

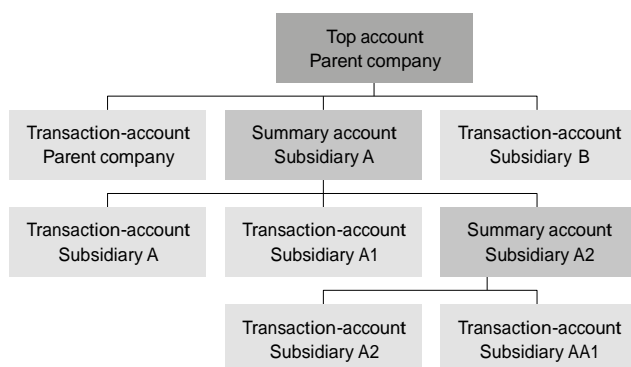
Cash Pool Services

Group Account

Group Account is a balance netting service within Nordea, concentrating group funds into one account - the top account on a real-time basis. The top account is normally held by the parent company.

A number of summary accounts and/or transaction-accounts are connected to the top account. Transaction-accounts are used for day-to-day transactions even though legally they are not real bank accounts.

All funds in the Group Account are bank balances on the top account. When funds are paid in or withdrawn from a transaction-account, the total available balance on the top account is instantly adjusted.



Cash concentration technique. A number of summary accounts and transaction accounts are connected to the top account. Inflow and outflow of funds through a transaction-account instantly adjusts the available balance of the summary account(s) and the top account.

Tailor-made

The structure of the Group Account is tailor-made for your group of companies, with as many summary accounts and transaction-accounts as you require.

A separate structure is normally built for each currency. In Norway, Finland and Sweden Group Account with a multi-currency functionality is available. Here you can have summary accounts and transaction accounts in different currencies under the same structure.

Overview and information

As a top account holder, you can utilise Nordea's electronic banking system to obtain real-time:

- overview of your group's total liquidity
- information about balances and details of incoming and outgoing payments on all transaction-accounts in the structure
- information on inter-company loans.

Benefits

- Reduces your need for external financing
- Improves your net interest
- Reduces your group's balance sheet
- Saves you from value date delays in internal funds transfers
- Facilitates your administration
- Gives you a total overview of the group's liquidity

Interest and financing

Your group's external financing needs are minimised as inter-company debit balances on transaction-accounts are automatically netted against inter-company credit balances on other transaction-accounts.

A reduction in the net interest for your group is achieved by this balance netting.

A credit facility is attached to the top-account only. Consequently, your subsidiaries will not need credit facilities from the bank as they are allocated internal credit limits from the top account holder.

Balance sheet reduction

By having a total net balance for the whole group, you will achieve a balance sheet reduction on group level.

Liquidity management

This is an opportunity to easily manage the group's total excess liquidity without moving funds between accounts, e.g. to invest the liquidity in the money market.

You can facilitate your liquidity management as the Group Account:

- keeps track of inter-company loans
- calculates internal interest
- handles cover check against inter-company balances and internal credit limits.

Transfers and administration

- You can effect real-time transfers between transaction accounts without any loss of value days. They are also free of charge if executed via Nordea's electronic banking system
- The parent company avoids any additional administration as all incoming and outgoing payments are handled by each subsidiary as usual.

Inter-company interest calculations

Group Account has a very flexible functionality for calculating your group's inter-company interests. It is possible to choose several kinds of reference rates for all currencies. You can set individual reference rates and margins for each subsidiary and currency for both credit and debit balances. Optional internal interest capitalisation periods are available.

Internal credit limits and cover check

To optimise the use of Group Account you can grant your subsidiaries internal credit limits, which are attached to the transaction-accounts.

To prevent unauthorised use of the Group Account there is an option to check the cover of each transaction-account's inter-company balance, including internal credit limits.

Account information and reports

Nordea's electronic banking system will provide you and your subsidiaries with real-time information on transactions, balances and interests.

Each subsidiary is only authorised to operate its own accounts under the Group Account structure. The top account holder gets information about the entire Group Account.

You and your subsidiaries can obtain various statements and reports, electronically or on paper.

Legal aspects

As Group Account automatically generates inter-company loans, various legal and tax issues have to be considered.

Legal and regulatory requirements differ from country to country. Therefore it is important to examine the regulations applying in your country before establishing a Group Account.

Further information

Please contact your account manager or your cash management specialist in Nordea for further information.