

ISSUE # 34, 2009

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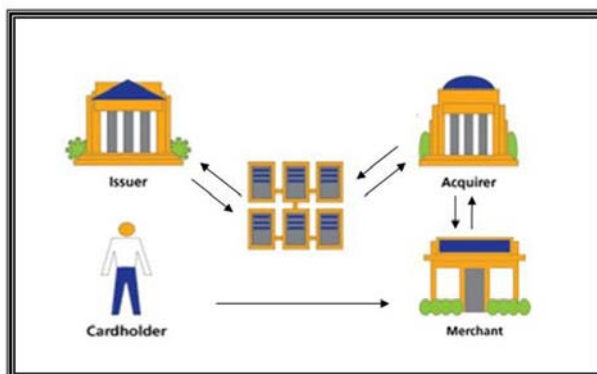
Latest news from Card Academy

Your internal 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 internal Card Academy



Yours sincerely,



Kurt Andersen, Card Academy



The Nordic and Baltic States news

Baltic Sea Card Conference 2009

The Baltic Sea Card Conference is a new service to all employees within Banking and Retail business in the Nordic & Baltic Sea countries.

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

Book your Conference already today:

**Baltic Sea
Card Conference**

**6th & 7th October 2009
in Stockholm, Sweden**



Conference fee €699

(VAT will be added to this fee)

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

The Baltic Sea Card Conference 2009 is sponsored by:



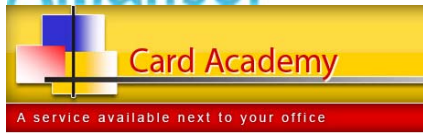
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DIBS manage transactions for more than 9'000 customers daily and has offices in Stockholm, Gothenburg, Oslo and Copenhagen. DIBS is listed at First North and features HQ Bank as its certified adviser.



PayEx are the foremost experts in payment systems within the Nordic region. With over six hundred innovative employees, we have a vast expertise within payment services for internet and mobile trade, point of sale terminals, rating/billing, invoice and ledger management, collections and credit management. This has been our business since 1972. PayEx manage more than 8'000 customer's transactions daily and have offices in Oslo, Stockholm, Gothenburg, Visby and Copenhagen. Visit us at www.payex.com





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EDB wins Nordea Denmark ATM deal

Nordic IT services group EDB Business Partner has won a deal to supply software and operating services for Nordea's 500 ATMs in Denmark.

The contract, which runs to the end of 2012 with a rolling annual extension option, will involve an upgrade of the ATM hardware and communication, and deployment of new software developed by EDB's centre of expertise in Trondheim.

EDB says its offering can be used for ATMs delivered by different suppliers, meaning the bank is not dependent on any particular hardware provider.

In addition, the vendor will provide online distribution of software for ATM management and processing of transactions, as well as second-line support. The multi-vendor software also supports deposit and recycling environment.

Wiljar Nesse, EVP, bank and finance, EDB, says: "This contract with Nordea is of great strategic significance for EDB. It gives us a foothold in Denmark, which is a very exciting market for EDB's solutions for the banking and finance sector, and it also means that we are now in position as a supplier of services for ATMs throughout the Nordic market as well as in Great Britain."

(Source: Finextra, June 2009)

Survey: Russia overtakes Spain, U.K. as largest ATM market in Europe

In the latest edition of its 2009 survey, "ATMs and Cash Dispensers Central and Eastern Europe," Retail Banking Research Ltd. says the 15 countries it has tracked in CEE have once again shown exceptional growth. Over the last 12 months, the region's number of ATMs increased by 28 percent, and the number of new installations in the 15 countries studied was the highest ever.

The new RBR survey shows that a combination of economic growth and a rapid increase in the number of cards issued over the past few years has driven the expansion of many CEE ATM markets, most notably Russia, Ukraine and Poland.

Kazakhstan was once again the fastest growing ATM market in the region during the year, following a period of economic prosperity that has attracted foreign investment into the retail banking arena and resulted in an increase in ATM expenditures. It was followed by the much larger markets of Russia and Ukraine.

For the eighth year running, the greatest absolute growth occurred in Russia, where an additional 19,000 ATMs were installed during the year; the country still has huge potential for expansion because of its large population and area. Heavy deployment by Russian banks over the past eight years has driven the market to 70,500 units. In 2008 Russia overtook France, Germany, Spain and the United Kingdom to claim the mantle of Europe's largest ATM market.

Not only has Russia become Europe's largest ATM market, but SberBank has become its largest deployer, increasing its installed base to 17,500 ATMs. SberBank and the three other large Russian state-owned banks — Bank of Moscow, GazPromBank and VTB24 — accounted for one third of new ATM installations in Russia in 2008.

(Source: ATM Marketplace.com (Rixtar), June 2009)

Handelsbanken and EDB launch card blocking service

Handelsbanken has teamed with EDB Business Partners to enable Norwegian customers to block the use of their cards in certain geographic areas.

The regional blocking service, being made available this month, makes it possible for customers to use their Internet banking account to manage the geographic areas in which they want their Visa and MasterCard to be valid.



Customers select the regions of the world they want their card to be valid in by logging into the service and ticking the choices displayed on the menu. If a cardholder wants to unblock a region they are travelling to, they can do so online or by contacting the bank directly.

Wiljar Nesse, EVP, bank and finance, EDB, says: "The majority of card frauds take place when people are travelling abroad. However, this kind of fraudulent transaction does not necessarily take place in the country or region where the customer has used the card, and can instead take place from a quite different location. By limiting the geographic locations in which the card is valid, a card user can avoid the unpleasant experience of card fraud."

EDB says it expects more Norwegian banks to introduce the service in the near future.

(Source: *Finextra*, June 2009)

Europe & World Wide news

Retail association hits Visa Europe with interchange antitrust complaint

Retail association EuroCommerce has lodged a complaint against Visa Europe, accusing the card network of infringing European competition law over interchange fees.

In April the EC hit Visa Europe with an antitrust charge, accusing the card network of violating competition rules over cross border interchange fees.

It emerged that the commission has extended the deadline - to the end of July - for Visa Europe to respond to the charge.

EuroCommerce, which counts Tesco and Carrefour among its members, has now entered the fray and called on the EC to impose the same ruling on Visa as MasterCard faced in December 2007.

As a formal complainant the association will have full access to the case file and can add statements.

Xavier Durieu, secretary general, EuroCommerce, says: "The Visa interchange fee procedure is completely unfair. Retailers are forced to pay for a range of services from which they do not benefit. Bank rates are the only services which retailers, even the largest ones, are not able to negotiate."

A Visa Europe spokesperson says: "Eurocommerce's claims are unfounded and do not reflect the interests of consumers."

EuroCommerce first lodged a complaint against MasterCard and Visa 12 years ago as part of the tortuous interchange battle in Europe.

This contributed to Visa signing an antitrust agreement with the EU's Competition Commission in 2002, agreeing to reduce levels of interchange fees for processing card transactions in return for immunity from legal action.

However, following the expiration of the deal, last March the EC launched a probe into whether the interchange fees charged by Visa Europe "forbid restrictive business practices such as price fixing".

The firm moved to adopt a new methodology for setting cross-border fees, cutting the average from 0.7% to 0.61% but this did not satisfy the commission or EuroCommerce.

MasterCard capped fees at a much lower rate of 0.3% for credit cards and 0.2% for debit cards following an agreement with the EC as an interim measure in April pending a legal appeal against the Commission's ruling that the firm should scrap fees altogether.

(Source: *Finextra*, June 2009)

Barclaycard contracts with Welcome Real-time to develop national rewards scheme

Barclaycard has assembled a 200-strong team comprising marketing, operations and IT staff to establish a major loyalty rewards programme in conjunction with UK retailers. The bank has also signed a deal with Welcome Real-time to provide the scheme's IT infrastructure.



Barclaycard says it will work with the French IT specialist to develop the software that will enable cardholders to participate in a programme that is expected to encompass retailers ranging from sole traders to major high street names.

Dan Salmons, director of payment innovations at Barclaycard says: "Barclaycard has close to 90,000 retailer relationships, many of which we expect to participate in the programme, and we believe this scheme will change the way people shop in the UK."

He says the objective is to develop a "simple, hassle-free rewards scheme".

Barclaycard - which is in the process of migrating all of its debit and credit card to contactless chips - first signalled its intentions to create a national loyalty programme in March this year, and promised to launch the scheme within 12 months.

(Source: Finextra, June 2009)

Net+ Card Wins Top Accolade at Cards & Payments Europe 2009 Awards

NEOVIA Financial Plc, the independent online payments business, and Conister Trust have announced that their Net+ Prepaid MasterCard has won the Best New Prepaid Card Product Launch.

The Net+ Prepaid MasterCard has been voted the best new prepaid card at the prestigious Cards & Payments Europe 2009 Awards, organised by Cards International and Electronic Payments International, against tough competition from the PayPal Top-Up Card and the M-Cube/Ryanair co-branded prepaid card programme.

The Cards & Payments Europe Awards, which are open to UK and international payment card issuers and acquirers, recognise best practice in the card payment industry. The Cards & Payments Europe Awards are part of Europe's leading cards and payments conference and expo held in Prague on 18/19 June 2009.

To qualify, the card had to have significant features, marketing strategies or programmes, be new to the issuer, market or both, and have acquired a significant number of new accounts in the six months following its launch. The winners are chosen by an independent judging panel, which comprises representatives from the payment card organisations and industry commentators and experts from across the globe.

The Net+ Prepaid MasterCard, issued by Conister Trust Limited and launched in October 2008, incorporates chip and PIN technology, allows cardholders to instantly access funds from a NETELLER e-wallet account at over 26 million retail point of sale locations and 1 million ATMs worldwide. The virtual version of the card offers a secure way to shop and pay online with one-time usage card numbers.

The award was made to NEOVIA and Conister Trust Limited, the issuer of the Net+ Card, at The Cards & Payments Europe 2009 Awards ceremony in Prague on 18 June 2009.

(Source: Neovia Financial Plc, June 2009)

One card to do it all for Olympics

Stadium ticket, transport card, payment card and contactless functionality are all expected to be rolled into one for the 2012 Olympic and Paralympic Games in London. The card technology is being developed so that industry parties will use the Olympics as a stage to showcase what their cards can do.

Visa, which is sponsoring the Games, may not realise its vision of a cashless society, but at least it will be able to provide international visitors with a cashless Olympic Games.

Oyster, London's transport card, is currently a closed-loop system that cannot be used for any other purpose. Oyster has been combined with a payment card, but there is no interoperability. On Barclaycard's OnePulse card, the Oyster card and the credit card functions sit separately on the same chip.



By 2012, however, it is possible that London's transport network could be running on the open-loop payment rails of Visa or MasterCard, with transit gates accepting contactless payment cards using PayWave or PayPass technology.

Contactless typically works best in a closed environment and consumers often need a compelling reason to use the card rather than cash. Olympic stadiums could provide that reason and create a 'doughnut' effect around the stadiums with vendors also installing the acceptance terminals. Premiership football clubs in the UK have already begun to combine season tickets with PayPass cards.

The UK's Parliamentary Office of Science and Technology, which advises members of parliament on the developments in science and technology, has been looking at the viability of integrating the Olympics tickets with a transport ticket and payment card.

Visa has not yet announced its final plans for the Olympic cards, although its PayWave technology is already capable of combining stadium tickets with the payment card.

(Source: Lafferty Cards News, June 2009)

Global Payments acquires remaining 49% stake in HSBC Merchant Services JV

US transaction processor Global Payments has acquired the remaining 49% interest in its merchant services joint venture in the United Kingdom from HSBC Bank for \$307.7 million in cash.

The buy-out comes a year after the two formed the HSBC Merchant Services JV to provide payment processing services to merchants in the United Kingdom and Internet merchants globally. At the time, Global Payments paid HSBC \$439 million in cash to acquire a 51% majority stake in the bank's UK card merchant acquiring business.

Under the new agreement, HSBC will extend the current ten-year exclusive marketing alliance agreement whereby the bank provides merchant referrals and bank sponsorship to Global Payments to June 2019.

Global Payments' chairman and CEO, Paul Garcia says: "Our performance in the United Kingdom this year has provided a strong foundation for long-term growth, as we continue to provide a wide range of high-value payment solutions and world-class service to merchants."

Global Payments and HSBC already work together in North America and Asia. In 2005 Global Payments paid the bank \$67.2 million in cash for a 56% interest in a payments processing joint venture covering 10 countries and territories in Asia.

Noel Quinn, HSBC's UK head of commercial banking, says of the transfer: "We are focused on ensuring that our commercial banking relationships benefit from a combination of HSBC's core service capabilities, including our international

(Source: Finextra, June 2009)

Veritec system lets users turn cards on and off via their mobiles

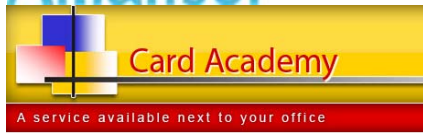
US vendor Veritec has unveiled security technology that enables users to turn their debit card on and off with their mobile phones.

Security First Bank of Fresno has already signed up for the Mobile Toggle Card (MTC) programme, which has been added to Veritec's m-banking software platform.

Under the programme, card issuers and sponsors can provide Veritec's MTC branded debit or gift cards which users can toggle on and off with their mobile phones to prevent fraudulent use.

In addition, cardholders can also elect to receive various alerts on their mobile phones about activity on their card.





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Jeff Hattara, president and CEO, Veritec, says: "People no longer have to completely rely on their card issuers to monitor possible fraudulent activity on their accounts. Cardholders can now de-activate their cards themselves, in real time, any time they choose to do so."

Security outfit MobiClear also offers a security tool which enables customers to use their mobile phones to 'switch off' credit and debit cards.

(Source: Finextra, June 2009)

Raiffeisen Bank unveils pre-paid card with mobile payments

Romania's Raiffeisen Bank and RêvEurope are partnering to launch a pre-paid card that can be used to send money via mobile phones.

The Visa card's mobile service lets users send money domestically to friends and family, as well as check balances, via text message. The card can also be used for online purchases, in-store and at ATMs.

Initially customers will only be able to purchase the card from Raiffeisen branches in Bucharest although the bank plans to let merchants offer it in the future.

RêvEurope will provide the distribution and processing platform for the card, with its sister company, MPower Mobile, powering the mobile service.

Razvan Munteanu, VP, retail division, Raiffeisen Bank, says: "We're proud to introduce another innovation in the banking market with the Raiffeisen Bank Visa Prepaid Card, a pioneering product that will benefit many consumers seeking a flexible, safe and accessible cash alternative."

(Source: Finextra, June 2009)

Scheme news

Visa, NeuStar Team for Mobile Payments and Financial Services

Visa and NeuStar have announced a strategic alliance they say is "designed to accelerate the adoption of mobile financial services globally." According to the companies, "the alliance will combine the reliability, scale and security of Visa's global payment network with NeuStar's carrier grade infrastructure which provides critical interconnection services to global network operators and their partners enabling seamless delivery of mobile services to consumers worldwide."

"The Visa-NeuStar alliance provides Visa a single point of connection to mobile network operators around the globe and supports Visa's global strategy to extend its products and services to the mobile channel," said Elizabeth Buse, Head of Product at Visa Inc. "This initiative has the potential to accelerate delivery of mobile financial services in both emerging and developed economies. Those services include mobile payments, wireless top-up of prepaid accounts, money transfer, value-added services such as alerts and offers and mobile acceptance of electronic payments."

NeuStar serves as a neutral intermediary to facilitate the safe and reliable transfer of data between mobile operators, and other collaborating parties in the delivery of mobile services to consumers. NeuStar adds value by providing a single point of contact for all services, simplifying the task for mobile operators and their partners to connect and offer new services to their subscribers. NeuStar also operates the GSMA's PathFinder service, which provides a common global addressing and service discovery mechanism for traditional communication services, and is extensible to emerging services such as mobile money transfer. PathFinder also provides a key enabling foundation for the collaboration between operators and their chosen trading partners, including other operators and financial services providers, such as Visa.

(Source: PaymentsNews, June 2009)



American Express Introduces Spending Controls on Cards

American Express has announced a new service that "provides American Express Charge Cardmembers with the ability to set spending limits for Additional Cards on their account. It's the only consumer card on the market to offer this type of spending control. Now, instead of providing cash to their teenagers, other family members, the nanny, or other household helpers, Cardmembers can set, manage and track spending limits on Additional Cards, helping them to maintain a tighter household budget and track all family expenditures billed to their Card."

"We heard from Cardmembers that they were looking for extra control, especially in these tough economic times," said Ralph Andretta, executive vice president and general manager of Cardmember Services at American Express. "Parents want to provide their teens and older children with a Card that lets them spend, while helping to instill financial responsibility. I hear from parents who feel like an ATM, handing out cash to family members and household helpers – not able to easily track where the money goes. This new service is an added control feature that acts like a chaperone, allowing Cardmembers to set and track the amount that can be spent at any time."

Cardmembers can be in control of family spending while extending the benefits, services and protections of the American Express Charge Card to others in their family and lives. Cardmembers may apply for an Additional Card for anyone who is 15 years of age or older.

(Source: PaymentsNews, June 2009)

MasterCard Partners with UKash to Launch rePower in Europe

Ukash has announced that it is partnering with MasterCard and will help facilitate the launch of the MasterCard rePower service in Europe - a service that allows consumers to load cash onto their MasterCard and Maestro prepaid cards at Point-of-Sale (POS) locations.

Ukash, which is based in the UK and is regulated by the Financial Services Authority (FSA), is partnering with MasterCard to enable rapid scale delivery of MasterCard rePower across Europe. Ukash has an existing global network of 275,000 issuing points and its track record within the alternative payments industry is second to none; Ukash currently processes several million transactions annually with values in excess of €100m.

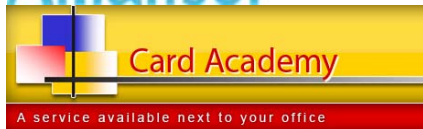
To load money using MasterCard rePower, consumers simply swipe their card and in exchange for cash, their card is loaded with funds. Ukash will enable this service to be delivered across the UK initially and then across Europe via partners within its issuing estate. The value of the transaction is immediately available for the consumer to spend anywhere that accepts MasterCard.

In addition, Ukash is working with prepaid partners to offer voucher-based reloads as a value added, complementary service to its customers, which will provide users with a greater level of choice and flexibility when loading prepaid cards.

In September 2008 Ukash received significant additional funding from South African giant Blue Label Telecoms, which is part-owned by Microsoft, which acted as a catalyst in the company's international expansion. Ukash has signed major deals with international partners which has seen the company treble in size over the last 12 months and by 2010 it will be issuing Ukash vouchers across all five continents, and the company is currently pursuing a number of other strategic prepaid projects to enable the cash consumer to shop online anywhere in the world.

(Source: PaymentsNews, June 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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Next issue of the Card Academy Bulletin will be on 10th July 2009.

