

## ISSUE # 30, 2009

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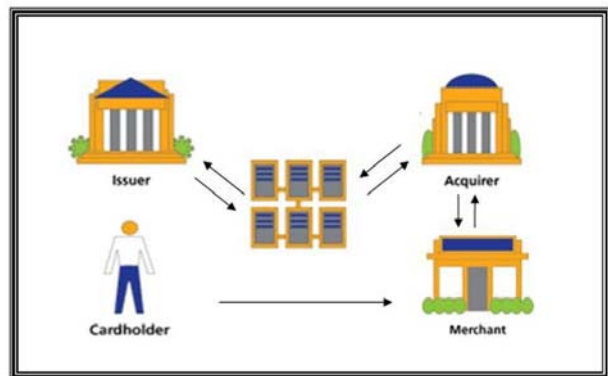
## Latest news from Card Academy

### Your local Card Academy

Through Card Academy we aim to bring a number of key partners together. This in order to bring a more cost-effective educational offer to employees within this sector and to extend the reach and effectiveness of resources spent on education in general.

Card Academy is a service available next to your office, and the defined mission for our business is:

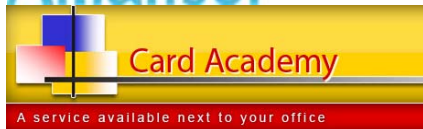
#### Your local Card Academy



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

Yours sincerely,

Kurt Andersen, Card Academy



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## The Nordic and Baltic States news

### Baltic Sea Card Conference 2009

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

**Baltic Sea Card Conference**  
on Tuesday 6<sup>th</sup> & Wednesday 7<sup>th</sup> October 2009 in Stockholm, Sweden

✉ **E-mail contact:**

Send your contact details on [Information@BalticSea-CardConference.com](mailto:Information@BalticSea-CardConference.com) to ensure that you are updated on the Conference Program.



You also have the opportunity to network with those interested in this Conference on LinkedIn – please register for the Baltic Sea - Card Conference group on <http://www.linkedin.com/groups?gid=1828269>

Please visit [www.BalticSea-CardConference.com](http://www.BalticSea-CardConference.com) for further information.

### Nordic e-commerce defies economic crisis

DIBS Payments Services, the largest provider of Internet payment solutions in the Nordic countries, has published its comprehensive survey of e-commerce in Denmark, Finland, Norway and Sweden. Among other things, the survey finds that e-commerce is largely unaffected by the crisis, and that both e-consumers and online retailers have high expectations for the coming twelve months.

13 million! That is the number of active e-consumers aged 15-65 in the Nordic countries. This means that over 93% of all persons aged 15-65 with access to the Internet are active e-consumers. This is the highest number ever measured in the Nordic countries, and is presumably the highest level in the world. Relative to other countries, access to the Internet and use of e-commerce is very widespread in the Nordic region, where 86% of the population have access to the Internet and use it regularly.

The survey was conducted in the fourth quarter of 2008 by Zapera, the research agency, and includes interviews with 4,000 Internet users in Denmark, Finland, Norway and Sweden, and 872 interviews with online retailers in Denmark, Norway and Sweden.

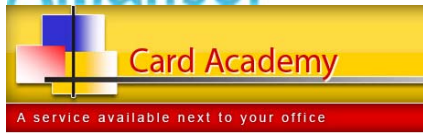
For further information about this survey, please go to [www.dibs.dk](http://www.dibs.dk).

*(Source: DIBS, April 2009)*

### ***A new medical card protects Danish business travellers against maltreatment. "This is part of corporate social responsibility", claims the company behind it.***

Thousands of Danes travel abroad on business every year. Many of them have a chronic disease, an allergy or need medication. By keeping a new medical card at hand, World Medical Card (WMC), they can now make sure that paramedics and other medical personnel understand which particular medical conditions that might require their attention. Or at least, that is the ambition of the company behind the card, who believes in success with corporate customers.





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“More and more companies are now paying attention to social responsibility, and this is another way of exercising it. With a medical card at hand, the employee can feel safe when travelling - as can the family” says Søren Ohlsen, Country Manager of WMC Denmark.

At the size of a credit card, the medical card targets anyone who travels, but it is not a replacement for a travel or health insurance card. Rather, it is designed to provide important information about your medical condition. If you for instance have epilepsy or diabetes or use a particular kind of medication, this will be printed in your card, as will serious allergies. With this in mind, Søren Ohlsen suggests that the card can save your life, as its information can prevent maltreatment.

“To mention one example, the card can tell if you are allergic to penicillin. But the card also contains other than medical information, such as who to contact in an emergency or other vital information that you may be unable to communicate in a given situation”, Søren Ohlsen explains.

To avoid technical complications, there is no chip or magnetic stripe on the card. Rather, the information is printed in clear text inside the card which is then sealed. When needed, the card can be cut open to reveal any medical information on the user in the form of internationally standardized medical codes and terms.

“You can have all your medical data with you in a single card, to give doctors and paramedics around the world an instant understanding of your medications, allergies and other special conditions”, says Søren Ohlsen.

One of WMC’s Danish customers is the manager of the company Responsum, Steen Løcke. He bought a card for himself and his wife, since they both travel frequently on business.

“We are not very fluent in English, and we once had an incident where my wife became ill at an airport and we were not able to make ourselves understood”, he explains, “so we decided to order World Medical Card to be better prepared in the future”. Steen Løcke has also attempted to convince his younger coworkers to sign up, but without success. “They are all so young that they do not understand the need for a card. They simply do not believe that they also may become ill”

The information inside the card is registered when you create your profile on World Medical Center’s homepage, either on your own or assisted by your doctor. Shortly after you have completed your registration, you will receive the card by mail. The price for a membership including the card is 30 euro or 220 DKK ex. VAT. In addition to the card, the information is also stored on a secure WMC server, and the information can be downloaded to your mobile telephone and translated to a language of your choice.

“If you loose your luggage with all your medicines, the information on your mobile makes it a lot easier for a local doctor to replace it without risk of misunderstandings, since the information is available in precise terms that the doctor may understand”, Søren Ohlsen explains.

To further improve the accuracy of the information, the card will not read the name of the drug since this is often different between countries. Instead, the active ingredients and their corresponding codes are listed. You may also specify your position on organ donation.

“In the case of an emergency, access to vital information is absolutely essential. That is what World Medical Card is all about”, concludes Søren Ohlsen.

*(Source: World Medical Card and Helsejob Denmark, April 2009)*

## **Calypso signs Denmark's Bankernes EDB Central**

Bankernes EDB Central (BEC), an IT provider owned by a consortium of Danish banks, has signed for trading and risk management technology from Calypso.

BEC - which provides IT systems and services for its 68 owner banks and customers in Denmark - has selected Calypso's front-to-back, cross-asset, and derivatives trading platform and enterprise risk management technology to replace in-house legacy systems.



Once the phased implementation is completed, the Calypso technology will act as the core capital markets system, supporting the firm's IT services for its owner banks and customers.

The vendor says its system will enable pricing and trade capture in the front office, limit management and market risk in the middle office, and settlements, payments, trade matching, accounting, reporting, collateral, cash and securities management in the back office.

Kurt Norrisgaard, director, BEC, says: "We were looking for a modern platform that could support trading, risk management and operations across multiple asset classes and meet the increased demands for derivatives trading from our member banks. The Calypso system met the above requirements within one consolidated platform and, importantly, supported our multi-banking operations service where each member bank has unique requirements."

*(Source: Finextra, April 2009)*

## Europe & World Wide news

### Credit Card Issuers: Begin Planning Now for Recovery

TowerGroup has published a new research report titled "After Boom and Bust: Navigating the Credit Card Industry into the Next Economic Cycle". According to the report, "the severe contraction that the credit card industry is experiencing after decades of business boom is a direct result of antiquated business models used to measure risk and monitor changing consumer profiles. TowerGroup believes it will take time for the industry to change its business model, but that forward-thinking issuers should begin planning for the post-recession era even as they struggle in a down economy today."

"Although the credit card industry has grown and changed over the decades, its business processes and predictive models failed to evolve with the times, resulting in the ensuing turmoil we see in the industry today," said Brian Riley, research director of bank cards at TowerGroup. "Change of current processes is not a "nice to have" but a "must have" initiative if the industry is to thrive once again."

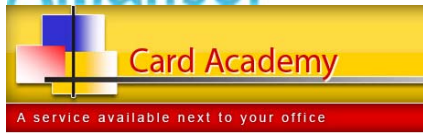
Although card issuers have standard measurements in place such as industry-wide credit scores, they often neglect to examine the big picture of consumers' creditworthiness realistically. To measure credit portfolios successfully, issuers must take a more holistic view of their customers, looking not only at their credit scores but also their past payment history, credit line management, debt burden, cross-sale potential and the duration of the customer relationship. After considering these factors, an issuer must utilize a methodology that parses its consumer accounts into retention, modification and exit categories, based on the cardholders' profile results. This dynamic process will allow the issuer to more accurately discern each customer's creditworthiness and determine how broad and deep the financial relationship can and should be.

"Creating a more dynamic control process will prepare forward-looking issuers for a recovering economy and a new order in credit," said Riley. "Although the credit card industry has been rocked by systemic risk, it will emerge as a stronger, smarter industry ready for future changes in the economy, however dramatic."

Additional highlights of the research note include:

- TowerGroup finds that revolving debt has finally leveled off in the United States after 40 years of continuous growth.
- TowerGroup projects that 2009 will be the first year when total revolving debt decreases. The decrease is due to tighter credit, rising unemployment and a less confident consumer. Although the credit model is under stress, branded card networks continue to flourish with transaction volumes in prepaid and debit; debit and prepaid cards will continue to be the consumer card of choice.





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- Card issuers will take a hard look at their credit offerings and, until the economy settles, will shift away from riskier segments such as the unbanked consumers with weak credit and those who would have been previously offered starter cards.

The research report may also be purchased online at the TowerGroup Store.

*(Source: PaymentsNews, April 2009)*

## **Swiss PostFinance introduces peer-to-peer SMS payments**

Swiss PostFinance has introduced person-to-person mobile money transfers via SMS text messaging.

The new PostFinance service allows customers to transfer money from one postal account to another for up to a maximum of Sfr100 per recipient account per day by text message. The transaction is free of charge for both the sender and the recipient, except for the standard text message charge, and the amount is credited to the recipient's account within minutes.

Before it carries out each transaction, PostFinance checks the mobile number and the sender's individual monthly limit. If a customer loses their mobile phone and blocks their SIM card, no further purchases or transfers can be made by text.

Customers can also call up their account balance and their most recent transactions by text.

The bank introduced a mobile bill payment service in August last year, which enables customers to link one or more mobile phone numbers to their postal account and thus debit orders or transfers made by text message directly to that account. Around 4500 customers and 35 partner organisations are currently registered.

*(Source: Finextra, April 2009)*

## **First Data Becomes Visa Merchant Acquirer in Canada**

First Data has announced that it has entered into a relationship with Visa in Canada, becoming the first merchant acquirer in the country to directly participate in all three major schemes: Visa, MasterCard and Interac.

First Data has been a merchant acquirer in Canada for MasterCard since 2001 and for Interac since 2006. As a participant in all three payment networks, First Data will be able to provide comprehensive payment processing services to support financial institutions.

Wayne Clarke, senior vice president and general manager of First Data's business in Canada said: "As a direct participant in all payment schemes in Canada, we will offer an unrivalled processing solution to our Canadian accounts. The agreement also benefits our alliance partners across the world and those wishing to expand into Canada, as First Data can now offer them sponsorship into the Canadian market."

Since 1998, First Data has provided secure, reliable and cost effective solutions to the Canadian marketplace. Today, First Data delivers card issuing solutions to many of the leading financial institutions in Canada and is one of the largest merchant acquirers in the country.

*(Source: PaymentsNews, April 2009)*

## **Scheme news**

### **MasterCard Europe Study Highlights the Emergence of a 'New' European Consumer**

MasterCard Europe today called for an "innovative and fast" approach by retailers and bankers across Europe to meeting the needs of the "new" European consumer, a profile validated by new independent research examining the global economic crisis and impact on consumer spending behaviour. The consumer study by TNS and commissioned by MasterCard, found the most significant shift in consumer



behaviour since World War II. Research findings were presented today at the MasterCard Europe annual Debit and Prepaid Conference in Berlin, Germany.

"There has been a seismic shift in the way consumers of today are making their spending and saving decisions," said Javier Perez, president of MasterCard Europe. Addressing conference attendees, Mr Perez continued. "We are all challenged by the current economic climate and these new insights highlight the significant change in today's consumer in what is an unprecedented short time. Consumers have never been savvier with their spending and saving behaviour driven by the need for enhanced budget management and controls. Debit and prepaid cards are essential in delivering on these needs."

The study of over 3,000 consumers, conducted in March 2009 by TNS across six countries in Europe, explored key areas of consumer confidence, spending patterns and current thinking around investments, home ownership and employment. The study has produced a European barometer of purchasing power mapping consumer behaviour across the region. The study has also been complemented by qualitative research through interviews conducted with some of Europe's leading retailers and bankers.

The research highlighted several factors contributing to the new consumer behaviour resulting from the impact of the financial crisis which converged in 2008 altering the outlook and underlying attitudes of European consumers:

- Concern over commodity price increases
- The disappearance of consumer wealth
- Business and Employment prospects

These factors have contributed to the development of what MasterCard Europe is calling "The New European Consumer" – MasterCard Europe's survey highlighted major shifts in European consumer payment card needs over the last six months.

- Money management is at the forefront, with 69% of consumers wanting to only spend what they can afford, with priorities changed to actively budget their money with essentials first, savings second and 'non-essentials' being reduced. As a result, consumers indicated their desire to use their debit cards to actively monitor their expenditures and more closely manage their spending through their monthly statements.
- Value for money/loyalty The desire to make their money stretch as far as possible and support active bargain hunting (84% from 72% six months ago) is highlighted by consumers in the emergence of loyalty programmes attached to debit cards as the second most important incentive to use their cards (40%).
- The need for greater acceptance and security on the internet Consumers highlighted their plans to increasingly leverage the internet to actively shop for the best value-for-money (66% up from 56%) and identified the need for greater debit card acceptance and security on the internet (42%).

Mr. Perez continued, "The current economic crisis has fundamentally changed the rules of the game but has also demonstrated, more than ever, the value of electronic payments. MasterCard and the products and solutions we offer are vital in keeping global commerce moving, even in the face of major economic setbacks.

With these priorities MasterCard's own focus is on continuing to develop innovative debit and prepaid



solutions that deliver against changing consumer needs. These include innovations like the introduction of increased security for debit cards on the internet with MasterCard® SecureCode™ at top ecommerce retailers and opening acceptance on the internet for Maestro debit cards, new co-branded loyalty programmes, and enhanced consumer controls with our MasterCard InControl platform. These developments will help our customer financial institutions capitalize on the strong growth potential of debit and prepaid and deliver against consumers' growing preference for electronic payments in Europe in 2009 and beyond," concluded Javier Perez, president, MasterCard Europe.

The TNS Finance survey was conducted with two online surveys including 3,000 consumers aged 18+ across six countries (UK, France, Germany, the Netherlands, Italy and Poland) and a second survey of more than 11,000 consumers across nine markets (UK, Germany, France, Spain, Portugal, Italy, the Czech Republic, the Baltics and the USA). The survey also includes qualitative research through interviews and an additional online survey with some of Europe's leading retailers and bankers. All fieldwork was conducted in March 2009. The survey is representative of the general population in terms of gender, age and region.

*(Source: MasterCard, April 2009)*

### **American Express reports first quarter 2009**

American Express Company reported first-quarter income from continuing operations of \$443 million, down 58 percent from \$1.0 billion a year ago. Diluted earnings per share from continuing operations were \$0.32, down 64 percent from \$0.89 a year ago.

Net income totalled \$437 million for the quarter, down 56 percent from a year ago. On a per-share basis, net income was \$0.31, down 64 percent from \$0.85 a year ago.

Consolidated total revenues net of interest expense declined 18 percent to \$5.9 billion, down from \$7.2 billion a year ago. Consolidated provisions totalled \$1.8 billion compared to \$1.2 billion in the year-ago period, primarily reflecting additions to the lending credit reserves in view of increased write-offs and past due loans. Consolidated expenses totalled \$3.6 billion, down 22 percent from \$4.6 billion a year ago, reflecting in part the results of the company's reengineering initiatives.

At the end of the quarter, the company's tier-one risk based capital ratio was 14.8 percent. Its tangible common equity to risk weighted assets of 10.1 percent was relatively high compared to most bank holding companies.

The company's return on average equity (ROE) was 16.3 percent, down from 35.9 percent a year ago. Return on average common equity (ROCE), which excludes the impact of preferred shares and other adjustments, was 16.7 percent, down from 35.7 percent a year ago.

"We made very good progress this quarter on each of our key priorities – to stay liquid, to stay profitable, and to selectively invest for growth," said Kenneth I. Chenault, chairman and chief executive officer.

"At a time when some parts of the card industry were incurring substantial losses, we remained solidly profitable thanks, in part, to our flexibility in adapting to a very difficult economic environment and the diversity of our business model. Strong contributions from merchant services and bank card processing on our network continued to provide us with a competitive advantage.

"We generated earnings of \$443 million, despite substantial additions to our lending reserves and slower card member spending this quarter. Spending levels reflected the severe recessionary environment, but remained fairly consistent throughout the quarter.

*(Source: American Express, April 2009)*



## **Circle K Increases Speed and Convenience for Customers at More Than 1,500 Stores with MasterCard PayPass**

MasterCard Worldwide announced that Circle K, one of North America's most popular and successful operators of convenience stores, is now accepting MasterCard® PayPass™ at select stores across the U.S. With a simple tap of a MasterCard PayPass card or device at checkout, Circle K customers can now purchase their everyday items more quickly and conveniently.

"For more than 50 years, Circle K has remained one of North America's most popular places to shop because we continually look for innovative ways to improve the customer experience in our stores," said Bryan Ritenour, Circle K. "Our shoppers, who are regularly 'on the go,' will enjoy the speed, convenience and shorter lines that result when they tap to pay with MasterCard PayPass, instead of fumbling for cash and coins at checkout."

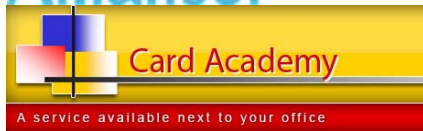
The use of contactless payment cards continues to see exponential growth. The number of MasterCard PayPass cards and devices in market has grown from nearly 13 million as of Q4 2006, to more than 23 million as of Q4 2007, to more than 50 million as of Q4 2008. According to U.S. consumer research by the Smart Card Alliance, issued in September 2008, nine percent of the U.S. population has a contactless payment card or device, and this figure continues to grow.

"Circle K is an ideal environment for MasterCard PayPass because the benefit of faster transactions at the point of sale translates directly to busy shoppers," said Cathleen Conforti, senior vice president, Global PayPass, MasterCard Worldwide. "By accepting MasterCard PayPass, Circle K is taking an innovative step to improve customer loyalty and customer throughput at the register."

About 94 percent of PayPass-using respondents to a 2008 MasterCard PayPass Benchmark Study were satisfied with their experience, and 77 percent of PayPass consumers said they use PayPass as their primary card for everyday purchases.

*(Source: MasterCard, April 2009)*





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

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