



REPORT OF THE BOARD 2022

ANNUAL GENERAL
MEETING
19 JUNE 2023

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1. WELCOME

1.1 AN INTRODUCTION BY THE CHAIRMAN

Cooperation in payments builds on fostering relationships and exchange between payment practitioners. Our many touchpoints with members and ecosystem partners over the past year have confirmed that the core value we deliver remains unchanged: we bring the community together to discuss, prioritise and tackle payments collaboration topics that matter to them. Our activities allow practitioners to connect the dots between different needs, insights and perspectives across the industry, which helps them to imagine and shape the future European payments landscape together.

Inextricably intertwined, our pan-European vision and collaboration power also fuel our other activities, which enable the EBA community to be a strong agent towards harmonisation and innovation in European payments and beyond. With our Global Seminar, which features lecturers and delegates from across the globe, we bring in a wider perspective. At international conferences such as Sibos, we showcase our pan-European work and provide a contact point for our members and others interested in our activities and topics.

For 2023 and beyond, our members specifically want us to continue zooming in on the development of digital currencies and programmable payments and expanding on the collaborative approach to fraud fighting. These are the topics they prioritised in our 2022 membership survey. In that same survey, they also voiced their interest for two new topics: improving cross-border payments and the potential in managed cloud-based services for banking, that the EBA will be adding to its work programme.

As demonstrated by their contributions to our workstreams and the feedback provided at multiple country group meetings and roadshow events, our members also highly valued the deliverables we brought to them over the past year. This includes the activities progressed in our Thought Leadership and Innovation stream, where the working groups published three reports adding to the wealth of insights they have been providing in the area of Open Banking, payment technologies, and liquidity management.



The Open Banking Working Group spent the first half of the year exploring the challenges and collaboration potential for PSPs using APIs in interfacing with SMEs. The report entitled *‘Open Banking for SMEs – Enhancing financial services for the backbone of Europe’s economy’* was released in May 2022. During the second half of the year, the group started exploring how API adoption can revolutionise transaction banking services for corporates and move beyond the treasury department. The report is expected in June 2023 and its findings will be presented at EBAday. To reflect the broadened scope of the working group, the EBA Board decided to continue this work stream under a new name: the *‘Open Finance Working Group’*.

A new name was in order, too, for the Cryptotechnologies, Smart Payments and Stablecoins Working Group. After releasing the second report on digital money in March 2022, entitled *‘CBDC, stablecoins and beyond: a deep dive into new forms of digital money’*, the working group has continued to explore potential use cases for a digital euro and their impact on banks and the banking industry.

The new name *‘Digital Currencies & Smart Payments Working Group’* corresponds with this area of expertise. The group’s current report examines what role banks can play in the retail payment market in a future digital euro ecosystem. It will be published around EBAday.

The Liquidity Management Working Group took a deep dive into corporate needs for real time reporting in liquidity and cash management. The paper entitled *‘Use of real-time data’* was published in December 2022 and presented in two webinars in January, attracting over 200 participants. Since then, the group has continued to explore core liquidity issues fuelled by high inflation, geopolitical tension, and supply chain and labour market challenges.

The Open Forum on Digital Transformation provided attendants with an excellent line-up of speakers from different corners of the payment ecosystem, offering expert insights. In 2022, a total of over 200 participants attended the three digital events. The first event in March discussed sustainability and ESG in banking and finance. *‘What’s new? What’s hot? What’s*

next?’ guided the discussion on transaction banking 2022 and beyond in June. The last event of 2022 in November took a big-picture outlook on what to expect from payments and banking in the future. The Open Forum returned in March 2023 with a session on the latest trends in supply chain finance and working capital.

Our focus on pan-European collaboration and harmonisation is probably most palpable in our Market Practice and Regulatory Guidance stream, where it continues to guide the work of the three expert groups and two sounding boards.

The Payments Regulation Sounding Board (PRSB) monitored European regulatory activities and advised the EBA Board on potential EBA activities to be initiated. The PRSB contributed to a note published in June 2022 to raise awareness on the key implications of the EU VAT Fraud Directive 2020/284 and its potential impact on PSPs. Going forward, the PRSB recommended the EBA closely watch the proposal for an EC Regulation on instant



payments and the announced review of PSD2 with a view to assessing potential activities to be taken up.

Throughout 2022, the EBA continued to maintain the Content Portal on Cyber Regulations and Industry Standards. The updates resulting from the 2022 review cycle were implemented in early 2023 and include new entries, for example on DORA, and the deployment of an enhanced regulation/security domain mapping tool.

In 2022, the Expert Group on Payment Fraud-Related Topics (EGPF) continued to focus on developing and promoting the EBA Fraud Taxonomy. After a completed annual change cycle, the 3.0 version of the taxonomy was published in June, and in October, the taxonomy was made available to the public under a Creative Commons license (version 3.1). We are happy to report that since then, close to 700 individuals requested a copy of the EBA Fraud Taxonomy. Experts from the group shared their hands-on experience with the taxonomy in three EBA-hosted webcasts attracting a total of 270

participants. Going into 2023, the EGPF has continued developing training and information material to promote the taxonomy. The current review and updating process will result in version 4.0 in June 2023.

The EBA Expert Group on Know Your Customer-related Topics (KYCEG) delivered a taxonomy that identifies datapoints that regulated financial institutions periodically need to collect from corporate customers in standard due diligence situations. Entitled '*EBA CBCS – Common Baseline Classification Standard for Corporate-to-Bank KYC in low-risk situations*', the taxonomy was published in Q1 2022. Throughout 2022, the group continued to explore where and how to harmonise corporate data collection and verification in KYC processes across Europe in order to improve processes and save costs. The follow-up publication was released in February 2023.

After finishing a busy year of sharing the finding of its report on corporate requirements and expectations regarding request to pay with a final webcast in March 2022, the Request to

Pay Expert Group continued to discuss how to support the request to pay roll-out at the pan-European level.

As the last travel and meeting restrictions were lifted across Europe in the first half of 2022, we returned to onsite meetings. Our schools and seminars returned, attracting pre-Covid numbers of participants. Our flagship event EBAday took place in Vienna and attracted over 1,200 visitors, who enjoyed the 22-session programme and catching up with colleagues from near and far. We were able to go on our local roadshows again and were welcomed by the Dutch community in September 2022, followed by the French community in April 2023.

Together with EBA CLEARING, we launched a new event series to engage local communities in a strategic exchange. The German community kicked off the series in September, the Finnish community hosted the event in January 2023, and the Irish community in May 2023. We look forward to continuing with this format in 2023 and beyond.

I would like to conclude with a heartfelt thank you to the EBA community: to the bank members and ecosystem partners for their continued support and dedication to our pan-European vision for payments. To the participants in our work streams for their contributions to the publications delivered this year. To all delegates and speakers who attended EBA educational and networking events and kept the conversation fresh and engaging. And to my Board colleagues, the Secretary General and the EBA Team for supporting our members in the pursuit of their vision and harmonisation efforts for the benefit of their customers. We will continue to serve our EBA community, whose collaborative effort brings value to all corners of the payments industry and helps take payments into the future.



Wolfgang Ehrmann



1.2 AN INTRODUCTION BY THE SECRETARY GENERAL

Following a report published by the research company GlobalData, the global banking and payments sector in 2022 witnessed 3,424 M&A deals worth \$365 billion.¹ Next to North America and China, Europe was one of the key regions driving M&A activity. Among the banking business sectors, digital lending and digital banking were the areas where most M&A deals were made in 2022. And it is not difficult to figure out the reason for it: technology. The banking sector's need to further digitalise the business requires a sound understanding of the possibilities new technologies bring, but also – and perhaps even more importantly – the ability to recognise new trends and utilise their possibilities to innovate and re-invent business models. This not only becomes visible through M&A activity, but also in the intensified interaction between banks and technology providers.

The need for new and better integration of technology in payments is reflected in the answers of our member community when we asked them at our strategic outlook sessions

to rank strategic topics by importance. Always top on the list was *'speed of mass payments'*, followed by *'new and innovative end-user solutions'*. *'Cybercrime, fraud prevention and transaction screening'* have scored high this year, as has *'ISO-migration'* and *'monetisation of data'*. Although strategically relevant for the future business and market role of commercial banks, *'CBDCs and digital currencies'* did not make it into the top three. Nevertheless, there is agreement that their impact on the business of a traditional transaction bank will be high, and our members have been zooming in on them as part of our Thought Leadership and Innovation stream.

I do not know if this is too far-fetched, but for me, these poll results represent one of the dilemmas banks are currently facing: due to the huge number of market-relevant developments, it is becoming increasingly difficult for individual market participants to identify and give the necessary attention to topics with a medium or long-term priority early in the process. Limited resources often have them only look at



¹ GlobalData, "Banking and Payments Industry Mergers and Acquisitions Deals 2022"

and act upon short-term topics, putting many market players into a reactive mode rather than allowing them to shape and pursue a strategic agenda in payments.

To be clear, the numerous activities needed in the short term are demanding: the current draft of the EU regulation on instant credit transfers in euro comes with many requirements. Next to providing instant payments as such, PSPs might also have to offer add-on services such as a pan-European IBAN/name check. Such a service will help the ordering customer to make sure that the funds will reach the intended beneficiary before initiating the transaction. While there are currently a few local IBAN/name check services in place, there is a need for a cooperative effort to ensure users' trust in the safety and reliability of instant payments

The industry is also facing challenges when it comes to creating new and innovative end-user solutions. Request to pay has been extensively discussed over the past years. Now it seems

that the market is looking at developing first pan-European industry solutions. Request to pay is not a payment instrument itself, but a way to smoothly provide a payment initiation service at the point of interaction. The Euro Banking Association has looked at how corporates and banks can interact in various situations and our Request to Pay Survey² has provided deep insights into the pain points and expectations of the demand side, i.e. corporates and merchants. A pan-European implementation of request to pay would be beneficial for all parties involved. It would increase conversion rates on the payee's side, the banking industry would strengthen its customer relation and the end user would have an easy solution at hand to pay in various environments. Ideally, request to pay would be connected to instant payments and combinable with other account-related services. It is very important to understand that these pan-European building blocks will increase Europe's digital sovereignty, a goal high on the agenda of the European Commission.

But there is not only potential for innovation in the field of SEPA payments. End users are also looking for improvements in cross-border payments. Driven by the related G20 roadmap, various industry initiatives are working to address friction points in existing and new payment infrastructures. Activities to which the Association could potentially contribute, comprise the international alignment of standards, the improvement of cooperation in the field of know-your-customer matters or the creation of market practices with regard to operations and resilience in cross-border payments. The European banking community can contribute its extensive experience of implementing SEPA and ISO 20022 to this process.

More generally, the industry needs to understand how the rapidly developing technical environment can help to implement appropriate business solutions. Technologies, such as artificial intelligence or cloud, do have a direct impact on the provision of both customer-related

² Request to Pay - What corporates want. June 2021

and internal services and influence principles like *'time to market'* or *'total cost of ownership'*. And they also influence the ecological footprint of the industry.

At the Euro Banking Association, we are looking into all of the above-mentioned topics and aspects. With our thought leadership reports, we help our members and other industry players to better understand a topic and assess its strategic implications. Our fraud and KYC taxonomies are broadly recognised by the ecosystem and are being implemented by individual market players and user communities. Our repository of cyber-related regulations and industry standards offers an overview of all relevant documents and their individual content. And with our 2023 focus topics on 'cloud managed services' and 'cross-border payments' we are adding new chapters to our work streams.

We are proud to serve a wide range of stakeholders and we are eager to assist our members in finding strategic answers to the payments-related opportunities and challenges.

By fostering dialogue and experience exchange amongst payment industry practitioners, our topical value streams advance the understanding of new market trends and provide guidance on market implementation. At the same time, the EBA market practices and regulatory guidance streams support our members and the wider industry in identifying and tackling areas on the road to an innovative and prospering European payments ecosystem that requires pan-European cooperation and harmonisation. And, last but not least, our educational and networking events enable, support and drive industry networking and collaboration.

With your engagement and input, the EBA team and I look forward to seeing this joint pan-European vision being put into reality for the benefit of your organisation as well as of the larger European payments industry and its customers.



Thomas Egner



1.3 MISSION AND CORE ACTIVITIES

The mission of the EBA is to foster dialogue and experience exchange among payment practitioners towards a pan-European vision for payments. We pursue our mission by involving member organisations and relevant stakeholders in our thought leadership work on innovation, by helping our members to understand and implement regulation and by supporting the development of market practices.



THOUGHT LEADERSHIP & INNOVATION

WHY?

To advance the
understanding of
new market trends

HOW?

Open Finance
Working Group
Digital Currencies & Smart
Payments Working Group
Liquidity Management
Working Group
Open Forum on
Digital Transformation



MARKET PRACTICES & REGULATORY GUIDANCE

WHY?

To provide guidance
on practical
implementation issues

HOW?

SCT Inst Migration Action
Round Table (SMART2)
Payments Regulation
Sounding Board
Expert Group on KYC-
related Topics (KYCEG)
Cyber Regulation
Sounding Board
Expert Group on
Payment Fraud-related
Topics (EGPF)
Request to Pay
Expert Group



NETWORKING & EVENTS

WHY?

To organise events
fostering pan-European
practitioner exchange

HOW?

EBAday
EBAday Business Fora
Local EBA Roadshow
Sessions



TRAINING & EDUCATION

WHY?

To provide training &
educational services on
key industry topics to
the EBA community

HOW?

Summer and
Winter Schools
Global Seminars
EBA Liquidity
Management
Training Seminars
Webcasts



2. REPORT ON EBA ACTIVITIES IN 2022 AND OUTLOOK FOR 2023+

2.1 REPORT ON WORK STREAMS IN 2022 – OVERVIEW

Thanks to the commitment and contribution of the EBA community in 2022, the Association was in a position to deliver the following key achievements in its four core activity areas:

THOUGHT LEADERSHIP & INNOVATION



- Open Banking Working Group (renamed Open Finance Working Group in January 2023):** publication of the report “Open Banking for SMEs – Enhancing financial services for the backbone of Europe’s economy”, a paper shedding light on the banking needs of SMEs, how the evolution of a provider ecosystem is diversifying and complementing offerings for SMEs and how Open Banking initiatives can increase the quality of services provided in the SME domain.
- Liquidity Management Working Group:** delivery of “Use of real-time data” report, a paper exploring how companies use real-time data in the liquidity management space, and where they could potentially benefit from real-time data access.
- Cryptotechnologies, Smart Payments and Stablecoins Working Group (renamed Digital Currencies & Smart Payments Working Group in January 2023):** release of a paper on “CBDC, stablecoins and beyond: a deep dive into new forms of digital money”, a comprehensive overview of new forms of digital money and how banks can prepare themselves for their implementation and adoption covering Central Bank Digital Currencies (CBDC) and privately issued stablecoins.
- EBA Open Forum on Digital Transformation:** delivered three highly rated, full-day digital sessions to the community of pan-European payment practitioners covering sustainability and relevant environmental, social and governance facets in banking and finance, hot topics in transaction banking, and key expectations with regard to payments.

MARKET PRACTICES & REGULATORY GUIDANCE



- ≡ **EBA Expert Group on KYC-related**
Topics: update of the Common Baseline Classification Standard for Corporate-to-Bank KYC in low-risk situations to support a uniform customer experience across Europe and delivery of recommendations for a harmonised approach to data verification for Corporate-to-Bank KYC in low-risk situations.
- ≡ **Request to Pay Expert Group:** ongoing analysis of request to pay roll-out needs as well as organisation of a webcast series with corporate and bank experts zooming in on findings of the EBA Request to Pay survey regarding specific use cases.
- ≡ **Expert Group on Payment Fraud-related**
Topics: completion of the first annual change cycle applicable to the EBA Fraud Taxonomy and release as well as promotion of version 3.1 of the taxonomy as a public document in October 2022 under a Creative Commons license.

- ≡ **Payments Regulation Sounding Board:** monitoring of relevant regulations and regulatory initiatives with a direct and/or indirect impact on payments and evaluating requests from EBA members with regard to activities in the field of regulatory guidance.
- ≡ **Cyber Regulation Sounding Board:** regular review and enhancement of the e-repository on payments-related cyber regulations with a focus on the integration of new market developments, industry standards and cybersecurity-related regulations.



NETWORKING & EVENTS



- ≡ **EBAday 2022:** organisation of the first in-person EBAday conference and exhibition after the Covid-19 pandemic, with a focus on “Bringing digital payments to the forefront”. EBAday 2022 took place in Vienna, Austria. More than 1,200 delegates and almost 90 expert speakers and panelists discussed current topics such as real-time payments, digital currencies, Open Banking, operational resilience, and Payments-as-a-Service. The conference was complemented by a sold-out exhibition floor, a fintech zone and two lunch roundtables.

- ≡ **EBAday Business Forum:** organisation of one business forum in the run-up to EBAday 2022 focussing on “Placing the customer at the centre of payments modernisation”.
- ≡ **EBA Roadshow:** local session on EBA activities held for the Dutch community in September 2022.
- ≡ **Strategic Outlook Sessions:** a new interactive format engaging local communities in a strategic exchange on local and European payments ecosystem considerations and needs. The sessions are targeted at strategic decision-makers from EBA member banks and ecosystem partners as well as EBA CLEARING users and are jointly run with EBA CLEARING. The format was piloted in Q3 2022 with the German-speaking community.

TRAINING & EDUCATION



- ≡ **EBA Summer School:** “Mission Possible: Rich Data, Emerging Technologies, and the Future of Payments”, the first in-person EBA educational event after the Covid-19 pandemic. The event was sold out with 37 delegates and 11 lecturers attending.
- ≡ **EBA Global Seminar:** “Real-time payments and Open Banking: new realities, new challenges” in Amsterdam, Netherlands, with 36 participants from four continents.
- ≡ **EBA Winter School:** “Beyond borders: Digitisation in cross-border payments”, attended by 25 delegates and hosting 12 lecturers.

For detailed reports on the different activity areas and work streams in 2022, please turn to sections 2.3 to 2.6.



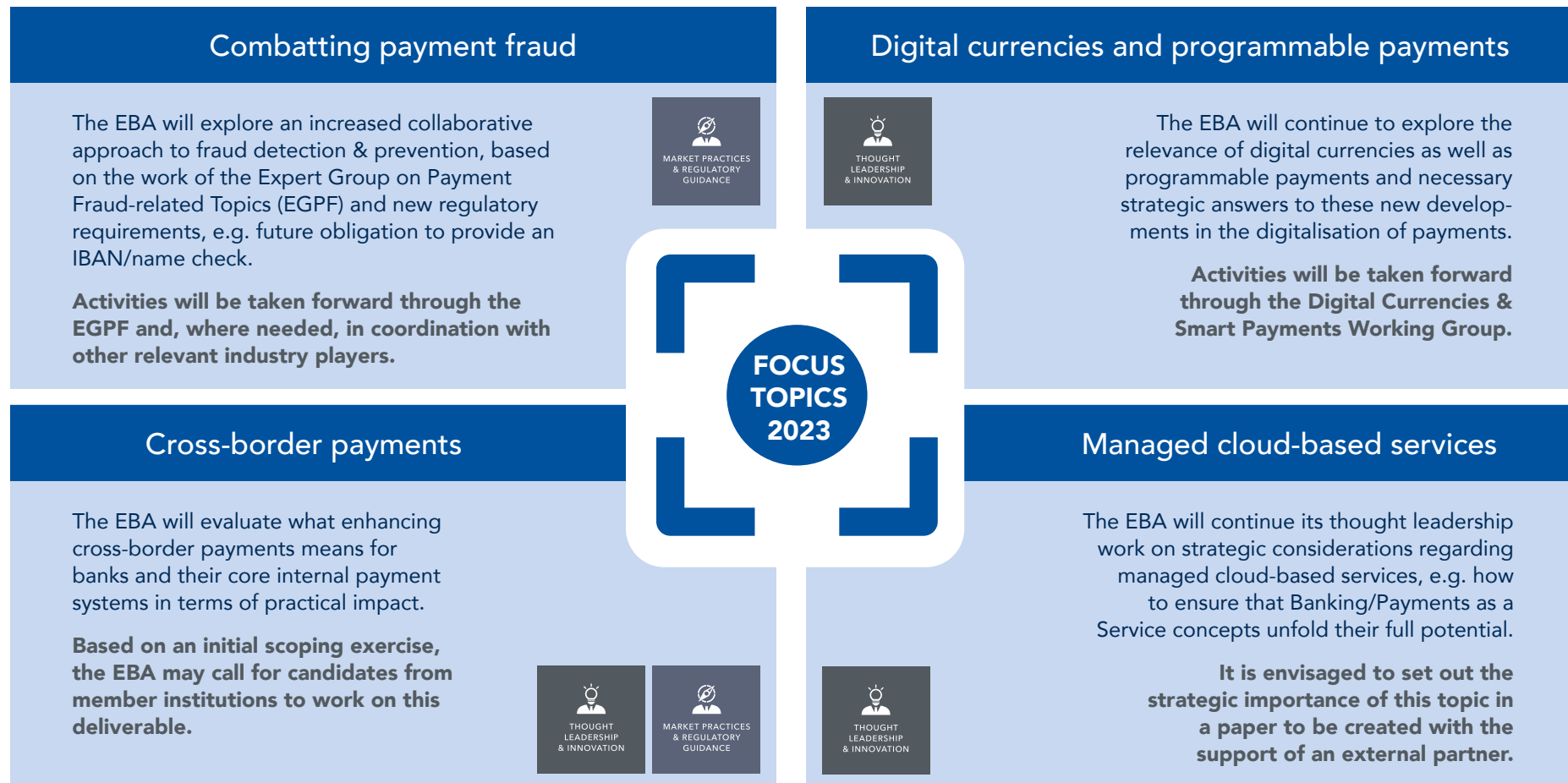
2.2 OUTLOOK FOR 2023 AND BEYOND – OVERVIEW

The work programme 2023 was presented to the EBA members as part of the Association's value proposition in December 2022. Aside from focusing on ongoing and new topics supported by the EBA's existing expert/working groups or workstreams, this programme also covers new topics prioritised by the EBA members in a survey conducted in the second half of the year. The results of this membership survey led to a strengthening of the mandate for the Association in 2023 with regard to two existing workstreams: combatting payment fraud and exploring strategic answers to digital currency and programmable payment developments. These topics will be tackled by the Expert Group on Payment Fraud-related Topics and by the Digital Currencies & Smart Payments Working Group, respectively.

The outcome of the survey also resulted in the announcement of two new focus topics for 2023 and beyond: supporting the improvement of cross-border payments and looking into the potential of managed cloud-based services for banking services in particular. While the latter will be taken forward as part of the EBA's thought leadership work, the scoping of the Association's future cross-border activities will be addressed with the support of a consultation group set up in May 2023.

NEW FOCUS TOPICS FOR 2023

As identified by the EBA membership survey 2022



In addition, the EBA will be evaluating whether and how to take accessibility aspects into consideration as part of relevant activities or assignments with regard to new or enhanced payment instruments.

The EBA's existing workstreams are zooming in on the following deliverables:

ACTIVITIES RELATED TO THE EBA'S EXPERT AND WORKING GROUPS, OPEN FORUM AND SOUNDING BOARDS

- ≡ the use of application programming interfaces (APIs) by PSPs in interfacing with large corporations (Open Banking Working Group – new name as from 2023: Open Finance Working Group)
- ≡ the potential impact of the introduction of a digital euro on banks and their role and strategic options in the emerging digital euro ecosystem for the retail payments market (Cryptotechnologies, Smart Payments and Stablecoins Working Group – new name as from 2023: Digital Currencies & Smart Payments Working Group)
- ≡ how the challenging environment of higher prices, rising interest rates (impacting debt and credit) and increased macroeconomic uncertainty may impact the liquidity management ecosystem in the medium term (Liquidity Management Working Group)
- ≡ three thought leadership events: “Working Capital Management goes digital; what can we expect and what should we demand?” held in March 2023, “Before you leave for the beach, explore Payments and Treasury Management trends for 2023 and beyond!” in June 2023 and a third one later in the year (EBA Open Forum on Digital Transformation)
- ≡ content updates to the e-repository on cyber regulations and industry standards, including new entries in the e-repository on the Digital Operations Resilience Act (DORA), the Guidelines on Outsourcing and the Cyber Risk Institute Profile added in March together with an enhancement of the regulation/security domain mapping tool (Cyber Regulation Sounding Board)
- ≡ considering an activity stream on the identification and risk management of Politically Exposed Persons (PEPs) (Expert Group on KYC-related Topics)
- ≡ the launch of a Request to Pay Round Table with key stakeholders to broaden the dialogue between the corporate demand side and the product supply side and to help PSPs and other providers to determine priorities and missing elements for request to pay implementation (Request to Pay Expert Group)
- ≡ completion of the second annual change cycle applicable to the EBA Fraud Taxonomy and development of education and training material designed to raise awareness of the taxonomy as well as continued investigation how to best support the payments ecosystem in its fraud-fighting activities (Expert Group on Payment Fraud-related Topics)
- ≡ continued monitoring of any relevant regulations and regulatory initiatives with a direct and/or indirect impact on payments, in particular the Proposed EC Regulation on Instant Payments and the review of PSD2 (Payments Regulation Sounding Board)

ACTIVITIES RELATED TO EBA EVENTS

- ≡ EBAday 2023: “Advancing next generation payments – a quest for global interoperability” (in-person event from 20 to 21 June 2023)
- ≡ EBA Roadshow: continued roll-out of local community sessions on EBA activities (first onsite sessions with the French community on 4 April, others will follow in the course of the year)
- ≡ Strategic Outlook Sessions: roll-out of the new format to other communities (sessions held with the Finnish Community on 18 January and the Irish Community on 17 May)
- ≡ EBA Liquidity Management Seminar: “The perfect storm: How the liquidity ecosystem is shifting to a new paradigm” (in-person event held from 28 to 29 March)
- ≡ EBA Summer School: “You Say You Want a Revolution: The Impact of the Digital Euro on Banking and Payments” (in-person event from 4 to 6 July)

- ≡ EBA Global Seminar: “Real-time payments and Open Finance: new realities, new challenges” (in-person event scheduled for 14 and 15 September)
- ≡ EBA Winter School: planned for November in La Hulpe, Belgium

A comprehensive outlook on the different activity areas and work streams for 2023 is included in the detailed reports on activities in sections 2.3 to 2.6.



2.3 THOUGHT LEADERSHIP & INNOVATION

2.3.1 OPEN FINANCE WORKING GROUP (OFWG) – FORMERLY THE OPEN BANKING WORKING GROUP

ACTIVITIES 2022

Open Banking holds great promise for financial services for small and medium-sized enterprises (SMEs) as well as large corporations, by making both access to bank services simpler, faster, and more integrated as well as enabling new, innovative services. Yet, industry-wide value creation through application programming interfaces (APIs) is held up by fragmentation that hinders adoption. More industry collaboration on API standardisation is an important piece of the puzzle for leveraging open banking and instant payments and enabling full value for both SMEs and large corporations.

In 2022, the Open Finance Working Group (OFWG) investigated the use of APIs by PSPs in interfacing with SMEs, and explored the challenges, current state and potential of industry collaboration in this area.

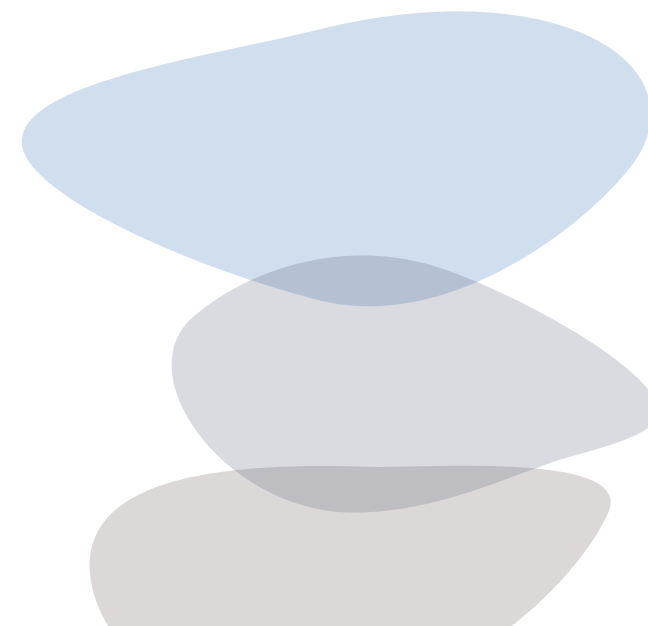
The report titled “Open Banking for SMEs – Enhancing financial services for the backbone of Europe’s economy” was released in May 2022.

OUTLOOK 2023

After having focused, in 2022, on how SMEs stand to benefit from Open Banking, the OFWG turned to Open Banking for corporates. It has been evaluating how transaction banking services for corporates can be reimaged by unlocking the value of APIs. The resulting report is aimed at outlining current API developments, challenges, and collaborative initiatives to drive adoption at scale for corporates. Furthermore, it seeks to illustrate that API adoption is an iterative process that extends beyond the treasury department. This process should start with a holistic overview of the business and then be gradually implemented across all its

levels and departments. The report is due for publication in June 2023.

In March 2023, the Board decided to continue the activities of the new working group under a umbrella heading that would better reflect the broadened scope of the group. To this end, the working group was renamed Open Finance Working Group (OFWG).



2.3.2. DIGITAL CURRENCIES & SMART PAYMENTS WORKING GROUP (DSWG) – FORMERLY THE CRYPTOTECHNOLOGIES, SMART PAYMENTS AND STABLECOINS WORKING GROUP

ACTIVITIES 2022

Considering the increased interest in digital payments, the working group decided to further broaden the understanding of central bank digital currencies (CBDCs) and stablecoins among EBA members and to contribute to industry discussions and preparations for the possible implementation and adoption of these innovative developments.

With its second report in the area of digital currencies, the working group aimed to clarify the potential use cases and benefits, outline key design choices necessary for CBDC and stablecoins and highlight crucial areas for further research and engagement for central banks, commercial banks and other relevant stakeholders.

The report titled “CBDC, stablecoins and beyond: a deep dive into new forms of digital money” was released in March 2022.

OUTLOOK 2023

In the second half of 2022, the focus of the working group shifted to exploring use cases and options for the banking industry that the introduction of a digital euro may offer. In particular, the DSWG has been focusing on the impact a digital euro is likely to have on banks and their role in the future digital euro ecosystem for the retail payments market. The resulting report is also zooming in on the strategic options that banks have and the impact of a digital euro on the wider European payments industry. The report is scheduled for release around EBAday 2023.

In March 2023, the Board endorsed changing the name of the working group into “Digital Currencies & Smart Payments Working Group” to better reflect the activities entrusted to the group.

2.3.3. LIQUIDITY MANAGEMENT WORKING GROUP (LMWG)

ACTIVITIES 2022

Spurred by the advent of real-time payment schemes and systems around the world, the acceleration of cash transfers will ultimately have a transformative effect on corporate treasury operations. Furthermore, the unfolding economic crisis resulting from the pandemic revealed the critical importance of real-time cash visibility to maintain robust and agile access to liquidity.

Against this background, the LMWG zoomed in on corporate needs for real-time reporting from a liquidity and cash management perspective in 2022. These findings were published in a report called “Use of real-time data”, released in December 2022.

OUTLOOK 2023

The recent global macroeconomic background has created an unprecedented set of challenges for financial institutions and corporates. High inflation in many advanced economies has led to an acceleration of central bank rate hikes not seen in decades. What is more, the ongoing geopolitical tension has resulted in extraordinary macroeconomic and microeconomic uncertainty, contributing to greater market volatility. Meanwhile, the persistent supply chain and labour market crises that emerged in the wake of the pandemic have continued to create challenging conditions for many corporates to operate in.

Given the external environment, delving into core liquidity issues has become increasingly relevant for all players in the liquidity management ecosystem. The working group aims to consider the various ways in which this 'perfect storm' of higher prices, rising interest rates and increased macroeconomic uncertainty is impacting the liquidity management ecosystem.

2.3.4. OPEN FORUM ON DIGITAL TRANSFORMATION

ACTIVITIES 2022

The EBA Open Forum on Digital Transformation fosters a transparent, cohesive and broad discussion of the impact of new technologies on the wider payments and transaction banking landscape. With its offering, the forum intends to help payment practitioners see multiple perspectives and stimulate new ways of thinking. Special emphasis is placed on the influence of modern payment processes and digitalisation in the transaction banking business in general. Industry expectations on a real-time data economy, the use of artificial intelligence as well as the impact of cyber threats and fraud are high on the agenda of the Open Forum. Next to a topical payments-related agenda, the Open Forum also addresses issues of inter-industry relevance, such as the need for broad industry collaboration on selected topics.

Bringing in expert speakers from different corners, the forum offers a great diversity of insights and perspectives on the industry's digitalisation journey. This enriches the debate on key milestones, opportunities, and challenges of this journey as well as on potential ways to reach or address these. The Open Forum is a highly interactive format and is moderated by an independent and neutral industry expert. Originally designed as an in-person event, the Open Forum has been held in a digital format since 2020.

In 2022, the EBA facilitated three digital Open Forum meetings: "Examining the various facets of Sustainability and ESG – A new horizon in Banking and Finance?", held on 8 March 2022, "What's New? What's Hot? What's Next? Transaction Banking in 2022 and beyond" on 27 June 2022 and "What can we expect from payments and banking in the future? Connecting the dots!", on 22 November 2022. The events attracted over 200 participants in total.

2.4 MARKET PRACTICES & REGULATORY GUIDANCE

OUTLOOK 2023

The Open Forum will continue to keep track of the transformation of the payments and transaction banking business through digitalisation and the use of future-oriented technologies. A first event on “Working Capital Management goes digital; what can we expect and what should we demand?” was held on 16 March. Two more are to follow in the course of the year: “Before you leave for the beach, explore Payments and Treasury Management trends for 2023 and beyond!” will be held on 27 June 2023 and the third one will follow in Q4 2023.

2.4.1. PAYMENTS REGULATION SOUNDING BOARD (PRSB)

ACTIVITIES 2022

In line with its mandate to assess the need for dedicated EBA activities focusing on specific payment regulations or regulatory initiatives and serve as an advisory body to the EBA Board in this area, the Payments Regulation Sounding Board (PRSB) in 2022 continued to monitor European regulatory activities with a direct or indirect impact on the payments value chain and on EBA member institutions and to evaluate requests from EBA members with regard to activities in the field of regulatory guidance.

The PRSB is composed of practitioners from nine different EBA member institutions from all corners of Europe. Through their product, clearing or legal backgrounds, the PRSB members bring to the table a diversity of perspectives. All of them are involved in the payments regulatory monitoring and assessment work of their respective institutions or national communities.

With the support of the PRSB, a summary geared at raising awareness about the key implications of the VAT Fraud Directive (Council Directive (EU) 2020/284 of 18 February 2020) was published in the first half of the year.

OUTLOOK 2023

The PRSB will continue to monitor current and upcoming payment related regulatory initiatives and advise the Board of the Association on the creation of dedicated activity groups in relation to a specific regulation or an upcoming regulatory initiative. The PRSB singled out in particular the legislative proposal for an EC Regulation on instant payments and the announced review of PSD2 as key developments to closely watch in view of a timely assessment on whether specific activities of the Euro Banking Association would add benefit for the members.

2.4.2. CONTENT PORTAL ON CYBER REGULATIONS AND INDUSTRY STANDARDS

ACTIVITIES 2022

To help its members understand and deal with existing and future cyber-related industry frameworks, the EBA delivered a first version of an e-repository on cyber regulations and industry standards in September 2020, which has been reviewed on a regular basis since then.

The aim of this online portal is to provide transparency, basic descriptions and a structured view on relevant market regulations and industry standards, as well as on their specific impact on the banking and payments industry. Furthermore, the repository is geared towards identifying a best practice framework and relevant guidance on how to implement new or validate already existing security processes or domains. Relevant regulations and industry initiatives covered in this repository include, among others, PSD2, GDPR, TIBER, SWIFT CSP, PCI DSS and NIST.

The delivery of the e-repository was supported by a Cyber Regulation Sounding Board composed of high-level industry specialists and practitioners who are actively involved in the field of cyber- and security-related industry activities.

OUTLOOK 2023

The 2022 maintenance cycle resulted in an update of the e-repository in early 2023. The update added new entries to the portal, such as on DORA, the Outsourcing Guidelines of the European Banking Authority and the Cyber Risk Institute Profile. Also, already existing cyber resilience and cyber security frameworks and regulations were updated. Furthermore, an enhanced regulation/security domain mapping tool was implemented. This enhanced version provides users with the possibility to map individual security domains easily and directly against relevant and related regulations and vice versa.

The e-repository on cyber regulations and industry standards will continue to be periodically updated in line with market developments, based on the guidance provided by the Cyber Regulation Sounding Board.



2.4.3. EXPERT GROUP ON PAYMENT FRAUD-RELATED TOPICS (EGPF)

ACTIVITIES 2022

Since its launch in 2020, the EBA's Expert Group on Payment Fraud-related Topics (EGPF) has been supporting fraud detection and prevention collaboration at a pan-European level. In 2022, the expert group put a major focus on developing and promoting the EBA Fraud Taxonomy issued in 2021. The taxonomy is seen as a key enabler for effective fraud intelligence or data sharing activities since it equips fraud fighters in PSPs with a standardised vocabulary and approach for categorising the intelligence or data they exchange. It provides a uniform and straightforward framework to describe fraud scenarios related to all kinds of payments, including card transactions.

In detail, the taxonomy offers a standardised way to identify who initiated the payment transaction affected by the fraud, how the

fraudster first contacted the victim and what trick the fraudster used to get hold of the victim's money or credentials. At the same time, so-called labels or tags allow fraud experts to add further details on a fraudulent event, as they deem fit, for example to align with internal reporting requirements. This ensures ease of use and maximum flexibility.

The taxonomy builds on the work done by fraud experts around the globe by relying on definitions from authoritative and publicly available sources, wherever possible. It is aligned with the European Banking Authority (EBA) Guidelines on Fraud Reporting under PSD2, which have already been implemented by payment service providers (PSPs) across Europe.

To make sure that the taxonomy remains in line with the needs of fraud experts in a fast-changing environment, it is subject to an annual review and updating process, which is launched in October of each calendar year. The timeline governing the change cycle foresees the release of an updated version of the EBA Fraud

Taxonomy normally in June of each year so that users are provided with a six-month lead time for implementation effective on 1 January of the next year.

Upon completion of the first annual change cycle, the EBA Fraud Taxonomy version 3.0 was released to the financial institutions in the Association's membership in June 2022. In October 2022, the EBA Fraud Taxonomy version 3.1 was made available as a public document under a Creative Commons license. Any interested party can request the EBA Fraud Taxonomy via the EBA website.

In October 2022, the EBA launched the second annual change cycle applicable to the taxonomy. Throughout the year, the EBA presented the taxonomy at industry events, including community events and conferences, such as EBAday and Sibos, and hosted dedicated webcasts in cooperation with fraud experts to make PSPs aware of this new tool.

First implementation initiatives involving the taxonomy have been started in different

contexts – at PSP-individual, national and regional level – and for different use cases, including internal reporting and customer education. The EBA Fraud Taxonomy is also included in the SEPA-wide Malware Information Sharing Platform (MISP) activated by the European Payments Council (EPC) in 2022 for EPC Payment Scheme Participants.

OUTLOOK 2023

The second round of the review and updating process applicable to the EBA Fraud Taxonomy is planned to result in the release of version 4.0 of the taxonomy in June 2023. This will allow users to deploy the updated version of the taxonomy by the end of December 2023 for implementation effective on 1 January 2024.

The Association will further expand its communication and promotion activities to raise awareness of the EBA Fraud Taxonomy. With this objective in mind, the EGPF will develop additional training and information material on the taxonomy and will share these resources as they become available.

Today, the sharing of intelligence and data among PSPs is still hampered by diverging regulations and regulatory interpretation related to data privacy and, most importantly, banking secrecy. At the same time, there is unanimous agreement among fraud experts that the sharing of data elements related to mule accounts, in particular, would be a big step forward for their fraud-fighting efforts. The EGPF will continue to explore options to better leverage data exploitation at PSP and/or a central level as well as address questions and challenges around data protection in the context of data sharing on e.g. mule accounts to combat fraud.



2.4.4. EBA EXPERT GROUP ON KNOW YOUR CUSTOMER-RELATED TOPICS (KYCEG)

ACTIVITIES 2022

The EBA Expert Group on Know Your Customer-related Topics (KYCEG) was created in 2021 with the aim to support industry discussions on a joint interpretation of regulatory KYC requirements at a pan-European level and to ideally define a common baseline classification standard for KYC data and documents in support of an implementation at the corporate-to-bank level.

In Q1 2022, the KYCEG delivered the “EBA CBCS – Common Baseline Classification Standard for Corporate-to-Bank KYC in low-risk situations”. This taxonomy defines data-points, which, in standard due diligence situations, need to be collected from a corporate customer by a regulated financial institution on a periodic basis. The harmonised KYC data requirements defined by the KYCEG help to significantly reduce national divergencies and to create

a level playing field across the market. By enabling more standardised and automated digital processes both for customers and banks, the CBCS will also support a uniform customer experience across Europe.

In order to unlock the full potential of the CBCS, the KYCEG proceeded to explore the mapping of data and documents against the defined data points in the second phase of the project.

To further contribute to the development of a harmonised dataset, the KYCEG put a particular focus on divergencies that apply because of differences in national procedures, data definitions, guidelines, or standards, which could lead to differing requirements depending on the location of the provider of KYC data (corporate customer) and/or the consumer of KYC data (financial institution).

OUTLOOK 2023

In March 2023, the EBA released the “EBA CBCS – Data Verification for Corporate-to-Bank KYC in low-risk situations”. This document

provides recommendations for a harmonised approach to data verification for Corporate-to-Bank KYC in low-risk situations. These recommendations from a practitioner’s point of view on the validation of data relating to datapoints defined in the EBA CBCS are aimed at supporting the payments industry’s evolution towards KYC processes that are fully compliant but at the same time customer-centric, cost-efficient, automated, and digital.

The new publication complements the CBCS for Corporate-to-Bank KYC in low-risk situations. While the CBCS provides a methodology, the data verification document zooms in on areas in the KYC data verification and monitoring process in which more alignment and harmonisation on a pan-European level could lead to significant process improvements and cost savings for all parties involved.

In a potential next activity phase, the KYCEG may focus on the topic of Politically Exposed Persons (PEPs) and provide a respective set of recommendations.

2.4.5. REQUEST TO PAY EXPERT GROUP

ACTIVITIES 2022

Over the past few years, the EBA has been striving to support the awareness-building process and expert exchange that are needed as a basis for a successful implementation of request to pay at a pan-European level. This work has been taken forward with the help of the Request to pay Expert Group set up in 2020.

To foster the conversation between the demand and supply side on how to reap the significant potential of request to pay, the EBA ran a series of digital events in 2021 and 2022. These webcasts dove into the findings for specific use cases covered by the EBA request to pay survey report “What corporates want” published in 2021: point of sale/interaction, online commerce, recurring payments and e-invoicing. Each session featured a dialogue between a corporate and a bank representative on how to tackle the voiced needs and pain points in practice.

In addition, the expert group continued its work to discuss and describe the requirements that would have to be met to support request to pay roll out at the pan-European level. These include creating a link between the request to pay and the payment (e.g., irrevocability/guarantee, reconciliation) and ensuring a homogenous customer experience across Europe.

OUTLOOK 2023

The EBA considers the launch of a broader Request to Pay Round Table with key stakeholders. The aim is to broaden the dialogue between the corporate demand and the product supply side in order to help PSPs and other providers to determine priorities and ways to tackle missing elements for request to pay implementation.

In addition, the Expert Group plans to explore request to pay scheme implementation experiences and plans around the globe that might serve as food for thought in the context of request to pay roll-out considerations across Europe.

2.4.6. CONTRIBUTION TO THE EVOLUTION OF THE PAN-EUROPEAN PAYMENTS ECOSYSTEM

The EBA represents its members with a country-neutral perspective and a practitioner’s voice in its wider dialogue with major industry bodies and stakeholders by contributing to the shaping of the future payments landscape through its participation in the following European and global bodies and groupings:

EUROPEAN PAYMENTS COUNCIL (EPC)

The EPC represents payment service providers (PSPs) on all European payment issues. Its goal is to contribute to harmonising payments in SEPA, ultimately supporting European competitiveness and innovation. In constant dialogue with stakeholders and regulators at European level, the EPC supports and promotes the integration and development of European payments. The primary task of the EPC is the management of a set of payment and payment-related schemes that facilitate over 46 billion

transactions in 36 countries each year. The EBA is a member of the EPC.

GLOBAL SUPPLY CHAIN FINANCE FORUM (GSCFF)

Together with the International Chamber of Commerce (ICC), the Bankers Association for Finance and Trade (BAFT), Factors Chain International (FCI) and the International Trade and Forfaiting Association (ITFA), the EBA continues to promote the use of standard definitions for techniques of supply chain finance.

The GSCFF was established in January 2014, as an initiative of these industry associations, to address the need for developing, publishing and championing a set of commonly agreed standard market definitions for Supply Chain Finance (SCF) and for SCF-related techniques. This initiative triggered and helped to drive the much-needed standardisation of the SCF industry. In 2023, the EBA supported the creation of the Bank Payment Undertaking (BPU) Technique definition.

2.5 NETWORKING & EVENTS

The EBA organises events that enable payment practitioners to broaden their understanding of the payments and transaction banking industry and to directly interact with peers from organisations that are active in payments and transaction banking across Europe and beyond.

2.5.1. EBADAY 2022 AND BUSINESS FORA

ACTIVITIES 2022

In 2022, the Association's flagship event, the conference and exhibition EBAday, took place in Vienna, Austria from 31 May to 1 June. It featured a 22-session programme, which included live panel sessions and strategic roundtables, a welcome by the EBA Chairman, the host sponsor keynote and a challenge speech.

EBAday 2022 was the first two-day in-person event following the two digital events held online during the pandemic. Overall, more than 1,200 visitors attended EBAday in 2022,



demonstrating a strong appetite to meet and attend sessions in person again.

The focus of EBAday 2022 was reflected in its title: “Bringing digital payments to the forefront”. Consequently, the agenda provided a wide variety of insights into globally relevant topics, ranging from digitalisation to CBDCs and stablecoins, request to pay, real-time payments, Open Banking, the ISO 20022 migration, liquidity management, correspondent banking as well as payments-related collaboration and partnerships. The EBA and Finextra also organised two lunch roundtables, one on the topic of “Empowering women in payments”, and one on “Meeting the net-zero challenge: How can banks fulfil CSR expectations”.

Throughout EBAday, the EBA was represented with a dedicated stand and the EBA Lounge, where short presentation sessions updated visitors on the progress of the Association’s Thought Leadership & Innovation work as well as on key Market Practices & Regulatory Guidance topics.

In preparation for EBAday 2022, the EBA and Finextra held one EBAday Business Forum, which was hosted by Fiserv in Frankfurt on 23 March 2022. The topic was “Placing the customer at the centre of payments modernisation”.

OUTLOOK 2023

Under the headline “Advancing next generation payments – a quest for global interoperability”, EBAday 2023 will take place in Madrid, Spain, on 20 and 21 June 2023. The Euro Banking Association will showcase its market practice activities and thought leadership deliverables at a dedicated EBAday stand and at the EBA Lounge, where members of different EBA working and expert groups can share and discuss key findings and recommendations with interested EBAday attendees.

In the run-up to the conference, the EBAday Business Forum series was also continued: the forum “Moving payments to net-zero. How can managed services help with that endeavor?” took place in Frankfurt on 20 April, “Migrating

bank services and infrastructure to the cloud” took place in London on 27 April and another forum was held in Madrid on 11 May 2023.

2.5.2. LOCAL EBA ROADSHOW SESSIONS

The EBA’s Roadshow is aimed at deepening the regional footprint of the EBA, directly feeding its findings into the different local communities and fostering the exchange with and among payments and transaction banking experts from the respective communities. These local sessions are held in the local language and targeted at EBA members operating in a specific regional or local market.

The EBA roadshow sessions are organised with the support of local EBA Board members, member representatives and featured speakers from the respective communities participating in different EBA working groups and/or other EBA-facilitated expert groups. The sessions provide detailed updates on payments developments and trends discussed in the different EBA

activity streams, including insights into thought leadership discussions, guidance on regulatory matters or market practices and topics covered in the educational seminars of the Association.

ACTIVITIES 2022

As Covid-19-related meeting and travel restrictions were still in place across Europe in the first half of 2022, only one local EBA roadshow session was held on site in 2022. Upon invitation of the Dutch EBA Board member, Rabobank hosted the first Dutch roadshow event in Utrecht on 15 September 2022. This in-person event attracted around 30 participants of the local community for a half-day session, which featured presentations by Dutch expert group members and EBA representatives on the EBA's activity streams and triggered lively discussions.

In addition to the Dutch event, three online information sessions were held in cooperation with EBA CLEARING at the invitation of the banking associations of the Czech Republic (February 2022), Slovenia (April 2022) and Slovakia (June 2022).

OUTLOOK 2023

Supported by the French EBA Board Member, the EBA invited the French community to a roadshow session in April 2023. This local in-person event featured speakers from the local community presenting their respective working groups and the value of these activities for their institutions. The event attracted around 30 participants. Further communities will follow later in 2023.



2.6 STRATEGIC OUTLOOK SESSIONS

ACTIVITIES 2022

In order to engage local communities in a strategic exchange on local and European payments ecosystem considerations and needs among themselves and with the EBA Group, the EBA and EBA CLEARING launched a joint new event format in 2022. The sessions are targeted at strategic decision-makers from EBA member banks and ecosystem partners as well as EBA CLEARING users; they zoom in on the views, needs and expectations of these strategic leaders with regard to the future of payments. To make these strategy events as interactive as possible, the format includes both panel discussions and breakout sessions.

Inspired by the joint payments ecosystem session hosted by EBA CLEARING and the EBA between their respective annual meetings in 2022, this new format was successfully piloted in September 2022 in Frankfurt, with the support of the local Board members of both organisations. The event attracted 28 attendees from the German-speaking region.

OUTLOOK 2023

In 2023, this format was also rolled out to Finland, where 24 community members attended a Strategic Outlook Session in January 2023. In May 2023, this session format was hosted by the Irish community.

2.7 TRAINING & EDUCATION

2.7.1. SCHOOLS AND SEMINARS

ACTIVITIES 2022

After many Covid-19-related restrictions were relaxed in most European countries, the EBA decided to again hold educational events in person. Following a two-year hiatus, the EBA Summer School took place again in Nice, France, from 4 to 6 July 2022. The topic was “Mission Possible: Rich data, emerging technologies, and the future of payments” and the school sold out several weeks before it started. The sixth EBA Global Seminar, which again focused on real-time payments and Open Banking, took place in Amsterdam, Netherlands, prior to Sibos on 6 and 7 October 2022. The EBA Winter School “Beyond borders: Digitisation in cross-border payments” was held



in La Hulpe, Brussels from 23 to 25 November 2022. Participant numbers in 2022 rose back to pre-Covid levels.

OUTLOOK 2023

The EBA plans to hold four educational events in 2023. An EBA Liquidity Management Seminar “The perfect storm: How the liquidity ecosystem is shifting to a new paradigm” was held in London on 28 and 29 March. The EBA Summer School “You Say You Want a Revolution: The Impact of the Digital Euro on Banking and Payments” is to take place in Nice, France, from 4 to 6 July. The Global Seminar “Real-time payments and Open Finance: new realities, new challenges” will be held in New York on 14 and 15 September and the EBA Winter School is scheduled to be held in La Hulpe, Belgium from 21 to 23 November.

2.8 MARKETING AND COMMUNICATIONS

2.8.1. EBA WEBSITE AND EBA MEMBER PORTAL

In 2022, the EBA website was continually updated to reflect the latest working group findings and practitioners’ recommendations as well as information about the Association’s events, educational activities and speaking engagements at other conferences.

The EBA is planning to introduce a blog functionality on its website, which will allow the EBA to provide its membership and the wider payments community with fresh insights into the Association’s activities and findings as well as with views and comments on relevant industry developments and trends.

2.8.2. EXTERNAL CONFERENCES

As in previous years, the Association contributed updates on its different work streams and findings to conferences and events throughout the year, including customer and industry meetings held by EBA Members and

Associate Members. A detailed overview of upcoming and recent contributions can be found here:

www.abe-eba.eu/about-eba/events/

2.8.3. EBA AT A GLANCE – INTERACTIVE MARKETING FLYER

The interactive EBA Marketing Flyer introduced in 2021 received its first update in 2022. The publication serves as an introduction to the EBA as well as the work streams hosted by the Association and the topics these cover. An up-to-date overview of the deliverables provides insights into current EBA activities. Links to the EBA website allow readers to easily navigate to specific working and expert groups and to download publications.

2.8.4. EBA NEWSLETTERS

In 2022, the EBA, together with EBA CLEARING, released three EBA Insight newsletters to the EBA community containing updates on the EBA workstreams in various formats, including interviews, short articles, and event overviews. The EBA Insight newsletter reaches over 1,000 members of the EBA and EBA CLEARING community. In the most recent EBA CLEARING user survey in 2022, 90% of the respondents expressed their satisfaction with the content of the newsletter.

The EBA also puts together a monthly Payments Monitor newsletter, which is shared with just over 700 members and provides an overview of current payments news, wider industry developments as well as updates on EBA deliverables and events.

The EBA is planning to additionally introduce a monthly newsletter on fraud-related topics in 2023.



3. EBA BOARD AND MEMBERSHIP

3.1 CHANGES IN THE EBA BOARD IN 2022

During the Annual General Meeting (AGM) on 30 May 2022, the Chairman and three Board members were re-elected for a three-year term of office as follows:

CHAIRMAN

- ≡ Wolfgang Ehrmann
(Landesbank Hessen-Thüringen)

OTHER BOARD MEMBERS

- ≡ Krister Billing
(Skandinaviska Enskilda Banken)
- ≡ Gerald Hechl
(Raiffeisen Bank International AG)
- ≡ Andrea Meier
(DZ BANK AG)

Upon Tino Kam's resignation from the Board of the Euro Banking Association effective from 31 August 2022, the Board appointed Annika Osolanus, Nordea Bank, as EBA Board member with effect as from 1 September 2022 and for the remainder of Tino Kam's term of office.

3.2 BOARD OF THE EURO BANKING ASSOCIATION

From 1 September 2022 to 4 May 2023, the Board was composed of the following persons:

POSITION	BANK	END OF MANDATE
CHAIRMAN		
Wolfgang Ehrmann	Landesbank Hessen-Thüringen (Helaba)	AGM 2025
DEPUTY CHAIRMAN		
José Vicente	Banco Comercial Português	AGM 2024
OTHER BOARD MEMBERS		
Krister Billing	Skandinaviska Enskilda Banken	AGM 2025
Nicola Coyne	Barclays Bank	AGM 2023
Philippe Debrue	Belfius Bank	AGM 2023
Sharon Donnelly	Bank of Ireland	AGM 2024
Gerald Hechl	Raiffeisen Bank International	AGM 2025
Rocío Jiménez Sánchez	CaixaBank	4 May 2023
Han Joosten	Rabobank	AGM 2024
Claudio Magnaghi	Banco BPM	AGM 2024
Simon McConnell	Citibank Europe	AGM 2024
Andrea Meier	DZ BANK	AGM 2025
François-Xavier Nivoit	HSBC Continental Europe	AGM 2023
Annika Osolanus	Nordea Bank	AGM 2023
Serge Wagener	Banque et Caisse d'Epargne de l'Etat	AGM 2023

BOARD OF THE EURO BANKING ASSOCIATION



Wolfgang Ehrmann
Chairman
LANDESBANK HESSEN-
THÜRINGEN
Appointed on 30/05/2022
End of mandate: AGM 2025



José Vicente
Deputy Chairman
BANCO COMERCIAL
PORTUGUÊS
Appointed on: 25/06/2021
End of mandate: AGM 2024



Krister Billing
SEB
Appointed on 30/05/2022
End of mandate: AGM 2025



Nicola Coyne
BARCLAYS BANK
Appointed on 26/06/2020
End of mandate: AGM 2023



Philippe Debrue
BELFIUS BANK
Appointed on 26/06/2020
End of mandate: AGM 2023



Sharon Donnelly
BANK OF IRELAND
Appointed on 25/06/2021
End of mandate: AGM 2024



Gerald Hechl
RAIFFEISEN BANK
INTERNATIONAL
Appointed on 30/05/2022
End of mandate: AGM 2025



Rocío Jiménez Sánchez
CAIXABANK
Appointed on 25/06/2021
End of mandate: 04/05/2023



Cristina Conde Yubero
CAIXABANK
Appointed on 25/05/2023
End of mandate: AGM 2024



Han Joosten
RABOBANK
Appointed on 25/06/2021
End of mandate: AGM 2024



Soey Tin (Tino) Kam
NORDEA BANK
Appointed on 26/06/2020
End of mandate: 31/08/2022



Annika Osolanus
NORDEA BANK
Appointed on 01/09/2022
End of mandate: AGM 2023



Claudio Magnaghi
BANCO BPM
Appointed on 25/06/2021
End of mandate: AGM 2024



Simon McConnell
CITIBANK EUROPE
Appointed on 25/06/2021
End of mandate: AGM 2024



Andrea Meier
DZ BANK
Appointed on 30/05/2022
End of mandate: AGM 2025



François-Xavier Nivoit
HSBC CONTINENTAL EUROPE
Appointed on 26/06/2020
End of mandate: AGM 2023



Serge Wagener
BANQUE ET CAISSE
D'ÉPARGNE DE L'ÉTAT
Appointed on 26/06/2020
End of mandate: AGM 2023

3.3 CHANGES IN THE BOARD IN 2023

Further to Rocío Jiménez Sánchez' resignation from the Board of the Euro Banking Association effective from 4 May 2023, the Board appointed Cristina Conde Yubero, CaixaBank S.A., as EBA Board member with effect from 25 May 2023 and for the remaining term of office of Rocío Jiménez Sánchez, i.e. AGM 2024.

3.4 EBA BOARD MEETINGS IN 2022/2023

In 2022, the Board met on:

- ≡ 10 February
- ≡ 28 April
- ≡ 30 May
- ≡ 7 July
- ≡ 8 and 9 September
- ≡ 17 November
- ≡ 2 December

Since 1 January 2023, the Board has met on:

- ≡ 2 March
- ≡ 4 May
- ≡ 25 May

3.5 CHANGES IN EBA MEMBERSHIP

During the period under report, both the number of EBA Members and the number of EBA Associate Members have remained stable with the decrease (-2) in the number of members compensated by the increase (+2) in the number of Associate Members (Ecosystem Partners).

With the Premium Ecosystem Partner membership, the EBA created an additional membership category in 2018 to better accommodate different levels of engagement. Premium Ecosystem Partners benefit from package deals and enhanced partnership opportunities in relation to EBA networking and educational activities.

3.6 MEMBERSHIP FIGURES

As at the 4 May 2023 EBA Board meeting, the total number of EBA Members and Associate Members was the following:

- ≡ EBA Members: 97
- ≡ EBA Associate Members: 68
(including 14 Premium Ecosystem Partners)



4. FINANCIAL SITUATION, P&L STATEMENT AS AT 31 DECEMBER 2022

4.1 OVERALL EXPENSES INCURRED IN 2022

The Association ended the fiscal year 2022 with a net negative result of EUR 2 K, i.e., a positive difference of EUR 262 K compared to the budgeted year-end result of EUR -264 K. This result was driven by higher revenues and lower costs to support activities.

The expenses of the Association amounted to EUR 2.2 M in 2022, compared to EUR 1.8 M in 2021. It should be noted that this variance was mostly related to the return to normal of the Association's in-person workstream and member engagement activities, following the easing and subsequent lifting of most Covid-19-related restrictions. As a result, the EBA's 2022 expenses were comparable to pre-pandemic times; they had stood at EUR 2 M in 2019.

4.1.1. EBA SUPPORT ACTIVITIES

Activities organised by the Association to support its members mainly cover three areas:

- ≡ the operation of topical workstreams in the “Thought Leadership & Innovation” and “Market Practices & Regulatory Guidance” activity pillars
- ≡ the organisation and provision of events and educational services in the “Networking and Events” and “Training and Education” streams
- ≡ the participation and engagement of the Association in important industry activities

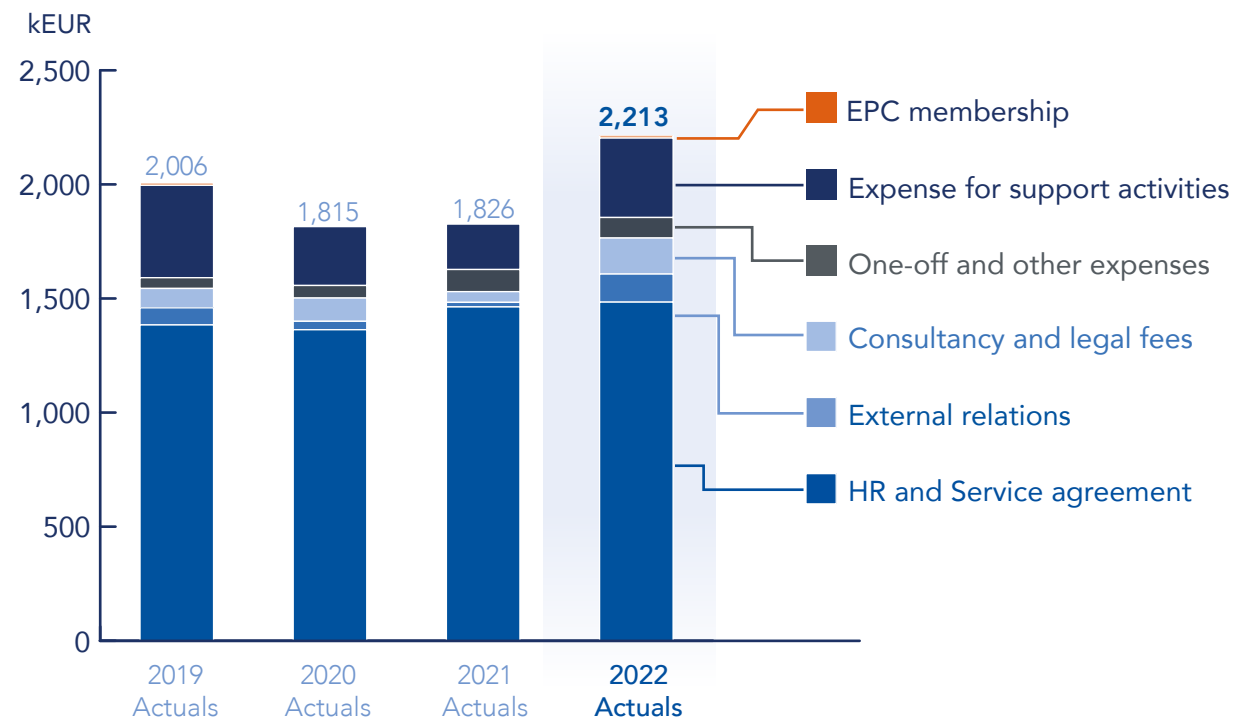
The expenses relating to these activities amounted to EUR 348 K in 2022, compared to 199 K for 2021. This increase was again partially caused by the aforementioned impact of activities reaching pre-pandemic levels (for comparison: expenses amounted to EUR 405K in 2019).



4.1.2. GENERAL ADMINISTRATIVE EXPENSES

This item contains the HR, administrative and support expenses, the rent of premises and office space, generic expenses for external relations, such as the Association's engagement in industry bodies and initiatives fostering the development of the pan-European payments ecosystem, as well as consultancies and any legal fees that are not related to any specific support activity of the Association.

EVOLUTION OF EXPENSES



4.2 REVENUES IN 2022

The total revenues of the Association amounted to EUR 2.2 M in 2022. This figure contains both membership fees and revenues contributed by the Association's networking and educational offerings.

4.2.1. MEMBERSHIP REVENUES

The 2022 membership fees stood at EUR 1,596 K, which represents a slight increase compared to EUR 1,576 K in 2021.

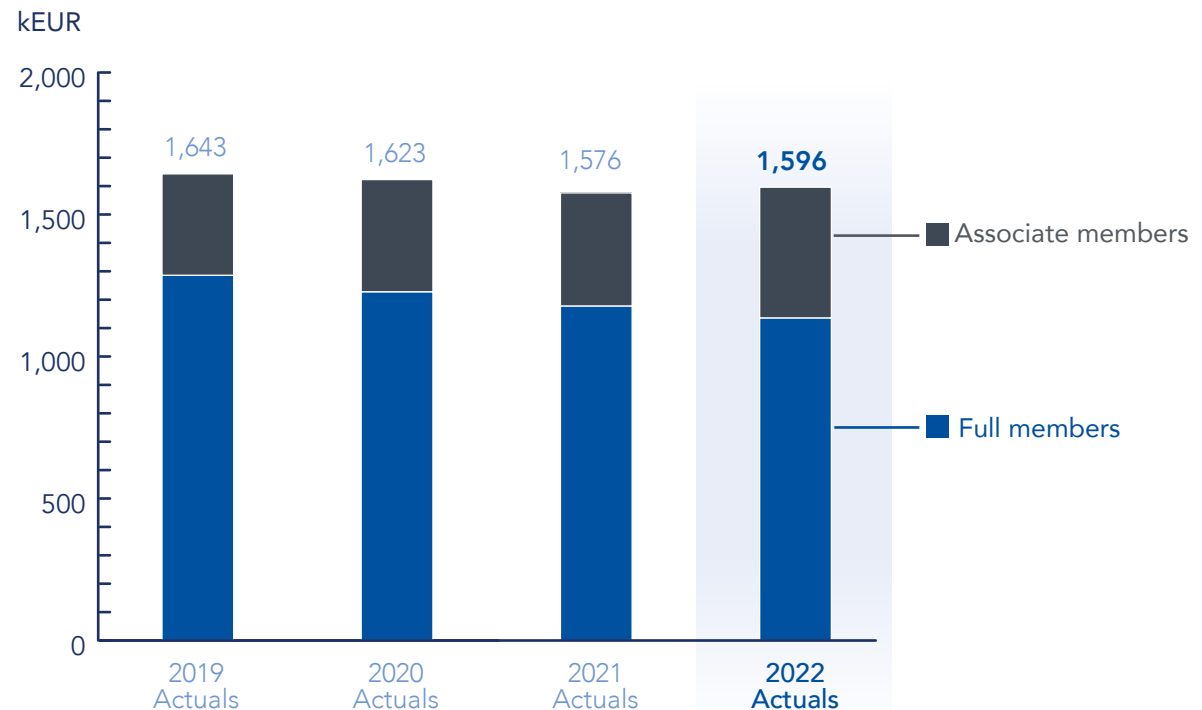
4.2.2. NON-MEMBERSHIP REVENUES

This revenue category includes the self-sustaining activities of the Association, i.e., all networking and educational activities that are organised by the Association. In 2022, these activities generated a positive margin, providing the Association with extra income of EUR 605 K. Compared to a budgeted amount of EUR 346 K, this was a strong result. With an overall contribution of EUR 427 K, EBAday was the main contributor to this extraordinary result.

4.3 INCOME TAX AND RESULTS FOR 2022

The EBA has planned in a provision of EUR 8 K to cover income tax. The 2022 net result after tax stands at EUR -2 K.

MEMBERSHIP FEE STRUCTURE: ACTUALS 2019 – 2022

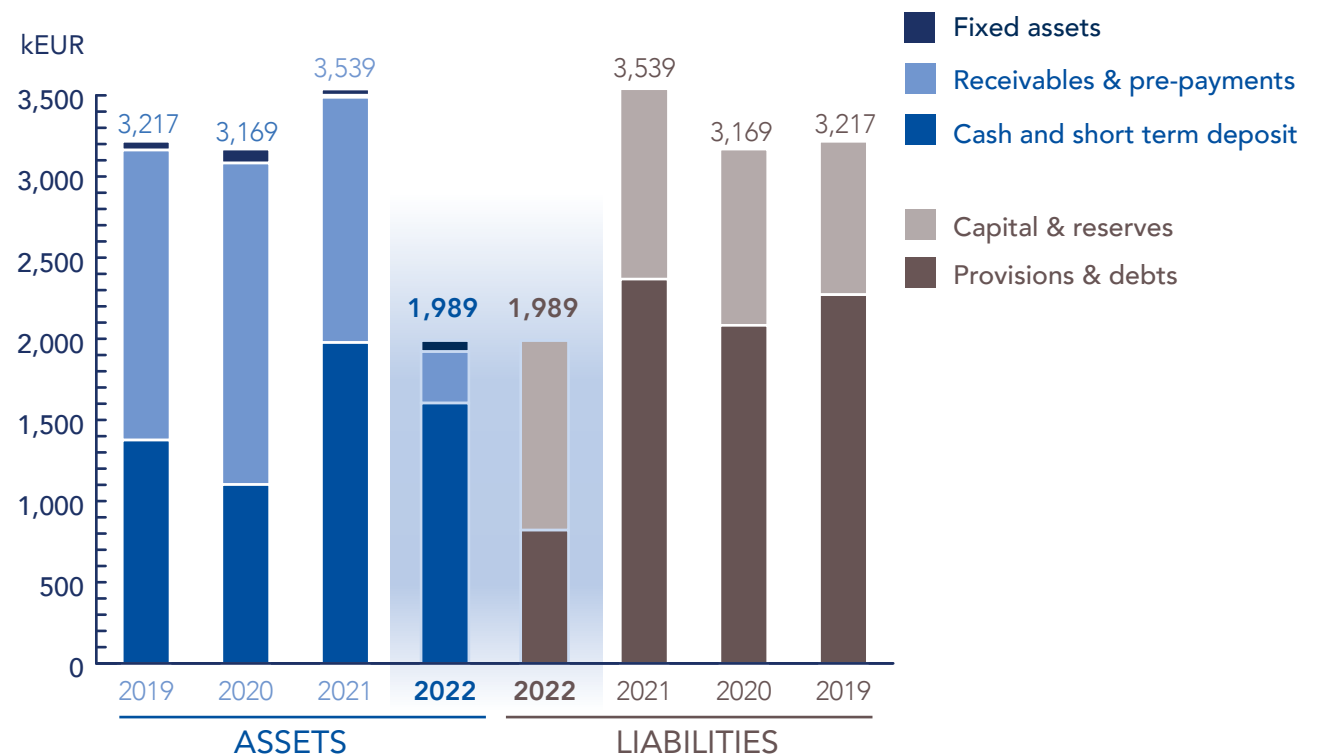


4.4 BALANCE SHEET AND CASH POSITION

The balance sheet of the Association showed a rather stable patrimonial value of EUR 1.98 M for 2022, constituted mainly of current assets at EUR 1.92 M, including a cash position of EUR 1.6 M. On the liabilities side, the equity position of the Association is at the level of EUR 1.16 M; the remaining position of EUR 820 K is mainly composed of deferred income billed in 2022 but belonging to the fiscal year 2023 and payables representing EUR 785 K.

The drop of receivables and provisions & debts in 2022 is due to the 2023 annual billing being done and booked in 2023 and therefore, it did not impact the 2022 books. This approach differed from the one applied to the 2022 annual billing, which had been done and booked in 2021. Therefore, the 2022 books do not include any annual billing.

BALANCE SHEET EVOLUTION: ASSETS AND LIABILITIES 2019 – 2022



5. EBA BUDGET FOR 2023

For the financial year 2023, the EBA's budget is again based on conservative revenue assumptions and the expectation that the Association's support activities will return to pre-Covid levels. As a result of these assumptions, the budget features a loss of EUR -287 K for the financial year 2023. Overall, the 2023 budget is impacted by inflation on the cost side. This becomes visible in the increased budgetary provisions for the support activities and also shows in the service agreement position, which has increased by 10%.

It is expected that the 2023 revenues will be stable at EUR 2.1 M, while expenses will return to pre-pandemic levels and increase to EUR 2.4 M.

The 2023 budget is based on the following assumptions:

5.1 EBA OPERATING CHARGES

The operating charges are expected to increase by 23% compared to the 2022 budget, where they were low due to a limited number of planned events and a minimal level of anticipated travel and external relationships costs in light of the lingering impact of the pandemic. This increase is also due to the impact of inflation on suppliers' prices.

5.2 COSTS TO SUPPORT EBA ACTIVITIES AND PROJECTS

This budget item includes the different activity streams that will be carried out by the Association in 2023, namely working and expert groups as well as other industry and fora activities. These budget lines cover all expenses relating to these events, but also investments into future activities of the Association to keep the EBA service profile attractive for existing and potential new members.

The estimated amount of the 2023 activities is expected to reach EUR 332 K. The expenditure foreseen for 2023 covers activities of the "Thought Leadership & Innovation" and "Market Practices & Regulatory Guidance" streams. The main costs with regard to these streams are related to consultancy services to support working and expert group meetings, to help develop publications and to facilitate workshops and the creation of supporting materials.

■ This budget item also includes expenses for fora activities and participation in

other industry initiatives. The aim of these activities is to help shape the debate on industry topics that matter to the EBA members and promote the deliverables and findings of the Association's "Thought Leadership & Innovation" as well as "Market Practices & Regulatory Guidance" streams. The expenses are mainly related to logistics and consultancy costs linked to the provision of other external services. Membership fees for participation in other industry bodies (e.g., EPC) are also covered under this item.

- ≡ expenses for the design and layout of publications and other communication deliverables
- ≡ costs for participation at industry events (e.g., Sibos)

5.3 PROJECTED REVENUES FOR 2023

The 2023 budget revenues are projected to be stable at EUR 2.1 M.

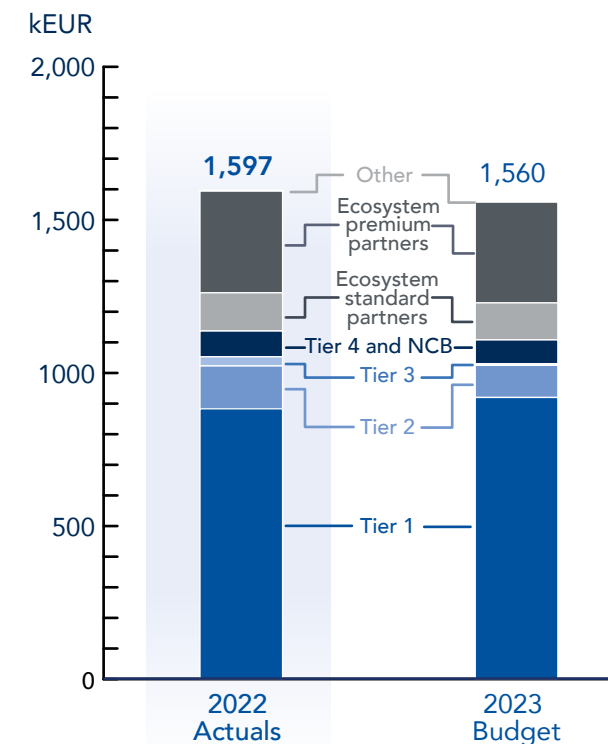
5.3.1. MEMBERSHIP REVENUES

In light of the ongoing consolidation activities in the payments industry – both on the side of banks and ecosystem partners –, it is expected that the Association will, in 2023, collect membership fees at the level of EUR 1.6 M (-2.3% compared to 2022 actuals).

5.3.2. NON-MEMBERSHIP REVENUES

The net revenues generated through educational activities and EBAday are projected to amount to EUR 550 K in 2023, which is higher than the 2022 budget and a decrease of EUR 55 K compared to the 2022 actuals. Although we are currently seeing a return to normal event activities in the market, the actual uptake will strongly depend.

MEMBERSHIP FEE STRUCTURE: ACTUALS 2022 VS BUDGET 2023

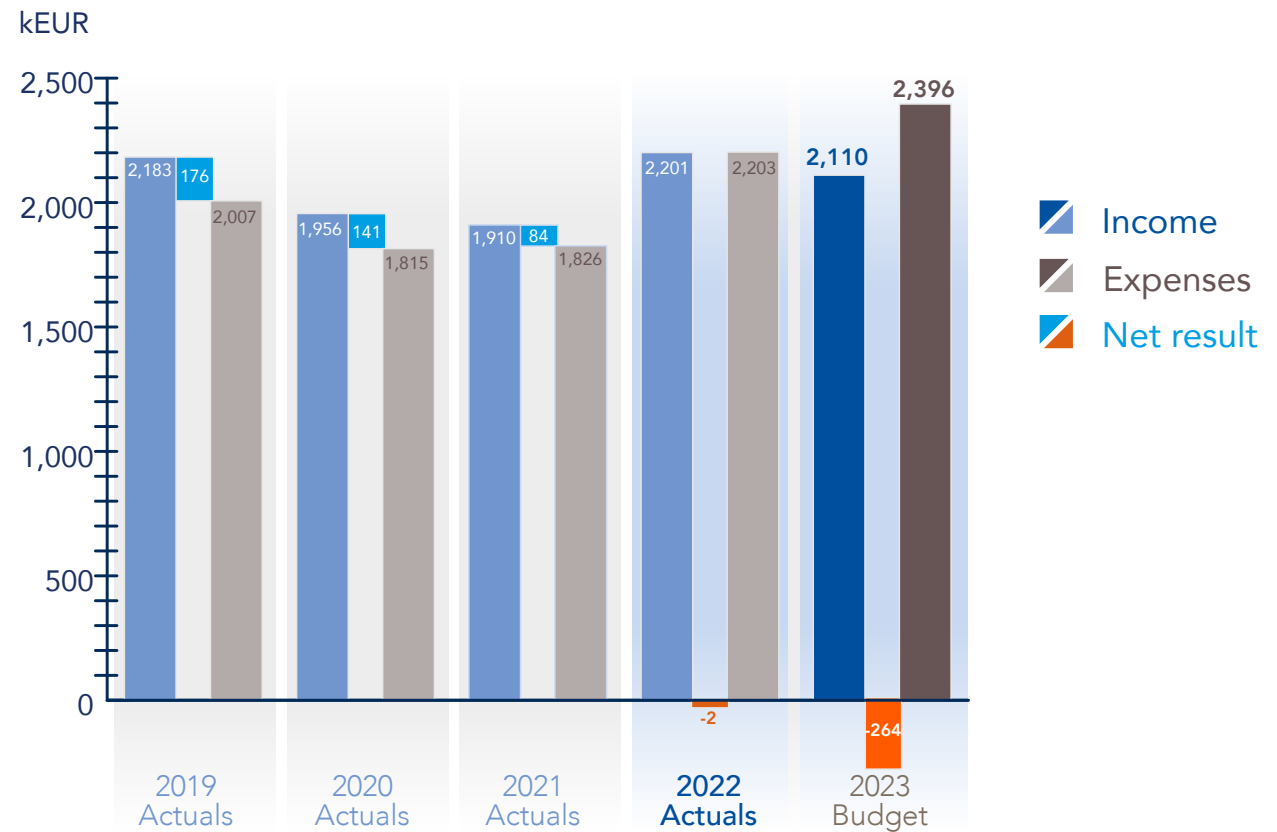


5.4 INCOME TAX AND RESULTS FOR 2023

In light of the projected and budgeted loss for 2023 at EUR -287K, the Association should incur no income tax for 2023.

As the current level of inflation may directly and indirectly affect EBA activities, a potential negative impact on the EBA result for 2023 cannot be excluded. At present, the Association is not in a position to assess the full financial impact, which will mainly be related to the budget position "Operating Charges" but may also impact revenues.

PROFIT AND LOSS EVOLUTION



EBA FINANCIALS 2022

P&L STATEMENT - REVENUES AND CHARGES K€	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	2022 Budget	Δ€ 2022 Actuals vs Budget	2023 Budget
(1) Revenues	2,183	1,956	1,910	2,201	1,900	+301	2,110
MEMBERSHIP FEES (including entrance fees)	1,643	1,623	1,576	1,596	1,554	+42	1,560
OTHER FEES – ACTIVITIES REVENUES	539	333	335	605	346	+259	550
(2) Costs to support activities (including SIBOS & EBAday)	405	258	199	348	483	-135	332
EXHIBITION COSTS	30	8	4	89	140	-51	130
EDUCATIONAL ACTIVITIES	90	60	60	85	60	+25	100
OPEN FORUM AND WORKING GROUPS	285	190	135	175	283	-108	102
Activities gross margin (1)-(2)	1,778	1,698	1,711	1,853	1,417	+436	1,778
(3) Operating charges	1,602	1,557	1,627	1,855	1,681	+174	2,064
AMORTISATION	10	10	35	33	40	-7	0
COMMUNICATION	15	12	16	33	47	-14	21
CONSULTANCIES	85	60	46	158	88	+70	363
EQUIPMENT AND SERVICES	4	36	4	4	50	-46	50
EXTERNAL RELATIONS	75	37	20	123	60	+63	54
FINANCIAL COSTS AND TAXES	29	15	17	14	20	-6	12
HR, SERVICE AGREEMENT AND IT	1,384	1,363	1,463	1,484	1,375	+109	1,564
OTHER COSTS AND INCOME TAXES	0	25	26	4	0	+4	0
Grand Total (1)-(2)-(3) Result before tax	176	141	84	-2	-264	+262	-287

6. APPENDICES

6.1 APPENDIX 1

ACCOUNTS AS OF 31 DECEMBER 2022

The accounts as of 31 December 2022 are attached separately.

6.2 APPENDIX 2

LIST OF EBA MEMBERS

(AS OF 31 MAY 2023)

- ≡ ABANCA Corporación Bancaria, S.A.
- ≡ ABN AMRO Bank N.V.
- ≡ Aktia Bank Plc
- ≡ Allied Irish Banks, Plc
- ≡ Alpha Bank AE
- ≡ AS LHV Pank
- ≡ Banca del Fucino
- ≡ Banca Monte dei Paschi di Siena SpA
- ≡ Banca Popolare del Lazio
- ≡ Banca Popolare di Sondrio
- ≡ Banca Sella S.p.A.
- ≡ Banco BAI Europa S.A.
- ≡ Banco Bilbao Vizcaya Argentaria S.A.
- ≡ Banco BPM S.p.A.
- ≡ Banco Comercial Português SA
- ≡ Banco Cooperativo Español SA
- ≡ Banco de Sabadell S.A.
- ≡ Banco Santander S.A.
- ≡ Bank für Tirol und Vorarlberg AG
- ≡ Bank GPB International S.A.
- ≡ Bank of Åland Plc
- ≡ Bank of America Europe DAC
- ≡ Bank of China
- ≡ Bank of Ireland
- ≡ Bank of Slovenia
- ≡ Bankinter S.A.
- ≡ Banque et Caisse d'Epargne de l'Etat
- ≡ Banque Internationale à Luxembourg
- ≡ Banque Michel Inchauspé (BAMI)
- ≡ Barclays Bank Plc
- ≡ Belfius Bank SA/NV
- ≡ BFF Bank S.p.A.
- ≡ BKS Bank AG
- ≡ Bonum Bank Plc
- ≡ BNP Paribas Fortis SA/NV
- ≡ BPCE
- ≡ BPER Banca S.p.A.
- ≡ bpost SA de droit public
- ≡ BRED Banque Populaire
- ≡ Caixa Central de Crédito Agrícola Mútuo
- ≡ Caixa Economica Montepio Geral
- ≡ CaixaBank S.A.
- ≡ Caja Laboral Popular, Coop. de Crédito
- ≡ Cassa di Risparmio di Fermo S.p.A.
- ≡ CECABANK S.A.
- ≡ Central Bank of Savings Banks Finland
- ≡ Citibank Europe Plc
- ≡ Commerzbank AG
- ≡ Crédit Agricole S.A.

- ≡ Crédit Mutuel Arkéa
- ≡ Credito Emiliano S.p.A.
- ≡ Danske Bank A/S
- ≡ De Nederlandsche Bank N.V.
- ≡ Deutsche Bank AG
- ≡ Deutsche Bundesbank
- ≡ DNB Bank ASA
- ≡ DZ BANK AG
- ≡ Elavon Financial Services DAC
- ≡ ERSTE Group Bank AG
- ≡ Eurobank Ergasias S.A.
- ≡ Hellenic Bank Public Company Ltd.
- ≡ HSBC Bank Plc
- ≡ HSBC Continental Europe
- ≡ ICCREA Banca SpA - Istituto Centrale del Credito Cooperativo
- ≡ ING Bank N.V.
- ≡ Intesa Sanpaolo S.p.A.
- ≡ Joh. Berenberg, Gossler und Co. KG
- ≡ JPMorgan Chase Bank N.A.
- ≡ KBC Bank N.V.
- ≡ La Banque Postale
- ≡ Landesbank Baden-Württemberg
- ≡ Landesbank Hessen-Thüringen
- ≡ Lloyds Bank Plc
- ≡ MUFG Bank, Ltd.

- ≡ National Bank of Greece S.A.
- ≡ National Westminster Bank Plc
- ≡ Nordea Bank Abp
- ≡ Oberbank AG
- ≡ Oesterreichische Nationalbank
- ≡ OP Corporate Bank Plc
- ≡ OTP Bank Plc
- ≡ Rabobank Nederland
- ≡ Raiffeisen Bank International AG
- ≡ Raiffeisen Landesbank Südtirol AG
- ≡ Raiffeisenlandesbank Oberösterreich AG
- ≡ S-Bank Plc
- ≡ SECB Swiss Euro Clearing Bank GmbH
- ≡ Skandinaviska Enskilda Banken AB (publ)
- ≡ Société Générale
- ≡ Sparekassen Sjælland
- ≡ Standard Chartered Bank AG
- ≡ Svenska Handelsbanken AB
- ≡ Swedbank AB (publ)
- ≡ Sydbank A/S
- ≡ UBS Europe SE
- ≡ UniCredit Bank AG
- ≡ UniCredit Bank Austria AG
- ≡ UniCredit S.p.A.
- ≡ Wells Fargo Bank NA

LIST OF EBA ASSOCIATE MEMBERS

(AS OF 31 MAY 2023)

- ≡ Accenture GmbH (Germany)
- ≡ ACE Software Solutions (Pelican)
- ≡ ACI Worldwide (EMEA) Ltd.
- ≡ Auriga S.p.A.
- ≡ Axway Software
- ≡ Banfico Ltd.
- ≡ Bankgirot
- ≡ BankiFi Technology Ltd.
- ≡ Be Shaping the Future – Financial Industry Solutions AG
- ≡ BearingPoint GmbH
- ≡ Betaalvereniging Nederland
- ≡ Blossom-It
- ≡ Bottomline Technologies SARL
- ≡ Broadridge (Deutschland) GmbH
- ≡ CGI IT UK Ltd.
- ≡ Clear2Pay Belgium NV
- ≡ CoCoNet CCN GmbH
- ≡ Deloitte GmbH
Wirtschaftsprüfungsgesellschaft
- ≡ Ebury Partners UK Ltd.
- ≡ ECOMMBX Ltd.
- ≡ Edenred SE

- ≡ Edgeverve Systems Ltd.
- ≡ EFIS AG
- ≡ equensWorldline SE
- ≡ Finance Finland
- ≡ Finastra
- ≡ Finlync Private Ltd.
- ≡ Fiserv
- ≡ Form3 Group Ltd.
- ≡ GEVA Group GmbH
- ≡ HCL Technologies Germany GmbH
- ≡ Iberpay
- ≡ ibi research an der Universität Regensburg GmbH
- ≡ IBM Deutschland GmbH
- ≡ Icon Solutions Ltd.
- ≡ Implementation Partners GmbH
- ≡ Incentage AG
- ≡ Innopay NL B.V.
- ≡ Intellect Design Arena Ltd.
- ≡ Intercope International Communication GmbH
- ≡ Lipis Advisors GmbH
- ≡ Mastercard Europe SA
- ≡ Microsoft UK
- ≡ MONTRAN Corporation
- ≡ Msg for banking AG

- ≡ Nexi Payments S.p.A.
- ≡ NTT Data Italia S.p.A.
- ≡ OBE S.A.S.
- ≡ ORACLE Corporation
- ≡ P27 Nordic Payments Platform AB
- ≡ PPI AG Informationstechnologie
- ≡ PRETA S.A.S.
- ≡ Prime Dash Development SA
- ≡ Redcompass Ltd.
- ≡ RTGS Global Ltd.
- ≡ S.W.I.F.T. SC
- ≡ SIX BBS AG
- ≡ Software Integrators Ltd.
- ≡ STET
- ≡ TAS S.p.A.
- ≡ Temenos
- ≡ THALES DIS FRANCE SA (GEMALTO)
- ≡ TietoEVRY
- ≡ Valentic Transaction Solutions GmbH
- ≡ Van den Berg AG
- ≡ Visa Europe Ltd.
- ≡ Volante Technologies, Inc.
- ≡ XMLdata Canada Inc

IMPRINT

Euro Banking Association
40 rue de Courcelles
F-75008 Paris

CONTACT

- ≡ association@abe-eba.eu

GRAPHIC DESIGN

- ≡ Bosse und Meinhard, Bonn

PHOTOGRAPHS

- ≡ Johannes Haas Fotografie, Rösrath
- ≡ Sabine Klimpt – Lichtblick KG Fotografie, Vienna
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