

# Salone dei pagamenti

## TARGET2 & CBPR+ in UniCredit landscape

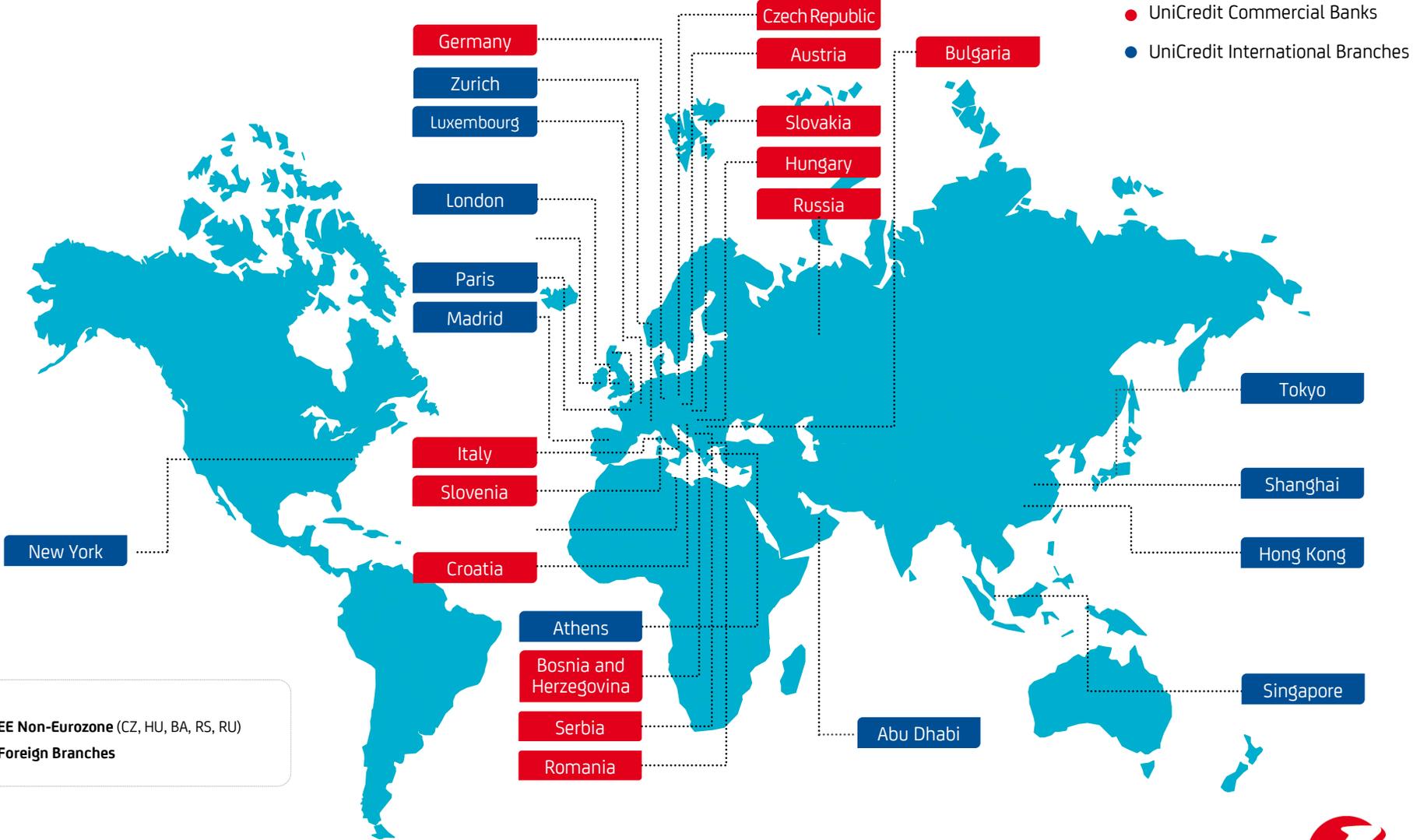
UniCredit Group – Internal use only

Milan, 5<sup>th</sup> November 2021

Banking that matters. |  **UniCredit**

# UniCredit is carrying out Target2 and CBPR+ projects to introduce new ISO standards in its network all around the globe...

UniCredit strategic decision is to be ready to **manage XML format** for **incoming and outgoing messages** starting from **Nov '22** in all geographies, both in Commercial Banks and International Branches





**target2**

- ITA, DE, AT
- 5 CEE Eurozone (BG, HR, RO, SK, SI)

**CBPR+**

- 5 CEE Non-Eurozone (CZ, HU, BA, RS, RU)
- 15 Foreign Branches



# ... introducing ISO20022 benefits by adapting systems in bank's key areas

The decision by **major central banks** as well as **SWIFT** to migrate to ISO 20022 marks a **major breakthrough** in standardization efforts. With the global introduction of ISO 20022 standards for cross-border payments, a common basis will be introduced allowing **data rich transmission** which has previously not been possible under current message standards

## Impacted IT systems

Corporate channels

Retail channels

Foreign Branches

Payments

Trade finance

Reporting

Treasury

Markets F&A

Reconciliation

Compliance

Network connections

## ISO Standards main advantages

### Data Consumption

It facilitates **data consumption** by using structured XML format. Improve efficiency in processing incoming and outgoing messages, mitigating potential system errors

### Interoperability

**Interoperability is a key part of the success of ISO 20022.** Market practice groups formulate guidelines to ensure that the implementation of the standard is harmonised for particular use-cases

### Global Standard

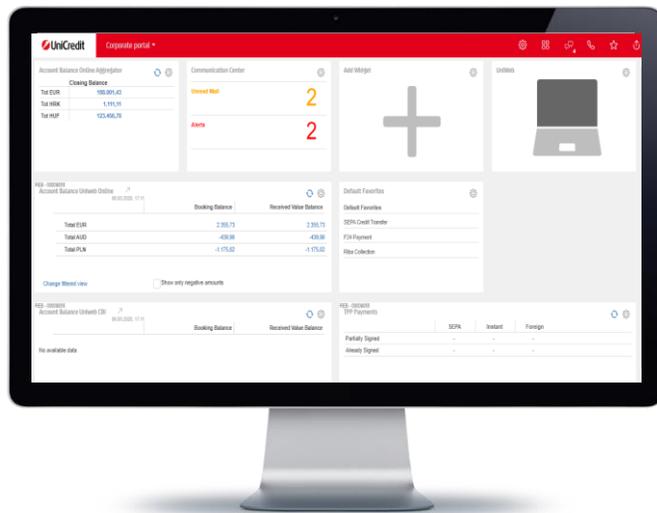
**Compliant with global standards** and local use, ISO20022 allows communities to define global market practices meeting specific business requirements and services

### Quality improvement

**ISO 20022 can accommodate more data** – and more structured data, allowing for much more information to be carried and processed across a chain of market participants, from originator to beneficiary



# What is really changing for UCG customers?



## New available information with ISO20022:

- **Ultimate Debtor**
- **New structured addresses (Street Name, Building Number etc)**
- **Extended remittance information**

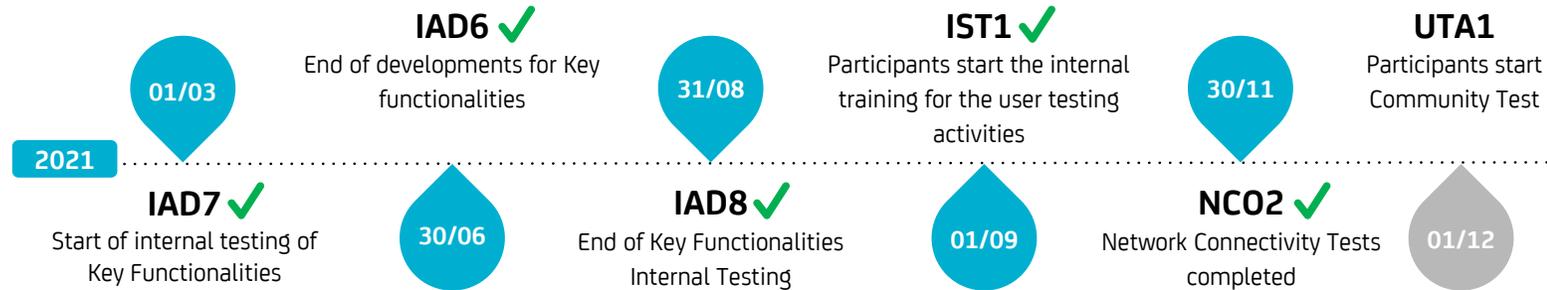


# UniCredit achieved current ECB project milestones for Target2 and aims to be fully compliant with CBPR+ on Nov '22

## T2 PROGRESS

TARGET2 project milestones defined and monitored by ECB.  
Go Live in **Nov '22**

**Current milestones achieved,**  
Community Tests start in Dec '21 under preparation



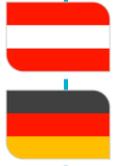
## CBPR+ PROGRESS

SWIFT requires Go Live in **Nov '22** for **incoming messages**, allowing a **co-existence period until '25** to migrate outbound messages to XML

UCG decision is to Go Live in Nov '22 with both incoming and outgoing XML messages



# TARGET2 and CBPR+ projects within UniCredit Payment strategy



In Germany and Austria Target2 and CBPR+ are part of PULS program, with eWL as payment solution partner

**PULS** is a multi-year transformation project with the **goal** to improve currently available payment processing systems in Germany and Austria to cope with the number of innovations in the relevant market

**Payment types** impacted are : High Value Payments, SEPA Credit Transfer, Multi-Currency, SEPA direct debits, Instant Payments



In Italy and CEE countries Target2 and CBPR+ programs upgrade current UCG ICT systems

Main goal is the **migration** to the **new ISO standards** XML format by Nov '22



In Italy, Austria and Germany, UniCredit took the opportunity to transform Treasury processes and Liquidity Reporting by implementing a new **Global Liquidity Management** tool

This decision addresses one of the main goal of European Central Bank, which is the **optimization** of **liquidity management** across all TARGET Services

