

ISSUE # 38, 2009

Items in this issue:

| | | | |
|--|----------|---|----------|
| Latest news from Card Academy..... | 1 | Nokia Introduces Nokia Money for Mobile Financial Services..... | 4 |
| Your internal Card Academy..... | 1 | Card breach at Radisson Hotels | 5 |
| The Nordic and Baltic States news..... | 2 | Eight million Brits share PIN numbers - survey | 5 |
| Baltic Sea Card Conference 2009 | 2 | Scheme news..... | 6 |
| Finland's Luottokunta signs application outsourcing deal with Accenture..... | 2 | EAPS enables German and Italian domestic card schemes to connect ATM networks | 6 |
| Nordea acquires Fionia Bank..... | 2 | MasterCard Advanced Authentication for Chip Now Supported by Leading Payment Industry Providers | 6 |
| Dankort provides obstacle to development in Denmark .. | 3 | Contact and Partner information | 8 |
| FOREX Bank enters into a strategic partnership with EDB..... | 3 | | |
| Europe & World Wide news..... | 4 | | |

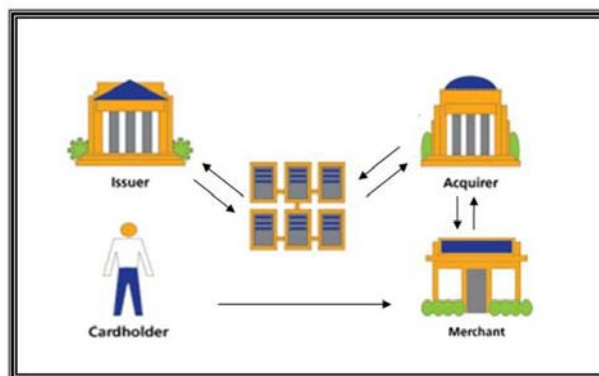
Latest news from Card Academy

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 scheduled for 6/7 October 2009 in Stockholm, Sweden has now been moved. Due to the general situation in the market as well as interim travel restrictions within quite a number of companies we have decided to move this conference to April or May in 2010. It has at the same time been decided to move the conference venue to Riga, Latvia.

We will obviously keep you posted on further developments in terms of program, dates and venue – and are looking forward to see you at this conference. We would also like to take this opportunity to thank you for all the positive feedback we have received so far on this initiative.

For any further details or questions on the above, please do not hesitate to contact us either via e-mail or on the phone.

Finland's Luottokunta signs application outsourcing deal with Accenture

Finnish card payment services firm Luottokunta has inked a five year application outsourcing contract with Accenture. Financial terms were not disclosed.

Under the deal, Accenture will develop, implement and maintain the business and Web applications that support Luottokunta's services.

Accenture says the agreement will help Luottokunta save money and improve customer service by making operations more flexible and scalable through consolidation of application development and maintenance.

Heikki Kapanen, CEO, Luottokunta, says: "While Accenture delivers world-class application support for operations, we can stay focused on building and expanding our core competency and competitive positioning within the ever evolving credit services market."

(Source: Finextra, September 2009)

Nordea acquires Fionia Bank

Nordea continues to execute on its growth strategy and acquires the Danish Fionia Bank from Finansiel Stabilitet A/S. Nordea has signed an agreement to acquire Fionia Bank, excluding the 'bad bank' part, and thereby further strengthens its position and gets a very strong market position in the Funen region in Denmark.

Nordea takes over leases and employees in the 29 branches, in total 400 employees. In one go Nordea doubles its market share in the Funen region and will introduce its broad product offering to Fionia Bank's customer base. By introducing Nordea's operating model, sizeable cost synergies will be realised. Additional synergies will be achieved through Nordea's competitive funding position. The credit quality in the acquired bank is solid, since the 'bad bank' is separated out and is kept by Finansiel Stabilitet A/S. Impaired loans in the acquired portfolios are in line with the ratio in Nordea's own Danish portfolio.

- We have captured a unique opportunity. By acquiring Fionia we continue our growth in Denmark and get a very strong market position in the Funen region, to the benefit of both Fionia's and Nordea's customers and our shareholders, says Peter Schütze, Head of Nordic Banking.

In total the transaction means that Nordea acquires a customer portfolio comprising:

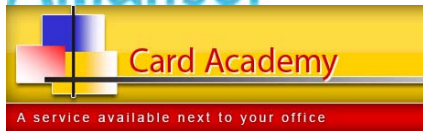
75,000 household customers

9,500 corporate customers

Total lending of approx EUR 874m (DKK 6.5bn)

The acquisition price is EUR 121m (DKK 900m). In addition Nordea will re-capitalise the bank.

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

Nordea's lending in Nordic Banking Denmark amounted to EUR 68.9bn end-June, which means that the transaction increases the loan portfolio by approx. 1%. The deal is expected to have a clearly positive return on investment from 2011.

The transaction is subject to approval from the Danish FSA and other relevant authorities.

(Source: Nordea, August 2009)

Dankort provides obstacle to development in Denmark

The infrastructure of the Danish payment cards market is highly developed, supporting local, regional and international card networks. The high penetration rate and affordability of Dankort debit cards has translated into a lack of development for other types of card products in Denmark, and has resulted in a low credit card penetration rate of approximately 26 credit cards per 100 adults in 2009.

The Dankort card was launched in 1983 and has become a highly popular payment method. Danes tend to use cash or the Dankort for everyday purchases, and generally do not favour revolving credit facilities. The Dankort is available to people over the age of 18, and applicants are subject to a credit assessment.

Personal loans and overdrafts are often linked to Dankort debit card accounts and provide an attractive - and cheaper - alternative to credit cards. The Dankort offers similar payment benefits to revolving credit cards at a fraction of the price. Furthermore, the flexibility of the Dankort means that it can be used effectively in conjunction with unsecured bank loans and overdraft facilities.

The success of the Dankort has not come about merely through free market forces. Danish legislation ensures that the use of the Dankort is free of charge for both consumers and retailers, and there is no transaction fee to the acquirer for accepting the Dankort. This has significantly hampered the opportunities for credit card products to capture market share.

Due to the higher merchant service charge (MSC) for the use of non-Danish cards, retailers have traditionally only accepted Dankort cards. Recent reductions in MSCs are expected to provide additional incentives for merchants to accept a wider range of card payments and to stimulate competition against the Dankort. The Dankort may face competition in future as banks become more proactive in developing their credit card offerings, and competition in cyberspace is likely to increase with the broad appeal of e-commerce payments providers, such as eBay-owned PayPal.

(Source: Lafferty Card News, September 2009)

FOREX Bank enters into a strategic partnership with EDB

EDB has entered into a preliminary agreement with FOREX Bank AB to supply banking services and to take over the operation of the bank's IT solutions. The agreement runs for 5 years, and represents total contract value of around NOK 200 million.

"This agreement is strategically important for EDB, and represents a service delivery model that is an important area of focus for us. EDB wants to be a driving force in promoting software as a service in the Swedish market. The agreement with FOREX Bank confirms that EDB's software as a service model is already competitive in today's market", comments Wiljar Nesse, Executive Vice President - Bank & Finance at EDB.

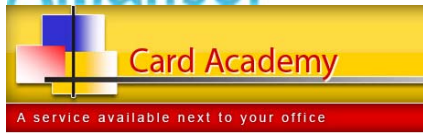
"The crucial factors for FOREX Bank when choosing our supplier were cost-efficient solutions and speed to market. Our collaboration with EDB will give us access to competitive solutions and reliable operations, and this will allow us to focus on our core activities", comments Magnus Cavalli Björkman, Managing Director of FOREX Bank.

The final agreement is expected to run for 5 years, and represent total contract value of around NOK 200 million. The agreement also provides for EDB to take over 5-10 employees.

The preliminary agreement provides for EDB and FOREX Bank to work together to prepare the implementation of the transformation process and transfer of FOREX Bank's IT services. The overall objective is for EDB to provide a complete portfolio of solutions, together with operating services, as a

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

service delivery for FOREX Bank ('software as a service'). EDB will also provide interfaces between its solutions and the Swedish banking system's infrastructure.

(Source: EDB, August 2009)

Europe & World Wide news

Nokia Introduces Nokia Money for Mobile Financial Services

Nokia has introduced Nokia Money - a new mobile service operated in conjunction with Obopay - calling it "a new mobile financial service offering consumers with mobile device access to basic financial services. For many consumers, this will be the first time they have had any access to such financial services."

According to the company, "Nokia Money has been designed to be as simple and convenient as making a voice call or sending an SMS. It will enable consumers to send money to another person just by using the person's mobile phone number, as well as to pay merchants for goods and services, pay their utility bills, or recharge their prepaid SIM cards (SIM top-up). The services can be accessed 24 hours a day from anywhere, meaning savings in travel costs and time. Nokia is building a wide network of Nokia Money agents, where consumers can deposit money in or withdraw cash from their accounts."

"We believe mobile financial services offer a market opportunity with long term growth potential. In many countries, mobile phone ownership significantly exceeds bank account usage, suggesting that many mobile phone users have very limited or no access to basic financial services. With more than 4 billion mobile phone users and only 1.6 billion bank accounts, global demand for access to financial services presents a strong opportunity to combine mobile devices with simple but powerful financial services such as Nokia Money," said Mary McDowell, EVP and Chief Development Officer, Nokia.

Mobile payments will be the next step for delivering financial services to hundreds of millions of people, both urban and rural, who are underserved by existing payment means, especially in emerging economies.

"Rural consumers will particularly benefit from money transfers and, for urban consumers used to online services, we are enabling services such as payment of utility bills, purchase of train and movie tickets, top-ups, all through their mobile phones. Nokia Money is simple to use, secure and available across different operator networks and on virtually any mobile phone. This means millions of new consumers will soon be able to manage all their financial needs from their mobile phone," said Teppo Paavola, VP and Head of Corporate Business Development, Nokia.

The Nokia Money service will be operated in cooperation with Obopay, a leader in developing global mobile payment solutions, which Nokia invested in earlier this year. The service is based on Obopay's mobile payment platform, with unique and newly developed mobile elements. Nokia intends the service to be open and interoperable with other payment services as well.

"Obopay shares Nokia's vision for bringing mobile financial services to millions of people worldwide. We're excited that Nokia has chosen Obopay's platform. Nokia's leading market position, strong brand recognition and global distribution channel, using the Obopay platform with uniquely developed mobile elements, means the Nokia Money service is well positioned to bring the next generation of mobile payment services to the world," said Carol Realini, Founder and CEO of Obopay.

Nokia Money is the result of a powerful collaboration Nokia is forging between different partners in different markets around the world. It is designed to work in partnership with mobile network operators and financial institutions, involving distributors and merchants in a dynamic ecosystem to seamlessly provide the new services.

"As a result of the innovative partnerships and comprehensive ecosystem we are forging with the banking and financial industry, as well as leading network operators, we believe Nokia Money will bring financial inclusion to many who currently have limited or no access to financial services. Uniting the

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



strengths of the mobile and financial services industries will change the way people around the world can manage their money in the future," added McDowell.

"Mobile financial services present a high growth sector for Nokia. Nokia's asset strengths, including consumer brand awareness, distribution capabilities and global relationships should serve as logical and necessary extensions to drive innovation in the mobile payments and banking sector. To be successful Nokia must provide a legitimate bridge between operators, banks networks and security infrastructure in order to unlock the broad uptake of mobile financial services," said Bob Egan, Global Head of Research and Chief Analyst, Towergroup.

The Nokia Money service will be shown for the first time at Nokia World on the 2nd and 3rd of September 2009 in Stuttgart, Germany, and it is planned to be rolled out gradually to selected markets, beginning in early 2010.

(Source: PaymentsNews, August 2009)

Card breach at Radisson Hotels

The payment card details of customers at Radisson Hotels & Resorts may have been compromised after its computer systems were hacked.

Fredrik Korallus, executive vice president and chief operating officer of Radisson Hotels & Resorts, revealed the breach in an open letter to customers.

The hotel said that between November 2008 and May 2009, the computer systems of some of its hotels in US and Canada were hacked into. "Radisson has been co-ordinating with federal law enforcement to assist in the investigation of this incident. While the number of potentially affected hotels involved in this incident is limited, the data accessed may have included guest information such as the name printed on a guest's credit or debit card, a credit or debit card number and a card expiration date," Korallus wrote in the letter.

The hotel is recommending that its customers check their statements carefully and report any unauthorised activity to their issuer.

"Radisson values guest privacy and deeply regrets that this incident has occurred. Working with law enforcement and forensic investigators, Radisson is conducting a thorough review of the potentially affected computer systems and has implemented additional security measures designed to prevent a recurrence of such an attack and to protect the privacy of Radisson's valued guests. The company also is working closely with major credit card suppliers and law enforcement to ensure the incident is properly addressed," Korallus added.

The statement comes amid industry debate about the effectiveness of the PCI-DSS security standards for storing cardholder data. In the most widely reported case of a breach of payment card data - at processor Heartland Payments Systems - a man was charged in August 2009 with stealing the details of 130 million cardholders.

(Source: Lafferty Cards News, August 2009)

Eight million Brits share PIN numbers - survey

Over eight million Brits have handed over their Chip and PIN details to someone else in the last year, with a quarter of these falling victim to fraud, according to a survey for insurance firm LV=.

An online poll of 3002 people shows 20% have given out their card and PIN number - 85% of these in the past year - to someone else to make a purchase on their behalf or get money from a cash machine.

Around a third of respondents says they have been asked to pay for goods or take money out with someone else's card.

The most popular "PIN pals" are spouses or partners, although children (20%), parents (17%) and friends (15%) are also commonly relied upon to make purchases on other people's behalf.



By far the worst offenders are younger people with over one in three of the under 35s admitting they have asked someone else to use one of their cards. The most common location for 'borrowed' cards to be used is at a cash machine.

For those people handing over details, nine per cent have told someone over the phone, seven per cent have written them down, six per cent have given them face to face in a public place and a few have even sent the details to someone in an e-mail or text message.

LV= also warns that businesses need to pay closer attention as 98% of people who have used someone else's card said they were not caught, leaving retailers open to being targeted by fraudsters.

John O'Roarke, managing director of LV= home insurance, says: "We would strongly urge all card-users not to tell anyone their pin number. Not only does it undermine the security of your account and increases the risk of ID fraud but also card holders could end up out of pocket if they are found to have shared their card details."

(Source: Finextra, August 2009)

Scheme news

EAPS enables German and Italian domestic card schemes to connect ATM networks

EAPS, the alliance of European debit card schemes, which facilitates pan-European ATM and POS transactions, has strengthened its operations. Today EAPS announces that two of its participants, operating under the EAPS brand, opened ATM networks in Italy and Germany to domestic debit cardholders from each country. Consorzio Bancomat and Zentraler Kreditausschuss, now allow each other's cardholders to withdraw cash from ATM networks in Italy (Bancomat) and Germany (girocard) respectively. Cross border POS acceptance between the two card schemes will follow soon.

EAPS was launched in 2007 to unite the networks of independent domestic card schemes throughout Europe under a single European brand – or a payment 'scheme of schemes' - providing an alternative to the international payment schemes. EAPS increases competition within the payments sector by enabling cross border transactions using debit cards issued with domestic European scheme brands.

Ugo Bechis, Chairman of the EAPS Board and Head of SEPA-Payments at UBI Banca, comments: "The development between Consorzio Bancomat and Zentraler Kreditausschuss shows EAPS' capacity to extend the use of domestically issued debit cards for transactions across Europe. EAPS is a viable and established European card brand, which is gaining in strength and deployment volume. Payment schemes participating in EAPS were responsible for more than 7 billion ATM and POS transactions in 2008. EAPS is aligned to the expectations of the European Commission and the European Central Bank for a European card payment scheme to emerge within the Single Euro Payments Area (SEPA)."

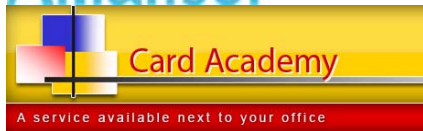
(Source: EAPS, August 2009)

MasterCard Advanced Authentication for Chip Now Supported by Leading Payment Industry Providers

MasterCard announced that it has approved personal card readers and authentication servers from four vendors for MasterCard Advanced Authentication for Chip- a new EMV authentication solution that leverages the hundreds of millions of EMV cards already in the wallets of cardholders. This means that banks looking to manage the growing threat of online fraud can today deploy this best-of-breed two-factor authentication solution by working with leading providers to the payments industry: DSSS, Gemalto, Logos and Thales.

The Advanced Authentication for Chip is the latest evolution of the Chip Authentication Program (CAP) solution that allows cardholders to authenticate themselves using their existing EMV banking card and a personal card reader issued by their bank. The reader generates single-use password that can be used for e-banking transactions, e-commerce, telephone authentication or a whole host of other uses where





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

the customer is not face-to-face with the bank or merchant: these transactions are known as Card Not Present.

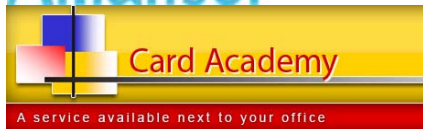
With a MasterCard-commissioned survey showing that 84% of UK and Benelux cardholders think that their bank should have responsibility for online banking security, it is important for the reputation of banks for them to deploy effective and simple security systems. As Advanced Authentication for Chip replicates the same simple process that cardholders are accustomed to from chip-enabled retail environments, it makes remote authentication easy for them to understand, and easy for them to use. Unlike a standard authentication token or paper-based system, Advanced Authentication for chip allows part of the transaction data to be included in generation of the password – this means that banks can get cardholders to create a unique signature for the transaction and is a major leap forward in the prevention of man-in-the-middle attacks, a huge problem in e-banking and e-commerce.

Art Kranzley, Chief Emerging Technology Officer at MasterCard, said, "Our solutions are only as strong as the support they receive from the vendor community. Advanced Authentication for Chip offers tangible benefits to issuers, cardholders and merchants. Vendor solution components are approved by MasterCard to ensure high standards and global interoperability."

"Several million online customers have already been using Gemalto's complete CAP solution for authentication and transaction signature, including server and readers," added Cédric Collomb, senior vice president, Identity and Access Management at Gemalto. "Now, our Advanced Authentication for Chip solution will allow more online banking customers to use standardized chip-based authentication across the world."

(Source: MasterCard International, August 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
Ass. CEO & 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

Next issue of the Card Academy Bulletin will be on 18th September 2009.

