

FLEETCOR TO ACQUIRE COMDATA

FleetCor Technologies, a provider of a variety of commercial card programs for fuel, lodging, and related products and services to businesses in 43 countries, will purchase Comdata, > see p. 5

SOFT SPACE MPOS IN SOUTHEAST ASIA

Mobile payments technology provider Soft Space expects to be supporting more than 35,000 mPOS devices through nine bank clients in seven countries by the end of the year. Collectively, > see p. 5

TOP U.S. CONSUMER CREDIT/DEBIT ISSUERS

The tables shown on page 10 list the largest issuers of both credit cards and debit cards based on consumer purchase volume only in 2013. The 50 largest issuers of Visa and MasterCard credit cards > see p. 10

U.S. COMMERCIAL BANK CARDS — PART 2

Commercial credit, debit, and prepaid cards in the U.S. carrying MasterCard and Visa brands generated \$585.47 billion in purchases of goods and services in 2013, up 12.0% from 2012. > see p. 4

PAYONEER GLOBAL B2B PAYMENTS

The global cross-border business-to-business (B2B) payments industry is estimated to be in the \$40 to \$50 trillion range. It is supported by legacy payment platforms that continue to operate > see p. 6

FIRST DATA ACQUIRING IN BRAZIL

Banco Cooperativo do Brazil (Bancoob), the banking arm of the Brazilian Credit Union System (Sicoob), is First Data's partner on a new merchant acquiring business in that country. First Data > see p. 8

INVESTMENTS & ACQUISITIONS — JULY 2014

Turn to page 7 for a list of 57 mergers, acquisitions, and corporate financing deals that occurred in July of 2014. > see p. 7
Prior issues: 1,045, 1,042, 1,041, 1,039, 1,037, 1,036



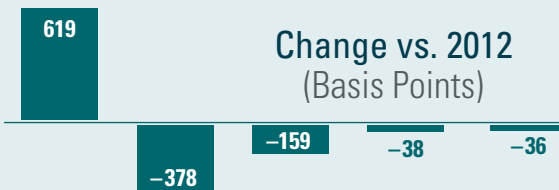
ASIA-PACIFIC

Brand Market Share

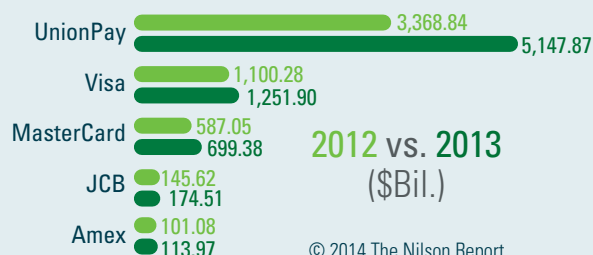
\$7,396.54 Bil. Purchase Volume in 2013



Change vs. 2012 (Basis Points)



Purchase Volume



ASIA-PACIFIC GENERAL PURPOSE CARDS

UnionPay, Visa, MasterCard, JCB, American Express, and Diners Club brand credit, debit, and prepaid cards in > see p. 11

INSIDE	6	TSYS's Enterprise Tokenization
	8	PINs and Smartphones
	9	Card Manufacturer Shipments
	12	Syniverse's Mobile Portal

CHARTS	4	U.S. Visa & MC Commercial Cards
	7	Investments & Acquisitions — July
	9	Telephone, Prepaid & Nonpayment Card Shipments 2013

10	Largest U.S. Issuers of Consumer Credit and Debit Visa & MC Cards
11	Asia-Pacific General Purpose Cards and Purchase Transactions

NATIONAL RETAIL FEDERATION and other organizations asked the U.S. Supreme Court on Monday, August 19 to hear an appeal of a March ruling by the U.S. Court of Appeals for the D.C. circuit that upheld the Federal Reserve's debit interchange rule. If the Supreme Court accepts the case, the announcement will be made later this year.

GLOBALSHOPEX helps online retailers in the U.S. sell internationally by fully managing and operating their international e-commerce, logistics, fraud prevention, and multilingual customer service. It assumes all fraud risks and chargebacks on behalf of the retailer. *Colleen Petschulat is VP Business Development, (561) 672-7154, colleen@globalshopex.com, www.globalshopex.com.*

BINDO now offers an EMV-compliant (Level 1 and Level 2) reader for its iPad-based mobile payments service, which also provides full end-to-end encryption. *Brad Lauster is Co-Founder, (646) 798-8383, brad.lauster@bindo.com, www.bindopos.com.*

VISA TRANSACTION ADVISOR identifies fuel pump transactions that could involve lost, stolen, or counterfeit cards. After a card is inserted, Visa analyzes multiple data sets including past transactions, whether the account has been involved in a data compromise, and nearly 500 other pieces of data to create a risk threshold merchants can use to decide if they want to perform in-person cardholder authentication before gas is pumped. *Sydney Green is Director of Risk Products, (415) 805-4033, sygreen@visa.com, www.visa.com.*

SMART CARD ALLIANCE has released a new white paper called HCE 101, which examines HCE and NFC opportunities and security considerations. Download at <http://www.smartcardalliance.org/publications-host-card-emulation-101/>.

PRECASH will use its cloud-based platform to process payment transactions at McAllister Internationals' new Redde Pay portal, which provides merchants with bill payment, international long distance, domestic and international mobile top-up, and other value-added products. McAllister will distribute Redde Pay to its more than 150,000 merchant locations in the U.S. *Blair Jeffery is SVP at PreCash, (713) 600-2346, blair.jeffery@precash.com, www.precash.com. Robert McAllister is CEO at McAllister Industries, (858) 755-0775 x1010, robert@mcallisterindustries.com, www.mcallisterindustries.com.*

HEARTLAND PAYMENT SYSTEMS, the 5th largest U.S. merchant acquirer, has purchased Leaf, which sells tablet-based point-of-sale systems. Terms were not disclosed. HPS made a \$20 million investment in Leaf in 2013. *Robert Carr is CEO at HPS, (609) 683-3831, bob.carr@e-hps.com, www.heartlandpaymentsystems.com. Sarah McCrary is CEO at Leaf, (857) 242-1509, sarah@leaf.me, www.leaf.me.*

PAYCHEX, a top provider of payroll, human resource, insurance, and benefits outsourcing services for small and mid-sized businesses, now offers the Skylight PayOptions payroll card program, which gives employers an alternative to direct deposit and paper paycheck. NetSpend, a TSYS company, is program manager for the Skylight ONE Prepaid MasterCard, which is funded by direct deposit of employee wages. *Chuck Harris is President at NetSpend, (512) 532-8225, charris@netspend.com, www.netspend.com. Michael Gioja is SVP at Paychex, (585) 383-3762, mgioja@paychex.com, www.paychex.com.*

FEATURED CONFERENCE

Subscribers to The Nilson Report will receive a \$300 discount.

SAVE
\$300

PREPAID CARD COMPLIANCE 2014

Two-Day Conference
October 6-7, 2014

The InterContinental Chicago Magnificent Mile
Chicago, Illinois

Topics include: CFPB and prepaid disclosures, extension of Reg. E, payments linked to GPR cards, prepaid card forms and packaging, scrutiny of overdraft programs and rewards programs/points, new and emerging payment platforms including cryptocurrencies — the role of prepaid in the equation, payroll card programs, UDAAO issues and managing and maintaining oversight of third parties, payday lending and deposit advance, Durbin 2.0 on the prepaid market, and regulatory challenges that come with international expansion. Speakers represent: Paul Hastings LLP, Meta Payment Systems, The Bitcoin Foundation, FDIC, PayPal, Verizon, Bitpay, Citigroup, Green Dot, U.S. Treasury, Office of Assets Control, Asset Forfeiture & Money Laundering Section, U.S. Department of Justice, American Express, and more. *Cost is \$1,995. (Use code TNR300.) Contact Nicole O'Neill at ACI, (212) 352-3220 x5257, n.oneill@americanconference.com. Register at www.americanconference.com/PrepaidCard.*

Conference links at www.nilsonreport.com

FEATURED CONFERENCE

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20%

13TH ANNUAL SCA GOVERNMENT CONFERENCE 2014

Two-Day Conference
October 29-30, 2014
The Washington Convention Center
Washington, D.C.

Topics include: ID security technology and applications, ID security implementation and policy, and healthcare ID security. Speakers represent: GSA, NIST, DOD, U.S. Department of Health & Human Services, and more. Cost for the two-day conference plus access to all preconference and conference activities starts at \$840 for member; \$1,080 for nonmembers until October 7 and \$960 for member; \$1,200 for nonmembers until October 30. (Use code SCDH14.) *Contact Bill Rutledge at Cnxted, at (212) 866-2169, bill@cnxted.com. Register at www.govsmartid.com.*

Conference links at www.nilsonreport.com

WEB.COM will offer MasterCard's Simply Commerce PCI-certified platform as its preferred payments provider. Web.com provides 3.2 million small businesses with e-commerce and mobile commerce products. *Deborah Barta is Simplify Commerce Product Lead at MasterCard, (636) 722-4038, deborah_barta@mastercard.com, www.simplify.com.*

COMMERCE BANK, the 27th largest U.S. issuer of Visa/MasterCard credit cards, is offering a Visa-brand affinity card in partnership with USA Triathlon, the national governing body for triathlons. *Chad Doza is SVP Consumer Credit Card at Commerce Bank, (816) 234-2161, chad.doza@commercebank.com, www.commercebank.com.*

GLOBAL PAYMENTS' Integrated Solutions division has released CustomerBuilder, a digital card-linked offers product. Merchants can use CustomerBuilder to create, distribute, and track digital offers used as incentives to attract new and returning customers. *Eddie Myers is President, Integrated Solutions Div. at Global Payments, (510) 795-4928, emyers@paypros.com, www.globalpaymentsinc.com.*

PAYSCOUT is a merchant service provider with tier-one bank sponsorships in the U.S., Latin America, the Caribbean, Asia-Pacific, and Europe. Its clients include all merchant risk verticals. *Cleveland Brown is CEO, (408) 590-1176, cleveland@payscout.com, www.payscout.com.*

CONFORMANCE TECHNOLOGIES' Data Incident Management Program suite of services provides merchants with assistance in the event of a data incident. Components include data incident forensics, POS equipment or software replacement, \$10,000 in legal services and legal notifications, consumer notifications, and public relations management services. *Darrell Anderson is President, (480) 603-6129, danderson@conformancetech.com, www.conformancetech.com.*

BLACKLINE PAYMENTS ADVISORS is a new consulting firm formed to serve all segments of the payments industry — investors, acquirers, payment aggregators, retailers, banks, technology providers, and more. BlackLine is an affiliate of corporate law firm Frost Brown Todd. *Pat Moran is CEO at BlackLine, (615) 743-6987, pmoran@blacklinepayments.com, www.blacklinepayments.com.*

MONERIS SOLUTIONS has formed a partnership with Milano Computer Systems to provide an integrated payment processing and salon management service to the beauty and health industry in the U.S. and Canada. *Chris Lee is Pres., No. American Strategic Partnerships at Moneris, (847) 240-6623, chris.lee@moneris.com, www.monerisusa.com.*

HYPERWALLET offers companies outside of Nigeria the ability to pay individuals in that country via direct-to-bank money transfers and reloadable prepaid cards. Payments are delivered in local currency, typically within 1-2 business days. Reloadable prepaid debit cards can be denominated in euros, U.S. dollars, or British pounds. *Mike Monty is SVP of Sales & Financial Networks, (65) 6408-0640, mike.monty@hyperwallet.com, www.hyperwallet.com.*

FIME is the first laboratory to be accredited to provide functional testing services for JCB's new generation of contactless terminals. *Alex Chen is Sales Director at FIME Asia, 886 (2) 6636-0400, alex.chen@fime.com, www.fime.com.*

MBANK POLAND, a unit of Commerzbank, has deployed HID Global's ActivID DisplayCard Tokens to provide its corporate banking customers with multifactor authentication to securely access their online and mobile banking accounts. *Harm Radstaak is Managing Director, EMEA at HID Global, 44 (014) 4017-4850, hradstaak@hidglobal.com, www.hidglobal.com.*

CONFERENCES & SEMINARS

THE MONEY EVENT AT CTIA'S SUPER MOBILITY WEEK: September 9-11, 2014. The Sands Expo and Convention Center, Las Vegas, Nevada. Estimated attendance for Super Mobility Week: 40,000. Cost for the three-day conference is \$595 for retailers and financial institutions and \$895 for general admission. **Subscribers to The Nilson Report will receive a 20% discount. (Use code Nilson20.)** Contact Andrew Borowiec at (202) 552-5998, info@themoneyevent.com. Register at www.themoneyevent.com.

C4 CARDS, PAYMENTS AND CONSUMER CREDIT CONGRESS BRAZIL 2014: (The annual meeting for the Payment Industry in Brazil) September 17-18, 2014. Frei Caneca Convention Center, São Paulo, Brazil. Estimated attendance: 500 delegates and 1,200 visitors. Cost range for the two-day conference is \$1,200 to \$2,000 depending on sessions and early bird dates. **Subscribers to The Nilson Report will receive a 20% discount. (Use code NRPT2014.)** Contact Cristian Aliche at Next Business Media, 55 (11) 3173-4413, cristian.alicke@nextbm.com.br. Register at www.congressoc4.com.br.

MOBILE PAYMENTS CONFERENCE 2014 (MPC): October 6-8, 2014. The DoubleTree by Hilton – North Shore, Skokie, Illinois. Estimated attendance: 300. Cost for the three-day conference is \$699 for early bird registration until September 8, \$799 for advanced registration from September 9 to October 6, and \$899 on-site. **Subscribers to The Nilson Report will receive a 20% discount. (Use code MPCNILSON14.)** Contact Marla Ellerman at MM&T, (602) 315-8808, marla@mmtmagonline.com. Register at <http://mobilepaymentconference.com/>.

PAYTHINK 2014 (FORMERLY ATM, DEBIT & PREPAID FORUM): October 20-22, 2014. The JW Marriott Desert Ridge Resort & Spa, Phoenix, Arizona. Estimated attendance: 1,000. Cost of the three-day event starts at \$1,195. **Subscribers to The Nilson Report will receive a \$300 discount. (Use code NILSON300.)** Contact Ingrid Olsen at (212) 803-8456, ingrid.olsen@sourcemedia.com or Austin Hart at (212) 803-8388, austin.hart@sourcemedia.com. Register at www.paythinkforum.com.

See links at www.nilsonreport.com

GEMALTO has supplied a complete software platform and service to France-based retail bank LCL to deliver PINs for payment cards using SMS text messages. *Philippe Cambriel is President for Europe, Mediterranean and CIS at Gemalto, 33 (1) 5501-5500, philippe.cambriel@gemalto.com, www.gemalto.com. Laurent Bergamelli is Head of Cards at LCL, 33 (4) 4260-5302, laurent.bergamelli@lcl.fr, www.lcl.fr.*

CARDTEK GROUP, a provider of a full suite of EMV-compliant card management software products, has opened an office in Bogota, Colombia, to lead sales to Latin America and the Caribbean. *Gokhan Inonu is President at Cardtek USA and Cardtek South America, (847) 376-8367, gokhan.inonu@cardtek.com. Giorgio Mazzoleni is Business Development Director, 57 (317) 570-4810, giorgio.mazzoleni@cardtek.com, www.cardtek.com.*

MASTERCARD inControl, a payment platform that lets businesses and consumers set spending limits on their accounts and manage how, when, and where they use their cards online, is now being offered in Asia-Pacific to issuers using First Data's VisionPLUS card management system. *Raj Dhamodharan is Group Head of Emerging Payments, Asia-Pacific at MasterCard, (65) 6390-6928, raj_dhamodharan@mastercard.com, www.mastercard.com. Marc Mathenz is SVP at First Data, (65) 6511-8700, marc.mathenz@firstdata.com, www.firstdata.com.*

DIGITAL RIVER has added local payment options including installment loans to its payment gateway service in Brazil through a relationship with EBANX. *Souheil Badran is SVP at Digital River, (952) 225-3736, sbadran@digitalriver.com, www.digitalriver.com. Alphonse Voigt is CEO at EBANX, 55 (41) 3232-9913, al@ebanx.com, www.ebanx.com.*

U.S. COMMERCIAL BANK CARDS — PART 2

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Commercial and consumer purchase volume combined was \$3.316 trillion last year, with commercial products accounting

Small business and prepaid products generated \$176.33 billion in debit card purchase volume in 2013, accounting for 10.5% of

commercial credit and debit card purchase volume in 2013.

Visa cards held a 59.7% share of combined credit and debit commercial purchase volume versus MasterCard in 2013, down from 61.7% in 2012. Visa held a 63.5% share of small business credit cards, a 60.8% share of purchasing/fleet cards, a 56.3% share of debit and prepaid cards, and a 50.9% share of corporate cards last year. MasterCard gained ground versus Visa in every category.

Commercial cards generated 15.4% of combined commercial and consumer credit and debit purchase volume for Visa's U.S. region, down from 15.5% in 2012.

Commercial cards generated 22.4% of combined commercial and consumer credit and debit purchase volume for MasterCard's U.S. region, up from 20.4% in 2012.

Prior issues: 1,023, 999, 975, 954, 951, 931

U.S. Visa & MasterCard Commercial Cards Purchase Volume 2013						
	Visa		MasterCard		Total	
	(bil.)	Chg.	(bil.)	Chg.	(bil.)	Chg.
Small Business	\$119.24	9.3%	\$68.67	14.0%	\$187.91	11.0%
Purchasing & Fleet	\$112.86	6.3%	\$72.81	22.1%	\$185.67	12.0%
Debit & Prepaid	\$99.30	10.6%	\$77.03	21.3%	\$176.33	15.0%
Corporate	\$18.10	4.0%	\$17.47	4.5%	\$35.57	4.2%
TOTAL	\$349.49	8.4%	\$235.98	17.9%	\$585.47	12.0%

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for 17.7% of that amount, up from 17.0% in 2012. Five years ago, commercial cards equaled 14.3% of combined Visa and MasterCard purchase volume.

Corporate T&E, small business credit, and purchasing products generated \$409.14 billion in credit card purchase volume in 2013, accounting for 25.0% of \$1.639 trillion from combined consumer and commercial credit products. Commercial cards accounted for 24.4% one year before.

\$1.678 trillion from combined consumer and commercial debit and prepaid products. Commercial debit cards accounted for 9.9% one year before.

Small business products accounted for 45.9% of all commercial credit card purchase volume in 2013. Purchasing, which includes fleet cards, accounted for 45.4%, and corporate T&E accounted for 8.7%.

Small business debit cards and commercial prepaid cards accounted for 30.1% of all

SOFT SPACE MPOS IN SOUTHEAST ASIA

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its clients, which include Kasikornbank, Thanachart Bank, CIMB Bank, Hong Leong Bank, Maybank, Sacombank, and BNZ, are expected to process \$1 billion worth of card payments in 2014. About 20% of all card acceptance

Customers are expected to process \$1 bil. in payments this year.

points for its clients use Soft Space mobile technology, which works with most iOS, Android, and Microsoft devices. Soft Space has optimized its payment service to work with devices that have low specifications, which are common in Southeast Asia.

Soft Space's platform, which is hardware agnostic and integrates with business applications, is sold on a white-label basis. It is recognized by Visa and MasterCard mobile payments best practices programs. Components include card reader, mobile application, Web management console, and real-time dashboard.

No processing is done in any smart device. Encryption is performed on every transaction from the time the card is inserted into the reader. Decryption occurs at the acquirer's server.



A fraud protection module offers pattern analysis, customizable business rules, velocity checks, smart notification, and merchant risk profiles. A geolocation module offers additional risk management including the ability to track payments by location, limit transactions by zone, and deny cross-border authorizations. Chris Leong is Director of Strategy at Soft Space Sdn Bhd in Selangor, Malaysia, 60 (16) 201-6933, chris.leong@softspace.com.my, www.softspace.com.my.

FLEETCOR TO ACQUIRE COMDATA

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a provider in the U.S. of fleet, private label prepaid, and bank (including virtual only) card programs. The price is approximately \$2.40 billion in cash



to refinance Comdata's debt and nearly 7.3 million shares of FleetCor common stock currently valued at about \$1.05 billion. The seller is Ceridian, a holding company backed by Thomas H. Lee Partners and Fidelity National Financial. The transaction is expected to close by year-end.

FleetCor shares trade on the New York Stock Exchange. It operates in the U.S., Europe, Asia, and Africa. Earlier this year it acquired the Ultramar Universal Fleet Card portfolio in Canada and took over Chevron's commercial fuel card program in seven countries from top rival WEX. Revenues for fiscal year 2014 are projected to be in the \$1.08 billion range. Clients include BP, Shell, Arco, Caltex, Q8, BR, Ipiranga Petro Plus, CFN, CCS, Allstar, Carnet, Efectivale, CLC Lodging, and VB Services.

Provides fuel, lodging, and related products in 43 countries.

Comdata provides 20,000 companies with one or more of its payment card products, which collectively generate more than \$54 billion in sales annually. It is a provider of over-the-road credit cards to fleet operators in the U.S., a market in which other competitors include WEX, EFS, and U.S. Bank's Voyager. Comdata is the top issuer of co-branded universal fleet cards that carry either the MasterCard or Visa brands. Competitors include FleetCor, WEX, Chase, and Wells Fargo. More than 90% of FleetCor's MasterCard cards are issued by Regions Bank and processed by Comdata. The remaining cards are issued by Bank of America and processed by First Data. FleetCor offers a MasterCard product in

Canada issued by National Bank of Canada and processed by Comdata.

Comdata's prepaid cards focus on employee

payroll for the retail and hospitality industries. A payments management program offers spending controls and improved procurement processing to third-party administrators and healthcare organizations.

Ron Clarke is CEO at FleetCor Technologies in Norcross, Georgia, (770) 449-0479, rclarke@fleetcor.com, www.fleetcor.com.

TSYS'S ENTERPRISE TOKENIZATION

Substituting a payment card's primary account number (PAN) with a string of text (token) protects data carried over networks as well as when it rests in servers. Tokens preserve the length and format of the original PAN. Transaction processing systems, applications, storage, and tools currently being used experience no difference when tokens are used versus payment card information.

Tokenization is available from TSYS for issuers, acquirers, merchants, e-commerce sites, and

... be used almost exclusively for consumer CNP transactions at first.

operators of mobile wallets. TSYS Enterprise Tokenization is a set of plug-and-play products, that can create tokens and decrypt them using hardware security modules. It meets all Visa, MasterCard, and American Express global standards for security and interoperability.

TSYS has been using a type of tokenization for years in the form of one-time-only card numbers for commercial card transactions. It expects its Enterprise Tokenization service will be used almost



exclusively for consumer card-not-present (CNP) transactions at first, and that the U.S. will be the first market for the service.

U.S. issuers are expected to embrace tokens for CNP transactions based on lessons learned in the U.K., where fraud rapidly moved online after introduction there of EMV chips for card-present transactions. The U.S. is migrating to EMV cards for card-present transactions and fraudsters will be squeezed when the transition is completed.

TSYS has upgraded all of its front-end and back-office systems to support tokenization on both the issuing and acquiring sides, including the associated risk management.

Tokenized transactions from issuers will be in the U.S. market by year-end. TSYS expects most top acquirers will be able to handle tokens by year-end. Paul Bridgewater is Group Executive, Global Product at TSYS in Columbus, Georgia, (706) 649-4480, pbridgewater@tsys.com, www.tsys.com.

PAYONEER GLOBAL B2B PAYMENTS

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profitably for providers including banks and SWIFT. However, these providers are not necessarily the most efficient or cost-effective



options for business customers. Most payments they handle incur per-transaction fees, currency exchange fees, intermediary bank fees, and bank landing fees.

Payoneer operates a Web-based platform that focuses on cross-border business-to-business payments including business-to-individual trader transactions, such as those made to freelance

computer programmers and translators. It is a lower-cost option to legacy providers, and can be used by companies of all sizes. For example, standard pricing for a payment sent from the U.S. to a bank account in most other countries is \$3.00. By comparison, an international wire transfer is at least \$25.

Payoneer began in 2005, offering U.S.-based companies the ability to pay individuals in foreign countries by loading funds into the recipient's prepaid MasterCard card account at a cheaper cost than wire transfers or direct deposits.

It still offers prepaid cards through issuers Wirecard Card Solutions in the U.K., Choice Bank in Belize, and First

Covenant Bank in the U.S., as well as directly through its own E-money license in Europe. Funds deposited in a prepaid card account average between \$400 and \$500. However, most of its growth is tied to bank transfers and direct deposits to a recipient's account. Those transactions average \$5,000.

Payoneer will transfer almost \$3 billion this year for companies in 200 countries. U.S. senders account for more than 50% of payment volume and transactions. Account holders outside the U.S. receive 86% of payment volume, with U.S. recipients accounting for the other 14%.

Most transactions originate from senders who have integrated Payoneer's API into their ERP

systems. These businesses offer Payoneer as an option within their online interface. The alternative is for senders to collect an account number from recipients for transfers to a bank or prepaid card account. In a typical month more than 100,000 new customers apply to be senders or receivers.

The latest addition to the Payoneer service is e-invoicing, a capacity acquired through a reciprocal agreement recently

signed with Gosocket based in Chile. Gosocket provides e-invoicing by way of direct

... more than \$50 mil. in venture and growth equity funding.

settlement into ERP systems to businesses in Brazil, Chile, Colombia, Costa Rica, Ecuador, and Uruguay. It will offer its customers Payoneer's full suite of B2B products.

Payoneer has received more than \$50 million in venture and growth equity funding since 2005 from Greylock Partners, Vintage Venture Partners, Carmel Ventures, Susquehanna Growth Equity, and Ping

An Ventures.
Scott Galit is CEO at Payoneer in New York, (646) 308-1300, scott@payoneer.com, www.payoneer.com.

Prior issues: 1,045, 1,030, 937

Investments & Acquisitions July 2014

Company	Buyer/Investor	Amount (mil.)	Country	Company	Buyer/Investor	Amount (mil.)	Country
Apply Financial	undisclosed round ¹	*	U.K.	Pokkt	Series A ²¹	\$2.5	India
Atlas Products	HighJump Software ²	*	U.S.	ReD	ACI Worldwide ²	\$205.0	U.K.
AvantCredit	Series C ³	\$75.0	U.S.	RetailNext	undisclosed round ²²	\$30.0	U.S.
Ayannah	undisclosed round ⁴	\$1.0	Philippines	Rocketrip	Series A-1 ²³	\$3.0	U.S.
Bits of Proof	CoinTerra ²	*	Hungary	Sabadell's (debt unit)	Lindorff Espana ²	\$218.0	Spain
Boomerang Commerce	Series A ⁵	\$8.5	U.S.	Safello	seed funding ²⁴	\$0.3	Sweden
CardSpring	Twitter ²	*	U.S.	Settle	undisclosed round ²⁵	\$1.5	Ukraine
Cover	Series A ⁶	\$5.5	U.S.	Shyp	undisclosed round ²⁶	\$9.2	U.S.
Deem	expansion capital ⁷	\$50.0	U.S.	Spring	Series A ²⁷	\$7.5	U.S.
Diamond Mind	growth equity ⁸	*	U.S.	Sr. Pago	undisclosed round ²⁸	\$1.1	Mexico
DocuSign	Visa ⁹	*	U.S.	Stellar	Stripe ²⁹	\$3.0	U.S.
Elliptic	seed funding ¹⁰	\$2.0	U.K.	Streetlinc	undisclosed round ²⁸	\$10.0	U.S.
Esso Card	WEX Europe Serv. ²	*	Europe	TapCommerce	Twitter ²	\$100.0	U.S.
First Amer. Pay. Sys.	Ontario Teachers Pension ²	*	U.S.	TouchNet Info. Sys.	Heartland Payment Sys. ²	*	U.S.
First Data	private placement	\$3,500.0	U.S.	Trade Block	undisclosed round ³⁰	\$2.8	U.S.
Funding Circle	undisclosed round ¹¹	\$65.0	U.K.	Transerv	Series B ³¹	*	India
Global Merchant Adv.	Optimal Payments ²	\$15.0	U.S.	TransFirst	IPO ³²	*	U.S.
GlobalCollect	Ingenico ²	\$1,100.0	Neth.	Venda	NetSuite ²	*	U.K.
Gyft	First Data ²	*	U.S.	Welch ATM	Cardtronics ²	\$160.0	U.S.
iZettle	Series C ¹²	\$6.8	Sweden	Worapay	seed funding ³³	*	Lithuania
Kreditech	Series B ¹³	\$40.0	Germany	Xapo	Series A-1 ³⁴	\$20.0	U.S.
Lindorff	Nordic Capital ²	\$3,059.0	Norway	Yodlee	IPO ³⁵	*	U.S.
LoopPay	Synchrony Financial ¹⁴	*	U.S.	ZipZap	undisclosed round ³⁶	\$1.1	U.S.
Meritus Pay. Solutions	Optimal Payments ²	\$210.0	U.S.	Zooz	undisclosed round ³⁶	\$12.0	Israel
MOL Global	IPO ¹⁵	*	Malaysia				
Moven	undisclosed round ¹⁶	\$8.0	U.S.				
Net Element	credit facility ¹⁷	\$10.0	U.S.				
Open Scan	BillTrust ²	*	U.S.				
PayLink Payment	Milestone Partners ²	*	U.S.				
PayRange	undisclosed round ¹⁸	\$2.8	U.S.				
Peoples United	Vantiv ¹⁹	*	U.S.				
Plastic Jungle	CardCash.com ²	*	U.S.				
Plastiq	Series B ²⁰	\$10.0	U.S.				

*Terms not disclosed. (1) From True Ventures. (2) Acquisition. (3) Led by Tiger Global Management. (4) Led by IMJ Investment Partners. (5) Led by Madrona Venture and Trinity Ventures. (6) Led by Spark Capital. (7) Led by Honey Capital. (8) From Serent Capital. (9) Strategic investment. (10) Led by Octopus Investments. (11) Existing investors. (12) Led by Hasso Plattner Ventures. (13) Led by Vårde Partners. (14) Strategic investment. (15) Filed registration for public offering of American Depository Shares. (16) Led by SBT Ventures. (17) Led by RBL Capital. (18) Led by Nyca Partners. (19) New merchant services joint venture. (20) Led by Kholsa Ventures. (21) Led by Jafco Asia. (22) Led by Nokia Growth Partners. (23) Led by Canaan Partners and Genacast Ventures. (24) From Bitcoin Opportunity Fund. (25) Led by Life.SREDA. (26) Led by SherpaVentures. (27) Led by Thrive Capital. (28) Undisclosed investors. (29) Received 2% of Stellar's to be circulated. (30) Led by Andreesen Horowitz. (31) Led by Faering Capital. (32) Filed registration with SEC. (33) From Entrée Capital. (34) Led by Greylock Partners and Index Ventures. (35) Filed registration with SEC. (36) Led by Blumberg Capital.

DISTRIBUTING/AUTHENTICATING PINS VIA SMARTPHONES

Technology from myPinPad lets cardholders use their own smartphone or computer to securely select a personal identification number (PIN). The service, which is available on a white-label basis, can be

... PINs as a cardholder verification method for CNP transactions.

integrated into a mobile banking app or card management system. The company says it can save card issuers more than 50% of the cost of PIN mailers in addition to being more secure.

A second benefit of myPinPad is use of a PIN as a cardholder verification method for card-not-present transactions, reducing both fraud and chargebacks. Acquirers and payment service providers can integrate with

myPinPad. Online merchants could ask consumers to verify a transaction and enter a PIN on their smartphones, replacing a 3D secure password or CVN.

A third use would be for card-present transactions when



MY PINPAD

merchants have a card reader but not a PCI PTS certified PINpad. Issuers could send an SMS text to the cardholder at the physical point of sale prompting the cardholder for their PIN.

Merchants never see nor store any PINs.

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FIRST DATA ACQUIRING IN BRAZIL

from page 1...



First Data

will brand the business Bin. Sicoob will use another brand. First Data has invested more than \$150 million to launch Bin, including building logistics

and support operations, hiring more than 200 people, and providing all of the technology

including a transaction capture, authorization, and processing system customized for the Brazil market.

Sicoob is the sixth-largest financial services

network in Brazil based on the number of points of service with 2,200. It is registered with Banco Central do Brasil as the

provider of settlement with all merchants, and also holds the Visa and MasterCard licenses.

Prior payment industry experience for Bancoob includes 51% ownership in a joint venture with Argentina-based Cabal called Cabal Bancoob, which issues and acquires credit cards, debit cards, and employee-benefit vouchers. Credit cards (724,000) and debit cards (1.7 million) carry the Cabal, Visa, and MasterCard brands.

Sicoob will market card acquiring to more than 300,000 small and midsized merchants that use

credit unions for their commercial deposit accounts. Most are outside large cities. About 70,000 of those merchants have an existing relationship with another acquirer. It hopes to take over much of that business.

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First Data will handle all operational support for both Bin and Sicoob's brand, and will manage its own direct sales force, which will look for business among small, medium, and large merchants. It also plans on developing agent bank and ISO relationships. Next

year First Data plans to introduce its Clover Station tablet-based POS service, smartphone-based mobile POS, and Chip & PIN

processing in Brazil.

Currently merchant acquiring in Brazil is dominated by Cielo and Rede. Both are at least five times larger than third-ranked Santander based on the number of card payments handled. Other multinational acquirers in Brazil include Elavon and Global Payments. Last year card payment transactions grew by more than 18% in Brazil.

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... handle all operational support and manage its own sales force.

CARD MANUFACTURER SHIPMENTS — PART 2

Shipments of high-security and other payment cards were shown in issue #1,044. Cards that are not part of those categories include prepaid private label, prepaid transport, prepaid phone, SIM, and other types for telephone. Shipments in 2013 of those cards are shown here along with nonpayment cards including driver's licenses,

healthcare cards, identification cards, access control cards, membership/loyalty cards, gaming cards, e-commerce/digital certificate cards, and promotional cards.

Prepaid phone card shipments totaled 11.91 billion, up 4.9% from 2012. They accounted for

> see p. 10

Telephone, Prepaid & Nonpayment Card Shipments 2013

PREPAID/GIFT CARDS			PREPAID PHONE CARDS			OTHER TELEPHONE CARDS			NONPAYMENT CARDS		
Rank	Manufacturer	Mil.	Rank	Manufacturer	Mil.	Rank	Manufacturer	Mil.	Rank	Manufacturer	Mil.
1	Amer. Banknote	442.6	1	MCT Cards	4,348.0	1	FutureCard	420.0	1	Valid	436.4
2	Travel Tags	410.0	2	Oberthur	1,310.0	2	Morpho	170.9	2	CPI Card Group	389.4
3	Jet	405.0	3	AB Card Group	1,075.0	3	Plastek Cards	21.2	3	Amer. Banknote	389.3
4	CPI Card Group	248.3	4	DZ Card	400.0	4	Thames Card Tech.	7.5	4	AB Card Group	283.6
5	Valid	121.3	5	NovaCard	288.7	5	Thomas Greg & Sons	0.3	5	Exceet Card Group	175.0
6	Plastek Cards	120.0	6	CPI Card Group	258.2	6	CPI Card Group	<0.1	6	Teraco	140.3
7	Teraco	90.0	7	Hogier Gartner	250.0	7	Gemalto	117.0	7	Gemalto	117.0
8	Shenzhen Takcere	85.1	8	Valid	222.1	8	Swiss Post	99.5	8	Swiss Post	99.5
9	Exceet Card Group	58.0	9	Beautiful Card	206.3	9	Thames Card Tech.	96.6	9	Thames Card Tech.	96.6
10	Thames Card Tech.	37.0	10	Plastic Cards Mfg.	90.0	10	HID Global	90.0	10	HID Global	90.0
11	Signature Card	29.4	11	Gemalto	60.0	11	Oberthur	80.0	11	Oberthur	80.0
12	Goldpac	28.3	12	Logikard	50.4	12	Able Card	80.0	12	Able Card	80.0
13	MCT Cards & Tech.	12.0	13	Giesecke & Dev.	28.5	13	Plastic Cards Mfg.	60.0	13	Plastic Cards Mfg.	60.0
14	PGP Group	12.0	14	American Banknote	17.0	14	DVRG Plastic Cards	58.2	14	DVRG Plastic Cards	58.2
15	Toppan Printing	9.4	15	CARDPro	17.0	15	Watchdata	55.1	15	Watchdata	55.1
16	NOVO	9.3	16	Toppan Forms H.K.	10.6	16	Morpho	48.5	16	Morpho	48.5
17	IntelCav Cartoes	8.4	17	Swiss Post Solutions	6.7	17	PAV Card	47.4	17	PAV Card	47.4
18	Thomas Greg & Sons	7.0	18	Shenzhen Takcere	6.0	18	Giesecke & Dev.	38.7	18	Giesecke & Dev.	38.7
19	FutureCard	5.6	19	Jing King Tech.	5.9	19	Beautiful Card	37.5	19	Beautiful Card	37.5
20	SAETIC	4.0	20	M-Tech Innovations	5.0	20	Jing King Tech	33.4	20	Jing King Tech	33.4
21	DZ Card	4.0	21	FutureCard	3.0	21	Toppan Printing	27.7	21	Toppan Printing	27.7
22	RG Technology Card	4.0	22	Morpho	2.8						
23	Beautiful Card	3.2	23	Asia Credit Card	2.0						
24	Rosan Finance	3.2	24	RG Technology Card	1.0						
25	Able Card	3.0	25	Thai Brit. Sec. Print.	0.4						
26	Logikard	3.0									
27	Plastic Cards Mfg.	3.0									
28	Hogier Gartner	2.5									
29	A Card Company	1.0									
30	Thai Brit. Sec. Print.	1.0									
31	Silone	1.0									
32	Perfect Plastic	1.0									
33	Jing King Tech.	0.9									
34	ICK Co.	0.7									
35	TAG Systems	0.4									
36	FoongTone Tech.	0.3									
37	Masria Card	0.2									
38	Taiwan Name Plate	<0.1									
39	Grafocard	<0.1									

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CARD MANUFACTURER SHIPMENTS — PART 2

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38.0% of all cards manufactured in 2013 including high-security and other payment cards,

Nonpayment cards accounted for 16.0% of all shipments last year.

up from 36.8%. MCT Cards, Oberthur, and AB Card were the largest manufacturers.

SIM cards for mobile phones totaled 5.30 billion, up 6.0%. They accounted for 16.9% of all cards manufactured last year, up from 16.2%. Gemalto, Oberthur, Morpho, and Giesecke & Devrient were the largest manufacturers.

Other telephone cards (not prepaid or SIM) totaled 1.02 billion. They accounted for 3.3% of all cards manufactured in 2013, up from 3.2%. Prepaid private

label and transport cards totaled 2.69 billion, down 18.5%. They combined to account for 8.6% of all cards manufactured last year.

Nonpayment cards, which totaled 5.02 billion, were down 2.8%. They accounted for 16.0% of all shipments last year. Valid, CPI Card Group, and American Banknote were the largest manufacturers.

TOP U.S. CONSUMER CREDIT/DEBIT ISSUERS

from page 1...

in 2013 were listed in issue #1,035. The 50 largest issuers of Visa and MasterCard debit and prepaid cards in 2013 were listed in issue #1,039. Those

rankings included consumer and commercial card products combined.

Largest U.S. Issuers of Consumer Visa and MasterCard Cards 2013

Credit Issuers					Debit Issuers						
Rank	Issuer	Consumer Purch. Vol. (bil.)	All Purch. Vol. (bil.)	Percent Consumer 2013	Basis Pt. Chg. vs. 2012	Rank	Issuer	Consumer Purch. Vol. (bil.)	All Purch. Vol. (bil.)	Percent Consumer 2013	Basis Pt. Chg. vs. 2012
1	JPMorgan Chase	\$364.66	\$457.53	79.70%	39	1	Bank of America	\$244.78	\$275.50	88.85%	-10
2	Bank of America	\$195.73	\$258.05	75.85%	-141	2	Wells Fargo	\$221.00	\$247.02	89.47%	-8
3	Citi	\$161.52	\$197.58	81.75%	40	3	JPMorgan Chase	\$164.76	\$182.51	90.27%	61
4	Capital One	\$134.57	\$159.50	84.37%	-23	4	PNC	\$49.52	\$54.21	91.35%	-31
5	U.S. Bank	\$50.95	\$94.14	54.12%	346	5	U.S. Bank	\$45.84	\$52.00	88.16%	64
6	Barclays	\$43.47	\$44.01	98.77%	24	6	USAA	\$39.37	\$39.37	100.00%	—
7	Wells Fargo	\$43.28	\$80.74	53.61%	-45	7	Regions Bank	\$28.92	\$31.26	92.51%	-47
8	USAA	\$32.58	\$32.58	100.00%	—	8	SunTrust	\$27.07	\$31.26	86.60%	-47
9	Cabela's WFB	\$18.07	\$18.07	100.00%	—	9	Capital One	\$25.05	\$26.11	95.97%	-14
10	GE Capital Retail Bank*	\$16.21	\$16.21	100.00%	—	10	The Bancorp Bank	\$24.49	\$40.27	60.83%	849
11	Navy FCU	\$10.68	\$10.74	99.49%	0	11	TD Bank	\$23.79	\$32.25	73.78%	-115
12	PNC	\$9.77	\$22.52	43.38%	-96	12	BB&T	\$22.84	\$26.26	86.97%	-75
13	First Nat'l Nebraska	\$8.01	\$11.59	69.05%	-65	13	Citi	\$22.80	\$29.03	78.51%	1
14	TD Bank	\$7.99	\$8.85	90.28%	2,777	14	Fifth Third	\$22.33	\$24.31	91.83%	-11
15	Nordstrom	\$6.49	\$6.66	97.48%	-14	15	Navy FCU	\$21.72	\$21.91	99.13%	-4
16	ICBA Bancard	\$5.11	\$5.11	100.00%	—	16	RBS Citizens	\$18.70	\$21.18	88.29%	-150
17	Fifth Third	\$4.55	\$9.08	50.07%	-97	17	ICBA Bancard	\$13.41	\$13.41	100.00%	—
18	BB&T	\$4.07	\$7.06	57.57%	12	18	Green Dot	\$13.39	\$13.39	100.00%	—
19	State Farm	\$3.52	\$3.82	92.02%	-41	19	M&T Bank	\$10.53	\$11.40	92.34%	-71
20	Pentagon FCU	\$2.94	\$2.94	100.00%	—	20	State Empl. CU N.C.	\$10.46	\$10.46	99.97%	-3
21	RBS Citizens	\$2.84	\$4.36	65.18%	-215	21	BBVA Compass	\$10.06	\$11.34	88.75%	-35
22	Credit One	\$2.74	\$2.74	100.00%	—	22	KeyBank	\$9.73	\$10.89	89.39%	-33

Debit card volume includes prepaid cards. *GE Capital Retail Bank is now called Synchrony Financial.

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ASIA-PACIFIC GENERAL PURPOSE CARDS

from page 1...

circulation in the Asia-Pacific region totaled 5.39 billion at year-end 2013, up 16.7% over 2012. The region's top brand continued

at merchants, cash advances against lines of credit, and cash withdrawals from funds on deposit reached \$8.899 trillion,

China. This is not common in any other country.

Consequently, the average purchase transaction amount for UnionPay was \$397. The average was \$91 for Visa and \$95 for MasterCard, \$93 for JCB, \$180 for Diners Club, and \$211 for American Express.

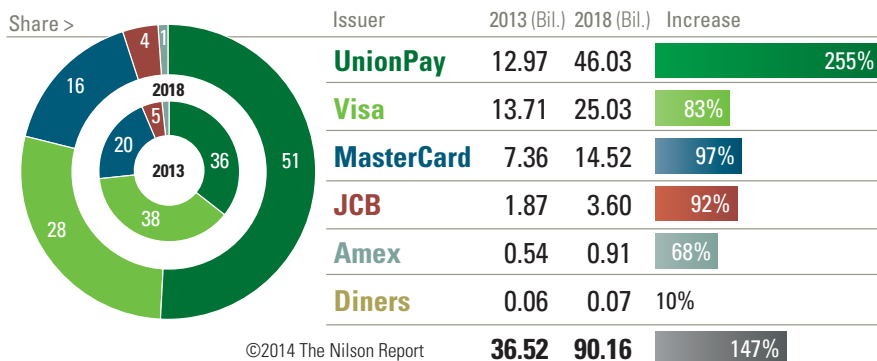
Purchase volume market share for Visa was 16.92%, down from 20.71%. MasterCard's share was 9.45%, down from 11.05%, JCB's share was 2.36%, down from 2.74%, American Express's share was 1.54%, down from 1.90%, and Diners Club's share was 0.15%, down from 0.20%.

Cash volume accounted for 10.80% of total volume at UnionPay and 32.72% of total volume at Visa. MasterCard cash volume equaled 26.99% of its total volume. Cash was 3.40% at JCB, 2.04% at American Express, and 3.31% at Diners Club.

Cash volume as a percentage of total volume is steadily falling in Asia-Pacific, indicating the use of cards to pay for goods and services is growing. In 2009, cash was 25.14% of total volume. Last year it was 16.86%.

> see p. 12

Purchase Transactions on Cards Issued in Asia-Pacific 2013 vs. 2018



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to be UnionPay with 4.21 billion cards, up 19.2% including cards co-branded with Visa, MasterCard, JCB, and American Express.

UnionPay cards held a 78.20% market share of all global brand cards in the region, followed by Visa cards with 13.38%, and MasterCard cards with 6.50%. The other 1.92% of cards carried the JCB, American Express, or Diners Club brands.

The combination of purchases of goods and services

up 35.1%. Purchases at merchants alone accounted for 83.14% and cash accounted for 16.86%. The previous year, purchases were 80.66% of the total volume and cash was 19.34%.

Purchase volume on UnionPay cards of \$5.148 trillion accounted for 69.58% of the region's market share of purchase volume, up from 63.40%. UnionPay purchase volume figures include spending for automobiles, houses, heavy equipment, and other expensive items in its home market of

Asia-Pacific General Purpose Cards 2013 vs. 2012

Brand	Total		Volume (bil.)		Cash		Transactions (mil.)		Cards			
	Total	Chg.	Purchases	Chg.	Cash	Chg.	Total	Chg.	Purchases	Chg.	(mil.)	Chg.
UnionPay	\$5,771.35	49.4%	\$5,147.87	52.8%	\$623.49	26.1%	16,066.8	37.1%	12,971.0	44.0%	4,214.0	19.2%
Visa	\$1,860.81	12.8%	\$1,251.90	13.8%	\$608.91	11.0%	17,022.0	13.5%	13,707.0	11.8%	721.0	7.6%
MasterCard	\$957.99	18.2%	\$699.38	19.1%	\$258.60	15.9%	9,879.5	20.4%	7,360.4	18.2%	350.2	10.6%
JCB	\$180.65	19.7%	\$174.51	19.8%	\$6.14	16.3%	1,915.1	20.6%	1,874.7	20.7%	82.4	5.2%
Amer. Express	\$116.35	12.7%	\$113.97	12.8%	\$2.38	11.2%	557.7	12.8%	540.9	12.9%	19.3	10.3%
Diners Club	\$11.40	1.6%	\$11.02	2.5%	\$0.38	-19.7%	64.8	0.2%	61.1	1.7%	1.6	0.1%
Totals	\$8,898.55	35.1%	\$7,398.66	39.2%	\$1,499.90	17.7%	45,505.9	22.8%	36,515.1	23.4%	5,388.5	16.7%

Includes all general purpose consumer and commercial credit, debit, and prepaid cards. Currency figures are in U.S. dollars. Change figures are based on local currency. Visa includes Electron. MasterCard excludes Maestro & Cirrus. JCB transactions are estimates, and all other figures have been adjusted to exclude estimated non-Asia/Pacific business.

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ASIA-PACIFIC GENERAL PURPOSE CARDS

from page 11

Transactions to purchase goods and services at merchants reached 36.52 billion in 2013, up 23.4%. Visa remained the leader in Asia-Pacific based on the number of purchase transactions at merchants with a 37.54% share. UnionPay cards accounted for 35.52%. MasterCard's share was 20.16%. JCB cards accounted for 5.13%. American Express's share was 1.48%, and Diners Club cards accounted for 0.17%.

At Visa, cards issued in the Asia-Pacific region accounted for 20.32% of its worldwide purchase

volume, up from 19.72% in 2012. The Asia-Pacific region generated 13.45% of Visa's worldwide purchase transactions, up from 13.22%.

At MasterCard, cards issued in the Asia-Pacific region generated 23.39% of its worldwide purchase volume, up from 22.04% in 2012. Asia-Pacific

generated 16.25% of MasterCard's worldwide purchase transactions, up from 15.54%.

Transactions to purchase goods and services reached 36.52 bil.

Prior issues: 1,023, 1,002, 979, 956, 932

SYNIVERSE'S MOBILE INTELLIGENCE PORTAL

Telus, Canada's second largest mobile network operator (MNO), uses Syniverse, an aggregator of real-time data for MNOs

Syniverse

worldwide, for services including text messages, roaming, and real-time intelligence and reporting. It has agreed to participate in a Syniverse partnership with MasterCard that aims to reduce the number of payment card authorization requests declined when cardholders travel outside their native country.

Issuers in Canada are expected to offer cardholders who are also Telus customers the option of participating in a proximity authentication service supported by Syniverse's Mobile Intelligence Portal (MIP), which leverages Syniverse's existing roaming service used to advise customers that a mobile phone can be

operated in a foreign country and the cost of that service.

No buildout is needed to deliver the MasterCard service. In time, Syniverse hopes other card networks will link to MIP, which can be used to deliver other products and services.

Issuers will automatically be informed each time a cardholder arrives in a foreign country. That information will substantially reduce the estimated 80% of declines of cross-border authorization requests experienced by valid customers because their issuer suspects fraud. Cardholders could also opt-in to receive an SMS text message reminding them that their payment card has been "activated" for purchases in the country they are visiting.

Syniverse says that 75 million mobile phone users travel outside their home country every month. It has identified more than 20 MNOs in the U.S., Europe, and Latin America who could work with card issuers.

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More than 20 MNOs could work with card issuers.

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