

## Mastercard Incorporated Reports First-Quarter 2017 Financial Results

- **First-quarter net income of \$1.1 billion, or \$1.00 per diluted share**
- **First-quarter adjusted net income of \$1.1 billion, or \$1.01 per adjusted diluted share**
- **First-quarter net revenue increase of 12%, to \$2.7 billion**
- **First-quarter adjusted gross dollar volume up 8% and purchase volume up 9%**
- **VocaLink acquisition completed**

**Purchase, NY - May 2, 2017** - Mastercard Incorporated (NYSE: MA) today announced financial results for the first quarter 2017.

"We're off to a very good start, with strong revenue and earnings growth driven by solid transaction and volume levels this quarter," said Ajay Banga, Mastercard president and CEO. "We continue to execute well against our strategy, and by completing the VocaLink acquisition, we can now offer an even greater set of payment options to our customers. This deal redefines our opportunities and positions us favorably to capture new payment flows."

### Summary of Operating Results for the First Quarter

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

|                            | Q1 2017 | Q1 2016 | Increase /<br>(Decrease) |
|----------------------------|---------|---------|--------------------------|
| Net revenue                | \$2.7   | \$2.4   | 12%                      |
| Operating expenses         | \$1.2   | \$1.1   | 12%                      |
| Operating income           | \$1.5   | \$1.3   | 12%                      |
| Operating margin           | 55.1%   | 55.1%   | —                        |
| Effective income tax rate  | 26.9%   | 28.3%   | (1.4) ppt                |
| Net income                 | \$1.1   | \$1.0   | 13%                      |
| Diluted earnings per share | \$1.00  | \$0.86  | 16%                      |

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

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

|                                     | Q1 2017 | Q1 2016 | Increase / (Decrease) |                  |
|-------------------------------------|---------|---------|-----------------------|------------------|
|                                     |         |         | As adjusted           | Currency-neutral |
| Net revenue                         | \$2.7   | \$2.4   | 12%                   | 12%              |
| Adjusted operating expenses         | \$1.2   | \$1.1   | 11%                   | 11%              |
| Adjusted operating margin           | 55.6%   | 55.1%   | 0.5 ppt               | 0.3 ppt          |
| Adjusted effective income tax rate  | 26.9%   | 28.3%   | (1.4) ppt             | (1.4) ppt        |
| Adjusted net income                 | \$1.1   | \$1.0   | 14%                   | 13%              |
| Adjusted diluted earnings per share | \$1.01  | \$0.86  | 17%                   | 17%              |

<sup>1</sup>The Summary of Non-GAAP Results excludes the impact of the special item ("Special Item"). See Non-GAAP reconciliations on page 10 for further information on the Special Item, the impact of foreign currency and the reconciliation to U.S. GAAP reported amounts.

The following additional details are provided to aid in understanding Mastercard's first quarter 2017 results, versus the year-ago period:

- Net revenue growth increased 12% both as reported and on a currency-neutral basis, driven by the impact of the following factors:
  - An increase in switched transactions of 17%, to 14.7 billion;
  - An 8% increase in gross dollar volume, on a local currency basis and adjusting for the impact of recent EU regulatory changes, to 1.2 trillion; and
  - 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 increased 12%. Excluding the special item, total adjusted operating expenses increased 11% on a currency-neutral basis. The increase was primarily due to continued investments in strategic initiatives, as well as higher advertising and marketing spend.
- Other income (expense) growth was mainly driven by higher interest expense related to the company's debt issuance in November 2016.
- The lower effective tax rate in the first quarter of 2017 was primarily due to a more favorable geographic mix of taxable earnings and a small net benefit from discrete items.
- As of March 31, 2017, the company's customers had issued 2.4 billion Mastercard and Maestro-branded cards.

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

During the first quarter of 2017, Mastercard repurchased approximately 9 million shares at a cost of \$1 billion and returned \$238 million in dividends. Quarter-to-date through April 27, the company repurchased an additional 2.4 million shares at a cost of \$272 million, which leaves \$3.8 billion remaining under current repurchase program authorizations.

### **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 financial results.

The dial-in information for this call is 877-201-0168 (within the U.S.) and 647-788-4901 (outside the U.S.), and the passcode is 89097079. A replay of the call will be available for 30 days and can be accessed by dialing 855-859-2056 (within the U.S.) and 416-621-4642 (outside the U.S.), using passcode 89097079.

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**

The company has presented certain financial data that are considered non-GAAP financial measures that are reconciled to their most directly comparable GAAP measures in the accompanying tables.

The presentation of growth rates on a currency-neutral basis represent a non-GAAP measure and are calculated by remeasuring the prior period's results using the current period's exchange rates for both the translational and transactional impacts in our operating results.

## **About Mastercard Incorporated**

Mastercard (NYSE: MA), [www.mastercard.com](http://www.mastercard.com), is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting 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 the 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:

- payments system-related legal and regulatory challenges (including interchange fees, surcharging and the extension of current regulatory activity to additional jurisdictions or products);
- the impact of preferential or protective government actions;
- regulation to which we are subject based on our participation in the payments industry;
- regulation of privacy, data protection and security;
- potential or incurred liability and limitations on business resulting from litigation;

- the impact of competition in the global payments industry (including disintermediation and pricing pressure);
- the challenges relating to rapid technological developments and changes;
- the impact of information security failures, breaches or service disruptions on our business;
- 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 settlement guarantees and other significant third-party obligations;
- the impact of global economic and political events and conditions (including global financial market activity, declines in cross-border activity, negative trends in consumer spending and the effect of adverse currency fluctuation);
- reputational impact, including impact related to brand perception, account data breaches and fraudulent activity; and
- issues related to acquisition integration, strategic investments and entry into new businesses.

For additional information on these and other factors that could cause Mastercard'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, 2016 and any subsequent reports on Forms 10-Q and 8-K.

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

|   | <b>Three Months Ended March 31,</b>         |               |
|---|---|---------------|
|   | <b>2017</b>                                 | <b>2016</b>   |
|   | <b>(in millions, except per share data)</b> |               |
| <b>Net Revenue</b>                          | \$ 2,734                                    | \$ 2,446      |
| <b>Operating Expenses</b>                   |   |               |
| General and administrative                  | 951   | 868           |
| Advertising and marketing                   | 170   | 135           |
| Depreciation and amortization               | 92  | 95            |
| Provision for litigation settlement         | 15  | —             |
| Total operating expenses                    | <u>1,228</u>                                | <u>1,098</u>  |
| Operating income                            | 1,506                                       | 1,348         |
| <b>Other Income (Expense)</b>               |   |               |
| Investment income                           | 15  | 10            |
| Interest expense                            | (39)  | (20)          |
| Other income (expense), net                 | (4)   | (1)           |
| Total other income (expense)                | <u>(28)</u>                                 | <u>(11)</u>   |
| Income before income taxes                  | 1,478                                       | 1,337         |
| Income tax expense                          | 397   | 378           |
| <b>Net Income</b>                           | <u>\$ 1,081</u>                             | <u>\$ 959</u> |
| <b>Basic Earnings per Share</b>             | \$ 1.00                                     | \$ 0.86       |
| Basic Weighted-Average Shares Outstanding   | <u>1,078</u>                                | <u>1,109</u>  |
| <b>Diluted Earnings per Share</b>           | \$ 1.00                                     | \$ 0.86       |
| Diluted Weighted-Average Shares Outstanding | <u>1,082</u>                                | <u>1,112</u>  |

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

|  | <u>March 31, 2017</u>                       | <u>December 31, 2016</u> |
|--|---|--------------------------|
|  | <u>(in millions, except per share data)</u> |                          |
| <b>ASSETS</b>  |   |                          |
| Cash and cash equivalents  | \$ 6,006                                    | \$ 6,721                 |
| Restricted cash for litigation settlement  | 543   | 543                      |
| Investments  | 1,654                                       | 1,614                    |
| Accounts receivable  | 1,553                                       | 1,416                    |
| Settlement due from customers  | 1,085                                       | 1,093                    |
| Restricted security deposits held for customers  | 984   | 991                      |
| Prepaid expenses and other current assets  | 1,060                                       | 850                      |
| <b>Total Current Assets</b>  | <b>12,885</b>                               | <b>13,228</b>            |
| Property, plant and equipment, net of accumulated depreciation of \$625 and \$603, respectively  | 748   | 733                      |
| Deferred income taxes  | 313   | 307                      |
| Goodwill   | 1,775                                       | 1,756                    |
| Other intangible assets, net of accumulated amortization of \$1,007 and \$974, respectively  | 702   | 722                      |
| Other assets   | 2,147                                       | 1,929                    |
| <b>Total Assets</b>  | <b>\$ 18,570</b>                            | <b>\$ 18,675</b>         |
| <b>LIABILITIES AND EQUITY</b>  |   |                          |
| Accounts payable   | \$ 680                                      | \$ 609                   |
| Settlement due to customers  | 822   | 946                      |
| Restricted security deposits held for customers  | 984   | 991                      |
| Accrued litigation   | 734   | 722                      |
| Accrued expenses   | 3,158                                       | 3,318                    |
| Other current liabilities  | 717   | 620                      |
| <b>Total Current Liabilities</b>   | <b>7,095</b>                                | <b>7,206</b>             |
| Long-term debt   | 5,216                                       | 5,180                    |
| Deferred income taxes  | 83  | 81                       |
| Other liabilities  | 538   | 524                      |
| <b>Total Liabilities</b>   | <b>12,932</b>                               | <b>12,991</b>            |
| <b>Commitments and Contingencies</b>   |   |                          |
| <b>Stockholders' Equity</b>  |   |                          |
| Class A common stock, \$0.0001 par value; authorized 3,000 shares, 1,377 and 1,374 shares issued and 1,056 and 1,062 outstanding, respectively | —   | —                        |
| Class B common stock, \$0.0001 par value; authorized 1,200 shares, 18 and 19 issued and outstanding, respectively                              | —   | —                        |
| Additional paid-in-capital   | 4,191                                       | 4,183                    |
| Class A treasury stock, at cost, 321 and 312 shares, respectively  | (17,980)                                    | (17,021)                 |
| Retained earnings  | 20,263                                      | 19,418                   |
| Accumulated other comprehensive income (loss)  | (863)                                       | (924)                    |
| <b>Total Stockholders' Equity</b>  | <b>5,611</b>                                | <b>5,656</b>             |
| Non-controlling interests  | 27  | 28                       |
| <b>Total Equity</b>  | <b>5,638</b>                                | <b>5,684</b>             |
| <b>Total Liabilities and Equity</b>  | <b>\$ 18,570</b>                            | <b>\$ 18,675</b>         |

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

|   | <b>Three Months Ended March 31,</b> |                 |
|---|-------------------------------------|-----------------|
|   | <b>2017</b>                         | <b>2016 *</b>   |
|   | <b>(in millions)</b>                |                 |
| <b>Operating Activities</b>   |                                     |                 |
| Net income  | \$ 1,081                            | \$ 959          |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                     |                 |
| Amortization of customer and merchant incentives                                  | 266                                 | 204             |
| Depreciation and amortization   | 92                                  | 95              |
| Share-based compensation  | 39                                  | 32              |
| Tax benefit for share-based payments  | —                                   | (22)            |
| Deferred income taxes   | 8                                   | (20)            |
| Other   | 9                                   | (15)            |
| <b>Changes in operating assets and liabilities:</b>                               |                                     |                 |
| Accounts receivable   | (120)                               | (87)            |
| Income taxes receivable   | (5)                                 | (3)             |
| Settlement due from customers   | 8                                   | 69              |
| Prepaid expenses  | (660)                               | (180)           |
| Accrued litigation and legal settlements  | 13                                  | 6               |
| Accounts payable  | 57                                  | (75)            |
| Settlement due to customers   | (124)                               | (41)            |
| Accrued expenses  | 10                                  | 27              |
| Net change in other assets and liabilities  | 71                                  | 109             |
| Net cash provided by operating activities   | <u>745</u>                          | <u>1,058</u>    |
| <b>Investing Activities</b>   |                                     |                 |
| Purchases of investment securities available-for-sale                             | (205)                               | (446)           |
| Purchases of investments held-to-maturity   | (377)                               | (60)            |
| Proceeds from sales of investment securities available-for-sale                   | 89                                  | 69              |
| Proceeds from maturities of investment securities available-for-sale              | 151                                 | 55              |
| Proceeds from maturities of investments held-to-maturity                          | 320                                 | 80              |
| Purchases of property, plant and equipment  | (64)                                | (37)            |
| Capitalized software  | (30)                                | (38)            |
| Other investing activities  | (130)                               | (8)             |
| Net cash used in investing activities   | <u>(246)</u>                        | <u>(385)</u>    |
| <b>Financing Activities</b>   |                                     |                 |
| Purchases of treasury stock   | (962)                               | (1,357)         |
| Dividends paid  | (238)                               | (212)           |
| Tax benefit for share-based payments  | —                                   | 22              |
| Tax withholdings related to share-based payments                                  | (46)                                | (50)            |
| Cash proceeds from exercise of stock options                                      | 19                                  | 4               |
| Other financing activities  | (10)                                | (2)             |
| Net cash used in financing activities   | <u>(1,237)</u>                      | <u>(1,595)</u>  |
| Effect of exchange rate changes on cash and cash equivalents                      | <u>23</u>                           | <u>69</u>       |
| Net decrease in cash and cash equivalents   | (715)                               | (853)           |
| Cash and cash equivalents - beginning of period                                   | 6,721                               | 5,747           |
| Cash and cash equivalents - end of period   | <u>\$ 6,006</u>                     | <u>\$ 4,894</u> |

\* Reclassified to reflect the adoption of Accounting Standards Update No: 2016-09, Improvements to Employee Share-Based Payment Accounting, which amends ASC Topic 718, Compensation - Stock Compensation.

## MASTERCARD INCORPORATED OPERATING PERFORMANCE

|   | For the 3 Months ended March 31, 2017 |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
|---|---------------------------------------|-----------------|-------------------|------------------------------|-------------------|------------------------------|------------------------------|--------------------------|-------------------|--------------------------|-----------------|
|   | 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,<br/>Charge and Debit Programs</b> |                                       |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| APMEA   | \$370                                 | 5.9%            | 7.5%              | \$252                        | 8.9%              | 4,073                        | 24.7%                        | \$118                    | 4.7%              | 1,258                    | 639             |
| Canada  | 34                                    | 17.0%           | 12.3%             | 32                           | 13.2%             | 501                          | 12.4%                        | 2                        | -2.6%             | 6                        | 52              |
| Europe  | 312                                   | -2.3%           | 1.4%              | 200                          | -3.1%             | 5,033                        | 3.5%                         | 112                      | 10.4%             | 863                      | 442             |
| <i>Europe Adj for Article 8</i>                             |                                       |                 | <b>14%</b>        |                              | <b>16%</b>        |                              | <b>23%</b>                   |                          |                   |                          |                 |
| Latin America   | 86                                    | 17.2%           | 15.3%             | 55                           | 18.2%             | 1,732                        | 16.8%                        | 32                       | 10.6%             | 252                      | 170             |
| Worldwide less United States                                | 802                                   | 4.0%            | 6.0%              | 538                          | 5.1%              | 11,340                       | 12.7%                        | 263                      | 7.7%              | 2,379                    | 1,304           |
| <i>WW Less US Adj for Article 8</i>                         |                                       |                 | <b>11%</b>        |                              | <b>13%</b>        |                              | <b>22%</b>                   |                          |                   |                          |                 |
| United States   | 380                                   | 2.0%            | 2.0%              | 324                          | 2.4%              | 5,784                        | 0.2%                         | 56                       | 0.2%              | 322                      | 390             |
| Worldwide   | 1,181                                 | 3.4%            | 4.7%              | 862                          | 4.1%              | 17,124                       | 8.1%                         | 319                      | 6.3%              | 2,701                    | 1,693           |
| <i>Worldwide Adj for Article 8</i>                          |                                       |                 | <b>8%</b>         |                              | <b>9%</b>         |                              | <b>14%</b>                   |                          |                   |                          |                 |
| <b>Mastercard Credit and Charge Programs</b>                |                                       |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                                | 445                                   | 5.6%            | 7.3%              | 407                          | 7.5%              | 6,486                        | 12.3%                        | 38                       | 5.2%              | 179                      | 582             |
| United States   | 178                                   | 5.4%            | 5.4%              | 170                          | 4.9%              | 1,886                        | 2.3%                         | 8                        | 16.1%             | 8                        | 201             |
| Worldwide   | 623                                   | 5.5%            | 6.8%              | 577                          | 6.7%              | 8,371                        | 9.9%                         | 47                       | 7.0%              | 187                      | 783             |
| <b>Mastercard Debit Programs</b>                            |                                       |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                                | 357                                   | 2.1%            | 4.3%              | 132                          | -1.6%             | 4,854                        | 13.3%                        | 225                      | 8.2%              | 2,200                    | 722             |
| United States   | 201                                   | -0.8%           | -0.8%             | 154                          | -0.3%             | 3,899                        | -0.9%                        | 48                       | -2.2%             | 314                      | 189             |
| Worldwide   | 558                                   | 1.0%            | 2.4%              | 286                          | -0.9%             | 8,753                        | 6.6%                         | 273                      | 6.2%              | 2,514                    | 910             |

|   | For the 3 Months ended March 31, 2016 |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
|---|---------------------------------------|-----------------|-------------------|------------------------------|-------------------|------------------------------|------------------------------|--------------------------|-------------------|--------------------------|-----------------|
|   | 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,<br/>Charge and Debit Programs</b> |                                       |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| APMEA   | \$349                                 | 5.8%            | 12.9%             | \$232                        | 11.7%             | 3,266                        | 21.8%                        | \$117                    | 15.3%             | 1,206                    | 565             |
| Canada  | 29                                    | -2.0%           | 8.6%              | 27                           | 9.5%              | 446                          | 13.4%                        | 2                        | -4.6%             | 5                        | 48              |
| Europe  | 319                                   | 11.4%           | 18.3%             | 218                          | 14.6%             | 4,865                        | 23.5%                        | 101                      | 27.3%             | 814                      | 409             |
| <i>Europe Adj for Article 8</i>                             |                                       |                 | <b>20%</b>        |                              | <b>16%</b>        |                              | <b>26%</b>                   |                          |                   |                          |                 |
| Latin America   | 74                                    | -8.1%           | 15.1%             | 43                           | 15.2%             | 1,483                        | 10.7%                        | 31                       | 15.0%             | 240                      | 165             |
| Worldwide less United States                                | 771                                   | 6.1%            | 15.1%             | 520                          | 13.1%             | 10,060                       | 20.4%                        | 251                      | 19.6%             | 2,265                    | 1,186           |
| <i>WW Less US Adj for Article 8</i>                         |                                       |                 | <b>16%</b>        |                              | <b>14%</b>        |                              | <b>21%</b>                   |                          |                   |                          |                 |
| United States   | 372                                   | 9.9%            | 9.9%              | 316                          | 10.3%             | 5,775                        | 12.9%                        | 56                       | 7.2%              | 338                      | 379             |
| Worldwide   | 1,143                                 | 7.3%            | 13.4%             | 836                          | 12.0%             | 15,834                       | 17.6%                        | 307                      | 17.2%             | 2,603                    | 1,565           |
| <i>Worldwide Adj for Article 8</i>                          |                                       |                 | <b>14%</b>        |                              | <b>12%</b>        |                              | <b>18%</b>                   |                          |                   |                          |                 |
| <b>Mastercard Credit and Charge Programs</b>                |                                       |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                                | 421                                   | 0.0%            | 8.6%              | 385                          | 9.3%              | 5,777                        | 11.9%                        | 36                       | 1.4%              | 177                      | 571             |
| United States   | 169                                   | 11.4%           | 11.4%             | 162                          | 11.1%             | 1,843                        | 14.6%                        | 7                        | 19.0%             | 9                        | 192             |
| Worldwide   | 590                                   | 3.1%            | 9.4%              | 547                          | 9.8%              | 7,620                        | 12.5%                        | 43                       | 4.0%              | 186                      | 763             |
| <b>Mastercard Debit Programs</b>                            |                                       |                 |                   |                              |                   |                              |                              |                          |                   |                          |                 |
| Worldwide less United States                                | 350                                   | 14.6%           | 24.1%             | 135                          | 25.3%             | 4,283                        | 34.3%                        | 215                      | 23.4%             | 2,088                    | 615             |
| United States   | 203                                   | 8.6%            | 8.6%              | 154                          | 9.5%              | 3,932                        | 12.1%                        | 49                       | 5.6%              | 330                      | 186             |
| Worldwide   | 553                                   | 12.3%           | 17.9%             | 289                          | 16.4%             | 8,215                        | 22.6%                        | 263                      | 19.7%             | 2,417                    | 802             |

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



## Footnote

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 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 and debit 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 processing systems. The data set forth in the accounts and 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 accounts and 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's customers subsequent to the date of its release.

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).

**Non-GAAP Reconciliations**

(\$ in millions, except per share data)

|                           | Three Months Ended March 31, 2017 |                  |                           |            |                            |
|---------------------------|-----------------------------------|------------------|---------------------------|------------|----------------------------|
|                           | Operating expenses                | Operating margin | Effective income tax rate | Net income | Diluted earnings per share |
| Reported - GAAP           | \$1,228                           | 55.1%            | 26.9%                     | \$1,081    | \$1.00                     |
| Special Item <sup>1</sup> | (15)                              | 0.5%             | —%                        | 10         | 0.01                       |
| Non-GAAP                  | \$1,213                           | 55.6%            | 26.9%                     | \$1,091    | \$1.01                     |

|                               | Three Months Ended March 31, 2017 vs. Three Months Ended March 31, 2016 |                    |                  |                           |            |                            |
|-------------------------------|---|--------------------|------------------|---------------------------|------------|----------------------------|
|                               | Increase / (Decrease)   |                    |                  |                           |            |                            |
|                               | Net revenue   | Operating expenses | Operating margin | Effective income tax rate | Net income | Diluted earnings per share |
| Reported - GAAP               | 12%   | 12%                | - ppt            | (1.4) ppt                 | 13%        | 16%                        |
| Special Item <sup>1</sup>     | —%  | (1)%               | 0.5 ppt          | - ppt                     | 1%         | 1%                         |
| Non-GAAP                      | 12%   | 11%                | 0.5 ppt          | (1.4) ppt                 | 14%        | 17%                        |
| Foreign currency <sup>2</sup> | —%  | —%                 | (0.2) ppt        | - ppt                     | —%         | —%                         |
| Non-GAAP - currency-neutral   | 12%   | 11%                | 0.3 ppt          | (1.4) ppt                 | 13%        | 17%                        |

Note: Table may not sum due to rounding.

<sup>1</sup>Special Item reflects a provision for litigation of \$15 million (\$10 million after tax, or \$0.01 per diluted share), relating to a proposed settlement for Canadian merchant litigation.

<sup>2</sup> Represents the foreign currency translational and transactional impact.

**Article 8 Impacts on Europe and Worldwide GDV and Purchase Volume Growth Rates**

|                                    | Growth (Local Currency) |        |        |        |        |        |        |        |        |         |         |
|------------------------------------|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
|                                    | 2015Q1                  | 2015Q2 | 2015Q3 | 2015Q4 | 2016Q1 | 2016Q2 | 2016Q3 | 2016Q4 | 2017Q1 | FY 2015 | FY 2016 |
| <b>GDV</b>                         |                         |        |        |        |        |        |        |        |        |         |         |
| Europe as reported                 | 15%                     | 17%    | 17%    | 16%    | 18%    | 14%    | 5%     | 3%     | 1%     | 16%     | 10%     |
| Europe normalized for Article 8    | 19%                     | 20%    | 20%    | 18%    | 20%    | 19%    | 17%    | 16%    | 14%    | 19%     | 18%     |
| Worldwide as reported              | 12%                     | 13%    | 13%    | 13%    | 13%    | 12%    | 7%     | 5%     | 5%     | 13%     | 9%      |
| Worldwide normalized for Article 8 | 13%                     | 14%    | 14%    | 13%    | 14%    | 13%    | 10%    | 8%     | 8%     | 13%     | 11%     |
|                                    |                         |        |        |        |        |        |        |        |        |         |         |
| <b>Purchase Volume</b>             |                         |        |        |        |        |        |        |        |        |         |         |
| Europe as reported                 | 13%                     | 15%    | 15%    | 13%    | 15%    | 9%     | (3)%   | (3)%   | (3)%   | 14%     | 4%      |
| Europe normalized for Article 8    | 18%                     | 19%    | 18%    | 16%    | 16%    | 16%    | 16%    | 16%    | 16%    | 18%     | 16%     |
| Worldwide as reported              | 12%                     | 12%    | 12%    | 12%    | 12%    | 9%     | 5%     | 4%     | 4%     | 12%     | 7%      |
| Worldwide normalized for Article 8 | 13%                     | 13%    | 13%    | 12%    | 12%    | 11%    | 9%     | 8%     | 9%     | 13%     | 10%     |

**Note:** Article 8 of the EU Interchange Fee Regulation which relates to card payments and which became effective June 9, 2016, states that a network can no longer charge fees on domestic EEA payment transactions that do not use its payment brand. Prior to that, Mastercard collected a de minimis assessment fee in a few countries, particularly France, on transactions with Mastercard co-badged cards if the brands of domestic networks (as opposed to Mastercard) were used. As a result, the non-Mastercard co-badged volume is no longer being included.

To aid in understanding the underlying trends in the business, the table above reflects adjusted growth rates for the impact of Article 8, by eliminating the related co-badged volumes in prior periods.