that the level of cyber maturity required for EBA CLEARING was well defined given that the Company has commissioned the operation of its services to its critical service providers.

With respect to the continuous oversight cycle for EURO1 and STEP2-T in 2021, the Company was advised of the planned oversight activities at the beginning of the year. The activities were successfully completed and tracked closely through the regular meetings with the Overseer. In addition to the planned oversight activities, EBA CLEARING also updated the

Overseer regularly regarding the measures taken by the Company with regard to the Covid-19 pandemic while emphasising that the pandemic had not had any adverse effects on the provision of the Company's services.

During 2021, a dedicated oversight assessment was conducted regarding the introduction of the Overnight Return Function in EURO1, which had been classified as a major change.

The Company also submitted preliminary documentation to the Overseer regarding changes to EURO1 and STEP2-T that are expected to be implemented in 2022. The EURO1 migration to ISO 20022 has also been classified as a major change and the Overseer will conduct an ex-ante assessment of the migration against the Revised SIPS Regulation.

Finally, the Company completed the review process of a number of items as per its annual review calendar in line with the requirements of the Revised SIPS Regulation.

2 Oversight of the STEP2 CC system operated by EBA CLEARING

The STEP2 Card Clearing (CC) System has been classified as Other Retail Payment System (ORPS) as per the Revised Eurosystem Oversight Framework for Retail Payment Systems (RPSs). The Deutsche Bundesbank carried out the comprehensive oversight assessment of STEP2 CC against the CPMI-IOSCO Principles for Financial Market Infrastructures applicable to ORPS as outlined in the Revised Eurosystem Oversight Framework for RPSs. The closure report was shared with EBA CLEARING in January 2020.

During the period under report, formal oversight meetings took place between the Deutsche Bundesbank, the ECB and EBA CLEARING. Upcoming changes in relation to the STEP2 CC System are advised to the Deutsche Bundesbank in view of a classification to determine whether the changes would attract a dedicated oversight assessment. As no changes to the STEP2 CC System were scheduled or carried out during the reporting period, no change assessments were necessary.

3 Oversight of the RT1 system operated by EBA CLEARING

In May 2017, EBA CLEARING was notified of the decision of the Governing Council of the ECB to assign oversight competence for EBA CLEARING's new instant payment system, RT1, to the ECB.

RT1 has been classified as Other Retail Payment System (ORPS) as per the Revised Eurosystem Oversight Framework for Retail Payment Systems (RPSs). In June 2018, the ECB carried out the comprehensive oversight assessment of RT1 against the Principles for Financial Market Infrastructures by the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) applicable to ORPS as outlined in the Revised Eurosystem Oversight Framework for RPSs. The closure report was shared with EBA CLEARING in January 2020.

During the course of 2021, regular formal oversight meetings took place between the ECB and EBA CLEARING in relation to RT1 oversight.

4 Cyber resilience

CROE

EBA CLEARING as an operator of SIPS and ORPS falls under the scope of the CROE for EURO1 and STEP2-T at the Advancing level and for STEP2 CC and RT1 at the Evolving level. EBA CLEARING is in a regular dialogue with the Overseer to close all recommendations stemming from EBA CLEARING's self-assessments against the CROE in 2019.

TIBER-EU

On 2 May 2018, the ECB published the European framework for Threat Intelligence-Based Ethical Red Teaming (TIBER-EU), which is the first Europe-wide framework for controlled and bespoke tests against cyber-attacks in the financial industry. The TIBER-EU framework has been designed for national and European authorities and entities that form the core financial infrastructure, including entities with cross-border activities that fall within the regulatory remit of several authorities.

EBA CLEARING's SIPS fall under the scope of the TIBER-EU framework. Despite the challenges related to the Covid-19 pandemic, the Company successfully carried out a number of controlled tests in collaboration with the ECB as Competent Authority. The tests allowed EBA CLEARING to identify additional measures to further optimise the Company's cyber resilience.

Endpoint security

In May 2018, the CPMI issued its final strategy paper on reducing the risk of wholesale payments fraud related to endpoint security. In July 2019, the Overseer communicated to EBA CLEARING a number of recommendations for the implementation of this strategy in EURO1.

Since 1 January 2020, EURO1 Participants have, in particular, been required to have adequate security controls and processes and provide access to their compliance self-attestation against the SWIFT Customer Security Programme to each other and the system operator, with the understanding that the responsibility for endpoint security remains with the participants. More generally, EBA CLEARING promotes the use of fraud preventive practices and tools such as intraday reconciliation amongst the users of its systems and is in constant dialogue with the Overseer and its close stakeholders to monitor developments in this space.

5 Legal Advisory Group activities

Four regular meetings of the Legal Advisory Group (LAG) took place in 2021, on 2 June, 15 October, 10 November and 1 December. These meetings focused on reviewing a Great Britain country opinion analysing the enforceability of the STEP2-T Rules under post-Brexit legislation and providing guidance in this file, introducing the Overnight Return Function in the EURO1 Rules and Regulations, advising on the important revision of the RT1 legal documentation to align services supporting SEPA Schemes and reflect the ECB reachability measures and migration to the TIPS platform as well as discussing the implications for the various agreements with the ECB as TARGET2 operator of those changes. The LAG was also introduced to the Immediate Cross-Border Payments (IXB) initiative.

The LAG further met in an extended set-up on 22 June 2021, including representatives of legal departments of the funding institutions involved in the Request to Pay (R2P) Project Working Group. This meeting was devoted to the finalisation of the R2P documentation.

Throughout the year, the LAG was also consulted and/or updated by correspondence regarding, among others, changes to the systems' documentation, the German law opinion for STEP2-T and advising on the choice of legal experts for specific questions.

6 Public consultations

EBA CLEARING responded to the ECB's public consultations on the revision of the ECB Regulation on Oversight Requirements for Systemically Important Payment Systems, and on the digital euro. EBA CLEARING also responded to the European Commission's public consultations on instant payments and on the Settlement Finality Directive. In the context of the G20 Roadmap for Enhancing Cross-Border Payments, EBA CLEARING provided comments on the FSB Targets for Addressing the Four Challenges of Cross-Border Payments and the CPMI Consultative Report on Extending and Aligning Payment System Operating Hours for Cross-Border payments.

Finally, EBA CLEARING published, with a group of other financial market infrastructure (FMI), a joint proposal to enhance communications in the event that a participant in an FMI enters into a resolution procedure.

All responses and comments mentioned above are available on the website of EBA CLEARING.

Oversight of EBA CLEARING

1 Oversight of EURO1 and STEP2-T

The ECB Regulation (EU 795/2014) on Oversight Requirements for Systemically Important Payment Systems (the SIPS Regulation), amended in 2017 by EU Regulation 2017/2094 and in 2021 by EU Regulation 2021/728 (the Revised SIPS Regulation), covers both large-value and retail payment systems of systemic importance, whether operated by Eurosystem national central banks or private entities.

The SIPS Regulation implements the Principles for Financial Market Infrastructures (PFMIs), issued by the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) in 2012, and applies to Systemically Important Payment Systems (SIPS) in the Eurozone. The system's importance is determined by an appraisal of financial impact, degree of market penetration, a system's cross-border activity and whether the system provides settlement for other financial mar-

ket infrastructures. Under the Revised SIPS Regulation, the Governing Council of the European Central Bank (ECB) may also identify a system as a SIPS where such a decision would be appropriate, taking into account criteria listed in the Regulation.

No distinction is made for the application of the Regulation between large-value and retail payment systems. In 2014, STEP2-T and EURO1 were identified by decision of the Governing Council of the ECB as Systemically Important Payment Systems under the SIPS Regulation.

The EURO1 System is overseen by the ECB as Competent Authority, with voluntary involvement by national central banks of the Eurosystem. EURO1 has been under oversight of the ECB since its launch. The STEP2-T System is also under the oversight of the ECB as Competent Authority with the voluntary involvement by national central banks of the Eurosystem. Therefore, EBA CLEARING is in the unique position of being the System Operator of two SIPS.

The ECB publishes on its website the list of systems that fall under the SIPS Regulation and of other classified systems. In line with the Revised Oversight Framework for Retail Payment Systems of the Eurosystem and with reference to the most current published list of payment systems according to the Eurosystem's payment system classification, a distinction is made in relation to retail payment systems between:

- Systemically Important Retail Payment Systems (SIRPS)
- Prominently Important Retail Payment Systems (PIRPS) and
- Other Retail Payment Systems (ORPS)

STEP2-T also qualifies as a European Systemically Important Retail Payment System (ESIRPS).

2 Dialogue with the Overseer and oversight assessments for SIPS

Formal oversight meetings between the ECB / Eurosystem central banks and EBA CLEARING are scheduled to take place on a semi-annual basis with the participation of the CEO and senior management of the Company. Regular exchanges take place on any plans and upcoming changes in relation to topics within the scope of the SIPS Regulation.

Any change to the SIPS and ORPS that EBA CLEARING operates are subject to classification. In accordance with this classification, the Overseer determines whether changes to the systems require an ex-ante or an ex-post facto oversight assessment. The result of these change assessments is formally advised to EBA CLEARING by the Overseer. The Overseer further conducts comprehensive oversight assessments of the systems it oversees with a regular frequency.

The above is done in parallel to the continuous oversight activities by the Overseer on EBA CLEARING's SIPS. An annual plan for these oversight activities is established by the ECB and notified to EBA CLEARING at the beginning of each year.

3 Oversight of STEP2 Card Clearing

The primary oversight responsibility for STEP2 CC is entrusted to the Deutsche Bundesbank as lead Overseer, with the cooperation of the ECB.

In accordance with the Revised Oversight Framework for Retail Payment Systems of the Eurosystem, the PFMI and the oversight expectations for links between retail payment systems (OELRPS) form the core of the standards to be applied to retail payment systems other than SIRPS by the Eurosystem national central banks. Nine principles of the PFMI apply to both PIRPS and ORPS, of which six with the same level of strictness and three with a slight differentiation (namely Governance, Participant Default Rules and Procedures, and Access and Participation Requirements).

Formal classification of STEP2 CC as an Other Retail Payment System is based on the market share of the system at euro area country level. Regular formal oversight meetings take place between the Deutsche Bundesbank / ECB and EBA CLEARING. Upcoming changes in relation to the STEP2 CC system are advised to the Deutsche Bundesbank which determines whether the changes would attract a dedicated oversight assessment.

4 Oversight of RT1

The primary oversight responsibility for RT1 has been assigned to the ECB.

Prior to the go-live in November 2017, the RT1 System was classified as an Other Retail Payment System and to date, this classification remains applicable. Therefore, the oversight standards for ORPS are applicable to RT1.

Since 2018, regular formal oversight meetings take place between the ECB and EBA CLEARING. Upcoming changes in relation to the RT1 System are advised to the ECB in view of a classification to determine whether the changes would attract an ex-ante or ex post facto assessment from the Overseer. A comprehensive oversight assessment against compliance with the applicable Principles for Other Retail Payment Systems was carried out during 2018 for RT1.

5 Eurosysteem cyber resilience strategy

The global Guidance on Cyber Resilience for Financial Market Infrastructures was published by the CP-MI-IOSCO in June 2016. The Guidance was developed to supplement the PFMIs adopted by the ECB Governing Council on 3 June 2013 for the conduct of Eurosystem oversight in relation to all types of FMIs. FMIs were required from an oversight perspective to apply the Guidance immediately, and Overseers developed an oversight approach for assessing the FMIs within their jurisdiction against the Guidance.

To this effect, the ECB issued the Cyber Resilience Oversight Expectations (CROE) in December 2018.

The CROE provides:

- FMIs with detailed steps on how to operationalise the Guidance
- Overseers with clear expectations to assess the FMIs for which they are responsible and
- a basis for a meaningful discussion between the FMIs and their respective Overseers.

In May 2018, the CPMI issued its final strategy paper on reducing the risk of wholesale payments fraud related to endpoint security. The strategy is composed of seven elements aimed at encouraging and helping to focus industry efforts to reduce the risk of wholesale payments fraud and, in doing so, support financial stability. In July 2019, the ECB, in its role as Overseer of the EURO1 payment system, issued recommendations for the implementation of the strategy in the system and at the level of its participants.

GOVERNANCE



Responding to stakeholder needs

Underground mycorrhizal networks created by fungi connect plants and transport nutrients. The so-called Wood Wide Web improves growth rate, survival of seedlings, and the overall health of plants.

Corporate Governance

1 Board of directors

Board composition

The Company's by-laws stipulate that the Company is managed by a Board composed of not more than seventeen (17) members including the Chairperson, the Deputy Chairperson and up to two (2) but not less than one (1) Outside Director who are appointed intuitu personae by Ordinary Shareholders Resolutions for a renewable three-year term.

The number of Board members was set at sixteen (16) including one (1) Outside Director by the Shareholders Meeting on 17 June 2019.

Effective 8 March 2021, the Board, upon proposal by the Nomination and Governance Committee, appointed Michele Olin as interim Chairperson following the resignation of Petia Niederländer, which took effect on 31 January 2021.

Since the Shareholders' correspondence vote closed on 25 June 2021, further to which were appointed for a three-year term of office Michele Olin as Chairperson and five other Board members, i.e. Sergio Dalla Riva, Tanja Konrad, Raouf Soussi Laghmich, Kirstine Nilsson Edström and Luis Pedro Simões, the changes to the membership of the Board have been the following:

- Following Fabio Stragiotto's resignation from the Board effective as of 23 September 2021, the Board appointed Giuseppina Femiano as replacing Board member with effect as from 24 September 2021 for the remainder of the term of office of Fabio Stragiotto, i.e. until the end of the Shareholders Meeting 2023.
- Following Narinda You's resignation from the Board effective as of 16 March 2022, the Board appointed Sophie Giorgi as replacing Board member with effect as from 16 March 2022 for the remainder of the term of office of Narinda You, i.e. until the end of the Shareholders Meeting 2023.

EBA CLEARING currently has 48 Shareholders, each holding one share of EBA CLEARING and having one vote at the Shareholders Meetings and/or at any consultation of the Shareholders by correspondence. All the current members of the Board, other than the Outside Director, are employees or officers of EBA CLEARING Shareholders or of a legal entity belonging to the group of a Shareholder, and are considered to be independent since none of the Shareholders have a controlling stake in EBA CLEARING.

As provided by the Company's by-laws Board members, other than the Outside Director(s), shall be elected from among employees or officers of EBA CLEARING Shareholders or of a legal entity belonging to the group of a Shareholder. The policy for the nomination of candidates to the EBA CLEARING Board of Directors (the Board Nomination Policy) sets the framework for the Board members' nomination process.

The Nomination and Governance Committee of the Board maintains a Board target profile to track the desirable collective attributes for ensuring an appropriate mix of technical skills, knowledge and experience on the Board, and assists the Board in ensuring that the Board's composition allows the Board to fulfil its respective roles and responsibilities.

As in previous years, the Board undertook a review of its effectiveness in 2021. In accordance with EBA CLEARING's Board Evaluation Policy and Methodology, this review of the Board's overall performance and the performance of its individual Board members is conducted on an annual basis.

The members of the Board, other than the Outside Director(s), do not receive any director's fees, but are reimbursed for the travel expenses incurred in the discharge of their duties for the Company.

This year, the Shareholders will be asked through an Annual Ordinary Shareholders Resolution to proceed with the election of the Deputy Chairperson and four other Board members (including the Outside Director) for a three-year term of office.

Board role and responsibilities

The Board is responsible for setting the strategic direction, overseeing management and adequately controlling the Company, with the ultimate aim of directing the Company towards the fulfilment of its strategic aims and long-term objectives.

Board meetings

The following Board meetings took place in 2021 and in 2022 to the date of this report:

- 9 and 10 March 2021
- 4 May 2021
- 26 May 2021
- 13 July 2021
- 22 and 23 September 2021
- 17 November 2021
- 15 March 2022
- 27 April 2022
- 10 May 2022

Overview of Board members who held office in 2021–2022



Chairperson of the Board
PETIA NIEDERLÄNDER
ERSTE Group Bank AG
Head of Group Retail & Corporate Operations

Appointed on 17.06.2019
End of term of office: 31.01.2021
Chair of the Nomination and Governance Committee until 31.01.2021
Chair of the Remuneration Committee until 31.01.2021

Chairperson of the Board
MICHELE OLIN
Allied Irish Banks, p.l.c.
Head of Payments RCB Digital Products and Payments

Appointed as Interim Chairperson of the Board on 08.03.2021
Appointed as Chairperson of the Board on 25.06.2021
End of term of office: SHM 2024
Chair of the Nomination and Governance Committee
Chair of the Remuneration Committee



Deputy Chairperson of the Board
ROBERT HEISTERBORG
ING Wholesale Bank
CEO Bank Mendes Gans

Appointed on 17.06.2019
End of term of office: SHM 2022
Chair of the Strategy and Policy Committee



JAMES BARCLAY
JP Morgan Chase Bank N.A.

Executive Director Wholesale Payments EMEA

Appointed on 26.06.2020
End of term of office: SHM 2023



IVO DE MEERSMAN
KBC Bank N.V.

General Manager Payments Belgium

Appointed on 26.06.2020
End of term of office: SHM 2023



DANIELA DELL'ARCIPRETE
Intesa Sanpaolo S.p.A.

Head of Corporate and Financial Institutions Sales and Network Management

Appointed on 11.06.2018
End of term of office: 25.06.2021
Chair of the Board Risk Committee until 25.06.2021



SERGIO DALLA RIVA
Intesa Sanpaolo S.p.A.

Head of GTB Product Development

Appointed on 25.06.2021
End of term of office: SHM 2024



CHRISTOF HOFMANN
Deutsche Bank AG

Head of Corporate & Payment Solutions

Appointed on 26.06.2020
End of term of office: SHM 2023



TANJA KONRAD
Erste Group Bank AG

Head of Daily Banking Services

Appointed on 25.06.2021
End of term of office: SHM 2024



NIKLAS LEMBERG
Nordea Bank Abp
Head of Industry Engagement
Appointed on 17.06.2019
End of term of office: SHM 2022
Chair of the STEP2 Business Committee



KIRSTINE NILSSON EDSTRÖM
Swedbank AB (publ)
Head of Business Infrastructure GCP & GCM
Appointed on 25.06.2021
End of term of office: 30.04.2022
Chair of the Board Risk Committee since 15.07.2021 and until 30.04.2022



LUIS PEDRO SIMÕES
Novo Banco S.A.
Co-Head of Payments Division
Appointed on 25.06.2021
End of term of office: SHM 2024
Chair of the Audit and Finance Committee



RAOUF SOUSSI LAGHMICH
BBVA S.A.
Head of Payments Strategy for Corporates
Appointed on 25.06.2021
End of term of office: SHM 2024
Chair of the Board Risk Committee since 01.05.2022



FABIO STRAGIOTTO
UniCredit S.p.A.
First Vice President – Payments Global Transaction Banking
Appointed on 26.06.2020
End of term of office: 23.09.2021

GIUSEPPINA FEMIANO
UniCredit S.p.A.
Product Manager Global Transaction Banking - Channels
Appointed on 24.09.2021
End of term of office: SHM 2023



FRANTZ TEISSÈDRE
Société Générale S.A.
Head of Interbank Relationships
Appointed on 17.06.2019
End of term of office: SHM 2022
Chair of the EURO1 Business Committee



STEFAN WLOCH
Commerzbank AG
Corporate Clients, Transaction Banking, Cluster Payments
Appointed on 17.06.2019
End of term of office: SHM 2022



NARINDA YOU
Crédit Agricole S.A.
Payment Services
Head of Strategy and Interbank Relations
Appointed on 26.06.2020
End of term of office: 16.03.2022

SOPHIE GIORGI
Crédit Agricole S.A.
Head of Payment System and Infrastructure Relationships
Appointed on 17.03.2022
End of term of office: SHM 2023



CARL TILKIN-FRANSENS
Outside Director
Appointed on 17.06.2019
End of term of office: SHM 2022

Board Committee membership in 2021–2022	Audit and Finance Committee	Board Risk Committee	Strategy and Policy Committee	Nomination and Governance Committee	Remuneration Committee
Number of Meetings in 2021	5	4	6	6	1
Petia Niederländer		Observer (until 31 January 2021)	Observer (until 31 January 2021)	Chair (until 31 January 2021)	Chair (until 31 January 2021)
Michele Olin		Member (until 8 March 2021) Observer (since 9 March 2021)	Observer (since 8 March 2021)	Chair (since 8 March 2021)	Chair (since 8 March 2021)
Robert Heisterborg		Member	Chair		Member
James Barclay			Member	Member	
Sergio Dalla Riva	Member (since 24 September 2021)		Member (since 11 May 2022)		
Ivo De Meersman					
Daniela Dell’Arciprete		Chair (until 25 June 2021)			
Giuseppina Femiano		Member (since 11 May 2022)			
Sophie Giorgi	Member (since 17 March 2022)				
Christof Hofmann			Member		
Tanja Konrad	Member (since 28 April 2022)				
Niklas Lemberg				Member (since 15 July 2021)	
Kirstine Nilsson Edström	Member (until 15 July 2021)	Chair (since 15 July 2021 and until 30 April 2022)			
Luis Pedro Simões	Chair			Member	
Raouf Soussi Laghmich		Member (since 15 July 2021 and until 30 April 2022) Chair (since 1 May 2022)			
Fabio Stragiotto	Member (until 23 September 2021)			Member (until 23 September 2021)	
Frantz Teissèdre					
Carl Tilkin-Frassens		Member			
Stefan Wloch		Member (since 15 July 2021)			
Narinda You	Member (until 16 March 2022)		Member (until 16 March 2022)		

2 Board Committees

Introduction

In 2021, the Board was supported by five Board Committees, composed of Board members, in carrying out its functions: the Audit and Finance Committee, the Board Risk Committee, the Strategy and Policy Committee, the Nomination and Governance Committee as well as the Remuneration Committee.

Audit and Finance Committee

The Audit and Finance Committee (AFC) assists the Board in fulfilling its oversight responsibilities for setting out the policy and the guidelines for the internal and external audit of the Company, for defining and monitoring the internal audit requirements and the tasks entrusted to the external auditors, and for reviewing and monitoring the financial situation of the Company.

To this end, the AFC regularly reports on its activities to the Board and

- examines the annual and interim statutory and consolidated financial statements of EBA CLEARING submitted by the Company's management, prior to their examination by the Board. As part of these tasks, the committee reviews and analyses the budget variance, forecast and financial statements.
- gives its opinion on the development of the internal audit function, determines the internal audit plan and receives a summary of the internal audit reports on a regular basis.
- reviews the key audit findings from the report of the Company's statutory auditors.

The AFC met five times in 2021. Its work particularly focused on the following items:

- regular review of the predefined key performance indicators for finance and for audit, including analysis against budget to adapt the 2021 forecast, cash-flow projections and outlook
- examination of the statutory and consolidated financial statements for 2021 in view of their closing in 2022 and review of the 2022 budget and capital investment plan
- examination of the external auditors' reports
- guidance on further standardisation of reporting and on alignment of reports provided to different governance bodies
- review of the internal audit 2021 activity report and approval of the internal audit plan for 2022
- ensuring that the Highly Liquid Assets (HLA) reserve was at the appropriate level at all times during 2021, in line with SIPS requirements
- review of the Company's Treasury & Investment Policy and of the Terms of Reference of the AFC for subsequent endorsement by the Board

Board Risk Committee

The Board Risk Committee (BRC) assists the Board in fulfilling its oversight responsibilities with regard to the risk tolerance of the Company and the risk management and compliance frameworks.

The BRC is composed of Board members designated by the Board; meetings of the BRC are attended by the Company's Chief Executive Officer, the Chief Risk Officer and the Head of Regulatory Oversight Affairs.

Four regular BRC meetings took place in 2021, which included updates on measures taken with regard to the Covid-19 pandemic and Brexit as well as on their possible impact on the services of EBA CLEARING. Throughout the period under report, cyber-security evolvments and considerations as well as regulatory oversight expectations remained high on the agenda. As a result, the BRC regularly advised the Board on progress in these fields in close co-operation with delegates from the Company's most critical service providers.

In line with its mission, the BRC also monitored the maintenance of the Company's Enterprise Risk Management Framework and the follow-up of outstanding risks in accordance with the Company's Risk Treatment Plan. The BRC received reports on the top actual and emerging risks and monitored the follow-up actions relating thereto.

It is expected that cyber-related risks will remain persistent and regulatory oversight expectations will remain prominently on the agenda of the Committee throughout 2022.

Strategy and Policy Committee

The Strategy and Policy Committee (SPC) addresses the longer-term planning for the positioning and the development of the Company, its payment infrastructure systems and solutions as well as potential new service offerings. In 2021, the Committee met six times.

In line with its mission, the SPC provided guidance on the positioning of the Company's existing and emerging services, contributed to the evolution and the monitoring of new and ongoing initiatives reviewed the proposed content of the (semi-)annual service releases and gave advice on the pricing principles for the different services. Throughout 2021 and early 2022, special emphasis was placed on the following areas in particular:

- planning for the ISO 20022 migration of EURO1 and development of the Overnight Return Function and other functionality to further increase the attractiveness of the service in the short and longer term
- activation of the continuous gross settlement mechanism for the STEP2 SEPA Services, orchestration of the related migration process as well as additional development and future positioning of the upgraded service

- further enhancements of the RT1 System to support users in optimally taking advantage of the new capabilities opened up by the RT1 technical account migration and to further evolve reachability and interoperability for instant payments
- preparations for the go-live of first movers with the Company's pan-European R2P Service and exploration of other value-added services to enable innovative end-user solutions
- first deliverables of the joint Immediate Cross-Border Payments Initiative with The Clearing House and SWIFT, and way forward.

Other relevant strategic topics on which the SPC was consulted included cross-service considerations as well as oversight developments of strategic relevance.

Based on a close monitoring of relevant developments, industry initiatives and public consultations in the European and global payments ecosystem, the Committee also reflected on the general future evolution of the Company's service offerings and, in particular, their capability to support the development of end-user solutions and value-added services.

Nomination and Governance Committee

The Nomination and Governance Committee (NGC) assists the Board in implementing and reviewing the nomination policy and process for Board members and the policy and methodology for Board and individual Board member evaluation. The NGC further monitors the effectiveness of the Company's governance framework. During 2021, six meetings of the NGC were held.

The NGC carried out a significant number of tasks in 2021, including:

- review of proposed changes to the Company's by-laws
- review of the outcome of the Board performance evaluation for 2020 and guidance on follow-ups
- nomination process for the appointment of an interim Chairperson further to Petia Niederländer's resignation effective on 31 January 2021
- ratification of changes in the composition of the EURO1 Business Committee (EURO1 BC) and the STEP2 Business Committee (STEP2 BC)
- ratification of changes in the composition of the Legal Advisory Group (LAG), Operations and Technical Group (OTG) and Treasury and Liquidity Group (TLG)
- nomination process for the appointment by the Shareholders of the Chairperson and five other Board members for a three-year term of office
- review of the target Board profile for 2022 and review of changes to the Board Nomination Policy, Corporate Governance Manual for Board members, Board Evaluation Policy and methodology, and Code of Ethics and Business Conduct
- nomination process for the appointment by the Board of a replacing Board member
- review of the composition of the Board committees
- review of the Terms of Reference of the AFC, BRC, NGC, SPC and Remuneration Committee
- scoping and launch of the annual Board performance evaluation for 2021.

From January to mid-May 2022, the activities of the NGC were devoted to:

- review of the outcome of the Board performance evaluation for 2021 and guidance on follow-ups
- nomination process for the appointment by the Board of a replacing Board member
- ratification of changes in the composition of the EURO1 BC, STEP2 BC, OTG, RT1 Working Group and TLG
- further review of the composition of the Board committees

- accompanying the nomination process for the candidates to fill the seat of Deputy Chairperson and four other seats on the Board, which will become vacant on the date of the approval by the Shareholders of the accounts of the fiscal year ending on 31 December 2021. In the context of this nomination process, the NGC reviewed the letter to the Shareholders inviting them to propose candidacies to the Board, screened the Board candidacies received, and prepared the “slate” for approval by the Board ahead of its submission to the Shareholders for the appointment of the Deputy Chairperson and four other Board members (including the Outside Director) for a three-year term of office.

Remuneration Committee

The Board is assisted by the Remuneration Committee in establishing a sound remuneration framework, which fosters high performance and motivation of staff members in line with the resourcing strategy and the interests of the Company. The Remuneration Committee has delegated powers from the Board in these matters. In 2021, the Remuneration Committee met once.

3 User say governance

Relations with users

In order to ensure that all types of users are considered in the design and evolution of its systems and offerings, the Company maintains a broad range of communication channels with its (current and potential) users and other stakeholders. There are regular country or regional user meetings with the participation of all respective users and attended by EBA CLEARING executives, where ongoing activities and projects are discussed and feedback is registered.

In the context of specific projects, steering groups or task forces may be created to ensure efficient liaison throughout the project or initiative. For example, in 2019, the Company created an R2P Project Working Group composed of representatives of institutions funding and supporting the development and implementation of the R2P Service. November 2020 saw the set-up of an IXB Task Force followed by a broader IXB Sounding Board continuing the exploration of the immediate cross-border payments topic in 2022.

Furthermore, the Company organises individual user visits and, when appropriate or desired, roadshows and information campaigns.

User consultations for EBA CLEARING's systems and services

The Company consults its users, communities of users and other stakeholders (as required) in the event of changes that affect the Company's services and/or service platforms. The consultation process on changes is, in principle, composed of the following steps: submission of proposals by or to the relevant stakeholders, evaluation of the proposals by the Company, including technical feasibility and cost analysis, and submission of a proposal to the Board for decision on implementation of all or part of the recommended changes.

The user say governance for the different systems and services is designed to effectively respond to the stakeholders' needs for efficient organisation of the different groups and their remit.

To allow the Board and management to take account of the interests of the users in its decision-making in relation to the design, rules, overall strategy and major changes to the various systems and services, the Company has established the following user groups:

EURO1 Business Committee

Its objective is to serve as a forum in which participants in the EURO1 System can express their interests, requirements or proposals towards the Board of the Company. The EURO1 Business Committee is chaired by an EBA CLEARING Board member.

STEP2 Business Committee

Its objective is to serve as a forum for the participants in the STEP2 SEPA Services to express their interests, requirements or proposals towards the Board of the Company. The STEP2 Business Committee is chaired by an EBA CLEARING Board member.

RT1 Working Group

Its objective is to serve as a forum in which direct participants in the RT1 System can discuss and provide feedback on the development, change management and evolution of the RT1 Service, as well as related initiatives.

STEP2 CC Group

Its objective is to serve as a forum in which participants in the STEP2 CC Service can discuss and provide feedback on the development, change management and evolution of the service.

STEP1 User Advisory Group

Its objective is to serve as a forum for the STEP1 user community and as a channel to express requirements or proposals to the Company's Board.

Expert groups and other expert fora

Expert Groups provide expert advice for all systems for which a Business Committee is established and can be solicited for input in relation to other systems or services when required or appropriate. The following Expert Groups have been established:

Operations & Technical Group (OTG)

Its mission is to analyse and review proposals and to formulate recommendations relating to operational, procedural, functional and technical aspects of the systems of EBA CLEARING.

Legal Advisory Group (LAG)

Its mission is to analyse and review proposals from a legal point of view and to formulate legal recommendations regarding the same. The LAG also assists in the monitoring of legal projects and formulates recommendations regarding the resourcing for given projects.

Treasury and Liquidity Group (TLG)

Its mission is to act as an advisory expert group relating to the management and use of liquidity within the systems operated by EBA CLEARING.

The Company may also establish other expert fora in accordance with identified needs. For example, a EURO1 Future Positioning Group was created in 2017 to assist in the analysis and review of options and the formulation of recommendations regarding the EURO1 System and its positioning and value proposition in the medium to long term.

4 Other stakeholders

Potential users and other stakeholders

Apart from the consultation and coordination with user and expert groups mentioned above, the Company organises roadshows and information sessions for wider stakeholder groups when and where relevant. Consultations may also take place on an ad-hoc basis.

Overseer and policy stakeholders

The Company's mission underpins its resolve to contribute to industry initiatives and to engage with industry and policy stakeholders, including regulators, overseers, the European Payments Council, standardisation bodies, and the constituencies entrusted with policy setting.

5 Management

Hays Littlejohn has been serving as CEO of EBA CLEARING since 1 May 2015.

The CEO is responsible for the day-to-day management of the Company, and delegates authorities to the Heads of Unit and staff of the Company. As per best practice and in line with the requirements of the SIPS Regulation, the Company has in place a set of codes and policies including a code of ethics, a remuneration policy and a policy on selection, monitoring and removal of members of management.

Prior to his role as CEO of EBA CLEARING, Hays Littlejohn held managerial and executive positions in global transaction banking at UBS AG. Having joined the Swiss bank in 1991, Hays covered a wide range of areas during his international career at UBS, including information technology, operations, trade finance, product management, relationship management, sales, business development and market infrastructures. Hays also served on the Board of CLS and, for more than 10 years, on the Board of EBA CLEARING.

6 Country Representatives



JANINA GRÖNHOLM
Baltic Countries,
Finland and Poland



EVA HERSKOVICOVA
Czech Republic, Hungary,
Slovakia and Slovenia



KATJA HEYDER
Austria, Bulgaria, Croatia,
Cyprus, Germany, Greece,
Liechtenstein, Luxembourg,
Malta, Romania, Spain and
Switzerland



ERWIN KULK
Portugal



DOINA NICOLICI
United Kingdom and Ireland



PETRA PLOMPEN
Belgium



DAVID RENAULT
France



JETTE SIMSON
Scandinavian Countries



DANIELA VINCI
Italy



ANDRÉ VINK
The Netherlands

7

Transfer of shares and changes in share capital of EBA CLEARING

No such changes occurred in 2021.

As of 31 December 2021, the share capital of EBA CLEARING amounted to EUR 48,000.

Environmental, Societal and Governance Statement

EBA CLEARING is fully committed to continuously improving its overall performance in relation to sustainability and the Company's societal impact. In this sense, the Company embeds Environment, Social and Governance (ESG) values into its corporate policies by setting guidelines for its Board, employees and providers in relation to their behaviour and actions, in line with the expectations of its Shareholders.

Concretely, in relation to Environment, the Company began in 2020 the process of implementing a comprehensive policy and framework to manage its environmental impact, in a phased approach, which is now embedded across the Company through its decision-making processes and long-term strategic planning.

In January 2020, the Company created a task force with the mission of designing a framework around environmental protection and climate change efforts across the Company inspired by the ISO 14005 standard. In March 2021, the Company decided to create the Green Steering Group, a permanent group tasked with actively supporting the Company in the management and implementation of the framework to minimise the Company's impact on the environment.

In addition, the staff of the Company has undertaken and contributed to a number of activities and initiatives that promote the values EBA CLEARING stands for. Specifically, for climate change awareness and protection of the environment, EBA CLEARING has counted nearly 90 separate actions within the scope of its own operations, in relation to waste reduction and recycling, water usage, energy efficiency, travel CO2 emissions and procurement.

As a next step, the Company will define a framework to measure the impact of its efforts in this area and report progress to its governance bodies accordingly through the implementation of defined metrics and KPIs.

In relation to Governance, as required by the Revised SIPS Regulation, EBA CLEARING has maintained a solid corporate governance framework, comprised of the Company by-laws and a set of corporate documents, processes and policies. These documents, processes and policies set out the governance arrangements within EBA CLEARING. These arrangements have been determined to be effective in providing clear and direct lines of responsibility and accountability.

Further, in order to ensure that all types of users are considered in the design and evolution of its systems and offerings, the Company maintains a broad range of communication channels with its (current and potential) users and other stakeholders. Broadly representative user groups have clear visibility and engagement vis-a-vis the Board of Directors level, with key groups being chaired by Board Directors. The design, maintenance and evolution of the Company's services are subject to thorough user consultations, to meet the community's needs.

Finally, EBA CLEARING undertakes on an ongoing basis several activities under the umbrella of Social. In its documentation, the Company has implemented a number of policies to ensure its and its staff's compliance with all labour, data protection, anti-bribery, anti-corruption, health and safety and competition laws applicable to it. It also maintains a Code of Ethics and Business Conduct, which sets out the high-level standards of ethics and conduct required from all who work for and represent EBA CLEARING.

Further, EBA CLEARING attracts and actively supports diversity and is committed to fostering a work environment where all individuals are treated with respect, fairness and dignity. In this sense, the Company organises training to support staff in their continuous learning and development in this area.



FINANCIALS

A beacon of stability

Trees are very stable, thanks to their highly resilient cell wall made of cellulose.

This tough and fibrous biomaterial is one of many substances that trees create by turning solar energy, carbon dioxide and water into different building molecules.

It enables some trees to grow up to a hundred meters tall.

Statutory Accounts¹

EBA CLEARING completed the fiscal year 2021 with a new strong positive net result before consolidation of EUR 6.1 M.

The Company continued to further improve its cash position in 2021 to EUR 26.9 M (compared to EUR 25.4 M in 2020) and still fulfils its obligations to cover General Business Risk, as foreseen under the SIPS Regulation.

The 2021 results show EBA CLEARING's continuing solid business performance, which again led to a continuous decrease of the Company's average costs per unit.

¹ All figures in the tables of this section refer to year-end actuals (rounded) and are indicated in euro (EUR) thousand; in the text, abbreviations are used for thousands (K) and millions (M).

Overview of revenues

The revenue increased by EUR 7.5 M (+9.7% vs 2020, totalling EUR 84.3 M.

Profit & Loss Statement	2020	2021	2021 vs 2020
Fixed fees	20,234	22,521	2,287
Transaction fees	53,060	58,406	5,346
Other fees	3,595	3,412	(182)
Revenues	76,889	84,340	7,451

The revenue growth was mainly caused by the significant growth of the STEP2 and RT1 Services in terms of volume figures.

Due to the increases in the STEP2 SEPA and RT1 service participation, the fixed revenues from services continued to grow throughout 2021, despite a slight decrease in EURO1 Participants. The fixed fee revenues amounted to EUR 22.5 M, which represents a rise of EUR 2.3 M compared to 2020.

The revenues from transaction fees increased due to the observed traffic growth in the STEP2 SEPA and Card Clearing Services as well as in RT1. The transaction revenues for EURO1 remained stable due to fixed price arrangements. The total transaction fee revenues amounted to EUR 58.4 M, which is an increase of EUR 5.3 M compared to 2020 (+10%).

The revenues from other fees amounted to EUR 3.4 M, which corresponds to a decrease of EUR 182 K compared to 2020. Other fees are revenues from service agreements and one-off administrative fees related to provisioning, joining and exit fees. Altogether, other fees were 5.1% lower than in 2020.

Overview of direct costs

The direct costs increased by EUR 5.6 M (+11% vs 2020), totalling EUR 55.8 M.

Profit & Loss Statement	2020	2021	2021 vs 2020
Operating charges	46,930	51,521	4,591
Other charges	3,631	4,298	667
Direct costs	50,561	55,818	5,257

Service-related operating charges from external providers amounted to EUR 51.5 M, which represents an increase of EUR 4.6 M compared to 2020. The operating charges increased in line with the transaction revenue increase from the STEP2 and RT1 traffic growth. Other charges saw a slight increase of EUR 0.7 M, mainly because of an increase in amortisation related to the STEP2-T CGS investments.

Gross margin

The gross margin increased by EUR 2.2 M (+8.3 % vs 2020), totalling EUR 28.5 M.

Profit & Loss Statement	2020	2021	2021 vs 2020
Revenues	76,889	84,340	7,451
– Direct costs	50,561	55,818	5,257
Gross margin	26,328	28,522	2,194

The evolution of the gross margin is slightly better than expected, thanks to the positive evolution of the STEP2 and RT1 Services.

Overview of operating costs

The costs of operating the Company remained stable in 2021 totalling EUR 19.4 M.

Profit & Loss Statement	2020	2021	2021 vs 2020
Operating costs			
Human resources	13,186	13,816	630
External relations	419	238	(181)
Consultancies	1,546	2,044	498
Equipment, services	1,069	1,020	(49)
Rent, premises, maint. cleaning, taxes & other expenses	2,186	1,822	(364)
Other expenses, (revenues)	418	490	72
Total operating costs	18,824	19,429	605

The Company continued to closely monitor its operating costs. The longer than expected pandemic-related travel restrictions led to a EUR 0.18 M decrease in travel and external relations costs for 2021. There was a EUR 0.4 M increase in consultancy costs, mostly related to EBA CLEARING's continuous investments in the evolution and strengthening of its internal IT and

office automation tools. The increase in HR costs at EUR 0.6 M, due to staffing increases to support the business growth, was fully offset by decreases in the spending on equipment and services as well as on rent, maintenance and cleaning.

Overview from gross margin to net result

Profit & Loss Statement	2020	2021	2021 vs 2020
Gross margin	26,328	28,522	2,194
– Operating costs	18,824	19,429	605
Earnings before taxes	7,505	9,093	1,588
– Exceptional revenue, expense	(312)	(235)	77
– Income taxes and participation	2,463	3,220	757
Net result before consolidation	5,354	6,108	754

The earnings before taxes (EBT) amounted to EUR 9.1 M, which represents an increase of EUR 1.6 M compared to 2020, resulting from net increases of both gross margin and operating costs.

For 2021, the Company has been able to further decrease the provision related to future tax liabilities, which explains the negative exceptional item of EUR 235 K.

The estimated income tax and participation item stands at EUR 3.2 M for 2021, resulting in a net income before consolidation of EUR 6.1 M.

Cash flow

The cash flow generated by the Company's activities in 2021 continues to be healthy and growing, thanks to an increased net income at EUR 8.6 M.

Cash Flow Statement	2020	2021	2021 vs 2020
Result before consolidation	5,354	6,108	754
Depreciation & Provision	2,499	2,524	25
Cash flow from operating activities	7,853	8,632	779

The net cash position of EBA CLEARING continued to strengthen, rising from EUR 25.4 M in 2020 to EUR 26.9 M at the end of 2021, thanks to a continuous growth of cash from operating activities and ongoing efforts to improve working capital.

Statutory balance sheet

Assets	2020	2021	2021 vs 2020
Current assets	Net value	Net value	Net value
Cash position	25,426	26,932	1,506
Receivables	18,503	21,136	2,633
Total current assets	43,929	48,068	4,139
Fixed assets	Net value	Net value	Net value
Intangible fixed assets	5,934	8,889	2,955
Tangible fixed assets	190	175	(15)
Intangible fixed assets – under construction	6,728	4,077	(2,651)
Tangible fixed assets – under construction	29	22	(7)
Financial fixed assets	5,918	5,910	(8)
Total fixed assets	18,799	19,074	275
Total assets	62,728	67,142	4,414
Liabilities	2020	2021	2021 vs 2020
Payables	24,809	23,648	(1,161)
Provision for risk and liabilities	1,386	852	(534)
Equity	36,533	42,641	6,108
Retained earnings & shareholders' equity	31,179	36,533	5,354
Result of the year	5,354	6,108	754
Total liabilities	62,728	67,142	4,414

Allocation of result of the year

The equity position of EBA CLEARING before consolidation with PRETA reached EUR 42.6 M with a net result of EUR 6.1 M. The equity position includes EUR 10.8 M in highly liquid assets which are carried as a special reserve per the SIPS Regulation.

Since the creation of the Company, no dividends have been paid to Shareholders. It is proposed to maintain this policy and allocate the result of the period under report to retained earnings to support the continued growth of the Company.

EBA CLEARING's subsidiary PRETA

During the period under report, EBA CLEARING's fully-owned subsidiary PRETA S.A.S. witnessed a complete recovery of its MyBank volumes and adoption rates after the slowdown of the economy due to the Covid-19 pandemic and associated restrictions in 2020. As a result, PRETA successfully met its objectives set for 2021 in terms of projected turnover. The company also recorded an extraordinary profit following the sale of its subsidiary OBE SAS (Open Banking Europe) to Konsentus Ltd in January 2021.

MyBank saw a new transaction value record in December 2021. Throughout the year, PRETA had put particular attention on growing brand awareness through media coverage on specialised news sites, TV and radio channels in Italy as well as contributions to online conferences and webinars. In Q1 2022, the MyBank Gateway was enhanced with a new set of application programming interfaces (APIs) with the aim to ease the onboarding of payer PSPs. This should allow MyBank to further extend its reach in Italy and other countries going forward.

With regard to request to pay, PRETA facilitated a subgroup composed of 14 PSPs from nine countries drawn from the R2P funding institutions. The subgroup looked into PSP requirements for the seamless exchange of request to pay messages and related payments in an end-to-end context. A blueprint was issued in June 2021 laying down the scope of the Request to Pay Plus (RTP+) initiative. This was followed by a call on PSPs to support the delivery of the first RTP+ module consisting of a legal framework and operational guidelines to ensure certainty with regard to the underlying payment and enable end-user solutions. Based on the contribution of frontrunners, PRETA released the RTP+ contractual framework in early 2022 and will continue its work on additional deliverables.

APPENDICES

Appendix 1

List of EBA CLEARING Shareholders

Status: 15 May 2022

ABN AMRO Bank NV	HSBC Continental Europe
Allied Irish Banks Plc	ING Bank NV
Banca Monte dei Paschi di Siena SpA	Intesa Sanpaolo SpA
Banco Bilbao Vizcaya Argentaria SA	J.P. Morgan Chase Bank, NA
Banco BPM SpA	KBC Bank NV
Banco Comercial Português SA	Landesbank Baden-Württemberg
Banco de Sabadell SA	Landesbank Hessen-Thüringen (HELABA)
Banco Santander SA	MUFG Bank, Ltd
Bank of America Europe DAC	National Bank of Greece SA
Banque et Caisse d'Épargne de l'État	National Westminster Bank Plc
Banque Internationale à Luxembourg	Nordea Bank Abp
Barclays Bank Plc	Novo Banco SA
BNP Paribas SA	OP Corporate Bank Plc
BPCE	OTP Bank Plc
CaixaBank SA	Rabobank Nederland
Citibank Europe Plc	Raiffeisen Bank International AG
Commerzbank AG	Skandinaviska Enskilda Banken AB (publ)
Crédit Agricole SA	Société Générale
Crédit Mutuel – CIC Banques	Standard Chartered Bank AG
Danske Bank A/S	Svenska Handelsbanken
Deutsche Bank AG	Swedbank AB (publ)
DNB Bank ASA	UBS AG
DZ BANK AG	UniCredit Bank AG
Erste Group Bank AG	UniCredit SpA

Appendix 2

List of EURO1/STEP1 Participants

Status: 15 May 2022

Banca di Imola S.p.A.	STEP1 Bank	BPCE	EURO1 Participant
Banca Monte dei Paschi di Siena S.p.A.	EURO1 Participant	BRED Banque Populaire	EURO1 Sub-Participant
Banca Widiba SpA	EURO1 Sub-Participant	NATIXIS	EURO1 Sub-Participant
MPS Leasing & Factoring S.p.A.	EURO1 Sub-Participant	BPER Banca S.p.A.	STEP1 Bank
Banca Sella S.p.A.	STEP1 Bank	CaixaBank S.A.	EURO1 Participant
Banco Bilbao Vizcaya Argentaria S.A.	EURO1 Participant	Caixa Central de Crédito Agrícola Mútuo	STEP1 Bank
Banco BPM S.p.A.	EURO1 Participant	Cassa di Risparmio di Fermo S.p.A.	STEP1 Bank
Banco Comercial Português S.A.	EURO1 Participant	Cassa di Risparmio di Ravenna S.p.A.	STEP1 Bank
Banco de Sabadell S.A.	EURO1 Participant	CECABANK, S.A.	STEP1 Bank
Banco Santander S.A.	EURO1 Participant	Caja de Ahorros y Monte de	
Banco Santander Totta, SA	EURO1 Sub-Participant	Piedad de Ontinyent	STEP1 Sub-Participant
Santander Consumer Bank AG	EURO1 Sub-Participant	Colonya Caixa Pollença	STEP1 Sub-Participant
Bank GPB International S.A.	STEP1 Bank	Liberbank, S.A.	STEP1 Sub-Participant
Bank of America Europe DAC,		Unicaja Banco, S.A.	STEP1 Sub-Participant
Frankfurt Branch	EURO1 Participant	Citibank Europe Plc	EURO1 Participant
Banque Michel Inchauspé - BAMI	STEP1 Bank	Commerzbank AG	EURO1 Participant
Barclays Bank Ireland Plc, Frankfurt branch	EURO1 Participant	Crédit Agricole S.A.	EURO1 Participant
BNP Paribas S.A.	EURO1 Participant	CA-CIB – Crédit Agricole Corporate	
Banca Nazionale del Lavoro S.p.A.	EURO1 Sub-Participant	and Investment Bank	EURO1 Sub-Participant
BNP Paribas Fortis	EURO1 Sub-Participant	Crédit Agricole CariParma SpA	EURO1 Sub-Participant
BNP Paribas Securities Services	EURO1 Sub-Participant	Crédit Agricole Friuladria SpA	EURO1 Sub-Participant
		Crédit Lyonnais	EURO1 Sub-Participant

Danske Bank A/S	EURO1 Participant	Société Générale	EURO1 Participant
Deutsche Bank AG	EURO1 Participant	Crédit du Nord	EURO1 Sub-Participant
DNB Bank ASA, Filial Finland	EURO1 Participant	Standard Chartered Bank AG	EURO1 Participant
DNB Bank ASA, Norway	EURO1 Sub-Participant	Svenska Handelsbanken	EURO1 Participant
ERSTE Group Bank AG	EURO1 Participant	Swedbank AB (publ.)	EURO1 Participant
HSBC Continental Europe	EURO1 Participant	Swedbank AB, Lithuania	EURO1 Sub-Participant
ING Bank NV	EURO1 Participant	Swedbank AS, Estonia	EURO1 Sub-Participant
Bank Mendes Gans N.V.	EURO1 Sub-Participant	Swedbank AS, Latvia	EURO1 Sub-Participant
ING Belgium N.V./S.A.	EURO1 Sub-Participant	UBS Europe SE, Germany	EURO1 Participant
Intesa Sanpaolo S.p.A.	EURO1 Participant	UniCredit S.p.A.	EURO1 Participant
JPMorgan Chase Bank NA (J.P. Morgan SE)	EURO1 Participant	UniCredit Bank AG	EURO1 Sub-Participant
J.P. Morgan Bank Luxembourg S.A., Dublin Branch	EURO1 Sub-Participant	UniCredit Bank Austria AG	EURO1 Sub-Participant
J.P. Morgan Bank Luxembourg S.A.	EURO1 Sub-Participant		
KBC Bank N.V.	EURO1 Participant		
MUFG Bank, Ltd., Paris branch	EURO1 Participant		
National Bank of Greece S.A.	EURO1 Participant		
Nordea Bank Abp	EURO1 Participant		
OP Corporate Bank Plc	EURO1 Participant		
Raiffeisen Bank International AG	EURO1 Participant		
Skandinaviska Enskilda Banken	EURO1 Participant		
AS SEB Bank, Estonia	EURO1 Sub-Participant		
SEB Banka, Latvia	EURO1 Sub-Participant		
Skandinaviska Enskilda Banken S.A., Luxembourg	EURO1 Sub-Participant		
Skandinaviska Enskilda Banken, Denmark	EURO1 Sub-Participant		

Appendix 3

List of Participants in STEP2-T

Status: 15 May 2022

STEP2 SCT

ABN AMRO Bank N.V.	Banco de Sabadell S.A.	BNP Paribas Fortis SA/NV	Credit Suisse (Schweiz) AG
AION SA	Banco Santander S.A.	BNP Paribas S.A.	Credito Emiliano SpA
Adyen B.V.	Banco Santander Totta S.A.	Bonum Bank Plc	Danske Bank A/S
Aktia Bank Plc	Bank of Aland Plc	BPCE	De Nederlandsche Bank N.V.
Allied Irish Banks Plc	Bank of America Europe DAC	bpost SA	Deutsche Bank AG
Alpha Bank Cyprus Ltd	Bank of Cyprus Public Company Ltd	bpost Bank N.V.–S.A.	Deutsche Bundesbank
APS Bank	Bank of Greece S.A.	BRED Banque Populaire	DNB Bank ASA
Arbejdernes Landsbank A/S	Bank of Ireland	Bunq B.V.	DZ BANK AG
AS LHV Pank	Bank of Slovenia – Banka Slovenije	Caixa Central de Crédito Agrícola Mútuo	Elavon Financial Services Limited
AS SEB Pank	Bank of Valletta Plc	Caixa Geral de Depósitos S.A.	Erste Group Bank AG
AS TBB pank	Bankinter S.A.	CaixaBank S.A.	First Investment Bank AD
Banca Carige SpA	Banque de France	Cassa Centrale Banca – Credito Cooperativo Italiano SpA	Hellenic Bank Public Company Ltd
Banca d'Italia	Banque de Luxembourg	Cassa Depositi e Prestiti SpA	HSBC Bank Plc
Banca Monte dei Paschi di Siena SpA	Banque Delubac & Cie	Cecabank S.A.	HSBC Continental Europe
Banca Popolare di Sondrio SCPA	Banque Eni S.A.	Central Bank of Malta	HSBC UK Bank Plc
Banca Sella Holding SpA	Banque et Caisse d'Épargne de l'Etat	Central Bank of Savings Banks Finland Plc	ICCREA Banca SpA
Banco Bilbao Vizcaya Argentaria S.A.	Banque Internationale à Luxembourg S.A.	Central Cooperative Bank AD	ING Bank NV
Banco BPI S.A.	Barclays Bank Ireland Plc	Citibank Europe Plc	ING Belgium NV–SA
Banco BPM SpA	Barclays Bank Plc	Commerzbank AG	ING Luxembourg SA
Banco Comercial Português S.A.	Barclays Bank UK Plc	Crédit Agricole S.A.	Intesa Sanpaolo SpA
Banco Cooperativo	Belfius Bank SA/NV	Crédit Agricole Italia SpA	J.P. Morgan SE
Banco de España	BFF Bank SpA	Crédit Mutuel Arkéa	Jyske Bank AS
	BGL BNP Paribas	Crédit Mutuel – CIC Banques	KBC Bank N.V.
	BNF Bank Plc		Klarna Bank AB (publ)

La Banque Postale
Lån & Spar Bank A/S
Landesbank Baden-Württemberg
Landesbank Hessen-Thüringen (HELABA)
Latvijas Banka
Lietuvos Bankas – Bank of Lithuania
Lloyds Bank Plc
Medirect Bank (Malta) plc
MEMO Bank
MUFG Bank, Ltd
Narodowy Bank Polski –
National Bank of Poland
National Bank of Slovakia –
Národná Banka Slovenska
National Westminster Bank Plc
Nordea Bank Abp
Novo Banco S.A.
Novum Bank
Oesterreichische Nationalbank
OP Corporate Bank Plc
OTP Bank Plc Rabobank
Raiffeisen Bank International AG
Raiffeisen Landesbank Südtirol AG
RCB Bank Ltd
S-Bank Ltd
Santander Consumer Bank AG
SECB Swiss Euro Clearing Bank GmbH
Skandinaviska Enskilda Banken AB (publ)
Skandinaviska Enskilda Banken S.A.,
Luxembourg
Société Générale
Société Générale Bank and Trust S.A.

Spar Nord Bank AS
Sparekassen Kronjylland
Sparkasse Bank Malta Plc
Standard Chartered Bank AG
Svenska Handelsbanken AB
Swedbank AB (publ)
Sydbank A/S
The Royal Bank of Scotland Plc
UBS AG
UBS Europe SE
UBS Switzerland AG
UniCredit Bank AG (HypoVereinsbank)
UniCredit Bank Austria AG
UniCredit SpA
Western Union International Bank GmbH

STEP2 SDD CORE

ABN AMRO Bank N.V.
AION S.A.
Aktia Bank Plc
Allied Irish Banks, Plc
APS Bank
AS LHV PANK
Banca Carige SpA
Banca d'Italia
Banca Generali SpA
Banca Monte dei Paschi di Siena SpA
Banca Popolare di Sondrio SCPA
Banco Bilbao Vizcaya Argentaria S.A.
Banco BPI S.A.
Banco BPM SpA
Banco Comercial Português SA
Banco Cooperativo
Banco de Sabadell S.A.
Banco Santander S.A.
Banco Santander Totta S.A.
Bank of America Europe DAC
Bank of Greece S.A.
Bank of Ireland Bank of Valletta Plc
Bank of Slovenia – Banka Slovenije
Banque de France
Banque de Luxembourg
Banque Delubac & Cie
Banque Eni S.A.
Banque et Caisse d'Épargne de l'État
Banque Internationale à Luxembourg S.A.
Barclays Bank Ireland Plc

Barclays Bank Plc
Barclays Bank UK Plc
Belfius Bank SA/NV
BFF Bank SpA
BGL BNP Paribas
BNF Bank Plc
BNP Paribas Fortis SA/NV
BNP Paribas S.A.
Bonum Bank Plc
BPCE
BPER Banca SpA
bpost SA
bpost Bank N.V.-S.A.
BRED Banque Populaire
Bunq B.V.
Caixa Central de Crédito Agrícola Mútuo
Caixa Geral de Depósitos S.A.
CaixaBank S.A.
Cassa Centrale Banca –
Credito Cooperativo Italiano SpA
Cassa Depositi e Prestiti SpA
Cecabank S.A.
Central Bank of Malta
Central Bank of Savings Banks Finland Plc
Citibank Europe Plc
Commerzbank AG
Crédit Agricole S.A.
Crédit Agricole Italia SpA
Crédit Mutuel – CIC Banques
Crédit Mutuel Arkéa
Credit Suisse (Schweiz) AG
Credito Emiliano SpA

Danske Bank A/S
De Nederlandsche Bank N.V.
Deutsche Bank AG
Deutsche Bundesbank
DZ BANK AG
Elavon Financial Services Limited
Erste Group Bank AG
HSBC Bank Plc
HSBC Continental Europe
HSBC UK Bank Plc
ICCREA Banca SpA
ING Bank NV
ING Belgium NV-SA
ING Luxembourg S.A.
Intesa Sanpaolo SpA
J.P. Morgan SE
KBC Bank N.V.
Klarna Bank AB (publ)
La Banque Postale
Landesbank Baden-Württemberg
Landesbank Hessen-Thüringen (HELABA)
Lietuvos Bankas – Bank of Lithuania
Lloyds Bank Plc
MEMO Bank
MUFG Bank, Ltd
National Bank of Slovakia –
Národná Banka Slovenska
National Westminster Bank Plc
Nordea Bank Abp
Novo Banco S.A.
Oesterreichische Nationalbank
OP Corporate Bank Plc

Rabobank
Raiffeisen Bank International AG
Raiffeisen Landesbank Südtirol AG
Santander Consumer Bank AG
S-Bank Ltd.
SECB Swiss Euro Clearing Bank GmbH
Skandinaviska Enskilda Banken AB (publ)
Société Générale
Spar Nord Bank A/S
Standard Chartered Bank AG
Svenska Handelsbanken AB
UBS Europe SE
UniCredit Bank AG (HypoVereinsbank)
UniCredit Bank Austria AG
UniCredit SpA
Western Union International Bank GmbH

STEP2 SDD B2B

ABN AMRO Bank N.V.
AION S.A.
Banca Carige SpA
Banca d'Italia
Banca Generali SpA
Banca Monte dei Paschi di Siena SpA
Banca Popolare di Sondrio SCPA
Banco Bilbao Vizcaya Argentaria S.A.
Banco BPI S.A.
Banco BPM SpA
Banco Comercial Português SA
Banco Cooperativo
Banco de Sabadell S.A.
Banco Santander S.A.
Banco Santander Totta S.A.
Bank of America Europe DAC
Bank of Greece S.A.
Bank of Slovenia – Banka Slovenije
Banque de France
Banque de Luxembourg
Banque Delubac & Cie
Banque Eni S.A.
Banque et Caisse d'Épargne de l'État
Banque Internationale à Luxembourg S.A.
Barclays Bank Ireland Plc
Barclays Bank Plc
Barclays Bank UK Plc
Belfius Bank SA/NV
BFF BANK SpA
BGL BNP Paribas

BNP Paribas Fortis SA/NV
BNP Paribas S.A.
BPCE
BPER Banca SpA
bpost SA
BRED Banque Populaire
Bunq B.V.
Caixa Central de Crédito Agrícola Mútuo
Caixa Geral de Depósitos S.A.
CaixaBank S.A.
Cassa Centrale Banca –
Credito Cooperativo Italiano SpA
Cassa Depositi e Prestiti SpA
Cecabank S.A.
Central Bank of Malta
Citibank Europe Plc
Commerzbank AG
Crédit Agricole S.A.
Crédit Agricole Italia SpA
Crédit Mutuel – CIC Banques
Crédit Mutuel Arkéa
Credito Suisse (Schweiz) AG
Credito Emiliano SpA
Danske Bank A/S
De Nederlandsche Bank N.V.
Deutsche Bank AG
Deutsche Bundesbank
DZ BANK AG
Erste Group Bank AG
HSBC Continental Europe
ICCREA Banca SpA
ING Bank NV

ING Belgium NV/SA
ING Luxembourg S.A.
Intesa Sanpaolo SpA
J.P. Morgan SE
KBC Bank N.V.
La Banque Postale
Landesbank Baden-Württemberg
Landesbank Hessen-Thüringen (HELABA)
Lloyds Bank Plc
MEMO Bank
MUFG Bank, Ltd
National Bank of Slovakia – Národná Banka
Slovenska
National Westminster Bank Plc
Nordea Bank abp
Novo Banco S.A.
Oesterreichische Nationalbank
Rabobank
Raiffeisen Bank International AG
Raiffeisen Landesbank Südtirol AG
Santander Consumer Bank AG
SECB Swiss Euro Clearing Bank GmbH
Skandinaviska Enskilda Banken AB (publ)
Société Générale
Spar Nord Bank A/S
Svenska Handelsbanken AB
UBS Europe SE
UniCredit Bank AG (HypoVereinsbank)
UniCredit Bank Austria AG
UniCredit SpA
Western Union International Bank GmbH

Appendix 4

List of STEP2 CC Participants

Status: 15 May 2022

Citibank Europe Plc
Commerzbank AG
Deutsche Bank AG
Landesbank Hessen-Thüringen (HELABA)
Santander Consumer Bank AG
UniCredit Bank AG (HypoVereinsbank)

Appendix 5

List of RT1 Participants

Status: 15 May 2022

ABN AMRO Bank N.V.	BNP Paribas SA	Intesa Sanpaolo S.P.A.
AION SA	Bonum Bank Plc	J.P. Morgan SE
Aktia Bank Plc	BPER Banca	KBC Bank
AS LHV Pank	BRED Banque Populaire	La Banque Postale
AS SEB Pank	Bunq B.V.	Landesbank Baden-Wuerttemberg
Banca Generali SpA	Caixabank S.A.	Landesbank Hessen-Thuringen
Banca Nazionale del Lavoro S.p.A.	Cassa Centrale Banca –	Latvijas Banka
Banca Patrimoni Sella & C. S.p.A.	Credito Cooperativo Italiano	Lietuvos bankas
Banca Popolare di Sondrio	Cecabank	N26 Bank GmbH
Banca Sella Holding S.p.A.	Central Bank of Savings Banks Finland Plc	Nordea Bank Abp
Banca Sella S.p.A.	Citibank Europe PLC	OP Corporate Bank Plc
Banco Bilbao Vizcaya Argentaria S.A.	Commerzbank AG	Raiffeisen Bank International AG
Banco BPM S.p.A.	Coop Pank aktsiaselts	Raiffeisenlandesbank Oberoesterreich AG
Banco Sabadell S.A.	Credit Agricole Italia S.p.A.	Santander Consumer Bank AG
Banco Santander S.A.	Credit Agricole SA	S-BANK PLC
Bank of Aland Plc	Crédit Mutuel Arkéa	Skandinaviska Enskilda Banken AB (publ)
Bank of America Europe DAC	Danske Bank A/S	Société Générale
Banque et Caisse d'Épargne de L'État	Deutsche Bank AG	Svenska Handelsbanken AB (publ)
Banque Fédérative du Crédit Mutuel	DZ BANK AG	Swedbank AB
Banque Internationale à Luxembourg	Erste Group Bank AG	Swedbank AS
Barclays Bank Ireland PLC	FinecoBank Spa	Targobank
Belfius Bank SA	FlatexDEGIRO Bank AG	TeamBank AG
BFF Bank SA	HSBC Continental Europe	UniCredit Bank AG
BGL BNP Paribas	Illimity Bank S.p.A.	UniCredit Bank Austria AG
BNP Paribas Fortis NV/SA	ING Belgium NV/SA	UniCredit S.p.A.

Annual Accounts for 2021

The annual accounts for 2021 (and for 2020) are attached separately.

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CONCEPT AND TEXT

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