

Major German banks start migration of bilateral transactions to EBA CLEARING's SEPA payments platform STEP2

Two German financial institutions have exchanged their first SEPA Credit Transfers in a processing mode optimised for mass volumes ("Batch Processing")

Over the last two days, two German financial institutions, which will use EBA CLEARING's STEP2 platform for a major part of their SEPA payments in the future, have migrated the first transactions to a processing mode that has been specifically designed for handling very high volumes.

The banks exchanged SEPA payments via STEP2 that were, among other things, pre-sorted by receiving bank. The batch processing mode used in this context allows a fast and efficient clearing of large payment volumes. Over the next three months, seven major players in the German payments market will migrate their bilateral mass payments to this processing mode on the STEP2 platform.

"The exchange of SEPA Credit Transfers in the batch processing mode between two STEP2 Participants from Germany marks the beginning of a large-scale migration of domestic payments to EBA CLEARING's pan-European platform by German banks," said Gilbert Lichter, Chief Executive Officer, EBA CLEARING. *"This successful step shows that our German participants are ready for the migration of national credit transfer and direct debit volumes to the SEPA formats and for the settlement of these payments via a new clearing channel. After long and intense preparations, we are looking forward to tackling this last phase of the SEPA migration in co-operation with the banks."*

The use of the pan-European STEP2 platform by the seven banks involved for their national transactions will replace the direct bilateral exchange of these mass payments currently taking place between the individual financial institutions ("Garagenclearing").

EBA CLEARING offers to the European financial industry a clearing infrastructure for SEPA transactions that provides full reach to all payment service providers offering SEPA Credit Transfers and Direct Debits. Furthermore, EBA CLEARING has taken the necessary preparatory steps to ensure that the STEP2 platform meets the high resilience requirements that will apply to systemically important payment systems in the future.

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ABOUT EBA CLEARING

EBA CLEARING is a provider of pan-European payment infrastructure solutions. The Company was founded in 1998 and is owned by 62 of the major banks operating in Europe.

EBA CLEARING manages the large-value payment system EURO1 as well as STEP1, a payment system for commercial transactions. Since 2003, EBA CLEARING has also been managing the STEP2 platform, together with SIA as technology partner.

STEP2 is a pan-European payment infrastructure for mass payments (Pan-European Automated Clearing House – PE-ACH) providing full reach to all financial institutions across Europe processing credit transfers and direct debits in euro.

Currently, about one third of SEPA Credit Transfers and almost 75 percent of SEPA Direct Debits, which are, according to the European Central Bank, processed by mass payment systems in the Eurozone, are exchanged via STEP2. The balances are settled via TARGET2. Apart from cross-border payments, the platform also processes domestic payments for financial institutions in Finland, Luxembourg and Ireland as well as numerous major banks in other countries, e.g. Italy. More than 4,700 financial institutions in 33 countries are reachable via STEP2.

For additional information about EBA CLEARING, please visit:
www.ebaclearing.eu

ABOUT SEPA

The Single Euro Payments Area (SEPA) designates the integrated European payment environment for euro transactions. Geographically speaking, SEPA covers the 28 EU countries as well as Iceland, Liechtenstein, Monaco, Norway and Switzerland.

The aim of the SEPA initiative is to strengthen the Internal Market through the use of harmonised pan-European payment instruments, standards and formats for mass payments in euro by payment service providers and their customers.

The migration from today's domestic payment instruments to the SEPA Credit Transfers and SEPA Direct Debits is stipulated by the SEPA Regulation (EU Regulation No. 260/2012) and must be completed, with very few exceptions, by 1st February 2014.

For additional information on SEPA, please visit:
http://www.europeanpaymentscouncil.eu/content.cfm?page=sepa_vision_and_goals