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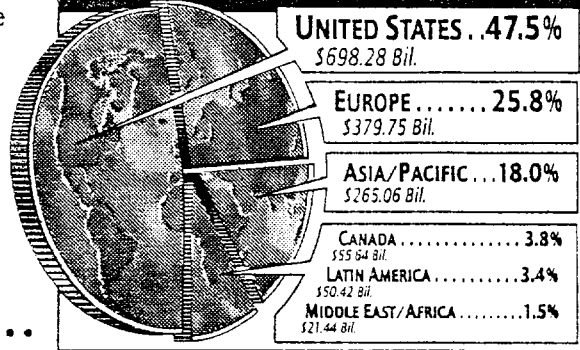
GENERAL PURPOSE CARDS WORLDWIDE

The five global brands of credit and debit cards — Visa, MasterCard, American Express, JCB, and Diners Club — generated \$1.471 trillion in volume last year, up 19.8% from year-end 1994. Cash advances and withdrawals ... (turn to page 6)

CUC ACQUIRES IDEON CUC

International, world's largest provider of fee-based card enhancements to the financial services industry, will expand its customer base by at least 30% after acquiring the Ideon Group (SafeCard Services, United Bank ... (turn to page 5)

GENERAL PURPOSE CARD VOLUME BY WORLD REGION — \$1.47 TRILLION



CARD REGISTRATION WORLDWIDE

Card issuers in 16 countries will receive an estimated \$66 million in commission payments this year from 19 third-party providers of card registration and related services for 47 million cardholders. The registration business consists of maintaining central files of credit and debit card account numbers on 35 million accounts (retail and wholesale) so cards that are lost or stolen can be automatically reported to the issuer. The concept was introduced to the credit card industry in the late 1960s ... (turn to page 4)

MAC MERGER OVERTURNED

For the first time in over 10 years, the federal courts have forced the Federal Reserve Board to overturn approval of a banking-industry merger. Two of three judges from a panel of the United States Circuit Court of Appeals in Washington, D.C. have ruled that the nation's central bank should have held a public hearing last year before approving the merger of Ohio's MoneyCenter automated teller machine network with the multi-state MAC network. The FRB could appeal the decision by requesting a ... (turn to page 4)

TAXES ON CARD FEES & FINANCE CHARGES

The amount of federal taxes credit card issuers in the United States pay on income from annual fees can be affected by language in their cardholder agreements. The U.S. Tax Court recently ruled that ... (turn to page 6)

BANK CARDS — THIRD 100

Visa and MasterCard credit card issuers ranked from 201 to 300 by active accounts at the end of 1995, as listed on pages eight and nine, collectively accounted for 0.70% of industry out-standings. Prior issues: 618, 613, 612 □ (turn to page 8)

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TRANS UNION has received a favorable ruling from the U.S. Court of Appeals regarding its right to sell direct marketing lists. The Federal Trade Commission had ordered Trans Union to stop selling lists. The court ruled that a trial would be required to determine whether such sales violate the Fair Credit Reporting Act. Oscar Marquis is VP at TU, (312) 466-7774, fax (312) 466-7986.

AIR TRAVEL CARD 1995 volume of \$9.52 billion was up 11.5%. Issuers in Europe and Japan grew 25%. Sandra Reynolds is Dir. Mktg., (202) 626-4086, fax (202) 626-4242.

US WEST and **HOUSEHOLD BANK** increased cash back rebates on their co-branded credit cards to 2% from 1% for general purchases. Calling card calls can earn up to 25% cash back. Amy Daiziel is Prod. Mgr. at Household, (408) 754-1400 ext. 4141, fax (408) 755-6507. Michael Perry is Mktg. Dir. at US West, (602) 351-5643, fax (602) 954-4373.

FIRST DATA CORP. first quarter operating revenues of \$1.13 billion were up 25% compared to the prior year. Net income increased 26% to \$105.8 million.

U.S. SUPREME COURT has refused a request that it review a N.Y. Federal Appeals Court ruling stating that unless erroneous credit bureau reporting information can be cited as a reason for rejection for a loan or a job, consumers can't sue bureaus, claiming they were harmed by any credit reporting mistakes.

AMERICAN EXPRESS TRAVEL RELATED SERVICES first quarter profits increased 8.8% to \$286 million. Card accounts rose 8% to 29.7 million. Loan loss reserves were increased to \$1.5 billion from \$1.2 billion.

PMT SERVICES has sold 3.4 million shares of common stock at \$27 per share. Net proceeds of approximately \$87 million will be used primarily to fund future acquisitions. Edward Burke is CFO, (615) 254-1539, fax (615) 254-1501.

WACHOVIA no-annual-fee Gold MasterCard solicitations promise revolving balances will be charged only the prime rate for one year — prime + 5.9% after that. Cardholders who do not make minimum payments three consecutive times pay prime + 10.9%. Charles Hegarty is SVP, (404) 842-3227, fax (404) 842-5077.

MAY & SPEH and **CREDIT STRATEGY MANAGEMENT** have merged, creating a single company that can provide computer-based database management and information processing expertise with analytical/consulting, behavioral modeling, and risk management expertise. Lawrence Speh is Pres., (708) 964-1501, fax (708) 719-0447.

PRUDENTIAL BANK's co-branded BellSouth Visa Small Business Card gives customers 20% cash rebates when used for phone calls, 2% when paying phone bills, and 1% on general purchases. Rebate checks are mailed annually, capped at \$300. Scott Studier is Mgr. at BellSouth, (404) 529-3652, fax (404) 523-1344. Richard Huddleston is EVP at Prudential B&T, (770) 551-6717, fax (770) 551-6718.

OUTSOURCE FULFILLMENT provides interim/long-term inbound telephone and lettershop fulfillment. Its operation center is open 24 hours a day, 365 days a year. Principals have over 35 years experience in direct marketing and fulfillment in credit card enhancement and continuity concepts. Todd James is Project Dir., (513) 877-2766, fax (513) 877-2297.

POLAROID and First Data will market to card issuers color photographs and digitized signatures on bank cards. Jim Marshall is Sr. Sales Mgr. at Polaroid, (201) 909-2530, fax (201) 845-3433. Doug Farrell is Product Sales Mgr. at FDR, (402) 222-1925, fax (402) 222-1953.

JOB MART — POSITIONS AVAILABLE

Subscribers pay \$300 per 100 words (nonsubscribers \$500).

FRANKLIN TEMPLETON seeks **Collection Manager** for our San Mateo HQ. Manage Collection and Recovery Departments; conduct monthly charge-off meetings; ensure accuracy of reports; enforce bank collection and charge-off policies; assist in development of collector flow analysis and incentive programs. Requires BA/BS or equivalent work experience; 10+ years' bankcard collection experience with 5 years' bankcard collection management experience; excellent analytical, motivational, and negotiation skills. We offer an excellent salary and benefits package including profit sharing, medical/life insurance and more. Send resume with salary requirements to: Franklin Templeton, HR Dept., Attn: 036-47-PRO, 777 Mariners Island Blvd., San Mateo, California 94404. EOE

NBS CARD SERVICES INC. is seeking professional **Executive Sales Managers** to sell in the Southeast, Southwest and Northeast regions. Background requires 10 years Sales/Marketing experience in systems integration, information technology, communication or financial services. BS/BA degree with a proven record in business development. NBS provides transaction card services to financial institutions, communications companies and governments. NBS is positioning itself to sell integrated services to the advanced Smart Card Market. Please send resume and salary history to: NBS Card Services Inc., 800 Montrose Avenue, South Plainfield, New Jersey 07080, Attn: Human Resources.

THE CROSS COUNTRY GROUP seeks **Business Unit Manager and/or Director of Marketing**. Fast paced growing national customer service organization seeks highly qualified professionals to plan, develop sales and market strategy for a new retail homeowner membership product. 3 to 5 years experience managing products in consumer direct marketing or financial services field. Background in general management/business strategy with strong P&L orientation. Client interface experience preferred. College degree plus graduate work required. Comprehensive benefits, excellent work environment. Please submit resume, salary requirements to Judith Neftemian, VP-HR, The Cross Country Group, 4040 Main Valley Parkway, Medford, Massachusetts 02155.

ORWEST "REWARDS" Visa card accounts earn one bonus point for every dollar charged. Annual fee is \$39 (classic) and \$59 (gold). Points are redeemable for airline tickets, gift certificates at department/specialty stores and Hertz rental cars, savings off mortgage closing costs, credits towards installment loans, and more. Brian O'Hare is Pres. Card Serv., (515) 222-8200, fax (515) 222-8870.

CASH STATION and **ACCESS 24/EFTI** have signed a reciprocal sharing agreement allowing their cardholders access to the other's ATMs. The networks connect 98% of Illinois ATMs. Steve Cole is CEO at Cash Station, (312) 977-1150, fax (312) 977-1945. Mark Horwedel is Pres. at Access 24/EFTI, (815) 229-8400, fax (815) 229-8213.

CARDMEMBER PUBLISHING is marketing "Travel Arrangements" to Capital One's card file. Annual fee is \$49.95. Cardholders receive 5% rebates on travel booked to their Capital One card. Elizabeth Redston is Dir. at Card. Pub., (203) 324-7635, fax (203) 969-0812. Paul Collins is Bus. Mgr. at CO, (804) 967-1124, fax (804) 967-1216.

MAG-TEK is marketing the first high-coercivity magnetic stripe card encoder that permits consumers to privately select their own PIN at a bank branch. Thomas McGeary is Pres., (310) 631-8602, fax (310) 631-3956.

DUN & BRADSTREET and partner Portable Software Corp. are marketing "Xpense Management Solution" client/server-based software for expense reimbursements for direct deposits to employees' bank accounts or direct payment to credit card companies. John Mansour is Product Dir. at D&B, (404) 239-2245, fax (404) 239-3080. Steve Singh is CEO at PSC, (206) 702-6247, fax (206) 702-8828.

KONIK & COMPANY full-service premium and incentive firm provides direct response merchandise from high-end items to lower-priced advertising specialties. Lisa Konik is VP, (847) 933-1800, fax (847) 933-1818.

DATAMARK software, POS terminals, system integration, off-site transaction processing database management, PC-based database analysis, demographic mapping, and toll-free customer support services are available for card-based customer loyalty programs. Jack Kaplan is Pres., (212) 736-2838, fax (212) 736-2659.

SEARS, ROEBUCK first quarter earnings of \$151 million were due entirely to its proprietary credit card program. Merchandise operations posted a small loss for the period.

INGENICO of France has acquired Innovatron Data Systems of France and EPC/EPOS of Germany. All three firms are POS terminal manufacturers. Gerard Compain is Mng. Dir. at Ingenico, 33 (1) 462-58205, fax 33 (1) 477-25695.

AMERICAN EXPRESS is marketing its Optima card in Canada using a 9.9% intro. finance charge rate for six months - 13.95% or 17.95% after that depending on the cardholder's account status. Brenda Blake is VP New Product Develop., (905) 474-8013, fax (905) 474-8708.

CITIBANK Credit Card Master Trust 1 issued in April is the first credit card asset-backed German-mark Eurobond. The securities were backed by U.S.\$ cardholder receivables. Merrill Lynch was the book runner. Geoffrey Witt is Mng. Dir. at ML, (212) 449-0356, fax (212) 449-9015.

CREDOMATIC will operate an ATM network in Nicaragua using Arkansas Systems software. The companies have previously worked together in Costa Rica, Guatemala, and Honduras. Edgard Ahlers is Gen. Mgr. at Credomatic, (505) 278-0500, fax (505) 267-2460. James Hendren is Chairman at Ark. Sys., (501) 227-8471, fax (501) 227-5436.

AMERICAN BANKNOTE will acquire Leigh-Mardon Security Group, Australia's largest security printer for approximately \$95 million. L-M is one of the largest card service bureaus in Asia. Phillip Gray is Gen. Mgr. at L-M, 61 (3) 955-69111, fax 61 (3) 955-69168. Morris Weissman is CEO at AB, (212) 557-9100, fax (212) 338-0728.

ULSTER BANK subsidiary of NatWest Group is the first Irish issuer of the Visa Purchasing Card. It offers a Sterling version for Northern Ireland customers and an Irish Pound version for Republic of Ireland customers. Arnie Wright is Mgr. Card Products, 44 (1232) 898-915, fax 44 (1232) 898-980.

GE CAPITAL will use CCN software and systems for risk management and marketing decisions in its credit card and other businesses worldwide. Bob Scopa is VP Sales & Mktg. at CCN, (404) 841-1461, fax (404) 841-1455. Claire Vickers is Supplier Relations Mgr. at GE Capital, 44 (171) 973-9362, fax 44 (171) 973-9377.

MANAGEMENT CHANGES

Jim Baumgartner, formerly at First Bank System, has been appointed President Commercial Card Unit at First USA Financial Services, a subsidiary of First USA Paymentech, (801) 281-5810, fax (801) 281-5858. **Reginaldo Zero**, formerly at American Express, has been appointed President of VisaNet in Brazil, 55 (11) 251-3822, fax 55 (11) 288-7629. **Heidi Goff**, formerly at MasterCard, has been appointed Executive Vice President of Global Payment Systems, a unit of National Data Corp., (914) 249-5174, fax (914) 249-4252.

CONFERENCES & SEMINARS

10TH ANNUAL CREDIT CARD INSTITUTE CONFERENCE: June 3-4, Washington, D.C. at the Sheraton Carlton Hotel. Reg. \$1,195. Est. attend. 65. Contact Julianne Cefalu at Executive Enterprises, (212) 645-7880, fax (212) 675-4883. **PROCESSING CARD TRANSACTIONS & MERCHANT ACQUIRING CONFERENCE:** June 19-20, Chicago, Illinois at the Park Hyatt Hotel. Reg. \$1,295. Contact Jennifer Berk at World Research Group, (212) 421-9410 ext 30, fax (212) 421-7325. **LATIN CARDS '96 CONFERENCE:** August 6-8, Santiago, Chile at the Hyatt Regency Hotel. Reg. \$1,995. Est. attend. 85+. Contact Tania Edwards at AIC Conferences, 56 (2) 246-8100, fax 56 (2) 246-8109.

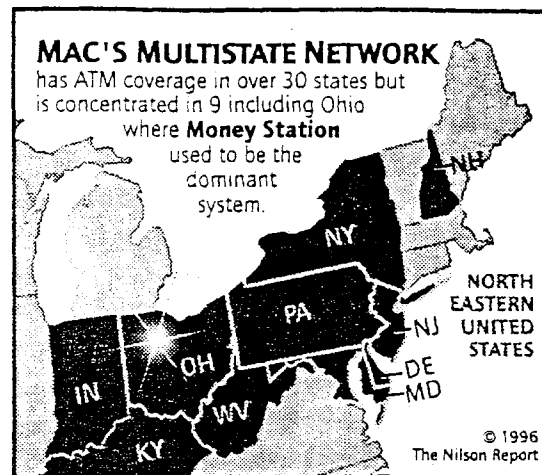
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MAC (from page 1) ... "rehearing en banc" in front of all 11 judges of the Circuit Court, or it could get approval from the Department of Justice to petition the U.S. Supreme Court. If the FRB does not appeal, it would have to conduct a hearing on whether benefits to the public anticipated by the merger would offset any anticompetitive practices. The merger will stand while the appellate court considers any post-hearing motions from the attorneys. Handling the case for the Federal Reserve Board is Senior Attorney Douglas Jordan in Washington, D.C.

A public hearing is what Ohio's Money Station ATM system sought when it brought the petition before the appellate court in March 1995. Money Station switches transactions between members of its shared system in Ohio. Handling the case for Money Station was Ernest Gelhorn in Washington, D.C., (202) 319-7104, John Herfort in New York, (212) 351-4000, and Stephen Landes in Chicago, (312) 419-4568.

Prior to acquiring MoneyCenter, MAC had already absorbed — either through acquisition, dissolution, or joint venture — the processing for other Ohio networks Green Machine, Owl, Instanet, Jubilee, and Anytime Bank. MoneyCenter brought another 900 ATMs, making MAC Ohio's dominant ATM system linking 45% of the state's machines including those generating the most transactions. MoneyCenter was owned by National City Bank which in March 1995 paid \$43 million in cash and turned over processing of its network in return for 20% ownership in Electronic Payment Services, parent company of MAC. Other owners of EPS are Bank One, CoreStates, PNC, and KeyCorp. Prior issues: 576, 570 □



CREDIT CARD REGISTRATION WORLDWIDE		
Accounts in Millions		
Retail	Market	Wholesale
18.46	United States	8.01
4.40	United Kingdom	0.50
1.26	Canada	1.02
0.15	Australia	—
0.03	South Africa	0.01
0.02	New Zealand	—
0.02	Sweden	—
0.01	Ireland	—
0.01	Hong Kong	—
0.01	Japan	—
—	Netherlands	0.05
—	Other Countries	0.75
24.37	TOTAL	10.34

MORE U.S. BANK CARD ACQUIRERS Add to the list of owners of merchant bank card processing contracts listed in issue 617: **Chittenden Bank** in Rutland, Vermont which ranked 62nd in 1995. Visa/MasterCard volume of \$486 million was up 81% generated by 4.7 million transactions from over 5,000 merchant outlets. Daniel Alcorn is Senior VP, (802) 747-4260, fax (802) 747-4264. **National Bank of Commerce** in Lincoln, Nebraska which ranked 64th in 1995. Visa/MasterCard volume of \$320 million was up 233% generated by 3.3 million transactions from 3,500 merchant clients. Tom Boatman is Senior VP, (402) 434-4170, fax (402) 434-4646. □

Card Registration (from page 1) ... simultaneously by three U.S. companies: SafeCard, Credit Card Service Bureau (TRW), and Credit Card Sentinel (CCS). Industry leaders at the end of last year were: SafeCard in the United States, Card Protection Plan (CPP) in the U.K., Carlson Marketing in Canada, CCS, a unit of Sun Alliance and Royal Insurance in Australia, and CUC in other European, South American, and Asian markets.

In the United States and Canada where 125 million consumers own credit cards, 23% either purchase or are supplied with some form of credit card registration — offered as a free enhancement (wholesale) or for an annual fee (retail) ranging from \$12 to \$15. This business remains largely undeveloped outside the U.S., Canada, Australia, and the U.K., but this year the 18 companies listed here, plus CPP in the U.K., CCS in the U.K., CCS in Australia, Card Guard in Hong Kong, Card Guard in New Zealand, Interpay in the Netherlands, and in-house providers including bank card issuers WestPac and First National of Southern Africa are expected to generate sales of over \$300 million. For over 25 years, card registration has been the most popular and by far the most profitable enhancement for all card issuers. Prior issues: 496, 465, 417, 352 □

CUC (from page 1) ...

Services, Wright Express, and National Leisure Group). Value of stock exchanged for Ideon worth \$375 million does not include an additional \$100-million reserve fund established by CUC consisting of Ideon cash-on-hand, a pending tax refund, and ongoing cash flow. Purpose of the fund is to cover CUC's cost of closing the acquisition, integrate Ideon's various businesses, and provide for possible settlement of pending lawsuits filed by SafeCard co-founder Peter Halmos. Finalization of the acquisition, expected this summer, will give CUC a 71% share of the third-party retail card registration industry in North America and a 57% share of this business worldwide.

IDEON, the name adopted last year for SafeCard founded in 1969, is a public company (NYSE:IQ) that until recently was headed by Paul Kahn who launched the AT&T card. Kahn took over after resignation of the Halmos brothers in December 1992 when the company had just completed ... (turn to page 10)

SUPPLIERS OF CREDIT CARD REGISTRATION IN NORTH AMERICA

NO. OF ACCOUNTS (MILLIONS)

RETAIL 18.24

Credit card registration sold as a stand-alone, fee-based enhancement.

- SafeCard 10.50
- Signature 3.00
- NCCI 1.90
- Carlson Marketing 1.00
- Credit Card Protection .. 0.91
- Comp-U-Card 0.50
- Comp-U-Card Canada ... 0.20
- Roy Thomas 0.12
- United Bank Services .. 0.05
- Groupmark 0.04
- Oracle Serv. Networks . 0.02

WHOLESALE 7.61

Credit card registration offered as part of an enhancement package with other products.

- Signature 3.00
- NCCI 2.00
- United Bank Services .. 1.35
- Carlson Marketing 0.50
- Groupmark 0.35
- Faneuil Group 0.24
- Comp-U-Card Canada ... 0.15
- Oracle Serv. Networks . 0.02

IN-HOUSE 2.90

Equifax provides registration only to its cardholder processing clients. Chevron "wholesales" to its own travel club.

- Discover (Retail) 1.15
- Chevron (Retail/Whlsl) ... 0.98
- MBNA (Wholesale) 0.50
- First USA (Retail) 0.25
- Equifax (Wholesale) 0.02

CONTACTS FOR THIRD-PARTY FIRMS

Carlson Marketing John Holman is Director Direct Marketing in Toronto, Ontario, Canada, (416) 236-8339, fax (416) 231-9803.

Comp-U-Card (CUC) Anthony Menchaca is President in Stamford, Connecticut, (203) 965-5108, fax (203) 977-8501

Comp-U-Card Canada Timothy Condon is President in Montreal, Quebec, Canada, (514) 281-1996, fax (514) 281-6214.

Credit Card Protection Agency Michael Cassells is General Mgr. in Lanham, Maryland, (301) 459-4402, fax (301) 459-4405.

Faneuil Group Paul Courtemanche is Executive VP in Boston, Massachusetts, (617) 742-4918, fax (617) 742-3666.

Groupmark Elwin Cathcart is President in Mississauga, Ontario, Canada, (905) 891-2292, fax (905) 891-5698.

NCCI (CUC) Bob Dufour is President in Crozier, Virginia, (804) 784-1510, fax (804) 784-5868.

Oracle Service Networks Jeff Korvemaker is Acct. Mgr. in London, Ontario, Canada, (519) 434-3221, fax (519) 646-3396.

Reunion Group Steve Halmos is CEO in Ft. Lauderdale, Florida, (954) 760-4970, fax (954) 760-4983.

Roy Thomas Inc. Roy Jackson is Chief Executive Officer in Schaumburg, Illinois, (847) 240-2005, fax (847) 240-2177.

SafeCard Services (CUC) Robert Frechette is President in Jacksonville, Florida, (904) 218-3232, fax (904) 218-3211.

Signature Group Dick Gallagher is President in Schaumburg, Illinois, (847) 605-7300, fax (847) 605-3096.

United Bank Services (CUC) Paul Kruger is President in Norman, Oklahoma, (405) 364-4711, fax (405) 329-4719.

Carlson Marketing is SafeCard's licensee in Canada. Comp-U-Card Canada is owned by Canadian Tire and is a licensee of Comp-U-Card in the U.S. Credit Card Protection is owned by Encore Marketing. Reunion Group booked its first accounts this month. © 1996 The Nilson Report

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Taxes (from page 1) ... Barnett Banks of Florida could defer taxes on annual fees by amortizing them over a 12-month period because its agreement described fees as payments for ongoing services. This was backed up by a description of the bank's policy of refunding fees on a pro rata basis to cardholders who cancelled. The same court ruled that Signet Banking Corp. could not amortize fees and was required to pay taxes on the entire amount collected because Signet, which does not refund fees, describes them in the agreement as payment by the cardholder for having received the card and associated credit line.

NEW TAXES PROPOSED. Income from finance charges could be taxed in the future by President Clinton's 1997 budget proposal. To raise another \$1.1 billion in revenues, the Clinton Administration has targeted how pools of various debt instruments are taxed including credit card receivables. Instead of assessing taxes only on income from finance charges generated by these pools in a taxable year, the new policy would also tax income from finance charges that issuers could reasonably expect to collect from accounts still in the grace period at year-end. Projected income would be based on a "reasonable estimate of payment patterns." For example, if 33% of an issuer's cardholder base typically paid up within the grace period to avoid interest payments, issuers would have to pay taxes on the amount they could expect to collect from the remaining 67% of their cardholders. Mary Doyle is Tax Manager for Arthur Andersen in Washington, D.C., (202) 862-3171, fax (202) 862-3280. □

General Purpose Cards (from page 1)

... accounted for \$21 of every \$100 in volume ... the remaining \$79 was for purchase of goods and services. Visa and MasterCard bank cards, the most widely accepted global brands, accounted for 84.7% of total volume, up from 83.8% the prior year, and grew by 21.1% compared to 13.5% for Amer and Diners Club combined.

PURCHASE VOLUME. Market shares of general purchase most accurately measured by comparing only that purchase generated by purchase of goods and services.

Cash, which is included in total volume, distorts the true picture of brand strength, particularly on a global basis where so many Visa and MasterCard debit cards are used simply to give consumers access to their own funds on deposit via ATMs. Purchase volume totalled \$1.157 trillion last year. Only Visa, with growth of 21.6% at merchant outlets the industry as a whole ... all other brands lost market share. MasterCard accounted for \$82 of every \$100 charged last year, up from \$81, and Visa was responsible for that MasterCard's growth rate, measured by increase of sales was less than that of American Express. Last year Visa was the only brand since 1988 that Amex was able to match the growth rate of the association.

CASH VOLUME. Cash advances and balance transfers along with cash withdrawals on debit cards, totalled

VOLUME ON GLOBAL		
Brand	TOTAL (bil.)	
	1995	Chg.
Visa	\$777.89	+23.1%
MasterCard	\$467.57	+17.8%
Amer. Express	\$161.60	+14.7%
JCB	\$38.10	+8.5%
Diners Club	\$25.41	+13.4%
TOTAL	\$1,470.57	+19.8%

Purchase volume includes all purchases of goods and services. Cash volume is credit card advances and balance transfers.

GLOBAL GENERAL PURPOSE CARDS			
Brand	CARDS		
	1995	1994	Chg.
Visa	446.51	379.10	+17.8%
MasterCard	272.29	240.55	+13.2%
Amer. Express	37.80	36.30	+4.1%
JCB	32.50	29.80	+9.1%
Diners Club	7.10	6.80	+4.4%
TOTAL	796.20	692.55	+15.0%

Visa & MasterCard include both credit and debit cards. The largest figure above because most outlets shown.

GENERAL PURPOSE CARDS — 1995 vs. 1994

Cash (bil.)		PURCHASES (bil.)		Market Shares	Change (Basis Pts.)
1995	Chg.	1995	Chg.		
\$189.19	+28.1%	\$588.70	+21.6%	Visa 50.9%	+169
\$112.65	+32.6%	\$354.92	+13.8%	MasterCard 30.7%	-100
\$3.11	+79.6%	\$158.49	+13.9%	Amex 13.7%	-44
\$8.20	+3.8%	\$29.90	+9.9%		-18
\$0	—	\$25.41	+13.4%		-7
\$313.15	+29.2%	\$1,157.42	+17.5%		

goods and services including mail order, telemarketing, and all other forms of direct purchases (including balance transfers) and debit card withdrawals. © 1996 The Nilson Report

merican Express, JCB,

pose card use is
ortion of volume

1995 vs. 1994

OUTLETS (mil.)		
1995	1994	Chg.
12.10	12.00	+0.8%
7.74	11.59	+9.9%
4.86	4.37	+11.3%
3.97	3.61	+10.0%
3.30	2.80	+17.9%
12.74	12.00	+6.2%

debit cards. Total outlets is
accept some or all of the cards

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year, up 17.5%.

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improvement.

ales at merchants,
as the first time
rate of a bank card

ers i credit cards,
\$313.15 billion and

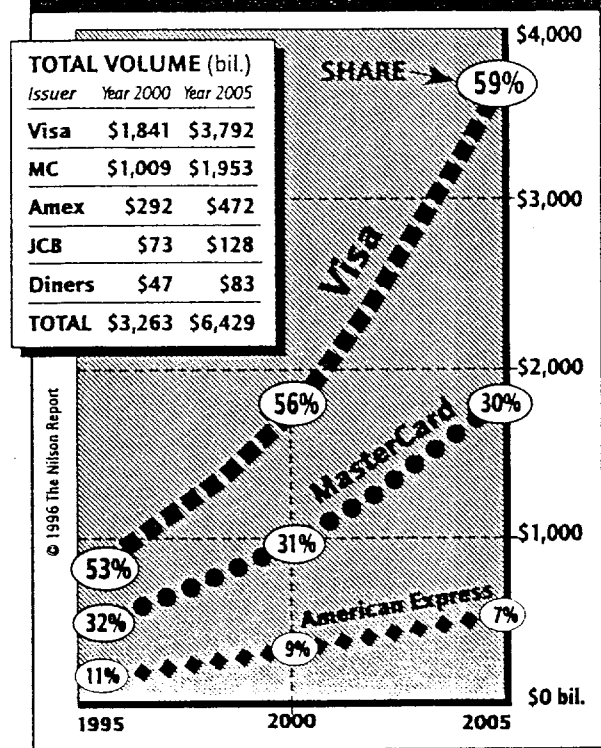
million over the prior year with bank cards accounting for 96% of that increase. Bank cards' market share of all global brands topped 90.3%, up from 89.5% in 1994. Visa, the only brand that improved its share, rose to 56.1% from 54.7%. MasterCard's share declined to 34.2% from 34.7% ... American Express declined to 4.8% from 5.2% ... JCB declined to 4.1% from 4.3% ... Diners Club declined to 0.9% from 1.0%.

THE FUTURE. Growth prospects for global card brands are strong as consumer expenditures for personal consumption favor payment by cards versus paper or electronic systems. The card industry is growing so fast that loss of market share by any of these brands is not, by itself, an indication of declining profitability. By year 2000, volume is expected to reach \$3.263 trillion annually, of which \$2.643 trillion will be purchases at merchants. By 2005, volume is expected to exceed \$6.429 trillion annually. Prior issue: 594 □

accounted for 21.3% of total volume for all five issuers. Cash as a percent of volume increased for all issuers except JCB, where it dropped to 21.5% from 22.5%. At Visa, cash was 24.3% of total volume, up from 23.4%. At MasterCard it was 24.1%, up from 21.4%. Cash at American Express, which includes only that portion generated on cards with revolving credit, was 1.9%, up from 1.2%. Diners Club does not report cash.

CARDS. The total in circulation reached 796.2 million, up 15.0%, and grew by 103.6

GLOBAL MARKET SHARES PROJECTED



FIFTH 50 BANK CREDIT CARD ISSUERS IN THE U.S. — 1995

Issuer, State of issuance	Type	'95 Rank	'94 Rank	Active Accounts	Total Accounts	Credit Cards	Visa Cards	MasterCard Cards	Charge Volume	Outstandings
Mountain America CU Utah	CU	201	209	20,587	25,653	34,880	34,880	0	\$70,496,535	\$38,607,056
Anheuser Busch CU Missouri	CU	202	201	20,276	27,700	38,257	21,919	16,338	\$55,188,037	\$26,072,177
Dallas Teachers CU Texas	CU	203	---	19,984	27,200	32,640	0	32,640	\$46,575,000	\$31,680,000
Tropical Telco FCU Florida	CU	204	204	19,880	28,000	36,700	25,000	11,700	\$44,800,000	\$28,100,000
The Mechanics Bank California	CB	205	203	19,610	31,420	36,798	2,236	34,562	\$54,816,440	\$11,863,594
Technology FCU California	CU	206	---	19,600	28,000	35,000	35,000	0	\$48,600,000	\$27,425,000
Provident Central CU California	CU	207	199	19,320	30,361	36,474	36,474	0	\$54,453,094	\$23,049,494
Virginia Credit Union Virginia	CU	208	---	19,312	23,469	30,126	21,283	8,843	\$54,843,571	\$40,809,512
Int'l Bank of Commerce Texas	CB	209	---	19,215	37,137	57,933	5,793	52,140	\$54,577,000	\$33,124,000
American First CU California	CU	210	---	19,101	22,960	28,502	28,502	0	\$48,033,385	\$43,643,820
Fairwinds FCU Florida	CU	211	226	18,580	24,696	31,829	25,949	5,880	\$31,756,671	\$20,263,561
Seattle Telco FCU Washington	CU	212	210	18,500	21,327	31,400	31,400	0	\$51,189,900	\$56,244,316
NASA FCU Missouri	CU	213	---	18,500	25,929	33,707	33,707	0	\$75,403,660	\$35,675,253
First Bank Illinois	CB	214	182	18,500	33,000	47,900	17,900	30,000	\$20,500,000	\$18,500,000
Coastal FCU North Carolina	CU	215	212	17,639	32,646	42,156	42,156	0	\$74,186,541	\$24,747,277
Langley Federal CU Virginia	CU	216	213	17,598	23,922	32,508	6,452	26,056	\$47,070,840	\$23,700,000
United Serv. of Amer. FCU Calif.	CU	217	219	17,538	22,200	27,000	27,000	0	\$42,180,000	\$35,400,000
Park National Ohio	CB	218	218	17,500	24,100	31,000	23,500	7,500	\$33,250,000	\$49,600,000
Bethpage Federal CU New York	CU	219	222	17,407	21,651	27,387	27,387	0	\$52,986,843	\$31,149,520
Sumitomo Bank California	CB	220	196	17,197	35,724	37,268	37,268	0	\$74,652,000	\$23,883,699
Rockwell Federal CU California	CU	221	216	16,892	22,934	29,841	23,140	6,701	\$74,083,932	\$30,061,486
John Deere Community CU Iowa	CU	222	---	16,811	23,023	32,700	32,700	0	\$34,903,149	\$22,246,806
Educational Employees CU Calif.	CU	223	223	16,743	25,717	36,297	36,297	0	\$60,597,000	\$31,968,000
South Carolina FCU South Carolina	CU	224	180	16,724	24,214	31,526	10,589	20,937	\$32,049,298	\$25,475,067
McChord Credit Union Washington	CU	225	211	16,666	23,472	25,865	25,865	0	\$51,692,915	\$34,220,500
Tyndall Credit Union Florida	CU	226	228	16,491	20,043	30,064	30,064	0	\$54,787,245	\$42,200,027
Educational Employees CU Calif.	CU	227	230	16,256	21,163	29,332	29,332	0	\$51,297,323	\$41,565,666
Peoples Bank & Trust Mississippi	CB	228	215	16,174	22,837	28,707	21,600	7,107	\$32,000,000	\$14,708,649
University Wisconsin CU Wisconsin	CU	229	241	16,094	22,991	31,000	22,000	9,000	\$43,895,000	\$13,500,000
Albank, FSB New York	TH	230	217	16,000	20,900	22,484	12,234	10,250	\$32,600,000	\$17,200,000
Max Federal CU Alabama	CU	231	234	15,995	24,005	38,000	25,500	12,500	\$36,440,000	\$15,352,180
Service FCU New Hampshire	CU	232	231	15,900	25,650	36,680	36,680	0	\$38,400,000	\$28,600,000
USAJR Federal CU Pennsylvania	CU	233	---	15,826	19,300	23,400	23,400	0	\$36,670,000	\$35,340,000
MacDill Federal CU Florida	CU	234	236	15,750	21,500	25,800	2,800	23,000	\$36,120,000	\$27,750,000
Mid Am Inc. Ohio	CB	235	229	15,750	26,600	27,380	8,730	18,650	\$43,150,000	\$17,122,995
AEA Credit Union California	CU	236	220	15,709	22,486	31,705	31,705	0	\$57,879,832	\$45,589,820
USA Federal CU Michigan	CU	237	221	15,479	26,087	39,304	37,282	2,022	\$56,136,054	\$16,880,558
Educational Comm. CU Florida	CU	238	225	15,429	21,632	27,032	14,370	12,662	\$36,652,853	\$35,211,197
Members 1st FCU Pennsylvania	CU	239	---	15,410	23,046	32,882	32,882	0	\$53,870,272	\$23,663,604
Hudson Valley FCU New York	CU	240	206	15,390	19,000	30,000	28,900	1,100	\$22,000,000	\$28,500,000
Aberdeen Prov. Grd. FCU Maryland	CU	241	238	15,231	18,373	26,353	26,353	0	\$45,881,498	\$33,448,946
Gov't Employ. CU of El Paso Texas	CU	242	---	15,130	18,667	58,801	35,400	23,401	\$31,467,200	\$32,548,850
Keystone Financial Pennsylvania	CB	243	224	14,663	21,794	48,044	48,020	24	\$32,485,398	\$17,737,368
Georgia Telco CU Georgia	CU	244	242	14,595	19,161	28,741	28,741	0	\$44,782,930	\$22,523,148
Star One FCU California	CU	245	235	14,540	20,350	31,000	31,000	0	\$25,839,000	\$16,600,000
Trust Company New York	CB	246	---	14,426	21,334	32,000	21,000	11,000	\$35,201,100	\$18,638,157
State Dept. Federal CU Virginia	CU	247	244	14,355	18,787	21,514	0	21,514	\$50,536,497	\$24,845,573
Northwest FCU	CU	248	---	14,290	15,000	22,501	22,501	0	\$51,239,801	\$28,518,647
LMSC Federal CU California	CU	249	233	14,256	19,867	29,800	29,800	0	\$43,712,967	\$18,072,285
Digital Employees FCU Mass.	CU	250	237	14,100	16,500	24,000	24,000	0	\$42,180,000	\$26,600,000
TOTALS FIFTH 50-1995				842,913	1,194,528	1,642,218	1,236,691	405,527	\$2,384,090,781	\$1,413,765,808

Type — CB = commercial bank, NB = nonbank, TH = thrift, CU = credit union

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SIXTH 50 BANK CREDIT CARD ISSUERS IN THE U.S. — 1995

Issuer, State of Issuance	Type	'95 Rank	'94 Rank	Active Accounts	Total Accounts	Credit Cards	Visa Cards	MasterCard Cards	Charge Volume	Outstandings
Sandia Laboratory FCU <i>New Mexico</i>	CU	251	254	13,939	14,495	20,682	18,755	1,927	\$66,364,029	\$17,395,877
SAFE Federal CU <i>California</i>	CU	252	248	13,835	17,175	25,511	25,511	0	\$41,437,792	\$28,999,138
US FCU <i>Minnesota</i>	CU	253	214	13,658	17,655	27,273	27,273	0	\$38,467,284	\$23,119,666
Members America CU <i>Missouri</i>	CU	254	--	13,600	19,000	26,000	26,000	0	\$36,000,000	\$24,000,000
Wright Patman Congr. FCU <i>D.C.</i>	CU	255	--	13,514	17,734	21,412	21,412	0	\$61,019,062	\$35,414,652
United Nat'l Bank <i>West Virginia</i>	CB	256	240	13,307	20,129	26,061	20,412	5,649	\$27,276,043	\$13,304,613
Broadway Nat'l <i>Texas</i>	CB	257	239	12,117	23,414	35,753	35,753	0	\$29,122,989	\$11,631,151
West Suburban Bank <i>Illinois</i>	TH	258	243	12,037	16,074	24,095	24,095	0	\$42,287,097	\$20,023,372
Educational Employ. CU <i>Washington</i>	CU	259	--	12,000	16,519	20,600	20,600	0	\$29,700,000	\$19,800,000
Telhio Credit Union <i>Ohio</i>	CU	260	257	11,900	17,000	23,000	23,000	0	\$33,320,000	\$16,600,000
Air Academy Nat'l Bank <i>Colorado</i>	CB	261	--	11,859	12,059	12,059	1,484	10,575	\$22,116,230	\$7,945,178
Direct Federal CU <i>Massachusetts</i>	CU	262	--	11,839	15,080	18,000	18,000	0	\$27,475,135	\$26,395,256
Lockheed Co. Employ. FCU <i>Georgia</i>	CU	263	--	11,833	13,254	16,823	16,823	0	\$22,531,800	\$19,939,181
First Citizens Bank <i>South Carolina</i>	CB	264	245	11,824	17,574	26,303	10,316	15,987	\$17,629,840	\$16,643,353
Citizens Bank <i>Maryland</i>	CB	265	--	11,800	15,953	22,335	15,000	7,335	\$12,122,670	\$12,220,290
San Diego Teachers CU <i>California</i>	CU	266	251	11,680	14,600	20,000	20,000	0	\$40,678,000	\$25,424,000
WesBanco <i>West Virginia</i>	TH	267	227	11,601	20,534	24,300	16,700	7,600	\$24,619,430	\$11,944,129
F&M Bank <i>Virginia</i>	CB	268	--	11,400	18,055	25,900	10,500	15,400	\$29,950,000	\$17,668,324
NCR Credit Union <i>Ohio</i>	CU	269	255	11,000	15,000	22,000	22,000	0	\$30,240,000	\$23,000,000
First Nat'l Bank in Edinburg <i>Texas</i>	CB	270	250	11,000	15,700	20,000	12,000	8,000	\$20,340,000	\$17,400,000
FDS Nat'l Bank <i>Ohio</i>	NB	271	230	10,980	13,800	20,562	20,562	0	\$19,320,000	\$6,863,400
Great Lakes Credit Union <i>Illinois</i>	CU	272	--	10,907	15,582	18,000	18,000	0	\$24,931,000	\$18,597,726
University Federal CU <i>Texas</i>	CU	273	247	10,889	17,409	23,444	12,998	10,446	\$33,435,874	\$11,573,892
Pacific IBM Employ. FCU <i>California</i>	CU	274	--	10,865	16,197	22,080	22,080	0	\$28,350,000	\$23,909,791
Northrop Grumman FCU <i>California</i>	CU	275	252	10,437	14,933	26,527	0	26,527	\$33,772,447	\$14,772,447
Midwest Heritage Bank <i>Iowa</i>	TH	276	258	10,400	15,260	19,500	0	19,500	\$22,000,000	\$11,900,000
Farrington Bank <i>New Jersey</i>	TH	277	--	10,315	16,909	25,400	25,400	0	\$28,000,000	\$18,600,000
Tennessee Valley FCU <i>Tennessee</i>	CU	278	--	10,248	14,294	14,052	9,781	4,271	\$25,300,000	\$23,342,916
Robins Federal CU <i>Georgia</i>	CU	279	--	10,238	14,419	17,300	17,300	0	\$24,791,500	\$24,063,717
Sea West Federal CU <i>California</i>	CU	280	--	10,200	14,400	18,000	18,000	0	\$33,500,000	\$22,300,000
First Nat'l of Treasure Cst. <i>Florida</i>	CB	281	249	10,019	12,375	12,020	6,171	5,849	\$17,812,460	\$7,110,760
Republic Bank & Trust Co. <i>Kentucky</i>	CB	282	262	9,570	12,515	12,913	11,518	1,395	\$31,266,463	\$17,675,711
Marriott Employees FCU <i>D.C.</i>	CU	283	265	9,500	12,500	14,000	14,000	0	\$20,608,000	\$14,430,000
Pacific Service FCU <i>California</i>	CU	284	268	9,150	11,493	13,524	13,524	0	\$27,856,634	\$21,552,699
Purdue Employees FCU <i>Indiana</i>	CU	285	259	8,885	11,050	16,022	16,022	0	\$30,233,970	\$11,423,193
Nat'l Bank of Commonwealth <i>Pa.</i>	CB	286	--	8,812	12,408	15,341	2,434	12,907	\$16,273,000	\$8,115,000
First Community Bank <i>West Virginia</i>	CB	287	260	8,786	14,090	15,500	6,600	8,900	\$18,504,359	\$13,640,928
Washington Trust <i>Washington</i>	CB	288	264	8,640	13,210	15,829	0	15,829	\$37,360,492	\$11,740,469
Bank of the Sierra <i>California</i>	CB	289	270	8,506	11,963	14,929	13,026	1,903	\$25,413,530	\$13,905,978
Bank of New Hampshire <i>N.H.</i>	CB	290	261	8,456	10,435	15,001	2,902	12,099	\$28,446,426	\$6,481,341
S & T Bank <i>Pennsylvania</i>	CB	291	269	8,235	11,506	15,422	15,422	0	\$17,561,997	\$11,000,029
Southwest Nat'l <i>Kansas</i>	CB	292	263	7,960	12,420	16,500	16,500	0	\$20,900,000	\$14,108,716
Tech Federal Credit Union <i>Indiana</i>	CU	293	--	7,925	12,000	15,000	15,000	0	\$40,712,000	\$25,445,000
Bankers First Federal S&L <i>Georgia</i>	TH	294	272	7,800	9,400	13,700	8,500	5,200	\$17,739,000	\$13,500,000
Liberty Financial <i>Iowa</i>	CB	295	--	7,750	9,500	14,510	6,375	8,135	\$16,150,000	\$9,100,000
Cape Cod Bank & Trust Co. <i>Mass.</i>	CB	296	--	7,600	11,500	16,000	16,000	0	\$15,700,000	\$11,400,000
Valley Credit Union <i>California</i>	CU	297	--	7,500	10,346	12,950	12,950	0	\$3,317,039	\$24,846,229
Dollar Bank <i>Pennsylvania</i>	CB	298	267	7,490	11,890	13,389	13,389	0	\$14,492,945	\$8,851,274
Twin County CU <i>Washington</i>	CU	299	--	7,400	10,400	13,000	13,000	0	\$32,000,000	\$23,790,000
Amcore Bank <i>Illinois</i>	CB	300	--	7,345	11,995	16,800	10,800	6,000	\$31,458,860	\$11,291,165
TOTALS SIXTH 50 1995				518,551	723,203	955,322	743,888	211,434	\$7,389,905,397	\$844,200,561

Type — CB = commercial bank, NB = nonbank, TH = thrift, CU = credit union

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CUC (from page 5) ... a fiscal year with an all-time high of \$167 million in revenues, after-tax earnings of \$32 million, and \$190 million in cash with no debt. Under Kahn's management, Ideon acquired United Bank Services, National Leisure Group, and Wright Express. **Wright Express** is one of the nation's top issuers of credit cards to operators of fleets of cars, vans, and light trucks. Senior management will report directly to CUC's Office of the President. **United Bank Services** markets credit card registration and other enhancements mostly on a wholesale basis, servicing about seven million accounts in the U.S., Mexico (with partner Banca Serfin), and Puerto Rico. Chile and Bermuda will be added soon. Like the National Card Control Inc. (NCCI) unit of CUC, UBS sells checking account enhancement packages to depository institutions and airline travel reward programs to credit/debit card issuers. UBS, like CUC, is a full-service travel agency. **National Leisure Group**, a marketer of vacation travel tour packages, is likely to be absorbed into the above mix. **SafeCard Services** brings to CUC 10.5 million retail card registration accounts in the U.S. through marketing agreements with clients including Sears and Citibank. In addition, SafeCard services are included in a package of benefits sold to 1.3 million proprietary gasoline premium card accounts of BP, Mobil, and Shell. SafeCard's "Credit Line" summary of credit data on file at major credit reporting services with 1.1 million accounts is comparable to CUC's "PrivacyGuard." These will probably be continued as independent products.

CUC entered the card registration business in the U.S. in 1982, licensed the Comp-U-Card name that year in Canada, and expanded in 1988 by acquiring NCCI. It went international in 1995, acquiring the European operation of Credit Card Sentinel from DataCard. Ideon's registration businesses (SafeCard and United Bank Services) will be merged with Comp-U-Card and NCCI. The four companies presently account for 57% of the total 28.8 million wholesale/retail/in-house card registration accounts in North America. In England, Ireland, and Sweden, CUC has 1.7 million retail accounts marketed under the Credit Card Sentinel name. In other markets outside the U.S., card registration has been included in over 750,000 of the more than 1.0 million enhancement packages CUC has sold to financial institutions over the last 16 months.

CUC, originally named Comp-U-Card, was founded as a home shopping service accessed by personal computer in 1973. Today, customers are acquired almost entirely from mail and telephone solicitations to credit/debit card and checking account customers of its clients. CUC sells "membership" or "club" services such as discount shopping, discount automobile purchases, credit card registration, discount travel, etc. It has a worldwide account base of 47.4 million ... 44.8 million in the U.S. and 2.6 million in Canada, Japan, Australia, India, South Africa, 18 European countries, and 5 South American countries. These account figures exclude 2.5 million card registration accounts paid for by the card issuer that produce income of less than \$1 per account annually (NCCI has 2.0 million in the U.S. and Credit Card Sentinel has 475,000 in the U.K.). Fees for most accounts retail for \$49.50 annually. Revenues per account average \$30 including those services that are wholesaled. Revenues of \$1.42 billion for fiscal year ended January 31, 1996, were up 20% from the prior year. Walter Forbes is Chief Executive Officer at CUC International (NYSE:CU) in Stamford, Connecticut, (203) 324-9261, fax (203) 348-4528. Prior issues: SafeCard 614, 609, 596, 539 CUC 615, 593, 562, 526, 513, 500, 496 □

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May 15, 1996


H. Spencer Nilson