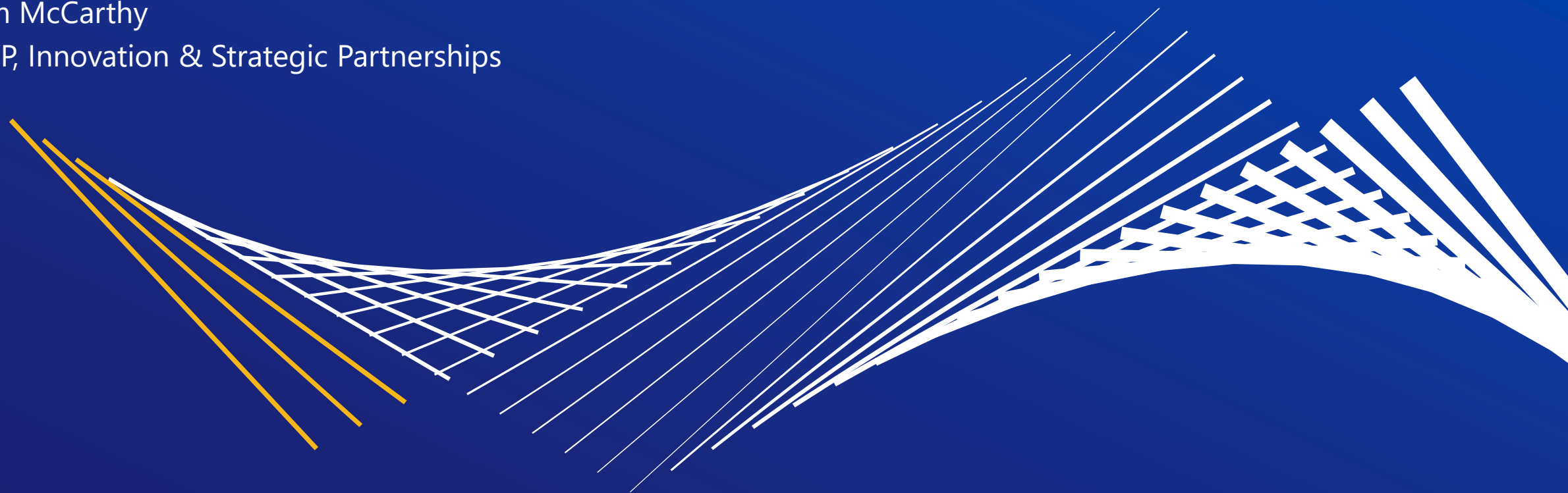


Opportunity Through New Inflection Points

Jim McCarthy

EVP, Innovation & Strategic Partnerships



Everywhere You Want to Be



VISA

Key Takeaways

- The **proliferation of the mobile internet** has significantly increased Visa's ability to extend its network capabilities across the globe
- Visa is **decomposing VisaNet** into a set of foundational capabilities that can be rapidly combined with partner capabilities to create new bespoke payment services
- Disciplined and proven process to **support the long tail of innovation** and co-creation



BANKAMERICARD

*Best way to conduct
your shopping!*

The Family Credit Card



1950's

The Fresno Drop

BANK OF AMERICA



VISA

Opening the Network

1970's

The Platform as a Service



1990's

eCommerce Goes Mainstream



Phone Cable



Power Supply





Image Credit: NASA Earth Observatory/NOAA NGDC

VISA

A photograph of a man and a woman standing in a field of green plants. The man, in the foreground, is wearing a red cap, a red shirt, and a dark vest. He is looking down at a smartphone in his hands. The woman, standing behind him, is wearing a pink shirt and a headwrap. She is looking towards the camera. The background shows a cloudy sky and more greenery.

2010's

Visa is Everywhere
You Want to Be

VISA

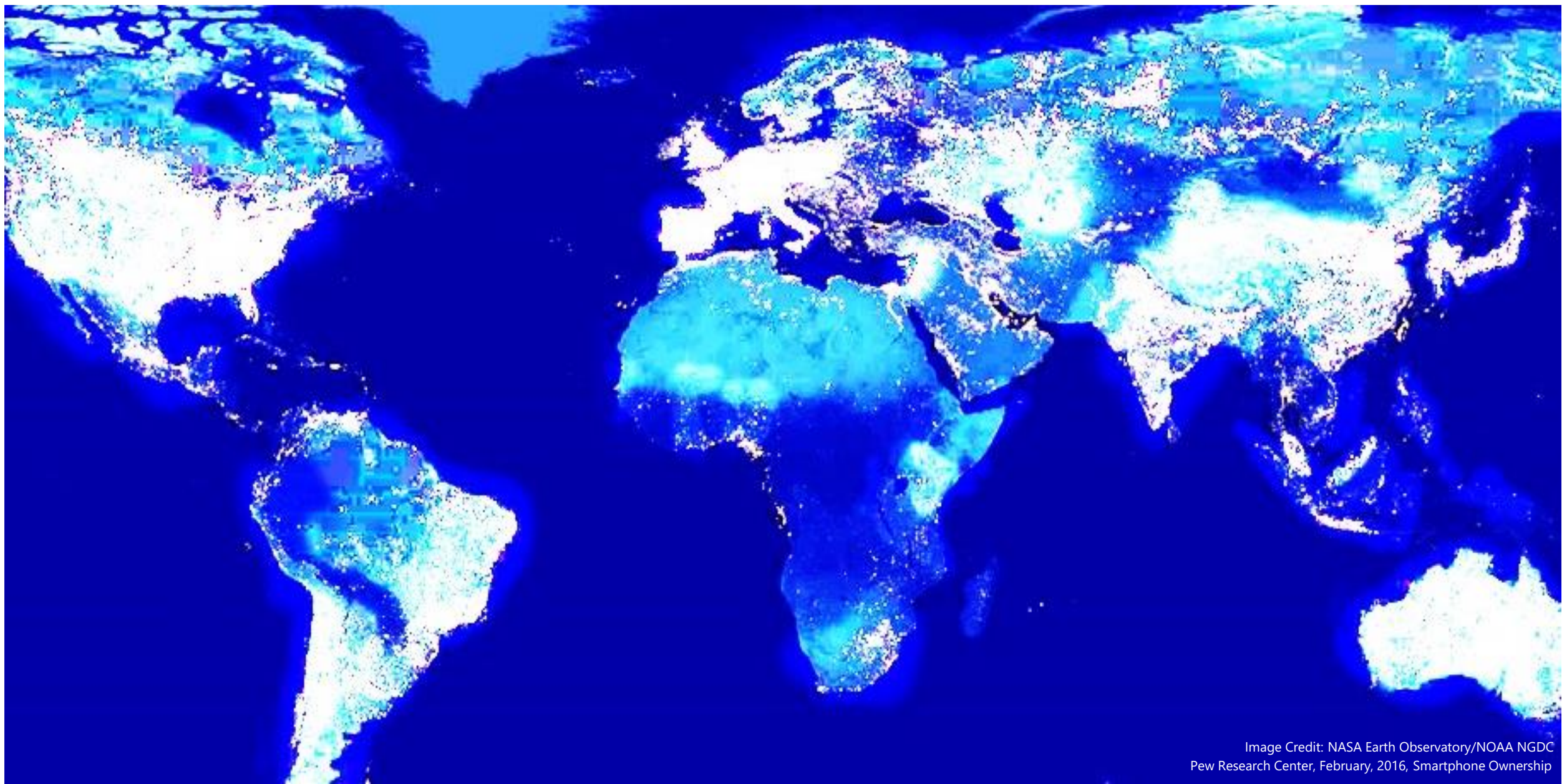


Image Credit: NASA Earth Observatory/NOAA NGDC
Pew Research Center, February, 2016, Smartphone Ownership

The Visa Payment Stack

New Use Cases



Digitizing
Physical POS



Tapping into
New Payment
Flows

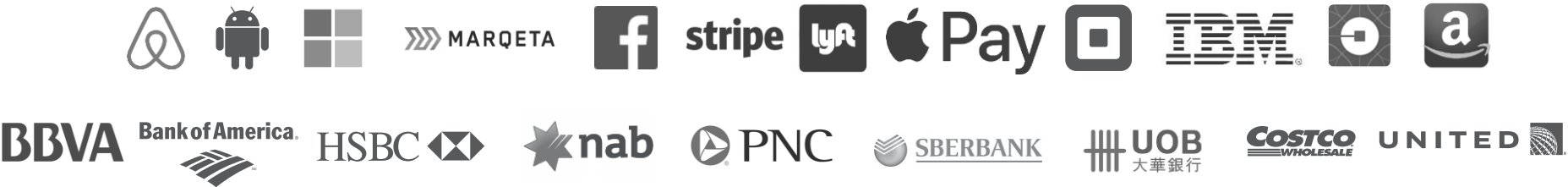


Accelerating
eCommerce



Creating Next
Generation
Experiences

Partners



VisaNet

Strategic APIs

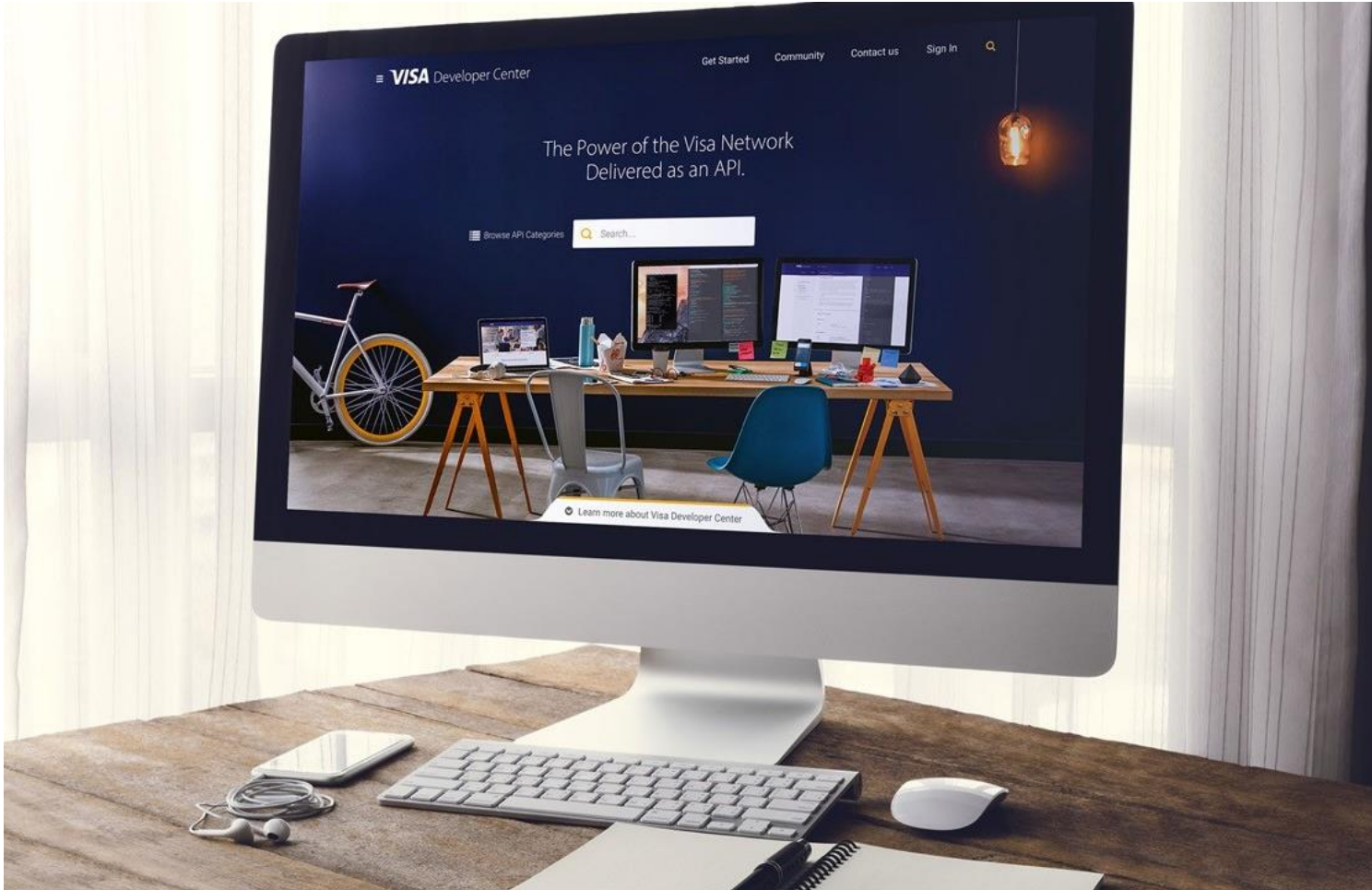


Foundation



Visa Developer Platform

Opening the Network (Again) and Extending Access to Payment Capabilities



- Access to 60+ APIs
- Testing sandbox for easy deployment
- Global innovation + engagement centers for ideation and co-development

From Products to Solutions

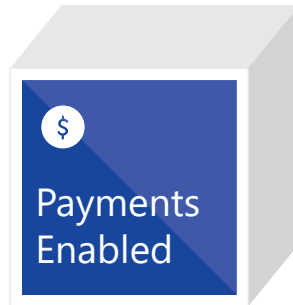
An API For Every Payment Need



Visa Token Service
Visa Checkout
Visa Direct



Card Controls
Network Hub Push Provisioning
Token Lifecycle Management
Card on File
Instant Issue



Fund
Push
Tap



Cardholder Segmentation
Card on File Data API
Data & Analytics
Token Enquiry API



Secure Remote Acceptance
Debit Card
Co-Brand Card
Credit Card
Debit Card



Blockchain
Internet of Things
Android OS
Apple iOS



ID & Verification
Cardholder Authentication
Biometrics

The Token API Powers the Digital Future



Visa Token Service



Network Hub Push Provisioning API

Enables Issuers to Push Token Credentials to Participating Token Requestors
Via a Single Visa Integration



Visa Token Service

Network Hub
Provisioning

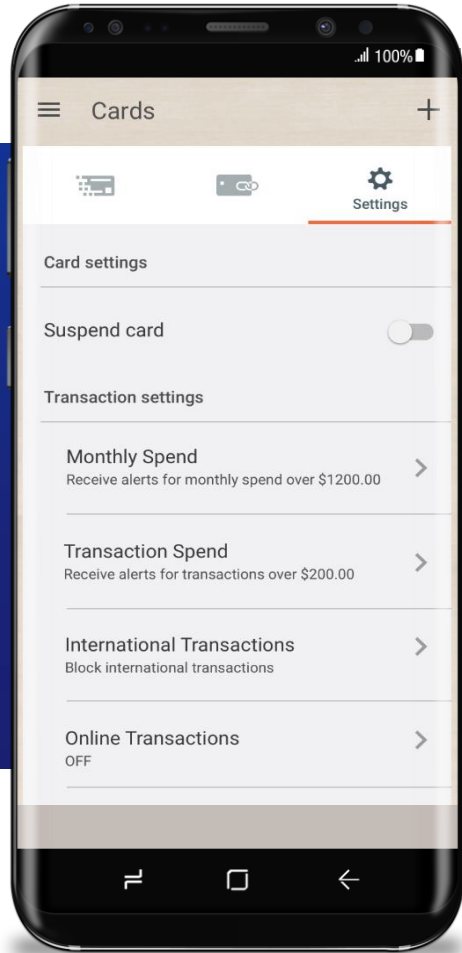


Consumer Transaction Control API's

Making the Issuer Mobile App the Command and Control Center



Card Controls



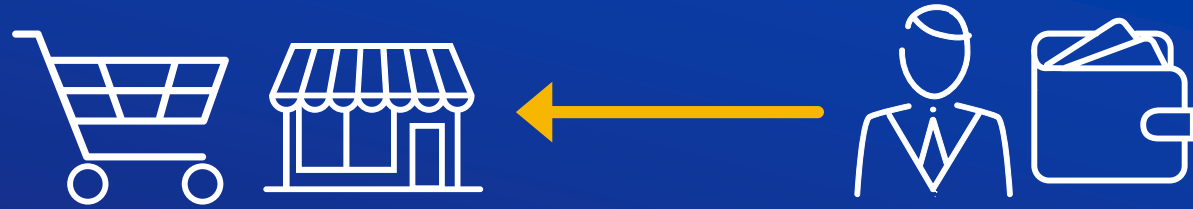
- ✓ In-Store
- ✓ Recurring
- ✓ Contactless
- ✓ Funds Transfer
- ✓ MCC-level Controls
- ✓ Decline All
- ✓ Spend Limit
- ✓ Cross-Border
- ✓ ATM Withdrawal
- ✓ eCommerce

Push Transaction API

Revolutionizing the Way We Use Cards



Traditional “pull”
funds from card



New “push”
funds to card













Digitizing the POS

Numerous Tokens Can Be Linked to a Single Card, Minimizing the Risk of Compromising the Account While Also Supporting Numerous Digital Use Cases



Visa Token Service

Card	Tokens	Use Cases	POS	ONLINE	IN-APP	
		 Issuer wallet	Token #1	<input checked="" type="checkbox"/>		
			Token #2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
			Token #3		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
			Token #4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
			Token #5	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Digitizing the POS in Developed Markets



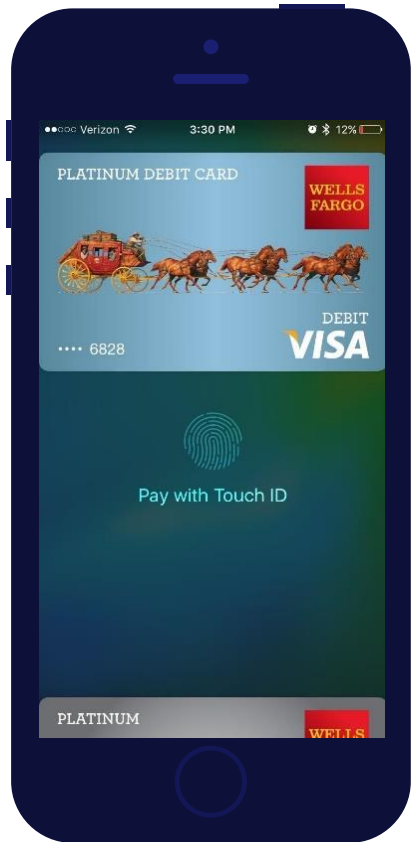
ID & Verification

Tokenization

Biometrics

Card Link

Tap



 Pay



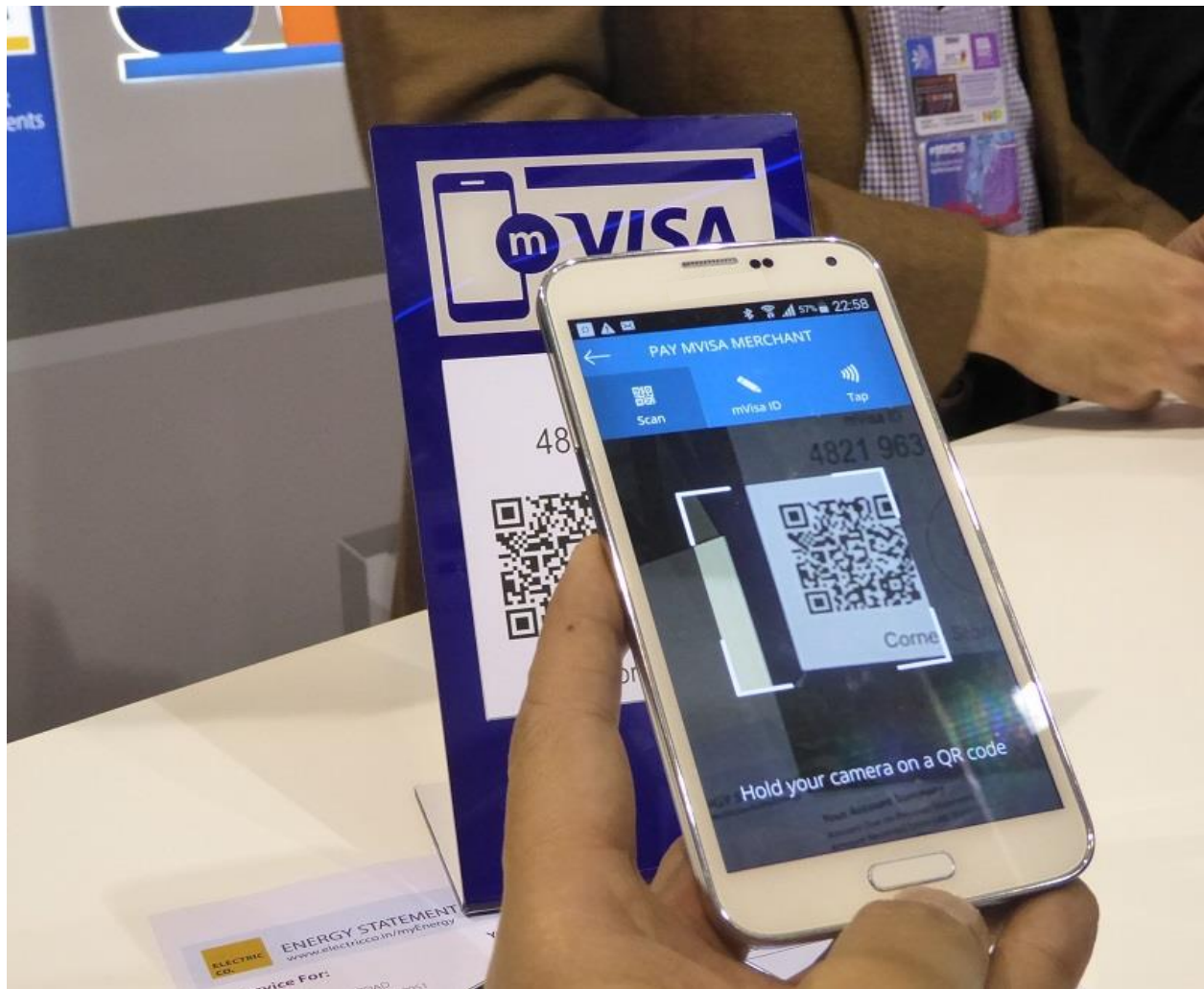
SAMSUNG
pay

 Microsoft
Wallet

VISA



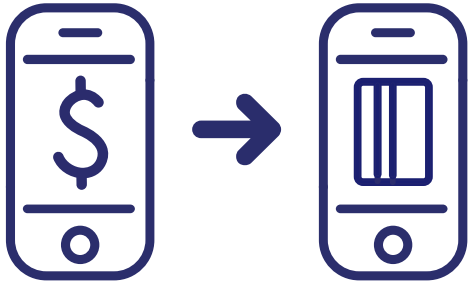
Digitizing the POS in Emerging Markets



- Scan QR code and pay
- No plastic and no POS machine
- Mobile phone as POS
- New EMVCo Standard
- Supports tokenized merchant pull or consumer push

Visa Direct Creates New Payment Flows

Push to Card



Real-Time Payments Platform Capabilities



Immediacy

Real-time notification and funds availability



Reach

Global scale connecting to 3B+ cards worldwide



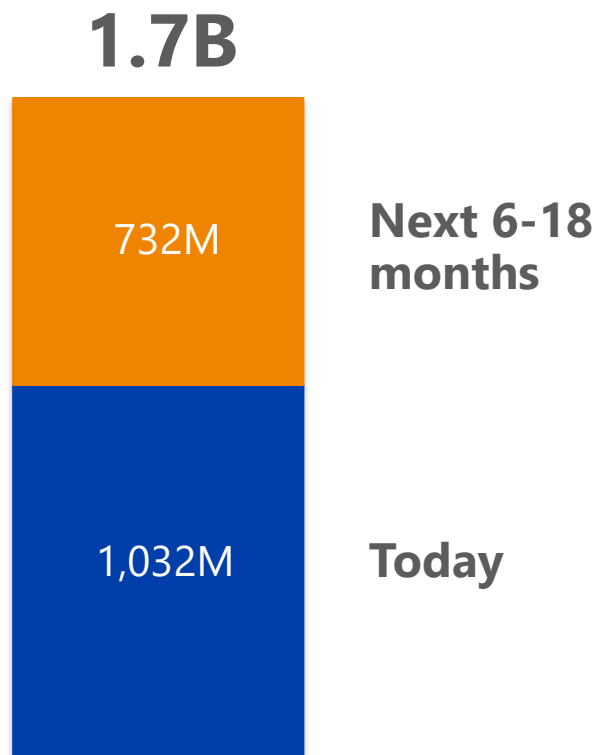
Security/Controls

Built-in compliance controls, security and transaction limits



Visa is the Global Real-Time Payment Rail

Projected Global Visa Direct Fast Funds Enablement of Visa Debit and Prepaid Cards



Visa Debit & Prepaid Cards

- Visa's fast funds enablement projected to grow to approximately 90% of global debit and prepaid cards by CY 2019
- Markets today with significant fast funds enablement
 - United States
 - Canada
 - Russia
 - Ukraine
 - Africa
 - SE Asia - India, Australia
- New market launches and issuer fast funds mandates will help close remaining gaps, such as EU and LAC

Source: Visa Direct market sizing for real-time payments, McKinsey, June 2017; Visa Inc. Cards by Country - Quarter Ended September 2016; Visa Direct OCT coverage statistics, March 2017; Visa Direct projected coverage analysis June 2017. Actual fund availability varies by financial institution and region. Visa requires U.S. issuers to make funds available to its cardholders within a maximum of 30 minutes of approving the transaction.



Visa Direct Opens New Market Opportunities

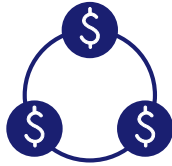
Many Use Cases Can Benefit From Real-Time Digital Payments Innovation



Healthcare



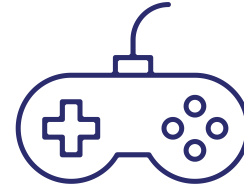
**Property +
casualty**



Sharing economy



Online marketplaces



Lotteries + gaming



Life insurance



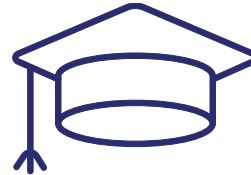
**Financial
institution**



Merchant payouts



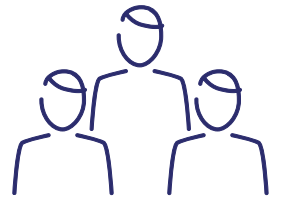
Government



Student finance



Alternative lending



Contract staffing

Source: Aite, Business to Consumer Disbursements, 2015; Funds Disbursement Market Analysis, Visa internal data, January 2017



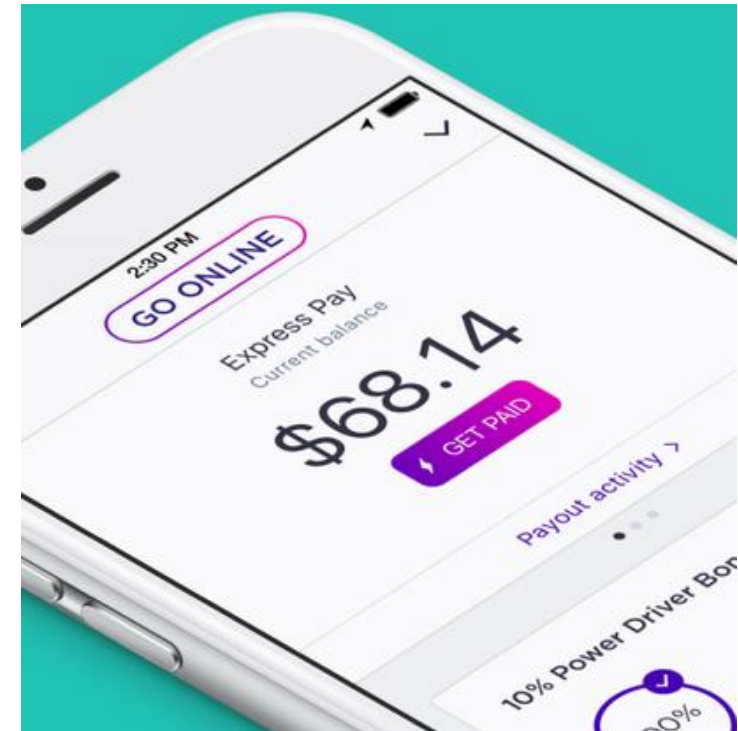
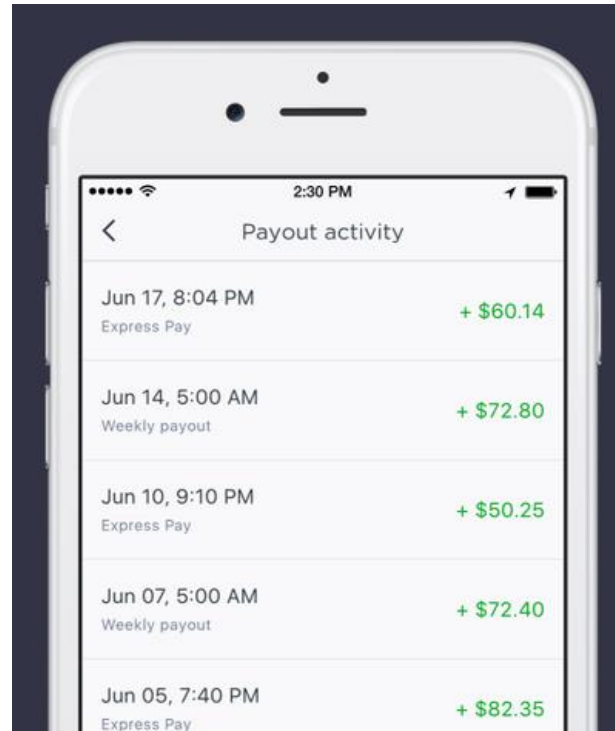
New Payment Flow Use Case: Lyft Express Pay

Keep Real-Time Payment Features Simple and Accessible



Visa Direct

- **To make it even easier to get paid**, Lyft put Express Pay front and center on the Driver Console's 'Earnings' tab
- Drivers can choose from Express Pay instant deposits or weekly bank deposits — conveniently listed in one place



Note: Actual fund availability varies by financial institution; Visa requires U.S. issuers to make funds available to its cardholders within a maximum of 30 minutes of approving the transaction. Source. www.lyft.com





New Payment Flow Use Case: Square Instant Deposits

Improved Value Proposition and a New Revenue Stream




Visa Direct

Linked Debit Card

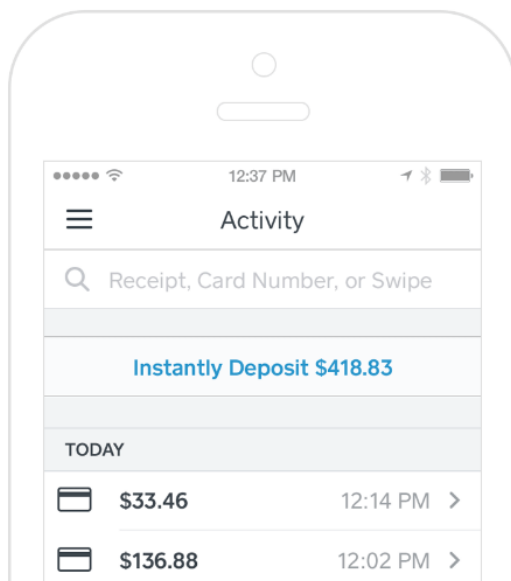
Visa Ending in 1234

[Change Debit Card](#)



\$599.85 Ready for Instant Deposit
Instant Deposit allows you to deposit your eligible balance immediately — even on weekends. Instant Deposit costs 1% of the balance to deposit.

Deposit Now




Get your money faster than ever.

Square Instant Deposit gives you access to your funds when you need it.

GET STARTED

[Learn More >](#)



Note: Actual fund availability varies by financial institution; Visa requires U.S. issuers to make funds available to its cardholders within a maximum of 30 minutes of approving the transaction. Source: www.squareup.com

VISA

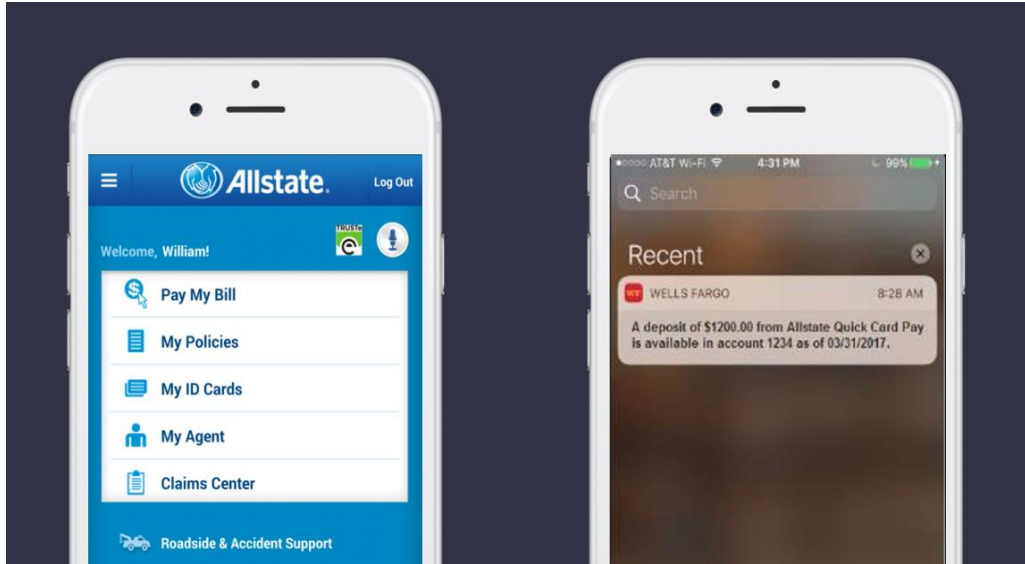


New Payment Flow Use Case: Allstate Quick Card Pay

Gives Customers Peace of Mind With Immediate Insurance Claim Payments



Visa Direct



- The Allstate claims adjuster asks ***"Do you have a debit card? I can put the money right on your card"***
- Real-time payment made to customer improves customer satisfaction and loyalty
- Reduced back office reconciliation of outstanding checks increases accounting and operational efficiency

Note: Actual fund availability varies by financial institution; Visa requires U.S. issuers to make funds available to its cardholders within a maximum of 30 minutes of approving the transaction. Source: www.Allstate.com



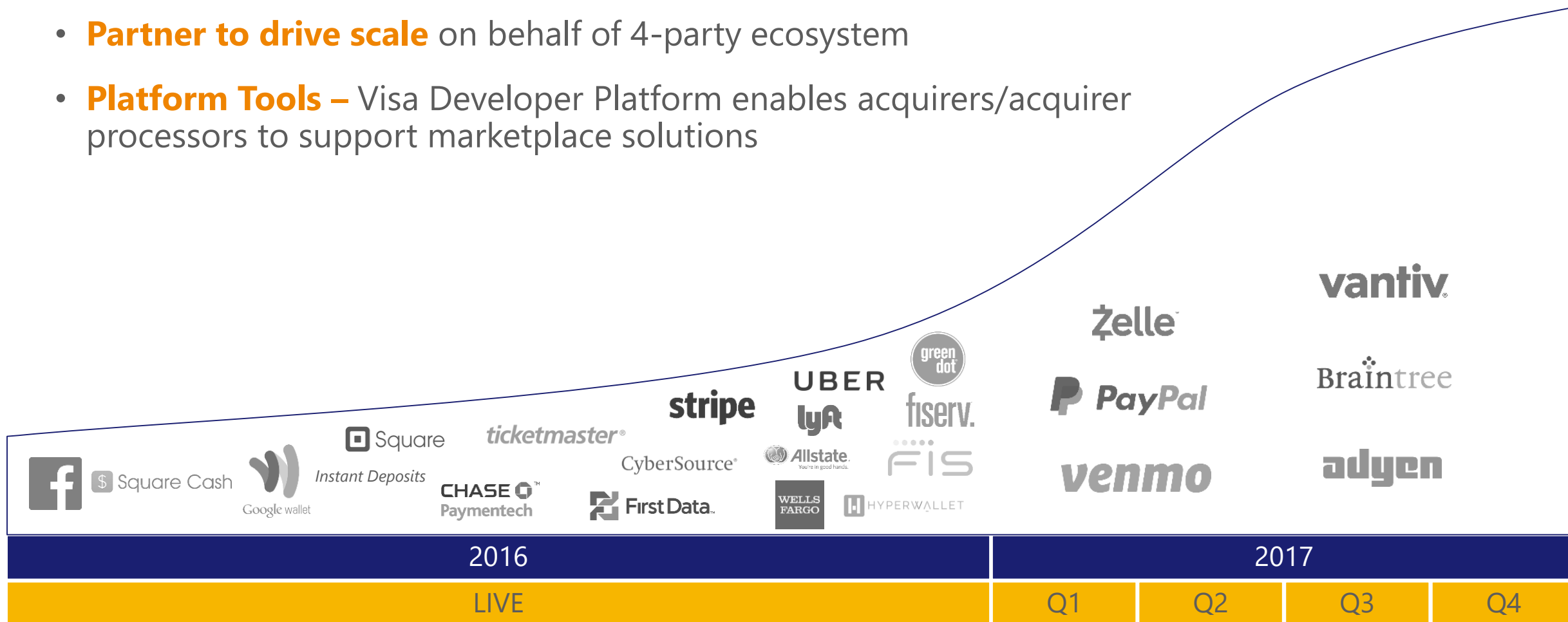


Visa Direct Enables Incremental Bank Card Payments Volume to Financial Institutions



Visa Direct

- **Partner to drive scale** on behalf of 4-party ecosystem
- **Platform Tools** – Visa Developer Platform enables acquirers/acquirer processors to support marketplace solutions





Visa Checkout Platform for Digital Payments



Visa Checkout



¹ Visa internal data as of June 2017

² Live or under contract to go live as of June 2017

³ Based on internal Visa product data for a six month period from Dec 2016 – May 2017; and Adobe 2016 Mobile Retail Report.

26 Markets¹ **~22M** Enrollments¹ **340,000+** Merchants² **\$171B** Addressable Volume² **82%** Conversion Rate³





PayPal Partnership to Promote Visa

Extends Consumer Choice and Drives Top of Wallet

2016

2017

PayPal
Marketing

Visa Issuer
Toolkits

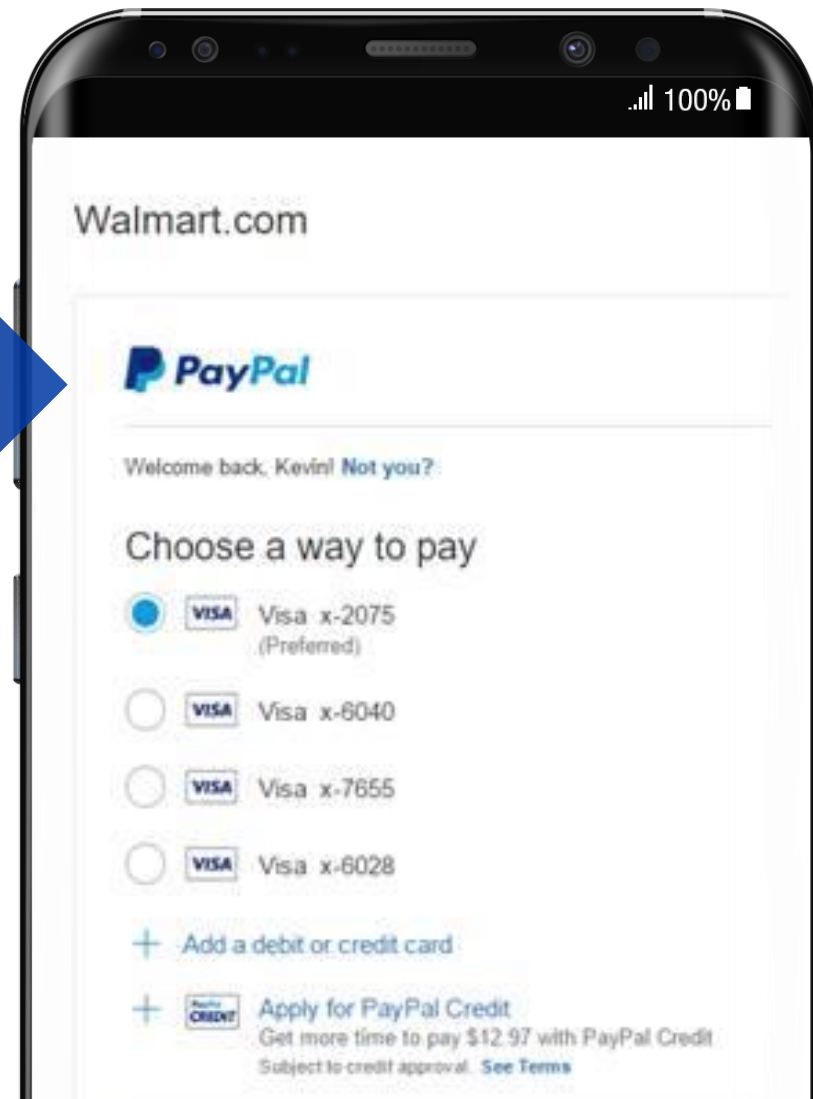
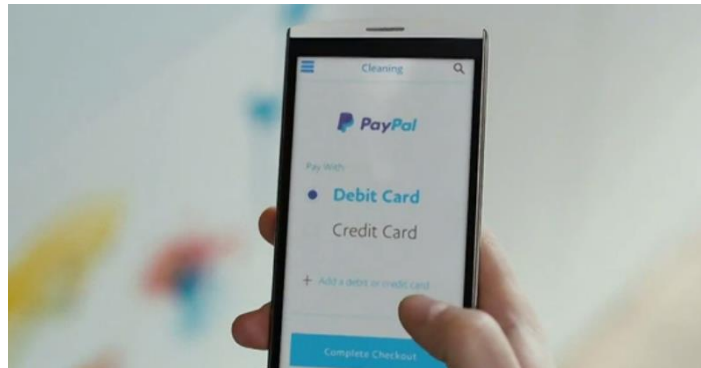
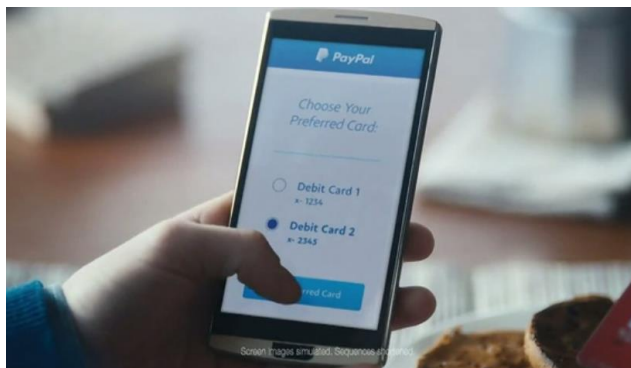
Card Art

Data
Quality

Visa
Direct

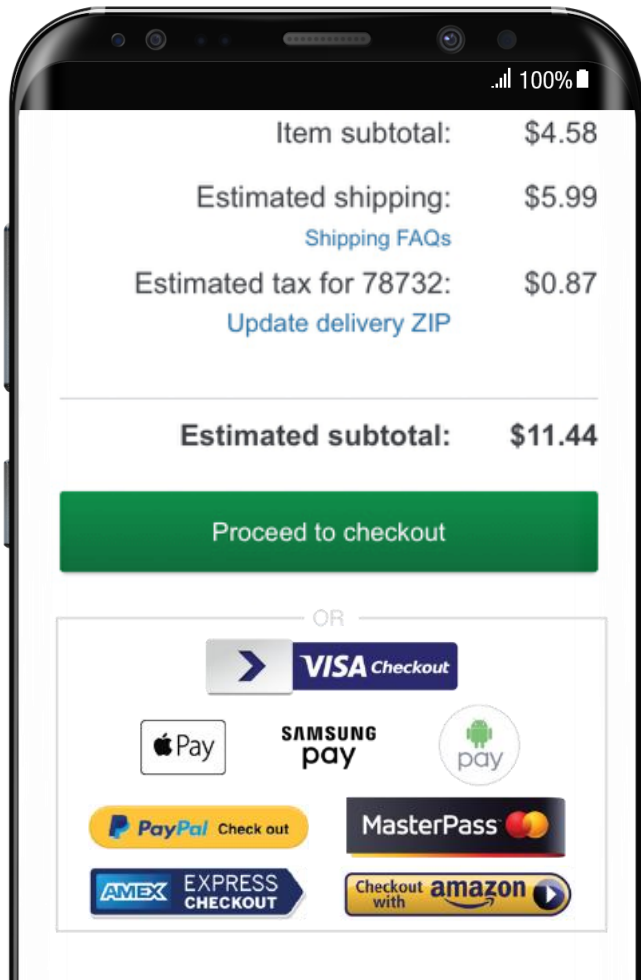
ACH
Migration

Visa
Checkout



VISA

Merchants and Consumers Are Waiting to See...



“ When things are consistent, they are predictable. When they aren’t, people and businesses stall... ”

Karen Webster

Founder of PYMNTS.com and one of the world’s leading experts on the emerging payments and commerce categories

PYMNTS.com

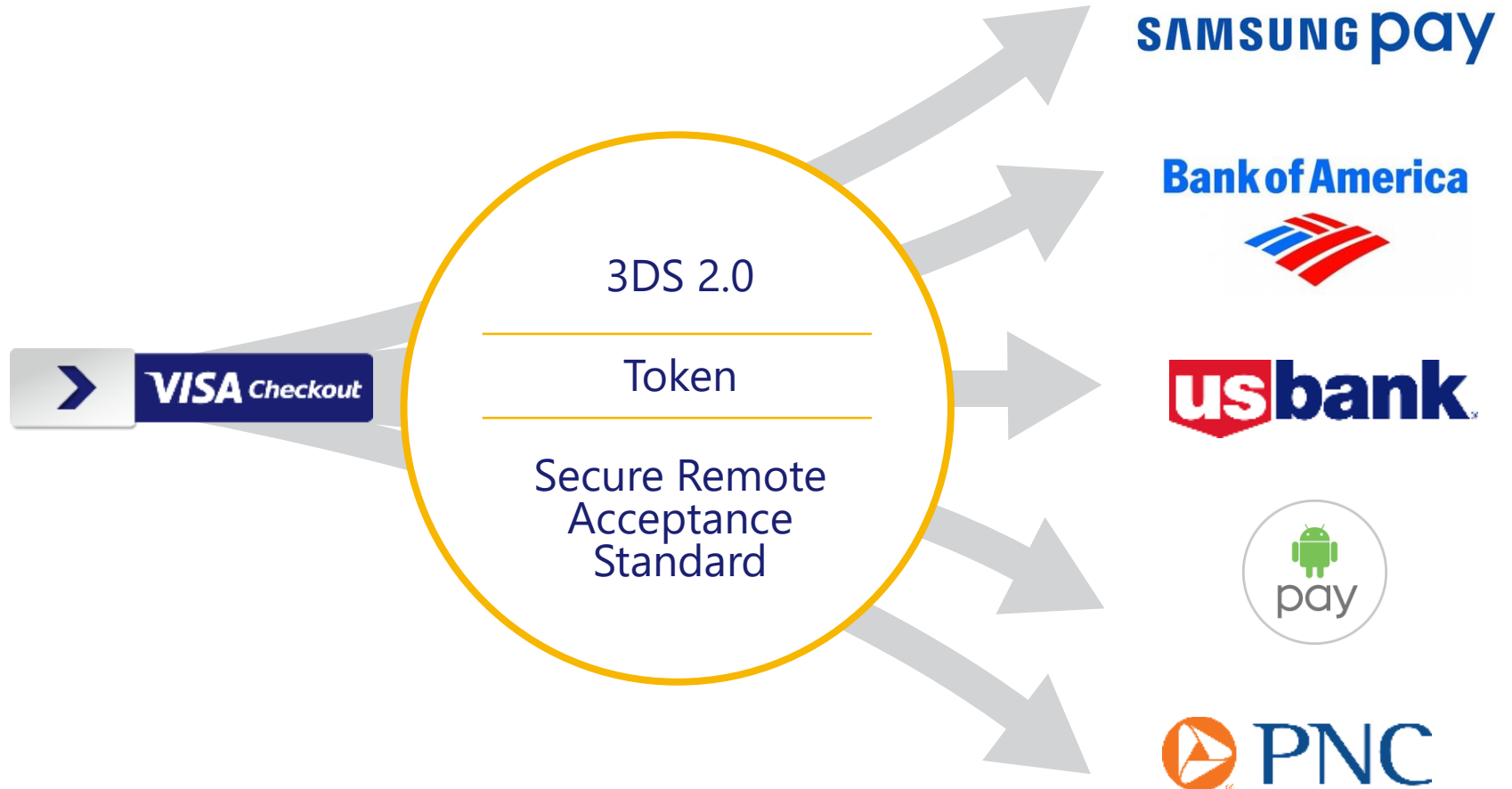
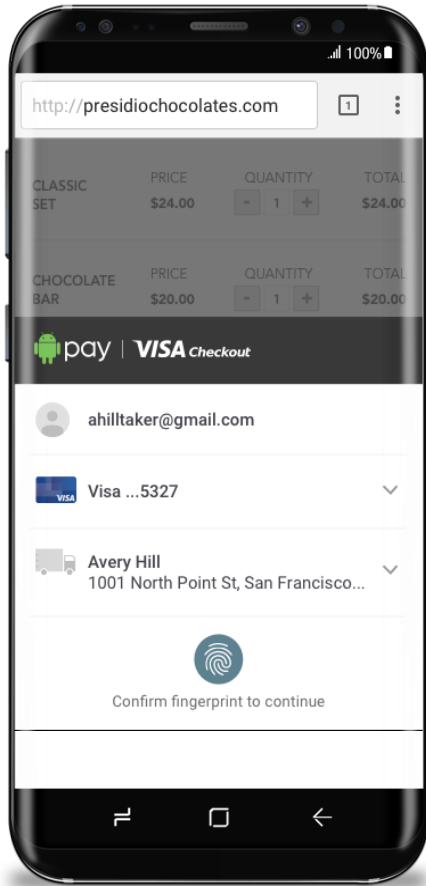


Evolve Visa Checkout Into the Digital Visa Mark

Turning Visa Checkout Into an Open “Digital POS Terminal”



Visa Checkout





Push Provision Tokens to Token Requestors

**Allow Consumers to Send Credentials to Multiple Token Requestors
With One Issuer Integration Point**

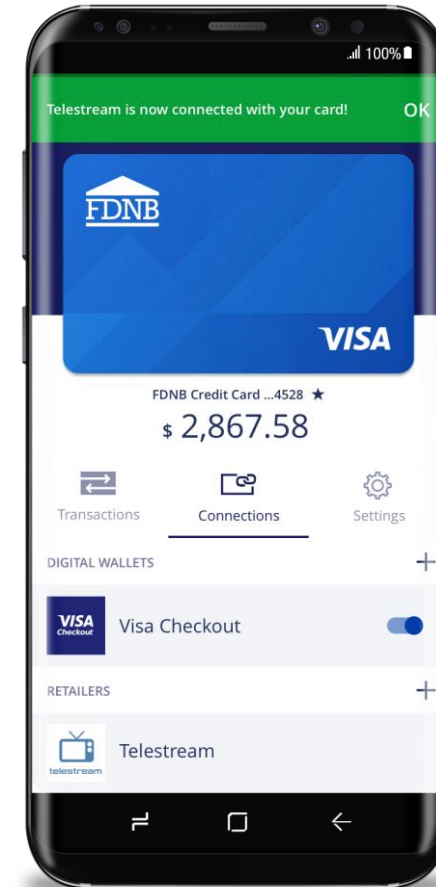
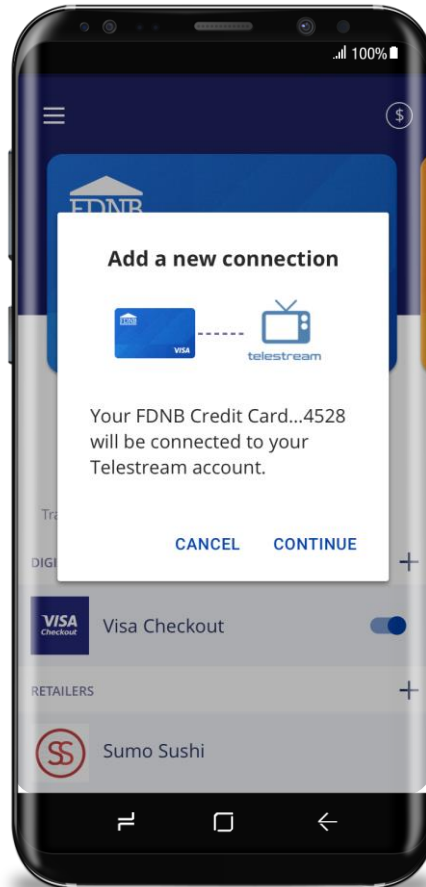
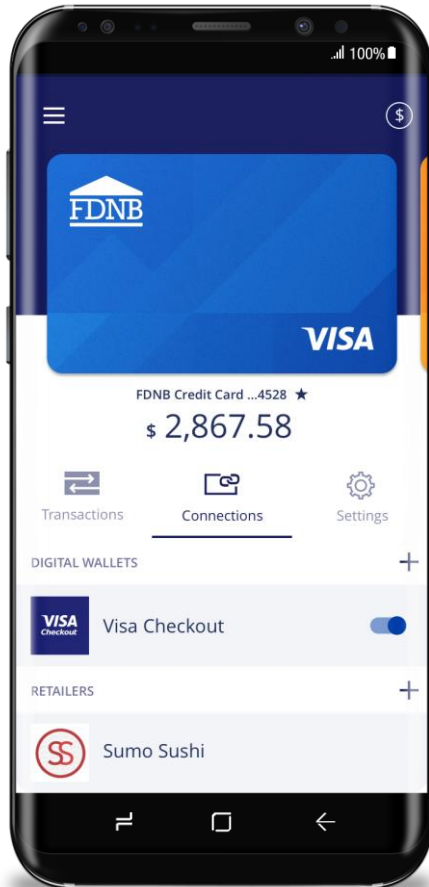


Visa Token Service

Network Hub Provisioning

Card Controls

Token Lifecycle Management



Illustrative

VISA



Share and Manage Token Access

Give Consumers the Ability to Share and Manage Access to Their Accounts

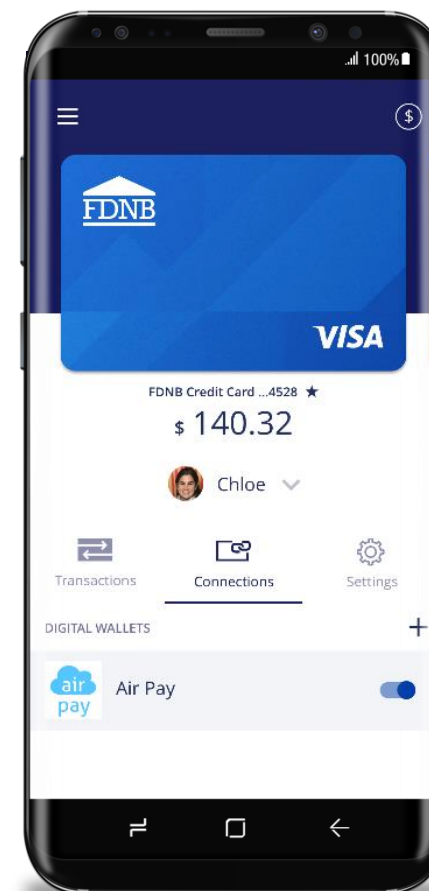
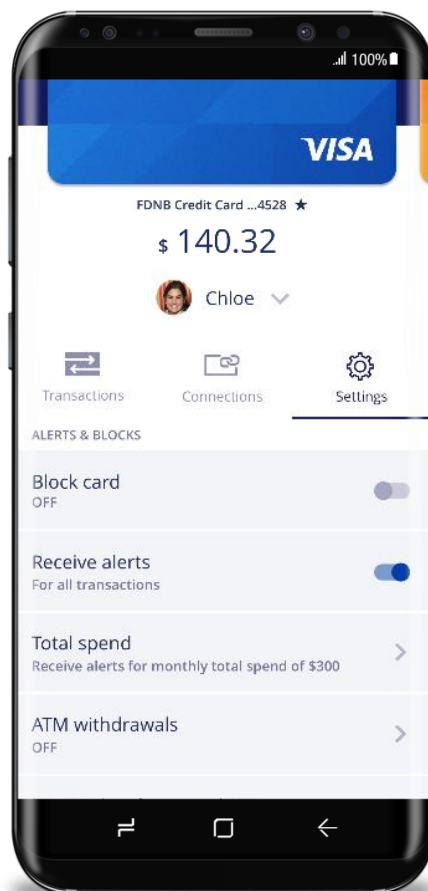
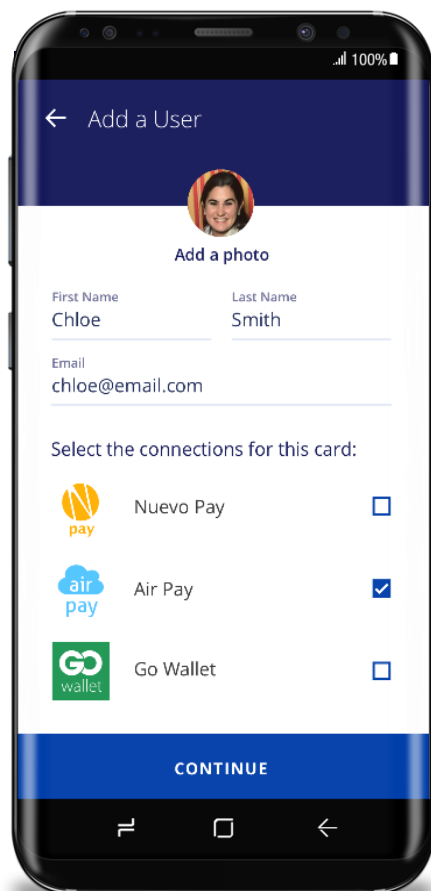


Visa Token Service

Network Hub Provisioning

Card Controls

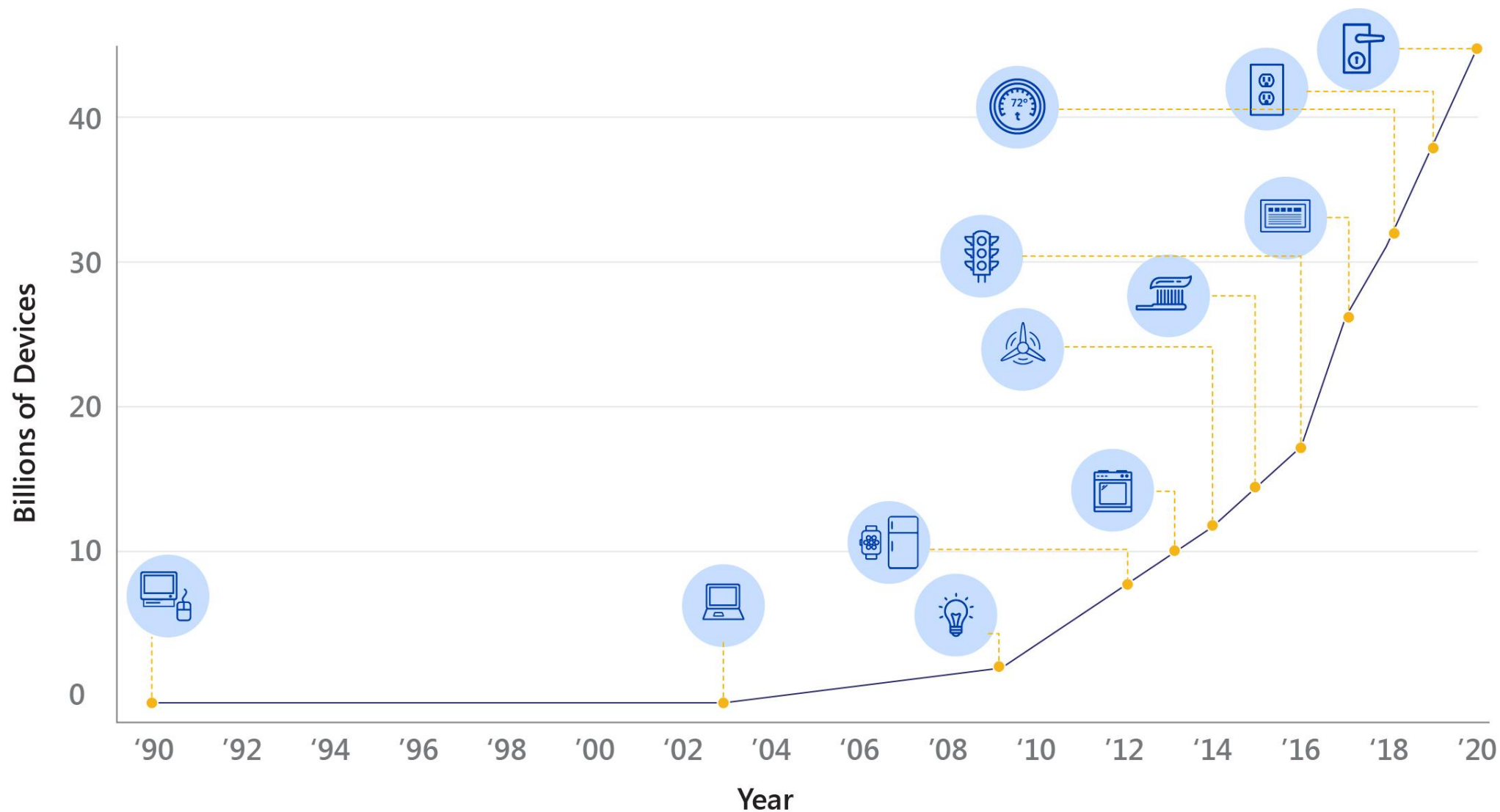
Token Lifecycle Management



Illustrative

VISA

An Explosion of Connected Possibility





IoT Vision and Approach

Near-Term Vision

Offer new ways to pay and be paid.
Tokenize devices in these verticals:



Approach – IoT Execution Pillars



Tokens

Extend Tokenization to IoT
+ emerging use-cases



Token Service Providers

Empower Token Service
Providers (TSPs) to drive
new Token Requestors

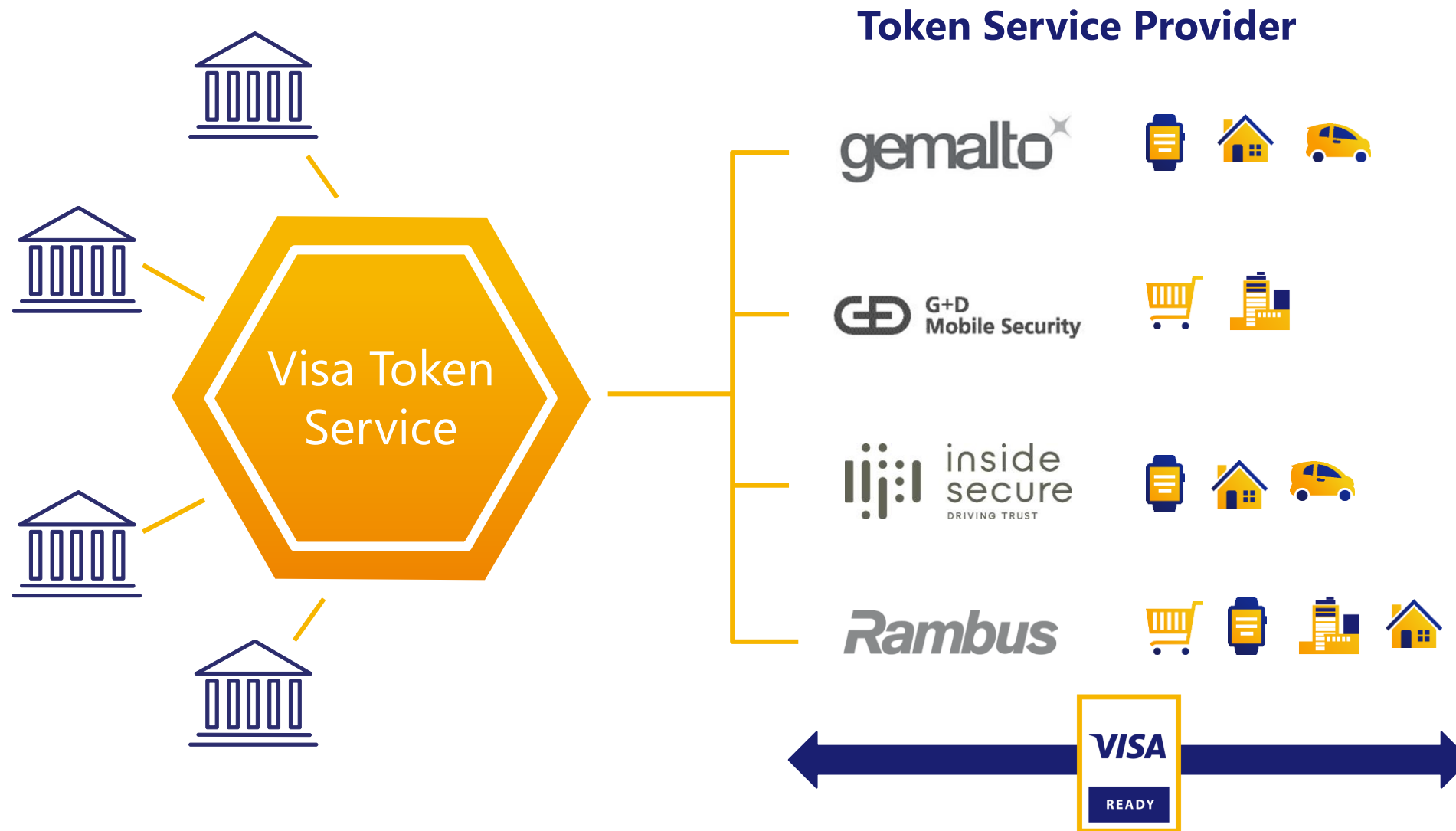


Template

Templatize processes/
programs to enhance
+ streamline execution
for issuers



Visa Ready's TSP Program Allows Us to Scale Tokens





Visa Ready Program



Mobile Point of
Sale (mPOS)

iZettle
ezetap



Merchant QR
Solutions

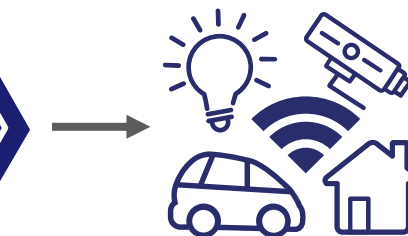


Biometrics



Token Service
Provider

gemalto
inside
SECURE



IoT

G+D
Mobile Security
Rambus



Visa's Everywhere Initiative



SAN FRANCISCO



MIAMI



LONDON



BERLIN

Visa Innovation Center Network



DUBAI



SINGAPORE



SAO PAULO



NEW YORK
(COMING SOON)

VISA

Key Takeaways

- The **proliferation of the mobile internet** has significantly increased Visa's ability to extend its network capabilities across the globe
- Visa is **decomposing VisaNet** into a set of foundational capabilities that can be rapidly combined with partner capabilities to create new bespoke payment services
- Disciplined and proven process to **support the long tail of innovation** and co-creation



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, our future operations, prospects, developments, strategies, business growth and financial outlook. Forward-looking statements generally are identified by words such as "believes," "estimates," "expects," "intends," "may," "projects," "could," "should," "will," "continue" and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended September 30, 2016 and our subsequent reports on Forms 10-Q and 8-K. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

Note: 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. With the exception of slide titled "Acceptance Penetration Drives PCE Penetration," PCE is defined as Purchase PCE (does not include non-financial transactions).