



Statement by Visa Inc.

Debit regulation has altered the competitive landscape. To enable Visa to compete in the new environment, we have revised our business strategy in a manner designed to benefit merchants, financial institutions and Visa.

As part of this revised strategy, Visa is changing our fee structure with the intent of lowering the cost of Visa acceptance, while allowing continued investments in our secure, reliable network.

First, Visa will lower variable acquirer processing fees for all Visa-branded products and across all merchant segments, including small merchants. Second, we are expanding acquirer and merchant incentives to further lower merchants' processing costs. Third, Visa is implementing a new Fixed Acquirer Network Fee that will be assessed to acquirers based on both the merchant's size and its number of locations.

Under this new structure, we have taken particular care to make sure the benefits can reach even the smallest retailers and charitable organizations. The acquirer fixed fee is expected to be \$2.00 per month for approximately 60 percent of merchants and \$5.00 or less per month for approximately 80 percent of merchants.

In addition, Visa has waived the fixed fee to acquirers for qualifying charitable organizations. As always, we are prepared to work with our clients to address their unique situations and mutual opportunities.

Collectively, these changes are designed with the intent of reducing the cost of Visa acceptance. Ultimately these changes should provide merchants and acquirers with financial incentive to route transactions to Visa. The more transactions they route, the lower the cost per transaction.

These changes, when implemented in April, will result in a reduction in Visa's acquiring fees in the aggregate.

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