

The Future Is *NOW*



There are rapidly evolving trends in payments

The number of mobiles
– and within this smartphones –
is increasing exponentially:

2.7
billion

smartphone users
in the world by 2019¹

The growth of
e- and m- commerce:

3.2 billion internet
users today
globally vs 400
million in 2000²

82%
of Europe's
population in 2015

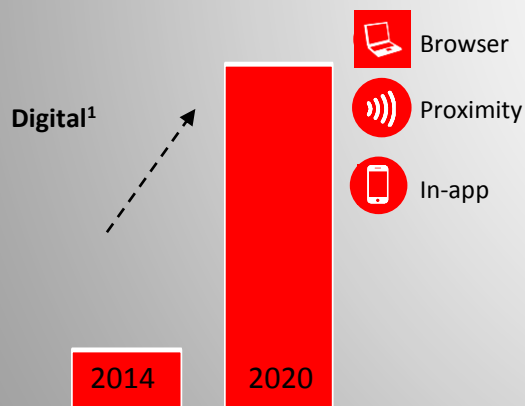
Mobile phone
and tablet users will make
almost

200
billion
mobile commerce
transactions
annually by 2019³

1. Statista: Smartphone penetration amongst mobile users worldwide 2014-2019, [link to website](#)
2. International Telecommunications Union, 2015, [link to document](#)
3. Juniper Research, [link to website](#)

The *Digital Shift* is the biggest revolution since the introduction of plastic cards

Share of digital payments is growing; **by 2020, more than 30% of transactions will be digital**



Source 1: Business Insider, 2015; The Internet of Everything 2015

Proliferation of connected devices; by 2020 there will be **34 billion** connected intelligent devices in use



The average consumer uses multiple devices throughout the day and moves between them seamlessly.

90%

of U.S. households have at least three connected devices.¹

98%

of people move between devices during the day.²

90%

of people use multiple screens sequentially to accomplish a task.²

• Source: 1 Ericsson Mobility Report North America, November 2014 2 The New Multi-screen World: Understanding Cross-platform Consumer Behavior, Google, 2012

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With the opportunity to
make **every** connected
device a **commerce device**

Creating new shopping experiences for consumers



Virtual Store front



Showrooming



Connected devices



Mobile POS terminal



Omni channel shopping



Buying in aisle



Biometry



Location-based app & offers



Wearables

SHOPPING CONTACTLESS

Card

A contactless-enabled card has an antenna inside to communicate with a terminal and enable contactless transactions with a simple tap on the terminal



Mobile

Also contains an NFC antenna, card details are stored in either a secure element in the phone or SIM, or in the cloud. Allows for additional services like rewards, transaction history, etc.



Paying contactless is a reality around the world



MasterCard or Maestro contactless cards and devices are accepted at over 5 million merchant locations worldwide (as of Q1 2016).



Contactless is active in 77 countries worldwide, and in 45 countries in Europe.



In Europe, there are 24 countries with more than 100 commercially live & pilot mobile contactless projects.



Almost 4 in 5 MasterCard and Maestro in store transaction are contactless in Czech Republic and more than 2 out of 3 every second in Poland¹.





Contactless mobile payments provide fast, simple and secure payment solutions. Different deployments have emerged.



Transport For London



1 out of 10 contactless transactions in the UK are made on TfL's network, making it one of the largest contactless merchants worldwide

MASTERPASS IS THE WAY YOU PAY *SIMPLY AROUND THE WORLD*



Simplifies
the shopping
experience



Consumers can pay with
an enrolled payment card
anywhere using any
device



Card information
and shipping
details all securely
stored in one place,
easily accessible
during checkout.



Eliminates the need to
enter detailed payment
and shipping information
for every purchase



How MasterPass Works



MasterPass – now live in 31 countries and at over 270,000 retailers around the world



MasterPass at Wagamama, ASK Italian, Zizzi, Young's pubs and Carluccio's restaurants in the U.K





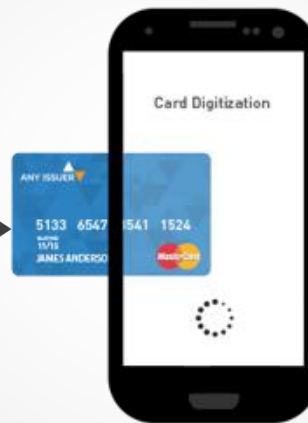
Every card can be digitized into a mobile device to offer ubiquitous payment experience



Tokenization



Digitization



Purchases

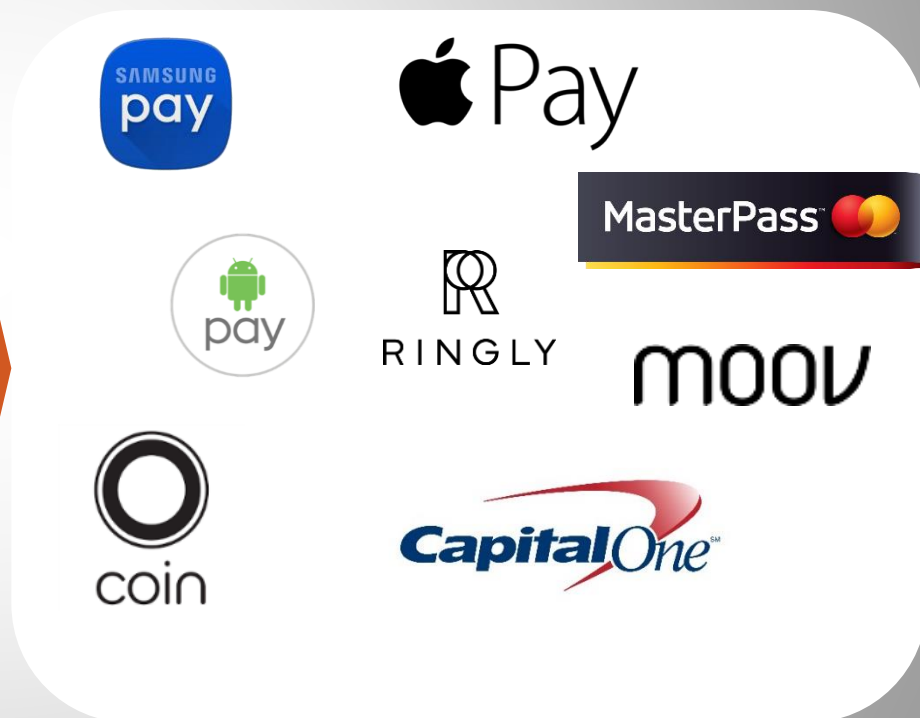


Digitization of our network via MDES

MDES is a service that creates a “digital” version of a MasterCard plastic card

How we do this

- 1 Ensure that the person trying to obtain a digital MasterCard card is authorized
- 2 Tokenize the Primary Account Number (card number), which makes the digital account number useless if stolen
- 3 Add EMV-like security



Apple Pay - UK


- Launched in July 2015
- Available on iPhone 6/6s®, iPhone 6/6s Plus®, Apple Watch, iPad Pro, iPad Air 2 & iPad mini 3 and 4



Android Pay – UK since May 2016

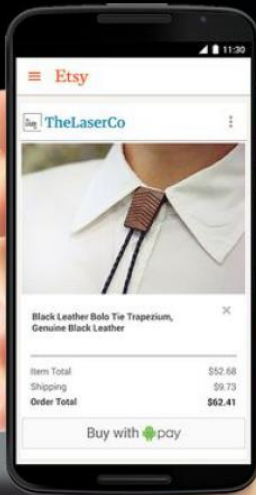


In-store



Tap terminal to pay with your credit or debit card, or to redeem offers and gift cards, or to collect loyalty points at 1M+ retailers*

In-app



Press "buy with android pay" to checkout faster and directly in some of your favorite merchant apps

* In the U.S

**Shop
in Store**



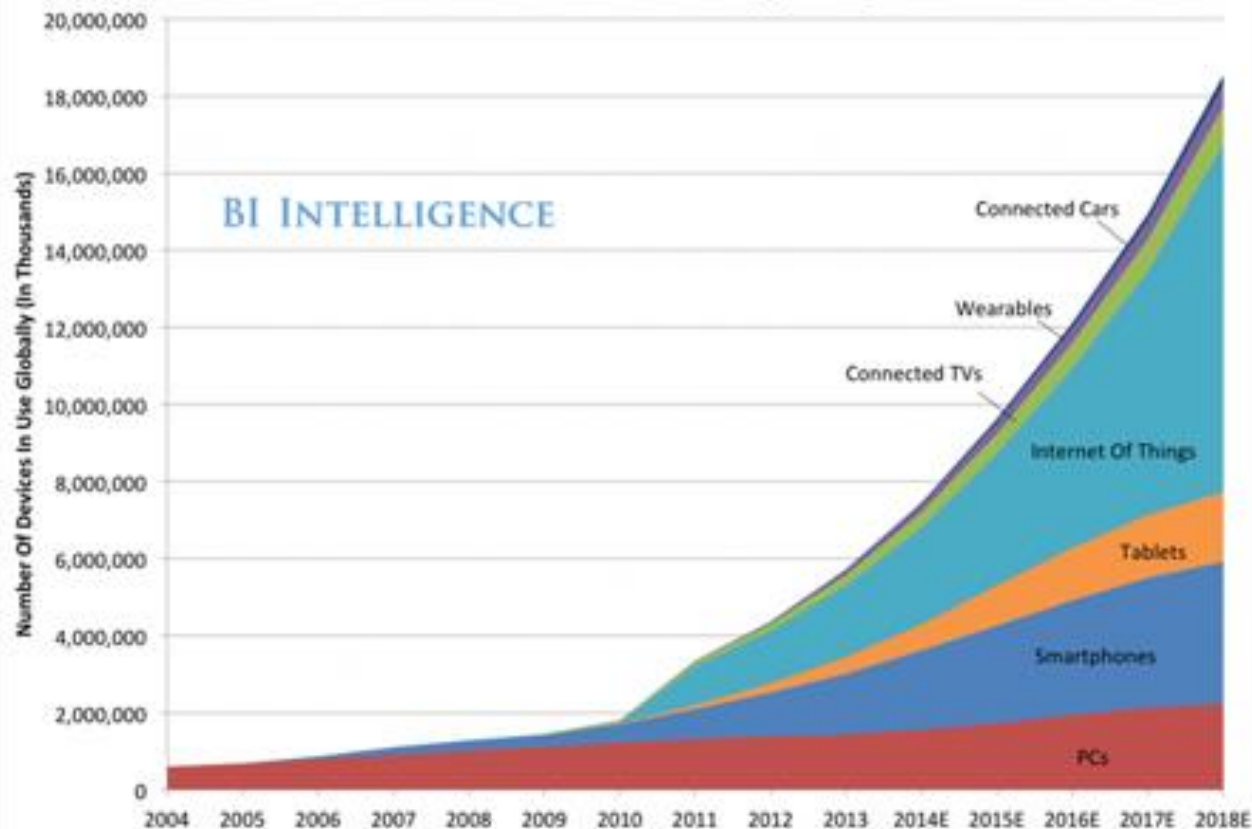
**Shop
in Home**



**Shop
Anywhere**



The Internet Of Everything

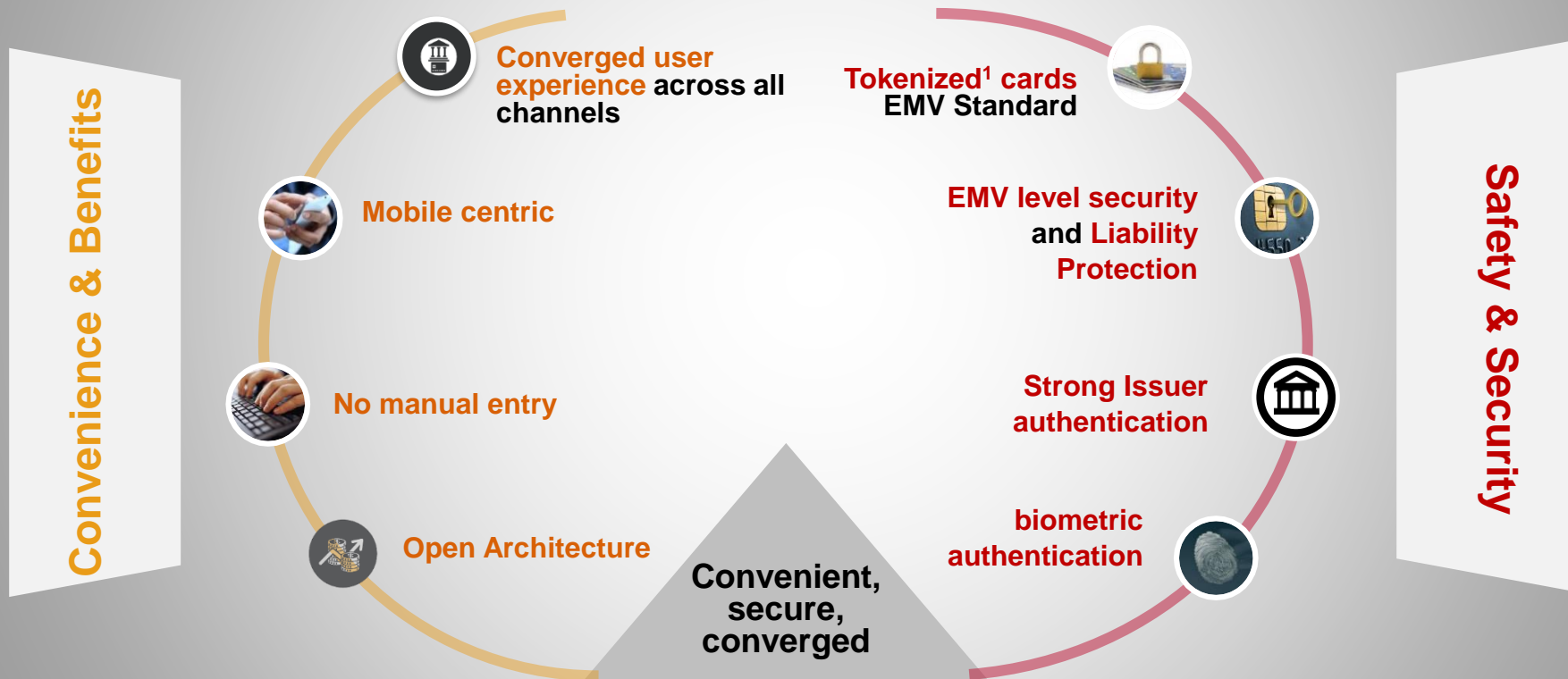


Source: BI Intelligence Estimates

INTERNET OF THINGS



Eliminating the trade-off between security and convenience



1. Tokenised and provisioned to a mobile device

The Future is Now!

Questions?

