

Eurogiro News

THE INTERNATIONAL ELECTRONIC PAYMENT CO-OPERATION



Groupe Banques Populaires

Banque Centrale Populaire (BCP) joined Eurogiro in June 2005

Presentation of Credit Populaire du Maroc

A leader within the national banking system, Crédit Populaire du Maroc (CPM), whose trade name is « Groupe Banques Populaires », is a grouping of banks comprising Banque Centrale Populaire (BCP) and 11 regional private and autonomous cooperative banks (BPRs), placed under the supervision of the Management Committee.

The Group, which has been assigned the public mission of developing banking activities in Morocco, financing the SME and artisan sectors, and the management of fund transfers from Moroccans living abroad, is a key player in the

banking activity of the country, and performs an active role in promoting savings, and contributing to its use at local and regional level.

Organization of the group

First of all, the cooperative level is incarnated by Regional Popular Banks (BPRs) which operate as proximity banks and are organized as cooperative banks with variable capital. Since May 2003, they have adopted a modern management style, providing them with a Board of Directors and a Supervisory Board, so as to create new dynamics and give better performance. The capital of BPRs comprises divi-

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Headquarters of Banque Centrale Populaire

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Excellent outlook for Deutsche Postbank



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

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Final editing: August 2005
ISSN: 1727-7442

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 45 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 shareholders.

Eurogiro Member institutions:

- Afghanistan: Afghanistan International Bank •
- Austria: BAWAG P.S.K. • Belgium: Financial Post
- Bosnia & Herzegovina: Nova Banka • Brazil: Empresa Brasileira de Correios e Telégrafos •
- Canada: National Bank of Canada • Cape Verde: Correios De Capo Verde • China: China Post •
- Croatia: Croatian Post • Czech Republic: CSOB a.s.
- Denmark: Sydbank A/S • Egypt: Commercial International Bank (Egypt) S.A.E. • France: La Poste •
- Germany: Deutsche Postbank • Greece: Hellenic Post and EFG Eurobank Ergasias • 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 Luxembourg •
- Morocco: Banque Centrale Populaire and La Poste - Barid Al Maghrib • Netherlands: ING / Postbank • Poland: ING Bank Slaski •
- Portugal: CTT Correios de Portugal • Romania: Posta Romana and Banc Post • Senegal: La Poste •
- Serbia & Montenegro: Postal Savings Bank • Slovakia: Postova Banka • Slovenia: Postna Banka Slovenije •
- Spain: BBVA and Correos y Telegrafos • Switzerland: Swiss PostFinance • Togo: Societe des Postes du Togo •
- Tunisia: La Poste • Turkey: PTT General Directorate of Posts • United Kingdom: Alliance & Leicester Commercial Bank plc and Visa Europe • USA: Deutsche Bank

Connected via CrossPay:
Italy: Banca Popolare di Sondrio

Commentary

Newsletter layout – a change for the better

We are happy to provide you with this August issue of our Newsletter in a new and improved design and hope that you will appreciate its new look

In this issue we are happy to welcome and introduce our new member from Morocco, Banque Centrale Populaire who joined the Eurogiro Network in June 2005.

You will also find a section focusing on the General User Group Meeting in Lisbon and the Technical User Group Meeting in Malmö.

In addition, there is a small article on the workshop in Bangkok, which was held early in July. Asian Pacific postal administrations participated in discussions on how to develop financial services through Eurogiro and its partners.

Finally you will find articles from our members and partners on links to accounts, a status report on Deutsche Postbank, and finally an update from Western Union.

I hope you will find the above articles interesting and relevant and wish you an enjoyable read.



Soren Rose, Editor-in-Chief and Deputy Managing Director

Eurogiro Personnel

Welcome

We are pleased to announce that as from 1 July 2005 **Hanne Sylvia Basset** has started working in Eurogiro Network A/S as Project and Marketing Assistant.



Hanne Sylvia Basset



Wagner Banja

We are also pleased to announce that as from 1 August 2005 **Wagner Banja** has started working in Eurogiro Network A/S as Senior IT Project Manager.

We are also pleased to announce that as from 15 August 2005 **Hanne Buhl** will start working in Eurogiro Network A/S as Assistant Secretary and replace Irene Jespersen when she leaves Eurogiro at the of August for her early retirement.



Hanne Buhl

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dend-bearing member shares, and is today entirely held by 458,407 customer shareholders.

BCP was transformed in 2001 into a limited company with fixed capital as a prelude of the opening of its capital to BPRs and to the private sector. BCP, which is listed on the stock market, has two main missions:

— On the one hand, it is a credit institution authorized to carry out all the banking transactions. Through BCP, the Group has infiltrated the large corporate market and trade corporate finance. The diversity of BCP's expertise enriches BPR's role as proximity banks.

— On the other hand, BCP plays a central role within the Group, being the central banking arm of the BPR, and acts accordingly as the Group's central clearer, being responsible for its financial management, solvency and liquidity, and also manages its common interest services. BCP is also the Group's consolidating entity.

The shareholding structure of BCP has evolved since 2002 and today, the State's percentage ownership stands at 55%. It is worth noting that the law governing Crédit Populaire du Maroc stipulates that the State and the BPRs should always own at least 51% of BCP's capital.

BCP and BPRs, known as organs of CPM, are placed under the supervision of the Management Committee which is the highest authority in charge of the Group's global cohesion and security.

The group's founding values

Since its creation, Crédit Populaire du Maroc has been characterized by a number of specific values which are the products of its cooperative vocation. These values, such as cooperation, proximity and solidarity, today constitute its strengths and are remarkably reflected in Mo-

roccan cultural values and traditions, based on solidarity, mutual aid and common interest.

Cooperation: BPRs, which form the basis of Crédit Populaire du Maroc, have always had the cooperative form. This type of organisation, unique in the Moroccan banking system, enables regional banks to approach their customers differently, the latter being at the same time the holders of their respective banks' capital.

Proximity: the Group's strength lies in its regional structure which enables it to get locally involved to take into account local needs and sensibilities, and to contribute actively to the regional development. Through a vast and widespread branch network the Group has entered all sectors of the economy and society which also benefits our fellow citizens living abroad thanks to the strong presence in the host countries.

Solidarity: the function of Banques Populaires Group is characterized by a solidarity system, giving support and enabling the strengthening of the solvency and permanence of the various entities of CPM, through a collective guarantee fund, managed by BCP and financed by an annual contribution of all these entities. This mechanism is reinforced by a formal cross-support system through which regional banks must support each other, as well as BCP.

Ranking and achievements of CPM at the end of 2005

CPM today holds a leading position within the Moroccan banking system, having the largest deposit basis with a 30.15 % market share. The Group also achieves the best net profit of the banking sector (MAD 1.165 millions) with total assets of MAD 103.2 billion.

Thanks to its internal growth strategy, CPM has developed the largest banking network in

the kingdom with more than 485 branches. It has a customer base that serves more than 2.3 million customers. The Group also has a large presence abroad, allowing its international development.

Finally, the cover of credits to the economy by CPM deposits (asset ratio) stands at 50%, against the average for the main commercial banks of 71.7%, which offers the Group a significant development potential.

The group's profitability

At the end of 2004, CPM realized a net banking income of MAD 5.211 million, a 14.1% increase compared to 2003. This growth is due to increased interest from its customers', as well as to the contribution of income on debt securities in the total balance income, representing 80% of the bank operating income.

Despite the importance of the charges bound up to the network of branches and the large customer basis, CPM shows the best cost-to-income ratio of the banking system with 45.3% (General Operating expenses/NBI) against an average of 51.2% for commercial banks.

The minimum solvency ratio stands at about 22% which is in excess of the minimum required by the regulations (8%). This level allows a growth potential of activity, without further equities' contribution and thus without affecting the profitability.

The Group's top management is very capable, most members having a good deal of work experience. S & P particularly highlights the achievement of CPM's reform process and BPRs' reorganization, the development of their management autonomy, and the success of BCP's IPO in June 2004. BCP and the group look forward to be cooperating with the Eurogiro members.

مجموعة البنوك الشعبية
groupe banques populaires



Record attendance at 2005 Eurogiro User Group Meeting

Hosted by Correios in Portugal, this year's Eurogiro User Group meeting must be considered to have been a success, partly due to the content and outcome of the meeting, and partly due to the social events arranged by the host

This year's User Group meeting took place in Lisbon on 1-3 June 2005 with nearly 100 participants from Eurogiro member countries, alliance partners and guests. The meeting featured an overview of activities in Eurogiro, presented by Eurogiro management and the Operational Performance Group. Furthermore, a number of discussion groups enabled the participants to debate key issues on the payment market in general, as well as key Eurogiro issues. Our alliance partners - Western Union, Universal Postal Union, Federal Reserve Bank of United States and SWIFT - gave valuable contributions to these discussion groups. Most importantly, additional time was made available for bilateral discussions and that time was used to the optimum.

Bilateral talks

"You could feel the room buzzing with energy and exchange of information. One virtually had to drag the participants away from bilateral discussions when the plenum sessions resumed. I am confident that everyone came away from this meeting not only updated on Eurogiro business, inspired with new ideas and with fond memories of the beauty of Portugal, but most importantly with a lot of new actual payment business following the bilateral talks, said Henrik Parl, Managing Director of Eurogiro".

External speakers

On the final day of the conference, external speakers helped widen the perspectives on the Eurogiro payment business. Mr. Norbert Bielefeld, World Savings Bank Group, highlighted the inevitability of the Single Euro Payment Area (SEPA) and the key challenges for the industry following, amongst other things, the New Legal Framework and FATF regulation. Mr. Martin Wilson, Voca (UK clearing) presented the first example of a domestic clearing organisation with a vision to expand into Europe/EU; as such an example of a pan-European payment initiative made possible by the new SEPA framework. Mr. Niclas Storz, Boston Consulting Group, gave a detailed overview of trends within the global payment industry and highlighted key challenges. Finally, Alexandre



Delegates from the Eurogiro member countries



Intense discussions during the bilateral talks

Mendes Nina, Brazil Foreign Ministry, provided the audience with information on a new (immigrant) remittance initiative aimed at combating hunger and poverty.

Changing payment market

Overall the meeting gave an impression of unprecedented change in the global payment environment where traditional borders between banks, ACH's, card companies, internet providers, Money Transfer companies etc. are becoming more and more diffuse. It is also a market where cost efficiencies become critical

especially for traditional low value payments while the emergence of new markets such as immigrant remittances opens up for new opportunities.

Apart from hopefully good business benefits from the meeting, the 2005 User Group in Lisbon will be remembered for the flawless organisation and hospitality of the Portuguese hosts. Especially the social events (visit to Royal castle and a beautiful boat trip) will ensure a memory of a beautiful Portugal and of meeting with great friends while doing valuable business. "Thank you, Correios".

Maximising the Asian potential

Connecting the Asian postal administrations with a common electronic network in order to maximise the potential for exchange of cross-border payments and remittances

Eurogiro Workshop

Eurogiro held a workshop, co-hosted by Deutsche Bank, in Bangkok on 6 – 7 July 2005. The workshop was targeted towards Asian Pacific postal administrations that were considering joining the Eurogiro network. The postal administrations from Republic of Korea, Laos, Maldives, Philippines, Thailand and Vietnam participated in the workshop and the Posts from Cambodia, Hong Kong, India, Malaysia, Nepal, Singapore and Sri Lanka expressed an interest in the outcome/next steps. Input for the workshop discussions were given through informative presentations by representatives of the Eurogiro company and four of the Eurogiro members active in the region; Japan Post, Deutsche Bank, Swiss PostFinance and Deutsche Postbank.



Delegates participating at the Eurogiro Asia Pacific Workshop 6 – 7 July 2005

Cross-border payments

Different international studies have shown an increased number of remittances and cross-border transfers due to increased foreign trade, and especially due to the large number of foreign workers sending money back to their home countries. Seen in this perspective, and as existing Eurogiro members have significant payment volumes to several Asian countries, Eurogiro recognized the value of hosting a workshop where the interested parties could come together and discuss the wide-ranging opportunities. To exchange cross-border payments electronically a common network is required, and existing members of Eurogiro strongly recommend utilising the Eurogiro network due to its proven high quality and reliability in combination with the low-cost solutions provided – all factors which are musts within the international payments' business. The main topic of the workshop therefore revolved around the detailed implementation elements and phases of a connection to Eurogiro.

Connecting Asian Post

By connecting several Asian postal administrations to the Eurogiro Network (Japan Post and China Post are already connected) the business potential will improve for payments between the continents, but intra Asian business

potential will also grow concurrently as more countries in the region connect to Eurogiro. Today some of the Asian postal administrations do not have significant business potential with existing Eurogiro members but when a few important countries in the region connect to Eurogiro, this will also make a positive business case for these countries. It is the natural positive effect of expansion as more connections give rise to more opportunities. Immediately after the workshop in Bangkok, Thailand Post Co. confirmed their intention to join the Eurogiro co-operation and Korea Post, Philippine Postal Corporation and Vietnam Post are strongly considering their position and thereby making it more attractive for other countries in the region to follow.



International co-operation creates connectivity

Annual Technical User Group

The meeting on 9-10 June in Malmö was an excellent opportunity to learn more about the development of the Eurogiro system

The Technical User Group is the forum where participants learn about the new features in the Eurogiro System, and discuss the future development of the system to ensure that their needs and requirements are incorporated.

ELS version 2

The focus was on the new development of the Eurogiro Local System (ELS). The ELS application is being recoded and the new version will be known as ELS version 2. The new application is developed to support a number of different platforms, making it easier to integrate into the existing IT infrastructure at our members. The ELS version 2 was well received and we got valuable feedback for functionality and services. These feedbacks will be integrated into the initial release which is scheduled for October 2005.

ESM

Another high value topic was the ESM – the software used by the members connected via SWIFTNet. The ESM will be enhanced with a number of the services from the ELS application. Other interesting subjects on the agenda were the migration from ELS version 1 to ELS version 2, the TMO and the upcoming upgrade of UNIX and the PKI software. After the meeting there was an opportunity to 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.



Nis Holst from Rambøll gave a presentation of the ELS and ESM environment. The applications are developed in Java and based on Tomcat and Apache Derby

Elta Hellenic Post and Western Union: a creative promotion leads to further success

From 10th December 2004 to 10th January 2005, Western Union and Elta Hellenic Post, a Western Union authorized agent in Greece, launched their latest Instant Gift promotion, awarding raincoats as seasonal gifts to Western Union's loyal customer base at Elta Hellenic Post. The Instant Gift promotion is the latest reflection of the strong union between the Greek postal system and one of the world's leading money transfer services.

Elta Hellenic Post and Western Union structured the marketing campaign in the shape of a consumer promotion, targeting all ethnic communities and corridors throughout Greece including the Albanian, Bulgarian, Romanian, Ukrainian and Russian communities. The promotion was developed to take effect during the holiday season with the dual objective of rewarding customers' loyalty and wishing them well in 2005.

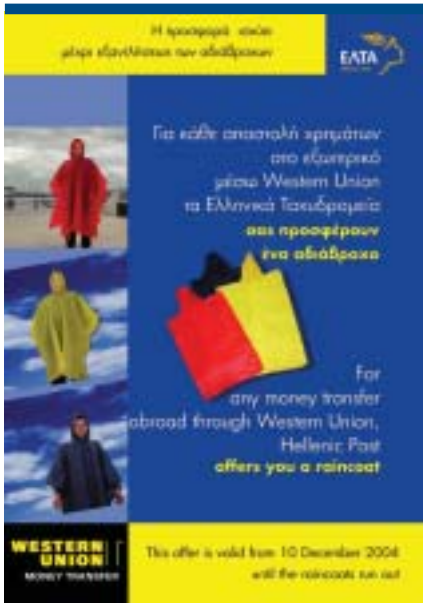
“Western Union recognised that many foreign Greek residents would be choosing this time of year to transfer money to their friends and relatives living abroad. Timing the promotion over a period when the service would be in high demand was a key strategy to our success,” said the marketing department head of the Financial Products Unit, Elta Hellenic Post.

The Instant Gift promotion featured throughout the extensive network of 830 Elta Hellenic Post Office agent locations. All customers received a raincoat for every transaction conducted via the Western Union Money Transfer® service to any country of their choice: 29,937 raincoats were distributed in total as a result of the promotional activity. Each raincoat was accompanied with a card wishing the consumer and his/her family a ‘Happy New Year’.



The attention to detail cited in this example represents a theme throughout the campaign; both Western Union and Elta Hellenic Post Office worked together with a common vision to ensure that this good will message was consistent throughout the Point of Sales material.

“The Western Union Money Transfer service is an important element of our product and service offerings to our consumers at Elta Hellenic Post offices throughout Greece,” commented the marketing department head, Elta Hellenic Post. “The Instant Gift promotion succinctly cele-



brated our relationship with Western Union as well as demonstrated how much we value our loyal Western Union customer base”.

The promotional materials used throughout the duration of the programme included posters

and leaflets; designed to enhance Western Union’s visibility amongst its key target market. All the material was branded with the two logos – Western Union and Elta Hellenic Post Office – visually representing and enhancing their strategic relationship to demonstrate the success of the union.

To emphasise the strong bond between Elta Hellenic Post and its consumers, during the 2004 Olympics in Athens, July-October, Elta Hellenic Post in conjunction with Western Union created an information leaflet free to Elta consumers and specifically, tourists visiting Greece, entitled ‘Map of Athens’. The leaflet was available at Elta Hellenic Post agent locations throughout Greece and included a map of central Athens including tourist attractions as well as Elta Hellenic Post agent locations. In addition, the leaflet included a ‘how to’ guide informing those new to the service how to send and receive money via Western Union, including a Western Union customer freephone number to dial for enquiries as well as other useful contact numbers for visitors.

“As a result of the success of the Instant Gift promotion and Athens’ Olympic activity, we at Western Union will continue to work together with Elta Hellenic Post to roll-out similar incentive programmes for our consumers across Greece in the future,” said Mario Barbas, Regional Vice President, Italy, Greece, Cyprus and Malta, Western Union.

Elta Post has been a Western Union agent in Greece since June 2000.



Postal financial services opportunities

Payment products linked to accounts

Although the handling of cash payments remains the core business of several postal financial institutions, these institutions are increasingly being made aware that it is essential to offer products bound to an account in order to meet their customer’s need.

Depending on their legal status, the postal financial institutions will be authorized to open postal current accounts for their clients and will be able to build a range of products bound to accounts. In this way they can give their account holders the possibility of making payments in favour of accounts all over the world.

The account holder in a financial institution adhering to Eurogiro has the ability, as a rule, to make transfers to postal or bank accounts all over the world. For instance, Swiss Post PostFinance clients are able to transfer pay-

ments in favour of postal or bank accounts worldwide in the most important currencies through the Eurogiro members.

It is also encouraging to point out that, even if a financial organization is not authorized to manage current accounts, it can offer to their clients, as a Eurogiro member and from the Post Offices, worldwide cross-border transfers in favour of postal or bank accounts abroad. This can be done by accepting cash as the payment instrument and forwarding the payments as account transfers via Eurogiro.

The postal financial institutions are more and more convinced that their future development (or their survival) depends on their integration with the banking world.



Jean-Luc Demierre, Swiss PostFinance



Deutsche Postbank sets new world record

Deutsche Postbank kicked off its own high-profile publicity for the 2006 FIFA World Cup Germany™ by staging a massive publicity event in the country

A major publicity stunt in Germany showed teamwork within Deutsche Post World Net at its very best. Postbank and DHL employees took less than five hours to get 142,000 soccer balls on and off Borussia-Park stadium field in Mönchengladbach, setting a world record for Postbank. The event, which will be recorded in the Guinness Book of World Records, was organized to generate publicity for Postbank in the run-up to the 2006 FIFA World Cup Germany™.

Wulf von Schimmelmann, Chairman of the Management Board at Deutsche Postbank, said: "Soccer is the sport that most people are interested in around the world. The fact that the FIFA World Cup™ is being held in our country next year is an ideal opportunity for us to demonstrate our abilities and achievements. As the largest private bank, it was a matter of course that we take part in this event. We owe it to our customers." The amazing world record was set by 320 Postbank employees, who lined up the soccer balls inside the stadium.

More than 9,000 boxes containing the balls had been supplied to the stadium by Adidas in 25ft by 40ft overseas containers. Achieving the world record took: 142,000 soccer balls; 3 container vessels; 27 40ft containers; 10,125 cartons (a total weight of 86,000 kilograms); a helicopter; 10 buses; 2 tractors; 40 dumpsters; 40 trucks; and 276 m of portable conveyor belt.



Excellent outlook for Deutsche Postbank

For the first time since Deutsche Postbank became a publicly quoted company in 2004, shareholders came face to face with board members in the Köln arena convention and media centre in Cologne, where the bank held its first annual general meeting. Postbank's CEO Wulf von Schimmelmann confirmed that, after achieving record results in 2004, the bank got off to a good start in 2005. In the first quarter of the year, compared to 2004 the bank's pre-tax profits jumped 15.4 percent to EUR165 million. He also confirmed that in the first three months of the year Postbank shares had gone up 9.2 percent, which is 40 percent higher than the initial public offering in June 2004.

Approximately 1,400 Postbank shareholders were at the meeting to hear that the bank will

continue to focus on private customer business in the German domestic market, which is the largest market for bank services in Europe. Schimmelmann said: "We are the dominant provider of our business systems and have a proximity to the market that distinguishes us from our competitors." The bank has acquired 890,000 new customers since 2004, which is equivalent to a 16 percent increase in comparison to the previous year. Schimmelmann commented: "Germany offers opportunities for further growth. And we have already come a good distance this year."



Activity Calendar Autumn 2005

5 – 9 September 2005
SIBOS 2005 Meeting in
Copenhagen: Eurogiro has
an exhibition stand (C347)
in collaboration with
CrossPay

3 - 5 October 2005
Post Expo, Paris

3 – 4 November 2005
Eurogiro Board Meeting,
Chester

9 November 2005
SEPA Conference (Informa),
London

Subjects to be
covered
in the next issue:

- SIBOS 2005 —
after the Meeting
- Eurogiro sub-club initiative
on remittances

Please forward
ideas, comments,
articles etc. to:

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