



## Financial Services Policy Committee

Federal Reserve System



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#### **Transatlantic collaboration launches new international payments service**

Cleveland, OH, USA October 25, 2010 – The Federal Reserve Banks and Equens have successfully processed the first automated clearinghouse payments via a new standardized channel for low-value cross-border payments between the United States and Europe. U.S. Bank and DZ BANK are the first banks to use this new channel.

In 2009, the Federal Reserve Banks and Equens announced a strategic collaboration for the processing of cross-border payments, later extending this collaboration to include DZ BANK. The effort enables financial institutions in the United States to send payments in U.S. dollars, Euros and British pounds to 22 countries across Europe via FedGlobal<sup>®</sup> ACH Payments. Conversely, banks across Europe can send U.S. dollar payments via Equens to the United States. DZ BANK serves as the European gateway operator, with Equens acting as the payment processor.

"The Federal Reserve Banks are excited to launch this strategic offering to support U.S. financial institution efforts to reduce processing costs and offer cutting-edge services that enable global commerce," said Marie Gooding, Federal Reserve Bank of Atlanta executive vice president and product manager of the Federal Reserve's Retail Payments Office.

This new channel for cross-border payments is the first live implementation of the payments framework of the International Payments Framework Association (IPFA), a collaborative effort among public and private payment



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groups in Africa, Europe, North America and South America to standardize and make more efficient the transfer of low-value payments around the world. The Federal Reserve Banks, Equens and U.S. Bank are members of the IPFA. Two other IPFA members, C2P (Clear2Pay) and SWIFT (Society for Worldwide Interbank Financial Telecommunication), supported the Reserve Banks' technological implementation.

DZ BANK joined the initiative in part because Equens currently processes cross-border payments in multiple currencies for DZ BANK. Thomas Ullrich, member of the Board at DZ BANK, said "The new channel is fast and reliable and further advances the cross-border payments services we are offering to our customers." According to Michael Steinbach, chairman of Equens' Board of Directors, "This service fulfils an increasing demand within Europe for the efficient processing of low-value cross-border payments around the world. It is our ambition to extend this service to include other regions, countries and currencies."

"This service allows U.S. Bank to expand the international payment options available to its customers for low-value payments to an initial 22 countries in Europe while also allowing us to leverage our investment in SinglePoint™ and the International Payments Framework Association (IPFA)," said Jeff Jones, executive vice president for Global Treasury Management Services at U.S. Bank. "We see this as a stepping stone to fulfilling our vision of simplifying these types of payments to a broader set of countries around the globe."

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### The Financial Services Policy Committee

The Financial Services Policy Committee (FSPC) is responsible for the overall direction of financial services and related support functions for the Federal Reserve Banks, as well as for providing Federal Reserve leadership in dealing with the evolving U.S. payments system. The FSPC is composed of three Reserve Bank presidents and two Reserve Bank first vice presidents.

### FedACH® Services

The Federal Reserve Banks are collectively the largest ACH operator in the United States, with almost 40 years of experience and ACH expertise. The Federal Reserve Banks provide reliable, high-quality and cost-effective ACH services to financial institutions across the country. Serving more than 21,000 ACH participants, the Federal Reserve Banks' dependability and commitment to service enable depository financial institutions to provide high-quality ACH services. For more information regarding FedACH Services or other Federal Reserve Financial Services, please visit [FRBservices.org](http://FRBservices.org).



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#### **Equens**

Equens SE is the first truly pan-European, full-service payment processor. As one of the largest and most innovative payment processors in Europe, Equens is leading the market for future-proof payments and card processing solutions. Thanks to an extensive and competitive service portfolio and a flexible, customer-orientated approach, the company seamlessly meets the requirements of the European payments market. With an annual processing volume of 9.4 billion payments and 3.4 billion POS and ATM transactions, Equens has a market share of more than 15 percent within the eurozone. Equens has offices in four countries – the Netherlands, Germany, Italy and Finland – and provides pan-European market coverage through services to clients in eight European countries. For additional information on Equens, please visit [www.equens.com](http://www.equens.com).

#### **U.S. Bank**

U.S. Bancorp (NYSE: USB), with \$291 billion in assets as of September 30, 2010, is the parent company of U.S. Bank, the fifth largest commercial bank in the United States. The company operates 3,013 banking offices in 24 states and 5,323 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at [usbank.com](http://usbank.com).

#### **DZ BANK**

DZ BANK is the fifth largest bank in Germany and the central institution for more than 900 German cooperative banks (Volksbanken und Raiffeisenbanken) and their 12,000 branch offices. Within the cooperative financial services network, which is one of Germany's largest private-sector financial services organizations, DZ BANK AG functions both as a central institution and as a corporate and investment bank. DZ BANK coordinates the efforts of the cooperative sector's comprehensive range of specialized services in order to achieve synergies and grow market potential for the benefit of the local cooperative banks. The DZ BANK Group includes Bausparkasse Schwäbisch Hall – a building society, DG HYP – Commercial Real Estate Finance, DZ BANK International, DZ PRIVATBANK Schweiz, R+V Versicherung – an insurance company, TeamBank – consumer finance, Union Investment Group – asset management, VR LEASING, and various other specialized institutions. For additional information on DZ BANK, please visit [www.dzbank.com](http://www.dzbank.com).

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