



EUROGIRO

## News

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3 / August 2004

## The Universal Postal Union and Eurogiro Network A/S have combined forces to modernise the Postal Money Order

**On 1 June 2004 Mr. Thomas E. Leavey, General Director of the Universal Postal Union and Mr. Henrik Parl, Managing Director of Eurogiro Network A/S signed an agreement on connecting the two organisations' electronic networks for the exchange of a new and modernised Money Order Product.**

■ The two organisations have built their individual systems for the electronic exchange of payments between postal organizations worldwide. The Eurogiro System (ELS) is the commonly applied system for cross-border

financial transactions used by major European Posts as well as a number of Posts outside Europe. The system is also widely used by banks and connects the Eurogiro members to a number of alliance partners.

## Visa EU and Eurogiro sign co-operation agreement



**In a groundbreaking new alliance VISA is provided with wide connectivity for its Visa Direct product while Eurogiro members gain transaction volume to boost their strong position in the European payment market.**

■ On June 10th Visa EU signed a co-operation agreement with Eurogiro, ensuring that the Visa Direct money transfer service can be extended to all current account holders in Europe and further afield. Visa has been granted a six-month exclusivity clause making it the world's first truly low-cost, global cross-border and domestic solution of its kind.

Visa has partnered with Eurogiro to extend its Visa Direct service to the Eurogiro members globally. This will mean that Visa Direct customers will be able to send money, not just to Visa cards, but also to bank accounts in any of the Eurogiro member countries, although the coverage will be limited to 8 countries in a pilot phase.

## CIB (Egypt) S.A.E has joined the Eurogiro community



**On the 30th of June Commercial International Bank (Egypt) S.A.E. signed an agreement for connection to Eurogiro and thereby became the first Egyptian member of the Eurogiro co-operation.**

With this important step Commercial International Bank will be able to offer its customers new possibilities for sending and receiving low value payments on very competitive terms.

Through the Eurogiro network, CIB will potentially have access to the 39 member countries participating in the co-operation – mainly banks and postal organisations in the European countries, but also organisations in

the Americas, Asia and Africa - making that potential global. Furthermore Eurogiro alliances with Western Union, Deutsche Bank and ING Bank enable virtually global coverage for both cash and account payments.

CIB will also benefit from the various alliances Eurogiro Network has established, of which the most important for CIB is the agreement Eurogiro Network has with SWIFT for a closed user group on SWIFTNet.

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# NEWS / INFORMATION

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

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The Eurogiro network is an international electronic payment network and is the only electronic cross-border payment system which covers both postal and bank products.

Eurogiro has 40 member institutions. Although Western Europe is the core area, Eurogiro now spans five 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 12 European members.

Eurogiro Member institutions:

Afghanistan: Afghanistan International Bank  
• Austria: PSK/BAWAG • Belgium: Financial Post • Brazil: Empresa Brasileira de Correios e Telégrafos • Canada: National Bank of Canada • Cape Verde: Correios de Cabo Verde  
• China: China Post • Croatia: Hrvatska Posta • Czech Republic: CSOB a.s. • Denmark: Sydbank A/S • Egypt: Commercial International Bank (Egypt) S.A.E • France: La Poste • Germany: Deutsche Postbank AG • Greece: Hellenic Post • Hungary: Magyar Posta • Iceland: Iceland Post • Ireland: An Post • Israel: Israel Postal Authority • Italy: Poste Italiane • Japan: Japan Post, Postal Savings Business Headquarters • Latvia: Latvia Post • Luxembourg: P & T • Morocco: Barid Al Maghrib • Netherlands: ING Bank N.V./Postbank N.V. • Poland: ING Bank Slaski • Portugal: CTT Correios • Romania: Banc Post and Posta Romana • Senegal: La poste • Slovakia: Postova Banka • Slovenia: Postna banka Slovenije d.d. • Spain: BBVA and Correos y Telegrafos • Switzerland: Swiss Post Postfinance • Togo: Societe des Postes du Togo • Tunisia: La Poste • Turkey: General Directorate of Post • United Kingdom: Alliance & Leicester Commercial Bank Plc. • USA: Deutsche Bank • Serbia & Montenegro: Postal Savings Bank.

## Strategic Alliances

**This summer Eurogiro signed several important agreements which will lead to further business opportunities for the members.**

■ In May an agreement was signed with Visa Europe, which ensures that Visa Direct customers will be able to send money not just to Visa cards but also to bank accounts in any of the Eurogiro member countries.

On 1st of June an agreement was signed with the Universal Postal Union which will enable the exchange of TMOs between the UPU IFS network and the Eurogiro Network from 1st of April 2005.

Also a new member agreement has been signed. On the 30th of June Commercial International Bank (Egypt) S.A.E. signed the agreement on connection to the Eurogiro Network and thereby became the first Egyptian member of the Eurogiro co-operation. CIB will be among the pioneers in the SWIFT/Eurogiro Closed User Group as they will be the first new member of Eurogiro connecting to the network via SWIFTNet.

You will find articles with more details on all three agreements together with news from Czech Republic, reports from the 'User Group Meetings', a story on contingency and also an article on the IPO of Deutsche Postbank.

We hope you will find the topics as exiting as we do and hope the information is of relevance for you and your organisation.

I wish you an enjoyable read



*Søren Rose,  
Editor-in-Chief and  
Deputy Managing  
Director*

## C O M M E N T A R Y

▶ Eurogiro estimates that around 24 million transactions will be exchanged over the Eurogiro network in 2004.

One of the fundamental roles of the UPU is to ensure that people all over the world can have access to secure, reliable and affordable postal services. Currently these services are offered to customers in over 160 countries. In line with world trends and in order to further satisfy customer needs, the UPU is focussing on the modernization of postal financial services and the creation of the extensive International Financial System (IFS).

Twenty-two Posts use the UPU IFS, an international money transfer network for electronic handling of international Money Orders.

Ordinary international Money Orders still represent a significant amount of traffic (more than 15 million items per year) and the UPU and Eurogiro are both working towards the aim of replacing the costly and less efficient paper-based international Money Orders with cost efficient and reliable electronic

solutions.

The new product – the Tele Money Order (TMO) – has been developed in close cooperation between the two organisations.

For Eurogiro members the TMO was made available at the beginning of 2004 and many members are currently in the process of including the service among the products they offer.

From 1 April 2005 it will be possible to exchange the TMO product between the UPU network and the Eurogiro network, and thereby also makes it possible for UPU IFS users to offer the TMO service to their customers.

Some key characteristics of the Tele Money Order:

2-day "OUR" product, which means that all fees are known and paid by the sender; Sending customer informs the beneficiary; Receiving Post/institution pays the beneficiary – potentially on day 2 – after control on the central database, and subject to the pres-



- 1 entation of a personal identification, transaction reference and possibly a password. USD and EUR as possible currencies.

The new Tele Money Order product will give the postal and other financial organisations a competitive edge in the market for cash transfers, as they can offer their customers a time guarantee and a reliable money transfer service at an affordable price. Furthermore the combined forces of the Universal Postal Union and Eurogiro Network A/S facilitate a

potential global coverage for the TMO. The parties have now initiated work on the remaining development required to interface the systems. This development will be finalised during the first quarter of 2005.

*Mr. Thomas Leavey, General Director of the International Bureau of the UPU (left), and Mr. Henrik Parl, Managing Director Eurogiro Network A/S (right), confirm the cooperation with a handshake.*



## Visa EU and Eurogiro sign co-operation agreement

- 2 Although the co-operation initially will focus on Europe, it is the vision eventually to broaden the co-operation on a global basis, both in terms of sending and receiving.

Visa Direct was introduced to allow low-value cross-border transfers between individuals. This was in response to the regulations introduced in July last year, whereby it was stated that cross border transfers in euros within the EU should not be priced differently from domestic transfers.

Now, Visa Members can offer a convenient, end-to-end service to their customers, allowing transfers to Visa accounts and to bank account holders across Europe and beyond. This results in a powerful combination of Visa's unrivalled global acceptance, together with Eurogiro's payment network, extending the reach of Visa Direct even more.

Jim Self, Vice President, Visa Europe said: "We are delighted to enter into partnership with Eurogiro— it means that Visa Direct customers can send money to those who don't even have a Visa card"

Henrik Parl, Managing Director at Eurogiro said: "The Visa Direct agreement is the latest in a series of alliances through which Eurogiro provides connectivity to partners. Thereby we are enhancing the position of the Eurogiro members as major payment handlers and providing the market with an efficient and low cost product. Visa Direct is an

attractive product that enables money transfer at any time, via the Internet, phone or the customer's branch, and in any major currency."

Unlike many traditional bank transfers there are no manual forms to fill in and users can initiate a transaction at any time of the day and night. To transfer money, all the sender needs is the email address or account number of the recipient and Visa Direct will do the rest. There is no holding account; instead payments are 'passed through' straight to the recipient's Visa or current account.

Visa Direct uses existing Visa connections, systems and account numbers so there is no need for banks to develop additional software. Visa Direct simply plugs into existing systems and uses the globally recognised Visa account numbers to provide a complete end-to-end package. As Visa Direct operates across the existing Visa infrastructure it is straightforward and cost-effective for banks to implement. It also provides banks with a ready-made means of complying with the cross-border transfer regulations.

Eight banks have committed to launch Visa Direct, enabling their customers to initiate transactions. These include Carta Si in Italy, BBVA in Spain and Corner Banca in Switzerland.

The technical connectivity to Eurogiro is achieved through the Eurogiro system, i.e. Visa connects into the Eurogiro ELS system

as any other Eurogiro member. This creates a standardised and simple connection and ensures that the participating Eurogiro members will receive payment transactions in the same way and with the same high quality as from other Eurogiro members. Visa is expected to commence production with the Eurogiro pilots by October 2004.

This new co-operation is the latest in a number of new business co-operation agreements which Eurogiro has signed within the past year. The other new partners include Federal Reserve Bank of US, Western Union, SWIFT and the Universal Postal Union. All these new co-operation agreements are in line with the overall Eurogiro strategy to provide connectivity for products, between technologies and geographical regions as well as between postal and banking institutions.

\* From July 1st 2004 Visa EU became a separate incorporated organisation known as Visa Europe.

### The 8 participating Eurogiro countries

Bawag/PSK, Austria  
Financial Post, Belgium  
Deutsche Postbank, Germany  
La Poste, France  
ING Bank, Netherlands  
BBVA, Spain  
PostFinance, Switzerland  
Alliance & Leicester Commercial Bank, UK

## Commercial International Bank (Egypt) S.A.E has joined the Eurogiro community

- 3 By signing the connection agreement with Eurogiro, CIB will not only be the first Egyptian Bank in the co-operation, but also one of the pioneers of the Closed User Group. CIB will connect to Eurogiro through its existing SWIFT system.

Mr. Mohamed Refaat El Hoshy, General Manager CIB says "We see this connection agreement as an important step in CIB's efforts to be the entry point to Egypt for cost efficient low value payments from the countries where most emigrant Egyptians live and where many of the most important trading partners of our customers are located".

Eurogiro Managing Director Mr. Henrik Parl commented: "We are very happy to welcome CIB as a member of the Eurogiro co-opera-



tion. It is very important for our member organisations to have a professional partner in Egypt which can offer high quality in payments at competitive terms. We see CIB as such a partner, knowing that access to the payment clearing system for the Cairo area can also be offered through CIB, and that CIB is also partner in an initiative to establish a clearing system covering the whole country."

*Signing ceremony - from left to right: Mohamed Refaat El-houshi, G.M. Strategic Planning CIB; Henrik Parl Managing Director, Eurogiro; Hisham Ezz Alarab, Chairman & Managing Director, CIB; Mohamed Ashmawy, Vice Chairman & Managing Director, CIB*



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### Great Eurogiro Meeting in Liverpool

The annual Eurogiro General User Group Meeting was excellently hosted by Alliance and Leicester Commercial Bank in Liverpool on 26-28 May 2004.



*The delegates were actively participating in the discussion groups*

■ The meeting provided several opportunities for the participating members to expand their personal network and have bilateral talks during the sessions and additionally during the relaxed atmosphere of the dinners hosted by Eurogiro and Alliance and Leicester Commercial Bank.

The bilateral sessions are considered to be one of the most valuable points on the agenda as the members then have a chance to meet and initiate negotiations without having to travel and individually set up separate meetings. In particular, new members benefited from discussions with more experienced members as ideas and best practise were shared.

#### Post and bank oriented discussions

For the first time ever the discussion groups were divided into postal and banking oriented issues. The participating members then had a free choice to join the discussion group of their own interest and relevance to their business. Subjects discussed were: SWIFT facilitated by Mr Tim Horan from SWIFT, quality in credit/cash business facilitated by Mrs Karin Pleyer from Deutsche Postbank, Tele Money Order (TMO) facilitated by Mr

Serguei Nanba from UPU, transatlantic credits facilitated by Mrs Elisabeth McQuerry from Federal Reserve Bank, Postal Forum facilitated by Mr Henrik Parl from Eurogiro and Mr Serguei Nanba from UPU, attracting credits facilitated by Mr Alan Hughes from Alliance & Leicester Commercial Bank, Western Union facilitated by Mr Mathias Luft & Thibaut Heyvaert from Western Union and lastly the Visa Direct/EG link facilitated by Mr Jim Self from Visa International. The delegates present participated actively and expressed their satisfaction with the subjects and issues covered.

#### External market speakers

The last day was dedicated to central market players who gave their different views on the payments business seen from the point of view of the regulators and the market players.

#### European Commission

Ms Céu Pereira from the European Commission presented statistics on the different numbers of transactions and the mixed use of payment means in the euro area. This was followed by an overview of the new legal framework for payments in the Internal Market. The directive on payment services

will put increased pressure on the market players as the objectives are to 1) foster competition in the field of payments; 2) increase transparency and legal certainty in the single payment area and 3) enhance security and efficiency of payment infrastructure and products.

#### Paysafecard

This introduction to 'Paysafecard' - a prepaid card - was co-presented by Mag. Friderich Spandl from BAWAG/P.S.K. Group and Mag. Michael Müller from Paysafecard. They explained that Paysafecard is the first cross border prepaid scratch card for payments on the Internet. The low value card is safe, simple, and an anonymous method of payment. As the card is a means of payment, it is issued by banking institutions and could be an additional financial product for banks and postal financial institutions.

#### Outsourcing

Dr. Susann von Gunten, Deutsche Postbank explained why outsourcing may be an opportunity for postal financial institutions and she used Deutsche Postbank as a transaction banking case. Postal banks have, in general, a large market share in transactions and full regional coverage, which is a good starting point for the consolidation of payments from other institutions by obtaining economies of scale, standardisation and automation.

#### World Retail Banking Report 2004

EFMA (The European Financial Management & Marketing Association), Capgemini and ING Financial Services have conducted a World Retail Banking Report 2004 that reveals the results of a nine-month study across 11 western countries, which compares the prices charged by retail banks for basic banking products such as current accounts, cash usage and management fees. Mr Patrick Desmarés, Secretary General EFMA, explained the findings and talked about future scenarios that are likely to trigger major change and a drive towards international pricing harmonisation.

### Annual Technical User Group

The meeting in Malmö was an excellent opportunity to meet with the ENOC support team.

■ The focus was on the migration from X.25 to MPLS based IP network, security and the Eurogiro system platform.

There was quite some interest among the SWIFT members to learn more about the SWIFTNet CUG. Of particular interest were the ESM software and the impact on mem-

bers. The purpose of the ESM software is to keep the cost on SWIFTNet down by bulking and compressing the Eurogiro Envelopes. The Envelope format is maintained, meaning that there is no impact for existing Eurogiro members, whether they stay on the Eurogiro network or move to SWIFTNet.

The renewed contract with Equant for network services implies a migration from X.25 to a MPLS based IP network. The migration will be controlled by a project team with Eurogiro, Equant and HP (ENOC). The migration was started by setting up the central site with an IP connection. Eurogiro and our software developer were then moved to





IP. The first member to be migrated will be in October. The project is expected to finish in 2Q 2005. As requested the migration plan is published on the Eurogiro Members' home-page.

The current system platform used by Eurogiro is now 10 years old and will be phased out within the next 5 years. A presentation of the new Itanium cpu was given by Martin Rønde Andersen representing HP. Martin also gave a comparison between Tru64 UNIX, HP-UX and Linux. HP-UX is the natural migration from Tru64 Unix. However Linux is evolving and may be a viable alternative. Currently Linux is recommended for workstations and HP-UX for enterprise servers.

As usual Lars Hagbarth from Datamann received a good response for his detailed explanation of the new features in the ELS application. One of the main features implemented in 2003 is the patch management.

Nexus gave a presentation of security techniques and also detailed some case studies of implementations that have been undertaken in the financial sector. Of interest to Eurogiro was the possible use of our CA for issuing certificates to protect on-line access to the Eurogiro services.

When Eurogiro renewed the contract with HP for the Managed Network Services (ENOC), a new SLA was written using the HP IT Service Reference Model. This model is an enhanced version of the IT Infrastructure



*The participants were updated on network migration, security, IT developments and projects*

Library created by the UK government. The model defines a Service Delivery Assurance core surrounded by Business, Service Design, Service Development and Service Operations. Eurogiro was the first HP customer to use this model. Jérémie Vincent-Vivian presented the model, followed by a presentation of the implementation of SSH and Sudo to provide a more secure access to members' systems via the network. The presentations were followed up by a visit to the management centre (ENOC).

The overall rating of the event was "good and useful presentations". The event is a unique opportunity to meet with other members, the Eurogiro technical staff and the support and development team to discuss detailed technical issues.

**MPLS:** MultiProtocol Label Switching network. A private IP network where Eurogiro members are in a closed user group.

**SSH:** Secure Shell is an interface for secure access to another computer over a network. It provides strong authentication and login passwords are encrypted.

**Sudo:** Sudo (superuser do). A utility on UNIX systems that provides an efficient way to give specific users permission to use specific privileged system commands without knowing the privileged system password. Sudo also logs all commands and arguments.

## Successful IPO

### Putting the focus on Deutsche Postbank's value.

■ Deutsche Postbank has staged a successful stock market premiere. Market participants, analysts and even the IPO (Initial Public Offering) sceptics in the media declared the listing a success. Deutsche Post World Net Board Chairman Klaus Zumwinkel and Postbank Board Chairman Wulf von Schimmelmann expressed their satisfaction shortly after the stock was issued at the Frankfurt Stock Exchange on June 23, 2004. "We have put the focus on Postbank's value and generated EUR 2.6 billion along the way. Our entire Group will profit as a result, as will all of Deutsche Post AG's shareholders," Zumwinkel said.

The huge media presence at the Frankfurt Stock Exchange underlined the importance of the Postbank listing, Germany's biggest primary offering since the IPO of Deutsche Post AG itself in November 2000. Klaus Zumwinkel is one of only a handful of managers who have overseen two such important public offerings. "The parameters were very different in both instances," he told journal-



*Deutsche Post World Net Board Chairman Klaus Zumwinkel (left) and Deutsche Postbank Board Chairman Wulf von Schimmelmann (right) presenting Postbank's share at Frankfurt's Stock Exchange, June 23, 2004.*

ists when asked to compare the two listings. "I'm happy with the result in both cases. Deutsche Post staged a major public offering in a favorable market environment. Postbank went public in a difficult market. It was a tug-of-war between supply and demand. We have

managed to balance the two with our issue price. The encouraging start in the trading of the Postbank share makes us hopeful for the future."

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Deutsche Post World Net used an innovative transaction structure to ensure that it still generated the planned IPO proceeds even after takeover rumours and a public debate about the issuing price worsened the IPO parameters. In addition to the primary offering, the company issued a convertible bond. Total proceeds from both measures will be used to finance Deutsche Post World Net's continued strategic development.

For the first time, investors around the world were able to observe the public offering in real time and subscribe to Postbank shares, which are abbreviated as "DPB," on Deutsche Börse's Xetra electronic trading platform. Trading started on June 23, 2004, at 9.27 a.m. with an initial price of EUR 29.00. "We knew what sort of orders were in the books, and we were optimistic when the day began," Wulf von Schimmelmänn said. "We were able to convince German and international investors of the substance and growth potential of our company and our business model as a retail

bank. I believe Postbank's fair market value will increase over the long term." Postbank's Chairman, von Schimmelmänn, also proudly announced that the employee participation programme had been successful as well. Sixty-three percent of employees at Deutsche Postbank AG, and those in the retail outlets, used the opportunity to subscribe to the stock. In all, Group employees in Germany ordered more than 1.7 million shares, which were fully distributed.

After completing this immense effort on behalf of the IPO, von Schimmelmänn expects Postbank employees to fully concentrate on their day-to-day business again. "We have managed a good IPO. Now we must double our efforts on behalf of our customers and increase our efficiency." After all, the capital market has become a merciless barometer measuring Postbank's performance. "From now on, our share price will be a constant measure of our success in the market," von Schimmelmänn said.



### IPO Facts

About 54.5 million Postbank shares were placed at an issue price of EUR 28.50 – putting Postbank's market capitalization at more than EUR 4.67 billion. Total demand was for 143 million shares, meaning that the share was more than two and a half times subscribed. Around 48 percent of the shares were sold to institutional investors outside Germany. Within Germany, institutional investors and private investors bought about 28 percent and around 20 percent of the shares, respectively. In addition to the initial public offering, a convertible bond on 27.5 million Postbank shares worth EUR 1.08 billion was placed with institutional investors. It was more than four times subscribed.

## Contingency: an important part overall security

**Mr. Torsten Allmacher, Deutsche Postbank explains a possible way of introducing a contingency plan as a response to technical incidents.**

■ Every business and organisation can experience a serious technical incident preventing it from continuing normal operations – Eurogiro members are no exception to this principle! In Eurogiro, one member unable to work results in problems for all his partner members due to non-executable transactions. Serious incidents that can prevent you from continuing normal business can range from a fire to a computer malfunction or an information security incident. The organisation's management has a responsibility to recover from such incidents within the minimum amount of time and at a minimal cost. This requires careful preparation and planning.

### In the beginning is 'The idea'...

Organisations must understand the importance of developing and maintaining a disaster recovery or business continuity plan. Contingency is certainly not an issue that can be put to one side until someone has time to deal with it! A serious incident can happen anytime and anywhere – it may even occur within the next few minutes of your working day! Your contingency plan needs to be developed by a team representing all functional offices / functional areas of your organisation. If your organisation is large enough you should establish a formal project – which in the beginning inevitably means that costs will have to be incurred. This formal project should have approval and support from top management! In order to get some assurance it is important not to take the first step in a half hearted manner.

### The roadmap to implementing a contingency plan

Set up an extensive list with all possible important business risks. Rate every item with

a probability. Establish the structure of your contingency plan, defining the milestones to move your organisation from a disrupted status towards normal (IT-) operations business. Take special care to define the circumstances under which the plan is executed, and identify the individuals responsible for taking that decision. Determine next, which critical business functions need to be resumed and in which order. Identify the key individuals who should be familiar with their duties within the plan. Test and refine your contingency plan regularly, in real conditions. It is absolutely vital that all personnel be made aware of the plan and of its contents, especially regarding their own related duties and responsibilities.

### Maintaining the contingency plan

The contingency plan must always be kept up to date and applicable to the current business circumstances. All changes to the business process or changes to the relative importance of each part of the business process must be properly reflected within the contingency plan! Any changes applied to the contingency plan must be fully tested. Relevant personnel should also be kept informed on such changes in so far as they affect their duties and responsibilities.

Setting up a contingency plan and testing it regularly involves a great deal of work and major costs. Keep in mind though, that these are fairly small compared to the costs involved if you have to restore a disrupted business.



Mr. Torsten Allmacher, Deutsche Postbank

### Charter of EASG (Eurogiro Audit and Security Group):

- Promotion of security awareness.
- Maintenance of the Eurogiro Information Security Policy.
- Obtaining confirmation of compliance by Members and third parties with the Eurogiro Information Security Policy.
- Execution of Site Audits on a regular basis
- Being the Eurogiro Security Authority (SA).
- Providing consultancy advice and guidance to Members.
- Providing consultancy advice to Eurogiro Network A/S on all significant developments with security implications.



## A productive partnership - Barid Al Maghrib (Moroccan Post) and Western Union

**WESTERN  
UNION**

**With a track record of successful co-operation with postal organisations around the world, the partnership of Western Union and Barid Al Maghrib, as a Western Union authorised agent, proves no exception.**



■ Western Union and Barid Al Maghrib committed themselves in 1998 to developing a strong relationship with each other and their customers. This partnership has developed through a number of joint initiatives which aim to bring the companies closer together and optimise services provided to customers. These include customer service improvement, human resource incentive programmes and business development strategies.

Barid Al Maghrib offers the Western Union Money Transfer® service in over 750 agent locations across the country. The company takes a proactive approach to its relationship with Western Union and is always eager to take on board new initiatives introduced by Western Union. Here are a few examples of the successes achieved through the projects undertaken by Barid Al Maghrib in collaboration with Western Union:

### Customer First Initiative

Launched in February 2004, the Customer First Initiative aims to define the benchmark for all customer interaction. The project is led by a core team of employees from both Western Union and Barid Al Maghrib with the direct endorsement of the senior management in both companies. Interviews and brainstorm sessions have been conducted with a cross-section of Barid Al Maghrib employees at a number of pilot locations. Already, key proposals have been put forward and are in the process of being implemented to improve the customer experience at these sites. These include:

- Halving the total time for customers to make a transfer from 12 to 6 minutes
- Improving the customer experience with a more user-friendly agency layout; clearer signage and information boards; efficient queuing management at peak hours; simplification of procedures (paperless transactions)

- Reducing transaction costs and increasing customer loyalty

### Front Line Associates (FLA) incentive programmes

For the past two years, 'The Western Union Challenge', also known as the 'Champion's League', has encouraged Barid Al Maghrib employees in their Western Union customer service work. The initiative has been designed to promote excellent customer service at the point of sale, as well as instilling key values such as customer care, quality, efficiency, productivity and emulation. Front Line Associates at each agent location work together to try to exceed customer expectation. The employees' work is assessed on quality and competency as well as transaction volumes. Recently, over 650 teams have participated in the challenge and have achieved exceptional results. Due to its success, the programme is set to continue as an essential part of Barid Al Maghrib's staff motivation programme. This project earned Barid Al Maghrib the top prize for Human Resource management at the Western Union Middle East and Northern Asia convention in Dubai in March 2004. In light of the project's suc-

cess, Western Union is now looking to roll out the programme to other agents across the region.

### Dedicated agent locations and dedicated counters strategy

Since 2003 Western Union and Barid Al Maghrib have focused on developing a number of dedicated Western Union agent locations and counters throughout its network. To date there are more than 25 Barid Al Maghrib dedicated outlets offering the Western Union service, and more than 34 dedicated counters

in large Post Offices, thus providing excellent visibility of the service. This year Barid Al Maghrib aims to achieve further agent locations of this nature. At the same time, Barid Al Maghrib is also working to deploy the Western Union service in secondary post offices, increasing its reach in rural areas, generating additional convenience for customers.

### Giving back to the community

On a wider level, Western Union and Barid Al Maghrib are very active within the community. Both companies share the same fundamental beliefs and values in terms of "corporate citizenship," and have a strong will to be involved in relief projects. From the sands of the Sahara desert where Barid Al Maghrib has, with Western Union, donated educational materials to a school in a remote village, to the North of Morocco where the companies joined together to sponsor a very successful symposium helping local non-governmental organisations to collect money and sign partnerships with leading companies in the country.

The partnership between Western Union and Barid Al Maghrib has helped each company to provide greater service and transparency for both customers and employees, and to improve internal and external relations moving forward



## NEWS / INFORMATION

### CSOB, Postal Savings Bank

**The Postal Savings Bank is part of one of the most important banks in the Czech Republic, Československá obchodní banka, a.s. (CSOB)**



■ Banking products of the Postal Savings Bank are provided through the network of 3,364 post offices in the Czech Republic and at 7 branches and 1 branch office. The availability of business points, both from the viewpoint of their number and opening hours, as well as the policy of low fees, are the advantages most appreciated by its clients. Today the Postal Savings Bank serves 2.2 million clients, while the total Czech population is about 10.2 million. Thus the Postal Savings Bank revives the tradition of the pre-war Postal Savings Bank (established in 1918) which was, from the creation of independent Czechoslovakia, a strong financial institution with many clients whose reputation was forcibly interrupted in the 1950's.

The Postal Savings Bank was the first bank in the Czech Republic to provide its clients with chip cards in the 1990's. In addition to providing better services in the field of current accounts, security of products was also significantly improved. The MaxCard is issued to each post giro account i.e. a total of 980,000 cards are in use. Clients are allowed to deposit and withdraw cash and make cash-

less transfers at business points of the Postal Savings Bank, withdraw cash from ATMs and pay for goods and services without having to have any cash on hand.

Payments via the Eurogiro network were launched in 2002 in Postal Savings Bank. Nowadays the Postal Savings Bank co-operates with eight countries: Germany, Austria, Slovakia, Switzerland, Portugal, Hungary, Croatia and Japan. Contracts with other countries are being prepared.

Legislation and regulations applicable to the Czech Republic as a new member of the EU hardly affected the Postal Savings Bank, as the parent of Československá obchodní banka, a. s. is Belgian KBC, which implemented EU regulations immediately after the merger in 2000. The account number in the IBAN structure has been used from July 2003, which provides for faster foreign payments and higher quality of processing.



#### Marketing support to Eurogiro sale in the Czech Republic:

Product leaflet – network of business points, distribution to universities, student hostels, student and travel agencies.

Advertisements in special periodicals  
PR articles to financial journals

### Activity Calendar Autumn 2004

#### 15 September - 5 October 2004

23rd UPU Congress, Bucharest

#### 23 - 25 September 2004

Post-Expo, Bucharest

#### 11 - 15 October 2004

Sibos, Atlanta

#### 28- 29 October 2004

Eurogiro Board Meeting, Luxemborg



Subjects to be covered in the next issue:

- ◆ Local marketing campaigns
- ◆ SWIFTNet Closed User Group in operation
- ◆ Cheque services
- ◆ Member profiles



## EUROGIRO



#### Personnel

**We are pleased to announce that as from 12 July 2004 Marianne Aagaard Christensen has started working in Eurogiro Network A/S as our new secretary.**

**We can also inform that Stina Lyngsø has replaced Jette Rude in Finance & Administration, as Jette has left Eurogiro to follow her expatriated husband.**

**Please forward ideas, comments, articles etc. to:**

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