

ISSUE # 26, 2009
Items in this issue:

Latest news from Card Academy.....	1	First direct green policies lauded by Carbon Trust.....	4
Baltic Sea – Card Conference in September 2009.....	1	Scheme news.....	5
The Nordic and Baltic States news.....	2	New Premium Debit Card Offers More Rewards and Greater Peace of Mind; Features MasterCard Savings and Enhanced Consumer Protections.....	5
SEB outsources Sepa direct debits processing to Equens.....	2	Visa Introduces First Global Advertising Campaign, Entitled "More People Go with Visa".....	6
Half of Russians don't trust banking cards – survey.....	2	Visa, GSMA to Partner for Secure Mobile Financial Services Globally.....	6
The popularity in Russia of plastic cards is falling.....	2	Contact and Partner information	8
Europe & World Wide news.....	3	Next issue of the Card Academy Bulletin will be on 20 th March 2009.....	8
Citi partners MySpace on reward card.....	3		
US Credit Card Issuers Changing Credit Card Pricing, Rewards.....	3		
BNP Paribas 'Starbank' programme lets raw recruits build virtual banks.....	4		

Latest news from Card Academy

Baltic Sea – Card Conference in September 2009

It is with great pleasure that we now announce the launch of the

Baltic Sea Card Conference 2009

a new service to all employees within Banking and Retail business in the Nordics & Baltic Rim countries.

This is your opportunity to meet up with colleagues from all over the Baltic Sea area, facilitating the opportunity to network and get updated on regional and local day-to-day business issues.

Please visit www.BalticSea-CardConference.com for further information.



Yours sincerely,



Kurt Andersen, Card Academy

The Nordic and Baltic States news

SEB outsources Sepa direct debits processing to Equens

Sweden's SEB is to outsource processing of Sepa direct debit transactions to European payment processor Equens.

Under the agreement, Equens will start processing all SEB Group direct debits across Europe in November in compliance with the EU-mandated deadline for introduction of the new Sepa-compliant payment instruments.

Edwin Echl, global head of payments operations at SEB, says: "Outsourcing the processing of SDD payments is one of the first steps in our strategy to centralise the payment services of the entire SEB group."

He says the bank selected Equens because of its pan-European market coverage. Equens currently has offices in four countries and lists clients in eight countries. (Source: *Finextra*, February 2009)

Half of Russians don't trust banking cards – survey

Half of Russians don't have and aren't planning to open a bank account (58%) or get a bank card (50%), informs a survey conducted by the Analytical Center of Yuri Levada (Levada Center) and published in February 2009. Bank cards are used by more than third of Russians (37%), another 13% said they are planning to acquire it.

The majority of bank cards (40%) are held by men, 25-40 years old Russians (53%) and 40-55 years old (43%), as well by respondents with the higher education (55%), high consumer status – those, who can easily acquire things of long lasting usage (55%), Moscovites (58%) and residents of other cities with the population of over 500 thousand of people (42%).

Most usually the following groups of people plan to get a bank card: women (14%), Russians younger than 25 years (20%), respondents with secondary education (16%), low income, those who answered that they don't have enough money for food (19%), residents of small cities (17%) and villages (14%).

A third of Russians have bank accounts. Most commonly those are men (31%), respondents who are 25-40 years old (35%) and 40-55 years old (35%), with higher education (44%), with the high consumer status (50%) and Moscovites (73%).

Only 12% of the surveyed plan to open a bank account. This answer was most popular among Russians younger than 25 years (18%), with secondary education (15%), with low income (16%), residents of small cities with population below 100 thousand people (15%), and as well those who live in big cities with the population of over 500 thousand people (14%).

Levada Center conducted a representative survey from 23 to 27 January this year among 1600 Russians in 128 populated locations of 46 country regions. Statistical discrepancy of surveys of this type doesn't exceed 3%. (Source: *Rixtar SIA*, February 2009)

The popularity in Russia of plastic cards is falling

The volume reduction of consumer crediting and people's trust to the banks in Russia affected the popularity of plastic cards.

According to the materials of the Central Bank, in the fourth quarter of 2008 private clients started to use cards less frequently to pay for products and services: in comparison with the third quarter of 2008 the volume of these operations in the money equivalent decreased almost by 4% down to 214.8 billion of rubles, whereas the number of such operations increased by 2.7%. The year before the volume of purchases payment with cards were growing – in the fourth quarter of 2007 the number of operations of paying for purchases with cards augmented by 13% as opposed to the third quarter, which in money



equivalent is by 21.7% up to 145.2 billion of rubles. "This is the direct consequence of the crisis of people's trust to banks", - comments Mr Victor Loik, the Director of regional projects department of the "Sberkart" payment system. Mr Loik explained that people tried to withdraw all their sources from the cards, this is why the majority made payments with cash, but the trust now is restored, he added. Money withdrawals from the cards remain popular: the volume of withdrawal operations in the fourth quarter has grown by 11% in money equivalent (up to 2.4 trillion of rubles) and by 7% in terms of operations. "Exactly the panic was the main reason of decline in the turnover of payments made with cards", agreed Ms Jelena Dvorovyh, the Director of payment card department of Promsvazbank. Ms Dvorovyh also mentioned that another reason was the cut of retail crediting made by banks, since many purchases were made in credit and paid by cards. (Source: *Rixtar SIA, March 2009*)

Europe & World Wide news

Citi partners MySpace on reward card

Citi has teamed up with MySpace to launch a credit card that lets customers earn reward points for acts of financial and social responsibility.

Citi Forward by MySpace cardholders can earn "ThankYou Points" for completing socially responsible acts, such as donating to food drives, going paperless, switching to energy efficient light bulbs and volunteering.

The points can be used for rewards and experiences from MySpace, such as music downloads, VIP concert tickets, private concerts and trips to movie premiere screenings.

The MySpace card is one variation on the Citi Forward offering, which is designed to reward responsible financial behaviour, with cardholders earning points for paying bills on time and staying under the credit line. The card also lowers the purchase interest rate by a quarter of a per cent when customers "use credit wisely".

Citi Forward customers also have access to an online spend tracker tool, categorised monthly statements that break down outgoings to show where money is being spent, e-mail and text alerts and free education tips at UseCreditWisely.com.

George Awad, CEO, Citi Cards, says: "Citi is committed to providing today's consumers with the products, guidance and financial resources they need to use credit wisely."

Back in 2007 the UK's Co-operative Bank launched a credit card that rewards customers for making ethical purchases. (Source: *Finextra, March 2009*)

US Credit Card Issuers Changing Credit Card Pricing, Rewards

Lightspeed Research has announced the results of its latest Lightspeed Research Card Terms Tracking Study finding that US credit card issuers "continued to increase APRs and fees on credit cards through mid-February and are pulling back on rewards programs." This monthly report provides insights into the changes in terms notifications mailed by the top 10 U.S. credit card issuers in the past month.

Key findings in the February report include:

- Top card issuers focused on setting higher margins for variable-rate APRs. Eight of the top 10 card issuers introduced new pricing effective within the next 90 days. Issuers also changed cash advance fees and increased late fees on some balance tiers.
- Wells Fargo Financial introduced increased pricing on certain balance categories with existing cash balances grandfathered at the existing rate.
- Citi increased cash advance fees on a number of products to 5%, an increase over the prevailing rate of 3% fee that is most common among top issuers. Wells Fargo notified cardholders of a 4% cash advance fee and increased the maximum from \$75 to \$99.



- Chase informed WaMu cardholders that their card rewards programs would be converted to Chase rewards as a result of Chase's acquisition of WaMu. Discover eliminated the middle 0.5% earning tier on selected cash back products.

On a monthly basis, Lightspeed Research gathers Change in Terms statements directly from customers of the 10 largest issuers in the U.S., as well as from other mid-tier issuers. The information from these statements is compiled, analyzed and synthesized to provide clients with a report that has detailed breakdowns of changes in cardholder terms including interest rate calculations, billing period/cycle changes, penalty pricing, and fees. (Source: *PaymentNews*, March 2009)

BNP Paribas 'Starbank' programme lets raw recruits build virtual banks

BNP Paribas has launched an online training game that enables new recruits to learn about the business by building their own virtual banks.

The "Starbank" programme, available in French, English and Italian, calls on players to build a fictitious bank in an orbital city of the future.

Initially helped by a virtual guide called Marvin, they must develop their business by establishing structures such as sales outlets and business centres, or by investing in new business lines and services.

Various performance indicators let players track the profitability of their investments in real time.

BNP says the game is an enjoyable way for new staff to learn about the bank's three core businesses: retail, asset management and services and corporate and investment banking.

Last month the bank launched an online game that saw 4000 students from around the world compete in a virtual world to accomplish banking related missions. (Source: *Finextra*, March 2009)

First direct green policies lauded by Carbon Trust

The UK's first direct has become the first bank to receive the Carbon Trust Standard after reducing its carbon emissions by over 14%, which equates to an annual reduction of 1500 tonnes of CO2 from 2007 levels.

The Carbon Trust Standard is billed as the world's first carbon award that requires an organisation to measure, manage and reduce its carbon footprint and actually make real reductions year-on-year.

The UK direct bank has been working with the Government-sponsored Carbon Trust since 2006 and has introduced a range of measures to reduce carbon emissions.

The most eye-catching of these is the installation of solar panels at its Leeds HQ that produce enough energy to heat the bank's onsite crèche, which caters for over 350 children and is the largest of its kind in the UK.

The bank has additionally introduced monitoring software that automatically shuts down any PC and monitor that is not logged-on after 7pm each night.

First direct also encourages employees to adopt greener travel plans by laying on shuttle buses to the local train station and through a car-sharing scheme; and has worked with local schools to encourage recycling initiatives in the workplace.

Matt Colebrook, chief executive of first direct, comments: "It makes good business sense to reduce our carbon emissions as we are achieving energy cost savings of around £200,000 each year. These saving have meant that we can become even more sustainable by reinvesting in further carbon reduction initiatives." (Source: *Finextra*, March 2009)



Scheme news

New Premium Debit Card Offers More Rewards and Greater Peace of Mind; Features MasterCard Savings and Enhanced Consumer Protections

MasterCard Worldwide has announced the launch of the World Debit™ MasterCard® card, a premium debit card that provides U.S. consumers with unique rewards and savings opportunities, purchase protection, and security benefits. KeyBank, a wholly owned subsidiary of KeyCorp, today became the first financial institution to introduce World Debit MasterCard to its customers.

“The KeyBank World Debit MasterCard is a significant breakthrough in KeyBank’s ability to meet the needs and preferences of its diverse customers with a premium payment product,” said Carl Stauffeneger, Senior Consumer Product Manager, KeyBank. “As a relationship bank, we understand and are addressing our cardholders’ high expectations for value.”

World Debit MasterCard cardholders are eligible for discounts on a variety of products and services, and have access to enhanced customer service and security features. The KeyBank World Debit MasterCard will also feature MasterCard® PayPass™ contactless payment functionality. This offers cardholders increased speed and convenience at the point of sale by allowing them to “Tap & Go™” at the more than 141,000 merchants that accept PayPass.

“In today’s economy, savvy consumers are looking to get the most value for every dollar they spend,” said Patricia Preston, Senior Vice President, U.S. Debit Product Management and Development, MasterCard Worldwide. “As the first financial institution to offer its customers the World Debit MasterCard, KeyBank is taking an innovative step to ensure that affluent consumers have a debit card that is working harder for them.”

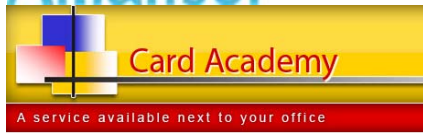
The World Debit MasterCard card is designed to maximize the benefits realized by affluent consumers who choose debit as their method of payment. Like other financial demographics, these consumers are increasingly turning to debit cards for their everyday purchases to help manage their spending. MasterCard research has found that nearly one in four (24%) of these consumers use their debit card daily. Debit remains the fastest growing form of payment as consumers continue to migrate to electronic payments and away from cash and checks.

Features of the World Debit MasterCard include:

- MasterCard Savings Plus™ - World Debit MasterCard cardholders gain premium-level access to MasterCard Savings, which provides Debit MasterCard cardholders with merchant-funded discounts and special offers from thousands of merchants (standard access is free to all Debit MasterCard cardholders). Premium-level access, a \$29.95 annual value that is included in this program at no cost, enables World Debit MasterCard cardholders to take advantage of enhanced savings (ranging from 20 percent to 50 percent), as well as limited-time offers and special events. MasterCard Savings Plus offers statement rebates, a MasterCard feature made available by KeyBank. (www.savings.mastercard.com)
- Personal security benefits – including Zero Liability to prevent liability in the event of unauthorized use of a card, ID Theft Resolution that provides credit bureau notification, ID Theft Affidavit and other services, and Wallet Protection for reporting and locking out lost or stolen cards.*
- Purchasing peace of mind – in the form of programs for Purchase Assurance, Satisfaction Guarantee, Price Protection and Extended Warranty.*
- Financial controls – including Overdraft Protection.

(Source: MasterCard, March 2009)

Alliansor Caps AB, Vasagatan 38, 111 20 STOCKHOLM
Tel: +46-(0)8-734 03 50, Fax: +46-(0)8-734 03 45. www.alliansor.se



Whilst Alliansor Card Academy has used reasonable efforts to obtain information from sources which it believes to be reliable it does not make any representations or give any warranties or guarantees that the information provided or any opinions expressed herein are accurate, reliable or complete and none should be relied upon as statements of fact. In no event, including (without limitation) negligence, and in no circumstances will Alliansor Card Academy be liable for any loss or damage of any kind whatsoever, including (without limitation) any direct, special indirect or consequential damages, caused by the use of or reliance upon information provided or opinions

Visa Introduces First Global Advertising Campaign, Entitled "More People Go with Visa"

Visa Inc. unveiled on March 2nd its first global advertising campaign, entitled "More people go with Visa," reflecting the company's evolution to a single, global company. The new campaign enables Visa to align its worldwide marketing under a single theme that highlights the superior value Visa delivers versus cash and checks - including more security, more control and more convenience. The campaign also enables Visa to achieve cost efficiencies by consolidating its global marketing efforts. The "More people go with Visa" campaign will debut on March 2nd globally; television advertising launches in the United States on March 4.

The "More people go with Visa" campaign focuses on Visa's core growth strategy -- migrating consumer and business spending from cash and checks to a better form of electronic payment, Visa. The campaign establishes a single global marketing message that will be executed locally for maximum relevance, delivering Visa's global message in an efficient and cost-effective way.

"Visa gives people the ability to take action - the actions that are most important to them," said Antonio Lucio, chief marketing officer of Visa Inc. "The 'More people go with Visa' campaign is an invitation to make the most out of life every day, a powerful message. It's not about spending more, it's about using Visa for those things that are important to you every day."

By focusing on encouraging Visa usage over cash and checks, the campaign helps grow the payments business of Visa's financial institution clients. At the same time, it better enables them to focus their marketing efforts on differentiating their Visa products from those of competitors while strengthening their customer relationships. The campaign also supports Visa merchant partners by promoting the convenience of using electronic payments in key merchant categories like restaurants and online music, among others.

The "More people go with Visa" campaign is both optimistic yet grounded in the reality that people are seeking to live both in the moment and within their means. It recognizes that, even in uncertain times, people want to move forward and highlights that Visa helps them do so by offering a range of payment products, by empowering financial literacy, and by providing money management tools. (For more information on these products and other management tools, please visit www.visa.com/goresponsibly.)

"Underpinning the campaign is a simple and universal assertion that is fundamental to Visa's view of the world and how we operate as a company," added Lucio. "Simply put, this campaign is an invitation that reflects Visa's belief that our products are for anyone who wants to go. And when they go, Visa offers them a better way to go, confidently, conveniently, safely and responsibly." (Source: Visa Inc., March 2009)

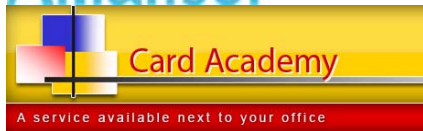
Visa, GSMA to Partner for Secure Mobile Financial Services Globally

Visa Europe and Visa Inc. have announced plans to work with the GSMA to advance the delivery of mobile financial services around the world. As part of the continuing collaboration between the two organizations, the GSMA has selected Visa as a provider for mobile money transfer solutions globally, and is working to execute an agreement to formalize participation terms. Visa is already a leading provider of money transfer solutions with active programs in 14 countries in Europe, the Middle East and Asia.

"By combining the world's largest retail electronic payments network and the world's most popular wireless technology, we can take Visa beyond the card to mobile handsets, a move that can help accelerate the deployment of mobile payment services," said Elizabeth Buse, Global Head of Product for Visa Inc. "Beyond growing our business, enabling money transfer and payments on mobile handsets has the potential to make a profound difference in the lives of hundreds of millions of people worldwide."

Mariano Dima, EVP of Marketing at Visa Europe, stated: "Mobile phones are lifestyle tools for a new generation of consumers in developing and developed markets. The partnership between Visa and the GSMA is a clear signal that the world is ready to embrace mobile financial services."





Whilst Alliansor Card Academy has used reasonable efforts to obtain information from sources which it believes to be reliable it does not make any representations or give any warranties or guarantees that the information provided or any opinions expressed herein are accurate, reliable or complete and none should be relied upon as statements of fact. In no event, including (without limitation) negligence, and in no circumstances will Alliansor Card Academy be liable for any loss or damage of any kind whatsoever, including (without limitation) any direct, special indirect or consequential damages, caused by the use of or reliance upon information provided or opinions

A key aspect of the collaboration between Visa and GSMA will be the creation of standards for mobile money transfer, mobile payments and related services. This collaboration will allow carriers and financial institutions to deploy mobile payments more rapidly and limit market fragmentation. Standardization also benefits consumers by promoting interoperability among carriers and institutions, ensuring a consistent and reliable experience and promoting faster adoption of the technology. (Source: *PaymentNews*. March 2009)



Whilst Alliansor Card Academy has used reasonable efforts to obtain information from sources which it believes to be reliable it does not make any representations or give any warranties or guarantees that the information provided or any opinions expressed herein are accurate, reliable or complete and none should be relied upon as statements of fact. In no event, including (without limitation) negligence, and in no circumstances will Alliansor Card Academy be liable for any loss or damage of any kind whatsoever, including (without limitation) any direct, special indirect or consequential damages, caused by the use of or reliance upon information provided or opinions

Contact and Partner information

Here you find information and links to Card Academy and our partners. We currently have Agent agreements covering Finland and the Baltic states.

Kurt Andersen

Head of Card Academy
Phone: +46 (0) 766 329444
Mail: kurt.andersen@alliansor.se

Kenneth Bergström

Head of Sales, Alliansor Caps AB
Phone: +46 (0) 739 887766
Mail: kenneth.bergstrom@alliansor.se

Partner organisations

Dedicon Oy, Finland
Petri Ahti
Managing Director, Dedicon
Phone: +358 400 867033
Mail: petri.ahti@dedicon.fi

RIXTAR, Riga Latvia
Ivo Almanis
Board Member of RIXTAR
Phone: +371 67 888 723
Mail: ivo.almanis@rixtar.com



Would you like to know more about business opportunities outside the Nordics and the Baltic states..

Tell us about your thoughts, needs or requirements. Don't hesitate to get in touch with us!

Next issue of the Card Academy Bulletin will be on 20th March 2009.