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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 30, 2019

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**Mastercard Incorporated**

*(Exact name of registrant as specified in its charter)*

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32877**  
(Commission  
File Number)

**13-4172551**  
(IRS Employer  
Identification No.)

**2000 Purchase Street**  
**Purchase, New York**  
(Address of principal executive offices)

**10577**  
(Zip Code)

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

**NOT APPLICABLE**

**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition**

On April 30, 2019 , Mastercard Incorporated issued an earnings release announcing financial results for its first quarter 2019 .

A copy of the earnings release is attached hereto as Exhibit 99.1. All information in the earnings release is furnished but not filed.

**Item 9.01 Financial Statements and Exhibits****(d) Exhibits.****Exhibit Number Exhibit Description**

[99.1](#) [Earnings Release issued by Mastercard Incorporated, dated April 30, 2019](#)

**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: April 30, 2019

By: \_\_\_\_\_ /s/ Janet McGinness  
*Janet McGinness*  
*Corporate Secretary*

## Earnings Release



## Mastercard Incorporated Reports First-Quarter 2019 Financial Results

- **First-quarter net income of \$1.9 billion , or diluted earnings per share of \$1.80**
- **First-quarter adjusted net income of \$1.8 billion , or adjusted diluted earnings per share of \$ 1.78**
- **First-quarter net revenue of \$3.9 billion , an increase of 9% , or 13% on a currency-neutral basis**
- **First-quarter gross dollar volume up 12% and purchase volume up 12%**

**Purchase, NY - April 30, 2019** - Mastercard Incorporated (NYSE: MA) today announced financial results for the first -quarter 2019 .

“We’re off to a very good start this year with strong revenue and earnings growth,” said Ajay Banga, Mastercard president and CEO. “We continue to make significant progress, developing innovative new products with partners like Apple and Goldman Sachs, expanding the geographic footprint of our real-time payment solutions, and announcing several acquisitions to advance our cross-border payments, safety and security, and merchant engagement strategies.”

### Quarterly Results

#### Summary of First-Quarter Operating Results

Amounts in billions (\$), except per share data

|                            | Q1 2019 | Q1 2018 | Increase / (Decrease) |                  |
|----------------------------|---------|---------|-----------------------|------------------|
|                            |         |         | Reported GAAP         | Currency-neutral |
| Net revenue                | \$3.9   | \$3.6   | 9%                    | 13%              |
| Operating expenses         | \$1.7   | \$1.8   | (5)%                  | (2)%             |
| Operating income           | \$2.2   | \$1.8   | 21%                   | 27%              |
| Operating margin           | 56.9%   | 51.0%   | 6.0 ppt               | 6.4 ppt          |
| Effective income tax rate  | 15.5%   | 17.3%   | (1.8) ppt             | (1.4) ppt        |
| Net income                 | \$1.9   | \$1.5   | 25%                   | 31%              |
| Diluted earnings per share | \$1.80  | \$1.41  | 28%                   | 33%              |

#### Summary of First-Quarter Non-GAAP Results <sup>1</sup>

Amounts in billions (\$), except per share data

|                                     | Q1 2019 | Q1 2018 | Increase / (Decrease) |                  |
|-------------------------------------|---------|---------|-----------------------|------------------|
|                                     |         |         | As adjusted           | Currency-neutral |
| Net revenue                         | \$3.9   | \$3.6   | 9%                    | 13%              |
| Adjusted operating expenses         | \$1.7   | \$1.6   | 2%                    | 5%               |
| Adjusted operating margin           | 56.9%   | 54.2%   | 2.7 ppt               | 3.2 ppt          |
| Adjusted effective income tax rate  | 16.8%   | 17.7%   | (0.9) ppt             | (0.5) ppt        |
| Adjusted net income                 | \$1.8   | \$1.6   | 16%                   | 21%              |
| Adjusted diluted earnings per share | \$1.78  | \$1.50  | 19%                   | 24%              |

<sup>1</sup> The Summary of Non-GAAP Results excludes the impact of special items (“Special Items”) and/or foreign currency. See Non-GAAP reconciliations on page 11 for further information on the Special Items, the impact of foreign currency and the reconciliation to GAAP reported amounts.

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The following additional details are provided to aid in understanding Mastercard's first -quarter 2019 results, versus the year-ago period:

- Net revenue increased 9% as reported, or 13% on a currency-neutral basis, driven by the impact of the following factors:
  - An increase in switched transactions of 17% .
  - A 12% increase in gross dollar volume, on a local currency basis, to \$1.5 trillion .
  - An increase in cross-border volumes of 13% on a local currency basis.
  - These increases were partially offset by an increase in rebates and incentives, primarily due to new and renewed agreements and increased volumes.
- Total operating expenses decreased 5% , or 2% on a currency-neutral basis. Excluding the impact of Special Items, adjusted operating expenses increased 2% , or 5% on a currency-neutral basis, primarily related to the company's continued investments in strategic initiatives.
- Other income (expense) was favorable versus the year ago period, primarily due to higher investment income driven by higher interest rates.
- The effective tax rate for the first quarter of 2019 was 15.5% , versus 17.3% for the comparable period in 2018 . Excluding Special Items, the adjusted effective tax rate for the first quarter of 2019 was 16.8% , versus 17.7% for the comparable period in 2018 , primarily due to discrete benefits related to share-based payments.
- As of March 31, 2019 , the company's customers had issued 2.5 billion Mastercard and Maestro-branded cards.

### ***Return of Capital to Shareholders***

During the first quarter of 2019 , Mastercard repurchased approximately 8.7 million shares at a cost of \$1.8 billion and paid \$340 million in dividends. Quarter-to-date through April 25, the company repurchased an additional 2.0 million shares at a cost of \$467 million , which leaves \$4.5 billion remaining under current repurchase program authorizations.

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### **First -Quarter Financial Results Conference Call Details**

At 9:00 a.m. ET today, the company will host a conference call to discuss its first -quarter 2019 results.

The dial-in information for this call is 833-236-5755 (within the U.S.) and 647-689-4183 (outside the U.S.). A replay of the call will be available for 30 days and can be accessed by dialing 800-585-8367 (within the U.S.) and 416-621-4642 (outside the U.S.), using passcode 1668986.

This call can also be accessed through the Investor Relations section of the company's website at [www.mastercard.com/investor](http://www.mastercard.com/investor). Presentation slides used on this call will also be available on the website.

### **Non-GAAP Financial Information**

Mastercard discloses the following non-GAAP financial measures: adjusted operating expenses, adjusted operating margin, adjusted effective income tax rate, adjusted net income and adjusted diluted earnings per share (as well as related applicable growth rates versus the comparable period in the prior year). These non-GAAP financial measures exclude the impact of the Special Items. The company excluded these Special Items as its management evaluates the underlying operations and performance of the company separately from litigation judgments and settlements and other one-time items, as well as related tax impacts.

The company also presents growth rates, including net revenue, adjusted for the impact of foreign currency, which is a non-GAAP financial measure. Currency-neutral growth rates are calculated by remeasuring the prior period's results using the current period's exchange rates for both the translational and transactional impacts on operating results. The impact of foreign currency translation represents the effect of translating operating results where the functional currency is different from the company's U.S. dollar reporting currency. The impact of the transactional foreign currency represents the effect of converting revenue and expenses occurring in a currency other than the functional currency. The company's management believes the presentation of currency-neutral growth rates provides relevant information.

The company's management believes that the non-GAAP financial measures presented facilitate an understanding of operating performance and provide a meaningful comparison of its results between periods. The company's management uses non-GAAP financial measures to, among other things, evaluate its ongoing operations in relation to historical results, for internal planning and forecasting purposes and in the calculation of performance-based compensation.

The company includes reconciliations of the requisite non-GAAP financial measures to the most directly comparable GAAP financial measures. The presentation of non-GAAP financial measures should not be considered in isolation or as a substitute for the company's related financial results prepared in accordance with GAAP.

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## About Mastercard Incorporated

[Mastercard](#) (NYSE: MA), [www.mastercard.com](http://www.mastercard.com), is a technology company in the global payments industry. Our global payments processing network connects consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard products and solutions make everyday commerce activities - such as shopping, traveling, running a business and managing finances - easier, more secure and more efficient for everyone. Follow us on Twitter [@MastercardNews](#), join the discussion on the [Beyond the Transaction Blog](#) and [subscribe](#) for the latest news on the [Engagement Bureau](#).

## Forward-Looking Statements

This press release contains forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts may be forward-looking statements. When used in this press release, the words “believe”, “expect”, “could”, “may”, “would”, “will”, “trend” and similar words are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements that relate to Mastercard’s future prospects, developments and business strategies. We caution you to not place undue reliance on these forward-looking statements, as they speak only as of the date they are made. Except for the company’s ongoing obligations under the U.S. federal securities laws, the company does not intend to update or otherwise revise the forward-looking information to reflect actual results of operations, changes in financial condition, changes in estimates, expectations or assumptions, changes in general economic or industry conditions or other circumstances arising and/or existing since the preparation of this press release or to reflect the occurrence of any unanticipated events.

Many factors and uncertainties relating to our operations and business environment, all of which are difficult to predict and many of which are outside of our control, influence whether any forward-looking statements can or will be achieved. Any one of those factors could cause our actual results to differ materially from those expressed or implied in writing in any forward-looking statements made by Mastercard or on its behalf, including, but not limited to, the following factors:

- regulation directly related to of the payments industry (including regulatory, legislative and litigation activity with respect to interchange rates, surcharging and the extension of current regulatory activity to additional jurisdictions or products)
  - the impact of preferential or protective government actions
  - regulation of privacy, data protection, security and the digital economy
  - regulation that directly or indirectly applies to us based on our participation in the global payments industry (including anti-money laundering, counter terrorist financing, economic sanctions and anti-corruption; account-based payment systems; issuer practice regulation; and regulation of internet and digital transactions)
  - the impact of changes in tax laws, as well as regulations and interpretations of such laws or challenges to our tax positions
  - potential or incurred liability and limitations on business related to any litigation or litigation settlements
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- the impact of competition in the global payments industry (including disintermediation and pricing pressure)
- the challenges relating to rapid technological developments and changes
- the challenges relating to operating real-time account-based payment system and to working with new customers and end users
- the impact of information security incidents, account data breaches, fraudulent activity or service disruptions
- issues related to our relationships with our financial institution customers (including loss of substantial business from significant customers, competitor relationships with our customers and banking industry consolidation)
- the impact of our relationships with other stakeholders, including merchants and governments
- exposure to loss or illiquidity due to our role as guarantor, as well as other contractual obligations
- the impact of global economic, political, financial and societal events and conditions
- reputational impact, including impact related to brand perception
- the inability to attract, hire and retain a highly qualified and diverse workforce, or maintain our corporate culture
- issues related to acquisition integration, strategic investments and entry into new businesses
- issues related to our Class A common stock and corporate governance structure

For additional information on these and other factors that could cause the company's actual results to differ materially from expected results, please see the company's filings with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ended December 31, 2018 and any subsequent reports on Forms 10-Q and 8-K.

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**Contacts:**

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**MASTERCARD INCORPORATED**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**(UNAUDITED)**

|   | Three Months Ended March 31,         |                 |
|---|--------------------------------------|-----------------|
|   | 2019                                 | 2018            |
|   | (in millions, except per share data) |                 |
| <b>Net Revenue</b>                          | \$ 3,889                             | \$ 3,580        |
| <b>Operating Expenses</b>                   |                                      |                 |
| General and administrative                  | 1,367                                | 1,321           |
| Advertising and marketing                   | 192                                  | 197             |
| Depreciation and amortization               | 117                                  | 120             |
| Provision for litigation                    | —                                    | 117             |
| Total operating expenses                    | <u>1,676</u>                         | <u>1,755</u>    |
| Operating income                            | 2,213                                | 1,825           |
| <b>Other Income (Expense)</b>               |                                      |                 |
| Investment income                           | 32                                   | 17              |
| Interest expense                            | (46)                                 | (43)            |
| Other income (expense), net                 | 4                                    | 4               |
| Total other income (expense)                | <u>(10)</u>                          | <u>(22)</u>     |
| Income before income taxes                  | 2,203                                | 1,803           |
| Income tax expense                          | 341                                  | 311             |
| <b>Net Income</b>                           | <u>\$ 1,862</u>                      | <u>\$ 1,492</u> |
| <b>Basic Earnings per Share</b>             | <u>\$ 1.81</u>                       | <u>\$ 1.42</u>  |
| Basic weighted-average shares outstanding   | <u>1,026</u>                         | <u>1,051</u>    |
| <b>Diluted Earnings per Share</b>           | <u>\$ 1.80</u>                       | <u>\$ 1.41</u>  |
| Diluted weighted-average shares outstanding | <u>1,032</u>                         | <u>1,057</u>    |

**MASTERCARD INCORPORATED**  
**CONSOLIDATED BALANCE SHEET**  
**(UNAUDITED)**

|  | March 31, 2019                       | December 31, 2018 |
|--|--------------------------------------|-------------------|
|  | (in millions, except per share data) |                   |
| <b>ASSETS</b>  |                                      |                   |
| Cash and cash equivalents  | \$ 5,857                             | \$ 6,682          |
| Restricted cash for litigation settlement  | 662                                  | 553               |
| Investments  | 1,317                                | 1,696             |
| Accounts receivable  | 2,577                                | 2,276             |
| Settlement due from customers  | 1,426                                | 2,452             |
| Restricted security deposits held for customers  | 1,044                                | 1,080             |
| Prepaid expenses and other current assets  | 1,513                                | 1,432             |
| <b>Total Current Assets</b>  | <b>14,396</b>                        | <b>16,171</b>     |
| Property, equipment and right-of-use assets, net of accumulated depreciation of \$905 and \$847, respectively                                  | 1,305                                | 921               |
| Deferred income taxes  | 504                                  | 570               |
| Goodwill   | 2,944                                | 2,904             |
| Other intangible assets, net of accumulated amortization of \$1,228 and \$1,175, respectively  | 1,025                                | 991               |
| Other assets   | 3,346                                | 3,303             |
| <b>Total Assets</b>  | <b>\$ 23,520</b>                     | <b>\$ 24,860</b>  |
| <b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY</b>  |                                      |                   |
| Accounts payable   | \$ 508                               | \$ 537            |
| Settlement due to customers  | 1,189                                | 2,189             |
| Restricted security deposits held for customers  | 1,044                                | 1,080             |
| Accrued litigation   | 1,575                                | 1,591             |
| Accrued expenses   | 4,329                                | 4,747             |
| Current portion of long-term debt  | 500                                  | 500               |
| Other current liabilities  | 1,101                                | 949               |
| <b>Total Current Liabilities</b>   | <b>10,246</b>                        | <b>11,593</b>     |
| Long-term debt   | 5,799                                | 5,834             |
| Deferred income taxes  | 61                                   | 67                |
| Other liabilities  | 2,151                                | 1,877             |
| <b>Total Liabilities</b>   | <b>18,257</b>                        | <b>19,371</b>     |
| <b>Commitments and Contingencies</b>   |                                      |                   |
| <b>Redeemable Non-controlling Interests</b>  | <b>73</b>                            | <b>71</b>         |
| <b>Stockholders' Equity</b>  |                                      |                   |
| Class A common stock, \$0.0001 par value; authorized 3,000 shares, 1,389 and 1,387 shares issued and 1,012 and 1,019 outstanding, respectively | —                                    | —                 |
| Class B common stock, \$0.0001 par value; authorized 1,200 shares, 12 and 12 issued and outstanding, respectively                              | —                                    | —                 |
| Additional paid-in-capital   | 4,569                                | 4,580             |
| Class A treasury stock, at cost, 377 and 368 shares, respectively  | (27,534)                             | (25,750)          |
| Retained earnings  | 28,806                               | 27,283            |
| Accumulated other comprehensive income (loss)  | (673)                                | (718)             |
| <b>Total Stockholders' Equity</b>  | <b>5,168</b>                         | <b>5,395</b>      |

|   |                  |                  |
|---|------------------|------------------|
| Non-controlling interests   | 22               | 23               |
| <b>Total Equity</b>   | <u>5,190</u>     | <u>5,418</u>     |
| <b>Total Liabilities, Redeemable Non-controlling Interests and Equity</b> | <u>\$ 23,520</u> | <u>\$ 24,860</u> |

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**MASTERCARD INCORPORATED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

|  | Three Months Ended March 31, |                 |
|--|------------------------------|-----------------|
|  | 2019                         | 2018            |
|  | (in millions)                |                 |
| <b>Operating Activities</b>  |                              |                 |
| Net income   | \$ 1,862                     | \$ 1,492        |
| Adjustments to reconcile net income to net cash provided by operating activities:                          |                              |                 |
| Amortization of customer and merchant incentives   | 345                          | 287             |
| Depreciation and amortization  | 117                          | 120             |
| Share-based compensation   | 57                           | 43              |
| Deferred income taxes  | 38                           | (46)            |
| Other  | 6                            | 1               |
| <b>Changes in operating assets and liabilities:</b>  |                              |                 |
| Accounts receivable  | (320)                        | (80)            |
| Settlement due from customers  | 1,026                        | (156)           |
| Prepaid expenses   | (497)                        | (336)           |
| Accrued litigation and legal settlements   | 1                            | 111             |
| Restricted security deposits held for customers  | (35)                         | (141)           |
| Accounts payable   | (22)                         | (62)            |
| Settlement due to customers  | (1,000)                      | (63)            |
| Accrued expenses   | (483)                        | (50)            |
| Net change in other assets and liabilities   | 217                          | (85)            |
| Net cash provided by operating activities  | <u>1,312</u>                 | <u>1,035</u>    |
| <b>Investing Activities</b>  |                              |                 |
| Purchases of investment securities available-for-sale  | (305)                        | (108)           |
| Purchases of investments held-to-maturity  | (99)                         | (123)           |
| Proceeds from sales of investment securities available-for-sale  | 476                          | 198             |
| Proceeds from maturities of investment securities available-for-sale                                       | 139                          | 108             |
| Proceeds from maturities of investments held-to-maturity   | 155                          | 430             |
| Purchases of property and equipment  | (83)                         | (82)            |
| Capitalized software   | (59)                         | (44)            |
| Other investing activities   | (11)                         | (12)            |
| Net cash provided by investing activities  | <u>213</u>                   | <u>367</u>      |
| <b>Financing Activities</b>  |                              |                 |
| Purchases of treasury stock  | (1,824)                      | (1,352)         |
| Dividends paid   | (340)                        | (263)           |
| Proceeds from debt   | —                            | 991             |
| Tax withholdings related to share-based payments   | (116)                        | (77)            |
| Cash proceeds from exercise of stock options   | 54                           | 40              |
| Other financing activities   | 3                            | (4)             |
| Net cash used in financing activities  | <u>(2,223)</u>               | <u>(665)</u>    |
| Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents | (54)                         | 95              |
| Net (decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents         | (752)                        | 832             |
| Cash, cash equivalents, restricted cash and restricted cash equivalents - beginning of period              | 8,337                        | 7,592           |
| Cash, cash equivalents, restricted cash and restricted cash equivalents - end of period                    | <u>\$ 7,585</u>              | <u>\$ 8,424</u> |

MASTERCARD INCORPORATED OPERATING PERFORMANCE

For the 3 Months Ended March 31, 2019

|   | GDV<br>(Bil.) | Growth<br>(USD) | Growth<br>(Local) | Purchase<br>Volume<br>(Bil.) | Growth<br>(Local) | Purchase<br>Trans.<br>(Mil.) | Purchase<br>Trans.<br>Growth | Cash<br>Volume<br>(Bil.) | Growth<br>(Local) | Cash<br>Trans.<br>(Mil.) | Cards<br>(Mil.) |
|---|---------------|-----------------|-------------------|------------------------------|-------------------|------------------------------|------------------------------|--------------------------|-------------------|--------------------------|-----------------|
| <b>All Mastercard Credit, Charge and Debit Programs</b> |               |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| APMEA   | \$ 460        | 4.5%            | 10.4%             | \$ 306                       | 9.1%              | 5,544                        | 16.5%                        | \$ 154                   | 13.1 %            | 1,665                    | 821             |
| Canada  | 39            | 0.6%            | 5.8%              | 37                           | 5.7%              | 611                          | 10.2%                        | 2                        | 8.6 %             | 6                        | 61              |
| Europe  | 429           | 5.4%            | 17.5%             | 287                          | 18.4%             | 8,299                        | 28.5%                        | 143                      | 15.6 %            | 1,044                    | 544             |
| Latin America   | 105           | 2.8%            | 13.4%             | 68                           | 17.8%             | 2,474                        | 20.0%                        | 37                       | 6.3 %             | 278                      | 187             |
| Worldwide less United States                            | 1,033         | 4.5%            | 13.4%             | 698                          | 13.4%             | 16,927                       | 22.4%                        | 336                      | 13.3 %            | 2,993                    | 1,613           |
| United States   | 451           | 7.6%            | 7.6%              | 392                          | 9.1%              | 6,894                        | 8.4%                         | 59                       | (1.3)%            | 323                      | 454             |
| Worldwide   | 1,484         | 5.4%            | 11.6%             | 1,090                        | 11.8%             | 23,821                       | 18.0%                        | 395                      | 10.9 %            | 3,316                    | 2,066           |
| <b>Mastercard Credit and Charge Programs</b>            |               |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                            | 530           | 0.4%            | 9.0%              | 492                          | 9.3%              | 8,610                        | 15.6%                        | 38                       | 4.4 %             | 173                      | 654             |
| United States   | 212           | 9.3%            | 9.3%              | 203                          | 10.0%             | 2,250                        | 11.4%                        | 9                        | (5.2)%            | 8                        | 238             |
| Worldwide   | 742           | 2.8%            | 9.0%              | 695                          | 9.5%              | 10,860                       | 14.7%                        | 47                       | 2.5 %             | 181                      | 892             |
| <b>Mastercard Debit Programs</b>                        |               |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                            | 503           | 9.3%            | 18.4%             | 206                          | 24.5%             | 8,317                        | 30.2%                        | 297                      | 14.5 %            | 2,820                    | 958             |
| United States   | 239           | 6.2%            | 6.2%              | 189                          | 8.1%              | 4,644                        | 7.0%                         | 50                       | (0.5)%            | 315                      | 216             |
| Worldwide   | 742           | 8.2%            | 14.2%             | 394                          | 16.1%             | 12,961                       | 20.8%                        | 347                      | 12.1 %            | 3,135                    | 1,174           |

For the 3 Months ended March 31, 2018

|   | GDV<br>(Bil.) | Growth<br>(USD) | Growth<br>(Local) | Purchase<br>Volume<br>(Bil.) | Growth<br>(Local) | Purchase<br>Trans.<br>(Mil.) | Purchase<br>Trans.<br>Growth | Cash<br>Volume<br>(Bil.) | Growth<br>(Local) | Cash<br>Trans.<br>(Mil.) | Cards<br>(Mil.) |
|---|---------------|-----------------|-------------------|------------------------------|-------------------|------------------------------|------------------------------|--------------------------|-------------------|--------------------------|-----------------|
| <b>All Mastercard Credit, Charge and Debit Programs</b> |               |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| APMEA   | \$ 440        | 19.0%           | 13.1%             | \$ 297                       | 11.6%             | 4,757                        | 17.8%                        | \$ 143                   | 16.4 %            | 1,470                    | 715             |
| Canada  | 39            | 14.6%           | 9.5%              | 37                           | 9.7%              | 554                          | 10.5%                        | 2                        | 4.5 %             | 6                        | 56              |
| Europe  | 407           | 31.0%           | 18.8%             | 269                          | 22.0%             | 6,460                        | 29.4%                        | 138                      | 13.0 %            | 938                      | 488             |
| Latin America   | 102           | 18.0%           | 17.0%             | 65                           | 22.1%             | 2,062                        | 14.4%                        | 37                       | 8.9 %             | 264                      | 168             |
| Worldwide less United States                            | 988           | 23.4%           | 15.6%             | 668                          | 16.5%             | 13,833                       | 22.0%                        | 320                      | 14.0 %            | 2,677                    | 1,427           |
| United States   | 419           | 10.5%           | 10.5%             | 359                          | 11.1%             | 6,359                        | 10.0%                        | 60                       | 7.4 %             | 328                      | 415             |
| Worldwide   | 1,408         | 19.2%           | 14.1%             | 1,028                        | 14.5%             | 20,192                       | 18.0%                        | 380                      | 12.9 %            | 3,005                    | 1,842           |
| <b>Mastercard Credit and Charge Programs</b>            |               |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                            | 528           | 18.8%           | 11.7%             | 488                          | 12.8%             | 7,445                        | 13.8%                        | 40                       | 0.2 %             | 170                      | 604             |
| United States   | 194           | 9.0%            | 9.0%              | 185                          | 8.8%              | 2,020                        | 7.1%                         | 9                        | 12.4 %            | 8                        | 211             |
| Worldwide   | 722           | 16.0%           | 11.0%             | 673                          | 11.7%             | 9,465                        | 12.3%                        | 49                       | 2.4 %             | 178                      | 814             |
| <b>Mastercard Debit Programs</b>                        |               |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                            | 460           | 29.0%           | 20.5%             | 180                          | 27.8%             | 6,387                        | 33.2%                        | 280                      | 16.3 %            | 2,507                    | 823             |
| United States   | 225           | 11.9%           | 11.9%             | 175                          | 13.5%             | 4,339                        | 11.4%                        | 50                       | 6.5 %             | 320                      | 205             |
| Worldwide   | 685           | 22.8%           | 17.5%             | 355                          | 20.4%             | 10,727                       | 23.4%                        | 331                      | 14.7 %            | 2,827                    | 1,028           |

APMEA = Asia Pacific / Middle East / Africa

Note that the figures in the preceding tables may not sum due to rounding; growth represents change from the comparable year-ago period. Effective Q1 2018, our operational metrics reflect the impact of the Venezuela deconsolidation.



**Footnote**

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

Debit transactions on Maestro® and Cirrus®-branded cards and transactions involving brands other than Mastercard are not included in the preceding tables.

For purposes of the table: 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 that do not generally have physical cards associated with them.

The Mastercard payment product is comprised of credit, charge, debit and prepaid programs, and data relating to each type of program is included in the tables. Debit programs include Mastercard-branded debit programs where the primary means of cardholder validation at the point of sale is for cardholders either to sign a sales receipt or enter a PIN. The tables include information with respect to transactions involving Mastercard-branded cards that are not switched by Mastercard and transactions for which Mastercard does not earn significant revenues.

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. Mastercard reports period-over-period rates of change in purchase volume and cash volume 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.

The data set forth in the GDV, purchase volume, purchase transactions, cash volume and cash transactions columns is provided by Mastercard customers and is subject to verification by Mastercard and partial cross-checking against information provided by Mastercard’s transaction switching systems. The data set forth in the cards columns is provided by Mastercard customers and is subject to certain limited verification by Mastercard. A portion of the data set forth in the cards columns reflects the impact of routine portfolio changes among customers and other practices that may lead to over counting of the underlying data in certain circumstances. All data is subject to revision and amendment by Mastercard or Mastercard’s customers.

Performance information for prior periods can be found in the “Investor Relations” section of the Mastercard website at [www.mastercard.com/investor](http://www.mastercard.com/investor).

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## Non-GAAP Reconciliations

| Three Months Ended March 31, 2019       |                    |                  |                           |            |                            |
|---|--------------------|------------------|---------------------------|------------|----------------------------|
|   | Operating expenses | Operating margin | Effective income tax rate | Net income | Diluted earnings per share |
| (\$ in millions, except per share data) |                    |                  |                           |            |                            |
| Reported - GAAP                         | \$ 1,676           | 56.9%            | 15.5%                     | \$ 1,862   | \$ 1.80                    |
| Tax act <sup>1</sup>                    | —                  | —%               | 1.3%                      | (30)       | (0.03)                     |
| Non-GAAP                                | \$ 1,676           | 56.9%            | 16.8%                     | \$ 1,833   | \$ 1.78                    |

| Three Months Ended March 31, 2018       |                    |                  |                           |            |                            |
|---|--------------------|------------------|---------------------------|------------|----------------------------|
|   | Operating expenses | Operating margin | Effective income tax rate | Net income | Diluted earnings per share |
| (\$ in millions, except per share data) |                    |                  |                           |            |                            |
| Reported - GAAP                         | \$ 1,755           | 51.0%            | 17.3%                     | \$ 1,492   | \$ 1.41                    |
| Litigation provisions <sup>2</sup>      | (117)              | 3.2%             | 0.4%                      | 89         | 0.08                       |
| Non-GAAP                                | \$ 1,638           | 54.2%            | 17.7%                     | \$ 1,581   | \$ 1.50                    |

| Three Months Ended March 31, 2019 as compared to the Three Months Ended March 31, 2018 |             |                    |                  |                           |            |                            |
|--|-------------|--------------------|------------------|---------------------------|------------|----------------------------|
| Increase/(Decrease)  |             |                    |                  |                           |            |                            |
|  | Net revenue | Operating expenses | Operating margin | Effective income tax rate | Net income | Diluted earnings per share |
| Reported - GAAP  | 9%          | (5)%               | 6.0 ppt          | (1.8) ppt                 | 25%        | 28%                        |
| Tax act <sup>1</sup>   | **          | **                 | **               | 1.3 ppt                   | (2)%       | (2)%                       |
| Litigation provisions <sup>2</sup>   | **          | 7%                 | (3.3) ppt        | (0.4) ppt                 | (7)%       | (7)%                       |
| Non-GAAP   | 9%          | 2%                 | 2.7 ppt          | (0.9) ppt                 | 16%        | 19%                        |
| Foreign currency <sup>3</sup>  | 4%          | 3%                 | 0.6 ppt          | 0.4 ppt                   | 5%         | 6%                         |
| Non-GAAP - currency-neutral  | 13%         | 5%                 | 3.2 ppt          | (0.5) ppt                 | 21%        | 24%                        |

Note: Tables may not sum due to rounding.

\*\* Not applicable

<sup>1</sup> Q1'19 net tax benefit of \$30 million ( \$0.03 per diluted share) related to a reduction to the company's transition tax liability, resulting from final transition tax regulations issued in January 2019.

<sup>2</sup> Q1'18 pre-tax charges of \$117 million ( \$89 million after tax, or \$0.08 per diluted share) related to provisions for litigation due to litigation settlements with Pan-European and U.K. merchants and an increase in the reserve for the company's U.S. merchant opt-out cases.

<sup>3</sup> Represents the foreign currency translational and transactional impact.