

FOR 28 YEARS, THE LEADING PUBLICATION COVERING CONSUMER PAYMENT SYSTEMS WORLDWIDE

### VISA & MASTERCARD DEBIT ISSUERS

The 150 financial institutions listed on pages eight and nine accounted for 78% of the \$74.08 billion in purchases of goods and services on debit cards processed through the Visa and ... (turn to page 8)

### SHARED SYSTEM DEBIT POS

Twenty-four shared regional electronic funds transfer systems and two national EFT systems in the United States switched PIN-based debit card transactions at the end of 1997, ... (turn to page 7)

### ARCO FLEET DEBIT CARD

Arco Petroleum, with 1,700 service stations in California, Oregon, Washington, Utah, Nevada, and Arizona, holds the top market share of all retail ... (turn to page 4)

### EQUIFAX WITH SEARS PLC IN THE U.K.

A joint venture formed between Equifax and the Sears Financial Services unit of Sears plc will create a third-party processor for issuers ... (turn to page 9)

### LANDIS & GYR SOLD

Texas Pacific Group, one of the largest private equity-investment groups in the U.S., has joined a group of Swiss investors in purchasing most of the assets of ... (turn to page 5)

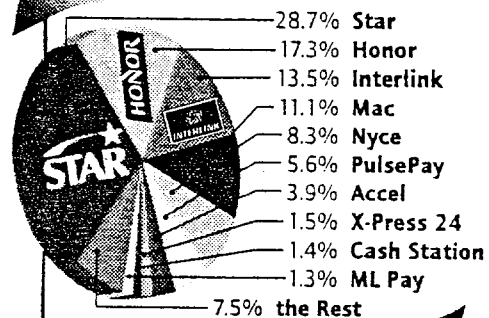
### INGENICO/DE LA RUE AGREEMENT

A global competitor to VeriFone and Hypercom could logically result from recent acquisition of the point-of-sale terminal business of De La ... (turn to page 10)

## DEBIT CARD LEADERS

IN THE UNITED STATES 1997

Shared EFT Systems  
MARKET SHARE OF \$VOLUME



Visa & MasterCard  
DOLLAR VOLUME (BILLIONS)

BofA	\$4.62
NationsBank	\$4.00
Banc One	\$3.84
Merrill Lynch	\$3.74
First Union	\$3.00
U.S. Bancorp	\$2.82
1st Chi./NBD	\$2.25
Fleet Financial	\$2.23
Norwest Bank	\$1.86
Wells Fargo	\$1.80

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The Nilson Report

**SUPER PORTFOLIOS** Citibank remains the leading issuer of general purpose credit cards in the U.S., but Banc One is gaining fast. Citibank's recent acquisition of AT&T Universal Card Services did grow its card portfolio by 24%, and its merger with Travelers Group will add another portfolio. However, Banc One will ... (turn to page 4)

CITIGROUP

Bank of America

BANK ONE

Household

PROVIDIAN  
Financial

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THE NILSON REPORT: 300 Esplanade Drive, Suite 1790, Oxnard, California 93030 • FAX (805) 983-0792 • PHONE (805) 983-0448

D-3308

MCJ4368927

ISSN 1087-8718

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**STAGE STORES INC.**, which sells apparel and accessories in 607 stores in 24 states, has received preliminary approval for a credit card bank charter by the Office of the Comptroller of the Currency. The company sells under the trade names Stage, Bealls, and Palais Royal. David Herman is SVP Credit Serv. at Stage Stores, (903) 589-2048, fax (903) 589-2077.

**MAGNUM COMMUNICATIONS'** CREDICHECK IV software lets wireless-telecom carriers access Equifax for support in processing new applications. Features include I.D. verification, fraud alert, credit scoring, skip tracing, and bad debt information. Carl Eikhoff is CEO at Magnum, (770) 952-4940, fax (770) 952-9534. Val Perry is SVP at Equifax, (404) 870-2512, fax (404) 888-5076.

**ARIBA TECHNOLOGIES** will integrate VeriFone's vPOS merchant Internet payment software into its operating resource management software system designed to reduce costs and payment cycles in on-line business-to-business transactions. Bobby Lent is VP at Ariba, (408) 543-3804, fax (408) 543-3900. Tom Masotto is Mgr. Strategic Partnership at VeriFone, (408) 919-1441, fax (408) 919-8810.

**CLEARCOMMERCE CORP.**, formerly Outreach Communications, has signed First Data Merchant Services as a reseller of its World Wide Web storefront building and management software packages. Robert Lynch is CEO at CC, (512) 832-0132, fax (512) 832-8901. Allen Weinberg is SVP at FDMS, (408) 616-4021, fax (408) 616-4180.

**MONTGOMERY WARD** will pay an additional \$60 million to GE Capital through the end of 1999 to have it continue as operator of the retailer's \$4-billion credit card portfolio. Ward filed for Chapter 11 bankruptcy protection in July 1997. George Overholt is VP at Ward, (312) 467-7550, fax (312) 467-2043. Ed Stewart is CEO at GE Capital RFS, (203) 357-4720, fax (203) 357-4135.

**M&I DATA SERVICES** has licensed debit and credit card fraud protection software from Applied Communications Inc. called Predictive Risk Management. PRM incorporates neural-network technology from Nestor, Inc. Frank D'Angelo is VP at M&I, (414) 357-2330, fax (414) 357-9259. Martin Howley is VP at ACI, (904) 273-5500, fax (904) 273-0014.

**AMERICAN BANKNOTE CARD SERVICES'** Gift Certificate Card System is available directly to merchants, ISOs, and other acquirers. The system drives POS terminals, credits and debits monetary value, and provides balance inquiries in the same terminal used for payment and EBT functions. Paul Amatucci is Pres., (609) 273-1177, fax (609) 273-8171.

**MAGIC LINE** regional EFT system will market the remote banking and interactive financial services of Online Resources to its more than 1,000 financial institution members in the Midwest. John Bascom is CEO at ML, (313) 441-0520, fax (313) 441-1202. Matthew Lawlor is CEO at OR, (703) 394-5100, fax (703) 394-5105.

**VIAD CORP.**, parent of Travelers Express, the money-order and electronic-bill-payment company, will hand over \$287 million in stock to acquire MoneyGram, the consumer money transfer company. Philip Milne is CEO at TE, (612) 591-3016, fax (612) 591-3988. James Calvano is CEO at MG, (201) 291-3601, fax (201) 291-3626.

**NEURALTECH'S** CADRE merchant system for automating all aspects of the retrieval, charge-back, and dispute-resolution process, has been installed by First of Omaha, the 9th largest U.S. acquirer. John Cramp is Pres. at NT, (703) 359-2400, fax (703) 359-2419. Elias Eliopoulos is EVP at FoFo (402) 636-6906, fax (402) 636-6019.

**SUNGARD RECOVERY SERVICES** network-disaster recovery system has been installed by the NYCE regional EFT switch. Steven Rathgaber is EVP at NYCE, (201) 476-5702, fax (201) 930-0828. Michael Mulholland is CEO at SunGard, (610) 341-8700, fax (610) 341-8739.

**BRAVO**, launched two years ago by Morgan Stanley Dean Witter Discover & Co. as the third card brand on its Novus merchant network, will be folded. Discover and Private Issue brands will remain.

**CROSSCHECK INC.'s** Plus Sales Premium check-guarantee services can be added by a merchant to the verification or guarantee service they buy from any other vendor. Plus Sales Premium kicks in when other services decline a check at the point of sale. Paul Green is CEO, (707) 765-2040, fax (707) 586-1738.

**JOB MART - POSITIONS AVAILABLE**

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

**COMDATA BUSINESS FLEET SERVICES** seeks Unix System Administrator - \$50000

**AIX.** Candidate must have a minimum of five years experience supporting the following: Multiple RS6000 configurations, operating system upgrades, upgrading of application software, optimized performance through Kernel modifications, UNIX Shell programming, printer (multiple) management, optimizing database performance, application programming a plus, Microsoft "NT" and other Microsoft products. Comdata is a Visa base I and base II installation authorizing high volume transaction. Knowledge of base II a definite plus. Education: Computer Science degree preferred but not required. Experience is what we are seeking. **Director of Customer Relations.** This national employer is seeking a self-motivated professional for its southwest Florida operations center. Principal management responsibilities include customer service/satisfaction issues, new account implementation and method development for existing accounts. The candidate will have a working knowledge of Bank Card Association standards and procedures inclusive of all order entry functions, account set up, card delivery and activation. Complete sales and service package includes healthcare, dental, travel, auto, life, and purchase plan and more. Forward resumes with employment history to: Comdata Corporation, 2800 Parkway Lane, Parkway, Suite 100, Naples, FL 34104. EOE

**INS INT'L**, manufacturer of software for ATMs, POS, smart cards, debit card management, and more, is looking for a new investment banker to help the company meet its future capital needs. Frank Pascuito is Chairman, (518) 283-7900, fax (518) 283-7336.

**ALLIAST** has been formed by consultants Carmody & Bloom to provide product development and marketing and sales support for emerging businesses in the EFT and payments industry. Elizabeth Taylor Quilliam is VP Mktg., (608) 233-6390, fax (608) 233-5131.

**PAYCHEX**, a payroll processor to clients with 3.5 million employees, is marketing a direct-deposit service and MasterCard debit card as an alternative to payroll checks. First Chicago NBD is the card issuer. Gene Polissini is VP at Paychex, (716) 385-6666, fax (716) 383-3428. Tim Summers is VP at First Chicago NBD, (248) 828-6506, fax (248) 828-6521.

**TRITON SYSTEMS** now offers a Cellular Digital Packet Data wireless network option for its cash dispensers. Cost is under \$1,000. Ernst Burdette is Pres., (228) 868-1317, fax (228) 868-0437.

**INFOLYNX** Windows-based software for EFT networks and processors downloads transaction data from the mainframe switch to a PC to create invoices and management information reports. Ray Zoltowski is Pres., (732) 494-9085, fax (732) 632-9575.

**RADIANT SYSTEMS** software for card payments, inventory, back-office management, and more has been certified by Texaco for use by the gasoline retailer's non-company-owned outlets. Scott Kingsfield is Solutions Director at Radiant Systems, (770) 772-3000, fax (770) 772-3052.

**GEMPLUS** Micro680 contactless smart card reader, smaller in length and width than a credit card, will be available in April for less than \$200 each when purchased in volume. Steven Landeau is Dir. Transportation and Access Control, (215) 654-8423, fax (215) 654-9450.

**TOWER GROUP**, financial services industry technology consultants, has started a consumer credit research division. Robert Landry is Group Dir., (617) 965-9090, fax (617) 965-0290.

**MILLENNIUM SOLUTIONS** has developed on-line credit card verification software for American Merchant, newly established independent service organization selling card processing services to merchants operating sites on the World Wide Web. Victor Olechno is CEO at AM, (714) 794-0970, fax (714) 794-0984. Nicole Baker is CEO at Millennium, (714) 366-5935, fax (714) 366-3948.

**WHEB SYSTEMS'** Intelligent Forms Processing System performs automatic recognition of name and address fields, credit card information, and more for mail-order firms. Customers include Lands' End, Banc One, and Beneficial Nat'l. Reh is EVP Sales, (619) 586-7885, fax (619) 586-7915.

**WRIGHT EXPRESS**, top U.S. operator of fleet card programs, will market a co-brand card with General Motors through GM dealerships nationwide. Mike Dubyak is EVP at WEX, (207) 761-7103, fax (207) 791-5334.

**AMERICAN EXPRESS** and **CENDANT CORP.** are among several companies that have committed \$9 million in equity funding to @Backup, specialists in on-line data backup for PCs. Amex offers @Backup's services to small businesses. Gary Sutton is CEO at @Backup, (619) 455-3539, fax (619) 455-3595.

**FRISCO BAY INDUSTRIES** will distribute cash dispensers in Canada manufactured by Triton Systems. Barry Katsof is CEO at FBI, (514) 738-7300, fax (514) 735-7039.

**EURONET SERVICES** has filed a registration with the U.S. Securities and Exchange Commission concerning a public offering of about \$100 million in Senior Discount Notes. The company operates an ATM network in Central Europe where it also sells processing services. To receive a prospectus, contact Marisa Drew at Merrill Lynch in New York, (212) 449-5764, fax (212) 449-7750.

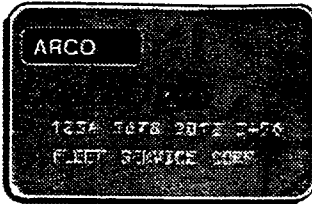
## MANAGEMENT CHANGES

**Robin Abrams** has been appointed CEO at VeriFone, (408) 919-5569, fax (408) 919-1405. **Pete Hart**, formerly at Advanta and MasterCard, has joined the Board of Directors at GetSmart.com. **Stephen Gausch** has been promoted to SVP Marketing at First USA, (302) 594-8148, fax (302) 594-4251. **Russell Schrader** has been promoted to SVP and Asst. Gen. Counsel at Visa, (650) 432-3111, fax (650) 432-3425. **Susan Gleason**, formerly at Household, has been appointed Head of Operations, Technology & Customer Service at Fleet Credit Card Services, (215) 444-6855, fax (215) 672-6214. **Larry Davis** has been appointed President at First Data Financial Services (formerly Comdata Gaming), (615) 370-7633, fax (615) 370-7560. **John MacAllister** has been promoted to EVP Payments Systems Bus. at Benton Int'l, (310) 534-2611, fax (310) 539-6923. **Donald Kenney**, formerly at First of America Bank, has been appointed EVP Corp. Services at National Processing, (502) 326-7007, fax (502) 326-7100. **Wayne Johnson**, formerly at First Data Corp. and Integrated, has been appointed CEO at First Performance Group, (954) 771-6670, fax (954) 771-6671. **Worthington Linen**, formerly at BMG Entertainment, has been appointed CEO at The Signature Group, (847) 605-7400, fax (847) 605-3096.

## CONFERENCES & SEMINARS

**SIXTH ANNUAL VISA ISSUER RISK MANAGEMENT SYMPOSIUM:** May 13-14, 1998, Ritz-Carlton in Phoenix, Arizona. \$375 (members), \$650 (nonmembers). Estimated Attendance: 170. Contact Lisa Standart at Visa, (650) 432-2316, fax (650) 432-2944. **COLLECTION INDUSTRY MERGERS AND ACQUISITIONS INSTITUTE:** June 4-5, 1998, The Westin Hotel, Washington, D.C. \$1,095. Contact Mary McClusky at Fulcrum Information Systems, (212) 647-0808, fax (212) 647-9511.

**Arco (from page 1)** ... gasoline sales in its six-state area. In 1980 it became the only major retailer of petroleum products that neither issues its own credit card nor accepts anyone else's.



Arco stations do accept debit cards issued by members of regional electronic funds transfer systems, and these cards account for 39% of sales. Now Arco has launched a debit card of its own for commercial accounts only. GasPRO Plus, introduced in San Diego and Sacramento, California, will be issued in all six states by year-end. Payments are automatically debited from the fleet operator's deposit account once each month using the automated clearing house

interbank settlement system. No paper invoices are mailed, and no paper checks are accepted for payment. GasPRO cards will be marketed strictly via direct mail and a sales force. No take-one brochures are planned. Merrill Richmond is Program Manager at Arco Petroleum in Buena Park, California, (714) 670-5246, fax (714) 670-5139. □

**Super Portfolios (from page 1)** ... move ahead of MBNA into second place after the pending merger with First Chicago NBD expands Banc One's card business by 45%. Also, Banc One's First USA unit has proven to be a much stronger marketer than Citibank over the last five years. The merger of Bank of America and NationsBank will create a new super portfolio that will rank seventh largest. Household's acquisition of Beneficial will not affect its eighth-place ranking, while Providian's acquisition of a second portfolio from First Union will move it up to eleventh. □

#### **BANK OF AMERICA AND NATIONS BANK**

The \$60-billion merger involving Bank of America and NationsBank will create the largest U.S. commercial bank with deposits of \$343 billion. It will have 14,800 branches and 5,030 ATMs in 24 states within reach of 29 million households - 29% of the U.S. total of 100 million.

At year-end 1997, BofA ranked 10th and NationsBank ranked 11th among issuers of Visa and MasterCard credit cards in the U.S. Combined, these portfolios will be fifth largest among issuers of bank credit cards and seventh largest among issuers of general purpose credit cards (including Novus and American Express).

Both use Total System Services for cardholder processing. Bank of America ranked first and NationsBank ranked second among issuers of Visa and MasterCard debit cards based on spending at merchants.

BofA Merchant Services, the acquiring business of Bank of America, is publicly traded on the New York Stock Exchange. The portfolio of card processing contracts is fourth largest in the U.S. NationsBank's acquiring business is part of a joint venture with First Data Merchant Services called Unified Merchant Services.

#### **BANC ONE AND FIRST CHICAGO NBD**

The \$30-billion merger of Banc One and First Chicago NBD will create the second largest Visa and MasterCard credit card issuer in the U.S. Credit cards will generate more than 30%

of Banc One's profits after the merger. Banc One will also be the second largest debit card issuer. Banc One ranked third and First Chicago NBD ranked seventh among debit card issuers at the end of 1997 based on spending at merchants.

The merged company will operate nearly 2,200 branches in 14 states and a network of nearly 8,000 ATMs.

On the acquiring side, First Chicago NBD owns the 34th largest portfolio of merchant bank card processing contracts and Banc One is 10th largest as a 50%-50% joint venture partner with First Data Corp. Banc One is also 57% owner of publicly traded Paymentech, third largest acquirer in the U.S.

#### **CITIBANK AND TRAVELERS**

The world's largest credit card issuer announced April 6 its merger with Travelers Group, the insurance, investment-banking, and asset-management firm, in a transaction valued at more than \$70 billion. Headed to Citicorp will be The Travelers Bank of Delaware credit card subsidiary of Travelers Group, ranked 32nd year-end 1997 with a portfolio of \$1.36 billion in outstandings up 49% over the prior year.

#### **TOP 15 GENERAL PUR**

OUTSTANDINGS	billions
1. Citibank	\$64.86
2. Banc One	\$56.56
3. MBNA	\$44.51
4. Novus (Discover)	\$34.68
5. Chase Manhattan	\$32.83
6. American Express	\$31.42
7. Bank of America	\$21.49
8. Household Bank	\$17.54
9. Fleet Bank	\$13.97
10. Capital One	\$13.62
11. Providian	\$10.00
12. Wells Fargo	\$7.00
13. U.S. Bancorp	\$6.04
14. Wachovia Bank	\$6.00
15. Associates	\$5.83

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**Landis & Gyr** (from page 1) ... Landis & Gyr Communications including card manufacturing, security printing, and pay phone operations from Electrowatt Ltd. of Zurich. Electrowatt divested the L&GC kinegram manufacturing business in a separate transaction. Security-document printing is handled out of a plant in Neufahrn, Germany, acquired in 1996 when L&GC took over ODS Oldenbourg Datensysteme. That plant also produced 60 million cards last year — 6 million were Visa, MasterCard, and Eurocheque cards including 2 million with microprocessors and 54 million were optically encoded prepaid cards for public telephones. A plant in Zug, Switzerland shipped 70 million optical phone cards and the plant in Hsinchu, Taiwan shipped 60 million. Landis & Gyr pioneered optical encoding for pay phone systems. It has shipped over 2.9 million telephones to 70 countries that accept payment only by prepaid cards using optical stripes. L&GC had sales of \$231 million last fiscal year. Joel Bourez is CEO at Landis & Gyr Communications in Geneva, Switzerland, 41 (22) 749-3355,

fax 41 (22) 749-3539. □

## POSE CREDIT & DEBIT CARDS IN THE UNITED STATES

Based on year-end 1997 outstandings and Visa and MasterCard debit cards. Includes mergers and acquisitions either completed or announced after year-end 1997: Citibank (ranked #1 as a Visa and MasterCard credit card issuer at year-end) includes AT&T Universal (#7) and Travelers (#32) ... Banc One (#3) includes First Chicago NBD (#5) ... Chase Manhattan (#4) includes the Continental Airlines co-brand from Marine Midland ... Bank of America (#10) includes NationsBank (#11) plus Barnett Bank (#33), First Omni (#48, credit cards only), and Dauphin Deposit (#15T, credit cards only) ... Household (#6) includes Beneficial (#70) ... Fleet Bank (#25) includes Advanta (#9) ... Providian (#12) includes \$2.2 billion of First Union (#14). American Express and Novus issue their own credit card brands, while the others listed issue Visa and MasterCard brands. Debit cards: First Union includes CoreStates ... Washington Mutual includes Home Savings ... National City includes First of America.

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### V & MC DEBIT CARDS mil.

1. Bank of America	9.6
2. Banc One	4.1
3. Wells Fargo	3.2
4. First Union	2.7
5. Wash. Mutual	2.5
6. Merrill Lynch	2.1
7. Chase Manhattan	1.8
8. U.S. Bancorp	1.6
9. National City	1.5
10. KeyBank	1.5
11. Fleet Bank	1.5
12. PNC Bank	1.3
13. Norwest Bank	1.1
14. Wachovia Bank	1.1
15. BankBoston	1.0

### PROVIDIAN BUYS MORE OF FIRST UNION PORTFOLIO

In January, Providian Financial acquired 570,000 Visa and MasterCard accounts from First Union at less than their face value of \$1.1 billion in outstandings. This month, Providian expects to complete the purchase of approximately 500,000 additional bank card accounts tied to another \$1.1 billion in outstandings from First Union for a 12% premium. Both portfolios were made up almost exclusively of accounts First Union had generated outside of the 12 states in which it operates branch offices. First Union will still own 2.7 million accounts with \$4 billion in outstandings and will soon be adding 900,000 more accounts and \$1.61 billion in outstandings when its acquisition of CoreStates Bank is finalized sometime before the end of June. Jack Antonini is Executive VP at First Union Corp. in Charlotte, North Carolina, (704) 383-7799, fax (704) 374-3425.

Providian ended 1997 as the 12th largest issuer of bank credit cards in the U.S. ranked by outstandings. After completing its second acquisition of accounts from First Union, it will rank ninth. Accounts acquired from First Union will be converted from the EDS processing platform to the Total System Services platform used by Providian by midyear. John Clark is SVP Corporate Development at Providian Financial in San Francisco, California, (415) 543-0404, fax (415) 278-6028. Prior issue: 659 □

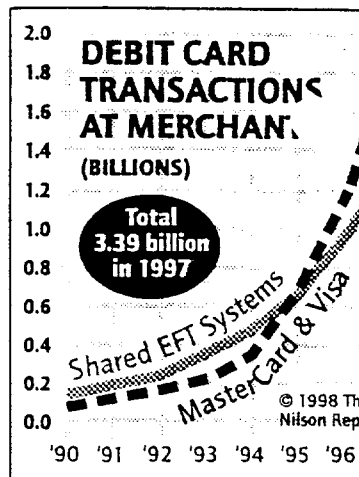
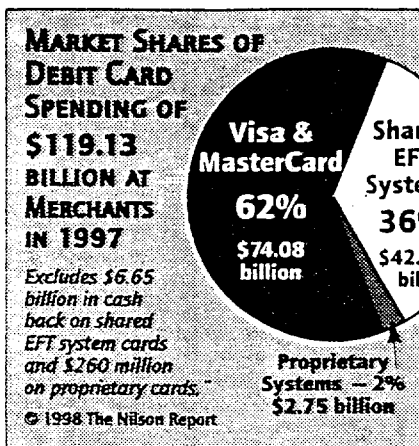
### HOUSEHOLD TO ACQUIRE BENEFICIAL

Two of America's top consumer finance companies, Household International and Beneficial Corp., will be joined in a \$7.7-billion stock transaction. Household's ranking of sixth largest among all issuers of Visa and MasterCard credit cards in the U.S. will not change after it adds Beneficial's portfolio of about \$220 million in outstandings, which ranked 70th. Beneficial brings to Household its success as an issuer of private-label credit cards. Ranked fourth among all private-label firms in the U.S., Household will become the third largest retail card issuer with a portfolio exceeding \$7.6 billion in outstandings, moving ahead of JCPenney and trailing only Sears and GE Capital. Household and Beneficial both process their private-label business in-house. First Data handles Beneficial's bank card business. Household uses EDS and First Data for some bank card business but handles most in-house. In the U.K., where both Household and Beneficial issue bank credit cards, their combined business will have a portfolio of over 2.1 million cards with \$1.15 billion in outstandings. Ranked by turnover (volume of spending and cash advances), it will be the fifth largest issuer of Visa and sixth largest issuer of MasterCard. Household uses EDS as its cardholder processor and Beneficial uses First Data Corp. □

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## DEBIT TRANSACTIONS AND SPENDING AT MERCHANTS

Debit cards issued in the U.S. were used to purchase \$119.13 billion worth of goods and services, generating more than 3.39 billion transactions in 1997. More than 57% or 1.94 billion of debit transactions at merchants were processed through the Visa and MasterCard systems — a 63% increase over 1996. Transactions processed through shared EFT systems totalled 1.39 billion — a 44% increase. Another 59 million transactions came from proprietary card systems used by a few grocers, gasoline retailers, and long-haul trucking companies.



All debit cards that carry Visa's blue, gold, and white bands or MasterCard's interlocking circles on the front also carry the brand, or brands, of shared EFT systems on the back. How transactions are processed is determined by whether or not personal identification numbers are required. Cards issued by shared EFT systems all require PINs to secure transactions, while Visa and MasterCard require only the cardholder's signature. Prior issue: 641 □

## TYPES OF DEBIT CARDS IN THE U.S.

### 1 Visa & MasterCard

"Check Card" and "MasterMoney" cards issued by members of the bank card associations are accepted at all merchants that honor Visa and MasterCard credit cards. Although more than 95% of Visa/MasterCard debit card transactions are authorized on-line, they are referred to as "off-line" because data needed to clear and settle purchases are transmitted in separate messages after the authorization request has been made. Personal identification numbers (PINs) are not used at merchants even though these same cards can be used with a PIN at ATMs and at merchants that have PIN pads.

### 2 Shared EFT Systems

Cards are issued by financial institution members of shared regional switches, led by Star Honor, Mac and Nyce, and by the two national switches — Interlink and Maestro. All information needed for authorization, clearing, and settlement is contained in a single message sent online in real time to the appropriate switch at the time of purchase. Transactions require personal identification numbers for security.

### 3 Proprietary Systems

Proprietary debit cards issued by private label firms led by Citicorp and Citicard EFTs are issued with PINs and require PINs at all merchants. Rules and regulations are set by the issuer and are subject to change without notice. Cards are issued against the issuer's liability. Citicard cards are issued to the cardholder within the issuer's network and are supported by Visa, MasterCard, and Maestro. Citicard cards are accepted only at the issuer's merchant network. Citicard cards are processed through Citicard's proprietary switch and settlement is transmitted to the issuer's bank.





**Shared System Debit POS (from page 1)** ... down from thirty-one systems the prior year. Four networks were no longer in business — BankMate (Missouri), GulfNet, Lynx, and BankMate (New Mexico). Instant Teller figures are now included with TransAlliance. Transaction data was received from merchant point-of-sale outlets and sent to the

POS systems' card-issuing members for authorization and posting. Transactions made to purchase goods and services and/or receive cash totalled 1.39 billion, up 44% from 961.1 million in 1996. Volume totalling \$48.95 billion was up 44% from \$33.95 billion. Payments for goods and services accounted for 86% of that total. The remaining 14% was for cash received by the card-holder.

The top five shared systems accounted for 77% of total transactions in 1997. **Star**, the point-of-sale brand formerly called Explore, remained in first place among all regional systems and improved its market share of total transactions from 24.6% to 29.3%. **Honor** moved into second place and increased its share from 16.3% to 17.2%. Its figures include both BankMates (Missouri and New Mexico), Express, and Via. Third place **Interlink**, owned by Visa, had a 26% increase in transactions, but its share dropped from 17.6% to 15.3%. **Mac**, the nation's largest shared regional ranked by ATM transactions, remained in fourth place but its share dropped from 9.3% to 8.4%. **Nyce**, in fifth place, had its share drop slightly, from 6.8% to 6.7%. Prior issues: 641, 615, 605, 590, 589 □

### U.S. SHARED REGIONAL & NATIONAL DEBIT CARD SYSTEMS RANKED BY PIN-BASED TRANSACTIONS AT THE POINT OF SALE — 1997

Rank '97/'96	Brand/ Headquarters	Point-of-Sale Transactions (mil.)	Chg.	Point-of-Sale Volume (mil.)	Chg.	Cards (000)	Terminals	Outlets
1 1	<b>STAR</b> California	406.0	+72%	\$14,000.0	+35%	23,800	510,000	170,000
2 3	<b>HONOR</b> Florida	238.8	+53%	\$8,555.2	+106%	45,000	400,000	105,000
3 2	<b>Interlink</b> California <sup>1</sup>	212.6	+26%	\$6,600.0	+32%	32,000	831,000	252,000
4 4	<b>MAC</b> Delaware	116.2	+29%	\$5,407.9	+29%	36,500	400,100	200,000
5 5	<b>NYCE</b> New Jersey	93.4	+42%	\$4,066.0	+55%	30,900	278,000	128,000
6 6	<b>Pulse Pay</b> Texas	87.7	+61%	\$2,718.5	+61%	20,000	103,735	101,889
7 7	<b>TransAlliance</b> Wash. <sup>2</sup>	57.5	+55%	\$1,897.2	+38%	11,900	44,000	10,100
8 8	<b>ML Pay</b> Michigan	28.4	+74%	\$640.5	+71%	14,900	154,082	16,822
9 9	<b>X-Press 24</b> Mass.	17.5	+22%	\$752.8	+103%	1,600	25,000	3,010
10 11	<b>Cash Station</b> Illinois	17.5	+52%	\$665.0	+43%	5,500	14,160	10,000
11 10	<b>TYME</b> Wisconsin	15.3	+23%	\$610.0	+29%	3,100	14,900	2,640
12 13	<b>SHAZAM</b> Iowa	9.9	+32%	\$301.2	+31%	3,850	9,572	6,647
13 15	<b>Money Station</b> Ohio	7.2	+61%	\$290.0	+60%	5,800	30,450	2,700
14 17	<b>Jeanie</b> Ohio	3.4	+29%	\$134.7	+26%	4,600	30,107	3,576
15 20	<b>Alaska Option</b> Alaska	3.0	+35%	\$91.0	+35%	399	1,340	713
16 18	<b>MPact</b> Texas	2.7	+13%	\$70.9	+64%	2,650	3,500	1,200
17 21	<b>AFFN</b> Florida	2.5	+25%	\$130.0	+8%	10,000	6,000	2,000
18 19	<b>Money/Handibank</b> N.M.	2.2	-5%	\$53.2	-15%	3,228	1,616	794
19 23	<b>NetWorks</b> Nebraska	2.0	+59%	\$63.5	+61%	1,400	1,215	840
20 22	<b>Presto</b> Florida	1.4	+7%	\$57.2	+9%	1,400	5,850	527
21 24	<b>TX</b> Massachusetts	1.3	+7%	\$27.1	+26%	1,000	3,000	1,500
22 28	<b>Islepay</b> Hawaii	0.2	+13%	\$9.3	+35%	453	560	104
23 29	<b>Maestro</b> New York <sup>3</sup>	0.2	+29%	\$4.2	+40%	32,500	658,643	255,546
24 30	<b>Money Center 24</b> Illinois	0.1	+2%	\$3.9	+1%	312	2,447	131
25 26	<b>Express Teller</b> Minnesota	0.1	-82%	\$5.5	-82%	502	557	29
26 31	<b>Link</b> Indiana	0.1	+10%	\$2.7	+10%	105	536	183
	<b>Other</b> <sup>4</sup>	60.5	+21%	\$1,794.7	+24%			
<b>TOTALS</b> <sup>5</sup>		<b>1,387.8</b> <sup>6</sup>	<b>+44%</b>	<b>\$48,952.2</b> <sup>7</sup>	<b>+44%</b>	<b>200,025</b>	<b>1,793,000</b>	<b>685,000</b>

1. Nationwide brand. 2. Includes Instant Teller in California and Accel in Washington and Oregon. Cards and outlets are estimates. 3. Nationwide brand with transactions and volume estimated. 4. OTHER includes "on-us" transactions captured before they reach the switch by a financial institution member that issues cards and operates terminals including Wells Fargo, Texas Commerce, Mellon Bank, Nat'l Bank of Alaska, Zions, Bank One, U.S. Bancorp, Key Bank, and Michigan National. It also includes BankMate (Mo. and N. Mex.) figures prior to acquisition by Honor. Cards, terminals, and outlets are counted with figures supplied by the shared system to which they belong. 5. Removed duplication from cards, terminals, and outlets. 6. Includes 2% of transactions that were cash only (no goods/services were purchased). 7. Includes \$6.65 bil. in cash back. © 1998 The Nilson Report

## Visa/MasterCard Debit (from page 1)

... MasterCard systems in 1997. They also issued 66% of the 80.5 million debit cards in circulation at year-end. Interchange fees paid by merchants to the issuers of these cards exceeded \$900 million and are projected to reach \$1.28 billion this year. Bank of America was the largest issuer with 5.7 million Visa Check Cards.

The number of banks issuing over one million cards totalled 15, up from 12 the prior year. The number of issuers that reported more than \$1 billion in spending at merchants totalled 17, up from 11 the prior year. But the share of debit cards issued by the top 10 fell from 36% to 30%. This is because debit cards are a fairly new product that attract new issuers every year. The 24.5 million cards issued by the top ten generated \$30.16 billion or 41% of total Visa and MasterCard debit card spending at merchants, down from 43%. Prior issues: 641, 640, 622 □

## VISA & MASTERCARD DEBIT CARD ISSUERS IN THE U.S. 1997

Rank	Issuer, Headquarters	Volume* (mil.)	Cards (000)	Type	Rank	Issuer, Headquarters
1.	Bank of America Calif.	\$4,620.0	5,684	V	51.	Investors Fid. Trust (6) Md.
2.	NationsBank N.C.	\$4,000.0	3,100	V	52.	Wilmington Trust Delaware
3.	Banc One Ohio	\$3,842.0	2,800	V	53.	First Financial Wisconsin
4.	Merrill Lynch New Jersey	\$3,737.5	2,080	V	54.	Deposit Guaranty Miss.
5.	First Union North Carolina	\$3,000.0	2,000	V	55.	Union Bank of Calif. Calif.
6.	U.S. Bancorp Oregon	\$2,815.1	1,612	V	56.	Provident Bank Maryland
7.	First Chicago NBD (1) Ill.	\$2,250.0	1,333	V/M	57.	Zions Bank Utah
8.	Fleet Financial (2) R.I.	\$2,231.5	1,517	V/M	58.	Centura Bank North Carolina
9.	Norwest Bank Minnesota	\$1,856.0	1,140	V	59.	People's Bank Connecticut
10.	Wells Fargo California	\$1,803.0	3,200	M	60.	UMB Bank Delaware
11.	PNC Bank Pennsylvania	\$1,531.3	1,326	V	61.	Regions Financial Alabama
12.	Wachovia North Carolina	\$1,413.2	1,126	V	62.	Trustmark National Miss.
13.	BankBoston (3) Mass.	\$1,285.0	993	V/M	63.	Bank of Oklahoma Oklahoma
14.	KeyBank Ohio	\$1,225.0	1,518	M	64.	USAA Federal Texas
15.	National City Ohio	\$1,036.0	840	V	65.	California Federal California
16.	Washing. Mutual (4) Wash.	\$1,019.0	1,925	V	66.	Patelco CU California
17.	Chase Manhattan N.Y.	\$1,014.7	1,774	M	67.	America First CU Utah
18.	CoreStates Financial Pa.	\$814.8	673	V	68.	Commercial Federal Nebr.
19.	Barnett Bank Florida	\$800.0	850	V	69.	Fidelity Trust Utah
20.	Charles Schwab California	\$666.3	425	V	70.	Wilmington Savings Delaware
21.	Summit Bank New Jersey	\$659.2	584	V	71.	Golden 1 CU California
22.	Travelers Bank Delaware	\$579.2	277	M	72.	Bank of the West California
23.	SunTrust Georgia	\$562.0	540	V	73.	Webster Bank FSB Connecticut
24.	First of America Michigan	\$525.9	700	V	74.	Union Planters Nat'l Tenn.
25.	First Tennessee Tennessee	\$479.4	354	V	75.	Bellco First FCU Colorado
26.	First Security Utah	\$476.1	957	V	76.	Nat'l Bank of Commerce Penn.
27.	Huntington National Ohio	\$450.0	266	V	77.	Mission Federal CU Calif.
28.	FirstBank Colorado	\$439.5	185	V	78.	Keystone Financial Pa.
29.	Home Savings California	\$420.9	595	M	79.	Suncoast Schools CU Florida
30.	Branch Banking N.C.	\$408.3	483	V	80.	Bank of Mississippi Miss.
31.	Mellon Bank Pennsylvania	\$400.2	428	M	81.	Riggs Nat'l Bank D.C.
32.	Michigan National Mich.	\$383.0	270	V	82.	Dauphin Deposit Pennsylvania
33.	First Amer. Nat'l Tennessee	\$380.0	350	V	83.	Delta Employees CU Georgia
34.	Glendale Federal Calif.	\$377.0	245	M	84.	Arvest Bank Group Arkansas
35.	Fifth Third Ohio	\$350.1	416	M	85.	Tinker Federal CU Oklahoma
36.	Marine Midland (5) N.Y.	\$340.9	497	V/M	86.	Springfield Inst. Mass.
37.	First Nat'l Maryland Md.	\$334.5	268	V	87.	Charter One Ohio
38.	Commerce Bank Missouri	\$323.0	121	V	88.	M&I Bank Wisconsin
39.	Comerica Bank Michigan	\$300.0	350	V	89.	Provident Bank Ohio
40.	AmSouth Bank Alabama	\$283.4	336	V	90.	Mercantile Bank Missouri
41.	Crestar Bank Virginia	\$277.5	202	V	91.	First Nat'l of Omaha Nebr.
42.	First Nat'l of Commerce La.	\$265.6	170	V	92.	Columbus B&T Georgia
43.	Star Bank Ohio	\$255.7	336	V	93.	NWA Federal CU Minnesota
44.	Citizens Bank R.I.	\$251.5	273	M	94.	Alaska USA FCU Alaska
45.	Firstar Wisconsin	\$243.6	280	M	95.	Ohio Savings Ohio
46.	Old Kent Michigan	\$243.1	308	V	96.	Citizens Bank Indiana
47.	Compass Bank Alabama	\$240.0	230	V	97.	Sovereign Bank Pennsylvania
48.	Hibernia Nat'l Louisiana	\$211.5	233	M	98.	Southtrust Corp. Alabama
49.	Bank of Hawaii Hawaii	\$196.0	113	V	99.	Fulton Bank Pennsylvania
50.	Boeing Employees CU Wash.	\$187.3	221	M	100.	Nat'l Bank of Alaska Alaska

\*Spending for goods & services purchased (without PINs) as reported to Visa/MasterCard, by state. V = Visa Check Card, M = MasterCard MasterMoney Card. (1) Volume 76% Visa. (2) Volume 72% Visa & Great Western. (3) Volume 93% MasterMoney. (4) Volume 80% Visa. (5) Volume 72% Visa & Great Western. (6) Volume 80% Visa. (7) Volume 72% Visa & Great Western.



**- RANKED BY SPENDING AT THE POINT OF SALE (NO CASH)**

Revenue* (mil.)	Cards (000)	Type	Rank	Issuer, Headquarters	Volume* (mil.)	Cards (000)	Type
\$182.3	87	V/M	101.	San Diego County CU Calif.	\$44.0	63	V
\$178.0	110	V	102.	Eastern Bank Massachusetts	\$43.3	40	V
\$177.4	160	V	103.	Fairwinds FCU Florida	\$42.8	34	V
\$176.1	135	V	104.	Jax Navy FCU Florida	\$41.5	38	V
\$166.3	168	M	105.	Ent Federal CU Colorado	\$40.7	25	V
\$162.8	97	V	106.	Hancock Bank Mississippi	\$40.0	60	V
\$160.7	177	V	107.	Gov't Employ. CU Texas	\$39.9	26	M
\$159.7	191	V	108.	Texas Independ. Bank Texas	\$36.9	47	V
\$159.5	135	M	109.	Space Coast CU Florida	\$34.8	27	V
\$142.7	131	V	110.	South Carolina FCU S.C.	\$34.0	41	M
\$140.0	260	V	111.	Virginia CU Virginia	\$31.8	28	V
\$133.7	106	M	112.	Intrust Bank Kansas	\$31.4	31	V
\$129.8	105	V	113.	West Suburban Bank Illinois	\$30.7	29	V
\$127.6	126	M	114.	Aberdeen Prov. Gr. FCU Md.	\$28.6	26	V
\$122.2	92	V	115.	Triangle Bancorp N.C.	\$27.1	10	V
\$120.8	76	V	116.	First Commonwealth Pa.	\$26.9	58	M
\$118.5	100	V	117.	Mountain America CU Utah	\$24.4	64	V
\$117.1	70	V	118.	Educational Empl. CU Mo.	\$24.0	14	V
\$116.1	109	V	119.	Harris Bank Illinois	\$24.0	81	M
\$112.8	46	V	120.	Dime Savings New York	\$23.2	55	V
\$105.6	58	V	121.	Anheuser Busch CU Missouri	\$23.0	15	V
\$104.0	162	V	122.	First Hawaiian Bank Hawaii	\$21.2	34	M
\$97.8	143	V	123.	Harborstone CU Washington	\$21.0	23	V
\$88.1	165	V	124.	First Citizens Bank S.C.	\$20.0	33	M
3.0	83	V	125.	Citizens Commercial Mich.	\$19.4	36	V
\$85.3	62	V	126.	United National West Virginia	\$18.8	27	V
\$82.6	91	V	127.	First Midwest Illinois	\$17.3	11	V
\$82.4	101	V	128.	Mich. State Univ. FCU Mich.	\$17.2	10	V
\$82.3	75	V	129.	Washington Trust Washington	\$17.0	19	V
\$82.2	66	M	130.	Purdue Employ. FCU Indiana	\$15.6	24	M
\$79.2	37	V	131.	John Deere Comm. CU Iowa	\$15.1	14	V
\$78.0	91	V	132.	Laurel Bank Pennsylvania	\$14.6	40	V
\$74.5	59	V	133.	American First FCU Calif.	\$12.5	10	V
\$72.2	58	V	134.	BSB Bank & Trust New York	\$12.3	11	V
\$70.9	70	V	135.	Dearborn FCU Michigan	\$9.2	6	M
\$69.8	34	V	136.	Simmons First Nat'l Arkansas	\$8.1	9	V
\$69.7	113	M	137.	American Baptist CU California	\$5.7	8	V
\$67.1	39	V	138.	Langley Federal CU Virginia	\$4.8	3	M
\$66.0	93	V	139.	Carrollton Bank Maryland	\$4.7	7	V
\$65.1	301	V	140.	Iowa League Corp. CU (7) Iowa	\$4.1	16	V/M
\$60.1	33	V	141.	Capitol Federal Kansas	\$3.2	90	V
\$60.0	62	V	142.	SAFE Federal CU California	\$2.2	2	V
\$56.0	25	V	143.	Clinton Nat'l Bank Iowa	\$2.0	2	M
\$51.4	27	V	144.	Southwest Nat'l Kansas	\$1.7	3	M
\$49.7	90	V	145.	Max Federal CU Alabama	\$1.5	3	V
\$49.0	25	V	146.	Twin Lakes National Kansas	\$1.2	2	M
\$46.5	77	V	147.	Provident Central CU California	\$1.0	7	V
\$46.2	319	V	148.	Rockwell FCU California	\$1.0	17	M
\$45.9	53	V	149.	Wright Patman FCU Virginia	\$0.9	16	V
\$44.8	24	V	150.	Wheatland Bank Washington	\$0.4	<1	V

\*with ... wals. Figures are consolidated for banks with holdings in more than one ... ne 59% MasterCard. (3) Volume 93% MasterCard. (4) Includes American % MasterCard.  
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**Equifax** (from page 1) ... in the United Kingdom and Ireland. The company will handle both cardholder and merchant processing for bank cards and proprietary cards. Equifax will own 51%. Sears plc, which has no affiliation with the U.S.-based general merchandiser Sears, Roebuck & Co., will own the remaining 49%.

**SEARS PLC** owns Selfridges, Wallis, and Adams stores. Its wholly owned Sears Financial Services subsidiary owns and operates the credit card program marketed to customers of Sears' retail stores as well as to customers of other retailers for which SFS is a private-label card issuer.

**EQUIFAX SERVICES IN EUROPE**  
*Check guarantee* in the U.K., Ireland, France ...  
*credit information* in the U.K., Spain, Portugal ...  
*database marketing* in the U.K., Ireland, Spain, Portugal ...  
*scoring* for risk management in the U.K., Spain, Portugal ...  
*a used car database* in the U.K., and ...  
*mainframe and Unix-based software for cardholder and merchant processing* in the U.K., Germany, Cyprus, Luxembourg, Poland, Switzerland, and Hungary.

The venture with Equifax will give SFS the scale and state-of-the-art back-office technical support needed to compete against GE Capital, the U.K.'s top private-label card issuer. SFS will build on the 1.5 million cardholder accounts and \$190 million in outstandings it currently owns. It will hand over its data center, customer service staff, and other support personnel to the joint venture. Debbie Allmey is Managing Director at SearsCard in Solihull, a suburb of Birmingham, U.K., 44 (121) 252-4800, fax 44 (121) 252-4999.

**EQUIFAX** operates as a card processor in the U.S. and India and has signed a letter ... (turn to page 10)

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**Equifax (from page 9)** ... of intent to establish another processing center in Asia. The joint venture with SearsCard represents the first time it has offered third-party processing in Europe. Equifax will hire the Integrated Systems Solutions Corp. subsidiary of IBM to provide network support and data processing for the U.K. joint venture, and already uses IBM as data processor for its information services business in the U.K. which includes credit reporting. IBM will use Equifax software for cardholder and merchant processing. Other services available from the joint venture will be credit approval, marketing support, and collections. Marc Wood is Senior VP Card Solutions for Europe, Middle East, and Africa at Equifax in London, 44 (171) 298-3010, fax 44 (171) 723-1999. Prior issues: 630, 613 □

**Ingenico/De La Rue (from page 1)** ... Rue in the U.K. by Ingenico in France. In return for its terminal business, developed after the 1987 acquisition of Fortronic, De La Rue will receive 20% of Ingenico's publicly traded stock valued at \$60 million based on current market capitalization of \$240 million. De La Rue will



**De La Rue** remains the largest printer of currency in the world, although that part of its business is being reorganized due to overcapacity in the bank note industry. Its stock on the London exchange currently selling at \$4.97 a share is down from \$17.69 a share in February 1995. James Hussey is newly appointed Managing Director of Currency at De La Rue in Basingstoke, Hampshire, U.K., 44 (1256) 605-124, fax 44 (1256) 351-323.

De La Rue also leads the world in manufacture of high-security bank cards. Its U.S. plant is headed by David Stonely, its plant in France by Amadeo d'Angelo, and its plant in the U.K. by Ian Robson. Combined, the three plants shipped 200 million Visa and MasterCard brand cards last year, plus another 200 million mag-stripe cards of all kinds. Kevin Loosemore is Managing Director at De La Rue Card Systems in Basingstoke, Hampshire, U.K., 44 (1256) 605-030, fax 44 (1256) 842-509. Prior issues: 602, 572

become the second largest shareholder in Ingenico (after founder Jean-Jacques Poutrel) and could increase that position to as much as 50.01% by exercising warrants between two and five years after the anniversary of the contract. After the current transaction is completed, Ingenico and De La Rue will also be linked in a nonexclusive joint-marketing agreement structured to attract contracts involving Ingenico terminals and systems and De La Rue smart cards. Cooperation could also lead to development of a low-cost dial-up cash dispenser for off-premises installations using De La Rue's dispenser mechanism and Ingenico's terminal system.

Ingenico acquired the POS terminal business of Veron of Italy in February. Shipments of Ingenico, De La Rue, and Veron combined topped 330,000 units last year. In Europe, the three accounted for about 23% of all shipments, making the new Ingenico the continent's top vendor. Ingenico's global strategy has already been strengthened by becoming the largest shareholder in International Verifact of Canada, which plans to merge with Checkmate in the U.S. These two North American manufacturers shipped a combined total of 170,000 units last year. Ingenico and IVI are

well on the way to developing a product strategy based on use of common components and software, and Checkmate, Veron, and De La Rue will become part of that effort. Gérard Compain is Director General at Groupe Ingenico in Puteaux, France, 33 (1) 462-58205, fax 33 (1) 477-25695. Prior issue: 661 □

April 15, 1998

*H. Spencer Nilson*  
H. Spencer Nilson