

18 May 2010

PRESS RELEASE

ECB PUBLISHES TARGET ANNUAL REPORT 2009: THE SYSTEM HAS FUNCTIONED SMOOTHLY WITH HIGH AVAILABILITY LEVELS

The TARGET2¹ system functioned smoothly in 2009, with a stable market share of 89% of the total value of payments in large-value euro payment systems, according to the TARGET Annual Report 2009 that has been published by the European Central Bank (ECB) today. The availability of the system reached 99.99%, which was the highest availability figure since the launch of TARGET in 1999.

The report indicates that, by 31 December 2009, a total of 800 direct participants had opened an account in the TARGET2 system. These direct participants had registered 3,687 indirect participants from countries in the European Economic Area, as well as 9,988 correspondents worldwide. When all branches of these direct and indirect participants are included in the figures, more than 50,000 credit institutions across the world can be addressed via TARGET2. Consequently, TARGET2 has become instrumental in promoting an integrated euro area money market, which is a prerequisite for the effective conduct of the single monetary policy and contributes to the integration of the euro financial markets.

In 2009, payments processed by the TARGET2 system decreased by 6.5% in volume and 19.3% in value in comparison with the previous year, with an average daily volume of 345,768 transactions, representing an average daily value of €2,153 billion. The decrease in volume was caused by the economic slowdown. The decrease in turnover was a consequence of the decrease in volume, but also a result of the increase in the average duration of open market

¹ TARGET stands for Trans-European Automated Real-time Gross settlement Express Transfer system. It is the Eurosystem's real-time gross settlement system for the euro. The first-generation TARGET system was replaced by TARGET2 in May 2008. In TARGET2, the decentralised structure of the first-generation system was replaced by a single technical platform, or the "Single Shared Platform" (SSP), to which all payment orders are submitted for processing. Three Eurosystem central banks – the Banca d'Italia, the Banque de France and the Deutsche Bundesbank – jointly provide the SSP for TARGET2 and operate it on behalf of the Eurosystem.

operations and the changes in the methodology used for calculating the system's turnover, which now excludes some technical transactions.

Chapter 1 of the report provides information on the TARGET2 system and background information on its predecessor. Chapter II details TARGET2 traffic, its performance and the main developments that took place in 2009. The annexes provide details of the main features of TARGET2, as well as a chronology of developments in TARGET/TARGET2. The report contains seven information boxes on current topics of interest, such as the role of TARGET2 in the settlement of commercial payments and internet-based participation in TARGET2, which is scheduled to go live in November 2010. Lastly, the report contains a list of general terms and acronyms, and a glossary.

The TARGET Annual Report 2009 can be downloaded from the ECB's website.

European Central Bank

Directorate Communications, Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

Reproduction is permitted provided that the source is acknowledged.