EUROPEAN CENTRAL BANK

EUROSYSTEM

Christine LAGARDE
President

Mr Markus Ferber
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 7 November 2025

L/CL/25/349

Re: Your letter (QZ-017)

Honourable Member of the European Parliament, dear Mr Ferber,

Thank you for your letter, which was passed on to me by Ms Aurore Lalucq, Chair of the Committee on Economic and Monetary Affairs (ECON), accompanied by a cover letter dated 17 September 2025.

On 27 February 2025 TARGET2 (T2) and TARGET2-Securities (T2S), operated by the Deutsche Bundesbank, the Banco de España, the Banque de France and the Banca d'Italia, experienced a significant operational disruption resulting in the interruption of payment and securities settlement processing for several hours. The disruption was triggered by the simultaneous failure of a critical hardware component and its redundancy mechanism. To resolve the situation and resume operations, the business continuity arrangements in place were activated and the failover from the primary to the secondary site was executed. The defective component was replaced in the days following the incident, and the vendor rolled out an update to address the identified weakness in the redundancy system.

Following the incident, and as anticipated during the monetary dialogue with the members of the ECON Committee that took place on 20 March 2025, the ECB's Executive Board mandated the Market Infrastructure Board[1] to carry out an immediate and comprehensive analysis of the event, with the objective of identifying lessons learned and measures to strengthen operational resilience. The outcome of this

[1] The Market Infrastructure Board (MIB) is the governance body that supports the ECB's Governing Council in ensuring that Eurosystem infrastructure services are maintained and further developed and that projects concerning Eurosystem infrastructure services are managed, in line with the Treaty objectives of the European System of Central Banks (ESCB), business needs, technological advances, the legal framework applicable to Eurosystem infrastructure services and projects, as well as regulatory and oversight requirements. For more details, see Decision - EU - 2023/2870 - EN - EUR-Lex.

investigation was consolidated in a post-mortem report containing a detailed action plan of 20 measures across areas including technical monitoring, business continuity, decision-making processes and communication practices.

In line with the ECB's commitment to transparency and established practices, a redacted version of the report, excluding vendor-specific references, was made available to market participants, and subsequently published on the ECB's website.[2] These steps were taken to foster transparency and maintain trust in TARGET Services among market stakeholders.

Following the incident, several time-critical measures outlined in the action plan were implemented immediately, while the remaining measures are on track for completion by the end of 2025. Additionally, T2S is audited annually by a major international audit firm and the ECB's Governing Council decided that key findings from the post-mortem analysis will be integrated into the forthcoming annual external audit of T2S. This approach ensures that the insights gained will contribute to ongoing improvements, reinforcing the robustness of TARGET Services.

It is also important to emphasise that T2 and T2S are systemically important infrastructures, and their operational and business continuity architecture is designed accordingly. Historical performance demonstrates the robustness of these arrangements. Between 2020 and 2024, the average service availability exceeded targets, reaching 99.89% for T2 (99.99% for TIPS) and 99.82% for T2S, each above the 99.7% contractual objective and in line with, or exceeding, comparable systems globally.[3]

The ECB remains committed to maintaining the highest standards of operational resilience and transparency in the operation of the Eurosystem's market infrastructures and will continue to provide regular updates to the European Parliament on these matters.

Yours sincerely,

[signed]

Christine Lagarde

[2] See TARGET Services incident of 27th February 2025 - Post-mortem Report, ECB, 7 November 2025.

[3] See TARGET Services Annual Report 2024.

Address
European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address
European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu