

# Mastercard reports strong Q2 payments volume, looking to innovation to sustain growth

Article

**The data:** Mastercard's gross dollar volume (GDV) increased 14% year over year (YoY) in Q2, compared with 33% YoY in the same period in 2021, [per](#) its earnings presentation.

**Key context:** Inflation—which reached a 40-year high in June—most likely played a role in Mastercard's GDV growth since higher prices mean more spending on a dollar-for-dollar basis.

However, other economic factors like relatively low unemployment, high wages, and consumer savings may point to Mastercard seeing some organic GDV growth, which CEO Michael Miebach highlighted on the company's [earnings call](#).

**How we got here:** Like rival [Visa](#), Mastercard's cross-border volume—which increased 58% YoY—was a big growth driver in Q2.

- According to CFO Sachin Mehra, **the company's 27% YoY jump in net revenues was primarily fueled by domestic and cross-border volume growth.**
- Cross-border travel was at 118% of 2019 levels, but Mehra noted that there's still room to grow as some countries' borders remain restricted or have yet to reach historical levels of growth.

**New tie-ups and partnership renewals likely also played a role in Mastercard's Q2 performance:** Mastercard completed the conversion of [Gap's newly launched](#) co-branded card portfolio, which was previously managed by Visa's network. The move brought 10 million cards into Mastercard's network.

- The company renewed co-brand deals for the **Barclays-issued Barnes & Nobles** and **Citi-issued Brooks Brothers** portfolios.
- Mastercard also added a slew of global partners in the quarter, including **National Australia Bank**. The company said it's now accepted at 90 million merchants' locations worldwide.

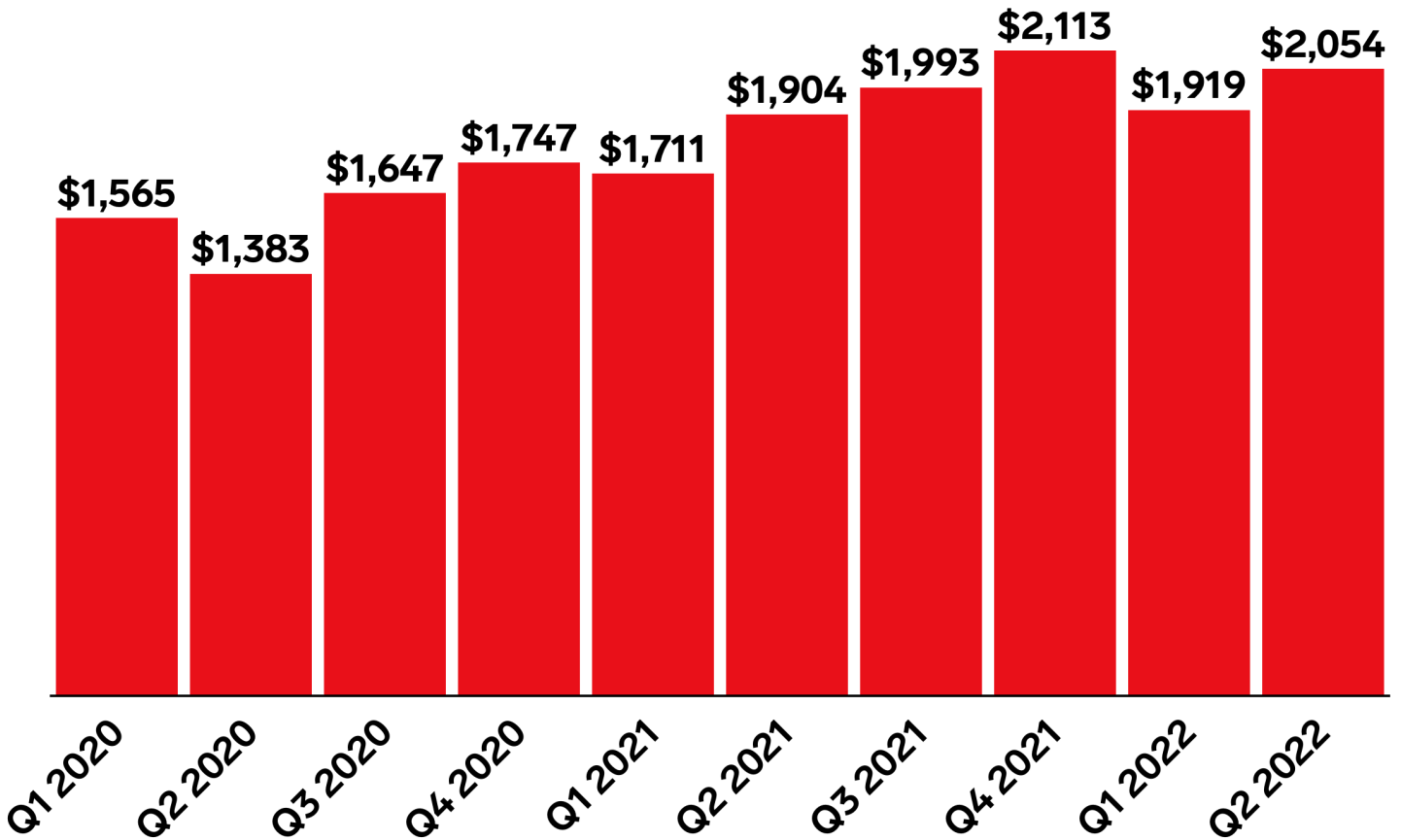
**What's next?** Mastercard is supporting acceptance of **Apple's Tap to Pay on iPhone** feature, the tech giant's software point-of-sale solution that it [unveiled](#) in February. The company is also [building out](#) its buy now, pay later (BNPL) program, Mastercard Installments, with several big-name partners including **JPMorgan, HSBC, and Apple**. **These moves can help Mastercard sustain volume as consumers lean further into mobile wallets and continue to [adopt](#) BNPL solutions.**

Miebach also highlighted three trends that present growth opportunities for Mastercard moving forward.

- 1. Value-added services to enhance payment functions.** Solutions like Mastercard's Identity Check authentication service are helping improve approval rates. Mastercard can strengthen its relationship with partners by continuing to scale these capabilities, which can also help increase volume.
- 2. Support for needs outside of payments.** Although payments remain Mastercard's core function, it's finding opportunities for services outside of the payments space: For instance, hotel chain **Travelodge** is using Mastercard's analytics platform, Test & Learn, to test out new investments and optimize its services.
- 3. Open banking and digital identity capabilities.** Mastercard continues to forge new relationships and capitalize on emerging payment use cases through **Aiia** and **Finity**, the open banking platforms it acquired. The company also **unveiled** its **Biometric Checkout Program** earlier this year. These moves can help Mastercard avoid disintermediation as new payments innovations come into play.

# 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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