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Latest news from Card Academy

Card Academy Modules

Please feel free to contact us on globalinfo@card-academy.com for further information on our Card Academy modules. You also have the opportunity to liaise with our local partners directly.

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Card Academy is now present on LinkedIn Groups - search for "Groups" and "Card Academy", or use <http://www.linkedin.com/e/gis/774127> which will take you directly to the Card Academy group.



Yours sincerely,

Kurt Andersen

Managing Director, Card Academy



The Nordic and Baltic States news

Danish PBS enters into the Norwegian market for credit card acquiring

A new major player in financial services is making its way into the Norwegian acquiring market, i.e. collection, verification and settlement of payment transactions made with credit cards in Norway.

Through its Norwegian subsidiary PBS International AS, the Danish owned company, PBS A/S, has already concluded an agreement with Norwegian Fokus Bank ASA to acquire Fokus Bank's credit card acquiring services. The agreement covers acquiring of credit cards issued by MasterCard and Visa. However, in the long term, the plan is for the company to manage acquiring of credit cards from other issuers as well.

"Taking over the acquiring services from Fokus Bank is an important step in expanding our domestic market to include all of Scandinavia. The acquisition is a logical step following the establishment of NETS, which we own together with Norwegian BBS. Furthermore, we have just announced the acquisition of Swedish Strålfors Payments. So now we have a strong foothold in Scandinavia", says CEO Flemming L. Jensen, PBS A/S.

NETS offer processing services to card acquirers and card issuers in the European market. In all PBS has 25 years of experience in the field of acquiring services. With the acquisition of the portfolio of Fokus Bank, PBS takes over a small share of the Norwegian market for credit card acquiring. The plan is for this small share to increase over time:

"We have extensive experience and well-tested technology, and so we have an excellent basis for optimising the acquiring process. There is no doubt that our acquisition of Fokus Bank's acquiring activities will increase competition in Norway significantly", says CEO Ketil Fridheim, PBS International AS. (Source: PBS, September 2008)

DnBNOR launches a Peugeot co-branded VISA Credit Card in Sweden

Owners of Peugeot cars in Sweden now have the opportunity to get a Peugeot co-branded Visa Card. This new card is issued by Norwegian bank DnBNOR, and provides the cardholder with a number of value added services.

Loyalty points will be earned when the card is used for petrol (Preem gas-stations in Sweden), as well as when used within a number of restaurants, hotels and even airline companies.

Cardholders will receive an additional 2 percent discount when using their cards within the Peugeot garages.

Finally, a Travel Insurance package is part of the program. The insurance is delivered by Zürich Insurance Ireland Limited. For further information please go to www.peugeot.se/peugeotkortet/.

(Source: Peugeot Card, September 2008)

Swedbank - the new name of Hansabank

Hansabank has started the process of changing name to Swedbank in the three Baltic countries. The re-branding is an important and natural step of the integration of Swedbank Group.

"The change of name into Swedbank is a proof that we are here on a long term basis. The core of the Swedbank brand is service leadership, and the main aim is to provide the best service on the markets where we are present", says Jan Lidén, President and CEO of Swedbank.

The first step of the re-branding is the visual brand change in approximately 30 branches, among them the main offices in Riga, Tallinn and Vilnius. The legal name of the bank will change in spring 2009 and the process of changing brand will be finished during the autumn 2009.

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By the end of next year the Swedbank Group will operate under one brand in all markets. The re-branding started in Sweden in 2006, continued in Russia in 2007 and in Ukraine in 2008. (Source: Swedbank, September 2008)

Handelsbanken acquires Lokalbanken i Nordsjælland, Denmark

Handelsbanken has made a public bid for the Danish bank Lokalbanken i Nordsjælland a/s. The bid is for 300 Danish kroner per share, corresponding to a bid premium of 135 percent.

"Lokalbanken suits us perfectly. It is a well-run bank with sound finances, a good reputation and satisfied customers. The bank has branches with a strong local presence in locations where Handelsbanken currently doesn't have branches," says Pär Boman, CEO of Handelsbanken.

The board of Lokalbanken has unanimously resolved to recommend its shareholders to accept the bid.

Lokalbanken i Nordsjælland has a strong market position on northern Zealand, with over 43,000 customers and a lending volume of 4 billion Danish kroner.

Thus there are no plans to make staff redundant or close any branches as a consequence of the acquisition. Instead the Handelsbanken Group in Denmark will grow from the current 40 branches to 54.

"We have achieved strong and sustainable growth in Denmark by combining organic growth with acquisitions. This bid is comparable to the investments we make when we open our own branches - the cost per branch is approximately the same. The difference is that we will now acquire 14 new branches which are already fully operational, with skilled staff doing excellent business with satisfied customers," says Handelsbanken's CEO Pär Boman.

The acquisition is expected to contribute to Handelsbanken's earnings per share as early as next year and the following year to yield a return on equity which is higher than the average for the Group. The total amount of the bid is 810 million Danish kroner, which exceeds Lokalbanken's equity by 68 million Danish kroner. (Source: Handelsbanken, September 2008)

Nykredit launches recommended tender offer to the shareholders of Forstædernes Bank A/S in Denmark

Nykredit offers to buy Forstædernes Bank which would become part of a financially strong group that will secure the bank's funding. A unanimous board of directors of Forstædernes Bank recommends the tender offer, which will give shareholders a premium of 79.5% compared with the latest share price.

Forstædernes Bank will be integrated into Nykredit as an independent brand with an existing branch structure and staff.

In August 2008, the board of directors and executive board of Forstædernes Bank contacted Nykredit to enquire whether Nykredit might be interested in taking over Forstædernes Bank.

The bank's approach to Nykredit was prompted by an aim to obtain a closer association with a financially strong market player as the bank finds that its future access to liquidity and capital may be adversely affected by the international financial crisis and the consequences of the collapse of Roskilde Bank.

Jesper Andreasen, Chairman of Forstædernes Bank, says in relation to Nykredit's Tender Offer:

- The board of directors of Forstædernes Bank finds Nykredit's offer attractive to Forstædernes Bank's shareholders particularly in the light of the bank's expected reduced earnings capacity and increased risk of impairment losses in the coming years. Furthermore, the board finds that selling to Nykredit constitutes the responsible and timely solution that best serves the interests of the shareholders, the customers and the staff. The board has therefore unanimously resolved to recommend the sale to the shareholders. (Source: Nykredit, September 2008)

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Europe & World Wide news

RBS Switches to Visa for Its Debit Cards

Financial service provider Royal Bank of Scotland (RBS) migrated its debit card processing services from MasterCard to payment processing company Visa both in the US and in the UK.

The move marks a step forward for Visa, given that RBS is currently the fifth-largest debit-card issuer in the UK and its US unit Citizens Financial Group came in at number 10 in the States last year with regard to the volume of transactions processed. Moreover, given the current credit crisis, debit cards are a fast-growing segment of electronic payments, replacing cash transactions as the main means consumers use to tend to their basic needs. In fact, starting from 2006, U.S. debit-card transaction levels surpassed credit card ones, and a recent report from consumer trends analyst company Packaged Facts shows that the debit card market is to continue its growth

The switch is to take effect starting the middle of 2009. RBS credit card transactions are to continue to be processed on MasterCard's network. (Source: *EPaymentsNews*, September 2008)

American Express enters the UK market

American Express has launched an extended credit card service in UK. The initiative enables American Express cardholders to make use of the cards at almost 3,000 hotels, restaurants, shops and car rental agencies across the region and at over 83,000 establishments outside UK.

The American Express service targets business executives or those with medium to high income. Up till now, American Express cardholders have been allowed to use such cards in this country, but only if their accounts were settled in dollars. The company's representatives estimate that during the first year, the number of American Express cardholders will reach 20,000 in UK. In US, there are nearly 1 million cardholders that own American Express branded cards. According to surveys, 97 percent of US cardholders are businessmen. (Source: *EpaymentsNews*, September 2008)

Neteller Announces New Major Gaming Merchant Wins at EiG Barcelona

The NETELLER Payment Suite features the NETBANX international payments gateway and the NETELLER e-wallet. NETBANX allows merchants to accept card and non-card payments through multiple channels including online, contact centres, mail order and via automated phone systems. The NETELLER e-wallet and attached pre-paid cards allow consumers to spend securely online as well as allowing merchants to increase customer lifetime value.

Through its Merchant Payment Suite, the NETELLER Group is the pre-eminent payment provider to the gaming industry. At EiG, the leading i-gaming industry event, the NETELLER Group announced the following significant new gaming-segment contract wins:

- Provision of new payment services to leading international gaming merchants BetClick and Genting Stanley. At these sites consumers will be able to deposit funds directly from their e-wallet using a number of payment methods, including all major international credit and debit cards, the POLi consumer Internet bank payment service, giro pay, iDEAL, Directpay24 and Ukash. They will also be able to withdraw their winnings and spend them at over 30 million locations worldwide using the NETELLER e-wallet and attached pre-paid cards.
- Joint marketing agreements with Bet365, Betfred and Purple Lounge. The Group has entered into multi-quarter joint marketing and branding agreements with three industry leading gaming sites. Through these agreements the NETELLER Group and each of the merchants will jointly develop new and existing business while maintaining the loyalty of players playing at their sites.

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In combination these new agreements are anticipated to drive several hundred thousand additional transactions per month for the Group as well as generating new consumer relationships for the NETELLER e-wallet and its merchants.

The 2008 EiG Expo in Barcelona is expected to be the largest so far, bringing together over 1,300 senior level representatives of the online gaming industry from over 60 countries. It is taking place on 23rd to 25th September 2008 at the CCIB Barcelona International Convention Centre. (Source: NETELLER, September 2008)

A new online marketplace where visitors can sell or exchange unused gift cards

GiftCardRescue.com, LLC has introduced a new gift card exchange website, www.giftcardrescue.com, which offers consumers the flexibility to swap their gift cards for another card of their preference.

Referring to uncertainty on part of the consumers when it comes to unused gift cards, or even to general feeling that consumers are not comfortable with selling, exchanging, or buying gift cards from someone they don't know, the company says that's where GiftCardRescue.com can be helpful. It is offering customers a list of over 30 popular gift cards to choose from.

The list of merchants includes Home Depot, Target, Abercrombie & Fitch, Macy's, New York & Company and Best Buy.

In addition, visitors can sell their unused gift cards for cash or buy gift cards from the company's website for up to 20 percent off.

As part of the launch offering, GiftCardRescue.com will pay 70 percent of current value for the first 1,000 gift cards it buys from customers. For example, the company will pay \$70 cash for a \$100 gift card from Best Buy.

In terms of convenience for the consumers, the company shared that the process for exchanging an existing gift card for another card is as follows: Post registration on the site, the user provides information requested regarding the gift card he or she would like to exchange. After this, in the redemption value section, the site shows how much will it buy the card for (it says it typically buys gift cards for between 60-80 percent of the card value depending on the popularity of the gift card). The user then gets to know the redemption value of the card to spend on a brand new gift card. In the second step, the users mail their gift card to the company. Finally, after verification, the website mails the same user the brand new gift card the user had selected within 48 hours. (Source: *Eyeforretail*, September 2008)

Barclaycard chief predicts death of plastic cards

Plastic cards could be set to go the way of cheques and become virtually obsolete as customers take up mobile and biometric systems to pay for purchases, according to Barclaycard which is ramping up its investment in contactless payment technology.

Antony Jenkins, CEO of Barclaycard - which launched the UK's first credit card in 1966 - says contactless chips have huge untapped capability, but the plastic around the chip limits its potential.

"Take the plastic away and the possibilities are endless, allowing the customer to pay by using something that they are already carrying, be it a mobile, key fob or even via biometrics," says Jenkins.

Barclaycard launched its combined contactless Oyster travel and debit card, OnePulse, in London last September. By the end of the year it will have issued over one million contactless cards, with thousands of retailers accepting them.

But Barclaycard is already looking beyond cards and is reported to be investing a seven-figure sum in contactless payment technology.

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Last year the company teamed with phone network O2, Transport for London, Nokia, Visa and TranSys, the consortium which currently runs the Oyster card system, on a six month trial of NFC mobile payments.

The pilot concluded earlier this month, with nine out of ten participants saying they were happy using NFC technology on a mobile phone and 78% saying they would be interested in using contactless services if available.

Barclaycard says it is also developing other 'paperless' ticketing applications that could be used in cinemas or for train journeys.

Longer-term, Jenkins has outlined scenarios where customers are alerted to special offers in local stores nearby on their mobiles. Other scenarios include enabling customers to use their mobile to scan an on-shelf price label and add items to their "virtual shopping basket". They would then be able to confirm their purchase and take it away without having to go to a checkout or get a receipt

"In time you won't have to carry a plastic credit card around with you if you don't want to, although some people will chose to for nostalgic reasons," says Jenkins. (Source: *Finextra*, September 2008)

SIA-SSB wins Austrian cards contract; plans Warsaw, Moscow offices

Sinsys, a majority-owned subsidiary of SIA-SSB, has won a five-year card issuing processing contract with Austrian card services bank PayLife Bank. The five-year contract will run from mid-2010 and will replace the bank's current arrangement with First Data. Separately, SIA-SSB says it plans to open an office in Warsaw next month, to be followed next year by Moscow and Kiev.

In April, Swiss cards processor Telekurs Card Solutions announced it had won a similar five-year contract for the card acquiring processing that is also currently handled by First Data.

Sinsys is a joint-venture between SIA-SSB and Atos Worldline.

SIA-SSB CEO Renzo Vanetti says that geographic expansion is a key part of the company's strategy, and that following on from its recent acquisition of Hungarian card processor GBC, it sees a lot of growth potential in Central and Eastern Europe. The company will open its Poland office in Warsaw at the start of October, and it is looking to establish a presence in Russia and Ukraine next year.

SIA-SSB group consists of a number of companies specialising in network services, card processing, payment systems and capital markets back-office and surveillance systems. The company is currently majority owned by two Italian banks, Intesa Sanpaolo and Unicredit Group, with a number of other bank and telecom owners. (Source: *Finextra*, September 2008)

A&L launches pre-paid travel card

UK bank Alliance & Leicester (A&L) has partnered payments vendor Indigosolutions to launch a pre-paid foreign currency card with SMS top-ups for holidaymakers.

The free Indigo Travelcard can be ordered online and topped up with US dollars or euros through a dedicated Web site or via SMS text message.

Users can also request balance updates, cancel their card and make card-to-card transfers via SMS.

The Visa card can be used to withdraw cash at ATMs and make payments at the point of sale around the world.

A&L says the card offers market-leading exchange rates for conversion into euros and dollars, making it a secure and cost-effective way to organise holiday money.

James Le Brocq, director, pre-paid cards, A&L, says: "The Indigo Travelcard can be of great benefit to anyone needing foreign currency, removing some of the barriers often associated with travellers cheques, lost or stolen currency or fraudulent use of credit cards when abroad."

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Barclays, Lloyds TSB, Virgin Money and The Post Office have all launched pre-paid plastic cards aimed at holidaymakers and travellers. In the US Travelex recently teamed with MasterCard and West Suburban Bank to launch a pre-paid foreign currency card aimed at US customers travelling to Europe. (Source: *Finextra*, September 2008)

Scheme news

New 'green' Visa card for business cardholders

Visa Europe has entered a new partnership agreement with RePay International to launch a new 'green' Visa card to business cardholders in industry and Government across Europe. This follows the earlier launch of the world's first carbon neutral credit card – the Visa GreenCard - in the Netherlands which was successfully introduced into the consumer market in 2004.

This new agreement means that Visa's 4,600 member banks across Europe are able to issue business Visa cards that offset carbon emissions as part of RePay's ClimaCount compensation programme. Under this programme, companies and Governments will be supporting sustainable projects. For example, every time a payment is made with the Visa card, the carbon emission of the product or service is established and the emission is offset through a project such as forestry or renewable energy. ClimaCount is supported by NGO Conservation International and the Dutch Applied Science institute TNO.

The innovative payment card is a ready-made card concept which includes full technical back office infrastructure, meaning that member banks will not have to invest heavily in back office functionality. All business cardholders are able to access the website www.climacount.com to check their purchases, their carbon emissions per transaction and the way that the emission will be offset.

Luc Janssen, Head of Visa Commercial, commented:

"At Visa Europe, we're always striving to offer our members unique propositions that appeal to their business customers. This new partnership means that we can offer members a 'green' payment capability across Europe that addresses the increasing demand for sustainable initiatives. It is also easy for member banks to get involved as they won't need to invest heavily in special back office functionality, as ClimaCount has that already in place."

Patrick Bunnik, CEO at RePay International, said:

"This agreement with Visa acknowledges the rapidly changing attitude towards "green" from a possible threat to a great business opportunity. This new development for the business market is one of the next steps in broadening our ClimaCount programme. RePay is fully committed and equipped to deliver our plug and play solution to Visa members all over Europe."

(Source: *Visa Europe*, September 2008)