

Interchange Fee Comparison Between Visa and MasterCard POS Debit Device Transactions for Pre-Settlement, Interim, and New 2004 Rates

	Effective Interchange Fee								
	Average Transaction Size			\$40 Transaction			\$100 Transaction		
	Pre-Settlement	Interim	New	Pre-Settlement	Interim	New	Pre-Settlement	Interim	New
MasterCard									
Non-Supermarket	1.77%	1.19%	1.23%	1.82%	1.23%	1.23%	1.69%	1.10%	1.23%
Supermarket	1.20%	0.71%	0.64%	1.20%	0.73%	0.65%	1.20%	0.29%	0.26%
Overall	1.72%	1.15%	1.18%	1.76%	1.19%	1.18%	1.64%	1.03%	1.14%
Visa									
Non-Supermarket	1.73%	1.23%	1.55%	1.70%	1.23%	1.51%	1.56%	1.23%	1.27%
Supermarket	0.98%	0.64%	0.86%	1.00%	0.65%	0.88%	0.40%	0.26%	0.35%
Overall	1.67%	1.18%	1.49%	1.64%	1.18%	1.45%	1.47%	1.15%	1.19%
Difference									
Non-Supermarket	0.04%	(0.04%)	(0.32%)	0.12%	0.00%	(0.28%)	0.12%	(0.13%)	(0.04%)
Supermarket	0.21%	0.07%	(0.23%)	0.20%	0.08%	(0.23%)	0.80%	0.03%	(0.09%)
Overall	0.06%	(0.03%)	(0.31%)	0.12%	0.01%	(0.27%)	0.18%	(0.12%)	(0.05%)

The difference represents MasterCard minus Visa:

Positive difference: MasterCard fee > Visa fee.

Negative difference: MasterCard fee < Visa fee.

Interchange Fee Changes for Visa POS Debit Device Transactions based on Average Transaction Size, Pre-Settlement, Interim, and Projected January 31, 2004 Rates

			Pre-Settlement Rates		Interim Rates		New Rates		Pre-Settlement vs. New Rates		Interim vs. New Rates	
			Interchange Fee Rates		Interchange Fee Rates		Interchange Fee Rates		Increase/Decrease		Increase/Decrease	
			Effective April 30, 2003		Effective August 31, 2003		Effective January 31, 2004					
	Average Ticket Size		Fee	Effective Rate	Fee	Effective Rate	Fee	Effective Rate	Basis Point	Price	Basis Point	Price
Visa Off-line Debit Categories												
CPS RETAIL CHECK, THRESHOLD I (Very Large)	\$ 37	\$	0.56	1.52%	\$ 0.45	1.23%	\$ 0.41	1.11%	(41)	(27%)	(12)	(10%)
CPS RETAIL CHECK, THRESHOLD II (Large)	\$ 37	\$	0.56	1.52%	\$ 0.45	1.23%	\$ 0.46	1.24%	(28)	(19%)	1	1%
CPS RETAIL CHECK, THRESHOLD III (Medium)	\$ 37	\$	0.56	1.52%	\$ 0.45	1.23%	\$ 0.50	1.36%	(16)	(11%)	13	10%
CPS RETAIL CHECK, OTHER (Small)	\$ 37	\$	0.56	1.52%	\$ 0.45	1.23%	\$ 0.54	1.46%	(6)	(4%)	23	18%
CPS RETAIL 2 EMERGING	\$ 95	\$	1.41	1.48%	\$ 1.17	1.23%	\$ 1.01	1.06%	(42)	(28%)	(17)	(14%)
US STANDARD	\$ 36	\$	0.99	2.77%	\$ 0.44	1.23%	\$ 0.93	2.60%	(17)	(6%)	137	111%
EIRF	\$ 58	\$	1.34	2.31%	\$ 0.71	1.23%	\$ 1.21	2.10%	(22)	(9%)	87	70%
CPS AUTOMATED FUEL DISPENSER	\$ 18	\$	0.33	1.77%	\$ 0.23	1.23%	\$ 0.30	1.62%	(15)	(8%)	39	32%
CPS CARD NOT PRESENT	\$ 61	\$	1.19	1.97%	\$ 0.75	1.23%	\$ 1.12	1.85%	(12)	(6%)	62	50%
CPS KEY ENTRY	\$ 86	\$	1.65	1.92%	\$ 1.06	1.23%	\$ 1.52	1.77%	(14)	(7%)	54	44%
CPS PASSENGER TRANSPORT	\$ 210	\$	3.62	1.72%	\$ 2.58	1.23%	\$ 3.51	1.67%	(5)	(3%)	44	36%
CPS HOTEL AND CAR RENTAL CNP	\$ 173	\$	2.83	1.64%	\$ 2.13	1.23%	\$ 2.50	1.45%	(19)	(12%)	22	18%
CPS HOTEL AND CAR RENTAL CP	\$ 210	\$	3.41	1.63%	\$ 2.58	1.23%	\$ 3.00	1.43%	(20)	(12%)	20	16%
CPS ACCOUNT FUNDING	\$ 73	\$	1.57	2.14%	\$ 0.90	1.23%	\$ 1.49	2.02%	(11)	(5%)	79	64%
CPS E-COMMERCE, BASIC	\$ 59	\$	1.16	1.97%	\$ 0.73	1.23%	\$ 1.09	1.85%	(12)	(6%)	62	51%
CPS E-COMMERCE, PREFERRED	\$ 59	\$	1.16	1.97%	\$ 0.73	1.23%	\$ 1.06	1.80%	(17)	(8%)	57	47%
EXPRESS PAYMENT SERVICE	\$ 7	\$	0.16	2.28%	\$ 0.09	1.23%	\$ 0.16	2.23%	(5)	(2%)	100	81%
CPS/RETAIL SERVICE STATION, DEBIT	\$ 14	\$	0.29	2.02%	\$ 0.18	1.23%	\$ 0.27	1.89%	(13)	(6%)	66	54%
CPS/RESTAURANT, DEBIT	\$ 26	\$	0.46	1.75%	\$ 0.32	1.23%	\$ 0.41	1.57%	(19)	(11%)	34	28%
CPS SUPERMARKET CHECK (All Thresholds)	\$ 41	\$	0.40	0.98%	\$ 0.26	0.64%	\$ 0.35	0.86%	(12)	(13%)	22	35%
WEIGHTED AVERAGE	\$ 35	\$	0.59	1.67%	\$ 0.41	1.18%	\$ 0.52	1.49%	(18)	(11%)	31	26%

Interchange Fee Changes for Visa POS Debit Device Transactions based on a \$40 Transaction, Pre-Settlement, Interim, and Projected January 31, 2004 Rates

			Pre-Settlement Rates		Interim Rates		New Rates		Pre-Settlement vs. New Rates		Interim vs. New Rates	
			Interchange Fee Rates		Interchange Fee Rates		Interchange Fee Rates		Increase/Decrease		Increase/Decrease	
			Effective April 30, 2003		Effective August 31, 2003		Effective January 31, 2004					
	Average Ticket Size		Fee	Effective Rate	Fee	Effective Rate	Fee	Effective Rate	Basis Point	Price	Basis Point	Price
Visa Off-line Debit Categories												
CPS RETAIL CHECK, THRESHOLD I (Very Large)	\$ 40	\$	0.60	1.50%	\$ 0.49	1.23%	\$ 0.43	1.08%	(43)	(28%)	(16)	(13%)
CPS RETAIL CHECK, THRESHOLD II (Large)	\$ 40	\$	0.60	1.50%	\$ 0.49	1.23%	\$ 0.48	1.21%	(30)	(20%)	(3)	(2%)
CPS RETAIL CHECK, THRESHOLD III (Medium)	\$ 40	\$	0.60	1.50%	\$ 0.49	1.23%	\$ 0.53	1.33%	(18)	(12%)	10	8%
CPS RETAIL CHECK, OTHER (Small)	\$ 40	\$	0.60	1.50%	\$ 0.49	1.23%	\$ 0.57	1.43%	(7)	(5%)	20	16%
CPS RETAIL 2 EMERGING	\$ 40	\$	0.62	1.56%	\$ 0.49	1.23%	\$ 0.57	1.43%	(13)	(8%)	20	16%
US STANDARD	\$ 40	\$	1.10	2.74%	\$ 0.49	1.23%	\$ 1.01	2.53%	(22)	(8%)	130	105%
EIRF	\$ 40	\$	0.96	2.39%	\$ 0.49	1.23%	\$ 0.90	2.25%	(14)	(6%)	102	83%
CPS AUTOMATED FUEL DISPENSER	\$ 40	\$	0.65	1.63%	\$ 0.49	1.23%	\$ 0.45	1.13%	(50)	(31%)	(11)	(9%)
CPS CARD NOT PRESENT	\$ 40	\$	0.82	2.05%	\$ 0.49	1.23%	\$ 0.79	1.98%	(7)	(4%)	75	61%
CPS KEY ENTRY	\$ 40	\$	0.82	2.05%	\$ 0.49	1.23%	\$ 0.79	1.98%	(7)	(4%)	75	61%
CPS PASSENGER TRANSPORT	\$ 40	\$	0.73	1.83%	\$ 0.49	1.23%	\$ 0.79	1.98%	15	8%	75	61%
CPS HOTEL AND CAR RENTAL CNP	\$ 40	\$	0.73	1.83%	\$ 0.49	1.23%	\$ 0.69	1.74%	(10)	(5%)	51	41%
CPS HOTEL AND CAR RENTAL CP	\$ 40	\$	0.73	1.83%	\$ 0.49	1.23%	\$ 0.69	1.74%	(10)	(5%)	51	41%
CPS ACCOUNT FUNDING	\$ 40	\$	0.90	2.25%	\$ 0.49	1.23%	\$ 0.90	2.25%	0	0%	102	83%
CPS E-COMMERCE, BASIC	\$ 40	\$	0.82	2.05%	\$ 0.49	1.23%	\$ 0.79	1.98%	(7)	(4%)	75	61%
CPS E-COMMERCE, PREFERRED	\$ 40	\$	0.82	2.05%	\$ 0.49	1.23%	\$ 0.77	1.93%	(13)	(6%)	70	57%
EXPRESS PAYMENT SERVICE	\$ 40	\$	0.82	2.05%	\$ 0.49	1.23%	\$ 0.80	2.00%	(5)	(2%)	77	63%
CPS/RETAIL SERVICE STATION, DEBIT	\$ 40	\$	0.63	1.57%	\$ 0.49	1.23%	\$ 0.45	1.13%	(45)	(28%)	(11)	(9%)
CPS/RESTAURANT, DEBIT	\$ 40	\$	0.65	1.63%	\$ 0.49	1.23%	\$ 0.58	1.44%	(19)	(11%)	21	17%
CPS SUPERMARKET CHECK (All Thresholds)	\$ 40	\$	0.40	1.00%	\$ 0.26	0.65%	\$ 0.35	0.88%	(13)	(13%)	23	35%
WEIGHTED AVERAGE	\$ 40	\$	0.65	1.64%	\$ 0.47	1.18%	\$ 0.55	1.45%	(19)	(12%)	27	23%

Interchange Fee Changes for Visa POS Debit Device Transactions based on a \$100 Transaction, Pre-Settlement, Interim, and Projected January 31, 2004 Rates

		Pre-Settlement Rates		Interim Rates		New Rates		Pre-Settlement vs. New Rates		Interim vs. New Rates	
		Interchange Fee Rates		Interchange Fee Rates		Interchange Fee Rates		Increase/Decrease		Increase/Decrease	
		Effective April 30, 2003		Effective August 31, 2003		Effective January 31, 2004					
	Average Ticket Size	Fee	Effective Rate	Fee	Effective Rate	Fee	Effective Rate	Basis Point	Price	Basis Point	Price
Visa Off-line Debit Categories											
CPS RETAIL CHECK, THRESHOLD I (Very Large)	\$ 100	\$ 1.35	1.35%	\$ 1.23	1.23%	\$ 0.85	0.85%	(50)	(37%)	(38)	(31%)
CPS RETAIL CHECK, THRESHOLD II (Large)	\$ 100	\$ 1.35	1.35%	\$ 1.23	1.23%	\$ 0.98	0.98%	(37)	(27%)	(25)	(20%)
CPS RETAIL CHECK, THRESHOLD III (Medium)	\$ 100	\$ 1.35	1.35%	\$ 1.23	1.23%	\$ 1.10	1.10%	(25)	(19%)	(13)	(11%)
CPS RETAIL CHECK, OTHER (Small)	\$ 100	\$ 1.35	1.35%	\$ 1.23	1.23%	\$ 1.20	1.20%	(15)	(11%)	(3)	(2%)
CPS RETAIL 2 EMERGING	\$ 100	\$ 1.48	1.48%	\$ 1.23	1.23%	\$ 1.05	1.05%	(43)	(29%)	(18)	(15%)
US STANDARD	\$ 100	\$ 2.59	2.59%	\$ 1.23	1.23%	\$ 2.15	2.15%	(44)	(17%)	92	75%
EIRF	\$ 100	\$ 2.24	2.24%	\$ 1.23	1.23%	\$ 1.95	1.95%	(29)	(13%)	72	59%
CPS AUTOMATED FUEL DISPENSER	\$ 100	\$ 1.55	1.55%	\$ 1.23	1.23%	\$ 0.87	0.87%	(68)	(44%)	(36)	(29%)
CPS CARD NOT PRESENT	\$ 100	\$ 1.90	1.90%	\$ 1.23	1.23%	\$ 1.75	1.75%	(15)	(8%)	52	42%
CPS KEY ENTRY	\$ 100	\$ 1.90	1.90%	\$ 1.23	1.23%	\$ 1.75	1.75%	(15)	(8%)	52	42%
CPS PASSENGER TRANSPORT	\$ 100	\$ 1.75	1.75%	\$ 1.23	1.23%	\$ 1.75	1.75%	0	0%	52	42%
CPS HOTEL AND CAR RENTAL CNP	\$ 100	\$ 1.68	1.68%	\$ 1.23	1.23%	\$ 1.51	1.51%	(17)	(10%)	28	23%
CPS HOTEL AND CAR RENTAL CP	\$ 100	\$ 1.68	1.68%	\$ 1.23	1.23%	\$ 1.51	1.51%	(17)	(10%)	28	23%
CPS ACCOUNT FUNDING	\$ 100	\$ 2.10	2.10%	\$ 1.23	1.23%	\$ 1.95	1.95%	(15)	(7%)	72	59%
CPS E-COMMERCE, BASIC	\$ 100	\$ 1.90	1.90%	\$ 1.23	1.23%	\$ 1.75	1.75%	(15)	(8%)	52	42%
CPS E-COMMERCE, PREFERRED	\$ 100	\$ 1.90	1.90%	\$ 1.23	1.23%	\$ 1.70	1.70%	(20)	(11%)	47	38%
EXPRESS PAYMENT SERVICE	\$ 100	\$ 2.02	2.02%	\$ 1.23	1.23%	\$ 1.97	1.97%	(5)	(2%)	74	60%
CPS/RETAIL SERVICE STATION, DEBIT	\$ 100	\$ 1.42	1.42%	\$ 1.23	1.23%	\$ 0.87	0.87%	(55)	(39%)	(36)	(29%)
CPS/RESTAURANT, DEBIT	\$ 100	\$ 1.48	1.48%	\$ 1.23	1.23%	\$ 1.29	1.29%	(19)	(13%)	6	5%
CPS SUPERMARKET CHECK (All Thresholds)	\$ 100	\$ 0.40	0.40%	\$ 0.26	0.26%	\$ 0.35	0.35%	(5)	(13%)	9	35%
WEIGHTED AVERAGE	\$ 100	\$ 1.44	1.47%	\$ 1.16	1.15%	\$ 1.12	1.19%	(27)	(19%)	4	4%

Interchange Fee Changes for MasterCard POS Debit Device Transactions based on Average Transaction Size, Pre-Settlement, Interim, and Projected April 2, 2004 Rates

			Pre-Settlement Rates		Interim Rates		New Rates		Pre-Settlement vs. New Rates ¹		Interim vs. New Rates ¹	
			Interchange Fee Rates		Interchange Fee Rates		Interchange Fee Rates		Increase/Decrease		Increase/Decrease	
			Effective April 30, 2003		Effective August 31, 2003		Effective April 2, 2004					
	Average Ticket Size		Fee	Effective Rate	Fee	Effective Rate	Fee	Effective Rate	Basis Point	Price	Basis Point	Price
MasterCard Off-line Debit Categories												
Convenience Purchases	\$ 15	\$	0.28	1.80%	\$ 0.21	1.35%	\$ 0.19	1.23%	(57)	(32%)	(12)	(9%)
Supermarket	\$ 40	\$	0.48	1.20%	\$ 0.29	0.72%	\$ 0.26	0.65%	(55)	(46%)	(7)	(10%)
Warehouse	\$ 87	\$	0.96	1.10%	\$ 0.29	0.33%	\$ 0.26	0.30%	(80)	(73%)	(3)	(10%)
Key-Entered	\$ 60	\$	1.17	1.97%	\$ 0.68	1.14%	\$ 0.73	1.23%	(74)	(37%)	9	8%
Merit I	\$ 70	\$	1.44	2.04%	\$ 0.78	1.11%	\$ 0.87	1.23%	(81)	(40%)	12	11%
Merit III	\$ 44	\$	0.71	1.63%	\$ 0.52	1.20%	\$ 0.54	1.23%	(40)	(24%)	3	3%
Passenger Transport	\$ 217	\$	3.79	1.75%	\$ 2.21	1.02%	\$ 2.67	1.23%	(52)	(30%)	21	21%
Public Sector	\$ 80	\$	1.31	1.62%	\$ 0.88	1.09%	\$ 0.99	1.23%	(39)	(24%)	14	12%
Service Industries	\$ 51	\$	0.64	1.25%	\$ 0.60	1.16%	\$ 0.63	1.23%	(2)	(1%)	7	6%
Standard	\$ 51	\$	1.46	2.85%	\$ 0.60	1.17%	\$ 0.63	1.23%	(162)	(57%)	6	6%
Travel Premier	\$ 208	\$	3.39	1.63%	\$ 2.12	1.02%	\$ 2.56	1.23%	(40)	(24%)	21	21%
Weighted Average	\$ 40	\$	0.69	1.72%	\$ 0.46	1.15%	\$ 0.47	1.18%	(55)	(32%)	3	3%

Note: ¹ The average transaction size for a MasterCard off-line debit transaction is approximately \$40.33. The weighted average price increase evaluated at this average transaction size will differ from the price increase evaluated on a typical \$40 transaction even though the overall difference in transaction size is small. This is because although the average transaction size is \$40.33, the typical transaction size for each interchange fee category varies from \$15 to \$217, and the application of a two-part interchange fee to these varying transaction sizes will cause the overall effective interchange fee to differ from that on a \$40 transaction.

Interchange Fee Changes for MasterCard POS Debit Device Transactions based on a \$40 Transaction, Pre-Settlement, Interim, and Projected April 2, 2004 Rates

			Pre-Settlement Rates		Interim Rates		New Rates		Pre-Settlement vs. New Rates		Interim vs. New Rates	
			Interchange Fee Rates		Interchange Fee Rates		Interchange Fee Rates		Increase/Decrease		Increase/Decrease	
			Effective April 30, 2003		Effective August 31, 2003		Effective April 2, 2004					
	Average Ticket Size		Fee	Effective Rate	Fee	Effective Rate	Fee	Effective Rate	Basis Point	Price	Basis Point	Price
MasterCard Off-line Debit Categories												
Convenience Purchases	\$ 40	\$	0.72	1.80%	\$ 0.54	1.35%	\$ 0.49	1.23%	(57)	(32%)	(12)	(9%)
Supermarket	\$ 40	\$	0.48	1.20%	\$ 0.29	0.73%	\$ 0.26	0.65%	(55)	(46%)	(7)	(10%)
Warehouse	\$ 40	\$	0.44	1.10%	\$ 0.29	0.73%	\$ 0.26	0.65%	(45)	(41%)	(7)	(10%)
Key-Entered	\$ 40	\$	0.82	2.05%	\$ 0.49	1.22%	\$ 0.49	1.23%	(82)	(40%)	1	1%
Merit I	\$ 40	\$	0.86	2.15%	\$ 0.49	1.22%	\$ 0.49	1.23%	(92)	(43%)	1	1%
Merit III	\$ 40	\$	0.66	1.65%	\$ 0.49	1.22%	\$ 0.49	1.23%	(42)	(25%)	1	1%
Passenger Transport	\$ 40	\$	0.78	1.95%	\$ 0.49	1.22%	\$ 0.49	1.23%	(72)	(37%)	1	1%
Public Sector	\$ 40	\$	0.70	1.75%	\$ 0.49	1.22%	\$ 0.49	1.23%	(52)	(30%)	1	1%
Service Industries	\$ 40	\$	0.51	1.28%	\$ 0.49	1.22%	\$ 0.49	1.23%	(5)	(4%)	1	1%
Standard	\$ 40	\$	1.16	2.90%	\$ 0.49	1.22%	\$ 0.49	1.23%	(167)	(58%)	1	1%
Travel Premier	\$ 40	\$	0.73	1.83%	\$ 0.49	1.22%	\$ 0.49	1.23%	(60)	(33%)	1	1%
Weighted Average	\$ 40	\$	0.69	1.76%	\$ 0.48	1.19%	\$ 0.47	1.18%	(58)	(33%)	(1)	(1%)

Interchange Fee Changes for MasterCard POS Debit Device Transactions based on a \$100 Transaction Size, Pre-Settlement, Interim, and Projected April 2, 2004 Rates

			Pre-Settlement Rates		Interim Rates		New Rates		Pre-Settlement vs. New Rates		Interim vs. New Rates	
			Interchange Fee Rates		Interchange Fee Rates		Interchange Fee Rates		Increase/Decrease		Increase/Decrease	
			Effective April 30, 2003		Effective August 31, 2003		Effective April 2, 2004					
	Average Ticket Size		Fee	Effective Rate	Fee	Effective Rate	Fee	Effective Rate	Basis Point	Price	Basis Point	Price
MasterCard Off-line Debit Categories												
Convenience Purchases	\$ 100	\$	1.80	1.80%	\$ 1.35	1.35%	\$ 1.23	1.23%	(57)	(32%)	(12)	(9%)
Supermarket	\$ 100	\$	1.20	1.20%	\$ 0.29	0.29%	\$ 0.26	0.26%	(94)	(78%)	(3)	(10%)
Warehouse	\$ 100	\$	1.10	1.10%	\$ 0.29	0.29%	\$ 0.26	0.26%	(84)	(76%)	(3)	(10%)
Key-Entered	\$ 100	\$	1.90	1.90%	\$ 1.07	1.07%	\$ 1.23	1.23%	(67)	(35%)	16	15%
Merit I	\$ 100	\$	2.00	2.00%	\$ 1.07	1.07%	\$ 1.23	1.23%	(77)	(39%)	16	15%
Merit III	\$ 100	\$	1.50	1.50%	\$ 1.07	1.07%	\$ 1.23	1.23%	(27)	(18%)	16	15%
Passenger Transport	\$ 100	\$	1.80	1.80%	\$ 1.07	1.07%	\$ 1.23	1.23%	(57)	(32%)	16	15%
Public Sector	\$ 100	\$	1.60	1.60%	\$ 1.07	1.07%	\$ 1.23	1.23%	(37)	(23%)	16	15%
Service Industries	\$ 100	\$	1.20	1.20%	\$ 1.07	1.07%	\$ 1.23	1.23%	3	3%	16	15%
Standard	\$ 100	\$	2.75	2.75%	\$ 1.07	1.07%	\$ 1.23	1.23%	(152)	(55%)	16	15%
Travel Premier	\$ 100	\$	1.68	1.68%	\$ 1.07	1.07%	\$ 1.23	1.23%	(45)	(27%)	16	15%
Weighted Average	\$ 100	\$	1.63	1.64%	\$ 1.07	1.03%	\$ 1.14	1.14%	(50)	(30%)	11	11%