

Eurogiro News

THE INTERNATIONAL ELECTRONIC PAYMENT CO-OPERATION



Eurogiro announces re-positioning

New structure intended to support ambitious growth targets/Deutsche Postbank AG CIO becomes Chairman

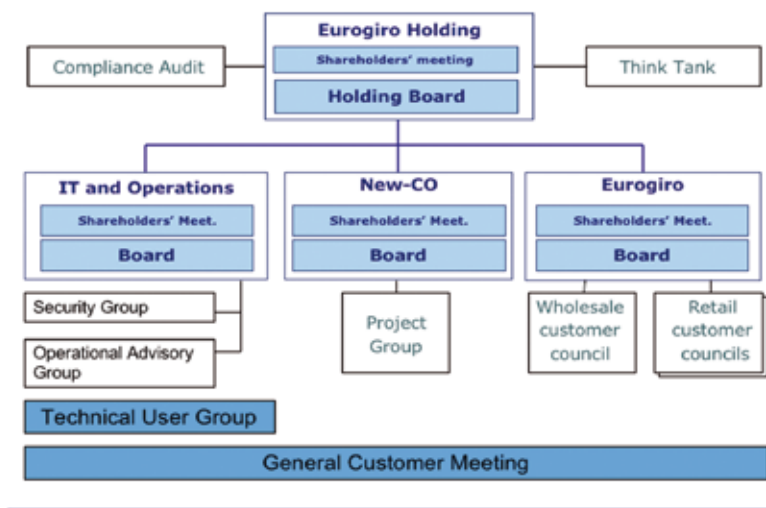
Eurogiro, one of the largest network provider for cross-border payment transactions, is re-positioning itself. The Management Board and shareholders of the company, headquartered in Denmark, decided, on October 26 in Lisbon, on its transformation into a group. Under a holding company responsible for strategic management and cross-divisional tasks, there are three subsidiaries with clearly demarcated operative tasks. In addition to his mandate as CIO of Deutsche Postbank AG, Dirk Berensmann will act as Chairman of the new Eurogiro Holding A/S, "The new structure means we can pursue our ambitious growth strategy much more efficiently and extend our worldwide business-to-business network. The focus will remain on cross-border payments for retail and wholesale financial service providers and business involving cross-border cash payments." Eurogiro intends to increase the number of financial service providers which use

the network from the present 60 up to 100 by 2010, thus increasing the transaction volume from the current 30 million up to 45 million transactions annually.

The subsidiaries of Eurogiro Holding, founded on October 26, will be spun off from the present Eurogiro Network A/S in May 2008 retrospectively to 1 January, 2008. Eurogiro Network remains a legal entity up to this time. The new companies are:

- **Eurogiro Holding A/S.** Responsible for strategic management and services for the entire Group (HR, marketing, finance, law etc.) Chairman: Dirk Berensmann (Deutsche Postbank), Chief Executive Officer: Tjeerd Rienstra.
- **Eurogiro A/S.** Responsible for worldwide network coverage and client management. Current clients and contractual partners >>

Eurogiro Group structure



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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 64 connections in 52 countries.
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.

Commentary

A new era will soon begin for Eurogiro

- with a fundamental repositioning of Eurogiro by creating a Holding Group

As you may have read from our cover story, changes are to come for Eurogiro Network A/S in the forthcoming year. The main objectives in creating this new Holding Group structure are, amongst others, to maintain and develop the Eurogiro customer base, to maintain and develop existing partnerships, to explore potential new partnerships, and also to maintain and potentially gain new SEPA → ←SEPA and SEPA → Non-SEPA transactions. The interview with the newly elected CEO of Eurogiro Holding A/S included in this issue also reflects these ambitions.

In addition, we are also happy to announce in this issue that we have recently opened a Representative Office in Singapore in the anticipation of strengthening our position in the Asia Pacific area.

Finally, you will find introductions to several of our latest new members: National Savings Bank in Sri Lanka, Citibank in UK and Unistream Commercial Bank in Russia whom we are happy to welcome.

We wish you an enjoyable read!



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

Eurogiro Member institutions:

Albania: Posta Shqiptare sh.a • Armenia: HayPost • Australia: ANZ Banking Group • Austria: BAWAG P.S.K. • Belgium: Financial Post • Bosnia & Herzegovina: Nova Banka • Brazil: Empresa Brasileira de Correios e Telégrafos • Bulgaria: Finance Engineering JSC and Bulgarian Posts • Canada: National Bank of Canada and Canada Post • 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 Banque Postale • Germany: Deutsche Postbank • Greece: Hellenic Post and EFG Eurobank Ergasias • Hungary: Magyar Posta • Iceland: Iceland Post • Ireland: An Post • Israel: Israel Postal Company Ltd. • Italy: Poste Italiane • Japan: Japan Post Bank Co. Ltd. • Latvia: Latvia Post • Luxembourg: EPT Luxembourg • Mongolia: XacBank • Morocco: Banque Centrale Populaire and La Poste - Barid Al Maghrib • Netherlands: ING / Postbank • New Zealand: ANZ National Bank • Philippines: Philippine Postal Corporation • Poland: ING Bank Śląski and Polish Post • Portugal: CTT Correios de Portugal • Romania: Posta Romana and Banc Post • Russia: Unistream Commercial Bank • Senegal: Postefinances • Serbia: Postal Savings Bank • Slovakia: Postova Banka • Slovenia: Postna Banka Slovenije • South Korea: Korea Post • Spain: BBVA and Correos y Telégrafos • Sri Lanka: National Savings Bank • Switzerland: PostFinance - Swiss Post • Thailand: Thailand Post • Togo: Societe des Postes du Togo • Tunisia: La Poste • Turkey: PTT General Directorate of Posts • United Kingdom: Alliance & Leicester Commercial Bank plc, Citibank N.A. and Visa Europe • USA: Deutsche Bank and American Express Bank

Connected via CrossPay:
Italy: Banca Popolare di Sondrio



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will be transferred to the new company on the same conditions. Chairman: Henk Kruidenier (until 2005 ING Bank), Chief Executive Officer: Søren Rose.

- **NewCo A/S.** Responsible for the development of new, multilateral solutions for large banks and large payment transactions service

providers. Chairman: Paul Camp (Deutsche Bank), Chief Executive Officer: Tjeerd Rienstra.

- **Eurogiro IT&Operation A/S.** Responsible for system infrastructure including cooperation within the IT and Operations division. Chairman: Dirk Berensmann (Deutsche Postbank), Chief Executive Officer: Uwe Holmsgaard.

Henrik Parl, CEO at Eurogiro Network for 11 years, will remain as CEO of Eurogiro Network AS until its conclusion in May 2008. He will subsequently be leaving the company of his own accord to take on new responsibilities.

Interview with Mr Tjeerd Rienstra

The newly elected CEO of Eurogiro Holding A/S and NewCo A/S

Mr Tjeerd Rienstra, you have been elected as the new CEO of Eurogiro Holding A/S: What do you see as your main tasks as CEO? – And what are in your view the most important challenges and opportunities for Eurogiro in the future?

A new organisation is always faced with many challenges, and not everything will work immediately as it was intended. So initially, I see my role as CEO to ensure that the overall mission of the Eurogiro Group is developed and implemented in the most efficient way. As a result of this, Holding will take care of the short and long term strategic interests of the Holding shareholders. We will secure good coordination and communications across all entities and stakeholders. Holding will also develop and maintain cross-group support functions to benefit the whole group. The business companies: Eurogiro A/S, NewCo A/S and IT&Operation A/S

will then have their hands free to focus 100% on their challenging targets.

Does Holding also have tangible targets?

Yes we do. We have set ourselves targets in corporate governance, audit and employee satisfaction. In customer satisfaction we have to reach at least a score of 4 on a 1-5 scale. On the business side we want to have at least 3 new alliances or developments which either provide new profitable business for existing daughters or which lead to a profitable new daughter.

You are also CEO for the new daughter Newco A/S. What will Newco do?

Newco A/S will be a solution provider for large banks and payment processing providers. The world is

changing fast, not only in terms of economy due to growth in different regions, but also technically where today's innovative solutions will quickly be replaced by the new developments of tomorrow. And for Payments maybe tomorrow is already here. With the establishment of the Eurogiro Holding, Newco A/S and the other daughters we will have a framework that gives us the opportunity to focus on these new developments.

Are you going to do all this out of Denmark?

Absolutely not! The Eurogiro community and its customers and partners contain so much knowledge. I see the role of Eurogiro and its subsidiaries as facilitators and intermediaries between the expertise provided by our customers and partners. You can say that we would like to make a Knowledge Lab Community.



*Tjeerd Rienstra, CEO
of Eurogiro Holding A/S and NewCo A/S*

Who is Tjeerd Rienstra?

I'm 52 years of age, living in the Netherlands in the Amsterdam area, married and have two grown up children, both at University. After my duty in the Dutch Military Service in 1977, I started my career at ABN AMRO where I had positions in IT and in the branch network organisation. In 1990 I joined Tandem Computers in the sales organisation to help them promote Non-stop solutions in the financial industry. During this period the payment chipcard scheme Chipknip became popular in the Netherlands and, together with software partners, Tandem developed the payment solution to make it work. In 1997, I was asked

to take up a management position within NCR, supplier of ATM, Cash Register and Payment Solutions. In the six years that followed I had several international management positions, combined with my position as General Manager of NCR Netherlands. In the twelve years that I was working in Information Technology, there has always been a direct link to the financial industry, so the come-back in 2003 in a Mortgage Servicing company called Quion, was not a surprise. When the Board of Eurogiro asked me to take responsibility of the new Eurogiro Holding, I didn't hesitate for long. I am looking forward to the challenges in Eurogiro.



National Savings Bank in Sri Lanka

Joined the Eurogiro community in August this year

National Savings Bank (NSB) is a 100% state owned bank established by NSB Act No. 30 of 1971 by amalgamating the Ceylon Savings Bank (1832), the Post Office Savings Bank (1885), the Savings Certificates Section of the Post Master General's Department (1938) and the National Savings Movement (1942).

Following the merger, the banking aspects of the postal department in Sri Lanka are now handled by the NSB. All post offices and sub post offices in Sri Lanka act as agents of NSB. Sri Lankan nationals could open savings and fixed deposit accounts with any post or sub post office. Banking related activities of the Postal Sector are monitored by Postal Branches of the NSB.

Post Master General is an ex-officio member of the Board of Directors of NSB. NSB was given the status of a licensed specialized bank by the Monetary Board of the Central Bank of Sri Lanka in April 1998.

NSB achieved the coveted AAA (SRI) Rating awarded by the internationally recognized Fitch Ratings Ltd., for the fourth consecutive year in 2006 and is the only Sri Lankan bank to get such outstanding recognition to date.

NSB operates throughout the island providing banking services to a major portion of the population through a network of 132 service outlets, together with 4048 main and sub post offices. The main thrust of NSB is to inculcate the habit of savings among low income mass. NSB has over 15.1 million accounts and a deposit base of LKR 226 Billion (USD 2 Billion).

In recognition of the capabilities in mobilizing domestic savings, the Central Bank of Sri Lanka permitted NSB to mobilize foreign currency deposits from abroad. Sri Lankans working / living abroad can open accounts in USD, EUR & GBP at NSB. The estimated migrant worker force is over 2 million.

With a view to providing a cost effective, safe and speedy remittance service to these migrants, the NSB joined the Eurogiro System. Arrangements are being made to establish bilateral agreements with member institutions of Eurogiro. Accounts will be opened with USSP and ESSP. Our aim is to become the most active Eurogiro member in the South Asian region.

Our SWIFT BIC is NSBALKLX. A profile of the NSB and the Annual Report 2006 is on our website www.nsb.lk.



Citi and Eurogiro join forces to expand payment networks

Citi, the leading global financial services company, is collaborating with Eurogiro to extend their respective payment networks

The alliance will bring together Eurogiro's 64 connections in 52 countries across the globe with Citi's existing payment network encompassing over 100 countries. As a result of the alliance, Eurogiro members will benefit from Citi's distribution capacity and payment offerings while Citi and its customers will gain access to Eurogiro's unique distribution network and products.

As part of the alliance, Citi will offer Eurogiro members the choice to access its payment solutions, including its WorldLink global electronic funds transfer, cheque and ACH payment solution, which is available in over 135 currencies. By leveraging Citi's global network, Eurogiro members can more easily expand their global footprint with one single arrangement, delivered off the same technical interface with Eurogiro.

"By working together we can add more flows to the Eurogiro distribution members and also

help drive down unit costs, allowing Eurogiro members to offer a more competitive service," said Naveed Sultan, Head of Global Transaction Services, Europe, Middle East and Africa at Citi. "We are having constructive discussions with Eurogiro members about leveraging each others services and look forward to pursuing additional opportunities within the network."

Henrik Parl, Managing Director of Eurogiro said, "We are thrilled to be collaborating with Citi. Citi provides Eurogiro with the leading international payments capabilities and cross-border expertise we were looking for in a banking relationship so we can continue to grow our network while providing clients with the greatest choice of solutions at the best price."

Working with Eurogiro compliments Citi's strategy to grow its international remittance and low value payments business. Citi and its customers now have access to Eurogiro's unmatched distribution

network and products which will extend existing products, such as worker remittances, to new markets, while providing the opportunity to complement and rationalize its existing payment providers with Eurogiro members. Citi will leverage, amongst other Eurogiro capabilities, products such as Eurogiro Cash International® (ECI), formerly known as Tele Money Order, a two-way cash pay out product.

Citi will start sending transactions to Eurogiro member banks and receive transactions from Eurogiro members from Q1 next year.



Eurogiro News | Special Issue

Largest General User Group Meeting Event Ever

The 2007 General User Group Meeting was hosted by ING in Leiden, Netherlands



Opening speech by Henrik Parl, Eurogiro Managing Director

Hotel Holiday Inn situated in the picturesque university town of Leiden, which is located on the Old Rhine in the Western part of the Netherlands, provided a perfect environment for the largest Eurogiro event ever. Approximately 120 delegates listened to the presentations and participated in the discussion groups conducted during the three day assembly excellently hosted by ING. The majority of Eurogiro member organisations and partners were represented at the meeting on 4 – 6 September 2007.

As usual the Eurogiro Managing Director, Henrik Parl, opened the meeting and provided an update on the developments within Eurogiro over the past year and the developments planned for the years to come. Special attention was given to the updated Eurogiro strategy 2007-2010 and the new governance structure to be approved at the October Board meeting. The presentation covered Eurogiro's position within SEPA, the

Single Euro Payments Area where Eurogiro will have a growth strategy using two spearheads; First, securing current business through SEPA-changes, and secondly acquiring new business in international payments and remittances. The new proposed governance structure will facilitate the fundamental repositioning of Eurogiro from a technical driven organisation to a business driven company in the years to come.

The Operational Performance Group (OPG) chaired by Karin Pleyer, Deutsche Postbank provided the meeting with an update on the current main topics, SEPA, European Payment Directive, European regulation 1781/2006, Eurogiro compliance, SWIFT, and quality in the Eurogiro payment processing.

The Eurogiro IT Director, Uwe Holmsgaard briefed the participants on the latest IT projects including the new message format required by SEPA – XML. New fields are implemented

in the message files due to compliance regulations and the new ELS and ESM versions have been updated and released for implementation. More resources have been dedicated to both high and low level priority issues to secure smooth migration for the Eurogiro members.

Eurogiro Audit and Security Group, represented by Rony Monnaie from The Post, Belgium, communicated the importance of compliance; anti money laundering (AML), anti terrorist financing (ATF) and know your customer (KYC). A compliance programme has been launched aimed at both current and future members to ensure reasonable protection against reputation risks by adherence with market standards.

Parallel discussion groups were conducted over the two first days. The 'banking' related discussion group dealt with account related operational issues, SEPA, SWIFT and compliance, whereas the 'cash' related discussion group dealt with the Eurogiro Cash International® the 2-day cash product, remittance issues, and also compliance. On day two, one discussion group focussed on wholesale business whereas the other dealt with retail business issues. Ludger Hoekstra, ING Netherlands and Paul Nicholls, Alliance and Leicester Commercial Bank UK, were speakers in the first session and Alexandre Rodrigues, CTT Correios Portugal and Thomas Hadorn, PostFinance SwissPost shared their views in the cash discussion group.

The two Eurogiro settlement service providers presented their solutions to the audience. Joanne Strobel from Deutsche Bank presented their new US dollar solution USSP and Dr. Susann von Gunten from Deutsche Postbank gave an update on their Euro solution ESSP, which has now been in production for several





*Delegates at
the plenum
session*



*Delegates at
the plenum
session*

*Bilateral talk
between XacBank
Mongolia and
Deutsche Bank
Singapore*



Wednesday
Panel Session



Friday
Panel Session



Event Host;
Robert
Heisterborg, ING





*Evening dinner
at the Grand Hotel Huis ter Duin*

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years. Tim Horan from SWIFT presented its latest initiatives around remittances, SEPA, Corporate access and new standards that will affect Eurogiro and its members. He also explained the new SWIFTNet Exceptions and Investigations were a way to streamline processing efficiency. A new pre-paid card solution was presented by James Le Brocq representing Alliance and Leicester Commercial Bank and Moneycard Ltd. The card scheme is yet to be fully developed and implemented among potential members.

Kevin Keen from Western Union cemented the strong partnership with Eurogiro and the new agreement put in force until 2014. Finally, Citi presented its partnership with Eurogiro, which had been signed in the week before the User Group Meeting, by focussing on the mutual value for both parties in complementing each others' payment flows and systems.

On the final day, under the topic 'Global/European interoperability', several speakers

contributed with new and valuable information. Arthur Cousins from Standard Bank South Africa advised on an initiative called 'International Payments Framework' that works towards improved interoperability globally between banks and ACH's (Automated Clearing Houses). Richard Jones representing VocaLink UK, as well as EACHA (European ACH Association), discussed the cooperation and role of clearing houses. Lastly, Ann Pieraerts introduced Fin-Force, their services, principles and business model.

The best rated time slots in the program again this year were the bilateral business discussions between the Eurogiro members. Being able to meet all business partners personally during this recurrent meeting is of utmost importance for the members. Here best practices can be shared, existing business issues solved and new business proposals can be proposed. Maintaining and growing the business relations between members is key to expanding the Eurogiro business.

Deutsche Postbank intends to expand its leading role in Retail banking

Deutsche Postbank is looking to further expand its leading role in German retail banking



*Dr. Wolfgang Klein,
the new Chairman
of the Board
of Management,
Deutsche Postbank*

To achieve this, it has launched a "Next Step" programme to redevelop the Bank's overall strategy and draw up detailed action programmes for the individual board departments by the end of the year. "Postbank has dictated the rhythm in the renaissance of retail banking in Germany. We want to build on this lead", says Dr. Wolfgang Klein, the new Chairman of the Board of Management.

Klein pointed to the historical strengths of Postbank, which has earned itself an excellent reputation and developed a clear profile among retail customers in Germany with its simple products, value for money and high quality. Given its comprehensive access to its approximately fifteen million customers, a technologically refined multi-channel structure, innovative product design and its back office cost leadership, the Bonn-based bank is excellently positioned for further growth.

According to Klein, the guiding ideas for the strategic reorientation include increasing the productivity and profitability of all sales channels, customer satisfaction as the benchmark for customer contacts, systematic acquisition of new customers and optimization of their potential, simple products that are easy to understand,

further automation of settlement processes and continuing strict cost discipline. Above all, Postbank wishes to further advance as a provider of pension products and a partner to the self-employed, trades people and freelance workers in retail banking.

Klein reaffirmed Deutsche Postbank's objectives for the coming years: In 2008, the Bank is aiming for a return on equity of more than 20% before taxes and a cost-income ratio in traditional banking business of less than 63%. By 2009, the Bank intends to achieve a Tier 1 capital ratio of 7.5%.





Deutsche Bank – ready for SEPA

Deutsche Bank fully supports the processing of SEPA Credit Transfers (SCT) with effect from Day 1, i.e. January 28, 2008

With the SEPA Connect model, Eurogiro members have the possibility to be connected to the clearing infrastructure (SEPA PE-ACH) as indirect participants through Deutsche Bank. This solution includes sophisticated clearing services but also provides comprehensive file format conversion services, to ensure that Eurogiro members, which are not in a position to support XML messages, become fully SEPA compliant with effect from Day 1.

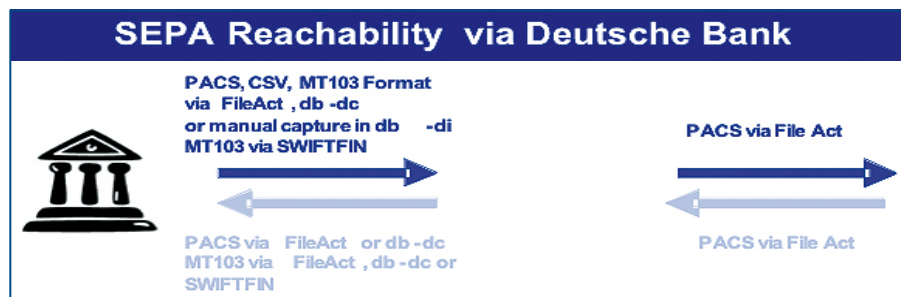
For the Eurogiro member, this solution requires minimum adjustment to your current Eurogiro payment flow to receive and send SEPA-compatible transactions. Even if your institution can't support XML messages, you can continue sending your SEPA transactions via the Eurogiro Network via a bilaterally agreed product code with Deutsche Bank.

This arrangement provides value to both the Eurogiro Network and members, by allowing non-XML formatted SEPA transactions to remain within the Eurogiro Network.

Your SEPA receipts

You will receive SEPA credit transfers in favor of your customers via Deutsche Bank's account with EBA Step2.

The outgoing SEPA messages from Deutsche Bank to Eurogiro members can be received via the Eurogiro Network, similar to the way they are received today, via pre-agreed product code on Eurogiro MT 103.



Your SEPA payments

This option offers you the possibility to initiate SEPA Credit Transfers, which Deutsche Bank would clear through their account with EBA Step2.

Deutsche Bank accepts your SEPA-compatible transaction in various formats such as XML PACS and Eurogiro MT 103 format (using bilaterally agreed product codes). For formats other than XML, Deutsche Bank will ensure the conversion into SEPA XML formats, bulking, clearing, and settlement.

Deutsche Bank will take care of the full transmission of transaction data:

- the End-to-End Identification
- the Transaction Identification
- the Remittance Information

As a consequence, SEPA transactions received cannot be executed as SEPA transactions. Rather than rejecting these transactions, Deutsche Bank has developed the SEPA Switchboard functionality, where payments to beneficiary banks not reachable through SEPA clearing, i.e. not directly or indirectly connected through EBA STEP2 SCT, will be processed outside of the SEPA scheme by SWIFT MT 103 FIN via an alternative payment channel, e.g. EBA EURO1, STEP2 XCT or TARGET2. Thus "Return" Transactions initiated by Deutsche Bank will only apply for validation reasons, but not for reachability reasons.

For further information please visit www.db.com/gtb/sepa or contact gtb.marketing@db.com.

SEPA Switchboard

We assume that despite the pressure of the EPC not all banks will be SEPA ready in the early days of 2008.



SWIFT FIN Header		
MIR		ABCDITMM
MOR		DEUTDEFF
Single Customer Credit Transfer		
Field 20: Sender's Reference		123456789
Field 23B: Bank Operation Code		CRED
Field 23E: Instruction Code		blank
Field 26T: Transaction Type Code		SCT
Field 32A: Value Date/Currency/Interbank Settled Amount		080128EUR100,00
Field 33B: Currency/Instructed Amount		EUR100,00
Field 50K: Account No. Line		/IT13J0200236547120070054321
Ordering Customer	First Line	SAMPLE COMPANY ITALY
	Second Line	SAMPLE STREET 200
	Third Line	22222 SAMPLE TOWN
	Fourth Line	ITALY
Field 52A: Ordering Institution		ABCDITMM123
Field 53B: Sender's Correspondent		/912345600
Field 57A: Account With Institution		ABCDFRPP
Field 59: Account No. Line		/FR3730003024500002000123456
Beneficiary Customer	First Line	SAMPLE COMPANY FRANCE
	Second Line	SAMPLE STREET 100
	Third Line	11111 SAMPLE TOWN
	Fourth Line	FRANCE
Field 70: Remittance Information		INVOICE NO 8732546213BD02 DD 071219 YR LETTER REF 125478LL236 DD 071203 ATTN THOMAS SAMPLE
Field 71A: Details of Charges		SHA
Field 72: Sender to Receiver Information		/ROC/123456789012345678901234567890 /12345

Must be CRED

Must be blank

Must be SCT

IBAN is mandatory

Must be Option A, if used

Must be Option A

IBAN is mandatory

Max. 4x35 characters available

Must be SHA

Must start with code /ROC/ to quote the End-to-End Identification (if used) *)

*) If the End-to-End ID is used up to the maximum length (i.e. 35 characters), line 2 has to start with "/". Any further content in this field will be ignored.

Sample of a SEPA Credit Transfer in a Eurogiro MT103 format which can be mapped into an EBA STEP2 XML format by Deutsche Bank



Unistream Commercial Bank JSC joined Eurogiro end of October

Allowing payment flows between the Eurogiro members and Unistream in Russia

The money transfer market has seen incredible progress over the past few years. Stimulated by permanently increasing migration processes, the sector has demonstrated up to 80% growth rate every year. Presently the CIS market has an annual turnover of over \$25 billion.

UNISStream entered the market in 2001. "We offered the concept of inexpensive and quality services that could be affordable for ordinary and hard working people," said CEO for UNISStream, Souren Hayriyan, who has headed the system since the very beginning. Steadily developing its service point network, upgrading IT systems and working out exclusive marketing programs, UNISStream has been moving fast to achieve a fair market share and reaching new heights financially and operationally.

In 2005, the system processed transfers worth \$760 million in terms of volume, entering the next year with 12 000 service points world-wide. In September of 2006, UNISStream became the first Russian system to exceed the level of \$1 billion in transaction volume.

In 2006, another milestone was reached. The company processed \$1.85 billion in volume of transfers. In January to September 2007, the system processed transactions worth \$2.4 billion and is currently aiming for a target of \$4 billion. It is operating over 46 000 points around the globe.

UNISStream signs over 40 new partnership agreements in the CIS and internationally every quarter. This year big international players such as Intessit Sp. z.o.o., ARY Speed Remit, Telegiros, Xpress Money Serv. LTD became UNISStream members. The number of partners world-wide grew from 200 (at the end of 2006) to 300 at present.

4 million clients are served by UNISStream every year internationally. With a 25% market share in the CIS, the company has become the number one operator in Armenia, Kyrgyzstan and Moldova; and number two in Ukraine. UNISStream is the second operator in the Russian market of trans-border transfers.

In 2006, the company's turnover in Ukraine grew 2.8 times to \$233 million. In Moldova, the sales tripled to \$161 million. In Uzbekistan, the volume of transfers soared 6 times to \$161 million.

The UK corridor demonstrated a 2.5-fold annual growth in 2006.

Last year, the leadership took the decision to transform the company into an international business. "We have grown enough to offer our products internationally and actively participate in development of the civilized global money transfer market," said chairman of the Board of Directors of UNISStream, Gagik Zakaryan.

With the geography of 90 countries, the company successfully proceeded with development of its own networks in Cyprus and UK.

UNISStream is a founder member of the International Association of Money Transfer Network. IAMTN has evolved into a solid international organisation uniting the global market players.

In November of 2006, UNISStream became the first Russian service provider to attract investments in the business. The company signed a \$20-million deal to sell a 26% stake to the British company Aurora Russia Ltd.

UNISStream has a linked partnership agreement with world-wide player, Eurogiro, a high quality low value payment solution between banks and postal organisations and a gateway to other payment solutions.

"We believe that collaboration with Eurogiro is mutually profitable. We consider our cooperation as a great step towards joining such big market segments as Europe and CIS, with the significant positive impact not only on money transfers but also on electronic payments," Hayriyan said. "Our company is one of the CIS market leaders. With UNISStream joining the Eurogiro club, the gates to the enormous \$25 billion CIS market open to all Eurogiro members. We invite everybody to cooperate with us," Hayriyan said.



UNISTREAM
money transfers

IAMTN

The International Association of Money Transfer Networks (IAMTN) is created by and for the Money Transfer community for person to person Money Transfers.

IAMTN aims at bringing together Money Transfer operators and other financial institutions within remittances. As the Money Transfer business is becoming a global industry, there is a need for an organisation which focuses on the common needs among operators for access to:

- A framework which facilitates access to business partners in other countries, i.e. facilitates reach
- Data on Money Transfer organisations, markets, compliance, regulations etc. to ease operation in global markets
- Interact with software providers, product providers etc. to broaden the potential offering of each Money Transfer operator
- Lobby the global interests in Money Transfer issues

and raise the awareness of problems for Money Transfer operators among regulators, international organisations and public bodies

There is no other organisation which is global, neutral and focused on Money Transfer issues.

IAMTN is based in London, one of the largest remittance markets, with the following key activities:

- Maintaining a database with detailed information on Money Transfer Operators, regulations, compliance standards, markets etc.
- Conferences targeted at remittances for the Money Transfer Industry. World Money Transfer Award for excellence

- Newsletter
- PR and lobbying with governments and regulatory authorities worldwide on key Money Transfer and remittance issues

IAMTN is a non-profit organisation targeted at banks, money transfer companies, networks, service providers and other organisations involved in the money transfer industry.

IAMTN is headed up with great energy by Lady Olga Maitland and is supported by a number of executives in the Money Transfer and financial services business.

More information on IAMTN on <http://iamtn.org/>.



Future structure of security and operational working groups

With the creation of the Eurogiro Holding Company and the split of Eurogiro Network A/S into 3 new companies some changes have been made to the Eurogiro Audit and Security Group and the Eurogiro Operational Performance Group

One of the objectives for Eurogiro Holding A/S is the control of reputation risk and reputation performance. Eurogiro Holding A/S has assigned the Eurogiro Compliance Group (ECG) with the role encompassing the following:

- To maintain a regime that ensures that the Eurogiro Group adheres to market standards for good practice within 'Know your Customer' (KYC), and related 'Anti Money Laundering' (AML) and 'Anti Terrorist Funding' (ATF) issues.
- To obtain confirmation of compliance to market standards for 'KYC and AML/ATF' by customers, prospective customers and partners.
- To be the Eurogiro Authority on 'Know your Customer' (KYC) and related AML/ATF matters.
- To provide consultancy advice and guidance to Eurogiro entities and customers of entities.
- To promote compliance awareness.

The ECG has emerged from the former Eurogiro Audit and Security Group. The ECG reports to the Board of Eurogiro Holding A/S.



The chairman of the group is Rony Monnaie from Financial Post Belgium

The company Eurogiro IT and Operation is responsible for the security and for the development of standards and procedures for the exchange of payment instructions. Two working groups have been established to support this:

- the Eurogiro Security Group (ESG)
- the Operational Advisory Group (OAG)

Both groups will report to the Board of Eurogiro IT and Operations A/S (IT & Ops).

The Eurogiro Security Group (ESG)

The overall objective of the ESG is to ensure that the Eurogiro Group, and thus the Board members and shareholders, are reasonably protected against operational risks within the Eurogiro network in relation to the information security.

The ESG will be responsible for:

- Visiting the customers and arranging seminars to promote the security awareness.
- The maintenance of the Eurogiro Information Security Policy.
- Obtaining confirmation of compliance by customers and third parties with the Eurogiro Information Security Policy.
- The execution of customers' Site Audits and at the Eurogiro Service Desk (ENOC) and the central Eurogiro servers.
- Being the Eurogiro Security Authority for the PKI implementation.
- Providing consultancy advice and guidance to customers of the Eurogiro sales companies.
- Providing consultancy advice to Eurogiro IT and Operations A/S on all significant developments with security implications.



The chairman of the group is Luc de la Hamette from EPT Luxembourg

The Operational Advisory Group (OAG)

The group ensures that the Eurogiro Group is well aware of developments in the payment services market which influences standards for best practice of operations in payments and

related business. The overall objective of the group is to ensure high quality performance on the network and also to ensure high quality performance and a good level of service on Eurogiro systems and services.

The group defines processes, procedures and standards to create:

- A framework for highly automated production set-up.
- A competitive service level on the network to the benefit of customers of Eurogiro entities.

The role and the responsibilities of the OAG are:

- To monitor development within cross border payment handling within, for instance, market standards and legal frameworks.
- To implement best market practice within operational services in the community.
- To be the Eurogiro authority on best practice within operational service issues.
- Arranging seminars for staff in customer organisations on operational issues, with the aim of improving inter-customer quality, or undertaking other activities to improve quality of message exchange.
- Participate in the planning and conducting of the annual general customer meeting and provide speakers within the areas of expertise of the group.
- Support development of partner alliances and gateways.
- Contribute to the coordination of common issues with the Eurogiro Security Group and the Eurogiro Compliance Group.



The chairman of the group is Karin Pleyer from Deutsche Postbank AG



Eurogiro opens Representative Office in Singapore

As the Eurogiro community expands in Asia Pacific, Juanita Woodward has been appointed as Director, Customer Relations for this high-growth region

We are pleased to welcome Juanita Woodward who has joined Eurogiro as Director, Customer Relations for Asia Pacific. Ms Woodward is based in Singapore where Eurogiro has now established its first regional office to better serve its members.

Recognising the significant cross-border payment flows with Asia and intra-Asia, the opening of a regional office in Singapore demonstrates Eurogiro's commitment to provide a global network for international low-value payments. Eurogiro's plans to expand the membership base of postal financial institutions, postbanks and commercial banks in Asia Pacific, will provide end-customers with a greater choice of locations to send remittances.

With over 20 years of experience in Transaction Banking and 15 years in Asia Pacific, Juanita is enthusiastic about working with the Eurogiro member community in the region. She previously held regional and global roles at Citibank, ABN AMRO and Standard Chartered Bank, working with corporations, financial institutions and government organisations. Her career in banking has spanned the disciplines

of marketing and communications, product management, and IT implementation.

With the opening of Eurogiro's regional office in Singapore, serving and developing the Eurogiro community in Asia Pacific is Juanita's aim in this newly created position. Asian-based members of the Eurogiro community will now have a contact point that is in touch with developments in the region, and can be reached during Asian business hours.

Contact Information

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Activity Calendar Winter 2007/ Spring 2008

23 November 2007

Eurogiro Security Seminar
in Athens, Greece

22-23 January 2008

NACHA Global Payments Strategies
2008 in Brussels, Belgium

29-30 January 2008

ICBI Payments Asia in Singapore

10-12 June 2008

Eurogiro General Customer
Meeting in Paris, France

Subjects to be covered in the next issue:

- New Eurogiro members
- Eurogiro Security Seminar

Eurogiro Personnel

We are pleased to welcome



*Tjeerd Rienstra, CEO Eurogiro
Holding A/S and NewCo A/S*



*Juanita Woodward,
Director, Customer Relations
Asia Pacific, Eurogiro A/S*



*Henrik Rasmussen,
Sales Manager, Eurogiro A/S*

Please forward ideas, comments, articles etc. to:

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