



**MasterCard**

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# **MasterCard Incorporated Fourth-Quarter and Full-Year 2014 Financial Results Conference Call**

**January 30, 2015**

# Business Update



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**Financial & Operational Overview**

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**Economic Update**

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**Business Highlights**

# 4<sup>th</sup> Quarter Selected Financial Performance

(\$ in millions, except per share data)



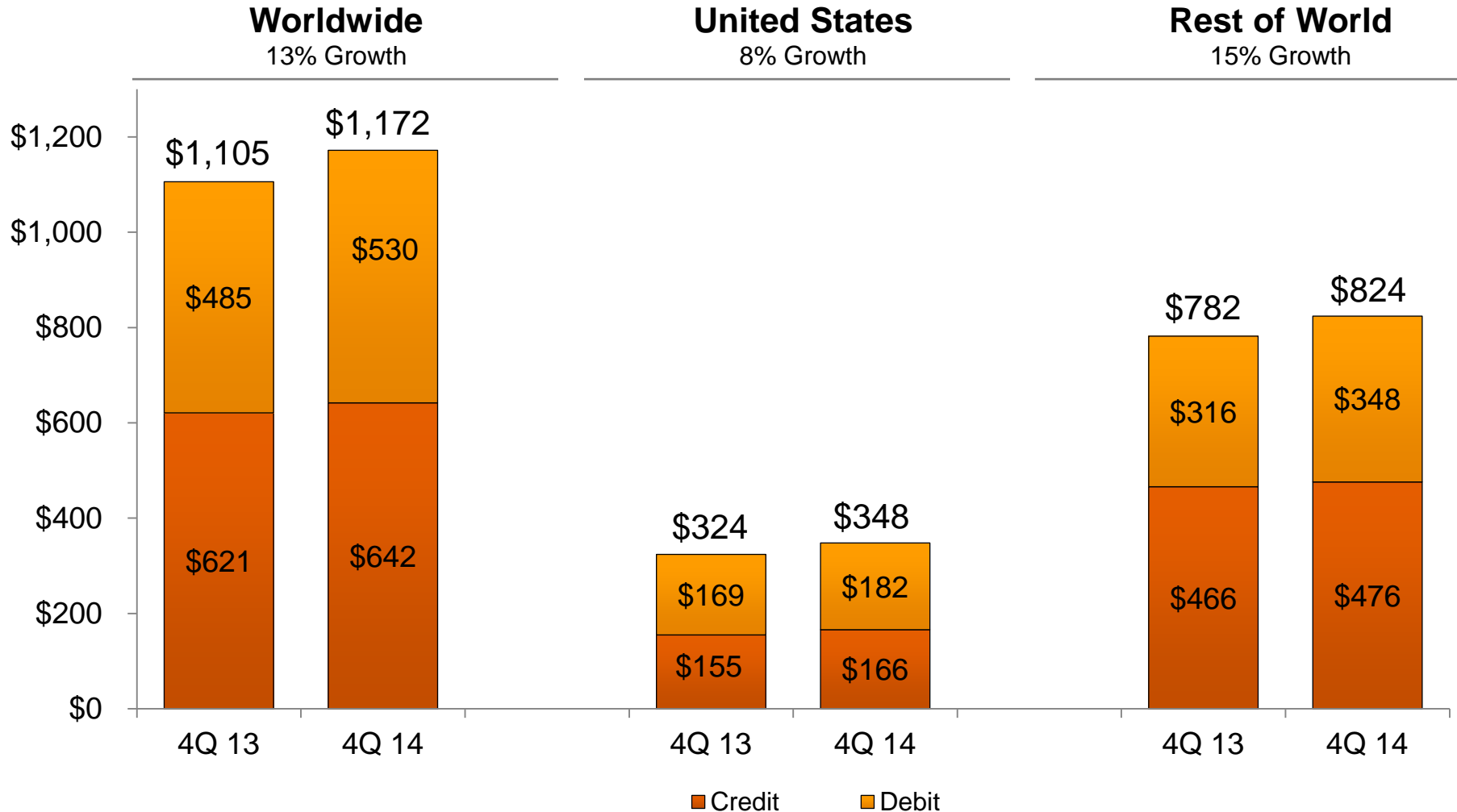
			YOY Growth	
	4Q 14	4Q 13 Non-GAAP excl. special item*	As Reported excl. special item*	FX Adjusted
Net revenue	\$ 2,416	\$ 2,126	14%	17%
Total operating expenses	1,398	1,111	26%	29%
Operating income	1,018	1,015	0%	3%
<i>Operating margin</i>	42.1%	47.7%	(5.6) ppts	(5.4) ppts
Net income	\$ 801	\$ 684	17%	21%
Diluted EPS	\$ 0.69	\$ 0.57	21%	25%
Effective tax rate	20.3%	32.0%		

Note: Figures may not sum due to rounding.

\*See Appendix of this presentation and our earnings release for GAAP reconciliations of the special item.

# 4<sup>th</sup> Quarter Gross Dollar Volume (GDV)

(\$ in billions)



Notes: 1. Growth rates are shown in local currency  
2. Figures may not sum due to rounding

# 4<sup>th</sup> Quarter Processed Transactions and Cards

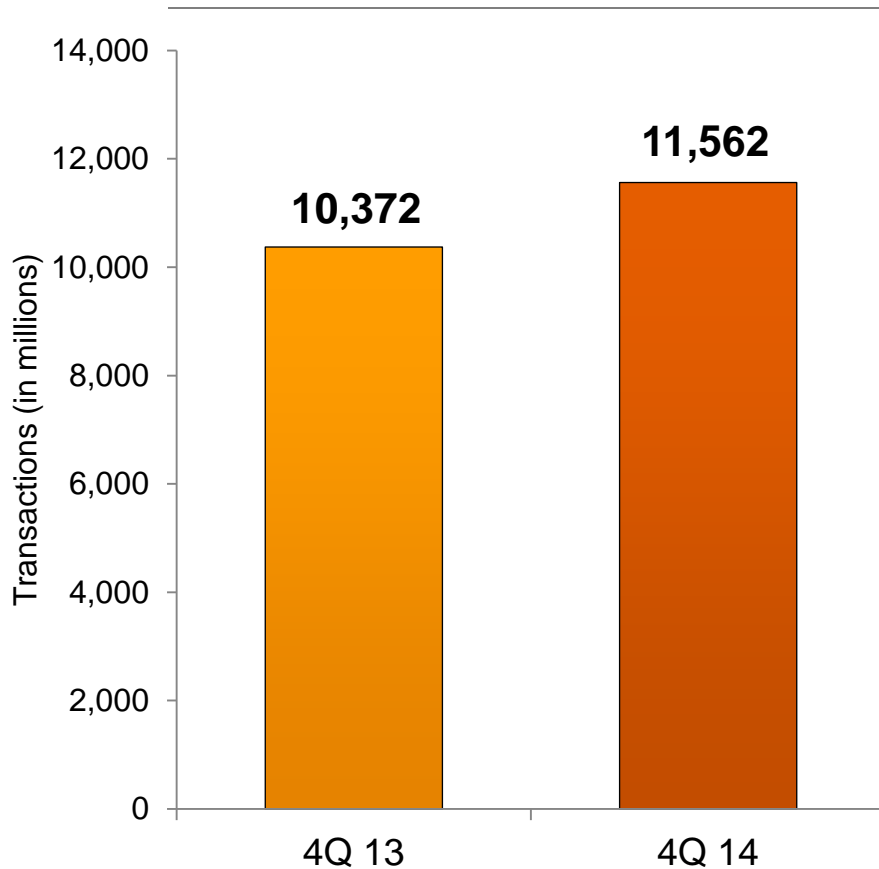


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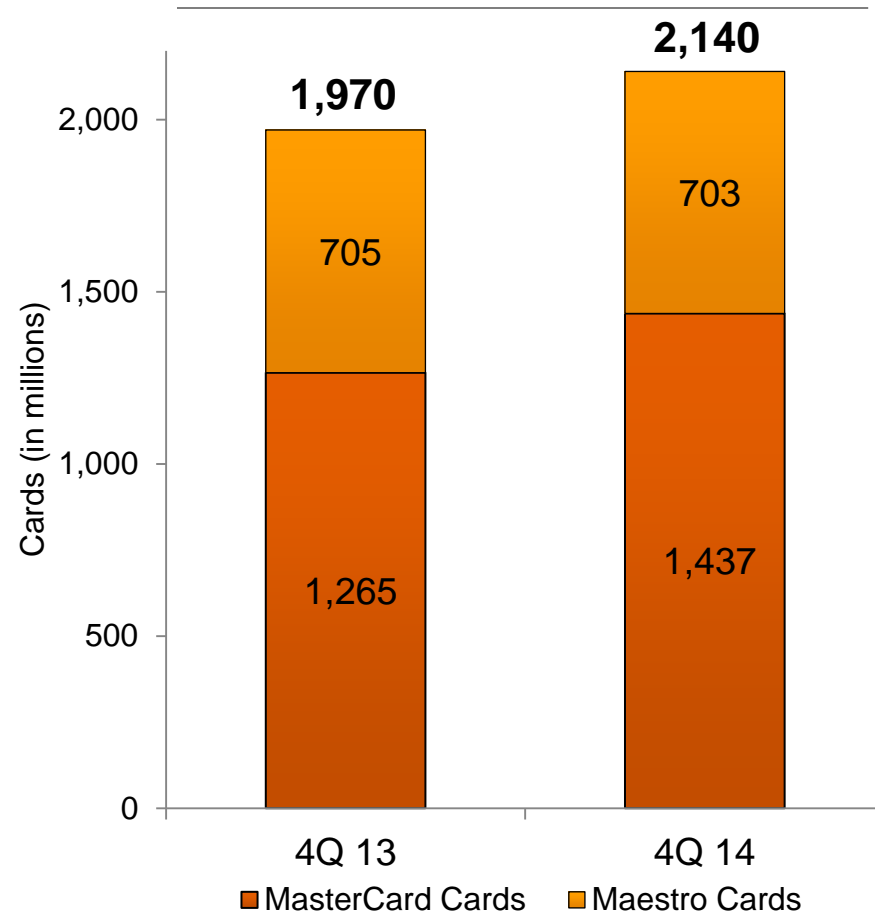
## Processed Transactions

11% Growth



## Cards

9% Growth

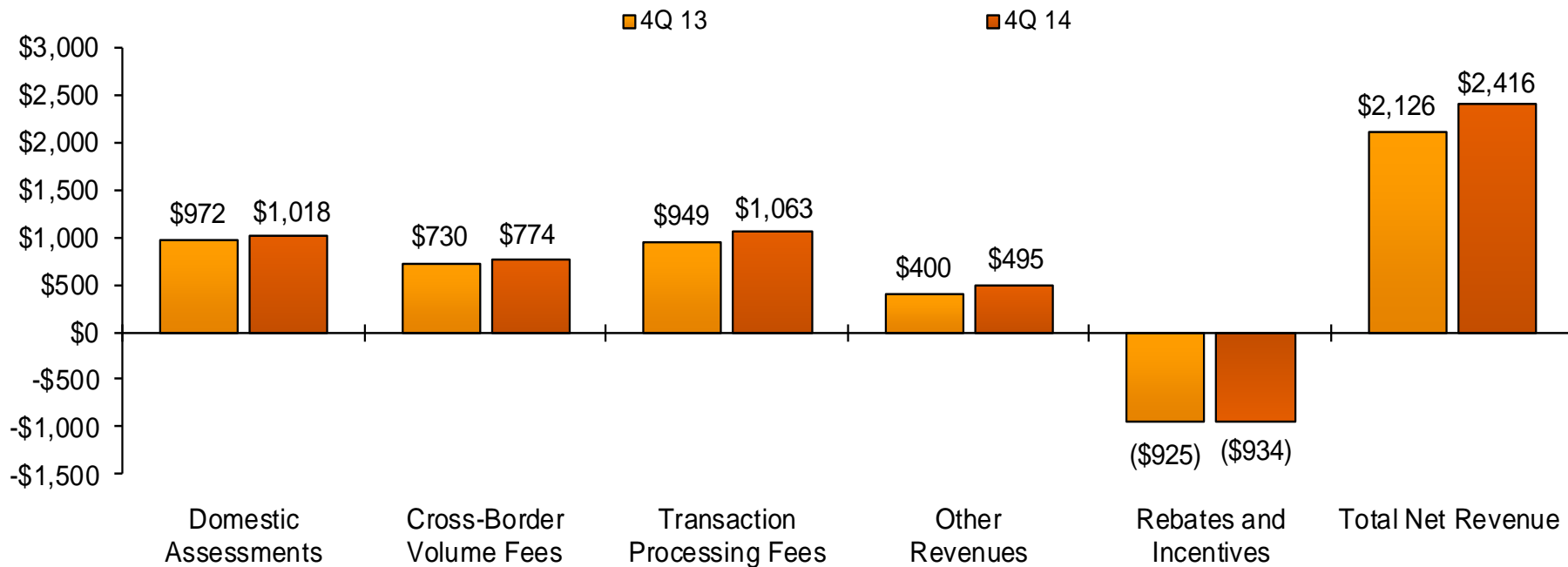


Note: Figures may not sum due to rounding

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# 4<sup>th</sup> Quarter Revenue

(\$ in millions)

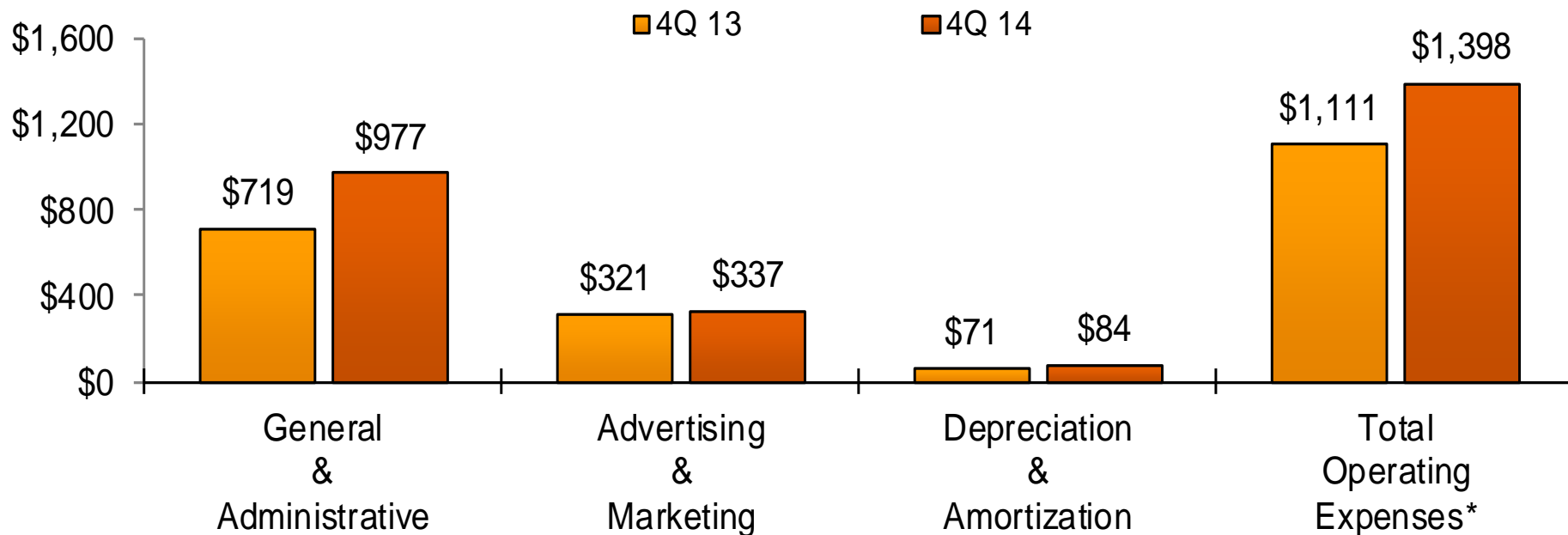


<b>As-reported</b>	5%	6%	12%	24%	1%	14%
<b>FX-adjusted</b>	7%	8%	15%	28%	3%	17%

Note: Figures may not sum due to rounding

# 4<sup>th</sup> Quarter Operating Expenses

(\$ in millions)



<b>As-reported</b>	36%	5%	19%	26%*
<b>FX-adjusted</b>	38%	9%	19%	29%*

Note: Figures may not sum due to rounding

\*See Appendix of this presentation and our earnings release for GAAP reconciliations of the special item.

# Looking Ahead

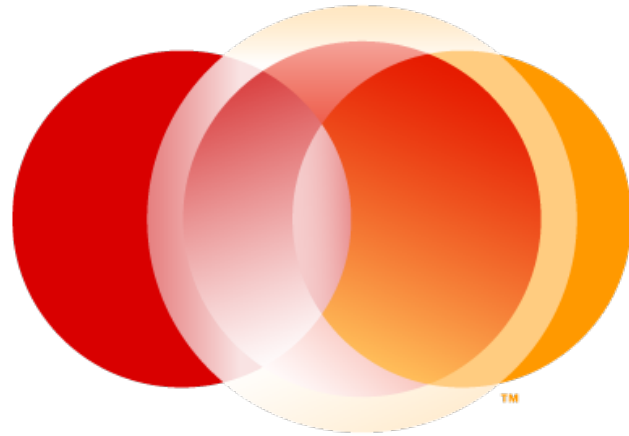
## Business update through January 21

## Thoughts for 2015

- Discussion on FX
- Revenue
- Expenses
- Tax Rate

## Long-Term Performance Objectives





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# Appendix A

## Impact of Various Items on Financial Results



Q4 2014 - Increase / (Decrease)							
	As Reported	2013 MDL Accrual <sup>1</sup>	Non-GAAP	Restructuring <sup>2</sup>	Tax Reorganization <sup>3</sup>	Acquisitions <sup>4</sup>	Excluding All Impacts
Net revenue growth	14%	—	14%	—	—	3%	11%
Total operating expense growth	16%	(10)%	26%	8%	—	9%	10%
Net income growth	29%	11%	17%	(9)%	20%	(5)%	10%
Effective Tax Rate	20.3%		20.3%	0.1%	(13.7)%	1.0%	33.0%
Diluted Earnings per Share	\$0.69		\$0.69	(\$0.05)	\$0.12	(\$0.03)	\$0.65
Full-Year 2014 - Increase / (Decrease)							
	As Reported	2013 MDL Accrual <sup>1</sup>	Non-GAAP	Restructuring <sup>2</sup>	Tax Reorganization <sup>3</sup>	Acquisitions <sup>4</sup>	Excluding All Impacts
Net revenue growth	14%	—	14%	—	—	2%	12%
Total operating expense growth	14%	(3)%	17%	2%	—	6%	8%
Net income growth	16%	2%	14%	(2)%	4%	(2)%	13%
Effective Tax Rate	28.8%		28.8%	—	(2.7)%	(0.1)%	31.6%
Diluted Earnings per Share	\$3.10		\$3.10	(\$0.05)	\$0.12	(\$0.04)	\$3.07

<sup>1</sup> Incremental accrual for U.S. merchant litigation of \$95M taken in Q4 2013; conforms to GAAP Reconciliation table in earnings release

<sup>2</sup> Restructuring charge of \$87M taken in Q4 2014

<sup>3</sup> Tax benefit of \$139M relating to a tax reorganization

<sup>4</sup> Impact of acquisitions includes results of businesses acquired in 2014 and consolidation of our majority-owned investment in HomeSend