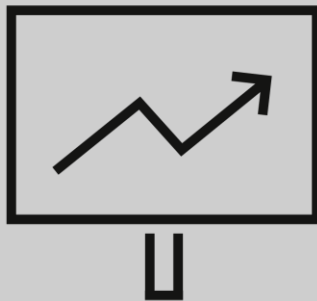
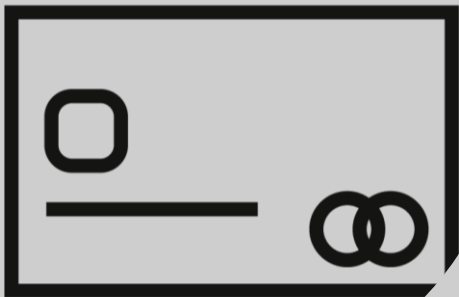




Retail Transformation: Payments Industry Trends



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Mastercard



210

Countries & Territories



150

Currencies



56B

Transactions a year
across our network



Faster than a
blink of an eye





Brazil's cards market

2019

BRL 1,84 TRI
Transacted amount

Credit: **63%**
Debit: **36%**
Pre-paid: **1%**

22.5 BI
Nº of transactions

Credit: **50%**
Debit: **48%**
Pre-paid: **2%**

43.2%
Market share



2020

BRL +2 TRI
Transacted amount

Credit: **59%**
Debit: **38%**
Pre-paid: **2%**

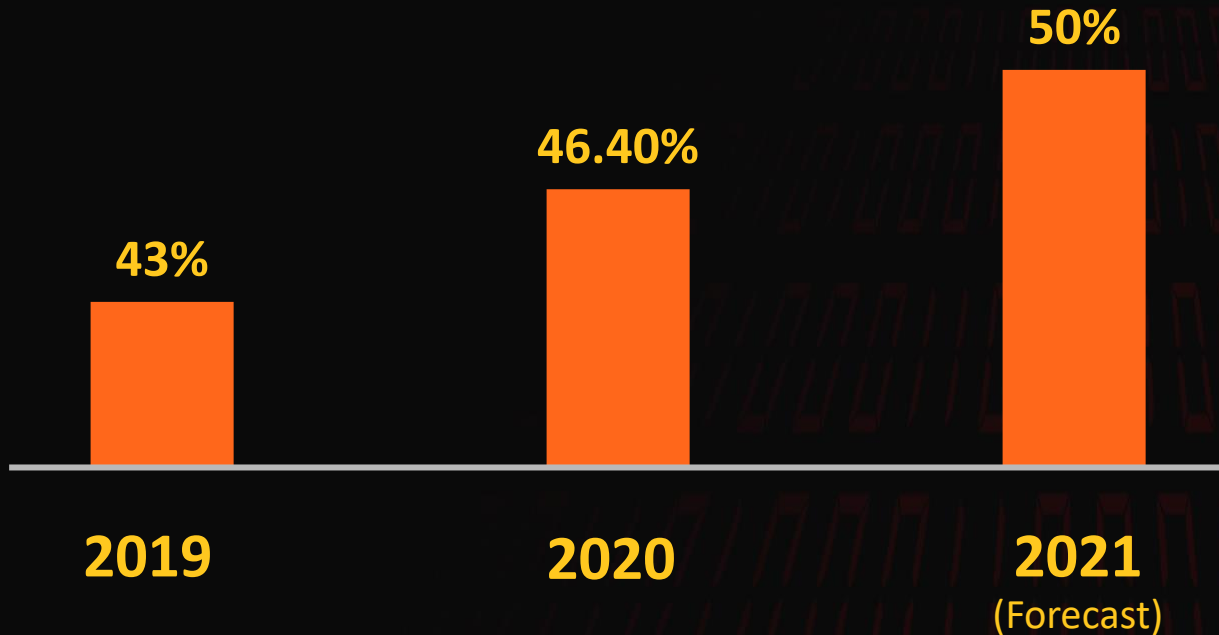
23.3 BI
Nº of transactions

Credit: **47%**
Debit: **49%**
Pre-paid: **4%**



Brazil's cards market

Electronic Payments Measures (EP) penetration in consumption of Brazilian families (Abecs)

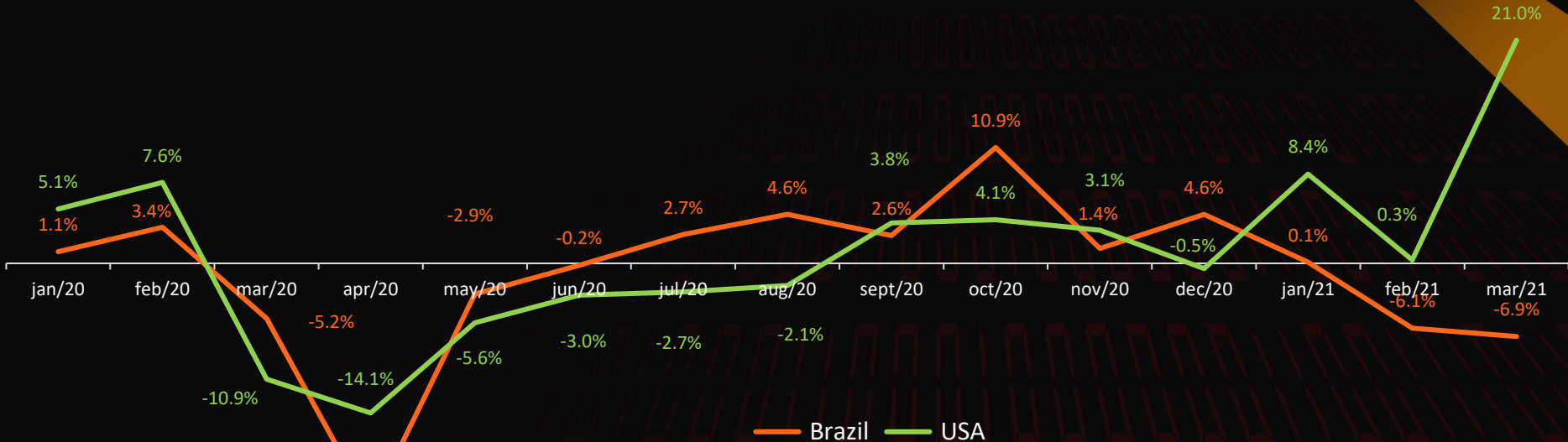


Brazil's Central Bank established as goal for EP to achieve 60% of penetration by 2023



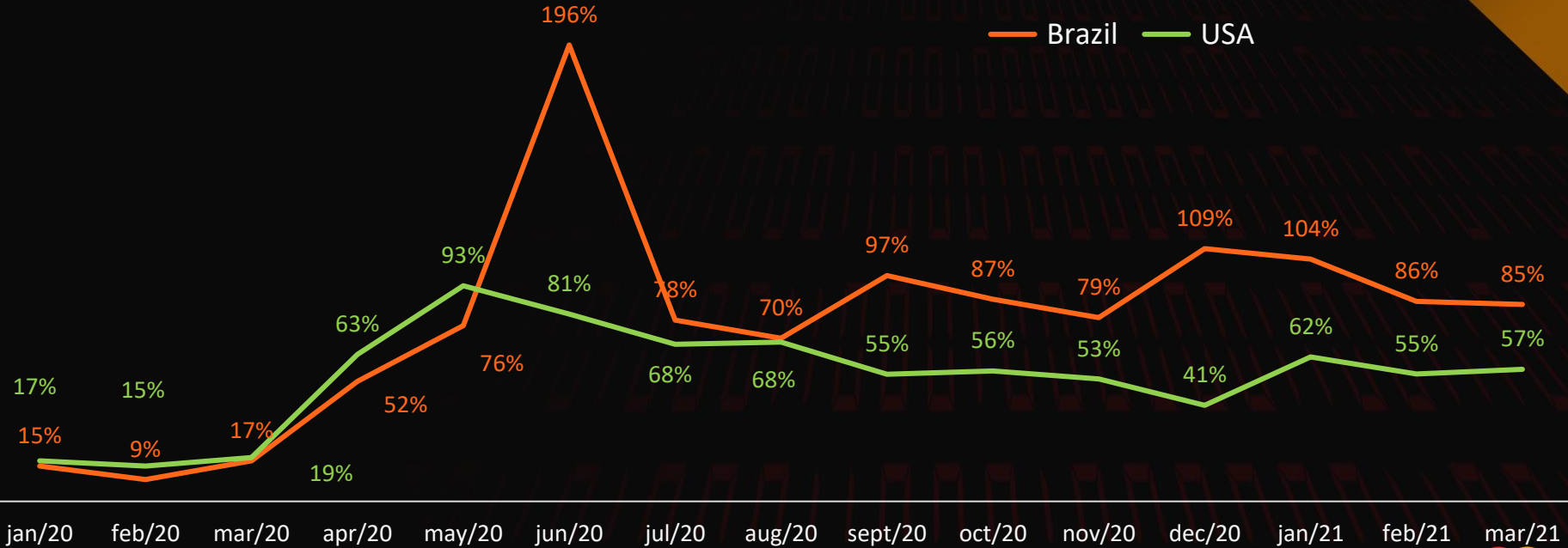
Retail market during pandemic (YoY)

Retail (YoY)



Accelerated digital transformation

E-commerce (YoY)



Digital purchase



46% of Brazilians increased their volume of online purchases during the pandemic



7% purchased online for the first time during the quarantine



Challenges for e-commerce

Given its irreversible trend in the post-pandemic, e-commerce requires more flexible and permanently updated cybersecurity systems to ensure businesses' credibility and prevent fraud.



Challenges for businesses:

- Adapting to the requirements of the General Data Protection Law (LGPD)
- Avoiding attacks on their consumer databases and ensuring operational security
- Identifying buyers with greater assertiveness
- Providing easy and secure means of payment



Changes to in-store purchases

- Contactless payments recorded a **298%** growth in 2020 (330 million transactions in 2020)



- **11%** requested an NFC-enabled card for the first time during the quarantine
- **18%** already had a card with this functionality and used it for the first time during the pandemic
- **35%** intensified contactless operations during the pandemic



Real-time payments



They generate advantages for the recipient's cash, whether a business or an individual, and make it easy for payers.

Challenges for institutions:

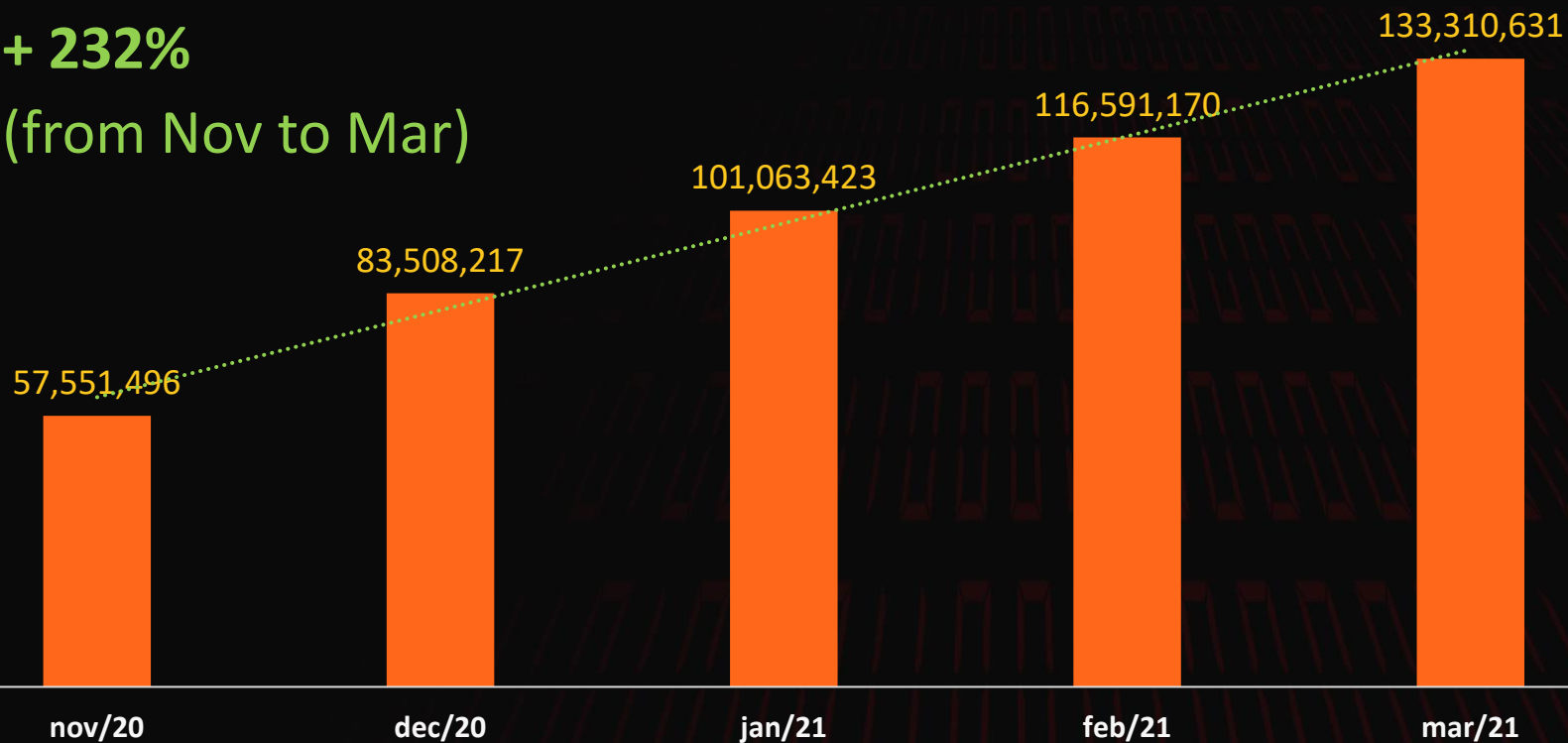
- Providing additional mechanisms for consumer validation.
- Keeping the security system permanently updated to identify fraud and money laundering.
- Estimating the amount to be deposited in a reserve BC account for guaranteeing the transactions.



Registered Accounts

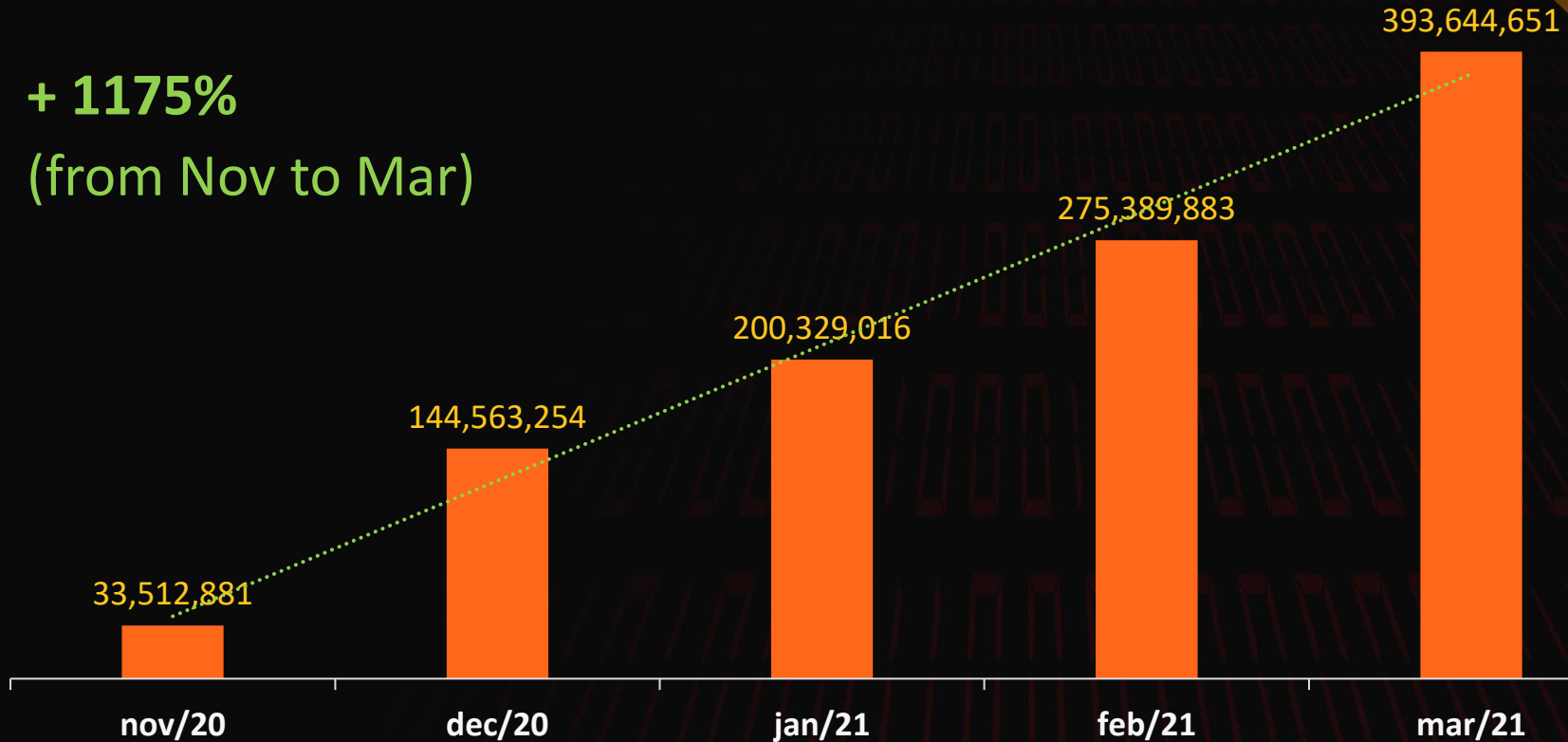
+ 232%

(from Nov to Mar)



Number of Transactions

+ 1175%
(from Nov to Mar)



What lies **right ahead**

Artificial intelligence, behavioral biometrics and data analysis will change the way people interact with businesses.

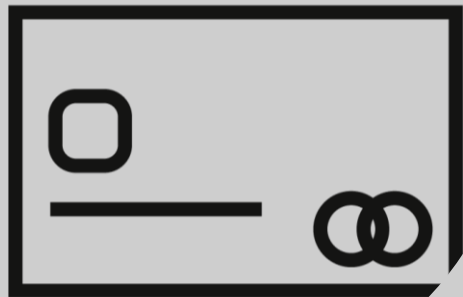


People will be increasingly connected and demanding, and seek freedom of choice, good experiences and protection for their data.



Data analysis will be businesses' main ally to better understand people's behavior and consumption habits.





Thank You!

João Pedro Paro Neto

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