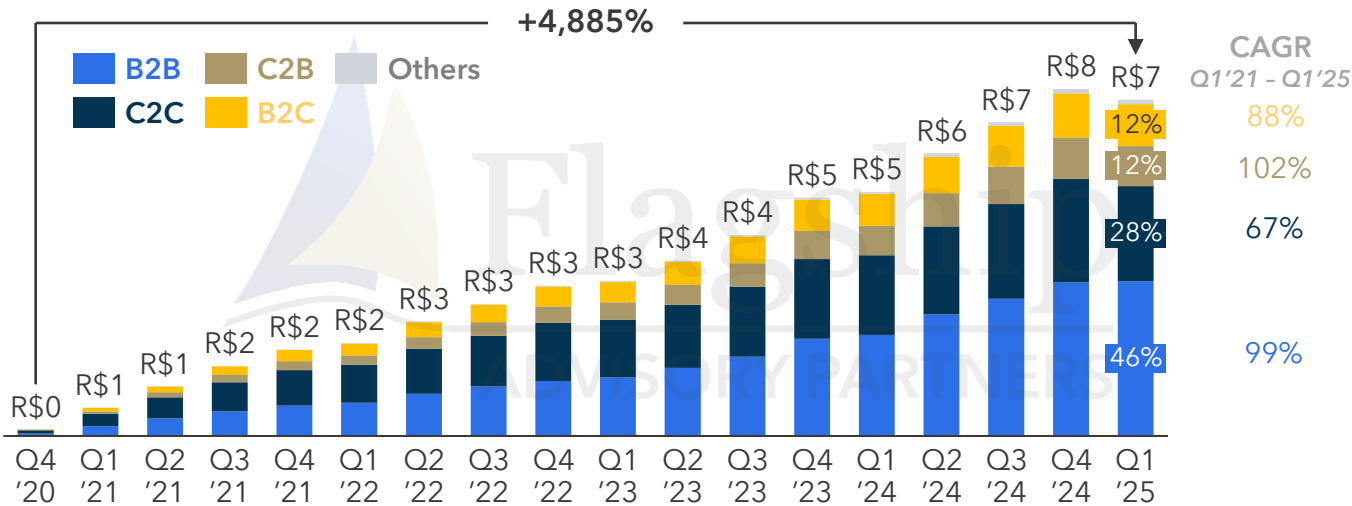


# Pix is Redefining Brazil's Payment Mix

1

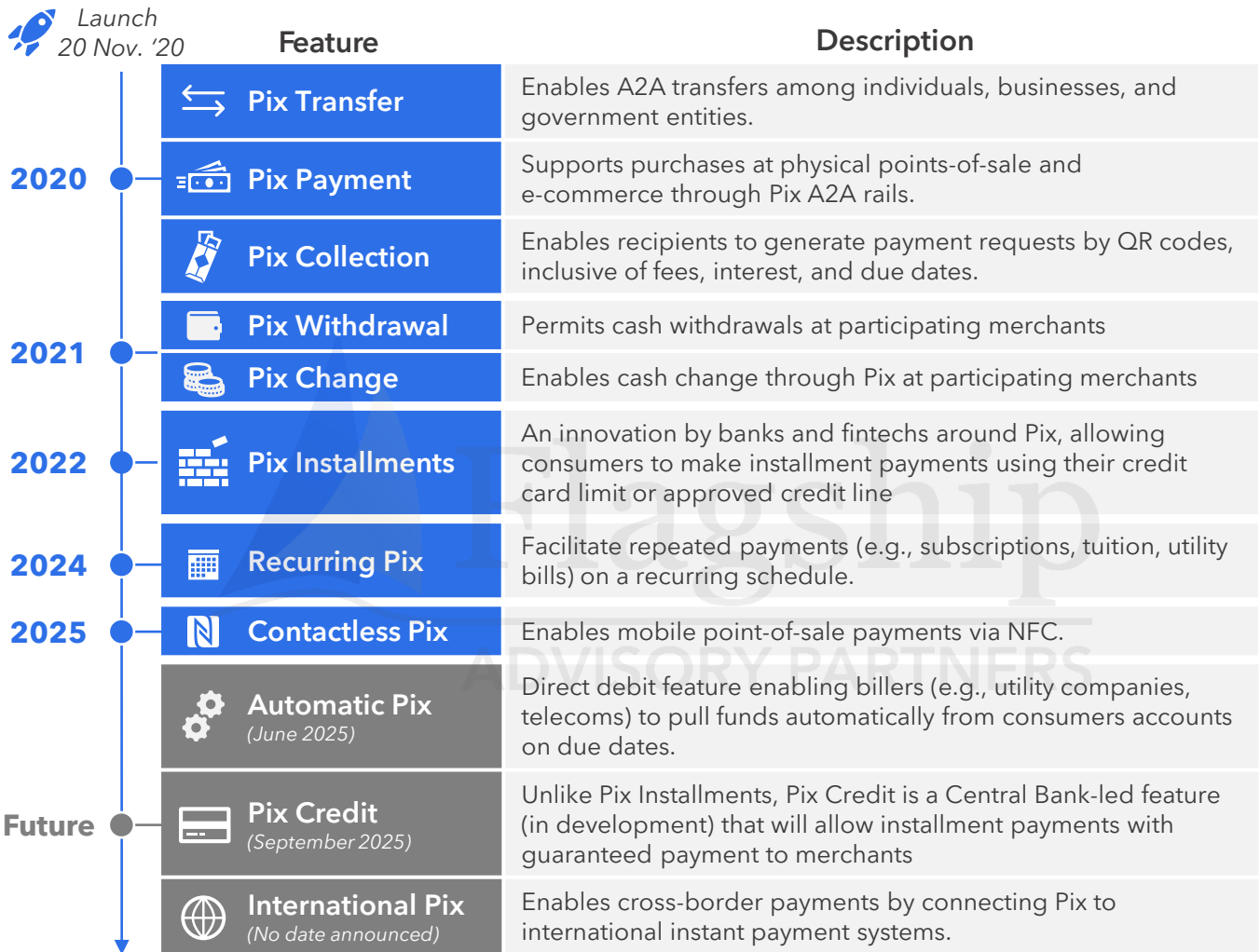
Pix Value of Transactions by Type of Flows  
(in trillions of R\$, by use case)



Sources: Central Bank of Brazil

2

Pix Product Evolution



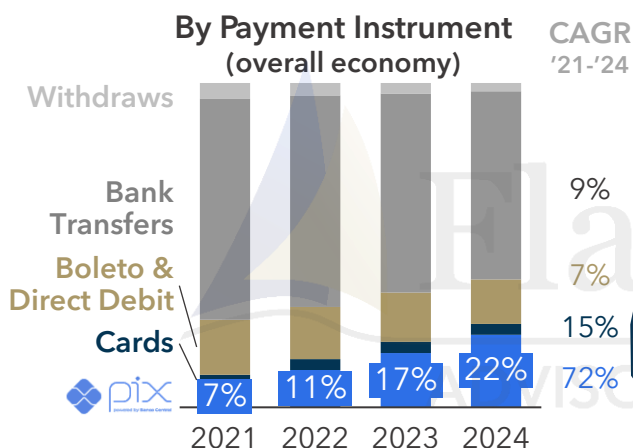
Sources: Central Bank of Brazil

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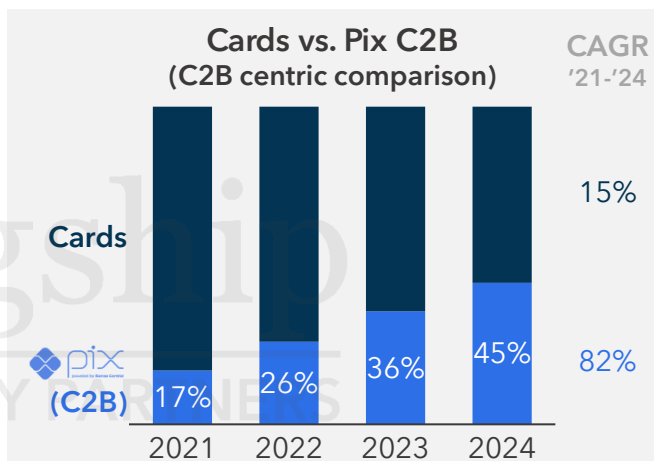
3

## Evolution of Payment Mix in Brazil

(total transacted value)

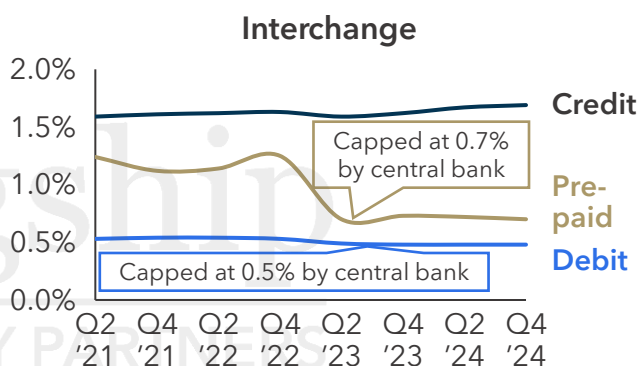
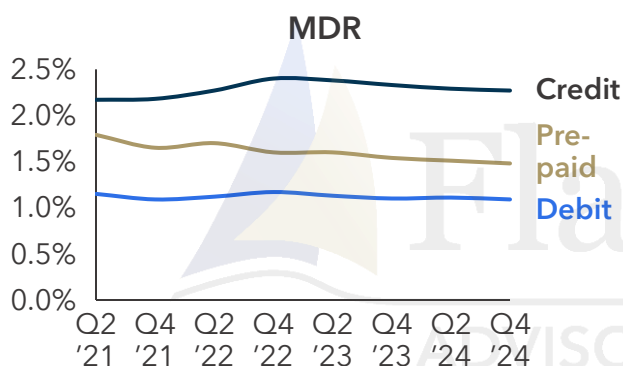


Sources: Central Bank of Brazil



4

## Average MDR and Interchange Rates by Type of Card



Sources: Central Bank of Brazil

### Select Key Observations

- **Pix, launched by the Brazilian Central Bank in 2020**, is transforming the payment system **by increasing efficiency, lowering costs, promoting inclusion, and driving competition.**
- **It is primarily replacing cash, boleto, and bank transfers**, while also gaining ground against cards—mainly debit, given Pix's A2A nature.
- **Pix P2P transactions are free. Merchant acceptance fees on Pix are typically lower than debit card fees** but vary by merchant size and banking relationship. However, PSP net take rates on Pix can be better in spots due to the absence of interchange fees.
- **Cards, especially in credit and installments, remain highly profitable** and continue to grow at ~15% annually, but face increasing structural pressure as Pix expands. **The launch of Pix Credit may add further tension, as the same banks providing credit for Pix transactions also benefit from interchange revenues as card issuers.**
- Pix has been extremely favorable as a tailwind for PSPs' volume growth. **However, Pix yields lower net take rates than credit cards and installments**, contributing to ongoing revenue margin pressure for Brazilian PSPs to the extent that Pix cannibalizes credit.
- **Fintechs and payment companies that innovate around Pix and adjust their business models—such as PagSeguro's pivot toward a broader neobank offering—will be best positioned to capture growth and remain relevant in Brazil's evolving payments landscape.**

# NAVIGATING FINTECH INNOVATION

Flagship Advisory Partners is a boutique strategy and M&A advisory firm focused on payments and fintech. We serve clients globally and have a team of 40 professionals who have a unique depth of knowledge in payments and fintech.



For any questions, please do not hesitate to contact the author(s):

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