

Travel rebound drives strong first quarter for Mastercard

Article

By the numbers: Mastercard reported a strong first quarter as the card network's payments volume continued to rebound from challenges it faced during the pandemic.

- **Gross dollar volume (GDV) rose 17% year over year (YoY) to \$1.9 trillion in [Q1](#)**, slowing slightly from 23% growth in [Q4](#) but well above [Q1 2021's](#) 8% climb.

- **Purchase volume surged 21% YoY** to \$1.5 billion, down from 27% growth in Q4 but an improvement from 10% in Q1 2021.
- **Cross-border volume** was one of Mastercard's key growth drivers in the quarter, mirroring Q4 with a **53% YoY increase** that far exceeded a 17% decline in Q1 2021. For the first time since the pandemic, cross-border volume was above 2019 levels across all regions, according to CEO Michael Miebach. Rival **Visa** reported similar cross-volume strength for its fiscal [Q2](#).

Trendspotting: Here are two takeaways from Mastercard's Q1 [earnings call](#):

Travel comeback isn't over

- **CFO Sachin Mehra** revealed international travel had come back stronger than expected and that there **"continues to be pent-up demand."**
- International travel took off at the end of January as countries lifted travel restrictions. It's now at **110% of 2019 levels**, according to Mehra, propelled by the omicron wave's decline. "We've worked hard to expand our travel-oriented portfolios, which positions us well to capitalize on a strong recovery in cross-border travel," Miebach outlined.

Russia impact offset

- Mastercard [suspended](#) operations in Russia after the country's invasion of Ukraine. The move was expected to cost millions in lost volume, with around **4% of 2021 net revenues coming from** Russia—equal to roughly \$756 million.
- But Miebach said there has been **"minimal impact"** to wider growth and that strong **cross-border travel recovery and strength in consumer spending** offset lost volume.

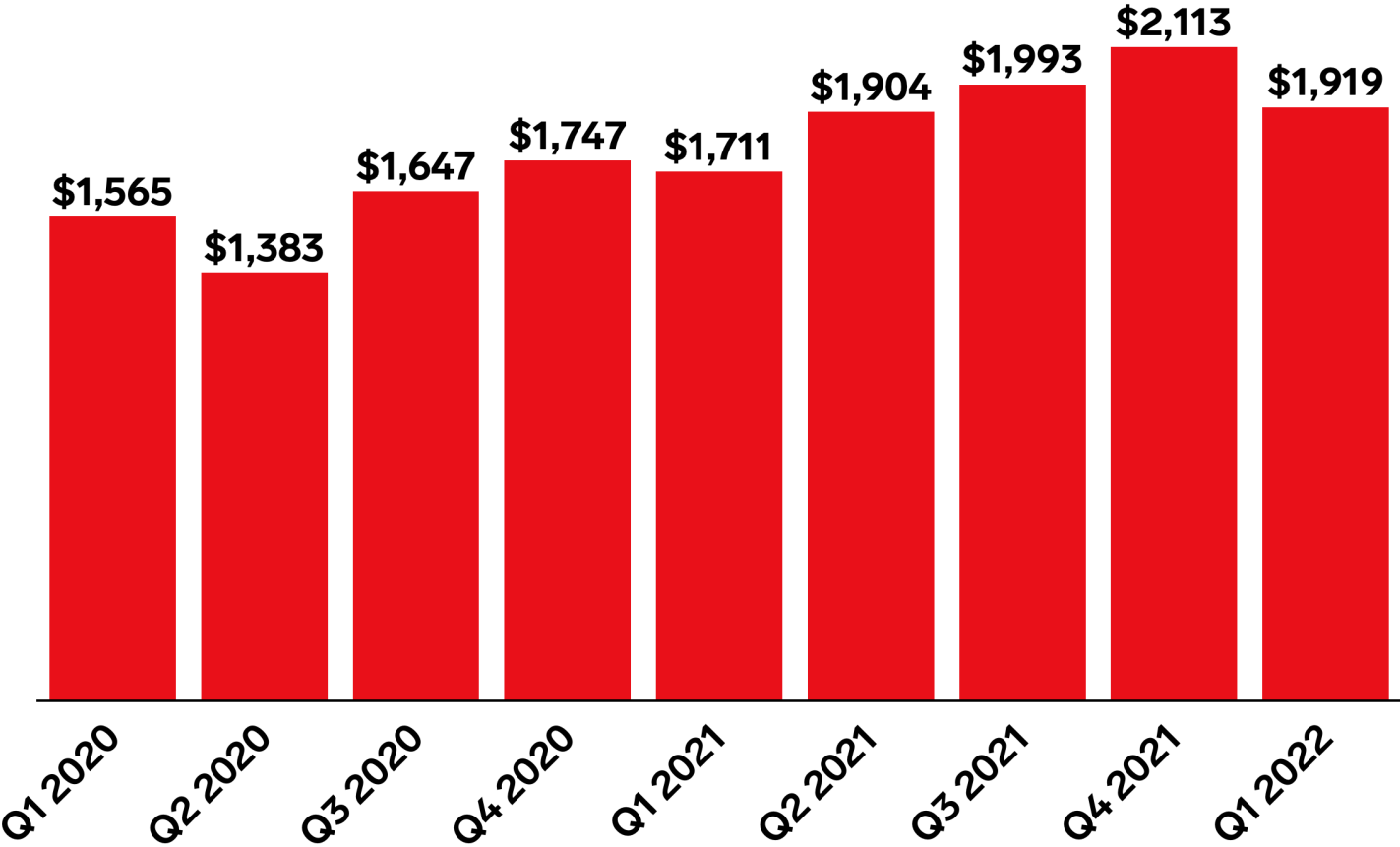
What's next? Mastercard can focus on partnerships and crypto to sustain growth:

- **Partnerships:** Mastercard plans to build on **crypto card tie-ins** with partners in Europe and Latin America, perhaps looking to take advantage of the 30% of adults in Latin America who [hold](#) crypto. It also singled out expanding open banking partnerships with **Finicity** and **Aiia**.
- **Crypto:** The card network has embraced digital assets, partnering with crypto exchange [Gemini](#) and launching crypto payment cards in [Asia](#). Miebach said Mastercard wanted to make it [easier](#) for consumers to **purchase cryptos and NFTs** and that it was enabling consumers to spend their cryptos on card and cash out their crypto wallets via **Mastercard Send**.

Impending card fee **hikes** are another big talking point for Mastercard and Visa. Fees for some sub-\$5 transactions will be lowered, but the changes would increase fees overall by \$475 million, per CMSPI estimates. The card networks say the fees will help fund innovation and fraud prevention, but pressure from **lawmakers** and **retailers** to keep fees down could complicate Mastercard's plans.

Mastercard Global Gross Dollar Volume

billions



Note: Data is for all Mastercard credit, charge, and debit programs

Source: Mastercard, 2022

Methodology: Data is from Mastercard's quarterly earnings reports.

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