

Mastercard (NYSE: MA) is a toll road for money, not a bank: it does not issue cards or lend — banks do — it connects them, switches the transaction and guarantees settlement, then bills those banks 'assessments' on spending volume, cross-border volume and transactions. FY2025 assessments of about \$40.0B (INFERENCE: sum of four reported lines) less \$20.5B of rebates and incentives left \$19.5B of payment-network revenue; value-added services (security, data, authentication, loyalty) added \$13.3B (+23%) for \$32.8B of net revenue (+16%) on \$10.6T of volume and a 57.6% operating margin. In Q2 2026 net revenue grew 14% to \$9.3B and services grew 20%, while rebates grew 22%. The bets are commercial and B2B flows, stablecoins (BVNK, closed 3 Aug 2026) and agentic payments; the costs are a customer base where five clients are 21% of revenue, a \$93B settlement guarantee and a long list of interchange lawsuits.

BUSINESS MODEL CANVAS

Mastercard

Research date: Oct 9, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Issuers** — banks and fintechs that issue credit, debit and prepaid cards and own the cardholder (FACT).
- **Acquirers and processors** — sign up merchants and route transactions into the network (FACT).
- **Settlement banks** — chosen by Mastercard and its customers to exchange funds (FACT).
- **Acquired capability** — Recorded Future (Dec 2024, \$2.7B) and BVNK (closed 3 Aug 2026) (FACT).
- **Digital and AI partners** — ~130 crypto co-brand card programs; 30+ firms at the Agent Pay for Machines launch (FACT).

KEY ACTIVITIES

- **Switch transactions: authorization, clearing and settlement** — 175.5B switched in FY25 (FACT).
- **Guarantee settlement and manage the credit risk of customers** (FACT).
- **Run the franchise** — onboarding, operating standards, security rules, dispute framework (FACT).
- **Build and sell value-added services** — security, insights, authentication, processing (FACT).
- **Extend into commercial flows**, Mastercard Move payouts, stablecoins and agent payments (FACT).

KEY RESOURCES

- **Global payment network and technology stack**, available 24 hours a day (FACT).
- **Brands** — Mastercard, Maestro and Cirrus; 3.7B Mastercard and Maestro cards at 30 Jun 2026 (FACT).
- **Data, tokens and AI** — ~40% of transactions tokenized in 2025 (FACT).
- **People** — ~39,800 employees in 90+ countries plus ~6,000 contingent workers (FACT).
- **Liquidity** — \$11.6B cash and investments; \$8B revolver (\$7.3B available) at 30 Jun 2026 (FACT).

VALUE PROPOSITIONS

- **Global acceptance and interoperability** across issuers and acquirers (FACT).
- **Security** — tokenization, authentication, fraud scoring and threat intelligence (FACT).
- **Settlement guarantee** backed by Mastercard's credit standing (FACT).
- **Services and insights** that help banks win customers and merchants grow sales (FACT).
- **Multi-rail and agent-ready** — Agent Pay and agentic tokens, stablecoin links via BVNK (FACT).

CUSTOMER RELATIONSHIPS

- **Volume-linked rebates and incentives** — \$20.5B in FY25, \$6.0B in Q2 2026 (FACT).
- **Dedicated sales force and global account teams** for large customers (FACT).
- **Top 5 customers ≈ 21% of FY25 net revenue** — renewals are high-stakes (FACT).
- **Franchise rules and dispute framework** bind participants to the network (FACT).
- **Bank-owned cardholder relationships** — Mastercard is usually invisible to consumers (FACT).

CHANNELS

- **Issuer-branded cards, wallets and tokens** on phones and browsers (FACT).
- **Acquirers, processors and gateways** connecting merchants (FACT).
- **Acceptance tech** — contactless, SoftPOS, Tap on Phone, Click to Pay (FACT).
- **Direct sales force and global account teams** for enterprise services (FACT).
- **Mastercard Developers** — one place to find and integrate APIs (FACT).

CUSTOMER SEGMENTS

- **Issuers** — banks and fintechs offering consumer credit, debit, prepaid and commercial cards (FACT).
- **Acquirers and processors** — serve merchants of all sizes (FACT).
- **Businesses and governments** — commercial cards, B2B, disbursements and security (FACT).
- **Consumers and merchants: indirect** — their spend creates the volume (FACT).
- **Emerging** — AI agent builders and stablecoin issuers (FACT).

COST STRUCTURE

- **Personnel \$7.3B** — more than half of the \$13.9B total operating expenses (FACT).
- **Data processing and telecommunications** \$1.3B; professional fees \$0.5B (FACT).
- **Advertising and marketing** \$0.9B; depreciation and amortization \$1.1B (FACT).
- **Provision for litigation** \$504M in FY25 (FACT).
- **Rebates and incentives of \$20.5B** are netted from revenue, not in opex (FACT).

REVENUE STREAMS

- **Domestic assessments \$11.0B (+8%)** — volume and cards issued (FACT).
- **Cross-border assessments \$12.0B (+18%)** — the highest-growth network line (FACT).
- **Transaction processing \$15.9B (+17%)** — per-transaction switching (FACT).
- **Value-added services and solutions \$13.3B (+23%)** — security, insights, authentication, processing (FACT).
- **Less \$20.5B rebates and incentives (+16%) = \$32.8B net revenue, \$9.3B in Q2 2026 (FACT).**