

Press release

UBA issues Visa Cards

Date line: October 16, 2006

The UBA Group has announce today that they have commenced the issuance of Visa V Pay debit Cards in Nigeria.

'We are delighted to add the Visa V Pay product to our range of card product offerings. Our Visa V Pay product is unique in Nigeria as it's a debit card which contains a micro chip, whereby transactions are validated against the chip rather than a magstripe. Each transaction is authorized against the customer's account and a PIN is used for every transaction' said Chika Mordi, Executive Director, Retail Banking.

Mordi further stated, 'We are excited to bring our customers an industry leading and secure card technology. The UBA Group has a high focus on electronic payments which would benefit our entire customer base. We all understand the operating inefficiencies of a primarily cash society, and the benefits which would be achieved through greater usage of cards and other electronic payments methods. UBA is committed to providing financial solutions which makes life easier for our customers'.

V Pay is a unique Visa debit card product whereby account holders can withdraw funds at ATMs and make payments both at shops and over the internet in a more secure way. More secure, in that the card contains a micro chip, and a personal PIN is always used. Transactions are also authorized directly from the customer's account.

'Over the coming weeks we will be making the product available through our branch network' stated Mordi.

About UBA...

What are chip cards?

Chip cards, also known as smart cards, are payment cards that rely on an embedded microchip to carry data rather than a magnetic stripe. The computing power of the chip offers new payment options and services, greater security, and more convenience than ever before.

Chip cards can store up to 80 times more information than a standard magnetic stripe card. Due to the embedded microchip, they can be programmed to perform non-payment functions – for instance, store loyalty programmes, or acting as a travel pass or national health card – in addition

to the usual debit, credit, or prepaid payment applications. Furthermore, the data contained on these cards is encrypted, preventing unauthorised access to personal account information.

Today, over 175 million Visa chip cards and more than 4 million chip terminals are in use around the world. Some countries are well advanced with the transition to chip technology,- in the UK, for example, 99 per cent of cardholders have at least one chip card in their wallet - and chip cards have already become a fact of life on every continent. Many banks that are issuing Visa cards for the first time are going straight to chip, which is the case with UBA.

Why do we need chip cards in Nigeria?

Enhanced fraud protection - Chip cards are expected to reduce losses from card fraud. In the EU, Canada, Latin America, and Asia, fraud reduction has been a major component of the business case for smart cards.

The extra power of chip on the card is used to protect the information on the card making it extremely difficult to copy; this is significantly reducing fraud losses from counterfeit cards. The chip can also securely verify that the PIN is correct which makes chip and PIN a robust combination.

Multifunctionality - The technology behind smart payments provides the ability for multiple applications to sit on the one chip. Although Visa chip cards are primarily programmed to carry out payments, a chip can support other non-payment functions.

Durability - Chip cards are more robust than magnetic stripe cards, so they need to be reissued less often.

Interoperability - The chip card revolution is dependent on their interoperability. This compatibility is due to the standardised infrastructure within which smart cards operate. Two specific international standards govern smart cards:

EMV – a smart card specification jointly developed by Visa, MasterCard and Europay. EMV is the industry standard specification for chip applications designed to ensure the compatibility of chip based debit and credit cards all over the world.

GlobalPlatform - a membership organisation dedicated to achieving technological compatibility between all tools and software related to smart cards. The group includes organisations and businesses from a wide range of industries, all of whom believe in the potential of these cards and are fostering cross-industry cooperation to ensure that this potential is realized. GlobalPlatform has assumed responsibility for the Open Platform specifications, which encompass a series of standardised technologies and specifications that enable multiple applications from different industries to sit together on the same chip.