



# Eurogiro News

THE INTERNATIONAL ELECTRONIC PAYMENT CO-OPERATION

## Eurogiro's expansion in the Asia Pacific Region

Remittances to the Asia Pacific region now represent over one-third of global remittances by USD value. India, China, Bangladesh, Vietnam, Pakistan and Indonesia are on the list of "Top 25 receiving countries" in the world for remittances

To support this important trend in international remittances and payments, Eurogiro opened a representative office in Singapore in October 2007. Juanita Woodward was appointed Director, Customer Relations Asia Pacific of the office with the aim to provide members with a representative in the same time zone and with knowledge of the region, as well as develop business relationships with prospective Eurogiro members.

In the first 9 months of operation, the aim of the Singapore representative office has been first, to meet all of the members in the Eurogiro community, and better understand their objectives in providing international remittance and payments services.

While Eurogiro members are already located in many key markets in Asia Pacific, it is Eurogiro's

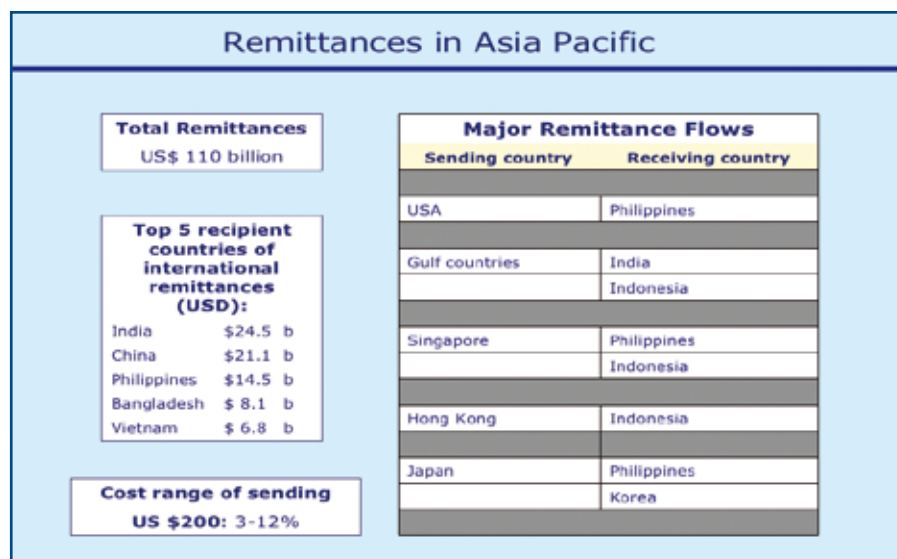
goal to expand to other key markets in the region including Bangladesh, Hong Kong, India, Indonesia, Malaysia, Pakistan, Singapore, Taiwan and Vietnam. While there is high traffic for intra-regional remittances in Asia Pacific, Eurogiro also views the remittance corridors with the US and the Gulf States as strategically important, and so is looking to further expand in these regions as well.

Remittances flows have far surpassed the global average. The region is seeing double-digit growth in many countries, and in some cases reaching almost 30% growth compared to 2007. For some major developing countries, remittances exceed the amount received in foreign aid, and fuel the economy in excess of 10% of the country GDP.

A Eurogiro Customer Council for Asia Pacific has been established to provide a more formal >>

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Source: IFAD report, *Sending Money Home*, December 2007





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channel for strategic input from members in the region. The Council provides the diversity of posts, postal savings banks and commercial banks along with the diversity of developed and developing economies. Composed of representatives from Thai Post, Japan Post Bank, China Post, Korea Post, ANZ Bank and Bangkok Bank the Council held its first meeting in March and will have a total of 3 meetings during the year.

Financial inclusion is a focus for developing countries, where the un-banked or under-banked can represent almost half of the population. For

the unbanked, remittances can be a "first step" in having an experience or relationship with a formal financial services provider. The Eurogiro community of members is unique in providing an extensive reach for the "first mile" and "last mile" for payments into both city and rural areas, especially with the physical reach of postal organisation members, and the network reach of bank members.

Eurogiro has also been actively participating in many Asia Pacific payment conferences, as well as APPU (Asia Pacific Postal Union) and APCC (Asia Pacific Postal College) meetings. Eurogiro has also

made a presentation at the Asia Payments Summit in Singapore and the WSBI (World Savings Bank Institute) Business Co-Operation meeting to raise the profile of Eurogiro in the region, keep up to date with regional economic and payment trends, and meet prospective Eurogiro members.

"Asia Pacific will play a key role in the expansion of Eurogiro members, with an aim to provide cash receipt and credit transfer services in key markets", so Juanita Woodward

## Deutsche Postbank claims top honours for best financial website in German-language domain

Deutsche Postbank was awarded top honors for the best financial website in the German-language domain



Mr Michael Heinen, responsible for Direct Banking at Deutsche Postbank AG

In cooperation with the University of Regensburg, ibi Research GmbH tested the websites of 170 banks from Germany, Austria and Switzerland. The researchers found Deutsche Postbank to be the most impressive regarding the quality of its advisory services and the user-friendliness of its website. "We are extremely pleased to earn top honors in the well-known ibi website ranking. The recognition gives confirmation and encouragement to continually optimize our online service," said Mr Michael Heinen, responsible for Direct Banking at Postbank.

With approximately three million visitors a month, Postbank's homepage has been among the

Internet's most popular financial websites for many years. The Bonn-based bank's website, which has received numerous awards in the past, sports a new style since its relaunch in October 2007 and is now even more user-friendly and intelligible than before. Many new functions, such as a daily *happy hour*, complement the website.

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Eurogiro is a commercial company that promotes bilateral and multilateral business opportunities among its customers. Customers of Eurogiro are active in retail financial services and wholesale banking worldwide. Although its roots are in Western Europe, Eurogiro now spans five continents. The Eurogiro Group offers an electronic payment system that is the only cross-border payment system which covers both postal and banking products. The Eurogiro head office is in Copenhagen; Eurogiro also has a representative office in Singapore.

### Eurogiro has 61 connections/customers in 49 countries:

Albania: Posta Shqiptare sh.a • Armenia: HayPost • Australia: ANZ Banking Group • Austria: BAWAG P.S.K. • Belgium: La Poste SA • 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 • Ireland: An Post • Israel: Israel Postal Company Ltd • Italy: Poste Italiane and Banca Popolare di Sondrio • Japan: Japan Post Bank Co. Ltd. • Latvia: Latvia Post • Luxembourg: EPT Luxembourg • Madagascar: Paositra Malagasy • 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: Polish Post • Portugal: CTT Correios de Portugal • Romania: Posta Romana and Banc Post • Senegal: Postefinances • Serbia: Postal Savings Bank • Slovakia: Postova Banka • Slovenia: Postna Banka Slovenije • South Korea: Korea Post • Spain: BBVA and Correos • Switzerland: PostFinance - Swiss Post • Thailand: Thailand Post and Bangkok Bank Public Co. Ltd. • 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



## How to make remittances successful

It looks simple: It needs good coverage in the first and last mile, a cost-efficient intermediary infrastructure and... trust. The reality seems not to be so easy. No single entity has sufficient reach and product width to serve the global market

I see the remittances world as a necessary process in order to achieve total financial inclusion for people in developing countries. It is a long way to go towards total financial inclusion, and this is only attractive to financial institutions if there is a financial advantage.

The development of new technologies in payments is accelerating very fast these days and this could, in part, replace cash. The success will be dependent on the confidence in this new payment methodology, but ultimately it will remain a payment.

The growth of the remittances market makes it very interesting for all financial institutions to step in. You will see more competition in the future, which will stimulate an increase in the quality of the products and will have an influence on prices. Cost-efficient infrastructures will become increasingly important.

What we need is a simple, trusted remittance product in cash, account, and cards or any other medium, sending to and receiving from each other. Eurogiro Cash International (ECI) is one of such products.

*Mr Tjeerd Rienstra  
CEO Eurogiro Holding A/S*



## Asia Pacific Postal Union Service Working Group (APPU PFS WG) Meeting in Hanoi in June 2008

APPU PFS WG started with 7 members in 2005 and the member countries have been increased to 13 at present. The meeting is held in parallel with APPU EC (Executive Council), meeting annually and chaired by Korea Post since 2005

The 4th APPU PFS WG meeting (Asia-Pacific Postal Union, Postal Financial Service Working Group) was held in Hanoi on June 11, 2008.

We invited many observers to this meeting including other APPU member countries, Eurogiro, Deutsche Bank and Citi Bank, UPU etc.

The meeting comprised 4 sessions over the whole day, including a bilateral session, and the representatives of members and organisations made a presentation at each session. We discussed the development strategy for international remittance services in Asia-Pacific region, with a particular focus on foreign exchange risk management.

UPU and La-Poste France explained Congress concerns which focused on international remittances via IFS channel, making up the multilateral agreement on IFS payment, which would be finalised at the 2008 UPU congress.

Korea Post gave a presentation on the experiences of co-marketing with members and pointed out its importance in business.



*Ms CHOI Jin Hee, Eurogiro General contact person of Korea Post who coordinated the PFS WG meeting in 2008*

Eurogiro has been invited to participate every year since 2006 and in this meeting ANZ bank participated, on behalf of Eurogiro, to introduce its reorganisation and development strategy.

APPU, Citi Bank and Deutsche Bank talked about the importance of FX risk management in remittances,

and detailed its diverse risk management method. In this regard, some member countries commented that they had experienced some difficulties in the adjustment due to the control of regulators, such as central bank etc.

It was proposed that member countries could have a good opportunity to negotiate with each other for international money transfer through the bilateral session. In this meeting, all the participants exchanged information and shared their views on the necessity of electronic remittances development.

PFS-WG also agreed to hold the next meeting in parallel with the 2009 APPU Congress in New-Zealand and it is anticipated that many more APPU members will show an interest in remittance services.

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## La Banque Postale's environmental commitment

Sustainable development is nowadays the most important challenge for everyone. La Banque Postale is clearly positioning itself as a leading company in its environmental approach

Through its staff, its services, and through partnerships, La Banque Postale participates in educating the French population in a positive way by increasing public awareness of sustainable development.

La Banque Postale was given a special responsibility to commit its Holding, La Poste, towards sustainable development. Its mission was to produce a series of strong and concrete environmental commitments: these goals were successfully achieved.

### Environment

La Banque Postale has a partnership with the photographer, Yann Arthus-Bertrand, whose photos from a best-selling book, "The Earth Seen By the Sky," are decorating its chequebooks and credit cards. The objective is to develop day-to-day awareness of sustainable development in customers' lives. In 2006, La Banque Postale also supported the operation "Sustainable development, the reasons why?" introduced by Yann Arthus-Bertrand and his GoodPlanet association.

La Banque Postale is also involved in environment awareness through internal measures. Like other companies, it has made an active policy commitment to the responsible use of paper and to encourage the control of energy.

### Responsible investment

But the commitment of La Banque Postale in sustainable development is wider than just environmental matters. It is also strongly involved in an ethical approach to financial investment and in a concept of Socially Responsible Investment, also called "ISR" in France. Indeed, La Banque Postale Asset Management, a subsidiary of La Banque Postale, has, for a long time now, been convinced that the ISR is a good process for financial markets in that it plays a virtuous role in the economy through its incitement for companies to position sustainable development in the heart of their strategy.

La Banque Postale has developed a range of stocks and shares which could be described as socially responsible, and introduced in its management a fully ISR approach. The criteria referred to as social and environmental responsibility, Human



*Protection of the environment as a primary commitment*

Rights respect or environment protection, are considered before taking forward any financial analysis and investment decision. La Banque Postale Asset Management further decided to integrate ISR factors into its criteria for notation (shares and bonds): this is now part of La Banque Postale's classical portfolio.

Companies are no longer judged solely on their capacity to generate profits, but also on their capacity to protect fundamental resources for future generations and to improve the working conditions of their employees. The team in charge of ISR at La Banque Postale defines the sustainable development stakes for every sector, notably those that are committed to tackle global warming issues and to relocations. Then it selects companies that realise the best social and environmental practices. Those successfully achieving the multiple ISR filters are the most able ones to adapt to the evolution of the societal or environmental statutory standards. They are, at the same time, less vulnerable to risk of collateral damage – such as the lawsuits relating to asbestos in the United States – and that allows them, in the long term, to anticipate good stock-exchange profits.

To invest in companies which are socially responsible is not a neutral act; it contributes to the improvement of companies' practices.

### Sponsoring

In the same spirit, La Banque Postale supports associations like Solidays, a rock concert event which was created by "Solidarité Sida", or "Aids Solidarity" in English. "La Banque Postale, after having been a sponsor of Solidays for ten years now, wishes to go further than its present role in only assuming a simple institutional presence, and to really promote the message of hope which carries this festival, and to create a close relationship with the festival staff", claims Marie Cheval, Marketing Director.

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# Eurogiro News | Special Issue

## Successful General Customer Meeting in Paris

The 2008 General Customer Meeting was excellently hosted by La Banque Postale, France



Novotel Paris Est provided an outstanding environment for the Eurogiro General Customer Meeting on 10 – 12 June 2008. Once again, it was the largest Eurogiro event in the calendar, with over 121 delegates participating. The three-day conference was excellently hosted by La Banque Postale who arranged an evening dinner in the world-famous Eiffel Tower followed by a show at Moulin Rouge, the legendary Paris establishment.

Chief Executive Officer of Eurogiro A/S Soren Rose, opened the meeting and gave an update on the new company structure of Eurogiro – emphasising that all customer responsibilities of Eurogiro Network A/S had now been taken over by Eurogiro A/S. He also detailed the developments within Eurogiro since last year's General Customer Meeting, such as the regional Eurogiro Representative Office in Singapore headed by Juanita Woodward, Director, Customer Relations Asia Pacific, and explained the composition and objectives of the customer councils established in Europe and Asia. He also shared the development plans for the years to come and the ongoing project aiming at establishing a multilateral agreement framework.

Karin Pleyer, Deutsche Postbank, chairing the Operational Advisory Group (OAG), briefed the meeting on the current main topics dealt with by the group: European Payment Service Directive, European regulation 1781/2006, SEPA, and developments in SWIFT. Uwe Holmsgaard, Chief Executive Officer of Eurogiro Solutions A/S, the IT solutions

provider for the Eurogiro Group, presented the latest IT projects. These included system migrations, a new platform for the ELS based upon LINUX, and Eurogiro's support of XML message format to keep up with the developments in the SWIFT environment.

As in previous years two parallel streams were conducted over the two first days where the participants could choose sessions based on their topic of interest. The post-SEPA environment, remittances and cash payments, Operations of tomorrow and a New Members' Seminar were topics dealt with in the special interest sessions / discussion groups. Significant contributions and introductions to discussions during the sessions were given by Susanne Cihlar, BAWAG P.S.K., Thomas Hadorn and Jean-Luc Demierre, SwissPost PostFinance, Bernd Waizenhöfer, Deutsche Bank, Laszlo Kruppa and Melinda Máthé, Hungarian Post, Flavia Almeida, Brazil Post, Shmuel Engelstein, Israel Postal Company and Jürgen Stichenwirth, Western Union.

The second day started with a "wake-up call" by Carsten Beck, Copenhagen Institute for Futures Studies, by his elaboration of predicted trends and scenarios for the near future. Carsten Beck focused on anticipated changes in organisations and market economies in general, the technological development and the consumers' demands for new and better services and choices – not least influencing the financial sector, and thereby the payments market. The extrapolation on the demographics predicts a forthcoming "decade of ageing", causing growing challenges for companies world-wide in filling jobs. The extrapolation is illustrated in the figures to the right.

The Chief Executive Officer of Eurogiro Holding A/S, Tjeerd Rienstra, elaborated on the governance model of the Eurogiro Group and

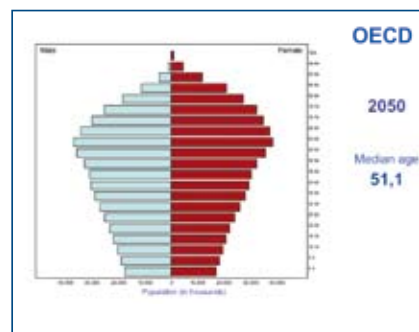
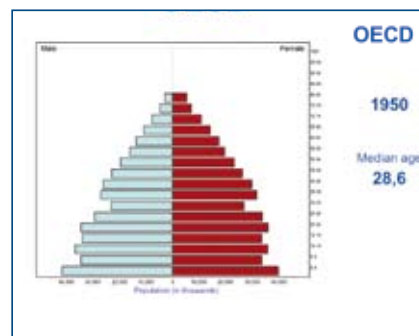
its mission statement with the four pillars:

- Unmatched reach
- Well-respected business framework
- Standardized and high quality services
- Cost efficient solutions for the customers

Further, Tjeerd Rienstra spoke of the different market segments defined for Eurogiro NCIP A/S (NewCo) and Eurogiro A/S. NewCo will focus on the top 50 banks for international payments, as well as service providers / processors, while Eurogiro A/S will maintain its focus on small and medium-sized banks and postal organisations.

Joanne Strobel, Deutsche Bank gave an update on "SWIFTnet Workers' remittances" – a project of high relevance for the Eurogiro community – and a focus area for the Eurogiro Group.

On Thursday morning, the final day of this meeting, the focus was on the Asia Pacific Region – and the influence the economic >>





*Bilateral talk between representatives from National Bank of Canada, Mr Robert Caviola and La Banque Postale France, Mr Jean-Philippe Gauthier*

*Ms Josiane Geoffroy from La Banque Postale France presenting the remittance market in France and La Banque Postale's remittance solutions*



*Bilateral talk between China Post, Ms Fengling Li and Ms Yilan Xu and ANZ Bank Australia, Mr Naylor Dray*



*Bilateral talk between Banco Bilbao Vizcaya Argentaria Spain (BBVA), Mr Eugenio Olaso and Banca Popolare di Sondrio Italy, Mr Maurizio Zucchi*



*Ms Juanita Woodward, Director, Customer Relations Asia Pacific of Eurogiro A/S, presenting Eurogiro's objectives in the Asia Pacific area*

*Bilateral talk between La Poste SA - De Post NV Belgium, Mr Bernard Borsu and Mr Barid Al Maghrib Morocco, Anouar Mabdou and Mr Youness El Boukri*



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development in this region has on the rest of the world. Juanita Woodward took everybody to the Asia Pacific Region in a virtual airplane and provided everyone with a “heads-up” on the size of the region. She covered the subjects of Asia Pacific remittance flows and Financial Inclusion - Access to Financial Services – and elaborated on the Eurogiro activities in the region. Tom Leander, CFO Asia/CFO China spoke on

the economic development in Asia in relation to the development in the US economy, and elaborated on the opportunities and challenges that the Asian Pacific countries are facing.

As has been the case in previous years, the bilateral business discussions between the members of the Eurogiro community were seen as the most important parts of the

3-day meeting. Being able to meet all business partners personally during this annual meeting is of utmost importance for the members. Best practices are shared, existing business issues solved, and new business relations are built. Maintaining and growing the business between members and partners is key to sustaining and further developing the Eurogiro community.

## Microcredit, Microfinance, Inclusive Finance: Building on Success

Worker's Remittances is an item that nobody in the payment business can no longer ignore



*Princess Máxima of the Netherlands, chair of the Advocacy Group of the UN Advisory Group on Inclusive Financial Sectors*

The official figure, published by the World Bank, is that workers all around the world have transferred money to their home country for a total amount of US\$ 318 billion in 2007. This figure has showed a double-digit growth, year after year.

Worker's remittances are often the first financial transaction that any worker does in his life, and is his first step to Financial Inclusion - access to financial services.

As part of the Microfinance initiatives of the United Nations in 2005, the question was raised “Why are so many bankable people unbanked?” The UN decided to form an Advisory Group on Inclusive Financial Sectors in 2006 with the objective of investigating this question and to make a recommendation. Princess Máxima of the Netherlands, who is very active in the Microcredit

initiative, was asked to take a chair in the Advocacy Group of the Advisory Board. Eurogiro had a chair too and was jointly responsible for the end result.

During its two year term the group has worked with governments, regulatory and supervisory bodies, central banks, academia and the private sector to identify and define the key issues constraining access to financial services. It has also advised the UN on strategies and definitive steps that can be taken to remove these constraints.

On June 30th 2008 the board published a report, entitled “Microcredit, Microfinance, Inclusive Finance: Building on Success”. This report describes the key messages that were sent out to Governments, Regulators, Development Partners and the Private Sector.

### Key messages for Governments:

- Governments' visions for a well-functioning financial system should include access for all citizens to a broad range of financial products and services. It is critical that inclusive finance becomes an integral part of any financial sector development strategy.
- Inclusive financial sectors require building and supporting sustainable, local financial institutions and embracing new technologies and delivery channels.
- Governments have critical roles in creating helpful policy environments that can broaden access. When the government itself becomes a lender, politics almost always negatively affects performance.
- Imposing interest rate ceilings risks hindering lenders' ability to cover the costs of making

small loans. Too often, the ceilings limit credit expansion and hurt the populations they are meant to help.

- Governments should promote consumer protection, transparent prices, financial education, and an open, competitive market.
- Governments have a vital role to play in ensuring data collection and reporting on financial access and usage.
- Broadening access to financial services is an important policy goal, but will not, in itself, eliminate poverty.

### Key messages for Regulators:

- Financial inclusion should be a major objective of financial regulation. The role of regulators is to establish conditions that allow a diverse range of institutions to provide a wide variety of

financial products and services in a financially stable, apolitical environment.

- Successful regulators have been flexible in their approach, mitigating risks and balancing concerns of safety without limiting access to financial services.
- An enabling regulatory environment and appropriate supervision are needed both for financial services providers and their supporting industries, such as telecommunications and technology infrastructure. These industries are bound by the need for a strong, safe and fully accessible payments system.
- Bringing more poor people into the formal financial system helps (rather than hurts) law enforcement efforts to prevent money laundering and terrorist financing. Policy makers should use the flexibility afforded by



international standards on money laundering and terrorist financing to ensure that country-level regulations do not inadvertently block poor people's access to finance

#### Key messages for Development Partners:

- The quality of funding for inclusive finance is at least as important as quantity. Effective development funding requires technical expertise, coordination among funders, and appropriate funding instruments.
- The key bottleneck for development partners supporting inclusive finance is the shortage of strong institutions and managers. Building the capacity of institutions should be an urgent goal in supporting microfinance.
- Development partners should support the range of financial institutions that are part of inclusive financial sectors, whether for-profit private or not-for-profit. Development assistance should complement private sector activities, not compete with them.

- Better information on the financial and social performance of development partner investment portfolios is essential. What is not measured cannot be managed.

#### Key messages for the Private Sector:

- The private sector has an important role to play in expanding access to financial services for poor people.
- Providing financial products and services to poor people represents a potentially large business opportunity for the private sector. The private sector brings more than capital. It also brings knowledge and relationships.
- Effective engagement typically requires the strong commitment and interest of top-level executives and requires drawing on the competitive skills of core business activities.
- To realize market opportunities, it is often necessary for the private sector to engage in establishing appropriate enabling environments.

- Private sector participants in inclusive financial sectors include not only direct providers of financial products and services, such as banks, NGOs, insurers and money transfer companies, but also telecommunications and technology companies, credit bureaus, retailers and other businesses that support the financial services industry. Partnerships have proven effective in fostering innovation and efficiency gains.

*Eurogiro sees the importance of Financial Inclusion. It is a step in the right direction in abandoning poverty, which is important to support this initiative. Looking from the commercial side, we see the market of payments growing when the un-banked people become bankable, and that is to the advantage of the whole Eurogiro community. If you are interested in the whole report, please send an e-mail to [eurogiro@eurogiro.com](mailto:eurogiro@eurogiro.com) with your address, and we will ensure that you receive a copy.*

## Eurogiro Network A/S celebrating its 15th anniversary

This celebration was also a farewell to Mr Henrik Parl, Managing Director over the past 11 years, plus a final adoption of the demerger of Eurogiro Network A/S

The 15th and final anniversary of Eurogiro Network A/S was organized by Eurogiro Holding A/S on 8th of May in Copenhagen.

Former Eurogiro Managing Directors, together with Eurogiro Holding Board members, former Board members, Shareholders, and Eurogiro employees were invited to say goodbye to Eurogiro Network A/S and to, Henrik Parl, its Managing Director over the past 11 years, but also to welcome the birth of three new companies.

The anniversary took place on the Saga Queen ship on the evening of the 8th May, with a dinner-cruise through Copenhagen's harbour and seaside.

The following day, an Extraordinary General Meeting for the Shareholders in Eurogiro Network A/S was held. This was followed by an information session for the Shareholders of the Eurogiro Holding, the members of the new boards and deputies in order to adopt and authorize the demerger of Eurogiro Network A/S.

"The main benefit of the restructuring is the transformation from a closed membership structure into an open group structure, which all financial



institutions could join", said Mr Tjeerd Rienstra, Chief Executive Officer of Eurogiro Holding A/S. He continued, "The intention also, of course, is that the three new daughter companies realise at least similar growth as that which Eurogiro Network has achieved in the past 15 years".

*On 9 May 2008 an extra-ordinary general meeting of Eurogiro Holding A/S was held in Copenhagen in order to finalise the demerger of the Eurogiro Network A/S where Shareholders representatives and Board members in the Eurogiro Group were present*

## Postal organisations explore new ways to grow and prosper

Senior executives from many of the world's leading postal organisations had the opportunity to learn more about the benefits of partnering with Western Union at the recent World Mail & Express European conference and exhibition in Hungary

Top management from across the globe travelled to Budapest, the capital city of Hungary, for the event which took the theme of "Redefining Mail & Express" and featured an impressive line-up of more than 40 senior executive speakers from the industry.

Among them was Mr Hikmet Ersek, Executive Vice President and Managing Director, Western Union Financial Services - Europe Middle East, Africa and South Asia (EMEASA).

In his keynote address, Hikmet Ersek focused on the growth potential for money transfer services, explaining how postal organisations can tap into this opportunity by partnering with Western Union.

"Many of our Agents are postal organisations," he told the audience. "Your unique position is a huge advantage in reaching out to customers and creating environments where they feel welcome and valued".

Partnership with Western Union brings opportunities for postal organisations on many fronts. "By offering Western Union money transfer services in your locations, postal organisations can attract more consumers into their branches and, at the same time, leverage the opportunities for cross-selling or up-selling other products and services," he explained.



Mr Hikmet Ersek was a keynote speaker at the World Mail & Express event in Budapest



Mr Hikmet Ersek presenting the World Mail Customer Service award to Mr Patrick Jobidon, General Manager Customer Relations, Parcels – Canada Post.

### Excellent service is good for business

As well as speaking at the event, Hikmet Ersek also presented one of the World Mail Awards at the conference's gala evening. These annual awards are designed to encourage and recognise excellence and best practice among participating postal organisations globally.

He presented the Customer Service award, which was sponsored this year by Western Union. The winning organisation was Canada Post in recognition of its Permanent Stamp. The Permanent Stamp allows Canada Post customers to purchase stamps in large quantities or coils and use them at any time, knowing they are valued at the going basic domestic letter mail rate, even after rate increases. As such, it makes life a lot easier and more convenient for customers.

In presenting the award to Canada Post, Hikmet Ersek highlighted Western Union's own commitment to customer service excellence.

"Excellent service is good for customers and good for business," he observed. "Many customers are attracted to Western Union because of the speed, reliability and convenience of the company's Money Transfer services.

"But equally important is the care and quality of customer experience at the point of sale," concluded Hikmet Ersek. "Whenever people come to use a Western Union service, we want them to know that they are valued customers and that they will always find friendly support and assistance from people who properly understand their needs".





## Eurogiro Technical User Group Meeting 2008

The Technical User Group annual meeting is the forum where responsible Eurogiro IT personnel have the chance to exchange ideas, discuss the application status, and to hear about the latest developments and proposals for the future. It is a unique opportunity to meet fellow Eurogiro IT experts and discuss hands-on problems and other payment IT-related procedures. The event is a mixture of presentations, workshops and discussion groups, as well as providing a social dimension

This year was no exception! Eurogiro had this year decided to give the audience a journey into the future by introducing our new Turnkey solution with the open source idea. Eurogiro, together with RedHat, believes that an Open Standard platform is able to provide the operability for everyone that is so important in a payment community such as Eurogiro, as well as a stable, mature and commercially-focused model. This we believe RedHat is able to provide us with. By establishing a connection to the RedHat community Eurogiro will have a unique opportunity to cooperate in development projects and to receive full maintenance support. RedHat already has many large-scale customers in the mobility, government and oil business, but is still looking to take the big step into the financial area, although a few stock market clients in the US have started up.\*

**Open Source and Standards**

- Apache, BIND, DNS, Eclipse, Fedora, Firefox, Hibernate, JBoss, Kerberos, LDAP, MySQL, Perl, PHP, Python, PostgreSQL, Sendmail, Tomcat.
- Mail – RFC 2821 2822
- Jabber – RFC 3920 3921
- DNS – RFC 1034 1035 2782
- NFS – RFC 1094 1813 3530
- Kerberos – RFC 1510 4120 4121

The most important issues here to mention are the low-cost availability and the high performance abilities in the RedHat suite. This will certainly give new and existing Eurogiro customers who choose this route, value for money in the future.

- Industry-leading global provider
- Largest Linux ISV partner portfolio
- Strategic HP reseller alliance
- Distribution across HP server & workstation product lines

### Open Source Turnkey solution

Hewlett Packard (HP) has, over many years, been Eurogiro's trusted hardware partner and will

continue to be so in the Open Source Turnkey solution. HP has a worldwide distribution network and can also offer unique performance through their Proliant/Integrity server and storage family.

Linux has become an increasingly important part of the HP strategy and it can already now offer a complete IT lifecycle service for Linux development, with over 16 response centres all over the world. Eurogiro is confident of its decision in the setup of our new Turnkey solution which includes HP and introduces RedHat.



*An important part of the TUG is the workgroup discussions to help Eurogiro to further develop the services*

### Quality and test setup at Eurogiro

Another major topic of the seminar was the future Quality and test setup in the Eurogiro community. Eurogiro has recently promoted a new Quality and Test manager, Mr Oskar Schultz, in order to strengthen the procedures. His first main responsibilities will be test environments, processes and methods, both internal and external, in cooperation with our suppliers. Eurogiro has, in parallel, initiated the first steps to implement the ITIL methodology, with particularly focus on release management and development lifecycle management. We believe these two initiatives will have significant importance for our future ability to meet the demands of the markets and act as a responsible software supplier in the financial payment business.



*Panel: Mr Yubil Bahar - Western Union, Mr Xander D. Harkness – Red Hat AB, Mr Karsten Elgaard Sorensen – Hewlett Packard*

### Eurogiro application development

Eurogiro has, over the past years, been busy with the migration of our applications to a Java platform. At the same time we have introduced a number of new services of which the most important are SEPA and compliance. It has led to many reported incidents, but fortunately the applications are now showing much greater stability and we can now help our customers with a high level of professionalism, together with our highly qualified service team.

Eurogiro IT is looking forward to the coming years and is preparing many new initiatives to strengthen our customer's business opportunities and to serve the Eurogiro IT communities, together with our partners: RedHat, Hewlett Packard, Rambøll Informatik, Larsen & Toubro and Western Union. See you all again next year!

*\*UBS, JPMC, Goldman Sachs, Morgan Stanley, Barclays Capital, Atos Origin, NYSE*



## XacBank: Forging new relationships with MFC conference and Eurogiro

From humble beginnings, XacBank was formed in 2001 by merging the two largest NBFIs (non-bank financial institutions) in Mongolia. Simultaneously created as a commercial bank, XacBank was a unique achievement in the microfinance sector. Profitable from the start, XacBank quickly ascended to a prominent position in the Mongolian micro financial market, and today serves as a global model in the microfinance industry

Mongolia, the size of Western Europe, has a population of around 2.9 million people, with one of the lowest per person density ratios in the world. By number of customers, XacBank is the 2nd largest bank in Mongolia, with more than 70 branches located in all aimags (provinces) of the country. With 74% of its clients living in the rural areas, a newly launched mobile banking system will assist in reaching clients in the most remote areas.

Dedicated to its "triple bottom line" (People-Profit-Planet), the bank strives to continuously improve services to its diversified clientele. XacBank's primary aim is to contribute to the socio-economic development of the country by providing access to comprehensive financial services to all citizens and legal entities, including those who are normally excluded. Secondly, its equally important aim is to maximize the value of shareholders' investments, whilst creating a profitable and sustainable financial institution.

In May 2008, XacBank had the privilege of co-hosting the 11th Annual MFC Conference with the Mongolian government. The MFC, Microfinance Center, is a network of over 110 MFI institutions mainly from Central and Eastern Europe, and the New Independent States. The conference brought over 500 participants from 40 countries to the capital city of Ulaanbaatar, where MFC held its first conference in Central Asia.

The microfinance industry is maturing, and the conference addressed the changes taking place, with investors arriving on the scene in force, and the need for traditional MFI models

to upgrade with new technology and business practices. Conference participants, ranging from microfinance practitioners, policy makers, investors, consultants, researchers, IT vendors and media, came together to address how the microfinance community can successfully grow together, and XacBank staff were out in full force to meet the participants and share best practices.

Microfinance generally refers to loans, savings, payments, and insurance services targeted at low-income clients. XacBank currently provides an array of savings products and loan products, and sees remittance services as a critical requirement as more Mongolians choose to live abroad. Through Eurogiro, the bank has extended its international remittance product offering. Transferring money internationally through informal channels can be risky. The aim of XacBank is to offer a secure and fairly-priced remittance service to its clients living abroad. XacBank already exchanges payments with Eurogiro members, including Korea Post, Magyar Posta in Hungary and BAWAG P.S.K. in Austria, and plans to further expand its country connections for remittances.

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## Activity Calendar Autumn 2008

**30 July 2008**

Eurogiro Workshop for postal organisations in Geneva, Switzerland

**15 – 19 September 2008**

SIBOS 2008 in Vienna, Austria; meet Eurogiro representatives

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