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NEWS RELEASE
For Immediate Release

BankServ Takes First Customers Live With SwiftNet Phase 2

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BUDAPEST – Three Hungarian banks have become the first users to go live with a new Phase 2-compliant version of TurboSwift, a banking software system for sending payment messages over the international SWIFT network. The new system, developed by BankServ International in London, is certified for compatibility with SWIFT's Phase 2 standards that went into effect this month in parts of Europe.

The latest release of TurboSwift, a program currently in use by more than 200 financial institutions around the world, was launched this month by KELER (the Hungarian Central Securities Depository), Erste Bank Hungary and Takarékbank Zrt. (Bank of Hungarian Savings Cooperatives Co Ltd.), all of which have their headquarters in Budapest. As one of just three countries taking part in the first round of mandatory Phase 2 conversion – Greece and Ireland are the others – Hungary represented a key test for banking systems that use the new protocols.

“With banks in 52 countries counting on us to process their foreign payment and other international messages, it was imperative that we have an updated and qualified TurboSwift system in place,” said Mary Ellen Putnam, who heads BankServ's international division. “Having the product ready early on helps give our clients the time they need to prepare themselves for the migration schedule.”

The mandatory upgrade to Phase 2 standards represents a significant shift in security and relationship management protocols: Banks will need to replace their computer systems' existing Bilateral Key Exchange (BKE) mechanisms with Relationship Management Applications (RMAs) to authenticate their international payments. Incorporating a new module named TurboRMA, BankServ's software complies with SWIFT's new RMA standard for increased security.

Now that the changes are complete, Mr. Tamás Homlok, Director of Payment Systems for Erste Bank Hungary, is happy to have been among the first to convert: "Being prepared is of the utmost importance any time you undergo a major IT change, especially in the finance industry. Although EBH faced a shorter timeline than most, we were able to rise to the challenge, as was our software system."

In the months ahead, BankServ will also be providing support to banks that need assistance updating their systems to comply with the SWIFTNet Phase 2 "C1" milestone, which will replace physical card reader security devices with new "Hardware Security Modules." SWIFT is orchestrating the migration from BKE to RMA on a country-by-country schedule through 2008.

About BankServ

Since 1996, BankServ has developed electronic payments technology for banks around the world, including systems for Fedwire, SWIFT, online payments and Check 21. More information about privately held BankServ can be found at www.bankserv.com.

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