MASTERCARD INC
Form 8-K
May 07, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 7, 2003

MASTERCARD INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	000-50250	13-4172551
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2000 PURCHASE STREET PURCHASE, NEW YORK	10577
(Address of principal executive offices)	(Zip Code)

(914) 249-2000
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

ITEM 9. REGULATION FD DISCLOSURE.

Set forth below are tables that provide information regarding the performance results for the three months ended March 31, 2003 for the payment programs of MasterCard International Incorporated and MasterCard Europe sprl (collectively, "MasterCard"), the principal operating subsidiaries of MasterCard Incorporated. In addition, set forth below are tables that provide information regarding MasterCard's payment programs for the years ended December 31, 2002 and 2001, in each case restated to present the information on the same basis as the information in the tables for the three months ended March 31, 2003.

The tables set forth the gross dollar volume ("GDV"), purchase volume, cash volume and the number of purchase transactions, cash transactions, accounts and cards on a regional basis for MasterCard(R)-branded cards. Growth rates over prior periods are provided for volume-based data.

	FOR THE 3 MONTHS ENDED MARCH 31, 200						
ALL PROGRAMS EXCEPT ON-LINE DEBIT PROGRAMS	GDV (BILLIONS)	GROWTH (LOCAL)	PURCHASE VOLUME (BILLIONS)	GROWTH (LOCAL)	PURCHASE TRANSACTIONS (MILLIONS)	CASH VOLUME (BILLIONS)	GROWTH (LOCAL)
South Asia / Middle East Africa	$ 2.3	16.3%	$ 1.6	19.0%	36.6	$ .7	10.5%
Asia / Pacific	54.2	-6.8%	31.0	-1.4%	337.2	23.2	-13.2%
Europe	66.0	10.6%	50.6	13.0%	792.8	15.4	3.5%
Latin America	8.1	29.4%	5.0	21.6%	154.3	3.2	43.8%
Canada	8.3	17.0%	6.9	20.2%	114.8	1.4	3.4%
United States	146.7	10.3%	108.9	13.6%	1,533.4	37.8	1.7%
Worldwide	285.7	7.3%	204.0	11.3%	2,969.3	81.7	-1.5%
CREDIT PROGRAMS							
United States	117.2	10.4%	90.4	12.3%	1,090.2	26.8	4.3%
Worldwide	235.0	6.6%	174.5	10.6%	2,292.5	60.5	-3.3%
OFF-LINE DEBIT PROGRAMS							
United States	29.4	10.1%	18.4	20.6%	443.2	11.0	-4.0%
Worldwide	50.7	10.6%	29.5	15.9%	676.8	21.2	3.9%

	FOR THE YEAR ENDED DECEMBER 31, 2001						
ALL PROGRAMS EXCEPT ON-LINE DEBIT PROGRAMS	GDV (BILLIONS)	GROWTH (LOCAL)	PURCHASE VOLUME (BILLIONS)	GROWTH (LOCAL)	PURCHASE TRANSACTIONS (MILLIONS)	CASH VOLUME (BILLIONS)	GROWTH (LOCAL)
South Asia / Middle East Africa	$ 7.3	20.7%	$ 5.1	21.2%	125.0	$ 2.2	19.4%
Asia / Pacific	198.9	18.1%	112.5	8.6%	1,106.6	86.5	33.2%
Europe	201.7	10.7%	153.6	9.6%	2,716.6	48.2	14.5%
Latin America	31.9	26.3%	23.3	14.2%	537.6	8.5	78.0%
Canada	27.7	15.3%	22.9	14.8%	406.1	4.7	17.9%
United States	518.4	20.0%	382.9	16.8%	5,385.7	135.5	30.1%
Worldwide	985.9	17.6%	700.3	13.6%	10,277.5	285.6	28.8%
CREDIT PROGRAMS							
United States	421.3	16.9%	324.7	15.4%	4,002.1	96.6	22.4%
Worldwide	826.4	15.8%	609.3	12.7%	8,102.2	217.1	25.4%
OFF-LINE DEBIT PROGRAMS							
United States	97.1	35.2%	58.2	25.0%	1,383.6	38.9	54.2%
Worldwide	159.5	28.3%	91.0	20.4%	2,175.3	68.5	40.8%

	FOR THE YEAR ENDED DECEMBER 31, 2002						
ALL PROGRAMS EXCEPT ON-LINE DEBIT PROGRAMS	GDV (BILLIONS)	GROWTH (LOCAL)	PURCHASE VOLUME (BILLIONS)	GROWTH (LOCAL)	PURCHASE TRANSACTIONS (MILLIONS)	CASH VOLUME (BILLIONS)	GROWTH (LOCAL)
South Asia / Middle East Africa	$ 8.0	23.0%	$ 5.6	23.5%	141.2	$ 2.4	21.8%
Asia / Pacific	223.2	10.6%	121.3	6.9%	1,305.1	101.9	15.5%

Europe	241.4	14.5%	183.3	14.6%	3,112.6	58.1	14.1%
Latin America	33.4	26.3%	21.7	17.0%	600.3	11.7	48.0%
Canada	32.3	18.0%	26.8	18.2%	473.4	5.5	16.9%
United States	602.2	16.2%	443.6	15.8%	6,245.7	158.5	17.0%
Worldwide	1140.3	15.0%	802.2	14.3%	11,878.3	338.2	16.9%
CREDIT PROGRAMS							
United States	485.9	15.3%	374.1	15.2%	4,570.3	111.8	15.7%
Worldwide	945.9	14.1%	692.2	13.6%	9,278.0	253.7	15.5%
OFF-LINE DEBIT PROGRAMS							
United States	116.3	19.8%	69.5	19.5%	1,675.3	46.7	20.3%
Worldwide	194.4	19.6%	109.9	18.4%	2,600.3	84.5	21.2%

For purposes of the tables: GDV represents purchase volume plus cash volume and includes the impact of balance transfers and convenience checks; purchase volume means the aggregate dollar amount of purchases made with MasterCard-branded cards for the relevant period; and cash volume means the aggregate dollar amount of cash disbursements obtained with MasterCard-branded cards for the relevant period. The number of cards includes virtual cards, which are MasterCard-branded payment accounts in connection with which functional cards are not generally issued.

The MasterCard payment product is comprised of both credit programs and off-line debit programs, and certain data relating to each type of program is included in the tables. Credit programs include MasterCard-branded credit and charge programs. Off-line debit programs include MasterCard-branded debit programs where the primary means of cardholder validation at the point of sale is for cardholders to sign a sales receipt.

Information denominated in U.S. dollars is calculated by applying an established U.S. dollar/local currency exchange rate for each local currency in which MasterCard volumes are reported. These exchange rates are calculated on a quarterly basis using the average exchange rate for each quarter. However, MasterCard reports period-over-period rates of change in GDV, purchase volume and cash volume solely on the basis of local currency information, in order to eliminate the impact of changes in the value of foreign currencies against the U.S. dollar in calculating such rates of change. Accordingly, the period-over-period rates of change set forth in the tables cannot be extrapolated directly by reference to dollar volume information presented by MasterCard for the current and historical periods.

The data set forth in the GDV, purchase volume, purchase transactions, cash volume and cash transactions columns is derived from information provided by MasterCard members that is subject to logical and statistical verification by MasterCard and partial cross-checking against information provided by MasterCard's transaction processing systems. The data set forth in the accounts and cards columns is derived from information provided by MasterCard members and is subject to certain limited logical and statistical verification by MasterCard. All data is subject to revision and amendment by MasterCard's members subsequent to the date of its release.

A portion of the data set forth in the tables is estimated. In addition, a portion of the data set forth in the accounts and cards columns reflects the impact of routine portfolio changes among members and other practices that may lead to over counting of the underlying data in certain circumstances.

The tables include information with respect to MasterCard-branded transactions that are not processed by MasterCard and transactions for which MasterCard does not earn revenues.

Certain information in the preceding tables has been the subject of prior public release by MasterCard. The information in the preceding tables for the years ended December 31, 2002 and 2001 has been restated to conform to the presentation of information in the tables for the three months ended March 31, 2003 and to reflect revisions to certain historical statistical information provided by MasterCard's members subsequent to the previous release of this information by MasterCard. These revisions do not have a material impact on MasterCard's reported financial results for the relevant periods.

Maestro(R) and Cirrus(R) on-line debit transactions, Mondex(R) transactions and other branded transactions are not included in the preceding tables. Based on information provided by MasterCard members and other sources, we estimate that, at December 31, 2002 and 2001, the Maestro brand mark appeared on approximately 458 million and 413 million cards worldwide, respectively. The preceding figures reflect revisions to the number of cards bearing the Maestro brand mark previously reported by MasterCard in its SEC filings, in order to reclassify certain on-line debit cards that do not have point-of-sale debit functionality.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MASTERCARD INCORPORATED

Date: May 7, 2003

By /s/ NOAH J. HANFT

Noah J. Hanft
General Counsel and Secretary