

DG BANK

European Central Bank Conference
**TOWARDS A DOMESTIC PAYMENT INFRASTRUCTURE
FOR THE EURO AREA**

Frankfurt am Main 7 February 2001



Transferts
Interbancaires de
Paiements
Automatisés

DG BANK 

Elektronische
Transaktions- und
Zahlungssysteme

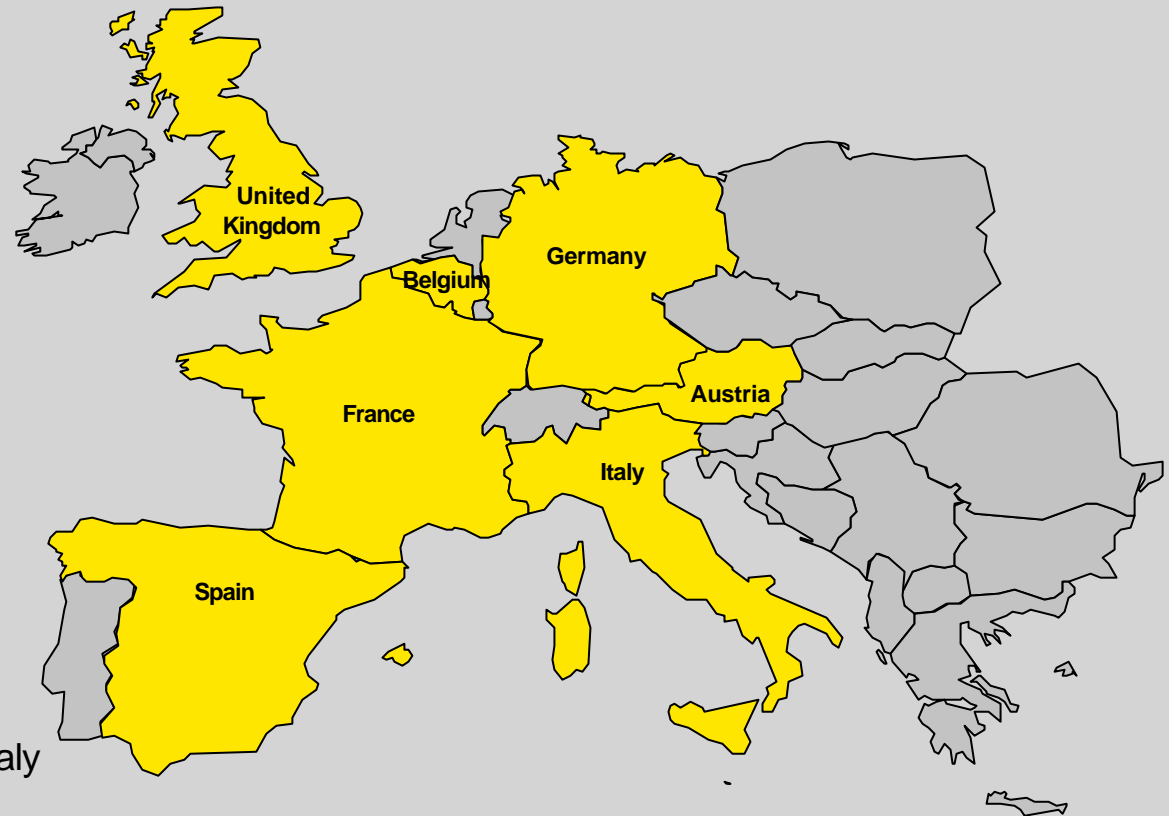
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AGENDA

- Payments networks between cooperative banks
- TIPA network
- TIPANET basics
- TIPANET conditions
- TIPANET status and outlook

TIPA network



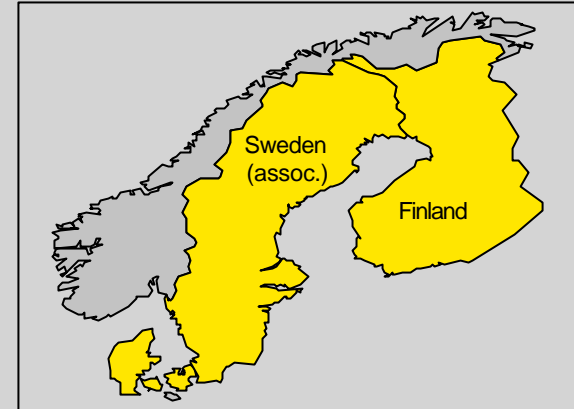
11 TIPANET Shareholders

- Natexis Banques Populaires, France
- Banca Popolare Commercio e Industria, Italy
- Istituto Centrale delle Banche Popolari Italiane, Italy
- Banco Popular de España, Spain
- Crédit Professionnel, Belgium
- The Cooperative Bank, United Kingdom
- Österreichische Volksbanken AG, Austria
- Geno Group, Germany (DG BANK, GZ-Bank, WGZ-Bank)
- Caisse Centrale Desjardins Quebec, Canada

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UNICOPAY network

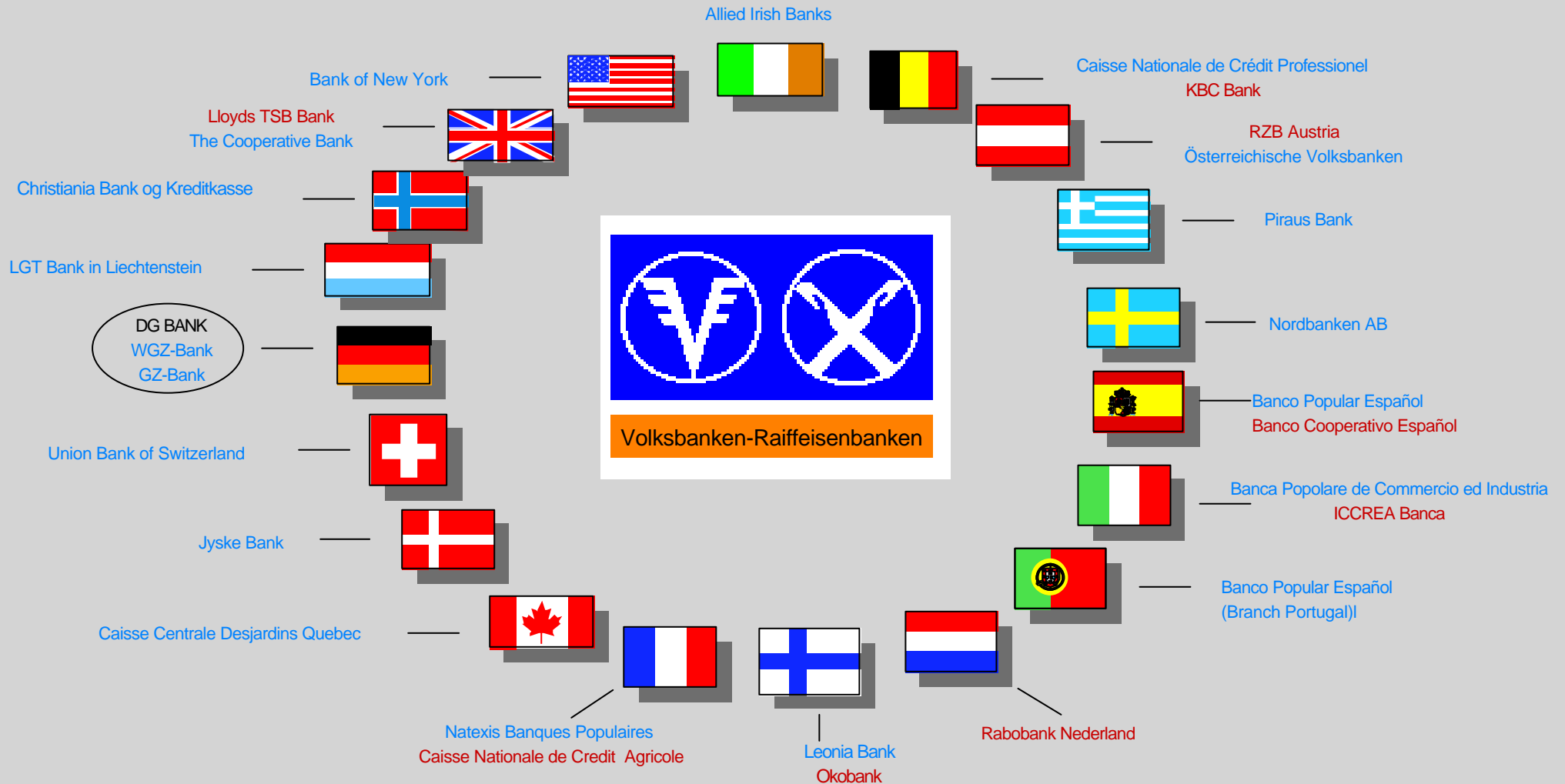


8 UNICOPAY Principals

- Caisse National de Crédit Agricole-Indosuez, France
- Istituto Centrale delle Banche di Credito Cooperativo, Italy
- KBC Bank (formerly CERA), Belgium
- Lloyds TSB Bank, United Kingdom
- OKOBANK, Finland
- Rabobank, Netherlands
- Raiffeisen Zentralbank, Austria
- DG BANK, Germany

TIPANET/UNICOPAY

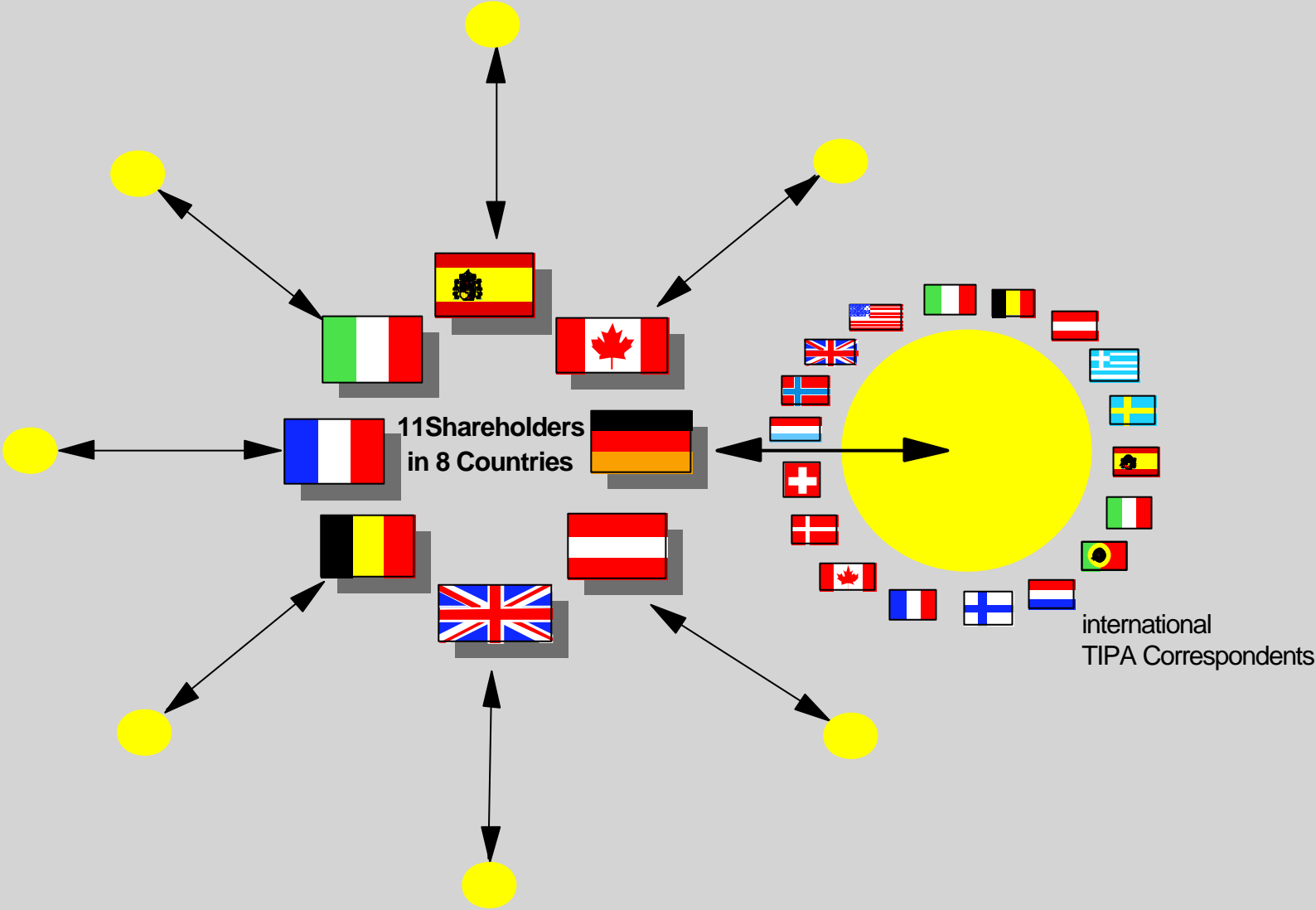
25 partners of the German Cooperative Bank Group



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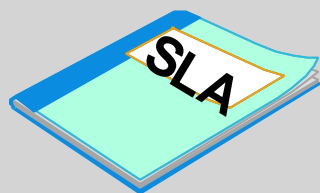
TIPA network



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TIPA network

- Foundation 1993: Cooperative banks from 6 countries
- Target: Manage, develop and run an efficient cross-border clearing system
- Objectives:
 - Straight through processing
 - Low and fixed interbank fees on a bilateral basis
 - Transparency of front-end-charges
 - Sender delivers payments in EURO or in the currency of the receiving non-EURO-country
- Result: The creation of a club-solution called TIPANET.



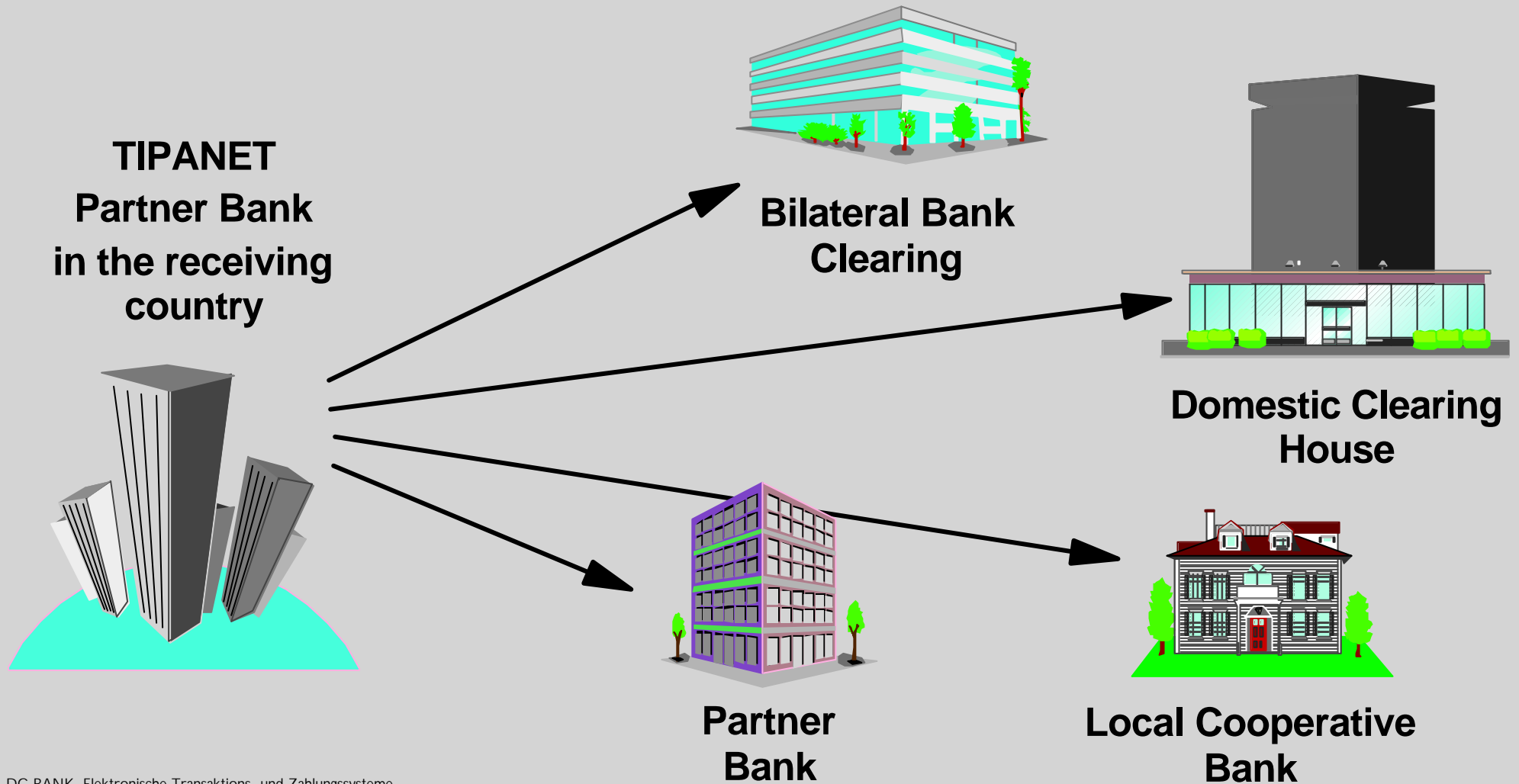
TIPA network

Germany:

- Linkage of correspondents in 17 European countries, Canada and USA for more than 10,000 banks and millions of customers
- Multilateral agreements:
 - common message types
 - internationally accepted carrier
 - fixed operation timetables
 - negotiated settlement instructions
- Bilateral agreements:
 - standard interbank fees
 - value dates
 - guaranteed customer charges
- National agreements:
 - Germany: cost sharing between the local cooperative banks and central cooperative banks

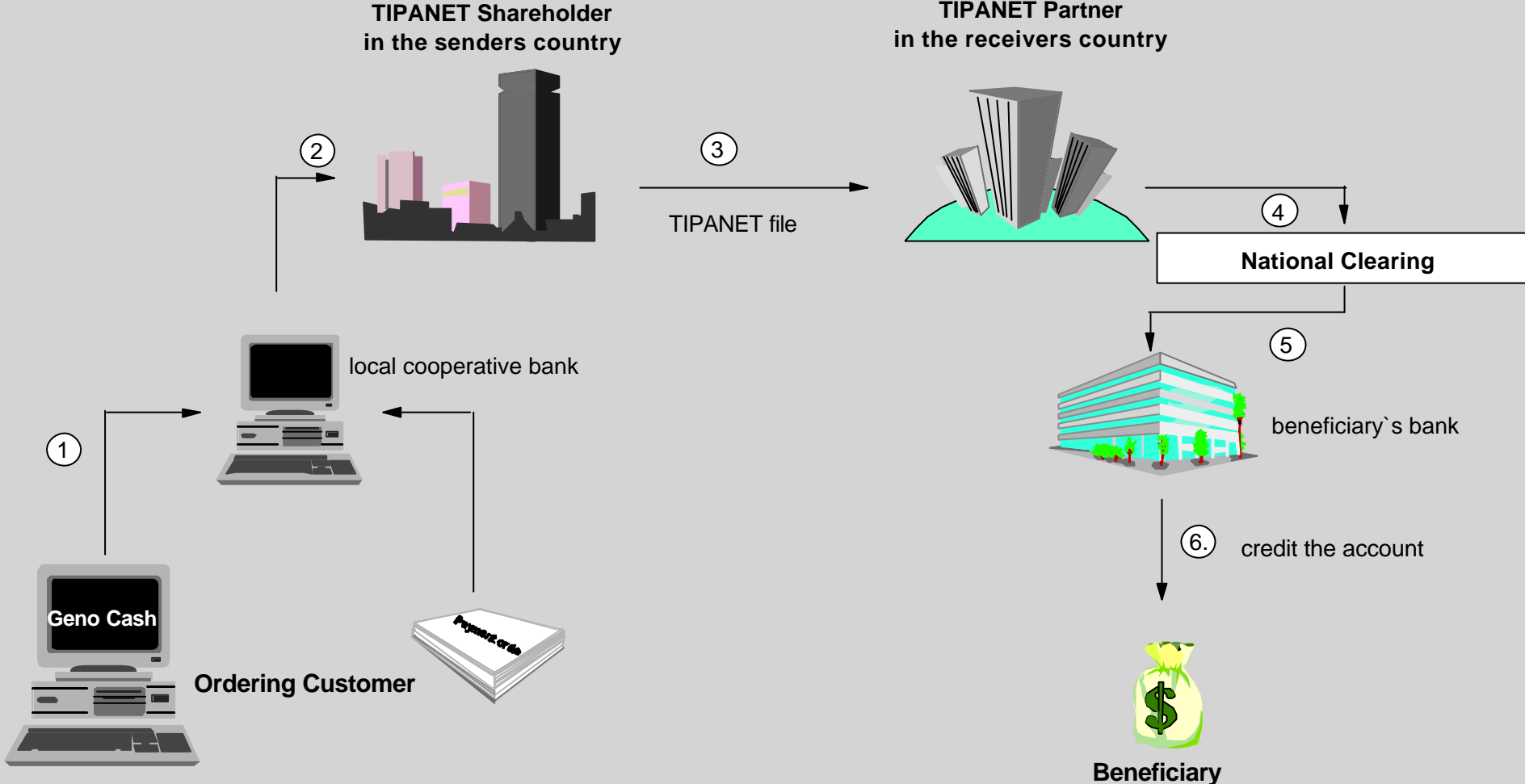
TIPA network

An open network: direct access to all banks through TIPANET partners



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TIPA network



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TIPANET basics

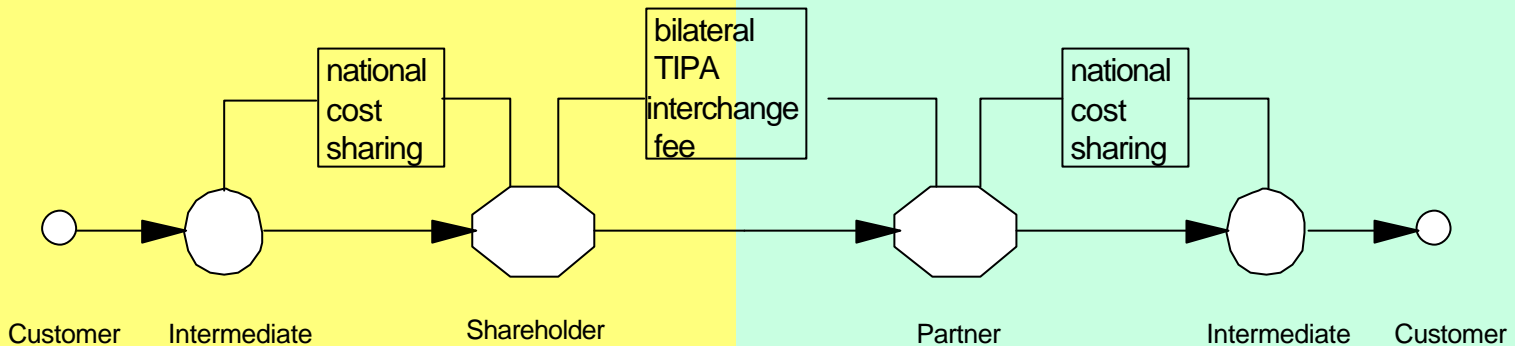
- The carrier of the TIPANET files is S.W.I.F.T (IFT or Fin)
- The files are created for each country in a unified format S.W.I.F.T. MT 102
- Specific message validation rules ensure full STP (control mechanism on the sending side)
- The partner bank converts the files into the national clearing format.
- The cross-border customers payments are executed as national payments (subject to the national thresholds).
- A multi-national data format offering the possibility of automated processing by the different national clearing systems in the respective country.

TIPANET conditions

Prices *) :

Sending Country

Receiving Country



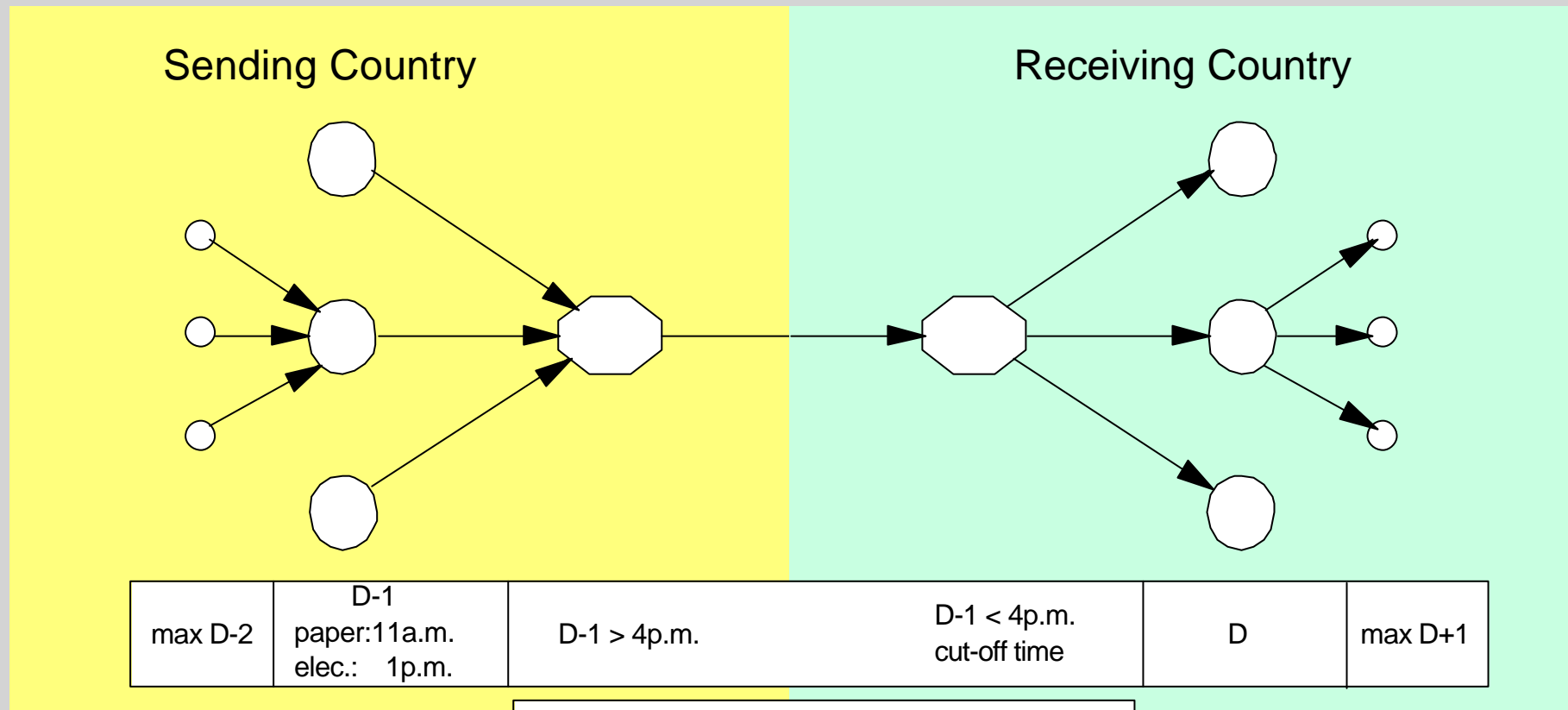
1000 € credit transfer :

Ben - 1000.00 €	transparent front-end-price: 7.50 € (= contribution to the cost coverage of all partner banks involved)	+ 992.50 € Ben
Our - 1007.50 €		+ 1000.00 € Our
Sha - 1003.75 €		+ 996.25 € Sha

*) Prices for customers of the German GENO Group for STP - Payments towards all TIPA Partners up to a specific amount according to the reporting limits of the receiving country ; uncontradicted price maximum of the competition authorities: 20 DM

TIPANET conditions

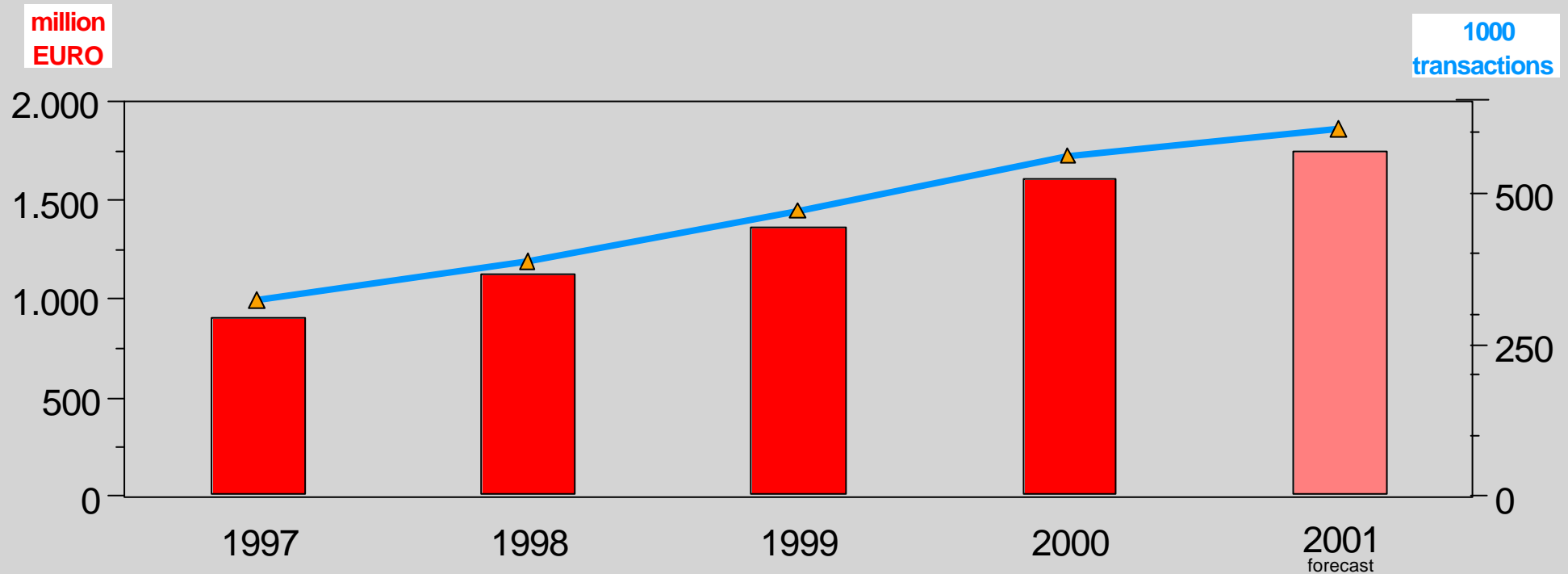
Timetables:



The value of payments between partners is settled via correspondent banking accounts

TIPANET status and outlook

Outbound TIPANET payments from Germany
double in 5 years



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TIPANET status and outlook

Fulfilment of the "7 ECB objectives"

- Enhanced systems/services
- Priority for cross-border credit transfers
- Lower prices for cross-border credit transfers
- Settlement time should be comparable for domestic and cross-border payments
- Fees borne by the originator (OUR-payments)
- Access to cross-border retail payment systems
- Standard implementations



TIPANET status and outlook

Fulfilment of customer needs in the coming EURO - era

- TIPANET is an established and reliable mass payment system in Europe
- TIPANET is not restricted to credit transfers, some partners exchange direct debits and electronic drafts
- TIPANET is compliant with the European directive on cross border payments
- TIPANET is characterized by a high level of automation
- TIPANET payments are nearly 100% STP with low rates of rejects and claims

TIPANET status and outlook

Enlargements

- Credit transfers will remain the most important type of payments
- New partners according to international trade flows
- Further developments according to national market requirements:
 - Direct debits
 - Electronic drafts
 - Cheque issuance
 - Cheque truncation (bank cheques)

TIPANET status and outlook

Next steps:

- Generalization of the transaction ceiling to 50.000 €
(according to EU reporting thresholds)
- Exchange of national direct debit files into common formats
- Ensuring compatibility between TIPA and MT 102 +
- TIPANET is primarily our brand for convenient cross-border payments ,
there are no restrictions on the integration of other non-competitive services