

# Pix Deep Dive

2025

stoneco

## Pix Launch

Pix was designed by the Brazilian Central Bank ("BCB") after a gap analysis that identified, among other inefficiencies, an excessive use of cash as a means of payment at the time. As a result, BCB had the following goals<sup>1</sup> for building an instant payment solution:

- ✓ Reduce the use of cash and promote greater digitization of the means of payment;
- ✓ Foster competition and promote efficiency in the retail payments market;
- ✓ Encourage innovation and enable new business models, not only in the financial and payments industry, but also in other activities in the real economy;
- ✓ Democratize the access to electronic means of payment and contribute to financial and digital inclusion;
- ✓ Reduce the cost of electronic transactions;
- ✓ Provide an experience, in the use of electronic means, that is simple, safe and without friction.

**As a result, Pix was Created through Resolution 1 from the BCB with the following characteristics:**

- ✓ Free for Peer-2-Peer ("P2P") transactions and low cost for Peer-2-Business ("P2B")
- ✓ Instant Settlement
- ✓ Available 24 hours, 7 days a week
- ✓ Easy to use experience
- ✓ Adopted by an array of institutions



<sup>1</sup>Source: Pix Management Report, Conception and First Years of Operation – Brazilian Central Bank, 2023.

# Regulation

## Participants required to be part of Pix are:

- Financial and payment institutions with a license to operate granted by the Central Bank and that have more than 500k active transactional accounts (including checking, savings and payment accounts)

## Security around Pix

As Pix gained relevance, the Central Bank increased its security by implementing several important measures, such as:

- Mandatory fraud records and reports prepared by financial and payment institutions<sup>1</sup>;
- Nighttime limits by which users are limited to transactions of up to R\$1k between 8 p.m. and 6 a.m, as a general rule, and;
- A Special Return Mechanism to request return of funds in case of frauds and other scenarios (“Mecanismo Especial de Devolução”)<sup>2</sup>

<sup>1</sup> Source: [Central Bank of Brazil Resolution No. 142/2021 – Security Measures and Nighttime Limits](#).

<sup>2</sup> The scheme presented below is simplified. Source: [Central Bank of Brazil Resolution No. 1/2020 – Creation of Pix and MED](#).

## Timeline and Agenda for New Developments

Since Pix was launched there have been several developments around the topic, some of which are presented in the timeline below:



<sup>1</sup>Pix Saque: Cash withdrawals via authorized merchants.

<sup>2</sup>Pix Troco: Receive cash as change from a digital payment.

## Timeline and Agenda for New Developments

Since Pix was launched there have been several developments around the topic, which are presented in the timeline below:



The **Pix Forums** are the meetings that outline the upcoming products and features to be added to the ecosystem in the coming years, aiming to boost usage and further expand the use cases supported by Pix. One example of this agenda is “Pix as Guarantees<sup>2</sup>” which still has no date defined to be launched.

\*No rules have been published for these Pix features as of the date of this report.

<sup>1</sup> Pix Parcelado: Allows Pix transfers to be made in installments usually related to a credit operation granted by payers PSP.

<sup>2</sup> Pix Garantia: Enables future Pix receivables to be used as collateral in credit operations.

<sup>3</sup> Pix Automático: Allows customers to schedule automatic Pix transfers for regular payments, such as subscriptions or monthly bills.

## Types of Pix

Several products have been developed on top of Pix rails.

However, it is also important to note that there are two main forms in which Pix transactions can be classified:

- according to the nature of payers and payees and/or;
- according to the initiation type of the transaction.

### Payers and Payees:

**There are 3 natures of payers and payees in the Pix Ecosystem:**

- Peers (P) – individuals
- Business/ Merchants (B/M) – legal entity
- Government (G)

**Transactions are always presented in a Payer > Payee logic.**

**Example: a P2G transaction is a transaction in which a person is making a transaction to an entity of the Brazilian Government.**

### Initiation type

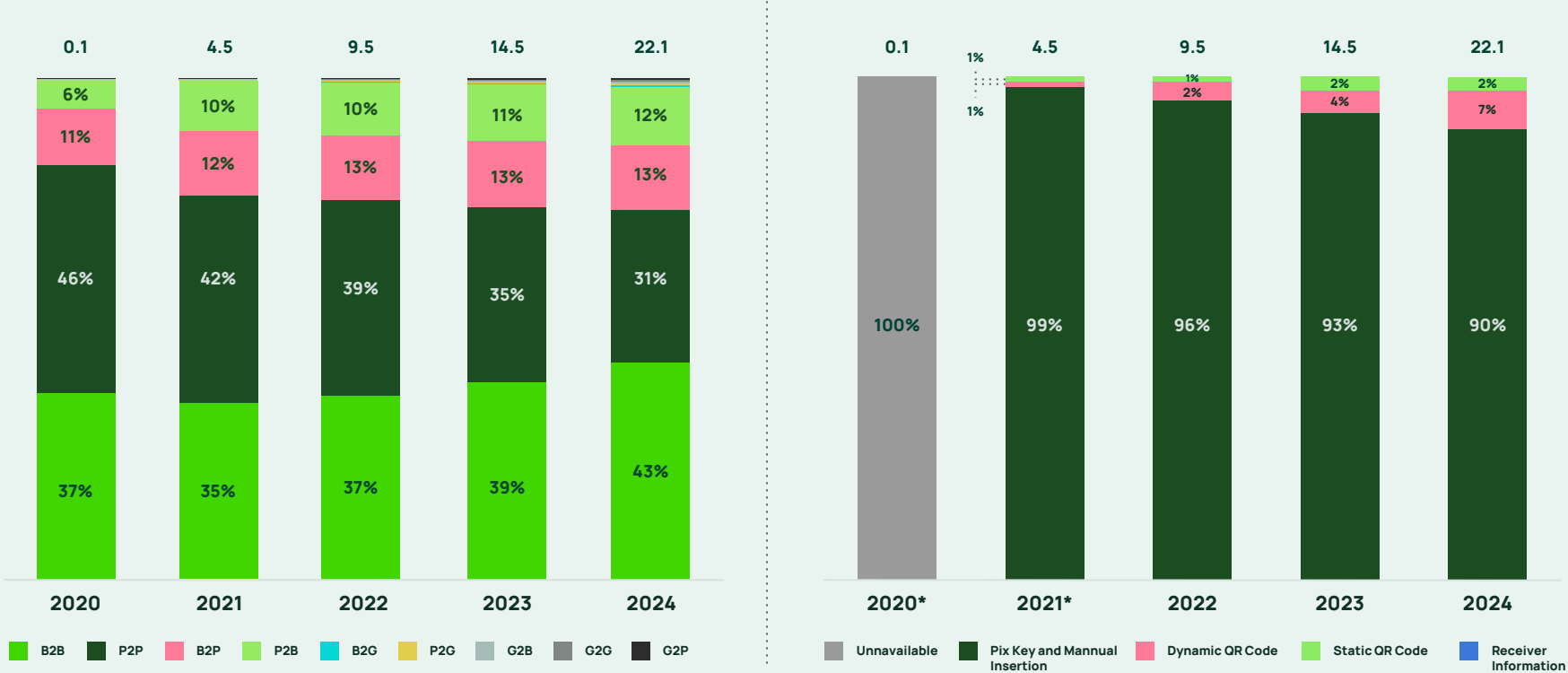
**Each Pix transaction can be initiated through a different type of instrument, namely<sup>1</sup>:**

- Pix Key and Manual Insertion
- Dynamic QR Code
- Static QR Code
- Initiation with all the information from the payee (similar to a wire transfer)



# Pix in Numbers

As a result of the characteristics of Pix, it has had impressive growth in the past years with a **CAGR of 259%** between 2020 and 2024, with P2B and B2B transactions gaining relevance in the past years.



\*Information for Initiation Type is not provided for 2020 and the first quarter of 2021.

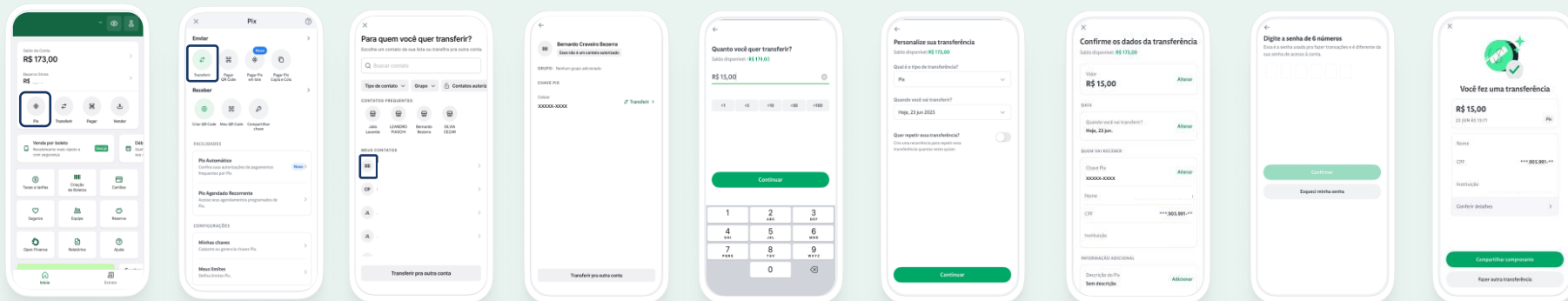
# Pix P2P Workflow

As one of the goals from the BCB was to democratize the access to electronic means of payment, **any individual or business with a transactional account** can have access to Pix.

As soon as the bank account is established, it is usually part of the onboarding process to create a Pix Key, which can be:

- **CPF (Individual Taxpayer Identification Number)** .....► **Necessarily P2P transaction**
- **CNPJ (Brazilian Corporate Taxpayer Identification Number)** .....► **Necessarily P2M transaction**
- **Random Key** .....► **Can be a P2P or P2B transaction**
- **Cellphone number** .....► **Can be a P2P or P2B transaction**
- **Email** .....► **Can be a P2P or P2B transaction**

Below is the process of how a Pix P2P transaction in our Stone bank account works. Settlement is instant in the Payee's bank account.





## Pix P2B Workflow through a POS QR Code transaction

Merchants can accept payments through regular Pix Keys, but accepting payments through Pix QR code directly through the POS system **offers significant advantages over P2P transactions**, including:

(i)

Seamless integration and reconciliation with other card payments processed via the POS, and;

(ii)

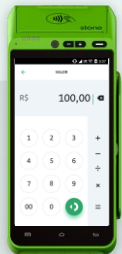
The ability to instantly confirm successful settlement of each transaction, with both being essential for efficient store operations.

Also, in comparison to debit, QR Code transactions are also cheaper for merchant as it does not incur on interchange and brand fees.

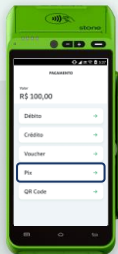
Purchase value:  
R\$100

Below the workflow for a QR Code transaction in the POS:

Transaction amount received:  
R\$99.50



Payer makes a purchase



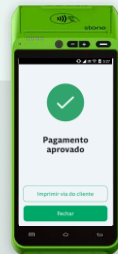
Pix is chosen as the payment method



QR Code is generated



Payer opens bank app and goes into Pix area so it is possible to read the QR Code



Merchant receives amount instantly in the acquirer's bank account (in this case Stone), despite the banking domicile

	Tarifa de Pix Tarifa   Pix Maquininha	- R\$ 0,50
	Pix   Maquininha	R\$ 100,00

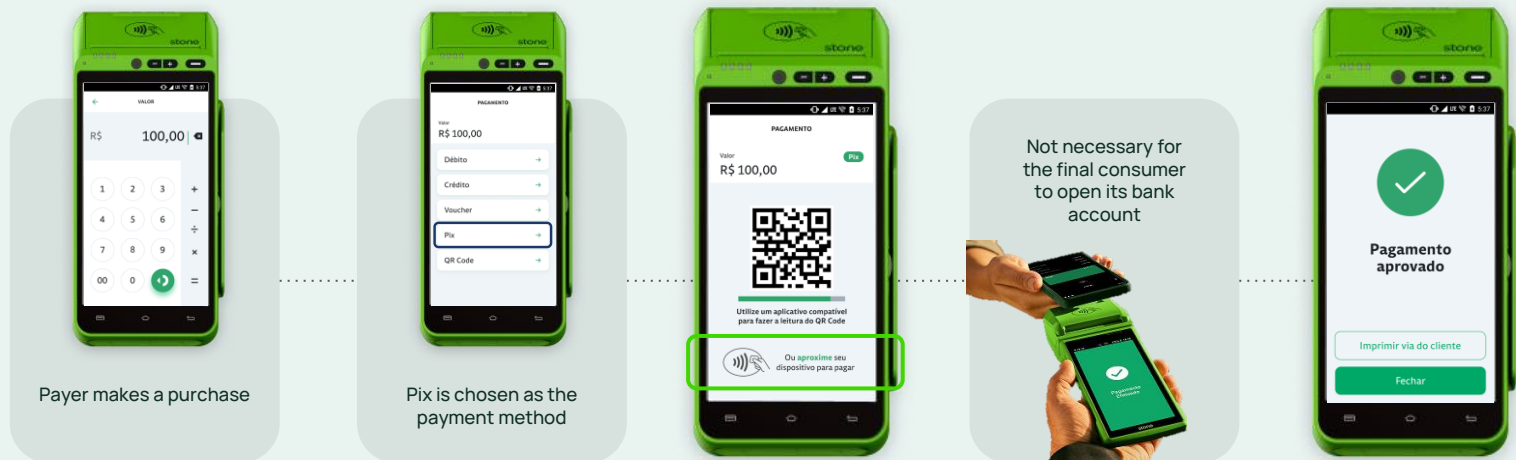
Example of how the operation is shown in the extract from Stone's banking app

## Other Pix functions

### Pix por Aproximação (Pix NFC)

- Launched in February 2025 with the goal to create a more seamless user experience for Pix transactions
- To activate Pix NFC, it is necessary to link this payment method in a bank account to a wallet, like cards are linked. For now, this function is only available on Android
- At the transaction moment the merchant selects the Pix payment method and the buyer taps the phone on the POS
- It is also possible to pay with Pix NFC through the banking institution app, but the app needs to be opened, just like a wire transfer transaction
- Technology already available in all Stone POSs for merchants and in the Stone bank account for payers

Below the process of a Pix NFC transaction:

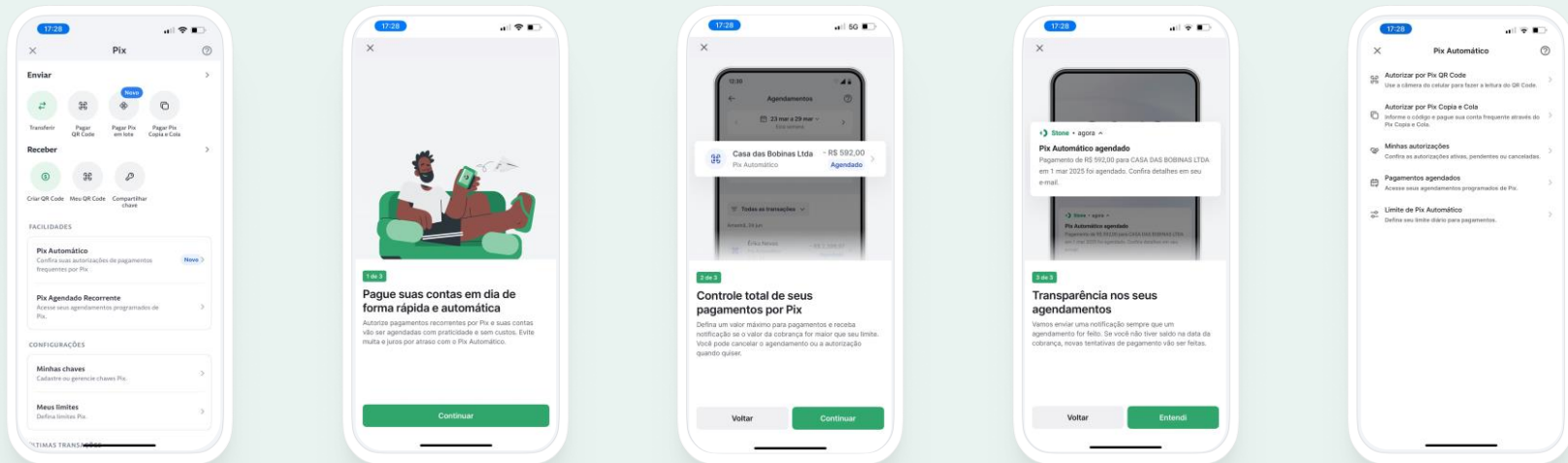


## Other Pix functions

### Pix Automático (Automatic Pix)

- Launched in June 2025
- Receivers must have an active CNPJ and payers can be individuals or businesses
- Users are able to pay recurring bills, such as electricity, telephone, gyms, subscriptions, among others, automatically
- The service will be free for payers and may be subject to fees upon receipt by companies
- Payee may offer Automatic Pix as a payment method in the checkout
- Payer authorizes Automatic Pix billing through its bank account and defines rules such as maximum amount of the transaction and if a line of credit can be used or not

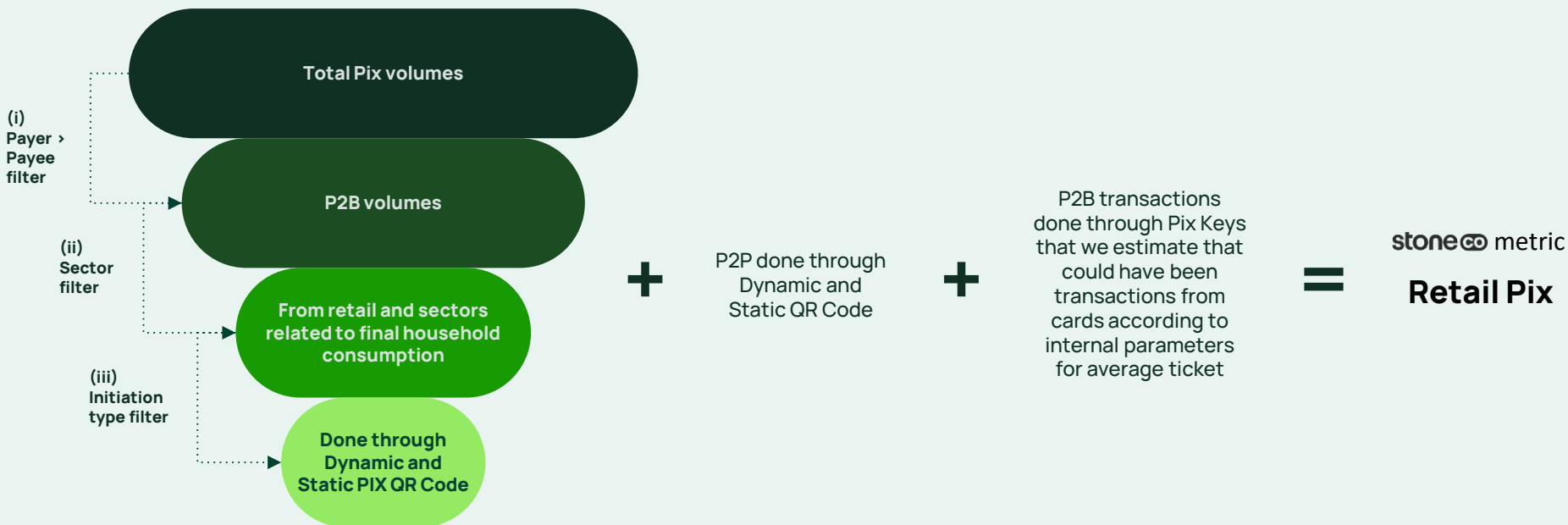
Below the onboarding process to setup automatic Pix payments in the Stone bank account:



## Our Pix Addressable Market

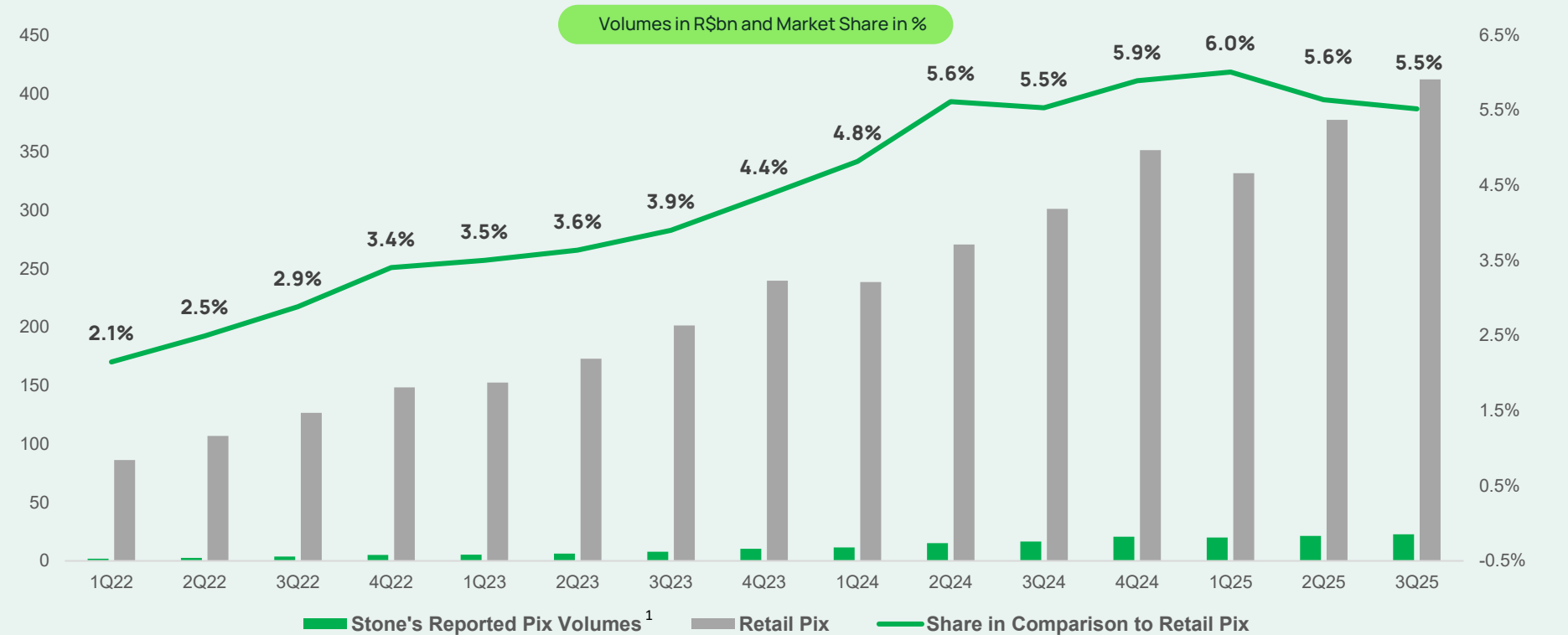
To determine our addressable market, we have established a proprietary methodology that estimates the segments that can essentially compete directly with card volumes.

Below is the process that we do to reach to this metric, which we entitle: Retail Pix.



# Our Market Share

Considering Retail Pix, we have gained significant market share in the Pix space.



<sup>1</sup>Reported PIX Volumes consider only P2B transactions from Dynamic and Static QR Code, excluding P2P volumes.

## Impact of Pix to Our Business

As a result of the effects shared in this presentation, we believe Pix has a net positive effect to our business and the market, driven by the impacts described below.

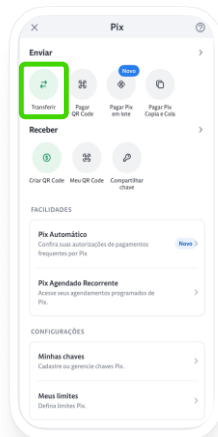
### Positive Effect from Pix QR Code adoption

Comparable transaction economics to debit, and; Increased engagement in the banking ecosystem via settlement of Pix transactions



### Slight Negative Effect: Pix P2P Usage by Micro-Merchants:

Shift from debit to cost-free P2P transfers among micro-merchants blending personal and business funds



### Our Position: Embracing Payment Evolution

Commitment to innovation leadership, adaptability to future developments in the payments landscape





Thank you

2025