



EUROGIRO

News

Contents

3 / August 2001

Yugoslavia's Postal Savings Bank signs Eurogiro agreement



Mrs Jelica Zivkovic of the Yugoslavian Postal Savings Bank said, 'We are proud that Yugoslavia is now a part of the Eurogiro network'.

■ In addition to joining the Eurogiro network, the Postal Savings Bank has also signed an agreement with Western Union. Scheduled production is due to kick-off with Western Union and Eurogiro around 4th quarter.

The Belgrade-based bank is licensed to offer its services to private and individual customers, in both domestic and international payment operations. Within its domestic payment operations, the bank offers giro, current and savings account services and related card services, pension payments, domestic money order services

and foreign exchange services to individual customers.

Through its international payment operations, the bank handles international postal money orders, international electronic money transfer (SWIFT), and cheque encashment. The international money order services are undertaken in cooperation with the postal administrations of a number of countries, primarily in Europe but also in other parts of the world, and are based on UPU bilateral agreements.

Czech Postal Savings Bank-CSOB signs Eurogiro agreement

On 9th July 2001, the Czech Postal Savings Bank, a division of the Ceskoslovenska Obchodni Banka (CSOB), signed the contract to join the Eurogiro network agreement.

■ Established in 1964, CSOB claims to be the strongest, most reliable, and most efficient bank in the Czech Republic. After a successful privatisation in 1999, the bank continued to dynamically develop its services towards a single goal – satisfying the existing and future requirements of its customers. Until 1989, the bank concentrated primarily on financing the foreign trade of companies and on foreign currency services. In fact, CSOB was the only bank in the Czech Republic providing foreign trade services. After 1990, the bank diversified its activities and broadened its client base, to include new businesses and individuals. Today, CSOB is a universal bank offering its products and services at European standards across the whole client spectrum; from students to pensioners, small traders to national corporations.

Until privatisation, the founder and majority shareholder was SBCS with other government-controlled entities as minority shareholders. Since privatisation in June 1999,



CSOB has been operating in co-operation and co-ordination with a new owner, the Belgian KBC Bank, which is a member of the KBC Banking and Insurance Group. The group is one of the largest and strongest financial groups in Europe, with branches and subsidiaries worldwide. The European Bank for Reconstruction & Development and The International Finance Corporation, part of the World Bank, also became shareholders. With this backing, CSOB is able to further strengthen its position on the Czech banking market.

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

Eurogiro News is published quarterly by:

Eurogiro Network A/S
 Carl Gustavs Gade 3,1. tv
 DK- 2630 Taastrup
 Denmark
 tel: + 45 43 71 27 72
 fax: + 45 43 71 26 62
 e-mail: eurogiro@eurogiro.com

Editor-in-Chief:
 Svend Mygind

Subscription enquiries:
 Filip Jensen
 Tel + 45 43 30 75 18
 www.eurogiro.com

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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 33 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 • Cape Verde: Correios de Cabo Verde • Croatia: Croatia Post • Czech Republic: CSOB a.s. • Denmark: BG Bank A/S • Finland: Sampo Bank Plc • France: La Poste • Germany: Deutsche Postbank AG • Greece: Hellenic Post • Iceland: Iceland Post • Ireland: AN-Post • Israel: Israel Postal Authority • Italy: Poste Italiane • Japan: Postal Savings Bureau • Luxembourg: P & T • Morocco: Barid Al Maghrib • Netherlands: ING Bank N.V./Postbank N.V. • Norway: Den norske Bank • Portugal: CTT Correios • Romania: Banc Post, Posta Romana • Slovakia: Postova Banka • Slovenia: Postna banka Slovenije d.d. • Spain: BBVA, Correos y Telegrafos • Sweden: Postgirot Bank • Switzerland: Swiss Post Postfinance • Czech Republic: CSOB a.s. • Tunisia: Tunisian Post • Turkey: General Directorate of Post • United Kingdom: Girobank PLC • USA: Deutsche Bank • Yugoslavia: Postal Savings Bank of Yugoslavia.

Eurogiro says 'THANKS TO YOU'

This issue of the newsletter is, as you can see, in two parts. At present, we are in the process of running an 'in-house' promotion campaign, called 'Thanks to you'. This began in June and will run until December this year. In this edition, we have gathered together just some of the many photos we received from one of our initiatives where posters were sent to all our member institutions. These pictures illustrate some of the 'behind-the-scenes' faces which contribute to the success of Eurogiro.

When we, in Eurogiro Network A/S, run a promotional campaign, it is usually natural for us to target those in our 33 member organisations who are in charge of international payments. This is not the case with this campaign.

While we may focus on Straight-Through-Processing and try to avoid manual handling, paper and paper-based payments, we are very aware that much of the transmission of Eurogiro messages depends on input from people. There are around 1000 of these 'behind-the-scenes' people in our member organisations without whom the system could not operate. The 'Thanks to you' campaign has been specifically devised to recognise their individual efforts. In addition, the campaign will also try to give Eurogiro a 'face', while also increasing knowledge of the Eurogiro system for all those working with cross-border transfers within our member organisations.

While on the subject of Eurogiro Network A/S, the use, or not, of the Eurogiro logo is entirely at the discretion of the individual member organisations. If a member wishes to display the logo before their customers, we are most happy for them to do so. If they do not wish to, this is also their prerogative and we are happy with their decision.

In this issue, it is also a pleasure to introduce two new members to the Eurogiro community who are scheduled to go live during the autumn. We are sure they will be a welcome addition to our ever-expanding network and will gain benefits from the Eurogiro system as the most reliable, transparent and simple system for their customers.

The article concerning Eurogiro's results for the first half of 2001 is encouraging reading. I am sure it will be welcome to both Eurogiro members and their employees. I look forward to seeing what the next half year has in store.

In the meantime, I hope you enjoy reading this 'double' edition of Eurogiro News and have enjoyed, and continue to enjoy, the summer sunshine.



Svend Mygind, Editor in Chief and Deputy Managing Director.

C O M M E N T A R Y

...continued from front page

In June 2000, CSOB took over the assets and liabilities of the former Investicni a Postovni Banka, on the basis of Agreement on Sale of Enterprise. The merger created arguably the strongest bank in the Czech Republic and the second largest bank in Central and Eastern Europe. The Postovni Sporitelna (Czech Postal Savings Bank) is now a division of CSOB with its own special logo. The division is in charge of the development of financial services offered

throughout the network of 3,300 post offices around the Czech Republic. The Postovni Sporitelna division holds more than 800,000 accounts for private persons and small and medium-sized enterprises. Membership in the Eurogiro network allows both the bank and Czech Post Office customers to use the sophisticated and high quality cross-border payments system at a reasonable price.

ESSP project enters operational phase

Stefan Sjösten, ESSP's General Project Manager, says 'It's an honour to be given the opportunity to play an active role in this important business initiative of the Eurogiro community. There is no doubt that we will manage to make a success story of the ESSP project. This really is a dream team!' Postgirot Bank was appointed as the EUR payment clearing bank for Eurogiro members earlier this year and will become operational in the role on November 1st.

The ESSP project recently entered its operational phase when six Eurogiro members, France's La Poste, Portugal's CTT Correios, Switzerland's Swiss Post-Post Finance, Belgium's Postcheque, Finland's Sampo Bank, and Spain's Correos y Telégrafos, together with Postgirot Bank and the Eurogiro Network, formed the 'ESSP Pilot Project' team. Each pilot member has appointed a project leader who is responsible for preparing the internal organisation for ESSP whilst also ensuring that there are the necessary resources to support Postgirot Bank with systems and acceptance testing of the new clearing service. The service is scheduled for full operation in November this year.

Plans were drawn up for five project team meetings culminating in a final one during October. In addition, Postgirot Bank is hosting an ESSP seminar on September 13th – 14th. The aim of the seminar is to present a comprehensive overview of the ESSP service, looking at how it works and what the members have to take into consideration when preparing their respective organisations to extract the full benefit from the service. The six Eurogiro pilot project members will, of course, participate in the seminar.



Photo of ESSP Pilot Project team: Stefan Sjösten, Postgirot Bank welcomes the ESSP Pilot Project team to their first meeting in Stockholm in June.
 Top row – from left: Maria Stenberg, Postgirot Bank; Ricardo Calvillo, CyT; Alexandre Ventura-Rodrigues, CTT; Guy-David Schneider, La Poste; Jeff Baker, Postgirot Bank; Frans van Eycken, Postcheque; Uwe Holmsgård, Eurogiro.
 Bottom row from left: Roger Hens, Postcheque; Stefan Sjösten, Postgirot Bank; Lou Sandholm, Postgirot Bank; Hye-Sook Jeon, Postfinance.

Further information concerning the project can be obtained from Eurogiro's website, www.eurogiro.com, and Postgirot Bank's

website, www.postgirotbank.com, and, of course, through the pages of 'Eurogiro News'.

Timetable

July 2001	Aug.-Sept. 2001	Sept. 2001	Nov. 2001	April 2002
System/ Acceptance tests	Integration tests	Target tests	Go live Pilot project	Go live All members

What does the ESSP project mean for the Financial Services – Serviços Financeiros Postais (SFP) of CTT, Correios de Portugal, S.A.?

The reality today is of total dependance on local banks for the funding and withdrawal of funds from CTT/SFP's numerous overseas accounts, one for each partner.

The introduction of the ESSP project will ensure that CTT/SFP continues its efforts in the development of IT functions to enable it to cope with the new STP standards in order to take maximum advantage of the project. Last, but not least, the introduction of the ESSP will allow a much more efficient means of managing CTT/SFP's overseas funds which will require just one account, for the Euro, in just one institution.

Portugal's CTT/SFP joined the Eurogiro network in 1997 as part of its principal strategy

to modernise its financial services. This would facilitate the modernisation of the outdated paper-based UPU money orders guarantee and better overall quality of iservice through increased transaction speed, higher security and better control. At the same time, joining the network would also allow CTT/SFP to introduce new products including account-to-account transfers, and to substitute the telegraphic money order. In fact, the latter was successfully carried out in 2000 with the introduction of Western Union services.

As CTT/SFP is not a banking institution, there has always been the problem of opening the necessary nostro/vostro accounts for financial support with the Eurogiro part-

ners. Even though CCT/SFP has always managed, with the help and understanding of all parties, to find a satisfactory solution to the problem, it has been a constraint.

Now that Eurogiro, with the enthusiastic support of all the members, is embracing the innovative Euro Settlement Service Provider (ESSP) project, institutions like CCT/SFP, who do not have accounts or access to national clearing systems, will be able to conduct business in a more sensible way.

Postgirot Bank well ahead in preparations for IBAN

Postgirot Bank started its preparations for IBAN during 2000, and today all system changes are in place. Postgirot Bank plans to implement IBAN (International Bank Account Number) to its customers before the end of 2001.

“By using IBAN, the international payments can be processed quickly and easily. At the same time, IBAN reduces the risk of delayed or missing payments due to incorrect or insufficient payment instructions. You might also add another aspect to the implementa-

tion of IBAN: Given the opportunity to simplify their own payments administration, the corporate customers which are banking with more than one bank will probably choose to inform their customers of only one IBAN. Therefore it is vital for Postgirot Bank to be

in the frontline of the launching of IBAN in Sweden so that the customers choose the Postgirot Bank IBAN for their international (incoming) payments” says Ms Margareta Eidensten, Head of Postgirot Bank International.

IBAN

- ◆ is an ISO standard for bank account numbers
- ◆ consists of maximum 34 alphanumeric digits
- ◆ consists of country code, check number, and domestic account number which in most cases consists of the account number, the bank and the branch
- ◆ can be verified by banks before sending using the standard validation algorithm

- ◆ Correct IBAN + BIC (Bank Identification Code) are needed for STP
- ◆ Mandatory for receipt in all EU banks by 2002
- ◆ Mandatory in EU for banks to supply IBAN to customers and include it on statements
- ◆ Mandatory in EU for suppliers intending to sell goods/services across EU to communicate their IBAN and BIC
- ◆ Eurogiro Board has stipulated receipt of IBAN on Eurogiro network by the end of 2001

Example: AT617601300037564181

Eurogiro rolls out new encryption concept

■ The encryption units in the Eurogiro network have come to the end of life and are in the process of being replaced by new equipment based on Virtual Private Network (VPN) and Public Key Infrastructure (PKI) technology. All members must have the new equipment installed before the end of December this year.

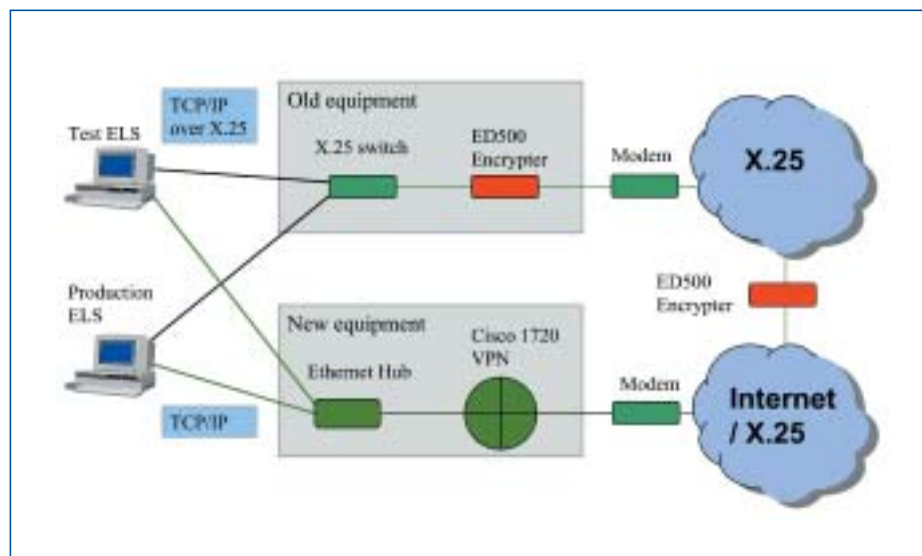
Eurogiro is seeking to establish a level of security which, in accordance with international standards, maintains the availability, integrity and confidentiality of the Eurogiro Systems. Data encryption is just part of the total security package involved in the process of handling and transmitting transactions.

In collaboration with Compaq, Eurogiro has designed a new concept for the hardware encryption of data exchanged on the network. This concept is based on Cisco 1720 with PKI and VPN technologies. By selecting PKI technology, efficient use is made of the CA installed for the authentication of the transactions.

Current encryption is based on the X.25 protocol with the Eurogiro System (ELS) transmitting the transactions using TCP/IP over X.25. The new encryption is based solely on the IP protocol. The X.25 protocol is now enabled in the Cisco 1720. This means that, after migration, the X.25 software and hardware on the ELS will be obsolete.

To ease implementation and keep costs at a minimum, the equipment will be pre-configured in Denmark before being shipped to all members along with detailed installation instructions. The roll-out will be controlled by the company with assistance from the management centre. The roll-out will be a ‘rolling migration’ whereby each country will change the equipment at its own pace. To support the migration, Eurogiro has installed both encryption concepts at the management centre so that communication between members with different encryption technology passes through the centre. However, communication between members with the same encryption technology is direct.

‘With this implementation we have a solution that is cost-effective and easy to maintain and that uses open standards for encryption,’ says Uwe Holmsgaard, Director of IT and Network Services at Eurogiro. ‘The complexity of the overall installation of the Eurogiro System – the ELS and the network devices – has been reduced bringing significant cost savings for new installations. Furthermore, Eurogiro and its members stand to gain a high level of flexibility with regard to the network connection. The solution will initially support connections using X.25 and the internet.’





The User Group Meeting in Rome

■ This year, the annual Eurogiro User Group Meeting was held in Rome in late May. As usual, it was a pleasant gathering of all the Eurogiro members and special guest speakers in a relaxed, but constructive, atmosphere.

As always, the aim of the meeting was to update the members on a number of Eurogiro initiatives and create an opportunity for members "to network".

Much attention revolved around the new EUR settlement concept with its opportunities for members to streamline settlement procedures, but also its obligations to take on the necessary IT-development. Also operational issues stemming from the migration from MT100 to MT103 platform and an announced merger of Eurogiro product-codes

were well discussed, and a proposal to phase-out MT100 in Eurogiro by November 2003 gained widespread support. Likewise, procedures for collection of charges in the Eurogiro community were clarified, both in the interim period with both MT100 and MT103 transactions being exchanged and in the era of the MT103.

Furthermore, the meeting appreciated the creation of a Code of Conduct upon welcoming new members, designed to ease their transition into live Eurogiro members. Guest speakers from the European Central Bank, the Universal Postal Organisation and Western Union secured breadth in the perspective and focus on the expectations towards Eurogiro members from the outside world.



Seminar in Rome for new Eurogiro members

Prior to this year's annual Eurogiro User Group Meeting, the first 'New Members Seminar' was successfully held in Rome in late May.

■ It is recognised that there are advantages to be gained for all new members having a series of interactive discussions on all topics of Eurogiro membership. The seminar was held in a pleasant and open atmosphere which generated some very interesting and fruitful discussions and a full exchange of ideas. Among the main topics discussed was

how to overcome the general problems associated with the introduction into the 'Eurogiro circle' (the implementation phase) and the possibilities of 'smoothing the way' during this period. The result of this has been discussions regarding possible modifications to the introduction process (for instance code of conduct, model agreement, etc.) to be undertaken by both Eurogiro and each prospective new member.

With the success of this new seminar in mind, the participation of the new members in the subsequent annual User Group Meeting was eagerly anticipated. Meetings whereby representatives from both experienced and new members can meet on an informal but businesslike basis to share experiences and gain information from each other, can only result in a stronger and more versatile 'Eurogiro community', says Serafin Cabrera López, Deutsche Postbank A.G.



One million Deutsche Postbank SparCards

■ The Deutsche Postbank SparCard has proven to be a huge success. Since its introduction at the beginning of 1999, more than one million Postbank customers have opted for the SparCard. This corresponds to a savings volume in excess of EUR 2 billion. Today every second new Postbank saver chooses this form of savings account.

The SparCard is a cheque card format personal savings account, equipped with a personal PIN code. Interest is paid to savers in the same way as in the case of the traditional savings book. Per calendar month, savers can withdraw up to DM 3,000 (EUR 1,534) from their accounts – worldwide. In Germany, they can make withdrawals at the 13,500 branches of Deutsche Post and the 2,200 Postbank ATMs.

Should customers wish to access their savings abroad, they can make withdrawals – in the respective national currency – at over 600,000 VISAPlus ATMs throughout the world. This is free of charge for customers up to four times a year.

Meanwhile, almost every second SparCard is used outside Germany, by customers of all age brackets. The SparCard's most popular destinations are Spain, Italy and Austria. But it is also used in such faraway holiday resorts as Hong Kong, Costa Rica, Argentina and Senegal.

Postbank is the number one bank in the savings sector, with 19 million savings accounts with savings totalling EUR 31 billion.



Collaboration is key to success

■ Western Union's partnership with European postal organisations is reinforced through the development and implementation of joint marketing initiatives. Western Union's dedicated European Postal Organisation (EPO) team is working closely with post offices across Europe to improve the quality of the service that is offered to customers and to create additional traffic for post offices, thus boosting transaction volumes and contributing to very positive incomes in each country.

Gerlinde Niessler, Western Union EPO Marketing Manager, said "Expanding the postal network is a high priority, not only for customers in terms of availability of locations, but also for Western Union agents. It is equally important to nurture and build on our relationship with existing partners. Our aim is to share our expertise across the whole network, particularly when launching new marketing initiatives."

The Western Union EPO team increasingly initiates and supports in-country activities with its post office partners. The latest successful venture has been with Postbank Netherlands. Western Union and Postbank joined forces to produce an extensive marketing programme for 2001 to leverage their business potential in the Netherlands. The programme included the sponsorship of two multicultural events, the Dunya Festival and Festival Mundial, and also provided highly visible and effective point-of-sale campaigns and a special summer customer promotion.

Sponsorship

Western Union was supported by Postbank in its title sponsorship of the Dunya Festival. This event, one of the largest multicultural festivals in the Netherlands, was held in

Rotterdam on 26-27 May and attracted nearly 300,000 visitors. Western Union also sponsored the Festival Mundial, held in Tilburg on 16-17 June. The post office actively participated in the festivals by supplying staff, who met with customers at both events. It was an excellent platform for Postbank to promote the money transfer service.



'Yellow Man'

Western Union, together with Postbank, selected 11 key locations judged to have high volume potential and provided them with on-the-ground Western Union staff. Called 'Yellow Man', the staff were on hand to provide information about the money transfer service to consumers. Each of the 11 locations had a dedicated Western Union representative to talk with customers, make them feel welcome, help them to fill in send-receive forms and answering questions on pricing. They also informed customers about the special summer promotion – a free phone card for each completed transaction in the participating post offices. The activity was supported by outdoor windmasters promoting the Western Union-Postbank offer. Special indoor posters were also displayed in the post offices throughout the duration of the promotion.

Promotions in railway stations

Promotion teams of four to five people were present at Utrecht railway station on Mondays and Fridays to meet members of the public to inform them about the money transfer service and direct them to the

nearest post office, whilst also distributing literature and Western Union give-aways.

Summer promotion

For the first time in the Netherlands, Western Union and Postbank offered free phone cards to every customer sending a transaction from one of over 50 participating Postbank post offices.

Finally, Western Union and Postbank implemented other general joint marketing initiatives, including public relations activities targeting ethnic press, TV and radio, and advertising in the Dutch newspaper, Metro. It is believed that the combination of these activities contributed significantly to increased post office traffic and money transfer volumes. If, when the post-promotion results are analysed, this approach is found to be successful, it could be rolled out to other postal organisations throughout Europe.

Second annual EPO Conference

Collaboration between postal organisations and Western Union underlines the necessity of getting to know each other better and exchanging market knowledge and experiences. This is the objective of the second annual EPO conference, to be held in Lisbon from 1-3 October, to which all postal organisations in the network have been invited. The aim of the event is to leverage market opportunities, share knowledge, best practice and common objectives in order to shape the future of the network.

Online payment

German Postbank is developing simple, fast and secure systems for e-commerce.

■ Germany is one of the leading countries worldwide in e-commerce. In an international poll carried out in mid-2000, German online shoppers were ranked fifth after the United States, Japan, Norway and the United Kingdom. According to the survey, 17 percent of all Internet users in Germany purchase online. Leading the product categories were books, CDs and videos as well as travel.

However, a study conducted by the Deutsche Post has now revealed that even regular online shoppers actually distrust the security offered by payments systems when purchasing on the Internet. This could ultimately prove to be a serious hindrance to the development of the booming e-commerce industry.

Secure payment systems

For this very reason, Postbank has been bundling proven and secure methods of elec-

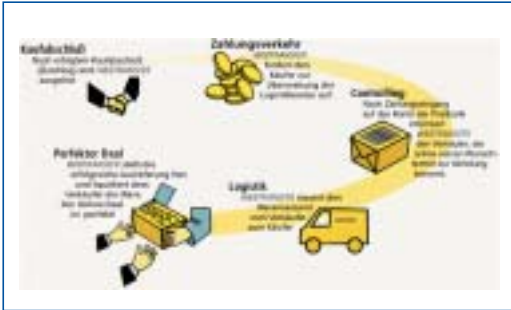
tronic payment, processing them through a single gateway. In addition to credit card payments and the online direct debit procedure, a traditional method of payment is currently being modernised: payment on delivery will soon be able to be carried out using credit cards. Further security-tested methods of payments are also being currently developed.

With the Postbank system, every Internet vendor will be able to draw on the entire range of e-payment methods, without the necessity of being connected to various banks. However, vendors will be able to choose and only select those methods of payment, which best correspond to their payment volumes and the preferences of their customers. This way, Postbank is able to offer secure e-payment solutions, which are simple, fast and inexpensive.

WEBTRANSFER: security from door to door

Security is a problem both for customers and vendors alike, particularly in view of the fact they do not know each other and the vendor may not be a well-known company, enjoying the trust of its customers as a result of its good reputation. This is particularly problematic in the case of a one-off transaction, the kind of business conducted by online auction houses or online classified advertising markets. How can the customer be sure that they will actually receive the goods they have purchased? How can the vendor know whether they will receive the money for the goods sold?

As a solution to this problem, Postbank and Deutsche Post have joined forces to develop WEBTRANSFER, an integrated system whereby Deutsche Post transports the goods



- Purchase** WEBTRANSFER is triggered following purchase.
- Payment transaction** WEBTRANSFER requests purchaser to transfer logistics costs.
- Controlling** Following payment credit to the Postbank account, WEBTRANSFER informs the vendor, who in turns states when they wish the goods to be picked up.
- Logistics** WEBTRANSFER controls the dispatch of the goods from the vendor to the purchaser.
- A perfect deal** WEBTRANSFER determines successful delivery of the goods and transfers the purchase price to the vendor. The online deal is perfect.

and Postbank manages the financial side of the transaction. In close cooperation, purchase by purchase.

In the case of WEBTRANSFER, the purchaser transfers the amount to a trust account at Postbank. Postbank will evaluate this credit payment and will forward this to the vendor, who will in turn arrange a pick-up date for the goods with the Deutsche Post Express Service. Once the yellow truck has picked up the parcel, it will deliver it to the

customer's front door. Once the customer has signed for the goods with the Express courier, the money kept in the trust account will be transferred to the vendor. The secret recipe: it is all carried out online and with fully integrated interfaces.

The renowned Internet company Yahoo! has been secured as the cooperation partner for WEBTRANSFER. Yahoo! auction customers can already process their business using WEBTRANSFER. But this is only the start:

in future, this system will be able to be used for business between everybody and anybody and for products of all categories.

As one of the pioneers of electronic methods of payment, Postbank also wants to be able to maintain an edge when it comes to e-commerce. In cooperation with Deutsche Post, it is currently developing concepts designed to make purchasing and selling online simpler, faster and more secure.

Swiss Post's financial centre now on the Internet

■ Once again, Swiss Post is extending its internet activities. Since the beginning of July 2001, it has been possible to trade securities on the www.yellowtrade.ch website. Furthermore, the www.postfinance.ch website has also been converted from an information platform to an interactive financial services platform. The financial portal can also be accessed via Swiss Post's general electronic offering at www.yellowworld.ch

Since the mid-1990s, Postfinance has continuously extended its product range. The benefits of funds, life insurance products, the Deposito Account, fixed-term deposits and yellownet, have now been further enhanced

by the financial portal. This virtual financial centre uses financial and economic information as an aid to a well-informed choice of securities which can be bought and sold online. Interesting tips on all aspects of Postfinance products complete the service.

The internet as the primary channel for Postfinance

Customers today are making different demands on financial institutions than in the past. One of the results of the introduction of new technologies is that customers expect 24 hours 7 days a week service. In addition,



is increasingly conducted via a number of different channels including the internet, the telephone, and personal selling. For Postfinance, the key to success lies in the most advantageous combination of these channels. Over time, it is hoped that the internet will become the primary channel. The launch of the financial portal, which offers the opportunity to buy products or trade securities online, is a major step in this direction.

New trends in the use of the internet

At present, around 250,000 Postfinance customers handle payments and other transactions, including buying and selling "Post-soleil" funds or investing money in an "e-Deposito" account, via the internet. However, current trends are moving away from a simple platform for payment transactions and the stock exchange, towards an integrated financial portal. Customers today want to see many aspects of the financial world covered on the internet. Postfinance is meeting these demands by converting www.postfinance.ch from an information platform to an interactive financial services platform.

Further details can be obtained from www.postfinance.ch

Chairman unanimously re-elected to Eurogiro board

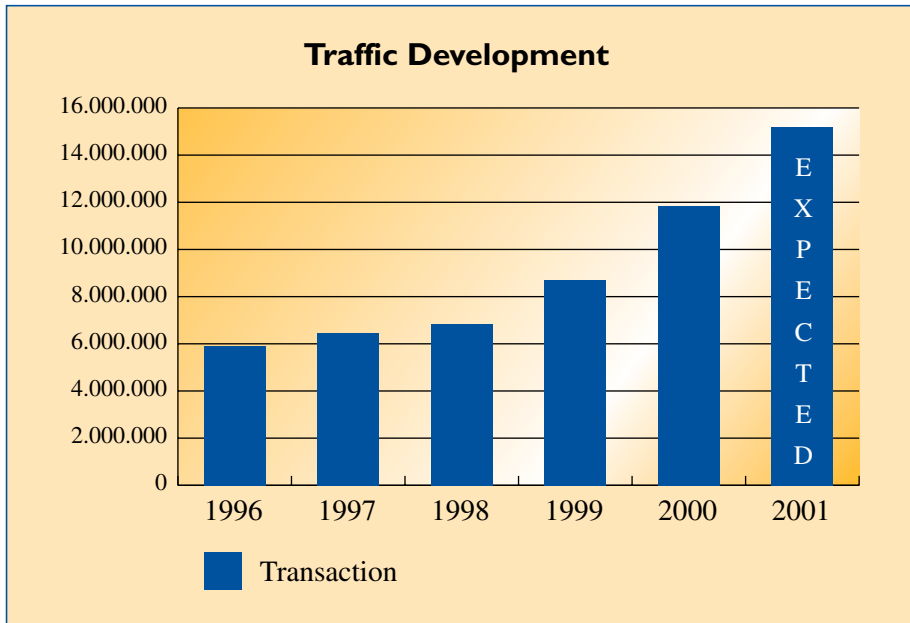
To wide acclaim, Mr. Achim Scholz was recently unanimously re-elected as Chairman of the Board of Eurogiro Network A/S at a meeting in Brussels. This means that he will continue in the position for a further two years. In addition to this post, Mr. Scholz is also Director and member of the Board of Directors at Deutsche Postbank AG where he is responsible for operations. He holds degrees in business and law from the University of Munich, Bavaria.



During Mr Scholz's previous two-year tenure, Eurogiro Network A/S increased the number of transactions by upwards of 70 per cent with a corresponding reduction in transaction fees of 40 per cent

Continued growth and expansion for Eurogiro

During the first half of 2001, Eurogiro Network A/S once again confirmed its growth in all areas.



Over the period, the number of transactions over the network grew by 32 per cent compared to the same period in 2000. This increase is broadly based on the increase in pension payments, money orders and Western Union transactions.

Member numbers also continue to grow. At present, Eurogiro is implementing services with new members in Greece, Israel and Slovenia. In addition, Eurogiro is also happy to announce that Yugoslavia and the Czech Republic recently signed with Eurogiro Network A/S and are scheduled to be in production on the system in the 4th quarter of 2001.

The Eurogiro community continues to maintain a high level of activity. Among the more important projects is the implementation of the single settlement service for EUR payments.

Eurogiro Network A/S expects year-end results to be above expectations. These are expected to lead to an even greater level of activity and be accompanied by further reductions in costs for Eurogiro members.

Eurogiro Activity Calendar Autumn 2001

13-14 September

*ESSP – Seminar
Stockholm*

1-3 October

*EPO
Lisbon*

9-11 October

*Postexpo – UPU
Geneva*

20 October

*Pension Payment Seminar
Frankfurt*

25-26 October

*Board Meeting
Killarney*



Personnel

We are pleased to announce that **Tom Christensen** has started working for IT and Network Services at Eurogiro Network A/S with the title **Consultant**. Tom will be responsible for the internal IT, IT projects and installation and support of the Eurogiro system.

Lars Lyager Olsen has resigned his position at Eurogiro Network A/S.

Subjects covered in the next issue:

- ◆ ESSP – Seminar, Stockholm
- ◆ Western Union/EPO (European Postal Organisation) – Conference
- ◆ Report from Eurogiro Board Meeting

Please forward ideas, comments, articles etc. to:

Eurogiro Network A/S
Carl Gustavs Gade 3, 1. tv
DK-2630 Taastrup
Denmark
Att.: Filip Jensen
e-mail: filip@eurogiro.com