

MasterCard  
International



# In Europe

MASTERCARD EUROPE – ISSUE 2 – MARCH/APRIL 2006



SINGLE EUROPEAN PAYMENTS AREA:  
FROM DEBATE TO ACTION

## Editorial

This edition of *In Europe* features some of the key steps that MasterCard is taking to bring SEPA one step nearer. MasterCard's debit conference is always an important event in the conference calendar, and this, the fifth conference, was no exception. One of the most significant announcements was the launch of MasterCard's new low-value Payments Solution, which is poised to help banks win the war on cash.

As excitement for the FIFA World Cup 2005™ builds, MasterCard customer banks are making the most of this very special sponsorship asset. In this month's *In Europe* we feature card launches in Italy and in Switzerland, alongside an article about MasterCard Europe's football sponsorship and the new 'fever' concept, currently being rolled out across Europe, capturing the passion and imagination of football fans everywhere.

We are also proud to announce the first EMV chip card to be launched in Greece. The new chip-based card incorporates a unique rewards programme, enabling cardholders to redeem the rewards from any participating merchant.

And, as you are planning your spring activities do not forget that MasterCard Academy offers a range of training courses and events. These are specially designed to help you build and develop your card programmes and gain greater insights into many of the pressing industry issues.

We are always pleased to receive your feedback, so if you have any comments about *In Europe*, please send them to Sue Davies at [sue\\_davies@mastercard.com](mailto:sue_davies@mastercard.com)

## SEPA: from Debate to Action

At its fifth Debit conference in Monaco in February, MasterCard Europe brought together key players from the financial and regulatory world to discuss debit strategies and progress on the Single European Payments Area (SEPA).

After years of discussion, the industry is now engaged in positive action to introduce SEPA in 2008. There is now a unique opportunity at all levels of our industry to add value and efficiency.

Achieving SEPA is a critical step on the road to driving out the inefficiencies of cash, and MasterCard continues to provide banks with the ammunition they need to win this 'war on cash', as evidenced by the launch of its breakthrough low-value Payments Solution. This new generation product will substantially reduce the cost involved in processing low-value transactions.



At the conference, MasterCard presented a range of critical SEPA initiatives, including:

- **Pricing:** Taking effect from 1 April 2006, MasterCard SEPA pricing structure will deliver a single, harmonised and transparent set of prices for both intra-SEPA and national transactions. This will deliver separation of brand and processing, aligning customer value to price through a tiered structure, enabling banks to achieve substantial economy of scale.
- **Interchange:** MasterCard is the first SEPA



scheme to publicly announce a coherent, sustainable and straightforward SEPA interchange solution, applicable from January 2008. There will be a single SEPA interchange structure that will apply to all SEPA debit transactions, allowing market forces to ensure convergence over time, incorporating the economic benefits of EMV chip migration and the increased use of cards in place of cash.

- **Processing:** The result of €75 million in European processing investment which has delivered a solution that is SEPA-ready with its switching, standardisation and value-added capabilities. This investment, combined with economies of scale, will result in material cost savings for customers.
- **Next generation products:** A breakthrough low-value payments solution that will be piloted by Royal Bank of Scotland Group – leveraging EMV investment and new contactless technology to dramatically reduce transaction costs, add speed and drive acceptance in the previously untapped low-value payment category. ▶▶



## HSBC and MasterCard Target Turkish SMEs

HSBC has joined forces with MasterCard in Turkey to launch the HSBC Commercial Card. The card is the bank's first distribution card in Turkey, and it sees the new product as key to its strategy of penetrating the SME (small and medium-sized enterprise) market there.

The HSBC Commercial Card is a payment tool designed to give distributors, retailers and their suppliers a better means of managing and tracking payments and collections. For example, distributors gain from simplified transaction processing, cashflow improvements, better risk management and the opportunity to strengthen customer loyalty. Retailers benefit from simpler purchasing processes. Thanks to the credit lines on the cards, the product also offers advantageous financial tools for retailers/distributors.

### TARGETING SMEs

It is estimated that there are over 250,000 SMEs in Turkey eligible to obtain a commercial card. There is clearly huge potential in the market. HSBC Turkey's current target is to reach approximately 30,000 cardholders by the year 2010 and offer a Distribution Card solution to their top 150 Corporate Institutional Banking Customers.

Head of cash management at HSBC Turkey, Tayfun Kucuk, comments: "We see great opportunities ahead in the Distribution Card

market in Turkey, and we believe our Commercial Card programme will be a key competitive differentiator for us."

He continues: "MasterCard Distribution Cards are an excellent low-risk strategy for penetrating the SME market because they enable issuers to leverage existing distributor/retailer relationships and build relationships with distributors' and suppliers' clients downstream. We are very optimistic about what the programme will achieve for us."

### PRODUCT FEATURES

**Credit lines:** The HSBC Commercial Card offers customers various credit lines, designed to maximise the flexibility of the card, and advantages to users. They include retailer limits, pool limits, firm guaranteed limits and an optional commercial overdraft limit.

**Billing:** Cardholders are billed on a monthly basis and are given full details of transactions and available limits. In addition, both suppliers and retailers/ distributors can monitor transactions and available limits throughout the month via HSBC's Business Banking internet site.

**Business Card feature:** Retailers/ distributors can also, if they want, use the card as an HSBC Business Card. This operates as a financing and cash management tool for retailers. HSBC also offers comprehensive

benefits including insurances and a limited rewards programme.

Max Chatterjee, Vice President, Global Key Account Management at MasterCard, added: "This product has features that we believe will be highly attractive to both distributors and retailers, such as the firm guaranteed limits, access to HSBC's mail order and VPOS infrastructure, foreign exchange collection feature, a loyalty programme as well as HSBC's extensive experience in the card business. We were delighted to work with HSBC on the programme, and, like them, we are optimistic about what the programme can achieve."

Karin Dalva, Account Management Turkey, said: "The use of cheques remains very high by SMEs in Turkey and they tend to be used as a manipulated financial tool for payments. The MasterCard HSBC Commercial Card is taking business payments to a new level. It has a strong appeal offering an excellent alternative with significant benefits and without the weaknesses of cheques, such as delays and collection problems. The option of adding Business Card functionality to the card also means retailers can have the added convenience of using a single card for all payments." ▶▶

## PaySquare Links Up with Red Cross

In the wake of disasters like the tsunami in South-East Asia and the 2005 earthquake in Pakistan, Dutch card company PaySquare wanted to create a permanent method of giving to a good cause. It also noticed a sharp rise in social awareness among people in the Netherlands and saw that this presented a good market opportunity. From



that starting point, it has launched a card product that it hopes will aid disaster relief across the world.

That product is the Red Cross MasterCard card, an affinity card that will raise money for the world's largest relief organisation, the Red Cross. For each transaction made using the card, PaySquare will donate a share of its revenue to the Red Cross; it will also donate a proportion of the annual card fee.

"Last year, PaySquare began thinking about ways to generate ongoing donations to a good cause," explains Marc Klijn, Manager of Issuing at PaySquare. "Because we wanted to do that on a large scale, we were looking for a major partner, and we found one in the Red Cross. When we started discussing the idea with them, they were almost immediately receptive to

it. For them, it would be a completely new way of raising funds. Now we are launching the Red Cross MasterCard card almost exactly a year after that first contact."

He continues: "With this card, not only do consumers benefit from the ability to pay with ease throughout the world, plus a complete range of other facilities, but every time they do so, they are directly supporting a good cause. All thanks to PaySquare and MasterCard."

PaySquare is a leading Dutch specialist partner for the acceptance and issue of international means of payment. It issues credit cards on its own account and in partnership with other organisations. ▶▶

## Spanish Bank Launches First Cards with Hologram on the Back

Bankinter, the first Spanish bank to launch the Platinum MasterCard card in 1998, has just launched the new Gold and Platinum MasterCard cards with no annual fee and an activation reward.

Bankinter's two new MasterCard cards represent an innovation in European design, since this is the first time that MasterCard cards have been launched with the MasterCard hologram on the back.

Not only are the new Gold and Platinum MasterCard cards free of charge, but holders also benefit from important advantages, including a rebate on the value of purchases made at retailers like

Carrefour, El Corte IngOs, Zara, Ikea, Leroy Merlin or Decathlon outlets throughout 2006.

Security is a key feature of the new card, which includes not only all the usual MasterCard security features but also an antifraud SMS service, with the cardholder receiving an SMS every time the card is charged. The innovative design of the Bankinter Gold and Platinum MasterCard cards, besides providing an additional attraction, also makes the cards more difficult to duplicate. The new Gold and Platinum MasterCard credit cards launched by Bankinter are issued with revolving payments,



enabling holders to pay for purchases in instalments.

With a 0.97% nominal monthly interest rate (12.28% APR), holders can choose either to pay a fixed monthly amount or a percentage of the amount pending.

According to Alfonso S3ez Alonso-MuLlumer, Bankinter, Managing Director

Product Division: "The new Premium MasterCard products respond to Bankinter's interest in providing its

customers with products and new brands to satisfy all their needs.

The cards combine interesting financial conditions with an important promotional programme, an attractive design and enhanced security features."

At MasterCard, JosO Sirvent, who heads up the MasterCard local office in Spain, says: "Bankinter was a pioneer on the Spanish market with Platinum MasterCard cards in 1998. It repeats the



feat with this new card, and MasterCard is proud to continue to offer solutions and value to one of the most innovative banks in Spain." ▶▶

## PAY&GO MasterCard is the Ticket in Switzerland

PAY&GO is a pioneering concept, combining both a credit card and ticket to fun, rolled into one. Launched in Switzerland by CornPlr Bank AG Lugano last November, this innovative product features new technology enabling cardholders to access an ever-growing number of leisure facilities throughout the country with the greatest of ease.

Available as a MasterCard card, the new card features an all-access RFID (radio frequency identification) chip and barcode technology. Alongside PAY&GO's classic credit card features, these integrated access functions allow users to book events by phone or online.

The card is recognised as a valid ticket at the door, giving the cardholder direct access to events without having to queue at the box office. Thanks to this innovation, CornPlr Bank Card Center says it can offer customers enhanced service and the ultimate in convenience, underscoring its position as Switzerland's leading credit card provider specialising in access cards.

PAY&GO gives direct access to 35 ski

resorts bearing the logo of the bank's partner AccessArena AG. The card also serves as a paperless ticket for cultural events staged by its Swiss ticketing partners Starticket and Ticketportal. Holders are also entitled to a discount when renting winter sports equipment at any Intersport Rent outlet, plus reduced entry to the Alpmare water sports complex. The range of possibilities will continue to be expanded.

The goal is for PAY&GO to become established as Switzerland's most convenient leisure access card, offering cardholders first-class service by combining cashless payment and easy access in a single card.

The card has a dedicated new website at [www.payandgo.ch](http://www.payandgo.ch), featuring information on the latest events nationwide that can be booked directly via the Starticket and Ticketportal ticketing platforms. More information can be found at [www.cornercard.ch](http://www.cornercard.ch). ▶▶



## On the Road to the FIFA World Cup™ 2006

With the FIFA World Cup 2006™ just around the corner, Europe is really hotting up for the biggest sporting event of the year, as football fever begins to grip the continent. For a long time now, MasterCard customer banks have been making the most of this sponsorship asset through the issuance of football-related cards, usage campaigns and promotions and acceptance boosts – many of which have featured in **In Europe**.

Football is all about passion, and MasterCard's original 'fever concept', now being rolled out across Europe, takes this theme to a new and exciting level. In a well coordinated and integrated campaign, which brings together the concept across TV spots and print media, 'Fever' shows the passion of the fans, the passion of the debate the game inspires and the passion of the game itself. The TV spots air to the instantly recognisable


Elvis Presley classic 'Fever'.

Football wouldn't be football without the fans, and MasterCard is proud to be one of the four top sponsors of the FIFA World Cup 2006™ Fan Fest, taking place in each of the host cities in Germany. As well as a stage presence with entertainment and 'Fever' advertisements, MasterCard will have commercial displays and distribute value guides full of exclusive advantages reserved for MasterCard cardholders.

If the FIFA World Cup 2006™ wasn't enough, MasterCard has paved the way to the tournament by sponsoring other key events in Europe, like the UEFA Cup Final taking place in Eindhoven on 10 May and the UEFA Champions League Final in Paris on 17 May, where MasterCard will have brand presence and be providing player escorts. The UEFA

Champions League final, to be played out in the magnificent Stade de France, promises to be every bit as thrilling as last year. MasterCard will have extensive brand presence and provide hospitality for around 800 guests.

Fans will also get a chance to see the stars of tomorrow with the UEFA Under 21's tournament playing in Portugal in six different cities from 23 May till 4 June. This season it really will be 'fever pitch' for Europe's football fans!

Should you want to leverage this fantastic marketing platform, please contact our sponsorship team at [sponsorship@mastercard.com](mailto:sponsorship@mastercard.com) 



Football fever. Priceless. 



## MasterCard and Football – the Perfect Combination


Celebrating Switzerland's participation in the World Cup, Credit Suisse is launching the Swiss Football Card, the perfect credit card for all football fans and fans of the Swiss national football team. The Swiss Football Card offers all the comfort, safety and worldwide acceptance which comes with a MasterCard card. In addition, Switzerland's 'sportiest' credit card offers many benefits especially for football fans. The Swiss Football

Card puts fans at the heart of the action: combining a passion for football with a tried and tested means of payment.

With the Swiss Football Card, cardholders will get a fan package for free with great gifts, including an exclusive Swiss Football Card Fan-Shirt, a 3 month subscription to 'rotweiss', the official Swiss Football Association magazine, the DVD 'FIFA Fever – Celebrating

100 Years of FIFA', plus a 10 franc voucher from Ochsner Sport and a 6 week subscription to BLICK.

Also, every person who applies for the Swiss Football Card until 31 July 2006 will automatically participate in an exciting draw with over 80 prizes with a total value of over 15,000 francs. The launch of the Swiss Football Card will start in all 183 Credit Suisse branches across Switzerland on 27 February 2006. During April 2006, a major promotion is planned in 91 Swisscom Shops in Switzerland. In addition, Swiss national football team coach Kbbi Kuhn has been signed up to support advertising, which puts the Swiss national football team and its players into the spotlight.

More information about the new Swiss Football Card and its many exclusive advantages can be found at [www.footballcard.ch](http://www.footballcard.ch) 



## Compass Cards Catch Football Fever

Blue is the colour, football is the game at Compass – Gruppo Bancario Mediobanca as the countdown to the FIFA World Cup™ 2006 begins. The Italian company has signed a licensing agreement with the Federazione Italiana Giuoco Calcio (FIGC, the Italian Football Federation), allowing it to use the logo and colours of the national football team.

Based on the licensing agreement, Compass launched Azzurra, a credit programme that includes a new revolving MasterCard credit card, called the Carta Azzurra. The Carta Azzurra was introduced during the final stages of FIFA World Cup™ qualification, and it is linked to a promotion that gives cardholders the chance to win World-Cup prizes when they use the card.


Since the launch in October 2005, says Compass, the card has been its most popular product, taking the place of its non-football-related standard MasterCard card.

The Carta Azzurra card design includes both FIGC and Compass logos, and it shows famous players in the national team at key moments in Italy's matches. It is possible that background pictures will be changed during the 2006 FIFA World Cup.

MasterCard has shown for many years how international football can be used to promote brand awareness and brand image. In launching the Carta Azzurra, Compass wanted to build on that experience, and harness the Italians'



passion for football to build awareness of the Compass brand.

Compass says: 'We fully share the values associated with the national football team – pride, team spirit, excellence and enthusiasm ... – so we strongly believe in this project. We're proud to be supporters of the national team, and we're sure our customers will join us in this.' 

# National Bank of Greece Goes Chip with the Support of MasterCard Advisors

National Bank of Greece has launched the first EMV chip MasterCard card in Greece that incorporates a rewards programme. The introduction of the go National MasterCard chip-based card with a multimerchant loyalty programme establishes Chip in the Greek market. National Bank of Greece is the leading issuing bank in Greece.

The new go National MasterCard card incorporates a unique rewards programme, where cash rewards are earned on each purchase within a club of high-profile Greek merchants. These instant rewards are stored on the card's chip and can be redeemed from the next transaction at any participating merchant, with additional merchant-specific rewards as well.

The go National MasterCard card was developed by the National Bank of Greece with the support of MasterCard Advisors,

MasterCard's global payments consultancy business, who were responsible for the product design and the project's management.

Constantina Vitoratou, Cards Director Ethnokarta, the National Bank of Greece card subsidiary, stated: "We are proud of the new National Bank of Greece product. The new card is truly innovative for the Greek market and we are certain that our cardholders will respond positively to it. The new product is the result of systematic work. Our aim that became real with the go National chip card was to create a product that would 'reward' National

Bank cardholders for their trust in the Bank."

Georgios Sideris, Country Manager for Greece, stated: "The Greek card market is rapidly moving to EMV chip cards and the go

National Chip card by National Bank of Greece with MasterCard is leading this change. The project was started in September 2005 and by the end of December the first cards were delivered to cardholders. The success of the project was based on strong support and sharing of know-how within the region and with MasterCard Advisors."



## MASTERCARD ACADEMY

Your Partner for the Training you Need



COURSES APRIL 2006	LOCATION	DATES
Revolving Credit: A Profitable Card Option	Dubrovnik	4-5 April
Activation & Usage Strategy	Dubrovnik	6 April
Developing Affinity & Co-Branded Programmes	Dubrovnik	6-7 April
Exploring the EMV 2004 Standard	Dubrovnik	6-7 April
MasterCard e-Commerce Chargeback Seminar	Madrid	25 April
Corporate Payment Solutions	Madrid	25-26 April
GCMS Reconciliation Workshop	Madrid	25-26 April
Advanced Credit Risk Management	Madrid	25-28 April
MasterCard Europe Advanced Chargeback Workshop	Madrid	26-27 April
Licensing Best Practices	Madrid	27 April
Regulatory Aspects of Payment Systems	Madrid	28 April
IPM Chargeback Workshop	Madrid	28 April

Please contact MasterCard Academy to receive your copy of the 2006 programme [academy@mastercard.com](mailto:academy@mastercard.com) - Tel. + 32 2 352 58 10 or Fax + 32 2 352 53 5

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