



MasterCard

SHAREHOLDER LETTER 2014



FROM LEFT TO RIGHT:

Ajay Banga

*President and
Chief Executive Officer*

Richard Haythornthwaite

*Chairman of the Board
of Directors*

DEAR SHAREHOLDERS:

It's a great time to be in payments technology, especially at MasterCard.

In 2014 we invested in our business, building a strong foundation for the future. We launched new products, reaching new markets. We expanded relationships with our merchants, issuers and partners—all with the goal to make payments simple and seamless. We also partnered with governments to create access and opportunity for more people to join the financial mainstream.

Despite a mixed economy, the year ended on a high note. We delivered solid financial results, including double-digit net revenue and earnings per share growth. We welcomed eight new companies to MasterCard, expanding our business footprint and enhancing critical capabilities.

To us, success is a shared journey with innovation and connectivity at the center. It's still a world where 85 percent of retail transactions take place in cash or check yet there are almost more mobile phones than there are people. By forging partnerships across industries and sectors, together we can drive the future of payments.

THE POWER OF INNOVATION

We're a technology company in the global payments industry. We connect consumers, financial institutions, merchants, governments and businesses worldwide. And more than ever before, we're thinking differently and designing products to innovate even faster.

Just a year ago, we launched our token service. That's the underlying technology that delivers the security of an EMV or chip card to the digital world. It's the technology that is powering MasterPass™ and it's the same technology that is behind Apple Pay™ and Samsung Pay.™

Besides a mobile phone, consumers also have a laptop, tablet, game system, connected car or even a connected appliance. That's why our momentum with MasterPass is critical—to ensure digital transactions across any connected device. Now in 16 countries, MasterPass serves as a global platform for issuers, merchants and developers to connect into our broad acceptance network.

We know great ideas can come from anywhere. To support entrepreneurs, we launched the Start Path® incubation program in Europe and the United States. Our global, ten-city hackathon competition invites developers to use our APIs to build the next new payment app. In India, our latest technology center allows us to provide 'around the world' coverage to deliver new technology solutions.

LEADING THE WAY: SAFETY AND SECURITY

Payment technologies have never been safer, but criminals have never been smarter. To stay ahead, we're committed to always innovating and working to lead the industry in safety and security—after all, this is the cornerstone of our business.

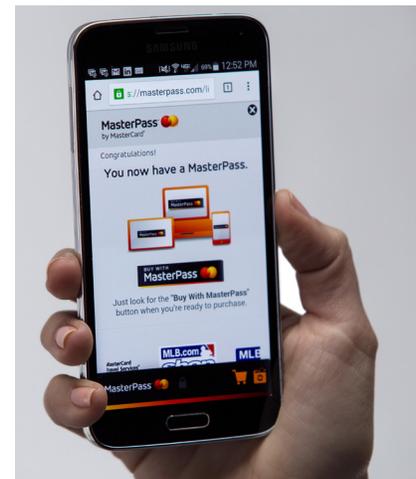
There is no silver bullet to fight fraud, so we have implemented common standards and multiple layers of protection for our merchants, issuers and cardholders. We use the power of our network to monitor transactions across the globe and identify fraud. One example is Safety Net, a global tool designed to reduce the risk of cyber hacking of banks and processors, identifying potential attacks before they start.

INNOVATING FOR INCLUSION

Advancements in payments technology can provide an opportunity to drive a more empowered, inclusive planet where people—regardless of where they live or their economic status—are able to build more self-determined lives. We work with our public and private partners to deliver on this promise in a variety of ways.

With the support of the Bill & Melinda Gates Foundation, we launched an innovation lab for financial inclusion in Kenya, which has the potential to extend financial services to 100 million people. In Nigeria, 13 million citizens are part of the government's National Electronic Identity program and are receiving an identity card with our payment functionality.

Through our collaboration with the African Development Bank, we will partner with local governments and companies, combining our technologies and innovation capabilities with local know-how across the continent, to broaden access to financial services.



Our momentum with MasterPass is critical—to ensure digital transactions across any connected device.

In Mexico, we're working with the government to roll out a large-scale program to enable social benefit distribution on our prepaid cards. Most of those enrolled in the program are women who will, for the first time, be able to deposit funds, receive social benefits and more. In Russia, a new social card enabled with our contactless technology will be used for distributing benefits among social security recipients in Moscow.



In Egypt, we're rolling out a digital identification program that links citizens' national IDs to the country's existing mobile money platform. As a result, 54 million Egyptians will be able to connect to the financial system for the first time.

Through our partnership with Zimbabwe's largest mobile money provider, subscribers can use a debit card to get money from an ATM and make purchases in stores or online. We also announced a partnership with the Unique Identification Authority of India (UIDAI) to offer authentication services for the Aadhaar program, the largest biometric identity program in the world.

Our joint venture with HomeSend helps to connect mobile network money programs to give consumers greater convenience to send money via their mobile phone. These are just a few examples to show how we are using our products in new ways to make a meaningful difference in people's everyday lives.

A FORCE FOR GOOD

Company success and benefiting society are not mutually exclusive. Nine years ago, we established the MasterCard Foundation as an independent entity to promote financial inclusion and advance youth learning, mostly in Africa. Through collaboration with partner organizations in 49 countries, the Foundation is creating opportunities for people to learn and prosper.

Last year, we established The MasterCard Center for Inclusive Growth to direct philanthropic investments and build connections between the development community, governments, business and academia. By bringing these disparate groups together, we can create innovative solutions to foster inclusive growth.

We're a strong supporter of our communities and through our employees' volunteer efforts, we're making a difference around the world. To us, it's simple: living our values

Working together to achieve a better future with our new innovation lab in East Africa.

Walt Macnee and Ajay Banga of MasterCard, flank L to R: US Ambassador Donald Teitelbaum; Tanzanian Ambassador Liberata Mulamula; and Rodger Voorhies, Bill & Melinda Gates Foundation.

and service to the community go hand in hand. That's why we created Girls4Tech™, our signature education program that showcases our payments technology and engages our employees as role models and mentors—all with the goal to inspire a career in science, technology, engineering and math (STEM).

Building a pipeline of qualified talent is critical for our future success.

Last year, we launched our Women in Technology initiative to encourage women to develop and advance their careers at our company. We also partnered with Launch Code, a St.

Louis-based nonprofit organization, to create an apprentice program that provides community members the chance to acquire skills they need for a job in the STEM field. We're pleased that our partnership with Launch Code was highlighted by President Barack Obama in March 2015.



We are using our products in new ways to make a meaningful difference in people's everyday lives.

OUR JOURNEY CONTINUES

As we near our 50th anniversary, we reaffirm our commitments. We're committed to supporting our partners in new ways, to innovation as a constant, to being a force for good—while continuing to deliver strong financial performance for our shareholders.

We know that through our partnerships and the creativity, dedication and energy of our 10,300 employees, we can be collaborative, inclusive—and successful. Together, we're on a shared journey to achieve a world beyond cash.

Thank you for your continued support.

Richard Haythornthwaite

Chairman of the
Board of Directors

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