

## **Press Release**

Stockholm, July 15, 1999

### **Banks buy VPC – strengthening of the Nordic financial market**

**Today, Nordbanken, Skandinaviska Enskilda Banken, Svenska Handelsbanken and FöreningsSparbanken (Swedbank) signed an agreement with the Swedish State, Industriförbundet (The Federation of Swedish Industries) and the Stockholm Chamber of Commerce, to buy 75 per cent of the shares of Värdepapperscentralen VPC AB (The Swedish Central Securities Depository) for SEK 900 million. In connection with the purchase, the banks will co-operate with the OM Group on how efficiency may be increased as regards the securities market and how the Nordic securities market can be strengthened.**

The four banks submitted a joint bid and together will own 98.6 per cent of the shares of VPC. After the purchase, each of the banks will own 24.65 per cent of the shares.

The banks have also signed a co-operation agreement with OM Gruppen AB (the OM Group) in order, among other things, to strengthen the Nordic financial region with regard to international competition. The agreement also gives OM the right to a place on the board of VPC as well as an option to buy 11 per cent of the shares of VPC.

Internationally, VPC is viewed as a leading company in its sector as regards both operative security and price/cost level. The main reason for the banks having purchased VPC is to consolidate its position in the on-going structural development taking place in Europe, thereby maintaining the liquidity and efficiency of the Swedish financial market. The move toward long-term competitiveness and security will continue through investment in systems and service. This will enable VPC to position itself as an attractive partner in the European integration process.

For the banks, increased Nordic co-operation within the markets and co-operation in connection with clearing and settlement, is very important with a view to the growing securities market in the Nordic and Baltic regions. Such co-operation strengthens the international competitiveness of the Nordic financial markets.

Earlier the banks owned 23.65 per cent of VPC (Handelsbanken 8.2 per cent, SEB 7.5 per cent, Nordbanken 5.6 per cent and Swedbank 2.35 per cent), the Swedish State owned 50 per cent, The Federation of Swedish Industries 12.5 per cent and The Stockholm Chamber of Commerce 12.5 per cent.

The banks will assume ownership as soon as the requisite official approval has been obtained.

*VPC is one of the main players on the Swedish securities market. Its principal function is to maintain a register of ownership of companies and organisations that are linked to VPC. Furthermore VPC is responsible for the settlement of trading in related securities, for payment of dividends and interest as well as the carrying out of issues.*

*VPC registers securities having a total market value of close to SEK 5,000 billion and expedites trades corresponding to a value of between SEK 300 to 400 billion per day. The organisation is divided up into four business areas: Issuers, Clearing and Settlement, Investors and Cross-border Network. VPC operates under the supervision of the Swedish Financial Supervisory Authority and is authorised to act as a central depository and as a clearing organisation.*

*VPC enjoys a strong position within its business area and has direct contact with those who issuing, investing and trading. Its custody system, comprising some 3.2 million custody accounts, is an asset which will be developed further. VPC has already developed Internet-based services in order to be market leader within the field of securities handling, for example by means of Internet and answering services that facilitate efficient handling and distribution of shares and bonds throughout the primary markets. The system for automatic transfer of the trading outcome from SAX2000, the trading system of the Stockholm Stock exchange, to VPC is another example of a function that improves efficiency.*

*VPC has a staff of 125. The staff will be unaffected by the change of ownership.*

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