



EUROGIRO

News

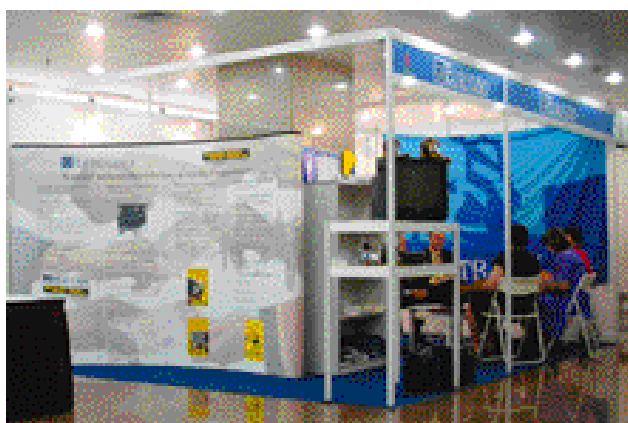
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4 / November 1999

Technology and business approach encouraged

The Beijing Postal Strategy is a milestone in the global postal community.

■ The 22nd Universal Postal Congress, held in Beijing in August/September 1999, adopted the Beijing Postal Strategy for postal services all over the world for the next five years. The strategy encourage governments and postal administrations around the world to develop new postal products and markets using the opportunities offered by advanced technology.



Eurogiro was represented at the UPU congress in Beijing with a stand established in co-operation with Western Union, Postbank in the Netherlands and the Postal Savings Bureau of Japan

Also in another respect the congress set new standards in the history of The Universal Postal Union (UPU): It was the most attended meeting with more than 2.300 representatives from 183 countries and 33 international organisations participating. Besides Postal operators and Post banks, the congress also hosted representatives of client and customer organisations, such as philatelic organisations, and numerous vendors of equipment and systems.

For decision makers from Post organisations around the globe the information exchange and networking offered an attraction of its own. "The congress was a real opportunity for numerous contacts and was a valuable inspiration for new initiatives and exchange of information" says Bozidar Sever, Member of the Board of Croatian Post Ltd.. "with the large number of representatives from numerous organisations, the congress actually gained a formally and conceptually new and improved image".

Henrik Parl, Managing director Eurogiro network: "The Postal Community is well positioned to service the payment needs of private individuals because of its unequalled customer base and branch network"



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The Relationship between European Posts and Western Union has been expanded and now includes twelve Eurogiro members.

Eurogiro News is a magazine for promotion of information, ideas and knowledge in Eurogiro.

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The Eurogiro network is an international electronic payment network for the postal financial institutions.

The Eurogiro network is the only electronic cross-border payment system which covers both postal and bank products. Eurogiro has 26 member institutions. Although Western Europe is the core area, Eurogiro now spans four continents. The electronic payment system of Eurogiro is administered by Eurogiro Network A/S in Copenhagen, which also provides the organisational framework for the further development of the co-operation. The company is owned by 16 European members.

Eurogiro Member institutions:

Austria: P.S.K. AG • Belgium: POSTCHEQUE • Denmark: BG Bank A/S • Finland: Leonia Bank Ltd. • France: La Poste • Germany: Deutsche Postbank AG • Iceland: Póstegiró • Ireland: AN-Post • Italy: Poste Italiane • Japan: Postal Savings Bureau • Luxembourg: P & T • Morocco: Office Nationale de Poste • Netherlands: ING Bank N.V. /Postbank N.V. • Norway: POSTBANKEN • Portugal: CTT Correios • Romania: Banc Post, Posta Romana • Slovakia: Postova Banka • Spain: Argentaria, Correos • Sweden: Postgirot Bank • Switzerland: Swiss Post Postfinance • Turkey: General Directorate of Post • United Kingdom: Girobank PLC • USA: The Chase Manhattan Bank, Bankers Trust Company

Changes in a changing world

In the world of Cross Border Payments changes are increasingly part of the daily agenda. The coming millennium is expected to make this even more true.

■ Consolidation in the banking industry, changes in the world of Postal organisations from being state owned service providers to profit organisations, new technology and e-Business are affecting the every day live all over the world.

It is encouraging to see how concerned the payment industry is in evaluating and utilising these opportunities without forgetting that Cross Border Business basically has been electronic for several decades.

In this issue we focus on the changing environments of the payment industry with the emphasis on the developments in Central Europe and on the areas of opportunities emerging on the Internet.

Eurogiro is actively seeking to expand the membership of Eurogiro and welcomes the overwhelming interest also shown in the UPU Congress in Beijing. It shows a Postal Sector focused on seeking new areas of income and also on the very important issues of creating added values to all involved in the value chain of cross border payments.

One of the most important factors behind this development in the industry is the constant focus on rationalisation and reducing costs pr. transaction. This is what drives the development of Business to Business development on the Internet and also what actors in the Cross Border

Business must look at to stay in business. This is the reason why Eurogiro has a working group monitoring the development in e-Business as described in the articles concerning e-Business.

Eurogiro is very focused on high straight through processing, quality and thereby low transactional costs. One example of how this is monitored and developed can be seen in the article describing the invaluable work of the Eurogiro Operational Performance Group – among many projects the group is looking at more efficient mechanisms for settlement.

In the light of the fast growing market for international payments and the harmonisation efforts in Europe, we have in this issue focused on the development in some Central European countries. It is interesting to see the business taking of, leaving new and better payment instruments to the clients of Postal Operators in the region.

It is the intention of the Editorial Committee to restrict the Eurogiro Newsletter to a size of eight pages. Since the needs for information and communication is high, this will probably lead to five or six issues of the Newsletter in year 2000.

Eurogiro welcomes the next millennium and the world of changes – changes is the only way to security in a changing world!

Henrik Oksholm, Editor-in-chief

Eurogiro busy at UPU congress in Beijing

Valuable meetings with potential members and two presentations for the congress, was the outcome for Eurogiro at the congress.

■ The Eurogiro co-operation was represented at the 22nd Universal Postal Congress in Beijing in August/September 1999. Though primarily a postal event, the congress also featured financial services with representatives from Post banks and financial services divisions in Post organisations.

“We were very pleased to receive the invitation from the Universal Postal Union (UPU), to participate in the congress” says Henrik Parl, Managing director, Eurogiro Network A/S, “This gave us the opportunity to meet with representatives from almost every corner of the postal world and to present the advantages of the use of the Eurogiro services to Postal Financial Organisations”

Eurogiro was represented with a stand established in co-operation with Western Union, Postbank in the Netherlands and the Postal Savings Bureau of Japan. In addition to the presentations for the congress



Bozidar Sever, Member of the Board of Croatian Post Ltd (right): “The new electronic products have remarkable advantages compared to the traditional products” to the left: Henrik Parl, Managing director of Eurogiro Network A/S

Eurogiro was able to hold approximately 40 meetings with potential users of the Eurogiro system.

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Eurogiro has positioned itself as the only solution in operation which can solve the basic needs of cross border payments in Postal Financial Organisations, i.e. account transfers, Money Orders, Western Union, Cash on Delivery etc.

The Croatian Post is among the many postal operators that has developed the whole range of financial services in the post offices including post cheques and money order service. "It is well known that the Croatian Post Ltd. executes the most significant part of its services in a market environment." Says Bozidar Sever, Member of the Board

of Croatian Post Ltd, "The share of financial services in the total volume of postal services is 21%, while the realised income from those services is doubled in comparison to other services. Therefore I paid much attention to the sessions on postal financial services".

The Croatian Post's national traffic is already automated so the logical next step is international: "We intend to connect to the international networks" says Bozidar Sever, "the discussions and sessions confirmed that the new electronic products have remarkable advantages comparing to the traditional products. The clients require quick and reliable services at reasonable

prices such as the ones offered by the networks of POST*Net and Eurogiro".

Addressing the congress, Eurogiro also took the opportunity to underline the opportunities for growth offered to Postal Financial entities. "The Postal community is well positioned to service the payment needs of private individuals because of its unequalled customer base and branch network" says Henrik Parl "and we invite all entities in financial services to participate in the task of making Postal Services even more attractive for customers and competitive compared to traditional banks."

PBIC in Eastern And central Europe Postbank International Consultancy; Building Bridges into Central and Eastern Europe.

The ING Group, which comprises the Postbank of the Netherlands, is using its expertise in the provision of modern postal financial services through the post office networks to advise postal operators in other countries on how to design and implement the various options for diversification of postal financial services.

■ The diversification of postal financial services tends to contribute significantly to the improvement of the revenue situation of the post office network. The required expertise addresses all major aspects of postal financial services: strategic and commercial planning, product development, marketing and distribution, Information Technology, legal and regulatory issues, etc. These activities are organised in PBIC (Postbank International Consultancy) which is the ING Group's consulting unit specialised in advisory services for postal operators/postal financial services providers.

PBIC was founded by ING/Postbank back in 1989 as reform and political change swept over Central and Eastern Europe. Although PBIC still considers Central and Eastern Europe as its core market, it is today working globally and advisory activities have extended to Africa, Asia and Latin America as well.

Since its foundation PBIC has been advising postal operators (postbanks and post organisations) on how to change existing structures. "The idea for ING/Postbank was – and is – also to use the contacts to support commercial relations with the postal operators by arranging partnerships" says Hans Boon, Head of Postbank International Consultancy, while emphasising that the right commercial relationships also implies that ING/Postbank refrains from using the relationships thus established as openers for acquisitions.

The main issues for the programmes have changed over the years. "In the past the issues were more technological, typically how to advance computerisation" explains Hans Boon. "Today there is more focus on

institutional strengthening of the postal operators, the aim being in many cases to help in improving corporate and management structures in the post. In many countries there is a drive towards change from having the postal operator organised as a government office into creating more managerially and commercially autonomous entities. The first step for many is the change from a state service into a state-owned enterprise. The goal is often to develop better products and more efficient services. Increasingly this commercialisation process serves as a preparatory step for subsequent privatisation.

In many countries mail and parcel services, although being the traditional core activity of the post, only provides a minor portion of the post's revenues. Furthermore, income on these services very often cannot be maximised due to legal restraints on the fee. "In Western Europe the revenue distribution often features (approximately) 40% from financial services, 40% from stationery (pens/envelopes), lottery and other retail services, and only 20% from traditional mail and parcel services." Hans Boon adds: "Furthermore, in terms of the transactions in the post office network, more than 70% of the counter services represent financial services." The potential for income as well as the prominence of financial services at the counters has drawn the attention to the potential of financial services throughout Central and Eastern Europe.

Most of the transactions are cash based, as account penetration in Central and Eastern Europe is low by western European standards. Although very different applications of the postbank/postal savings bank model can be observed, very often the postal organisation runs the cash and paper

based business on its own account and maintains agreement with one or more postbanks to add other financial services.

In most of the countries there are less than 0.1 accounts per capita – in some countries even as few as 1 account per 100 people, compared to a ratio of just over 1 account per capita in the European Union. This fact constitutes an opportunity to transform the cash/paper-based business into accounts. The postbanks and postal organisations can take advantage of the vast network of post offices as sales channels by cross-selling products. But convincing customers to open accounts will also be a necessity due to the rapidly increasing difficulty to compete (with banks) without providing accounts to clients. The risk is that the postal operators can lose the cash based payments to commercial banks.

The role as advisor in this process is pursued in competition with other suppliers in the market for advisory services. Occasionally, a consultancy mandate is obtained by direct assignment, but more often the way to a mandate goes through a tender organised by EU, EBRD (European Bank for Reconstruction and Development) or World Bank, via a public or restricted bidding process.

That is also one of the reasons that PBIC is internally organised both as a department of ING, with a view to securing optimum access to expertise available in the Group, and as an independently registered plc. The incorporated company reflects the professional neutrality and independence of the Consultant, accompanied by a separate administrative structure so as to comply with requirements from external donors such as EBRD and the World Bank.

With working groups following the market development in the e-business, Eurogiro is taking an active approach in the internet challenge. In this and the next issues of Eurogiro News, we will treat various aspects of the internet revolution taking place.

E-commerce – a revolution taking place.

E-commerce is one of the most quoted buzzwords today. The entire business spectrum from dairy products to financial sector IT are swarming around the concept in search of the winning formula for tomorrow's markets.

■ The e-commerce covers a wide array of businesses from services to traditional sale of physical goods. With one common characteristic: an important part of the information flow between merchant/vendor and buyer is made via the internet.

Andersen Consulting has made a general European research for Eurogiro to find out which issues merchants considered important concerning internet payment solutions. The general observations were

that security, both perceived by customers and actual system security stands out as the most critical issue. Interestingly there was a high level of agreement across countries on which issues are most important. The findings may touch on a well known problem for technological break through in retail payment innovations: the interdependence between consumers and merchants, in which both parties await the adoption of the innovation by a critical mass of the other party: The consumer will not

use the payment technology when it is not adopted by a sufficient number of merchants and vice versa.

However exposed the business-to-consumer area may be, the most far-reaching change may happen in the business-to-business segment. Linking big corporation's in-house system software such as accounting and purchasing / inventory applications to new vendor software may prove to be a completely new way of doing business.

La Poste in Internet move

Financial services through the internet are part of La Poste's expansion of its electronic services.

■ La Poste of France will soon open a special web site devoted to the financial services (www.lapostefinance.fr) in connection with its existing home page (www.laposte.fr). The new site will be opened on the 20th of November offering, amongst other products, on line account statements for its customers. During the year 2000, it will also be possible for La Poste's customers to initiate financial transactions directly from this site.

LA POSTE

17 000 points of sale
3,5 million visits per day. 23 giro centres,
44 million private and corporate customer accounts

La Poste turnover 1998:

14,23 billion euros

Financial services turnover 1998:

3,05 billion euros

Focus on financial services offered by La Poste..

Current accounts (DDA)*

Savings accounts

Portfolio

Property loans to clients who already have home savings plans or accounts at La Poste

Live Insurance

International Payments

UPU member

Eurogiro member

Target European Transfers

International Credit Cards

Western Union agent (regional agent of the year 1999)

Electronic banking is not a new service at La Poste, which has for years offered home banking products through French Minitel. This product labelled: Videoposte consists in financial services of domestic payments, account management with sweeping options as well as pricing information on French money market securities and purchasing or selling orders on those markets. With Videoposte Micro, this offer goes one step further by upgrading these same services to an online access level, making it possible for the customer to follow his accounts in real time.

Successfull campaign: Benefic

With the low interest rates nowadays, the best financial performances on markets are done through Stock Exchange investments. But everyone is not willing to take the risks to buy and sell shares directly on financial markets.

This is why La Poste has launched its new product, called Bénéfic.

Bénéfic is a mutual fund scheme which offers the guarantee of +23% after 3 years life if the CAC 40, the French stock index, scores 0 or more.

The great innovation is that even though the CAC 40 scores less than 0%, Bénéfic is still profitable as the customer has a guarantee to earn 23% return minus the CAC 40 decrease rate.

A new Bénéfic campaign launched in November 1999 was decided further to the enormous success of the initial one in October 1999.

Bénéfic is a mutual fund scheme which offers the guarantee of +23% after 3 years life if the CAC 40, the French stock index, performs 0% or more.

Domestic Payments
Direct checks clearer
Direct ACH member
Direct RTGS member
Domestic money order (TFT)
GIE Cartes Bancaires members

Finland Internet

Leonia Bank offers a complete range of Bank services through the internet

■ Finland has over the last couple of years consistently been in the top five when rankings were made on internet development stage measured as number of internet users per capita.



Petteri Pasila, Vice President, Payment Services - Internet, Leonia: „The e-mail is a perfect tool for the customer services“

This has also had an effect on the financial landscape, where all the major Finnish financial institutions are launching new internet based services for their customers. Leonia has been in the forefront of this push towards internet. Leonia launched an internet bank in 1997, WebBank, which allows customers to make transactions directly on their account. The customer number of the on-line bank has increased up to 15,000 each month. Total number of customers who have access to phone and web services is nearly 300.000.

In the autumn of 99, the services of the on-line bank will be further expanded as customers will get access to direct trading in Mutual Funds. In the beginning of December Leonia will also open up a stock trading facility over the internet with direct online connection to the Helsinki stock exchange.

Also payment services can be executed via the WebBank. Through the internet customers can execute payments to other accounts in Leonia on an on-line basis as well as initiate payments to other banks on-line. Although the payment itself is going through the Finnish inter bank clearing system, PMJ (Multibank Clearing System) it only takes one day.

Cross-border payments on the web

On the cross border payment side, Leonia is also planning a semi automated cross border payment system, where the instruction can be given in the WebBank.

However, the execution is not made directly as it involves a certain amount of processing to take place in Leonia's operational department, in order to finally execute the international payment. "International payments are hard to automate" says Mr. Petteri Pasila, Vice President Payment Services - Internet, Leonia "this is because a lot of check information is available for domestic payments such as the modular checking of accounts, bank registration numbers, national zip codes. This is not always the case with international payments, and thus we are forced to make a certain amount of additional processing centrally, before we send the payments abroad."

The WebBank is targeted towards the retail segment that is private individuals and small companies. Until now, large corporations have been offered electronic banking as a file transfer based service, but plans are on the table for internet based payment services also for large corporations.

Bills presented as e-bills

Leonia has discussed with the Finnish Post the possibilities of bringing additional features to e-commerce services: a bill presentment service which combines the post's tracking system with the payment capabilities of Leonia by offering a billing service for e-commerce. The system allows internet merchants and buyers to split the risk of deliverance. A payment ordered through the system to Leonia by the buyer is not passed on to the merchant until the post can confirm that the goods have been dispatched.

Another service is e-bills for volume invoicers (for example mobile telephone companies) which send bills through WebBank. The customer will see the bill on the screen page for open bills with information on: the sender, the due date and the amount of the bill, and by crossing the check box "I accept this bill" the customer can execute the payment. Also only a mouse click away is access to the invoicer's archive with additional information on the bill. Paperless billing system for b-to-b market has been launched on 19 October 1999 by Leonia and Elma Oy. It is based on XML, the latest internet technology invention to information exchange between corporate systems.

Sampo and Leonia form the leading financial services group in Finland

Leonia and Sampo, The Largest Finnish insurer, on 13 October announced that they had agreed to a merger of equals to create a new financial services group called Sampo-Leonia. The merger has been approved by the Cabinet Committee on Economic Policy of the Finnish Government.

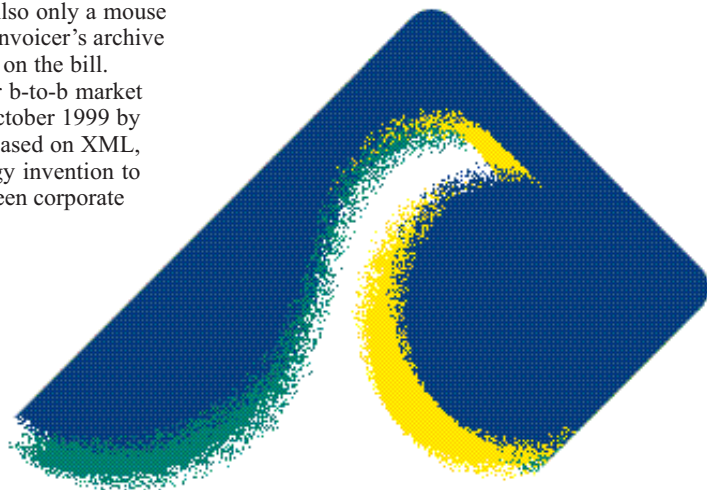
Sampo-Leonia will become the first full-service financial group in Finland with a leading position in the insurance market and a strong position in the banking market.

E-mail is now available for all employees as a tool for customer communication

E-mail is available as a tool for all employees at Leonia as the bank has just migrated from their previous host based internal electronic mail system to Lotus Notes e-mail system. However, the employees of the bank are instructed not to include security sensitive information in the e-mails, a fact that sometimes has to be explained to the customers who may not always be aware of or attentive to the security issues in e-mail communication.

"The e-mail is a perfect tool for customer services, as it can be used all time of the day and reaches the addressee almost instantly" says Mr. Petteri Pasila.

On the downside of the change to e-mail is the tracking of an employee's communication with a customer when he is out of office. "If the e-mails reside on the personal directory on his Pc, it makes it more difficult to access the information compared to a letter copy filed in a drawer which is a well known routine for any bank employee" says Petteri Pasila. "Nevertheless the advantages outweigh the disadvantages and the e-mail is decisively the trend, and contrary to much technological innovation, the switch to e-mail is definitely customer driven".



Over the last six months a number of institutions have been connected to the Eurogiro network. In the following articles we report from these new countries, the status of the installations and the challenges which are overcome or lie ahead.

Posta Romana brands Eurogiro payments

Posta Romana will print special forms for the customers, labelling the payments as Eurogiro products. Posta Romana will also use the Eurogiro system for the transmission of Western Union money transfers.



Mihaela Paun, Director, Romanian Post: "It is important for us to show the customers that we are introducing a new product, which means better service and higher quality"

■ "It is important for us to show the customers that we are introducing a new product, which means better service and higher quality" says Mihaela Paun, Director of The Information Technology Centre of the Romanian Post "Our customers are already familiar with our existing financial paper based products and internal "Electronic Fast Money Order" product, and by using the Eurogiro label, we would like to emphasise that Posta Romana also offers international electronic payments."

The Eurogiro products will be on sale at 41 post offices and Posta Romana is presently in the process of implementing the Eurogiro system. The Eurogiro System (ELS) has

been installed and tests have been carried out on the connection to the Posta Romana international host system. This allows incoming Eurogiro messages to be sent electronically directly for further distribution to the Romanian post offices. Payments generated in the post offices will be sent electronically via the international host system to Eurogiro members.

"We have contacted the individual Eurogiro members to establish the bilateral agreements on the payments, and we are looking forward to finalise this framework of agreements with the other members within the next few months" says Mihaela Paun.

Banc Post opens route to Romanian bank accounts for Eurogiro members.

Eurogiro members will be able to send payments to accounts with most Romanian banks through Eurogiro. This will be the result of the connection of Banc Post of Romania to the Eurogiro system.

■ Banc Post had the ELS system installed on 16-20. August 1999 and expects to start the production in the beginning of the new year.

"We are implementing the standard products including the payments to non-member bank accounts" says Alina Pascu, Director, Banc Post, "as Banc Post is a member of the Romanian National Clearing it will allow existing Eurogiro members to execute payments to customer accounts at almost any other Romanian bank".

Banc Post is also implementing the Western Union services through the Eurogiro System.

When the system was installed it was realised that a new functionality had to be implemented to support dual currencies. It was necessary to update both the Eurogiro application and the interface at Western Union. A quick response by the developers at Western Union and Eurogiro has provided the organisations with the required functionality within 2 weeks.



Alina Pascu, Director, Banc Post: "Banc Post's membership of Eurogiro will allow existing Eurogiro members to execute payments to customer accounts at almost any other Romanian bank".

Correos will be live on Eurogiro December 1999

Correos of Spain is presently running production test on the Eurogiro system and expects to start their live production in December 1999.

■ Correos joined Eurogiro in June 1999, in order to link up directly with the other Eurogiro members in the money order business. The Eurogiro system has been set up in Correos over the summer "The production test is running very rapidly and we expect to start in the beginning of December" says Carmen Rodriguez Ares "We are looking forward to working together with the other Eurogiro members".

Through Argentaria, Correos has been active with Eurogiro money orders since 1996 and today has bilateral agreements with 14 Eurogiro countries.



Carmen Rodriguez Ares, Director, Correos: "The production test is running very rapidly and we expect to start in the beginning of December"

Postova Banka now fully functional in the Eurogiro network

All the standard products have been implemented in the Eurogiro member of Slovak Republic

■ Postova Banka, a.s. has implemented the standard Eurogiro products on the receiving side as well as on the sending side, including third countries' currencies. "We have chosen only standard products as a beginning" says Pavel Bordac, Postova Banka "but we would like to continue to implement the other ones as well. First of all, we are going to implement the Eurogiro urgent payment."

Postova Banka, a.s. started their first Eurogiro Production in July after testing with Austria's PSK.

As the second country after Austria, Postova Banka, a.s. initiated the exchange of payments with Switzerland in both directions on 18 October 1999 and expects to expand the number of countries with an additional four countries before the year end.

The testing period was used to train the staff in all functions of the payment process "The easiest part of the training was creating and sending the envelopes in the manual entry system," says Jana Bartosova, Postova Banka, a.s. "whereas it took a little



POŠTOVÁ BANKA

longer to get used to the activity log". Jana Bartosova emphasises the importance of focusing on the MAA key exchange in the beginning as a successful key exchange is a precondition for starting the testing on schedule.

Settlement under scrutiny

The development of improved settlement models is one of the tasks handled by the Operational Performance Group

■ The Operational Performance Group has been entrusted with the task to analyse the existing clearing and settlement options in Europe with the view to propose enhancements for the Eurogiro members and for possible new members.

"The settlement issue is a good example of the real tasks for the group" says Kaarina Merilinn, Head of Operational Performance Group "Other tasks include the general rules and recommendations included in the Eurogiro manual (the Eurogiro Information Handbook), a special recommended model for the euro and now the analysis for a possible new settlement models."

Before the implementation of the Euro on 1st January, a common settlement model for the euros between Eurogiro partners was

worked out and recommended by the Operational Performance Group. The purpose was to guarantee an easy and administrable solution for all members.

"The model was well accepted by most members and users. As a result the Eurogiro members had no difficulties worth mentioning with their mutual settlement even in the first days and months of this year when many banks suffered from the settlement problems – with cover for payments arriving in wrong and unexpected places."

However, there are other alternatives available for the mutual settlement and a lot of experience was collected on the different settlement models and channels during the first half of this year.

The Operational Performance Group is one of the permanent working groups in the Eurogiro. Its main objective is to ensure high quality performance on the network and a satisfying service level on the Eurogiro system.

The OPG consists of industry experts from the shareholder institutions securing high level of professional knowledge and expertise in the group.

The principles of the group's work are simple: the members do not only represent their own organisation but all Eurogiro members and users. The opinion of non-represented members are received via various methods: questionnaires on the topic, direct contacts to member organisations, draft model distributions with requests to give feedback, discussing the matters with other groups such as the Business Development Team, Advisory Group and ad hoc groups.

EUROGIRO in Year 2000

As the year-end approaches everybody are getting ready for the final test of years of work on the year 2000 challenge.

■ In the financial sector all over the world, a countless number of systems have been under scrutiny and had their date functionality corrected to prepare for the millennium. In Eurogiro the local systems have been exchanged with the new Y2K compatible ELS.

In the international financial processing industry, the challenge is bigger than in most other industries, as the continued function of all the interconnected software involved in a single transaction, depends on an integrated test of all the applications in the chain. For that reason Eurogiro Network A/S has

offered test beds for integrated Y2K test between the members. The test beds have run on previously announced dates from the spring and until autumn.

In the event of a Y2K error in a cross-border payment system the end-customers may experience a delay of payments which have been sent over the new year. For customers sending large amounts, such delays may have big consequences in terms of loss of value dates, complications of business relations etc. and consequently the financial sector has been working hard on this problem for several years.

The extensive test in Eurogiro and with members makes the above risk small.



Eurogiro seminar on Marketing and Product management

■ Eurogiro is arranging a seminar on 13-14 January 2000 with focus on Marketing and Product management. The venue of the seminar will be Paris.

The seminar will deal with both general market trends in the cross border payment market as well as the potentials of Eurogiro as a co-operation and a service offer.

“This will be the second member seminar. “ Says Nicole Walker, Head of The Eurogiro Business Development Team: “ We hope that the product managers for international payments as well as area managers will use this opportunity also for exchanging ideas with other colleagues responsible for the same product but in different markets. This contact is often held over years and is an enrichment in the daily business.”

The objectives of the Eurogiro seminars are to offer unique possibilities to exchange

experience between people working with the same tasks. Enhance quality and best practise by knowledge training and focus on development of higher standards

The seminar was originally scheduled for late autumn 1999, but as it was reckoned that both the normal end of year activities and especially the year 2000 challenge would lower the interest of the seminar, its was decided to postpone the seminar to January.

For further information on the seminar, please contact Nicole Walker, Swiss Postfinance +41 31 338 6060 / Fax 41 31 338 0968 / e-mail: walkern@post.ch or Kristian Blicher Andersen, Eurogiro Network A/S +45 43 30 75 18 / Fax +45 43 71 26 62 / e-mail: kristian.b@eurogiro.com

Eurogiro Activity Calendar 1st half-year 2000

13-14 January 2000

Eurogiro Seminar on Marketing and Product Management

April 2000

Eurogiro Board Meeting

May 2000

Eurogiro User Group Meeting

June 2000

Operational Seminar

30% fee reductions at Eurogiro Board Meeting in Lisbon

On 21-22 October 1999 Eurogiro's 16 shareholders held the semi-annual Board Meeting in Lisbon. The meeting was held in a very positive atmosphere and with major decisions for Eurogiro for the future.

■ The accounts for Eurogiro were improved considerably on the background of growth in volumes in 1999. As this growth is expected to be accelerated in 2000 the Board was able to approve a reduction of the transaction fees for Eurogiro transactions by some 30%.

The major reasons for the success are the commitment from members to direct transactions through the very competitive Eurogiro system as well as the new alliance with Western Union.

The Board approved the strategy for year 2000 and the process for the long term strategy 2001-04 .

A number of new activities in member working groups was initiated by The Board, which approved the expansion of Eurogiro to new countries either through new members or by new alliances such as the alliance with Western Union.

In 1999 Eurogiro has accepted 5 new members and expect at least a similar figure for year 2000.

Mr. Scholz, member of the Board in Deutsche Postbank AG, was elected as new Chairman of Eurogiro Network A/S for the next two years. As new Chairman of Eurogiro, Mr. Scholz will replace Mr. Bucher, member of the Board of Swiss Post Finance. Mr. Bucher was praised for his important contribution in improving the market position and profitability of Eurogiro.

Western Union/Eurogiro PR and Marketing Work Shop in Amsterdam

■ The relationship between European Posts and Western Union has been expanded and includes now twelve Eurogiro members.

The first work shop targeted directly towards Eurogiro and Western Union members was held in Amsterdam on 28. October. Five organisations (Correios de Portugal, Correos, Spain, La Poste, Luxembourg, Postbank, Netherlands and Deutsche Postbank) was attending the presentations of the Western Union and Eurogiro PR and Marketing plans for year 2000.

A special developed Marketing Tool was presented followed by discussions between the participants and Eurogiro/Western Union representatives.

A conclusion from the meeting was that it should be followed by new work shops and a Marketing/PR meeting in May or early June in order to have the information before the planning of Marketing plans for year 2001.

Among the subjects covered in the next issue of Eurogiro News appearing in August are:

- ◆ Report from the Eurogiro January seminar
- ◆ Portrait of a Eurogiro member

Please forward ideas, comments, articles etc. to:

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