

Star Debit Network Update

General purpose debit card purchase volume in the U.S. is dominated by Visa and MasterCard. Combined, they hold a 79% share. Discover holds less than a 1% share. Credit card brands dominate because debit card payments at merchants in the U.S.

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Ethoca Fraud Fighting for Issuers/Merchants

Merchants in 37 countries and issuers in 12 countries comprise the participants in Ethoca's network, which gives merchants an early warning of possible fraudulent transactions as well as information about previously confirmed customer disputes. Among the more

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Iyzico Online Processing to Iran via Pecco

Internet penetration in Turkey, a country of nearly 80 million people, is 57%. However, there are only 65,000 small and mid-sized merchants (SMBs) in Turkey that sell online out of a total of nearly 2.4 million SMBs that accept card payments. Applications

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Yandex.Money in Russia

More than 83 million Russians access the internet regularly, making them the largest group of any country in Europe. The estimated number of online shoppers in Russia is 25 million, and last year around 47 million orders were cross-border. The volume

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Oberthur's Motion Code for Payment Cards

Cryptogram-based card verification codes that dynamically change for each transaction are a weapon to address card-not-present (CNP) fraud. Oberthur Technologies (OT), the third largest payment card manufacturer in the world, brought its cryptogram

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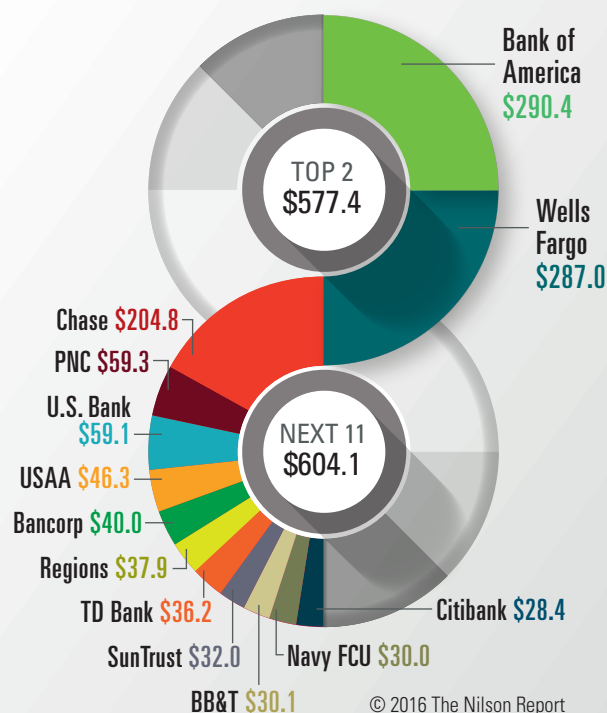
Investments & Acquisitions — March 2016

Turn to page 4 to see a list of 34 acquisitions, funding, and other deals that occurred in March 2016 in 16 countries. In the first quarter of 2016, there were 142 transactions in 34 countries.

Prior issues: 1082, 1080, 1078, 1077, 1075, 1073, 1071, 1069, 1067, 1065

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Top Issuers of U.S. Debit Cards Purchase Volume 2015 (\$Bil.)



Top 50 U.S. Debit Card Issuers

See pages 10 and 11 for a ranking of the 50 largest general purpose-type signature and PIN-based debit and prepaid card issuers in the United States based on the purchase volume for goods and services at merchants in 2015. Transactions generated by their consumer and commercial products were cleared through the Visa, MasterCard, and PIN-based regional networks. Transactions and purchase volume generated by debit cards that operate on the ACH network, private label prepaid cards, cash withdrawals at ATMs, and cash back at merchants are not included here.

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Volume for Top Debit Card Issuers

9 Debit Products Market Shares for
Top 50 U.S. Issuers
9 Debit Card Transaction Growth
10 Top U.S. Debit Card Issuers — 2015

FAST FACTS

APRIL 2016
ISSUE 1084

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CAYAN, a U.S. merchant acquirer, handled \$10.98 billion in Visa/MasterCard purchase volume in 2015, which would rank it 30th largest in the table on page 10 of The Nilson Report, issue 1082. Volume was from 153.8 million purchase transactions. Other credit volume was \$2.35 billion from 15.3 million transactions. PIN debit volume was \$831.0 million from 20.0 million transactions. Active merchant outlets totaled 69,033. Its 194.8 million total transactions was 24th largest in the U.S. The company had 18.5 million ecommerce/MOTO transactions totaling \$2.89 billion. *Rachel Trueblood is SVP, Marketing at Cayan, (617) 607-4593, rtrueblood@cayan.com, www.cayan.com.*

SMARTMETRIC offers the only biometric-based payment card in the world with a fully functional embedded miniature fingerprint scanner inside. The card conforms to ISO and other standards for card size and thickness. *Chaya Hendrick is CEO, (702) 990-3687, chaya@smartmetric.com, www.smartmetric.com.*

WAVECREST GROUP will enhance its MyFare and MyChoice MasterCard prepaid card products with the Fuel Rewards Network reward program. Cardholders earn fuel savings at Shell stations for purchases at participating grocery stores, restaurants, online merchants, and Shell convenience stores. MasterCard augments the program with offers from other retailers. The cards are issued by MetaBank. *Scott Wetzel is SVP Marketing at Fuel Rewards Network, (972) 793-6796, swetzel@excentus.com, www.excentus.com. Miles Paschini is Chief Revenue Officer at WaveCrest, (954) 414-5730, miles@wavecrest.gi, www.wavecrest.gi.*

GREEN DOT, the 4th largest issuer of Visa/MasterCard prepaid cards in the U.S., has migrated approximately 50 million accounts to the MasterCard Payment Transaction Services (PTS) processing platform. Another 64 million accounts are expected to migrate to PTS this year. *Hugh Meadows is SVP, Bank Operations at Green Dot, (801) 699-7159, hmeadows@greendotcorp.com, www.greendotcorp.com.*

SYNCHRONY FINANCIAL, the 8th largest issuer of MasterCard and Visa credit cards in the U.S., has launched the Marvel MasterCard credit card. Cardholders earn 3% cash back for purchases made on select entertainment and dining transactions as well as online at marvel.com and Marvel's official merchandise booths. Cardholders also earn 1% cash back as a statement credit on all other purchases. *Tom Quindlen is CEO, Retail Card at Synchrony Financial, (203) 585-6244, tom.quindlen@synchronyfinancial.com, www.synchronyfinancial.com.*

FIDO ALLIANCE reports that more than 150 biometric and second-factor authentication products have now been certified to its specifications. *Brett McDowell is Executive Director at the Fido Alliance, (408) 657-3436, brett@fidoalliance.org, www.fidoalliance.org.*

RECURLY, provider of a subscription management platform, will offer its merchants online and mobile fraud detection and prevention services from Kount. Clients of Recurly include Groupon, AccuWeather, and Zillow. *Dan Burkhart is CEO at Recurly, (415) 688-4565, dan@recurly.com, www.recurly.com. Brad Wiskirchen is CEO at Kount, (208) 489-3346, bjw@kount.com, www.kount.com.*

Conferences & Seminars

TRANSACT 16: Powered By ETA: April 19-21, 2016. The Mandalay Bay Convention Center, Las Vegas, Nevada. Estimated attendance: 4,000. Cost for the trade show floor is \$450 to \$650; for the full conference is \$1,345 to \$1,845. **Subscribers to The Nilson Report will receive a \$250 discount off the full conference. (Use discount code NILSON.)** Contact Del Baker Robertson at ETA, (202) 828-2635 x204, dbaker@electran.org. Register at <http://electran.org/events/transact16/register/>.

Emerging Asia FinTech & Agent Banking Summit 2016: May 17-18, 2016. The Parkroyal Hotel, Yangon, Myanmar. Estimated attendance: 100. Cost for the two-day conference is \$1,799 (early bird rate) until April 18 — \$1,999 after that. **Subscribers to The Nilson Report will receive a 15% discount.** Contact Jose Carpio, Marketing Manager at Magenta Global, (65) 6391-2535, jose@magenta-global.com.sg. See more information at <http://magenta-global.com.sg/emerging-asia-fintech-agent-banking-summit/>.

Loyalty Expo 2016: May 24-26, 2016. The DoubleTree by Hilton, Orlando, Florida. Estimated attendance: 575. Cost for the three-day conference ranges from \$999 to \$1,799. **Subscribers to The Nilson Report will receive a 20% discount. (Use code TNR20.)** Contact Steve Taggart at Loyalty360, (513) 800-0360, x118, steventaggart@loyalty360.org. Register at www.loyaltyexpo.com.

10th Annual Payment China Summit 2016: May 25-26, 2016. The InterContinental Hotel, Shanghai, China. Estimated attendance: 250. Cost for the two-day conference is \$1,495 before April 1 (\$1,895 after that). **Subscribers to The Nilson Report will receive a 20% discount. (Use code SC0526.)** Contact Rose Zhong at Shine Consultant International, 86 (21) 5242-8084, rose.zhong@shine-consultant.com. Register at www.paymentchina.com.

CONFORMANCE TECHNOLOGIES offers InConRadar, an automated, daily website scanning service that identifies suspicious commercial activities and business practices requiring investigation, to merchants, acquirers, PSPs, and processors. Its Payment Security Awareness System helps merchants assess and record compliance with PCI DSS requirements on a day-to-day basis, so they continually remain compliant. *Darrel Anderson is President, (775) 336-5533 x155, danderson@conformancetech.com, www.conformancetech.com.*

T-MOBILE will shut down its Mobile Money bill payment and prepaid Visa card programs on July 27, 2016. Visa cards were issued by the Bancorp Bank.

VERSATILE CREDIT'S kiosk-based system for in-store consumer credit applications provides retailers with connections to more than 20 financial institutions including subprime lenders American First Finance, Okinus, and Snap Finance. *Kevin Lawrence is VP, Marketing & Sales at Versatile Credit, (703) 622-1608, mklawrence@versatilecredit.com, www.versatilecredit.com.*

TRANSACTION NETWORK SERVICES (TNS) offers TNSConnect2All, a global message translation conversion service, to merchants, ISOs, payment gateways, and terminal providers. Users link to TNSConnect2All through a single messaging specification to reach multiple acquirers and processors. *Lisa Shipley is EVP and Managing Director of Payment Network Solutions, (703) 453-8300, lshipley@tnsi.com, www.tnsi.com.*

Featured Conference

DIGITAL BANKING SUMMIT 2016

Three-Day Conference

June 20-22, 2016

The Roosevelt New Orleans,
New Orleans, Louisiana

Topics include: how banks can effectively compete and stay relevant, frictionless user experiences, best mobile and online banking apps, best approaches to cybersecurity, making sure customer interactions are safe and not socially engineered, best approaches to mobile payments and to fintech partnerships, innovative technologies like blockchain, the internet of things, advanced real-time analytics, and where digital banking can improve. Speakers represent: American Express, Chase, Bank of America, US Bank, Kaspersky Lab, Ridge Schmidt Cyber, Wells Fargo, BBVA Compass, Citi, and many more. Cost ranges from \$1,495 to 2,095 until April 29 (\$1,695 to \$2,495 after that). (Use discount code TNR.) *Contact Ingrid Olsen at (212) 803-8456, ingrid.olsen@sourcemediacom or Stephanie DeMartino at (212) 803-6091 to register or with any questions. Register online at www.americanbanker.com/conferences/digitalbanking/reginfo.html.*

*Subscribers to The Nilson Report
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SAVE
\$300

ALPHA PAYMENTS CLOUD and **WECOLLECT** have launched WeCollect China Payments Cloud. Through a single integration, merchants and PSPs receive a suite of payment options and supporting services that give them access to all major payment methods and personal verification products in China. Payment options include UnionPay payment cards, online bank transfers, B2B and B2C cross-border remittances, Tenpay's WeChat Payment integration, and Alipay's eWallet. *Oliver Rajic is CEO at Alpha Payments Cloud, 353 (1) 960-9024, oliver.rajic@alphapaymentscloud.com, www.alphapaymentscloud.com. Brian Tom is Co-founder at WeCollect, (852) 2565-8700, brian.tom@wecollect.com, www.wecollect.com.*

NATIONWIDE BUILDING SOCIETY, the 8th largest credit card issuer and 6th largest debit card issuer in the U.K., has implemented CA Technologies' payment security suite, which includes advanced analytics and 3-D Secure to help fight ecommerce fraud and identity theft. *Terrence Clark is SVP at CA Technologies, (631) 342-4445, terrence.clark@ca.com, www.ca.com. Matthew Sparkes is Commercial Manager, Group Commercial Management at Nationwide, 44 (1793) 657-500, matthew.sparkes@nationwide.co.uk, www.nationwide.co.uk.*

PRIORBANK in Belarus will offer its MasterCard cardholders host card emulation (HCE)-based mobile phone payments. The service will be supported on the bank's Way4 platform, which handles issuing and acquiring, payment processing, remote banking, and financial transaction routing. Way4 is available from OpenWay. *Sergei Shishov is VP of the Board at Priorbank, 375 (17) 289-9186, sergei.shishov@priorbank.com, www.priorbank.by. Dmitry Dovgal is Deputy Director at Openway, 7 (812) 324-4891, ddovgal@openwaygroup.com, www.openwaygroup.com.*

Management Changes

Raj Seshadri has been appointed President U.S. Issuers at **MasterCard**, (914) 249-2000, raj.seshadri@mastercard.com.

Joe Tumbarello has been appointed Chief Financial Officer at **Transfast**, (212) 908-1184, joe.tumbarello@transfast.com.

Thomas Staudt, formerly at Global Collect, has been appointed Chairman of the Board at **Bluefin Payment Systems**, (678) 894-2631, tstaudt@bluefin.com. **Steve Sovik** has been appointed Chief Revenue Officer at **Tipalti**, (650) 319-8999, steve.sovik@tipalti.com. **Daniel Miner** has been appointed Senior Vice President and Director of Payment Systems at **MainStreet Bank**, (703) 481-4567, dminer@mstreetbank.com.

John Rante has been appointed Executive Chairman at **BluePay**, (630) 990-7718, jrante@bluepay.com. **Kristofer Atkinson** has been appointed President and Chief Sales Officer at **Principle Payments**, (631) 236-9890, katkinson@ppayemail.com. **Angela Grunte** has been appointed Chief Operating Officer at **Vizant**, (509) 954-6432, agrunte@vizant.com. **Beth Horowitz**, formerly at Discover Financial, has become a Partner at **Glenbrook Partners**, (847) 558-9227, beth@glenbrook.com. **Michael Connor** has been appointed Vice President of Finance at **Alpha Card Services**, (215) 494-0200, mconnor@alphacardservices.com.

WESTERN UNION BUSINESS SOLUTIONS has launched a digital platform called WU Edge that small and medium-sized businesses can use to trade internationally. Enterprise Digital Global Exchange (Edge) unifies accounts payable and accounts receivable workflows with electronic invoice presentment and payment and allows for making fee-free payments in near real-time in 22 currencies. It is available in Australia, Canada, New Zealand, Singapore, the U.K., and the U.S. *Kerry Agiasotis is President, 44 (208) 576-5771, kerry.agiasotis@westernunion.com, www.westernunion.com.*

TSYS ALERTS provides real-time push notifications, SMS text messaging, voice messages, and email alerts to all card issuers in Europe that use TSYS for account processing services. *John Goodale is Group Executive Strategic Markets Issuer Product Group, 44 (1904) 562-028, jgoodale@tsys.com, www.tsys.com.*

QUATRO PROCESSING will provide end-to-end technology and operations support for DCB Bank's TravelSmart multicurrency forex Visa brand prepaid cards in India. TravelSmart Card is valid for five years, and the forex rate is fixed at the time it is loaded. *T.R. Ramachandran is Group Country Manager, India and South Asia at Visa, 91 (22) 6688-4147, trram@visa.com, www.visa.co.in. Praveen Kutty is Head Retail & SME Banking at DCB Bank, 91 (22) 6618-7000, praveenkutty@dcbbank.com, www.dcbbank.com. Rajesh Dhuddu is SVP at Quattro, 91 (124) 456-1000, rajesh.dhuddu@quattro.com, www.quattroprocessing.com.*

CLICKANDBUY, an online payment service provider and prepaid MasterCard issuing subsidiary of Deutsche Telekom, will go out of business next month. Merchant accounts were deactivated on February 29. Consumers have until April 30 to use prepaid funds or transfer their balance back to a bank account. Deutsche Telekom bought ClickandBuy in 2010 after the company had received \$30 million in venture funding. Deutsche Telekom's T-Mobile unit in the U.S. is also closing down its prepaid wallet this quarter. *Guillaume Mispelbaum is Senior Manager Strategic Product Portfolio at Deutsche Telekom, 49 (151) 6561-5374, guillaume.mispelbaum@telekom.de, www.telekom.com.*

LIMONETIK, which offers 150+ different payment options, has linked to UATP, the airline-owned payment network. The partnership gives airlines the opportunity to customize their alternative payment acceptance portfolio without needing to manage new partnerships or incur system changes. *Ralph Kaiser is CEO at UATP, (202) 774-5065, kaiser@uatp.com, www.uatp.com. Christophe Bourbier is CEO at Limonetik, 33 (6) 6250-4170, christophe.bourbier@limonetik.com, www.limonetik.com.*

EVERCOMPLIANT provides acquirers, payment service providers, payment facilitators, and marketplaces with the ability to detect hidden mobile apps and fraudulent mobile payments being processed through legitimate merchant accounts. *Ron Teicher is CEO, 972 (3) 652-4747, ront@evercompliant.com, www.evercompliant.com.*

Investments & Acquisitions March 2016

Company	Buyer/Investor	Amount (mil.)	Country
B2B PAYMENTS			
Armor Payments	Payoneer ¹	*	U.S.
Holvi	BBVA ¹	*	Finland
CREDIT CARDS			
Amex's JetBlue cards	Barclaycard ²	*	U.S.
Blispay	seed funding ³	\$12.8	U.S.
Serv. Tech. Pagamentos	FleetCor Technologies ¹	\$1,050.0	Brazil
CRYPTOCURRENCY			
Elliptic	Series A ⁴	\$5.0	U.K.
RSK Labs	seed funding ⁵	\$1.0	Argentina
Stratumn	seed funding ⁶	\$0.7	France
FOREIGN EXCHANGE			
Global Reach Partners	Inflexion ¹	*	U.K.
LENDING			
Branch	Series A ⁷	\$9.2	Kenya
LOYALTY			
Extrameasures	Blackhawk Network ¹	*	U.S.
Shopular	Ebates ¹	*	U.S.
MERCHANT ACQUIRING			
Bluefin Pay. Sys.	undisclosed round ⁸	\$6.0	U.S.
CardConnect	FinTech Acquisition Corp. ¹	\$350.0	U.S.
Currency Select	Global Blue ¹	*	Australia
Emerging Markets Pymts.	Network Int'l ¹	\$340.0	U.A.E.
Int'l Pay. Proc. Net.	seed funding ⁹	\$0.1	U.S.

*Terms not disclosed. ¹Acquisition. ²Purchased the JetBlue co-brand portfolio. ³Led by FirstMark Capital. ⁴Led by Paladin Capital. ⁵Led by Bitmain Technology. ⁶Led by Optium Venture. ⁷Led by Kiva. ⁸Led by Napier Park Global. ⁹Undisclosed investors. ¹⁰Purchased select assets and customers. ¹¹Led by Gate Ventures.

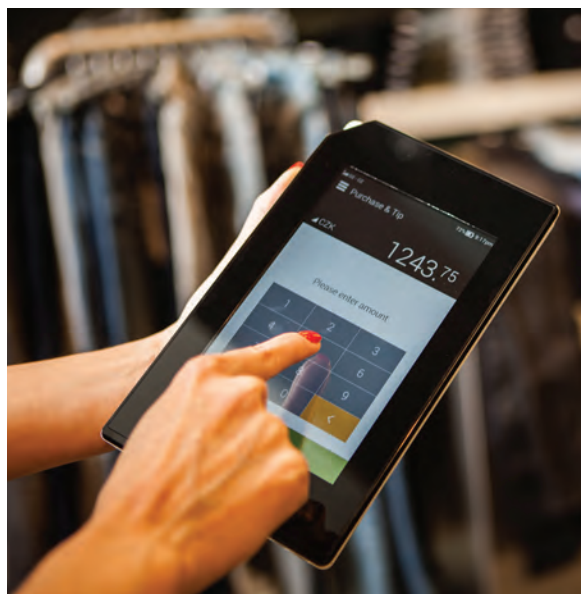
Company	Buyer/Investor	Amount (mil.)	Country
Onslip	private placement ⁹	\$1.3	Sweden
MOBILE PAYMENTS			
D1 Mobile	Ackroo ¹⁰	*	Canada
Dash	Reserve ¹	*	U.S.
Ensygnia	Series A ¹¹	\$0.7	U.K.
GoCardless	Series C ¹²	\$13.0	U.K.
MoMo	undisclosed round ¹³	\$28.0	Vietnam
PhonePe	Flipkart ¹	*	India
Qarth Technologies	Ola ¹	*	India
Rabbit Line Pay	BSS Holdings ¹⁴	*	Thailand
Reserve	Diageo ¹⁵	*	U.S.
SpeedETab	seed funding ¹⁶	\$0.7	U.S.
Vanso	Interswitch ¹	\$50.0	Nigeria
MONEY TRANSFERS			
Instarem	Series A ¹⁷	\$5.0	India
P2P PAYMENTS			
CurrencyFair	undisclosed round ¹⁸	\$9.0	Ireland
PREPAID CARDS			
1to1 Card	SVM ¹	*	U.S.
SECURITY			
Emailage	private placement ¹⁹	*	U.S.
Jumio	Jumio Acquisition ¹	*	U.S.

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¹²Led by Passion Capital. ¹³Led by Standard Chartered Private Equity. ¹⁴Acquired 50%. ¹⁵Strategic investment. ¹⁶From AVenture Capital. ¹⁷Led by Vertex Ventures. ¹⁸Led by Octopus Investments. ¹⁹From Wipro Ventures.

AEVI Android VAS/Payment Tablet

AEVI International, a subsidiary of Wincor Nixdorf, sells merchant



acquirers a handheld POS tablet linked to value-added services (VAS) on a white-label basis called Albert, which uses the Android operating system. Albert features a 7-inch display protected by Gorilla Glass and an embedded module that encrypts touchscreen PIN entry. It has integrated card readers (chip, NFC, mag-stripe) and a thermal receipt printer. The interactive device, which is fully

PCI compliant, features Bluetooth Low Energy (BLE), 3G, and Wi-Fi communications.

AEVI operates autonomously from Wincor Nixdorf, which is best known for ATMs and PC-based point-of-sale systems. Wincor Nixdorf is about to merge with Diebold. AEVI, which is a stand-alone company, is about to receive an equity investment from a strategic partner. The Diebold/Nixdorf entity will own the remaining shares of AEVI.

AEVI developed Albert in partnership with Commonwealth Bank of Australia (CBA), which has deployed 30,000 of the devices so far. When the partners started working together, CBA created an app marketplace, which AEVI subsequently took over and expanded to an open, global service. By the end of this quarter, 100 apps will be available, created by more than 70 third-party developers. Apps range in price from free to \$200 per month.

Wirecard and EVO Payments recently signed deals with AEVI

to offer Albert and AEVI's marketplace on a white-label basis to their merchants in Europe. Rabobank in the Netherlands is also an AEVI client. It offers merchants a bank-branded mobile app and PIN pad supplied by AEVI.

Merchants in any industry can download apps from the marketplace, which is always branded with the acquirer's name. In addition to payment acceptance, value-added apps are available to run loyalty programs, offer credit, handle multichannel stock management, and more. The marketplace apps are available to any merchant's device regardless of manufacturer, as long as they are linked to a participating acquirer.

Apps are available to any merchant using Android-based hardware.

Hans Langenhuizen is Global Sales and Marketing Director at AEVI International GmbH in Paderborn, Germany, 31 (6) 2095-1059, hans.langenhuizen@aevi.com, www.aevi.com.

Ethoca Fraud Fighting for Issuers/Merchants

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than 3,500 merchants participating are 7 of the top 10 ecommerce sellers worldwide. Among the card issuers are 7 of the 10 largest in the U.S., 8 in Canada, 8 in the U.K., and 3 in Australia. Expansion continues this year to other countries in Europe and Asia.

Merchants benefit when they can resolve disputes before they become more expensive chargebacks. Issuers benefit from a reduction in operational costs tied to chargebacks. It is common for customer relationship staff to handle multiple calls related to a single chargeback. Ethoca can help reduce that to one call. Issuers also benefit from faster recovery of fraud losses.

ethoca

Ethoca has been signing merchants and issuers directly to contribute their data and to participate in Ethoca Alerts. Now, it has started to grow its contributor base through partnerships. A contract with Pegasystems brings data from issuers that use Pegasystems' Smart Dispute for Issuers product, which greatly reduces issuer labor costs related to disputed transactions.

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Ethoca Fraud Fighting for Issuers/Merchants

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That same transmission of data between an issuer and Pegasystems is now extended to Ethoca, with no need for creation of another file or an application program interface.

A link between Ethoca and TSYS, the global card account processor, accomplishes the same result as the Pegasystems partnership, and also without issuers needing a link to Ethoca. Using data from TSYS and

Pegasystems received in near real-time enables Ethoca to help issuers more quickly recover fraud and dispute-related losses. Concurrently, merchants get actionable data more quickly.

Ethoca revenues come from merchants and issuers. It receives 40% of the recovered value of goods it stops from being shipped to fraudsters. For lower-value digital transactions, it receives a per-transaction fee. Card issuers also pay Ethoca a percentage of the recovered value.

... receives 40% of the value of goods it stops from being shipped.

An expected uptake in the number of merchants deploying 3D Secure technologies to combat rising card-not-present (CNP) fraud is expected to benefit Ethoca. There is no recovery by issuers of fraud losses in CNP transactions involving 3D Secure transactions. Ethoca promises to minimize those CNP

losses. The rising number of transactions valued at under \$25 will also increase Ethoca's value to issuers. Currently, internal

costs involving disputed low-value transactions outweigh any recovered funds, leaving issuers stuck with absorbing the losses.

Keith Briscoe is Chief Marketing Officer at Ethoca in Toronto, Canada, (416) 312-8105, keith.briscoe@ethoca.com, www.ethoca.com.

Prior issues: 1063, 1061, 1051, 1043, 1042, 1022, 1020, 970, 958, 956, 882

Star Debit Network Update

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are overwhelmingly secured by signatures, not PINs. Signature-based debit payments, like credit card payments, are cleared and settled in two separate data messages. The authorization message is subsequently followed by the settlement information message. PIN-based debit

payments are authorized and settled in a single transaction.

Star is largest among PIN-based debit networks, which also include Nyce, Accel, Pulse, Shazam, and more than 15 others. Over the last three years, Star's card base has grown by 28% to 116.5 million. It was the biggest winner among potential competitors to Visa and MasterCard when federal regulators imposed a requirement on U.S. banks to add a second network, unaffiliated with Visa, MasterCard, or Discover, to clear and settle debit payments.

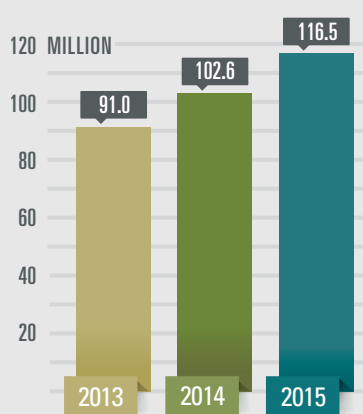
First Data gained Star card-issuing business from banks because it promised them spending increases sufficient to support new products, competitive interchange and network fees, fewer chargebacks, and machine learning-based fraud protection that met or exceeded Visa and



MasterCard levels. Its latest contract is with First Tennessee Bank, which will add the Star brand to the back of its 560,000 Visa brand debit cards. First Tennessee has also signed a debit card account processing contract and a revenue sharing alliance (RSA) with First Data. First Tennessee left an RSA deal with Elavon.

Star already has the largest merchant network among alternatives to Visa, MasterCard, and Discover. First Data builds Star acceptance with merchants with which it owns processing contracts and those merchants connected to it through RSAs.

Star-Branded Cards



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In the third quarter of 2015, First Data began giving merchants the option of accepting Star transactions at the point of sale below \$50 without

a PIN. This matched Visa and MasterCard. It has also started offering recurring bill payments

and an ACH-based product for business-to-business transactions.

... putting it on par with what Visa, MasterCard, and Discover offer.

First Data will soon start beta tests on a new Star signature-only product, which will be rolled out in the second half of this year,

putting it on par with what Visa, MasterCard, and Discover offer merchants. Currently, no other PIN-based network offers a signature-only product.

Todd Clark is Vice President, General Manager, EFT Network at First Data in Atlanta, Georgia, (404) 890-2479, todd.clark@firstdata.com, www.firstdata.com.

Oberthur's Motion Code for Payment Cards

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card product to market 18 months ago. Now called Motion Code, OT is starting to evaluate reactions to it by issuers and cardholders involved in 10 pilot tests in progress in the U.S., Mexico, Poland, and France. Those tests are examining how effective Motion Code is in stopping CNP fraud, whether cards using the technology will be a consumer's first choice among all cards they possess, and if they will encourage users to make even more CNP transactions.

Motion Code leverages an embedded miniature screen, chip, and battery to change the card verification value (CVV) according to an algorithm. The 3-digit or 4-digit dynamic codes can be transmitted to the Visa, MasterCard, American Express, and Discover payment networks just as static CVV codes are.

There are 10 pilot tests in progress in the U.S., Canada, and France.

Motion Code servers available from OT decrypt the dynamic CVV and match it to the static CVV initially assigned by the issuers. Banque Populaire and Caisse d'Epargne in France already issue Motion Code cards for select cardholders. Their account processor, Natixis Payment Solutions, manages the Motion Code server.

Issuers in nearly every country are seeing steady increases in the number of CNP authorization

requests. While issuers are not liable for CNP fraud — those losses are the responsibility of online sellers — there are still costs that issuers absorb associated with customer service calls from cardholders

complaining about fraud, as well as costs absorbed when chargebacks are not filed because operational expenses exceed the money issuers will recoup. While biometrics promise to secure mobile

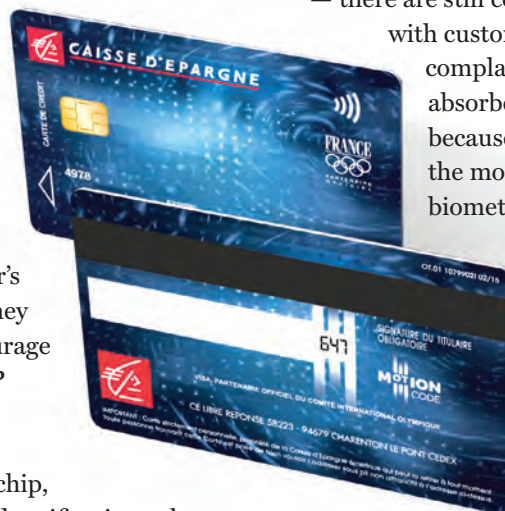
phone-based CNP transactions, plastic cards are going to be in circulation for a very long time.

In addition to the actual security gain, dynamic CVVs could be helpful for issuers who want to protect their reputations with co-brand partners like airlines and offer a peace-of-mind benefit to cardholders. OT

also thinks some issuers will find value in offering Motion Code card to new customers, justifying the added expense versus a standard card as part of the more than \$200 they spend to add any new account.

Canada, a country that has achieved ubiquitous EMV penetration for cardholders and merchants at the point of sale, is experiencing steadily accelerating CNP fraud. The U.S. could see even higher fraud rates because so many more merchants sell online there. OT says issuers in both markets are showing interest in Motion Code.

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Prior issue: 1051

Yandex.Money in Russia

from page 1...

of the local ecommerce market is approximately \$2.47 billion (713 billion rubles). What is

Yandex

unusual about online purchases by Russians is that more than 43% of those payments are made by cash on delivery. Payment cards account for 34%.

Yandex, the top portal and search engine in Russia, has 25 million users of its Yandex.Money digital (online and mobile) wallet, and more than 15,000 new users are added daily. The mobile wallet is available for Android, iOS, and Windows Phone smartphones. Of the more than 88,000 online merchants in Russia, 76% accept payment from Yandex.Money, which can also be used for person-to-person money transfers, bill payments, and more.

Yandex.Money users can link a payment card and handle online and mobile checkout with a single click. Through a partnership with Sberbank, which holds an equity stake in Yandex.Money, the service offers users payment on delivery for cross-border retailers. Once a purchase is delivered, a customer can confirm payment by sending an SMS code.

Since 2013, Yandex.Money has also offered the Yandex Payment Solution (YPS) to online and mobile merchants. One integration to YPS provides acceptance for global and domestic bank cards, ewallets (Yandex.Money, Webmoney, Qiwi), mobile billing through the top Russia/CIS providers, and cash via over 170,000 cash-acceptance points all over the country.

Several dozen shopping carts, including Magento, osCommerce, OpenCart, and PrestaShop, offer

YPS through preinstalled plug-ins. Other partners include Worldpay, Skrill, Epay, Ingenico ePayments (formerly GlobalCollect), JD.com, Skype, Nintendo, and many others.

YPS also offers a payout service to companies that need to make settlements with foreign exchange agents and payments to freelance workers.

Yandex.Money is a principal member of MasterCard. It has issued 400,000 reloadable MasterCard prepaid cards with PayPass contactless acceptance. Prepaid cards issued currently carry the MasterCard World brand. Prepaid card account processing is done in-house.

... has issued 400,000 reloadable MasterCard prepaid cards.

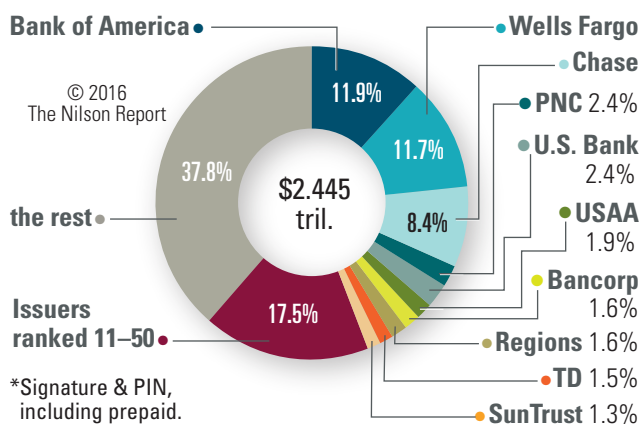
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Top 50 U.S. Debit Card Issuers

from page 1

Purchase volume by cardholders of the 50 largest debit and prepaid card issuers reached \$1.521 trillion

Market Shares of Purchase Volume* for Top Debit Card Issuers 2015



in 2015, up 5.9% from 2014. Prepaid accounted for 8.86%, up from 8.41% one year before.

Debit and prepaid cards in circulation by these issuers at year-end 2015 totaled 454.0 million, of which 51.62%, or 234.4 million, were prepaid. In 2014 prepaid accounted for 50.33% of cards.

Purchase transactions on debit and prepaid cards reached 39.54 billion last year, up 6.8%. Prepaid cards accounted for 9.86% of purchase transactions, up from 9.53% in 2014.

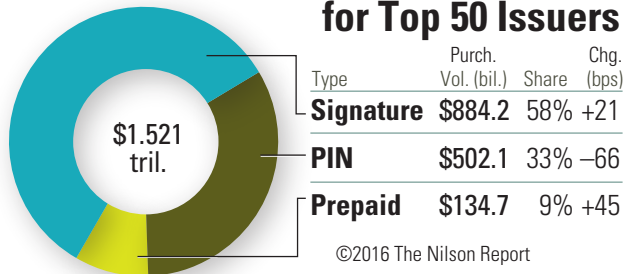
The 5 largest issuers accounted for 36.83% of the U.S. industry's combined signature and PIN debit and prepaid card purchase volume in 2015, down from 37.51% in 2014. The 10 largest issuers accounted for 44.70% of the industry total, down from 45.44% in 2014.

The 10 largest issuers based on combined signature and PIN debit and prepaid purchase

transactions were Wells Fargo, Bank of America, JPMorgan Chase, PNC Bank, U.S. Bank, USAA, The Bancorp Bank, Regions Bank, Navy Federal Credit Union, and TD Bank. Among the top 10, the only issuers to gain share were Navy Federal Credit Union, USAA, TD Bank, and Wells Fargo.

The 10 largest issuers ranked by signature-based debit card purchase volume (no prepaid) were Wells Fargo, Bank of America, JPMorgan Chase, PNC Bank, U.S. Bank, USAA, TD Bank, Regions

Debit Products Market Shares for Top 50 Issuers



Bank, Fifth Third, and Capital One. Collectively they accounted for 74.42% of the signature-based purchase volume at the top 50, up from 73.98%.

The 10 largest issuers ranked by signature-based debit card purchase transactions were Wells Fargo, Bank of America, JPMorgan Chase, PNC Bank, U.S. Bank, USAA, Navy Federal Credit Union, Fifth Third, Capital One, and TD Bank.

The 5 largest issuers ranked by PIN-based debit card purchase volume (no prepaid) were Bank of America, Wells Fargo, JPMorgan Chase, PNC Bank, and USAA. Collectively, they accounted for 65.55% of the top 50 PIN-based debit purchase volume total, down from 66.02% in 2014. The top 10 accounted for 79.68% of the top 50, down from 79.86% in 2014. The largest issuers ranked by PIN-based debit card purchase transactions were Wells Fargo, Bank of America, JPMorgan Chase, PNC Bank, and U.S. Bank.

The 5 largest prepaid card issuers in 2015 based on purchase volume were The Bancorp Bank, MetaBank, Comerica Bank, Green Dot Bank, and JPMorgan Chase. This group accounted for 78.32% of the prepaid purchase volume at the top 50, up from 76.64% in 2014. The largest issuers from this list of 50 based on prepaid card purchase transactions were MetaBank, The Bancorp Bank, Green Dot Bank, Comerica Bank, and JPMorgan Chase. The largest prepaid issuers based on cards in circulation were The Bancorp Bank, MetaBank, U.S. Bank, Bank of America, and Comerica.

Debit Card Transaction Growth* Among Top Issuers 2015 vs. 2014

First Citizens	62.2%
MetaBank	33.6%
SchoolsFirst	24.4%
Navy Federal	19.1%
First Tennessee	14.4%
Randolph Brooks	13.0%
Arvest	12.8%
Golden 1	12.4%
Green Dot	10.1%
USAA	10.0%
TD	9.6%
Wells Fargo	9.2%
Frost	9.2%
Fifth Third	8.8%
BB&T	8.6%
BECU	8.3%
Industry Average	8.2%
Capital One	8.2%
PNC	7.8%
VyStar	7.5%
U.S. Bank	7.1%
Chase	7.1%
Comerica	6.9%
Regions	6.6%
TCF	6.5%
ICBA	6.2%
Santander	6.1%
BMO Harris	6.0%
First Niagara	5.5%
UMB	5.5%
M&T	3.9%
State Employees	3.8%
KeyBank	3.4%
FirstBank	3.3%
Huntington	2.9%
Suncoast	2.9%
Commerce	2.9%
Associated	2.7%
People's United	2.6%
Bank of America	2.6%
Citizens Bank	2.3%
BBVA Compass	1.9%
SunTrust	1.2%
Zions	1.0%
Bancorp Bank	0.9%
America First	0.8%
Bank of the West	0.7%
Union	0.2%

* Signature and PIN transactions. Includes prepaid.

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Top 50 Debit Card Issuers in the U.S. 2015

Ranked by Purchase Volume

Issuer, Brands Issued		TOTAL DEBIT & PREPAID								SIGNATURE	
		'15 Rank	'14 Rank	Purchase Volume (mil.)		Purch. Trans. (mil.)		Cards (000)		Purchase Volume (mil.)	
				Chg.		Chg.		Chg.		Chg.	
Bank of America ¹	V/MC	1	1	\$290,353.2	2.0%	7,223.8	2.6%	52,004	3.8%	\$170,399.3	4.0%
	Wells Fargo	2	2	\$286,998.4	8.0%	7,510.9	9.2%	55,621	1.8%	\$173,034.7	9.7%
JPMorgan Chase	V/MC	3	3	\$204,758.3	5.7%	5,350.7	7.1%	42,760	3.3%	\$126,303.2	6.1%
	PNC	4	4	\$59,296.4	6.3%	1,641.1	7.8%	14,393	6.2%	\$36,896.6	5.4%
U.S. Bancorp (U.S. Bank)	V/MC	5	5	\$59,059.8	6.3%	1,616.8	7.1%	27,777	6.7%	\$36,554.8	6.1%
	USAA	6	6	\$46,301.6	7.7%	1,234.5	10.0%	8,081	8.4%	\$28,198.8	8.5%
The Bancorp Bank	V/MC/D	7	7	\$39,992.9	1.7%	988.4	1.7%	86,381	11.7%	\$7,424.2	−13.7%
	Regions Bank	8	9	\$37,932.1	14.9%	929.5	6.6%	4,848	3.0%	\$22,313.6	23.7%
TD Bank	V	9	8	\$36,169.8	8.1%	865.7	9.6%	8,655	12.1%	\$22,647.9	7.4%
	SunTrust Bank	10	10	\$32,001.5	0.3%	783.9	1.2%	6,212	−6.0%	\$18,625.3	−2.8%
BB&T	V/D	11	12	\$30,084.7	7.3%	767.3	8.6%	4,426	9.9%	\$17,879.3	10.5%
	Navy FCU	12	14	\$30,043.1	16.6%	867.9	19.1%	4,824	4.4%	\$19,873.0	13.5%
Citibank	V/MC	13	11	\$28,414.1	−2.6%	674.6	−3.5%	18,538	−16.7%	\$17,101.6	−0.5%
	Capital One	14	13	\$28,404.4	6.8%	737.7	8.2%	5,114	8.9%	\$20,660.3	7.7%
MetaBank	V/MC/D	15	16	\$27,975.1	33.1%	848.1	33.6%	41,555	15.7%	\$20.1	0.8%
	Fifth Third	16	15	\$26,714.3	5.9%	717.5	8.8%	7,951	12.3%	\$21,010.6	4.4%
Comerica Bank	V/MC	17	18	\$20,332.9	8.1%	591.8	6.9%	13,602	1.6%	\$2,557.4	0.9%
	Citizens Bank	18	17	\$19,801.9	0.4%	521.3	2.3%	3,052	4.2%	\$12,816.0	−0.7%
ICBA Bancard	V/MC	19	19	\$16,694.3	4.9%	428.7	6.2%	5,519	5.5%	\$16,095.2	4.3%
	Green Dot Bank	20	20	\$16,055.0	13.4%	565.0	10.1%	4,500	−4.3%	—	—
M&T Bank	V	21	21	\$12,030.6	2.0%	303.5	3.9%	1,972	−1.1%	\$9,940.6	0.5%
	State Empl. CU (N.C.)	22	22	\$11,577.7	0.7%	356.6	3.8%	2,534	9.5%	\$6,774.1	12.6%
BBVA Compass	V	23	23	\$11,566.7	0.8%	262.1	1.9%	1,439	0.2%	\$6,240.3	1.5%
	KeyBank	24	24	\$11,116.3	1.8%	269.8	3.4%	2,433	−1.2%	\$9,186.6	2.5%
Bank of the West	MC	25	25	\$8,270.5	2.3%	194.7	0.7%	1,087	−0.7%	\$4,778.9	1.9%
	Huntington Bank	26	26	\$8,243.1	2.3%	223.3	2.9%	1,644	2.6%	\$6,890.4	2.3%
BMO Harris	V/MC	27	27	\$7,585.0	1.3%	185.9	6.0%	1,212	1.2%	\$4,839.7	1.5%
	Santander	28	28	\$7,531.0	5.1%	181.6	6.1%	1,923	3.5%	\$4,975.0	2.9%
TCF Financial	V	29	29	\$7,419.9	6.0%	217.0	6.5%	1,915	4.6%	\$6,233.3	6.6%
	Arvest Bank	30	32	\$7,416.5	16.6%	193.0	12.8%	784	2.5%	\$4,178.8	20.0%
Union Bank	MC	31	30	\$6,638.4	0.2%	147.3	0.2%	1,057	−9.3%	\$3,572.6	2.0%
	Zions Bancorporation	32	31	\$6,547.4	0.5%	142.2	1.0%	1,155	−0.1%	\$3,734.9	1.0%
BECU	MC	33	33	\$6,396.6	7.5%	168.7	8.3%	886	10.4%	\$3,203.8	11.6%
	Commerce Bank	34	34	\$5,469.7	1.5%	155.0	2.9%	972	0.9%	\$3,247.7	2.3%
First Citizens Bank	V	35	48	\$5,451.2	58.1%	134.6	62.2%	909	57.0%	\$3,603.1	83.7%
	UMB Bank	36	37	\$5,211.9	9.5%	88.7	5.5%	6,415	9.3%	\$1,214.1	−0.4%
First Niagara	MC	37	36	\$4,936.5	2.9%	123.7	5.5%	867	−11.9%	\$3,470.4	3.6%
	H&R Block	38	35	\$4,664.7	−8.5%	143.4	−6.0%	2,000	−14.8%	—	—
People's United	MC	39	38	\$4,407.3	1.1%	108.0	2.6%	766	−1.8%	\$2,392.9	1.7%
	Frost Bank	40	39	\$4,101.2	5.3%	77.4	9.2%	854	7.9%	\$2,261.8	7.7%
Golden 1 CU	V	41	43	\$3,942.4	10.5%	106.6	12.4%	454	6.8%	\$1,987.9	20.6%
	SchoolsFirst FCU	42	54	\$3,853.8	22.9%	105.2	24.4%	593	9.9%	\$2,054.1	14.5%
VyStar CU	V	43	45	\$3,784.0	7.3%	112.5	7.5%	554	6.9%	\$2,390.3	8.3%
	Associated Bank	44	41	\$3,722.6	1.2%	99.6	2.7%	651	−2.4%	\$2,244.4	−0.6%
Suncoast CU	V	45	44	\$3,672.3	3.0%	103.5	2.9%	470	−3.0%	\$2,572.0	7.7%
	America First CU	46	46	\$3,667.0	4.8%	104.5	0.8%	663	9.7%	\$2,136.7	7.4%
FirstBank (Colorado)	V	47	47	\$3,641.1	4.3%	86.6	3.3%	450	0.2%	\$3,178.7	4.6%
	Hancock/Whitney Bank	48	42	\$3,628.1	−0.6%	84.5	−0.2%	337	−1.7%	\$2,338.8	−1.1%
Randolph Brooks FCU	MC	49	50	\$3,570.0	9.4%	104.8	13.0%	612	36.0%	\$2,108.1	7.7%
	First Tennessee	50	53	\$3,522.6	12.0%	94.4	14.4%	560	2.6%	\$2,004.8	12.2%
TOTALS, TOP 50				\$1,520,969.8	5.9%	39,543.5	6.8%	453,984	5.2%	\$884,166.6	6.3%

Some prior year figures have been restated. Use percent change to compute prior year figures. Includes both consumer and commercial cards.

Purch. Trans. (mil.) Chg.		PIN				PREPAID				Cards (000) Chg.	
		Purchase Volume (mil.) Chg.		Purch. Trans. (mil.) Chg.		Purchase Volume (mil.) Chg.		Purch. Trans. (mil.) Chg.			
4,284.8	4.3%	\$113,186.6	−1.1%	2,718.2	−0.1%	\$6,767.3	5.5%	220.9	4.7%	15,442	12.9%
4,545.4	10.4%	\$111,038.9	5.5%	2,873.0	7.7%	\$2,924.7	5.4%	92.5	−1.4%	11,851	14.5%
3,388.8	6.9%	\$65,608.1	4.4%	1,665.1	6.6%	\$12,847.0	8.0%	296.8	11.1%	11,160	8.5%
1,083.7	7.0%	\$21,280.6	6.9%	528.4	8.8%	\$1,119.2	31.1%	29.0	23.2%	4,942	12.9%
1,000.3	7.1%	\$17,911.1	7.2%	449.1	8.3%	\$4,593.9	4.0%	167.4	4.0%	19,726	8.2%
807.0	10.7%	\$17,999.9	6.6%	421.2	9.1%	\$102.9	−14.2%	6.3	−13.3%	189	−6.0%
211.6	−8.5%	\$271.9	413.8%	9.6	575.3%	\$32,296.7	5.4%	767.1	2.7%	83,228	10.6%
527.8	7.6%	\$15,134.7	4.7%	386.8	5.4%	\$483.7	−6.7%	14.9	3.8%	349	31.4%
533.4	8.7%	\$13,325.7	9.4%	325.1	11.1%	\$196.2	6.5%	7.3	10.8%	2,824	6.0%
456.5	−0.1%	\$13,035.0	5.2%	312.4	3.5%	\$341.2	−3.4%	15.1	−3.8%	874	−4.4%
459.5	10.7%	\$11,533.2	3.1%	294.2	3.1%	\$672.1	0.2%	13.6	9.6%	570	1.4%
598.4	15.9%	\$10,034.9	22.9%	264.6	27.2%	\$135.2	49.0%	4.9	11.2%	593	6.7%
360.0	−1.0%	\$8,529.7	−3.4%	189.8	−3.9%	\$2,782.8	−12.1%	124.9	−9.6%	12,501	−22.0%
554.3	10.1%	\$7,744.1	4.5%	183.0	2.7%	—	—	—	—	—	—
0.6	1.0%	\$12.9	6.8%	0.4	10.2%	\$27,942.2	33.1%	847.1	33.7%	41,550	15.7%
567.1	6.6%	\$5,082.9	5.2%	132.3	8.4%	\$620.9	132.0%	18.0	230.3%	1,901	27.6%
52.7	−0.4%	\$1,388.1	−0.2%	29.1	−1.2%	\$16,387.4	10.1%	510.0	8.2%	12,652	1.7%
347.9	1.5%	\$6,985.8	2.6%	173.5	4.0%	—	—	—	—	—	—
411.9	5.6%	\$599.1	23.9%	16.8	24.5%	—	—	—	—	—	—
—	—	—	—	—	—	\$16,055.0	13.4%	565.0	10.1%	4,500	−4.3%
254.8	2.3%	\$2,090.0	9.9%	48.7	13.6%	—	—	—	—	—	—
213.8	14.3%	\$4,784.9	−12.4%	142.0	−8.8%	\$18.7	−1.4%	0.8	−1.2%	184	0.4%
151.2	2.9%	\$5,302.2	0.1%	110.1	0.6%	\$24.2	2.3%	0.8	0.1%	22	1.7%
224.9	4.0%	\$1,903.3	−1.6%	44.1	0.8%	\$26.4	−8.9%	0.8	−7.8%	590	−8.7%
110.9	−2.7%	\$3,491.6	2.9%	83.8	5.7%	—	—	—	—	—	—
187.4	2.8%	\$1,352.7	2.5%	35.9	3.5%	—	—	—	—	—	—
115.9	2.2%	\$2,727.9	0.9%	69.4	13.3%	\$17.4	6.4%	0.5	4.5%	192	3.4%
124.6	5.3%	\$2,556.0	9.6%	57.0	8.0%	—	—	—	—	—	—
183.4	6.9%	\$1,186.6	3.2%	33.6	4.3%	—	—	—	—	—	—
124.9	14.9%	\$3,181.2	12.3%	66.2	8.8%	\$56.5	20.1%	1.8	21.5%	74	−2.3%
76.8	0.3%	\$3,065.7	−1.8%	70.5	0.1%	—	—	—	—	—	—
81.8	1.1%	\$2,801.2	−0.1%	60.2	0.9%	\$11.4	−11.4%	0.1	−45.7%	14	−0.5%
92.6	10.8%	\$3,192.1	3.8%	76.0	5.4%	\$0.7	−4.9%	<0.1	−3.1%	5	−6.9%
98.4	3.5%	\$2,134.0	−0.5%	53.3	0.4%	\$88.0	28.0%	3.4	30.9%	106	24.9%
88.1	85.4%	\$1,841.3	24.5%	46.0	30.8%	\$6.8	5.5%	0.5	85.1%	55	6.4%
33.2	1.4%	\$466.6	−5.1%	9.7	3.0%	\$3,531.1	15.9%	45.8	9.2%	6,034	11.3%
88.7	6.1%	\$1,466.1	1.4%	34.9	4.1%	—	—	—	—	—	—
—	—	—	—	—	—	\$4,664.7	−8.5%	143.4	−6.0%	2,000	−14.8%
58.4	2.2%	\$2,014.4	0.5%	49.6	3.1%	—	—	—	—	—	—
47.7	8.7%	\$1,839.4	2.5%	29.7	9.9%	—	—	—	—	—	—
59.0	21.1%	\$1,954.5	1.9%	47.6	3.3%	<\$0.1	−92.7%	<0.1	−93.4%	<1	−70.1%
61.0	13.8%	\$1,798.7	34.0%	44.2	42.6%	\$1.0	232.6%	<0.1	248.3%	6	165.7%
72.7	8.7%	\$1,390.6	5.8%	39.7	5.4%	\$3.1	−12.8%	0.1	−7.8%	131	18.4%
60.1	−0.5%	\$1,478.3	4.0%	39.4	8.0%	—	—	—	—	—	—
75.2	7.4%	\$1,100.3	−6.5%	28.3	−7.5%	—	—	—	—	—	—
61.7	0.8%	\$1,530.3	1.3%	42.8	0.9%	—	—	—	—	—	—
81.1	3.4%	\$462.4	2.5%	5.5	1.9%	—	—	—	—	—	—
55.5	−0.5%	\$1,281.3	0.0%	28.7	0.3%	\$8.0	17.2%	0.3	12.1%	3	−3.7%
67.3	16.1%	\$1,459.7	12.0%	37.5	7.9%	\$2.2	8.3%	<0.1	11.2%	71	41.8%
53.7	14.6%	\$1,512.4	12.2%	40.5	14.6%	\$5.3	−39.8%	0.2	−33.9%	23	13.5%
23,196.7	6.9%	\$502,069.1	3.8%	12,447.3	5.5%	\$134,734.1	11.5%	3,899.5	10.5%	234,363	7.9%

Iyzico Online Processing to Iran via Pecco

from page 1...

for virtual POS terminals are routinely denied because acquirers fear card-not-present fraud.

Even when approved, it can take merchants up to five weeks



Parsian E-Commerce Co. (pecco)

to be in position to accept card payments. Part of that delay concerns arrangements to handle settlement with domestic card issuers, which can require up to seven integrations as well as that many bank accounts.

Iyzico, a payment service provider (PSP), offers Turkey's SMBs the ability to begin accepting online payments in less than 48 hours.

In business since 2013, Iyzico supports 5,000 active merchants and adds 300 a month. Those merchants link to Iyzico through one integration and receive settlement to one bank account for seven local card brands — Bonus, World, Maximum, Axess, CardFinans, AsyaCard, and Paraf. Collectively, those brands account for 99% of the market. All offer installment credit, which is very popular for online sales in Turkey. Iyzico's platform can process transactions in Turkish lira, Iranian rials, U.S. dollars, euros, and British pounds.

Iyzico will bring its online merchants in Turkey to cardholders in Iran through an exclusive partnership with Pecco, the top PSP in Iran. Pecco, established in 2000, is the largest business within Parsian Bank Data Processing Group, and the largest acquirer in Iran. Last year, Pecco acquired 1.55 billion card payments from 830,000 POS terminals in retail stores as well as virtual terminals used by online and mobile channel sellers. Online and mobile channels account for 28% of card payments Pecco handles, with the remaining 72% coming from POS terminals.

Half of the merchants linked to Pecco are customers of Parsian Bank. The others are customers of 12 other banks. All payments are made using Shetab brand debit cards. Shetab, the national card

Payment gateways anywhere in the world can offer access to Shetab cards.

system in Iran, is the only card brand available in Iran. Shetab debit card penetration exceeds more than 90% of all adults. There are 240 million Shetab debit cards in circulation.

Over 70% of Iran's population of nearly 80 million has access to the internet. Around 20,000 merchants in Iran sell online and 3,000 sell over the mobile channel. However, there are no global card brand acceptance



agreements available to domestic merchants. Currently, cardholders can't use their Shetab debit cards to pay for goods from international merchants. If a buyer in Iran wants to purchase online from a seller outside the country, they need to purchase a prepaid Visa or MasterCard, usually in another country such as the United Arab Emirates or Georgia. The Pecco/Iyzico contract calls for Iyzico to deliver all Iranian cardholder transactions to Pecco for authorization.

Iyzico, which is working with Pecco and the Central Bank of Iran to establish requirements for transferring money from Iran to other countries for consumer card purchases, is establishing a branch in Tehran. It plans to enable payment gateways operating anywhere in the world to link to Shetab, giving international merchants access to Iranian cardholders using Shetab cards.

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David Robertson, Publisher
April 15, 2016