

Surging cross-border growth helped Mastercard beat Q1 estimates

Article

The news: “Resilient consumer spending” and the cross-border travel recovery helped Mastercard beat first quarter forecasts, per its earnings release.

The takeaways:

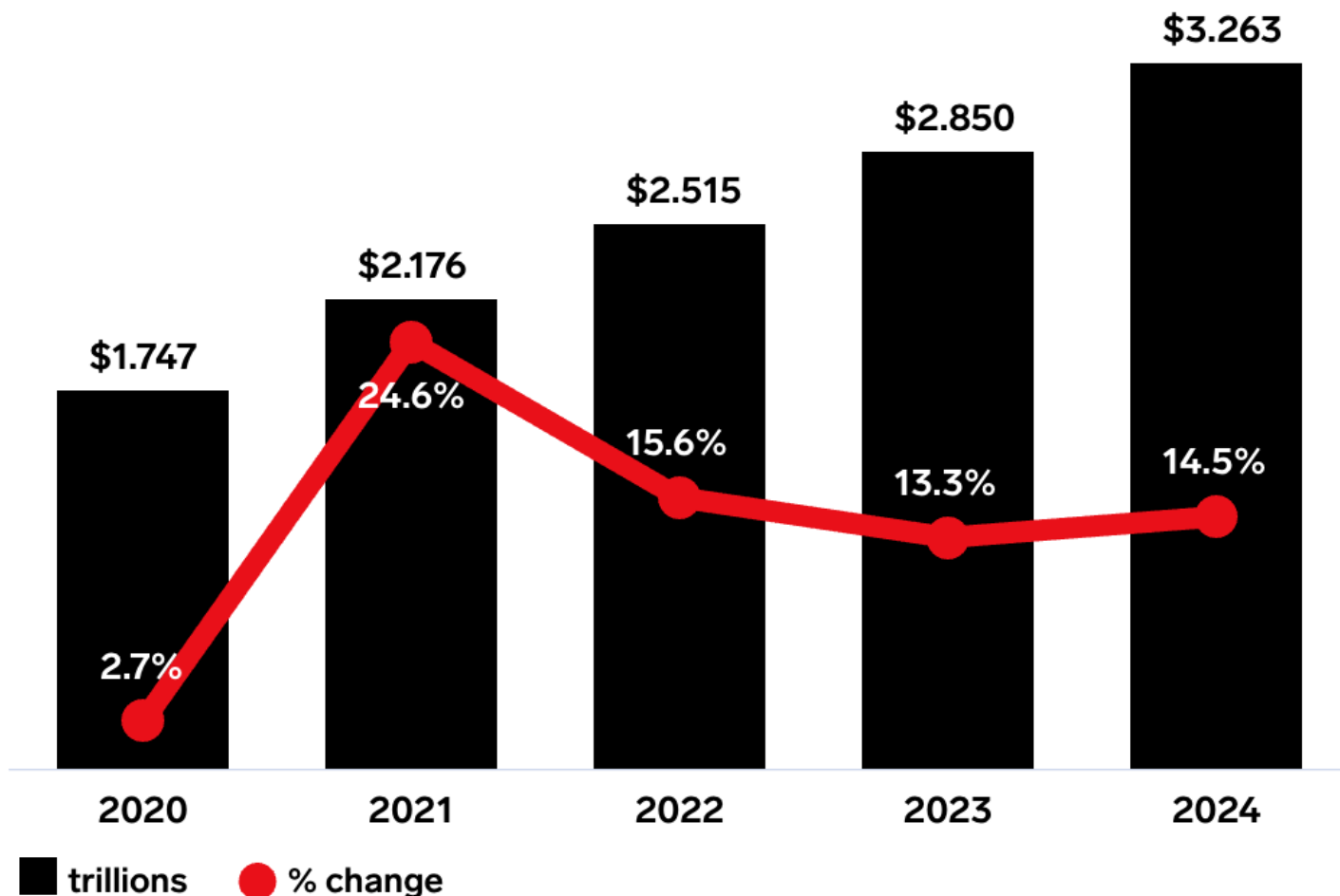
- **Spending was resilient.** [First quarter](#) purchase volume rose 17% year over year (YoY), accelerating from 8% growth in Q4.
- **Travel rebound boosted spending.** Cross-border volume surged 35% YoY, up from 31% in Q4.
- **But rising costs squeezed profits.** Operating expenses rose 18%, mainly driven by higher personnel costs. That narrowed net income by 10%.
- **It's under investigation.** Mastercard said the US Department of Justice is looking into potential anticompetitive practices in its debit program. The government department is already [probing Visa](#) for possible anti-competitive practices.

What next? Much like at [Visa](#), buoyant consumer spending bolstered Mastercard's volume and will help it navigate economic uncertainty in Q2. Here are three other trends to watch out for.

1. Cross-border payments have been a growth driver. This will continue as Mastercard capitalizes on its market-leading position: **The number of cross-border ecommerce transactions is expected to nearly double between 2022 and 2026**, per Juniper Research.
2. Mastercard partnered with several companies in Q1 to enhance its offerings and boost volume, including [Citizens](#) and [Checkout.com](#). Some of those partnerships have gone toward [building out its buy now, pay later \(BNPL\) program](#) as competition intensifies in the space.
3. Despite lingering concerns, **Mastercard and Visa are still cautiously exploring crypto.** [Visa is hiring more developers](#), and Mastercard recently [launched a crypto payments card](#) in Europe. But industry turmoil is forcing the card networks to [rethink their strategies](#). Expect Mastercard to keep a close eye on the crypto market, but don't be surprised if it waits for more stability and regulatory clarity before making any big moves.

Mastercard Network Card Transaction Value

US, 2020-2024



Note: represents the aggregate dollar amount of purchases made with Mastercard-branded cards; debit transactions on Maestro and Cirrus-branded cards are not included; includes consumer and commercial cards; excludes returns, balance transfers, cash advances and other activity

Source: eMarketer, November 2022

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Related content: Read our [US Payment Card Networks 2022](#) report to learn about how regulatory scrutiny and increased competition are affecting card networks.

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