

Mastercard Incorporated

Third-Quarter 2016 Financial Results Conference Call

October 28, 2016



Business Update

———— **Financial & Operational Overview**

———— **Economic Update**

———— **Business Highlights**

3rd Quarter Selected Financial Performance

(\$ in millions, except per share data)

	3Q 16	3Q 15 Non-GAAP excl special item*	YOY Growth	
			Non-GAAP	Currency Neutral
Net revenue	\$ 2,880	\$ 2,530	14%	14%
Total operating expenses	1,210	1,082	12%	12%
Operating income	1,670	1,448	15%	15%
<i>Operating margin</i>	58.0%	57.2%	0.8 ppt	0.6 ppt
Net income	\$ 1,184	\$ 1,027	15%	15%
Diluted EPS	\$ 1.08	\$ 0.91	19%	19%
Effective tax rate	27.5%	28.2%		

Note: Figures may not sum due to rounding.

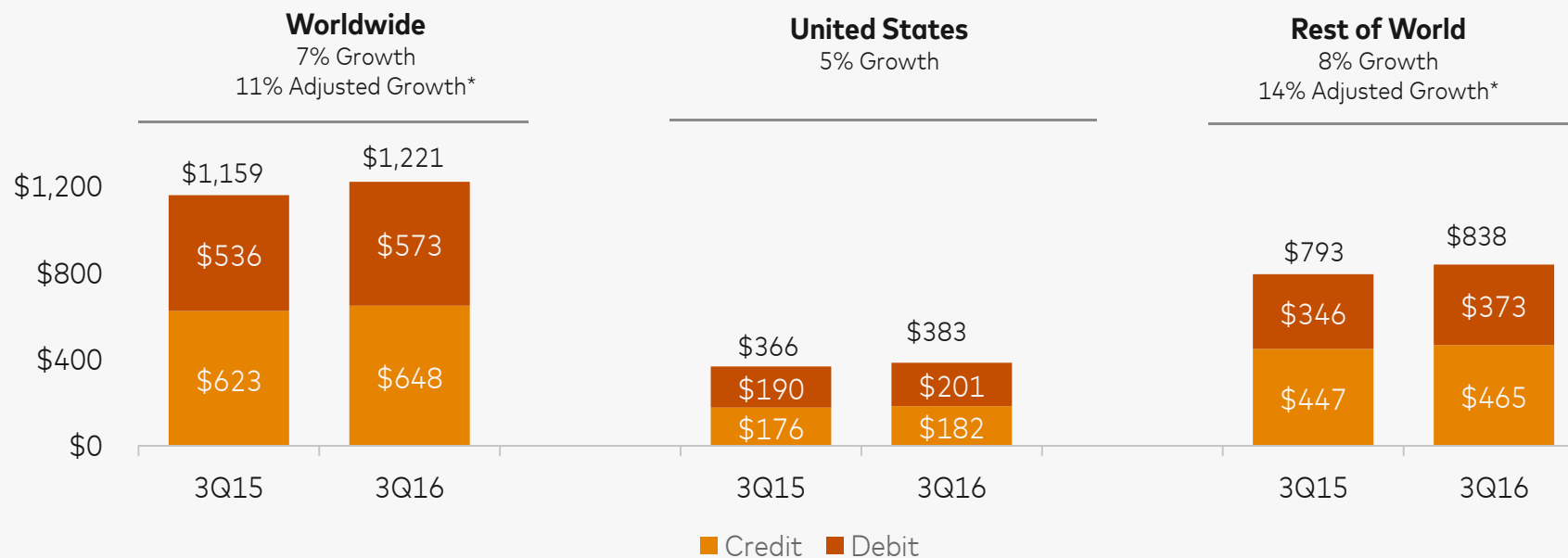
*See Appendix A for Non-GAAP reconciliation of the special item.



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3rd Quarter Gross Dollar Volume (GDV)

(\$ in billions)



* Adjusted for the impact of recent EU regulatory changes

Notes: 1. Growth rates are shown in local currency.

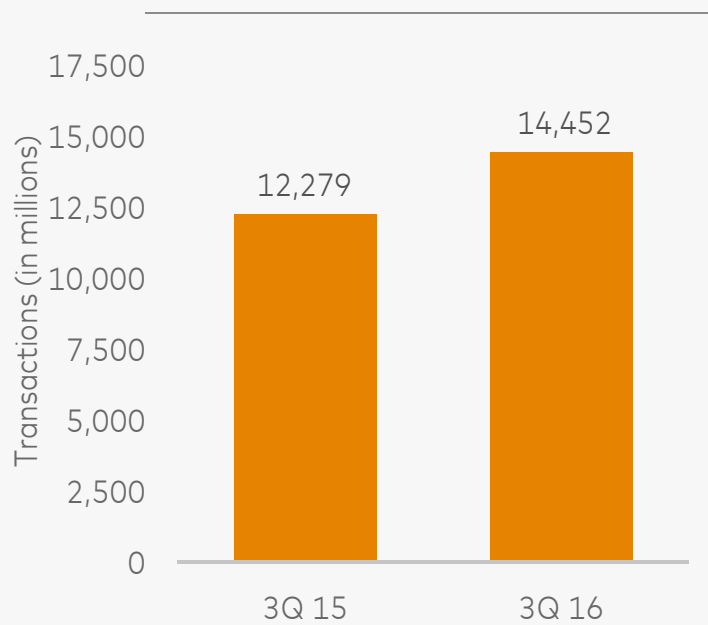
2. Figures may not sum due to rounding.



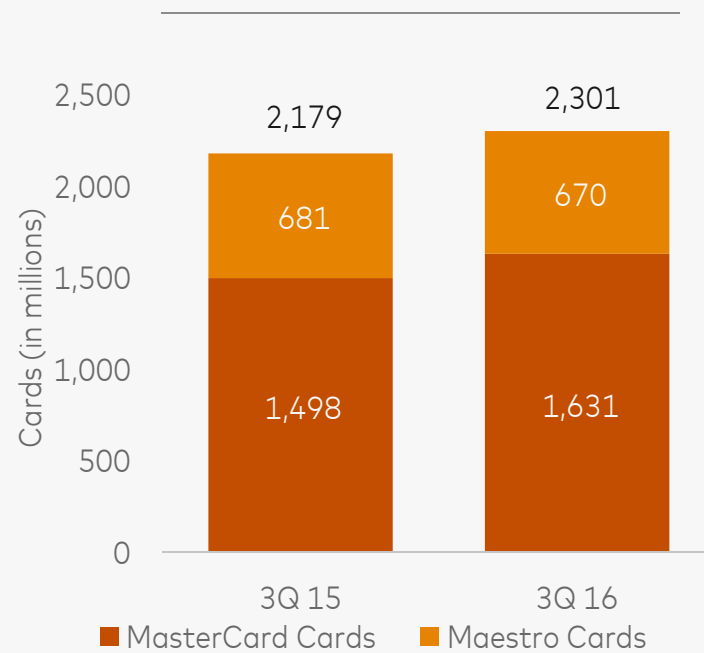
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3rd Quarter Processed Transactions and Cards

Processed Transactions
18% Growth

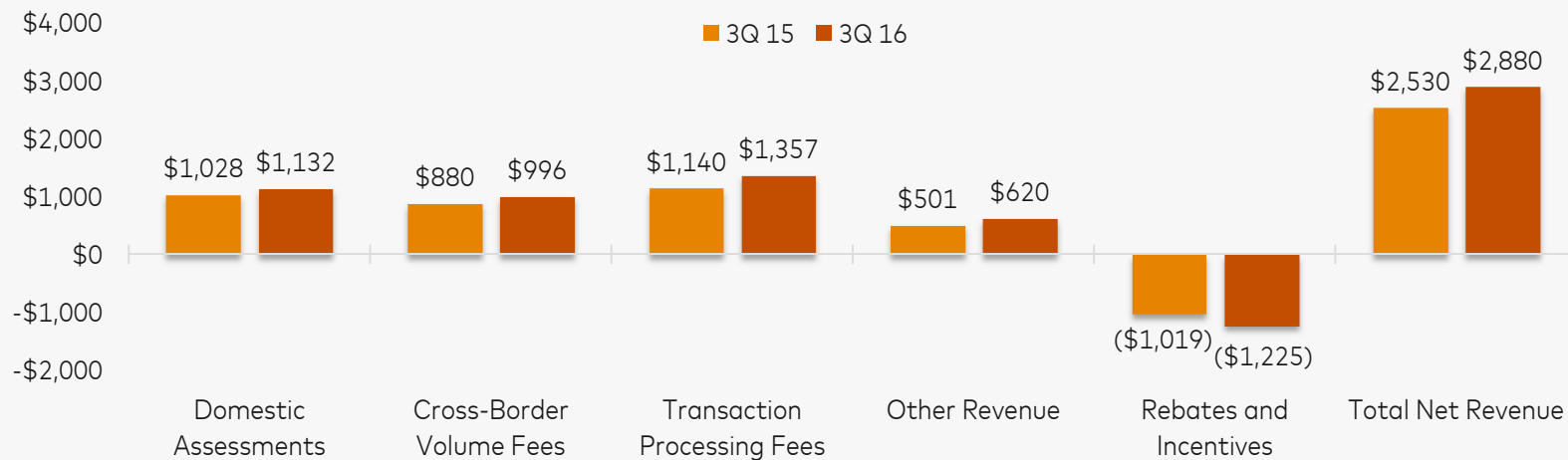


Cards
6% Growth



3rd Quarter Revenue

(\$ in millions)



Growth						
As-reported	10%	13%	19%	23%	20%	14%
Currency-Neutral	10%	15%	19%	23%	21%	14%

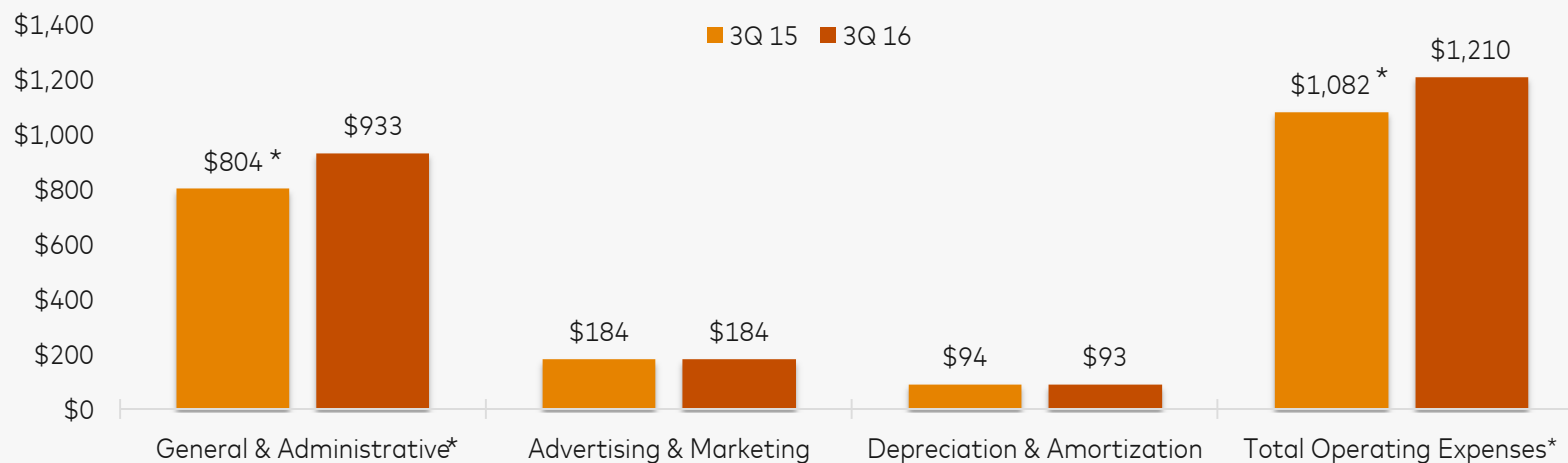
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3rd Quarter Operating Expenses

(\$ in millions)



Growth				
Non-GAAP	16%	—%	(2)%	12%
Currency-Neutral	16%	1%	—%	12%

Note: Figures may not sum due to rounding.

* See Appendix A for Non-GAAP reconciliation of the special item.



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Looking Ahead

———— **Business Update through October 21st**

———— **Thoughts for 2016**

Appendices

Appendix A

Non-GAAP Reconciliation

3rd Quarter 2016 and 2015 Results (\$ in millions, except per share data)

	Three Months Ended September 30,				Percent Increase/(Decrease)		
	2016	2015			Actual	Special Item	Non-GAAP ¹
	Actual	Actual	Special Item	Non-GAAP ¹			
General and administrative	\$ 933	\$ 883	\$ (79)	\$ 804	6%	(10)%	16%
Total operating expenses	\$ 1,210	\$ 1,161	\$ (79)	\$ 1,082	4%	(8)%	12%
Operating income	\$ 1,670	\$ 1,369	\$ 79	\$ 1,448	22%	7%	15%
<i>Operating Margin</i>	58.0%	54.1%		57.2%			
Income tax expense	\$ 449	\$ 375	\$ 29	\$ 404	20%	9%	11%
Effective Tax Rate	27.5%	27.7%		28.2%			
Net Income	\$ 1,184	\$ 977	\$ 50	\$ 1,027	21%	6%	15%
Diluted Earnings per Share	\$ 1.08	\$ 0.86	\$ 0.04	\$ 0.91	26%	7%	19%

Note: Figures may not sum due to rounding.

¹ Represents effect of excluding the special item relating to the termination of the U.S. employee pension plan.

Appendix B

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

Growth (Local Currency)

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	3QYTD15	FY15	3QYTD16
GDV										
Europe as reported	15%	16%	17%	15%	18%	14%	5%	16%	16%	12%
Europe adjusted for Article 8	19%	19%	19%	17%	19%	19%	18%	19%	19%	19%
Worldwide as reported	12%	13%	13%	12%	13%	11%	7%	13%	13%	11%
Worldwide adjusted for Article 8	13%	13%	13%	13%	13%	13%	11%	13%	13%	12%
Purchase Volume										
Europe as reported	13%	15%	15%	13%	14%	9%	-2%	14%	14%	7%
Europe adjusted for Article 8	18%	19%	18%	16%	16%	15%	16%	18%	18%	16%
Worldwide as reported	12%	12%	12%	12%	12%	9%	5%	12%	12%	9%
Worldwide adjusted for Article 8	13%	13%	13%	12%	12%	11%	9%	13%	13%	11%

Note: Article 8 of the EU Interchange Fee Regulation related to card payments, that 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 2015 and YTD 2016 growth rates for the impact of Article 8, by eliminating the related co-badged volumes in prior periods.

Appendix C

Non-GAAP Reconciliation

2016 Full Year Forecast Operating Expense Growth

	2016 vs 2015 Increase / (Decrease)
Non-GAAP Forecast Growth	Low-Double Digits
U.K. Merchant Litigation Provisions ¹	1%
U.S. Employee Pension Plan Settlement Charge ²	(2%)
As-Reported Forecast Growth	Low-Double Digits

¹ Impact of U.K. merchant litigation provisions (2016: \$107 million; 2015: \$61 million)

² Impact of U.S. employee pension plan termination in 2015 of \$79 million