



EBA CLEARING

ANNUAL REPORT 2023

Practitioners Creating
Pan-European
Payment Infrastructures



USER-DRIVEN INFRASTRUCTURE



serves the needs of
both the individual
user and the broader
community.

RESILIENT INFRASTRUCTURE

takes you from
A to B
every single time,
all the time.





EFFICIENT
INFRASTRUCTURE



gets the details right
without losing sight
of the bigger picture.

WELCOME

- 2 The Company's Mission and Strategic Aims
- 3 Chairperson's Statement
- 7 CEO's Statement

APPENDICES

- 75 List of EBA CLEARING Shareholders
- 76 List of EURO1/STEP1 Participants
- 78 List of Participants in STEP2-T
- 82 List of STEP2 CC Participants
- 83 List of RT1 Participants
- 84 Annual Accounts for 2023

THE COMPANY'S ACTIVITIES IN 2023 AND OUTLOOK FOR 2024

12 SERVICES

- 13 Introduction
- 16 EURO1 Service
- 19 STEP1 Service
- 21 STEP2 SEPA Services
- 25 RT1 Service
- 29 R2P Service
- 30 STEP2 Card Clearing Service
- 32 SEDA Service
- 34 Operations
- 36 Fraud Pattern and Anomaly Detection (FPAD) Project
- 37 Immediate Cross-border Payment (IXB) Initiative

38 RISK MANAGEMENT

- 39 Corporate Risk Management
- 41 Internal Audit
- 42 Legal and Regulatory Activities
- 45 Oversight of EBA CLEARING

48 GOVERNANCE

- 49 Corporate Governance
- 61 Environmental, Social and Governance Statement

63 FINANCIALS

- 64 Financial Report on Statutory Accounts
- 73 EBA CLEARING's Subsidiary PRETA

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, thereby ensuring **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 does not seek 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

“The future begins with a vision.” That’s how we started the closing chapter of *Imagine Payments 2048*, the comic booklet that celebrated our community exercise on the future of payments, which we conducted last year on the occasion of EBA CLEARING’s 25th anniversary.

This may sound like a truism, but in light of recent and ongoing developments in the European payments industry, I believe it is worth reminding ourselves that the future should always begin with a vision. And in the case of a cooperative undertaking like EBA CLEARING, this should be a commonly developed vision. Everything else – rules, rails and products – should only come in a next step and be ideally shaped by this common vision.

When it comes to turning visions into reality and moving into the future, 2023 was a very successful year for the Company.

Now some may ask “Why bother about coming up with your own vision?” They may argue that, these days, all you need is good implementation planning. After all, in our heavily regulated environment, a lot of your change capacity and implementation plans will end up being determined by someone else’s vision of the future. At EBA CLEARING, however, we believe that this should not keep you and your community from developing and pursuing your own strategic vision. Projecting your ideas into the future may actually be the only way you can get ahead of the curve and shape (some of) your destiny by turning your own ideas, wishes and plans into reality – or, as in our case, the ideas, needs and expectations of our user community.

When it comes to turning visions into reality and moving into the future, 2023 was a very successful year for the Company. Together with our user community and our technology partners, we completed major steps towards readying our infrastructure for a new evolution of payments. These deliverables were most notable in the area of real-time payments. In line with our strategic objective to support the European eco-

system in taking instant payments to the next level, we focused on further strengthening the end-to-end operational excellence in RT1 in close cooperation with our users.

Our biggest step forward in this area – which confirms in a striking way that developing your own vision does matter – was the delivery of our network-based pan-European Fraud Pattern and Anomaly Detection (FPAD) functionality. Designed at the request and with the support of our user community, FPAD complements the individual users’ view of fraud with additional risk indicators that a network view is best positioned to provide. While these additional insights are expected to make the biggest difference for real-time payments, which are especially attractive to fraudsters due to their speedy execution and instant availability of funds, the FPAD functionality should help to

make all of our SEPA services safer. FPAD was made available to the STEP2-T and RT1 user communities in March 2024, after a tuning period driven by a group of expert users across Europe.

The launch of FPAD marked an important milestone in a journey that had started with interested users in the community in early 2022. These frontrunners had anticipated the industry’s need for more effective fraud-combatting tools in a growing instant payment market and felt the time had come to prepare for this. Based on the joint vision developed with them and confirmed with our wider user community, we delivered a collective pan-European toolset to feed the missing network view into our users’ fraud-fighting systems in order to enrich their individual risk assessments.

This toolset can now be easily updated with the verification of payee (VoP) requirements of the European Payments Council (EPC)’s VoP Scheme for November this year, well ahead of the October 2025 deadline set by the Instant Payments Regulation. This will provide our users with a pan-European solution for complying with VoP requirements and the necessary time to

The launch of FPAD marked an important milestone in a journey that had started with interested users in the community in early 2022.

move towards regulatory compliance at their own pace. But thanks to the broader strategic vision it is based on, in addition to its user-driven design, FPAD will offer more than a basic VoP solution – and support PSPs in achieving much more than just VoP compliance. Users can choose to upgrade the ‘plain vanilla’ VoP check with value-added analysis, including advanced matching methods and account assessments based on various fraud and anomaly indicators. This will enable them to refine their risk assessments and further enhance the safety, user experience and trust of their customers.

FPAD is not the only example of an EBA CLEARING project where strategic prioritisation and a user-driven approach have made a palpable difference. Our prime focus, as per our mission statement, is to ensure excellence and robustness in both system development and day-to-day operations. Due to our strong prioritisation of these two objectives and thanks to the close coordination with our user community, we were able to successfully support our users during the major changeover processes they completed in 2023 and early 2024.

The Company also places a great deal of emphasis on service developments that support its users in monetising their infrastructure investments.

The Company's vast experience in managing large-scale migration processes in SEPA and its thorough support throughout the onboarding process make RT1 the system of choice for instant payment newcomers.

Ecosystem preparation for the Instant Payments Regulation requirements and deadlines are the key focus items for this year and next year. The Company's vast experience in managing large-scale migration processes in SEPA and its thorough support throughout the onboarding process make RT1 the system of choice for instant payment newcomers that want to hit this real-time environment running. RT1 is also well-prepared to onboard more transaction volumes; the system will be able to seamlessly scale up its processing capacity as these volumes ramp up.

But as with other topics, EBA CLEARING has taken a wider strategic approach in getting ready for the expected instant payment ramp-up. We are strongly engaged with the RT1 community to make sure we

look at the payment process end to end, because that is the only way we can detect and mitigate all relevant hick-ups and bottlenecks. Aside from maintaining a dialogue with every user on the results of our regular unavailability and rejection monitoring, these preparations will involve large-volume testing with communities that expect to see a significant volume increase. We are confident that this collective effort will vastly benefit the build-out of the instant payments ecosystem and the related customer experience.

While the above examples demonstrate that EBA CLEARING always puts resilience first, the Company also places a great deal of emphasis on service developments that support its users in monetising their infrastructure investments. In 2023, we pursued this strategic objective by continuing to explore how to best unlock the value of instant payments for cross-border payments and request to pay.

In the recently completed R2P proof of concept, eight frontrunners confirmed the readiness of EBA CLEARING's R2P Service to support commercial use cases. The exercise also showcased how users can

To make sure that all users can contribute, EBA CLEARING organised more than 60 meetings in 2023 with its 10 user-say groups and 15 country groups.

roll out and create practical value around request to pay for the B2B e-invoicing processes of their corporate customers. We hope the tangible results that this coalition of the willing has delivered will help to kick-start the development of a broader common vision on request to pay and R2P going forward.

Another question we kept digging into in 2023 was how to optimally leverage RT1 for enhanced cross-border payments. At the request of the RT1 users, we will set up a One-Leg-Out Instant Credit Transfer (OCT Inst) Service in RT1 this year. RT1 OCT Inst will allow participants to easily re-use their instant payment rails for international payments. And the new service may generate even more value for their cross-border payment offerings going forward if it is used as a stepping stone for our Immediate Cross-Border Payments (IXB) initiative, since the aim of this joint initiative with The Clearing House (TCH) is to provide an end-to-end approach for the euro and U.S. dollar corridor and potentially other currencies.

But our efforts to improve our services in line with user needs do not stop with instant payments. Throughout 2023 and early 2024, the Company also

maintained its ongoing dialogue with the EURO1 and STEP2-T user communities on their additional requirements and expectations. To make sure that all users can contribute, EBA CLEARING organised more than 60 meetings in 2023 with its 10 user-say groups and 15 country groups.

In addition, the Company held numerous information web casts on FPAD and other topics, ran three interactive strategic outlook seminars together with the Euro Banking Association and moved to larger offices in Frankfurt to be able to host more in-house meetings in the years to come. Last, but not least, EBA CLEARING also maintained a regular exchange with its Overseers and other European authorities as well as with its technology partners and other key stakeholders.

I would like to particularly thank all of our Shareholder and user representatives as well as my fellow Board members for providing the Company with your input, feedback and advice throughout the period under report. As I pointed out earlier, the future ideally begins with a common vision – and at EBA CLEARING, this vision is always shaped, developed and tested by our

user community before we move ahead and jointly turn it into payment infrastructure reality. Without your comprehensive contributions, it would be 'vision impossible' for us. So thank you for all the time and effort you invest into sharing your needs, pain points and expectations with us: they make all the difference!

Finally, I would also like to thank the management and staff of EBA CLEARING for your relentless engagement and responsiveness. As the results of the 2023 user satisfaction survey testify, you continue to excel at converting user input into best-of-breed services.

Together with the management and staff of this Company, its technology partners, Overseers and other stakeholders, the Board looks forward to continuing this ongoing dialogue and work for the benefit of a future-proof payments ecosystem based on commonly developed pan-European visions. Thank you in advance for your continued commitment to this community endeavour and for any future input!



Michele Olin

CEO'S STATEMENT



Would you choose a 25-year-old vehicle as a family car?
Would you want your loved ones to face the risk of an accident with a first (or second) generation airbag and without the benefits of standard safety features, such as emergency brake assist?

At a time where our user community proudly looks back on 20 years of STEP2 (in 2023) and 25 years of EURO1 (in early 2024), it is not surprising that industry newcomers or journalists sometimes openly ask us whether our payment infrastructure is still state of the art.

I am happy to confirm that all our payment systems are both state of the art and very well positioned to support the needs of our users going forward.

Like a family car, payment systems and software require maintenance and updates. But unlike machines, software can be upgraded and adjusted, polished and repurposed, according to changing user demands. It requires continued investment and close interaction with users to keep payment systems best of breed and, most importantly, fit for purpose.

If you take a look at this annual report and the ones from previous years, you will see how we have successfully evolved – and keep evolving – our payment systems according to changing user demands: through creating, migrating, upgrading and changing both value-adding and core functionality – such as the settlement model or the underlying standard – while preserving the systems' key assets and keeping our daily operations stable, including during any changeovers.

In 2023, these changeovers included the seamless migration of all our payment services to the new T2 environment and of EURO1 to the data-rich ISO 20022 standard. March 2024 saw the smooth ISO 20022 XML version upgrade of the STEP2 SEPA and RT1 Services, in line with the entry into force of the latest SEPA Scheme Rulebook versions of the European Payments Council. I take this opportunity to thank again all parties involved in these major industry migrations for their great cooperation, including our service users, Nexi, Swift and the European Central Bank.

What is important to point out is that we took advantage of these mandatory migrations to also implement additional enhancements, in line with service user demands. As a result, our EURO1 Participants, for instance, are now not only able to extend to their customers the benefits of structured data based on international standards; they can also leverage the

I am happy to confirm that all our payment systems are both state of the art and very well positioned to support the needs of our users going forward.

liquidity efficiency and cost effectiveness of the system during longer opening hours. The ISO 20022 version upgrade of STEP2-T was combined with other improvements, which leverage the system's continuous gross settlement mechanism. These enhancements included the introduction of earlier opening hours for the STEP2 SEPA Credit Transfer Service and a more frequent delivery of output files.

But the most crucial step forward in 2023 in terms of value-adding functionality was the delivery of the Fraud Pattern and Anomaly Detection (FPAD) functionality for the STEP2-T and RT1 Services. FPAD complements the users' own view with a network view of fraud risks across numerous dimensions. While it offers a solid solution to support PSPs in fulfilling their verification of payee obligations, its broader approach makes FPAD a very valuable toolset for many more fraud-fighting purposes.

The FPAD project clearly illustrates that it is of vital importance for EBA CLEARING to regularly and closely consult with its user community on their needs in order to ensure that the right functionality is in place at the right time.

The FPAD project clearly illustrates that it is of vital importance for EBA CLEARING to regularly and closely consult with its user community on their needs in order to ensure that the right functionality is in place at the right time. Fraud-combatting functionality had been on the RT1 to-do list since the early days of the system, but it was not before 2022, when RT1 usage had sufficiently matured, that a first group of determined users emerged to make this a high-priority item on their agendas and form an expert group. Thanks to these frontrunners, the Company was able to create a blueprint and secure a mandate from its broader community for the development of comprehensive pan-European fraud-fighting functionality well ahead of the entry into force of the Instant Payments Regulation and any resulting volume growth.

In line with the guidance of our Board, we will continue to closely follow our user-driven approach in our efforts to evolve EBA CLEARING's service portfolio and functionality. In consultation with our users, we took forward a request to pay proof of concept with inter-

ested R2P funding institutions in 2023 and early 2024, agreed to launch a One-Leg-Out Instant Credit Transfer Service in RT1 in November 2024 and continued to further explore the Immediate Cross-Border Payments (IXB) Initiative with The Clearing House (TCH).

At the same time, our day-to-day operations remained on a firm course, providing reliable, efficient and cost-effective payment infrastructure services throughout the period under report. As in previous years, our activities included the continuous improvement of our IT and office automation infrastructure

as well as the regular testing of business continuity arrangements, together with our service participants. Much effort was also dedicated to staying on top of the Company's risk environments, including the area of cyber security, which required heightened alert levels due to the continuing geopolitical tensions.

In 2023, EBA CLEARING handled the settlement of over 20 billion payments in total. This represents an increase of 10% compared to 2022, which was mostly related to a significant volume rise in the Company's retail payment systems, i.e. in the STEP2 SEPA and Card Clearing Services as well as in RT1.

RT1 in particular continued to thrive in 2023, with transaction volumes rising by 35% to a daily average of 2.7 million payments. The pan-European infrastructure powerhouse for instant payments counts 83 participants and over 2,250 Addressable PSPs in 25 SEPA countries exchanging transactions 24/7/365. On 1 March 2024, the system processed over 4 million transactions.

In line with the guidance of our Board, we will continue to closely follow our user-driven approach in our efforts to evolve EBA CLEARING's service portfolio and functionality.

Preparations have also started for large-volume community testing to support a smooth changeover to the shorter processing timelines mandated by the Instant Payments Regulation and a seamless ramp-up of instant payment volumes in accordance with related user planning and expectations.

To facilitate congestion-free and fast end-to-end processing, the Company continues to closely monitor the overall performance of the system, such as latency, user availability and rejection rates, and has further intensified its dialogue with users to ensure operational excellence. Preparations have also started for large-volume community testing to support a smooth changeover to the shorter processing timelines mandated by the Instant Payments Regulation and a seamless ramp-up of instant payment volumes in accordance with related user planning and expectations.

In the year of its 20th anniversary, STEP2-T continued to reliably serve as the industry's pre-eminent platform for processing SEPA transactions. Participation numbers kept increasing and transaction volumes grew by nearly 10%. Exchanges with the user community continue in order to determine the best way

forward regarding the future positioning of the STEP2 SEPA Services and the possibility to roll out enhanced service levels to end users.

The stable development of the Company's services was also reflected in the financials of EBA CLEARING, which continue to be robust. The Company's cash levels cover the liquidity requirements set for SIPS operators by the SIPS Regulation and enable EBA CLEARING to finance some continuing investments without having to take any recourse to shareholders or bank credit lines.

As in previous years, the Company further worked on continuously improving its overall performance in relation to sustainability and its societal impact. In line with the broadening of our scope in 2023, which now encompasses both environmental and social considerations, we have started to facilitate a number of new

initiatives in the social area, including corporate volunteering activities for staff and, most recently, an awareness-raising activity for Board members.

Moving ahead, I am confident that our highly qualified, very motivated and diverse team of professionals and our systems are well-prepared to serve the needs of our multinational user community with state-of-the-art and fit-for-purpose infrastructure services that are pan-European by design and desire. With its great expertise and long-standing experience in coordinating major migrations in SEPA, EBA CLEARING is also optimally positioned to support its users in meeting key requirements of the Instant Payments Regulation and other emerging legislation.

We look forward to tackling the upcoming challenges and contributing to the evolution of the European payments ecosystem in cooperation with our users, our technology partners and relevant stakeholders, based on the guidance of our Board and user-say bodies. We are grateful for their continued input, commitment and trust.



Hays Littlejohn



THE COMPANY'S ACTIVITIES

AND
OUTLOOK
FOR 2024



SERVICES



INTRODUCTION

SERVICE DEVELOPMENTS

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

The Company handled the settlement of 20.76 billion transactions across all services during 2023. This represents a rise of 10.02% compared to 2022, which was mostly related to significant volume increases in the STEP2 SEPA and Card Clearing Services as well as in RT1. Volumes in EURO1 and STEP1 remained stable compared to 2022.

EBA CLEARING PAYMENT SERVICES						
Evolution of annual volumes and values in 2022/2023						
Service	2022		2023		Evolution	
	Volume*	Value*	Volume*	Value*	Volume	Value
EURO1	43.07m	48,733bn	43.45m	47,360bn	+0.88%	-2.82%
STEP1	0.93m	225bn	0.93m	243bn	-0.14%	+7.91%
STEP2 SCT	6.16bn	20,136bn	6.54bn	20,558bn	+6.14%	+2.10%
STEP2 SDD Core	8.58bn	1,714bn	9.59bn	1,902bn	+11.79%	+10.97%
STEP2 SDD B2B	93.87m	930bn	96.79m	963bn	+3.11%	+3.47%
STEP2 CC	3.37bn	159bn	3.65bn	166bn	+8.36%	+4.71%
RT1	622m	447bn	838m	562bn	+34.86%	+25.61%
Total	18.87bn	72,344bn	20.76bn	71,754bn	+10.02%	-0.82%

* Rounded figures, all value amounts are in EUR

Industry-wide migrations to new payment infrastructure and standards took centre stage on the agenda of EBA CLEARING in 2023 and early 2024. March 2023 saw the successful conclusion of the move of EURO1 to the ISO 20022 messaging standard and of the changeover of all payment systems to the new T2 RTGS settlement environment. Both migrations were carried out in close coordination with the participants and in alignment with the T2/T2S Consolidation project. In March 2024, the STEP2 SEPA and RT1 Services completed the upgrade to the 2019 ISO 20022 XML version with their respective user communities, in line with the entry into force of the latest SEPA Scheme Rulebook versions of the European Payments Council.

EBA CLEARING took advantage of these important migrations to equip its services with additional enhancements aside from the new or upgraded data standards, providing EURO1 and STEP2-T users, in particular, with new benefits, such as extended opening hours.

Throughout the period under report, work also continued at different levels to support the RT1 user community and the wider ecosystem in taking instant

payments to the next level. This included close engagement with users on improving operational performance aspects, such as rejection rates and unavailability management. Preparations for large-volume testing at community level are underway to support the further build-out of instant payments across Europe.

The delivery of Fraud Pattern and Anomaly Detection (FPAD) functionality was another major focal point of the Company's efforts in this area. This had been requested by participants looking for ways to further strengthen and speed up their fraud-fighting tools in light of the expected increase in instant payments. Based on a blueprint met with positive community feedback in Q4 2022, the development project for FPAD had been kicked off in December 2022 and continued throughout 2023. It included an analytical pilot phase in Q3 2023, where interested users helped tune and test the models developed with their support.

FPAD was made available in STEP2-T and RT1 as from March 2024. It provides users with the possibility to enrich the risk controls they have in place for SEPA payments with network-based insights on fraud patterns and anomalies. As from December 2024, FPAD will also provide verification of payee (VoP) functionality in line with the EPC VoP Scheme, which users will be able to combine with other FPAD indicators.

A number of additional changes were brought to the existing services through the Company's regular service releases, based on its annual change request process, which involves input from and regular exchanges with the user consultation bodies of the respective services. Furthermore, EBA CLEARING continued to explore the use of RT1 for cross-border services and launched a proof of concept for request to pay with a group of R2P frontrunners.

USER INFORMATION AND INTERACTION

As in previous years, EBA CLEARING held three EURO1 Business Committee and three STEP2 Business Committee meetings in 2023. The various other user and expert groups also met regularly during the year. In addition, nearly 30 user community meetings were organised with service participants from 15 countries and the Company pursued its regular relationship meetings with many of the larger users of its services.

An introduction programme was held for the Croatian community, which had adopted the euro on 1 January 2023. Throughout the year, a large number of FPAD focus sessions took place to brief and prepare users on relevant aspects in the ramp-up to the go-live of the new functionality.

Following the successful piloting of a new community event format with their German-speaking community in 2022, the Euro Banking Association and EBA CLEARING held three strategic outlook sessions for the Finnish, Irish and Italian communities in 2023. These much-appreciated sessions are highly interactive local events aimed at decision makers in product development or management from EBA CLEARING users as well as EBA members and ecosystem partners. The format enables participant exchange on strategic drivers and trends shaping the European and in-country payments landscape and on the practical needs they trigger.

Interaction also played a major role in the “Imagine Payments 2048” exercise, a project launched to celebrate the 25th anniversary of EBA CLEARING. The results of this collaborative effort were gathered via brainstorming sessions involving users and staff members as well as through a call for contributions.

The highly creative outcome, which featured a wide range of innovative ideas for the future of payments, was shared with the EBA CLEARING community through a comic booklet and a digital whiteboard published in June 2023.

INDUSTRY ENGAGEMENT AND COMMUNICATION

During the period under report, the Company supported collaborative industry initiatives and bodies fostering the pan-European development of instant payments and cross-border payments in particular. This included contributions to European and international scheme-building and payment harmonisation initiatives, covering, among others, several building blocks of the G20 Roadmap for Enhancing Cross-Border Payments.

At conferences and other industry events, the EBA CLEARING representatives regularly provided updates on key deliverables, such as its user-driven development of network-based fraud-fighting tools and request to pay activities.

Communication highlights included press releases on the progress of FPAD, the successful migration of EURO1 to ISO 20022 and the Company’s plans to deliver a request to pay proof of concept with R2P front-runners. 2023 also saw the continuation of a social media campaign with monthly posts on key RT1 aspects and performance highlights, launched on the occasion of the fifth anniversary of the service. This was followed by a series of posts on the main service milestones in the 25-year-long history of EBA CLEARING.

To provide a better understanding to payment newcomers or stakeholders, an electronic flyer was issued, introducing the services of EBA CLEARING, its governance model and other relevant aspects. This was complemented by a series of explainer videos providing basic information about the functioning of the Company’s services.

EURO1 SERVICE

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

OVERVIEW

EURO1 is a resilient and cost-effective RTGS-equivalent large-value payment system for single euro payment transactions. It is classified as a systemically important payment system by the European Central Bank (ECB). During the period under report, EURO1 continued to reliably serve its participants, enabling them to optimise their liquidity efficiency and providing them with a non-identical back-up for the Eurosystem's RTGS system.

In line with the T2/T2S Consolidation project, the final preparatory stages for the live migration of EURO1 to ISO 20022 took place in early 2023. This major implementation and changeover process was successfully concluded by the EURO1 user community in March 2023. It has paved the way for service participants to extend to their customers the benefits of structured data based on international standards.

With the system running on state-of-the-art technology rails, participants will be able to keep leveraging the robustness, liquidity efficiency and cost effectiveness of EURO1 going forward. They are now in a position to do so during longer opening hours and to monitor and steer their flows across different EBA CLEARING Services.

The Company has also taken additional steps towards strengthening the role of EURO1 as a non-similar back-up for the Eurosystem's RTGS: the EURO1 Payments Risk Forum created for ad hoc coordination during the migration was turned into a permanent user group in 2023. It will continue to review procedures and functionality to be used in a contingency situation and will propose improvements where relevant.

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

FUNCTION

Large-value payment system

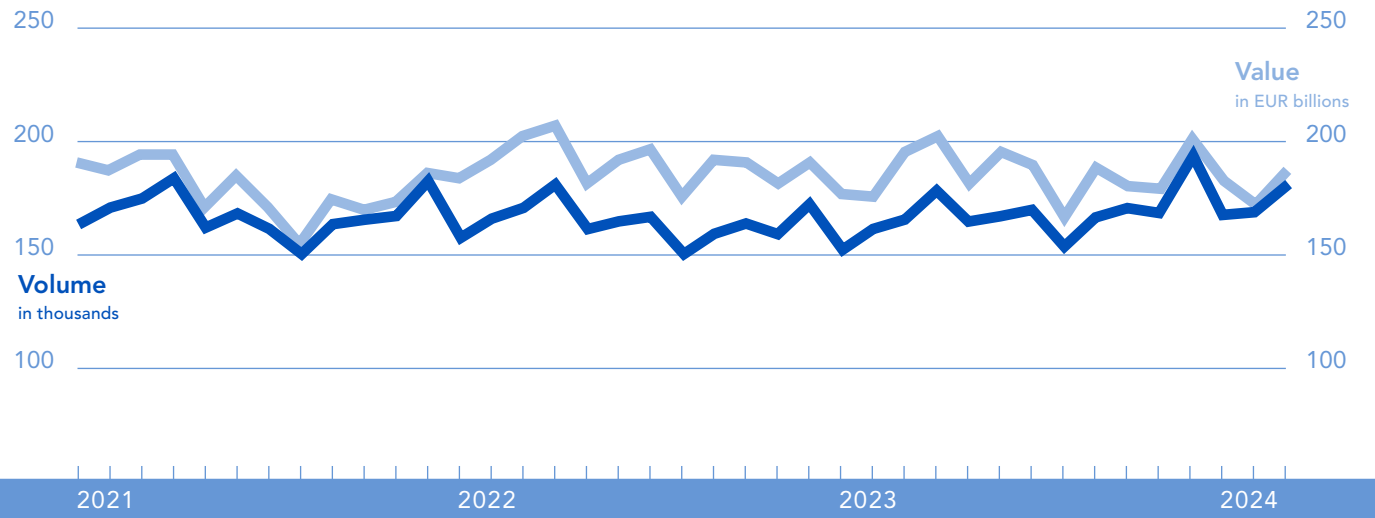
RTGS-equivalent net system

Settlement of end-of-day single amounts in central bank funds in TARGET RTGS via ancillary system settlement procedure A at processing cut-off time

EVOLUTION OF EURO1 VOLUMES, VALUES AND PARTICIPATION

In 2023, the average daily transaction volumes processed in EURO1 remained stable compared to 2022 while the average daily transaction values decreased by 2.1%.

Service participation remained unchanged at 34 participants in 2023.



EURO1

Evolution of average daily volumes and values

AVERAGE DAILY VALUE

€ 187 billion

AVERAGE DAILY VOLUME

182,016 transactions

DELIVERY OF KEY MILESTONES FOR EURO1 FUTURE POSITIONING

With the successful implementation of the EURO1 Central System in ISO 20022, EBA CLEARING completed the key milestones of the EURO1 future positioning programme, which the Company had started to develop and put in place with its service users and its technology partner Swift in 2017.

Aside from introducing the data-rich ISO 20022 messaging standard and extended opening hours for EURO1, the main deliverables that were part of the March 2023 changeover included a new back-office system for the EURO1 Liquidity Bridge and settlement. This application allows users that participate in differ-

ent payment services operated by EBA CLEARING to centralise the monitoring and steering capabilities for their payment and liquidity flows across these services.

Another crucial objective of the future positioning programme was to ensure the continued alignment of EURO1 with TARGET. This enables EURO1 users to seamlessly switch payment flows between the two systems and thus rely on the system as a non-similar back-up for T2 RTGS.

The EURO1 Payments Risk Forum proved to be a valuable forum for information exchange in relation to the ISO 20022 migration and for the preparation of the EURO1 Participants' contingency procedures. It will continue to meet twice a year to follow up on and improve any contingency functionality and procedures as needed.

SYSTEM DEVELOPMENTS IN 2023 AND 2024

With the ISO 20022 migration project successfully deployed in the live system, the focus moved back to regular security and technical updates of the system. The Q4 2023 release, which covered limited technical upgrades, was deployed in the live system on 27 November 2023. The release had no impact on the service participants' usage of any system functionality.

It was agreed that, starting from 2024, the planning for EURO1/STEP1 should comprise two yearly releases, in the second and fourth quarter respectively, to ensure the timely implementation of technical system upgrades. Changes to the functionality used by the participants will continue to be put in place as part of the Q4 release.

PARTICIPATION

34 Participants

16 Sub-Participants

REACH

Close to 5,000 participant BICs and over 10,000 additional BICs reachable via EURO1/STEP1 Participants

LEGAL BASIS

Identified by the ECB as SIPS

ECB SIPS Regulation fully applicable

Designated under the Settlement Finality Directive

LIVE DATE

4 January 1999

TECHNICAL OPERATOR

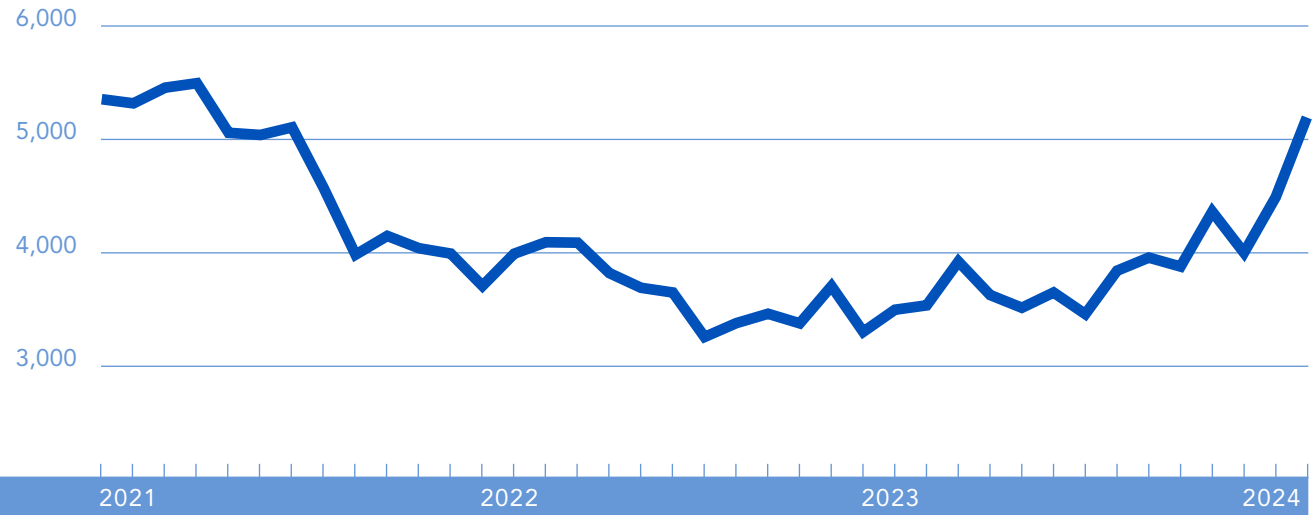
Swift

STEP1 SERVICE

A turn-key solution for single euro payment processing

The STEP1 Service offers direct and cost-effective access to single euro payment processing via the highly resilient EURO1 System. 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.

LIVE DATE
21 November 2000
TECHNICAL OPERATOR
Swift
FUNCTION
Single euro payment service for commercial transactions, mainly used by medium-sized and smaller banks
EURO1 Participants act as settlement banks for STEP1 Participants
BENEFITS
Pan-European access and extensive reach
Operational simplicity and low costs
Full resilience and flexibility



STEP1
Evolution of average daily volumes

AVERAGE DAILY VALUE € 972 million

AVERAGE DAILY VOLUME 5,012 transactions

PARTICIPATION 6 Participants (no sub-participants)

REACH Close to 5,000 participant BICs and over 10,000 additional BICs reachable via EURO1/STEP1 Participants

STEP2 SEPA SERVICES

Reaching all corners of SEPA for credit transfers and direct debits

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 euro credit transfers and direct debits in a reliable, cost-effective and disruption-free manner. STEP2-T is classified as a systemically important payment system and is of strategic importance to a number of communities and individual payment service providers (PSPs) across Europe, which use it for both their domestic and cross-border SEPA retail transactions. During the period under report, the STEP2 SEPA Services continued to grow in terms of participation numbers and transaction volumes.

As in previous years, EBA CLEARING passed on the benefits of the significant economies of scale generated by STEP2 to the service users in terms of cost savings, which kept transaction prices at a low level. In March 2023, the STEP2-T user community suc-

cessfully concluded its migration to the new T2 RTGS system and ancillary system interface. In line with the revised implementation date for the SEPA Scheme Rulebook upgrades of the European Payments Council (EPC), STEP2-T moved to version 2019 of the ISO 20022 messaging standard in March 2024.

With the same release, EBA CLEARING put in place further enhancements for STEP2 SCT leveraging the continuous gross settlement (CGS) mechanism. These improvements included earlier opening hours for the service and a more frequent delivery of output files. This evolution of the STEP2 SEPA Services is aligned with an increasing need of users and end users for faster payment processing and extended opening hours for a wider range of payments.

BENEFITS

Full reach across Europe

Highly resilient and robust processing infrastructure

Rich and flexible functionality

Low-cost processing

Pan-European approach to service development

SETTLEMENT

Continuous Gross Settlement (CGS):

real-time gross settlement mechanism providing for the continuous execution of euro bulk payment orders

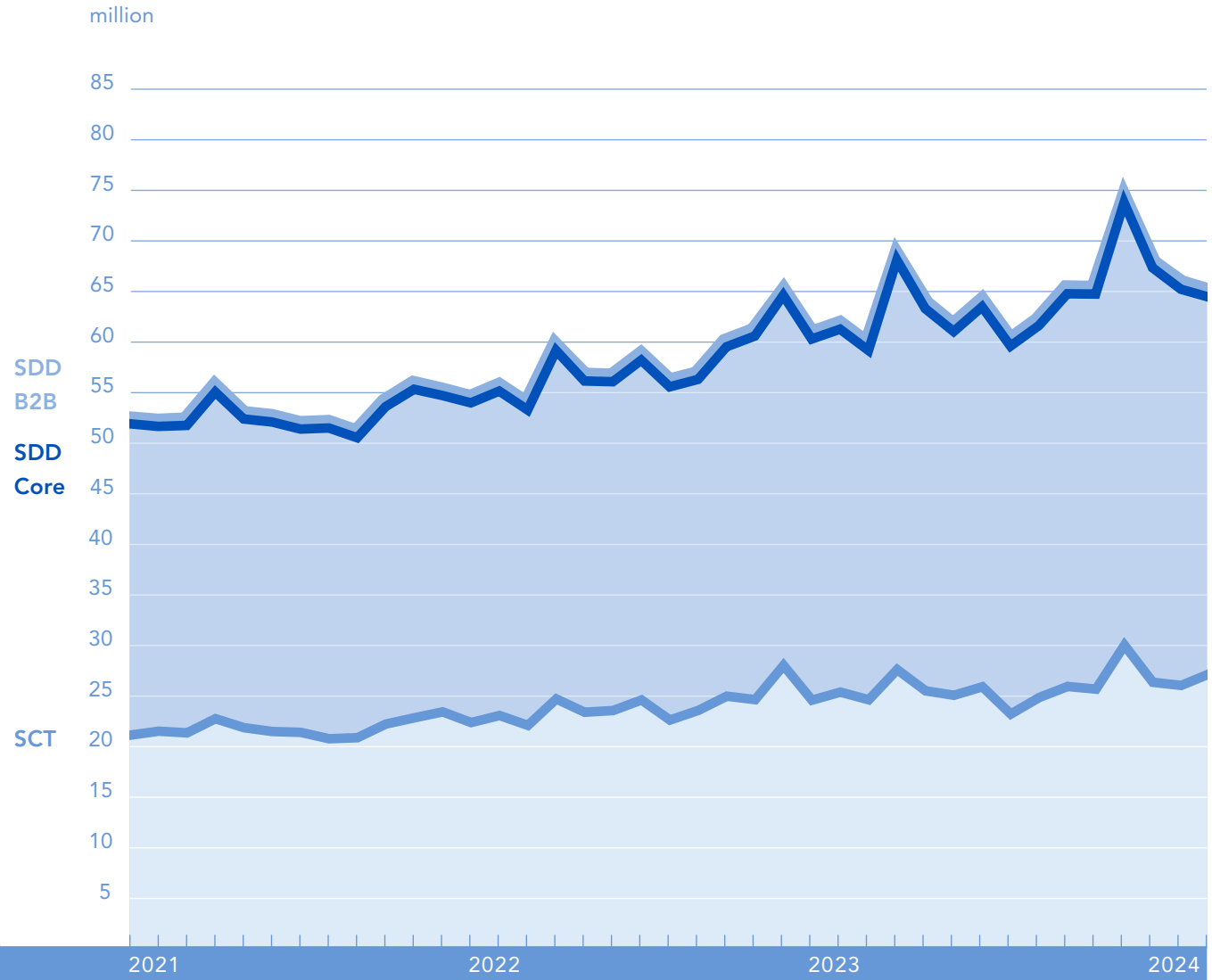
Participants maintain a funds balance in the system, which is adjusted upon release of each bulk payment order and funded in central bank funds from the participant's TARGET RTGS account via ancillary system settlement procedure D

EVOLUTION OF STEP2 SEPA VOLUMES AND PARTICIPATION

STEP2 SEPA traffic saw a significant increase of 10.5% in 2023, bringing daily average transaction volumes to 63.8 million. December 2023 was a new all-time record month for both the STEP2 SCT and SDD Core Services in terms of daily average volumes, with over 30 million credit transfers processed in STEP2 SCT and 43.7 million direct debits in STEP2 SDD Core.

Participation in the STEP2 SEPA Services also continued to grow throughout 2023, with three participants joining the STEP2 SEPA Credit Transfer (SCT) Service, two participants joining the STEP2 SEPA Direct Debit (SDD) Core Service and one participant joining 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.



STEP2 SEPA
Evolution of average daily volumes

SERVICE DEVELOPMENTS IN 2023

The changeover to T2 RTGS in March 2023 took place very smoothly, thanks to a phased, risk-minimising migration approach. This was supported by a cut-over strategy avoiding dependencies on the T2 migration for the funding and defunding process as well as by a comprehensive information and testing programme.

Following the 2022 user consultation, EBA CLEARING worked on delivering the supported changes throughout 2023. At the same time, the Company and its users prepared for the community's move to version 2019 of the ISO 20022 standard mandated by the EPC SEPA Scheme Rulebooks. Preparations involved the development of a cut-over strategy together with the

STEP2-T users and the coordination of a comprehensive testing programme. The changeover to the new ISO 20022 version was smoothly completed on 18 March 2024, in line with the revised planning of the EPC.

On the same date, EBA CLEARING implemented further improvements for STEP2 SCT: 'daytime' settlement now opens for all users at 02:30 CET and enables the delivery of output files every 15 minutes. The resulting gains in output speed and availability will allow the participants in the STEP2 SCT Service to shorten end-to-end processing timelines for retail payments in euro from hours to minutes.

User consultations on the further evolution of the STEP2-T opening hours and the roll-out of other CGS-based benefits continued throughout 2023 and 2024.

LIVE DATES

SCT: 28 January 2008

SDD Core and SDD B2B: 2 November 2009

TECHNICAL OPERATOR

Nexi Payments

AVERAGE DAILY VALUE

SCT: € 83.8 billion

SDD Core: € 7.9 billion

SDD B2B: € 3.8 billion

AVERAGE DAILY VOLUME

SCT: 27.2 million transactions

SDD Core: 40.4 million transactions

SDD B2B: 376,371 transactions

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
Designated under the Settlement Finality Directive

SERVICE CHANGES FOR 2024

Aside from the successfully completed ISO 20022 version 2019 upgrade and the substantial SCT improvements mentioned earlier, March 2024 also saw the introduction of network-based Fraud Pattern and Anomaly Detection (FPAD) capabilities in STEP2-T and RT1.

In November 2024, the CGS settlement engine will be enhanced to provide better controls for the system operator and better visibility to its participants on contingency procedures. An automated liquidity management process will also be added to avoid cancellations in case of insufficient funds.

PARTICIPATION	SCT: 156 Participants
	SDD Core: 116 Participants
	SDD B2B: 93 Participants

REACH	SCT: Close to 4,500 Reachable BICs
	SDD Core: Over 3,500 Reachable BICs
	SDD B2B: Close to 3,000 Reachable BICs

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

RT1 SERVICE

The leading pan-European infrastructure for instant payments

OVERVIEW

RT1 is a European-governed and European-regulated instant payment system, which evolves in line with user needs and supports key pillars of the retail payments strategies of the European Commission and the European Central Bank. A key facilitator of real-time payment connectivity and the build-up of critical mass across Europe, the pan-European instant payment infrastructure system saw a continued steep ramp-up of transaction volumes and participation during the period under report.

EBA CLEARING maintained its focus on managing the onboarding of RT1 Participants and on supporting them in scaling up their instant payment activities and maintaining 24/7 availability. To help the industry prepare for taking instant payments to the next level, the Company further intensified its efforts to optimise the operational performance of the RT1 Service and the related ecosystem. To this effect, a major emphasis continued to be placed on monitoring key performance aspects, such as rejection rates, and engaging with the users on these topics.

The development of system functionality and support tools through semi-annual system releases also remained high on the Company's priority list. In response to user needs and the requirements of the Instant Payments Regulation, which entered into force in April 2024, the Company introduced Fraud Pattern and Anomaly Detection (FPAD) functionality in STEP2-T and RT1 in March 2024. RT1 Participants can enrich their individual risk assessments with the network-based insights provided by FPAD. This should help users to further improve and speed up their fraud-fighting mechanisms, which is considered to be crucial to building and maintaining customer security and trust in relation to instant payments.

In light of the build-out of instant payment capabilities driven by regulatory and market developments, EBA CLEARING has also prepared RT1 for the seamless onboarding of additional volumes and stands ready to provide additional joiners with a smooth start into their instant payment journey. Based on its vast experience in managing large-scale migration processes in SEPA, the Company has also begun to rally its user base for a large-volume testing programme. This programme

should help individual communities identify and mitigate potential risks and bottlenecks throughout the ecosystem triggered by the expected rise in instant payment volumes.

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

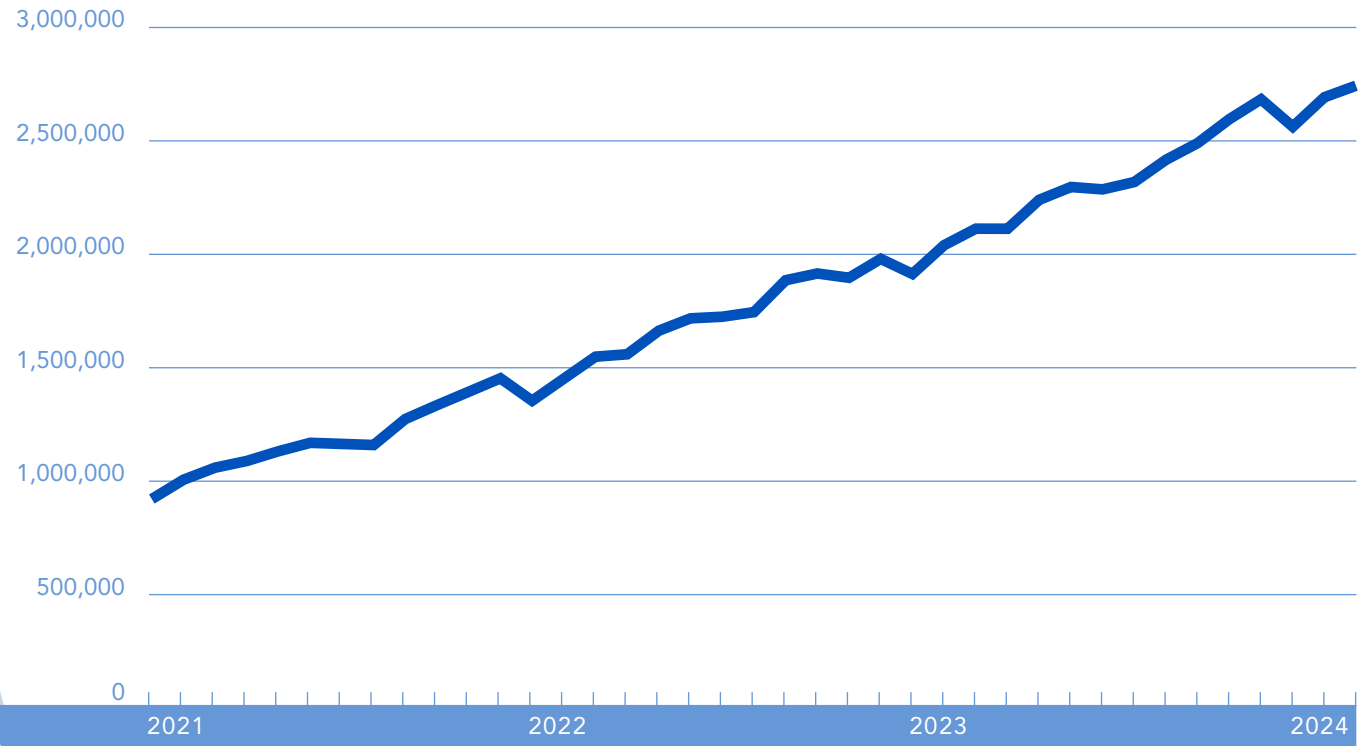
Liquidity-efficient arrangements and 24/7 liquidity management

LIVE DATE

21 November 2017

EVOLUTION OF RT1 VOLUMES AND PARTICIPATION

In 2023, RT1 volumes grew by 35%, bringing processing numbers across Europe to over 2.3 million transactions per day on average. The 2023 peak record was reached on 1 December 2023 with 3,953,689 transactions settled on that day. In 2023, the proportion of rejected transactions averaged 1.4% and transactions were processed in 1.2 seconds on average. RT1 welcomed five new joiners in 2023 and counted 84 participants by the end of the year.



RT1
Evolution of average daily volumes

AVERAGE DAILY VALUE €1.8 billion

AVERAGE DAILY VOLUME 2.7 million transactions

SYSTEM DEVELOPMENTS IN 2023 AND OUTLOOK ON 2024

In 2023, EBA CLEARING continued to enrich the RT1 functionality in line with user demand and regulatory developments. For most 2023 and 2024 changes, the focus was put on operational excellence. In January 2023, EBA CLEARING started to provide individual reports to its participants informing them about their respective downtime periods identified by the system, if any.

Service releases for 2023 included various smaller user change requests, as well as changes stemming from the adoption of the 2019 version of the ISO 20022 standard for all SEPA schemes of the European Payments Council, which took place in March 2024. Early March 2024 also saw the activation of FPAD functionality for STEP2-T and RT1 Participants, which should further strengthen the fraud-combatting capabilities of the instant payments ecosystem.

In November 2024, the RT1 SCT Inst Service will be enhanced with a throttling mechanism allowing a continuous and controlled processing of incoming and outgoing instant payments. This mechanism should help to avoid timeouts and will also support One-Leg-Out Instant Credit Transfers in line with the EPC One-Leg-Out Instant Credit Transfer (SCT Inst) Scheme. EBA CLEARING will make available an OCT Inst Service in RT1 as from November 2024.

PREPARATIONS FOR THE INSTANT PAYMENT VOLUME RAMP-UP

Following the recommendations of the RT1 Working Group and EBA CLEARING Board, a programme was launched in March 2024 to help the user community prepare for the instant payment volume ramp-up that is expected to happen as part of the Instant Payments Regulation adoption and roll-out. To this effect, volume and capacity tests will be organised with

FUNCTION
Pan-European 24/7/365 real-time payment system open to any AS-PSP adhering to the EPC SCT Inst Scheme
Transaction are processed in real time and settled with instant finality in the system. Participants maintain a funds balance in central bank funds, which is adjusted upon the settlement in the system of each payment transaction.
LEGAL BASIS
Full compliance with the SCT Inst Rulebook and Implementation Guidelines of the EPC, including validation
Designated under the Settlement Finality Directive
TECHNICAL OPERATOR
Nexi Payments

PARTICIPATION

83 Participants

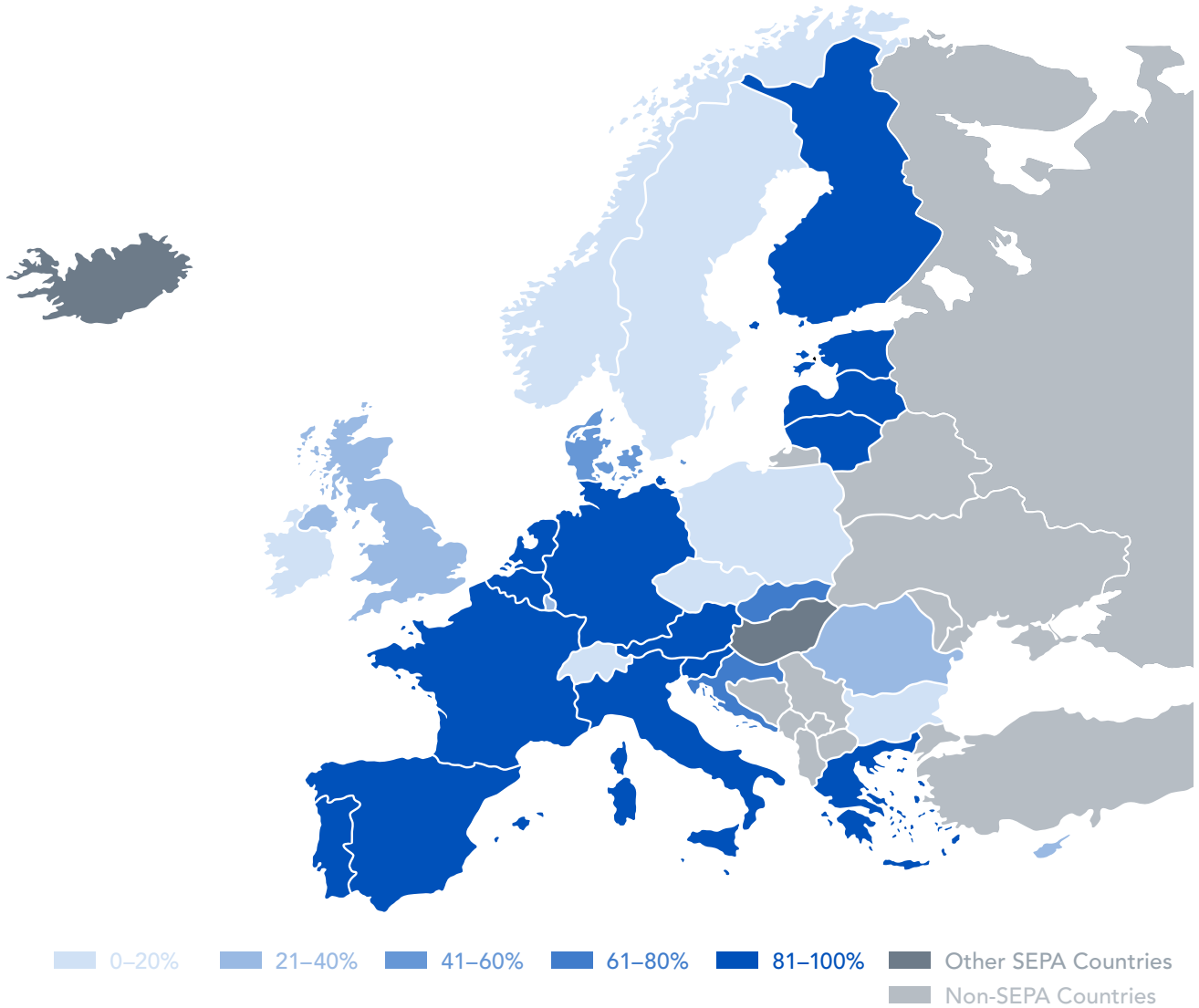
REACH

RT1 extends reach to close to 2,300 PSPs from 25 SEPA countries, which are addressable via the 83 Participants connected to the service.

communities that exchange a major part of their payment volumes via RT1 throughout the year 2024 and beyond. The objective of these tests is for users to detect and fix potential bottlenecks in the end-to-end payment chain as early in the instant payment ramp-up as possible.

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 organised by the Eurosystem on pan-European reachability. The Company is also a member of the EPC Scheme Technical Player Multi-Stakeholder Group (STP MSG) and the EPC Scheme Evolution and Maintenance Task Force (SEMSTF).



Reach of RT1 including via Instructing Party Option

[SEE INTERACTIVE MAP ↗](#)

R2P SERVICE

A standardised trigger and authorisation layer for retail payments

OVERVIEW

EBA CLEARING's pan-European Request to Pay Service (R2P) is a real-time messaging service, 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 is aligned with the EPC SEPA Request-to-Pay Scheme.

The need for end-user solutions with a European DNA based on instant payments is reflected in the Instant Payments Regulation by the European Commission, which entered into force in April 2024. The request to pay messaging layer is considered to be a key element to support the European payments industry in creating innovative value-added payment services. The R2P Service contributes a pan-European messaging layer, which links the clearing and settlement infrastructure and the end-user solution layers while remaining separate from both domains.

INTEREST AND UPTAKE

At the request of R2P funding institutions, a proof of concept for R2P involving nine institutions was started in 2023 and concluded in March 2024. As part of this initiative, participants successfully exchanged request to pay messages via R2P in milliseconds. The proof of concept thus confirmed the readiness of R2P to support commercial use cases. It also showed how PSPs can adopt and create value around business-to-business use cases with request to pay to pave the way for live implementation.

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-authorized 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 Eu-

rope with the primary objective of defining open and common scheme- and processor-independent standards in the inter-banking domain.

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.

PARTICIPATION

7 Participants

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.

BENEFITS

Pan-European design

Allows re-use of SEPA interbank infrastructures

Supported by STEP2 technical infrastructure

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

Designated under the Settlement Finality Directive

FUNCTION

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

Positions are settled in TARGET RTGS via ancillary system settlement procedure A

TECHNICAL OPERATOR

Nexi Payments

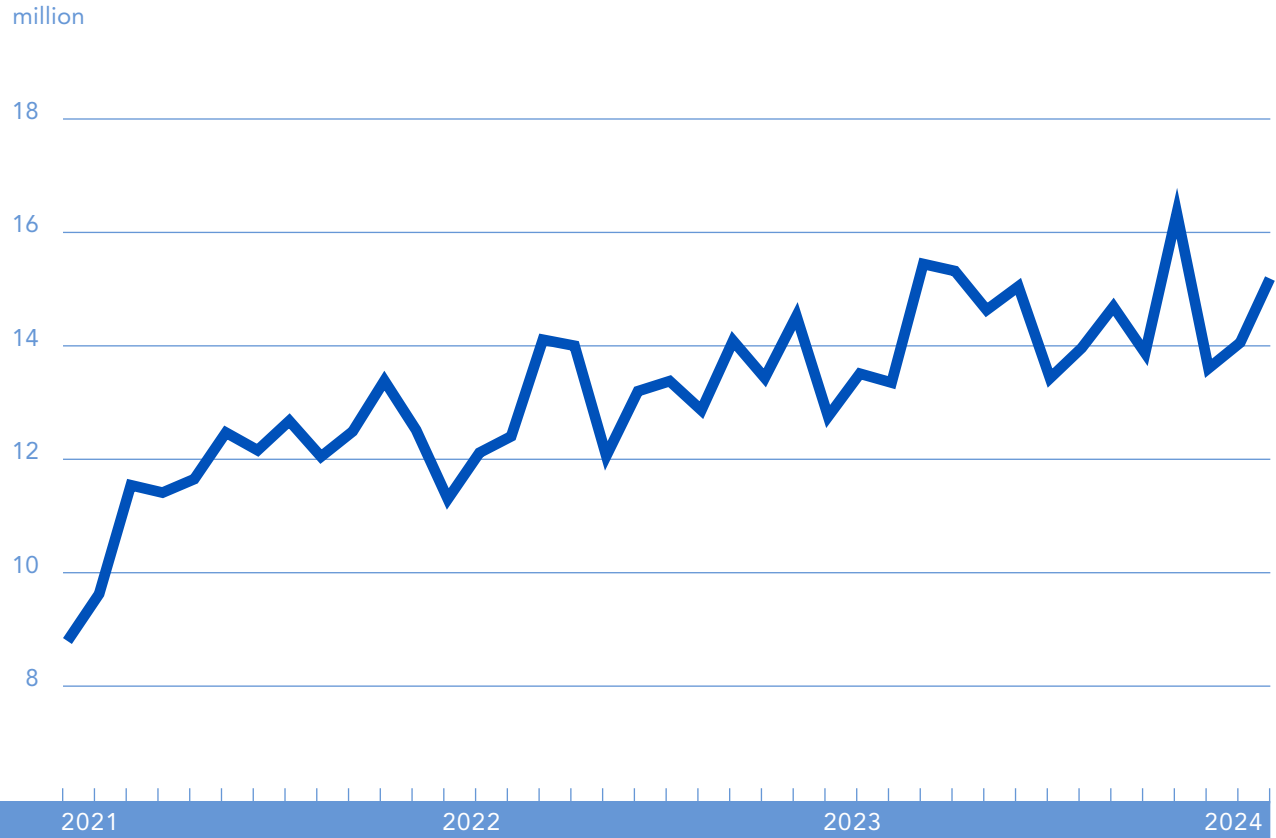
LIVE DATE

14 April 2015

During the period under report, STEP2 CC continued to benefit from the ongoing trend towards electronic payments in retail transactions. In 2023, the STEP2 CC Service handled on average over 14.4 million transactions per day, which represents a steep increase of 9.5% compared to 2022. New daily average volume and value records, of 16.4 million transactions and EUR 776 million respectively, were achieved in December 2023.

SYSTEM DEVELOPMENTS IN 2023

There were no change requests submitted by the STEP2 CC users for 2023 or 2024.



STEP2 CC
Evolution of average daily volumes

AVERAGE DAILY VALUE € 667 million

AVERAGE DAILY VOLUME 15.1 million transactions

SEDA SERVICE

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). SEDA is 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

VOLUME EVOLUTION

The SEDA Service processed a monthly average of 9.12 million mandate-related information messages during 2023, which constitutes a decrease of 7.3% in comparison to 2022.

SYSTEM DEVELOPMENTS IN 2024

There will be a minor change in the SEDA scheme, maintained by ABI, in November 2024. The SEDA Service will be aligned accordingly in November 2024.

million



SEDA
Evolution of average monthly volume of messages processed

PARTICIPATION

32 Participants

REACH

Full reach of all banks that offer SEDA

OPERATIONS

EBA CLEARING's service 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 and resilience, 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.

CLEARING AND SETTLEMENT

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

Service availability of all EBA CLEARING payment services was uninterrupted from January to December 2023.

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 2023.

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.

BUSINESS CONTINUITY AND RESILIENCE EXERCISE

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.

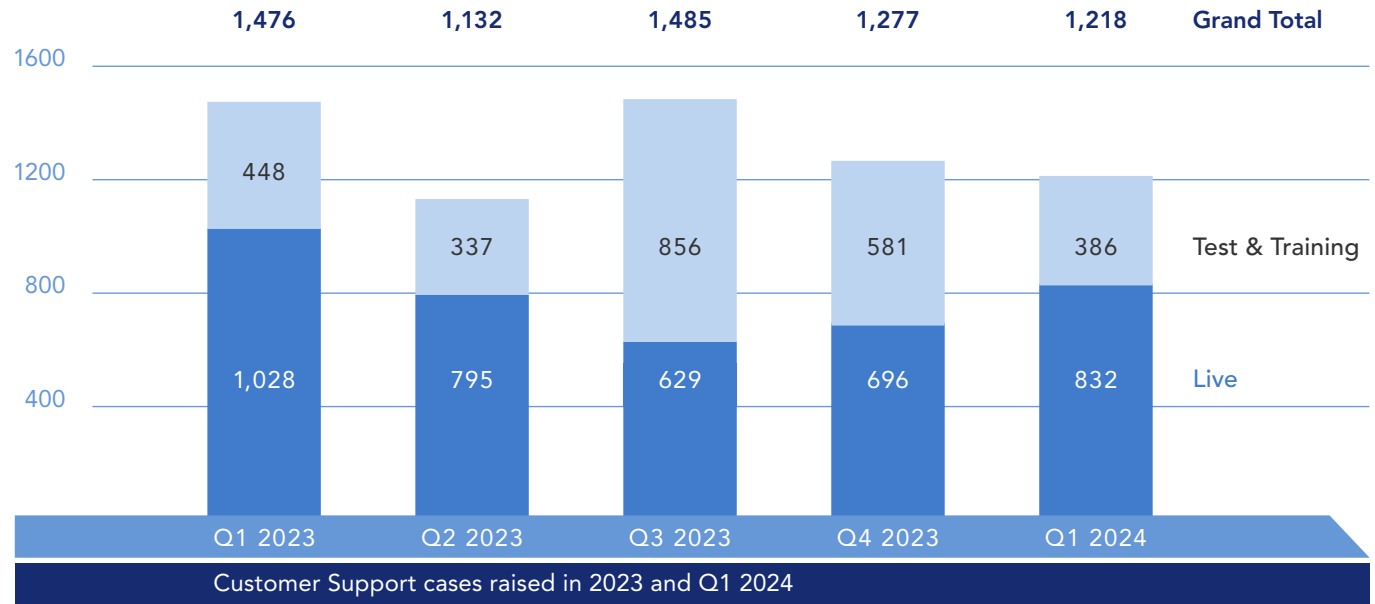
The scope of these testing activities is regularly reviewed and updated to cover newly implemented services, functionalities, regulatory requirements and service agreements with providers. The 2023 testing programme was completed successfully. An enhanced and updated set of tests are being executed as part of the 2024 programme.

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.

Between 12 September and 15 October 2023, EBA CLEARING reached out to its users to solicit feedback on general satisfaction and on specific areas of interaction. The objective of this annual survey is to monitor trends and shifts in the customer needs and expectations, to improve the user experience and to identify the improvement and strength areas of the services and support delivered by the Company.

In 2023, representatives of 118 financial institutions participated in the survey, which was conducted with the support of an independent survey provider.



EBA CLEARING received excellent feedback, with a general user satisfaction rate of 4.2 out of 5 and a Net Promoter Score (NPS) of 48, 10 points higher than in the previous year and a score well above average in the financial sector.

Following the conclusion of the March 2023 ISO 20022 changeover, customer support activities maintained a consistent level throughout the year reflecting the stability of the services.

STATISTICS AND 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.

FRAUD PATTERN AND ANOMALY DETECTION (FPAD) PROJECT

In 2021, the fight against fraud was one of the key priorities for instant payments identified in the RT1 user consultation. To explore the potential way forward for infrastructure support in this area, EBA CLEARING started a Fraud Pattern and Anomaly Detection (FPAD) initiative with a task force composed of interested users. In 2022, this task force delivered a blueprint setting forth possible solutions for the STEP2 SEPA and RT1 Services to contribute to the combatting of fraud in SEPA payments.

Based on the strong support shown in the user consultation on the blueprint and the ensuing Board decision in December 2022 to launch the Fraud Pattern and Anomaly Detection (FPAD) project, EBA CLEARING started the development of FPAD functionality on 12 January 2023 with a view to delivering the functionality as part of the STEP2 SEPA and RT1 Services.

FPAD was designed with the cooperation of a user expert group consisting of 17 institutions and with the support of external experts. As part of the preparation of FPAD, an analytical pilot was conducted to support the development of efficient and effective pattern and anomaly detection models and rules for the first FPAD implementation. Nine participants from the FPAD Expert Group participated in the pilot, which was successfully concluded in October 2023. Based on their feedback, FPAD rules and models were added and adjusted, and the statistics gathering was further enhanced.

The testing environment for FPAD was made available to all participants in December 2023, including documentation of the FPAD models applied and details on accessing and testing the functionality.

FPAD was made available to all STEP2 and RT1 Participants on 1 March 2024. The first implementation of FPAD consisted of Account Assessment and Transaction Assessment modules, allowing users to perform an assessment of risk elements associated with

a beneficiary account or a intended transaction before payment initiation. In addition, an Investigation module was made available to assist users in retrieving information and assessments made for all transactions processed in STEP2 SCT and RT1.

The FPAD Account Assessment module also supports participants with a variety of options for their verification of payee needs and obligations, detecting mismatches in IBAN/name combinations. It is planned to further enhance these capabilities with support for the EPC Verification of Payee (VoP) Scheme currently under consultation. After implementation of these enhancements by the end of 2024, FPAD can be used as a VoP Routing and Verification Mechanism (RVM) offering several options to both requesting and responding PSPs. This will enable users to address fraud prevention requirements stipulated by the Instant Payments Regulation.

IMMEDIATE CROSS-BORDER PAYMENT (IXB) INITIATIVE

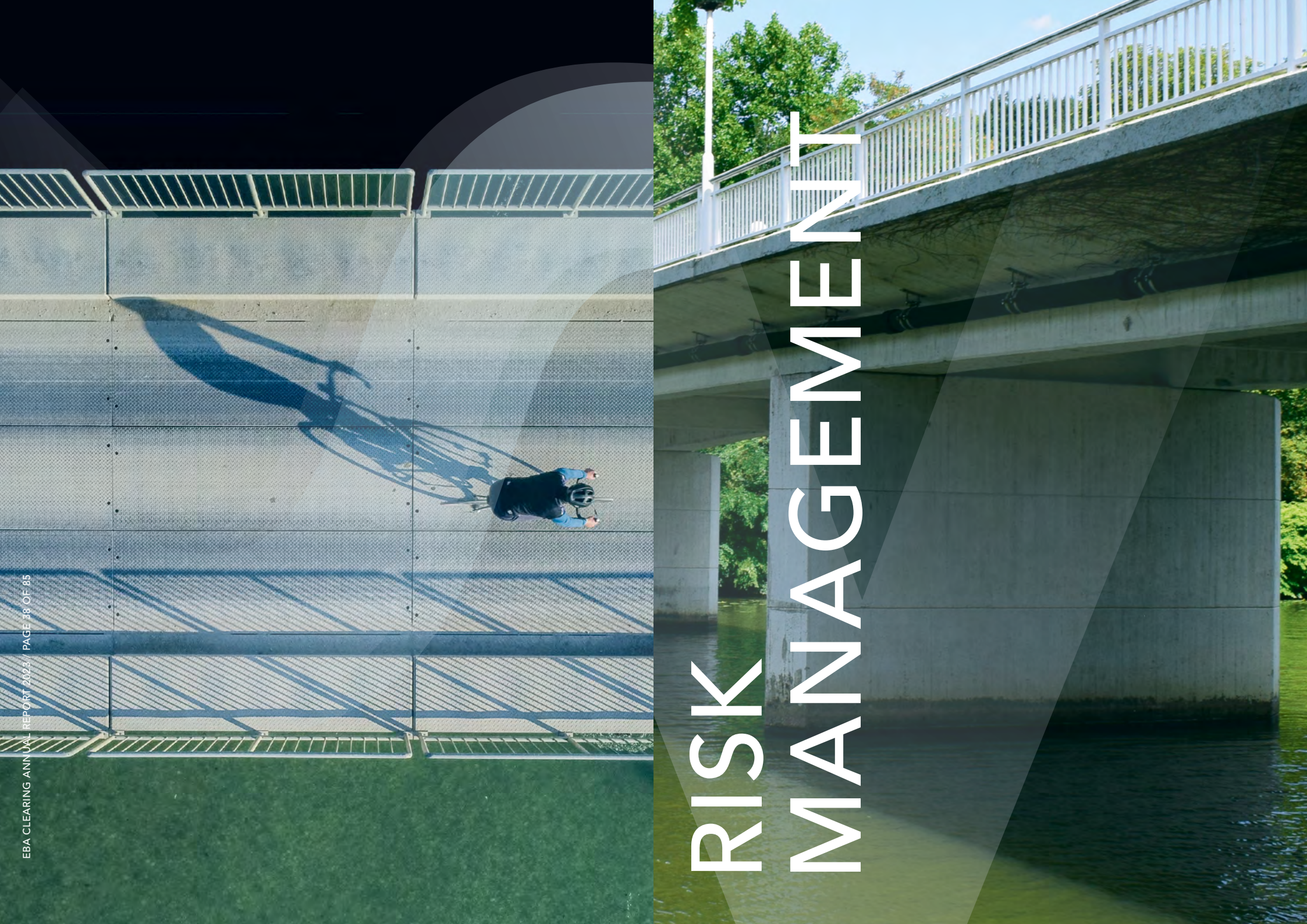
Banks from both sides of the Atlantic contributed to the Immediate Cross-Border Payments (IXB) initiative pursued by EBA CLEARING, the Clearing House (TCH) in the United States and Swift since 2021.

The objective of this work is to leverage building blocks provided by EBA CLEARING and TCH with the support of Swift for a 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 G20 Roadmap for Enhancing Cross-Border Payments.

The first focus of this service is on linking instant payment systems in the U.S. dollar and euro currency corridor, but its design can be expanded to other currency corridors as well as more liquidity-efficient

large-value payment systems in the future. Thanks to its end-to-end approach, IXB also holds significant benefits for enriching the RT1 One-Leg-Out Instant Service, based on the EPC OCT Inst Scheme, which EBA CLEARING plans to make available as from November 2024.

During 2023 and the first half of 2024, EBA CLEARING and TCH continued preparations for the launch of IXB.



RISK MANAGEMENT

CORPORATE RISK MANAGEMENT

INTERNAL DEVELOPMENTS

Throughout 2023, the Risk Management function duly continued to fulfil its role as part of the Company's 'second line of defence'. It was assured that all related tools and methodologies were maintained in line with best industry practice as well as relevant oversight requirements. In addition, efforts continued to keep the level of risk awareness and understanding high among the Company's Board members, its management and its staff.

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

The regular dialogue with the Board Risk Committee (BRC) continued with a view to assessing, mitigating and seeking guidance on the Company's persistent, ongoing and newly emerged risks.

Cyber security-related activities

Throughout the period under report, cyber resilience required a prominent focus of the Risk Management function. To keep pace with the constant evolution of threats, the Company continued to invest in enhancing its knowledge and intrusion 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, as in previous years, a high level of staff alertness was expected and continuously reinforced through a comprehensive educational programme.

During the year, the interaction with the Company's critical service providers was effectively maintained. In addition, the Company remained in close contact with other financial market infrastructures on cyber threats that could affect the services. Simultaneously, penetration testing and red-teaming activities 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, in line with the Company's activities. The Board of EBA CLEARING received regular updates on the state of cyber resilience and the impact of the geopolitical situation as well as information on the relevant risk assessments and action plans. As in previous years, the Board was provided with direct reports by the Chief Information Security Officers of the Company's most critical service providers.

EBA CLEARING continued to actively participate in various cyber-related industry initiatives. As part of these activities, the Company contributed to the maintenance of the Euro Cyber Resilience Board's industry-wide threat intelligence platform and its initiative to deploy a crisis coordination group.

EXTERNAL DEVELOPMENTS

In 2023, 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 continuing conflict between Russia and Ukraine forced the Company to remain highly vigilant regarding any cyber and other risks in this context and continued its updates to the Board and the BRC as well as its exchanges within the ECB-led Cyber Intelligence and Information Sharing Initiative (CI-ISI-EU) and with other threat intelligence providers.

RISK INFORMATION SESSIONS

Throughout 2023, the broader topic of enterprise risk management was a central item on the agenda of the 'compliance days' organised by EBA CLEARING. Updates were also provided at country group meetings and, upon request, at other user meetings. Yet again, special attention was given to the evolution of cyber risk and threat management.

BUSINESS CONTINUITY

As in previous years, 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. The BCMS covers all the Company's resources, 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 audits and tests in co-operation with the Company's critical service providers and service participants.

INFORMATION SECURITY

EBA CLEARING's Information Security Management System (ISMS), formally certified against the ISO 27001 standard, was duly maintained in the period under report. The surveillance audit that was conducted at the end of 2023 confirmed the Company's continued compliance with the applicable controls to protect an organisation's information assets and to give the expected 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 new opportunities and developments with a view to 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 2023 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 the course of the year as scheduled. The AFC met six times in 2023 and, among other things, received updates on the audit plan completion and follow-ups on any relevant audit findings. The 2024 audit plan was also presented to and validated by the AFC during the period under report.

2023 saw the completion of audit assessments of the Company's key critical service providers, Nexi and Swift, where no points of attention were identified. A compliance assessment of Swift's Customer Security Programme was also carried out in 2023 and confirmed EBA CLEARING's compliance with the programme.

LEGAL AND REGULATORY ACTIVITIES

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 2018 and 2019, in the context of the Revised SIPS Regulation requirements, the Company submitted a self-assessment of the compliance of the two SIPS with the Revised SIPS Regulation, including the Cyber Resilience Oversight Expectations (CROE). The Overseer issued the closure report with a number of recommendations, which the Company has since then addressed.

During 2020, 2021, 2022 and 2023, a series of dedicated oversight assessments were conducted regarding the change of settlement mechanism in STEP2-T (Continuous Gross Settlement), the introduction of the Overnight Return Function in EURO1, the migration of EURO1 to the ISO 20022 standard and the extension of the EURO1 operating hours. The Overseer issued the respective closure reports with recommendations, which the Company has addressed since then.

With respect to the continuous oversight cycle for EURO1 and STEP2-T in 2023, 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.

EBA CLEARING notably submitted a second round of comprehensive self-assessments of the compliance of each of EURO1 and STEP2-T with the SIPS Regulation. The Overseer's review of the Company's comprehensive assessment is ongoing.

During 2023, EBA CLEARING also exchanged with the Overseer regarding the introduction of the FPAD functionality in STEP2-T and RT1.

The Company also 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.

Finally, in early 2024, the Company submitted preliminary documentation to the Overseer regarding changes to EURO1 and STEP2-T that are expected to be implemented in 2024 for their review and classification as major or minor changes.

OVERSIGHT OF THE STEP2 CC SYSTEM OPERATED BY EBA CLEARING

The STEP2 Card Clearing (CC) System, classified as Other Retail Payment System (ORPS) as per the Revised Eurosystem Oversight Framework for Retail Payment Systems (RPSs), has been under the Oversight of the Deutsche Bundesbank since 2015. A comprehensive oversight assessment of STEP2 CC against the Principles for Financial Market Infrastructures by the Committee on Payments and Market Infrastructures (CPMI) and the International Organisation of Securities Commissions (IOSCO) applicable to ORPS as outlined in the Revised Eurosystem Oversight Framework for RPSs has been carried out. 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 relevant changes to the STEP2 CC System were scheduled or carried out during the reporting period, no change assessments were necessary.

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 was classified as Other Retail Payment System (ORPS) as per the Revised Eurosystem Oversight Framework for Retail Payment Systems (RPSs) in 2017. In June 2018, the ECB completed the comprehensive oversight assessment of RT1 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 course of 2023, regular formal oversight meetings took place between the ECB and EBA CLEARING in relation to RT1 oversight.

In early 2024, the Company also submitted preliminary documentation to the Overseer regarding changes to RT1 that are expected to be implemented in 2024.

CYBER RESILIENCE

CROE

As an operator of SIPS and ORPS, EBA CLEARING 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.

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 monitors developments in this space. To this effect,

the Company is in continuous dialogue with the Overseer and its close stakeholders and participates in relevant industry events, such as the CPMI industry workshop on wholesale payments endpoint security in May 2023.

LEGAL ADVISORY GROUP ACTIVITIES

The Legal Advisory Group (LAG) work in 2023 was mostly focused on the Fraud Pattern and Anomaly Prevention (FPAD) project. The group convened seven times between March and September 2023 on that topic, in an extended composition with both permanent members and legal/privacy experts appointed by institutions involved in the FPAD Expert Group.¹

The group's FPAD work was devoted to following up on, discussing and reviewing the project and related assumptions to advise on the privacy model and documentation for the implementation of FPAD functionality in STEP2-T and RT1 for each of the three implementation phases: analytical pilot, initial deployment and go-live. The 'extended LAG' further provided guidance on the negotiations with the data processor and on provision of background information to all users in support of privacy assessments and update of privacy notices.

Non-FPAD LAG activities were addressed at the occasion of some of the above-mentioned meetings. Such activities included notably the review of the group's own Terms of Reference, taking into account experience gathered post-Covid and the growing importance of privacy, launching the decennial review of the country opinions assessing the validity and enforceability of the EURO1 Rules in qualifying jurisdictions or discussing EU draft legislation impacting the Company's services and its users.

Throughout the year, the LAG was also consulted and updated by correspondence on FPAD and on other changes to the systems' documentation, in particular through the first quarter for the updates to the documentation of all payment services, i.e. EURO1/STEP1, STEP2-T, STEP2 CC and RT1, for March 2023 upon the migration of EURO1 and TARGET to the ISO 20022 standard.

PUBLIC CONSULTATIONS

During the period under report, EBA CLEARING responded to the European Commission's public consultations on a digital euro, the Payment Services Directive (PSD2), the Payment Services Regulation and the Instant Payments Regulation. EBA CLEARING further engaged with the European Commission and the European Central Bank regarding the Instant Payments Regulation in particular. The Company also continued to contribute to the elaboration of the G20 Roadmap for Enhancing Cross-Border Payments, in particular through participation in the CPMI Taskforce on Payments Interoperability and Extension as well as in the Legal, Regulatory and Supervisory Taskforce of the Financial Stability Board.

EBA CLEARING's responses to public consultations are available on the [WEBSITE OF EBA CLEARING](#).

¹ Physical or virtual meetings took place on 1 and 29 March, 25 April, 25 May, 27 June, 31 August and 28 September 2023.

OVERSIGHT OF EBA CLEARING

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. A system's importance is determined by an appraisal of the system's financial impact, degree of

market penetration as well as cross-border activity, and whether the system provides settlement for other financial market 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).

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. The ECB also meets annually with the Chairperson and the Outside Director of the Board of Directors. Regular exchanges at technical level 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-mentioned meetings and assessments are carried out 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.

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.

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 have taken 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.

The Overseer further conducts oversight assessments of the systems it oversees with a set frequency or on an ad hoc basis in case of major changes to the systems. The Joint Oversight Team also conducts change assessments of RT1.

EUROSYSTEM CYBER RESILIENCE STRATEGY

The global Guidance on Cyber Resilience for Financial Market Infrastructures was published by the CPMI-IOSCO in June 2016. The Guidance was developed to supplement the PFMI 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.



GOVERNANCE



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Board composition

The by-laws of EBA CLEARING 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 decision of the Shareholders Meeting on 17 June 2019.

Since the Shareholders Meeting on 19 June 2023, further to which were appointed for a three-year term of office five Board members, i.e. James Barclay, Ivo De Meersman, Giuseppina Femiano, Sophie Giorgi and Christof Hofmann, the only change to the membership of the Board has been the following:

- Following Ivo De Meersman's resignation from the Board effective as of 29 February 2024, the Board appointed Evert Vandebussche as replacing Board member with effect as from 1 March 2024 for the remainder of the term of office of Ivo De Meersman, i.e. until the end of the Shareholders Meeting 2026.

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 2023. 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 and accommodation 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 Chairperson and five other Board members 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 2023 and in 2024 to the date of this report:

- 8 March 2023
- 11 May 2023
- 30 May 2023
- 5 July 2023
- 11 October 2023
- 29 November 2023
- 28 February 2024
- 14 May 2024
- 28 May 2024

OVERVIEW OF BOARD MEMBERS WHO HELD OFFICE IN 2023–2024



Chairperson of the Board

MICHELE OLIN

Allied Irish Banks, p.l.c.

Head of Digital Payment Tech Strategy, Technology & Data division

Appointed 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 30.05.2022

End of term of office: SHM 2025

Chair of the Strategy and Policy Committee



JAMES BARCLAY

JP Morgan Chase Bank N.A.

Executive Director Wholesale Payments EMEA

Appointed on 19.06.2023

End of term of office: SHM 2026

Chair of the EURO1 Business Committee since 12.05.2023



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



IVO DE MEERSMAN

KBC Bank N.V.

General Manager Payments Belgium

Appointed on 19.06.2023

End of term of office: 29.02.2024



EVERT VANDENBUSSCHE

KBC Bank N.V.

GM Group Payments Expert Unit, Swift and Sourcing

Appointed on 01.03.2024

End of term of office: SHM 2026



GIUSEPPINA FEMIANO

UniCredit S.p.A.

Vice President – Payments & Cash Management – Channels

Appointed on 19.06.2023

End of term of office: SHM 2026



CHRISTOF HOFMANN

Deutsche Bank AG

Global Head of Corporate Cash Management / Managing Director

Appointed on 19.06.2023

End of term of office: SHM 2026



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 & Infrastructure
Appointed on 30.05.2022
End of term of office: SHM 2025
Chair of the STEP2 Business Committee



JENNY WINTHER
Svenska Handelsbanken
Head of Payment Schemes
Appointed on 15.09.2022
End of term of office: SHM 2024



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



FRANTZ TEISSÈDRE
Société Générale S.A.
Head of Interbank Relationships
Appointed on 30.05.2022
End of term of office: 28.02.2023
Chair of the EURO1 Business Committee until 28.02.2023



NICOLAS CAILLY
Société Générale S.A.
Global Head of Payments & Cash Management
Appointed on 03.03.2023
End of term of office: 2 May 2024



SIMONE LÖFGEN
Commerzbank AG
Global Head of Payment Platforms, Managing Director
Appointed on 11.11.2022
End of term of office: SHM 2025



SOPHIE GIORGI
Crédit Agricole S.A.
Head of Payment System and Infrastructure Relationships
Appointed on 19.06.2023
End of term of office: SHM 2026



CARL TILKIN-FRANSENS
Outside Director
Appointed on 30.05.2022
End of term of office: SHM 2025

Board Committee membership in 2023					
	Audit and Finance Committee	Board Risk Committee	Strategy and Policy Committee	Nomination and Governance Committee	Remuneration Committee
Number of Meetings in 2023	6	5	9	4	1
Michele Olin		Observer	Observer	Chair	Chair
Robert Heisterborg		Member	Chair		Member
James Barclay			Member	Member	
Nicolas Cailly					
Sergio Dalla Riva	Member		Member		
Ivo De Meersman					
Giuseppina Femiano		Member			
Sophie Giorgi	Member				
Christof Hofmann			Member		
Tanja Konrad	Member				
Niklas Lemberg				Member	
Simone Löfgen		Member <small>(since 12 May 2023)</small>			
Luis Pedro Simões	Chair			Member	
Raouf Soussi Laghmich		Chair			
Frantz Teissèdre					
Carl Tilkin-Franssens		Member			
Jenny Winther	Member <small>(since 12 May 2023)</small>				

BOARD COMMITTEES

Introduction

In 2023, 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 six times in 2023. 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 2023 forecast, cashflow projections and outlook
- examination of the statutory and consolidated financial statements for 2023 in view of their closing in 2024 and review of the 2024 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 2023 activity report and approval of the internal audit plan for 2024

- ensuring that the Highly Liquid Assets (HLA) reserve was at the appropriate level at all times during 2023, in line with SIPS requirements
- review of the Company's Treasury & Investment Policy 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 and Finance.

Five regular BRC meetings took place in 2023, which included updates on emerging and priority items such as the geopolitical tensions, various risk assessments regarding cyber and information security as well as service incidents and their impact on the services of EBA CLEARING. Throughout the period under report, cyber-security intelligence and threats as well as regulatory oversight expectations remained high on the agenda. As a result, the BRC continued to advise 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 as well as conducting due diligence on the Company's critical service providers will remain prominent items on the agenda of the Committee throughout 2024.

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 2023, the Committee met nine times. Three of the meetings included items that were open to and attended by all interested Board members ('extended SPC meetings'); during these discussions, the 'extended SPC' zoomed in on the FPAD project and the IXB initiative respectively.

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 and projects, reviewed the proposed content of the (semi-) annual service releases and gave advice on the

pricing principles for the different services. Throughout 2023 and early 2024, special emphasis was placed on the following areas:

- market developments, including the evolution of the regulatory agenda for instant payments and the related positioning as well as development of the Company's Services, in particular RT1 and STEP2-T
- next steps for the roll-out and adoption of enhanced functionality based on the continuous gross settlement mechanism for the STEP2 SEPA Services
- project deliverables, planning and implementation of Fraud Pattern and Anomaly Detection (FPAD) functionality, with a special focus on the related legal arrangements, user preparations and cost recovery principles
- progress and positioning of the R2P proof of concept exercise
- way forward for the Immediate Cross-Border Payments (IXB) initiative with The Clearing House and the delivery and integration of a One-Leg Out Instant Credit Transfer service in RT1
- review of the SPC Terms of Reference.

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 as well as the policy and methodology for Board and individual Board member evaluation. The NGC further monitors the effectiveness of the Company's governance framework. During 2023, four meetings of the NGC were held.

The NGC carried out a significant number of tasks in 2023, including:

- review of the outcome of the Board performance evaluation for 2022 and guidance on follow-ups
- 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), RT1 Working Group (RT1 WG) as well as Treasury and Liquidity Group (TLG)
- review of the Terms of Reference of the RT1 WG, LAG and NGC
- nomination process for the appointment by the Board of one replacing Board member
- recommendations for the appointment by the Board of a new chair for the EURO1 Business Committee, a new AFC member and a new BRC member
- nomination process for the appointment by the Shareholders of five Board members for a three-year term of office
- review of the target Board profile for 2024 and review of changes to the Board Nomination Policy, Board Evaluation Policy and Methodology, Corporate Governance Manual for Board Members as well as to the Code of Ethics and Business Conduct.
- scoping and launch of the annual Board performance evaluation for 2023.

From January to mid-May 2024, the activities of the NGC were devoted to:

- review of the outcome of the Board performance evaluation for 2023 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, LAG, OTG, RT1 WG and TLG
- review of the Terms of Reference of the AFC, BRC, SPC and FPAD Expert Group
- accompanying the nomination process for the candidates to fill six seats on the Board, including the position of Chairperson, which will become vacant on the date of the approval by the Shareholders of the accounts of the fiscal year ending on 31 December 2023. In the context of this nomination process, the NGC reviewed the letter to the Shareholders inviting them to propose candidates 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 Chairperson and five other Board members 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 2023, the Remuneration Committee met once.

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, an IXB Task Force was set up in November 2020 followed by a broader IXB Sounding Board continuing the exploration of the immediate cross-border payments

topic in 2022. In April 2022, EBA CLEARING created an FPAD Expert Group to deliver a blueprint for a pan-European fraud pattern and anomaly detection solution and provide guidance to the Company's work in this area.

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 design, maintenance and evolution of the Company's services are subject to thorough user consultations to meet the community's needs. 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 and for efficient organisation of the different stakeholder groups according to their remit. Broadly representative user groups have clear visibility and engagement vis-à-vis the Board of Directors level, with key groups being chaired by Board Directors.

To allow the Board 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.

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.

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.

R2P PROJECT WORKING GROUP

Its objective is to serve as a forum in which R2P funding institutions can discuss and provide feedback on the development and evolution of the R2P Service, as well as related initiatives.

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 permanent Expert Groups are in place:

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 make recommendations on legal and privacy-related matters pertaining to the activities of EBA CLEARING and to assist in the monitoring and resourcing for given legal or privacy-related 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.

FPAD EXPERT GROUP

Its mission is to provide expert recommendations in order to shape the design and evolution of the Fraud Pattern and Anomaly Detection (FPAD) functionality of the STEP2-T and RT1 Systems.

EURO1 PAYMENTS RISK FORUM (E1 PRF)

Its mission is to foster discussion between the service participants on different contingency scenarios and measures regarding the EURO1 System, and to facilitate ad-hoc exchanges on payment processing and liquidity management matters in case of disruptions in the broader payments ecosystem.

The Company may also establish other expert fora in accordance with identified needs, such as the EURO1 Payments Risk Forum, which was created in 2022 to foster discussion between the service participants on different contingency scenarios and measures, and to facilitate ad-hoc exchanges on payment processing and liquidity management matters in case of incidents.

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.

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 and business conduct, a remuneration policy and a policy on selection, monitoring and removal of members of the 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.

COUNTRY REPRESENTATIVES



Jette Bennett
Scandinavian countries



Eva Herskovicova
Czech Republic, Hungary,
Poland, Slovakia and Slovenia



Katja Heyder
Austria, Bulgaria, Croatia,
Cyprus, Germany, Greece,
Liechtenstein, Luxembourg,
Malta, Romania, Spain and
Switzerland



Olivier Jolyon
Belgium



Erwin Kulk
Portugal



Doina Nicolici
United Kingdom and Ireland



David Renault
France



Fredrik Tallqvist
Baltic countries and Finland



Daniela Vinci
Italy



André Vink
The Netherlands

TRANSFER OF SHARES AND CHANGES IN SHARE CAPITAL OF EBA CLEARING

No such changes occurred in 2023.

As of 31 December 2023, the share capital of
EBA CLEARING amounted to EUR 48,000.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

EBA CLEARING is fully committed to continuously improving its overall performance in relation to sustainability and the Company's societal impact.

Based on a comprehensive Environment, Social and Governance (ESG) framework, ESG values are embedded across the Company through its decision-making processes, long-term strategic planning and corporate policies, which include guidelines for its Board, employees and providers in relation to their behaviour and actions, in line with the expectations of its stakeholders.

EBA CLEARING began the process of putting in place a comprehensive policy and framework to manage its ESG impact in 2020, in a phased approach. The effort started with the mission of designing a framework around environmental protection and climate change efforts across the Company inspired by the ISO 14005 standard; this framework was actively implemented in 2021.

An ESG Steering Group supports the Company in the management and implementation of environmental and social considerations in particular. It defines and monitors objectives and related metrics to measure the impact of its efforts in these areas and report progress to its governing bodies accordingly.

In addition, the staff of the Company undertakes and contributes to a number of activities and initiatives with regard to environmental and social matters. Specifically, for climate change awareness and protection of the environment, EBA CLEARING has counted more than 100 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.

Activities under the umbrella of 'Social' include the implementation of a number of policies to ensure compliance of the Company and its staff with all labour, data protection, anti-bribery, anti-corruption, health and safety, and competition laws applicable to its operations. The Company 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/or represent EBA CLEARING.

Further, EBA CLEARING attracts and actively supports its diverse workforce 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. Throughout 2023, the Company also facilitated a number of corporate volunteering activities for its staff to contribute to supporting people in vulnerable situations.

In relation to Governance, as required by the Revised SIPS Regulation, EBA CLEARING has been maintaining 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.

A detailed overview of the Company's governance bodies and user say governance can be found under Corporate Governance.

In early 2023, the Company appointed a Sustainability Officer, who is in charge of supporting the achievement of the ESG Steering Group's objectives. These mainly consist in measuring the performance in Environment and Social and carrying out market research on the medium to long-term ESG objectives of peers, all whilst promoting staff awareness and engagement in this collective effort.



FINANCIALS



FINANCIAL REPORT ON STATUTORY ACCOUNTS

STATUTORY ACCOUNTS¹

EBA CLEARING completed the fiscal year 2023 with a continued strong positive net result before consolidation of EUR 5.7 M.

The Company's cash position for 2023 was stable (EUR 26.1 M compared to EUR 26.4 M in 2022); EBA CLEARING continues to fulfil its obligations to cover General Business Risk, as mandated under the SIPS Regulation.

The 2023 results show EBA CLEARING's continuing solid business performance, which again led to a continuous decrease of the Company's average costs per unit and further strengthened the Company's ability to self-fund a number of investments in new service features.

¹ In the text of this section, the following abbreviations are used:
EUR for euro, K for thousands and M for millions.

OVERVIEW OF REVENUES²

The revenue increased by EUR 7.4 M (+8.4% vs 2022), totalling EUR 94.9 M.

PROFIT & LOSS STATEMENT	2022	2023	2023 VS 2022
Fixed fees	22,641	23,839	1,198
Transaction fees	61,899	67,922	6,023
Other fees	2,931	3,131	200
REVENUES*	87,471	94,892	7,421

* including service agreements with the Euro Banking Association and PRETA.

The revenue growth was mainly caused by higher-than-expected participation across all services, as well as rising transaction volumes of the STEP2 SEPA, STEP2 Card Clearing and RT1 Services.

The fixed fee revenues increased to EUR 23.8 M versus EUR 22.6 M in 2022.

The total transaction fee revenues amounted to EUR 67.9 M, which is an increase of EUR 6.0 M compared to 2022 (+9.7%); this revenue rise mostly affected STEP2-T and RT1 and is in line with transaction growth. The transaction revenues for EURO1 remained stable.

The revenues from other fees amounted to EUR 3.1 M, which corresponds to an increase of EUR 200 K compared to 2022. Other fees are revenues from service agreements and one-off administrative fees related to provisioning, joining and exit fees.

² All figures in the tables of this section refer to year-end actuals (rounded) and are indicated in euro (EUR) thousands.

OVERVIEW OF DIRECT COSTS

The direct costs increased by EUR 3.3 M (+6% vs 2022), totalling EUR 62.7 M.

PROFIT & LOSS STATEMENT	2022	2023	2023 VS 2022
Operating charges	53,938	58,847	4,909
Other charges	5,401	3,828	(1,573)
DIRECT COSTS	59,339	62,675	3,336

Service-related operating charges from external providers amounted to EUR 58.8 M, which represents an increase of EUR 4.9 M compared to 2022. The operating charges increased in line with the transaction increase in STEP2-T and RT1. Other charges saw a decrease of EUR 1.6 M, mainly because of efficiency gains from the EURO1 ISO migration of service-related developments.

GROSS MARGIN

The gross margin increased by EUR 4.0 M (1.8% vs 2022), totalling EUR 32.2 M.

PROFIT & LOSS STATEMENT	2022	2023	2023 VS 2022
Revenues	87,471	94,892	7,421
– Direct costs	59,339	62,675	3,336
GROSS MARGIN	28,132	32,217	4,085

The evolution of the gross margin is slightly better than expected, thanks to the positive evolution of the STEP2-T and RT1 Services, enabling the Company to self-fund new service features.

OVERVIEW OF OPERATING COSTS

The costs of operating the Company increased by EUR 1.8 M in 2023 totalling EUR 24.0 M.

PROFIT & LOSS STATEMENT	2022	2023	2023 VS 2022
Human resources	14,185	16,035	1,850
External relations & communication	1,183	1,337	154
Consultancies	934	1,111	177
Equipment, services	2,681	2,597	(84)
Rent, premises, maint. & cleaning	1,556	1,745	189
Net financial costs	1,156	570	(586)
Internal amortisation	518	623	105
OPERATING COSTS	22,212	24,019	1,807

Continued inflation impacted nearly all of the Company costs, including staff, travel, rent, maintenance and cleaning of the Company's offices.

Many in-person community events were held across Europe throughout 2023, with notably higher costs in transportation and the hospitality sector.

The Company also recruited additional resources and invested in specialised consultancies to support the business growth as well as specific initiatives and the development of new functionalities as described in the Services section [↗ SEE SECTION 4.](#)

OVERVIEW FROM GROSS MARGIN TO NET RESULT

PROFIT & LOSS STATEMENT	2022	2023	2023 VS 2022
Gross margin	28,132	32,217	4,085
– Total operating costs	22,212	24,019	1,807
EARNINGS BEFORE TAXES	5,920	8,198	2,278
– Exceptional revenue, expense	(283)	(81)	202
– Income taxes and participation	2,206	2,620	414
NET RESULT BEFORE CONSOLIDATION	3,997	5,660	1,663

The earnings before taxes (EBT) amounted to EUR 8.2 M, which represents an increase of EUR 2.3 M compared to 2022, resulting from an increase of the gross margin accompanied by higher operating costs to support the growth of the Company.

For 2023, the Company has been able to further decrease a provision related to future tax liabilities of EUR 202 K, leaving EUR 81 K in Exceptional Expense.

The estimated income tax and participation item stands at EUR 2.6 M for 2023, resulting in a net income before consolidation of EUR 5.7 M.

STATUTORY BALANCE SHEET

The Company's assets include EUR 12.0 M in highly liquid assets (cash), which are carried as a special reserve per the SIPS Regulation requirements.

The net cash position of EBA CLEARING continues to be stable, going from EUR 26.4 M in 2022 to EUR 26.1 M at the end of 2023. This demonstrates the Company's ability to generate a stable cash flow from its activities despite the significant investments performed throughout 2023.

The equity position of EBA CLEARING before consolidation with PRETA reached EUR 52.3 M with a net result of EUR 5.7 M.

ASSETS	2022	2023	2023 VS 2022
CURRENT ASSETS	NET VALUE	NET VALUE	NET VALUE
Cash position	15,557	14,081	(1,476)
HLA reserves (cash)	10,810	12,045	1,235
Receivables	24,600	23,567	(1,032)
TOTAL CURRENT ASSETS	50,966	49,693	(1,273)
FIXED ASSETS			
Intangible fixed assets	7,231	12,680	5,449
Tangible fixed assets	207	425	217
Intangible fixed assets – under construction	7,442	9,572	2,129
Tangible fixed assets – under construction	306	23	(283)
Financial fixed assets	6,165	6,179	14
TOTAL FIXED ASSETS	21,352	28,879	7,527
TOTAL ASSETS	72,318	78,571	6,254
LIABILITIES	2022	2023	2023 VS 2022
Payables	24,796	25,132	336
Provision for risk and liabilities	882	1,140	258
TOTAL LIABILITIES	25,678	26,272	594
EQUITY	2022	2023	2023 VS 2022
Retained earnings & shareholders' equity	42,641	46,639	3,997
Result of the year	3,997	5,660	1,662
TOTAL EQUITY	46,639	52,299	5,660
TOTAL LIABILITIES AND EQUITY	72,318	78,571	6,254

CASH FLOW

The cash flow generated by the Company's activities in 2023 continues to be healthy, with operating cash flow at EUR 9.5 M.

PROFIT & LOSS STATEMENT	2022	2023	2023 VS 2022
Result before consolidation	3,997	5,660	1,663
Depreciation & provision	3,467	3,882	415
CASH FLOW FROM OPERATING ACTIVITIES	7,464	9,542	2,077

Depreciation and provisions increased by EUR 415 K due to fluctuations in the provisions held by the Company for risks and liabilities.

ALLOCATION OF RESULT OF THE YEAR

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.

SUBSIDIARY REPORT

During the period under report, EBA CLEARING's fully owned subsidiary PRETA S.A.S. met its objectives set for 2023 in terms of projected turnover. PRETA recorded a net loss of EUR 18 K due to extraordinary accounting adjustments of EUR 64 K.

Despite the continued high energy costs and inflation, merchant interest in the MyBank solution remained strong throughout 2023 and early 2024, thanks to the continuously growing brand awareness and understanding of the MyBank value proposition in the market.

MyBank saw a 16% increase in terms of volumes and of 20% in terms of values compared to 2022; MyBank was used to pay for goods and services worth more than EUR 12 billion in 2023. Business-to-Business transactions accounted for two-third of the transacted value showing the strong positioning of MyBank in the account-to-account payments landscape. A new record was reached in September 2023 in terms of transaction value in a single month. Brand awareness campaigns continued throughout the year, with PRETA securing media coverage on specialised news sites, TV and radio channels in Italy as well as contributions to online conferences and webcasts.

During 2023, PRETA extended the reach of MyBank into Portugal, Spain and Belgium. Since June 2023, payers from these countries have been able to pay for goods and services online with MyBank. Additional payment service providers have been joining the solution, extending the benefits of MyBank to large customer groups. Many of the new joiners take advantage of the MyBank gateway, which allows an easy and swift integration to the solution.

With regard to request to pay, PRETA concentrated its efforts in 2023 on the elaboration of a model related to payments addressed to public administration. Workshops and a functional analysis were conducted throughout the year with active payment service providers and market stakeholders. The outcome of the roundtable sessions on request to pay run by the Comitato Pagamenti Italia (Italian Payments Committee) under the guidance of the Bank of Italy is expected in the course of 2024.

APPENDICES



Appendix 1

LIST OF EBA CLEARING SHAREHOLDERS

Status 3 June 2024

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

Appendix 2

LIST OF EURO1 / STEP1 PARTICIPANTS

Status 3 June 2024

Banca di Imola S.p.A.	STEP1 Bank	Deutsche Bank AG	EURO1 Participant
Banca Monte dei Paschi di Siena S.p.A.	EURO1 Participant	DNB Bank ASA, Filial Finland	EURO1 Participant
Banco Bilbao Vizcaya Argentaria S.A.	EURO1 Participant	DNB Bank ASA, Norway	EURO1 Sub-Participant
Banco BPM S.p.A.	EURO1 Participant	ERSTE Group Bank AG	EURO1 Participant
Banco Comercial Português S.A.	EURO1 Participant	HSBC Continental Europe	EURO1 Participant
Banco de Sabadell S.A.	EURO1 Participant	ING Bank NV	EURO1 Participant
Banco Santander S.A.	EURO1 Participant	Bank Mendes Gans N.V.	EURO1 Sub-Participant
Banco Santander Totta, SA	EURO1 Sub-Participant	ING Belgium N.V./S.A.	EURO1 Sub-Participant
Bank GPB International S.A.	STEP1 Bank	Intesa Sanpaolo S.p.A	EURO1 Participant
Bank of America Europe DAC	EURO1 Participant	J.P. Morgan SE	EURO1 Participant
Barclays Bank Ireland Plc, Frankfurt branch	EURO1 Participant	J.P. Morgan SE, Dublin Branch	EURO1 Sub-Participant
BNP Paribas S.A.	EURO1 Participant	J.P. Morgan SE, Luxembourg Branch	EURO1 Sub-Participant
Banca Nazionale del Lavoro S.p.A.	EURO1 Sub-Participant	KBC Bank N.V.	EURO1 Participant
BNP Paribas Fortis	EURO1 Sub-Participant	La Cassa di Ravenna S.p.A.	STEP1 Bank
BPCE	EURO1 Participant	MUFG Bank, Ltd., Paris branch	EURO1 Participant
BRED Banque Populaire	EURO1 Sub-Participant	National Bank of Greece S.A.	EURO1 Participant
NATIXIS	EURO1 Sub-Participant	Nordea Bank Abp	EURO1 Participant
BPER Banca S.p.A.	STEP1 Bank	OP Corporate Bank Plc	EURO1 Participant
CaixaBank S.A.	EURO1 Participant	Raiffeisen Bank International AG	EURO1 Participant
Caixa Central de Crédito Agrícola Mútuo	STEP1 Bank	Société Générale	EURO1 Participant
Cassa di Risparmio di Fermo S.p.A.	STEP1 Bank	Standard Chartered Bank AG	EURO1 Participant
Citibank Europe Plc	EURO1 Participant	Svenska Handelsbanken	EURO1 Participant
Commerzbank AG	EURO1 Participant	Swedbank AB (publ.)	EURO1 Participant
Crédit Agricole Corporate and Investment Bank	EURO1 Participant	Swedbank AB, Lithuania	EURO1 Sub-Participant
LCL – Le Crédit Lyonnais	EURO1 Sub-Participant	Swedbank AS, Estonia	EURO1 Sub-Participant
Danske Bank A/S	EURO1 Participant	Swedbank AS, Latvia	EURO1 Sub-Participant

UBS Europe SE, Germany

UniCredit S.p.A.

UniCredit Bank GmbH

UniCredit Bank Austria AG

EURO1 Participant

EURO1 Participant

EURO1 Sub-Participant

EURO1 Sub-Participant

Appendix 3

LIST OF PARTICIPANTS IN STEP2-T

Status 15 May 2024

STEP2 SCT

ABN AMRO Bank N.V.	Banco Santander Totta S.A.	BPCE	Deutsche Bundesbank
AION SA	Bank of Aland Plc	bpost SA	DNB Bank ASA
Adyen B.V.	Bank of America Europe DAC	BRED Banque Populaire	DZ BANK AG
Aktia Bank Plc	Bank of Cyprus Public Company Ltd	Bunq B.V.	Elavon Financial Services Limited
Alisa Bank	Bank of Greece S.A.	Caixa Central de Crédito Agrícola Mútuo	Erste Group Bank AG
Allied Irish Banks Plc	Bank of Ireland	Caixa Economica Montepio Geral, SA	First Investment Bank AD
Alpha Bank Cyprus Ltd	Bank of Slovenia / Banka Slovenije	Caixa Geral de Depósitos S.A.	Goldman Sachs Bank Europe SE
APS Bank	Bank of Valletta Plc	CaixaBank S.A.	Hellenic Bank Public Company Ltd
Arbejdernes Landsbank A/S	Bankinter S.A.	Cassa Centrale Banca – Credito Cooperativo Italiano SpA	HSBC Bank Plc
AS LHV Pank	Banque de France	Cassa Depositi e Prestiti SpA	HSBC Continental Europe
AS SEB Pank	Banque de Luxembourg	Cecabank S.A.	HSBC UK Bank Plc
AS TBB pank	Banque Delubac & Cie	Central Bank of Malta	ICCREA Banca SpA
Banca d'Italia	Banque Eni S.A.	Central Bank of Savings Banks Finland Plc	ING Bank NV
Banca Monte dei Paschi di Siena SpA	Banque et Caisse d'Épargne de l'Etat	Central Cooperative Bank AD	ING Belgium NV/SA
Banca Popolare di Sondrio SCPA	Banque Internationale à Luxembourg S.A.	Citibank Europe Plc	ING Luxembourg SA
Banca Sella Holding SpA	Barclays Bank Ireland Plc	Commerzbank AG	International Asset Bank AD
Banca Popolare Pugliese SCPA	Barclays Bank Plc	Crédit Agricole S.A.	Intesa Sanpaolo SpA
Banco Bilbao Vizcaya Argentaria S.A.	Barclays Bank UK Plc	Credit Agricole Italia SpA	J.P. Morgan SE
Banco BPI S.A.	Belfius Bank SA/NV	Crédit Mutuel Arkéa	Jyske Bank AS
Banco BPM SpA	BFF Bank SpA	Crédit Mutuel – CIC Banques	KBC Bank N.V.
Banco Comercial Português S.A.	BGL BNP Paribas	Credit Suisse (Schweiz) AG	Klarna Bank AB (publ)
Banco Cooperativo	BNF Bank Plc	Credito Emiliano SpA	La Banque Postale
Banco de España	BNP Paribas Fortis SA/NV	Danske Bank A/S	La Cassa di Ravenna Spa
Banco de Sabadell S.A.	BNP Paribas S.A.	De Nederlandsche Bank N.V.	Lån & Spar Bank A/S
Banco Santander S.A.	Bonum Bank Plc	Deutsche Bank AG	Landesbank Baden-Württemberg
	BPER Banca SpA		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 Ltd
Oesterreichische Kontrollbank
OP Corporate Bank Plc
OTP Bank Plc
PayPal (Europe) S.a r.l. et Cie, S.C.A.
Poste Italiane SpA –
Patrimonio BancoPosta
Rabobank Nederland
Raiffeisen Bank International AG
Raiffeisen Landesbank Südtirol AG
Revolut Bank UAB
RiverBank S.A.
S-Bank Plc
Santander Consumer Bank AG
SECB Swiss Euro Clearing Bank GmbH
Skandinaviska Enskilda Banken AB (publ)
Skandinaviska Enskilda Banken S.A.,
Luxembourg
Société Générale

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

STEP2 SDD CORE

ABN AMRO Bank N.V.
ADYEN N.V.
AION S.A.
Aktia Bank Plc
Allied Irish Banks, Plc
APS Bank
AS LHV PANK
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'Epargne de l'Etat
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
BRED Banque Populaire
Bunq B.V.
Caixa Central de Crédito Agrícola Mútuo
Caixa Economica Montepio Geral, S.A.
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.
Credit 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-Thuringen (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 Kontrollbank
 OP Corporate Bank Plc

PayPal (Europe) S.a r.l. et Cie, S.C.A.
 Poste Italiane SpA –
 Patrimonio BancoPosta
 Rabobank Nederland
 Raiffeisen Bank International AG
 Raiffeisen Landesbank Südtirol AG
 Revolut Bank UAB
 RiverBank S.A.
 Santander Consumer Bank AG
 S-Bank Plc
 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 GmbH
 UniCredit Bank Austria AG
 UniCredit SpA
 Western Union International Bank GmbH

STEP2 SDD B2B

ABN AMRO Bank N.V.
 AION S.A.
 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'Epargne de l'Etat
 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 Economica Montepio Geral, S.A.
 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.
 Credit 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
 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 Kontrollbank
Poste Italiane SpA –
Patrimonio BancoPosta
Rabobank Nederland
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 GmbH
UniCredit Bank Austria AG
UniCredit SpA
Western Union International Bank GmbH

Appendix 4

LIST OF STEP2 CC PARTICIPANTS

Status 15 May 2024

Citibank Europe Plc

Commerzbank AG

Deutsche Bank AG

Landesbank Hessen-Thuringen (HELABA)

Santander Consumer Bank AG

UniCredit Bank GmbH

Appendix 5

LIST OF RT1 PARTICIPANTS

Status 15 May 2024

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

Appendix 6

ANNUAL ACCOUNTS FOR 2023

The annual accounts for 2023 (and for 2022) are available separately.

© EBA CLEARING 2024

All rights reserved

CONCEPT AND TEXT

EBA CLEARING

40 rue de Courcelles

F-75008 Paris

CONTACT

clearing@ebaclearing.eu

PUBLICATION DATE

17 June 2024

GRAPHIC DESIGN

formfellows

Kommunikations-Design

Frankfurt am Main

PHOTOGRAPHS

EBA CLEARING

Johannes Haas Fotografie, Rösrath

Mirène Schmitz Photography, Bonn

Getty images (Mlenny, Mariusz

Szczygiel, NoSystem images, Jimmy

Lung, Ralf Geithe, Karl-Friedrich

Hohl, Liudmila Kiermeier, Evgenii

Mitroshin, Fred Froese, Markus Volk,

Anton Chechotkin)

Adobe Stock (Sergii Mostovyi,

Alexander Nikiforov)



EBA CLEARING