



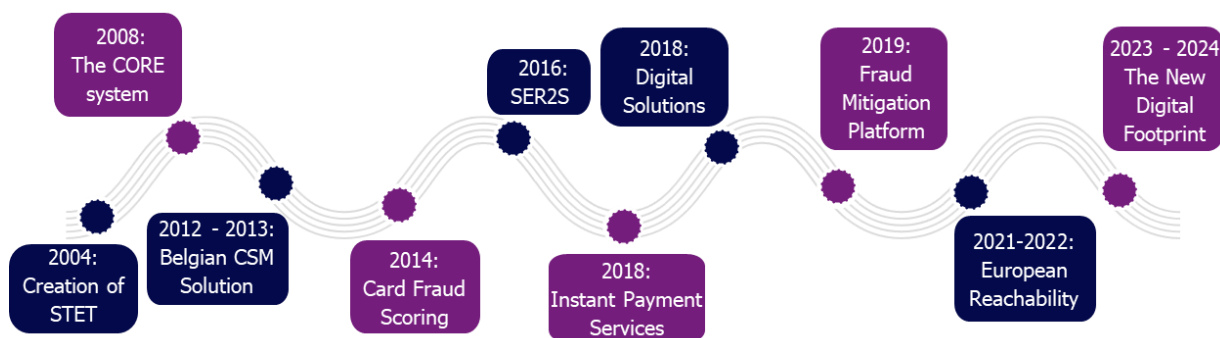
A TRUSTED BANKING
PARTNER SINCE 2004

Introduction

STET is a major European payment processor working primarily for the French and the Belgian banking communities, with more than 35 billion transactions processed in 2023.

We are **one of the leading payment processors in Europe**, operating both a high-performance clearing and settlement system (CSM) and a card authorization network. We support a full range of payments means (Cards, SEPA Direct Debits and Credit Transfers, Instant Payments, ATM transactions, Cheques, and Bills of Exchange) and provide the associated processing services (e.g., clearing, settlement, switching, fraud management, digital payment).

We are a **critical operator for our banks and the banking communities**. As a trusted partner in the interbank ecosystem, we play a key role in the provision of payment transaction services. With a complete offer, integrating new technologies and security expertise, we provide our customers with **high-performance, secure, and innovative solutions**.



Our offers

Clearing

The first service launched by STET in 2004, the CORE platform offers a multi-rail, multi-tenant clearing and settlement service.

Authorization

Our secure payment and withdrawal authorization network operates 24/7/365 with a very high level of availability (99.999%) and resiliency. It supports both CB, the French domestic scheme as well as international cards schemes (Mastercard and Visa)

Instant Payment

Launched in 2017, our Instant Payment service complies with EPC requirements and offers European interoperability (via interconnection with TIPS and RT1)

Proxy Database

STET offers a centralized and secure directory management service enabling funds to be transferred from mobile phone numbers and email addresses

Digital Payment (SDS)

- The digital platform, involving an interconnection HUB and a certified Token Service Provider, offers connected banks co-branded card digitization capabilities (in Xpay and HCE) as well as payment tokenization services for merchants (Card On File).
- Combined with STET Card Authorization Network, it provides the way to cover all use cases of tokenized payment with the same emphases as a card.

Fraud Management

STET's anti-fraud solutions cover all payment rails (Card, SEPA and Wallets) and offer scores for the entire payment process (authentication, enrolment, authorization, pre-payment)

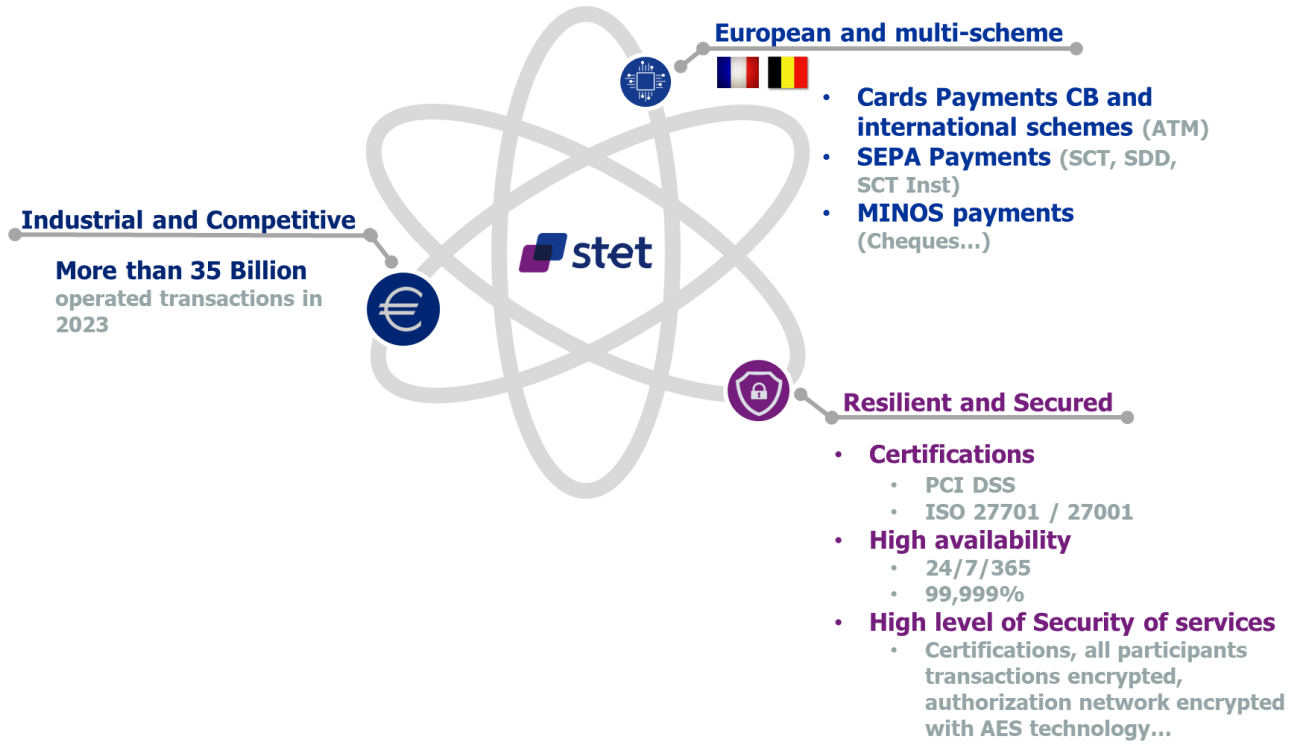
Secured Messaging

SEPAmail.eu, which became a subsidiary of STET in 2024, offers secure messaging services designed to make it easier to change bank direct debit addresses and to verify bank details (IBAN Name Check) when issuing transfer or direct debit orders (thereby helping to limit the risks of fraud and rejection)



Introduction

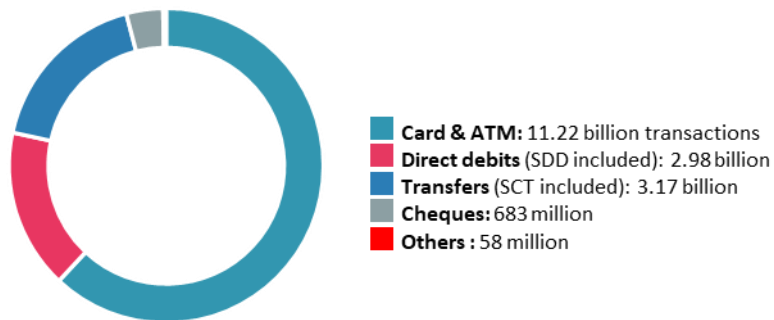
Our DNA



Key Figures

Clearing & Settlement

In 2023, we processed **18.1** billion transactions via CORE for the French and Belgian communities. The CORE system processes the whole range of payment instruments on a large scale, including card transactions.



Key Figures

Performance of the CORE (FR & BE) system Payments



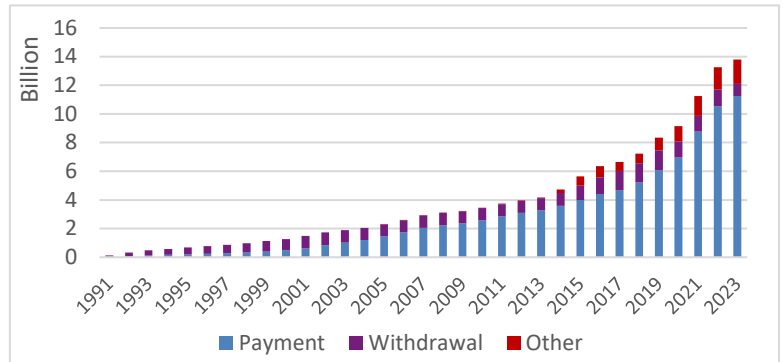
Highest peak day 202 million transactions

Authorization

13.8 billion card transactions routed on our network in 2023

As one of the major card processors in Europe, STET offers a secure network for cash withdrawal and payment authorization messages in France.

A continuous growth of STET's card switching activity



Instant Payment

1 billion Instant Payment transactions processed since 2018

- 14 Belgian and 8 French direct participants
- Daily record: 2,005,831 Instant Payments on 1st December 2023
- Average processing time: 50 milliseconds

Fraud Mitigation Platform in 2023

13.8 billion cards transactions scored.



- 2.7 billion scored SEPA transactions
- 2 billion scored authentications requests

Digital



- 632 million tokenized payments
- Samsung Pay, Apple Pay, Google Wallet and HCE wallet are covered by our digital payment service

Proxy Database



- 37 million contacts



- 11.6 million IBAN

Those contacts and IBAN allowed 50 million P2P transactions.

Secured Messaging



- 57 million AIGUE-MARINE (account mobility) transactions



- 46 million DIAMOND (IBAN Name Check) transactions



Our Commitments

STET is under the supervision of Banque de France and is fully committed to **strong compliance, security, and resilience requirements**.

Data are processed under **GDPR guidelines and our GDPR compliance process is ISO 27701 certified**, card data are also processed under **PCI DSS requirements**.

Our services operate on an ISO 27001 certified infrastructure using a segmented network (private, public, and high security).

Our solutions are mostly built in-house following **secured developments practices** (DevSecOps) and maintained through a very strict vulnerability patching process.

The whole system is protected by an intrusion prevention framework and monitored by a SIEM. The infrastructure and applications are also tested with penetration testing.

To meet all security requirements at the architecture level, all components are implemented considering:

- **Regulatory standards:** All systems and networks are deployed in strict compliance with the principles for financial market infrastructures defined by the CPMI and the IOSCO.
- **Security devices:** All the necessary security components are deployed to ensure a fully protected environment.

Added to compliance, security and resilience of its services, STET also considers social and environmental matters: we are monitoring our carbon footprint (Bilan Carbon®), have achieved a Gold medal with Ecovadis, and we also signed the “Parenthood Charter”, the “StOpE initiative”, and the “Responsible Digital Charter”.

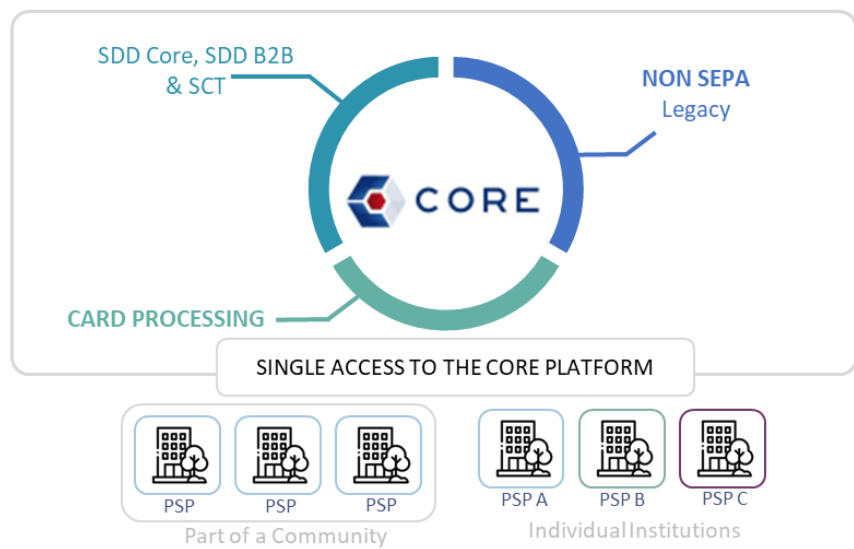
Clearing Services

Benefits for our clients

- Our CORE platform operates several CSMs on a common technical architecture for access, transactions processing and reporting
- Each CSM is separately configured to clear and settle according to the specific requirements of its community
- Strong capabilities: secure, resilient, and efficient

The European payment market is complex and diverse. In this fast-changing environment, our role as a Clearing and Settlement infrastructure is to **ensure the secure and efficient exchange of transactions.**

We want to be at the forefront of changes by providing new value-added services to our payment community to meet their business needs.



In a European playing field

Based on a technical and multi-CSM governance architecture, we provide processing, clearing and settlement services to the CEC Community of Belgian banks through the implementation of a dedicated CSM launched in February 2013.

It provides multi-cycles intraday Clearing services for **the full range of payment instruments in Belgium.** Transactions are delivered after settlement to avoid any counterparty risk to the whole banking community. Settlement interface is built based on a standard use of the Target2 Ancillary System interface.

In 2023, **more than 1.5 billion transactions were processed in CORE(BE)**, representing 8.1% of CORE platform total volumes, for a total amount of 1,469 billion euros.

STET is also the French and Belgian Instant Payment CSM platform and also provides a gateway to other Instant Payment CSMs such as TIPS from ECB and RT1 from EBA Clearing.



SEPA Fraud Scoring

Benefits for our clients

- Enhancing internal fraud scoring tools
- Keeping absolute control of the final decision on whether to reject a transaction
- Support by our expert team

Since 2004, we have been providing concrete and innovative solutions to financial institutions to help them fight against fraud in payments. As a further evolution in risk mitigation for our clients, we propose a SEPA fraud scoring enhanced by our proven card scoring capabilities.

Working closely with trusted clients, we developed the analytical functionality required to score fraudulent SEPA Scheme transactions based on an analysis of data elements from the transactions processed by its SEPA CSM clearing services. This service is provided to any STET PSP participants.

Should a suspected fraudulent transaction be identified, the system will alert the issuing and receiving PSPs, the latter being responsible to decide whether to process or to block the transaction.



Instant Payment

Benefits for our clients

- Technical Infrastructure and Connectivity
- Security focus with multilevel security measures
- Reports provided by the system
- Highest possible coverage thanks to interbank cooperation

Instant Payment deeply transforms the way the money is processed and is progressively becoming a “**new normal**”. Instant Payment shall impact consumers, businesses, governmental institutions and creates opportunities for innovation.

As Europe has been entering into the era of SEPA transactions, we implemented a pan-European CSM to process Instant Payments transactions compliant with the **EPC’s SCT Inst rulebook**.

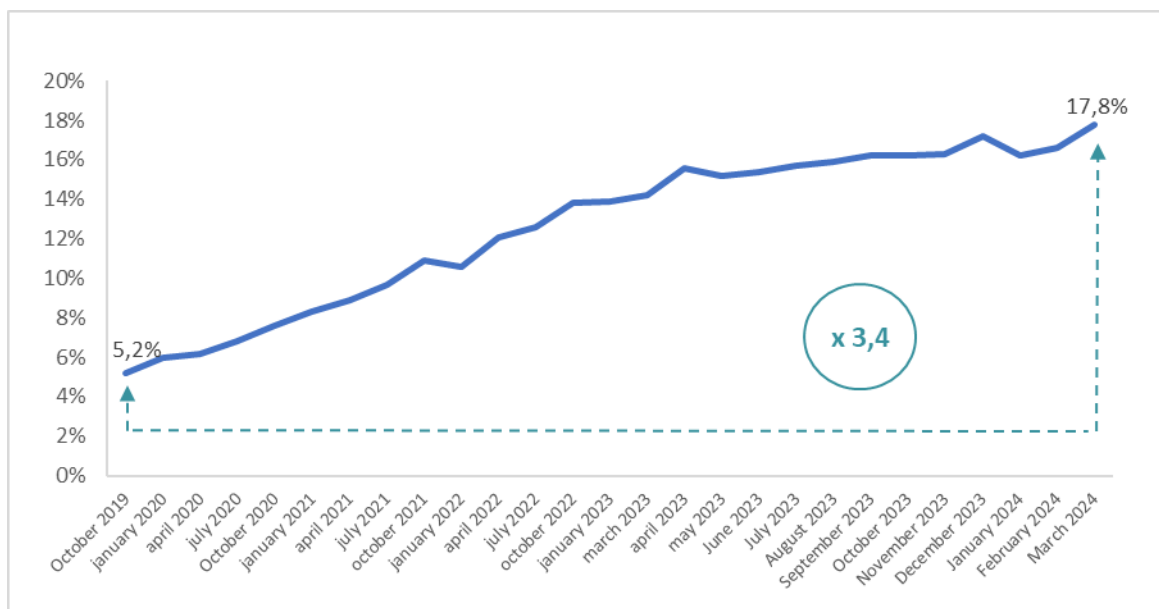
To support local consumer requirements, STET’s application design also takes into account possible options at a community level, such as the maximum amount of payments cleared and end-to-end transaction timing limits.

Our CSM can support these variants through Closed User Groups (CUGs).

As a 24/7 system, STET IP CSM has an automatic liquidity management functionality which, subject to limits set by the PSP, allows full autonomy in terms of liquidity required for the processing of Instant Payments.

Furthermore, the unavailability management functionality allows PSP to completely isolate its system if necessary for maintenance or incident management and to alert the other PSPs part of the platform.

The percentage of SCT Inst in all SEPA Credit Transfer Transactions



Source: ECB - What are Instant Payments?

In February 2024, Members of the European Parliament adopted a new regulation to mandate SCT Inst in Europe to promote the SCT Inst usage.

Thanks to its scaling capabilities STET’s platform will support the banking community in its seamless migration towards SCT Inst.

Single Window for Instant Payments (SWIP)

Benefits for our clients

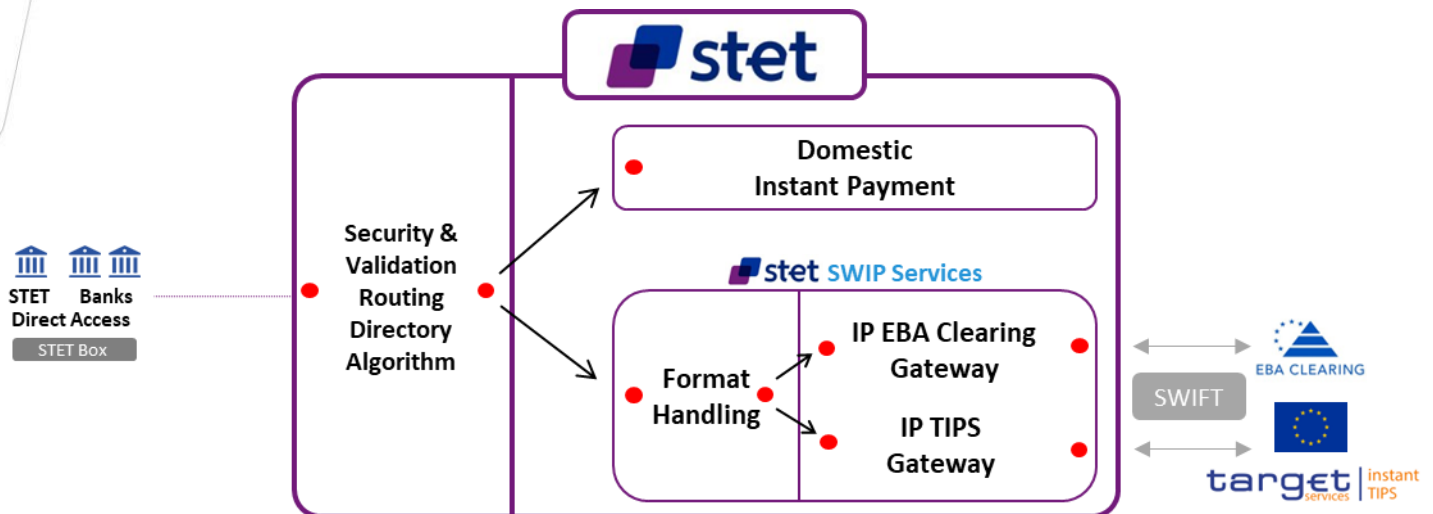
- One technical connection to access Instant Payments system
- One directory for all reachable PSPs through other CSMs
- Our payments data set for all Instant Payments regardless of final CSM (dataset different by CSM)
- One single report including other CSMs
- Reduced costs

Further to the IP CSM, STET developed a new value-added service. SWIP enables intra-European instant payment clearing.

As an agnostic processor, we can **support different interoperability models between Euro-denominated IP CSMs in SEPA.**

The SWIP Service gives to the French and Belgian participants a significant competitive edge: through their single access to the IP CSM platform, they can ensure reachability by or with any other EU participants through either TIPS or RT1.

This technical interoperable connection offers several benefits for PSPs and allows them to improve their performance and optimize their costs to reach pan-European services.





Fraud Scoring on Instant Payments

Our Instant Payments CSM is part of a new generation infrastructure ready for today's reality and tomorrow's evolutions. CSMs have rapidly evolved from traditional non-urgent batch clearing to real-time single transaction clearing.

The expected increase in transaction volumes through new SCT Inst use cases together with the increased speed of exchange, requires enhancements for PSP internal systems. To help PSPs to mitigate fraud and payment risks management, STET is providing enhanced real time scoring tools which are based on advanced analytics.

As an active player in the interbanking ecosystem, we already play a key role in providing risk mitigation services for **scoring fraudulent transactions** for the SCT Schemes. We have now launched a new project to deliver **a state-of-the-art fraud scoring service for SCT Inst transactions.**

On-Demand Scoring by STET

With Instant Payments, fund transfers are irrevocable and executed only in a few seconds. With the objective of reducing the risk of fraud and strengthening security around Instant Payments, **we have launched a new innovative service.**

Based on our **strong experience of scoring** card transactions, we offer our clients **on-demand scoring of Instant Payments.**



Fraud example

FULL-SERVICE SCORING PLATFORM

Expertise in integrating and operating a full-service scoring platform (real time processing with different scoring engines, data science environments, modellings).

ADVANCED SCORING CAPABILITIES

State-of-the-art scoring platform based on AI, customizable platform, extended model development capabilities.



In 2023, **13.8 billion** authorizations were scored by the system

MODULAR PLATFORM

Scoring engines can process any type of transactions for multiple use cases, scalable and multi-tenant solutions, and multiple interfaces (ISO 20022 messages, API XML...)

RESILIENCE & EFFICIENCY

24/7/365 including maintenance, upgrade tasks and patch management that are applied with no service downtime. Nearly 18.5 billion transactions scored in 2023: 13.8 billion card transactions, 2.7 billion SEPA transactions, and 2 billion authentications.

Card Services

Benefits for our clients

- Highly resilient system
- Possibility of rerouting to a back-up issuing host
- Business continuity
- Real-time service and card scoring on-the-fly.
- Optimized scoring thanks to large volume of transactions
- Managing change

Our high-performance card network ensures the routing of authorization requests and responses round the clock, 365 days a year.

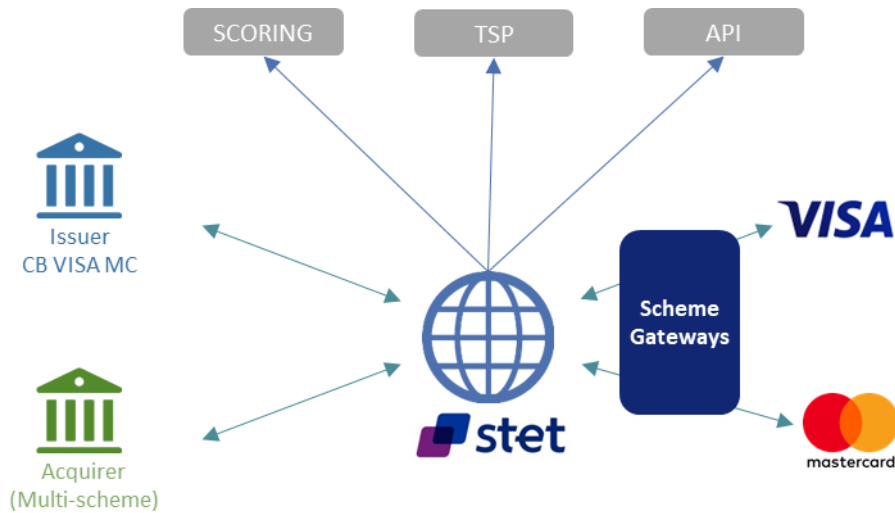
We operate the secure network for card authorization transactions at the Point of Sales (POS) and support the cash withdrawal ATM network.

In 2023, we processed 13.8 billion transactions in support of:

- 77 million* cards in circulation
- 2 million* merchants that accept CB cards

This switching activity is available for many schemes: Cartes Bancaires, Mastercard, and Visa.

*References: CB website



Card Fraud Scoring

Benefits for our clients

- Mitigating PSP risks
- Extending fight against fraud to all participants
- Keeping absolute control of the final decision on whether to freeze a transaction
- Support by our expert team

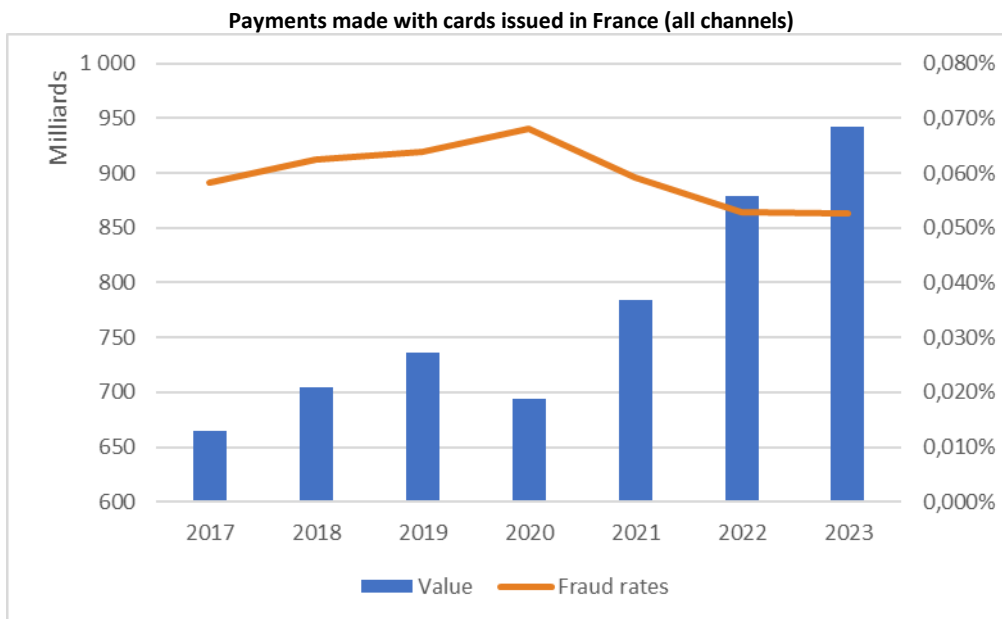
Thanks to our card authorization network, we deliver optimized scoring for card transactions. STET provides two main services for card scoring: card authorization scoring and card authentication scoring.

In 2014, we implemented our fraud scoring system. Statistics have clearly shown that France domestic card fraud is decreasing with the help of STET's efforts to provide PSPs its best support.

For instance, in the scoring process, when a transaction looks suspicious according to our scoring solution, the issuing bank receives the relevant information regarding the identified fraud scenario.

Since 2019, STET also provides card risk-based authentication scoring for e-commerce transactions. This enables issuers to identify fraudulent transactions at an authentication level, and to deploy safely frictionless payments.

In 2024, we rolled out a new scoring engine using AI and Machine Learning in real time for e-commerce domestic transactions authentication, enabling an improvement of fraud detection level, and securing overall payment operations. This new AI-based solution enables the whole ecosystem to improve the mix between authenticated and frictionless transactions, while maintaining fraud levels at a low point.



Source: OSMP - Annual report 2023

STET Digital Solution (SDS)

Benefits for our clients

- A scalable offer allowing cost sharing between banks
- A unique API allowing access to all services associated with CB scheme for developments
- Back-office tools to manage all cards and tokens via a single interface (extranet "Customer Care" (tool allowing the issuer to act on the status of the token))
- A large range of partners: OEM pay...

Electronic payment instruments continue to evolve with faster innovations. Digital payments are becoming increasingly common thus enhancing customer experience and giving both issuers and merchants the opportunity to improve their respective offering thanks to mobile payment.

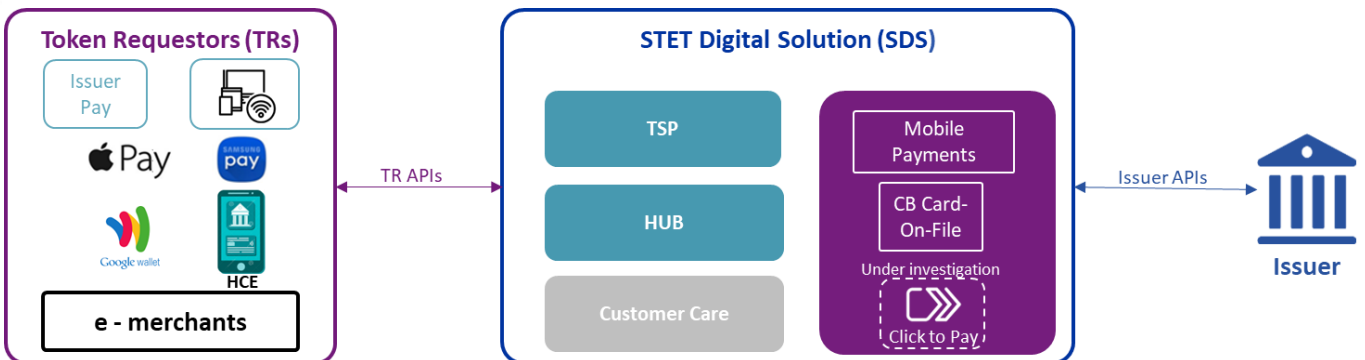
Digital payments security is based on **tokenization**.

Through Cartes Bancaires' 2026 Digital Plan, STET develops services that will enable any bank to issue and manage CB tokens for any xPay (Apple Pay, Samsung Pay...) wallets.

On top of mobile payments, Cards on File will also be offered to merchants.

We launched the SDS (STET Digital Solution) which includes:

- CB Token Service Provider which is responsible for creating, issuing, and managing CB tokens associated with PANs
- Access for Card on File services to merchants. This platform enables merchants to store client cards on a secured solution.
- Token authorization services.
- Token authentication services.
- Access to different wallet providers through the HUB. This dedicated platform enables access to xPay and issuer wallets (with a customer experience controlled by the wallet owner and highly secured online selling).



STET Proxy Database

Our offer includes

- API Directory Management
- API ContactCheck
- API Vault Management
- API IBAN Search
- API Notifications Management
- API Statistics Report

In the aftermath of Covid, the payment industry is clearly moving towards digital.

As a trusted third-party provider, we offer a **Proxy Database Solution** providing a centralized Mobile Directory, a secured IBAN Vault and a set of JSON REST APIs to facilitate the initiation of an Instant Payment to a beneficiary:

- Managing subscriptions of PSP customers to mobile
- Operating Mobile directory / IBAN Vault
- Checking whether the payer's contacts are registered in STET
- Retrieving the IBAN of the beneficiary (stored in internal or external central vault)
- Managing beneficiaries with several IBANs attached to a single phone number
- Allowing non-registered beneficiary to receive funds
- Sending instant notification messages to the beneficiary
- Providing statistical reports on all IBAN lookup requests over a period of 14 months
- Monitoring the IBAN lookup status in real-time

Main Service Indicators:

- Compliant with SCT Inst Scheme
- Accessible 24/7 - Rate of availability 99.9%
- Processing of requests < 5 seconds
- Secure exchanges: TLS 1.2 protocol and X/509 certificates
- RPO (Recovery Point Objectives): 5 minutes

via ContactCheck



With the ContactCheck service, the payer quickly and easily recognizes which of his contacts are already registered in STET's mobile directory.

ContactCheck is available 24/7 and checks up to 50 contacts/sec.

SEPAmail.eu

Our offer includes

- Bank account switching management.
- IBAN name Check before SCT or SDD (including IP, Regulation VoP)

SEPAmail.eu is a secure messaging scheme based on an architecture, open-source norms and implementation guidelines which enables flow exchanges between participants defined in a Membership Agreement.

Only authorized payment service providers (PSPs) can join SEPAmail, keeping the system secure and creating a climate of trust for the end customer.

Information is sent digitally thanks to connections between the member networks and the routing of messages through SEPAmail missives, using the banking networks' (online banking) BIC and QXBAN (SEPAmail routing address) codes via their SPI (SEPAmail Platform Identifier).

Interactions are completely secure and protected by several means of authentication (keys, tokens...) so that unencrypted information is never sent over the network at the level of SEPAmail envelopes.



Thanks to its solution, SEPAmail AIGUE-MARINE, SEPAmail.eu delivers a service allowing account switching of physical person from the ancient bank to a new bank. This service is a response to the French regulation called “Macron’s Law” that transposes the Payment Account Directive.

It is a simple, free and automatic switching system for anyone who wants to switch their bank account.



SEPAmail DIAMOND is an IBAN Name Check service verifying account holder’s data notably before executing SCT or SDD, to reduce fraud risks and rejections.

SEPAmail.eu will be able to leverage this current service to comply the EU regulation that will require PSPs to control those details through Verification of Payee (VoP) before executing any SCT and SCT Int. SEPAmail DIAMOND will offer suitable response to EU regulation while offering PSP real time VoP at both domestic and cross border levels.



PSD: STET's Open API for PSPs and TPPs in Europe

Standards & Norms

As part of PSD2, we regularly organize working groups for our clients. This customized support is an opportunity to:

- Keep up to date with the latest regulatory changes
- Identify and deal with any potential issues
- Maintain a consistent approach regardless the country or the context

Since 2018 and the directive on payment services, we provide a PSD2-compliant API that establishes a secure gateway between Third Party Providers (TPPs) and Account Servicing Payment Service Providers (ASPSPs, i.e. banks). We are currently monitoring the publications related to the new payment services directive which is expected to be adopted by the European Parliament by the end of 2024 or beginning 2025 and will continue to support the banking community and provide the necessary adaptations to STET's API.

Standards & Norms

In 2016, our shareholders asked us to design and write the specifications of for an API between TPPs and ASPSPs. Although it was designed for the French banking community, this API can be extended to the entire SEPA.

Our company is involved in ISO standardization work as well. We also regularly consult all the stakeholders and work together on other initiatives.

History

In 2004, major French banks founded STET with the vision of building a new platform that would meet the challenges raised by the payments industry with the emergence of SEPA. **STET has thus become one of the leading payment processors in Europe, operating a high-performance clearing and settlement system (CSM), a card authorization network and Instant Payments.**



Since its successful launch in January 2008, the **CORE platform** offers an efficient and secure industrial bulk processing clearing system, hosting **the full range of payment instruments on the French market.**

In 2012, the Belgian banking community entrusted STET with the processing, clearing and settlement of SEPA and non-SEPA payment instruments, which has enabled STET to further strengthen its **position in the European market.**



Following the merger with SER2S in 2016, STET became the operator of the card payment authorization network in France.



As Europe entered the real time era, STET launched the development of a **new pan-European payment system** in 2017 to process SEPA instant payment transactions. In 2019, as part of this process, STET developed the **SWIP** (Single Window for Instant Payments) service for technical interoperability with TIPS and RT1 systems, offering many benefits for PSPs, including efficiency gains, cost pooling and pan-European reachability.



As a **trusted partner** in the interbank ecosystem, STET plays a key role in the provision of safe and secured payment transaction services. **STET's anti-fraud solutions cover all payment rails** (national and international cards, SEPA and wallets) and offer scores for the entire payment process (authentication, enrolment, authorization, pre-payment).



In an increasingly **digitalized world**, the use of tokenization mechanisms is a very efficient way to increase the security of card and SEPA payments. Hence, STET launched the STET Digital Solution (SDS) service, which includes a white-labelled Token Service Provider (TSP) and access to different wallet providers through a digital HUB. This complete solution provides access to the various xPay solutions and issuer portfolios in the card business. STET also provides token Card on File services to merchants for Cartes Bancaires issued cards.

STET is also the standardization party of the PSD2 APIs on behalf of the French community. With a complete offer, integrating new technologies and security expertise, STET provides to its customers high-performance and innovative solutions.



STET offers a **centralized and secure directory management service** enabling funds to be transferred **from mobile phone numbers** and email addresses.



In January 2024, STET officially announced SEPAmail.eu acquisition to offer new value-added services for payment transactions. In an environment that requires more secure payments, the acquisition of SEPAmail.eu by STET will allow to combine the expertise of a messaging protocol associated with IBAN Name Check with a robust infrastructure processing retail and instant payments and aiming at providing resilient and high-performance capabilities to fight against fraud.



History

Experienced

We have a proven track record operating today with a high service level at similar scale. We have extensive experience in the payment industry and have been operating at a **high service level for multiple decades.**

Capable

We have a unique set of human and system capabilities to surf within the changing regulation and market demands. We are continuously working on implementing more functional and technological solutions **to adapt to an ever-changing environment.**

Reliable

Thanks to our proven know-how and expert knowledge of the European Payment industry, **we have a clear understanding on how take-over, set-up and services to meet timing and quality requests.**

Advanced

Best-of-breed operations and technologies to increase time-to-market and response to challenges. In a constantly changing technology landscape, we have implemented **the newest of technologies in order to keep up to date.**

Inclusive

Our service model offered with **partners collaboration, but open for third party providers across.**



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