



One Year of SEPA

28th January 2009

PE-ACH at the centre of SCT processing in SEPA:

98.08 percent of reachability and close to 270,000 payments per day

EBA CLEARING looks back on a successful first year in the ramp-up of its SEPA Credit Transfer (SCT) Service on the Pan-European ACH platform STEP2.

A year after the service went live for the start of SEPA on 28th January 2008, the STEP2 SCT Service enables over 5,290 financial institutions to exchange their SEPA Credit Transfers across SEPA31 in a cost-effective, efficient and reliable manner. Overall, 98.08 percent of the banks that have signed the EPC SCT Adherence Agreement are reachable via the STEP2 SCT Service today.

Starting at about 65,000 daily payments in January 2008, the STEP2 SCT Service presently processes on average close to 270,000 SEPA Scheme-compliant credit transfers a day for a value of EUR 1.76 billion.

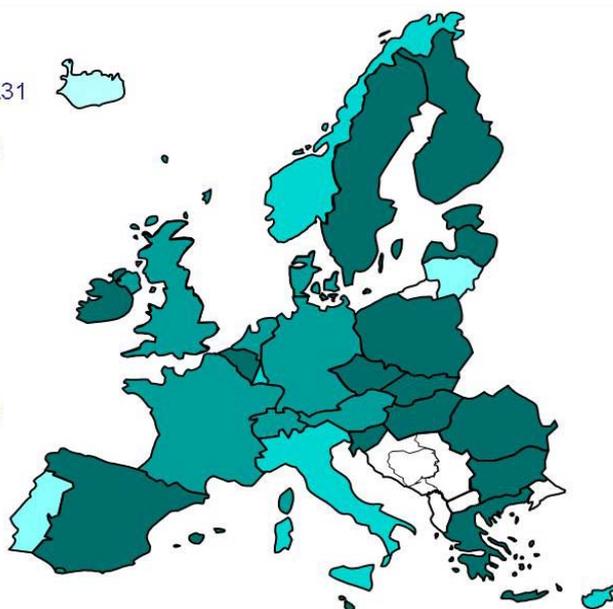
EBA CLEARING would like to thank all participating banks for their support and their contribution to the successful start of the STEP2 SCT Service.

STEP2 SCT:

Coverage of banks in SEPA31 having signed the EPC SCT Adherence Agreement

- 100%: 17 countries
- > 95%: 7 countries
- > 90%: 4 countries
- > 85%: 2 countries
- 25%: 1 country

Total coverage: 98.08%



Status: January 2009

Evolution of STEP2 SCT in 2008: key features and developments

Please turn to **page 2** of this document for an overview of the major benefits and enhancements of the STEP2 SCT Service.

S€PA

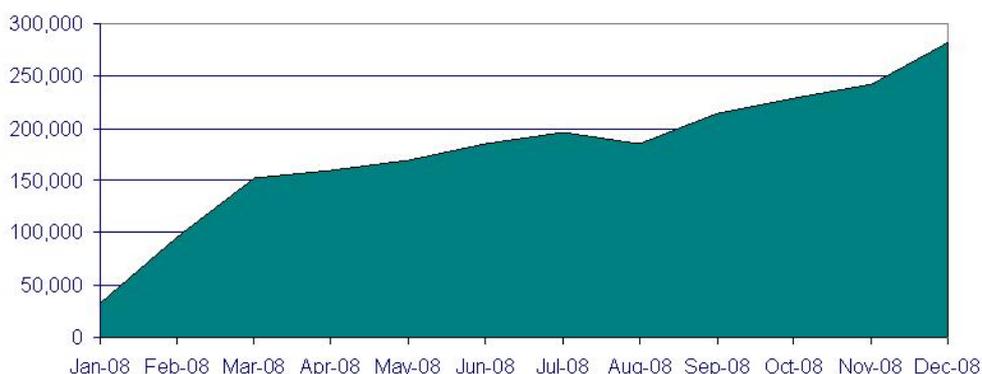


A gradual evolution satisfying user needs and expectations

In close co-operation with its users, EBA CLEARING launched the STEP2 SCT Service on time and progressively introduced additional functionalities throughout 2008 in order to ensure a robust and safe deployment of its SEPA infrastructure:

- **28th January** Take-up of operations as an EPC Rulebook-compliant SCT Service:
 - ⇒ STEP2 SCT offers to the European banking industry a PE-ACH solution based on the systemically robust STEP2 platform right from the start of SEPA and helps the banks to address any SEPA-related teething problems in co-operation with the EBA SEPA Ramp-up Panel, the European Payments Council (EPC) and SWIFT.
 - ⇒ The service allows for the sending of payments up to three days ahead of value date, thereby enabling banks to optimise back office processing through the use of a managed centralised functionality. In January 2009, 74 banks use this functionality on a daily basis.
 - ⇒ Via their web station, Direct Participants are provided with real-time information on file exchanges with the platform and with a real-time projection of their net settlement position assisting them in their treasury management.
- **5th May** Launch of a second processing and settlement cycle allowing for same-day processing of SCT payments. Ninety-one banks use the second cycle on a daily basis.
- **8th December** Significant additional enhancements are brought to the service:
 - ⇒ The SCT settlement migrates from EURO1/STEP1 to TARGET2 based on a newly introduced multilateral netting tool, which reduces the settlement-delivery cycle to minutes only and enables bank to optimise their liquidity use.
 - ⇒ All upgrades required by EPC SCT RB v.3.2 are implemented, making the service ready for February 2009 when this version of the Rulebook becomes applicable.
 - ⇒ Enhanced investigations and enquiries activities become available to Direct Participants through the introduction of a secured and fully electronic data retrieval of historical information; this functionality completes the three-month-long online storage of SCT data already in place.
- **12th December** Go-live of the first night-time clearing and settlement cycle at 1:30 offered by a SEPA CSM - settlement takes place on a multilateral net basis and with irrevocability; the new cycle enables banks to credit their customer accounts very early in the morning.

STEP2 SCT Payments Daily Average



Evolution of STEP2 SCT in 2009:

EBA CLEARING continues to develop and implement further STEP2 SCT enhancements in 2009 in co-operation with its users.

For any SCT-related questions or comments, please contact Katja Heyder:

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