UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-32877

Mastercard Incorporated

(Exact name of registrant as specified in its charter)

Delaware	**13-4172551**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification Number)**
2000 Purchase Street Purchase, NY	**10577**
(Address of principal executive offices)	**(Zip Code)**

(914) 249-2000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange of which registered
Class A Common Stock, par value $0.0001 per share	MA	New York Stock Exchange
2.1% Notes due 2027	MA27	New York Stock Exchange
1.0% Notes due 2029	MA29A	New York Stock Exchange
2.5% Notes due 2030	MA30	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes ☐ No ☒

As of October 26, 2026, there were 864,657,109 shares outstanding of the registrant's Class A common stock, par value $0.0001 per share; and 6,519,005 shares outstanding of the registrant's Class B common stock, par value $0.0001 per share.

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In this Report on Form 10-Q ("Report"), references to the "Company," "Mastercard," "we," "us" or "our" refer to the business conducted by Mastercard Incorporated and its consolidated subsidiaries, including our operating subsidiary, Mastercard International Incorporated, and to the Mastercard brand.

Forward-Looking Statements

This Report 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 Report, 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 Company's future prospects, developments and business strategies.

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:

- regulation related to the payments industry (including regulatory, legislative and litigation activity with respect to interchange rates and surcharging)
- the impact of preferential or protective government actions
- regulation of privacy, data, AI, information security and the digital economy
- regulation that directly or indirectly applies to us based on our participation in the global payments industry (including anti-money laundering, countering the financing of terrorism, economic sanctions and anti-corruption, account-based payments systems, and issuer and acquirer practices regulation)
- the impact of changes in tax laws, as well as regulations and interpretations of such laws or challenges to our tax positions
- potential or incurred liability and limitations on business related to any litigation or litigation settlements
- the impact of competition in the global payments industry (including disintermediation and pricing pressure)
- the challenges relating to rapid technological developments and changes
- the challenges relating to operating a real-time account-based payments system and to working with new customers and end users
- the impact of information security incidents, account data breaches or service disruptions
- issues related to our relationships with our stakeholders (including loss of substantial business from significant customers, competitor relationships with our customers, consolidation amongst our customers, merchants' continued focus on acceptance costs and unique risks from our work with governments)
- the impact of global economic, political, financial and societal events and conditions, including adverse currency fluctuations and foreign exchange controls
- reputational impact, including impact related to brand perception and lack of visibility of our brands in products and services
- the impact of environmental, social and governance matters and related stakeholder reaction
- the inability to attract and retain a highly qualified workforce, or maintain our corporate culture
- issues related to acquisition integration, strategic investments and entry into new businesses
- exposure to loss or illiquidity due to our role as guarantor as well as other contractual obligations and discretionary actions we may take
- issues related to our Class A common stock and corporate governance structure

Please see a complete discussion of these risk factors in Part I, Item 1A - Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2025. We caution you that the important factors referenced above may not contain all of the factors that are important to you. Our forward-looking statements speak only as of the date of this Report or as of the date they are made, and we undertake no obligation to update our forward-looking statements.

PART I

Item 1. Consolidated financial statements (unaudited)
Item 2. Management's discussion and analysis of financial condition and results of operations
Item 3. Quantitative and qualitative disclosures about market risk
Item 4. Controls and procedures

Item 1. Consolidated financial statements (unaudited)

Mastercard Incorporated
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Consolidated Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share data)			
Net Revenue	**$ 9,807**	**$ 8,602**	**$ 27,482**	**$ 23,985**
Operating Expenses:				
General and administrative	3,293	2,923	9,414	8,212
Advertising and marketing	252	245	622	610
Depreciation and amortization	326	290	934	846
Provision for litigation	74	83	156	330
Total operating expenses	3,945	3,541	11,126	9,998
Operating income	5,862	5,061	16,356	13,987
Other Income (Expense):				
Investment income	88	81	257	239
Gains (losses) on equity investments, net	(5)	41	(73)	16
Interest expense	(250)	(186)	(653)	(563)
Other income (expense), net	46	2	152	23
Total other income (expense)	(121)	(62)	(317)	(285)
Income before income taxes	5,741	4,999	16,039	13,702
Income tax expense	1,113	1,072	3,141	2,794
Net Income	**$ 4,628**	**$ 3,927**	**$ 12,898**	**$ 10,908**
Basic Earnings per Share	**$ 5.29**	**$ 4.35**	**$ 14.61**	**$ 12.02**
Basic weighted-average shares outstanding	875	903	883	908
Diluted Earnings per Share	**$ 5.28**	**$ 4.34**	**$ 14.59**	**$ 12.00**
Diluted weighted-average shares outstanding	876	905	884	909

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Net Income	**$ 4,628**	**$ 3,927**	**$ 12,898**	**$ 10,908**
Other comprehensive income (loss):				
Foreign currency translation adjustments	30	(62)	(38)	625
Income tax effect	—	12	6	(44)
Foreign currency translation adjustments, net of income tax effect	30	(50)	(32)	581
Translation adjustments on net investment hedges	8	(2)	72	(210)
Income tax effect	(2)	—	(16)	46
Translation adjustments on net investment hedges, net of income tax effect	6	(2)	56	(164)
Cash flow hedges	5	34	111	(314)
Income tax effect	2	(1)	(3)	21
Reclassification adjustments for cash flow hedges	(29)	8	(136)	382
Income tax effect	(1)	(4)	(6)	(8)
Cash flow hedges, net of income tax effect	(23)	37	(34)	81
Investment securities available-for-sale	(4)	(1)	(4)	—
Income tax effect	1	—	1	—
Investment securities available-for-sale, net of income tax effect	(3)	(1)	(3)	—
Other comprehensive income (loss), net of income tax effect	10	(16)	(13)	498
Comprehensive Income	**$ 4,638**	**$ 3,911**	**$ 12,885**	**$ 11,406**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets (Unaudited)

	September 30, 2026	December 31, 2025
	(in millions, except per share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 10,147	$ 10,566
Restricted cash and restricted cash equivalents	564	561
Restricted security deposits held for customers	2,231	2,121
Investments	317	332
Accounts receivable	5,258	4,609
Settlement assets	1,593	1,626
Prepaid expenses and other current assets	4,370	3,743
Total current assets	**24,480**	**23,558**
Property, equipment and right-of-use assets, net of accumulated depreciation and amortization of $2,883 and $2,756, respectively	2,642	2,303
Deferred income taxes	1,573	1,567
Goodwill	10,804	9,560
Other intangible assets, net of accumulated amortization of $3,502 and $3,096, respectively	5,704	5,554
Other assets	12,946	11,615
Total Assets	**$ 58,149**	**$ 54,157**
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 1,083	$ 999
Settlement obligations	2,151	2,409
Restricted security deposits held for customers	2,231	2,121
Accrued litigation	262	800
Accrued expenses	13,950	13,272
Short-term debt	1,749	749
Other current liabilities	2,770	2,412
Total current liabilities	**24,196**	**22,762**
Long-term debt	22,189	18,251
Deferred income taxes	341	307
Other liabilities	4,683	5,091
Total Liabilities	**51,409**	**46,411**
Commitments and Contingencies		
Stockholders' Equity		
Class A common stock, $0.0001 par value; authorized 3,000 shares, 1,407 and 1,406 shares issued and 866 and 887 shares outstanding, respectively	—	—
Class B common stock, $0.0001 par value; authorized 1,200 shares, 7 shares issued and outstanding	—	—
Additional paid-in-capital	7,308	6,907
Class A treasury stock, at cost, 541 and 518 shares, respectively	(95,201)	(83,224)
Retained earnings	95,640	85,035
Accumulated other comprehensive income (loss)	(994)	(981)
Mastercard Incorporated Stockholders' Equity	**6,753**	**7,737**
Non-controlling interests	(13)	9
Total Equity	**6,740**	**7,746**
Total Liabilities and Equity	**$ 58,149**	**$ 54,157**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity (Unaudited)

	Stockholders' Equity								
	Common Stock		Additional Paid-In Capital	Class A Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Mastercard Incorporated Stockholders' Equity	Non-Controlling Interests	Total Equity
	Class A	Class B							
	(in millions)								
Three Months Ended September 30, 2026									
Balance at beginning of period	$ —	$ —	$ 7,070	$ (92,226)	$ 91,771	$ (1,004)	$ 5,611	$ (5)	$ 5,606
Net income	—	—	—	—	4,628	—	4,628	—	4,628
Activity related to non-controlling interests	—	—	—	—	—	—	—	(8)	(8)
Other comprehensive income (loss)	—	—	—	—	—	10	10	—	10
Dividends	—	—	—		(759)	—	(759)	—	(759)
Purchases of treasury stock	—	—	—	(2,976)	—	—	(2,976)	—	(2,976)
Share-based payments	—	—	238	1	—	—	239	—	239
Balance at end of period	$ —	$ —	$ 7,308	$ (95,201)	$ 95,640	$ (994)	$ 6,753	$ (13)	$ 6,740
Nine Months Ended September 30, 2026									
Balance at beginning of period	$ —	$ —	$ 6,907	$ (83,224)	$ 85,035	$ (981)	$ 7,737	$ 9	$ 7,746
Net income	—	—	—	—	12,898	—	12,898	—	12,898
Activity related to non-controlling interests	—	—	—	—	—	—	—	(22)	(22)
Other comprehensive income (loss)	—	—	—	—	—	(13)	(13)	—	(13)
Dividends	—	—	—	—	(2,293)	—	(2,293)	—	(2,293)
Purchases of treasury stock	—	—	—	(12,010)	—	—	(12,010)	—	(12,010)
Share-based payments	—	—	401	33	—	—	434	—	434
Balance at end of period	$ —	$ —	$ 7,308	$ (95,201)	$ 95,640	$ (994)	$ 6,753	$ (13)	$ 6,740

Consolidated Statements of Changes in Equity (Unaudited) - (Continued)

	Stockholders' Equity								
	Common Stock		Additional Paid-In Capital	Class A Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Mastercard Incorporated Stockholders' Equity	Non-Controlling Interests	Total Equity
	Class A	Class B							
	(in millions)								
Three Months Ended September 30, 2025									
Balance at beginning of period	**$ —**	**$ —**	**$ 6,562**	**$ (76,299)**	**$ 78,509**	**$ (919)**	**$ 7,853**	**$ 21**	**$ 7,874**
Net income	—	—	—	—	3,927	—	3,927	—	3,927
Activity related to non-controlling interests	—	—	—	—	—	—	—	(6)	(6)
Other comprehensive income (loss)	—	—	—	—	—	(16)	(16)	—	(16)
Dividends	—	—	—	—	(684)	—	(684)	—	(684)
Purchases of treasury stock	—	—	—	(3,371)	—	—	(3,371)	—	(3,371)
Share-based payments	—	—	195	—	—	—	195	—	195
Balance at end of period	**$ —**	**$ —**	**$ 6,757**	**$ (79,670)**	**$ 81,752**	**$ (935)**	**$ 7,904**	**$ 15**	**$ 7,919**
Nine Months Ended September 30, 2025									
Balance at beginning of period	**$ —**	**$ —**	**$ 6,442**	**$ (71,431)**	**$ 72,907**	**$ (1,433)**	**$ 6,485**	**$ 30**	**$ 6,515**
Net income	—	—	—	—	10,908	—	10,908	—	10,908
Activity related to non-controlling interests	—	—	—	—	—	—	—	(15)	(15)
Other comprehensive income (loss)	—	—	—	—	—	498	498	—	498
Dividends	—	—	—	—	(2,063)	—	(2,063)	—	(2,063)
Purchases of treasury stock	—	—	—	(8,265)	—	—	(8,265)	—	(8,265)
Share-based payments	—	—	315	26	—	—	341	—	341
Balance at end of period	**$ —**	**$ —**	**$ 6,757**	**$ (79,670)**	**$ 81,752**	**$ (935)**	**$ 7,904**	**$ 15**	**$ 7,919**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2026	2025
	(in millions)	
Operating Activities		
Net income	$ 12,898	$ 10,908
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of customer incentives	2,030	1,526
Depreciation and amortization	934	846
(Gains) losses on equity investments, net	73	(16)
Share-based compensation	525	485
Deferred income taxes	(9)	77
Other	141	99
Changes in operating assets and liabilities:		
Accounts receivable	(661)	(264)
Settlement assets	32	(14)
Prepaid expenses	(4,688)	(2,939)
Accrued litigation and legal settlements	(537)	(4)
Restricted security deposits held for customers	126	180
Accounts payable	95	(28)
Settlement obligations	(258)	102
Accrued expenses	1,660	658
Net change in other assets and liabilities	(502)	1,030
Net cash provided by operating activities	**11,859**	**12,646**
Investing Activities		
Purchases of investment securities available-for-sale	(265)	(385)
Purchases of investments held-to-maturity	—	(28)
Proceeds from sales of investment securities available-for-sale	94	192
Proceeds from maturities of investment securities available-for-sale	139	183
Proceeds from maturities of investments held-to-maturity	13	46
Purchases of property and equipment	(667)	(377)
Capitalized software	(474)	(548)
Acquisition of businesses, net of cash acquired	(1,372)	—
Other investing activities	(71)	(24)
Net cash used in investing activities	**(2,603)**	**(941)**
Financing Activities		
Purchases of treasury stock	(11,893)	(8,169)
Dividends paid	(2,311)	(2,072)
Proceeds from debt, net of discounts	5,596	1,242
Payment of debt	(618)	(750)
Tax withholdings related to share-based payments	(208)	(283)
Cash proceeds from employee stock plans	117	139
Other financing activities	(108)	(100)
Net cash used in financing activities	**(9,425)**	**(9,993)**
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(137)	325
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	**(306)**	**2,037**
Cash, cash equivalents, restricted cash and restricted cash equivalents - beginning of period	13,248	10,808
Cash, cash equivalents, restricted cash and restricted cash equivalents - end of period	**$ 12,942**	**$ 12,845**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to consolidated financial statements (unaudited)

Note 1. Summary of Significant Accounting Policies

Organization

Mastercard Incorporated and its consolidated subsidiaries, including Mastercard International Incorporated ("Mastercard International" and together with Mastercard Incorporated, "Mastercard" or the "Company"), is a technology company in the global payments industry. Mastercard connects consumers, financial institutions, merchants, governments, digital partners, businesses and other organizations worldwide by enabling electronic payments and making those payment transactions secure, simple, smart and accessible.

Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Mastercard and its majority-owned and controlled entities, including any variable interest entities ("VIEs") for which the Company is the primary beneficiary. Investments in VIEs for which the Company is not considered the primary beneficiary are not consolidated and are accounted for as marketable, equity method or measurement alternative method investments and recorded in other assets on the consolidated balance sheets. At September 30, 2026 and December 31, 2025, there were no significant VIEs that required consolidation and the investments were not material to the consolidated financial statements. The Company consolidates acquisitions as of the date the Company has obtained a controlling financial interest. Intercompany transactions and balances have been eliminated in consolidation. The Company follows accounting principles generally accepted in the United States of America ("GAAP").

The balance sheet as of December 31, 2025 was derived from the audited consolidated financial statements as of December 31, 2025. The consolidated financial statements for the three and nine months ended September 30, 2026 and 2025 and as of September 30, 2026 are unaudited, and in the opinion of management, include all normal recurring adjustments that are necessary to present fairly the results for interim periods. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year.

The accompanying unaudited consolidated financial statements are presented in accordance with the U.S. Securities and Exchange Commission (SEC) requirements for Quarterly Reports on Form 10-Q. Reference should be made to the Company's Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K") for additional disclosures, including a summary of the Company's significant accounting policies.

Note 2. Acquisitions

On August 3, 2026, Mastercard acquired a 100% equity interest in BVNK Holdings Limited ("BVNK"), a provider of stablecoin infrastructure, for total cash consideration of $1.4 billion. The sellers of BVNK have the potential to earn additional contingent consideration of up to $ 300 million if certain performance targets are met. The net assets acquired primarily relate to intangible assets, including goodwill of $1.3 billion that is primarily attributable to the synergies expected to arise after the acquisition date. None of the goodwill is expected to be deductible for local tax purposes. This acquisition is expected to expand Mastercard's capabilities to support the digital assets ecosystem.

The Company is evaluating and finalizing the purchase accounting. Refer to Note 1 (Summary of Significant Accounting Policies) to the consolidated financial statements included in Part II, Item 8 of the Company's 2025 Form 10-K, for the valuation techniques Mastercard utilizes to fair value the respective components of business combinations.

The estimated fair values of the purchase price allocation as of the acquisition date is noted below.

	(in millions)
Assets:	
Cash and cash equivalents	$ 13
Prepaid expenses and other current assets	27
Goodwill	1,271
Other intangible assets, net	363
Other assets	32
Total assets	**1,706**
Liabilities:	
Other current liabilities	11
Other liabilities	139
Total liabilities	**150**
Net assets acquired	**$ 1,556**

The following table summarizes the identified intangible assets acquired:

	Acquisition Date Fair Value (in millions)	Weighted-Average Useful Life (in years)
Developed technologies	$ 238	9.0
Customer relationships	125	14.0
Other intangible assets, net	**$ 363**	**10.7**

Proforma information related to the acquisition was not included because the impact on the Company's consolidated results of operations was not considered to be material.

Note 3. Revenue

The Company's disaggregated net revenue by category and geographic region were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Net revenue by category:				
Payment network	$ 5,749	$ 5,179	$ 16,148	$ 14,556
Value-added services and solutions	4,058	3,423	11,334	9,429
Net revenue	**$ 9,807**	**$ 8,602**	**$ 27,482**	**$ 23,985**
Net revenue by geographic region:				
Americas [1]	$ 4,190	$ 3,651	$ 11,754	$ 10,207
Asia Pacific, Europe, Middle East and Africa	5,617	4,951	15,728	13,778
Net revenue	**$ 9,807**	**$ 8,602**	**$ 27,482**	**$ 23,985**

[1] Americas includes the United States, Canada and Latin America.

The Company's customers are generally billed weekly, with certain billings occurring on a monthly and quarterly basis. The frequency of billing is dependent upon the nature of the performance obligation and the underlying contractual terms. The Company does not typically offer extended payment terms to customers. The following table sets forth the location of the amounts recognized on the consolidated balance sheets from contracts with customers:

	September 30, 2026	December 31, 2025
	(in millions)	
Receivables from contracts with customers		
Accounts receivable	$ 4,330	$ 4,010
Contract assets		
Prepaid expenses and other current assets	161	189
Other assets	564	508
Deferred revenue [1]		
Other current liabilities	1,511	1,137
Other liabilities	329	424

[1] Revenue recognized from performance obligations satisfied for the three and nine months ended September 30, 2026 was $1,112 million and $2,831 million, respectively.

Note 4. Earnings Per Share

The components of basic and diluted earnings per share ("EPS") for common shares were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share data)			
Numerator				
Net income	$ 4,628	$ 3,927	$ 12,898	$ 10,908
Denominator				
Basic weighted-average shares outstanding	875	903	883	908
Dilutive stock options and stock units	1	1	1	1
Diluted weighted-average shares outstanding [1]	876	905	884	909
Earnings per Share				
Basic	$ 5.29	$ 4.35	$ 14.61	$ 12.02
Diluted	$ 5.28	$ 4.34	$ 14.59	$ 12.00

Note: Table may not sum due to rounding.
[1] For the periods presented, the calculation of diluted EPS excluded a minimal amount of anti-dilutive share-based payment awards.

Note 5. Investments

The Company's investments on the consolidated balance sheets include both available-for-sale and held-to-maturity debt securities (see Investments section below). The Company's strategic investments in equity securities of publicly traded and privately held companies are classified within other assets on the consolidated balance sheets (see Equity Investments section below).

Investments

Investments on the consolidated balance sheets consisted of the following:

	September 30, 2026	December 31, 2025
	(in millions)	
Available-for-sale securities	$ 317	$ 319
Held-to-maturity securities [1]	—	13
Total investments	**$ 317**	**$ 332**

[1] Held-to-maturity securities represent investments in time deposits that mature within one year. The cost of these securities approximates fair value.

Investment income on the consolidated statements of operations primarily consists of interest income generated from cash, cash equivalents, held-to maturity and available-for-sale investment securities, as well as realized gains and losses on the Company's investment securities. The realized gains and losses from the sales of available-for-sale securities for the three and nine months ended September 30, 2026 and 2025 were not material.

Available-for-Sale Securities

The Company's available-for-sale securities consist of corporate securities, government and agency securities and asset-backed securities. Government and agency securities include U.S. government bonds, U.S. government sponsored agency bonds and foreign government bonds that are denominated in the national currency of the issuing country. Corporate and asset-backed securities held at September 30, 2026 and December 31, 2025 primarily carried a credit rating of A- or better. Corporate securities are comprised of commercial paper and corporate bonds. The gross unrealized gains and losses on the available-for-sale securities as of September 30, 2026 and December 31, 2025 were not material and are recorded in other comprehensive income (loss).

The maturity distribution based on the contractual terms of the Company's available-for-sale investment securities at September 30, 2026 was as follows:

	Amortized Cost	Fair Value
	(in millions)	
Due within 1 year	$ 118	$ 118
Due after 1 year through 5 years	202	199
Total	**$ 320**	**$ 317**

Equity Investments

Included in other assets on the consolidated balance sheets are equity investments with readily determinable fair values ("Marketable securities") and equity investments without readily determinable fair values ("Nonmarketable securities"). Marketable securities are equity interests in publicly traded companies and are measured using unadjusted quoted prices in their respective active markets. Nonmarketable securities that do not qualify for equity method accounting are measured at cost, less any impairment and adjusted for changes resulting from observable price changes in orderly transactions for the identical or similar investments of the same issuer ("Measurement alternative").

The following table is a summary of the activity related to the Company's equity investments:

	December 31, 2025	Purchases	Sales	Changes in Fair Value [1]	Other [2]	September 30, 2026
	(in millions)					
Marketable securities	$ 203	$ —	$ (100)	$ (45)	$ (1)	$ 57
Nonmarketable securities	1,502	161	(9)	(28)	(12)	1,614
Total equity investments	**$ 1,705**	**$ 161**	**$ (109)**	**$ (73)**	**$ (13)**	**$ 1,671**

[1] Recorded in gains (losses) on equity investments, net on the consolidated statements of operations.

[2] Primarily translational impact of currency.

The following table sets forth the components of the Company's Nonmarketable securities:

	September 30, 2026	December 31, 2025
	(in millions)	
Measurement alternative	$ 1,307	$ 1,242
Equity method	307	260
Total Nonmarketable securities	**$ 1,614**	**$ 1,502**

The following table summarizes the total carrying value of the Company's Measurement alternative investments, including cumulative unrealized gains and losses through September 30, 2026:

	(in millions)
Initial cost basis	$ 1,045
Cumulative adjustments [1]:	
Upward adjustments	529
Downward adjustments (including impairment)	(267)
Carrying amount, end of period	**$ 1,307**

[1] Includes immaterial translational impact of currency.

The following table summarizes the unrealized gains and losses included in the carrying value of the Company's Measurement alternative investments and Marketable securities:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Measurement alternative investments:				
Upward adjustments	$ 13	$ 25	$ 14	$ 31
Downward adjustments (including impairment)	(22)	(2)	(45)	(32)
Marketable securities:				
Unrealized gains (losses), net	—	14	(50)	11

Note 6. Fair Value Measurements

The Company's financial instruments are carried at fair value, cost or amortized cost on the consolidated balance sheets. The Company classifies its fair value measurements of financial instruments into a three-level hierarchy (the "Valuation Hierarchy").

Financial Instruments - Carried at Fair Value

Financial instruments carried at fair value are categorized for fair value measurement purposes as recurring or nonrecurring in nature.

Recurring Measurements

The distribution of the Company's financial instruments measured at fair value on a recurring basis within the Valuation Hierarchy was as follows:

	September 30, 2026				December 31, 2025			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(in millions)							
Assets								
Investment securities:								
Available-for-sale securities [1]	$ 25	$ 292	$ —	$ 317	$ 20	$ 299	$ —	$ 319
Derivative instruments [2]:								
Foreign exchange contracts	—	26	—	26	—	35	—	35
Marketable securities [3]:								
Equity securities	57	—	—	57	203	—	—	203
Liabilities								
Derivative instruments [2]:								
Foreign exchange contracts	$ —	$ 62	$ —	$ 62	$ —	$ 160	$ —	$ 160
Interest rate contracts	—	15	—	15	—	27	—	27

[1] The Company's U.S. government securities are classified within Level 1 of the Valuation Hierarchy as the fair values are based on unadjusted quoted prices for identical assets in active markets. The fair value of the Company's available-for-sale non-U.S. government and agency securities, corporate securities and asset-backed securities are based on observable inputs such as quoted prices, benchmark yields and issuer spreads for similar assets in active markets and are therefore included in Level 2 of the Valuation Hierarchy.

[2] The Company's foreign exchange and interest rate derivative asset and liability contracts measured at fair value are based on observable inputs such as broker quotes for similar derivative instruments. See Note 16 (Derivative and Hedging Instruments) for further details.

[3] The Company's Marketable securities are publicly held and fair values are based on unadjusted quoted prices in their respective active markets.

Nonrecurring Measurements

Nonmarketable Securities

The Company's Nonmarketable securities are recorded at fair value on a nonrecurring basis in periods after initial recognition under the equity method or measurement alternative method. Nonmarketable securities are classified within Level 3 of the Valuation Hierarchy due to the absence of quoted market prices, the inherent lack of liquidity and unobservable inputs used to measure fair value that require management's judgment. The Company uses discounted cash flows and market assumptions to estimate the fair value of its Nonmarketable securities when certain events or circumstances indicate that impairment may exist. Observable price changes in orderly transactions for identical or similar investments of the same issuer could also result in fair value adjustments. See Note 5 (Investments) for further details.

Financial Instruments - Not Carried at Fair Value

Debt

Debt instruments are carried on the consolidated balance sheets at amortized cost. The Company estimates the fair value of its debt based on either market quotes or observable market data. Debt is classified as Level 2 of the Valuation Hierarchy as it is generally not traded in active markets. At September 30, 2026, the carrying value and fair value of debt was $23.9 billion and $21.9 billion, respectively. At December 31, 2025, the carrying value and fair value of debt was $19.0 billion and $18.0 billion, respectively. See Note 9 (Debt) for further details.

Other Financial Instruments

Certain other financial instruments are carried on the consolidated balance sheets at cost or amortized cost basis, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, restricted cash and restricted cash equivalents, restricted security deposits held for customers, time deposits, accounts receivable, settlement assets, accounts payable, settlement obligations and other accrued liabilities.

Note 7. Prepaid Expenses and Other Assets

Prepaid expenses and other current assets consisted of the following:

	September 30, 2026	December 31, 2025
	(in millions)	
Customer incentives	$ 2,716	$ 2,531
Other	1,654	1,212
Total prepaid expenses and other current assets	**$ 4,370**	**$ 3,743**

Other assets consisted of the following:

	September 30, 2026	December 31, 2025
	(in millions)	
Customer incentives	$ 8,908	$ 7,870
Equity investments	1,671	1,705
Income taxes receivable	1,126	1,101
Other	1,241	939
Total other assets	**$ 12,946**	**$ 11,615**

Note 8. Accrued Expenses

Accrued expenses consisted of the following:

	September 30, 2026	December 31, 2025
	(in millions)	
Customer incentives	$ 10,333	$ 9,958
Personnel costs	1,394	1,716
Income and other taxes	1,474	914
Other	749	684
Total accrued expenses	**$ 13,950**	**$ 13,272**

As of September 30, 2026 and December 31, 2025, long-term customer incentives included in other liabilities were $2,550 million and $3,041 million, respectively.

Note 9. Debt

Debt consisted of the following:

		September 30, 2026	December 31, 2025	Effective Interest Rate
		(in millions)		
Senior Notes				
2026 USD Notes	Floating Rate Senior Notes due June 2028	$ 500	$ —	**
	4.325 % Senior Notes due June 2028	1,250	—	4.499 %
	4.425 % Senior Notes due June 2029	1,150	—	4.561 %
	4.600 % Senior Notes due June 2031	1,350	—	4.704 %
	5.000 % Senior Notes due June 2036	750	—	5.063 %
2025 USD Notes	Floating Rate Senior Notes due March 2028	300	300	**
	4.550 % Senior Notes due March 2028	450	450	4.727 %
	4.950 % Senior Notes due March 2032	500	500	5.063 %
2024 USD Notes	4.100 % Senior Notes due January 2028	750	750	4.262 %
	4.350 % Senior Notes due January 2032	1,150	1,150	4.446 %
	4.550 % Senior Notes due January 2035	1,100	1,100	4.633 %
	4.875 % Senior Notes due May 2034	1,000	1,000	5.047 %
2023 USD Notes	4.875 % Senior Notes due March 2028	750	750	5.003 %
	4.850 % Senior Notes due March 2033	750	750	4.923 %
2022 EUR Notes	1.000 % Senior Notes due February 2029	852	882	1.138 %
2021 USD Notes	2.000 % Senior Notes due November 2031	750	750	2.112 %
	1.900 % Senior Notes due March 2031	600	600	1.981 %
	2.950 % Senior Notes due March 2051	700	700	3.013 %
2020 USD Notes	3.300 % Senior Notes due March 2027	1,000	1,000	3.420 %
	3.350 % Senior Notes due March 2030	1,500	1,500	3.430 %
	3.850 % Senior Notes due March 2050	1,500	1,500	3.896 %
2019 USD Notes	2.950 % Senior Notes due June 2029	1,000	1,000	3.030 %
	3.650 % Senior Notes due June 2049	1,000	1,000	3.689 %
2018 USD Notes	3.500 % Senior Notes due February 2028	500	500	3.598 %
	3.950 % Senior Notes due February 2048	500	500	3.990 %
2016 USD Notes	2.950 % Senior Notes due November 2026	750	750	3.044 %
	3.800 % Senior Notes due November 2046	600	600	3.893 %
2015 EUR Notes	2.100 % Senior Notes due December 2027	909	941	2.189 %
	2.500 % Senior Notes due December 2030	170	176	2.562 %
		24,081	**19,149**	
Less: Unamortized discount and debt issuance costs		(128)	(122)	
Less: Cumulative hedge accounting fair value adjustments [1]		(15)	(27)	
Total debt outstanding		**23,938**	**19,000**	
Less: Short-term debt [2]		(1,749)	(749)	
Long-term debt		**$ 22,189**	**$ 18,251**	

** The $500 million of Senior Notes due June 2028 and the $300 million of Senior Notes due March 2028 are Floating Rate Notes that bear interest at a floating rate, reset quarterly, equal to the Compounded Secured Overnight Financing Rate ("SOFR") plus 0.39% and 0.44%, respectively.

1 The Company has an interest rate swap that is accounted for as a fair value hedge. See Note 16 (Derivative and Hedging Instruments) for additional information.

2 As of September 30, 2026, the 2016 USD Notes due November 2026 and the 2020 USD Notes due March 2027 were classified as short-term debt, net of unamortized discount and debt issuance costs, on the consolidated balance sheets. As of December 31, 2025, the 2016 USD Notes due November 2026 were classified as short-term debt, net of unamortized discount and debt issuance costs, on the consolidated balance sheets.

Senior Notes

In June 2026, the Company issued $5.000 billion principal amount of notes, as described in more detail in the preceding table (the "2026 USD Notes"). The net proceeds from the issuance of the 2026 USD Notes (after deducting the original issue discount, underwriting discount and offering expenses) were $4.978 billion.

The 2026 USD Notes are not subject to any financial covenants, are senior unsecured obligations and rank equally with any future unsecured and unsubordinated indebtedness. At the Company's option, the notes may be redeemed in whole, or in part, at any time for a specified make-whole amount, with the exception of the Floating Rate Notes.

Commercial Paper Program and Credit Facility

The Company has a commercial paper program (the "Commercial Paper Program") under which the Company is authorized to issue up to $8 billion in unsecured commercial paper notes with maturities of up to 397 days from the date of issuance. The Commercial Paper Program is available in U.S. dollars.

In conjunction with the Commercial Paper Program, the Company has a committed five-year unsecured $8 billion revolving credit facility (the "Credit Facility"). The Credit Facility is set to expire on November 7, 2030. Borrowings under the Credit Facility are available in U.S. dollars and/or euros. The facility fee under the Credit Facility is determined according to the Company's credit rating and is payable on the average daily commitment, regardless of usage, per annum. In addition to the facility fee, interest rates on borrowings under the Credit Facility would be based on prevailing market interest rates plus applicable margins that fluctuate based on the Company's credit rating. The Credit Facility contains customary representations, warranties, affirmative and negative covenants, events of default and indemnification provisions. The Company was in compliance, in all material respects, with the covenants of the Credit Facility at September 30, 2026 and December 31, 2025.

Borrowings under the Commercial Paper Program and the Credit Facility, which may total up to $8 billion, are to be used to provide liquidity for general corporate purposes, including providing liquidity in the event of one or more settlement failures by the Company's customers. The Company may borrow and repay amounts under the Commercial Paper Program and Credit Facility for business continuity purposes. At September 30, 2026 and December 31, 2025, the Company had no borrowings under the Commercial Paper Program or Credit Facility.

Note 10. Stockholders' Equity

Dividends

The Company declared quarterly cash dividends on its Class A and Class B common stock as summarized below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions, except per share data)			
Dividends declared per share	$ 0.87	$ 0.76	$ 2.61	$ 2.28
Total dividends declared	$ 759	$ 684	$ 2,293	$ 2,063

Common Stock Activity

The following table presents the changes in the Company's outstanding Class A and Class B common stock:

	Three Months Ended September 30,			
	2026		2025	
	Class A	Class B	Class A	Class B
	(in millions)			
Balance at beginning of period	870.7	6.5	899.1	6.7
Purchases of treasury stock	(5.3)	—	(5.8)	—
Share-based payments	0.2	—	0.1	—
Conversion of Class B to Class A common stock	—	—	—	—
Balance at end of period	**865.6**	**6.5**	**893.4**	**6.7**

	Nine Months Ended September 30,			
	2026		2025	
	Class A	Class B	Class A	Class B
	(in millions)			
Balance at beginning of period	887.3	6.6	906.6	6.8
Purchases of treasury stock	(22.9)	—	(14.7)	—
Share-based payments	1.1	—	1.4	—
Conversion of Class B to Class A common stock	0.1	(0.1)	0.1	(0.1)
Balance at end of period	**865.6**	**6.5**	**893.4**	**6.7**

In December 2025 and 2024, the Company's Board of Directors approved programs authorizing the Company to repurchase shares of its Class A common stock up to $14.0 billion and $12.0 billion, respectively. The following table summarizes the Company's share repurchases of its Class A common stock:

	Nine Months Ended September 30,	
	2026	2025
	(in millions, except per share data)	
Dollar-value of shares repurchased	$ 11,893	$ 8,169
Shares repurchased	22.9	14.7
Average price paid per share	$ 520.64	$ 554.47

As of September 30, 2026, the remaining authorization under share repurchase programs approved by the Company's Board of Directors was $5.6 billion. Through October 26, 2026, the Company repurchased $0.6 billion dollar-value of shares. As of October 26, 2026, the remaining authorization under share repurchase programs approved by the Company's Board of Directors was $4.9 billion.

Note 11. Accumulated Other Comprehensive Income (Loss)

The changes in the balances of each component of accumulated other comprehensive income (loss), net of tax, for the nine months ended September 30, 2026 and 2025 were as follows:

	December 31, 2025	Increase / (Decrease)	Reclassifications	September 30, 2026
		(in millions)		
Foreign currency translation adjustments [1]	$ (1,034)	$ (32)	$ —	$ (1,066)
Translation adjustments on net investment hedges [2]	126	56	—	182
Cash flow hedges				
Foreign exchange contracts [3]	46	108	(146)	8
Interest rate contracts	(107)	—	4	(103)
Defined benefit pension and other postretirement plans	(12)	—	—	(12)
Investment securities available-for-sale	—	(3)	—	(3)
Accumulated other comprehensive income (loss)	**$ (981)**	**$ 129**	**$ (142)**	**$ (994)**

	December 31, 2024	Increase / (Decrease)	Reclassifications	September 30, 2025
		(in millions)		
Foreign currency translation adjustments [1]	$ (1,558)	$ 581	$ —	$ (977)
Translation adjustments on net investment hedges [2]	295	(164)	—	131
Cash flow hedges				
Foreign exchange contracts [3]	(51)	(293)	370	26
Interest rate contracts	(113)	—	4	(109)
Defined benefit pension and other postretirement plans	(6)	—	—	(6)
Accumulated other comprehensive income (loss)	**$ (1,433)**	**$ 124**	**$ 374**	**$ (935)**

[1] For the nine months ended September 30, 2026, the increase in the accumulated other comprehensive loss related to foreign currency translation adjustments was driven primarily by the depreciation of the British pound and euro, partially offset by the appreciation of the Brazilian Real against the U.S. dollar. For the nine months ended September 30, 2025, the decrease in the accumulated other comprehensive loss related to foreign currency translation adjustments was driven primarily by the appreciation of the euro, British pound and Brazilian real against the U.S. dollar.

[2] For the nine months ended September 30, 2026, the increase in the accumulated other comprehensive income related to the net investment hedges was driven primarily by the depreciation of the euro against the U.S. dollar. For the nine months ended September 30, 2025, the decrease in the accumulated other comprehensive income related to the net investment hedges was driven primarily by the appreciation of the euro against the U.S. dollar. See Note 16 (Derivative and Hedging Instruments) for additional information.

[3] Represents foreign exchange derivative contracts designated as cash flow hedging instruments. Gains and losses resulting from changes in the fair value of these contracts are deferred in accumulated other comprehensive income (loss) and subsequently reclassified to the consolidated statements of operations when the underlying hedged transactions impact earnings. See Note 16 (Derivative and Hedging Instruments) for additional information.

Note 12. Share-Based Payments

For the nine months ended September 30, 2026, the Company granted the following awards under the Mastercard Incorporated 2006 Long Term Incentive Plan, amended and restated as of June 22, 2021 (the "LTIP"). The LTIP is a stockholder-approved plan that permits the grant of various types of equity awards to employees.

	Grants in 2026	Weighted-Average Grant-Date Fair Value
	(in millions)	(per option/unit)
Non-qualified stock options	0.2	$ 165
Restricted stock units	1.1	$ 512
Performance stock units	0.2	$ 503

The Company uses the Black-Scholes option pricing model to determine the grant-date fair value of stock options and calculates the expected life and the expected volatility based on historical Mastercard information. The expected life of stock options granted in 2026 was estimated to be six years, while the expected volatility was determined to be 27.5%. These awards expire ten years from the date of grant and vest ratably over three years.

The fair value of restricted stock units ("RSUs") is determined and fixed on the grant date based on the Company's Class A common stock price, adjusted for the exclusion of dividend equivalents. RSUs generally vest ratably over three years.

The Company uses the Monte Carlo simulation valuation model to determine the grant-date fair value of performance stock units ("PSUs") granted. PSUs vest after three years from the date of grant and are subject to a mandatory one-year deferral period, during which vested PSUs are eligible for dividend equivalents.

Compensation expense is recorded net of estimated forfeitures over the shorter of the vesting period or the date the individual becomes eligible to retire under the LTIP. The Company uses the straight-line method of attribution over the requisite service period for expensing equity awards.

Note 13. Income Taxes

The effective income tax rates for the three months ended September 30, 2026 and 2025 were 19.4% and 21.5%, respectively. The effective income tax rates for the nine months ended September 30, 2026 and 2025 were 19.6% and 20.4%, respectively. The effective income tax rates for the three and nine months ended September 30, 2026 were lower compared to the periods in 2025 due to higher net discrete tax benefits and other tax impacts in 2026.

Uncertain tax positions are reviewed on an ongoing basis and are adjusted after considering facts and circumstances, including progress of tax audits, developments in case law and closing of statutes of limitation. Within the next twelve months, the Company believes that the resolution of certain federal, foreign and state and local examinations is reasonably possible and that a change in estimate, reducing unrecognized tax benefits, may occur. While such a change may be significant, it is not possible to provide a range of the potential change until the examinations progress further or the related statutes of limitation expire. The Company has effectively settled its U.S. federal income tax obligations through 2014. With limited exception, the Company is no longer subject to state and local or foreign examinations by tax authorities for years before 2014.

Note 14. Legal and Regulatory Proceedings

Mastercard is a party to legal and regulatory proceedings with respect to a variety of matters in the ordinary course of business. Some of these proceedings are based on complex claims involving substantial uncertainties and unascertainable damages. Accordingly, it is not possible to determine the probability of loss or estimate damages, and therefore, Mastercard has not established liabilities for any of these proceedings, except as discussed below. When the Company determines that a loss is both probable and reasonably estimable, Mastercard records a liability and discloses the amount of the liability if it is material. When a material loss contingency is only reasonably possible, Mastercard does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Unless otherwise stated below with respect to these matters, Mastercard cannot provide an estimate of the possible loss or range of loss based on one or more of the following reasons: (1) actual or potential plaintiffs have not claimed an amount of monetary damages or the amounts are unsupportable or exaggerated, (2) the matters are in early stages, (3) there is uncertainty as to the outcome of pending appeals or motions, (4) there are significant factual issues to be resolved, (5) the proceedings involve multiple defendants or potential defendants whose share of any potential financial responsibility has yet to be determined and/or (6) there are novel legal issues presented. Furthermore, except as identified with respect to the matters below, Mastercard does not believe that the outcome of any individual existing legal or regulatory proceeding to which it is a party will have a material adverse effect on its results of operations, financial condition and overall business. However, an adverse judgment or other outcome or settlement with respect to any proceedings discussed below could result in fines or payments by Mastercard and/or could require Mastercard to change its business practices. In addition, an adverse outcome in a regulatory proceeding could lead to the filing of civil damage claims and possibly result in significant damage awards. Any of these events could have a material adverse effect on Mastercard's results of operations, financial condition and overall business.

Interchange Litigation and Regulatory Proceedings

Mastercard's interchange fees and other practices are subject to regulatory, legal review and/or challenges in a number of jurisdictions, including the proceedings described below. When taken as a whole, the resulting decisions, regulations and legislation with respect to interchange fees and acceptance practices may have a material adverse effect on the Company's prospects for future growth and its overall results of operations and financial condition.

United States

In 2005, the first of a series of complaints were filed on behalf of merchants (the majority of the complaints were styled as class actions, although a few complaints were filed on behalf of individual merchant plaintiffs) against Mastercard International, Visa U.S.A., Inc., Visa International Service Association and a number of financial institutions. Taken together, the claims in the complaints were generally brought under both Sections 1 and 2 of the Sherman Act, which prohibit monopolization and attempts or conspiracies to monopolize a particular industry, and some of these complaints contain unfair competition law claims under state law. The complaints allege, among other things, that Mastercard, Visa, and certain financial institutions conspired to set the price of interchange fees, enacted point-of-sale acceptance rules (including the "no surcharge" rule) in violation of antitrust laws and engaged in unlawful tying and bundling of certain

products and services, resulting in merchants paying excessive costs for the acceptance of Mastercard and Visa credit and debit cards. The cases were consolidated for pre-trial proceedings in the U.S. District Court for the Eastern District of New York in MDL No. 1720 (the "U.S. MDL Litigation Cases"). The plaintiffs filed a consolidated class action complaint seeking treble damages.

In 2006, the group of purported merchant class plaintiffs filed a supplemental complaint alleging that Mastercard's initial public offering of its Class A Common Stock in May 2006 (the "IPO") and certain purported agreements entered into between Mastercard and financial institutions in connection with the IPO: (1) violate U.S. antitrust laws and (2) constituted a fraudulent conveyance because the financial institutions allegedly attempted to release, without adequate consideration, Mastercard's right to assess them for Mastercard's litigation liabilities. The class plaintiffs sought treble damages and injunctive relief including, but not limited to, an order reversing and unwinding the IPO.

In 2011, Mastercard and Mastercard International entered into each of: (1) an omnibus judgment sharing and settlement sharing agreement with Visa Inc., Visa U.S.A. Inc. and Visa International Service Association and a number of financial institutions; and (2) a Mastercard settlement and judgment sharing agreement with a number of financial institutions. The agreements provide for the apportionment of certain costs and liabilities which Mastercard, the Visa parties and the financial institutions may incur, jointly and/or severally, in the event of an adverse judgment or settlement of one or all of the U.S. MDL Litigation Cases. Among a number of scenarios addressed by the agreements, in the event of a global settlement involving the Visa parties, the financial institutions and Mastercard, Mastercard would pay 12% of the monetary portion of the settlement. In the event of a settlement involving only Mastercard and the financial institutions with respect to their issuance of Mastercard cards, Mastercard would pay 36% of the monetary portion of such settlement.

In 2012, the parties entered into a definitive settlement agreement with respect to the U.S. MDL Litigation Cases (including with respect to the claims related to the IPO) and the defendants separately entered into a settlement agreement with the individual merchant plaintiffs. The settlements included cash payments that were apportioned among the defendants pursuant to the omnibus judgment sharing and settlement sharing agreement described above. Mastercard also agreed to provide class members with a short-term reduction in default credit interchange rates and to modify certain of its business practices, including its no surcharge rule. The court granted final approval of the settlement in 2013. Following an appeal by objectors and as a result of a reversal of the settlement approval by the U.S. Court of Appeals for the Second Circuit, the case was sent back to the district court for further proceedings. The court divided the merchants' claims into two separate classes - monetary damages claims (the "Damages Class") and claims seeking changes to business practices (the "Rules Relief Class"). The court appointed separate counsel for each class.

In 2018, the parties to the Damages Class litigation entered into a class settlement agreement to resolve the Damages Class claims (the "Damages Class Settlement Agreement"), with merchants representing slightly more than 25% of the Damages Class interchange volume choosing to opt out of the settlement. The Damages Class Settlement Agreement became final in 2023. In April 2026, a putative class action was filed on behalf of U.S. merchants who were part of the Damages Class seeking damages related to interchange fees associated with Mastercard and Visa credit card transactions since January 2019. The named plaintiffs concurrently filed a motion for summary judgment before the court that oversaw the Damages Class litigation seeking a declaration that the release from the Damages Class Settlement Agreement (which by its terms prospectively releases the damages claims of U.S. merchants who did not opt out of the class through August 2028) does not bar their damages claims. In September 2026, the district court ruled against the plaintiff's motion, barring their damages claims. The plaintiffs have appealed the decision to the U.S. Court of Appeals for the Second Circuit.

Mastercard has reached settlements with all but two of the individual opt-out plaintiffs. Mastercard continues to litigate with Block, Inc. and Intuit, Inc., who are seeking aggregate single damages in excess of $5 billion, primarily with respect to the Mastercard purchase volume associated with smaller merchants for whom they acted as payment facilitators, as well as with respect to the Mastercard purchase volume in which they acted as a merchant. Summary judgment briefing is expected to continue over the remainder of 2026.

In 2024, the parties to the Rules Relief Class litigation entered into a settlement agreement to resolve the Rules Relief Class claims, which was subsequently denied by the court. In 2025, the parties reached a revised settlement agreement that, if approved by the court, would resolve the litigation. The district court granted preliminary approval of the settlement in June 2026. A hearing on final approval is scheduled for November 2026.

As of September 30, 2026 and December 31, 2025, Mastercard accrued a liability of $156 million and $637 million, respectively, for the U.S. MDL Litigation Cases. The decrease in the liability resulted primarily from payments made during 2026. The liability as of September 30, 2026 represents Mastercard's best estimate of its probable liabilities in these matters and does not represent an estimate of a loss, if any, if the matters were litigated to a final outcome. Mastercard is not currently in the position to estimate the potential liability if that were to occur.

In September 2026, a separate putative class action was filed on behalf of U.S. merchants who were not members of the Damages Class claims. These merchants are seeking damages related to accepting Mastercard credit cards since January 2019.

Europe

Since 2012, a number of United Kingdom ("U.K.") merchants filed claims or threatened litigation against Mastercard seeking damages for excessive costs paid for acceptance of Mastercard credit and debit cards arising out of alleged anti-competitive conduct with respect to,

among other things, Mastercard's cross-border interchange fees and its U.K. and Ireland domestic interchange fees (the "U.K. Merchant claimants"). In addition, Mastercard has faced similar filed or threatened litigation by merchants with respect to interchange rates in other countries in Europe (the "Pan-European Merchant claimants"). Further individual merchant interchange claims have been filed in court in the U.K. throughout 2026. Mastercard has resolved a substantial amount of these damages claims through settlement or judgment. Following these settlements, over £0.5 billion (approximately $0.7 billion as of September 30, 2026) of unresolved damages claims remain. Mastercard continues to litigate with the remaining U.K. and Pan-European Merchant claimants and it has submitted statements of defense disputing liability and damages claims. A number of those matters are now progressing with motion practice and discovery. Hearings involving both liability and damages issues involving multiple merchant cases have been completed. In 2025, the trial court in the U.K. merchant action decided against Mastercard on certain liability issues, and in March 2026, Mastercard was granted permission to appeal this decision on all grounds. The appeal hearing is scheduled for February 2027. In February 2026, the trial court decided certain issues related to damages. Some of these issues were decided in favor of Mastercard and Mastercard is seeking permission to appeal the issues that were negative to the Company. The court must also still determine additional liability and damages issues, some of which are scheduled to be tried in October 2027.

Additional United Kingdom matters. Mastercard and Visa were served with a proposed collective action complaint in the U.K. on behalf of merchants seeking damages for commercial card transactions in both the U.K. and the European Union. In 2023, the plaintiffs filed a revised collective action application claiming damages against Mastercard in excess of £1 billion (approximately $1.3 billion as of September 30, 2026). In June 2024, the court granted the plaintiffs' collective action application. Mastercard's request for permission to appeal this ruling was denied. In February 2026, the U.K. trial court decided to exclude over 100 merchants from the class on procedural grounds. Liability and damages issues in this claim are now being tried in the same court proceedings as the U.K. and Pan-European merchant cases.

In October 2026, Mastercard and Visa were served with two proposed collective action complaints in the U.K. on behalf of U.K. merchants who have accepted transactions since October 2020. The first complaint seeks damages against Mastercard of approximately £1.5 billion (approximately $2.0 billion as of September 30, 2026) with respect to consumer domestic and cross-border transactions and the second complaint seeks damages against Mastercard of approximately £0.4 billion (approximately $0.5 billion as of September 30, 2026) with respect to consumer online cross-border transactions.

Portugal. Mastercard has been named as a defendant in a proposed consumer collective action filed in Portugal on behalf of Portuguese consumers. The complaint, which seeks to leverage the 2019 resolution of the European Commission's investigation of Mastercard's central acquiring rules and interregional interchange fees, claims damages of approximately €0.4 billion (approximately $0.5 billion as of September 30, 2026) for interchange fees that were allegedly passed on to consumers by Portuguese merchants for a period of approximately 20 years. Mastercard has submitted a statement of defense that disputes both liability and damages. A trial that was originally scheduled for October 2026 has been stayed, pending resolution of related issues presented in a claim involving separate parties.

Netherlands. In 2025, Mastercard and Visa were served with a proposed collective action in the Netherlands on behalf of Dutch merchants. The complaint, which relates to interregional interchange fees covering the period from 1992 and ongoing, seeks declaratory relief and damages estimated at approximately €0.3 billion (approximately $0.3 billion as of September 30, 2026).

Australia

In 2022, the Australian Competition & Consumer Commission ("ACCC") filed a complaint targeting certain agreements entered into by Mastercard and certain Australian merchants related to Mastercard's debit program. The ACCC alleges that by entering into such agreements, Mastercard engaged in conduct with the purpose of substantially lessening competition in the supply of debit card acceptance services. The ACCC seeks both declaratory relief and monetary fines and costs. A hearing on liability issues concluded in June 2026.

ATM Non-Discrimination Rule Surcharge Complaints

In 2011, a trade association of independent ATM operators and 13 independent ATM operators filed a complaint styled as a class action lawsuit in the U.S. District Court for the District of Columbia against both Mastercard and Visa (the "ATM Operators Class Complaint"). Plaintiffs seek to represent a class of non-bank operators of ATM terminals that operate in the United States with the discretion to determine the price of the ATM access fee for the terminals they operate. Plaintiffs allege that Mastercard and Visa have violated Section 1 of the Sherman Act by imposing rules that require ATM operators to charge non-discriminatory ATM surcharges for transactions processed over Mastercard's and Visa's respective networks that are not greater than the surcharge for transactions over other networks accepted at the same ATM. Plaintiffs seek both injunctive and monetary relief equal to treble the damages they claim to have sustained as a result of the alleged violations and their costs of suit, including attorneys' fees.

Subsequently, multiple related complaints were filed in the U.S. District Court for the District of Columbia alleging both federal antitrust and multiple state unfair competition, consumer protection and common law claims against Mastercard and Visa on behalf of different putative classes of users of ATM services. The claims in these actions largely mirrored the allegations made in the ATM Operators Class Complaint, although these complaints sought damages on behalf of consumers of ATM services who paid allegedly inflated ATM fees at both bank ("Bank ATM Consumer Class Complaint") and non-bank ("Non-bank ATM Consumer Class Complaint") ATM operators as a result of the defendants' ATM rules. Plaintiffs sought both injunctive and monetary relief equal to treble the damages they claimed to have sustained as a result of the alleged violations and their costs of suit, including attorneys' fees.

In 2023, the D.C. Circuit Court affirmed the district court's previous order granting class certification to the plaintiffs in all three class complaints.

In 2024, Mastercard executed a settlement agreement with the class lawyers representing the plaintiffs in the Bank ATM Consumer Class Complaint, that was subsequently approved by the court in 2025. In 2025, Mastercard executed a settlement agreement with the class lawyers representing the plaintiffs in the Non-bank ATM Consumer Class Complaint (subject to court approval) and recorded an accrual of $79 million in connection with this matter. In August 2026, the district court provided preliminary approval of the settlement.

In August 2026, Mastercard executed a settlement agreement with the only independent ATM operator who opted out of the ATM Operators Class Complaint. In September 2026, the district court dismissed the litigation with respect to the ATM Operators Class Complaint.

U.S. Liability Shift Litigation

In 2016, a proposed U.S. merchant class action complaint was filed in federal court in California alleging that Mastercard, Visa, American Express and Discover (the "Network Defendants"), EMVCo, and a number of issuing banks (the "Bank Defendants") engaged in a conspiracy to shift fraud liability for card present transactions from issuing banks to merchants not yet in compliance with the standards for EMV chip cards in the United States (the "EMV Liability Shift"), in violation of the Sherman Act and California law. Plaintiffs alleged damages equal to the value of all chargebacks for which class members became liable as a result of the EMV Liability Shift on October 1, 2015. The plaintiffs sought treble damages, attorney's fees and costs and an injunction against future violations of governing law. The district court denied the Network Defendants' motion to dismiss the complaint, but granted such a motion for EMVCo and the Bank Defendants. In 2017, the district court transferred the case to New York so that discovery could be coordinated with the U.S. MDL Litigation Cases described above. In 2020, the district court issued an order granting the plaintiffs' request for class certification. The plaintiffs submitted expert reports that allege aggregate single damages in excess of $1 billion against the four Network Defendants. The Network Defendants submitted expert reports rebutting both liability and damages. In 2024, the district court denied the Network Defendants' motion for summary judgment. In 2025, Mastercard executed a settlement agreement with the class lawyers to resolve the matter (subject to court approval) and recorded an accrual of $80 million in connection with this matter. In April 2026, the district court granted final approval of the settlement.

Telephone Consumer Protection Class Action

Mastercard is a defendant in a Telephone Consumer Protection Act ("TCPA") class action pending in Florida. The plaintiffs are individuals and businesses who allege that approximately 381,000 unsolicited faxes were sent to them advertising a Mastercard co-brand card issued by First Arkansas Bank ("FAB"). The TCPA provides for uncapped statutory damages of $500 per fax. Mastercard has asserted various defenses to the claims, and has notified FAB of an indemnity claim that it has (which FAB has disputed). In 2019, the Federal Communications Commission ("FCC") issued a declaratory ruling clarifying that the TCPA does not apply to faxes sent to online fax services that are received online via email. In 2021, the trial court granted plaintiffs' request for class certification, but narrowed the scope of the class to stand alone fax recipients only. Mastercard's request to appeal that decision was denied. Briefing on plaintiffs' motion to amend the class definition and Mastercard's cross-motion to decertify the stand alone fax recipient class was completed in April 2023 and the parties continue to await the court's decision.

European Commission Investigation

In 2024, Mastercard received a formal request for information from the European Commission seeking documents and information in connection with an investigation into alleged anti-competitive behavior of certain card scheme services in the European Union/European Economic Area. The request focuses on Mastercard's practices regarding network fees related to acquirers. Mastercard is cooperating with the European Commission in connection with the request.

Note 15. Settlement and Other Risk Management

Mastercard's rules guarantee the settlement of many of the payment network transactions between its customers ("settlement risk"). Settlement exposure is the settlement risk to customers under Mastercard's rules due to the difference in timing between the payment transaction date and subsequent settlement. For those transactions the Company guarantees, the guarantee will cover the full amount of the settlement obligation to the extent the settlement obligation is not otherwise satisfied. The duration of the settlement exposure is short-term and generally limited to a few days.

Gross settlement exposure is estimated using the average daily payment volume for the three months prior to period end multiplied by the estimated number of days of exposure. The Company has global risk management policies, procedures and standards that provide a framework for managing the Company's settlement risk and exposure. In the event of failed settlement by a customer, Mastercard may pursue one or more remedies available under the Company's rules to recover potential losses. Historically, the Company has experienced a low level of losses from customer settlement failures.

As part of its policies, Mastercard requires certain customers that do not meet the Company's risk standards to enter into risk mitigation arrangements, including cash collateral and/or forms of credit enhancement such as letters of credit and guarantees. This requirement is

based on a review of the individual risk circumstances for each customer. Mastercard monitors its credit risk portfolio and the adequacy of its risk mitigation arrangements on a regular basis. Additionally, the Company periodically reviews its risk management methodology and standards. The amounts of estimated settlement exposure are revised as necessary.

The Company's estimated settlement exposure was as follows:

	September 30, 2026	December 31, 2025
	(in millions)	
Gross settlement exposure	$ 94,646	$ 89,599
Risk mitigation arrangements applied to settlement exposure	(16,870)	(16,722)
Net settlement exposure	**$ 77,776**	**$ 72,877**

Mastercard also provides guarantees to customers and certain other counterparties indemnifying them from losses stemming from failures of third parties to perform duties. This includes guarantees of Mastercard-branded travelers cheques issued, but not yet cashed. In addition, the Company enters into agreements in the ordinary course of business under which the Company agrees to indemnify third parties against damages, losses and expenses incurred in connection with legal and other proceedings arising from relationships or transactions with the Company. Certain indemnifications do not provide a stated maximum exposure. As the extent of the Company's obligations under these agreements depends entirely upon the occurrence of future events, the Company's potential future liability under these agreements is not determinable. Historically, payments made by the Company under these types of contractual arrangements have not been material.

Note 16. Derivative and Hedging Instruments

The Company monitors and manages its foreign currency and interest rate exposures as part of its overall risk management program, which focuses on the unpredictability of financial markets and seeks to reduce the potentially adverse effects that the volatility of these markets may have on its operating results. A primary objective of the Company's risk management strategies is to reduce the financial impact that may arise from volatility in foreign currency exchange rates. The Company uses both foreign exchange derivative contracts (when the hedge costs are economically justified) and foreign currency denominated debt to manage its currency exposure. In addition, the Company may enter into interest rate derivative contracts to manage the effects of interest rate movements on the Company's aggregate liability portfolio, including potential future debt issuances. The Company does not enter into derivatives for speculative purposes.

The Company's derivative financial instruments are subject to both market and counterparty credit risk. Market risk is the potential for economic losses to be incurred on market risk sensitive instruments arising from adverse changes in market factors such as foreign currency exchange rates, interest rates and other related variables. Counterparty credit risk is the risk of loss due to failure of the counterparty to perform its obligations in accordance with contractual terms. To mitigate counterparty credit risk, the Company enters into derivative contracts with a diversified group of selected financial institutions based upon their credit ratings and other factors. Generally, the Company does not obtain collateral related to derivatives because of the high credit ratings of the counterparties. The Company's derivative contracts are subject to enforceable master netting arrangements, which contain various netting and setoff provisions. However, the Company has elected to present derivative assets and liabilities on a gross basis on the consolidated balance sheets.

The following table summarizes the fair value of the Company's derivative financial instruments and the related notional amounts:

	September 30, 2026			December 31, 2025		
	Notional	Derivative assets	Derivative liabilities	Notional	Derivative assets	Derivative liabilities
	(in millions)					
Derivatives designated as hedging instruments						
Foreign exchange contracts in a cash flow hedge [1]	$ 4,468	$ 21	$ 20	$ 5,050	$ 16	$ 142
Interest rate contracts in a fair value hedge [2]	1,000	—	15	1,000	—	27
Derivatives not designated as hedging instruments						
Foreign exchange contracts [1]	3,828	5	42	4,866	19	18
Total	**$ 9,296**	**$ 26**	**$ 77**	**$ 10,916**	**$ 35**	**$ 187**

[1] Foreign exchange derivative assets and liabilities are included within prepaid expenses and other current assets, other assets, other current liabilities and other liabilities on the consolidated balance sheets.

[2] Interest rate derivative liabilities are included within other current liabilities and other liabilities on the consolidated balance sheets.

Cash Flow Hedges

The Company may enter into foreign exchange derivative contracts, including forwards and options, to manage the impact of foreign currency variability on anticipated revenues and expenses, which fluctuate based on currencies other than the functional currency of the entity. The objective of these hedging activities is to reduce the effect of movement in foreign exchange rates for a portion of revenues and expenses forecasted to occur. As these contracts are designated as cash flow hedging instruments, gains and losses resulting from changes in fair value of these contracts are deferred in accumulated other comprehensive income (loss) and are subsequently reclassified to the consolidated statements of operations when the underlying hedged transactions impact earnings. The terms of these contracts are generally less than 18 months.

In 2024, the Company entered into foreign exchange derivative contracts to hedge its exposure to variability in cash flows related to foreign denominated assets. Gains and losses resulting from changes in fair value of these contracts are deferred in accumulated other comprehensive income (loss) and are subsequently reclassified to the consolidated statements of operations when the hedged transactions impact earnings. Forward points are excluded from the effectiveness assessment and are amortized to general and administrative expenses on the consolidated statements of operations over the hedge period. The maximum term of these contracts was approximately 7 years.

The pre-tax gain (loss) related to the Company's foreign exchange derivative contracts designated as cash flow hedging instruments were as follows:

	Gain (Loss) Recognized in Other Comprehensive Income (Loss)		Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Earnings	Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss)	
	Three Months Ended September 30,			Three Months Ended September 30,	
	2026	2025		2026	2025
	(in millions)			(in millions)	
Foreign exchange contracts [1]	$ 5	$ 34	Net revenue	$ 5	$ (16)
			General and administrative [2]	$ 26	$ 10

	Gain (Loss) Recognized in Other Comprehensive Income (Loss)		Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Earnings	Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss)	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
	2026	2025		2026	2025
	(in millions)			(in millions)	
Foreign exchange contracts [1]	$ 111	$ (314)	Net revenue	$ (16)	$ (31)
			General and administrative [2]	$ 158	$ (346)

[1] Includes immaterial forward points excluded from the effectiveness assessment recognized in other comprehensive income (loss).

[2] Includes immaterial forward points excluded from the effectiveness assessment recognized in earnings.

In addition, the Company may enter into interest rate derivative contracts to manage the effects of interest rate movements on the Company's aggregate liability portfolio, including potential future debt issuances, and designate such derivatives as hedging instruments in a cash flow hedging relationship. Gains and losses resulting from changes in fair value of these contracts are deferred in accumulated other comprehensive income (loss) and are subsequently reclassified as an adjustment to interest expense over the respective terms of the hedged debt issuances. For the three and nine months ended September 30, 2026 and 2025, the amounts reclassified from accumulated other comprehensive income (loss) to interest expense were not material.

The Company estimates that the pre-tax amount of the net deferred loss on cash flow hedges recorded in accumulated other comprehensive income (loss) at September 30, 2026 that will be reclassified into the consolidated statements of operations within the next 12 months is not material.

Fair Value Hedges

The Company may enter into interest rate derivative contracts, including interest rate swaps, to manage the effects of interest rate movements on the fair value of the Company's fixed-rate debt and designate such derivatives as hedging instruments in a fair value hedging relationship. Changes in fair value of these contracts and changes in fair value of fixed-rate debt attributable to changes in the hedged benchmark interest rate generally offset each other and are recorded in interest expense on the consolidated statements of operations. Gains and losses related to the net settlements of interest rate swaps are also recorded in interest expense on the consolidated statements of operations. The periodic cash settlements are included in operating activities on the consolidated statements of cash flows.

The Company has an interest rate swap designated as a fair value hedge related to fixed interest rate Senior Notes. In effect, the interest rate swap synthetically converts the fixed interest rate on this debt to a variable interest rate based on the SOFR Overnight Index Swap Rate. The net impacts to interest expense for the three and nine months ended September 30, 2026 and 2025 were not material.

Net Investment Hedges

The Company may use foreign currency denominated debt and/or foreign exchange derivative contracts to hedge a portion of its net investment in foreign subsidiaries against adverse movements in exchange rates. The effective portion of the net investment hedge is recorded as a currency translation adjustment in accumulated other comprehensive income (loss). Forward points are excluded from the effectiveness assessment and are amortized to general and administrative expenses on the consolidated statements of operations over the hedge period. No amounts were recognized in earnings related to forward points for the three months ended September 30, 2026 and 2025. The amounts recognized in earnings related to forward points for the nine months ended September 30, 2026 and 2025, were not material.

The pre-tax gain (loss) recognized in other comprehensive income (loss) related to the Company's foreign exchange derivative contracts designated as net investment hedging instruments were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Foreign exchange contracts	$ —	$ —	$ 3	$ 12

As of September 30, 2026 and December 31, 2025, the Company had €1.7 billion euro-denominated debt outstanding designated as hedges of a portion of its net investment in its European operations. For the three months ended September 30, 2026 and 2025, the Company recorded pre-tax net foreign currency gains (losses) of $8 million and $(2) million, respectively, in other comprehensive income (loss). For the nine months ended September 30, 2026 and 2025, the Company recorded pre-tax net foreign currency gains (losses) of $69 million and $(222) million, respectively, in other comprehensive income (loss).

As of September 30, 2026 and December 31, 2025, the Company had net foreign currency gains of $182 million and $126 million, after tax, respectively, in accumulated other comprehensive income (loss) associated with this hedging activity.

Non-designated Derivatives

The Company may also enter into foreign exchange derivative contracts to serve as economic hedges, such as to offset possible changes in the value of monetary assets and liabilities due to foreign exchange fluctuations, without designating these derivative contracts as hedging instruments. In addition, the Company is subject to foreign exchange risk as part of its daily settlement activities. This risk is typically limited to a few days between when a payment transaction takes place and the subsequent settlement with customers. To manage this risk, the Company may enter into short duration foreign exchange derivative contracts based upon anticipated receipts and disbursements for the respective currency position. The objective of these activities is to reduce the Company's exposure to volatility arising from gains and losses resulting from fluctuations of foreign currencies against its functional currencies. Gains and losses resulting from changes in fair value of these contracts are recorded net in general and administrative expenses on the consolidated statements of operations, along with the foreign currency gains and losses on monetary assets and liabilities.

The amount of gain (loss) recognized on the consolidated statements of operations for non-designated derivative contracts were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Foreign exchange contracts				
General and administrative	$ 17	$ (19)	$ (34)	$ 61

Note 17. Segment Reporting

Mastercard has concluded it has one reportable operating segment, "Payment Solutions." The following represents the selected financial information of the Payment Solutions segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in millions)			
Net revenue	$ 9,807	$ 8,602	$ 27,482	$ 23,985
Less:				
Personnel	2,028	1,893	6,012	5,433
Professional fees	162	128	414	348
Data processing and telecommunications	386	324	1,104	930
Foreign exchange activity	42	26	159	68
Advertising and marketing	252	245	622	610
Depreciation and amortization	326	290	934	846
Provision for litigation	74	83	156	330
Investment income	(88)	(81)	(257)	(239)
(Gains) losses on equity investments, net	5	(41)	73	(16)
Interest expense	250	186	653	563
Other (income) expense, net	(46)	(2)	(152)	(23)
Income tax expense	1,113	1,072	3,141	2,794
Other segment items [1]	675	552	1,725	1,433
Consolidated net income	**$ 4,628**	**$ 3,927**	**$ 12,898**	**$ 10,908**

[1] Includes fulfillment costs, occupancy costs, travel and meeting expenses and other overhead expenses.

Item 2. Management's discussion and analysis of financial condition and results of operations

The following supplements management's discussion and analysis of Mastercard Incorporated for the year ended December 31, 2025 as contained in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on February 11, 2026 ("2025 Form 10-K"). It also should be read in conjunction with the consolidated financial statements and notes of Mastercard Incorporated and its consolidated subsidiaries, including Mastercard International Incorporated (together, "Mastercard" or the "Company"), included elsewhere in this Report.

Financial Results Overview

The following table provides a summary of our key GAAP operating results, as reported:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Increase/(Decrease)	2026	2025	Increase/(Decrease)
	(in millions, except percentages and per share data)					
Net revenue	$ 9,807	$ 8,602	14%	$ 27,482	$ 23,985	15%
Operating expenses	$ 3,945	$ 3,541	11%	$ 11,126	$ 9,998	11%
Operating income	$ 5,862	$ 5,061	16%	$ 16,356	$ 13,987	17%
Operating margin	59.8 %	58.8 %	0.9 ppt	59.5 %	58.3 %	1.2 ppt
Income tax expense	$ 1,113	$ 1,072	4%	$ 3,141	$ 2,794	12%
Effective income tax rate	19.4 %	21.5 %	(2.1) ppt	19.6 %	20.4 %	(0.8) ppt
Net income	$ 4,628	$ 3,927	18%	$ 12,898	$ 10,908	18%
Diluted earnings per share	$ 5.28	$ 4.34	22%	$ 14.59	$ 12.00	22%
Diluted weighted-average shares outstanding	876	905	(3)%	884	909	(3)%

Note: Table may not sum due to rounding.

The following table provides a summary of our key non-GAAP operating results [1], adjusted to exclude the impact of gains and losses on our equity investments, Special Items (which represent litigation judgments and settlements and certain one-time items) and the related tax impacts on our non-GAAP adjustments. In addition, we have presented growth rates, adjusted for the impact of currency:

	Three Months Ended September 30,		Increase/(Decrease)		Nine Months Ended September 30,		Increase/(Decrease)	
	2026	2025	As adjusted	Currency-neutral	2026	2025	As adjusted	Currency-neutral
	(in millions, except percentages and per share data)							
et revenue	$ 9,807	$ 8,602	14%	14%	$ 27,482	$ 23,985	15%	13%
djusted operating expenses	$ 3,872	$ 3,459	12%	12%	$ 10,765	$ 9,668	11%	10%
djusted operating margin	60.5%	59.8%	0.7 ppt	0.7 ppt	60.8%	59.7%	1.1 ppt	0.8 ppt
djusted effective income tax rate	20.1%	21.4%	(1.4) ppt	(1.4) ppt	19.8%	20.5%	(0.7) ppt	(0.7) ppt
djusted net income	$ 4,653	$ 3,961	17%	18%	$ 13,209	$ 11,136	19%	16%
djusted diluted earnings per share	$ 5.31	$ 4.38	21%	21%	$ 14.94	$ 12.25	22%	19%

Note: Table may not sum due to rounding.

[1] See "Non-GAAP Financial Information" for further information on our non-GAAP adjustments and the reconciliation to GAAP reported amounts.

Key highlights for the three and nine months ended September 30, 2026, versus the comparable periods in 2025:

Net revenue		
Three Months Ended September 30, 2026		
GAAP	Non-GAAP (currency-neutral)	
up 14%	up 14%	Both the as-reported and currency-neutral net revenue increases were attributable to growth in our payment network and value-added services and solutions.
Nine Months Ended September 30, 2026		
GAAP	Non-GAAP (currency-neutral)	
up 15%	up 13%	Both the as-reported and currency-neutral net revenue increases were attributable to growth in our payment network and value-added services and solutions.

Operating expenses	Adjusted operating expenses	
Three Months Ended September 30, 2026		
GAAP	Non-GAAP (currency-neutral)	
up 11%	up 12%	Both the as-reported and as-adjusted operating expenses increases were primarily due to higher general and administrative expenses.
Nine Months Ended September 30, 2026		
GAAP	Non-GAAP (currency-neutral)	
up 11%	up 10%	The as-reported operating expenses increase was primarily due to higher general and administrative expenses (which included a restructuring charge in the first quarter of 2026), partially offset by lower litigation provisions. The as-adjusted operating expense increase was primarily due to higher general and administrative expenses.

Effective income tax rate	Adjusted effective income tax rate	
Three Months Ended September 30, 2026		
GAAP	Non-GAAP	
19.4%	20.1%	Both the as-reported and as-adjusted income tax rates were lower versus the comparable period in 2025 due to higher net discrete tax benefits and other tax impacts in 2026.
down 2.1 ppt	down 1.4 ppt	
Nine Months Ended September 30, 2026		
GAAP	Non-GAAP	
19.6%	19.8%	Both the as-reported and as-adjusted income tax rates were lower versus the comparable period in 2025 due to higher net discrete tax benefits and other tax impacts in 2026.
down 0.8 ppt	down 0.7 ppt	

Other financial highlights for the nine months ended September 30, 2026 were as follows:

- We generated net cash flows from operations of $11.9 billion.
- We repurchased 22.9 million shares of our common stock for $11.9 billion and paid dividends of $2.3 billion.
- We completed a debt offering in June 2026 for an aggregate principal amount of $5.0 billion.

Non-GAAP Financial Information

Non-GAAP financial information is defined as a numerical measure of a company's performance that excludes or includes amounts so as to be different than the most comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States ("GAAP"). As described more fully below, our non-GAAP financial measures exclude (where applicable) the impact of gains and losses on our equity investments, which includes mark-to-market fair value adjustments, impairments and gains and losses upon disposition, as well as the related tax impacts. Our non-GAAP financial measures also exclude (where applicable) the impact of special items, which represent litigation judgments and settlements and/or certain one-time items, as well as the related tax impacts ("Special Items"). We also present growth rates adjusted for the impact of currency, which is a non-GAAP financial measure. We believe that the non-GAAP financial measures presented facilitate an understanding of our operating performance and provide a meaningful comparison of our results between periods. We use non-GAAP financial measures to evaluate our ongoing operations in relation to historical results, for internal planning and forecasting purposes and in the calculation of performance-based compensation, among other things. We excluded these items because management evaluates the underlying operations and performance of the Company separately from these recurring and nonrecurring items. Operating expenses, operating margin, other income (expense), effective income tax rate, net income and diluted earnings per share, each as adjusted for the impact of gains and losses on our equity investments, Special Items and/or the impact of currency, should not be relied upon as substitutes for measures calculated in accordance with GAAP.

Our non-GAAP financial measures for the comparable periods exclude the impact of the following:

Gains and Losses on Equity Investments

- In the three and nine months ended September 30, 2026, we recorded net losses of $5 million (net gains of $24 million after tax, or $0.03 per diluted share) and net losses of $73 million (net losses of $45 million after tax, or $0.05 per diluted share), respectively, primarily related to realized fair market value adjustments on nonmarketable equity securities.
- In the three and nine months ended September 30, 2025, we recorded net gains of $41 million ($31 million after tax, or $0.03 per diluted share) and $16 million ($11 million after tax, or $0.01 per diluted share), respectively, primarily related to unrealized fair market value adjustments on marketable and nonmarketable equity securities.

Special Items

Litigation provisions

- In the three months ended September 30, 2026, we recorded charges of $74 million ($49 million after tax, or $0.06 per diluted share), primarily due to settlements with merchants who opted out of the U.S. merchant class litigation. In the nine months ended September 30, 2026, we recorded charges of $156 million ($108 million after tax, or $0.12 per diluted share), primarily due to settlements with merchants who opted out of the U.S. merchant class litigation and a legal provision associated with the ATM non-discrimination rule surcharge complaints.
- In the three months ended September 30, 2025, we recorded charges of $83 million ($65 million after tax, or $0.07 per diluted share), primarily due to a legal provision associated with the U.S. liability shift litigation. In the nine months ended September 30, 2025, we recorded charges of $330 million ($240 million after tax, or $0.26 per diluted share), primarily as a result of a change in estimate related to the claims of merchants who opted out of the U.S. merchant class litigation, a legal provision associated with the U.S. liability shift litigation and a legal provision associated with the ATM non-discrimination rule surcharge complaints.

Restructuring charge

- In the nine months ended September 30, 2026, we recorded a restructuring charge of $202 million ($158 million after tax, or $0.18 per diluted share). The savings from the restructuring action are primarily intended to enable reinvestment to support the realization of our long-term growth opportunities.

See Note 5 (Investments) and Note 14 (Legal and Regulatory Proceedings) to the consolidated financial statements included in Part I, Item 1 of this Report for further discussion related to certain of the items discussed above.

Currency-neutral Growth Rates

Currency-neutral growth rates are non-GAAP financial measures and are calculated by remeasuring the prior period's results using the current period's exchange rates for both the translational and transactional impacts on operating results. The impact of currency translation represents the effect of translating operating results where the functional currency is different from our U.S. dollar reporting currency. The impact of the transactional currency represents the effect of converting revenue and expenses occurring in a currency other than the functional currency of the entity. The impact of the related realized gains and losses resulting from our foreign exchange derivative contracts designated as cash flow hedging instruments (specifically those that manage the impact of foreign currency variability on anticipated revenues and expenses) is recognized in the respective financial statement line item on the consolidated statements of operations when the underlying forecasted transactions impact earnings.

The translational and transactional impact of currency and the related impact of our foreign exchange derivative contracts designated as cash flow hedging instruments as specified in the preceding paragraph (collectively, the "Currency Impact") has been excluded from our currency-neutral growth rates and has been identified in the "Non-GAAP Reconciliations" tables below and our "Drivers of Change" tables. See "Foreign Currency - Currency Impact" for further information on our currency impacts and "Financial Results - Net Revenue" and "Financial Results - Operating Expenses" for our "Drivers of Change" tables.

Non-GAAP Reconciliations

The following tables reconcile our reported financial measures calculated in accordance with GAAP to the respective adjusted non-GAAP financial measures:

	Three Months Ended September 30, 2026					
	Operating expenses	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
	($ in millions, except per share data)					
Reported - GAAP	$ 3,945	59.8 %	$ (121)	19.4 %	$ 4,628	$ 5.28
(Gains) losses on equity investments	**	**	5	0.5 %	(24)	(0.03)
Litigation provisions	(74)	0.8 %	**	0.2 %	49	0.06
Adjusted - Non-GAAP	$ 3,872	60.5 %	$ (115)	20.1 %	$ 4,653	$ 5.31

	Nine Months Ended September 30, 2026					
	Operating expenses	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
	($ in millions, except per share data)					
Reported - GAAP	$ 11,126	59.5 %	$ (317)	19.6 %	$ 12,898	$ 14.59
(Gains) losses on equity investments	**	**	73	0.1 %	45	0.05
Litigation provisions	(156)	0.6 %	**	0.1 %	108	0.12
Restructuring charge	(202)	0.7 %	**	— %	158	0.18
Adjusted - Non-GAAP	$ 10,769	60.8 %	$ (243)	19.8 %	$ 13,209	$ 14.94

	Three Months Ended September 30, 2025					
	Operating expenses	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
	($ in millions, except per share data)					
Reported - GAAP	$ 3,541	58.8 %	$ (62)	21.5 %	$ 3,927	$ 4.34
(Gains) losses on equity investments	**	**	(41)	— %	(31)	(0.03)
Litigation provisions	(83)	1.0 %	**	— %	65	0.07
Adjusted - Non-GAAP	$ 3,459	59.8 %	$ (103)	21.4 %	$ 3,961	$ 4.38

	Nine Months Ended September 30, 2025					
	Operating expenses	Operating margin	Other income (expense)	Effective income tax rate	Net income	Diluted earnings per share
	($ in millions, except per share data)					
Reported - GAAP	$ 9,998	58.3 %	$ (285)	20.4 %	$ 10,908	$ 12.00
(Gains) losses on equity investments	**	**	(16)	— %	(11)	(0.01)
Litigation provisions	(330)	1.4 %	**	0.2 %	240	0.26
Adjusted - Non-GAAP	$ 9,668	59.7 %	$ (301)	20.5 %	$ 11,136	$ 12.25

Note: Tables may not sum due to rounding.

** Not applicable.

The following tables represent the reconciliation of our growth rates reported under GAAP to our non-GAAP growth rates:

	Three Months Ended September 30, 2026 as compared to the Three Months Ended September 30, 2025				
	Increase/(Decrease)				
	Operating expenses	Operating margin	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	11%	0.9 ppt	(2.1) ppt	18%	22%
(Gains) losses on equity investments	**	**	0.5 ppt	—%	—%
Litigation provisions	1%	(0.2) ppt	0.2 ppt	(1)%	(1)%
Adjusted - Non-GAAP	12%	0.7 ppt	(1.4) ppt	17%	21%
Currency Impact	—%	— ppt	— ppt	—%	—%
Adjusted - Non-GAAP - currency-neutral	12%	0.7 ppt	(1.4) ppt	18%	21%

	Nine Months Ended September 30, 2026 as compared to the Nine Months Ended September 30, 2025				
	Increase/(Decrease)				
	Operating expenses	Operating margin	Effective income tax rate	Net income	Diluted earnings per share
Reported - GAAP	11%	1.2 ppt	(0.8) ppt	18%	22%
(Gains) losses on equity investments	**	**	0.1 ppt	1%	1%
Litigation provisions	2%	(0.8) ppt	(0.1) ppt	(2)%	(2)%
Restructuring charge	(2)%	0.7 ppt	— ppt	1%	1%
Adjusted - Non-GAAP	11%	1.1 ppt	(0.7) ppt	19%	22%
Currency Impact	(1)%	(0.3) ppt	— ppt	(3)%	(3)%
Adjusted - Non-GAAP - currency-neutral	10%	0.8 ppt	(0.7) ppt	16%	19%

Note: Tables may not sum due to rounding.

** Not applicable.

Key Metrics and Drivers

In addition to the financial measures described above in "Financial Results Overview", we review the following metrics to evaluate and identify trends in our business, measure our performance, prepare financial projections and make strategic decisions. We believe that the key metrics presented facilitate an understanding of our operating and financial performance and provide a meaningful comparison of our results between periods.

Operating Margin measures how much profit we make on each dollar of sales after our operating costs but before other income (expense) and income tax expense. Operating margin is calculated by dividing our operating income by net revenue.

Key Drivers

Gross Dollar Volume ("GDV") measures dollar volume of activity, including both domestic and cross-border volume, on cards carrying our brands during the period, on a local currency basis and U.S. dollar-converted basis. GDV represents purchase volume plus cash volume; "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 and includes the impact of balance transfers and convenience checks obtained with Mastercard-branded cards for the relevant period. Information denominated in U.S. dollars relating to GDV is calculated by applying an established U.S. dollar/local currency exchange rate for each local currency in which our volumes are reported. These exchange rates are calculated on a quarterly basis using the average exchange rate for each quarter. We report 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 currencies against the U.S. dollar in calculating such rates of change. Data used in the calculation of GDV is provided by our customers and is subject to verification by Mastercard and partial cross-checking against information provided by Mastercard's transaction switching systems. All data is subject to revision and amendment by Mastercard or our customers.

Cross-border Volume Growth measures the growth of cross-border dollar volume during the period, on a local currency basis and U.S. dollar-converted basis, for all Mastercard-branded programs.

Switched Transactions measures the number of transactions switched by Mastercard, which is defined as the number of transactions initiated and switched through our network during the period.

The following tables provide a summary of the growth trends in our key drivers:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026		2025		2026		2025	
	Increase/(Decrease)				Increase/(Decrease)			
	USD	Local	USD	Local	USD	Local	USD	Local
Mastercard-branded GDV growth [1]	7%	7%	10%	9%	9%	7%	8%	9%
United States	6%	6%	7%	7%	5%	5%	7%	7%
Worldwide less United States	8%	8%	11%	10%	11%	8%	9%	10%
Cross-border volume growth [1]	10%	11%	19%	15%	15%	12%	17%	15%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	Increase/(Decrease)		Increase/(Decrease)	
witched transactions growth	9%	10%	9%	10%

Note: Effective 2026, our key drivers above include Venezuela cross-border activity, as applicable.

[1] Excludes volume generated by Maestro and Cirrus cards.

Key Metrics related to the Payment Network

Assessments represent agreed-upon standard pricing provided to our customers based on various forms of payment-related activity. Assessments are used internally by management to monitor operating performance as it allows for comparability and provides visibility into cardholder trends. Assessments do not represent our net revenue.

The following provides additional information on our key metrics related to the payment network:

- **Domestic assessments** are charges based on activity related to cards that carry the Company's brands where the merchant country and the country of issuance are the same. These assessments are primarily driven by the domestic dollar volume of activity (e.g., domestic purchase volume, domestic cash volume) or the number of cards issued.
- **Cross-border assessments** are charges based on activity related to cards that carry the Company's brands where the merchant country and the country of issuance are different. These assessments are primarily driven by the cross-border dollar volume of activity (e.g., cross-border purchase volume, cross-border cash volume).
- **Transaction processing assessments** are charges primarily driven by the number of switched transactions on our payment network. Switching activities include:
  - Authorization, the process by which a transaction is routed to the issuer for approval
  - Clearing, the determination and exchange of financial transaction information between issuers and acquirers after a transaction has been successfully conducted at the point of interaction
  - Settlement, which facilitates the determination and exchange of funds between parties

  These assessments can also include connectivity services and network access, which are based on the volume of data transmitted and the number of authorization and settlement messages.
- **Other network assessments** are charges for licensing, implementation and other franchise fees.

The following table provides a summary of our key metrics related to the payment network:

	Three Months Ended September 30,		Increase/(Decrease)		Nine Months Ended September 30,		Increase/(Decrease)	
	2026	2025	As reported	Currency-neutral	2026	2025	As reported	Currency-neutral
	($ in millions)							
Domestic assessments	$ 3,211	$ 2,809	14%	13%	$ 9,261	$ 8,256	12%	10%
Cross-border assessments	3,841	3,313	16%	16%	10,491	8,756	20%	18%
Transaction processing assessments	4,781	4,191	14%	14%	13,513	11,689	16%	14%
Other network assessments	285	255	10%	10%	888	746	19%	17%

Foreign Currency

Currency Impact

Our primary functional currencies are the U.S. dollar, euro, British pound and the Brazilian real. Our overall operating results are impacted by currency translation, which represents the effect of translating operating results where the functional currency is different than our U.S. dollar reporting currency.

Our operating results are also impacted by transactional currency. The impact of the transactional currency represents the effect of converting revenue and expense transactions occurring in a currency other than the functional currency. Changes in currency exchange rates directly impact the calculation of GDV, which is used in the calculation of our key metrics related to domestic assessments and cross-border assessments as well as certain volume-related rebates and incentives. GDV is calculated based on local currency spending volume converted to U.S. dollars and euros using average exchange rates for the period. As a result, our key metrics related to domestic assessments and cross-border assessments as well as certain volume-related rebates and incentives are impacted by the strengthening or weakening of the U.S. dollar and euro versus local currencies. For example, our billing in Australia is in the U.S. dollar, however, consumer spend in Australia is in the Australian dollar. The transactional currency impact of converting Australian dollars to our U.S. dollar billing currency will have an impact on the revenue generated. The strengthening or weakening of the U.S. dollar is evident when GDV growth on a U.S. dollar-converted basis is compared to GDV growth on a local currency basis. For the three and nine months ended September 30, 2026, GDV on a U.S. dollar-converted basis increased 7% and 9%, respectively, while GDV on a local currency basis increased 7% for each of the periods, versus the comparable periods in 2025. Further, the impact from transactional currency occurs in our key metrics related to transaction processing assessments and other network assessments as well as value-added services and solutions revenue and operating expenses when the transacting currency of these items is different than the functional currency of the entity.

To manage the impact of foreign currency variability on anticipated revenues and expenses, we may enter into foreign exchange derivative contracts and designate such derivatives as hedging instruments in a cash flow hedging relationship as discussed further in Note 16 (Derivative and Hedging Instruments) to the consolidated financial statements included in Part I, Item 1.

Foreign Exchange Activity

We incur foreign currency gains and losses from remeasuring monetary assets and liabilities that are denominated in a currency other than the functional currency of the entity. To manage this foreign exchange risk, we may enter into foreign exchange derivative contracts to economically hedge the foreign currency exposure of our nonfunctional currency monetary assets and liabilities. The gains or losses resulting from the changes in fair value of these contracts are intended to reduce the potential effect of the underlying hedged exposure and are recorded net within general and administrative expenses on the consolidated statements of operations. The impact of this foreign exchange activity, including the related hedging activities, has not been eliminated in our currency-neutral results.

Our foreign exchange risk management activities are discussed further in Note 16 (Derivative and Hedging Instruments) to the consolidated financial statements included in Part I, Item 1.

Financial Results

Net Revenue

The components of net revenue were as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Increase/(Decrease)	2026	2025	Increase/(Decrease)
	($ in millions)			($ in millions)		
Payment network	$ 5,749	$ 5,179	11%	$ 16,148	$ 14,556	11%
Value-added services and solutions	4,058	3,423	19%	11,334	9,429	20%
Total net revenue	$ 9,807	$ 8,602	14%	$ 27,482	$ 23,985	15%

For the three months ended September 30, 2026:

Net revenue increased 14%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025. The increase in net revenue was attributable to growth in both our payment network and value-added services and solutions.

Net revenue from our payment network increased 11%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025. The increase was primarily driven by growth in domestic and cross-border dollar volumes and an increase in the number of switched transactions (reflecting growth trends across all of our key drivers), as well as pricing. Net revenue from our payment network included $6,369 million of rebates and incentives provided to customers, which increased 18%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025, primarily due to an increase in our key drivers as well as new and renewed deals.

Net revenue from our value-added services and solutions increased 19%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025. The increase was driven primarily by (1) growth in our underlying key drivers, (2) demand across several of our services and (3) pricing.

For the nine months ended September 30, 2026:

Net revenue increased 15%, or 13% on a currency-neutral basis, versus the comparable period in 2025. The increase in net revenue was attributable to growth in both our payment network and value-added services and solutions.

Net revenue from our payment network increased 11%, or 9% on a currency-neutral basis, versus the comparable period in 2025. The increase was primarily driven by growth in domestic and cross-border dollar volumes and an increase in the number of switched transactions (reflecting growth trends across all of our key drivers), as well as pricing. Net revenue from our payment network included $18,005 million of rebates and incentives provided to customers, which increased 21%, or 19% on a currency-neutral basis, versus the comparable period in 2025, primarily due to an increase in our key drivers as well as new and renewed deals.

Net revenue from our value-added services and solutions increased 20%, or 18% on a currency-neutral basis, versus the comparable period in 2025. The increase was driven primarily by (1) growth in our underlying key drivers, (2) demand across several of our services and (3) pricing.

See Note 3 (Revenue) to the consolidated financial statements included in Part II, Item 8 of our 2025 Form 10-K for further discussion of our revenue recognition policies.

Drivers of Change

The following tables summarize the drivers of change in net revenue:

	Three Months Ended September 30, 2026			
	Increase/(Decrease)			
	Operational	Acquisitions and Dispositions [1]	Currency Impact [2]	Total
Payment network	11 %	**	— %	11 %
Value-added services and solutions	19 %	— %	— %	19 %
Net revenue	14 %	— %	— %	14 %

	Nine Months Ended September 30, 2026			
	Increase/(Decrease)			
	Operational	Acquisitions and Dispositions [1]	Currency Impact [2]	Total
Payment network	9 %	**	2 %	11 %
Value-added services and solutions	19 %	— %	2 %	20 %
Net revenue	13 %	— %	2 %	15 %

Note: Tables may not sum due to rounding.

** Not applicable.

1 Represents the impact of acquisitions and dispositions completed during 2026 and 2025.

2 Includes the translational and transactional impact of currency and the related impact of our foreign exchange derivative contracts designated as cash flow hedging instruments. See "Non-GAAP Financial Information - Currency-neutral Growth Rates" for further information on our currency impact non-GAAP adjustment.

Operating Expenses

For the three months ended September 30, 2026, operating expenses increased 11% versus the comparable period in 2025. Adjusted operating expenses increased 12%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025.

For the nine months ended September 30, 2026, operating expenses increased 11% versus the comparable period in 2025. Adjusted operating expenses increased 11%, or 10% on a currency-neutral basis, versus the comparable period in 2025.

The components of operating expenses were as follows:

	Three Months Ended September 30,		Increase/ (Decrease)	Nine Months Ended September 30,		Increase/ (Decrease)
	2026	2025		2026	2025	
	($ in millions)			($ in millions)		
General and administrative	$ 3,293	$ 2,923	13%	$ 9,414	$ 8,212	15%
Advertising and marketing	252	245	3%	622	610	2%
Depreciation and amortization	326	290	12%	934	846	10%
Provision for litigation	74	83	(11)%	156	330	(53)%
Total operating expenses	3,945	3,541	11%	11,126	9,998	11%
Special Items [1]	(74)	(83)	(11)%	(358)	(330)	8%
Adjusted total operating expenses [1]	$ 3,872	$ 3,459	12%	$ 10,769	$ 9,668	11%

Note: Table may not sum due to rounding.

[1] See "Non-GAAP Financial Information" for further information on our non-GAAP adjustments and the reconciliation to GAAP reported amounts.

Drivers of Change

The following tables summarize the drivers of change in operating expenses:

	Three Months Ended September 30, 2026				
	Increase/(Decrease)				
	Operational	Acquisitions and Dispositions [1]	Currency Impact [2, 3]	Special Items [3]	Total
General and administrative	12%	—%	—%	**	13%
Advertising and marketing	3%	—%	—%	**	3%
Depreciation and amortization	11%	2%	—%	**	12%
Provision for litigation	**	**	**	(11)%	(11)%
Total operating expenses	12%	1%	—%	(1)%	11%

	Nine Months Ended September 30, 2026				
	Increase/(Decrease)				
	Operational	Acquisitions and Dispositions [1]	Currency Impact [2, 3]	Special Items [3]	Total
General and administrative	11%	—%	1%	2%	15%
Advertising and marketing	1%	—%	1%	**	2%
Depreciation and amortization	9%	1%	1%	**	10%
Provision for litigation	**	**	**	(53)%	(53)%
Total operating expenses	10%	—%	1%	—%	11%

Note: Tables may not sum due to rounding.

** Not applicable.

[1] Represents the impact of acquisitions and dispositions completed during 2026 and 2025.

[2] Represents the translational and transactional impact of currency.

[3] See "Non-GAAP Financial Information" for further information on our non-GAAP adjustments and the reconciliation to GAAP reported amounts.

General and Administrative

For the three months ended September 30, 2026, general and administrative expenses increased 13%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025, primarily due to higher personnel and data processing costs to support the continued investment in our strategic initiatives across payment network and value-added services and solutions, as well as fulfillment costs to deliver marketing services to our customers.

For the nine months ended September 30, 2026, general and administrative expenses increased 15%, or 14% on a currency-neutral basis, versus the comparable period in 2025, which included a 2 percentage point increase from a restructuring charge of $202 million. The remaining increase was primarily due to higher personnel and data processing costs to support the continued investment in our strategic initiatives across payment network and value-added services and solutions, fulfillment costs to deliver marketing services to our customers, as well as balance sheet remeasurement losses primarily due to unfavorable foreign exchange activity.

The components of general and administrative expenses were as follows:

	Three Months Ended September 30,		Increase/ (Decrease)	Nine Months Ended September 30,		Increase/(Decrease)
	2026	2025		2026	2025	
	($ in millions)			($ in millions)		
Personnel [1]	$ 2,028	$ 1,893	7%	$ 6,012	$ 5,433	11%
Professional fees	162	128	27%	414	348	19%
Data processing and telecommunications	386	324	19%	1,104	930	19%
Foreign exchange activity [2]	42	26	63%	159	68	**
Other	675	552	22%	1,725	1,433	20%
Total general and administrative expenses	$ 3,293	$ 2,923	13%	$ 9,414	$ 8,212	15%

** Not meaningful.

1 For the nine months ended September 30, 2026, total general and administrative expenses includes a restructuring charge of $202 million. See “Non-GAAP Financial Information” for further information.

2 Foreign exchange activity includes the impact of remeasurement of assets and liabilities denominated in foreign currencies net of the impact of gains and losses on foreign exchange derivative contracts. See Note 16 (Derivative and Hedging Instruments) to the consolidated financial statements included in Part I, Item 1 for further discussion.

Advertising and Marketing

For the three months ended September 30, 2026, advertising and marketing expenses increased 3%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025.

For the nine months ended September 30, 2026, advertising and marketing expenses increased 2%, or 1% on a currency-neutral basis, versus the comparable period in 2025.

Depreciation and Amortization

For the three months ended September 30, 2026, depreciation and amortization expenses increased 12%, or 13% on a currency-neutral basis, versus the comparable period in 2025. The increase was primarily due to higher capitalized software amortization, which is in line with the increase in capitalized software driven by the continued growth of our business, as well as higher equipment depreciation.

For the nine months ended September 30, 2026, depreciation and amortization expenses increased 10%, on both an as-reported and currency-neutral basis, versus the comparable period in 2025. The increase was primarily due to higher capitalized software amortization, which is in line with the increase in capitalized software driven by the continued growth of our business.

Provision for Litigation

For the three months ended September 30, 2026, we recorded charges of $74 million, primarily due to settlements with merchants who opted out of the U.S. merchant class litigation. For the nine months ended September 30, 2026, we recorded charges of $156 million, primarily due to settlements with merchants who opted out of the U.S. merchant class litigation and a legal provision associated with the ATM non-discrimination rule surcharge complaints. See “Non-GAAP Financial Information” in this section and Note 14 (Legal and Regulatory Proceedings) to the consolidated financial statements included in Part I, Item 1 of this Report for further discussion.

Other Income (Expense)

The components of total other income (expense) were as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Favorable/ (Unfavorable)	2026	2025	Favorable/(Unfavorable)
	(in millions)					
Investment income	$ 88	$ 81	$ 7	$ 257	$ 239	$ 18
Gains (losses) on equity investments, net	(5)	41	(46)	(73)	16	(89)
Interest expense	(250)	(186)	(64)	(653)	(563)	(90)
Other income (expense), net [1]	46	2	44	152	23	129
Total other income (expense)	(121)	(62)	(59)	(317)	(285)	(32)
(Gains) losses on equity investments, net [2]	5	(41)	46	73	(16)	89
Adjusted total other income (expense) [2]	$ (115)	$ (103)	$ (12)	$ (243)	$ (301)	$ 58

Note: Table may not sum due to rounding.

[1] Other income (expense), net increased in the three and nine months ended September 30, 2026, versus the comparable period in 2025, primarily driven by government grants.

[2] See "Non-GAAP Financial Information" for further information on our non-GAAP adjustments and the reconciliation to GAAP reported amounts.

Income Taxes

The effective income tax rates for the three months ended September 30, 2026 and 2025 were 19.4% and 21.5%, respectively. The adjusted effective income tax rates for the three months ended September 30, 2026 and 2025 were 20.1% and 21.4%, respectively. The effective income tax rates for the nine months ended September 30, 2026 and 2025 were 19.6% and 20.4%, respectively. The adjusted effective income tax rates for the nine months ended September 30, 2026 and 2025 were 19.8% and 20.5%, respectively. Both the as-reported and as-adjusted effective income tax rates for the three and nine months ended September 30, 2026 were lower versus the comparable periods in 2025 due to higher net discrete tax benefits and other tax impacts in 2026.

Liquidity and Capital Resources

We rely on existing liquidity (our cash, cash equivalents and investments), cash generated from operations and access to capital to fund our global operations, credit and settlement exposure, capital expenditures, investments in our business and current and potential obligations. The following table summarizes the cash, cash equivalents, investments and credit available to us:

	September 30, 2026	December 31, 2025
	(in billions)	
Cash, cash equivalents and investments [1]	$ 10.5	$ 10.9
Available under the revolving credit facility	8.0	8.0

[1] Investments include available-for-sale securities and held-to-maturity securities. This amount excludes restricted cash and restricted cash equivalents and restricted security deposits held for customers at September 30, 2026 and December 31, 2025 of $2.8 billion and $2.7 billion, respectively.

We believe that our existing liquidity, our cash flow generating capabilities and our access to capital resources are sufficient to satisfy our future operating cash needs, capital asset purchases, outstanding commitments and other liquidity requirements associated with our existing operations and potential obligations, which include litigation provisions and credit and settlement exposure.

Our liquidity and access to capital could be negatively impacted by global credit market conditions. We guarantee the settlement of many of the transactions between our customers. Historically, payments under these guarantees have not been significant; however, historical trends may not be indicative of potential future losses. The risk of loss on these guarantees is specific to individual customers, but may also be driven by regional or global economic and market conditions, including, but not limited to the health of the financial institutions in a country or region. See Note 15 (Settlement and Other Risk Management) to the consolidated financial statements in Part I, Item 1 for a description of these guarantees.

Our liquidity and access to capital could also be negatively impacted by the outcome of any of the legal or regulatory proceedings to which we are a party. For additional discussion of these and other risks facing our business, see Part I, Item 1A - Risk Factors of our 2025 Form 10-K and Note 14 (Legal and Regulatory Proceedings) to the consolidated financial statements in Part I, Item 1 of this Report.

Cash Flows

The table below shows a summary of the cash flows from operating, investing and financing activities:

	Nine Months Ended September 30,	
	2026	2025
	(in millions)	
Net cash provided by operating activities	$ 11,859	$ 12,646
Net cash used in investing activities	(2,603)	(941)
Net cash used in financing activities	(9,425)	(9,993)

Net cash provided by operating activities decreased $787 million for the nine months ended September 30, 2026, versus the comparable period in 2025, primarily due to higher net income after adjusting for non-cash items, more than offset by higher customer incentive payments, cash paid for litigation settlements and timing of settlements with customers.

Net cash used in investing activities increased $1,662 million for the nine months ended September 30, 2026, versus the comparable period in 2025, primarily due to cash paid for a business acquisition in the current year and higher purchases of property and equipment.

Net cash used in financing activities decreased $568 million for the nine months ended September 30, 2026, versus the comparable period in 2025, primarily due to higher cash proceeds received from debt issuances and lower repayments of debt in the current year, partially offset by higher cash paid for repurchases of our Class A common stock and dividends.

Debt and Credit Availability

In June 2026, we issued $5.000 billion principal amount of notes (the "2026 USD Notes"). The net proceeds from the issuance of the 2026 USD Notes, after deducting the original issue discount, underwriting discount and offering expenses, were $4.978 billion.

Our total debt outstanding at September 30, 2026 and December 31, 2025 was $23.9 billion and $19.0 billion, respectively. At September 30, 2026, $1.7 billion of our total debt outstanding is payable within 12 months.

We have a commercial paper program (the "Commercial Paper Program"), under which we are authorized to issue up to $8 billion in outstanding notes, with maturities up to 397 days from the date of issuance. In conjunction with the Commercial Paper Program, we have a committed unsecured $8 billion revolving credit facility (the "Credit Facility") that was amended and extended in 2025 and now expires in November 2030.

Borrowings under the Commercial Paper Program and the Credit Facility, which may total up to $8 billion, are to be used to provide liquidity for general corporate purposes, including providing liquidity in the event of one or more settlement failures by our customers. In addition, we may borrow and repay amounts under these facilities for business continuity purposes. At September 30, 2026 and December 31, 2025, we had no borrowings under the Commercial Paper Program or Credit Facility.

See Note 9 (Debt) to the consolidated financial statements included in Part I, Item 1 and Note 13 (Debt) to the consolidated financial statements included in Part II, Item 8 of our 2025 Form 10-K for further discussion on our debt, the Commercial Paper Program and the Credit Facility.

Dividends and Share Repurchases

We have historically paid quarterly dividends on our outstanding Class A common stock and Class B common stock. Subject to legally available funds, we intend to continue to pay a quarterly cash dividend. The declaration and payment of future dividends is at the sole discretion of our Board of Directors after taking into account various factors, including our financial condition, operating results, available cash and current and anticipated cash needs.

The following table summarizes the dividends declared by our Board of Directors on our outstanding Class A common stock and Class B common stock, payable in 2026:

Date of Declaration	Amount Payable per Share	Record Date	Date Payable	Aggregate Amount (in millions)
December 9, 2025	$ 0.87	January 9, 2026	February 9, 2026	$ 777
February 10, 2026	$ 0.87	April 9, 2026	May 8, 2026	$ 771
June 16, 2026	$ 0.87	July 9, 2026	August 7, 2026	$ 763
September 29, 2026	$ 0.87	October 9, 2026	November 9, 2026	$ 758

Repurchased shares of our common stock are considered treasury stock. In December 2025 and 2024, our Board of Directors approved programs authorizing us to repurchase shares of our Class A common stock up to $14.0 billion and $12.0 billion, respectively. The program approved in 2025 became effective in March 2026, after the completion of the program approved in 2024. The timing and actual number of additional shares repurchased will depend on a variety of factors, including cash requirements to meet the operating needs of the business, legal requirements, as well as the share price and economic and market conditions. The following table summarizes our share repurchase authorizations and repurchase activity of our Class A common stock:

	(in millions, except per share data)
emaining authorization at December 31, 2025	$ 17,461
ollar-value of shares repurchased for the nine months ended September 30, 2026	$ 11,893
emaining authorization at September 30, 2026	$ 5,568
ıares repurchased for the nine months ended September 30, 2026	22.9
verage price paid per share for the nine months ended September 30, 2026	$ 520.64
ollar-value of shares repurchased October 1, 2026 through October 26, 2026	$ 648

Note: Table may not sum due to rounding.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, if any, and the potential impact of these pronouncements refer to Note 1 (Summary of Significant Accounting Policies) to the consolidated financial statements in Part I, Item 1.

Item 3. Quantitative and qualitative disclosures about market risk

Market risk is the potential for economic losses to be incurred on market risk sensitive instruments arising from adverse changes in factors such as foreign currency exchange rates and interest rates. Our exposure to market risk from changes in foreign currency exchange rates and interest rates is limited. Management monitors risk exposures on an ongoing basis and establishes and oversees the implementation of policies governing our funding, investments and use of derivative financial instruments to manage these risks.

Foreign currency and interest rate exposures are managed through our risk management activities, which are discussed further in Note 16 (Derivative and Hedging Instruments) to the consolidated financial statements included in Part I, Item 1.

Foreign Exchange Risk

We enter into foreign exchange derivative contracts to manage currency exposure associated with anticipated receipts and disbursements occurring in a currency other than the functional currency of the entity. We may also enter into foreign exchange derivative contracts to offset possible changes in value of assets and liabilities due to foreign exchange fluctuations. The objective of these activities is to reduce our exposure to gains and losses resulting from fluctuations of foreign currencies against our functional currencies, principally the U.S. dollar and euro. A hypothetical 10% adverse change in the value of the functional currencies could result in a fair value net loss of approximately $340 million and $405 million on our foreign exchange derivative contracts outstanding at September 30, 2026 and December 31, 2025, respectively, before considering the offsetting effect of the underlying hedged activity.

We are also subject to foreign exchange risk as part of our daily settlement activities. To manage this risk, we enter into short duration foreign exchange derivative contracts based upon anticipated receipts and disbursements for the respective currency position. This risk is typically limited to a few days between when a payment transaction takes place and the subsequent settlement with our customers. A hypothetical 10% adverse change in the value of the functional currencies would not have a material impact to the fair value of our short duration foreign exchange derivative contracts outstanding at September 30, 2026 and December 31, 2025.

We are further exposed to foreign exchange rate risk related to translation of our net investment in foreign subsidiaries where the functional currency is different than our U.S. dollar reporting currency. To manage this risk, we may enter into foreign exchange derivative contracts to hedge a portion of our net investment in foreign subsidiaries. As of September 30, 2026 and December 31, 2025, we did not have any foreign exchange derivative contracts designated as a net investment hedge.

Interest Rate Risk

Our available-for-sale debt investments include fixed and variable rate securities that are sensitive to interest rate fluctuations. Our policy is to invest in high quality securities, while providing adequate liquidity and maintaining diversification to avoid significant exposure. A hypothetical 100 basis point adverse change in interest rates would not have a material impact to the fair value of our investments at September 30, 2026 and December 31, 2025.

We are also exposed to interest rate risk related to our fixed-rate debt. To manage this risk, we may enter into interest rate derivative contracts to hedge a portion of our fixed-rate debt that is exposed to changes in fair value attributable to changes in a benchmark interest rate. A hypothetical 100 basis point adverse change in interest rates would not have a material impact to the fair value of our interest rate derivative contracts designated as a fair value hedge of our fixed-rate debt at September 30, 2026 and December 31, 2025, respectively, before considering the offsetting effect of the underlying hedged activity.

Item 4. Controls and procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information that is required to be disclosed in the reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and to ensure that information required to be disclosed is accumulated and communicated to management, including our President and Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding disclosure. The President and Chief Executive Officer and the Chief Financial Officer, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report and, based on their evaluation, have concluded that the disclosure controls and procedures were effective as of such date.

Changes in Internal Control over Financial Reporting

There was no change in Mastercard's internal control over financial reporting that occurred for the three months ended September 30, 2026 that has materially affected, or is reasonably likely to materially affect, Mastercard's internal control over financial reporting.

PART II

Item 1. Legal proceedings
Item 1A. Risk factors
Item 2. Unregistered sales of equity securities and use of proceeds
Item 5. Other information
Item 6. Exhibits
Signatures

Item 1. Legal proceedings

Refer to Note 14 (Legal and Regulatory Proceedings) to the consolidated financial statements included in Part I, Item 1.

Item 1A. Risk factors

For a discussion of our risk factors, see Part I, Item 1A - Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered sales of equity securities and use of proceeds

Issuer Purchases of Equity Securities

The following table presents the repurchase activity of our Class A common stock on a cash basis for the third quarter of 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share (including commission cost)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Value of Shares that may yet be Purchased under the Plans or Programs [1]
July 1 - 31	1,535,124	$ 535.77	1,535,124	$ 7,705,931,673
August 1 - 31	1,912,572	$ 574.86	1,912,572	$ 6,606,471,969
September 1 - 30	1,814,761	$ 572.08	1,814,761	$ 5,568,286,325
Total	5,262,457	$ 562.50	5,262,457	

[1] Dollar value of shares that may yet be purchased under the share repurchase programs is as of the end of the period. In December 2025 and 2024, our Board of Directors approved programs authorizing us to repurchase shares of our Class A common stock up to $14.0 billion and $12.0 billion, respectively.

Item 5. Other information

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

For the three months ended September 30, 2026, none of our officers or directors adopted or terminated trading arrangements for the sale of shares of our common stock.

Item 6. Exhibits

Refer to the Exhibit Index included herein.

Exhibit index

Exhibit Number	Exhibit Description
31.1*	Certification of Michael Miebach, President and Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Hai Ling, Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Michael Miebach, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Hai Ling, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed or furnished herewith.

The agreements and other documents filed as exhibits to this Report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and should not be relied upon for that purpose. In particular, any representations and warranties made by the Company in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MASTERCARD INCORPORATED
(Registrant)

Date: October 29, 2026

By: /S/ MICHAEL MIEBACH
Michael Miebach
President and Chief Executive Officer
(Principal Executive Officer)

Date: October 29, 2026

By: /S/ HAI LING
Hai Ling
Chief Financial Officer
(Principal Financial Officer)

Date: October 29, 2026

By: /S/ CHRISTOPHER MULLETT
Christopher Mullett
Corporate Controller
(Principal Accounting Officer)