

**VISA** | 2020 Investor Day



# VISA | 2020 Investor Day

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Strategic Overview

Al Kelly

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The Power of the Visa Brand

Lynne Biggar

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Accelerating Global Growth

Ryan McInerney

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# Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as “will,” “is expected,” and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding the opportunities for growth, our strategy, future operations and outlook.

By their nature, forward-looking statements: (i) speak only as of the date they are made; (ii) are not statements of historical fact or guarantees of future performance; and (iii) are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from Visa’s forward-looking statements due to a variety of factors, including those contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019 and our other filings with the U.S. Securities and Exchange Commission.

You should not place undue reliance on such statements. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future developments or otherwise.

Please see end of presentation for notes and disclosures.

# Agenda

**VISA** | 2020 Investor Day

8:00 a.m. - 9:30 a.m.	Strategic Overview	Al Kelly
	The Power of the Visa Brand	Lynne Biggar
	Accelerating Global Growth	Ryan McInerney
Break and Visa Showcase		
9:45 a.m. - 12:05 p.m.	Growing Consumer Payments	Oliver Jenkyn Chris Clark Charlotte Hogg Andrew Torre Eduardo Coello
	Driving New Flows	Ryan McInerney Bill Sheley Kevin Phalen
Lunch and Visa Showcase		
12:30 p.m. - 2:30 p.m.	Deepening Client Partnerships with Value Added Services	Jack Forestell Mary Kay Bowman Carleigh Jaques Melissa McSherry
	Visa: The Investment Proposition	Vasant Prabhu
	Q&A	Al Kelly Vasant Prabhu Ryan McInerney Mike Milotich
Visa Showcase		



# Strategic Overview

Al Kelly

Chairman and Chief Executive Officer

**VISA** | 2020 Investor Day



# Key trends are driving fundamental changes in the ecosystem



Consumers choosing  
**simple, compelling**  
experiences



Access to financial  
products and services  
**expanding globally**



**Digital fintech platforms**  
increasingly launching  
payments products



Flows digitizing  
**beyond consumer**  
payments



**Alternative money**  
movement platforms  
modernizing



**Governments**  
becoming increasingly  
active in payments

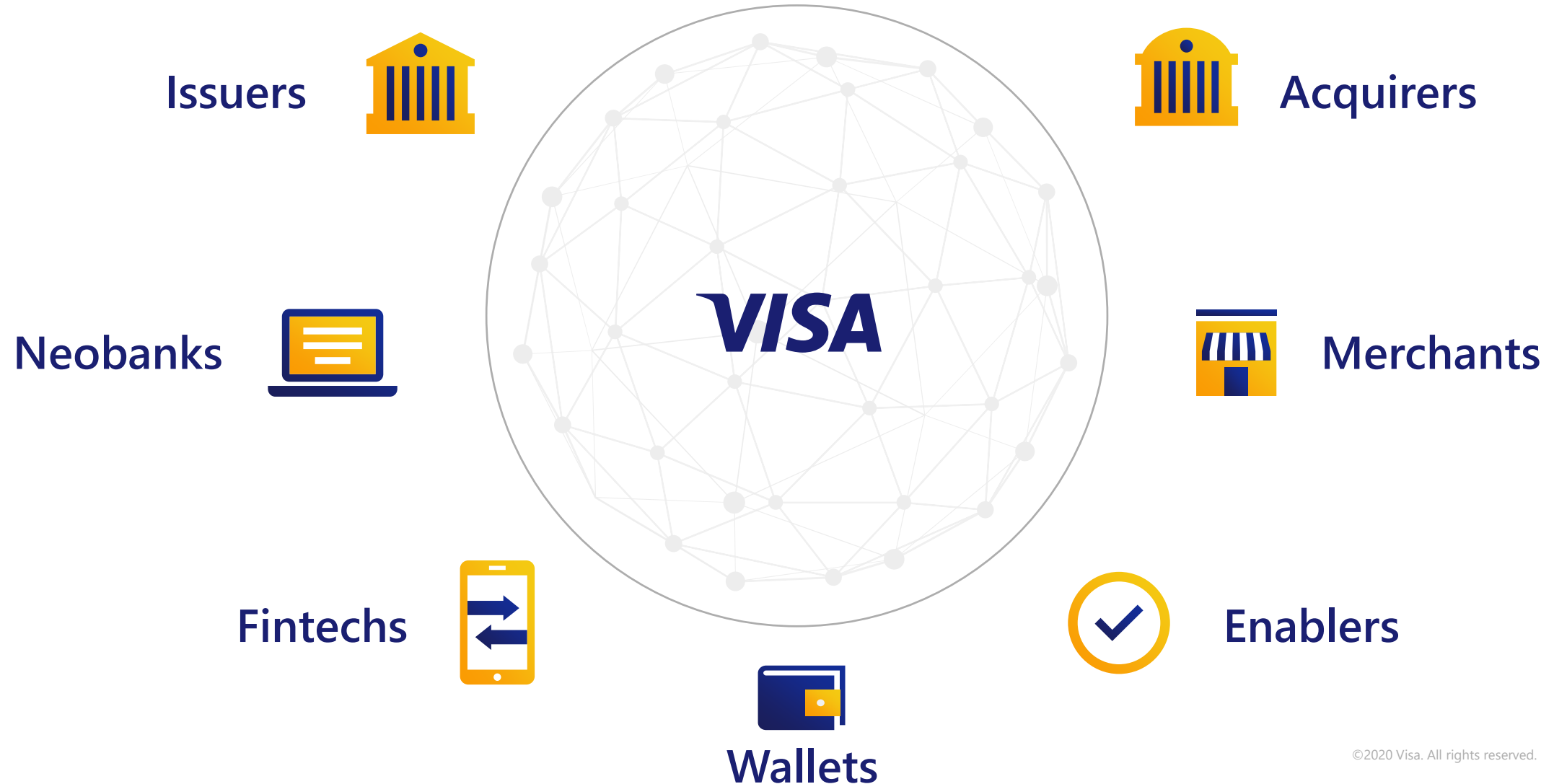


Since 1958, Visa has **facilitated commerce** for consumers and businesses by providing a secure and seamless payment experience...



...with developments in technology, expansion of our reach and new ways to pay, we are now enabling the **movement of money** for everyone, everywhere.

# We continue to extend our partnerships as the payments ecosystem expands



# Our industry is unique – total addressable market continues to expand with many vectors for growth

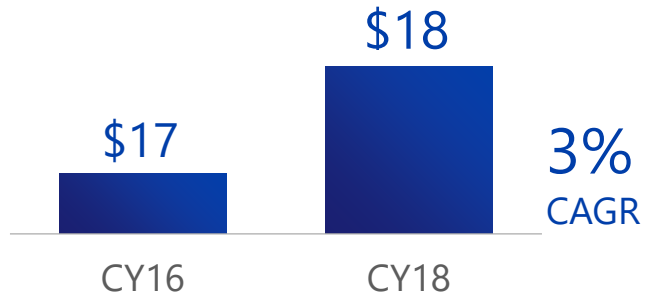


# Since our last Investor Day, the opportunity for growth has expanded

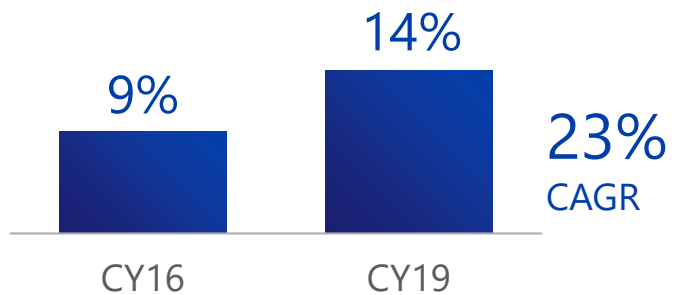
## Facilitating Commerce



Global cash and check (\$T)

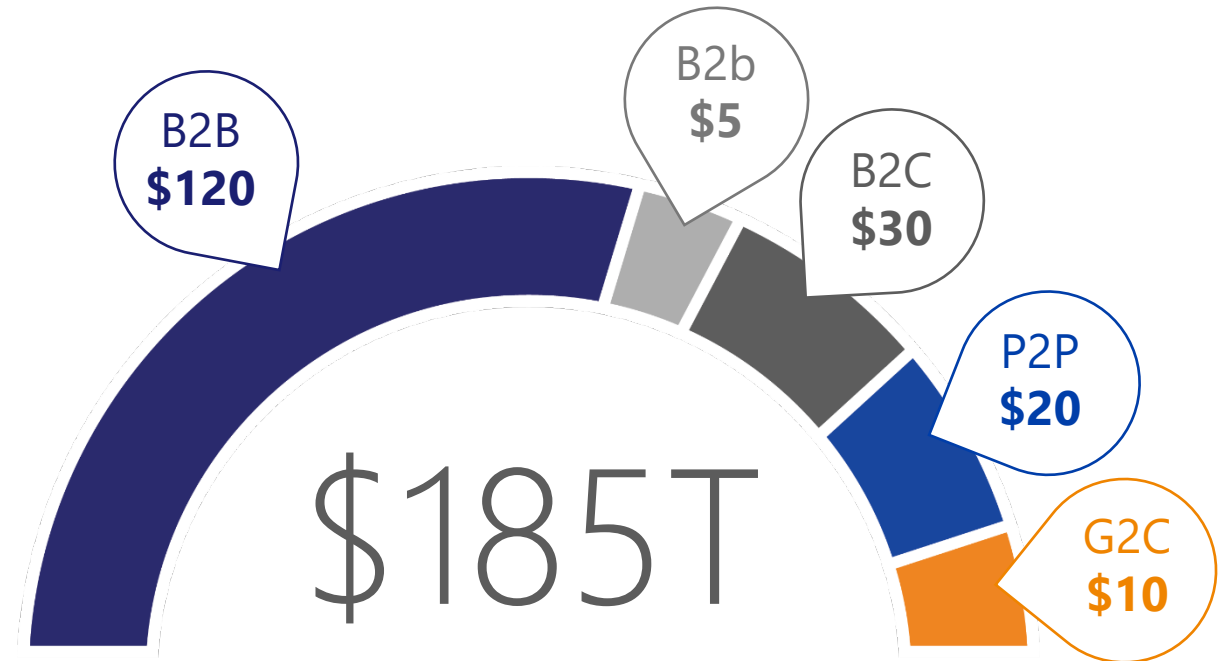


% Digital of global retail spend<sup>1</sup>



## Moving Money

New Flows (\$T)



# The fourth growth inflection point in Visa's 60+ year history offers the next 10x growth opportunity

## Inflection Points

(10x growth over ~20 years)



60s

**Opening the  
Network**  
1960

70s

**The Platform  
as a Service**  
1975

90s

**eCommerce  
Goes Mainstream**  
1995

2010s

**Everywhere  
You Want to Be**  
2016

Next 10x

**Visa is Moving  
Money**

Connected  
Devices

New Flows

Network  
of Networks

**Cards**

<1 Million

~40 Million

~450 Million

3 Billion+

**Payments  
Volume**

<\$1 Billion

~\$10 Billion

~\$600 Billion

\$7 Trillion+



# As we look to the next 3-5 years, our strategy is clear

**We will accelerate the growth in our revenue streams and fortify Visa's strong foundation**



## Accelerate growth

Grow and broaden our revenue streams in consumer payments, new flows and value added services as we expand the network into the Network of Networks



## Fortify our foundation

Build upon Visa's strong brand, leading technology, fortress security and exemplary talent

# We have an opportunity to accelerate revenue growth



## Accelerate growth



Consumer Payments



New Flows



Value Added Services



## Fortify our foundation



Brand



Technology Platforms



Security



Talent

# Three levers broaden our revenue streams and expand the network



## Consumer Payments

Grow the two-sided network by expanding Visa credentials and acceptance points and driving user engagement



## New Flows

Expand our Network of Networks to capture new sources of payments and money movement between individuals, businesses and governments



## Value Added Services

Drive utilization of our services to help our clients grow profits and deepen our partnerships

# We have an opportunity to accelerate revenue growth



## Consumer Payments



Credentials



Acceptance



Engagement



## New Flows



B2B



B2b



B2C



P2P



G2C



## Value Added Services



Issuer & Consumer Solutions



Acquirer & Seller Solutions



Security & Identity



Data Solutions



Visa Consulting & Analytics



**Lynne Biggar**  
Chief Marketing and  
Communications Officer



**Lynne Biggar**  
Chief Marketing and  
Communications Officer



**Ryan McInerney**  
President





**Lynne Biggar**  
Chief Marketing and  
Communications Officer



**Ryan McNerney**  
President



**Oliver Jenkyn**  
Regional President,  
North America



**Chris Clark**  
Regional President,  
Asia Pacific



**Charlotte Hogg**  
CEO,  
Europe



**Andrew Torre**  
Regional President,  
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**Bill Sheley**  
Head of Push Payments



**Kevin Phalen**  
Head of Visa  
Business Solutions





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**Jack Forestell**  
Chief Product Officer



**Mary Kay Bowman**  
Head of Consumer  
and Seller Solutions



**Carleigh Jaques**  
General Manager,  
CyberSource



**Melissa McSherry**  
Head of Security,  
Identity and Data  
Products



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General Manager,  
CyberSource



**Melissa McSherry**  
Head of Security,  
Identity and Data  
Products



## Vasant Prabhu

Vice Chairman and  
Chief Financial Officer



# To fortify our strong foundation, we will continue to invest in our brand, technology platforms, security and talent



## Accelerate growth



Consumer Payments



New Flows



Value Added Services



## Fortify our foundation



Brand



Technology Platforms



Security



Talent

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## Accelerate growth



Consumer Payments



New Flows



Value Added Services



## Fortify our foundation



Brand



Technology Platforms



Security



Talent

# The power of the Visa brand



Visa is the unequaled category-leading brand



The Visa brand drives substantial value to Visa, clients, partners and the ecosystem



We continue to **evolve our brand** as Visa's business and the payments landscape evolve

**Forbes**

WORLD'S MOST VALUABLE BRANDS



INTERBRAND BEST GLOBAL BRANDS

**BRANDZ**

TOP 100 MOST VALUABLE GLOBAL BRANDS

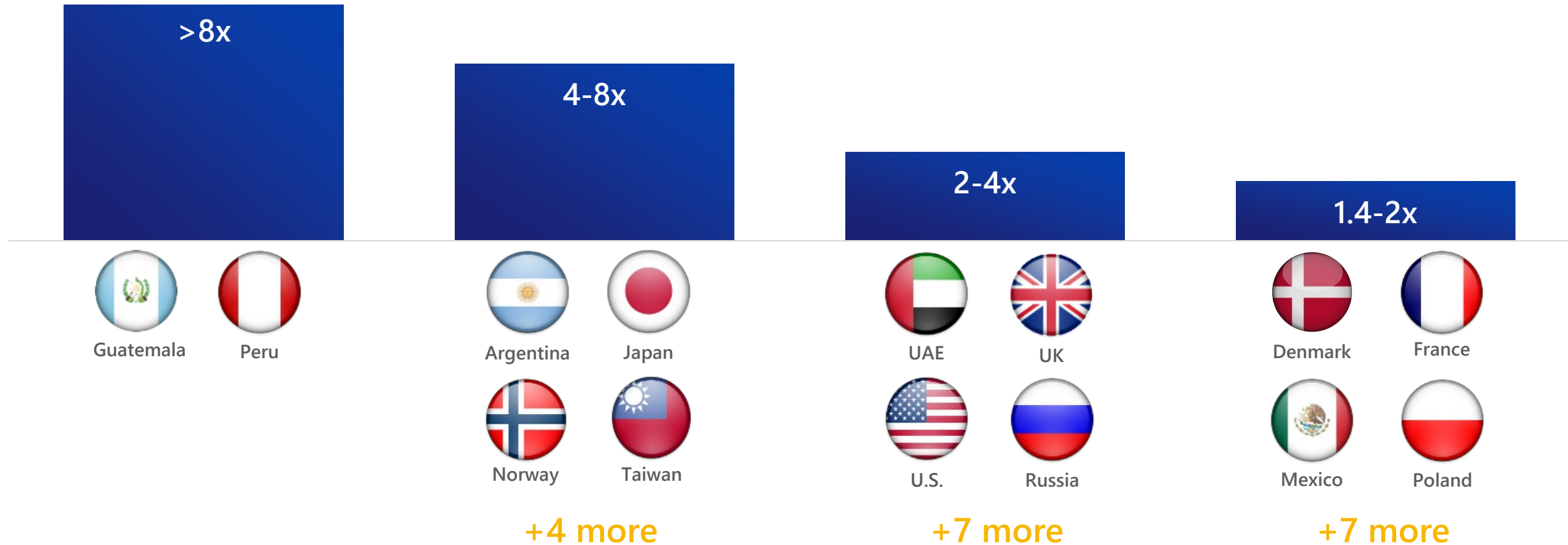
**FORTUNE**

WORLD'S MOST ADMIRABLE COMPANIES














# The Visa brand is preferred around the world

## Visa's Brand Preference Advantage Over the Next Largest Global Payment Network



Source: Brand Health Measurement (BHM) is an on-going quantitative survey commissioned by Visa and conducted by independent research firms, Phoenix Marketing International and Ipsos, among consumers age 18-70 (18-54 South Korea, Taiwan, and UAE) who have ever used any payment brand. Data collected in FY19 (October 2018 – September 2019). Sample size varies by country. The preferred brand is defined as the brand that was the only brand preferred when asked the question "Which payment brand(s) do you prefer?" Respondents have the option of selecting one brand, selecting multiple brands, indicating that they don't have a preference or selecting "none of these". Chart shows the multiple of Visa sole preference vs. Mastercard sole preference in the respective markets. Note: the sample size for Mastercard sole preference is below 50 in Taiwan (12), South Korea (48), Guatemala (5), Peru (11) and Norway (27).

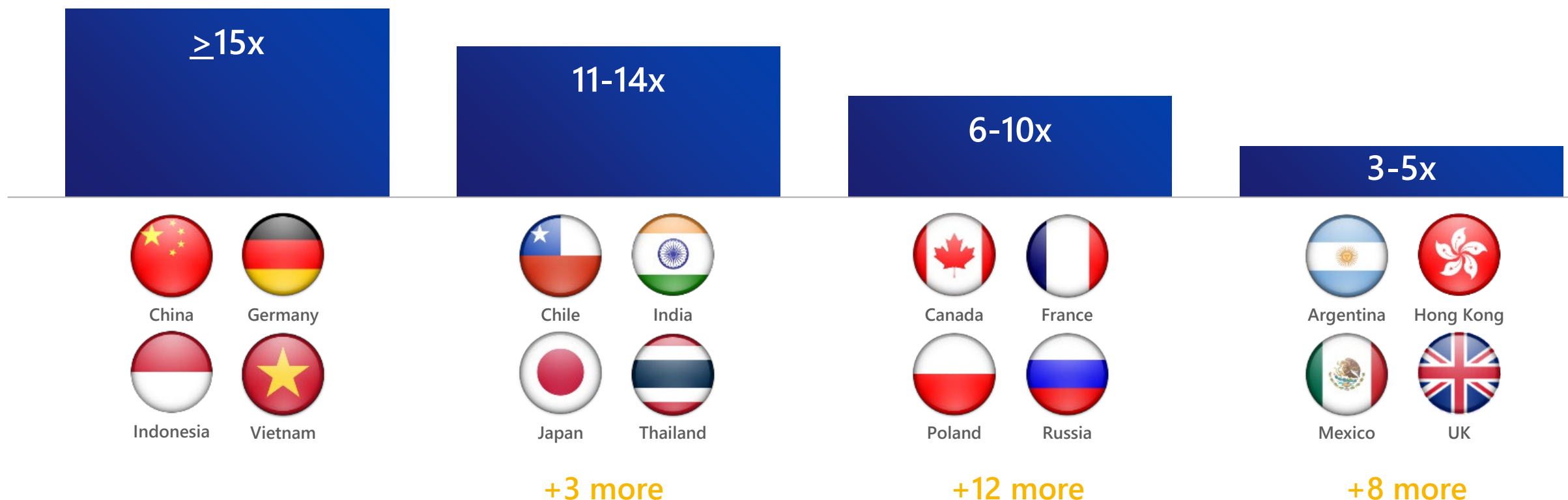
# Visa's brand is also preferred across priority audiences

Audience	 U.S.	 UK	 Japan	 India	 Russia	 UAE	 Mexico
 Women	✓	✓	✓	✓	✓	✓	✓
 Millennials	✓	✓	✓	✓	✓	✓	✓
 Affluent	✓	✓	✓	✓	✓	✓	✓
 Non-affluent	✓	✓	✓	✓	✓	✓	✓



# Brand preference links to higher share of wallet

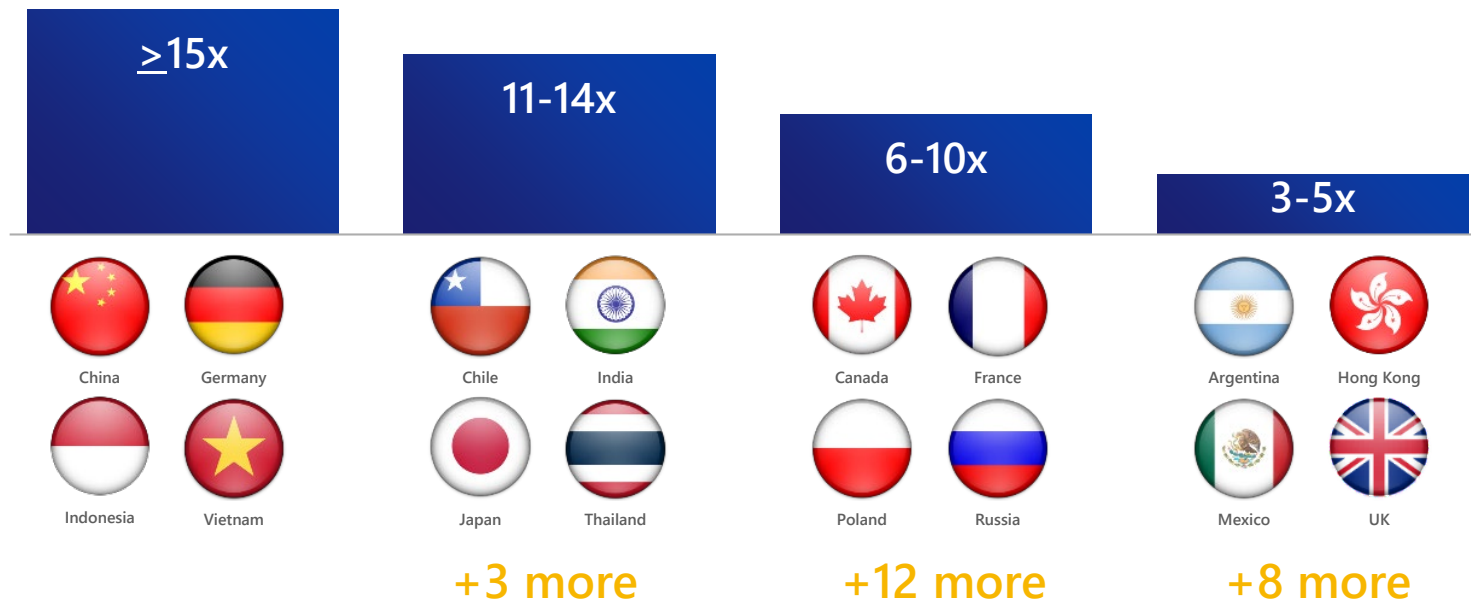
## Multiple of spend when Visa is preferred



Source: Brand Health Measurement (BHM) is an on-going quantitative survey commissioned by Visa and conducted by independent research firms, Phoenix Marketing International and Ipsos, among consumers age 18-70 (18-54 China, Hong Kong, India, Indonesia, Thailand, Vietnam) who have ever used any payment brand. Data collected in FY19 (October 2018 – September 2019). Sample size varies by country. Question: Thinking about last month, approximately how much money did you spend on purchase of goods, services and regular monthly expenditures (excluding rent or mortgage payments)? Question: Thinking about the amount you spent last month, what percentage did you spend using each of the following: (payment brand list varies by country)? Please provide your best estimate. Share of Wallet (SOW) is defined as the average percentage that consumers reported spending on Visa when thinking about how much money they spent in the last month on the purchase of goods, services and regular monthly expenditures (excluding rent or mortgage payments). Chart shows the multiple of Visa SOW when Visa is Solely Preferred vs. Visa SOW when Visa is Not preferred. Definition of Visa Not preferred = Multiple brands preferred but not Visa, or another brand (not Visa) has Sole Preference. Note: the sample size of Visa sole preferred is below 50 in Chile (22) and Hong Kong (45).

# Brand preference links to higher share of wallet

## Multiple of spend when Visa is preferred<sup>1</sup>



## Delivering a premium for clients<sup>2</sup>



10.7%  
U.S. Spend Lift



2%  
Risk-adjusted  
U.S. Balance Lift

vs. leading competitor

Source: 1. Brand Health Measurement (BHM) is an on-going quantitative survey commissioned by Visa and conducted by independent research firms, Phoenix Marketing International and Ipsos, among consumers age 18-70 (18-54 China, Hong Kong, India, Indonesia, Thailand, Vietnam) who have ever used any payment brand. Data collected in FY19 (October 2018 – September 2019). Sample size varies by country. Question: Thinking about last month, approximately how much money did you spend on purchase of goods, services and regular monthly expenditures (excluding rent or mortgage payments)? Question: Thinking about the amount you spent last month, what percentage did you spend using each of the following: (payment brand list varies by country)? Please provide your best estimate. Share of Wallet (SOW) is defined as the average percentage that consumers reported spending on Visa when thinking about how much money they spent in the last month on the purchase of goods, services and regular monthly expenditures (excluding rent or mortgage payments). Chart shows the multiple of Visa SOW when Visa is Solely Preferred vs. Visa SOW when Visa is Not Preferred. Definition of Visa Not preferred = Multiple brands preferred but not Visa, or another brand (not Visa) has Sole Preference. Notes: the sample size of Visa sole preferred is below 50 in Chile (22) and Hong Kong (45). 2. Transunion analysis of their proprietary US transaction database spanning over 310 million US Visa- and MC-branded active credit cards showing spend lift (March 2017-March 2018 performance period), less Visa-calculated Costco effect; risk-adjusted balance line is calculated on the full database of 310 million active cards whereas spend lift is calculated based on a subset of active credit cards where Issuers send monthly payment data to Transunion.

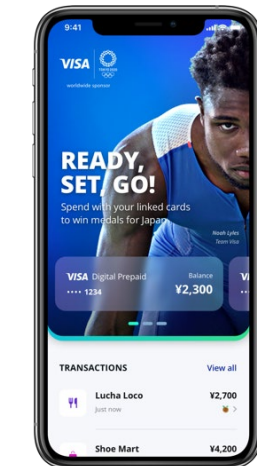
# We leverage our brand assets to drive outcomes for Visa and clients

## Activating exclusive global sponsorships with FIFA and Olympics

### FIFA Women's World Cup 2019™



### Olympic Games Tokyo 2020

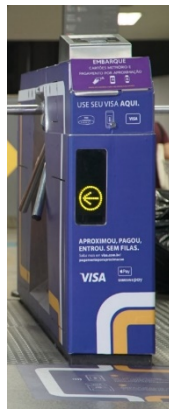
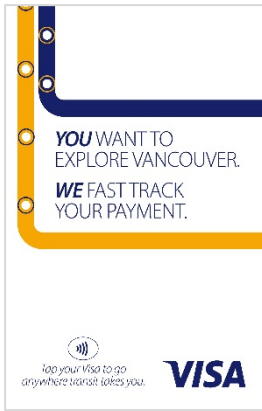




# We leverage our brand assets to drive outcomes for Visa and clients

## Amplifying key strategic priorities

### Tap to Pay

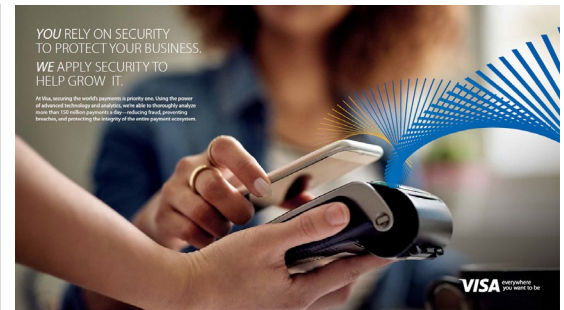


### New Flows

Transform how your gig workers get paid.  
Visa Direct

[Learn more](#)

VISA

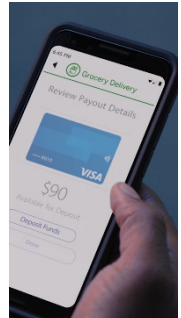


FROM payment on the way.

TO paid in a flash.

Transform the way your business pays.  
Visa Direct

VISA

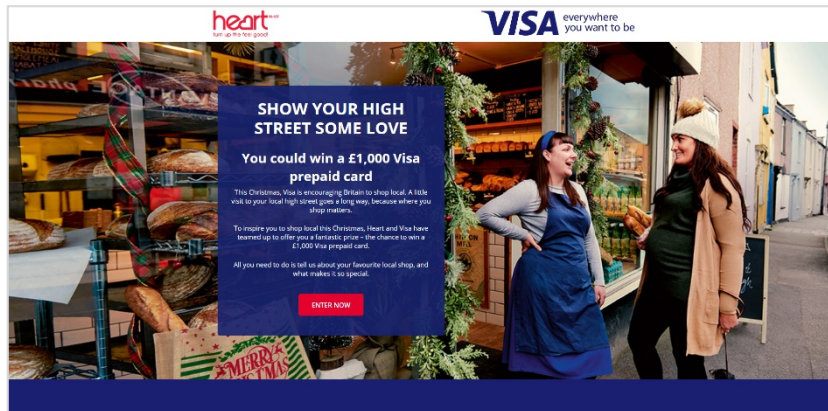




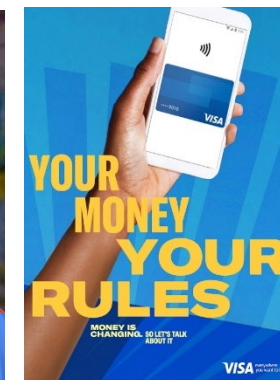
# We leverage our brand assets to drive outcomes for Visa and clients

Enabling individuals, businesses and economies to thrive

## Support for Small Business



## Empowerment of Women



# As a result, Visa's clients view the brand as a powerful differentiator

Clients view the Visa brand as stronger than the competition<sup>1</sup>...



79%  
Financial  
Institutions



86%  
Merchants



86%  
Digital & Fintech  
Partners

...which is one of the key factors that makes Visa a global leader in co-brand

We hold majority share in 13 of the largest 20 portfolios<sup>2</sup>



We continue to fortify and grow our leadership with top co-brand partners:

*Representative wins*

Expand and Renew



Grow





# Our brand extends as payments evolve...and is transforming for the future



# Key takeaways

Together, Visa and its partners benefit from Visa's highly valued brand **to drive business outcomes**

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The **Visa brand is well positioned** to support Visa's evolving strategy

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Visa is and will continue to be **Everywhere You Want to Be**

The logo features the word "VISA" in a large, bold, white sans-serif font. To its right, the words "everywhere" and "you want to be" are stacked vertically in a smaller, white, lowercase sans-serif font. The entire logo is set against a solid dark blue background.



# To fortify our strong foundation, we will continue to invest in our brand, technology platforms, security and talent



## Accelerate growth



Consumer Payments



New Flows



Value Added Services



## Fortify our foundation



Brand



Technology Platforms



Security



Talent

# Visa's technology promise includes security, reliability and scale for the benefit of our payments ecosystem participants

## Technology is a vital pillar of Visa's business

Processed **140 billion** transactions in 160 currencies, for 15,500 financial institutions across 200 countries and territories

## Resiliency is core to the fabric of our network

**99.999%** availability

## We have opened our network for clients

~**600 API endpoints** opening access to our network, receiving over **1 billion API calls** per month

## Our network connects the ecosystem

**Multiple data centers** with **10 million miles** of privately leased telecommunication lines



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# Our intelligent security architecture is built on a multi-layered, data-driven framework to deliver seamless, secure experiences...

End-to-End Transaction Services

## 1. Account Onboarding & Management

Recognizing fraudulent account activity (e.g., opening or accessing) through sophisticated analytics and risk tools



## 2. Consumer Identity & Authentication

Enabling seamless, data-led authentication to confirm consumers are who they say they are



## 5. Performance Optimization

Enhancing payment performance through tailored expertise and benchmark data



## 3. Transaction Authorization

Optimizing authorizations through sophisticated data analytics that minimize fraudulent transactions

## 4. Dispute Management

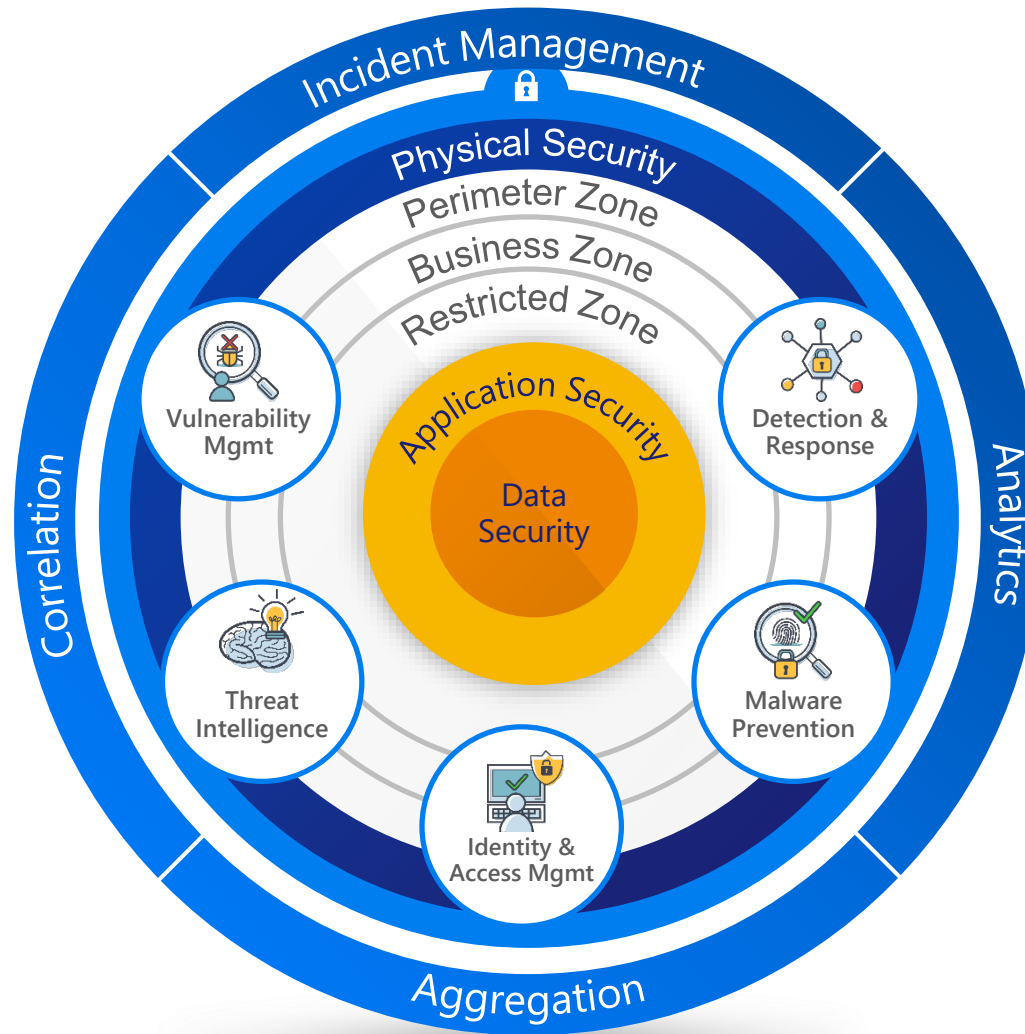
Facilitating logic-based, streamlined dispute management and resolution

Core Network Capabilities

## Tokenization

## Transaction Controls

...and provides in-depth protection against cybersecurity threats



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# Visa has transformed our workforce



## More Global

1.6x

Faster headcount growth rate in international markets vs. the U.S. since 2016<sup>1</sup>



## More Diverse

~300 bp

Increase in females as a percentage of total executives since 2016



## More Millennials

+14 ppt

Increase in millennials and younger as a percent of total workforce since 2016



## More Expertise

~60%

Of our workforce is in technology, cyber, risk and product

# We focus on all key constituencies to connect the world and enable individuals, businesses and economies to thrive





# We are driving impact through global corporate citizenship

## Society



Connected

**500M**

previously unbanked  
individuals to  
Visa accounts  
from 2015-2019



Empowering  
women via  
Women's World  
Banking, She's Next,  
SheTrades



**100%**

Renewable  
electricity goal  
reached in 2019

## Local communities



Assets in Visa  
Foundation

**\$450M**



Visa's Practical Money Skills  
Program has reached

**40M**

people since 2012



Visa employees in 2019 donated

**40K**

volunteer hours

**\$4.2M**

to 4,700 charities,  
matched by Visa

# We aim to earn and maintain public authority trust in Visa and our business model

## Regulators and Governments

### Be local

Our government engagement team is embedded in local teams to find proactive solutions to local problems

### Be open and transparent

We welcome ongoing dialog with governments to help individuals, businesses, the governments themselves and economies thrive

### Be a trusted advisor to governments

We support governments in solving key policy issues and promoting financial inclusion

**~90%** Of our government engagement professionals are located in the countries and regions they service

Shared our perspective on key ecosystem and security dynamics with:

**~1,600** Industry and government stakeholders at summits across every region in 2019

Visa School of Public Policy provided payments industry training in 2018 to:

**~950** Government participants from **42** countries

**Goal: Governments view Visa as a long-term partner, value the continuous innovation we deliver and provide an enabling regulatory environment**

# We focus on all key constituencies to connect the world and enable individuals, businesses and economies to thrive



# We have delivered strong financial performance and superior shareholder returns since 2016...

Net Revenue (\$B)

15%  
CAGR

15.1

23.0

FY16

FY19

Non-GAAP EPS (\$)¹

24%  
CAGR

2.84

5.40

FY16

FY19

Total Shareholder Return

29%  
CAGR

Growth of \$100 from 9/30/16-9/30/19²

\$212  
Visa

\$146  
S&P 500

FY16

FY17

FY18

FY19

# ...driven by meaningful growth in our business drivers

Growth since 2016

## Facilitating commerce

34% Payments volume

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40% Payments transactions

---

42% Merchant locations

## Moving money

2x Bank account reach

---

130+ Fast funds enabled countries

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41% B2B payments volume

# We are a purpose-driven company that will fortify our foundation and grow revenue streams



We have a **clear approach and strategy** for the opportunity

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With the **most scale in the industry and many engines of growth**, we are operating from a position of strength

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Our **industry-leading brand** is a real differentiator

---



Our **people** are innovative collaborators with the ecosystem

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We are committed to **thoughtful engagement**, working with and mindful of all stakeholders

# Accelerating Global Growth

Ryan McInerney

President

**VISA** | 2020 Investor Day



# Key takeaways



We have a significant opportunity for continued growth in **consumer payments**

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Our addressable market continues to expand as we extend into **new flows**

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We are utilizing an expanding **Network of Networks** to move money for everyone, everywhere

---



**Value Added Services** expand the revenue growth opportunity beyond payments and money movement and drive growth for our clients



# Three levers broaden our revenue streams and expand the network



## Consumer Payments

Grow the two-sided network by expanding Visa credentials and acceptance points and driving user engagement



## New Flows

Expand our Network of Networks to capture new sources of payments and money movement between individuals, businesses and governments



## Value Added Services

Drive utilization of our services to help our clients grow profits and deepen our partnerships

# We have an opportunity to accelerate revenue growth



## Consumer Payments



Credentials



Acceptance



Engagement



## New Flows



B2B



B2b



B2C



P2P



G2C



## Value Added Services



Issuer & Consumer Solutions



Acquirer & Seller Solutions



Security & Identity



Data Solutions



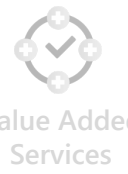
Visa Consulting & Analytics

# Growing consumer payments remains an enormous opportunity



- 1 **Cash and check continue to grow**, totaling \$18T globally
- 2 **Spend continues to shift from physical to digital** and Visa's share of digital is 3x that of physical
- 3 **There is a wave of next generation issuers** – neobanks, fintechs and digital platforms – issuing credentials
- 4 **The cost to enable acceptance has dramatically decreased** and next generation acquirers are expanding acceptance
- 5 **Governments are increasingly engaging to digitize payments**

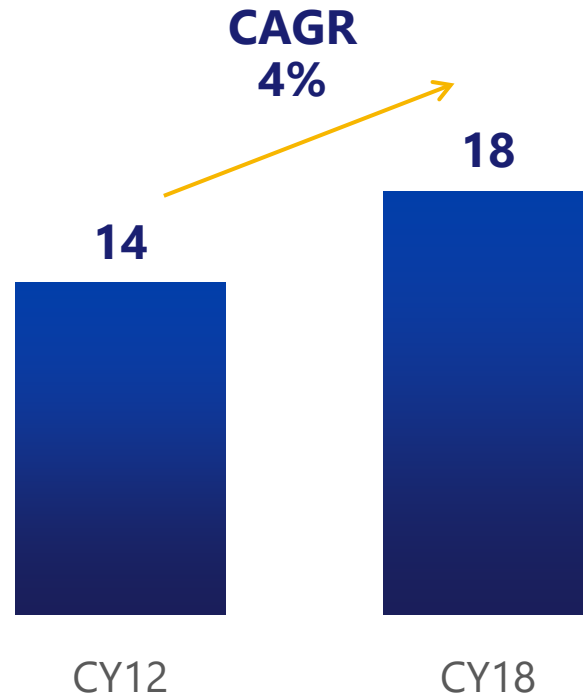
# ① Cash and check continue to grow



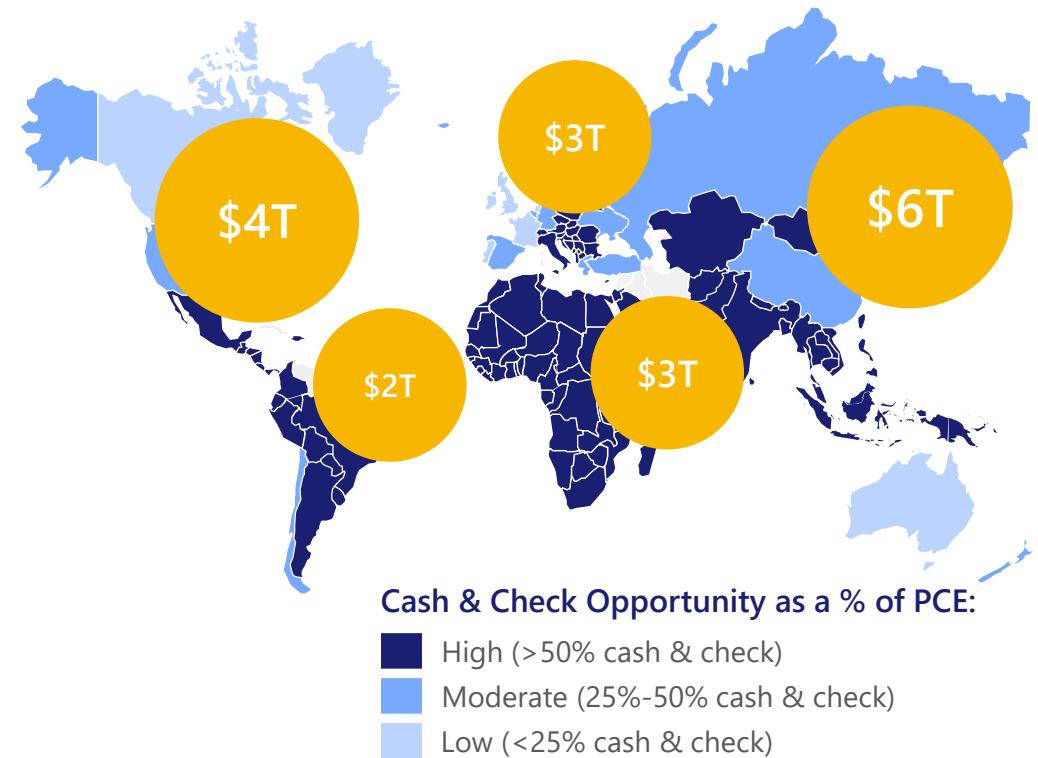
Significant untapped potential to increase PCE penetration and grow core revenue

## Global Cash & Check (\$T)

2018 Constant Dollars



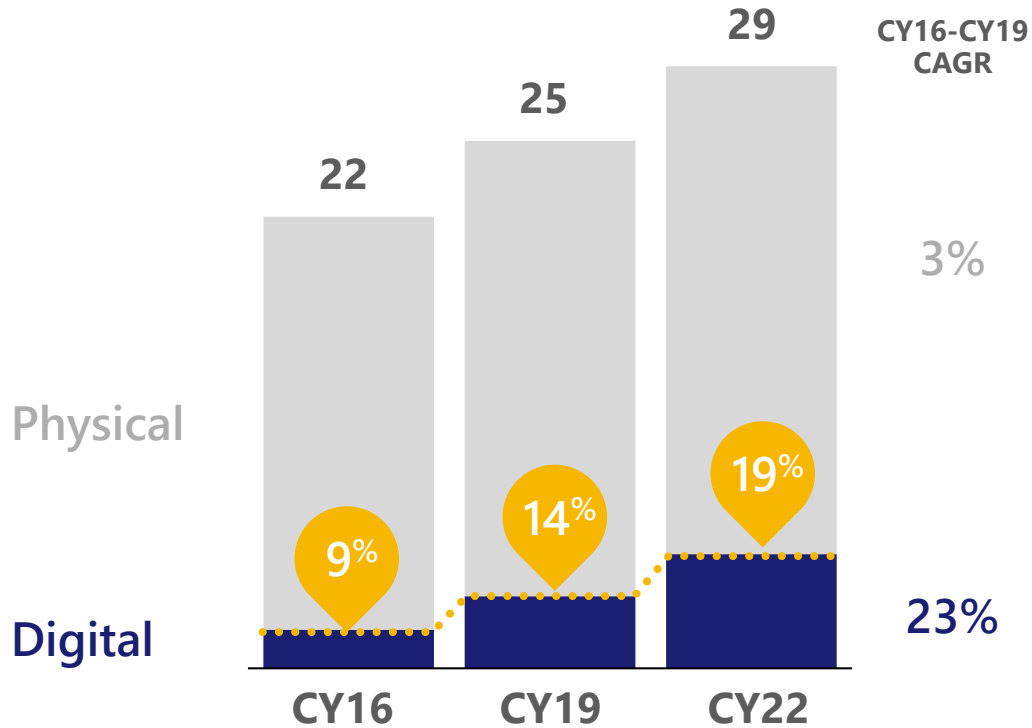
## Cash & Check Opportunity by Region



## ② Spend continues to shift from physical to digital and Visa's share of digital is 3x that of physical



Total Global Retail Spend (\$T)<sup>1</sup>



Visa's Share of Every \$1 Spent



Physical

~15¢



Digital

~43¢

# New ecosystem participants, technology advances and governments are driving the digitization of cash



3

There is a wave of next generation issuers – neobanks, fintechs and digital platforms – issuing credentials

1B+

Potential credentials from Visa wallet partners



4

The cost to enable acceptance has dramatically decreased and next generation acquirers are expanding acceptance

> 90%

Reduction in cost to enable acceptance compared to dedicated terminals



5

Governments are increasingly engaging to digitize payments

~ 3x



India card volume growth since demonetization in November 2016

~ 2x



Japan government targeted increase in digital penetration 2016-2027

# Visa's network uniquely positions us to lead the digitization movement

  
Consumer  
Payments

  
New  
Flows

  
Value Added  
Services

13,000  
Visa Issuers

3.4B  
Cards

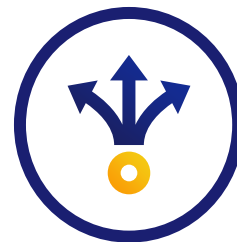
750M  
Visa Tokens



3,000  
Visa Acquirers

61M  
Merchant Locations

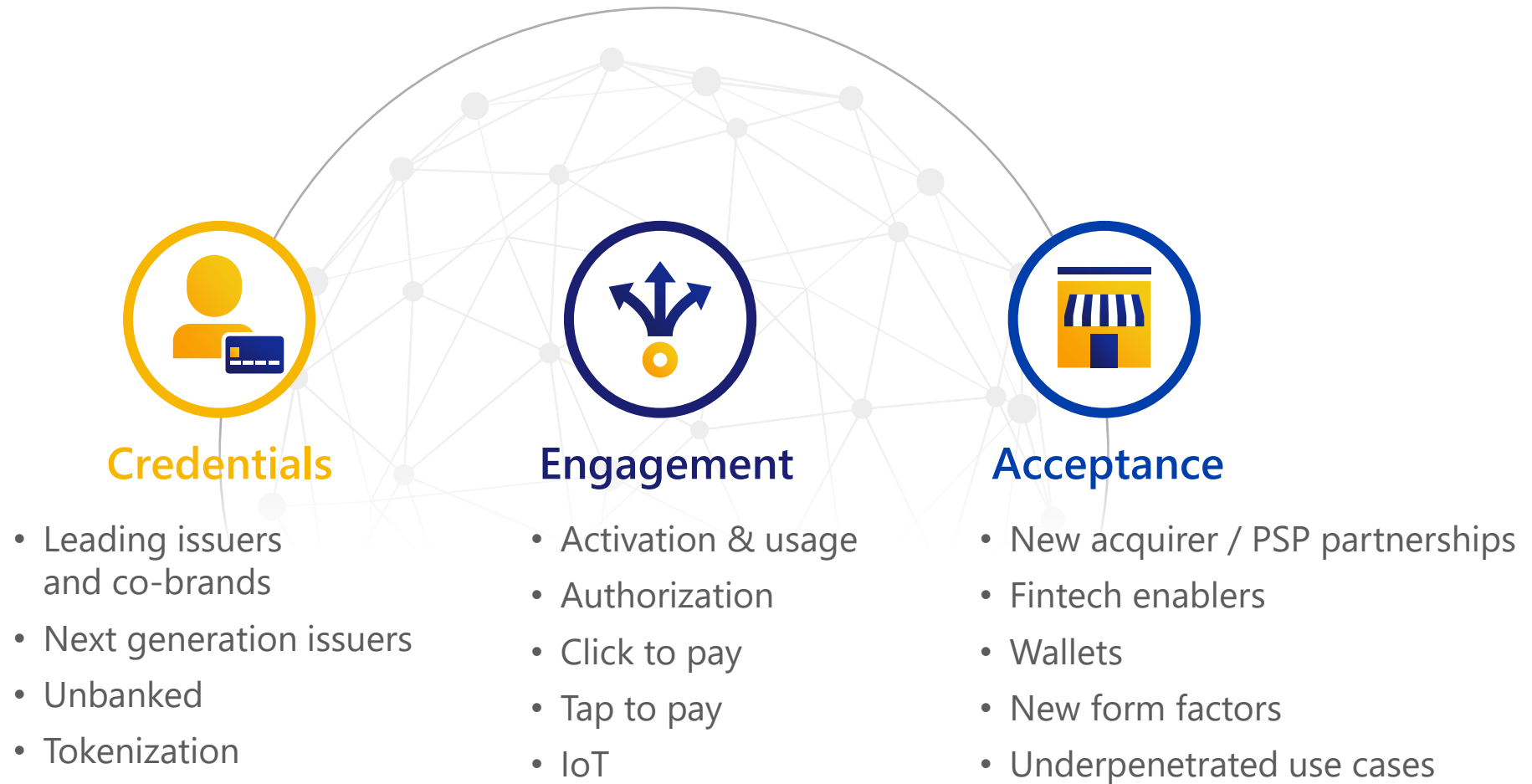
\$8.8T  
Payments  
Volume



180B  
Payments  
Transactions

~65M  
POS Enabled  
for Tap to Pay

# Increasing the number of endpoints and deepening engagement will drive growth
















# Our endpoints are rapidly expanding through the opening of traditionally closed-loop ecosystems



Credentials



Acceptance

Wallets		✓	✓
		✓	✓
		✓	✓
		✓	✓
		✓	✓
		✓	
		✓	
		✓	
			✓
Networks			✓
		✓	
	Chilean local network	✓	✓
	Caribbean local networks	✓	✓

Total opportunity from current closed-loop partners:



1B+



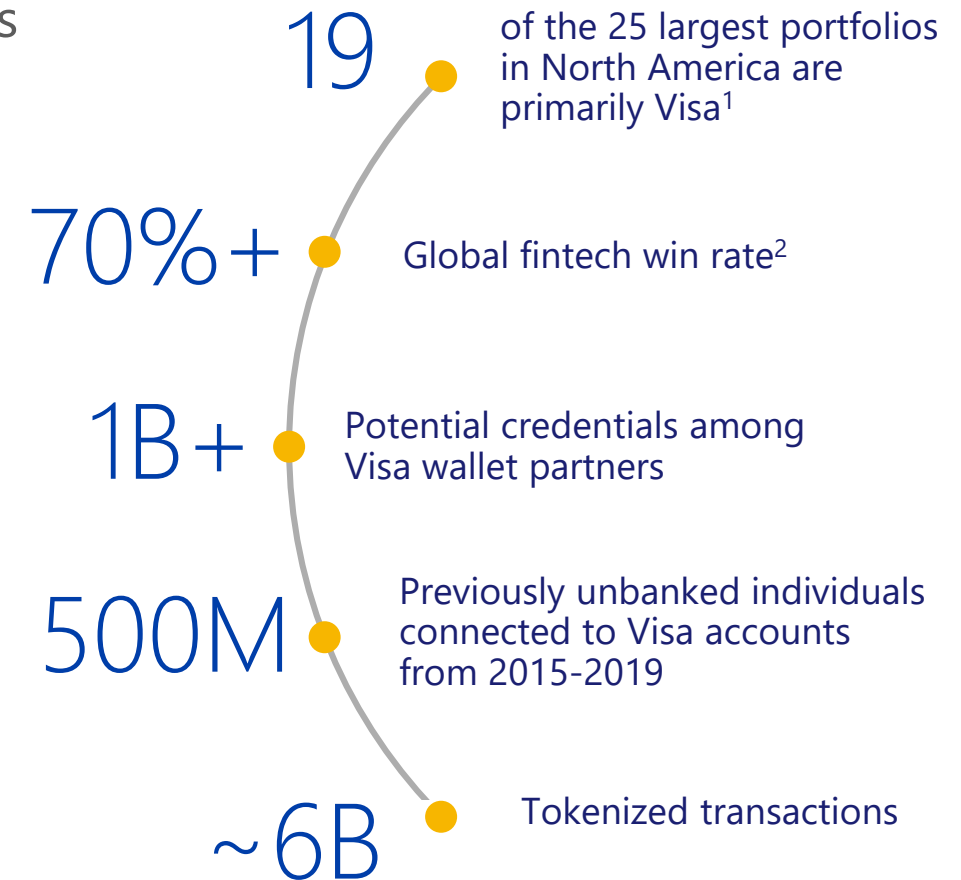
65M+



# Growing credentials to bring new consumers into the digital payments ecosystem



- Continue **to lead and grow share** with traditional issuers and co-brands
- Expand **issuance** with neobanks, fintechs and digital platforms
- Embed **Visa credentials** in digital wallets
- Reach the **unbanked** through new products and government partnerships
- Drive **tokenization** to enable new use cases





# Enormous opportunity remains to expand acceptance

- Develop **strategic acquirer partnerships** to broaden Visa's acceptance reach
- Partner with **fintechs** and **leading wallets** to enable new acceptance methods
- Attract **smaller, cash-based merchants** through QR codes / mPOS / tap to phone
- Invest in **underpenetrated** use cases



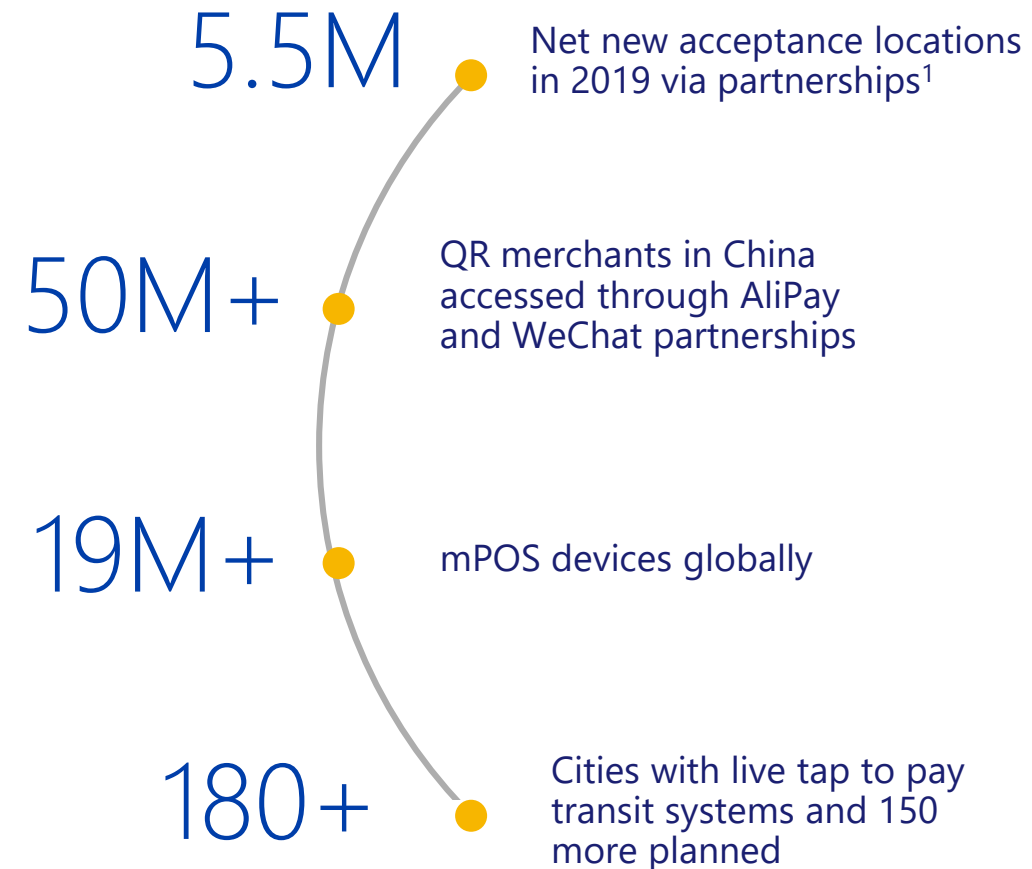
Consumer Payments



New Flows



Value Added Services





# Deepening user engagement and increasing usage accelerates growth in the core business



Consumer  
Payments

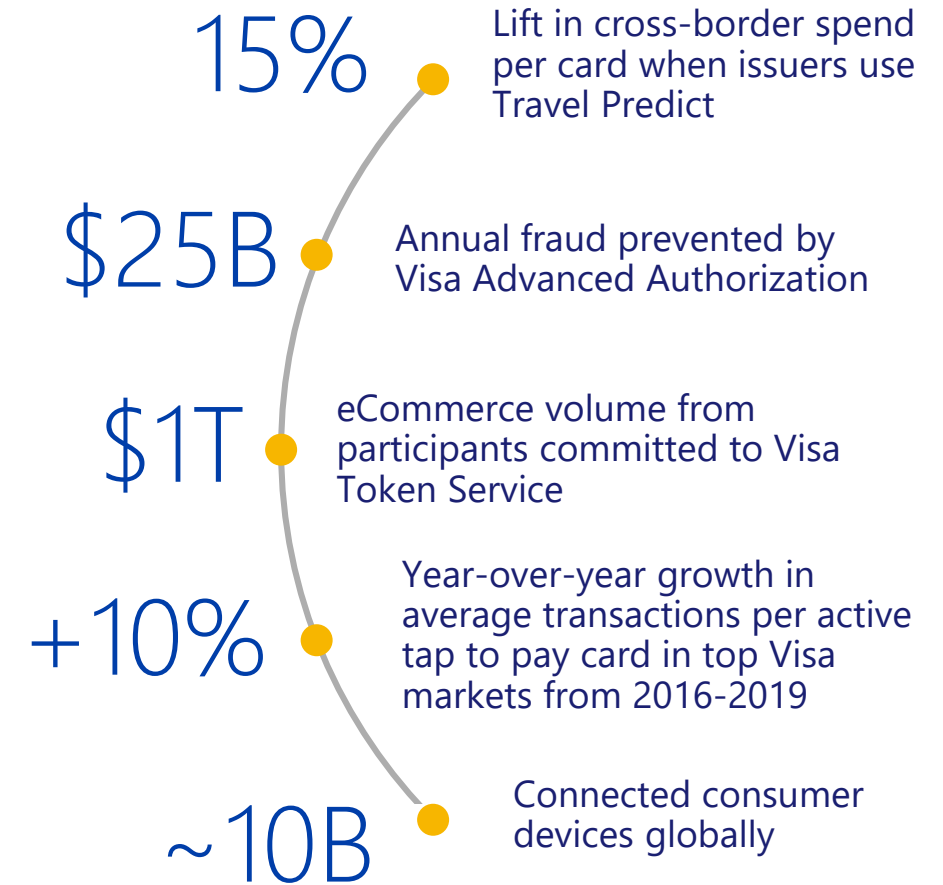


New  
Flows



Value Added  
Services

- Increase user and seller **activation and usage** through data, analytics and consulting
- Improve **authorization rates** and **reduce fraud** in eCommerce
- Reduce eCommerce friction through **click to pay** and **tokenization**
- Drive repeat usage in face-to-face (F2F) through **tap to pay**
- Better **integrate payments** into IoT technology that powers daily life



# New flows represent a \$185T opportunity



## Consumer Payments

Grow the two-sided network by expanding Visa credentials and acceptance points and driving user engagement



## New Flows

Expand our Network of Networks to capture new sources of payments and money movement between individuals, businesses and governments



## Value Added Services

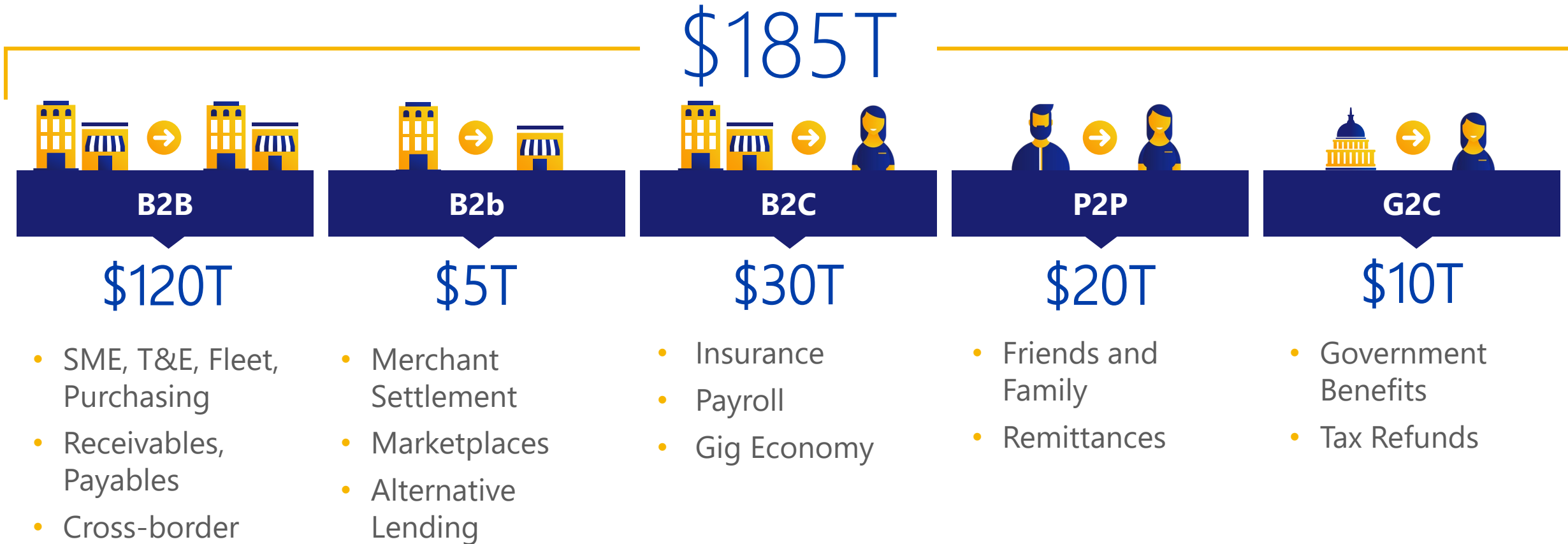
Drive utilization of our services to help our clients grow profits and deepen our partnerships

# We are focused on capturing new flows using our growing Network of Networks

  
Consumer  
Payments

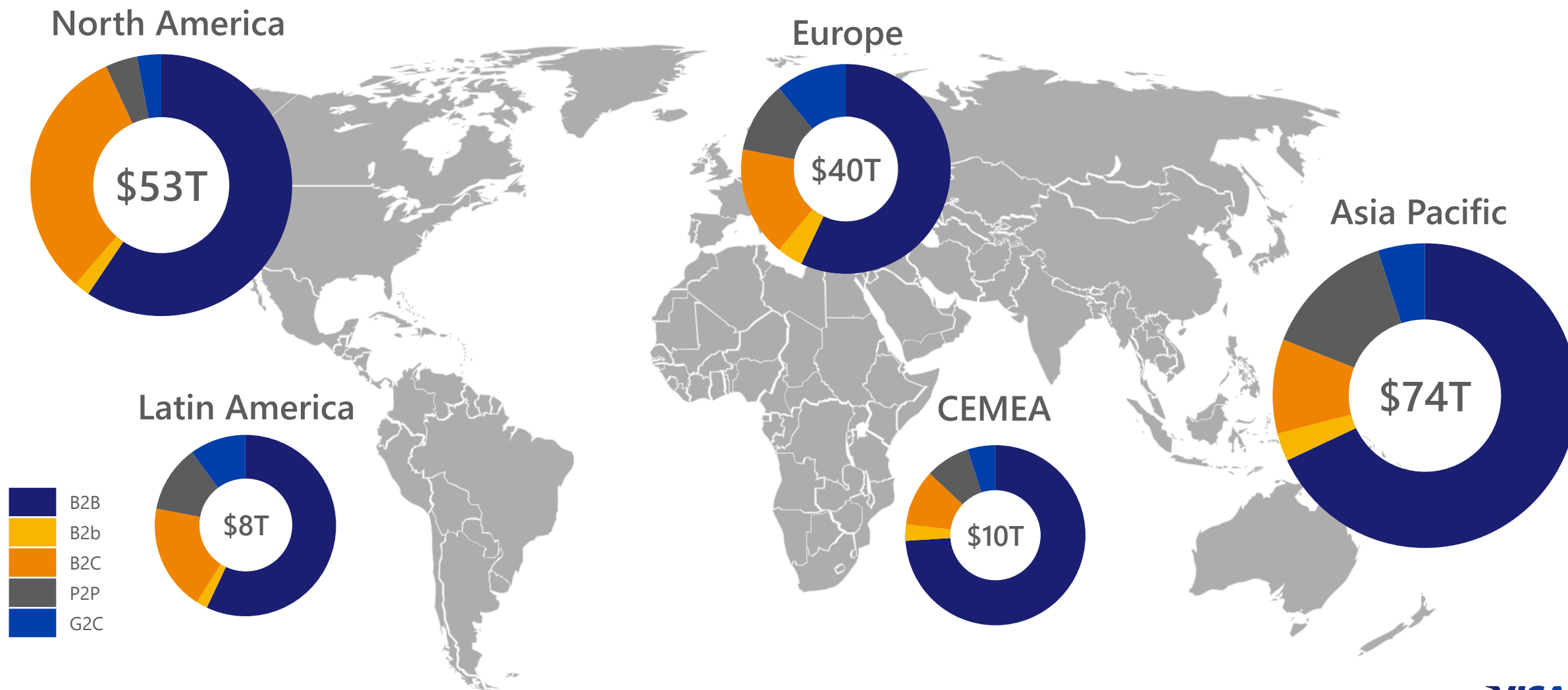
  
New  
Flows

  
Value Added  
Services













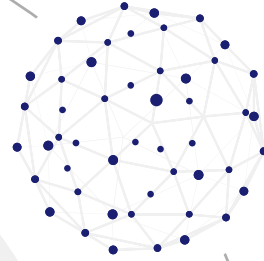
# The \$185T opportunity is spread around the world



# Visa's Network of Networks strategy

- |  |                  |   |   |
|--|------------------|---|---|
|    | All Endpoints    |    | Move money end-to-end for <b>businesses, governments and consumers</b>  |
| <hr/>  |                  |   |   |
|    | All Networks     |    | <b>Optimize speed and cost</b> by using all available networks<br><b>Unify fragmented networks</b> to complete transactions started on one network and finishing on a different network in a frictionless way |
| <hr/>  |                  |   |   |
|   | Always Available |   | <b>Facilitate liquidity</b> and <b>guarantee payments</b> through Visa Settlement Service   |
| <hr/>  |                  |   |   |
|  | Intelligent      |  | <b>Enable Value Added Services</b> (e.g., tokenization, authentication, fraud reduction, dispute resolution) on transactions  |

# Enabling money movement with Visa's Network of Networks

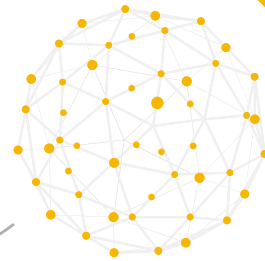


## VisaNet



## Other Visa Networks

- PLUS
- Earthport
- Visa B2B Connect



## Non-Visa Networks

- Card Networks
- RTP / ACH
- SEPA
- SWIFT
- Correspondent Banks

**Senders:**

Consumers



Businesses



Governments



**Receivers:**

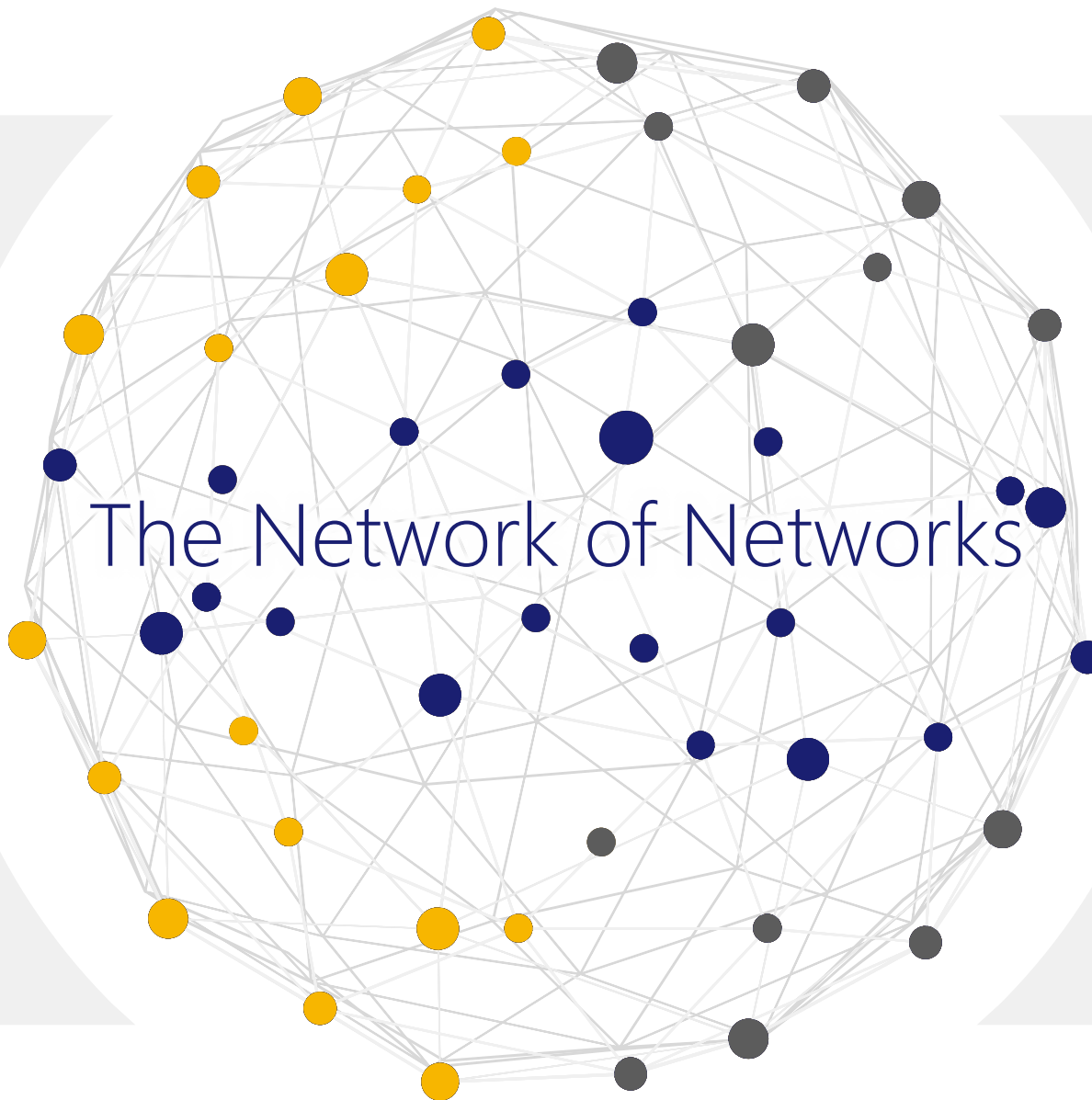
Consumers



Businesses

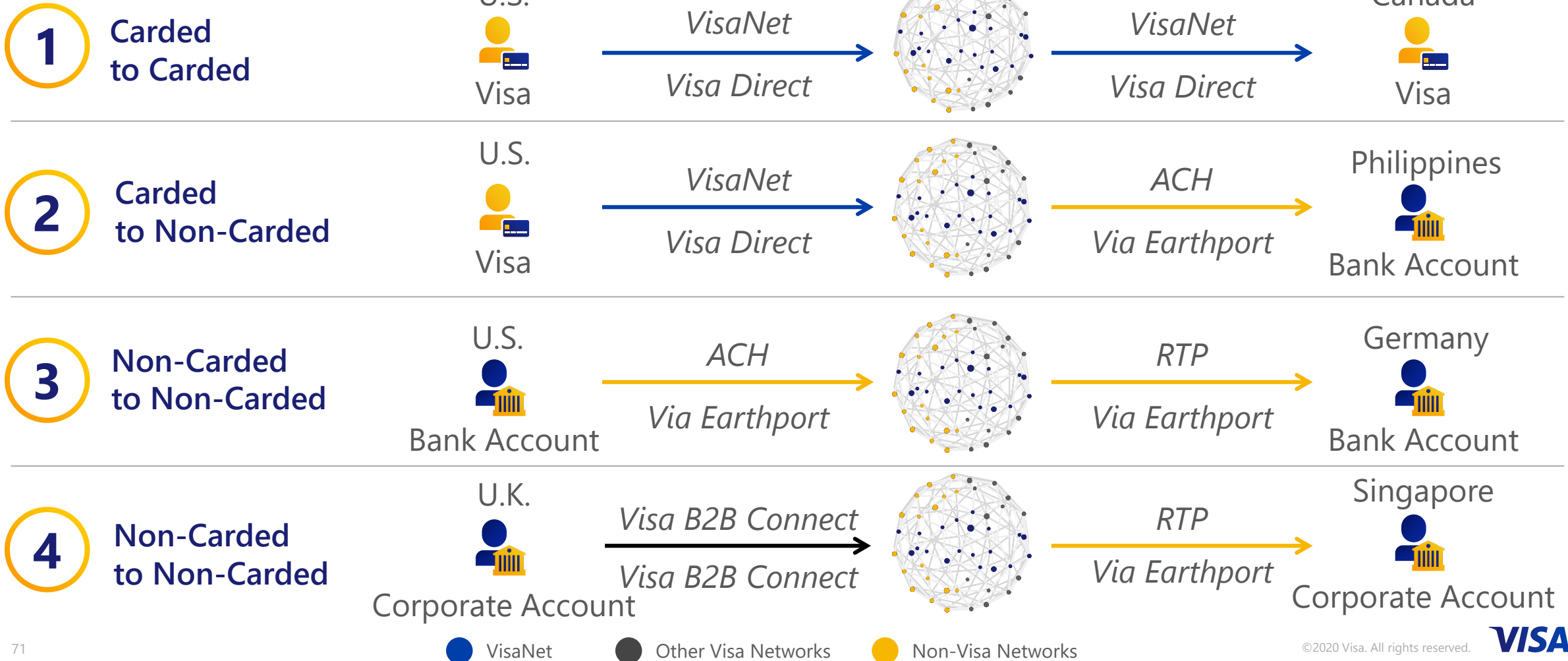


Governments



# Network of Networks transactions: Cross-border examples

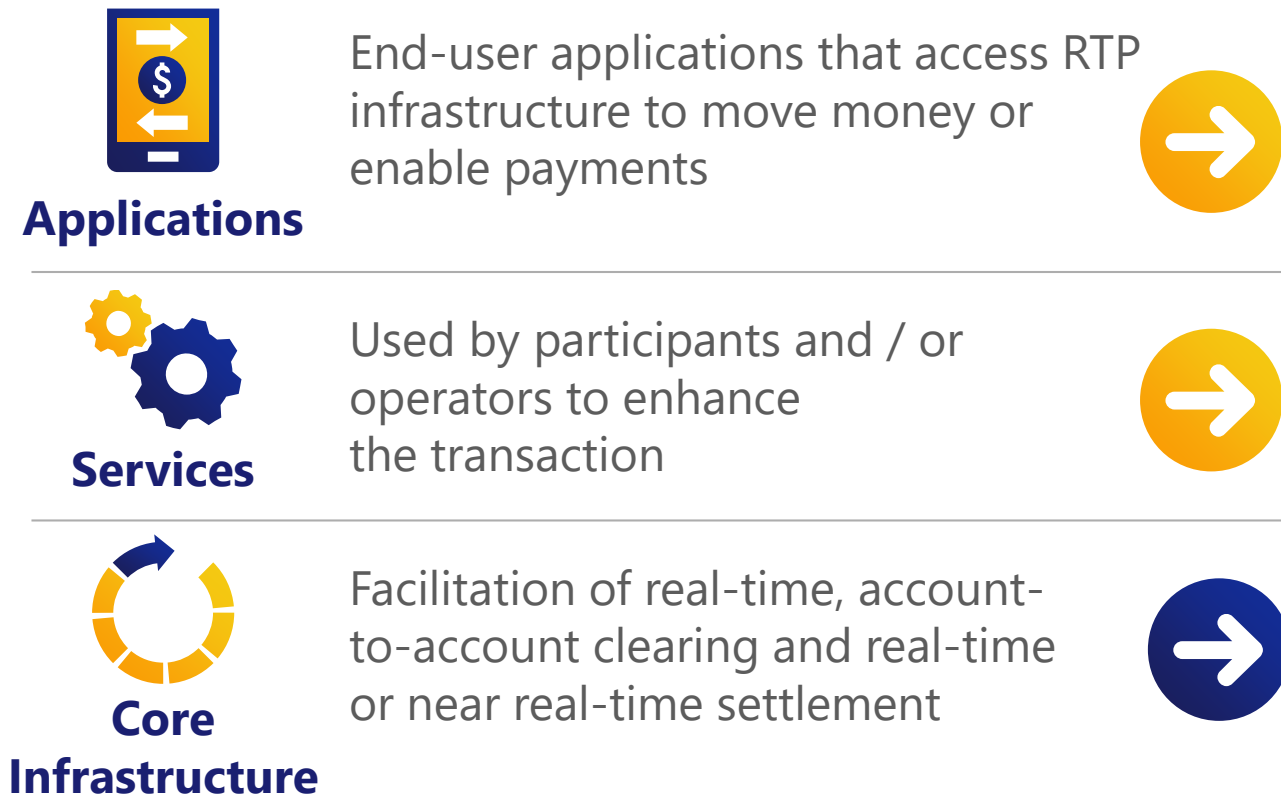
Illustrative



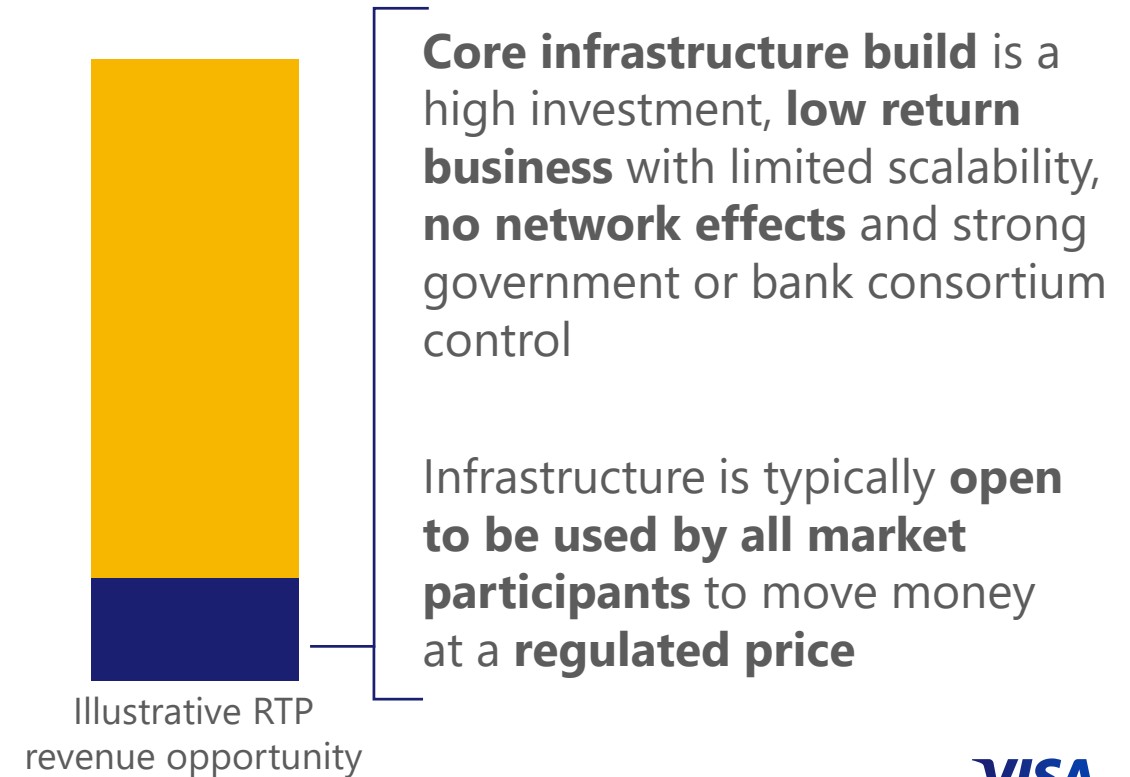
# Role of RTP in Visa's strategy

45+ RTP networks live and 30+ in progress globally

## Ecosystems typically have three layers:



## Applications and services drive revenue and profit opportunity:



# We will utilize RTPs as part of our Network of Networks strategy



## Applications

**Partnering with application providers** to facilitate transactions using Visa's Network of Networks



## Services

Delivering **key Value Added Services** to RTP operators such as tokenization, authentication, fraud reduction and dispute resolution



## Core Infrastructure

Leveraging **all available RTP systems** to move money as part of our **Network of Networks platform**



# Value Added Services help our partners grow profits by enhancing their utilization of Visa's networks



## Consumer Payments

Grow the two-sided network by expanding Visa credentials and acceptance points and driving user engagement



## New Flows

Expand our Network of Networks to capture new sources of payments and money movement between individuals, businesses and governments



## Value Added Services

Drive utilization of our services to help our clients grow profits and deepen our partnerships

# Value Added Services grow revenue and help clients capitalize on best-in-class capabilities and innovation



Help our **clients grow profits** with platforms and services that unlock the power of our networks



**Deepen relationships** by enabling our clients and partners to succeed



Capture **new sources of revenue** to complement payments and money movement

# The convergence of physical and digital commerce drives increasing demand for Value Added Services



Consumer Payments



New Flows



Value Added Services



## Issuer & Consumer Solutions

Platforms that power payments transactions, enable growth and innovation and influence the customer journey



## Acquirer & Seller Solutions

Secure, reliable services for sellers and acquirers that reduce friction and drive acceptance



## Security & Identity

Protections against fraud, theft and unauthorized use through advanced risk management capabilities



## Data Solutions

Data tools to help clients grow their business and drive differentiated experiences



## Visa Consulting & Analytics

Actionable insights, recommendations and data-driven strategies for clients and partners

~\$3.5B

FY 2020 Projected Revenue

>20%

Growth from FY 2019

# Visa offers a broad and expanding suite of Value Added Services



## Examples



### Issuer & Consumer Solutions

- Issuer Processing (DPS)
- Digital Issuance
- Account & Transaction Controls
- Consumer Benefits & Experiences



### Acquirer & Seller Solutions

- Acceptance
- CyberSource
- Urban Mobility
- Tap to Phone
- Account Updater



### Security & Identity

- Token Management
- Fraud Management
- Authorization Optimization
- Authentication



### Data Solutions

- Visa Analytics Platform
- Benchmarking
- Data APIs
- Marketing
- Underwriting
- Freedom



- Loyalty
- Installments
- Dispute Management
- Open Banking



### Visa Consulting & Analytics

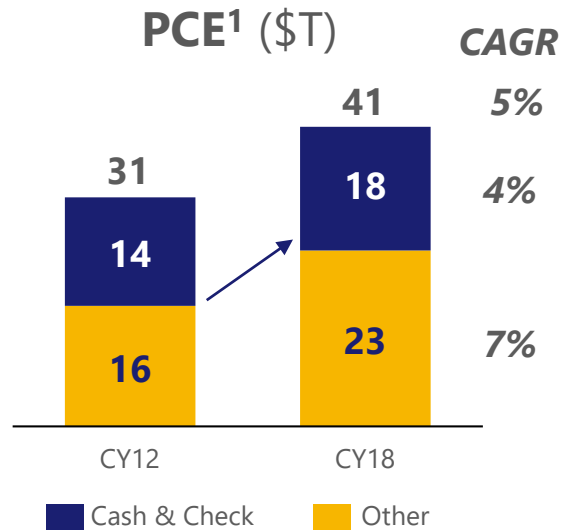
- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# Our growth strategy has three levers to drive double-digit revenue growth



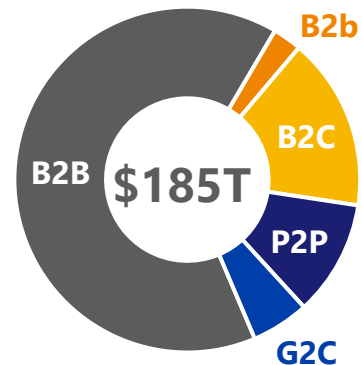
## Consumer Payments

### Digitizing cash & check



## New Flows

TAM 4x the size of PCE and low penetration rates



**Visa Penetration:**

**<1%**



## Value Added Services

Expanding TAM with new services and solutions

**2x**

FY 2019 revenue growth in Value Added Services vs. Consumer Payments

# Key takeaways



We have a significant opportunity for continued growth in **consumer payments**

---



Our addressable market continues to expand as we extend into **new flows**

---



We are utilizing an expanding **Network of Networks** to move money for everyone, everywhere

---



**Value Added Services** expand the revenue growth opportunity beyond payments and money movement and drive growth for our clients

# Notes and disclosures

During the three months ended December 31, 2018, we updated our definition of payments volume to now include all disbursement volume related to Visa Direct, in addition to the funding volume previously included. All prior periods presented have been adjusted accordingly. Please refer to the Operational Performance Data section of Exhibit 99.1 in Form 8-K filed on January 30, 2019 for more details on the impact from this update in our payments volume definition.

Total transactions represent payments and cash transactions as reported by Visa clients on their operating certificates.

On occasion, reported payments volume, transaction and card information may be updated to reflect revised client submissions or other adjustments. Prior-period updates, other than the change to the payments volume definition, are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Constant-dollar growth rates exclude the impact of foreign currency fluctuations against the U.S. dollar in measuring performance.

All brand names and logos are the property of their respective owners, are used for identification purposes only and do not imply product endorsement or affiliation with Visa.

Any reference to PCE is as of 2018 unless otherwise noted and excludes non-financial transactions consisting of payments that are imputed by national statistics agencies such as homeowners' imputed rent.

For real-time payouts, actual fund availability varies by receiving financial institution, receiving account type, region and whether transaction is domestic or cross-border.

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Use cases are for illustrative purposes only. Program providers are responsible for their programs and compliance with any applicable laws and regulations.



# VISA | 2020 Investor Day

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## Growing Consumer Payments

Oliver Jenkyn  
Chris Clark  
Charlotte Hogg  
Andrew Torre  
Eduardo Coello

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## Driving New Flows

Ryan McInerney  
Bill Sheley  
Kevin Phalen

---

# Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as “will,” “is expected,” and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding the opportunities for growth, our strategy, future operations and outlook.

By their nature, forward-looking statements: (i) speak only as of the date they are made; (ii) are not statements of historical fact or guarantees of future performance; and (iii) are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from Visa’s forward-looking statements due to a variety of factors, including those contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019, and our other filings with the U.S. Securities and Exchange Commission.

You should not place undue reliance on such statements. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future developments or otherwise.

Please see end of presentation for notes and disclosures.

# Growing Consumer Payments

**VISA** | 2020 Investor Day



# North America

Oliver Jenkyn

Regional President

**VISA** | 2020 Investor Day



# North America: Overview



## Credentials

### Visa Scale

~1B

Cards



### Opportunity

1B+

New Credentials



## Acceptance

~10M

Merchant  
Locations



10M+

Untapped  
Merchants



## Engagement

\$4T

Payments  
Volume

76B

Payments  
Transactions

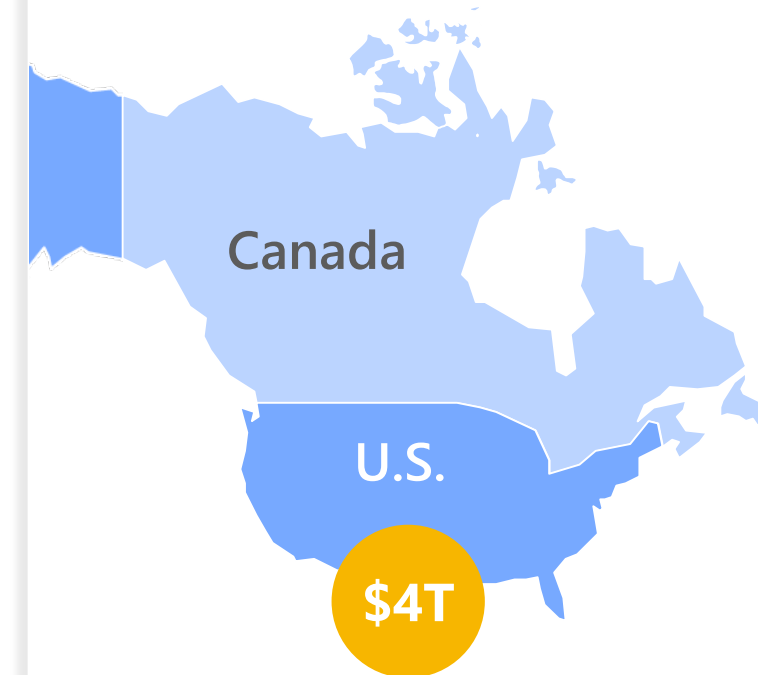


\$4T

Cash & Check  
Conversion  
Opportunity

364M Population

Cash & Check = 33% of PCE



### Cash & Check Opportunity as a % of PCE:

- High (>50% cash & check)
- Moderate (25%-50% cash & check)
- Low (<25% cash & check)
- Cash & Check Opportunity (\$)

# North America: Key growth levers



## Credentials

North American clients prefer Visa because of our brand, our platform and our expertise

- We lead with the largest partners in North America
- We are winning with fintechs

19 / 25

Largest portfolios are primarily Visa

>70%

Win rate in fintech deals



## Acceptance

Visa is opening up new acceptance in underpenetrated segments and enabling new use cases

~1M

Annual new acceptance points

25+

Transit systems moving to tap to pay



## Engagement

Visa is driving innovation to make it easier to pay

- In-store (tap to pay)
- Online (click to pay)

300M

U.S. tap to pay cards in force by EOY 2020

83 / 100

Top merchants accept tap to pay



Credentials



Acceptance



Engagement

# Partnership strength: Leading partners choose Visa and outperform peers

## Leading share with largest partners

19 of 25 Largest North America portfolios<sup>1</sup>

8 of 10 Largest U.S. issuers<sup>2</sup>

4 of 5 Largest Canadian credit issuers<sup>2</sup>

8 of 10 Largest North America co-brands

## Visa partners outperform

Largest Visa Issuers vs. Largest Competitor Issuers (3-Year View)<sup>2,3</sup>

 1.1 ppt Faster growth

 \$65B Issuer volume

 \$1-1.5B Issuer revenue

## Visa partnership helps our clients grow

Visa Brand Premium



10.7%  
U.S. Spend Lift<sup>4</sup>

### Visa Consulting & Analytics

- ✓ New product design
- ✓ Risk optimization
- ✓ Digital marketing expertise
- ✓ Spend momentum analysis

Notes: 1. Includes debit and consumer credit; 2. Excludes American Express and Discover; 3. Visa's Top 5 U.S. Issuers by payments volume vs. Competitor's Top 5 U.S. Issuers 2015-2018, excludes PIN debit; 4. Transunion analysis of their proprietary U.S. transaction database spanning over 310 million U.S. Visa- and MA-branded active credit cards showing spend lift (March 2017-March 2018 performance period), less Visa-calculated Costco effect; risk-adjusted balance line is calculated on the full database of 310 million active cards whereas spend lift is calculated based on a subset of active credit cards where Issuers send monthly payment data to Transunion. Sources: Nilson; U.S. Consumer Payment Panel Study; Visa Consulting and Analytics Issuer Benchmark Study; TransUnion; Visa Operating Certificates; VisaNet data; Visa Analysis.

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# Fintech focus: Visa's approach is successfully driving growth



Credentials



Acceptance



Engagement

U.S. consumers are embracing fintechs

>70%

of North America consumers used a fintech app in 2019

Fintechs are choosing Visa because of our



Brand Strength



Expertise and Trust

- Advice & consulting
- Experience



Fintech Fast Track

- Streamlined onboarding
- Ecosystem partners
- Simple commercial agreements

We are winning with top partners

>70%

Win Rate<sup>1</sup>

affirm

Betterment

Cash App

chime

N26

Remitly

stripe

# Expand acceptance: Driving growth with new segments and use cases



\$570B  
Rent<sup>1</sup>



\$350B  
Tuition



\$165B  
Sports Wagering



\$120B  
Micromobility



\$50B  
Unattended  
Retail



\$26B  
Parking



\$17B  
Crowd-  
funding



\$16B  
Transit

**Opportunity  
Size in New  
Use Cases:**

# Expand acceptance: Driving growth with new segments and use cases

## NY MTA Momentum

- **4,000,000** Visa taps in 8 months
- **~60,000** Visa taps per weekday (on average)
- **~30%** stations enabled to date; full roll-out by **end of 2020**



# Expand acceptance: Driving growth with new segments and use cases



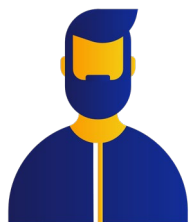
Transit Systems:  
Live and in Planning<sup>1</sup>

25+



# Tap to pay: Frictionless way to pay in-store

## Cash remains prevalent in the U.S.



Americans average

12

cash transactions  
per month



Cash still accounts for

55%

of all transactions  
<\$10

## Tap to pay displaces cash

Tap to pay drives

~20%

transaction lift in **mature**  
**markets globally**<sup>1</sup>

**In the U.S. so far**<sup>2</sup>

+4

Transactions per month

+\$160

Spend per month

Note: 1. Study compares the U.S. to mature markets with similar 'pre-contactless' payment behaviors and sufficient contactless activity: Australia, Canada, Ireland, New Zealand, Switzerland, and the U.K. 2. Transaction lift analysis of tap to pay active cardholders, VisaNet data, January 2018 – January 2019.

Sources: Federal Reserve, Diary of a Consumer, 2018; Assessing the U.S. Contactless Opportunity: Learnings from the Global Experience, A.T. Kearney 2018; VisaNet data.

# Tap to pay: Frictionless way to pay in-store

## Tap to pay in the U.S. is poised for take-off



### Issuer Side

145M tap to pay cards issued today

300M tap to pay cards issued by the end of 2020

17 of the top 25 issuers are issuing tap to pay cards



### Merchant Side

8 of the top 10 merchants accept tap to pay

83 of the top 100 merchants accept tap to pay

69% of F2F transactions occur at tap to pay merchants

CVS  
pharmacy

DUNKIN'

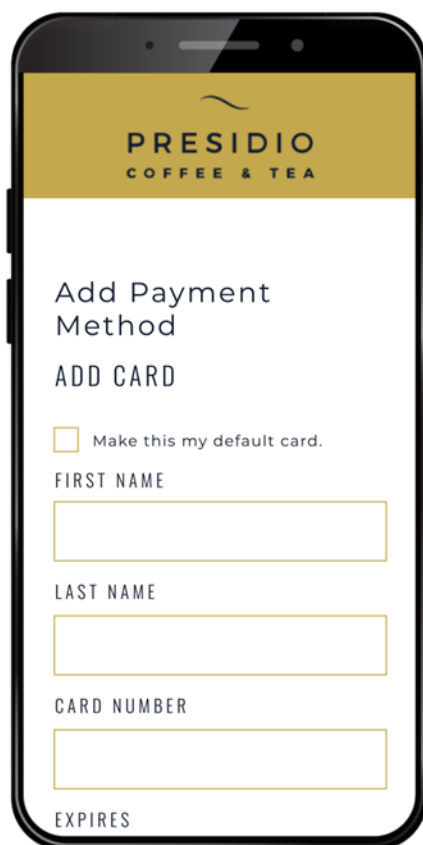
Albertsons  
Companies



COSTCO  
WHOLESALE

# Click to pay: Frictionless way to pay online

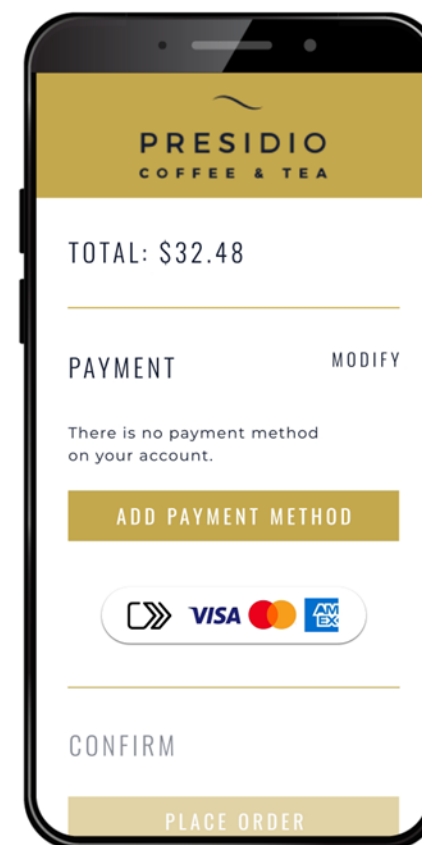
Today, **guest checkout** represents approximately half of digital card not present purchases and can involve 23 steps, taking almost three minutes



The image shows a mobile app interface for 'PRESIDIO COFFEE & TEA'. The screen displays the 'Add Payment Method' section with the heading 'ADD CARD'. Below this, there is a checkbox labeled 'Make this my default card.' followed by input fields for 'FIRST NAME', 'LAST NAME', 'CARD NUMBER', and 'EXPIRES'.



With **click to pay**, it can be as simple as two clicks



The image shows a mobile app interface for 'PRESIDIO COFFEE & TEA'. The screen displays the 'TOTAL: \$32.48' and a 'PAYMENT' section with a 'MODIFY' link. Below this, there is a message: 'There is no payment method on your account.' followed by a yellow button labeled 'ADD PAYMENT METHOD'. Below the button, there are logos for 'VISA', 'MasterCard', and 'AM EX'. At the bottom, there is a 'CONFIRM' section with a yellow button labeled 'PLACE ORDER'.



# North America is Visa's largest region and still has a huge runway for future growth



## Credentials

North American clients prefer Visa because of our brand, our platform and our expertise

- We lead with the largest partners in North America
- We are winning with fintechs



## Acceptance

Visa is opening up new acceptance in underpenetrated segments and enabling new use cases



## Engagement

Visa is driving innovation to make it easier to pay

- In-store (tap to pay)
- Online (click to pay)

Asia Pacific

Chris Clark

Regional President

**VISA** | 2020 Investor Day



# Asia Pacific: Overview



## Credentials

### Visa Scale

970M

Cards



### Opportunity

768M

Unbanked



## Acceptance

20M

Merchant  
Locations



100M+

Untapped  
Merchants



## Engagement

\$1.9T

Payments  
Volume

30B

Payments  
Transactions



\$6T

Cash & Check  
Conversion  
Opportunity

3.9B Population

Cash & Check = 48% of PCE



**Cash & Check Opportunity  
as a % of PCE:**

- High (>50% cash & check)
- Moderate (25%-50% cash & check)
- Low (<25% cash & check)
- Cash & Check Opportunity (\$)

# Asia Pacific: Key growth levers



## Credentials

We are investing to rapidly grow Visa credentials with an increasingly diverse roster of clients

20+

Wallet partners

1B+

Users connected to these wallets



## Acceptance

We are opening up new acceptance in underpenetrated segments and enabling new uses cases

2.3x

Acceptance locations vs. three years ago



## Engagement

Visa is making the payment experience frictionless to increase consumer engagement – tap to pay is a key part of this strategy

41%

Tap to pay penetration in 2019

Up to 3.8x

Transactions per active card for tap to pay users



Asia Pacific is a very diverse region and we operate in 46 markets – our approach is tailored to each market and its unique needs

\$4.5T

Cash & check opportunity across Japan, India and China

# We are partnering with market-leading wallets to grow credentials and acceptance across Asia Pacific

Visa offers wallets greater payment functionality to both consumers and merchants in their ecosystem

Across AP

20+

Wallet partners

1B+

Users

65M+

Merchants

India

**paytm**

**540M** Users  
**16M** Merchants

South Korea



**16M** Users

China



WeChat Pay

**50M+** Merchants



Thailand, Indonesia, Japan and Taiwan



**164M** Users  
**4** Key Markets

For Taiwan:

**\$8B** Payments Volume  
**2.5M** Credentials

Other markets underway

Indonesia and Southeast Asia



**155M** App Downloads  
**420K** Merchants

# Tap to pay drives higher consumer engagement through frictionless payment experiences

Comparing tap to pay users vs. non-users:

Up to  
**3.8x** Transactions per active card<sup>1</sup>

Up to  
**1.8x** Spend per active card

Post tap to pay activation, cardholders make:

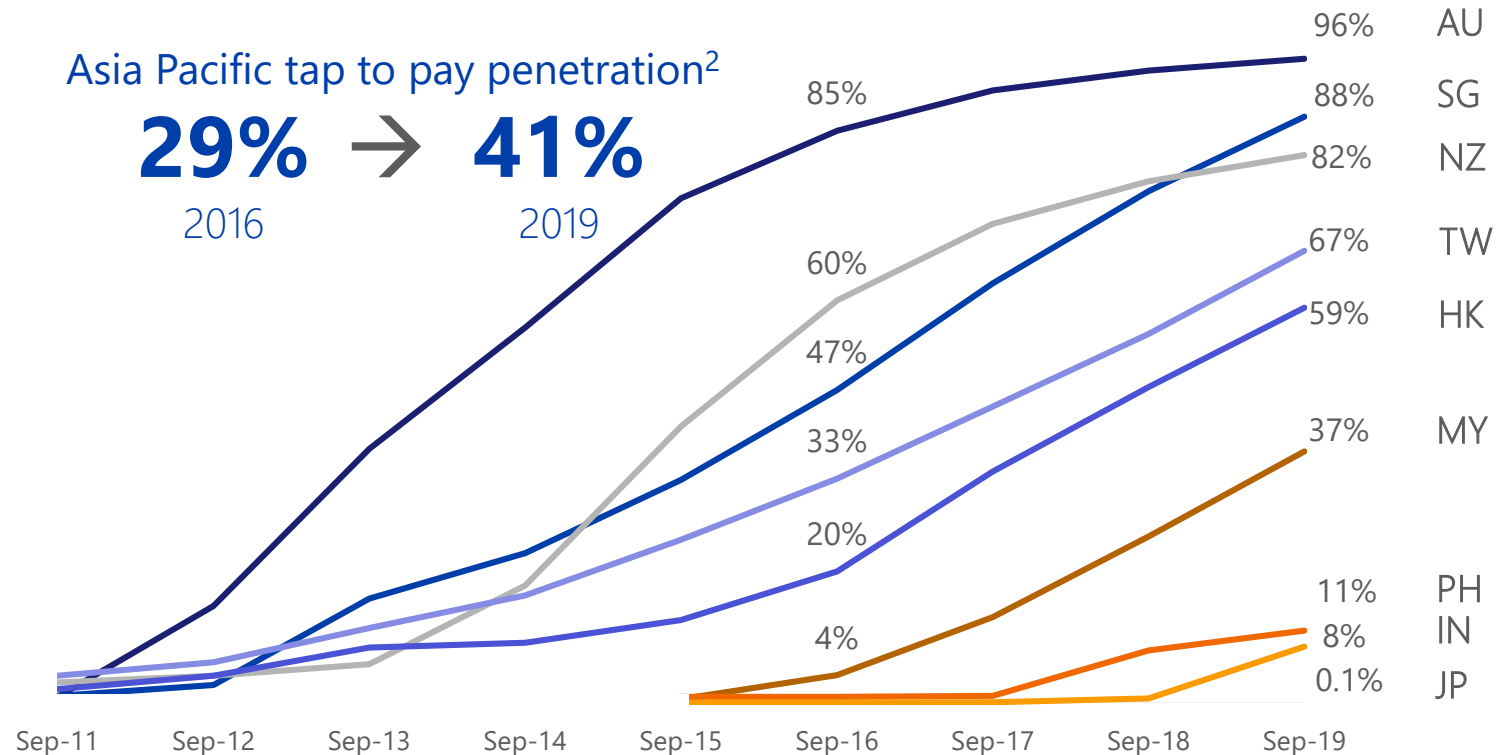
**3.9x** Transactions at fast food restaurants

**2.3x** Transactions at grocery stores and supermarkets

## Tap to Pay Penetration (%)

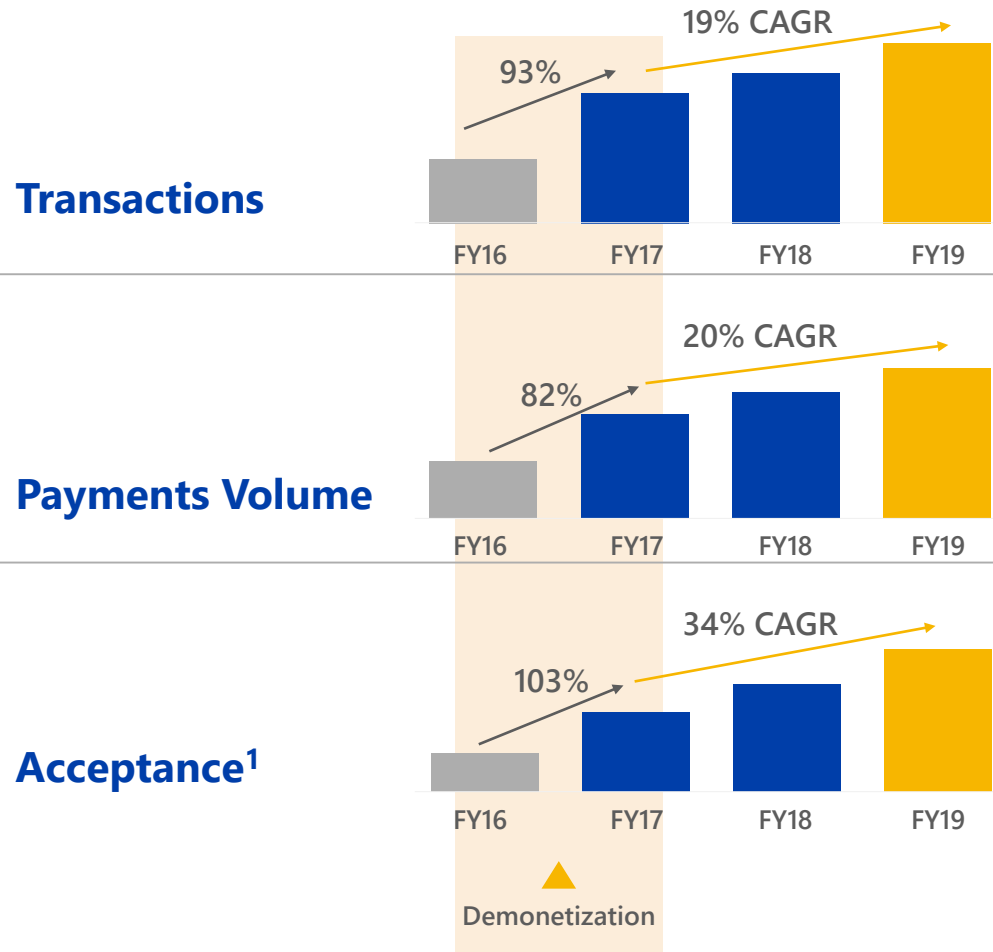
Asia Pacific tap to pay penetration<sup>2</sup>

**29%** → **41%**  
2016 2019



# India: Capturing the \$1T opportunity

Visa is the credit and debit market share leader with strong momentum



## Driving credentials and acceptance through fintech partnerships

- Google Pay: Tokenized credentials
- Paytm: Debit, co-brand credit, tap to pay acceptance

## Expanding credit access to large debit base (50M+ credit cards vs. 800M+ debit cards in 2019)

- Co-brand partnership with large consumer platforms (Amazon Pay, Ola)
- Deploying **installment** payment solution

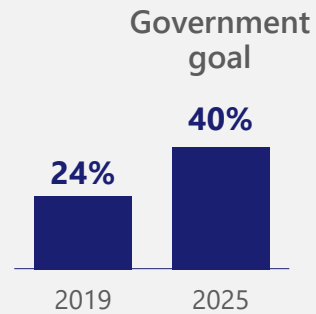
## Improving consumer engagement through frictionless payment experiences

- **Market-specific solutions** such as: Recurring payments platform with **BillDesk**, Visa Safe Click
- FY 2019 tap to pay penetration **14x** vs. FY 2018

# Japan: Capturing the \$1.4T opportunity

## Government's cashless agenda

### ePayment PCE penetration



Government goal

- Enable **tap to pay**, leveraging strong issuers and growing **acceptance in everyday spend categories**
- Maximize **Olympic Games Tokyo 2020** platform to drive **infrastructure enablement**

## Debit opportunity

### Significant growth since 2016...

31  
Issuers

11M  
Cards

3x  
Debit Payments  
Volume & Transactions

- Large untapped opportunity: **debit penetration < 10%**
- Partnering with **top banks** to penetrate account holders with debit
- Support innovation: **digital debit, tap to pay issuance, mobile**

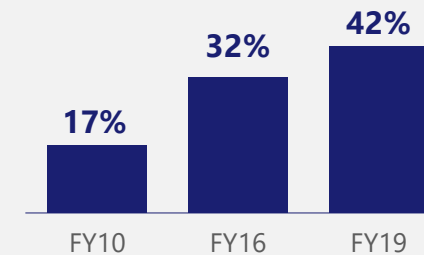
## Fintech partnerships

Partnering with fintechs to **scale credentials** and **acceptance**



## Processing penetration

### % Processed transactions



- Leverage **strong partnerships** to grow penetration with optimized acquirer and issuer solutions
- Deepen value creation for clients with **Value Added Services** (e.g., risk solutions, tokenization, data products, CyberSource)



# China: Capturing the \$2T opportunity

## Strong existing business

- Leading share among international schemes in **7 of top 8 issuers** representing ~**120M** cards in force



- Growing **fintech partnerships** to facilitate new use cases

## Partnering to scale acceptance

- **18x** traditional acceptance points since FY 2016
- Growing penetration into **new merchant segments** and **smaller cities**
- Partnering with large wallet platforms to drive a **step change growth** in inbound acceptance

## Preparing for market entry

- **Beijing Innovation Center** to help tailor solutions



- **Working with Chinese government** to continue to progress market entry efforts

# Asia Pacific presents a significant long-term growth opportunity



## Credentials

We are investing to rapidly grow Visa credentials with an increasingly diverse roster of clients

---



## Acceptance

We are opening up new acceptance in underpenetrated segments and enabling new uses cases

---



## Engagement

Visa is making the payment experience frictionless to increase consumer engagement – tap to pay is a key part of this strategy

---



Asia Pacific is a very diverse region and we operate in 46 markets – our approach is tailored to each market and its unique needs

# Europe

Charlotte Hogg

CEO

**VISA** | 2020 Investor Day

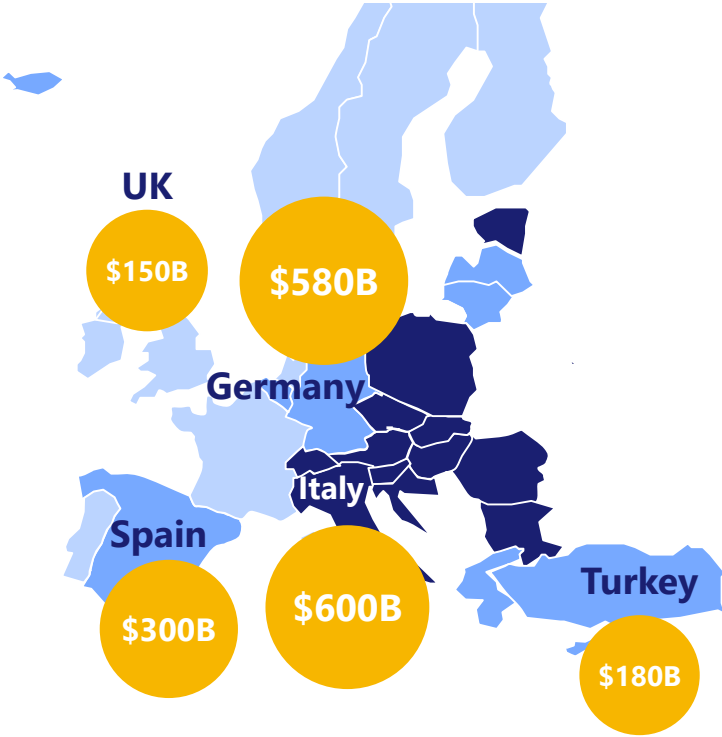


# Europe: Overview



619M Population

Cash & Check = 32% of PCE



Cash & Check Opportunity as a % of PCE:

- High (>50% cash & check)
- Moderate (25%-50% cash & check)
- Low (<25% cash & check)
- Cash & Check Opportunity (\$)

# Post integration, Europe is a stronger business poised for accelerated growth



## Team

built our **team**  
in local markets

+123%

Increase in  
client-facing staff



## Capabilities

enhanced our  
**capabilities**

100%

Clients migrated to  
VisaNet without incident



## Clients

cultivated our  
**client** base

+37%

Increase in  
client NPS



## Performance

realized **greater financial**  
**benefits** than expected

>2x

Profit ahead of acquisition  
business case

# Europe: Key growth levers



## Credentials

Visa is partnering with fintechs in their efforts to digitize payments and reach the unbanked

85M

Neobank customers by 2023



## Acceptance

We are broadening into new verticals, including opening up transit opportunities across Europe

20%

Growth in acceptance locations since FY 2017



## Engagement

Visa is setting the pace in new authentication products as the European regulatory landscape is changing

2x

Open banking service providers since 2018



We are deploying specific strategies tailored to trends in each key market

\$2.0T

Cash & check opportunity across France, Germany, Poland, Spain, Italy and Turkey

# We are making meaningful progress across fintech segments

Category	Country	Fintech
Digital Banks	UK	<b>Revolut</b> dozens
	Lithuania	<b>genome</b>
	Switzerland	<b>YAPEAL</b>
Unbanked Focus	Turkey	<b>ininal</b>
XB Specialists	Turkey	<b>ReP</b>
Lending	UK	<b>CAPITALONTAP</b>
B2B	UK	<b>Railsbank</b>
	Estonia	<b>VA</b>
Wallet	France	<b>Lydia</b>

## Fintech Fast Track

New end-to-end approach, shortening the onramp for fintechs to partner with Visa



# Acceptance growth comes through expansion across new segments, markets and payment flows

## Growth vector

## Success stories

**1** Reach small businesses in key markets



**Acquirer Rallye** – Small business campaign across Germany geared towards welcoming international payment schemes

**2** Enable acceptance via new channels



**Soft POS** launch to accept tap to pay on any Samsung device



**3** Expand to sectors in which cards are underpenetrated



**Vending solutions** to address payments UX and connectivity issues at >35K vending machines



**4** Develop acceptance in segments with low card usage



**Electric vehicle solutions** address UX and roaming payments across charging network



20% growth in acceptance locations since 2017



70% tap to pay penetration



# Transit creates a 'halo' effect in tap to pay enabled markets

From the launchpad of London we are now enabling public transportation across the region



2x

Greater increase in transactions by tap to pay TfL users

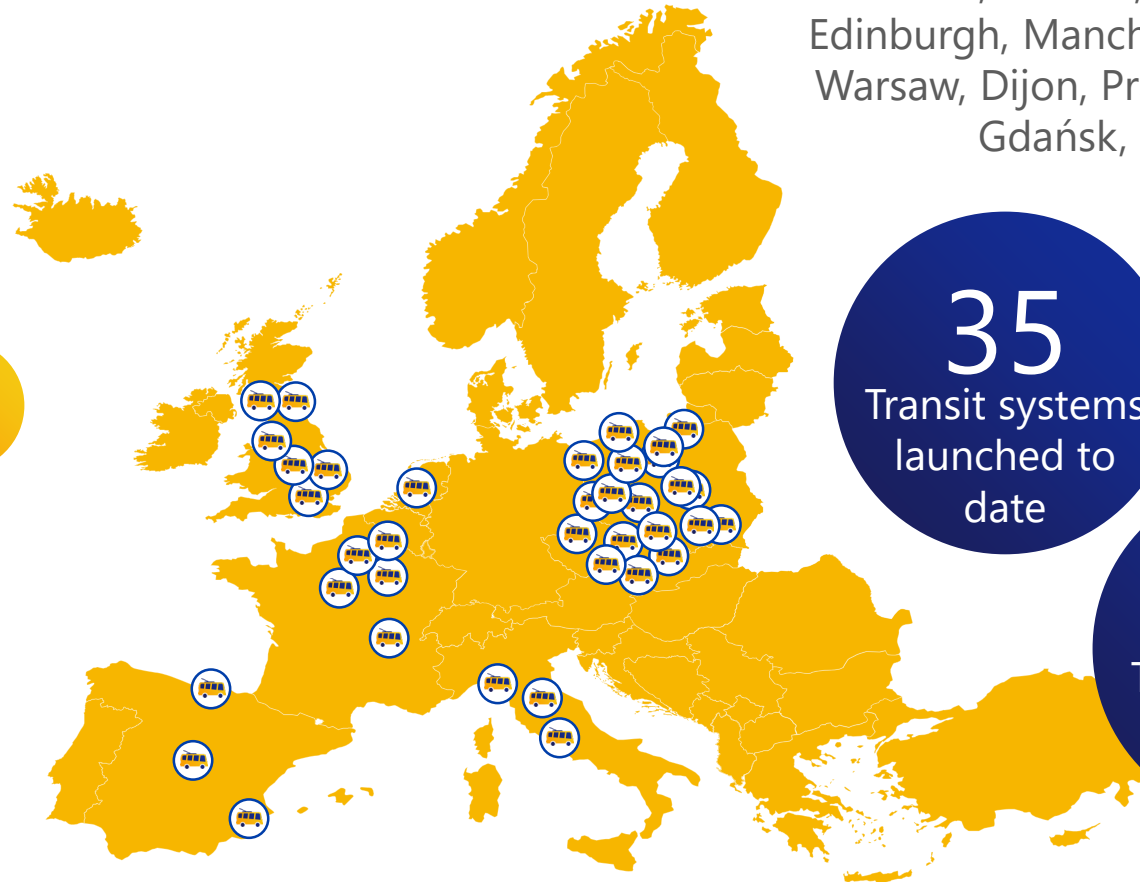
70%

Higher growth in spend by tap to pay TfL users



## Visa Ready for Transit program

- Expert guidance to transit operators
- Visa certification for third-party products
- Speed of delivery in close partnership with technology providers



London, Madrid, Milan, Rome, Edinburgh, Manchester, Florence, Warsaw, Dijon, Prague, Glasgow, Gdańsk, Lodz...

35  
Transit systems  
launched to  
date

40  
Transit systems  
in pipeline

# We are well positioned as open banking accelerates in Europe

**Authentication solutions** already in market to **support clients** as they prepare for PSD2 & SCA

3D secure 2.2



Enhanced 3DS to manage SCA exemptions and improve UX

Visa delegated authentication



Allows issuers to "delegate" authentication to a 3rd-party

Visa transaction advisor



Helps acquirers and merchants identify low risk transactions for SCA exemption

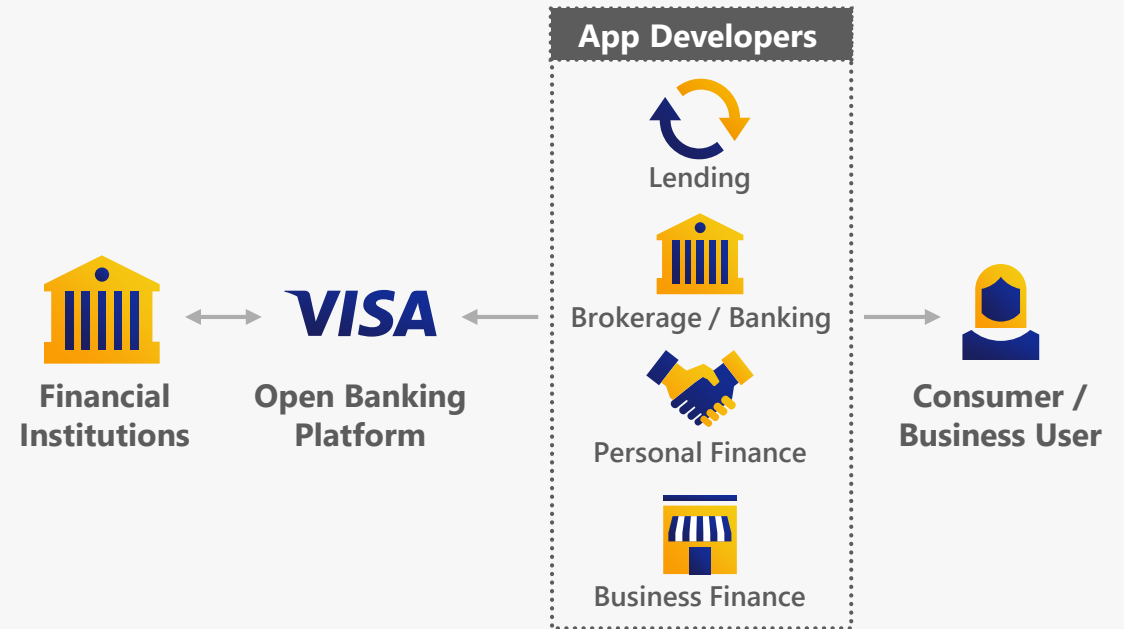
Visa trusted listing



Accelerates checkout experiences by "trusting" preferred merchants

Helping the ecosystem **champion security** without jeopardizing the **consumer experience**

Visa's **broad reach and connectivity** to financial institutions put us in a strong position to **scale** open banking services



Enabling the ecosystem to deliver **secure innovation** to better **delight consumers**

# On the continent, we have market-specific strategies to fuel growth over the next several years

## Germany

Cash &  
Check PCE



\$580B

Launch **Debit** as a platform for everyday use and for innovation, including **eCommerce, mobile and international**

## Italy

Cash &  
Check PCE



\$600B

As government incentives promote e-payments, **increase presence with clients** to help them capture growth

## Spain

Cash &  
Check PCE



\$300B

Focus on **cash displacement** in **transit** and **tourism**

## France

Cash &  
Check PCE



\$220B

In advance of Paris 2024 Olympics, develop **tap to pay for public transit** and **improve acceptance** of overseas cards

## Poland

Cash &  
Check PCE



\$150B

With the help of the government Cashless Poland initiative, **build acceptance among small businesses**

## Turkey

Cash &  
Check PCE

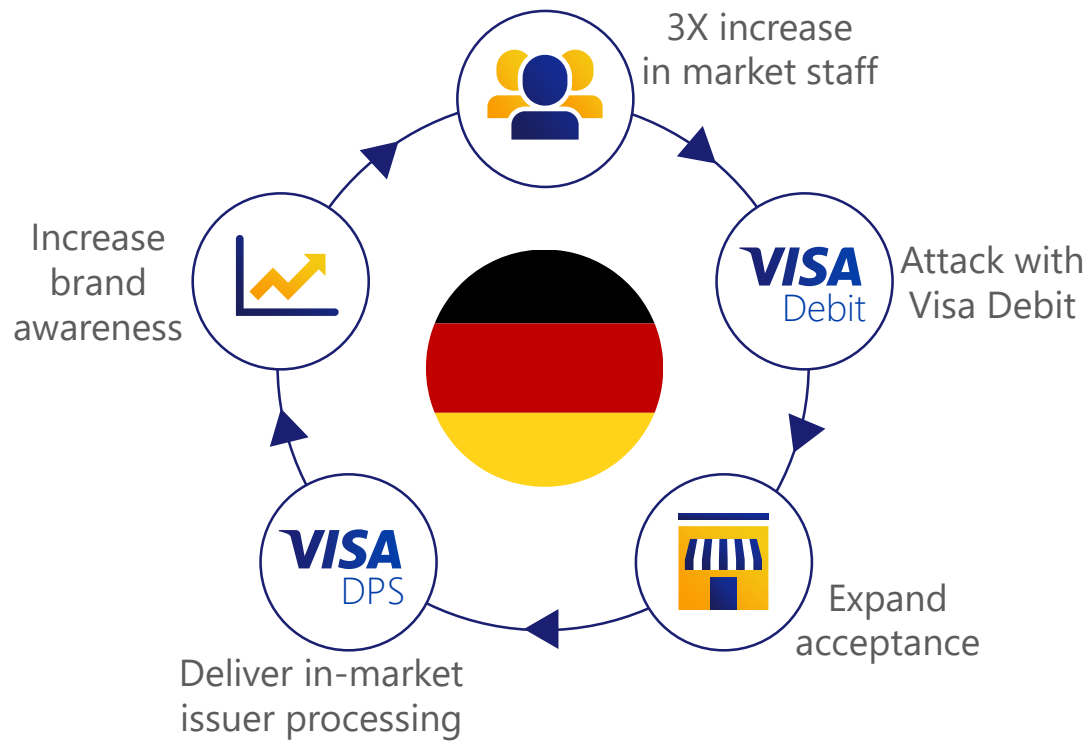


\$180B

Support **issuers and fintechs** targeting the **unbanked**, build **tap to pay** and **eCommerce**

# Germany: A new approach to penetrating a nearly \$600B cash & check opportunity

Through a refreshed strategy, we are creating a flywheel for future growth...



...and our efforts are beginning to deliver, laying the foundation for growth

68%

Visa Debit share of new cards issued

80%+

Acceptance locations that are tap to pay enabled

60%

Clients using Value Added Services to drive loyalty and usage

# Our strategies will accelerate growth across all of Europe



## Credentials

Visa is partnering with fintechs in their efforts to digitize payments and reach the unbanked

---



## Acceptance

We are broadening into new verticals, including opening up transit opportunities across Europe

---



## Engagement

Visa is setting the pace in new authentication products as the European regulatory landscape is changing

---



We are deploying specific strategies tailored to trends in each key market

# Central Europe, Middle East and Africa (CEMEA)

Andrew Torre

Regional President

**VISA** | 2020 Investor Day



# CEMEA: Overview



## Credentials

### Visa Scale

360M

Cards



### Opportunity

680M

Unbanked



## Acceptance

5M

Merchant  
Locations



60M+

Untapped  
Merchants



## Engagement

\$480B

Payments  
Volume

19B

Payments  
Transactions

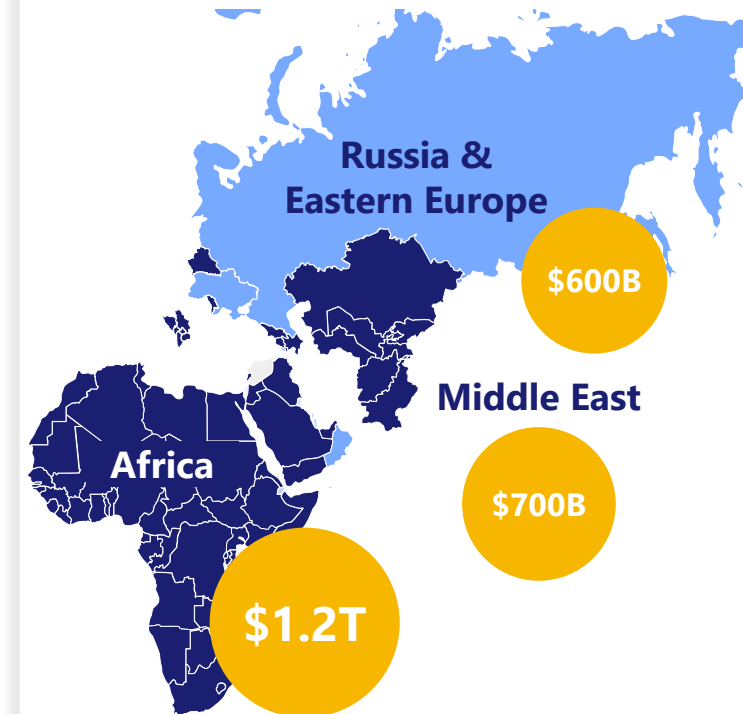


\$2.5T

Cash & Check  
Conversion  
Opportunity

## 2B Population

Cash & Check = 74% of PCE



### Cash & Check penetration as a % of PCE:

- High (>50% cash & check)
- Moderate (25%-50% cash & check)
- Low (<25% cash & check)
- Cash & Check Opportunity (\$)

# CEMEA: Key growth levers



## Credentials

Visa is partnering with fintechs, neobanks and wallets to enable new payment experiences

200M+

Potential credentials with wallet partners



## Acceptance

We continue to accelerate growth by enabling new types of merchants and distributors

27%

Increase in acceptance in the last year



## Engagement

Visa is leading the evolution to seamless and secure commerce through tap to pay

52%

Growth in tap to pay penetration over last year

We are helping governments meet increasingly complex payment demands

12+

Government partnerships launched or planned

Visa is co-creating customized value propositions for unique market and segment needs

65%

Share of affluent spend in CEMEA



We are partnering with leading players in Sub-Saharan Africa

2 / 3

of people 15+ without a bank account



# Visa is the partner of choice for fintechs, delivering Visa credentials to new users

Visa's Fintech Fast Track Program provides a one-stop platform for new players to establish open loop wallets / capabilities and scale their offerings

## Fintech Progress

>75% deal success rate<sup>1</sup>  
31 partnerships  
4 investments  
12 fintech launches



Issuing credentials with fintechs, neobanks and digital wallets

monobank | Universal Bank 



*Examples of partnerships*









Supported by an ecosystem of enablers and funds / accelerators



# Transforming Visa go-to-market and solutions to grow acceptance with merchants

## Go-to-market approaches

## Examples of recent efforts and partnerships

- |  |   |
|--|---|
| <p><b>1</b> Grow F2F acceptance in the SME segment by partnering with new distributors and traditional acquirers</p> | <p>SME acceptance across 10 African markets  Flutterwave</p> <hr/> <p>Low-cost terminals in South Africa </p> <hr/> <p>Enabling terminals for Visa acceptance </p> |
| <p><b>2</b> Expand eCommerce acceptance by enabling new and innovative use cases</p>                                 | <p>Gateway for Chat Commerce </p> <hr/> <p>eCommerce acceptance in Nigeria </p>  |
| <p><b>3</b> Build new value propositions for acquirers and merchants</p>   | <p>Microlending to merchants </p>  |

~27% Increase in acceptance locations in the last year

 700K+ New POS outlets

 400K+ New QR / USSD / Soft POS outlets

# Leading the evolution of seamless and secure digital commerce through tap to pay

## Highest Visa region

In F2F tap to pay penetration

52%

Growth of tap to pay penetration in CEMEA over the last year

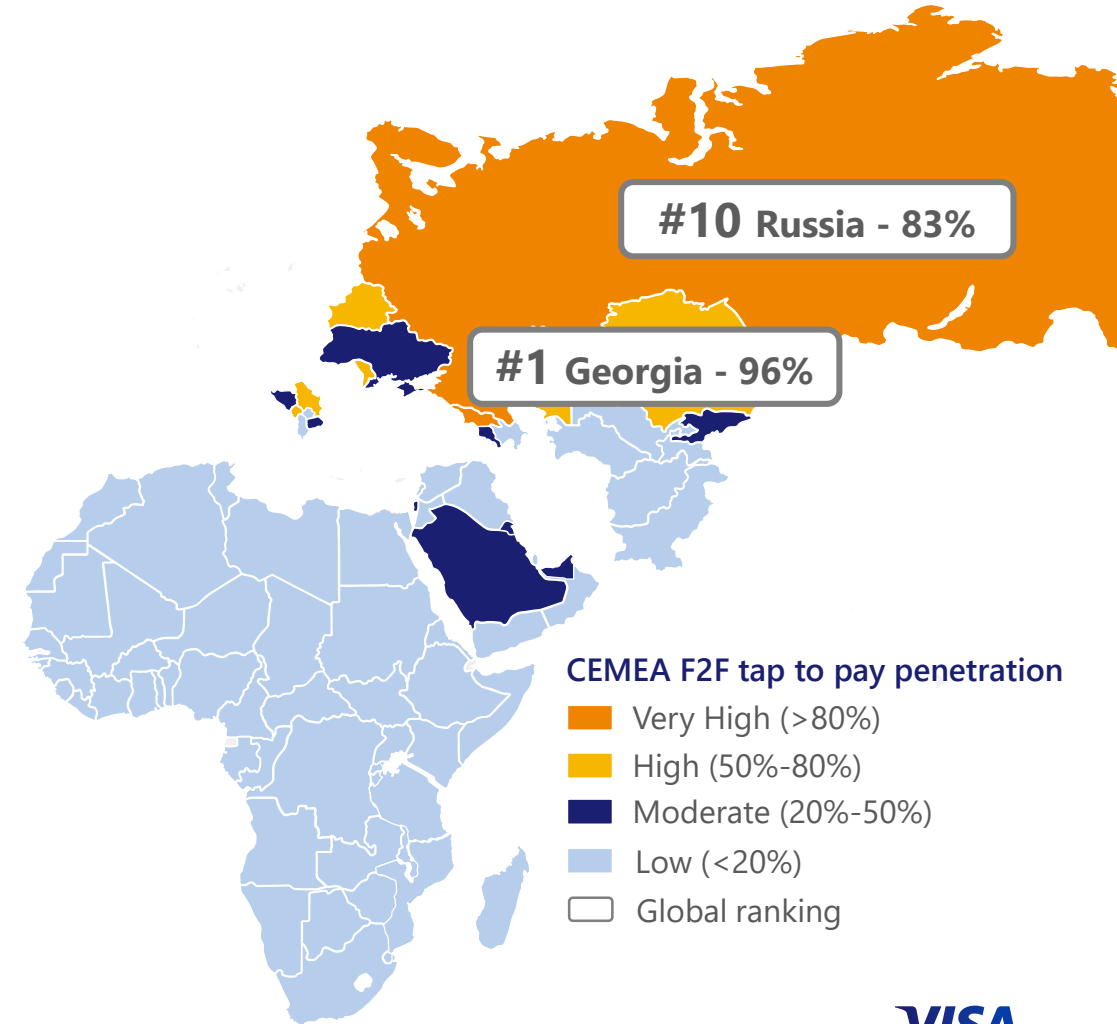
## Enablers

Tokenization ➡ >200% in 2019

Urban Mobility ➡ 69 launches





















~16%

Increase in active cardholder spending from tap to pay activation



# Driving innovation, new use cases and payments volume with local switches

## Examples of partnerships

		Key partnership components				
		Visa on mobile	New products and services	New flows	Tokenization	Value Added Services
Tailored payment solutions	 <ul style="list-style-type: none"> <li>Launch of Multicurrency Prepaid with The Saudi Investment Bank to all government employees</li> <li>Enabling domestic eCommerce with Saudi Payments</li> </ul> <p><i>\$8.2B opportunity size of government purchases<sup>1</sup></i></p>					
Value Added Services	 <ul style="list-style-type: none"> <li>Rollout P2P, Tokenization and Mobile Apps with HPS domestic switch in Morocco</li> </ul> <p><i>Only 4% use mobile phone to access a bank account</i></p>					
Local processing	 <ul style="list-style-type: none"> <li>Building domestic infrastructure in South Africa</li> </ul> <p><i>22% YoY growth in Visa transactions</i></p>					
Ecosystem development	 <ul style="list-style-type: none"> <li>Digitization of payments and financial inclusion in Cote d'Ivoire</li> </ul> <p><i>59% of people unbanked</i></p>					

12+ launched or planned government engagements and partnerships with local switches

# Delivering customized solutions for sophisticated and affluent cardholders

## Affluent consumers drive outsized impact for Visa's business in CEMEA

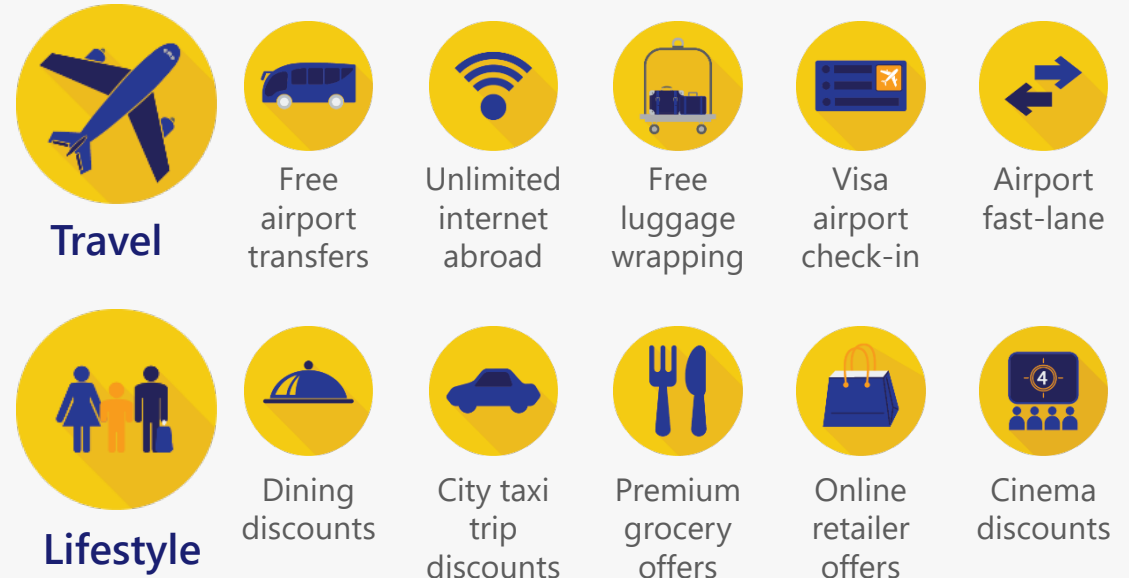
Affluent drives **30%** of Visa CEMEA volumes

Affluent cards see **~15x** higher cross-border spend vs. other cards<sup>1</sup>

Visa holds **~65%** share of affluent spend<sup>2</sup>

## Visa continuously updates and tailors offers based on customer preferences and needs

Examples of recently launched product benefits include:



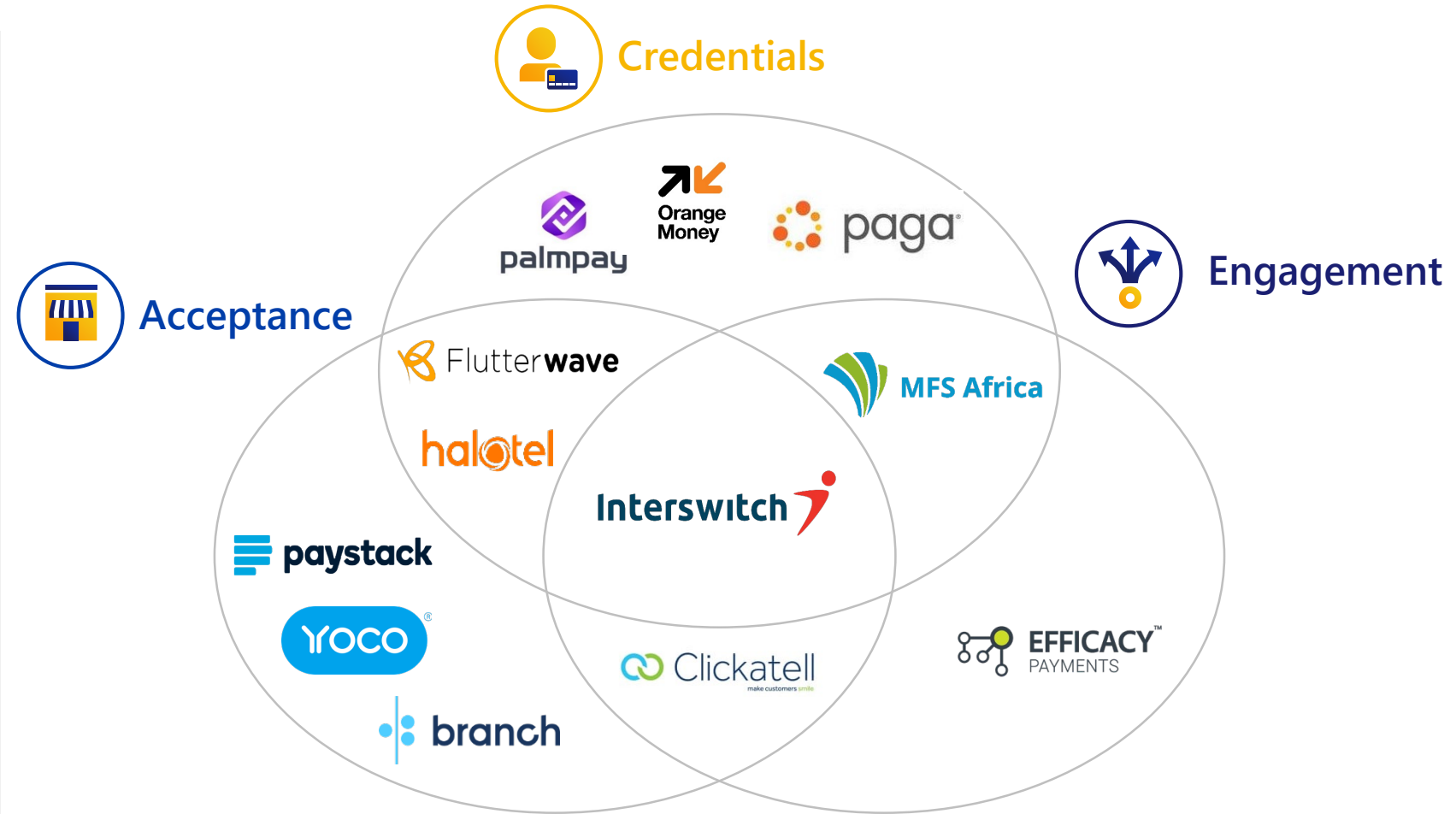
Customer awareness of benefits drives 25% higher card spend

# Partnering with leading African players on credentials, acceptance and engagement

## Sub-Saharan Africa Market-at-a-Glance



- 18.4** Median age vs. 30.3 globally
- 2.4x** Higher annual population growth than global
- ~3%** Card PCE penetration (excl. South Africa)
- 2 / 3** of people 15+ without a bank account
- 46%** of the world's mobile money users



# CEMEA has huge growth potential driven by bringing new consumers and sellers in the financial system



## Credentials

Visa is partnering with fintechs, neobanks and wallets to enable new payment experiences

---



## Acceptance

We continue to accelerate growth by enabling new types of merchants and distributors

---



## Engagement

Visa is leading the evolution to seamless and secure commerce through tap to pay

---

We are helping governments meet increasingly complex payment demands

---

Visa is co-creating customized value propositions for unique market and segment needs

---



We are partnering with leading players in Sub-Saharan Africa

# Latin America and Caribbean (LAC)

Eduardo Coello

Regional President





# LAC: Overview



## Credentials

### Visa Scale

478M

Cards



### Opportunity

212M

Unbanked



## Acceptance

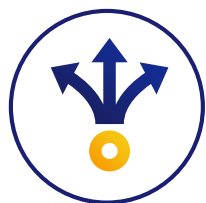
12M

Merchant  
Locations



50M+

Untapped  
Merchants



## Engagement

\$413B

Payments  
Volume

14B

Payments  
Transactions

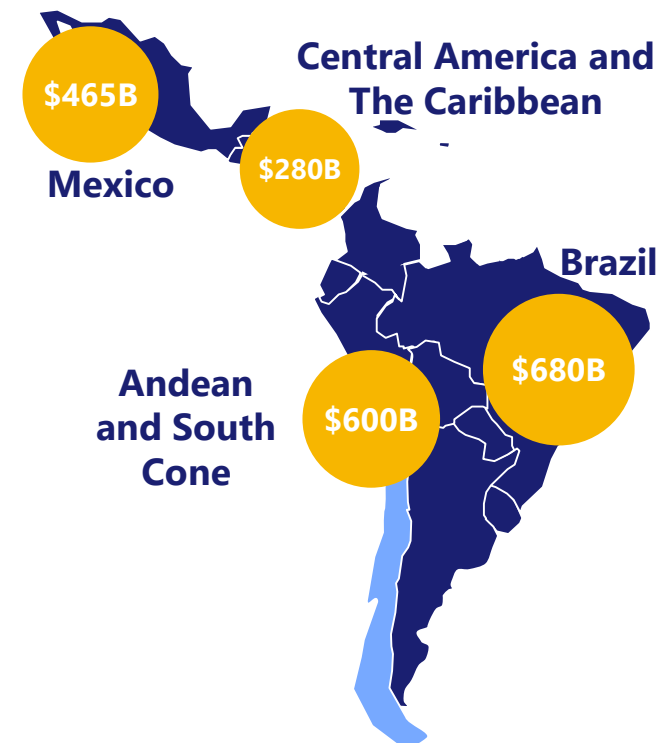


\$2T

Cash & Check  
Conversion  
Opportunity

630M Population

Cash & Check = 65% of PCE



Cash & Check Opportunity  
as a % of PCE:

- High (>50% cash & check)
- Moderate (25%-50% cash & check)
- Low (<25% cash & check)
- Cash & Check Opportunity (\$)

# LAC: Key growth levers



## Credentials

Visa is poised to capitalize on the rapidly developing digital ecosystem and grow credentials through fintechs and enablers

62%

Smartphone penetration in Latin America

Innovation is driving Visa issuance on previously proprietary local networks

18M

Credential opportunity currently on local schemes



## Acceptance

Visa is displacing cash by growing acceptance, embracing digital platforms and improving the consumer experience

\$535B

Visa cash volume – 1.3x payments volume



## Engagement

Visa's growth in domestic processing will diversify revenue, accelerate digital deployment and improve client performance

12 ppts

Increase in domestic processing penetration in last 5 years

Visa takes a customer-centric approach to increasing engagement through improved experiences

2x

Tap to pay penetration growth last year



Brazil is a great example of how Visa leverages our deep market knowledge and client understanding to deploy unique, customized solutions by market and segment

\$40B

Payments volume opportunity from focused cash conversion efforts

# Rapid digital adoption drives new opportunities to deploy Visa credentials



Credentials



Acceptance



Engagement

Visa is partnering with enablers like

  ~ 2 months on average to set up new issuer

that make it quick and easy for...

Banks

Wallets

Neobanks

Fintechs

...to issue digital credentials

*Rappi*

Regional SuperApp

22M  
users



Paraguay white label  
issuer wallets

Launched by  
~ 50%  
of issuer clients



Uruguay multi-issuer wallet

84%  
of Visa credentials  
enabled

# Innovation is driving Visa issuance on previously proprietary local networks

As payments innovation accelerates, local networks look to partner with Visa to deliver value to their cardholders

- Tokenization
- Click to Pay
- Fast Funds
- Installments



## Chile

Partnership with Banco Estado

12M  
cards converted  
to Visa Debit

60%  
of the total  
debit cards

37%  
of POS debit  
transactions

Top Caribbean issuers that own local networks are transforming proprietary closed loop portfolios **from a cost center to a revenue center** via Visa partnership



# Converting cash on Visa credentials to the point of sale is a unique growth opportunity

## Visa approach

Cash represents  
>50% of LAC's PCE



\$535B in cash was  
withdrawn on a Visa  
credential in 2019

- 1 Work with new acquirers and payment facilitators to expand acceptance



~300K

New merchants reached since initial Visa partnership in 2017

- 2 Improve the consumer experience at POS



Tap to pay



Click to pay

- 3 Educate the ecosystem



4.4%

Lift in number of transactions due to merchant and cardholder campaigns in Peru

# Visa increased domestic processing penetration in LAC by 12 ppts in the past five years

## Domestic processing benefits:



Enhances and diversifies Visa revenue on core payment flows



Accelerates Visa's digital innovation



Improves Visa client performance through Value Added Services



Facilitates deployment of new flows

## Domestic processing wins in the past 5 years

**Mexico:** First issuer live for authorization transactions

**Guatemala:** 93% of authorization transactions

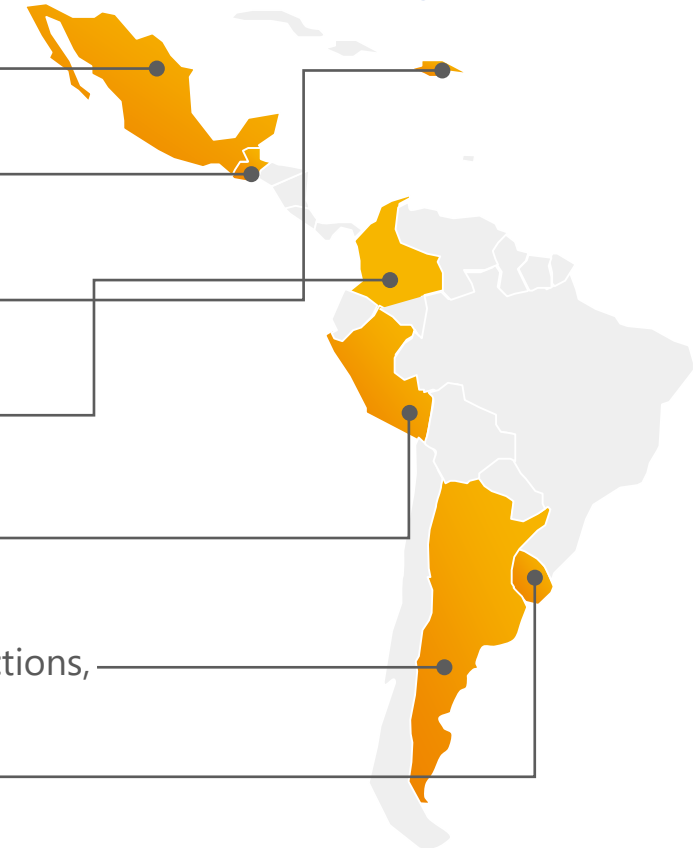
**Puerto Rico:** 76% → 100% of credit transactions

**Colombia:** 100% of Rappi transactions

**Peru:** 16% → 86% of authorization transactions

**Argentina:** 0% → 80% of transactions, 100% expected by 2020

**Uruguay:** 0% → 40% of authorization transactions



# A commitment to understanding the end consumer has deepened engagement

## Visa initiatives

Strong consumer engagement drives partnership with clients and mutual growth



**Affluent Revitalization**

**+14%**

affluent account growth

**+20%**

domestic and cross-border payments volume growth



**Tap to Pay Deployment**

**2x**

tap to pay penetration in one year

**~50%**

of F2F transactions in **Costa Rica** and **Chile**



**Visa Loyalty Solutions: My Rewards Platform**

**49**

clients are using the platform and 33 clients in pipeline

**89%**

customer satisfaction rate

**45%**

redemption of reward points by registered users

# Visa is well positioned to capture rebounding economic growth in Brazil

## Grow credentials

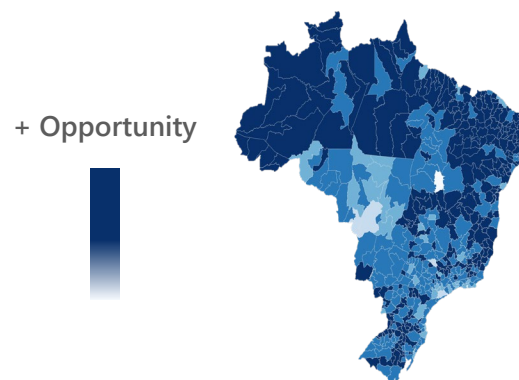
New significant wins and renewals by delivering unique, superior value to clients



40 new players enabled in the last 18 months

## Expand acceptance

Focused cash conversion efforts in ~200 underpenetrated cities to reach ~\$40B opportunity<sup>1</sup>



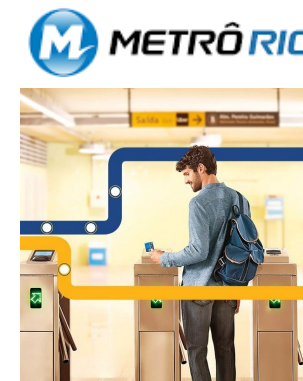
60K new merchants in the last 12 months

## Deepen engagement

500K taps in the first 6 months

400K tap to pay cards issued in Rio

96.5% retention of new users





# Substantial growth opportunity exists in LAC from converting cash and expanding our network



## Credentials

Visa is poised to capitalize on the rapidly developing digital ecosystem and grow credentials through fintechs and enablers

Innovation is driving Visa issuance on previously proprietary local networks



## Acceptance

Visa is displacing cash by growing acceptance, embracing digital platforms and improving the consumer experience



## Engagement

Visa's growth in domestic processing will diversify revenue, accelerate digital deployment and improve client performance

Visa takes a customer-centric approach to increasing engagement through improved experiences



Brazil is a great example of how Visa leverages our deep market knowledge and client understanding to deploy unique, customized solutions by market and segment

# Driving New Flows

Ryan McInerney

President

**VISA** | 2020 Investor Day



# Our new flows expand our total addressable market by extending our reach into new use cases through a Network of Networks



## Consumer Payments

Grow the two-sided network by expanding Visa credentials and acceptance points and driving user engagement



## New Flows

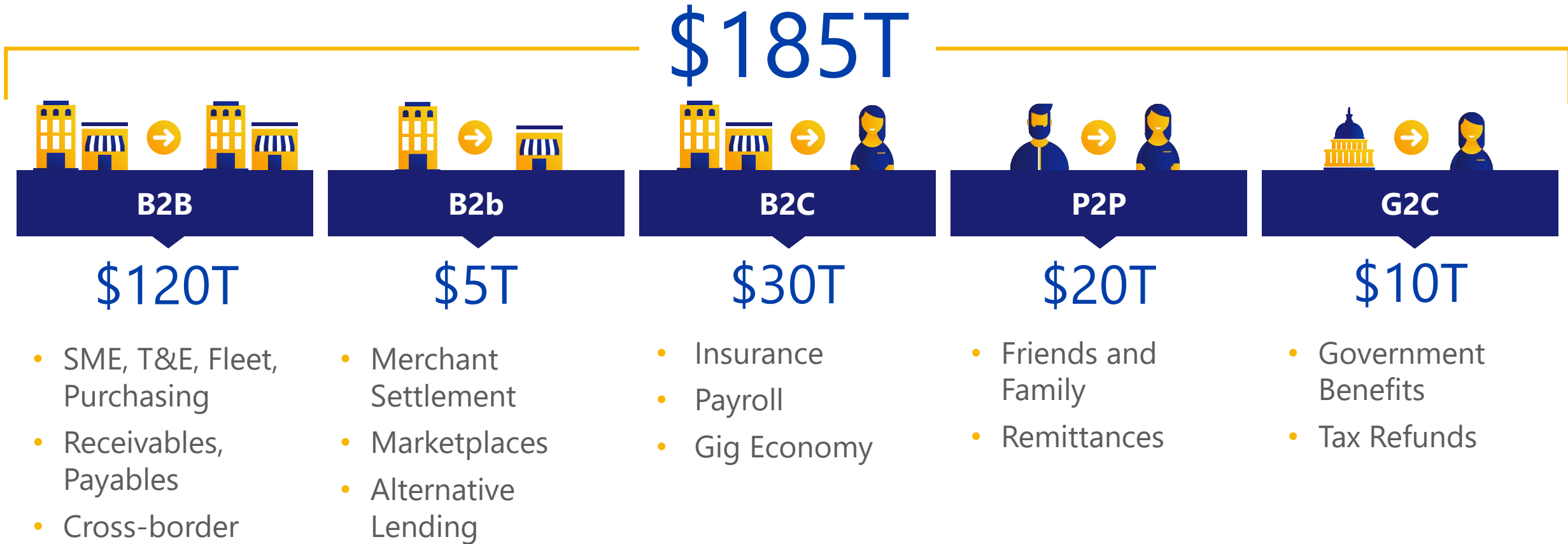
Expand our Network of Networks to capture new sources of payments and money movement between individuals, businesses and governments



## Value Added Services

Drive utilization of our services to help our clients grow profits and deepen our partnerships

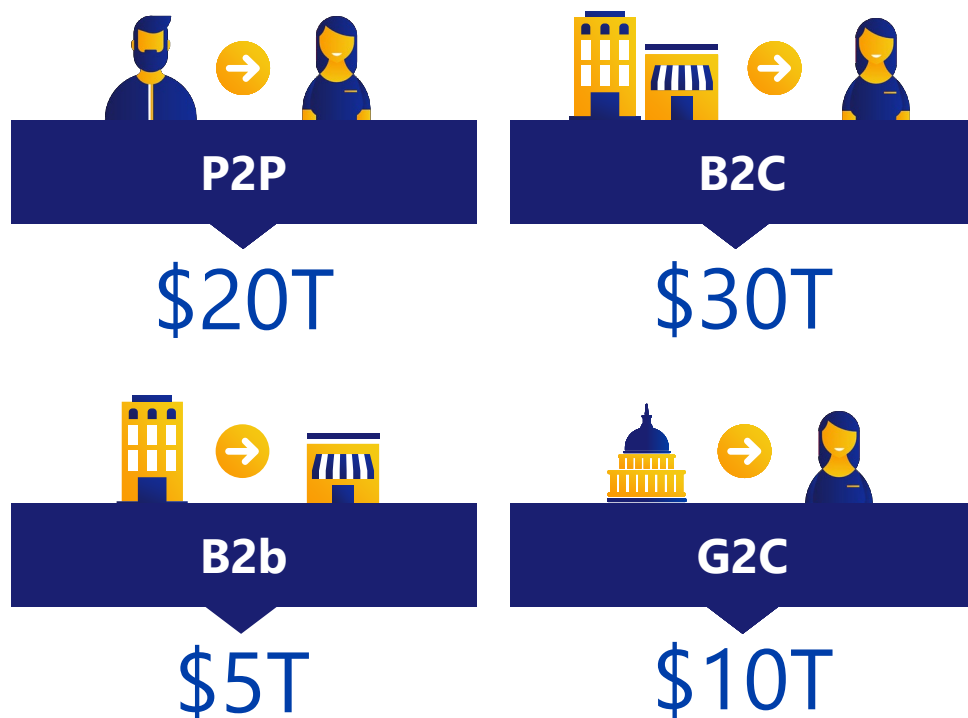
# The market opportunity in new flows is 10x the cash and check currently in consumer payments



# We think about new flows in two broad groups in terms of customer needs and use cases

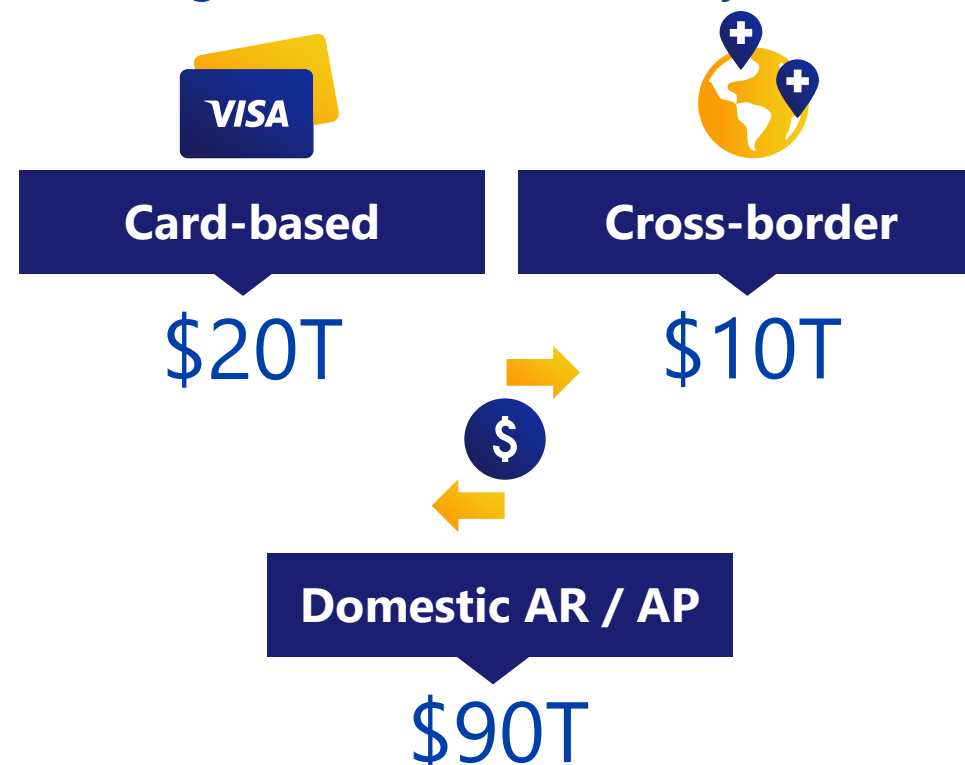
## \$65T

Lower value, higher velocity flows



## \$120T

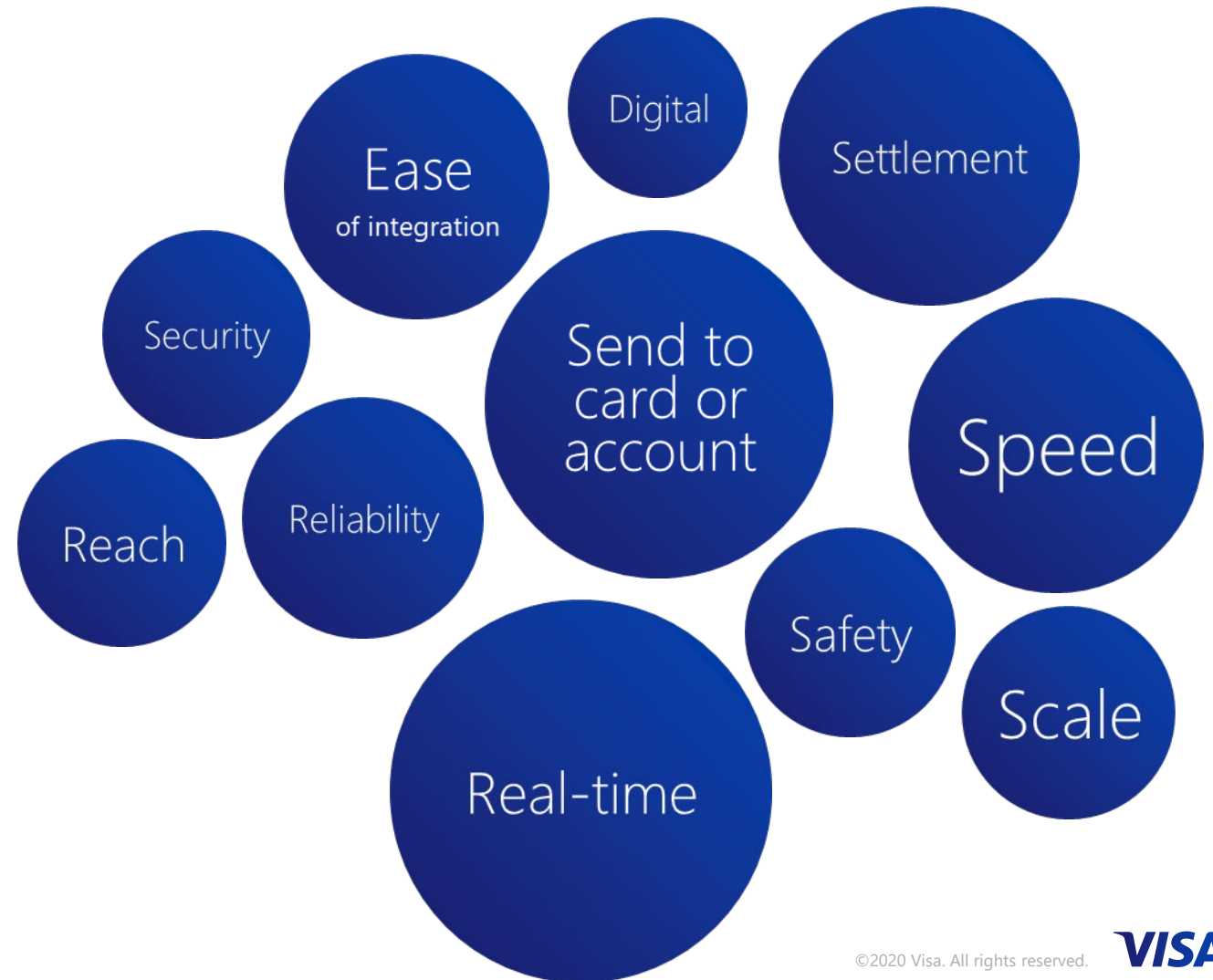
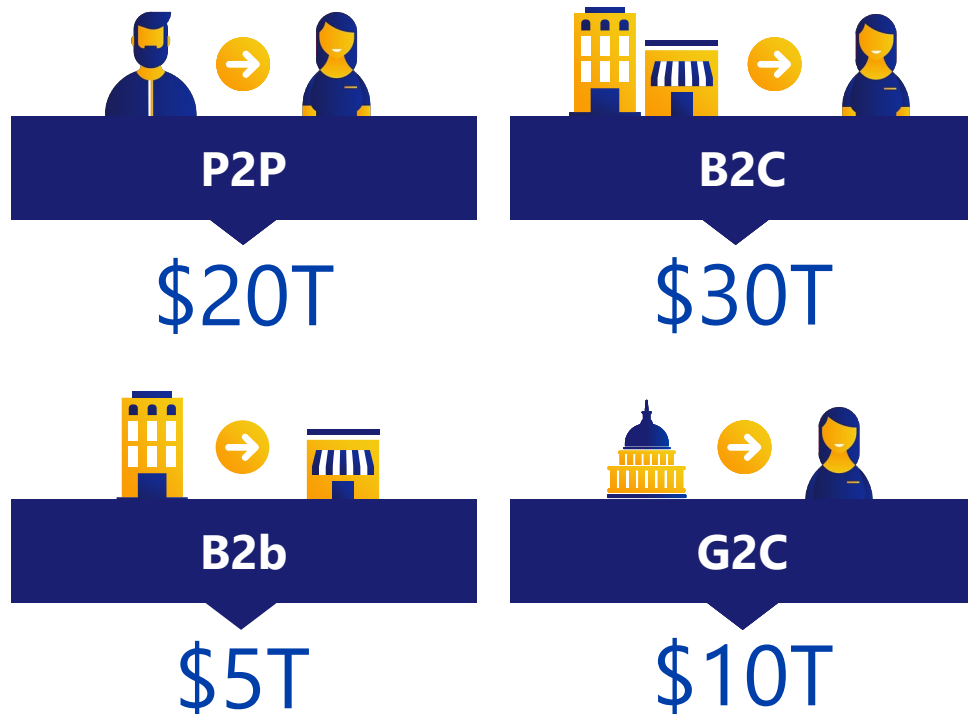
Higher value, lower velocity flows



# Visa Direct with Earthport meets the needs for the \$65T of lower value, higher velocity flows for consumers and small businesses

\$65T

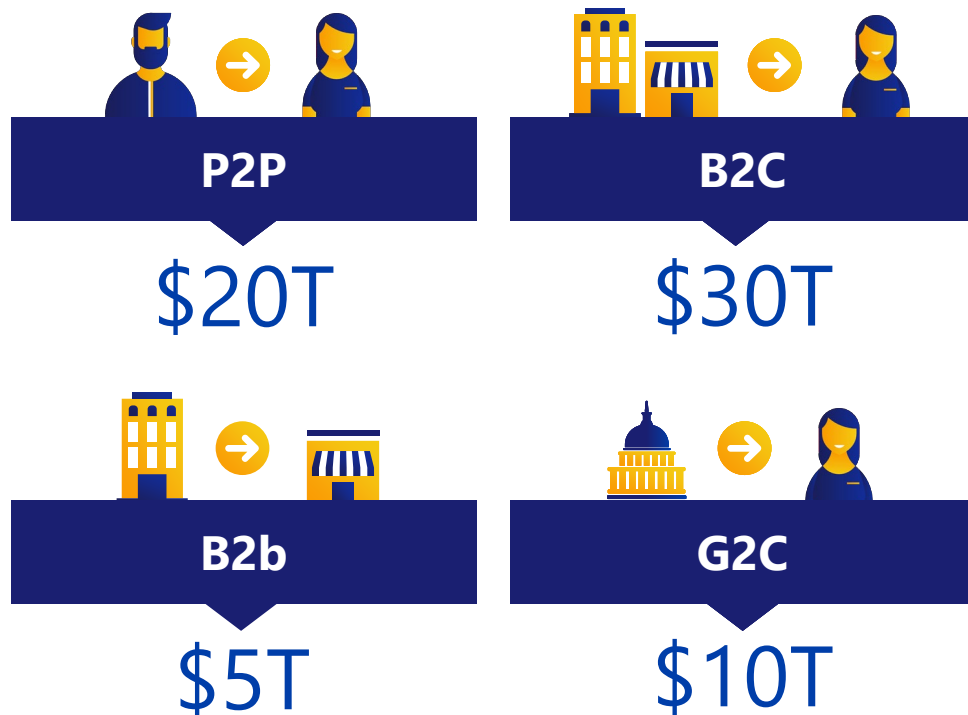
Lower value, higher velocity flows



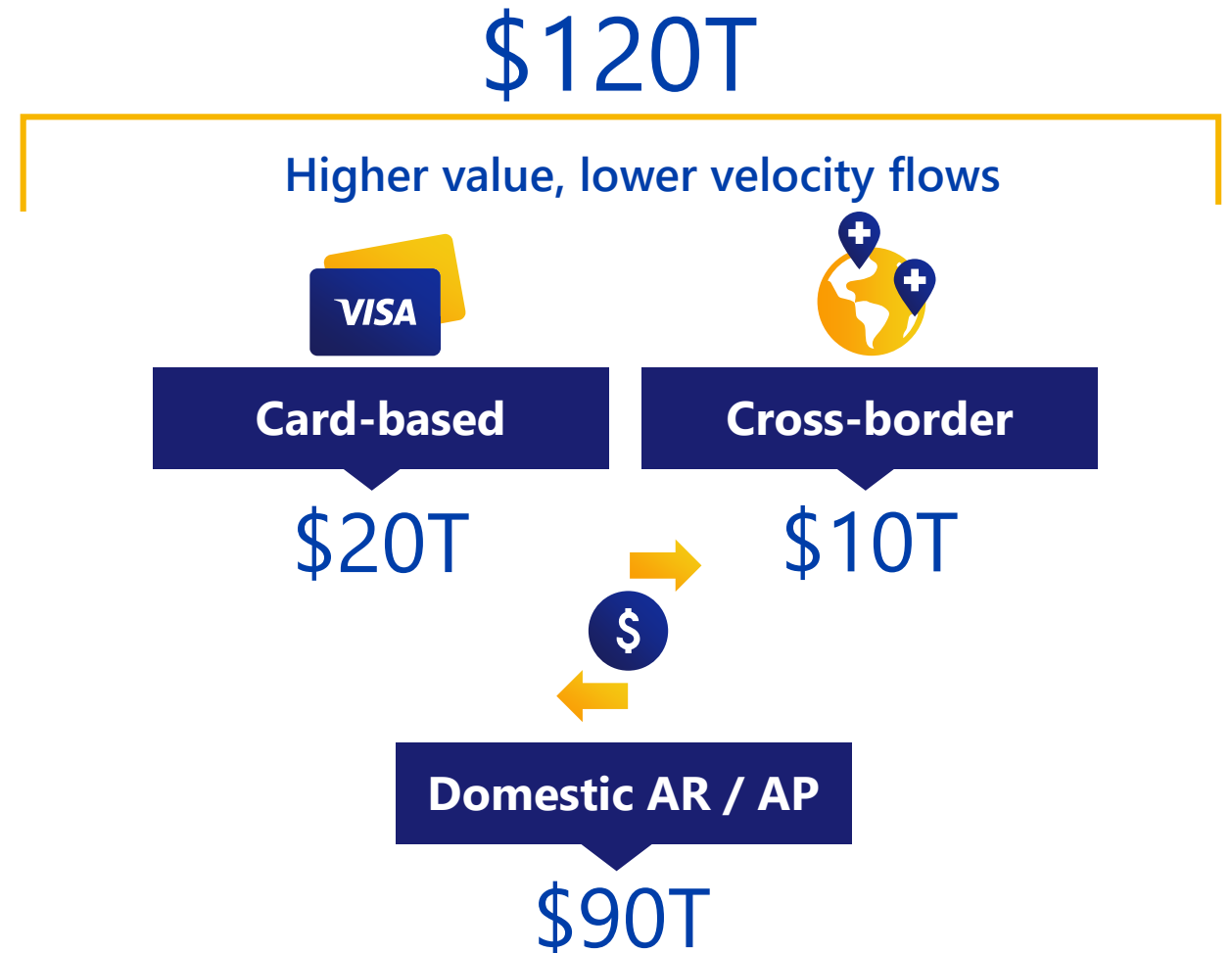
# Visa Direct with Earthport meets the needs for the \$65T of lower value, higher velocity flows for consumers and small businesses

\$65T

Lower value, higher velocity flows

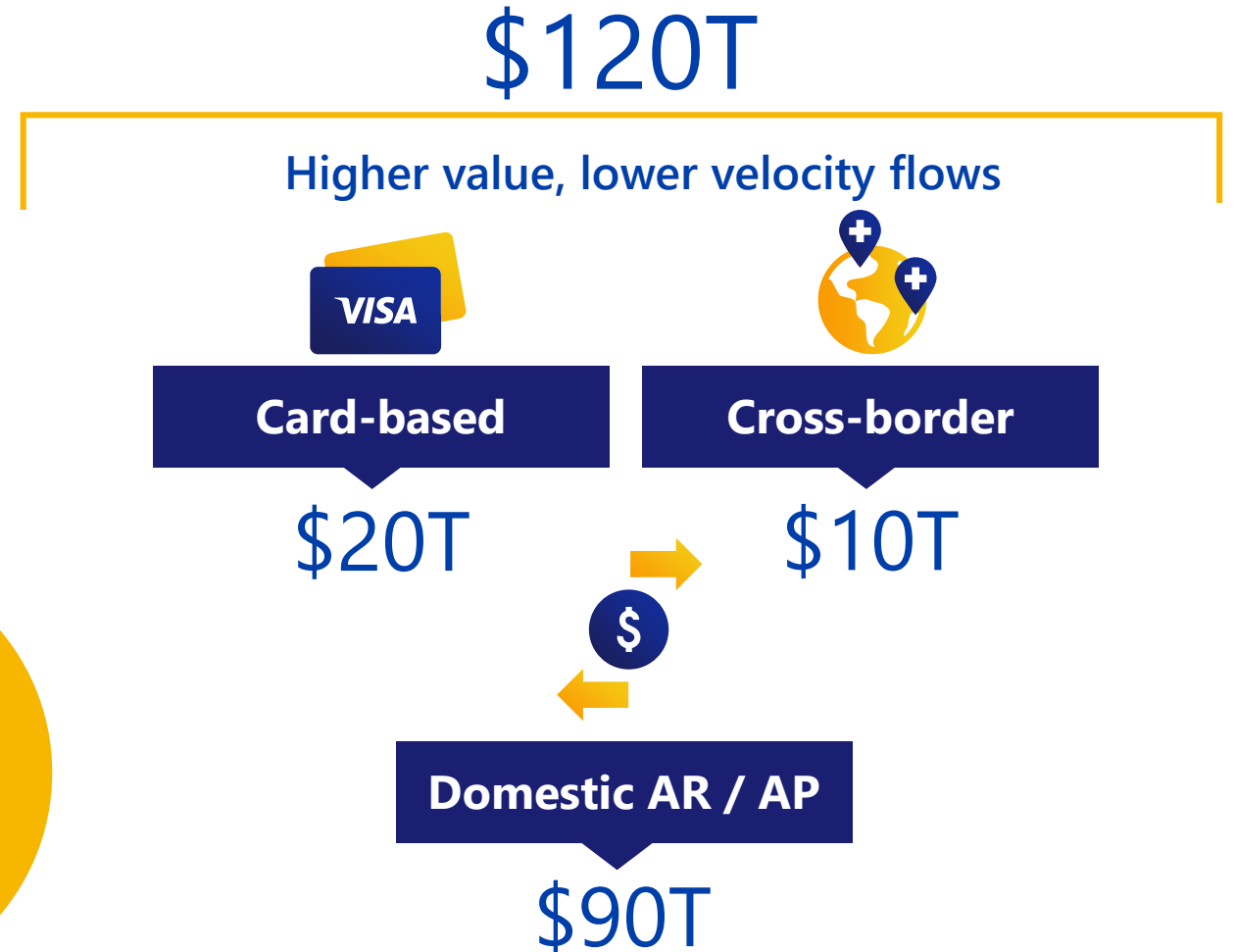
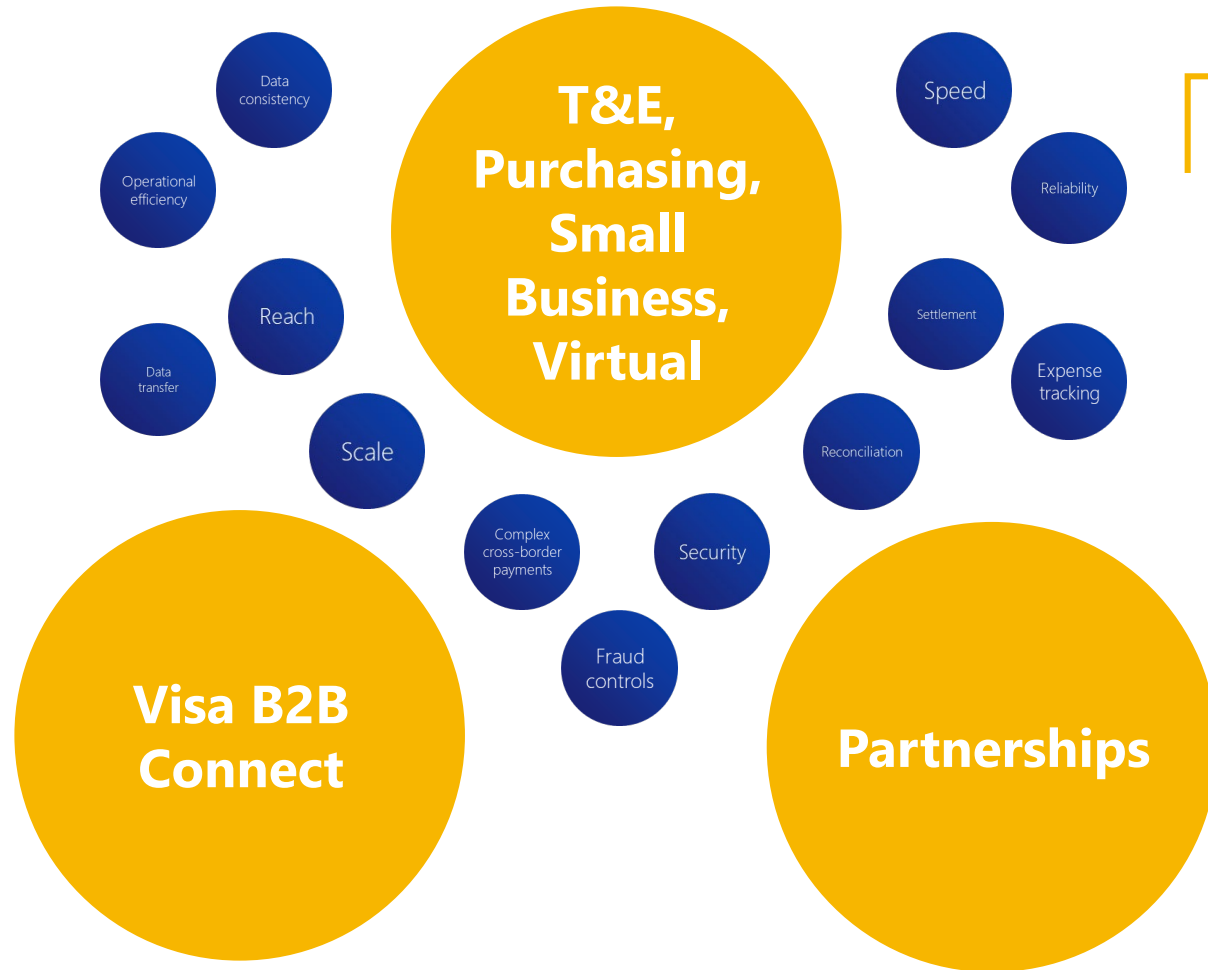


# Unique solutions meet the needs of higher value, lower velocity flows from commercial clients





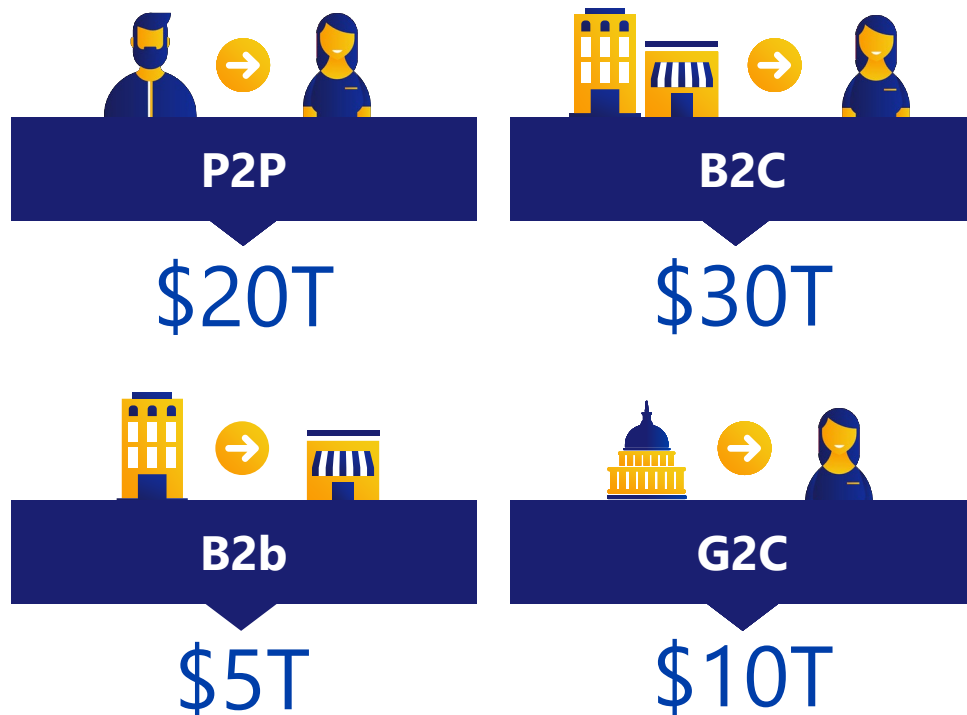
# Unique solutions meet the needs of higher value, lower velocity flows from commercial clients



# In today's discussion, we will cover the new flows opportunity in each segment

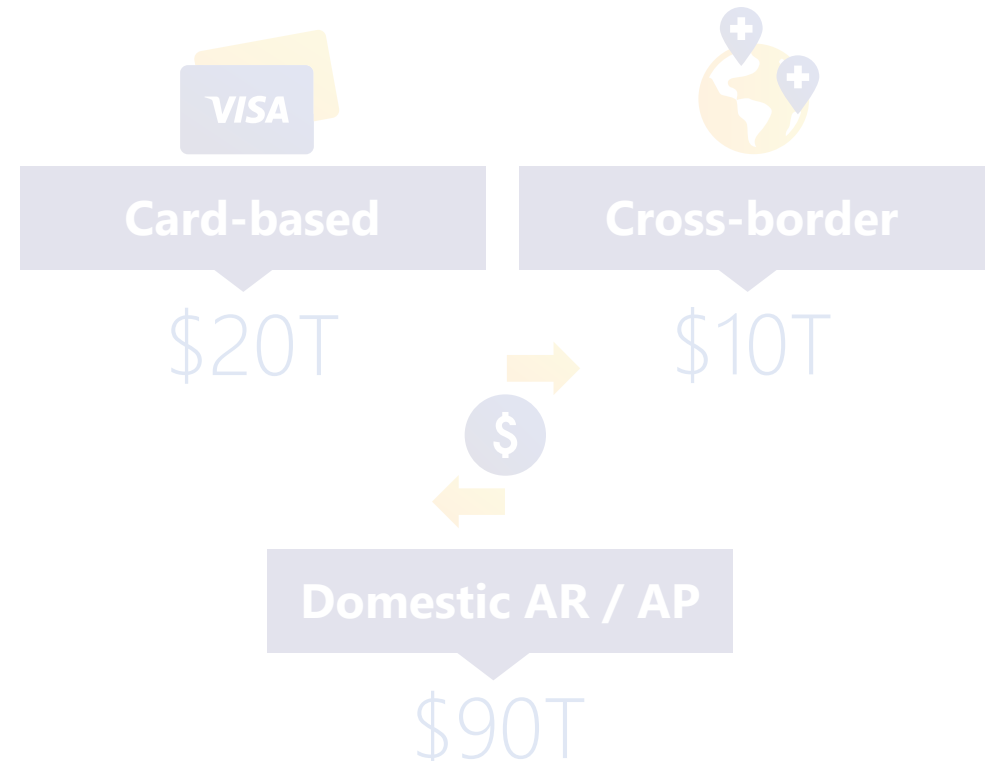
## Visa Direct - \$65T

Bill Sheley



## Commercial Solutions - \$120T

Kevin Phalen



How do  
you want to  
get paid?  
**Visa Direct**





# Key takeaways



**Large market opportunity** to digitize P2P, B2C and small business flows

---



**Proven business model** operating at scale

---



**Premier real-time payments platform** built on global reach and processing infrastructure

---



**Growing partner ecosystem and supply chain** to accelerate growth

---



**Investing in the future** to ensure Visa Direct remains the money movement network of choice for faster disbursements around the world

# Visa Direct enables clients to deposit funds into recipient accounts for consumers and small business, addressing \$65T in new flows

## Pull Transaction



eCommerce Checkout



ATM Withdrawal



In-App Purchases



Point of Sale Transactions



## Push Transaction



Insurance



Marketplaces



On Demand





Merchant Settlement

To be the best way to pay and **be paid** for everyone, everywhere

# Visa Direct powers trusted “open money movement” ecosystem






## Payout Enablers

Single operational connection efficiency

-  Acquirers
-  Processors
-  Gateways
-  Banks

## Commerce Platforms




Scaled, global distribution channels

-  Marketplaces
-  Mobile
-  Messaging
-  Payroll
-  ERP







## Global Endpoints

Ubiquitous, real-time money movement

-  Cards – Debit / Credit / Prepaid
-  Bank Accounts
-  Wallets

## Network of Networks

Trusted, “Open” Network

-  Card Networks
-  Earthport – ACH / RTP
-  Member Banks
-  Regional Networks

# Visa Direct is underpinned by Visa's secure and reliable global payments network



## Global Reach

- Over 200 countries and territories
- 99% coverage of banked consumers and small business<sup>1</sup>
- 130 countries enabled for real-time payouts
- 75 countries enabled for real-time cross-border payouts



## Risk Management

- Trusted network of institutions with new program reviews
- Real-time watchlist screening
- Transaction limits
- Activity monitoring
- Real-time authorization
- Tokenization



## Processing Capabilities

- Visa settlement
- 160 currencies
- Enhanced reconciliation reporting
- Disputes / exception handling
- Full API Suite
- Message translation

# Visa Direct enables dozens of new use cases and flows...

## Visa Direct Set-plays

- 1 Vertical Market Strategy
- 2 Customer-focused Solutions
- 3 Strategic Investment
- 4 Enabler Readiness
- 5 Product Sales & Marketing

## Attacking the Market in a Structured Way

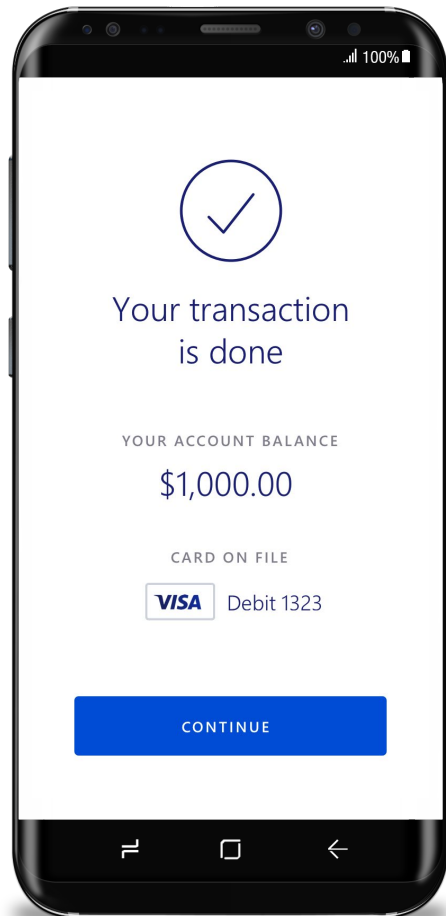
*Example use cases*





# ...with end-to-end ecosystem support for Visa partners

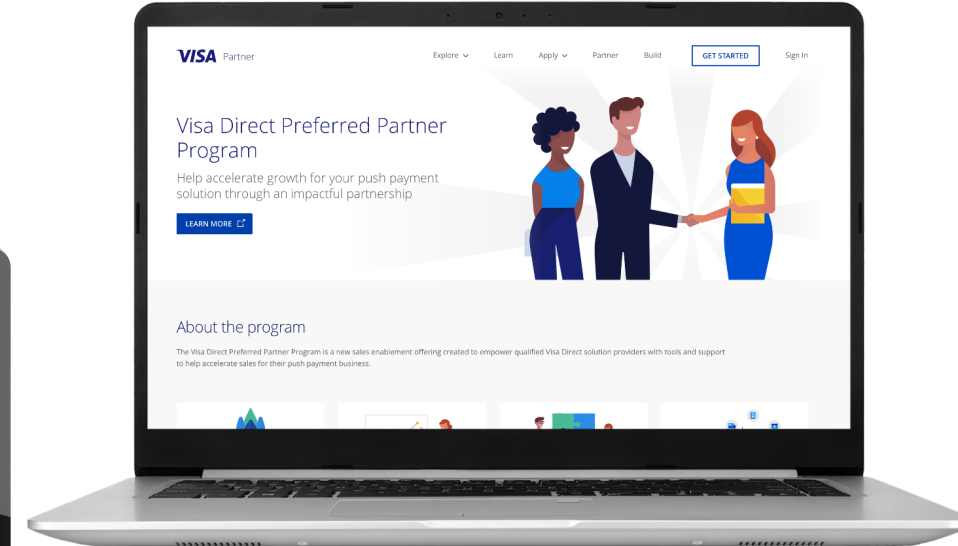
## Solution Consulting and Innovation



## Performance, Risk and Compliance Monitoring



## Business Enablement and Commercialization Support



# Visa's network effect enables fast growth and global operating scale

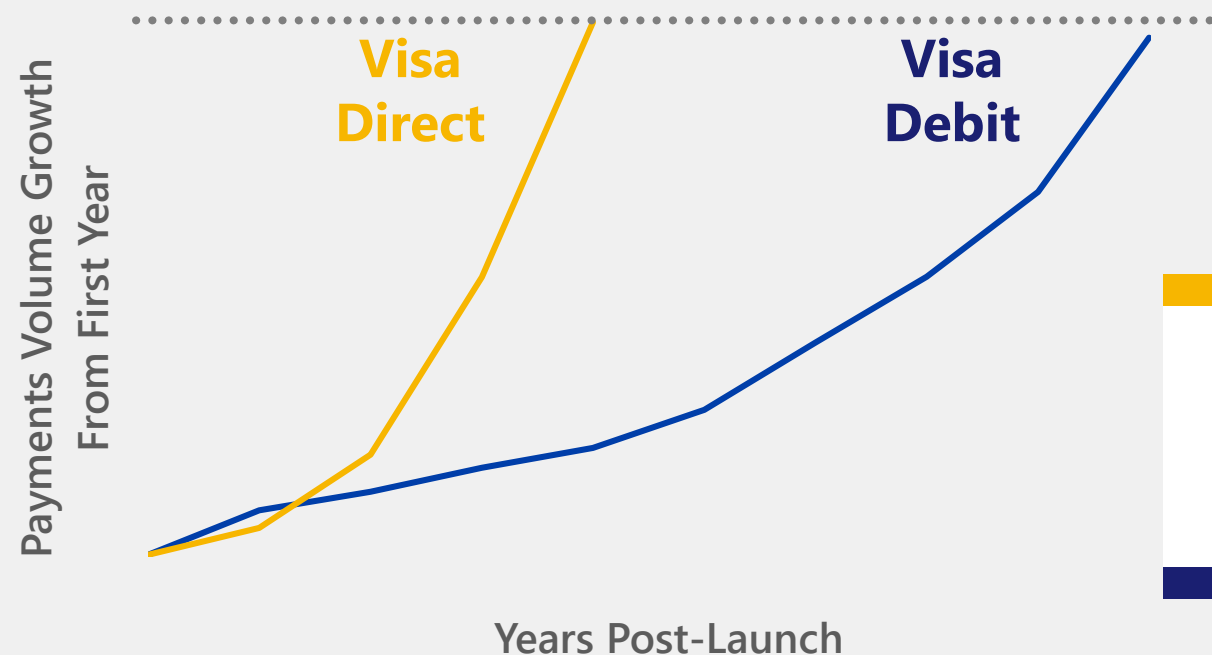
## Visa Direct Performance Fiscal Year 2019

Programs	250
Active Users	130M
Transactions	2B

## Quarterly Run Rate

\$11 B	→	\$68 B
Q4 2016		Q4 2019

## Visa Direct vs. Visa Debit Payments Volume Growth



Visa Direct enables  
dozens of new use  
cases and flows



# P2P: We have made significant progress in the \$20T P2P segment

100+

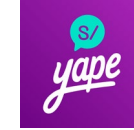
P2P programs and counting are powered by Visa Direct globally

7 of 7

of major global players are active or launching with Visa Direct

> 100%

Visa Direct YoY growth rate for P2P programs



# Cross-border: Remittances started to go live in 2019 and will expand significantly in 2020

75+

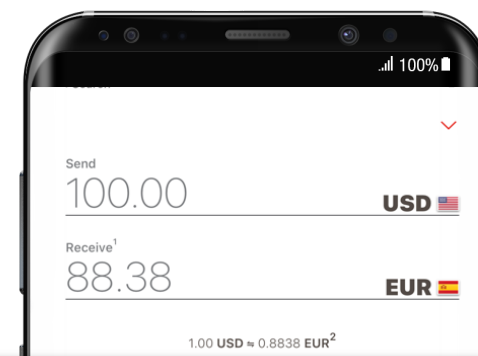
countries enabled for real-time cross-border payouts

5 of 7

top global remitters live or implementing Visa Direct

50%

of MoneyGram's Visa Direct service users are first time MoneyGram customers



#### PAYMENT METHOD

☐ Debit / Credit  
*Processing: minutes*  
  
**1.99 Fee**

#### RECEIVE METHOD

☐ FastSend  
*Processing: minutes*  
[Learn More](#)

#### Additional Information

Most debit card deposits are completed in minutes after payment is complete.<sup>3</sup>

Multichannel pay out to cards and accounts across the globe

# Insurance: Enabling a digital claims experience

9+

insurance segments: health, auto, life, property, pet, casualty, homeowner, disability, disaster

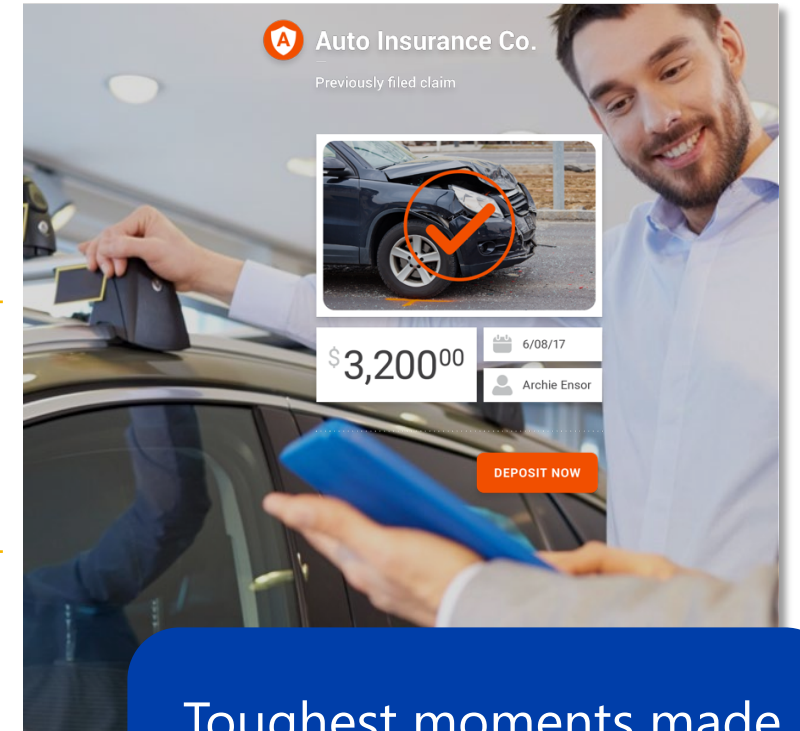
~60%

surveyed customers believe payments took longer than they thought it should

5 of 10

top P&C insurers partner with Visa Direct

**PROGRESSIVE**



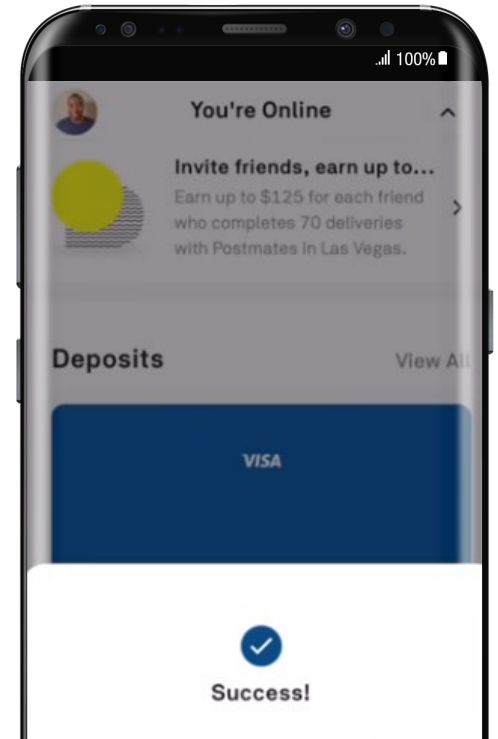
Toughest moments made better with real-time claim payouts

# Gig Economy: Drivers, freelancers, contractor payments

**\$4.5T** total global gig economy estimated spending

**57M** Americans working in gig economy

**70%** of Postmates driver deposits are made using Instant Deposits powered by Visa Direct



Providing on-demand workers with on-demand pay

# Payroll: Early wage access driving payments innovation and new payroll solutions for employees

78%

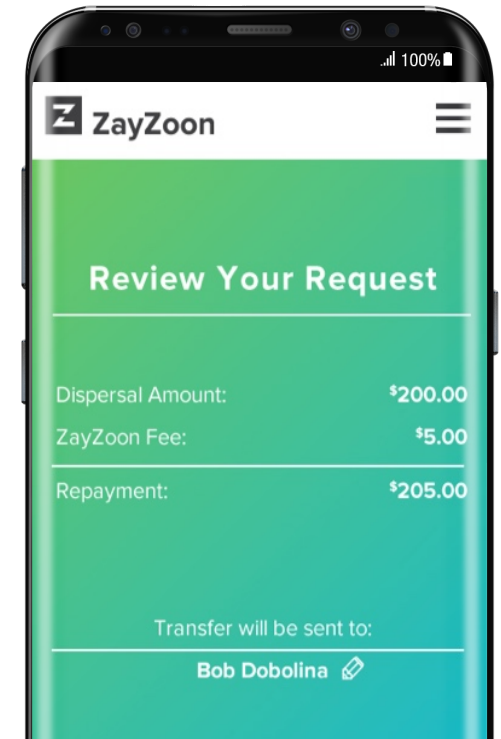
of U.S. full-time workers are living paycheck to paycheck

95%

of employees are interested in working for an employer who provides earned wage access

400%

Visa Direct YoY growth rate for payroll programs



Helps employees access their wages early when they need it



# Marketplaces: Visa Direct plays an important role in facilitating payouts for small sellers

\$2T

total spend on top 100 online marketplaces

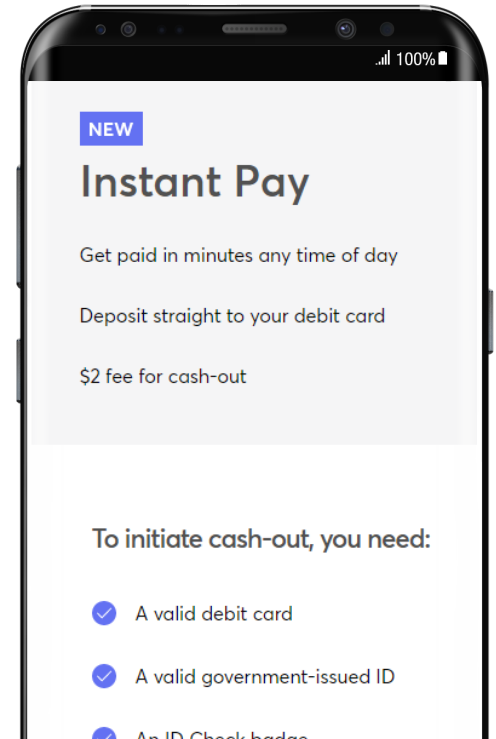
3-5

days is the average time a seller waits for access to their proceeds

~30%

of Mercari sellers have enrolled in Instant Pay with Visa Direct

MERCARI



Providing earnings to  
online sellers  
faster than ever

# Small business: Visa Direct is helping small businesses better manage cash flow with faster settlement and loan disbursements

61%

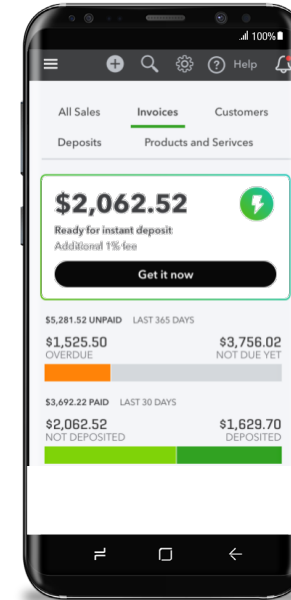
of small businesses report that cash flow is a regular concern

79%

of small businesses want faster settlement

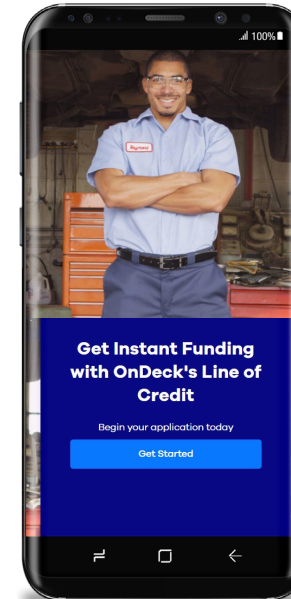
in <30mins

funds for small businesses are available when using Visa Direct for faster settlement and loan disbursement



intuit

Seamless integration with a platform small businesses already use every day



ondeck

Improving small business cash-flow with quicker access to lines of credit

# ERP platforms: Enabling Visa Direct for payouts to individuals and small businesses

\$35T

the size of the Global B2C and B2b disbursements market

85%

U.S. firms planning to make real-time payments integral to their operations within 3 years

430K

customers across 175 countries on Oracle platform

ORACLE®



Digitizing and simplifying employee expense reimbursements

# Key takeaways



**Large market opportunity** to digitize P2P, B2C and small business flows

---



**Proven business model** operating at scale

---



**Premier real-time payments platform** built on global reach and processing infrastructure

---



**Growing partner ecosystem and supply chain** to accelerate growth

---



**Investing in the future** to ensure Visa Direct remains the money movement network of choice for faster disbursements around the world

# In today's discussion, we will cover the new flows opportunity in each segment

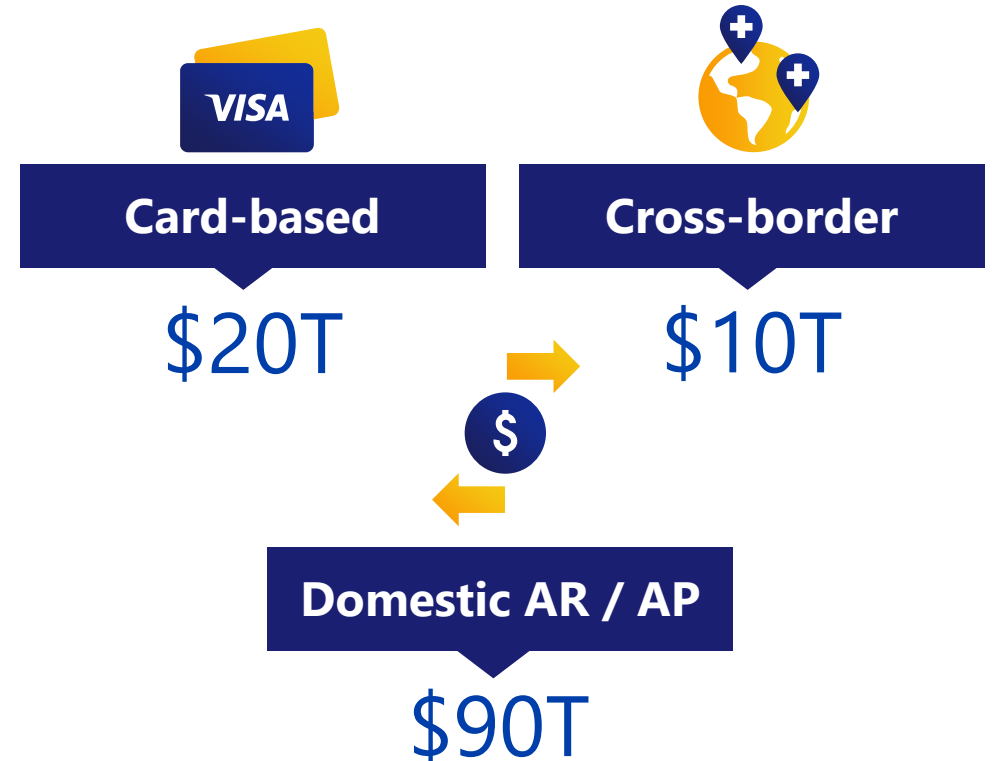
Visa Direct - \$65T

Bill Sheley

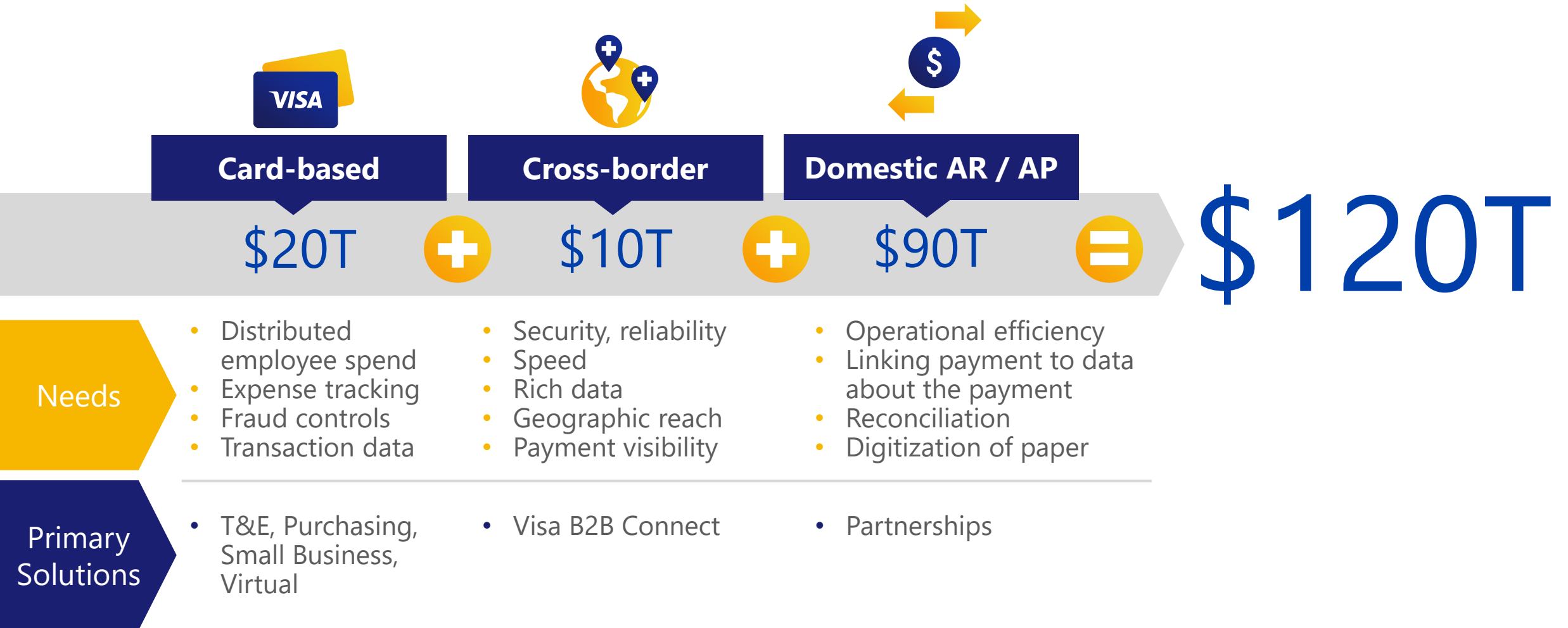


Commercial Solutions - \$120T

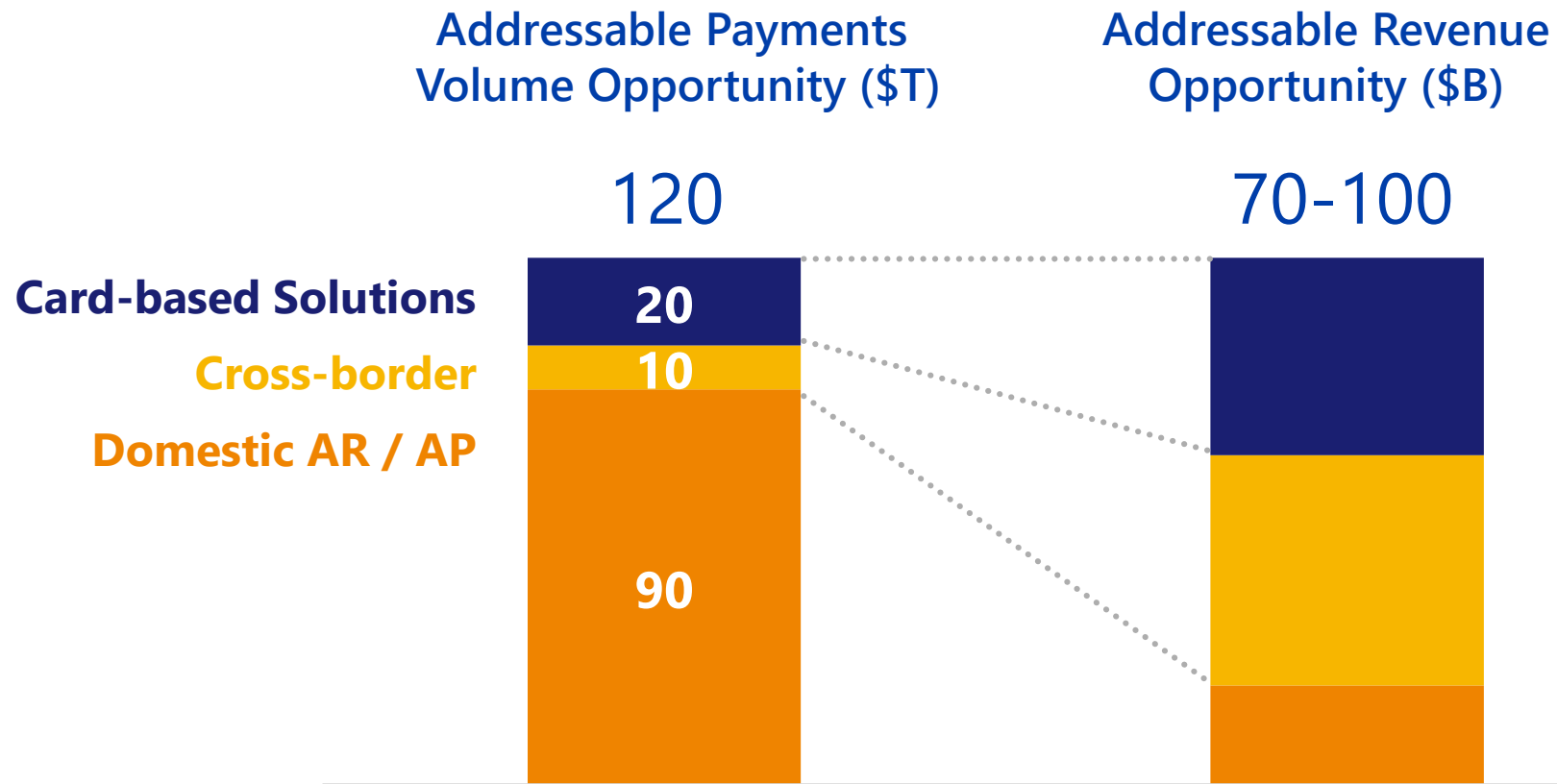
Kevin Phalen



# Businesses and governments make \$120T in payments globally for the purchase of goods and services



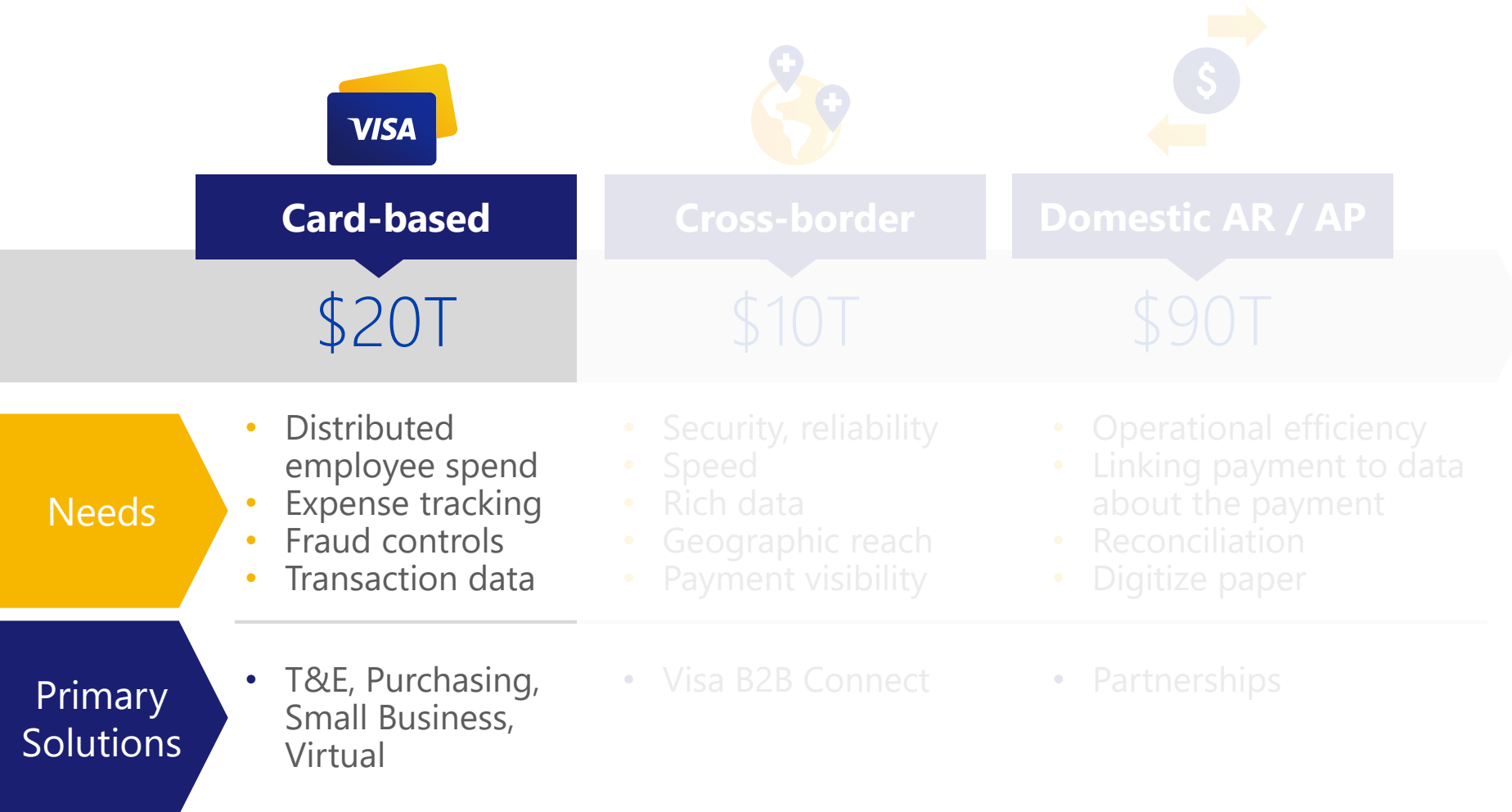
# Card-based and cross-border flows represent 25% of the volumes but 75% or more of the revenue opportunity



## Key Focus Areas to Drive Growth

- 1 Drive growth in established card-based business
- 2 Systematically execute strategy to scale Visa B2B Connect
- 3 Test and learn in domestic non-card B2B payments by adding value beyond the transaction

# \$20T in B2B payments can be addressed with higher-yielding card-based solutions



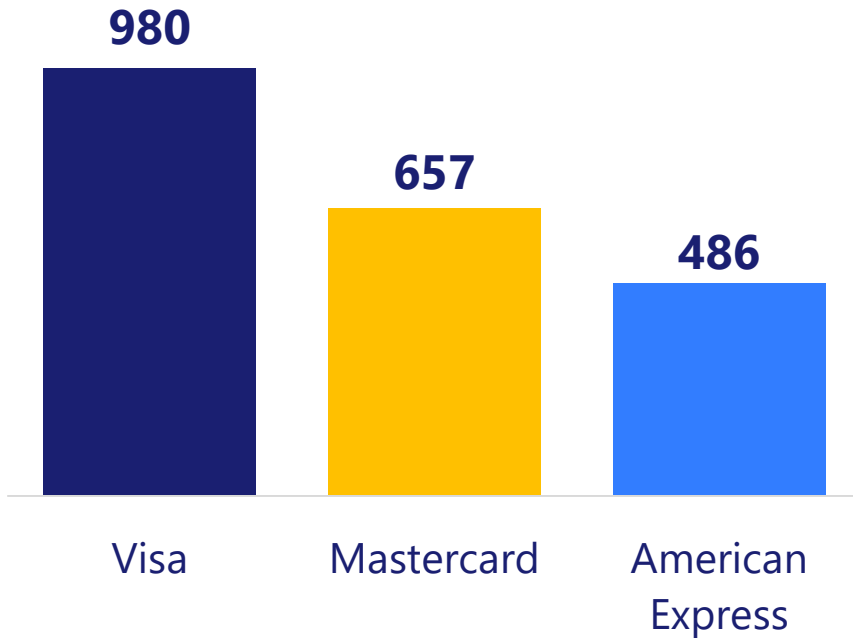
Card-based opportunity is as large as consumer payments cash digitization opportunity



# We are the B2B leader with \$1T+ of Payments Volume

**VISA \$1.1T** CY 2019 B2B Payments Volume

CY 2018 B2B Payments Volume (\$B)



## Products



Small Business



T&E, Purchasing



Virtual (single use)



Fleet

## Enabling Platforms

Frædom<sup>®</sup>

Visa Business Reporting

Visa Compliance Management

Visa Data Analytics

# We are enhancing our leading position by focusing on four areas to capture this \$20T opportunity



## Drive Digital

- Accelerate client onboarding
- Expand use cases through provisioning to mobile wallets
- Improve user experience through mobile, expense management, reporting
- Enable through global APIs



## Geographic Expansion

- Build on leading position in consumer to target markets with nascent commercial volume
- Ride broader trend in markets moving from cash to digital
- Adopt local solutions leveraging global capabilities



## Streamline and Accelerate Acceptance

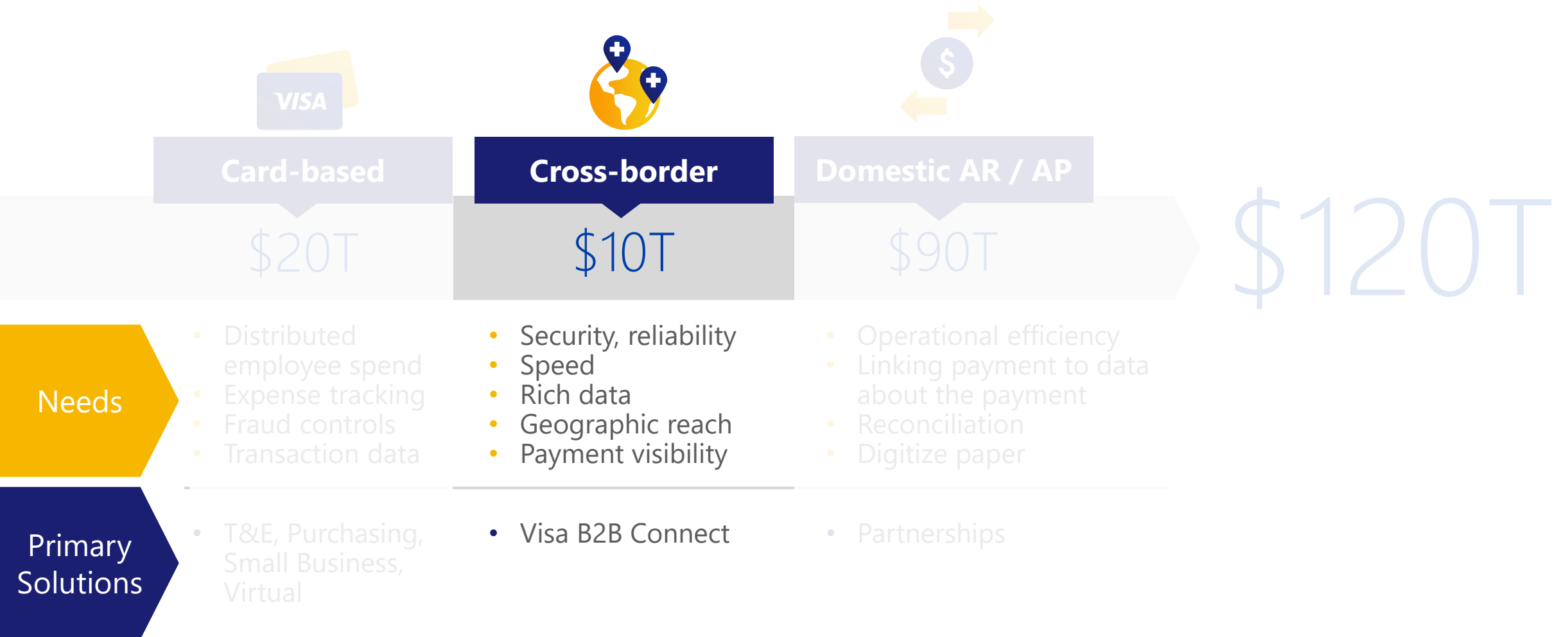
- Eliminate friction
- Grow straight through processing
- Simplify virtual card acceptance and drive industry standards
- Support flexible interchange



## Extend to New Verticals

- Enable additional vertical-specific use cases
  - Government
  - Travel
  - Gig economy
  - Healthcare

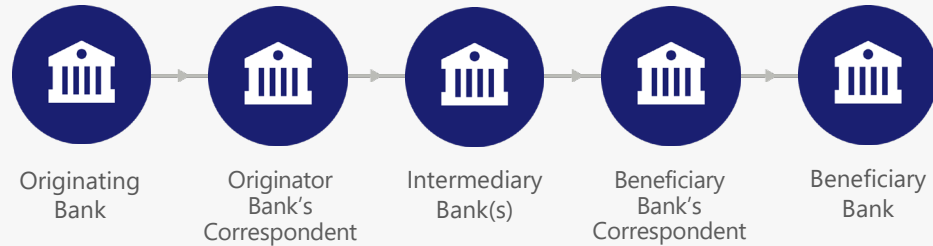
# \$10T in cross-border flows represent a lucrative and largely untapped opportunity



# Visa B2B Connect enables high value, low volume cross-border transactions directly between banks

## Existing Network of Bilateral Relationships

Payments routed through bilateral correspondent bank relationships, passed through a varying number of intermediaries



### Lack of visibility

Difficult to predict costs or know when payments arrive

### Slow speeds

Average cross-border transaction takes 3-5 business days

### Lack of liquidity

Due to separate accounts

### Fees

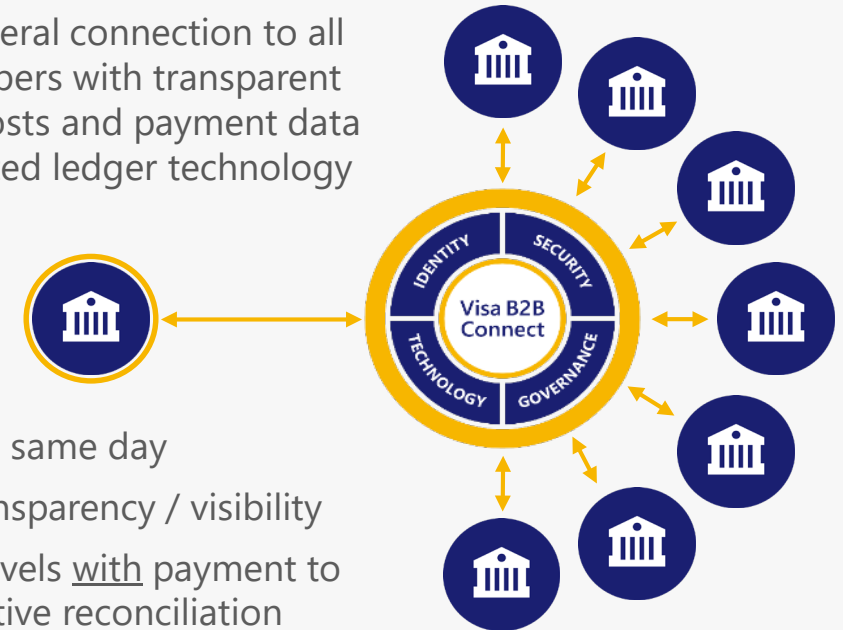
Fees accumulate at each step in the process, including correspondent bank and third-party service fees

### Payment data loss

Inconsistent processing between banks can result in payment data loss and transaction errors

## Visa B2B Connect Multilateral Network

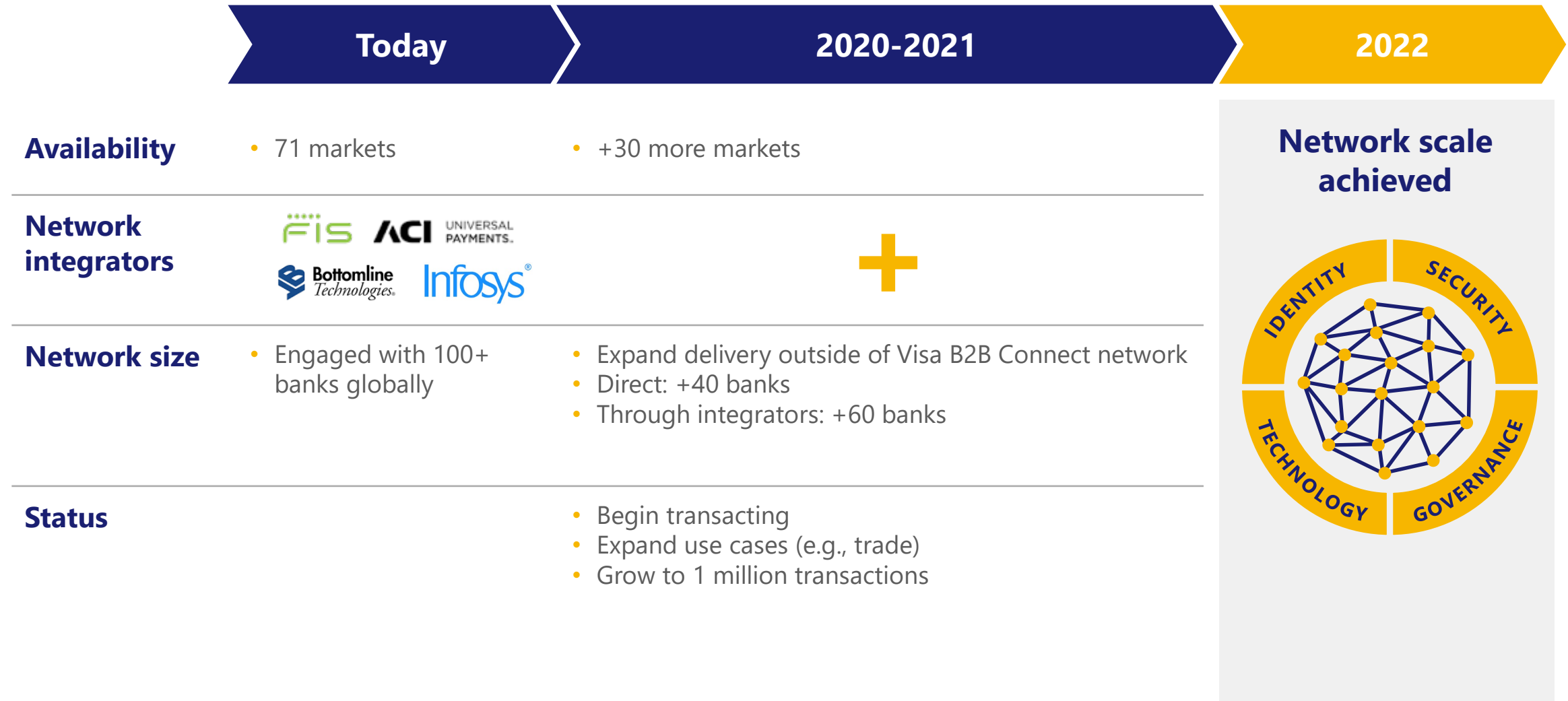
Single multilateral connection to all network members with transparent timeframes, costs and payment data using distributed ledger technology



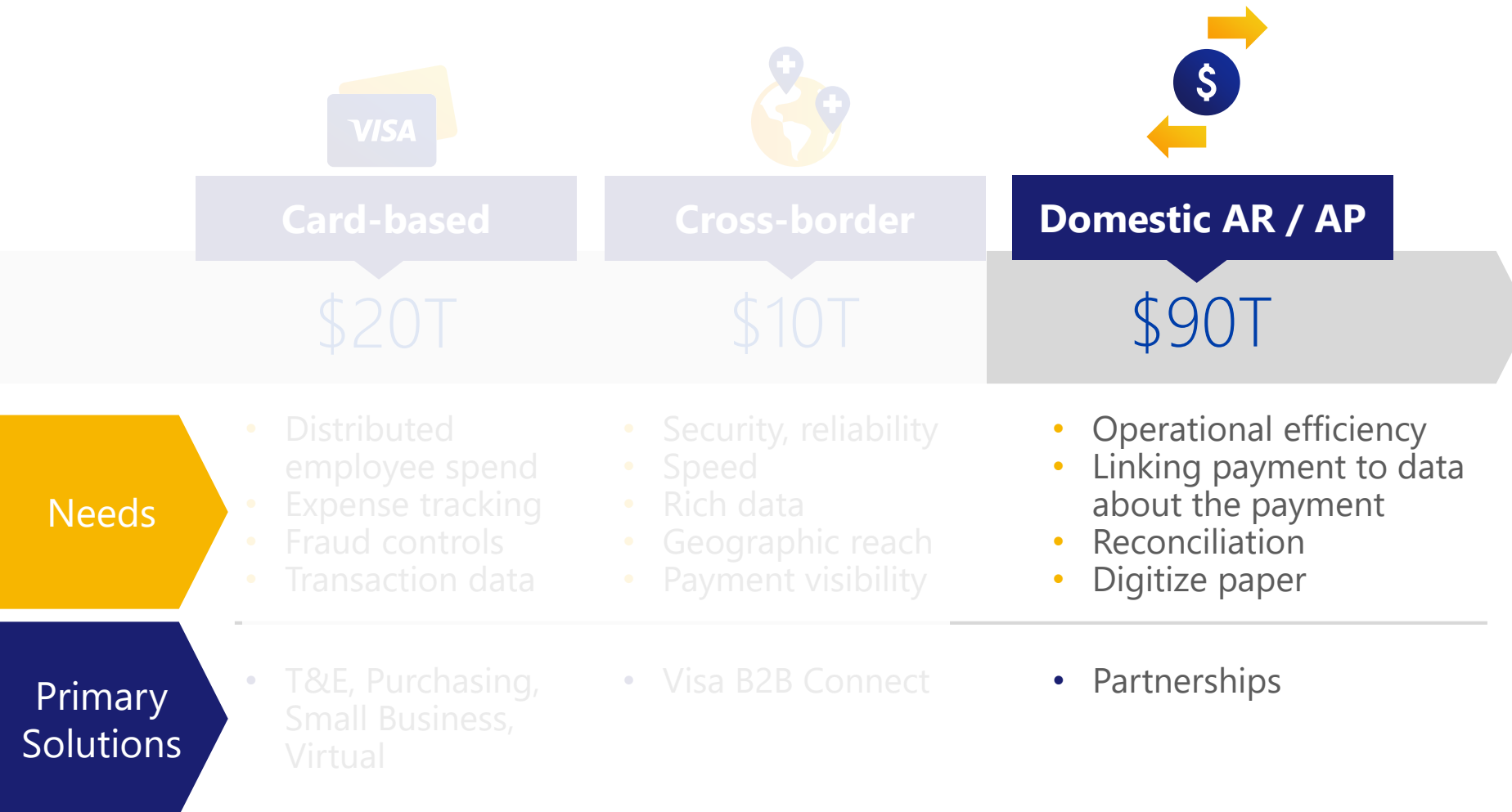
### Key Benefits:

- Speed, often same day
- Payment transparency / visibility
- Rich data travels with payment to enable effective reconciliation
- Payment finality
- Efficient liquidity management

# Visa B2B Connect: Building a new network



# Capturing the \$90T in large enterprise AR / AP payments



Will require extending beyond payment execution

# For AR / AP domestic B2B payments, we have to address pain points beyond payment execution

## Key Characteristics:

1

Lower revenue opportunity for payment execution

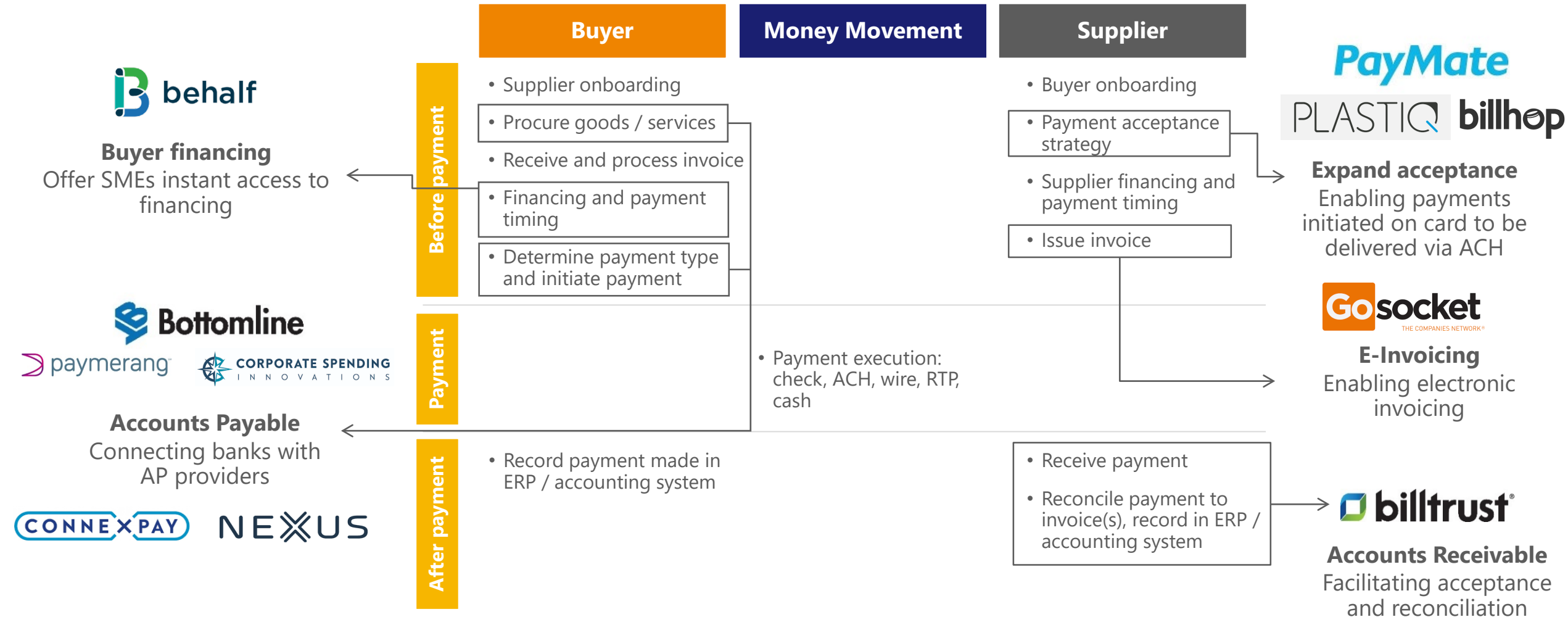
2

Pain points and complexity extend beyond the payment

Large enterprises currently pay only 1bp for payment execution

	Buyer	Money Movement	Supplier
Before payment	<ul style="list-style-type: none"><li>• Supplier onboarding</li><li>• Procure goods / services</li><li>• Receive and process invoice</li><li>• Financing and payment timing</li><li>• Determine payment type and initiate payment</li></ul>		<ul style="list-style-type: none"><li>• Buyer onboarding</li><li>• Payment acceptance strategy</li><li>• Supplier financing and payment timing</li><li>• Issue invoice</li></ul>
Payment		<ul style="list-style-type: none"><li>• Payment execution: check, ACH, wire, RTP, cash</li></ul>	
After payment	<ul style="list-style-type: none"><li>• Record payment made in ERP / accounting system</li></ul>		<ul style="list-style-type: none"><li>• Receive payment</li><li>• Reconcile payment to invoice(s), record in ERP / accounting system</li></ul>

# We are partnering to create innovative solutions that address the broader AR / AP value chain





# Key takeaways



We are the **largest commercial payments card network** and we are investing to capture the \$20T payments volume opportunity

---



We will **leverage our global scale** to build out Visa B2B Connect, a truly unique payment solution, to address high value cross-border transactions

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We will continue to **invest and partner** to offer innovative solutions for domestic AR / AP that create value across the whole value chain

# Notes and disclosures

During the three months ended December 31, 2018, we updated our definition of payments volume to now include all disbursement volume related to Visa Direct, in addition to the funding volume previously included. All prior periods presented have been adjusted accordingly. Please refer to the Operational Performance Data section of Exhibit 99.1 in Form 8-K filed on January 30, 2019 for more details on the impact from this update in our payments volume definition.

Total transactions represent payments and cash transactions as reported by Visa clients on their operating certificates.

On occasion, reported payments volume, transaction and card information may be updated to reflect revised client submissions or other adjustments. Prior-period updates, other than the change to the payments volume definition, are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Constant-dollar growth rates exclude the impact of foreign currency fluctuations against the U.S. dollar in measuring performance.

All brand names and logos are the property of their respective owners, are used for identification purposes only and do not imply product endorsement or affiliation with Visa.

Any reference to PCE is as of 2018 unless otherwise noted and excludes non-financial transactions consisting of payments that are imputed by national statistics agencies such as homeowners' imputed rent.

For real-time payouts, actual fund availability varies by receiving financial institution, receiving account type, region and whether transaction is domestic or cross-border.

This presentation includes data researched by Euromonitor International plc for its client, Visa U.S.A. Inc. and its subsidiaries using industry standards. Euromonitor disclaims and excludes any and all liability for any loss suffered by any party as a direct or indirect result of the use of any of the Extracts.

Use cases are for illustrative purposes only. Program providers are responsible for their programs and compliance with any applicable laws and regulations.

# VISA | 2020 Investor Day

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Deepening Client Partnerships with  
Value Added Services

Jack Forestell  
Mary Kay Bowman  
Carleigh Jaques  
Melissa McSherry

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Visa: The Investment Proposition

Vasant Prabhu

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# Forward-looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as “will,” “is expected,” and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding the opportunities for growth, our strategy, future operations and outlook.

By their nature, forward-looking statements: (i) speak only as of the date they are made; (ii) are not statements of historical fact or guarantees of future performance; and (iii) are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from Visa’s forward-looking statements due to a variety of factors, including those contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019, and our other filings with the U.S. Securities and Exchange Commission.

You should not place undue reliance on such statements. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future developments or otherwise.

Please see end of presentation for notes and disclosures.

# Deepening Client Partnerships with Value Added Services

Jack Forestell

Chief Product Officer

**VISA** | 2020 Investor Day



# Value Added Services help our partners grow profits by enhancing their utilization of Visa's networks



## Consumer Payments

Grow the two-sided network by expanding Visa credentials and acceptance points and driving user engagement



## New Flows

Expand our Network of Networks to capture new sources of payments and money movement between individuals, businesses and governments



## Value Added Services

Drive utilization of our services to help our clients grow profits and deepen our partnerships

# The convergence of physical and digital commerce drives increasing demand for Value Added Services



## Issuer & Consumer Solutions

Platforms that power payments transactions, enable growth and innovation and influence the customer journey



## Acquirer & Seller Solutions

Secure, reliable services for sellers and acquirers that reduce friction and drive acceptance



## Security & Identity

Protections against fraud, theft and unauthorized use through advanced risk management capabilities



## Data Solutions

Data tools to help clients grow their business and drive differentiated experiences



## Visa Consulting & Analytics

Actionable insights, recommendations and data-driven strategies for clients and partners

~\$3.5B

FY 2020 Projected Revenue

>20%

Growth from FY 2019

# Value Added Services help our clients and partners grow revenues and reduce costs

## Benefits of Value Added Services

### Grow Revenues

- Customer acquisition
- Share of wallet
- Customer retention
- Higher authorization rates
- Deployment of new capabilities (e.g., instant issuance, installments, transaction controls)

### Reduce Costs

- Processing costs
- Portfolio optimization
- Fraud reduction
- Marketing efficiency and effectiveness
- Digitization of internal manual processes



Delightful payment and commerce experiences



# Visa offers a broad and expanding suite of Value Added Services

*Examples*



## Issuer & Consumer Solutions

- Issuer Processing (DPS)
- Digital Issuance
- Account & Transaction Controls
- Consumer Benefits & Experiences



## Acquirer & Seller Solutions

- Acceptance
- CyberSource
- Urban Mobility
- Tap to Phone
- Account Updater



## Security & Identity

- Token Management
- Fraud Management
- Authorization Optimization
- Authentication



## Data Solutions

- Visa Analytics Platform
- Benchmarking
- Data APIs
- Marketing
- Underwriting
- Freedom



- Loyalty
- Installments
- Dispute Management
- Open Banking



## Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# To support our Network of Networks strategy, we are unbundling our services to add value to transactions on any network

## Visa Pre-2010



Vertically integrated applications, Value Added Services and core payments infrastructure

## Past Decade

Client & Partner Applications

Value Added Services



Core Payments Infrastructure

**VISA** Net

## 2019+

Client & Partner Applications

Value Added Services



Core Payments Infrastructure

**VISA** Net  
Visa Direct

Earthport  
Visa B2B  
Connect

Other  
Networks

# Visa offers a broad and expanding suite of Value Added Services



## Issuer & Consumer Solutions

- Issuer Processing (DPS)
- Digital Issuance
- Account & Transaction Controls
- Consumer Benefits & Experiences



## Acquirer & Seller Solutions

- Acceptance
- CyberSource
- Urban Mobility
- Tap to Phone
- Account Updater



## Security & Identity

- Token Management
- Fraud Management
- Authorization Optimization
- Authentication

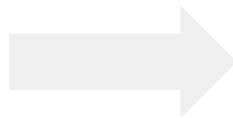


## Data Solutions

- Visa Analytics Platform
- Benchmarking
- Data APIs
- Marketing
- Underwriting
- Freedom



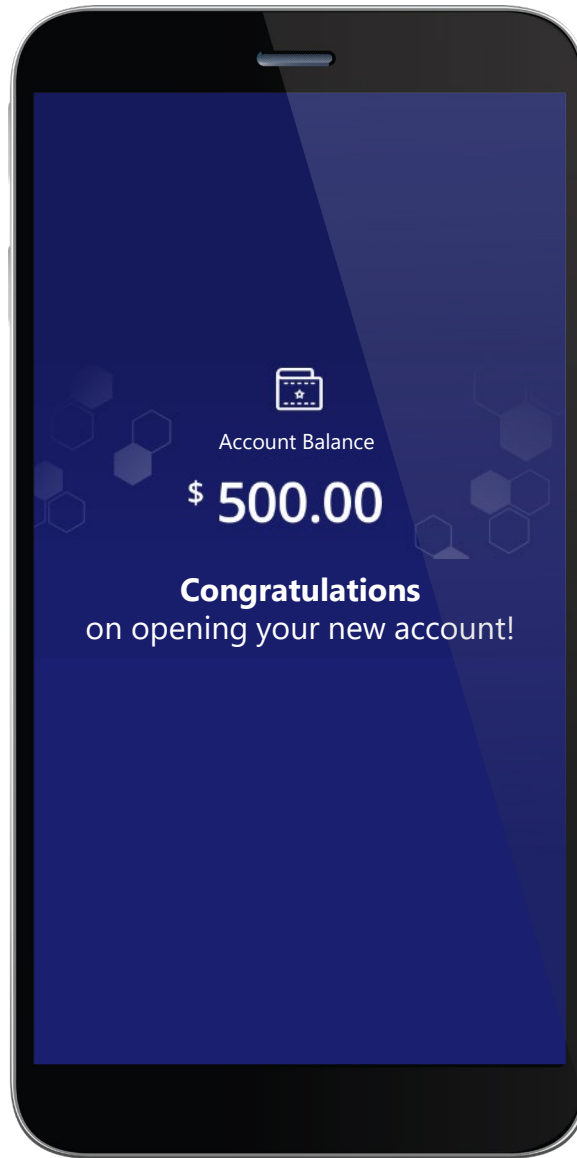
- Loyalty
- Installments
- Dispute Management
- Open Banking



## Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# Digital issuance



FDNB  
555 Anywhere Street  
San Francisco, CA 94105

Jack Forestell  
One Market Plaza  
San Francisco, CA 94105



Here's your new Visa card issued by FDNB.

**The rewards card designed specifically  
with you in mind.**

**ACTIVATE YOUR CARD TODAY**



#### Welcome

Consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper suscipit lobortis nisl ut aliquip ex ea commodo consequat.

Duis autem vel eum iriure dolor in hendrerit in vulputate velit esse molestie consequat, vel illum dolore eu feugiat nulla facilisis at vero eros et accumsan et iusto odio dignissim qui blandit praesent luptatum zzril delenit augue duis dolore te feugait nulla facilisi.

#### Earn Cash Back Rewards

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat.

- Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt.
- Ut wisi enim ad minim veniam, quis nostrud exerci tation ullamcorper.
- Duis autem vel eum iriure dolor in hendrerit in.

# Digital issuance

POST

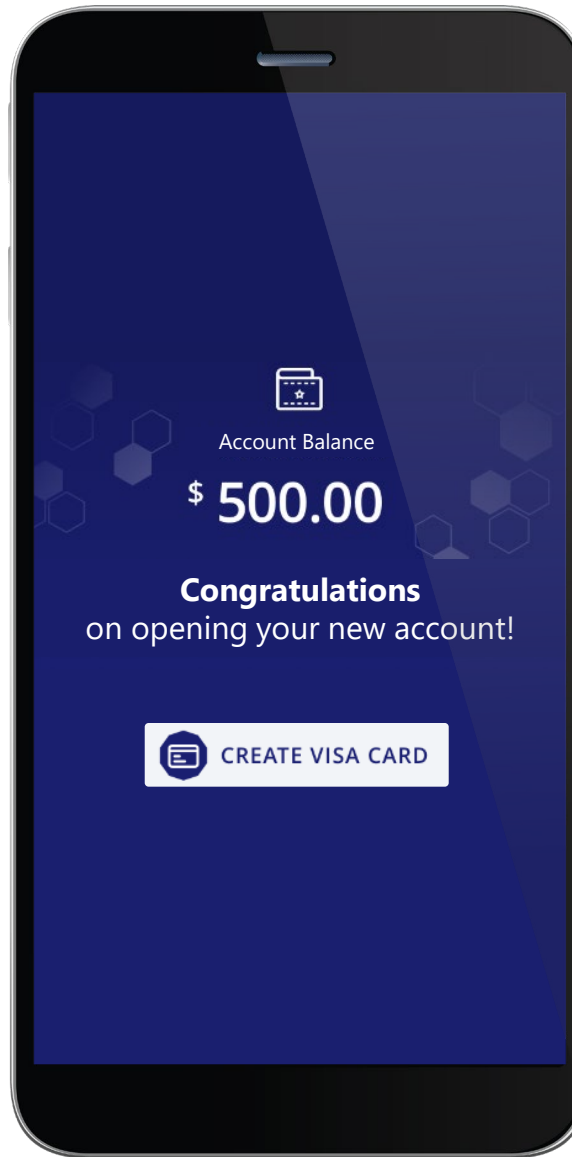
```
https://cert.api.visa.com/vts/provisionedTokens?apikey={apikey}
```

// Header

```
content-type: application/json
x-pay-token: {generated from request data}
```

// Body

```
{
  "channelSecurityContext": {
    "keyData": "HEX Encoded Key Data.....",
    "deviceCerts": [
      {
        "certValue": "base 64 encoded ...",
        "certFormat": "X509",
        "certUsage": "CONFIDENTIALITY"
      }
    ]
  }
}
```



# Digital issuance

POST

```
https://cert.api.visa.com/vts/provisi  
onedTokens?apikey={apikey}
```


// Header

```
content-type: application/json  
x-pay-token: {generated from request  
data}
```

// Body

```
{  
  "channelSecurityContext": {  
    "keyData": "HEX Encoded Key Dat  
a.....",  
    "deviceCerts": [  
      {  
        "certValue": "base 64 encoded ...  
",  
        "certFormat": "X509",  
        "certUsage": "CONFIDENTIALITY"      }  
    ]  
  }  
}
```

### Review Card Info



Please make sure all following details are correct

Name [EDIT](#)

Jack Forestell

Country

United States of America

Address

One Market Plaza  
San Francisco, CA 94105

Phone Number

+1 (415) 555-2911

By creating a card, you agree to our [Terms & Conditions](#)

CREATE VISA CARD

# Digital issuance

POST

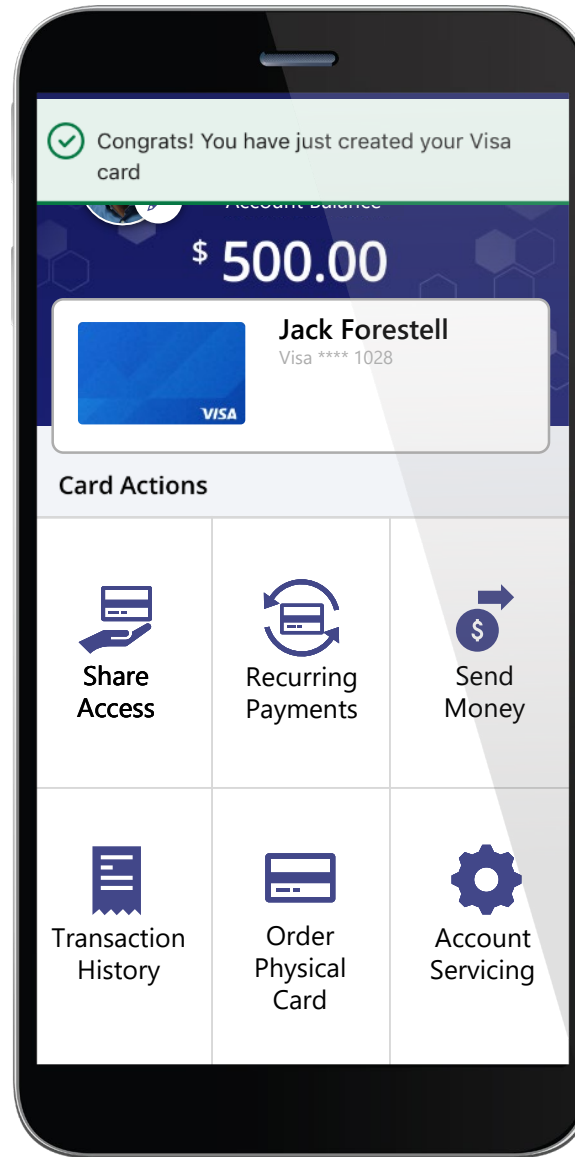
```
https://cert.api.visa.com/vts/provisionedTokens?apikey={apikey}
```

// Header

```
content-type: application/json
x-pay-token: {generated from request data}
```

// Body

```
{
  "channelSecurityContext": {
    "keyData": "HEX Encoded Key Data",
    "deviceCerts": [
      {
        "certValue": "base 64 encoded ...",
        "certFormat": "X509",
        "certUsage": "CONFIDENTIALITY"
      }
    ]
  }
}
```



~ 6B

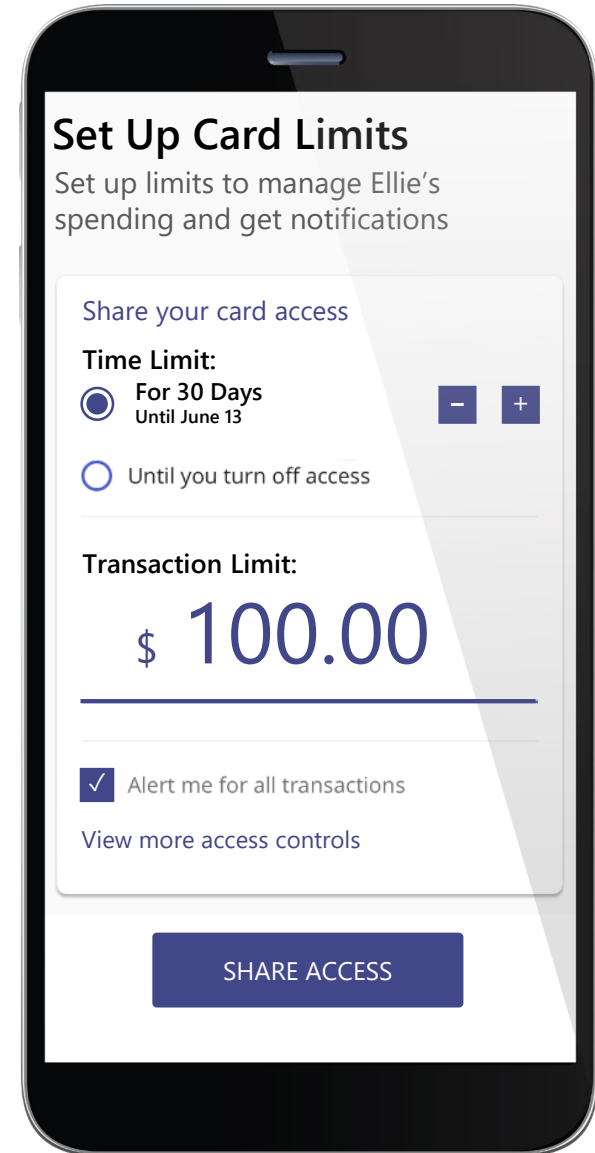
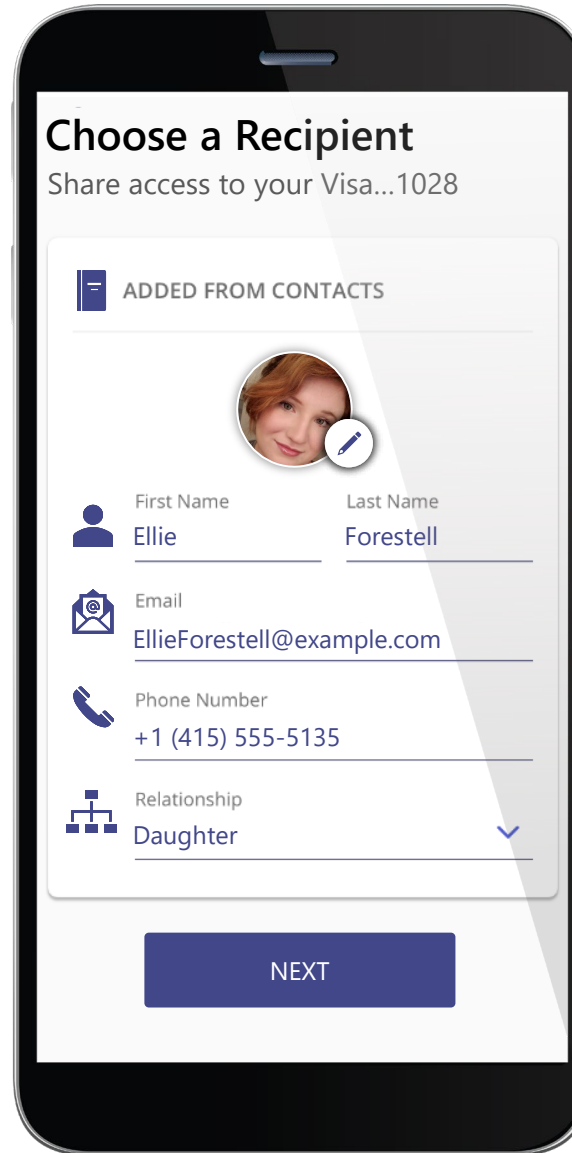
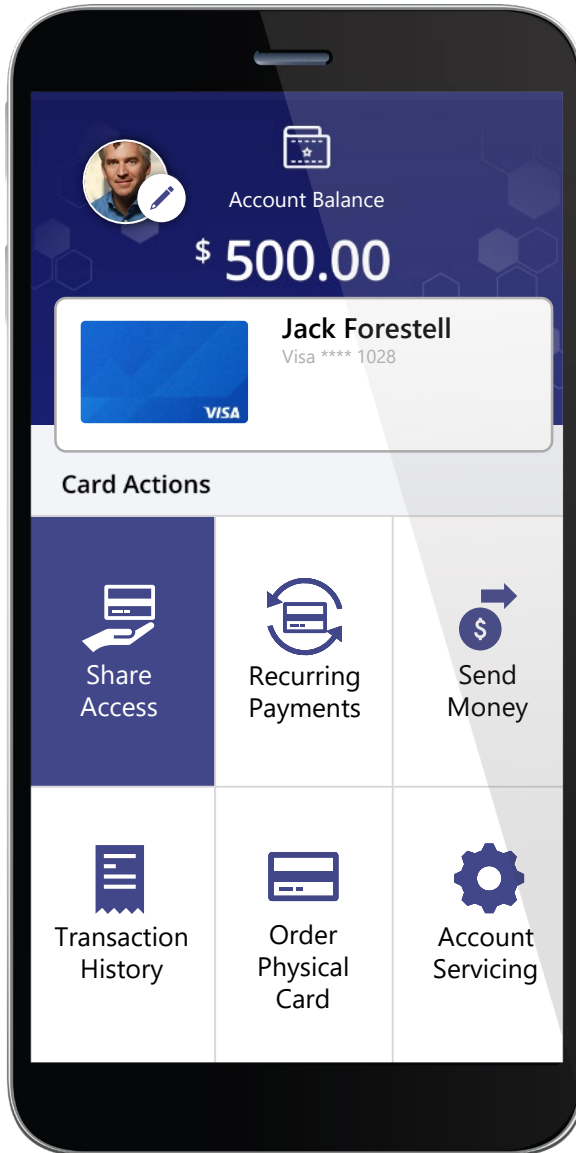
tokenized transactions

> 100%

annual growth



# Share access



# Share access

POST

```
https://sandbox.api.visa.com/vctc/customerrule  
s/v1/consumertransactioncontrols
```

```
// Header
```

Accept: application/json

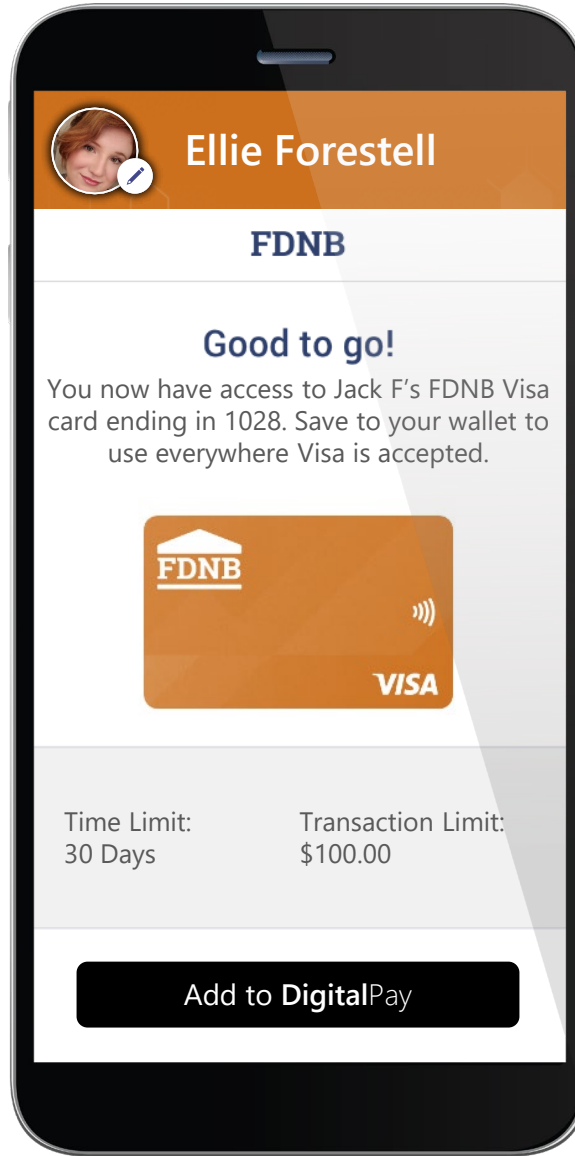
```
Authorization: {base64 encoded userid:password}
```

```
// Body
```

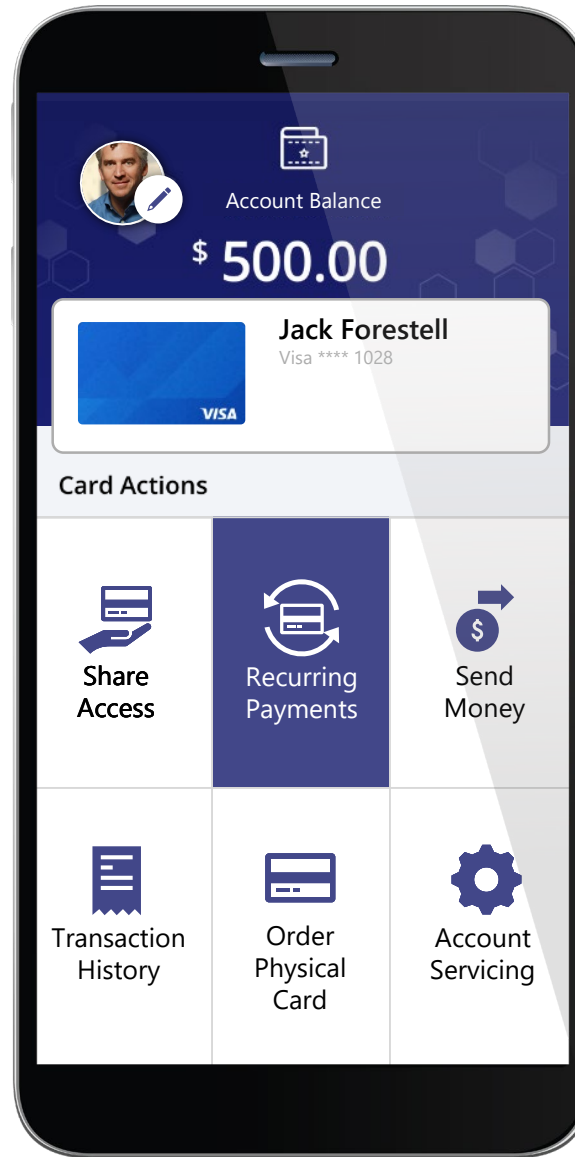
```
{
  "primaryAccountNumber": "4514170000000001"
}
```

### // SAMPLE RESPONSE

```
// Body
```



# Recurring payments



# Recurring payments

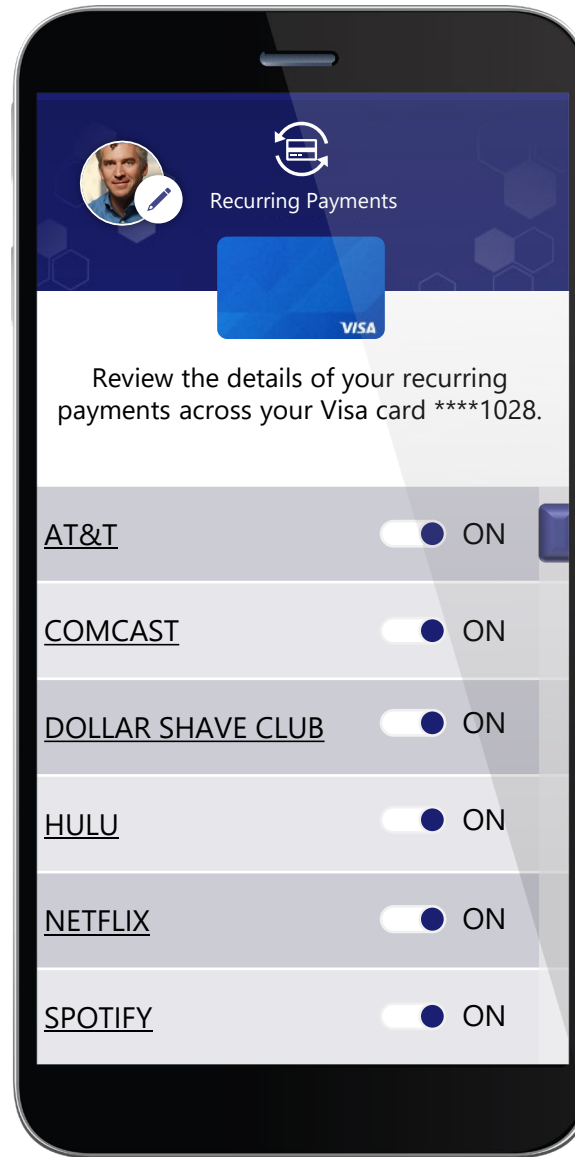
```
POST
https://sandbox.api.visa.com/vau/v1/vauissuer

// Header

Accept: application/json
Authorization: {base64 encoded
userid:password}

// Body

{
  "requestHeader": {
    "messageDateTime": "2019-05-10T18:58:10.327",
    "requestMessageId": "6da60e1b8b024532a2e0eacb1af58581"
  },
  "requestData": {
    "group": "STANDARD",
    "BIN": "",
    "timePeriod": "60",
    "from": "",
    "to": "",
    "dateUpdated": "",
    "pANs": [
      {
        "pAN": "1234567890123456",
        "cardType": "0101"
      }
    ]
  }
}
```



\$13T+

Global Bill Payments Volume<sup>1</sup>

# Visa DPS is a leading issuer processing solution



# We are investing in digital issuer processing capabilities



## Mobile-first Experiences



## Digital and Developer-focused



APIs to support

- Digital banking
- Mobile wallets
- Installments

# Visa offers a broad and expanding suite of Value Added Services

**Mary Kay Bowman**  
Head of Consumer and Seller Solutions



## Issuer & Consumer Solutions

- Issuer Processing (DPS)
- Digital Issuance
- Account & Transaction Controls
- Consumer Benefits & Experiences



## Acquirer & Seller Solutions

- Acceptance
- CyberSource
- Urban Mobility
- Tap to Phone
- Account Updater



## Security & Identity

- Token Management
- Fraud Management
- Authorization Optimization
- Authentication



## Data Solutions

- Visa Analytics Platform
- Benchmarking
- Data APIs
- Marketing
- Underwriting
- Freedom



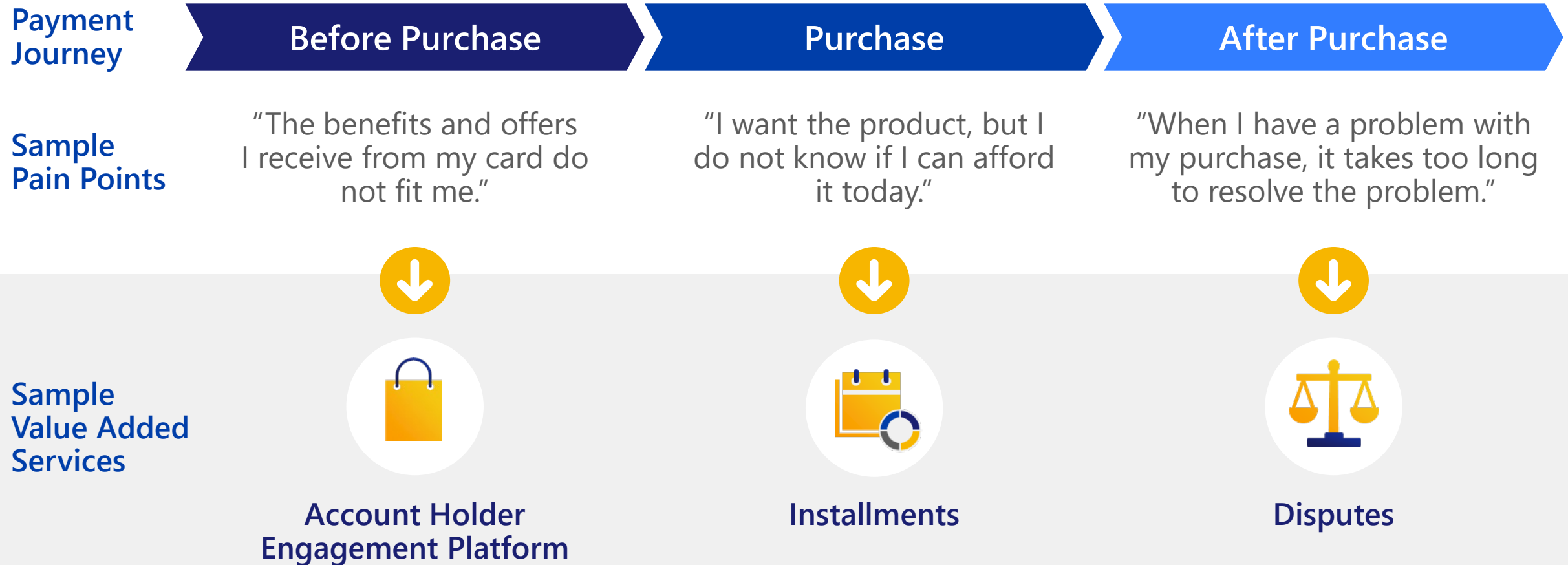
- Loyalty
- Installments
- Dispute Management
- Open Banking



## Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# Value Added Services create value for our customers and our network by improving experiences across the payment journey





# Before purchase: Deliver personalized benefits and offers to drive loyalty

Consumers are fatigued by loyalty programs...

...and crave tailored, experiential benefits

35%

fully comprehend  
program benefits

22%

are very satisfied  
with offer relevance

73%

prefer experiences  
over monetary awards

83%

of consumers are willing  
to share data to enable  
personalization



Visa's Account Holder Engagement Platform enables our clients to deliver contextual benefits and offers enriched by Visa **data** and **scale** throughout their customers' journeys



Personalized and  
AI-driven engine











Self-serve  
platform



Common benefits  
and offer repository

# Before purchase: Success in Latin America led to expansion worldwide

## Loyalty offerings in Latin American and Caribbean

	 Visa Benefits Portal	 Digital Concierge	 Visa Online Medic	 My Rewards	 Visa Airport Companion
 Personalized and AI-driven engine		✓	✓	✓	✓
 Self-serve platform	✓	✓	✓	✓	✓
 Common benefits and offer repository	✓			✓	✓

# Purchase: Installments represent a \$1.2T global opportunity<sup>1</sup>

**Consumers** want transparency, control and budget management

70%

of U.S. adults agree installments alleviate the stress of making a large purchase

~50%

of total credit Payments Volume in Brazil is on card-based installments

**Sellers** can drive higher sales volume with installments

20-30%

increase in average ticket size

30%

increase in average conversion rate



Visa enables multiple ways to pay for purchases at the point of sale; consumer choice is key, with multiple models co-existing



Works with existing cards



No new credit approval required



Cross-border enabled



Single integration for wide acceptance

Card-based installments

Klarna. **paidy** sezzle

affirm afterpay Charge After

Fintech or third-party financing providers

# Purchase: Consumer choice is key – it is why we are building and partnering

## Card-based installments



Works with existing cards

3.4B cards



No new credit approval required

\$3.1T unused credit card lines in U.S.



Cross-border enabled

200+ countries and territories



Single integration for wide acceptance

1 integration point  
61M worldwide merchant locations

## Fintech or third-party financing providers



Venture investments

Klarna. | paidy | Charge After  
2017 2018 2020



Virtual cards

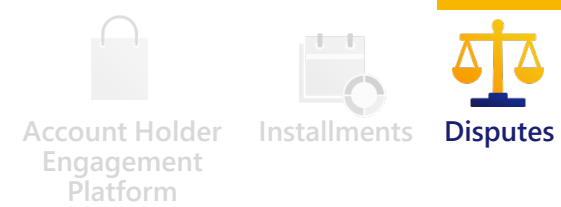
Klarna. | paidy | Charge After  
affirm | afterpay



Solution enablement

CyberSource + sezzle  
Charge After

# After purchase: Dispute resolution is core to our network and we continue to improve the experience



Problem resolution has been a integral part of our network

Over 70M

disputes in 2019

However, disputes have been growing...

~9%

annual growth 2017 to 2019

...and becoming a top concern for sellers

35%

of sellers cite chargebacks as top payments concern



Disputes have improved 56% with Visa Claim Resolution from:

55 days

Pre Visa Claims Resolution

to

24 days

Post Visa Claims Resolution

to

17 hours

Now with Verifi

# After purchase: With Verifi, dispute resolution will be faster for more participants within Visa and beyond our network



## Better Customer Experience

**Before:** Multiple parties sending information to each another offline and asynchronously

24 days

**Now:** Fewer parties sending information to each other **real-time**

17 hours

Sellers / Acquirers



Issuers



## Stronger Network Effects

Verifi brings **25,000** sellers and **deeper integration with issuer customer service centers**

The **more sellers** we have, the **more issuers** we can connect them to, resulting in better dispute resolution



## Network Agnostic Solution

**Consumers** want peace of mind with every payments transaction and **sellers** want a way to resolve disputes across **all brands, all networks and all players**

Other Brands

Other Networks

Other Players

# Key takeaways

Payment Journey

Before Purchase

Purchase

After Purchase

We are focused on **improving the payment journey** as we expand and enrich connections from sellers to consumers

The largest network of consumers and sellers means **more offers, more installment options and more benefits**

With more data fed into our ecosystem, we can **drive more contextualized offers, more relevant benefits and faster dispute resolution**

As one of the world's largest payments platforms, Visa can **build technology once and deploy for others** who either do not have the capability or the business case to do so

## Value to Partners



Customer acquisition



Share of wallet



Financing revenue



Customer retention



## Value to Visa



Higher Payments Volume



Incremental revenue streams



Top of wallet, repeat usage

# Visa offers a broad and expanding suite of Value Added Services

**Carleigh Jaques**  
General Manager, CyberSource



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## Data Solutions

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- Data APIs
- Marketing
- Underwriting
- Freedom



- Loyalty
- Installments
- Dispute Management
- Open Banking

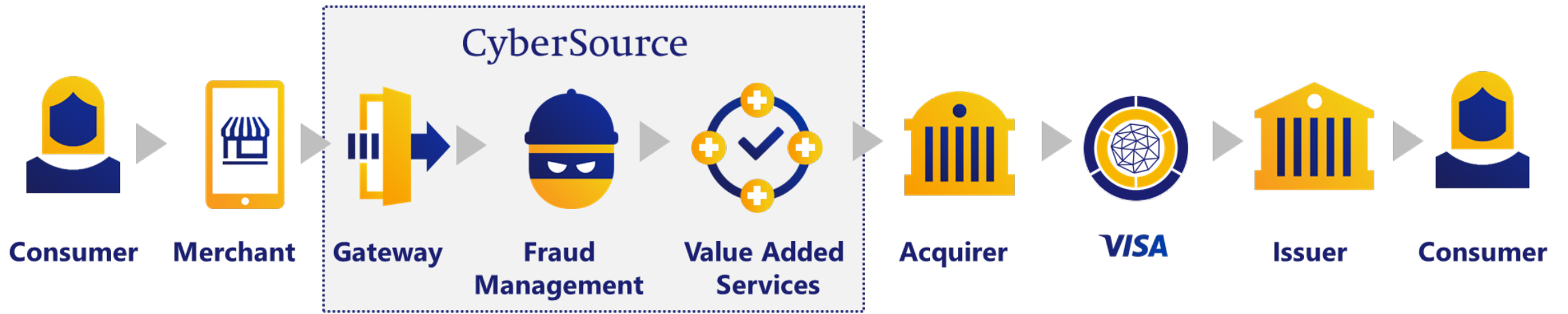


## Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
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- Execution



# What is a gateway?



# CyberSource has scale and many marquee clients



## Sellers

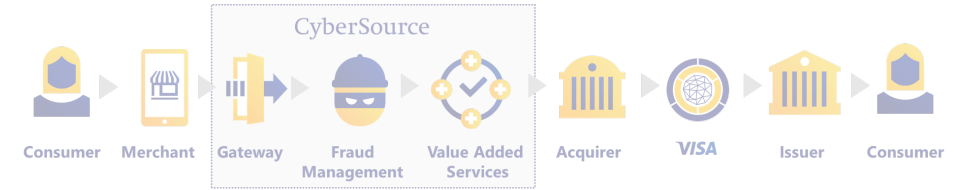


## Acquirers



Note: Payments volume figures represent most recently available 12 month period. CyberSource, Square, and Shopify figures are for the 12 months ending September 2019. Adyen figures are for the 12 months ending June 2019. Adyen figures are converted to USD using FX rate at end of 2018. NMI figure accessed at [www.NMI.com](http://www.NMI.com) on January 16, 2020. Source: Publicly available material.

# CyberSource has become a global payment management platform



## Heritage



## Today



Gateway focus



eCommerce



U.S. centric



Functional integration



Direct-to-merchant



Platform with full stack of services



Omnichannel



Global footprint

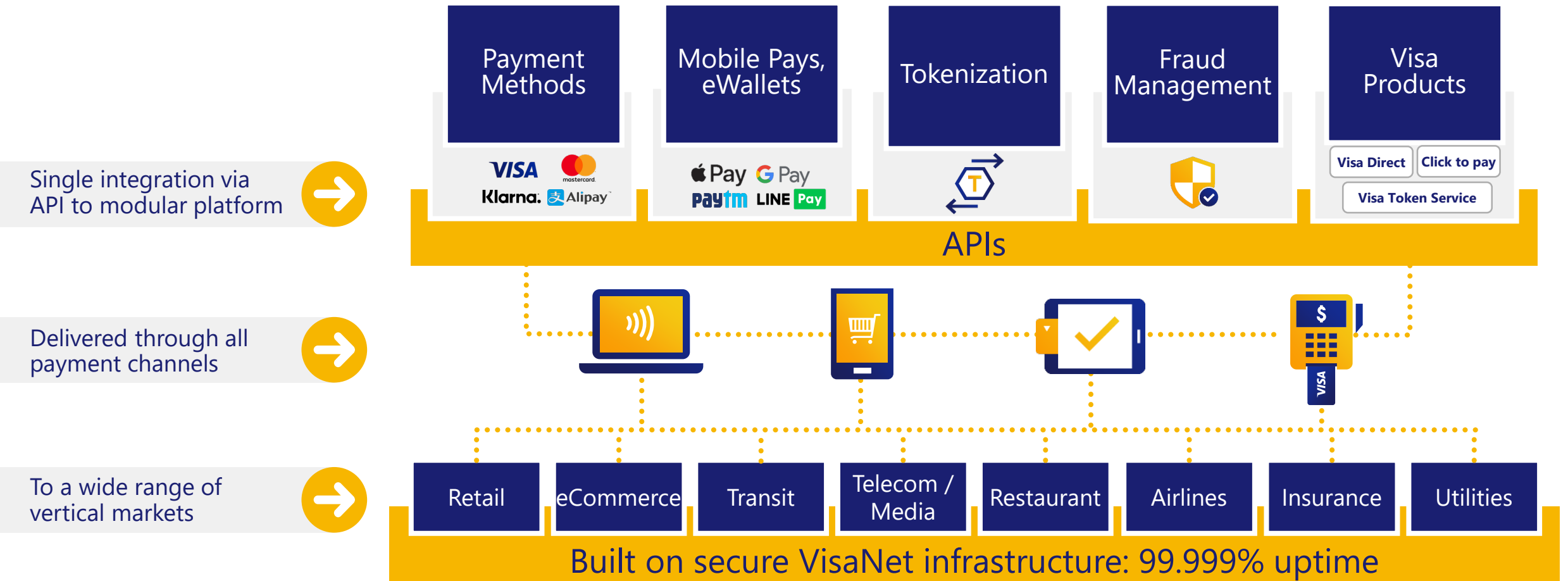


Vertically relevant solution offerings (e.g., transit)



Expanded indirect model (acquirers, tech partners)

# CyberSource takes the friction out of commerce through a single integration to our platform



# The Payworks acquisition enables a full-stack omnichannel platform

Omnichannel delivers unique customer experiences such as order ahead and buy online, pickup in-store

- Sellers want a **single solution** for all channels
- **Integrated** CyberSource platform
- **Distributed through acquirers**



CyberSource and Tulip power **endless aisle** in-store experience for luxury retailers in the U.S. and Europe

- **One easy integration** via CyberSource POS Software Developer Kit



# We are accelerating growth through global reach

~80% of CyberSource revenue from North America in FY 2019

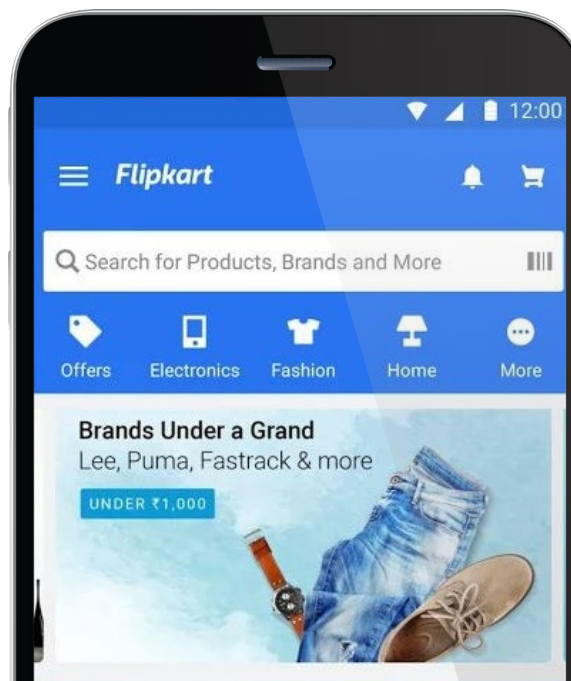
→ Significant globalization growth opportunity...

50% faster retail eCommerce growth in AP, LAC & CEMEA

190+ countries and territories can be accessed via a single integration

**LACOSTE** 

**Mitigating chargeback risk** for Lacoste in Brazil



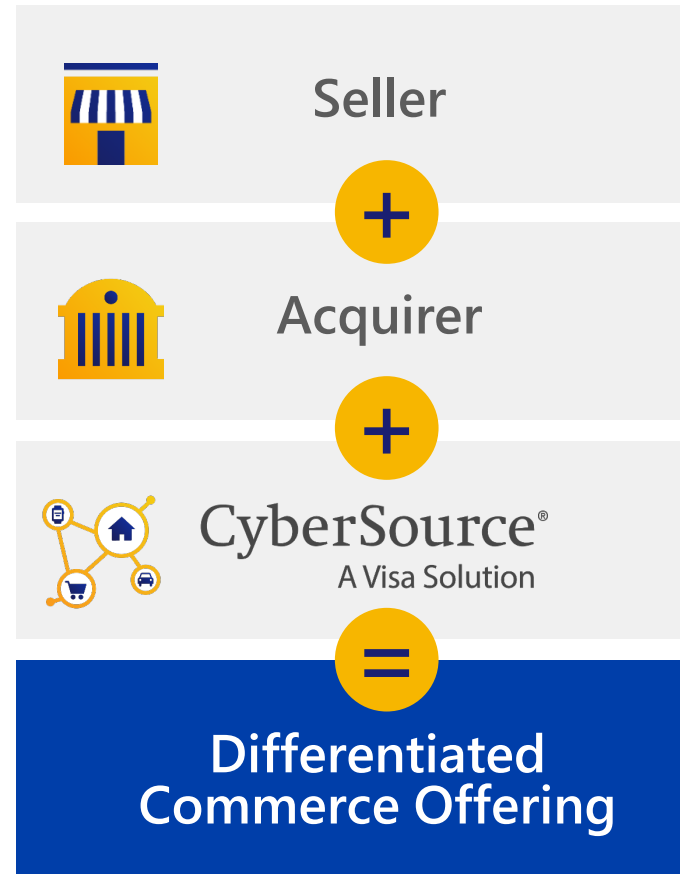
**Flipkart** 

**Powering payments** for a leading eCommerce retailer in India

# Distribution through acquirers creates a path to exponential growth

Acquirers **white label** the CyberSource platform – maintaining their brand and customer relationships

Acquirers have **significant sales teams** to sell the CyberSource platform



**Marquee Visa  
Acquirer in Japan**

10-year deal

100% VisaNet  
Processing



# Key takeaways:

CyberSource is a significant growth opportunity for Visa



- **Increases Visa revenue** per transaction and **monetizes non-Visa transactions**<sup>1</sup>
- Expands the **scaled distribution** of Visa products
- Supports a **diverse and healthy seller and acquirer ecosystem**
- Supports ecosystem growth with APIs enabling rapid **grassroots innovation**
- **Promotes new acceptance** across the globe



# Visa offers a broad and expanding suite of Value Added Services

**Melissa McSherry**  
Head of Security, Identity and Data Products



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- Digital Issuance
- Account & Transaction Controls
- Consumer Benefits & Experiences



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- Fraud Management
- Authorization Optimization
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## Data Solutions

- Visa Analytics Platform
- Benchmarking
- Data APIs
- Marketing
- Underwriting
- Freedom



- Loyalty
- Installments
- Dispute Management
- Open Banking



## Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# Visa uses transaction data to drive better outcomes for consumers, clients and economies through many products



Transaction  
Security



Authentication  
(Digital)



Benchmarking  
and Reporting



Focused  
Marketing



Underwriting

Most Established

Newest

Visa Advanced  
Authorization  
(1993)

3DSecure  
standard  
(2001)

Visa Analytics  
Platform  
(2003)

Visa  
Audiences  
(2016)

Cardholder  
Transaction Score  
(2019)

## Our investments yield benefits across data use cases

1,000+ patents filed in past 5 years

500+ custom attributes scored

3ms scoring time for  
Tensorflow models<sup>1</sup>

112 PB of data capacity for  
on-demand access<sup>2</sup>

Enhanced Seller Data

Deep Learning  
scoring models in products

# Visa uses transaction data to drive better outcomes for consumers, clients and economies through many products



Transaction  
Security



Authentication  
(Digital)



Benchmarking  
and Reporting



Focused  
Marketing



Underwriting

## Representative Solutions

Visa Advanced  
Authorization

3DSecure  
standard

Visa Analytics  
Platform

Visa  
Audiences

Cardholder  
Transaction Score

Decision Manager

Cardinal Centinel

Fraedom

Visa Token Service

Visa Consumer  
Authentication Service

# Visa Advanced Authorization (VAA) + Visa Risk Manager (VRM)



## Advanced Authorization

Advanced AI, Visa global data and real-time scoring to identify fraudulent transactions



## Visa Risk Manager

Enable issuers to build rules that Visa implements with no integration required



127B

transactions screened annually

8,000+

issuers in 129 countries

\$25B

fraud prevented annually

500+

risk attributes evaluated in 1ms<sup>1</sup>

77%

global penetration

Recurrent neural networks and other advanced AI

Transaction  
Security

Authentication  
(Digital)

Benchmarking  
and Reporting

Focused  
Marketing

Underwriting

## Client Impact Examples



Latin American Issuer with high decline rate of good transactions

Within one year of implementing VAA & VRM:

+700 bps in approval rate

+31% in approved transaction dollars

-35 bps in fraud rate

Visa charges **per transaction**, so revenue grows as the Visa network grows

# Decision Manager



Advise sellers on which transactions are likely fraudulent vs. should be submitted for authorization, managing fraud rules and manual reviews



1.3B

transactions screened  
in FY 2019

\$214B

volume screened  
in FY 2019

21%

annual transaction  
growth from  
FY 2011-19

200x

increase in visibility  
of top merchant  
fraud pattern

<600ms

to screen incoming  
digital orders for fraud<sup>1</sup>

Transaction  
Security

Authentication  
(Digital)

Benchmarking  
and Reporting

Focused  
Marketing

Underwriting

## Client Impact Examples



**53% increase in web sales**,  
66% reduction in fraud rate, 57%  
reduction in manual review rate



Nearly halved seller decline rates  
while **reducing manual review  
rates by 30%** and fraud rates  
by 15%



In 100 cities delivering for 20,000+  
restaurants – achieved a 0.23% fraud  
rate, 5% seller decline rate, resulting  
in **22% increase in monthly  
transactions**

Note: In this context, fraud refers to fraud coded chargebacks and is not inclusive of other forms of fraud.

Visa charges **per transaction**, with higher rates for more managed services

# Cardinal 3DS: Centinel and Consumer Authentication Service (CAS)



Centinel (Sellers)



Consumer Authentication Service (Issuers)

Use device information, Visa network data and seller provided data to enable issuers to validate buyers through the 3DS standard



	Centinel		CAS		
	2.2B	\$280B	500M	\$61B	
	transactions screened in 2019	purchase volume in 2019	transactions originated	purchase volume in 2019	
		500M		200K	
		credential + device combinations in 2019		digital sellers	
		50K		2,500	
		sellers		Financial Institutions	
					Both
					<1s
					to process <sup>1</sup>
					>200
					countries and territories

## Client Impact Examples

Vertical	Approval Rate Increase	Fraud Rate Reduction <sup>2</sup>
Computers / Software	7%	18 bps
Luxury goods	5%	30 bps
Clothing and footwear	4.5%	13 bps
Sporting goods	4.5%	121 bps
Entertainment	4%	19 bps

Visa charges **per transaction** and growth in Centinel drives 3DS volume, which drives Consumer Authentication Service growth

# Visa Token Service



Enables clients to store a credential that cannot be reused without decryption, performing a service similar to what chips do in face-to-face



>90%

Issuer Payments  
Volume coverage

107

markets covered

130

token requestors


750M

tokens issued

\$1T

eCommerce volume  
committed by  
participants

  
Transaction  
Security

  
Authentication  
(Digital)

  
Benchmarking  
and Reporting

  
Focused  
Marketing

  
Underwriting

## Client Impact Examples

+3.2%

average authorization  
rate lift<sup>1</sup>

-26%

average reduction in  
fraud rates<sup>2</sup>

## Key Partners

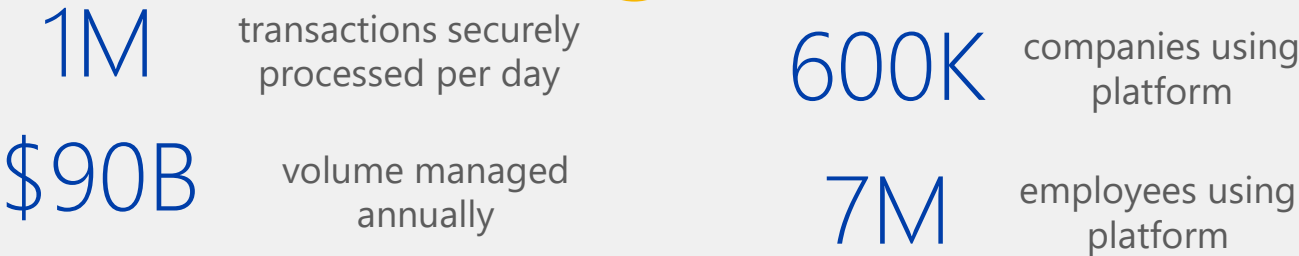
   
A PayPal Company

Notes: 1. Comparing authorization rate at top merchants for CNP token volume vs. PAN; 2. For Visa Token transactions compared to PAN-based transactions online  
Sources: VisaNet data, Jan-March 2019. Authorization approval rate lift for CNP transactions processed as a Token vs. as Non-Tokenized credential. U.S. Issued Visa Cards at U.S. merchants accepting Token transactions (22 merchants across 6 different Token Requestors). Average auth rate improvement seen across samples of top merchants accepting Token transactions via third party Token Requestors with lifts seen by merchants acting as own Token Requestor. VisaNet, Jan-Dec'18, U.S. Issued Cards at all U.S. merchants.

# Fraedom: Using payment data to help financial institutions support corporate clients



Financial institutions can white label to help their corporate customers optimize their corporate card programs



## Key Capabilities

Reporting

Card Management

Expense Management

Statements

Advanced Invoice Payments

Virtual Card

## Client Impact Examples

>10%	increase in number of cards in portfolios
>20%	increase in corporate clients using expense management
>98%	client retention rate



# Visa is delivering products to help clients optimize their business beyond payments

  
Transaction  
Security

  
Authentication  
(Digital)

  
Benchmarking  
and Reporting

  
Focused  
Marketing

  
Underwriting



Benchmarking  
& Operations



Marketing



Underwriting

Total Addressable Market

\$20B

\$88B

\$30B

What We Do

- **Simple web interface** to key client metrics like spend and transactions / card
- **Benchmark** and identify areas of improvement

- Use **machine learning** to help clients **target customers** (e.g., cross-border communications to people likely to travel in the next 90 days)

- Use **machine learning** to **score individual accounts** to assess:
  - ✓ credit line increases
  - ✓ cross sell debit to credit
  - ✓ approve / decline<sup>1</sup>

Why It Works

- Visa breadth and scale
- **No integration** is required

- Because Visa sees the **outcome** data, Visa is better positioned to build effective models that target that outcome

- Visa transaction data in countries and / or sectors with limited bureaus (e.g., emerging countries or small business) provides **incremental insight**

Client Impact Example

 60% costs

**Decrease** costs to train by focusing calls to specific queues

 2x response

**Focus** cross-border marketing on people likely to travel

 5% eligible population

**Expand** lending opportunities within their debit portfolio

# Key takeaways



Visa is committed to the **security** of our Network of Networks and will continue to make investments that will yield benefits across many use cases

---



Visa uses transaction data to drive better outcomes for the **entire ecosystem**

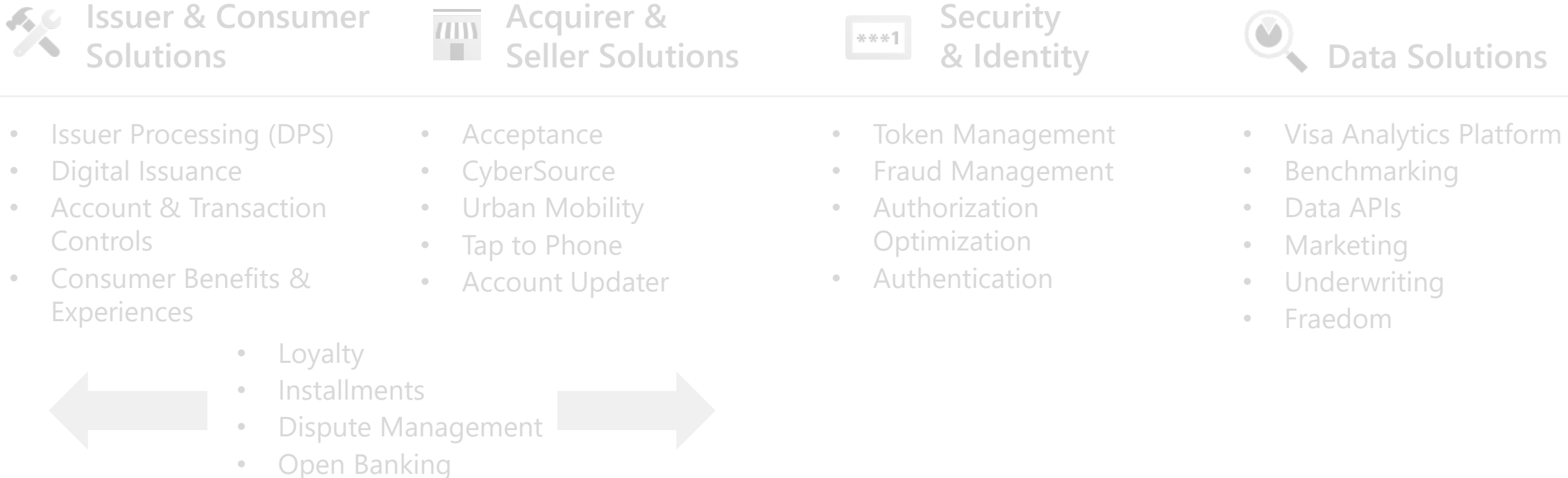
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We continue to enhance and evolve our offerings, from transaction security and authentication, to products that help clients optimize their **businesses beyond payments**

# Visa offers a broad and expanding suite of Value Added Services

**Jack Forestell**  
Chief Product Officer



## Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# Driving growth and profitability with Visa Consulting & Analytics

## 2019 Metrics

1,000+ Projects Delivered

500+ Consultants &  
Data Scientists

50+ Global Offices

400+ Clients Served

## Client Types



Issuer



Acquirer



Processor



Seller



Fintech

## Practice Areas

Strategy

Assessing market entry, growth, new trends and innovation, benchmarking performance

Product

Developing new products and refreshing existing value propositions

Portfolio  
Management /  
Marketing

Acquiring new customers, then activating, engaging and retaining existing customers

Risk

Optimizing risk from approvals through to authorizations, fraud and collections

Digital

Driving digital, from acquisition through to token activation and engagement

Execution

Implementing on client behalf with embedded teams, data products and managed services

# Key takeaways



Value Added Services help our clients and partners grow profits and deliver delightful payment and commerce experiences

---



The convergence of digital and physical commerce drives increasing demand for Value Added Services

---



Visa currently offers a broad and expanding suite of Value Added Services

---



Value Added Services are a large and high-growth opportunity



# Visa: The Investment Proposition

## Capturing The Next 10x Growth Opportunity

Vasant Prabhu

Vice Chairman and Chief Financial Officer

**VISA** | 2020 Investor Day

# The fourth growth inflection point in Visa's 60+ year history offers the next 10x growth opportunity

Inflection points  
(10x growth over ~20 years)



60s

**Opening the  
Network**  
1960

70s

**The Platform  
as a Service**  
1975

90s

**eCommerce  
Goes Mainstream**  
1995

2010s

**Everywhere  
You Want to Be**  
2016

Next 10x

**Visa is Moving  
Money**

Connected  
Devices

New Flows

Network  
of Networks

**Cards**

<1 Million

~40 Million

~450 Million

3 Billion+

**Payments  
Volume**

<\$1 Billion

~\$10 Billion

~\$600 Billion

\$7 Trillion+

# Capturing the next 10x growth opportunity



Building Blocks



Growth Strategy



Growth Levers



Capital Allocation Priorities

## FY 2016-19 Results

(% CAGR)

**+15%** Net revenue growth

**+24%** Non-GAAP EPS growth

**+29%** Total shareholder return



Over the past 5 years, we have been assembling the building blocks required to capture this growth opportunity



## Building blocks to capture the next 10x

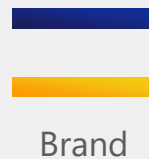
3 Enhancing network value

2 Enhancing network reach

1 Enhancing network capability



Our foundation



Technology platforms



Security



Talent

...built atop a high-performing, durable payments platform

# ① Enhancing network capability



## Money Flows

One Way  
(C2B)



Two Way  
(B2C, G2C)

Consumer  
to Merchant  
Endpoint  
(C2B)



Any  
Endpoint  
to Any  
Endpoint  
(P2P, B2B, B2b)

Card to Card



Any Credential  
to Any  
Credential

## Access

### Faster

Instant Issuance  
Instant Acceptance

### Cheaper

Landlines to Wireless  
Any Connected Device

### Ubiquitous (IoT)

Any Form Factor  
Anywhere

## Usability

### "Frictionless"

Face-to-Face: Tap to Pay  
eCommerce: Click to Pay

### Secure

Tokenization  
Authentication

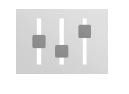
### Reliable

"Five 9s" Availability  
High Authorization Rates

## ② Enhancing network reach

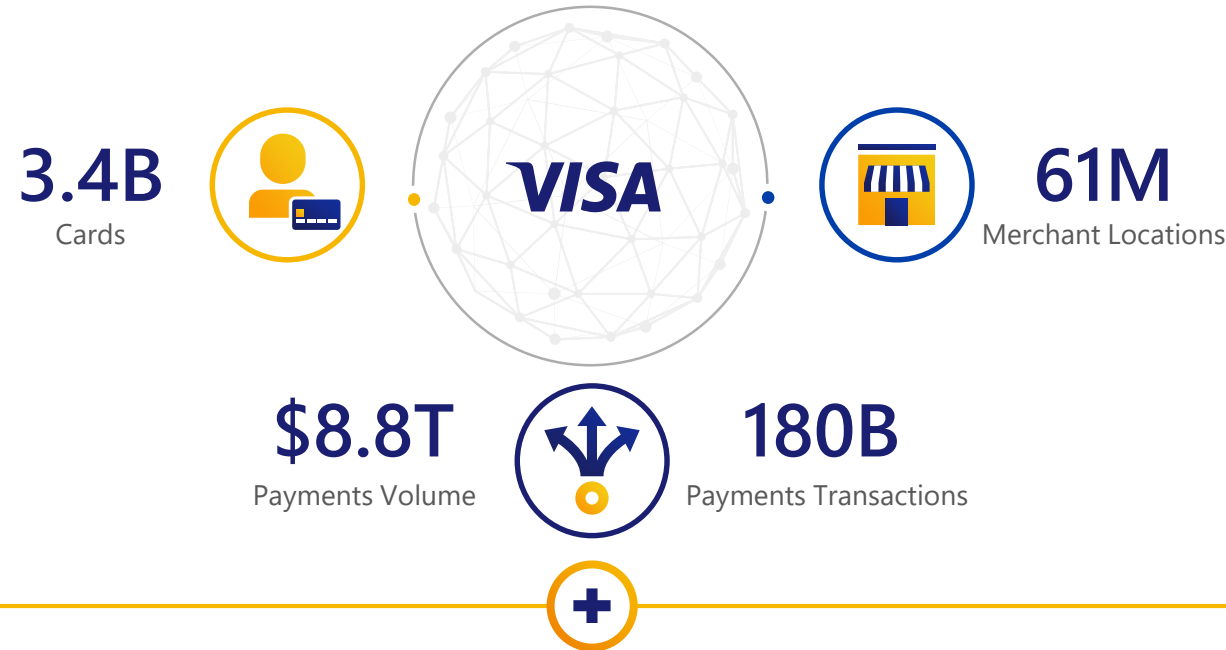
  
Building  
Blocks

  
Growth  
Strategy

  
Growth  
Levers

  
Capital  
Allocation  
Priorities

### Network of Networks



#### ① ACH / RTP (Earthport)

- Access to 99% of bank accounts in 88 countries
- >2x current reach

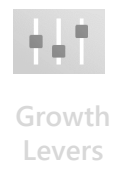
#### ② Closed-Loop Networks (Partnerships)

- 1B+ potential wallet credentials
- 65M+ potential merchants
- Proprietary local networks

#### ③ Visa B2B Connect

- Global AR / AP accounts
- Over 100 markets by end of 2020

### 3 Enhancing network value



Sources of added value the Visa network can uniquely offer:

Scale

Connectivity

Data

Analytics

Speed

Security



Issuer & Consumer  
Solutions



Acquirer &  
Seller Solutions



Security  
& Identity



Data  
Solutions

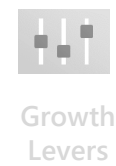


Visa Consulting & Analytics



Help our partners grow revenues and reduce costs with platforms  
and services that unlock the power of our network

# Built atop a high-performing, durable payments platform



## Brand

Most valuable  
Best known  
Most trusted  
Highest impact



## Technology Platforms

Massive scale  
Highly resilient  
Flexible  
Intelligent



## Security

Proactive  
Multi-layered  
Continuous  
Cutting edge



## Talent

Expert  
Tenured  
Global  
Diverse

# The road to capturing the next 10x growth opportunity has three lanes



## Consumer Payments



Credentials



Acceptance



Engagement



## New Flows



B2B



B2b



B2C



P2P



G2C



## Value Added Services



Issuer & Consumer Solutions



Acquirer & Seller Solutions



Security & Identity



Data Solutions



Visa Consulting & Analytics

# The acquisition of Plaid<sup>1</sup> accelerates progress along the current three lanes and will add a suite of data-enabled services



## Consumer Payments



Closer partnerships with fintechs on payments

## New Flows



Integrate payment and connector services for fintechs



Fast, easy account authentication for money movement

## Value Added Services



Add Value Added Services...

- Security
  - Identity
  - Dispute resolution
- ...to fintech solutions



Best-in-class solution for open banking



Securely connect financial accounts to apps



Offer a suite of data-enabled services



Accelerate international expansion to support fintechs globally

# Capturing the next 10x growth opportunity



Building  
Blocks



Growth  
Strategy



Growth  
Lever



Capital  
Allocation  
Priorities

## Growing Consumer Payments



## Driving New Flows



## Deepening Client Partnerships with Value Added Services





# Growing consumer payments remains an enormous opportunity



Building  
Blocks



Growth  
Strategy



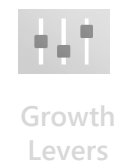
Growth  
Levers



Capital  
Allocation  
Priorities

- ➔ Cash and check continue to grow, totaling \$18T globally
- ➔ Spend continues to shift from physical to digital and Visa's share of digital is 3x that of physical
- ➔ There is a wave of next generation issuers – neobanks, fintechs and digital platforms – issuing credentials
- ➔ The cost to enable acceptance has dramatically decreased and next generation acquirers are significantly expanding acceptance
- ➔ Governments are increasingly engaging to digitize payments

# Increasing the number of endpoints and deepening engagement will continue to drive consumer payments growth



# Driving New Flows represents a long-term market opportunity that is 10x cash PCE



Building  
Blocks



Growth  
Strategy



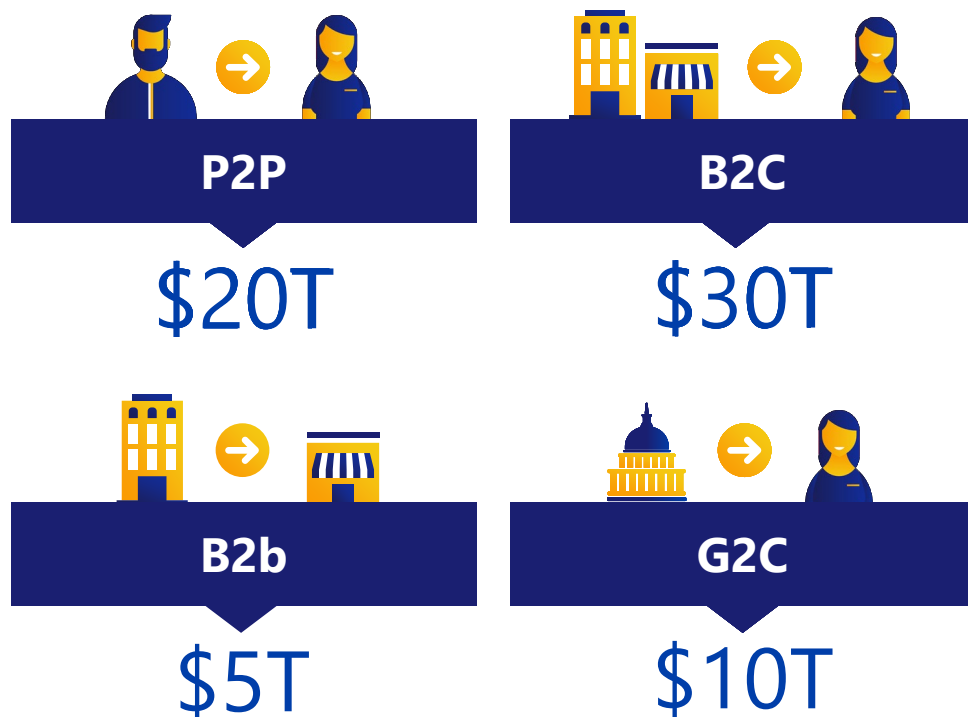
Growth  
Levers



Capital  
Allocation  
Priorities

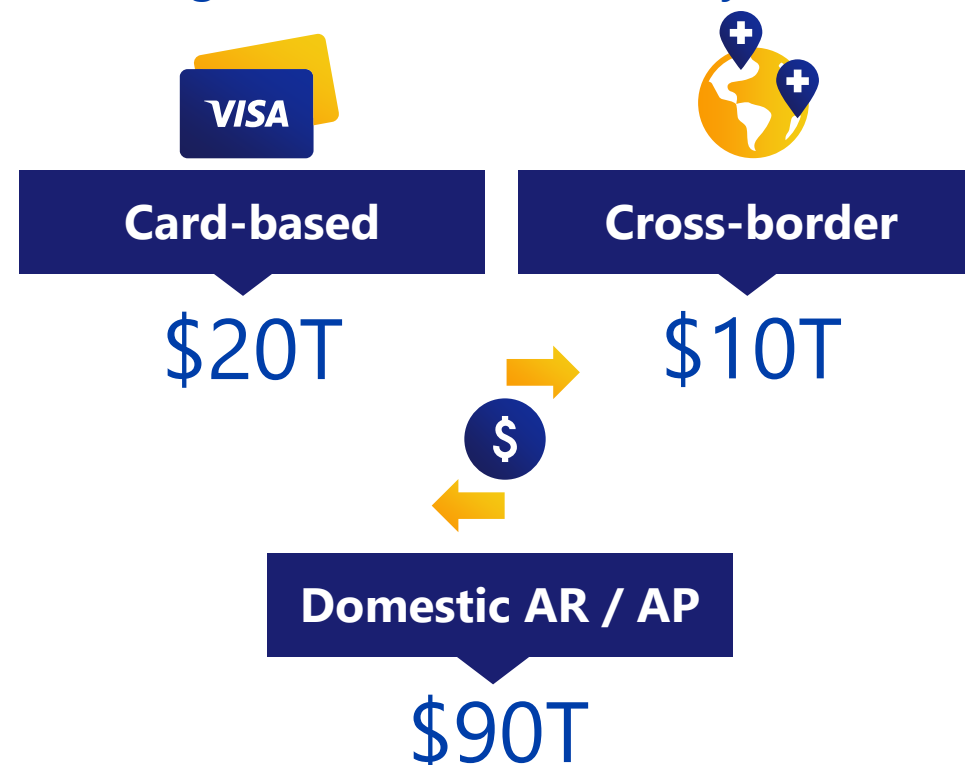
\$65T

Lower value, higher velocity flows



\$120T

Higher value, lower velocity flows



# Visa Direct powers the \$65T “Money Movement” ecosystem for lower value, higher velocity flows



Building  
Blocks



Growth  
Strategy



Growth  
Levers



Capital  
Allocation  
Priorities

## Payout Enablers

Single operational  
connection efficiency



Acquirers



Processors



Gateways



Banks

## Commerce Platforms

Scaled, global  
distribution channels



Marketplaces



Mobile



Messaging



Payroll



ERP



## Global Endpoints

Ubiquitous, real-time  
money movement



Cards – Debit / Credit / Prepaid



Bank Accounts



Wallets

## Network of Networks

Trusted, “Open” Network



Card Networks



Earthport – ACH / RTP



Member Banks



Regional Networks

# Visa Direct is a capability that enables dozens of new use cases and flows

## Attacking the Market in a Structured Way

Example use cases



Building  
Blocks



Growth  
Strategy



Growth  
Levers



Capital  
Allocation  
Priorities

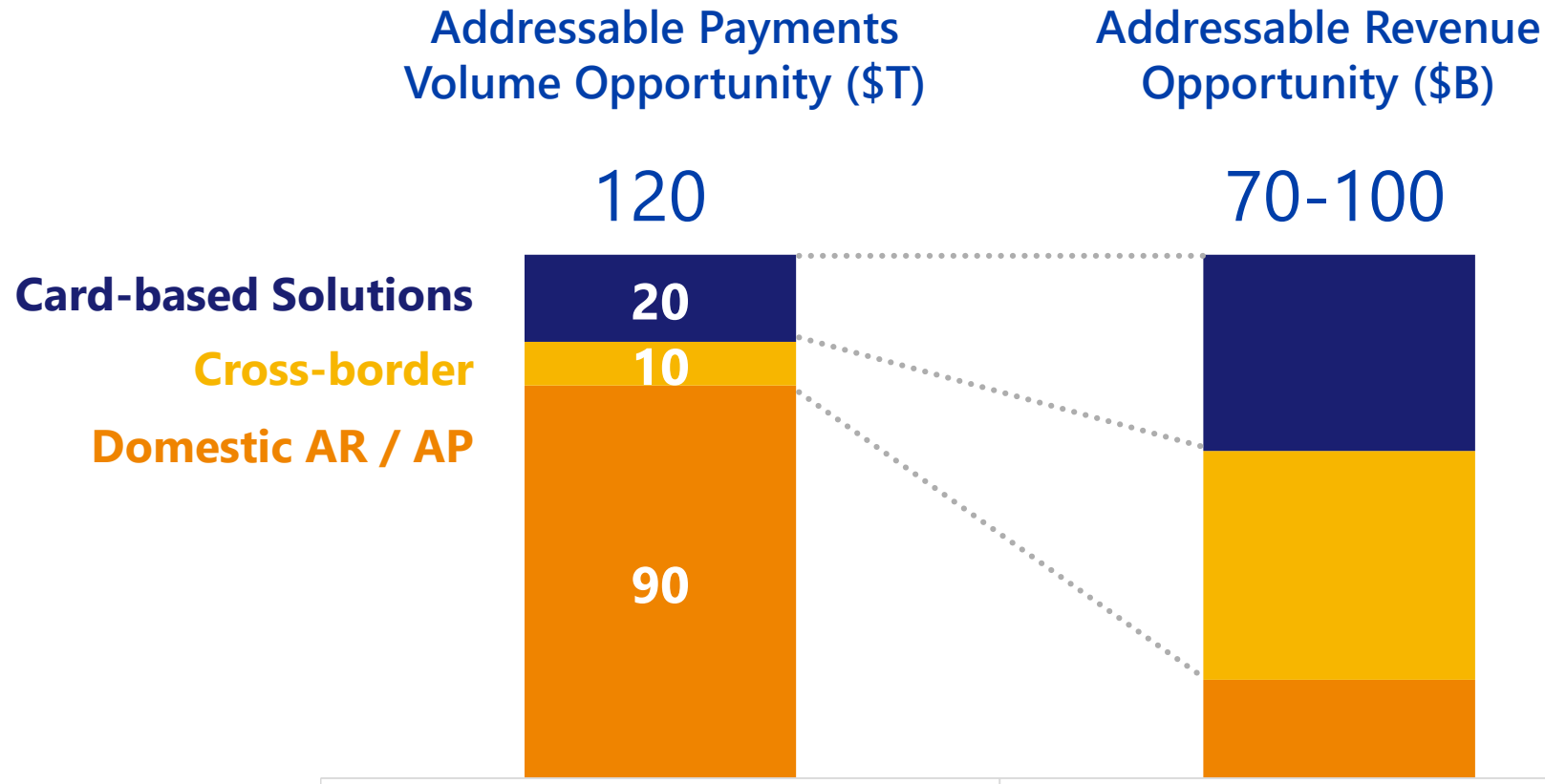
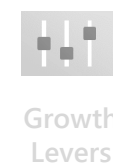
## Visa Direct Performance Fiscal Year 2019

Programs	250
Active Users	130M
Transactions	2B

## Quarterly Run Rate

\$11B Q4 2016 → \$68B Q4 2019

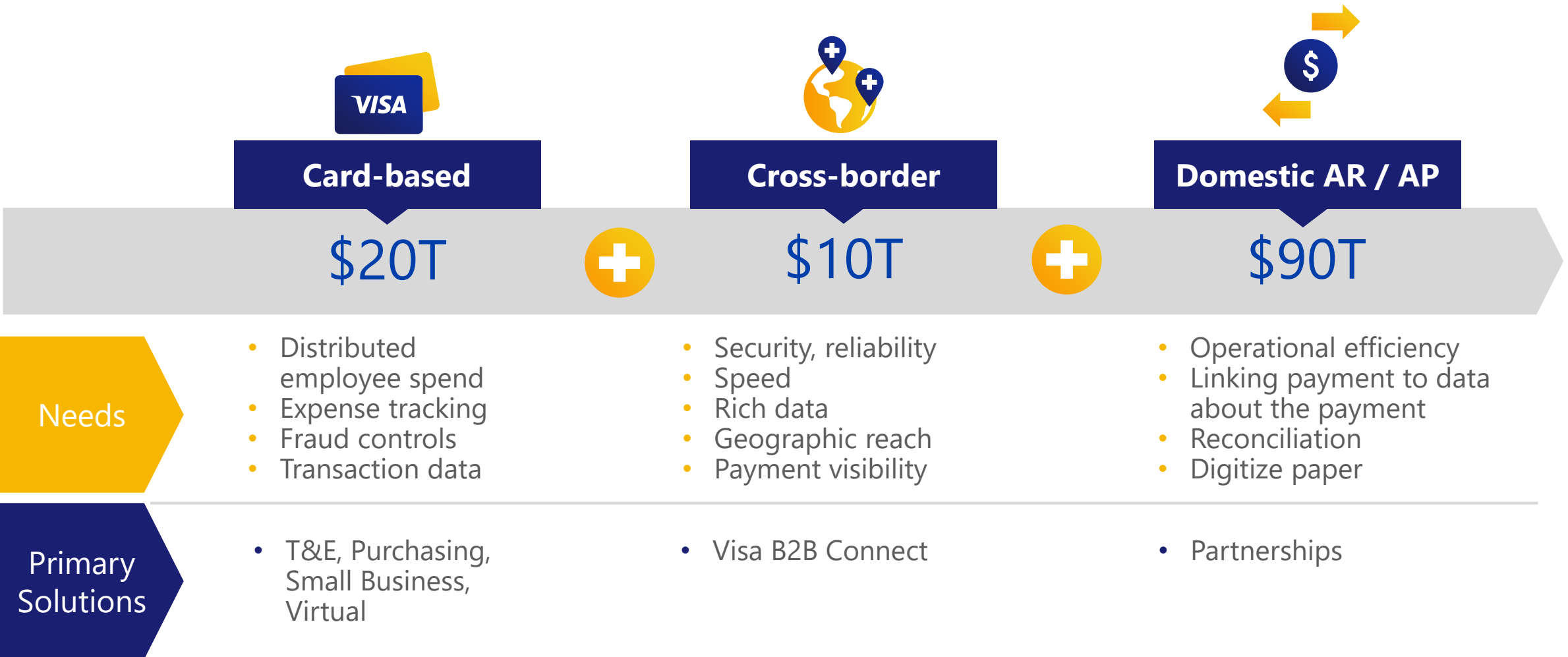
# Our multi-pronged, multi-horizon B2B strategy “follows the money” for the \$120T in higher value, lower velocity flows



## Key Focus Areas to Drive Growth

- 1 Drive growth in established card-based business
- 2 Systematically execute strategy to scale Visa B2B Connect
- 3 Test and learn in domestic non-card B2B payments by adding value beyond the transaction

# Solutions are tailored to meet the unique needs of each segment



# Value Added Services help our clients grow profits, deepen relationships and capture new sources of revenue



## Value Added Services



### Issuer & Consumer Solutions

Platforms that power payments transactions, enable growth and innovation and influence the customer journey



### Acquirer & Seller Solutions

Secure, reliable services for sellers and acquirers that reduce friction and drive acceptance



### Security & Identity

Protections against fraud, theft and unauthorized use through advanced risk management capabilities



### Data Solutions

Data tools to help clients grow their business and drive differentiated experiences



### Visa Consulting & Analytics

Actionable insights, recommendations and data-driven strategies for clients and partners

## Benefits of Value Added Services

### Grow Revenues

- Customer acquisition
- Share of wallet
- Customer retention
- Higher authorization rates
- Deployment of new capabilities (e.g., instant issuance, installments, transaction controls)

### Reduce Costs

- Processing costs
- Portfolio optimization
- Fraud reduction
- Marketing efficiency and effectiveness
- Digitization of internal manual processes

Delightful payment and commerce experiences



# We will continue to build and selectively acquire to expand the suite of Valued Added Services we offer



Building  
Blocks



Growth  
Strategy



Growth  
Levers



Capital  
Allocation  
Priorities

## Examples



### Issuer & Consumer Solutions

- Issuer Processing (DPS)
- Digital Issuance
- Account & Transaction Controls
- Consumer Benefits & Experiences



### Acquirer & Seller Solutions

- Acceptance
- CyberSource
- Urban Mobility
- Tap to Phone
- Account Updater



### Security & Identity

- Token Management
- Fraud Management
- Authorization Optimization
- Authentication



### Data Solutions

- Visa Analytics Platform
- Benchmarking
- Data APIs
- Marketing
- Underwriting
- Fraedom



- Loyalty
- Installments
- Dispute Management
- Open Banking



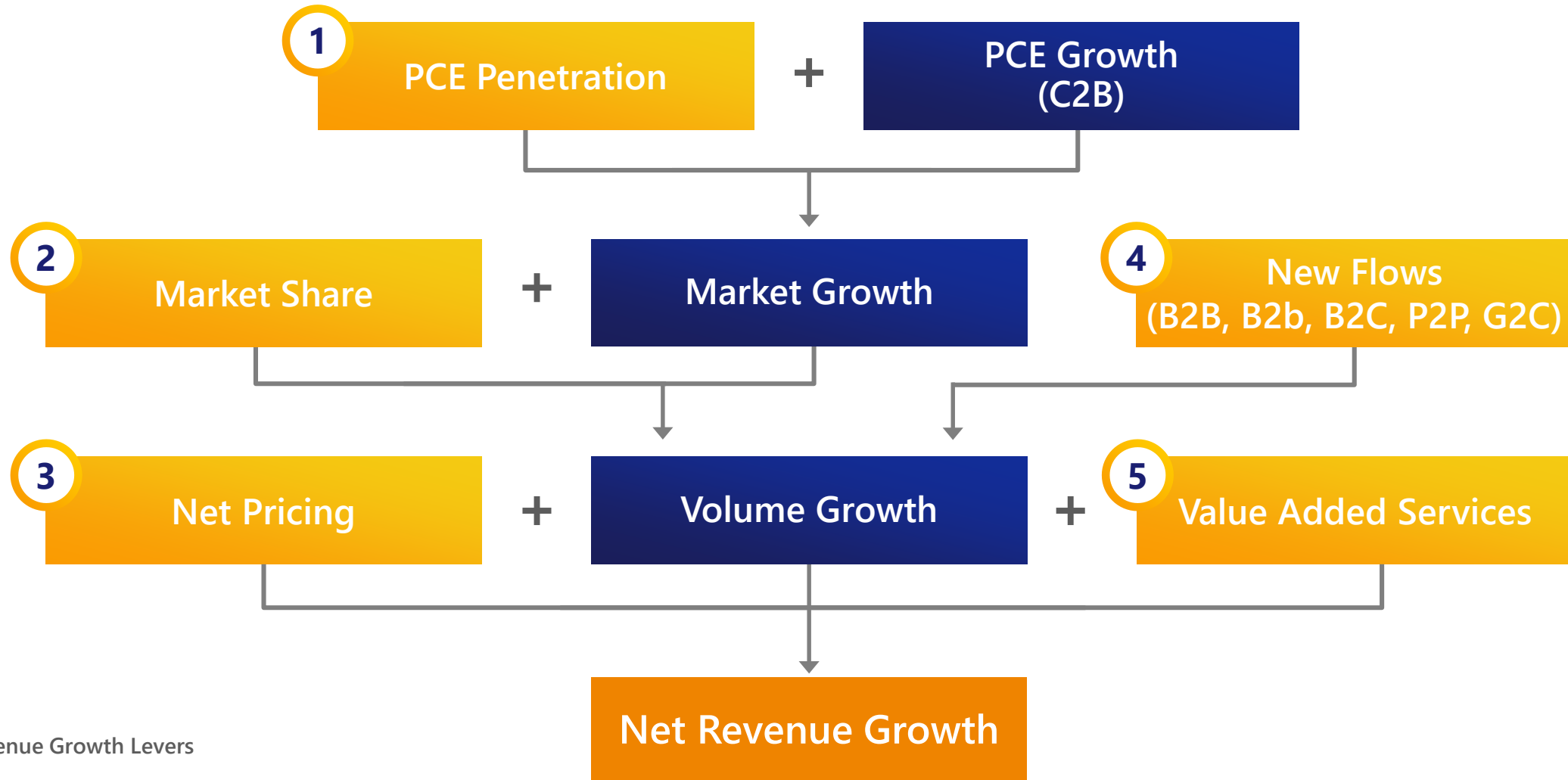
## Enabling Acquisitions



### Visa Consulting & Analytics

- Strategy
- Product
- Portfolio Management
- Risk
- Digital
- Execution

# We can pull five levers to drive revenue growth



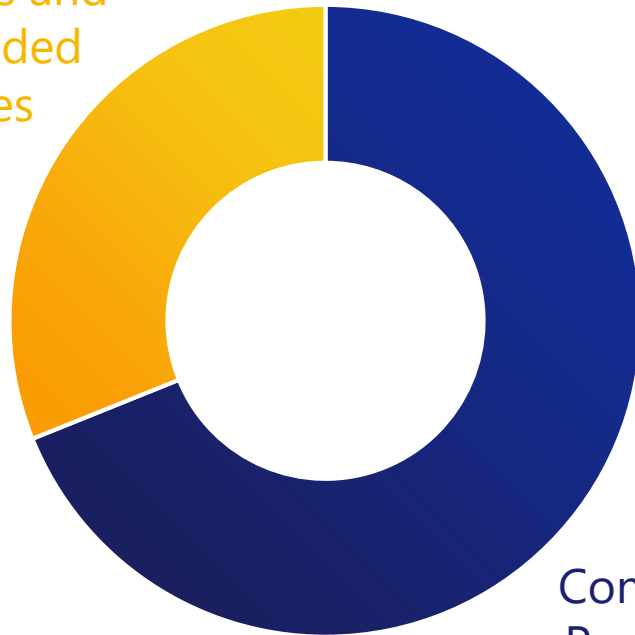
Revenue Growth Levers

# Over the past two years, New Flows and Value Added Services have grown significantly faster than Consumer Payments



## FY 2017-19 Growth Contribution (Constant Dollar)

New Flows and  
Value Added  
Services



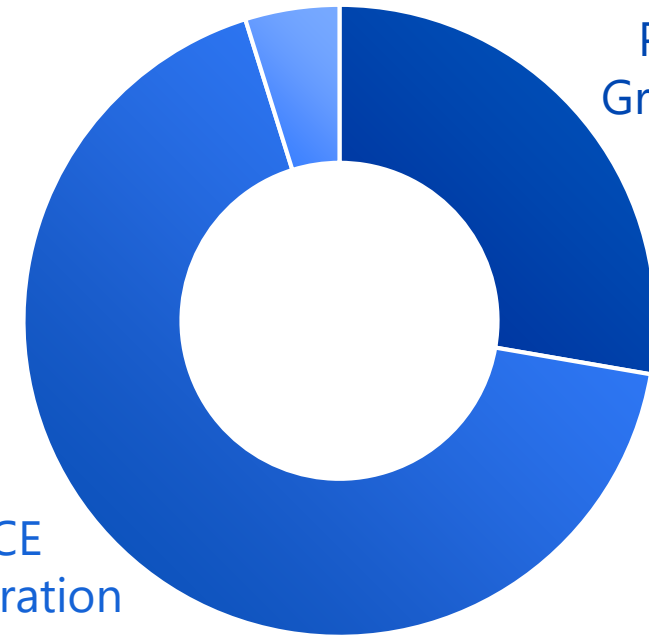
Consumer  
Payments

Consumer  
Payments

Pricing  
& Share

PCE  
Growth

PCE  
Penetration

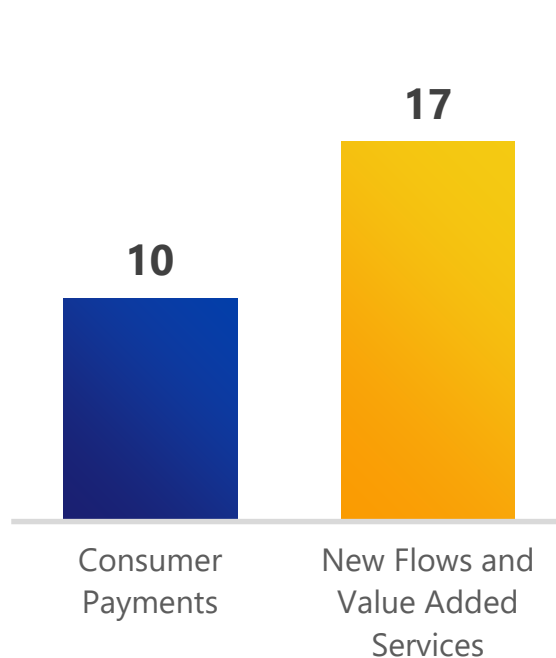


# Superior growth rates in New Flows and Value Added Services will help sustain / accelerate long term revenue growth



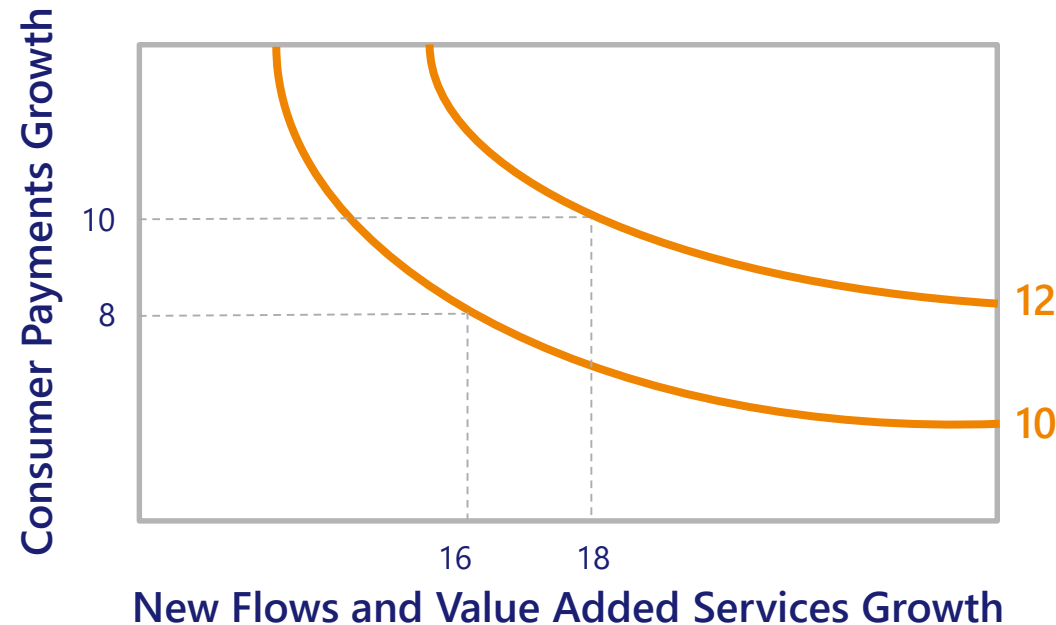
## Superior Growth

(% Growth, FY 2017-19  
Constant Dollar)



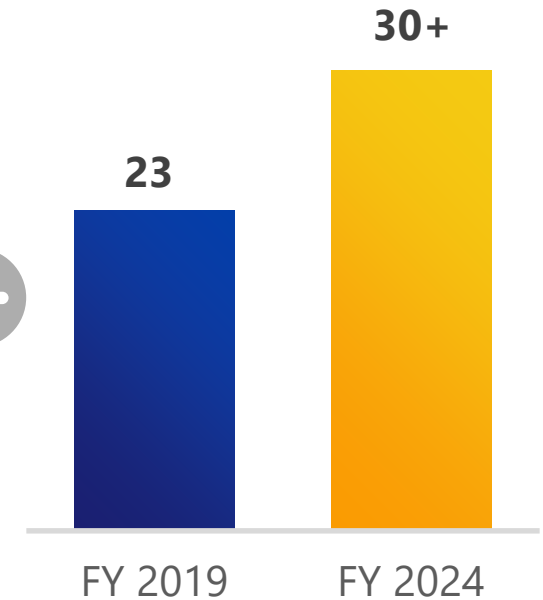
## Revenue Growth Levers

(% Growth)

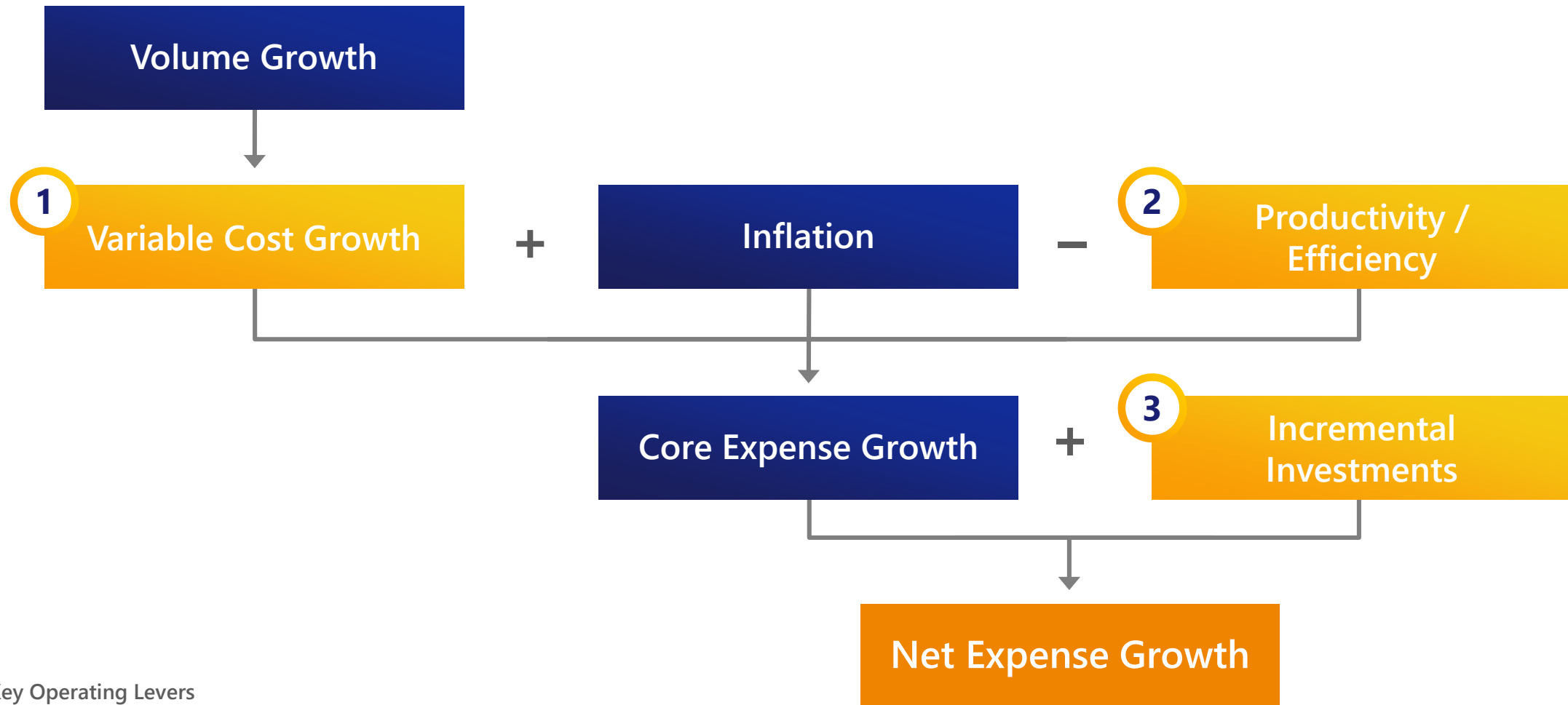


## Larger Weight

(% of Visa Net Revenue)



# Operating scale and productivity initiatives can fund high levels of investment

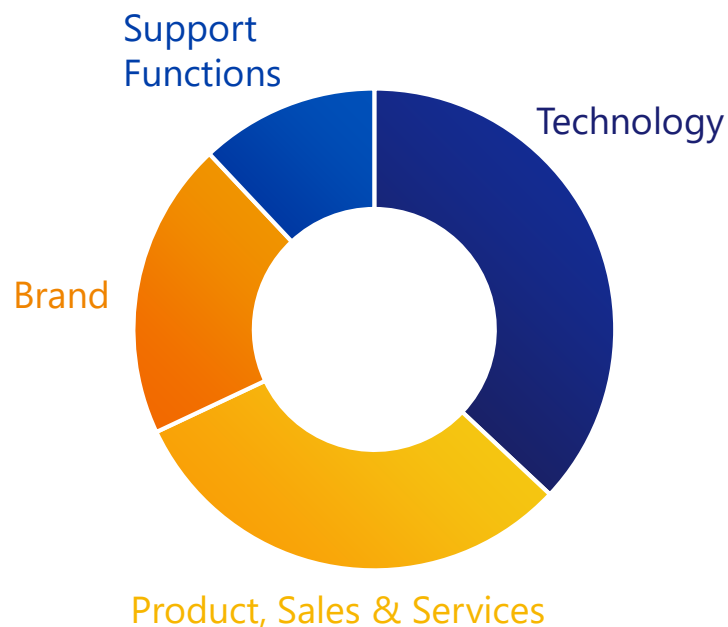


 Key Operating Levers

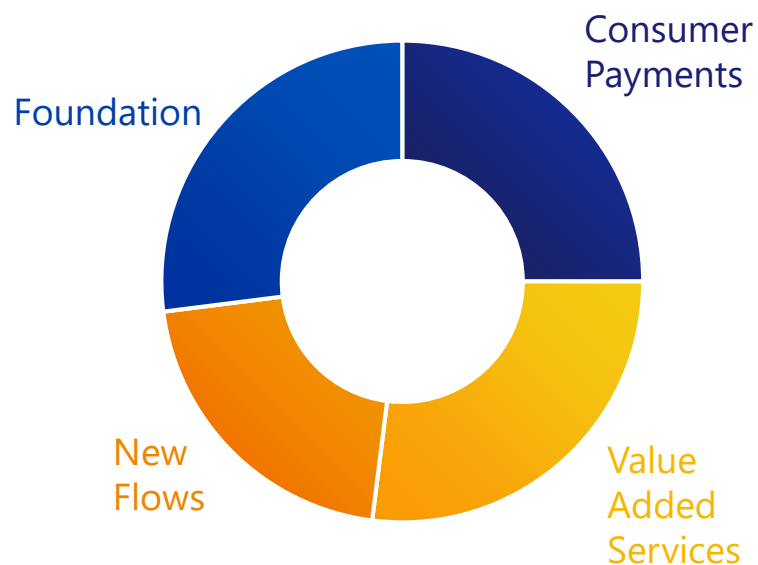
# Investments to capture the next 10x growth opportunity are driving higher expense growth



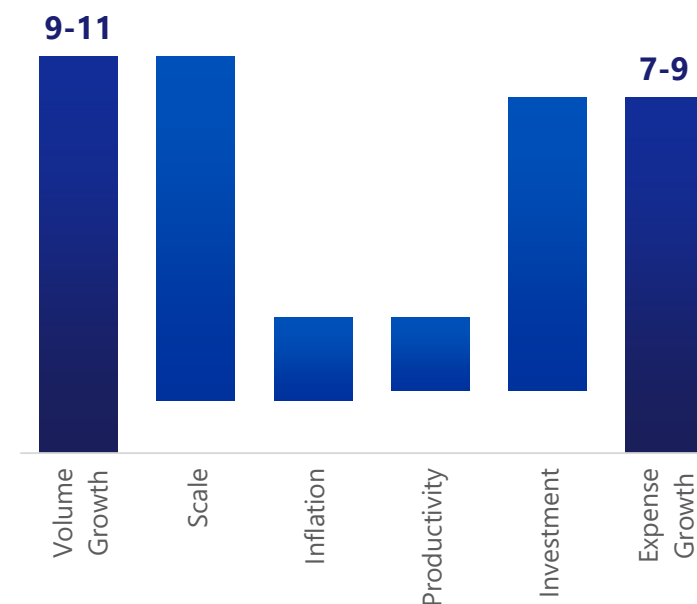
## Operating Expense Mix



## FY 2018-19 Investment



## Components of Expense Growth (% Growth, Illustrative)

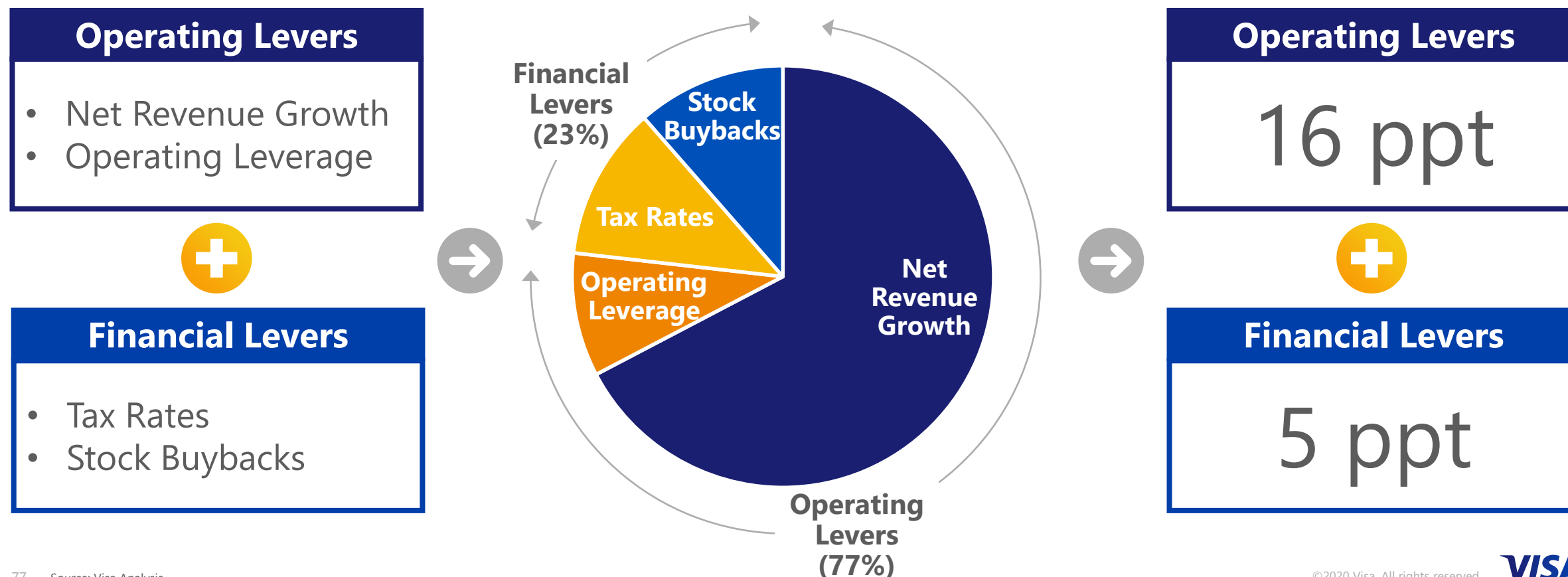


# Drivers of EPS growth



## Relative Contribution to EPS Growth

2009-2019 CAGR: 21%



# Capital allocation priorities



- 1 **Invest** to Fund Growth Initiatives
- 2 Pay 20% to 25% of EPS in **Dividends**
- 3 Return Excess Cash Through **Stock Buybacks**
- 4 Manage **Capital Structure** within Parameters



# Capital allocation priorities



1

## Invest to Fund Growth Initiatives – Acquisitions and Investments

### Core Capabilities Build or Buy

Key Criteria:



Speed to Market



Cost



Quality of Talent



Prefer  
to  
Build



### Complementary Capabilities Partner or Invest

Key Criteria:



Speed to Scale



Commercial  
Agreement



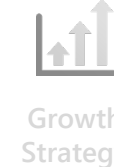
Deeper  
Partnership



Prefer  
to  
Partner



# Capital allocation priorities



1

## Invest to Fund Growth Initiatives

**Capital Investments**  
(FY 2017-19)

**\$2.2B**

**Acquisitions and Investments**  
(FY 2017-19)

**~\$2B**

**Incremental P&L Investments**  
(FY 2017-19)

**~\$1.5B**

### Acquisitions



Frædom®



payworks



BellID®

FY 2017

FY 2018

FY 2019

FY 2020

### Minority Investments

**~\$50M (6 Deals)**

**~\$50M (8 Deals)**

**~\$100M (19 Deals)**



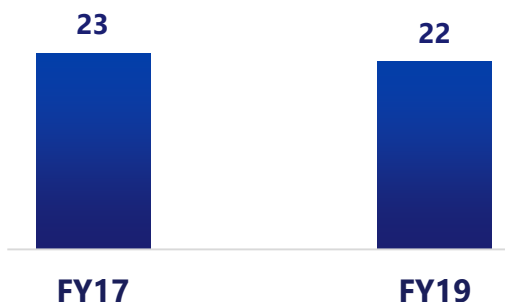
# Capital allocation priorities



## 2 Dividends

20% - 25%  
payout ratio

Payout Ratio (%)



Dividends  
(FY 2017-19)

**\$6B**

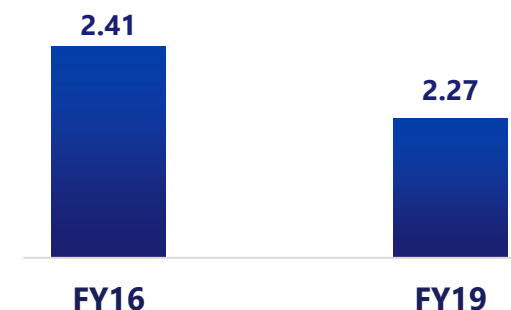
## 3 Stock Buybacks

Deploy “excess” cash  
to buyback stock

Buybacks<sup>1</sup>  
(FY 2017-19)

**\$23B**

Weighted Average Shares Outstanding (B)<sup>2</sup>



# Capital allocation priorities

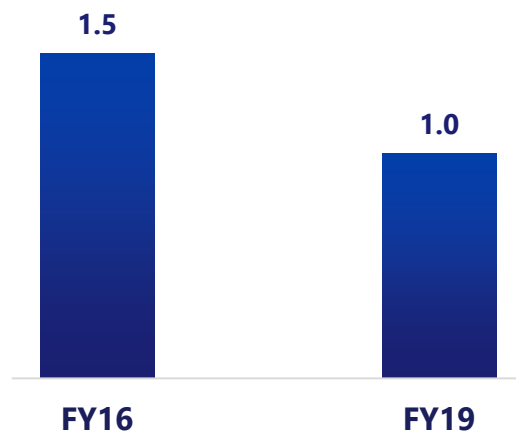


## 4 Manage Capital Structure within Parameters

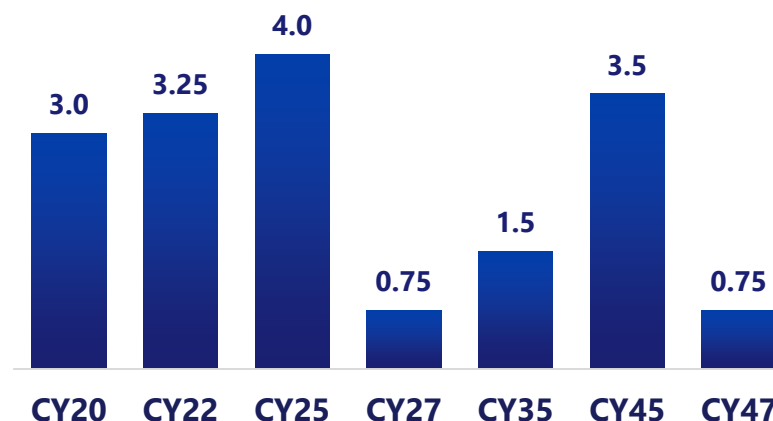
**Current Rating:** S&P (AA- / A-1+) / Moody's (Aa3 / P-1)

**Target Leverage:** 1.2x – 1.5x Gross Debt / EBITDA

**Gross Debt / EBITDA (x LTM) <sup>1</sup>**

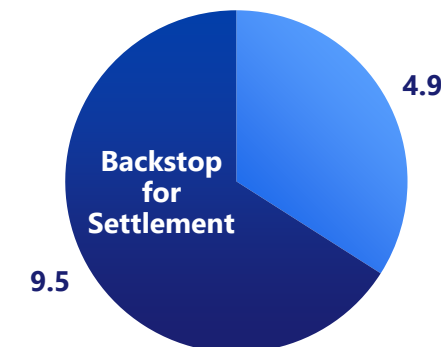


**Debt Maturity Schedule (\$16.75B)**



**Cash and Investments (\$14.4B)**

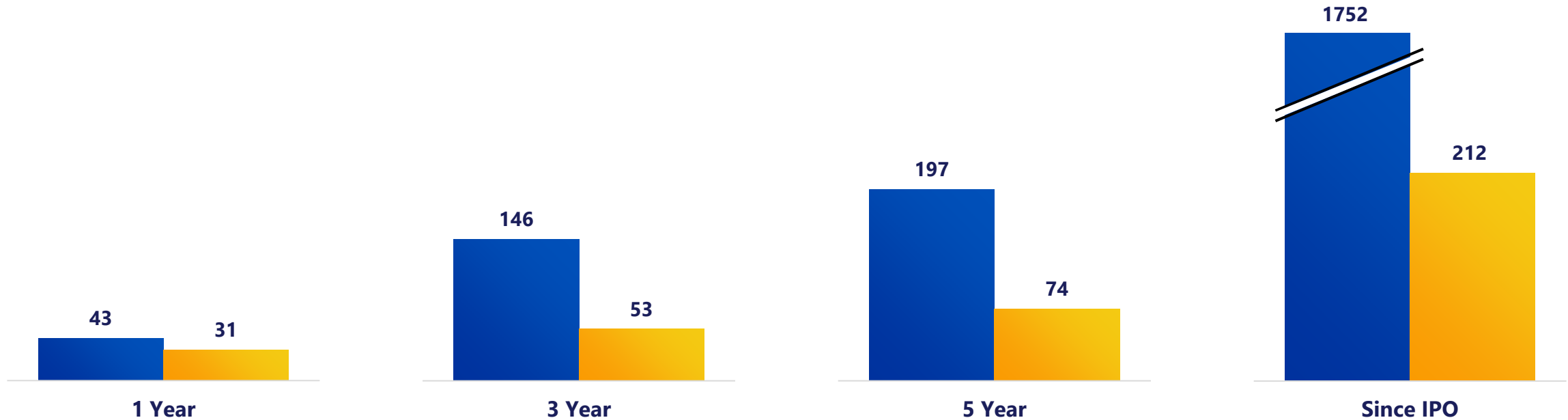
(At 12/31/19)



# We remain committed to sustaining our track record of superior shareholder value creation

## Total Shareholder Return (%)<sup>1</sup>

■ Visa ■ S&P 500



# Key takeaways

10x

Building blocks in place to capture the next 10x growth opportunity



Three-pronged **growth strategy**:

- Growing Consumer Payments
- Driving New Flows
- Deepening Client Partnerships with Value Added Services



Powerful **foundational assets** support our strategy:  
Brand, Technology Platforms, Security and Talent



Disciplined **capital allocation** funds growth strategy



Well positioned to sustain track record of **superior revenue**,  
**EPS growth** and **shareholder value creation**

Q&A

# Visa is poised to capture the next 10x growth opportunity



We have a significant opportunity for continued growth in **consumer payments**



Our addressable market expands significantly as we extend into **new flows**



We are utilizing an expanding **Network of Networks** to move money for everyone, everywhere



**Value Added Services** extend the revenue growth opportunity beyond payments and money movement and drive growth for our clients



To fortify our strong foundation, we will continue to invest in our **Brand, Technology Platforms, Security and Talent**



# Notes and disclosures

During the three months ended December 31, 2018, we updated our definition of payments volume to now include all disbursement volume related to Visa Direct, in addition to the funding volume previously included. All prior periods presented have been adjusted accordingly. Please refer to the Operational Performance Data section of Exhibit 99.1 in Form 8-K filed on January 30, 2019 for more details on the impact from this update in our payments volume definition.

Total transactions represent payments and cash transactions as reported by Visa clients on their operating certificates.

On occasion, reported payments volume, transaction and card information may be updated to reflect revised client submissions or other adjustments. Prior-period updates, other than the change to the payments volume definition, are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Constant-dollar growth rates exclude the impact of foreign currency fluctuations against the U.S. dollar in measuring performance

All brand names and logos are the property of their respective owners, are used for identification purposes only and do not imply product endorsement or affiliation with Visa.

Any reference to PCE is as of 2018 unless otherwise noted and excludes non-financial transactions consisting of payments that are imputed by national statistics agencies such as homeowners' imputed rent.

For real-time payouts, actual fund availability varies by receiving financial institution, receiving account type, region and whether transaction is domestic or cross-border.

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