



CHIPS NEWS BRIEFS

FOR THE CLEARING HOUSE INTERBANK PAYMENTS SYSTEM

17th EDITION, AUGUST 2008

CHIPS Customer Satisfaction Survey Institutions Rate CHIPS Higher Than A Year Ago

Customers of CHIPS said the nation's premier, private-sector wire transfer system provided better customer service in the past 12 months compared to the prior year, according to CHIPS' annual customer satisfaction survey.

On a scale of 1–5, CHIPS received an overall customer satisfaction rating of 4.82, which is a combined score based on service quality and delivery. Institutions responding to the annual survey gave CHIPS the highest marks for customer service, network operations and application support, implementation support, and marketing and communications.

"CHIPS strives to improve customer satisfaction by listening carefully to institutions and responding to their needs," said Maddy Fiorillo,

Vice President of The Clearing House and CHIPS Product Manager. "The CHIPS team is focused on improving service quality and welcomes ideas and suggestions from our institutions to further enhance our performance."

In announcing the results of the survey, CHIPS also named the survey drawing winners. Robert Meli of BNP Paribas, Isabella Castrogiovanni of Intesa Sanpaolo S.P.A., and Vijay Kumar Chourasia of State



Bank of India all received an American Express gift check for participating in the survey.

CHIPS Customers: In Their Own Words

One hundred percent of CHIPS' customers responded to the survey, which was sent to participants in May. Among some of the comments and highlights:

continued on page 3

CHIPS and Fedwire® Support New Formats

The Clearing House Payments Company and The Federal Reserve Banks are working together toward a coordinated implementation of enhanced message formats that will accommodate both cover payments and payments containing business remittance information on their respective U.S. dollar wire transfer systems, CHIPS and the Fedwire® Funds Service.

The format changes for cover payments are designed to support the industry requirements that will ensure full transparency of the ultimate beneficiary by November 2009. This is consistent with the transparency principles articulated by The Wolfsberg Group and The Clearing House in 2007. And, by the fourth quarter of 2010, the U.S. dollar wire payment systems are planning to support expanded message formats for cover payments and business remittance payments.

The format changes for cover payments will facilitate compatibility with the recently announced SWIFT cover payment format. Additional structured and standardized business remittance information will facilitate compatibility with a variety of popular formats already used by corporations to communicate with their banks. "These enhanced messages will facilitate interoperability among domestic and global standards while also making cover payments and business remittance payments more efficient and valuable to senders and receivers alike," said Hank Farrar, Senior Vice President of The Clearing House, responsible for CHIPS.

Additional information about this initiative is available at www.chips.org.

**Two more
banks connect
to CHIPS.
See page 2.**

Take Advantage of Incentive Pricing Now

Financial institutions can benefit from the unique capabilities of CHIPS — while realizing considerable savings — by taking advantage of CHIPS' innovative pricing plan. CHIPS' incentive pricing program enables new and current CHIPS customers to add volume to CHIPS at reduced prices. To learn more about the incentive pricing plan, contact Maddy Fiorillo, 212.613.0104, maddy.fiorillo@chips.org.



Two More Banks Connect to CHIPS

Mashreqbank Connects to CHIPS for Wire Payments

Mashreqbank, the largest private bank in the United Arab Emirates and the second oldest in the country, is now using CHIPS for wire payments.

"CHIPS enables Mashreqbank to clear and settle payments faster and less expensively than it has in the past," said Ricardo Benitez, Client Services Manager



of Mashreqbank. "CHIPS is a world-class platform that provides Mashreqbank with new capabilities to meet the bank's growing volume of wire transfer payments safely and securely."

The participation of Mashreqbank is part of CHIPS' broader initiative to serve the increasingly global needs of banks.

"Mashreqbank is a fast-growing institution that was looking for a wire transfer solution that could help manage its rapidly expanding volume of payments," said Hank Farrar, Senior Vice President of The Clearing House, responsible for CHIPS. "By connecting with CHIPS, Mashreqbank will significantly reduce costs and will benefit from a system that delivers payments finality in a totally secure environment."

Habib Bank Limited Connects to CHIPS for Wire Payments

Habib Bank Limited, the largest private sector bank in Pakistan, is now using CHIPS for wire payments.

"CHIPS is a world-class wire transfer system that provides Habib Bank Limited with the capability to clear and settle payments quickly and at a reduced cost," said Faiq Sadiq,



Country Manager, Habib Bank Limited USA. "Connecting to the CHIPS network is not only safe and

secure, but also offers Habib Bank Limited the capability to serve the global needs of its business customers."

Habib Bank Limited is the first bank in Pakistan to connect to CHIPS.

"In an increasingly global economy, financial institutions and their customers need wire transfer capabilities that can help them conduct business anywhere in the world," said Hank Farrar, Senior Vice President of The Clearing House, responsible for CHIPS. "CHIPS is committed to helping institutions and their customers achieve their strategic business objectives by providing a premier wire transfer solution used by the world's largest banks and corporations. Using CHIPS for its payments needs will also give Habib Bank Limited the opportunity to maximize their liquidity."

Bill Walsh Joins CHIPS



Bill Walsh, a payments professional with 28 years of financial services experience, has been appointed to Vice President, Account Relationship Manager of CHIPS.

Walsh, who has worked for The Clearing House for the past 10 years, will be responsible for managing relationships with existing customers, prospective customers and CHIPS application interface providers. He will also work closely with the CHIPS Product Management team to identify evolving market demand and help create strategies to meet those needs.

"Bill Walsh is a terrific addition to the CHIPS team," said Hank Farrar, Senior Vice President of The Clearing House, responsible for CHIPS. "Bill has a wealth of banking experience and will play a key role as we continue to grow and work to provide the best service and support to our customers."

Before joining CHIPS, Walsh was Vice President, Check and Settlement Operations for the Eastern Region of SVPCO, the paper check and electronic exchange business of The Clearing House.



CHIPS Continues To Set New Volume Records



CHIPS set a new record for dollar value on June 30, 2008, when it processed more than \$2.901 trillion and 540,851 payments.

The new record surpasses the previous all-time high for dollar value established on September 29, 2007, when the system handled \$2.704 trillion and 518,484 payments.

"CHIPS continues to set new records because institutions recognize the value and reliability of working with an efficient system that maximizes their use of liquidity," said Hank Farrar, Senior Vice President of The Clearing House, responsible for CHIPS. "We're very pleased with the progress of CHIPS and appreciate the support of institutions who continue to put their trust in us."

The record set by CHIPS helped The Clearing House process \$3.036 trillion on June 30, the largest amount of dollar value in the company's 155-year history. In addition to CHIPS, The Clearing House operates EPN, the nation's largest private-sector ACH, and SVPCO, the nation's leading paper and electronic check exchange provider.

In Brief In Brief In Brief

2008 Events

Please come visit CHIPS at the following conferences in 2008.

Date: **September 15-19**

Event: **SIBOS**

Location: **Vienna, Austria**

Date: **September 28-October 1**

Event: **IFSA 2008 Annual Conference**

Location: **Bonita Springs, FL**

Date: **October 19-22**

Event: **AFP Annual Conference**

Location: **Los Angeles, CA**

2008 Webinars

Don't miss out on the opportunity to participate in **The Payments University's** upcoming webinars.

Course	Dates
Wire Fundamentals 101	October 7
Wire Fundamentals 102	October 14
Comparative Payments Systems	October 29
Global Retail Remittance Processing	November 19

See www.paymentsuniversity.com for more information or to sign up.

Institutions Rate CHIPS Higher Than A Year Ago

continued from page 1

Customer Operations Support: "Through the years Gina and Kevin have surpassed expectations in helpfulness. Sincerest thanks to you all and the others on your team."

On Network Operations and Application Support: "During the last 12 months we have interfaced with the Network Operational staff on multiple occasions to address connectivity issues. On all occasions we have found them to be customer focused, attentive and capable of addressing issues in a timely and professional manner."

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