



EUROGIRO

# ESSP

## Contents

February 2002

## EUR Settlement Service Provider Heading for success

■ The implementation of an EUR Settlement Service solution in a partnership between Eurogiro and Postgirot Bank in Sweden is probably one of the most significant events in the 10 year history of Eurogiro. The solution secures a cost-efficient settlement for the Eurogiro members by enabling all EUR transactions to be settled through one account with the help of a number of automated functions. Growth in volume from 6 million to 20 million total transactions in Eurogiro over 5 years has underlined the importance of efficient settlement. Just as significant is the timing of the new service which coincides with the changes taking place within the European payment market, most notably the new EU regulation. The new EU regulation forces financial institutions to align their customer charges for cross border payment to the charges for domestic payment transfers by July 2003. For the financial institutions to have a viable business, dramatic cost reductions are necessary and the new settlement solution will be an important element to secure such cost efficiencies. For the European Payment market the Eurogiro settlement solution offers an important alternative to existing solutions and thereby creates a healthy environment for securing attractive payment services for the customers.

With the new Settlement solution Eurogiro will be streamlined for the future but the value for Eurogiro members of Eurogiro is enhanced by a wide range of other activities. Business, product and IT activities being



*The partnership between Postgirot Bank and Eurogiro Network A/S will secure very efficient service for settlement of EUR payments within the Eurogiro community*

planned or implemented in 2002 are all aimed at either increasing income opportunities or reducing the processing costs for the members.

The partnership between Eurogiro and Postgirot Bank has had a very good start and the Eurogiro community look forward to a full implementation of the service in 2002. By mid February 2002, 12 Members have signed on to the ESSP service and every week we see new members joining.

## Content of special edition: EUR Settlement Service Provider (ESSP)

■ This special edition of the Eurogiro Newsletter is produced to inform about the important new EUR settlement service in Eurogiro. We feature several articles from the selected provider of the settlement service: Postgirot Bank. In their articles Postgirot focus on facts concerning the ESSP service included the internet features as well as the many activities to promote and implement the new service. We also feature two articles from two of the initial pilots: CTT in Portugal and

Postcheque in Belgium. The latter article gives a detailed description of technical and operational issues when implementing the service.

We hope that the articles can inspire all members of Eurogiro to implement the service without delay and also that the information can be of general interest to other readers of this special edition of the newsletter.

2

**The concept: single settlement service with one, selected service provider for EUR**

3

**ESSP On-line  
The real-time financial information in ESSP**

4

**ESSP Seminars**

4

**Postgirot Bank is the EUR Settlement Service Provider for Eurogiro**

5

**Successful implementation of ESSP in Postcheque Belgium**

6

**CTT Correios de Portugal: First Post on ESSP**

6

**Postgirot Bank on tour with ESSP Seminars**

7

**The history behind the ESSP solution in Eurogiro**

7

**April 2002 is soon coming up**

8

**ESSP project enters operational phase**

8

**Change of ownership in Postgirot Bank**

Eurogiro News is a magazine for the promotion of information, ideas and knowledge within the Eurogiro community.

Eurogiro News is published quarterly by:

Eurogiro Network A/S  
 Carl Gustavs Gade 3,1. tv  
 DK- 2630 Taastrup  
 Denmark  
 tel: + 45 43 71 27 72  
 fax: + 45 43 71 26 62  
 e-mail: eurogiro@eurogiro.com

Editor-in-Chief:  
 Søren Rose

Subscription enquiries:  
 Filip Jensen  
 Tel + 45 43 31 12 47  
 www.eurogiro.com

No part of this publication may be photocopied or otherwise reproduced without the written consent of Eurogiro Network A/S

Printed by: Schultz Grafisk

Although Eurogiro Network A/S has made every effort to ensure the accuracy of this publication, neither it nor any contributor can accept any legal responsibility whatsoever for consequences that may arise from errors or omissions or any opinions or advice given.

Final editing: 15 February 2002

The Eurogiro network is an international electronic payment network for the postal financial institutions.

The Eurogiro network is the only electronic cross-border payment system which covers both postal and bank products.

Eurogiro has 36 member institutions. Although Western Europe is the core area, Eurogiro now spans four continents. The electronic payment system of Eurogiro is administered by Eurogiro Network A/S in Copenhagen which also provides the organisational framework for the further development of the co-operation. The company is owned by 16 European members.

Eurogiro Member institutions:

Austria: PSK/BAWAG • Belgium: Postcheque  
 • Canada: National Bank of Canada • Cape Verde: Correios de Cabo Verde • China: China Post • Croatia: Hrvatska Post • Czech Republic: CSOB a.s. • Denmark: Danske Bank A/S • Finland: Sampo Bank Plc • France: La Poste • Germany: Deutsche Postbank AG • Greece: Hellenic Post • Hungary: Magyar Posta • Iceland: Iceland Post • Ireland: AN-Post • Israel: Israel Postal Authority • Italy: Poste Italiane • Japan: Postal Savings Bureau • Luxembourg: P & T • Morocco: Barid Al Maghrib • Netherlands: ING Bank N.V./Postbank N.V. • Norway: Den norske Bank • Portugal: CTT Correios • Romania: Banc Post and Posta Romana • Slovakia: Postova Banka • Slovenia: Postna banka Slovenije d.d. • Spain: BBVA and Correos y Telegrafos • Sweden: Postgirot Bank • Switzerland: Swiss Post Postfinance • Tunisia: La Poste • Turkey: General Directorate of Post • United Kingdom: Girobank PLC • USA: Deutsche Bank • Yugoslavia: Postal Savings Bank of Yugoslavia.

## The concept: single settlement service with one, selected service provider for EUR

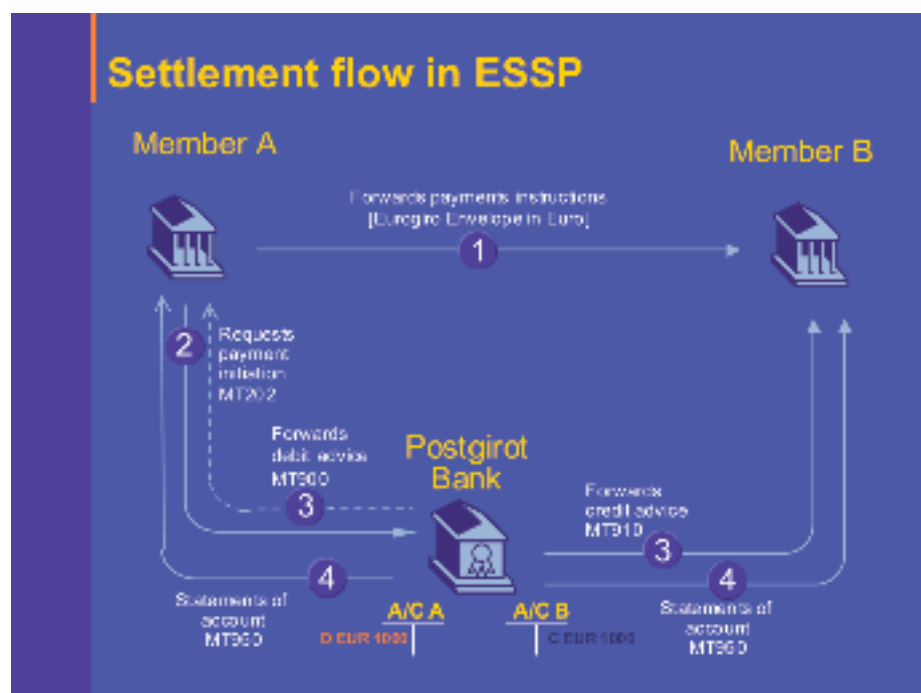
Each Eurogiro member holds an EUR account with one, chosen Eurogiro member bank. This chosen service provider keeps accounts for all members and acts as the single point of entry in settlement of EUR. Payments are settled per envelope, via gross settlement, but bilateral netting could be employed between any two parties, subject to bilateral agreement and development. Funding can take place via the normal channels (for instance TARGET, EBA, and EAF2). "State of the art" automation of MT202 cover messages ((or capacity transfers) and electronic reporting are employed.

The payments are exchanged directly between the members, in the ordinary Eurogiro envelopes, and the MT202 cover message, to be issued per envelope and at the moment of releasing the envelope, ensures the correct

base for settlement. It is strongly recommended to generate the cover message automatically from the host system, but the Eurogiro system will provide a facility to generate the cover messages in special cases.

Each TARGET opening day, the EUR Settlement Service Provider (ESSP) operates the clearing service on a real-time basis by posting all debit/credit entries in accordance with given instructions. The EUR Settlement Service Provider provides daily account statements to members, as well as debit/credit advices on a real-time basis. Additional service for Track & Trace of funds, liquidity forecast and other financial information of the account is also available through an Internet web-based service called ESSP On-line.

The following model illustrates the concept:



## The advantages for the members are, amongst others:

- ◆ One single point of entry for settlement of EUR-payments in bulks for Eurogiro members
- ◆ Fewer accounts - no need to keep an EUR account with each member
- ◆ One EUR account gives easier nostro reconciliations, less administration and gives more efficient cash management
- ◆ EUR clearing in a Straight Through Process
- ◆ Options for overnight loans and deposits, and Postgirot Bank is offering each member an Intra-day limit reflecting the member's normal daily volume
- ◆ On-line Internet access to account information, such as current & historical balances and postings, as well as 'pre-booked' postings to the account
- ◆ Flexible account reporting facilities, both advices and statements, for ESSP accounts via Swift or Eurogiro. This will aid reconciliation of the member's ESSP accounts

## ESSP On-line

### The real-time financial information in ESSP

■ One of the advantages with the ESSP service is that each Eurogiro member can easily obtain financial information on their transactions and account balances via Internet. This web-based service is referred to as "ESSP On-line" and is available around the clock (24x7). ESSP On-line gives you a secure log-on to Postgirot Bank's Host system by validating a user's ID and password.

One of the main benefits is that ESSP On-line is a useful liquidity management tool which can be used by treasury departments for better EUR funds management.

Primary benefits are;

Real-time access, around the clock, to

- ◆ Account Balance, where current, projected and historical balances for a specific account are displayed

- ◆ Accounting Entry Movements, where posted transactions for a specific member's account - for current, projected and historical movements - are displayed
- ◆ Detailed information for each movement. A drill-down capability when viewing posted transactions makes it possible to see the underlying message (Eurogiro- or SWIFT-) which caused the posting
- ◆ Payments Pending, where payments stopped in the ESSP system due to over-limit are displayed

Perhaps it is worth mentioning that the secure log-on and validating user password will allow members to see only their own account balance and information. And ESSP On-line includes additional security features such as

use of digital certificates for site authentication and encryption of traffic to and from ESSP and the user's browser.

The complete "ESSP On-line User Manual" can be found on [www.postgirotbank.com](http://www.postgirotbank.com) under Eurogiro\ESSP\Download, where you also will find all other relevant documents referring to ESSP. If you do not already have a user-ID and password for the information restricted only to Eurogiro members, please contact any of the people you will find under the Eurogiro\ESSP>Contact Us area on [www.postgirotbank.com](http://www.postgirotbank.com).

## ESSP On-line Posted Transaction Screen

The screenshot displays the 'Accounting Entry Inquiry - Summary' screen for ESSPD1 on 02-FEB-18 at 16:29. The table below shows the transaction details:

Cust	ESSPD1	Type	CULO	Ccy	EUR	Ref	ESS	Strch	PGU
BOOK	Value	Transaction Number			Amount				
010907	010907	RE010907-00606-0002							10,000.00 CR
010907	010907	RE010907-00607-0002							25,000.00 CR
010907	010907	RE010907-00608-0001							15,000.00 DR
010911	010911	RE010911-00612-0001							21,000.00 DR
010912	010912	RE010912-00616-0002							21,000.00 CR
010912	010912	RE010912-00617-0002							107,000.00 CR
010911	010911	RE010911-00613-0001							21,000.00 DR
010911	010911	RE010911-00614-0001							21,000.00 DR
010917	010917	RE010917-00621-0002							10,000.00 CR
010917	010917	RE010917-00620-0002							17,000.00 CR
010917	010917	RE010917-00622-0001							5,000.00 DR
010912	010912	RE010912-00618-0002							450,000.00 CR

At the bottom of the screen, there is a 'More Data:' section with a 'Y' indicator.



## ESSP Seminars

■ In order to give all Eurogiro members a full understanding of the ESSP service and its advantages Postgirot Bank has conducted a series of ESSP Seminars, starting with a seminar held in Stockholm in mid September 2001 for 34 delegates from 19 Eurogiro members. The seminars give indepth information on both the concept and the advantages, as well as information on implementation routines

and "what to think about". Workshops are also held during the seminars in which the participants can make their own calculations as to the efficiency and cost-saving aspects of the ESSP.

You can read more about the Stockholm Seminar in Eurogiro News, Nov. 2001 Edition.



From left to right:  
 Jeff Baker, Jan Franzén, Elisabeth Hägglund, Stefan Sjösten, Lars Ericsson, Margareta Eidensten, Dick Fredrikson, Åke Adamsson.  
 All from ESSP Project.

## Postgirot Bank is the EUR Settlement Service Provider for Eurogiro

■ In sharp competition with other commercial banks, Postgirot Bank was in March 2001 awarded the mandate by the Board of Eurogiro Network to be the EUR Settlement Service Provider to all Eurogiro members. After a successful Pilot project during autumn 2001 with six participating Eurogiro

members, Postgirot Bank put the service into live production on November 2, 2001. In accordance with the plan agreed by the Eurogiro co-operation, all Eurogiro members shall have signed a Service Level Agreement and opened an EUR settlement account with Postgirot Bank and at least be prepared to ac-

cept incoming transactions to that account by April 2002 at the latest. The service is gradually being implemented with a strong commitment from Eurogiro members and Postgirot Bank. Postgirot Bank offers assistance with implementation to Eurogiro members.



## Successful implementation of ESSP in Postcheque Belgium

■ At Postcheque Brussels, the implementation of ESSP meant a heavy change in the existing procedures on the HOST. All messages that are exchanged on paper/fax (Returns) must now be sent electronically. This is a task which should not be underestimated

Regarding the 'Request of Charges', we feel that it is extremely important that a very clear agreement is made bilaterally between members. Only if the charges are correctly known, can the reconciliation (and payment) of the MT191 be done without problems. It is therefore very important that changes in the Incoming fees are communicated in due time to the Eurogiro partners.

Of course, we hope that by the end of this year all members will be connected to ESSP. Then every partner will benefit from the system. Belgium and Portugal, were, as pilot members, an example for the others. ESSP works. It's up to you to join now!

### The ESSP service

Since 1 November 2001 Postcheque Belgium started the use of ESSP service. Our first ESSP Partner is CTT Correios Portugal. Unlike CTT, Postcheque Belgium developed ESSP on the HOST.

As Eurogiro members do not switch to ESSP at the same time, we have foreseen two ESSP parameters per Eurogiro member on the Host. Param\_OUT establishes that Postcheque is 'live' with ESSP for outgoing payments and Param\_IN means the same for incoming transactions. For CTT Portugal, both parameters were set on "ESSP".

When Param\_IN and/or Param\_OUT are not on "ESSP", the old procedures are carried out on the HOST. Old procedure means settlement using Nostro's and Loro's. In case Param\_IN and/or Param\_OUT are on "ESSP", then the new procedures are executed on the Host, which means settlement via ESSP account with Postgirot Sweden.

ESSP is only valid for transactions in EUR. This also applies to countries not belonging to the "EUR-Zone". If Postgirot Sweden goes 'live' with Postcheque, the IN-Payments (SE to BE) will be processed through ESSP. On the other hand, the OUT-Payments (BE to SE) with product codes 100/20; 100/22 and 100/60 are in SEK and will be processed through the Nostro account of Postcheque. But the OUT-Payments in EUR for Sweden (for example product codes 100/10 and 100/12) will be processed through ESSP! For Sweden, Param\_IN and Param\_OUT are set to "ESSP", but the ESSP-settlement is not valid for product codes 100/20; 100/22 and 100/60.

The flow of the different messages (MT100 or MT103; MT202; MT910; MT198#93; MT191...) is made according to the proposal of Postgirot Sweden.

### ESSP for incoming payments

For incoming "ESSP transfers" the envelope MT100 (or MT103) will be released upon receipt of the related message MT910 (= Creditadvice) on the HOST. In case one envelope stays on the HOST (as we did not receive MT910, or the amount of the MT910 does not match), the responsible person within our organisation will receive a warning at the end of the day. In turn, this will permit an appropriate reaction with the partner concerned.

For incoming OUR envelopes, the information concerning the charges are kept in a file and processed once a month. Postcheque will send a MT191 (Request for Charges) to the ESSP-partner, together with an e-mail containing the full details of the charges. Upon reception of a MT910 and also a MT950 we can check that the charges are paid by the partner.

Of course, we also have to deal with the rejected transactions. They are returned to the originating country by means of an envelope MT198#93 (= Return of Payment). At the same time, we generate a MT202 message to credit the ESSP-partner. This means that in ESSP "Return of Payments" are done by means of a MT198#93 and a MT202 (= cover payment).

### ESSP for outgoing payments

For outgoing transactions sent to ESSP-partners, Postcheque creates envelopes with mes-

sage type MT103. In the long term, MT103 will replace the MT100. Field 71G (= OUR charges) is currently not filled in but the field 71F (= Ben charges) is. At the same time, we create and send the related MT202 (cover payments).



A word of caution: If we have to duplicate an envelope, only the MT103 is created. After settlement by ESSP we control the debits using the MT950 (statements). Postcheque has decided not to receive MT900 (= Debit advice).

For outgoing payments, we store the data (Ifees) on the HOST. Upon receipt of a MT191 (Request for Charges) we will compare our data and the contents of the invoice (MT191). If the contents match, we currently issue a MT202 envelope manually on the ELS (Version 1.4.1). In a future release, ELS will permit automatic generation (trigger) of the MT202 upon receipt and approval of the MT191.

There are two other triggers currently available in ELS application version 1.4.2: MT100 (103)/MT202 and MT198#93/MT202.

Upon receipt of a 198#93 coming from another ESSP member, we hold the message on the HOST until receipt of the related MT910 (a procedure similar to the one in use for incoming MT100 or MT103). As soon as the amount of the original transaction is returned to our account, we can refund the ordering customer.



## CTT Correios de Portugal: First Post on ESSP

■ The CTT, Correios de Portugal, S.A. started using the ESSP service on 1st November 2001.

Since that date we have used the ESSP to settle all our transactions to our Eurogiro partner, La Poste in Belgium.

Our experience to date of the new service has been very positive. We are using the manual entry facilities provided with version 1.4.2 of the ELS application, as well as the automated generation of the MT 202 - and everything has worked from day 1 - our compliments to the Eurogiro team!

As we are not a banking institution, we have always experienced difficulties in settling our financial obligations with our partners - we have practically a different procedure for each partner. As far as we can tell now, from our experience with the ESSP service, this service will really help us, especially when more of our Eurogiro partners join the service.



## Postgirot Bank on tour with ESSP Seminars

■ During the period 26-30 November 2001, Postgirot Bank visited Romania, Yugoslavia, Croatia and Slovenia to present the ESSP service to the Eurogiro members in these countries. The Postgirot Bank team which comprised Stefan Sjösten, EESP Project Manager, Jeff Baker, IT Coordinator and Lars Ericsson, Client Executive, visited in turn Banc Post, Posta Romana, Postal Savings Bank of Yugoslavia, Croatian Post and Postna Banka Slovenije.

The purpose of the trip was to provide in-depth information and education of the ESSP service to these Eurogiro members. Having been selected by Eurogiro to be the EUR Clearer for its members, Postgirot Bank has committed itself to carry out information and education seminars of the ESSP service. The five members have just started up, or are on the verge of starting up, Eurogiro traffic. The rationality and cost efficiency in the ESSP service will strengthen their opportunities to increase their international business.

All the members showed great interest in the ESSP service. The personal contacts which were established during the meetings will certainly simplify the coming implementation. The respective member's project team will have a busy time ahead since the target is, as for all Eurogiro members, to be on-line with the ESSP service by April 2002 at the latest.



Postna Banka Slovenije, From left: Zdravko Angelovski - IT department, Barbara DelCott - IPD, Zora Hladnik - General Eurogiro Contact, Tomi Jerenko - PR & Marketing Department, Stefan Sjösten and Jeff Baker from Postgirot Bank.



Postal Savings Bank of Yugoslavia, From left: Jevdjenije Diokic - IT department, Mira Soboljevski - IPO department, Zoran Rosic - Asst. Manager IPO department, Lars Ericsson - Postgirot Bank, Biljana Petkovic - IPO department, Stefan Sjösten - Postgirot Bank, Jasminka Bosnjak - IPD department, Jeff Baker - Postgirot Bank.





## The history behind the ESSP solution in Eurogiro

■ The creation of a default EUR settlement solution in Eurogiro is a clear step forward towards a simpler, more modern, and cost efficient settlement for over half of all Eurogiro transactions. However, the delivery was quite long and at times difficult and impacted several areas of the production of the members and of the Eurogiro set-up. The overall objectives of any Eurogiro solution to be simple and cost-efficient should be met, and for the first time ever the club should also handle the appointment of one member to provide services for all, replacing the business of each member servicing the other.

Of course, the background of the project was the emergence of the EUR in the Common Market and the strong political pressure to provide cost-efficient solutions for payments across the EU borders. A simplification of the traditional set-up with mutual accounts for settlement was an obvious step forward, but the existing EUR settlement solutions were typically designed for single payments of high value, requiring substantial investments to join the systems. In any case, the solutions required SWIFT access. On the other hand, at least EBA offered net-settlement, once the initial investments had been made.

The Eurogiro Operational Performance Group proposed in April 2000 to the Eurogiro Board a concept for gross settlement of LowValuePayments to be settled in bulk. The concept was approved and in December 2000 a Request For Information was issued to all Eurogiro members to bid for the role as EUR Settlement Service Provider (ESSP) in Eurogiro. At the same time, a special Selection Committee, chaired by a Board member, was set-up. Also, strictly defined parameters for the selection and a time-frame for an evaluation were defined. In June 2001, Eurogiro Network A/S signed a contract with Postgirot Bank AB for a joint settlement service in EUR for all Eurogiro members. The contract runs with a one year probation and an option of a three year prolongation upon successful evaluation.

Since then, Postgirot Bank AB has developed a modern, cost efficient EUR settlement solution for Eurogiro with Eurogiro members and Eurogiro Network A/S. The system is running with a very high STP (Straight Through Processing), and all participants have much enhanced opportunities to follow their settlement positions via a dedicated internet information system. Six pilots partici-

pated in the first round, two of which were already in production in 2001, and the remainder followed closely after. Eurogiro Network has developed two new versions of the ELS to cater for the emerging requirements of the members, and more versions are likely to follow.

The result is an EUR settlement solution tailored for LowValuePayments and for fulfilling the needs of the Eurogiro members. Admittedly, the solution is without the niceties and costs of a net-settlement solution, but significantly improves the settlement offering in Eurogiro, thereby enhancing the production of each participant as well as adding to the attraction of the Eurogiro solution for potential members.



## April 2002 is soon coming up

■ The general launch of the new settlement concept for EUR payments (ESSP) is fast approaching. In order to prepare for a successful migration to ESSP by April 2002 each member's organisation should carefully study the web-site [www.postgirotbank.com](http://www.postgirotbank.com) under Eurogiro/ESSP/Info/Download where you will find Migration Plans as well as all relevant documents connected to the implementation of ESSP.

Eurogiro Network and Postgirot Bank would like to stress that ESSP migration is NOT a big IT-project for each member, since Eurogiro Network has already developed the concept in the 1.4.2 version of the ELS.

### In accordance with the plan for the ESSP service, every Eurogiro member will, by April 2002:

- ◆ Confirm the use of the default EUR settlement service with Postgirot Bank and sign the agreement with Postgirot Bank
- ◆ Agree the implementation schedule and confirm required assistance with Postgirot Bank

If members have questions, need a password and user-ID or further information please call your contact person at Postgirot Bank. A list of contact persons is published on the web-site under ESSP.

januar 2002							februar 2002							marts 2002						
m	t	o	t	f	i	s	m	t	o	t	f	i	s	m	t	o	t	f	i	s
31	1	2	3	4	5	6	1	2	3				1	2	3					
7	8	9	10	11	12	13	4	5	6	7	8	9	10	4	5	6	7	8	9	10
14	15	16	17	18	19	20	11	12	13	14	15	16	17	11	12	13	14	15	16	17
21	22	23	24	25	26	27	18	19	20	21	22	23	24	18	19	20	21	22	23	24
28	29	30	31				25	26	27	28				25	26	27	28	29	30	31
april 2002							maj 2002							juni 2002						
m	t	o	t	f	i	s	m	t	o	t	f	i	s	m	t	o	t	f	i	s
1	2	3	4	5	6	7	1	2	3	4	5								1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30
														1	2	3	4	5	6	7



Top row - from left:  
 Maria Stenberg, Postgirot Bank; Ricardo Calvillo, CyT; Alexandre Ventura-Rodrigues, CTT; Guy-David Schneider, La Poste; Jeff Baker, Postgirot Bank; Frans van Eycken, Postcheque, Eurogiro; Uwe Holmgaard.

Front row - from left:  
 Roger Hens, Postcheque; Stefan Sjösten, Postgirot Bank; Lou Sandholm, Postgirot Bank; Hye-Sook Jeon, Postfinance.

*Thank you to CTT Portugal and Postcheque in Belgium for an excellent job as initial pilots in the ESSP project, but also thanks you to the other pilots: La Poste in France Swiss Postfinance, and Correos in Spain for their important contributions.*

## ESSP project enters operational phase

■ Stefan Sjösten, ESSP's General Project Manager, says 'It's an honour to be given the opportunity to play an active role in this important business initiative of the Eurogiro community. There is no doubt that we will manage to make a success story of the ESSP project. This really is a dream team!' Postgirot Bank was appointed as the EUR payment clearing bank for Eurogiro members in 2001 and became operational in the role on November 2nd 2001.

Each pilot member has appointed a project leader who is responsible for preparing the internal organisation for ESSP whilst also ensuring that there are the necessary resources to support Postgirot Bank with systems and acceptance testing of the new clearing service.

Further information concerning the project can be obtained from Eurogiro's website, [www.eurogiro.com](http://www.eurogiro.com), and Postgirot Bank's website, [www.postgirotbank.com](http://www.postgirotbank.com), and, of course, through the pages of 'Eurogiro News'.

## Change of ownership in Postgirot Bank

■ Postgirot Bank AB (publ) has conducted payment activities since 1925. Its banking business started on 1 March 1994 in connection with the conversion of its parent company, Posten AB (publ), into a public limited company. Postgirot Bank has a leading position on the Swedish payments market. Approximately 95% of Swedish companies and organisations and approximately 850,000 private individuals have a business

relation with Postgirot Bank. During 2000, Postgirot Bank assisted in approximately 430 million business transactions, in which about SEK 5,000 billion changed hands. Every fourth international payment was transmitted through Postgirot Bank and this growth has continued during 2001. Postgirot Bank is the only bank in Sweden which has access to Eurogiro and SWIFT, the international networks for cross-border payments,.

In 1999 Posten initiated the sale process of Postgirot, and in December 2001 Postgirot was acquired by Nordea AB, the leading financial services group in the Nordic countries. In this way, Postgirot Bank's 1.3 million customers in Sweden will be offered a full range of financial services whilst Nordea strengthens its competitiveness in payments and cash management.

POSTGIROT

Nordea 