

April 29, 2019

## Dear Fellow Stockholder,

Grow, diversify, build: it's a straightforward strategy designed for consistency and growth over the long run. It allows us to grow our customer base by supporting their programs today and serving up what we know they'll need in the decades to come. Our solid execution of that strategy has delivered another year of very strong results.

How we execute that strategy is rooted in our principles as a company. We recognize that companies have a role to play in society and believe our responsibility as a financial technology company is extraordinary. Security and privacy are not optional. Innovating to include is not a nice-to-have.

We cannot succeed in a failing world. We must deliver value both financially and socially. We have to operate in a way that not only sets ourselves up for sustainable, long-term success, but does the same for economies and societies.

Acting on that responsibility, seeing the world and our part in it requires something very basic: decency. It serves as the foundation for the kinds of relationships and respect that drive innovation, urgency and enterprise-wide thinking and behaviors. It sets the stage for the kind of listening, open-mindedness and diversity of thought that makes us collaborators who are both inspiring for and inspired by our partners.

Decency challenges us to think more broadly, beyond a singular need to more solutions-based platforms that speak to a host of intertwined needs. Mastercard's culture of decency amplifies the impact we can deliver, both in terms of the opportunities we create for businesses of all sizes and in terms of inclusive growth in general.

By creating the ecosystems and infrastructure that lay the groundwork for long-term growth, we are driving strong relationships, strong financial results and strong delivery of our commitment to our shareholders and customers, as well as the world around us.

### Reinforcing an Already Solid Core

This foundation and the eye on today's needs and tomorrow's promise makes us a better partner. It means we can offer merchants, consumers, businesses and governments the payment options they want. It also means we can provide solutions that help banks, issuers and others meet their goals, rather than offering just one piece of the puzzle. As a multi-rail network, we are the one partner our customers can use for all their payment needs: domestically and across borders, through cards or direct account-to-account transactions.

We have continued to grow our core credit, debit, prepaid and commercial products, offering consumers and businesses the choice to pay early, pay now or pay later. We have also remained committed to supporting the standards and developing the technology to deliver the same simple, secure and convenient payment experience, in store and online, and across markets. We're supporting this vision through advancements with tokenization (which secures payments no matter which digital channel you might be paying through), our APIs (or, application programming interfaces, which make activation of our products and connection to devices easier and faster) and QR codes (which speed acceptance and development in developing markets).

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With key wins, key renewals, and key co-brand partnerships, we're more than just driving growth in our core business. We're building business with value-added services and technology. In 2018, Westpac Bank, one of the largest banks in Australia, chose to become an exclusive Mastercard issuer for their Westpac-branded consumer and business card portfolios, as well as opting to work with Advisors. Meanwhile, Credit Agricole in France renewed their contract with us, adding in data analytics platforms such as APT. And in North America, we flipped co-brand opportunities like LL Bean and Cabela's by showing them how we can significantly lift the performance of their portfolio through the application of analytics, Test & Learn, and Managed Services.

This year we also announced the expansion of the Mastercard B2B Hub through a new partnership with MYOB in Australia and New Zealand, enabling small and mid-sized businesses to optimize their invoice and payment processes with automation tools that improve the speed, ease and security of their commercial payments. Meanwhile, our Payment Gateway Services—a white labeled technology platform for payment processing, fraud prevention and digital payment acceptance—continues to grow as a brand-agnostic solution of choice. And with the announced creation of Mastercard Track, we will be able to provide a unique global trade platform for companies of all sizes that includes compliance tracking, fraud management and more.

At the same time, we continue to deliver business payment solutions for corporations by tailoring our core products for corporate applications like travel & expense payments, purchasing cards and virtual cards. The new fleet co-brand product we announced with US Bank will combine their proprietary closed-loop fleet product with Mastercard's broad open-loop acceptance footprint, offering even greater consumer choice.

## Expanding Partnerships Around the World

We diversify our business by diversifying our perspective: we look to new partners, new markets and new ways to build on our core competency as a payments network. We are focused on helping our partners drive their businesses forward with better and more secure solutions.

Our Pay by Bank digital debit app adds real-time, account-to-account payment capabilities to our partners' offerings. With both HSBC and Barclays signing on in 2018, we now have six of the UK's biggest financial institutions, alongside a growing number of retailers and merchant acquirers, committed to delivering the Pay by Bank app to their customers. Meanwhile, we've won mandates in France and Canada with our anti-money laundering solution, and have 10 more markets in the pipeline. All this is made possible by the successful integration of Vocalink with Mastercard.

Meanwhile, we continue to advance our initiatives with governments. We're working with Bansefi, the commercial banking arm of the Mexican government, to distribute a wide range of social benefit disbursements to citizens across the country, including roughly 20 million new debit cards that will be used to receive and spend social benefit payments.

We're also working with governments to bring our solutions where there is low electronic payment penetration, such as India and Africa. This includes our agreement to bring the Mastercard Farmer Network to Andhra Pradesh under the name e-Rythu (e-farmer in Telugu). This mobile platform—already in use by more than 18,000 small-holder farmers in East Africa—digitizes agriculture marketplaces and provides farmers an easy and secure way to buy, sell and receive payments for agricultural products via their feature phones.

We're able to deliver new digital capabilities that improve the user experience at every touch point while also enhancing safety & security across all transaction types and channels because we look inside and outside our four walls for new thinking. Collaborating and co-creating with a range of technology partners, such as financial technology startups, is part of this—as are our own Tech Hubs, where we house teams dedicated to accelerating our innovation beyond payments.

## Adding Value by Adding Services

Mastercard's customers want more than just a credit or debit solution. They want solutions that lower acquisition costs, improve retention, increase their share of wallet, and provide data and analytics for fraud management. Our various service lines—together with our card and account-to-account rails—enable us to be the “one stop shop” they are asking for.

For example, we announced a new suite of services in Europe, designed to ease interactions between banks and third parties in the new “Open Banking” environment, while continuing to ensure security and enhance choice and value to consumers. And our Advisors consulting and data analytics services provide customers with actionable insights like how to optimize the performance of their card portfolio and use our Test & Learn technology to efficiently test recommendations and new offerings before they are implemented at scale.

And, as they have been since day one, safety and security are an integral part of our design. Brighterion and NuData are advancing our ability to leverage artificial intelligence and behavioral biometrics to detect and prevent fraud. And, in advance of the implementation of new European data privacy regulations—known as GDPR—we created an independent trust organization in Europe called Trūata to help organizations comply with new regulations around the use of personal data. Trūata will help further scale data and analytics services in a secure and compliant way.

These value-added services enable us to diversify our revenue streams and differentiate ourselves in a way that very clearly links back to our core business: safety & security, information services and consulting, loyalty and reward programs, and issuer and acquirer processing. Together, they make us a valued partner in growing businesses and building digital solutions to meet today's business needs.

## Driven by a Culture of Decency

Our capabilities and success are all thanks to our people and the ways they develop and use our technology, our data and our brand to deliver on our strategy. All of our work is aimed at delivering safe and simple payments—anytime, anywhere, and on any device. And that goal is driven by our sense of purpose: that we can do well as a company by doing good for society. That means we remain committed to investing in our talent at all levels of the organization. Our people are the ones who deliver best-in-class technology, deepen insights, help our brand connect with consumers in ever more innovative and relevant ways.

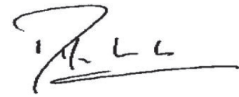
They are also the ones that push us to find even more ways to advance inclusive growth, such as through the creation of the Mastercard Impact Fund, our commitment to support initiatives that focus on long-term economic growth for everyone. This fund was designed to deliver on the philanthropic goals of our Center for Inclusive Growth, whose efforts have brought us approximately 400 million people closer to our goal to bring at least 500 million underserved people into the financial mainstream by 2020.

Our capabilities and success are all thanks to our people and the ways they develop and use our technology, our data and our brand to deliver on our strategy.

All of this comes back to our culture of decency. It is the decency of our people that allows us to recognize how critical diversity and inclusion are to a successful, long-term strategy. It's their unique perspectives and recognition of diverse needs that allow us to deliver solutions that make payments better, deliver top and bottom line growth for us in the long run and impact lives around the world.

We thank them for their incredible work, and we thank you for your continued support.

Sincerely,



**Richard Haythornthwaite**  
Chairman of the Board



**Ajay Banga**  
President and Chief Executive Officer



Richard Haythornthwaite



Ajay Banga



David R. Carlucci



Richard K. Davis



Steven J. Freiberg



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Choon Phong Goh



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José Octavio Reyes Lagunes



Oki Matsumoto



Youngme Moon



Rima Qureshi



Gabrielle Sulzberger



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Lance Uggla