

Our takeaways from Visa's and Mastercard's strong year-end earnings

Article

By the numbers: Visa and Mastercard reported strong end-of-year earnings buoyed by holiday sales, but both noted that the spike in COVID-19 cases caused by the omicron variant led to uneven global growth in the quarter.

- Visa's payments volume increased 20% year over year (YoY) in its fiscal Q1 2022 (ended December 31). Growth outpaced the [previous quarter](#), its fiscal Q1 2021, and fiscal Q1 2020.

Card-present transactions, which increased 25% YoY in the US, helped fuel overall payments volume.

- Mastercard's **gross dollar volume (GDV) grew 23% YoY** in Q4 2021. Growth in the quarter mirrored [Q3](#) and outpaced both Q4 2020 and Q4 2019. Cross-border volume was one of the firm's key performance drivers in the quarter, with 53% YoY growth.

What's next? Here's what Visa's and Mastercard's CEOs had to say about the year ahead:

New issuer deals and rising cryptocurrency use position Visa for growth.

- CEO AI Kelly said the company **expanded acceptance in Latin America by 30% last year**. Kelly also called out recent partnerships in the region, like with **Santander** in Chile and **Banco XP** in Brazil. The latter—which is one of Brazil's largest neobanks—brought **3 million customers** into Visa's network. Latin America is expected to undergo rapid digital growth in the coming years as [cash use](#) declines.
- Kelly added that **Visa credentials and crypto wallets surpassed \$2.5 billion in volume** in the quarter. And new services should help Visa forge new tie-ups, which can further increase volume. Visa is [developing](#) an interoperable crypto system and an advisory group [focused](#) on digital currencies—both of which should help Visa capitalize on crypto payments [growth](#).

Mastercard is prioritizing new payments products and services.

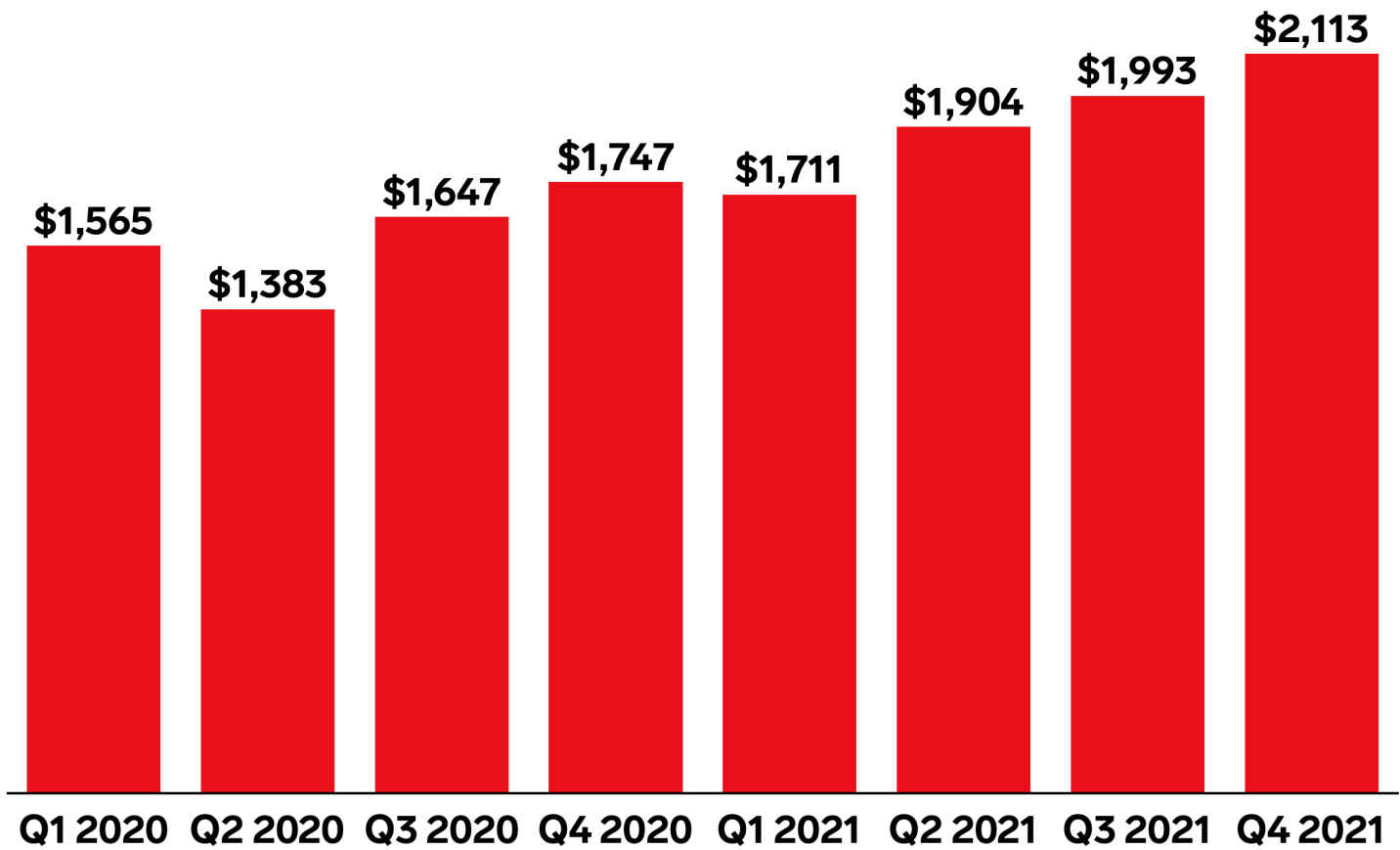
- On the earnings call, CEO Michael Miebach highlighted JPMorgan's [anticipated Instacart](#) co-brand card, which will be Mastercard-branded. And like Visa, Mastercard is ramping up crypto support. It's working with three platforms to [launch](#) crypto cards in Asia.
- Mastercard is also scaling its [B2B payments](#) efforts: It recently [launched](#) Mastercard Track Instant Pay, a virtual B2B card solution that uses machine learning (powered by AI company **Previser**) to enable faster supplier payments. This solution can help Mastercard gain a stronger foothold in the B2B payments sector, which is **expected to hit \$28.611 trillion in the US this year**, [per](#) Insider Intelligence forecasts.

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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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