



PRESS RELEASE

Paris and Brussels, 9th December 2008

STEP2 SCT settlement migrated to TARGET2

EBA CLEARING's STEP2 SCT Service settles in TARGET2 ASI4 and ASI6 based on a netting module developed by SWIFT

EBA CLEARING announced today that its STEP2 SEPA Credit Transfer (SCT) Service successfully completed its first settlement cycles on 8th December 2008 using Ancillary System Interface 4 (ASI4) of TARGET2. Settlement takes place on a multilateral net basis amongst all Direct Participants of STEP2 SCT. Based on the bilateral gross amounts established by STEP2, each bank's net position is calculated through a new application developed by SWIFT, the Multilateral Netting Module (MNM), which then carries out the interaction process with ASI4.

As of 12th December 2008, STEP2 SCT will as well offer an innovative night-time cycle, which will settle at 1:30 in the morning using ASI6. With this optional third clearing and settlement cycle in STEP2 SCT, EBA CLEARING's Pan-European Automated Clearing House (PE-ACH) platform pioneers a night-time settlement solution for the ACH and SEPA world. A similar cycle had previously been available as a purely domestic and multilateral functionality in Finland but not at a pan-European level.

"Settlement in TARGET2 will further broaden access to STEP2 SCT and in this way also further facilitate the SEPA adherence process," said Giorgio Ferrero, Chairman of EBA CLEARING. "We expect that many banks will want to directly settle their SCT traffic using the PE-ACH as part of their domestic migration to SEPA. We are pleased to support the banks in this migration process by offering them the flexible settlement procedures and options they require for operating in an integrated European payments environment."

The Multilateral Netting Module (MNM), which serves as an interface between the STEP2 platform and the TARGET2 Ancillary System Interface (ASI), was delivered and implemented by EBA CLEARING in co-operation with SWIFT as a generic netting service that can be used as a liquidity-saving device in various contexts.

"We are privileged to have been selected by EBA CLEARING to build and operate their Multilateral Netting Module to the highest level of quality and resilience," said Alain Raes, Chief Executive EMEA, SWIFT. "Successful delivery of MNM is the result of excellent collaboration between our two organisations and a significant step forward in terms of SWIFT supporting community adoption of SEPA and EU harmonisation as a whole."

STEP2 continues to consolidate its position as the PE-ACH of the European payments industry: the STEP2 SCT Service currently extends reachability to 98.04 percent of all financial institutions across SEPA that have signed the SCT Adherence Agreement of the European Payments Council (EPC). From 12th December 2008, 114 Direct Participants representing more than 5,280 financial institutions will be able to exchange payments via STEP2 SCT in two processing and three settlement cycles per day.

- ends -



Press Contacts

Daniel Szmukler, Tel: +33 1 53 67 07 12 (d.szmukler@abe-eba.eu)

Annick Moes, Tel: +49 69 75 61 49 20 (a.moes@abe-eba.eu)

About EBA CLEARING

EBA CLEARING, www.ebaclearing.eu, is the leading private provider of euro clearing services. The company was established in May 1998 and currently has 68 shareholders. Over 300 banks throughout Europe are direct users of the payment systems and services offered by EBA CLEARING.

EBA CLEARING owns and operates EURO1, a clearing and settlement system for large-value euro payments, as well as STEP1, a payment system for commercial euro payments, and STEP2, which serves the banking industry as Pan-European Automated Clearing House (PE-ACH) with payments distribution capability to all adhering banks across the 31 countries in SEPA.

EBA CLEARING has implemented both SEPA Credit Transfer and SEPA Direct Debit Services on the STEP2 platform. The STEP2 SEPA Credit Transfer (SCT) Service went live on 28th January 2008, the official launch date of the SEPA Credit Transfer Scheme, while the STEP2 Direct Debit Services are scheduled to be launched in November 2009.

The STEP2 SCT Service currently extends reachability to 98.04 percent of all financial institutions across SEPA that have signed the SCT Adherence Agreement of the European Payments Council (EPC). Through updates implemented in parallel with the new settlement model, the STEP2 SCT Service already complies with the major additional requirements of version 3.2 of the EPC SCT Scheme Rulebook, which will become applicable on 2nd February 2009.

About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect over 8,600 banking organisations, securities institutions and corporate customers in more than 208 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.