

Table of Contents

In Argentina and Uruguay, we expanded our footprint through the acquisition of Argencard in 2006, which provided a full range of services to businesses and financial institutions. We are the sole acquirer for MasterCard products in those markets, serve a range of issuers, and have continued to enhance our capabilities in these countries to provide point-of-sale services, through *POSNET* in Argentina and *POS 2000* in Uruguay. We also made significant investments in a new data center and our hosted card issuing platforms so that we could address new cost-effective processing opportunities. This facilitated our expansion throughout the Latin America region.

We entered the Colombian market in 2014, taking advantage of the changes in the regulatory market that opened up new opportunities to expand our footprint, and are currently serving the two largest financial groups in this market.

In Central America and the Caribbean, we serve the acquiring and issuing processing needs of our local, regional, and multinational clients either directly or through *Procesa*, our joint venture with Banco General of Panama.

We believe our business in Latin America will benefit from several industry trends similar to those in the United States and EMEA, including the shift to electronic payments, the penetration of new industry verticals and customer segments, and the adoption of new payment types and channels such as prepaid and eCommerce. In addition, the region is benefitting from regional trends, such as:

- Financial inclusion, which consists of (1) the reduction in cost and increase in the effectiveness of social and welfare programs by shifting their distribution from paper-based vouchers to debit and stored-value cards and (2) the formalization of the economy and increase in tax collection by providing rebates of the value-added tax to the consumer when payments are made through debit and stored-value cards. Brazil, Argentina and Uruguay are some of the countries that have run transformative programs that have produced an increase in debit card transactions.
- The emergence of a consumer middle class with greater spending power, which we believe will continue to drive strong transaction growth trends that will fuel further investment in commerce-enabling solutions by businesses and financial institutions. We believe the adoption of more advanced technology solutions will also drive growth in larger markets, such as Brazil and Mexico, where the telecommunications infrastructure and access to the Internet is more developed and the adoption of enterprise software and new technologies by businesses and financial institutions is more prevalent.

We also believe regulatory reforms will continue to favorably impact our business in Latin America. For example, in Brazil the government eliminated acquiring exclusivity in 2010 and appointed the Central Bank of Brazil to regulate the payments industry in 2013. In Mexico, the government began granting payment licenses to non-bank acquirers in 2014, which we believe will stimulate growth in the acceptance of electronic payments and the investment in POS solutions. Similar regulatory initiatives across the region could open up markets to new competition versus incumbent providers, which we believe are often local industry utilities with limited capabilities. These competitors typically only provide basic services and may not have the ability to invest material capital in innovation and new technology solutions given their consortium governance structures.

Asia Pacific

The Asia Pacific region accounted for \$295 million of revenue and \$100 million of EBITDA in 2014 (excluding NSS). We have operations in 8 countries and serve clients in 19 countries in this region. We are a leading merchant acquirer, issuer processor, ATM services provider, and eCommerce processor to businesses and financial institutions of all sizes and types in the region and have begun to introduce other commerce-enabling solutions in selected markets. We have significant operations in Australia, South Korea, Singapore, India, and China.