

ACCEPTANCE

BREAKING THROUGH THE DIGITAL AGE
TO EXPAND TRANSACTIONS FOOTPRINT

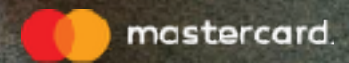
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VP, Government and Development LAC

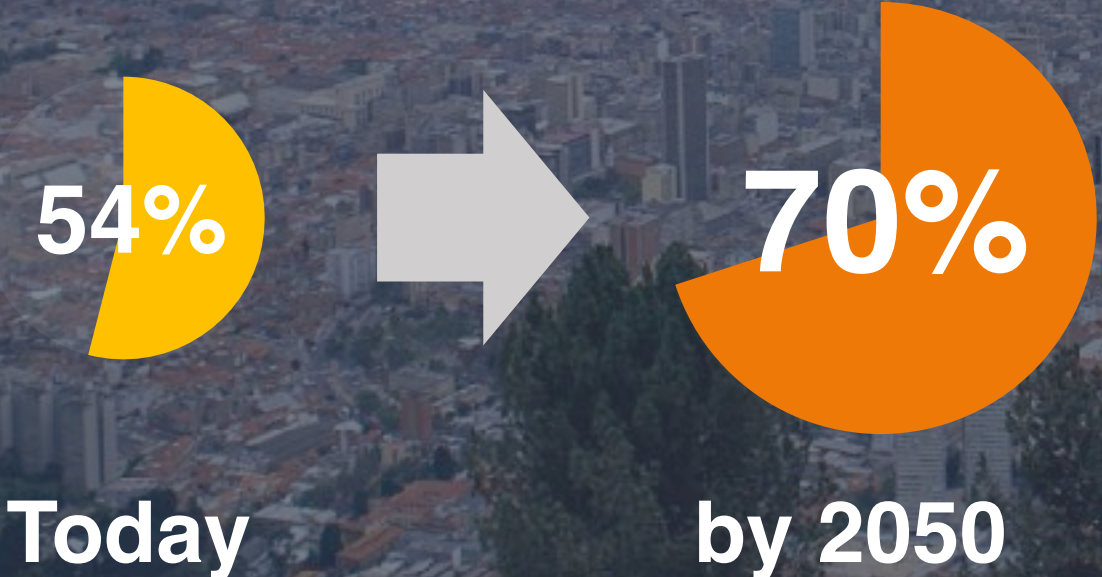




The future of cities



The world is becoming more urban, people living in cities is expected to grow to 70%



Mastercard is helping cities to move beyond the daily friction caused by cash

1

Advancing efficient mobility

Financial inclusion and more cards

2

Advancing connected commerce

Acceptance expansion

More card usage at the POS

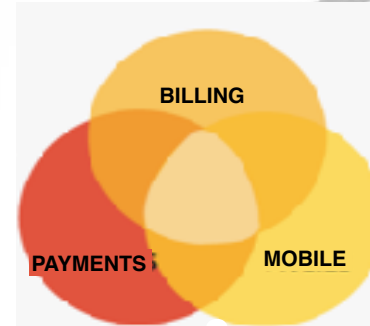
A young woman with curly hair, wearing a floral patterned shirt, is smiling and holding onto a yellow handrail on a bus. Other passengers are visible in the background.

Mastercard is driving financial inclusion by enabling contactless payments in urban transportation

About **65%** of
all urban
transportation is
still **paid in
cash**

The goal is to integrate new technologies to make public transportation more efficient

- Generate economy and efficiency for transport operators
- Improve citizens' quality of life by offering convenience and eliminating queues to buy the ticket
- Mastercard has solutions to meet the specific needs of each city

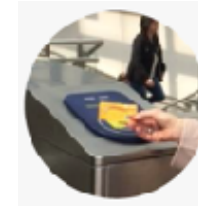


Digital convergence with payment through cell phones



1 Contactless card

- Standard EMV – bank cards
- No need for recharge network
- Interoperable network
- Technology integrable with the existing model



2 Hybrid Technology

- Standard EMV security new cards
- No need for recharge network
- No need for new infrastructure
- Mastercard's patent



3 Mobile apps

- Mobile app for ticket purchase
- No need for recharge network
- Need for QR code reader



The implemented solutions have proven to be an enhancement for all parties involved (1/2)

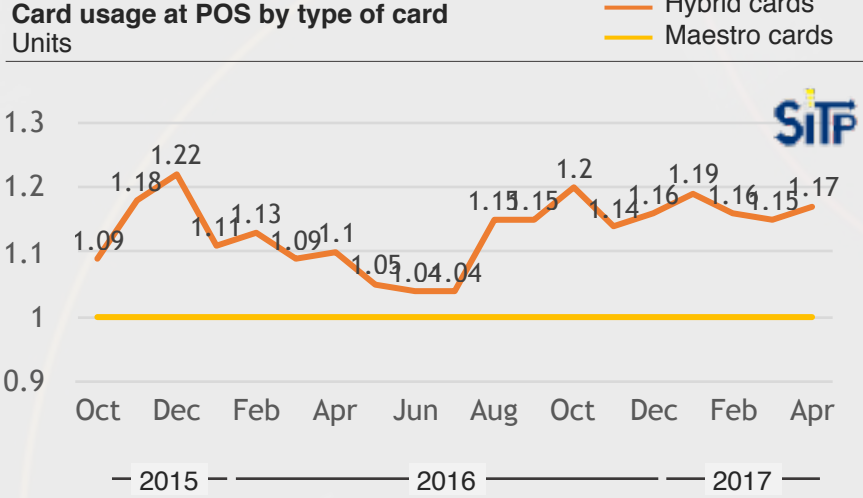


~50K new Mastercard cards with the transit functionality were **sold within one day**

- These cards aim to provide a solution for the unbanked segment giving them access to electronic payments



POS usage has increased by ~15% over cards that don't have the transport functionality



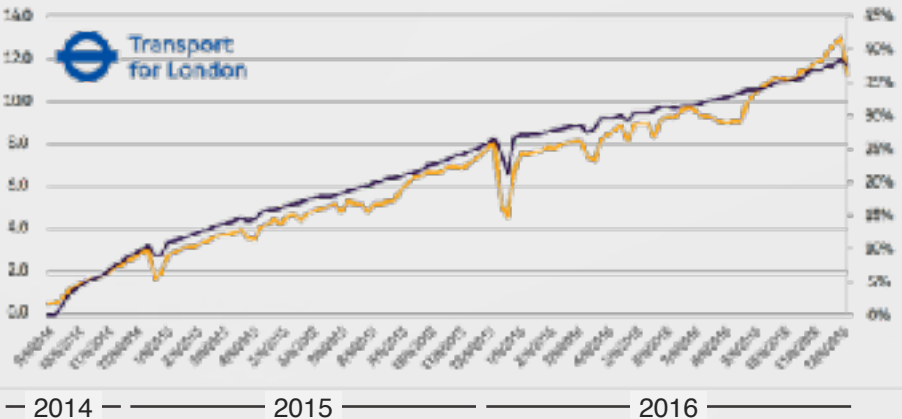
The implemented solutions have proven to be an enhancement for all parties involved (2/2)



Penetration of **PAYG** has surpassed expectations by reaching **~40% of total journeys**

Adoption of Contactless EMV
Number of journeys, Penetration

— Contactless journeys
— Penetration of PAYG



High **penetration of smartphones** has opened an opportunity for **mobile ticketing**

NEW YORK (MTA)

- Within 3 months, the app had surpassed \$47M ticket sales, and had over 280K unique users



LAS VEGAS (RTC)

- 100K tickets sales accounting for 10% saving in 10 months since launching of mobile ticketing



Mastercard is bringing partners together and harnessing our technology to expand acceptance

Small businesses
account for 90% of all enterprises and they have been historically **underserved** when it comes with their **ability to accept electronic payments**



Developing more affordable but equally secure solutions for payment acceptance devices



Masterpass QR Code

- A new electronic payment option that allows customers to pay for goods and services from their mobile phones by scanning QR codes displayed at store's checkout
- Available in eight countries in Africa and Asia



Phone as an NFC terminal

- A new development focused on making every device a payment and acceptance device, allowing mobile phones to accept contactless payments from both phones and cards
- Pilots in UK and Poland

Expanding our merchant footprint by working with partners to offer new solutions for SMEs

Who they are...

- A digital company that maps cities and citizens by crowdsourcing location data to drive transactions between consumers, merchants and brands
- Financial technology companies for small businesses that allows anyone selling anything to accept a credit card transaction by using a small device that connects to a smartphone, tablet or dedicated wireless device



iZettle



How we work together...

- Identifying key small merchants that have high foot traffic
- Enabling a low-cost electronic payment solution
- Launching specific promotions to drive usage
- Enabling a low-cost electronic payment solution with small merchants allowing them to play in the same turf as large ones



Q&A



Remember to fill out

Check out the MasterCard swag
at the MC Store!