

MasterCard
International



In Europe

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FOCUS ON BLACK CARDS |

Editorial

Every fashion guru knows that black is always in style and always stylish, and Black cards are no exception. Featured in this month's *In Europe* these cards appeal to higher spending cardholders looking for a desirable and sophisticated payment card that complements their lifestyle. Continuing the Premium theme you can also find out about the 2005 Premium Collection with top-of-the-range offers all ready for banks to promote to their Gold, Platinum and *World Signia* customers, and read about how one Belgian bank has used its Gold Card to attract new customers.

Now in full swing the football season promises some great sponsorship opportunities. The success of the UEFA EURO 2004™ Championship is confirmed by outstanding business results, with TV coverage reaching fantastic heights. For all the football fans there are some great opportunities to leverage the MasterCard brand with all the passion of the Champions League. Next year's final will be in Istanbul and promises to be another nail-biting event, and with the FIFA World Cup™ being in Germany in 2006, there really is a feast of football to look forward to.

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

VfB MasterCard – A Great Card for a Great Game

MasterCard, VfB Stuttgart and Landesbank Baden Württemberg have partnered to create a dynamic co-branding programme that brings exciting benefits and exclusive opportunities to VfB football fans. For MasterCard Germany this is another step on the road to the FIFA World Cup™ 2006.

Each month Landesbank Baden Württemberg holds a raffle with a



special event as the top prize – including such once-in-a-lifetime opportunities as a day in the VfB Business Centre with a superb view of the game, and the chance to be part of the VfB's New Year Greetings. If this wasn't enough, all VfB MasterCard cardholders receive a free copy of the VfB yearbook, a 5% discount on merchandise, and an autograph card along with their monthly statement. As an added bonus a percentage of each transaction goes to VfB to support their youth activities.

Simone Dörr, Account Manager from MasterCard Germany's local office says: "This exciting co-branded card goes straight to the heart of the beautiful game – the fans. MasterCard, VfB Stuttgart and Landesbank Baden Württemberg have put together an extremely interesting and competitive proposition that also demonstrates that MasterCard really does bring the game to the people and the people to the game." ▶▶

Premium Collection – Worth its Weight in Gold, Platinum, and *World Signia*

MasterCard's new Premium Collection offers a stunning array of offers specially designed to help increase card acquisition and activation, boost card spend and enhance customer loyalty and card retention rates.

These free off-the-shelf promotional packages give banks a real differentiator, enabling them to offer unexpected

benefits and luxuries to their cardholders. Designed after extensive research, the collection reaches out to premium cardholders by focusing on the lifestyle attributes they find most appealing, such as travel, hotels, airlines, car rental, home furnishings and luxury items.

The collection is carefully segmented to appeal to the lifestyles and wallets of the



different premium customers, so that banks can derive maximum impact from them. As well as Europe wide and global offers, the collection includes elements exclusively designed for

German, Italian and UK issuers. And to ensure the collection stays fresh and relevant, MasterCard continuously monitors both cardholders and banks responses. The 'ready-to-use' statement inserts provided by MasterCard are available in French, German, Italian, Spanish, Polish and Russian as well as English.

"By doing all the work behind the scenes, we aim to make life really easy for our customer banks", says Isabelle Loddé, Premium Product Manager. "We select

the partners, develop the offers, and provide ready to use communications tools – all of which save valuable time and money, thereby helping our customer banks to achieve their business objectives."

To find out all about these stunning offers and more about the 2005 Premium Collection all the information is readily available in an attractive binder, which can be ordered through MasterCard account managers and regional offices, or accessed online via PIXL. ▶▶

Gold MasterCard Underpins CBC Bank's New Strategy

CBC Banque in Belgium – part of the KBC Group – launched this year a one of a kind new MasterCard Gold Card as part of a bid to attract new premium clients and to strengthen the ties with its existing clientele.

Positioned as a bank that caters for the needs of clients that are looking for a personalised service offering, somewhere between the levels of a regular retail bank and a private bank, CBC Banque saw the launch of a new Gold MasterCard as an essential part of its strategy to attract new premium clients. Part of a premium client package, the new Gold card offers the cardholder exceptional added-value benefits such as travel assistance and insurance, coverage for medical expenses and hospitalisation, or protection against accidental damage or theft of purchased goods.

In a market where the Gold card had been gathering dust for some time, the new

CBC Gold MasterCard Card adds a new dimension that has not been unnoticed. The strategy implemented by highly motivated bank branches and targeted mailings has been extremely successful, leading to highly satisfied and enthusiastic new customers, and beating the Gold card market growth rate by far. A real winner all-round!

Jean-Louis Colard, who is responsible for the Retail Customer Segment from CBC says: "The launch of the New MasterCard Gold Premium card has exceeded our expectations. We have seen a significant increase in Gold card customers who are attracted by the recognition and rewards that we included as part of our offering. As well as enabling us to devise a card programme that meets our needs, MasterCard has been an outstanding business partner."

Eric De Vos, Managing Director from CBC says: "MasterCard has shown itself as a valuable business partner in supporting the development and implementation of our new CBC MasterCard Gold card." ▶▶



IN THE BLACK

Fashion experts may be telling us that black is out this season (we should all be dressed in tweed and pastels, according to the fashion press) but this certainly isn't the case in the cards business. Following the success of the NatWest Black Card, launched in the UK by Royal Bank of Scotland (RBS), other banks are now introducing their own 'black' premium products.

The concept behind the NatWest Black MasterCard was to develop an exclusive, desirable card product for NatWest Bank's premium high-earning customers (RBS took over NatWest in 2000). The card would, mostly, be available by invitation only, and there would be a worthwhile and attractive benefits package. After a highly successful internal pilot among RBS directors, the card programme became fully operational in summer 2002. By the third quarter of 2004 both cardholders and the bank itself were highly satisfied with the product.

The success of NatWest Black Card means that, as far as RBS and some other issuers are concerned, black is very much in.

Meanwhile in Germany, Hypo Vereinsbank (HVB) has also launched a premium MasterCard card with a black design. The HVB premium card is a top-of-the-range credit card, that like the NatWest Black Card uses MasterCard's *World Signia* platform. It is intended for the bank's private banking customers. With nearly 1,000 cards issued within the first three months of the launch, the card is clearly a sought after and desirable product, and its black design contributes to its sophisticated image.

"The HVB Premium card offers our private banking customers much more

than a convenient way to pay for things. Instead, features like the Assistance Centre and concierge service mean it can become central to their wider lifestyle. So, by making this card available to these cardholders, we have changed our status from being a pure financial services partner into being a partner who is involved in many other aspects of the client's life", comments Heike Zimmermann from Hypo Vereinsbank.

Italy is also set to roll out new Black cards, with Banco Popolari Unite – the fourth largest banking group in Italy for private clients scheduled to begin issuing Black cards by invitation to carefully selected customers early in the new year. To meet the needs of the Italian market, the card has all the functionality of *World Signia* with 24/7 concierge services provided in Italian.

Banco Santander is also forging ahead with a MasterCard branded Black Card

in Spain, aimed at the bank's high-end customers, but this time based on the Platinum platform. The card comes with a number of attractive benefits including: life insurance of £1.2 million, a road assistance programme, and a home assistance cover for repairs and emergencies, including a 24/7 lockout service. Cardholders also benefit from an exclusive telephone line for enquiries and assistance.



Why the Top Niche Premium Cards Business is so Important

- Over 5 million people in Europe have liquid assets of over £ 320,000 or £ 200,000. Of these around 30% are in Germany, 22% in France, 17% in Italy, and 16% in the UK (Datamonitor, European High Net Worth Individuals 2001).
- The premium credit card business in the UK saw a sixfold increase in the four years to 2001: the amount spent on those cards more than tripled to over 40% of all UK credit card spend (Datamonitor: UK plastic cards, April 2002) .
- It is estimated that premium cardholders spent at least 50% more than standard cardholders, typically using their cards to pay for hotel, travel and leisure activities (Mintel Premium Cards Report)
- Traditionally, private banking clients wanted face-to-face contact, used referrals from friends to select banks and advisers, and were focused on investment. The new generation of high-net-worth individuals wants multi-channel/online access to their bank, shop around for financial providers, and are 'multi-product focused' (Datamonitor, High Net Worth Survey 2001).

MASTERCARD'S PREMIUM RANGE

MasterCard's market research into the high-net-worth segment shows that three factors are important to premium banking customers:

- value for money
- personal service
- benefits/exclusivity

As a consequence, these three factors are at the heart of MasterCard's Premium card range. The range originated with MasterCard Gold and has since grown to include MasterCard Platinum, and MasterCard *World Signia*. Over ten million MasterCard premium cards are already in circulation in Europe, and the segmentation of the Premium range continues to ensure that cardholders can access just the right balance of value for money, personal service and benefits for their own needs. So what does the range, and the different products, offer cardholders and issuers?

Gold MasterCard cards provide cardholders with peace of mind wherever they are. Standard features include extended spending limits, higher insurance coverage, and value-added services such as access to the MasterCard Global Service network. Banks can tailor their programme and services to the needs of their own customer base.

MasterCard Platinum is intended as an 'above-Gold' programme, offering social recognition, plus all the benefits of Gold cards, and more. Benefits can vary from bank to bank, but they include features like superior travel assistance and insurance cover, customised year-end account summary, membership of the Priority Pass programme, giving access to more than 450 airport lounges, and discounts at prestigious merchants such as

NatWest Black Card: key details

- Generally, the card is available by invitation only. However, there has been some press advertising, and around 25% of cardholders have been acquired by this route.
- Benefits on the NatWest Black MasterCard include: access to over 450 executive lounges around the world, a preferential AIR MILES earning rate, premium roadside breakdown cover in Europe (including the UK), and a 24-hour, 365 days a year, multilingual personal assistance service. The latter can help cardholders arrange anything from dinner at the most fashionable restaurant in Prague to tickets for a football game or concert in Madrid.
- The card carries an annual fee of £ 250. However, if cardholders were to purchase the card's benefits separately, they would pay at least £ 470. Research shows that cardholders are happy with the level of the fee, given the benefits and convenience they receive from the card.

Le Meridien and Harrods. For banks, the attraction of Platinum is its ability to increase acquisition and activation rates, increase card expenditure on T&E, and strengthen the loyalty and retention of high-net-worth customers.

At the top of the scale is *World Signia* MasterCard, a super-premium card programme that issuers tend to offer to the top 3-5% of their cardholder base. There are no pre-set spending limits on the card, and benefits and features include best-in-class insurance and assistance, automatic access to over 450 exclusive

airport lounges worldwide. Perhaps the flagship benefit on *World Signia* is the dedicated 24-hour, 365 days a year concierge service, which can, for example, book travel arrangements, research and book leisure activities, and help with medical referrals and legal assistance. Examples of the Assistance Centre's work includes organizing a trip at short notice for a cardholder and his company's president to watch the formula one Monaco Grand Prix, including booking impossible to get hotel rooms, and finding a poet to write a poem for another cardholder to send to his girlfriend. ►►



Rabobank Signs Alliance Agreement

Leading Dutch bank Rabobank and MasterCard have worked closely together for a number of years, and have now taken their relationship a step further, with the signing of a new alliance agreement that demonstrates their commitment to growing each other's business.

The alliance agreement, formalised this summer, covers both debit and credit, and makes MasterCard the preferred supplier of payment solutions to Rabobank. The agreement's overall aim is to build Rabobank's MasterCard and Maestro card business in the Netherlands. It focuses on stimulating card usage, building new marketing programmes, and product development.

"The new alliance agreement demonstrates our commitment to MasterCard as our preferred supplier of payment solutions. These are important and challenging times in the card business in the Netherlands, and there are good opportunities in both debit and credit. As a result of this new alliance, we believe we are well positioned to use those opportunities and to further build our payment business and customer focus", explains Michel Wildeboer, Vice President Cards at Rabobank.

"Rabobank is one of our key customers in Europe, and they have an impressive card business. We are very pleased to have made this new alliance with the bank, and we believe that it will benefit all concerned – MasterCard, Rabobank, and Rabobank's customers", adds Renè Bloemers, MasterCard Account Director Rabobank.

Recent months have produced some good examples of Rabobank's and MasterCard's ability to work together successfully on specific campaigns and projects, as well as on a more strategic level. In September, for instance, the bank used MasterCard's turnkey 'Citybreaks' promotion as the basis for a card usage campaign.

MasterCard cardholders who used their Rabobank MasterCard card at least once during the promotion were given the chance to win a weekend trip to Rome or one of three runners-up prizes of weekend citybreaks in Benelux. All they had to do to take part was register on a Rabobank

website and answer a few questions. Market research and transaction figures for the promotion show above average response rates, positive feedback from customers, and increased transaction numbers and volumes.

An earlier campaign in the summer months focused on selling current account packages with Maestro and MasterCard cards. Based on the fact that customers may need to organise their banking and payment arrangements before going on their summer holidays, the campaign offered a free current account package until the end of the year.

Again, the results were excellent: there was a significant increase in the number in Maestro and MasterCard issuance, with both new and existing Rabobank customers taking up the current account package. ▶▶



Rabobank

It's a fact: Euro 2004 Sponsorship Brilliant Success!

We all suspected it but now we know it's true: the European Football Championship held in Portugal was a fantastic success, with every game enjoyed by TV viewers across the globe. Live audiences of between 120 and 200 million viewers per match generated exceptional television

market share, ranging from 50% up to 90% in the top European countries. TV coverage increased by 50% over UEFA EURO 2000™, and generated 27,421 hours of viewing dedicated to football. And as well as showing football it also showed off the MasterCard brand – thanks to the

perimeter boards, the MasterCard brand was really part of the game.

Viewing figures like these are exceptional – the Super Bowl in the US is watched by around 145 million viewers. This means that UEFA EURO 2004™ was like 31 Super

Bowls in one month! This demonstrates again the huge popularity of football, and why MasterCard sponsors football.

Over 2,000 MasterCard customers in 24 countries used the Euro 2004 sponsorship properties. These assets supported specific member objectives like boosting usage through promotions, or acquisition through branch teller

incentives, and acceptance by re-decalisation. Or simply by further building brand awareness. All these came with a fully integrated MasterCard marketing campaign.

In Portugal, MasterCard gained strong brand and sponsorship awareness, increased our credit cards portfolio by 208%, increased our GEV by 62% and

reinforced relationships with all the key players from acquirers to issuers through merchants.

Please join us and leverage our football sponsorship platform: we cover the rights on your behalf so that you can use our exclusive platform effectively to increase our common business! ▶▶

Emotions Included as KarstadtQuelle Bank Launches Official FIFA World Cup Card

MasterCard, together with KarstadtQuelle Bank, has launched the official payment card for the FIFA World Cup 2006™ during the grand opening of the Official FIFA World Cup 2006™ Shop in Berlin, presenting the card to over 200 guests from the worlds of sport, entertainment, finance and industry. This event also signalled the start of the card affinity programme 'Using it makes schools fit', which is an added attraction for cardholders. For every transaction made using the card, KarstadtQuelle Bank donates a fixed sum to support the promotion of sport in German schools.



From left to right: Matthias Fachinger (CEO, KarstadtQuelle Bank), Robert Restani (KarstadtQuelle Bank), Dr. Andreas Seifert (Managing Director, KarstadtQuelle Bank), Jürgen Klinsmann, Norbert Gebhard (SVP Central Europe, MCE), Jürgen Schübel (Key Account Manager, KarstadtQuelle Bank, MCE)

"The emotion of the football connection is tangible and the card encourages communication – emotions included", enthused Dr Andreas Seifert, Managing Director KarstadtQuelle Bank.

As well as Frank Beckenbauer, the German football hero, and FIFA General Secretary Urs Linsi, MasterCard spokesperson Jürgen Klinsmann was present at the launch and kicked off the joint charity campaign. At the opening in Berlin he demonstrated his shooting power with the speedgun photo

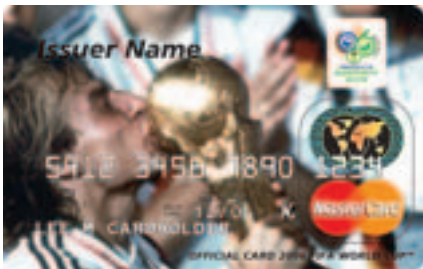
sensor: his ball speed in km/h – sportingly multiplied – went as the first payment straight into the charity donation pot.

The donation programme goes to show that the FIFA WM 2006™ MasterCard is more than just a card. Under the slogans 'Emotions included' and 'Priceless moments' the credit card users can – alongside the schools – also benefit: a big prize contest with eleven draws running through until 2006, with top prizes like the new Hyundai 'Tuscon', FIFA WM

2006™ tickets, and fashion items are designed to motivate people to use and enjoy their cards.

Norbert Gebhard, Regional Manager for Germany and Central Europe says: "Football is probably the most popular sport in Germany, and we couldn't be more excited that the World Cup will be hosted. The FIFA World Cup 2006™ gives us an excellent opportunity to tap into the passion of football which is so close to the heart of German cardholders. ▶▶

A Great Sponsorship Platform, A Charismatic Spokesperson: Jürgen Klinsmann!



MasterCard Europe signed an agreement with Jürgen Klinsmann at the end of last year to promote the colours of MasterCard, to reinforce our credibility as a football sponsor and to endorse our products.

MasterCard sought out Klinsmann as research showed he generated public interest, had a strong awareness in Germany and was young, dynamic and respected. MasterCard clearly made the right choice as eight months later, Jürgen was appointed as the head coach of the German national team; a fantastic opportunity for MasterCard and its

members as the 2006 FIFA World Cup™ will be held in Germany and the German team will surely qualify.

Jürgen has been appointed on behalf of the members of MasterCard Europe. This means that members can use MasterCard's sponsorship assets to increase their MasterCard business.

How can you do this? Here is an idea: we have just launched three card designs, free to our customers, that you can use to kick-start your own integrated MasterCard football marketing programmes. These exciting card designs can be used with



either the 2006 FIFA World Cup™ or UEFA Champions League logos for initiatives for these respective sponsorship properties, or without an event logo for other football-themed card programmes.

And why not have Jürgen physically present at the launch of your new card? He will add extra appeal and generate excitement.

For more information on these exciting opportunities, please contact our sponsorship department at: Tel. +32 2 352 53 96 or at sponsorship@mastercard.com ▶▶



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