



Press Release

Cooperation agreement between ten Euro-Mediterranean banks: twenty concrete projects launched

(Paris, January 30, 2009) --- Giving tangible expression to the memorandum of agreement adopted in Paris on July 7, 2008 in the margins of the first Summit of Heads of State and Government leading to the creation of the "Union for the Mediterranean", ten financial institutions ⁽¹⁾, soon to be joined by the African Development Bank (AfDB), signed a memorandum of agreement in Paris today, January 30, 2009, providing for the launch of twenty concrete projects. The Strategic Committee, currently chaired by Bernard Comolet, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne, has undertaken to consolidate the work carried out by the signatory institutions since July last year with a view to facilitating savings among migrant workers, reducing the cost of fund transfers, and favoring the financing of SMEs and infrastructure projects. The question of setting up a permanent organization – which could be based on the type of association that already exists in the aeronautical industry – will also be examined in the course of 2009.

The results of the work carried out since July last year have been approved by the Strategic Committee. Henri Guaino, a special adviser to the President of the French Republic and head of the Interministerial Mission of the Union for the Mediterranean, and his Excellence Nassel Kamel, Ambassador of the Arab Republic of Egypt in France, both representing the joint Franco-Egyptian chairmanship of the Union for the Mediterranean, attended the presentation of this work to the press. They welcomed the initiative taken by the signatory institutions contributing, as it does, to the concrete assertion of the geographical, cultural and economic identity of the Mediterranean region.

The twenty projects chosen by the Strategic Committee chiefly concern the following areas: financial transfers; products related to banking services, insurance and real estate; support and assistance provided for SMEs; the financing of infrastructures and major projects. Each of the five working groups set up since the summer of last year that recommended these projects was chaired by one of the banks: Attijariwafa bank (Morocco) for products related to loans, real estate, insurance and services; BIAT (Tunisia) for deposit accounts and savings products; the Spanish Confederation of Savings Banks (CECA – Spain) for fund transfers; Groupe Caisse d'Epargne (France) for infrastructure and project financing; Intesa Sanpaolo (Italy) for support and assistance provided for business organizations. Groupe Caisse d'Epargne, which has played a pivotal role in the creation of this group of banking institutions, also took charge of the overall management of the work.

- **Two transverse projects involving the group as a whole:**
 - the consideration, as far as possible and if shown to be useful, of the creation of a specific identity, *via* a permanent legal structure and a brand name;
 - the consideration, as far as possible and if shown to be useful, of the creation of a joint catalogue of products that each member will offer to migrant workers, published online on a joint website.
- **Projects designed to favor financial transfers:**
 - development of an efficient, open and flexible platform for the transmission of migrant workers' funds, based on the example of the *Bravo* platform set up by the Spanish Confederation of Savings Banks (CECA);
 - work on an "account to account" system between the members of the alliance in order to reduce the cost of fund transfers between them;
 - implementation of "bank card to bank card" transfer solutions along different corridors within the geographical region.

- **Projects related to banking, insurance and real estate products:**
 - twinning, as far as possible, of a savings product in the North with a savings product in the South, with the same advantages in convertible local currency;
 - definition of joint strategies designed to win new customers through the definition of processes;
 - possibility to offer co-branded products – real estate products, initially – including an *ad hoc* savings plan and cross-border credit solutions;
 - extension of the *S'Miles* customer loyalty program – a French multi-brand loyalty scheme, of which the Caisse d'Epargne is a member – to countries on the southern shores of the Mediterranean, and development of other loyalty programs;
 - distribution of a pack for students from the South moving to Europe.

- **Projects favoring financing solutions for SMEs:**
 - easier creation of relationships between single access points (desks), taking as an example the Support Center for International Expansion set up by Intesa Sanpaolo. The desks will pursue the following missions: support for the international development of SMEs, support for migrant workers wanting to create their own companies or to invest in micro-enterprises in their countries of origin, etc.
 - use of specialized loan models with the guarantee of various players (European Investment Bank, AFD (French Development Agency), Confidi, etc.) to provide SMEs with better financing solutions;
 - facilitation of information exchanges related to business opportunities and, ultimately, the creation of a joint platform;
 - signature of a multilateral agreement to facilitate the growth of client SMEs through: the reciprocal opening of accounts and increased financing possibilities; the use of loan guarantees; the development of the international flows of companies banking with the partner financial institutions.

- **Projects related to the financing of infrastructures and major projects**

A specific agreement has been signed ⁽²⁾ to facilitate financing solutions of this type while simultaneously pooling the risks. This agreement provides for the following:

 - upstream, the institutionalization of an information exchange system between the partners, including the EIB and AFD;
 - when one of the partners acts as an arranger on a deal, it will consult the other signatories to enable them to take part in the financing package;
 - when one of the partners is a financial adviser to a public or private entity looking for financing, it undertakes to inform the other parties and invite them to join a banking syndicate;
 - when one of the partners is a direct or indirect investor (*via* a fund under its management) of a project requiring major financing, it undertakes to do everything in its power to involve the other signatories to the project;
 - the partners will do their very best to develop investment or joint investment in investment funds.

The signatory institutions have agreed a schedule of work for 2009 with the pursuit of the twenty projects they have chosen. What is more, work will also begin on examining the form that could possibly be given to this alliance. Already, a Strategic Committee has been set up, comprised of all the Chairmen or Chief Executive Officers of the member institutions. This Committee is responsible for maintaining the ongoing development of the alliance and for approving all the programs and projects. The position of Chairman, currently entrusted to Bernard Comolet, Chairman of the Management Board of CNCE, will be revolving, assumed by the bank of the country staging the Committee's annual meeting. A Management Committee has been entrusted with the task of coordinating the teams responsible for different assignments and of monitoring their progress. A Chairman is appointed at the head of this committee every year by the Strategic Committee: Michel Gonnet, Chairman of the Management Board of Océor (Groupe Caisse d'Epargne), has been appointed to this position for the first year. He is assisted by an Operating Manager, also appointed by the Strategic Committee. Erik Pointillart, Head of International Department within Océor, has been entrusted with this responsibility.

Originally comprised of nine signatories and two observers, the group of banks has been joined by other institutions, as provided for in the initial agreement signed in July last year. Fransabank SAL (Lebanon) joined in October last year, and the African Development Bank (AfDB) has said that it would like to become a member. What is more, the EIB and AFD, who had the status of observers until now, have decided to become full-fledged members.

Encouraged by the support given by Henri Guaino, the members of the alliance said they want to do everything possible to ensure that their projects are recognized within the framework of the Union for the Mediterranean, a status already granted to projects designed to reduce the pollution of the Mediterranean, to develop the "motorways of the sea" or to pursue the Mediterranean solar plan. This alliance between banking institutions, a project that helps to give concrete reality to the Union for the Mediterranean for large numbers of inhabitants in this part of the world, intends to make a contribution to the economic development of the southern shores of the Mediterranean.

(1) Al Amana (Chairman: Ahmed Ghazali); Attijariwafa bank (Chairman: Mohamed El Kettani); Bank of Alexandria (Chairman: Mahmoud Abdel Latif); CECA (CEO: Jose Antonio Olavarrieta); CIH (Chairman: Khalid Alioua); Fransabank (Chairman: Adnan Kassar); Groupe Caisse d'Epargne (Chairman: Bernard Comolet); Intesa Sanpaolo (Chairman: Enrico Salza); EIB (vice-Chairman: Philippe de Fontaine Vive); AFD (CEO: Jean-Michel Severino)

(2) Attijariwafa bank; Banca Infrastrutture Innovazione e Sviluppo; Bank of Alexandria; Caisse Nationale des Caisses d'Epargne; Spanish Confederation of Savings Banks; Fransabank; Financière Océor; Intesa Sanpaolo, Natixis, AFD, soon to be joined by the EIB.

Al Amana, at a glance

Al Amana is a Moroccan banking institution specializing in microfinance. It was created in 1997, and more than 500,000 individuals previously excluded from traditional financing systems are now able to benefit from its loans. This population is evenly divided between men and women, and between people living in urban areas and in rural districts. Their sectors of activity are retail distribution, agro-pastoral activities, craft trades and services without mentioning housing loans. 70% of the loans granted by Al Amana are arranged within the framework of mutual guarantee groups; the others are granted on the basis of individual references. The average size of the loans granted is in the region of €811; the size of the average loan outstanding is €495 for an aggregate portfolio of €245m. The quality of reimbursement is excellent, and Al Amana is currently in the process of developing new services that will include cash transfers, deposit taking, online and telephone banking services, and the intermediation of insurance products.

Attijariwafa bank, at a glance

Present in all the sectors of the banking and finance industries, Attijariwafa bank is the largest banking group in Morocco with market share varying between 25% and 45% depending on the sector of activity. The Group is the 7th largest bank on the African continent in terms of total assets. With a market capitalization of almost five billion euros, the Attijariwafa bank Group is present in 22 different countries, employs more than 8,860 people, and service more than three million customers through a network of more than 1,300 branches and outlets.

Spanish Confederation of Savings Banks, at a glance

The Spanish Confederation of Savings Banks (CECA) is the national association of 45 individual savings banks. It is also a credit institution with no specific limitations that provides the savings banks and all the other market players with highly competitive products and services related to the technological and financial sectors. In pursuit of each of its activities, the Confederation has adopted as its fundamental principle and benchmark for behavior the most stringent respect for the personality and independence of the member savings banks, both as far as their organization and the pace of their operations are concerned. Its aim is to reinforce the position of the Spanish savings banks as key, and respected, members of the Spanish and international financial system. The CECA acts as a forum for the strategic thinking of all the savings banks and does its utmost to publicize, defend and represent their interests while giving them the benefit of its advice and providing them with a range of competitive products and services.

Crédit Immobilier et Hôtelier (CIH), at a glance

A Moroccan banking institution historically specializing in property and hotel financing (a key partner of the public authorities in the area of housing financing, and the specialized bank for real-estate developers in Morocco), CIH now wants to develop, in partnership with its shareholders – the Caisse de Dépôt et de Gestion (Morocco) and Groupe Caisse d'Epargne (France) – its activities as a front-ranking general financial institution, dedicated to providing banking services to a clientele of individual customers. CIH runs a network of 136 branches, has more than 1,550 employees and more than 300,000 customers.

Fransabank, at a glance

Fransabank SAL is one of the front-ranking banking institutions in the Lebanon both in terms of its branch network, market share and results. The Group began its international expansion in the 1980s with the opening of a subsidiary in France in 1985: Fransabank (France) SA. At the end of October 2006, it officially opened a subsidiary in Algeria, Fransabank El Djazaïr SPA. The Group also has offices, notably, in Syria – where the bank started activities in January 2009 – but also in Byelorussia and the Sudan. The international entities belonging to Fransabank should account for approximately 20% of the Group's net income by 2010.

Groupe Caisse d'Epargne, at a glance

Groupe Caisse d'Epargne is one of the largest retail banking institutions in France. The Group has launched its international development, notably in the Maghreb, via Océor, its commercial banking arm in the international arena and in French overseas territories. Already owning an equity interest in CIH (Morocco), Océor acquired in 2007 a 60% stake in the capital of BTK, which has been granted official approval as a full-service, universal bank in Tunisia and owns several subsidiaries specializing, in particular, in providing corporate and infrastructure financing solutions. BTK, which offers a range of products and services designed to meet the needs of corporate, professional and individual customers, is pursuing an ambitious development plan in terms of market share, the opening of new branches and recruitment for the period running up to 2012.

Intesa Sanpaolo and its subsidiary Bank of Alexandria, at a glance

The Intesa Sanpaolo Group, one of the largest banking groups in Europe, is the leading player in Italy providing financial services to a clientele of individual and corporate customers. The Group has developed its activities in Central and Eastern Europe where it is one of the front-ranking players in several countries while simultaneously reinforcing its presence in new geographical areas such as the Mediterranean basin where it controls the Bank of Alexandria, the 6th largest Egyptian bank. The Group's activities are organized in core business lines: Commercial banking (individual and professional customers, SMEs and associations); Corporate & Investment Banking; international subsidiaries (retail and commercial banking); Banca Infrastrutture Innovazione e Sviluppo (public finance sector); Eurizon Capital (one of the foremost asset management companies in Italy); and Banca Fideuram (the leading private banking specialist in Italy).

Bank of Alexandria, created in 1957, was privatized in 2006 following the transfer of 80% of its equity capital to the Italian Intesa Sanpaolo Group, which renovated and updated its organization. The bank pursues a priority strategy in the SME market, based on the expertise of its parent company in this area, and in the retail banking sector. It also develops corporate banking activities. Bank of Alexandria serves a clientele of large Egyptian corporations and international companies present in Egypt. It is also active in the micro-credit segment for small entities liable to be excluded from the mainstream banking sector. The bank runs a network of 185 branches and has a total of 1.3 million customers.

French Development Agency (AFD), at a glance

A public institution, the French Development Agency (AFD, or Agence Française de Développement) has been actively engaged, for more than 60 years, in the combat against poverty and in favor of the development of the countries in the Southern Hemisphere within the framework of French foreign aid schemes ("cooperation"). Present in more than 70 different countries and in French overseas territories, AFD finances and supports projects designed to improve the living conditions of local populations, to reinforce economic growth and protect the natural environment. Sub-Saharan Africa is a priority for the Agency, which devotes more than 70% of its grants to this part of the world. In 2007, the Agency and Proparco, its subsidiary specializing in the financing and promotion of the private sector, devoted €3.5bn to funding actions in Southern Hemisphere countries and in favor of overseas French territories. The initiatives in question concerned, in particular, schooling for 5.8 million children and the supply of drinking water to 4 million people. Projects in the area of energy efficiency undertaken in the same year will make it possible to save 2.7 million metric tons of CO₂ per year.

The European Investment Bank (EIB) and FEMIP, its financial arm for the Mediterranean, at a glance

The European Investment Bank, the bank of the European Union, possesses a financial arm dedicated to its activities in the Mediterranean: the **Facility for Euro-Mediterranean Investment and Partnership (FEMIP)**. The remit entrusted to FEMIP is to promote the development of nine countries: Algeria, Egypt, Gaza/the West Bank, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia. Its twin investment priorities are to provide support for the private sector as the driving force behind sustainable development, and the creation of an environment conducive to investment thanks to efficient infrastructures and updated banking systems. FEMIP has become the principal financial partner of the Mediterranean region with investments of €8.5bn since 2002. It also promotes dialogue between the two shores of the Mediterranean at an institutional level but also with representatives from the private sector and from civil society. In 2006, FEMIP published the first study on the transfer of the funds of Mediterranean migrant workers from Europe to their countries of origin: www.eib.org.

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