

MasterCard® *PayPass*™ Launches First Contactless Card in China

**The ICBC MasterCard Easy Life *PayPass* Credit Card Offers Chinese Consumers
the Convenience, Speed and Security of Contactless Payments**

Beijing, 26 October, 2007 - MasterCard Worldwide, in collaboration with Industrial and Commercial Bank of China (ICBC), today announced the introduction of the first MasterCard® *PayPass*™ credit card and the first dual interface chip card (EMV contact/*PayPass* contactless) in China.

The ICBC MasterCard Easy Life *PayPass* credit card offers consumers speed and added convenience of contactless payments as they go about their daily payments. Consumers simply need to tap their MasterCard *PayPass* card on a specially-equipped point-of-sale (POS) terminal that utilizes a radio frequency chip in order to make payments. They no longer need to fumble with coins or cash, nor hand over their card to the sales clerks, as it eliminates the need to swipe the card through readers.

Designed using globally interoperable standards (ISO/IEC 14443), MasterCard *PayPass* will work consistently around the world wherever it is accepted. Consumers in China benefit from the flexibility in using their cards at over 73,000 merchants worldwide as of 3Q 2007, including new acceptance environments such as vending machines, taxis, tollbooths, and transit.

In addition to the award winning *PayPass* contactless feature, the card is also enabled with an EMV (Europay, MasterCard and Visa) chip, offering greater security to the consumer. EMV-compliant cards offer greater security as they have been developed to be tamper resistant. Their built-in processors protect the information stored on the chip embedded in the card, which mean that critical transactions like payments, are more secure.

The inaugural *PayPass* card in China is expected to lead the trend for contactless payments in the booming credit card industry. In order to develop the acceptance environment for *PayPass* and EMV chip card in China, MasterCard collaborated with ICBC to deploy *PayPass* terminals in a number of merchant locations, including places of interest in Beijing, such as the Lama Temple, and some first-tier cinemas including Stellar International Cineplex and Espace France Cinema. Bicycle Rental, a popular bicycle rental chain in Beijing, will also be among merchants to accept the ICBC MasterCard *PayPass* card. Cardholders can easily rent bicycles in more than 30 rental stores in the city and play their part in contributing to the traffic and environment of the Olympic host city. By deploying more than 10,000 EMV-compatible POS in the city, ICBC is committed to providing a first-rate acceptance environment for *PayPass* and chip cardholders from all over the world during the upcoming 2008 Beijing Olympic Games.

The MasterCard *PayPass* credit card combines contact (ISO7816) and contactless (ISO14443) functionality, which includes a magnetic stripe, and an EMV-compliant card, in addition to the MasterCard *PayPass* payment feature¹. The card program is powered by the MasterCard M/Chip 4 payment application, which is the latest generation of EMV payment applications, an application central to MasterCard's global smart card program, OneSmart™ MasterCard®.

"This is a milestone achievement in the Chinese payments industry," said Willie Fung, executive vice president and general manager, Greater China and Korea, MasterCard Worldwide. "In December 2005 we collaborated with ICBC to launch China's first MasterCard chip card. Just over a year and a half later, we have joined hands once again to launch a first within China's payments industry. We are delighted to provide customers of ICBC with a payment card that brings flexibility, convenience and security, which they have come to expect when making every day purchases with a MasterCard card."

As the biggest commercial bank in China, ICBC is committed to innovation and providing new products and services to customers. A spokesperson from the Beijing branch of ICBC said, "We are delighted to team up with MasterCard, an innovative global leader in the payments industry to launch this card. With an enhanced and sophisticated payment card consumers will be equipped to make fast and secure transactions everywhere MasterCard is accepted. We look forward to working closely with MasterCard to leverage their advanced payment technology to benefit our customers."

For years, MasterCard has been the industry innovator in contactless payments. From consumer research and development efforts to conducting market trials and standardizing communications protocols for contactless payments, MasterCard has paved the way for the increasing demand and successful roll-out of *PayPass* globally.

MasterCard launched *PayPass* globally in 2003 and has gained significant success in several Asia/Pacific markets. Markets in Asia/Pacific that have launched or initiated pilot programs include Australia, Indonesia, Japan, Korea, the Philippines, Taiwan, Thailand and Malaysia. It speeds consumers through the checkout process at such locations as McDonald's (Lebanon and Mexico), Burger King (Turkey), 7-Eleven (Australia), Starbucks (Turkey and Malaysia), Petro-Canada (Canada) and in many other types of merchants including supermarkets, cinemas, gas stations, fast food and transit.

As of Q3 2007, there are over 19 million *PayPass* cards and devices in use at over 73,000 merchants worldwide. MasterCard *PayPass* is an ideal payment feature for traditional, cash-only environments where speed is essential and can be easily embedded within payment cards or other devices such as a mobile phone, watch or key chain, all of which has been introduced in Taiwan.

With the introduction of the *PayPass* program in China, MasterCard has once again shown its commitment in developing innovative payment solution programs and technologies that benefit consumers, retailers, and banks alike.

¹ MasterCard *PayPass*™ uses a hidden embedded computer chip and radio frequency antennae.

MasterCard *PayPass* Benefits the Industry at Large

All parties involved in the payment transaction stand to benefit from MasterCard *PayPass*.

For customer financial institutions, contactless payments can help increase the value they provide to consumer accounts by offering a convenient alternative to cash, opening up new acceptance opportunities for “quick pay” or high volume environments, and increasing cardholder acquisition, activation, usage and retention.

Consumers benefit from contactless payments as it provides them with better financial management than cash and a quick, easy payment method, improving the overall payment experience. It also increases the control and security, as cardholders remain in control of their card during transactions.

For retailers, contactless payments provide a payment option that allows consumers to speed through the check-out process, vital in the quick service sectors. The speed and convenience of *PayPass* result in cards being used more often, thereby resulting in higher transaction amounts compared to cash. Moreover, contactless payments allow retailers to better understand consumer behavior by enabling them to track data that cannot be collected through cash transactions.

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About MasterCard Worldwide

MasterCard Worldwide advances global commerce by providing a critical economic link among financial institutions, businesses, cardholders and merchants worldwide. As a franchisor, processor and advisor, MasterCard develops and markets payment solutions, processes over 16 billion transactions each year, and provides industry-leading analysis and consulting services to financial institution customers and merchants. Through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard serves consumers and businesses in more than 210 countries and territories. For more information go to <http://www.mastercard.com>.

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