

Pix by the Numbers

PayPal and Venmo took over 10 years to reach 100 million users. Pix? 12 months.

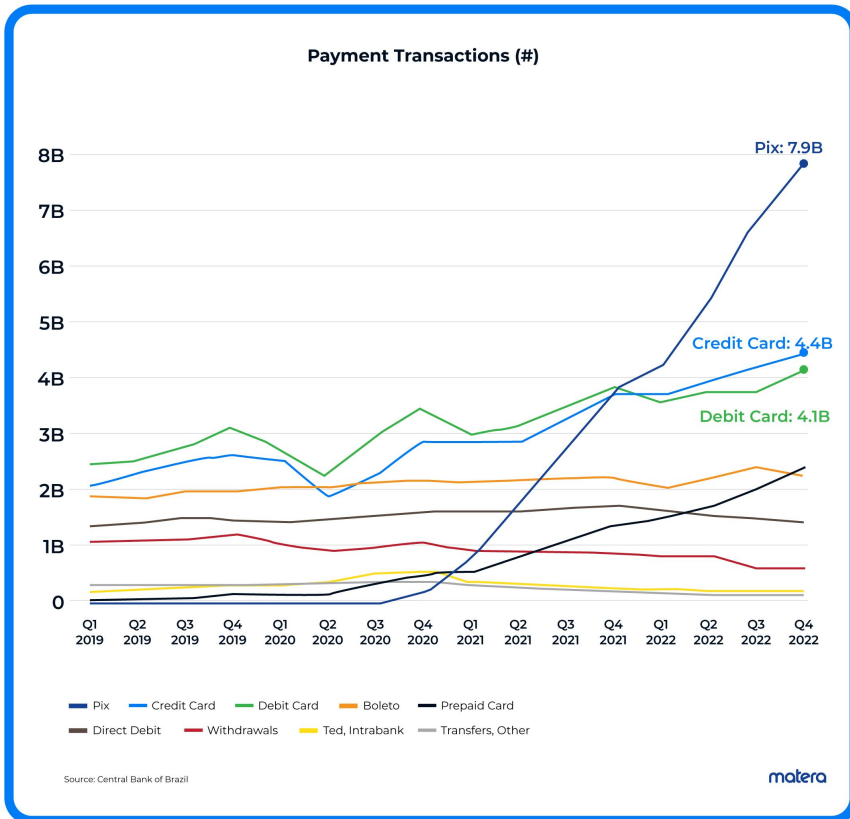
Even though Pix has posted unbelievable volumes in its first 2 years, there's room for continued growth as greater functionality is planned for 2023 and beyond. Take a look at the statistics behind the success and growth of Pix:

Volumes continue to soar, with nearly 3 billion Pix transactions in December of 2022.

For all of 2022, there were more than 24 billion Pix transactions worth ~\$2 Trillion USD. That's more than double 2021 volumes of 10 billion transactions. Over 133 million consumers and 10 million businesses use Pix.

Is Pix replacing credit cards? Not Yet.

In Q4 2022, the number of Pix transactions (7.9 billion) was 80% higher than credit and 93% higher than debit transactions. However, the number of credit and debit transactions continued to increase in 2022, albeit at a slower pace than Pix. The share of credit and debit transactions as a percent of total is declining. As of Dec 2022, Pix transactions were 34% of total vs. 19% for credit cards and 17% for debit cards.



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Nearly 20% Pix transactions initiated by QR Codes.

As merchants continue to adopt Pix, the use of QR Codes continues to grow. Nearly 20% of instant payment transactions are initiated by QR Codes. QR Codes are especially popular for in-store and on-line purchases as consumers don't have to even enter their bank account information or alias when checking out. It's a truly all digital payment experience.

Merchants love Pix - 20% of Pix transactions are consumers paying businesses instantly.

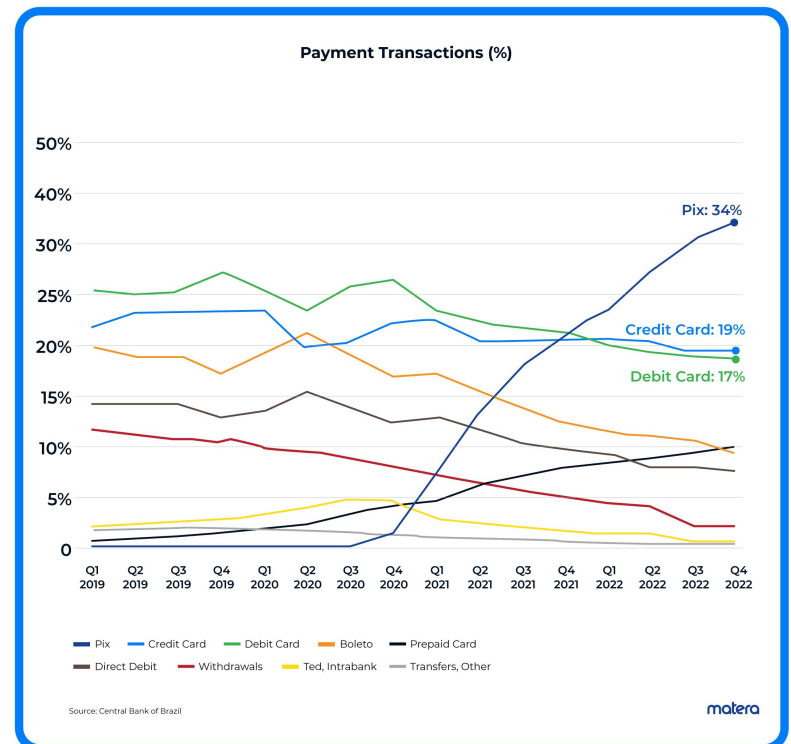
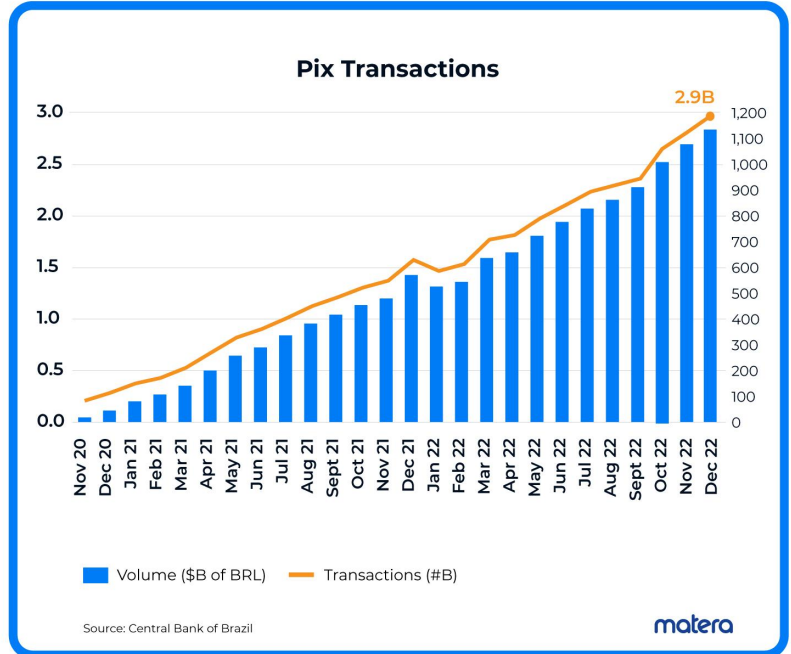
When Pix launched, it was primarily used for person-to-person payments. Over time, business-related use cases grew. While 14 billion of the total 24 billion Pix transactions in 2022 were between two people, the number of person to business transactions nearly quadrupled in 2022 to over 4 billion.

The average value of a Pix transaction between two people is approximately \$50 (USD).

As Brazilian consumers have become more comfortable using Pix, the average value of a Pix transaction has come down across all use cases. In the merchant space, the average value of a P2B Pix transaction was approximately \$38 (USD) in December 2022 which is down more than 35% compared to December 2021.

Pix is embraced by younger generations, but older consumers are getting on board.

As of December 2022, 63% of Pix transactions were from consumers ages 20 - 39. But, consumers 40 - 59 now make up nearly 30% of Pix transactions and are growing.



Our Take

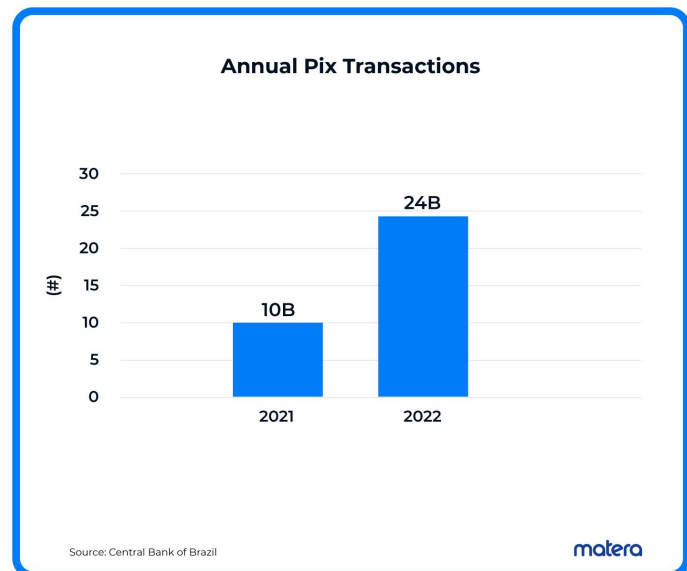
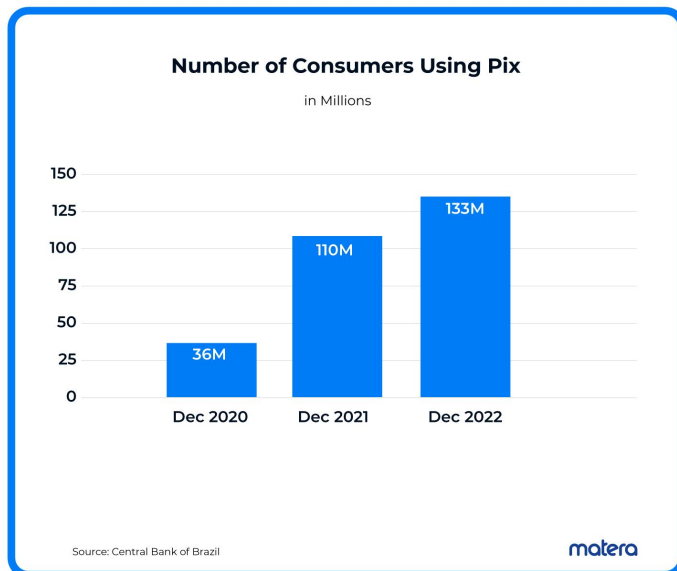
Pix transformed the Brazilian economy. And, there's much more to come. The Central Bank outlined the roadmap of product enhancements recently and includes things such as recurring payments, efficiency improvements and better fraud protection.

But, it's the innovations on top of Pix (that are NOT mandated by the Central Bank) that may drive the biggest growth in transactions and revenue opportunities for banks. Take Pix Credit, for example.

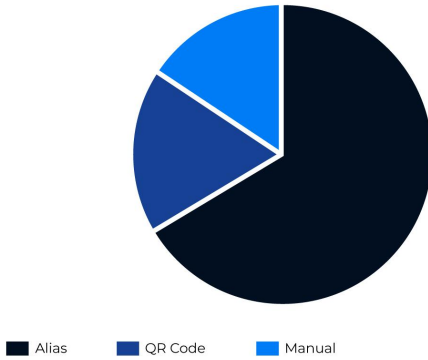
Nubank, Digio, Banco BV and others are enabling customers to use their credit card limit to make payments with Pix. Payments can be made all at once, or in up to 12 installments. When customers use Pix Credit, the amount paid via Pix shows up on their credit card bill, and they actually have more time to pay. There are several reasons why consumers might use Pix Credit.

- When they need to make a payment, but don't have a balance in their account (e.g. emergency medical bills or paying an electrical bill).
- When a store offers a discount on purchases for payment with Pix. With Pix on Credit, consumers can take advantage of the discount, but continue to pay the bill with their card, up to 12 times.
- Those who want to concentrate all their expenses on their card bill to keep their finances organized.

There is a cost to consumers for Pix Credit. The interest rate charged by banks typically varies from 3.9% - 9.9%.



Form of instant payment initiation
August 2022

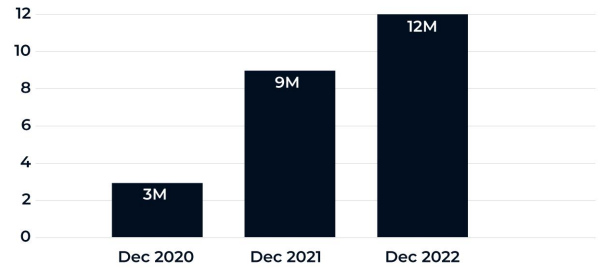


Source: Central Bank of Brazil

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Number of Businesses Using Pix

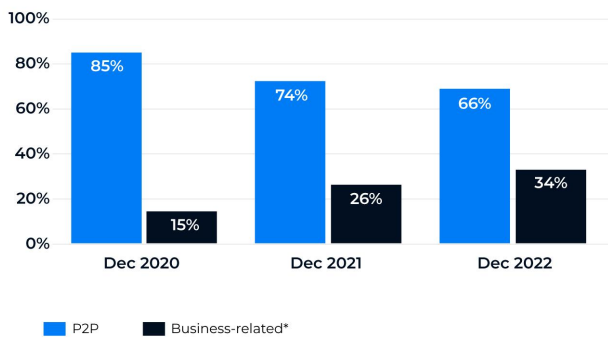
in Millions



Source: Central Bank of Brazil

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% Number of Pix Transactions



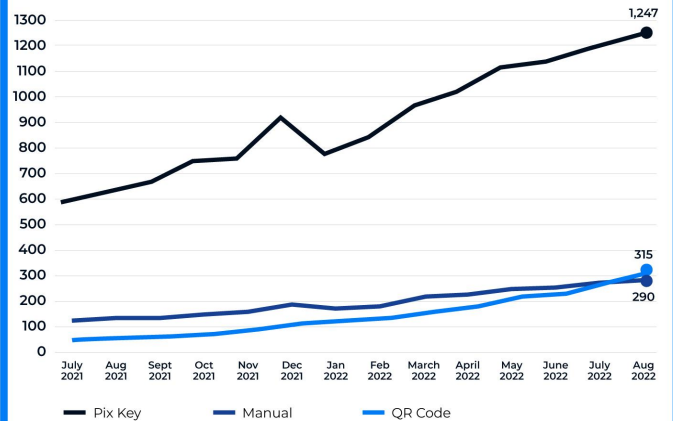
*Includes P2B, B2P, B2B

Source: Central Bank of Brazil

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Method of Pix Initiation

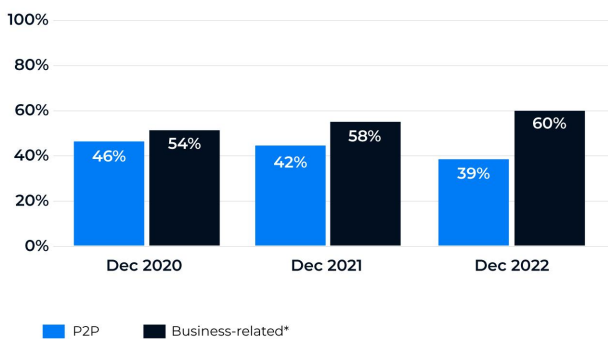
Millions of Transactions



Source: Central Bank of Brazil

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% Value of Pix Transactions

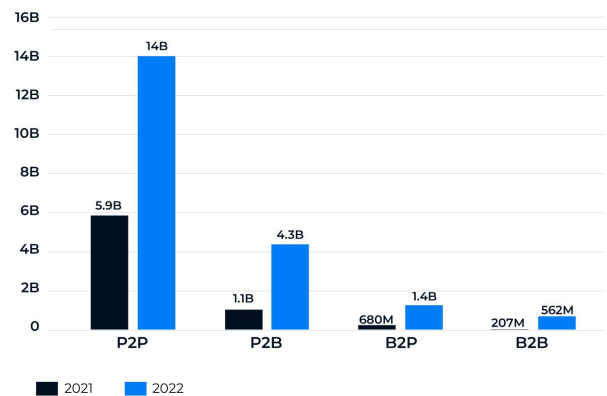


*Includes P2B, B2P, B2B

Source: Central Bank of Brazil

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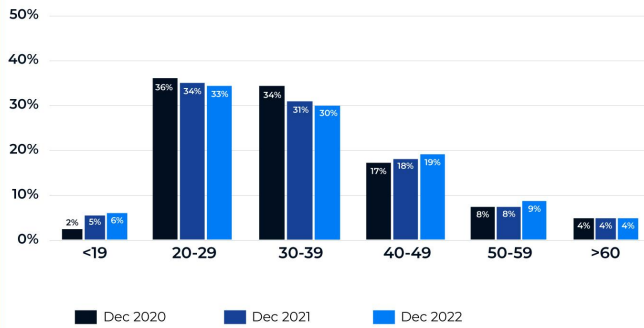
Annual Pix Transactions By Type



Source: Central Bank of Brazil

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% of Pix Transactions by Age

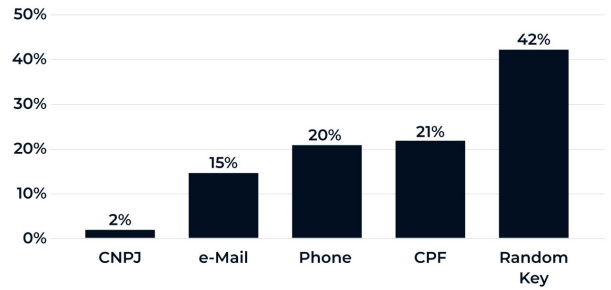


Source: Central Bank of Brazil

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Aliases by Type

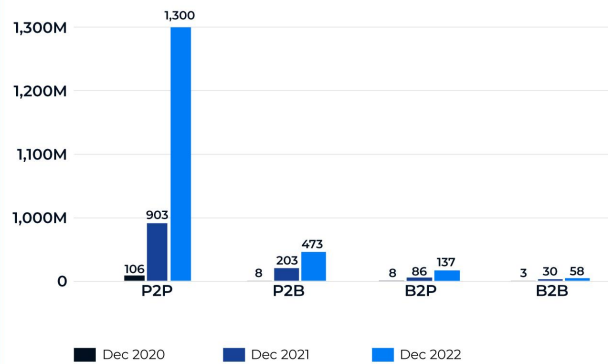
(December 2022)



Source: Central Bank of Brazil

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Pix Transactions by Type

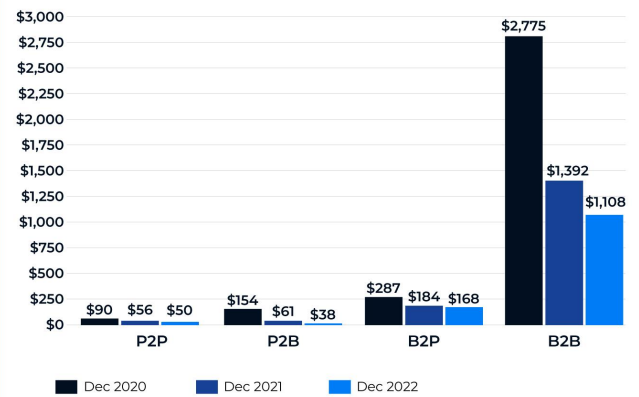


Source: Central Bank of Brazil

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Average Value per Transaction

in US Dollars



Source: Central Bank of Brazil

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