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Nordic Baltic Holding receives The Banker's global award for Best Online Business Strategy

The esteemed British magazine "The Banker" has granted MeritaNordbanken, part of Nordic Baltic Holding Group, a global award for "Best Online Business Strategy". Banker's jury regards MeritaNordbanken as a pathfinder in Internet banking.

- We truly appreciate this award as it comes from one of the most respected observers of the banking industry. The award positions Nordic Baltic Holding Group at the top of the banking world as far as Internet banking is concerned, and this we feel is a place deserved, states Hans Dalborg, President and Group CEO.
- One has to remember that the Group has been into electronic banking for 18 years. We are very glad now to be able to confirm that our efforts have payed off, we now have more than 1,6 million Internet banking clients.

Solo is the brand for Nordic Baltic Holding's Internet Banking. It is widely recognised both in Finland and Sweden and is soon to be launched on the Danish market. The Group has 140 thousand customers who use our brokerage services via the Internet, 55,000 of which are Danish users of Unibank's Online investment. Online investment is the leading e-trading system in Denmark and will be introduced to Nordic Baltic Holding's Swedish and Finnish customers.

In the substantiation The Banker commends MeritaNordbanken's online strategy for its multi-channel approach. The mobile phone operations were especially praised by the jurors.

The award for Best Online Business Strategy is one of the two awards won by Nordic Baltic Holding Group. The Group's banking arm in Finland, Merita Bank, also received the award of "Best Bank in Finland".

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Nordic Baltic Holding (NBH) AB (publ) is the leading financial services group in the Nordic and Baltic Sea Region with total assets of EUR 192 billion and a world leader in Internet banking with 1.6 million e-customers. NBH owns MeritaNordbanken Plc and Unidanmark A/S with i. a. Merita Bank, Nordbanken, Unibank, ArosMaizels, Tryg-Baltica, Vesta, Merita Life and Livia. Six business areas serve 9 million private and 600,000 corporate and institutional customers through 1,100 bank branches, 125 insurance service centres, telephone and e-banking services and own operations in 18 countries outside the home region. NBH is listed in Stockholm, Helsinki and Copenhagen.

www.nordicbalticholding.com

Electronic Banking in a Wider Perspective

MeritaNordbanken's Solo is an electronic service with the world's most comprehensive range of financial products and services, and it is also one of the biggest web banks. Solo is used 3.5 million times a month and serves 1.4 million Internet users. Ongoing integration with Unidanmark adds over 200,000 customers via PC, raising the total number of online customers in Nordic Baltic Holding over 1.6 million while log-ons per month exceed 4.3 million.

MeritaNordbanken's Solo service, as it is known today, was developed from a telephone service launched in Finland back in 1982, and was expanded to include access via PCs in 1984. On-line stock trading was introduced in 1988, and banking by mobile telephone became possible in 1992. Internet banking dates from 1996, and 1998 saw the introduction of banking via television fitted with an Internet adapter. And, since October 1999, customers are also able to access the Solo service by WAP phone.

Today Solo services are equally accessible from a regular telephone, a mobile phone, a WAP phone, a PC or a television fitted with an Internet adapter. Transactions and balances can be checked without a password from a GSM phone, and the service can also be accessed from invoice payment ATMs. Solo's range of services is one of the most versatile available anywhere. In addition to account management and invoice payments, it can also be used for investments in equity, mutual funds and bonds, as well as for electronically signed credit facilities and foreign payments.

With a WAP phone, Solo users can already do all of the following: check account balances and transactions, pay bills, make foreign payments - receive and approve e-bills, make transfers between their own accounts, check due dates, accept direct debits and monitor usage of their Visa card. They can also send customer mail, read news bulletins from the bank, trade in shares and do e-shopping.

For example at Merita, the proportion of invoices paid over-the-counter has already fallen to 6%. Today over 74 % of orders to buy or sell shares, over 11 % of subscriptions to mutual funds and 14 % of consumer credits are processed electronically via Solo. On-line use of other services is also growing rapidly. The latest additions are e-commerce payments, electronic invoicing, electronic identification and signature and electronic salary payments. In addition, the formation of a pan-Nordic Group has already resulted in Solo services becoming available in Estonia, as will soon be the case with Denmark, Poland and the other Baltic countries. MeritaNordbanken will also adopt new services – such as Unidanmark's Online trading platform with 10 stock exchanges and 15,000 shares.

New dimension in eBanking and mBanking

Solo provides further customer value through inexpensive and secure on-line purchases. At present MeritaNordbanken has over 1,200 contracts with vendors who accept payment by Solo and 450 of them are represented at the electronic marketplace "Solo Market",

accessible from the respective web sites of Merita and Nordbanken. On-line buyers, including those connected via WAP, thus have easy access to a wide range of goods and services.

Another new service simplifying e-commerce is on-line invoicing via Solo. This means that the customer can receive an invoice directly to a computer and approve payment with no retyping of data involved. Using the on-line invoice, the customer can also connect to the invoicing company's on-line service for further information.

Customers can also sign agreements with third parties using their Solo IDs as a signature. Telecom operator Sonera, for instance, accepts Solo IDs as signatures on its mobile phone subscriber agreements.

The newest e-service is e-salary, a service that enables an employee to check monthly salary details via Solo. In consequence, salary specifications in paper form will no longer be necessary. A substantial benefit is also that salary details are saved in files, enabling the user to review a backlog of salary data.

Now WAP - next step EMPS

The use of information networks is increasing at a rapid pace, a trend accelerated by the growing use of mobile telephones. A personal digital phone is a very suitable medium for managing and monitoring payments and financial matters. Moreover, MeritaNordbanken's home markets, Finland and Sweden, have the highest mobile phone penetration in the world, almost 70 % and 60 %, respectively. With this in mind, MeritaNordbanken signed an agreement with Nokia in February 1999 on the development of wireless banking services using GSM phones and based on the Wireless Application Protocol technology. A complete range of Solo banking services became accessible by WAP phones in October 1999.

In May 1999, MeritaNordbanken, together with Nokia and VISA International, announced a pilot project involving the use of wireless application technology and mobile phones for payments over the Internet or via an open network or at a merchant point of sale. This project is called Electronic Mobile Payment Service (EMPS), and its purpose is to test new payment and related services aiming at creating a global open standard.

Using a Nokia WAP or GSM phone, Wireless Application Protocol (WAP) technology, authenticated card payment, EMV and the VISA Open Platform, customers will be able to make secure remote payments and also to pay at a merchant point of sale. Telephones are equipped with an additional 'plug in' small-size card providing VISA payment services to customers of the MeritaNordbanken Group. The pilot project involves mobile payment functions using WAP and local communication technology such as Infra-red and Bluetooth. In a later phase of the project, it will be possible to securely download applications onto a VISA Open Platform Bank Card 'over the air' using wireless technology. MeritaNordbanken will issue the card.

MeritaNordbanken is also one of the founding members of Mobey Forum. The Mobey Forum wishes to promote open, non-proprietary technology standards. Its mission is to encourage the use of mobile technology in financial services - such as payment, remote banking and brokerage. One of Mobey Forum's activities is promotion of a sustainable business environment for mobile financial services like open provision of services in a mass market, the use of mobile phones, open standards and non-proprietary security concepts such as client identification, dual chip (EMPS), mobile PKI.

In the near future WAP phones containing an additional chip (dual-chip phone) will serve customers on an even wider scale. The need to make mobile card payments and combine card functions into multi-application chips continues to increase.