

A look back at non-banks competing with traditional banks online - ARCHIVE 1997.

Future of Banking: J P Morgan has developed CreditMetrics, a sister of its RiskMetrics which estimates market risk of financial instruments. **Source: Jiji Press Newswire**

UK: Shell teamed up with a consortium of retailers and high street banks to launch the Shell card. Its users will soon be able to shop, bank, make phone calls and collect those all important points and air-miles, all on the one card. Dixons and Currys are already on board, and Sainsbury's and Lloyds are said to be interested. **Source: The Guardian**

UK: Charles Schwab, the giant US broking firm and parent of ShareLink, Britain's leading execution-only broker announces that this time last year, only 5% of its dealing came from the Internet. Now the figure has passed 50%. **Source: The Independent**

AT&T and MasterCard unveil a net shopping solution. AT&T said it plans to roll out an electronic cash platform developed by Mondex. Separately, AT&T and Wells Fargo Bank inked a deal to bundle their services for prospective online merchants. Under the terms of the marketing alliance, AT&T will provide Website hosting, while Wells Fargo will provide its credit card processing services to business customers. **Source: Telecomworldwire**

Zurich: Merrill Lynch eyes private banking on Internet. Merrill Lynch Bank hopes to redefine private banking "by using the Internet to help its clients move their wealth between currencies and countries at the click of a mouse", said Michael Giles, Chairman of Merrill Lynch International Banks London. **Source: Reuters News Service**

244 Sainsbury's Banks opened in northern England and Scotland, offering credit cards and savings accounts and soon to expand into home mortgages, personal loans and pension plans as the banks open nationwide. Rival supermarket chains Tesco and Safeway have similar

ventures planned. The promise of interest rates of 5.75 percent on instant access accounts, several points higher than the rates downtown banks offer, gets shoppers' attention. **Source: Associated Press**

Digital Subscriber Line modems company reports 113% gain in revenues. Orckit Communications Ltd shipped ADSL product to France Telecom - CNET for one of the world's ATM to the home trials (late 1996). **Source: Business Wire**

MasterCard and Maison de la France (the French Government Tourist Office) form an alliance. **Source: Business Wire UK**

An Oxford based bookseller plans to become the first UK company to offer its shares via the Internet. It plans to obtain a trading facility on Ofex, the private environment for small, unquoted companies. **Source: Financial Times**

Schlumberger and Absolu Technologies of Canada sign to launch Internet/multimedia payphones in Europe. **Source: M2 Presswire**

Schwab expands into insurance. Schwab is an example of a non-traditional competitor whose pricing structures, technological expertise and customer service pose a challenge to traditional insurers. Based on the experience it has developed in selling stocks, Schwab believes that life insurance can also be made simple enough to sell over the telephone or the Internet. **Source: extracted from EIU's Global Insurance to the 21st Century**

"Banks as we know them will soon cease to exist. Banks should recognise that the move by supermarkets into banking is a trojan horse. National Westminster has already recognised the dangers, and tore up the five year financial services agreement it arranged last summer with Tesco." **Source: David Llewellyn, Professor of Money and Banking, Loughborough University.**

The Thomas Cook Group has launched an Internet based foreign exchange and wire transfer service for businesses. **Source: American Banker.**

Banks are being out-hustled by securities industry competitors. e.Schwab and E-Trade Group have gone mainstream. Dean Witter Discover & Co acquired Internet broker Lombard.com in December. Last week Lombard offered the QuickQuote insurance and annuity pricing service free to subscribers, and Paine Webber Inc went on line with Paine Webber Edge. Virtually every major firm now has something capable of giving banks a literal run for their money on the World Wide Web. "Unlike banks, they can concentrate on the idea of value-added, rather than on how do they move people from old to new delivery channels," said Bill Burnham, a Booz-Allen & Hamilton consultant. **Source: American Banker**

The Swedish National Post Office recently launched Europe's largest Internet-based electronic commerce service using SmartGATE to secure all transactions. **Source: M2 PressWire**

UK: Commercial Union is sponsoring 200 brokers to have their own Internet page on a newly available "Insurance Mall". **Source: Internet Business**