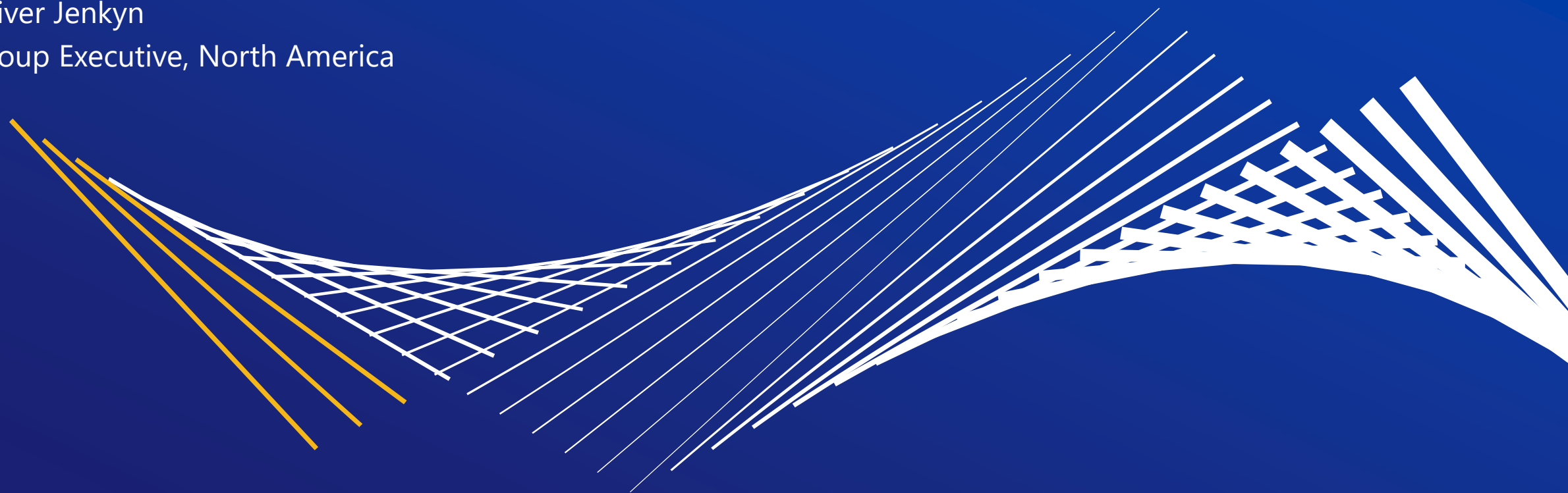


# North America

Oliver Jenkyn

Group Executive, North America



Everywhere You Want to Be



**VISA**

# Key takeaways

- Strong, established market position
- Deep client relationships, based on partnering to deliver value
  - **7 of top 10** U.S. credit issuers
  - **9 of top 10** U.S. debit issuers
  - **7 of top 10** U.S. co-brand programs
  - **4 of top 5** Canada credit issuers
  - **Strong partnerships** in regional/community space
  - **100+** merchant and acquirer agreements
- Digital leadership is central to client partnership and realizing growth opportunity
- Significant growth remains to be captured
  - **\$3.2T** Cash/check opportunity
  - **46%** Card share of PCE
  - **New segments** abound: Disbursements, P2P, Rent, Education, Vending, etc.

Source: VisaNet data Calendar Year 2016; Nilson Report #1006, #1103, #1104, #1105, #1106, #1107, #1109; Euromonitor Merchant Segment Study May 2017, 11th Edition; Oxford Economics Calendar Year 2016; Visa analysis

# North America



**10,400+** Financial Institutions

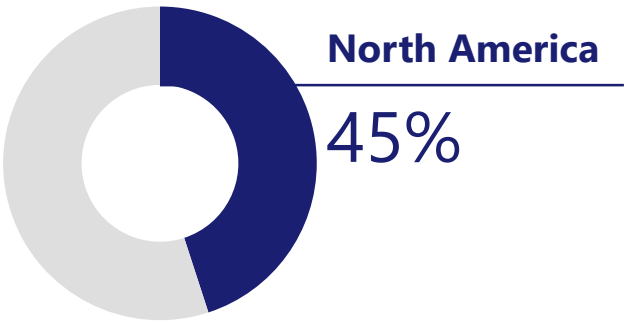
**9MM+** Merchant Locations

**\$3T+** Payments Volume

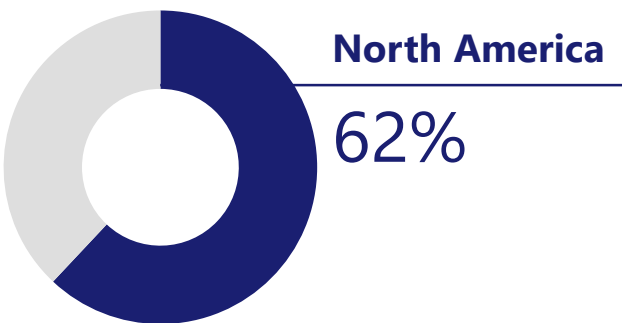
**\$3.2T+** Cash/Check Opportunity

**900MM** Cards

Visa Payments Volume



Visa Processed Transactions

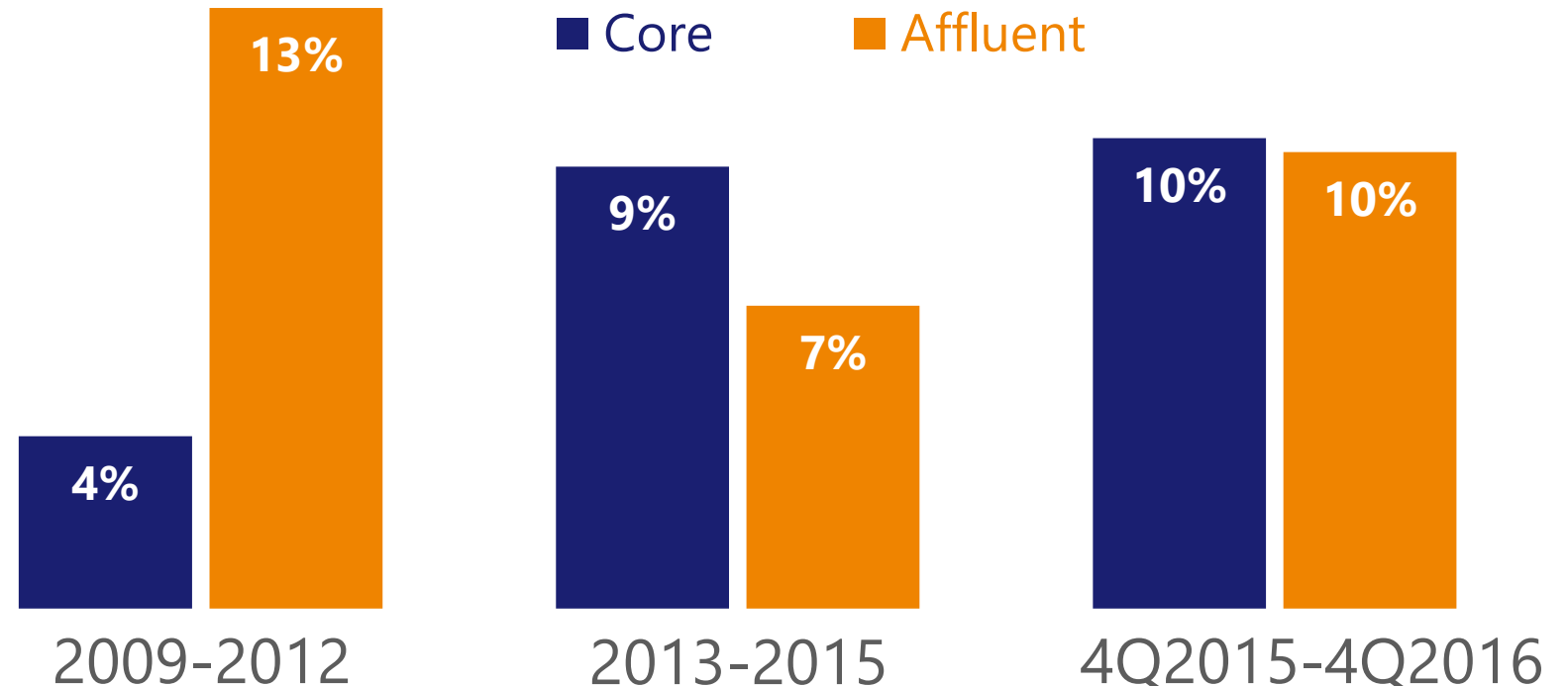


Source: Visa Operating Certificates CY2016. Merchant locations are provided by Visa's issuing and acquiring financial institutions; card counts include cards carrying the Visa, Visa Electron, V PAY and Interlink brands as well as PLUS proprietary cards. Oxford Economics Calendar Year 2016; Euromonitor Calendar Year 2016; Nilson Report #1006, #1103, #1109; Visa analysis;

## Affluent vs. Core

Affluent led credit growth coming out of the recession, but core has bounced back, creating balanced growth across those segments

### U.S. credit growth by segment



Source: Visa Performance Solutions; VisaNet data Calendar Year 2009-2012; Visa analysis  
Note: Affluent defined as \$100,000+ Annual Household Income; Core defined as <\$100,000 Annual Household Income

Affluent vs. Core

Gray is the New Black

Millennials

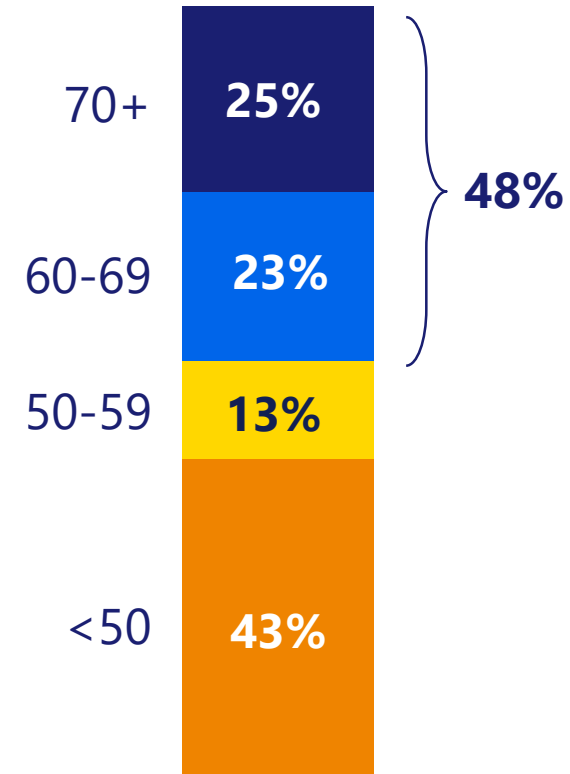
U.S. Credit

Navigating through Change

## Gray is the New Black

50% of forecasted U.S. credit spend growth over next 5 years will come from 60+ age group

### U.S. credit growth by cohort (5yr forecast)



Affluent vs. Core

Gray is the New Black

Millennials

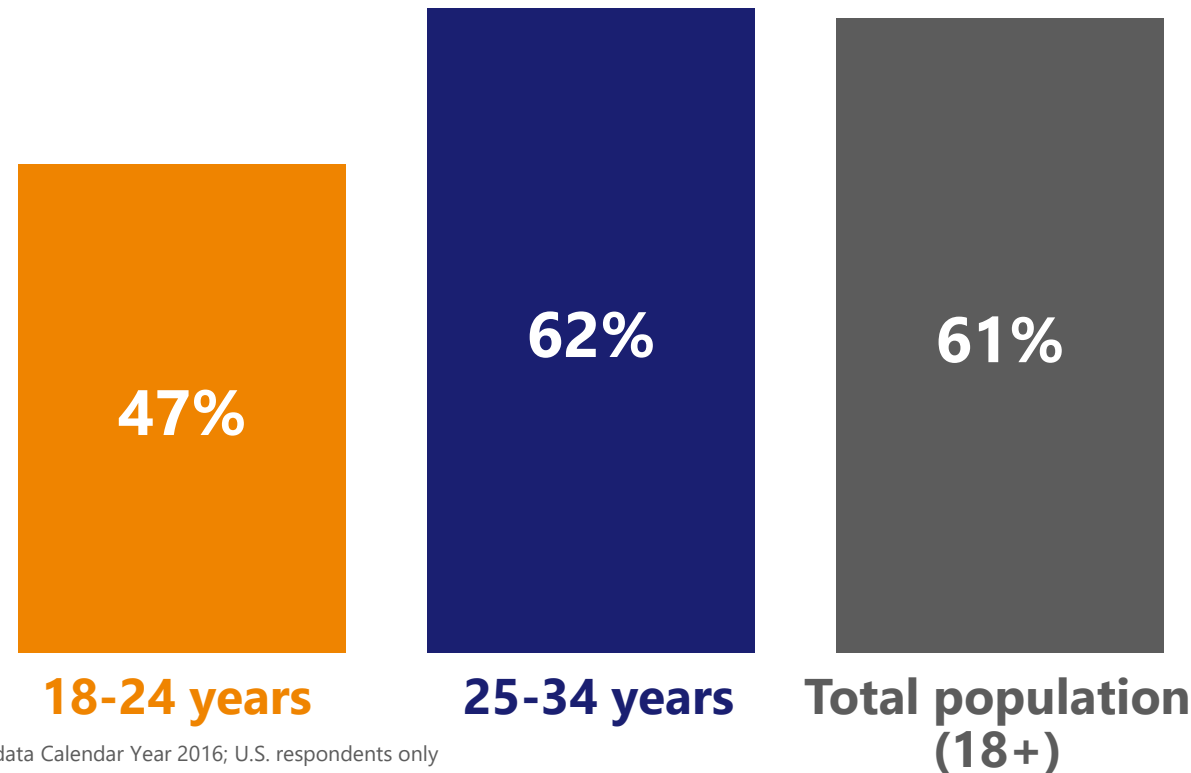
U.S. Credit

Navigating through Change

## More Like Their Parents Than They'd Like to Admit

Millennials increase their ownership of credit and debit cards as they mature

**% that own credit and debit cards**



Source: Visa Payments Panel survey data Calendar Year 2016; U.S. respondents only

# Payments Trends

Affluent vs. Core

Gray is the New Black

Millennials

U.S. Credit

Navigating through Change

## U.S. Credit Product Trends

Portfolio	2014-2016 CAGR
Cashback	21%
Bank-branded travel	20%
Co-brand	5%
Other (Generic rewards & non-rewards)	1%
<b>U.S. Credit</b>	<b>9%</b>

Source: VisaNet data Calendar Years 2014-2016, normalized for Visa-specific factors



# Payments Trends

Affluent vs. Core

Gray is the New Black

Millennials

U.S. Credit

Navigating through  
Change

## Navigating Through Change

10 years ago

Today



Did not **exist**

**Top 10** by PV



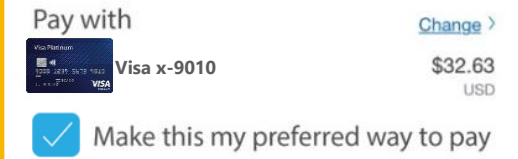
**Outside Top 20**  
Visa Merchants

**One of the largest**  
Visa Merchants



Your PayPal  
account is  
incomplete. Please  
link your bank  
account

[Link your bank account now](#)



Source: VisaNet Data, Visa analysis





# Executing on our Strategy in North America



**Deepen Partnerships**

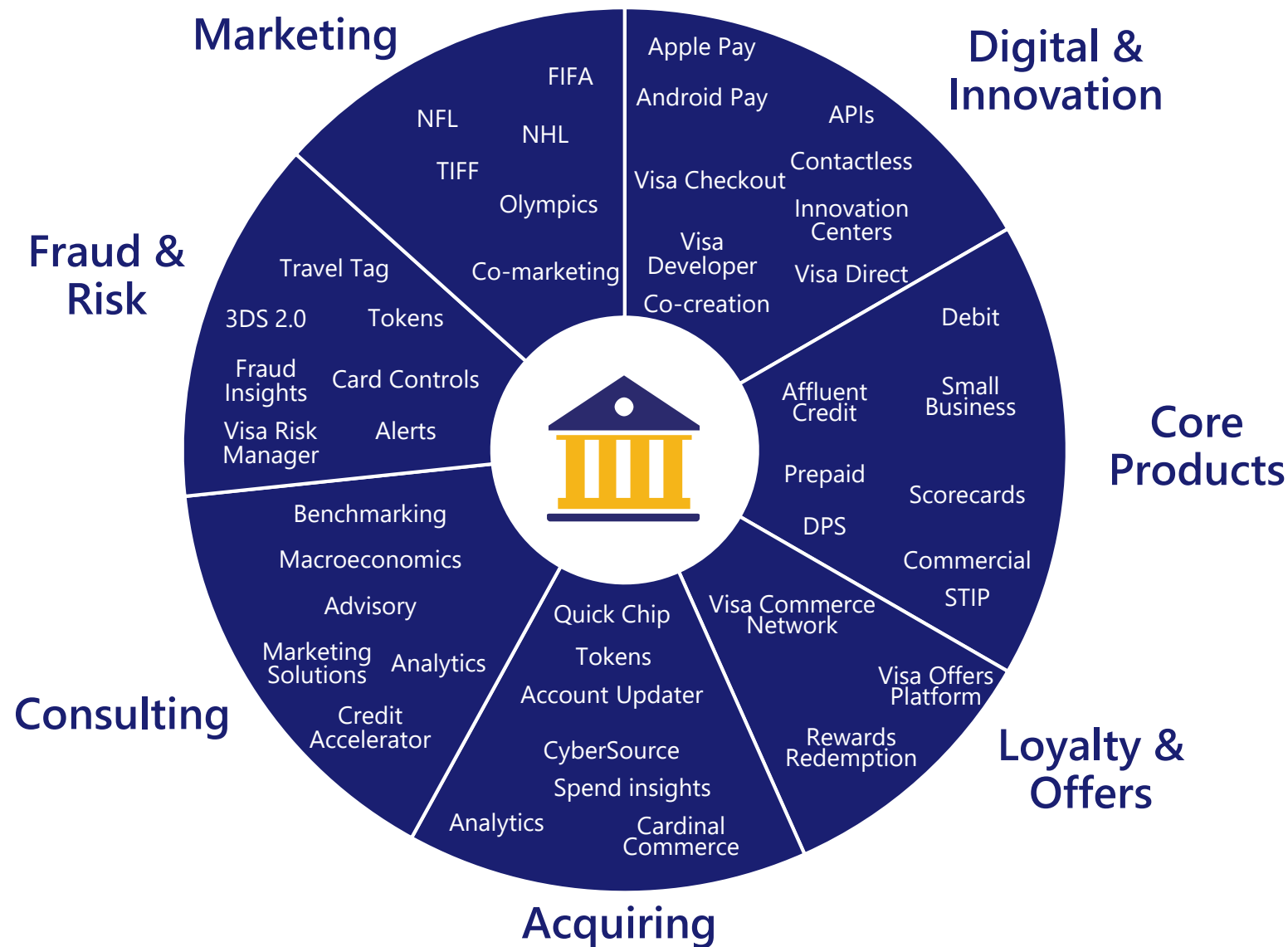


**Drive Digital**

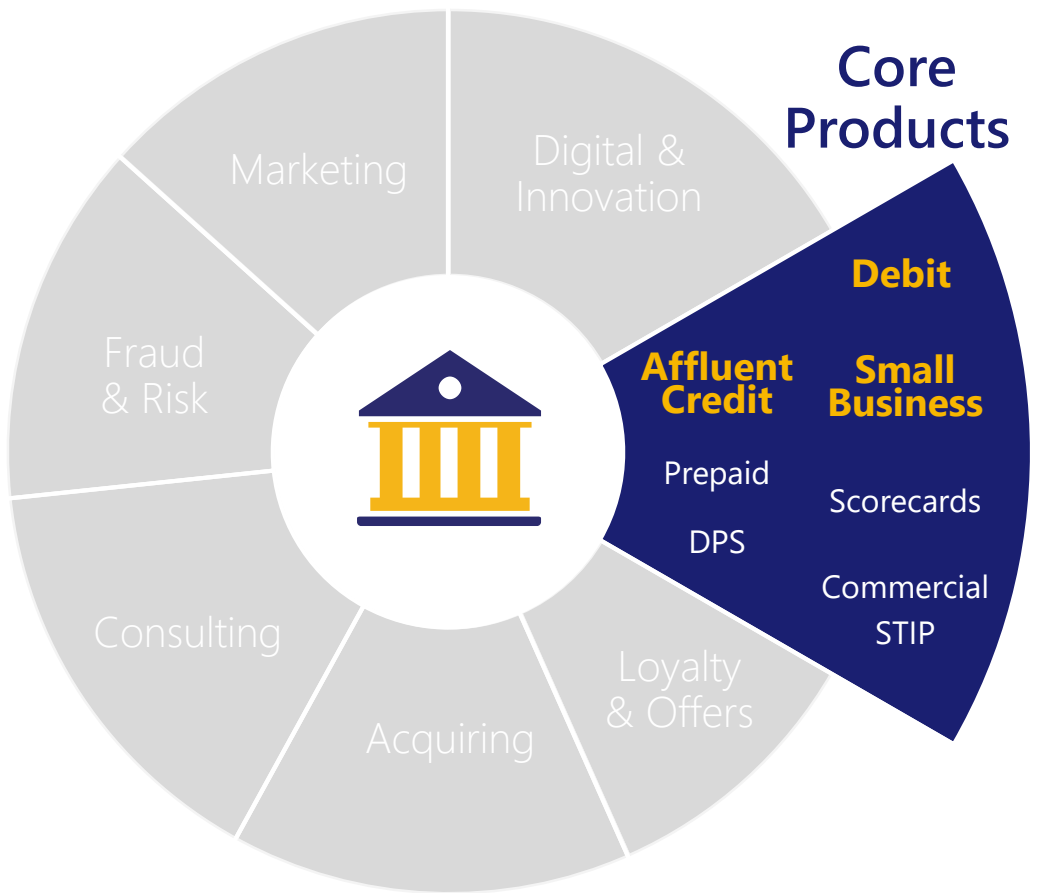


**Expand Access**

# Deep Partnerships: Visa 360



# Deep Partnerships: FIs



Source: Visa Product



## Consumer debit scorecard

Visa Network Debit Overview - Current Quarter						
Metrics	Peer Group 1-20	Peer Group 21-40	Peer Group 41-60	Peer Group 61-80	Peer Group 81-100	Visa System
Power Scores						
Transaction	15.53	13.09	13.93	12.77	11.74	10.00
Sales Volume	\$134.57	\$409.50	\$400.02	\$443.59	\$445.30	\$152.84
PAI						
Penetration	82.8%	78.3%	79.7%	78.7%	75.9%	71.8%
Activation	12.7%	77.3%	80.4%	79.7%	80.1%	74.7%
Penetration * Activation	80.7%	63.6%	68.3%	68.9%	64.7%	56.0%
Usage	26.0	21.4	20.2	21.1	18.3	17.9
Spill Score						
Sales Volume	\$1,338,888,082	\$491,381,954	\$249,801,819	\$121,181,871	\$61,451,039	---
Transaction Volume	327,155,454	11,801,580	7,270,527	3,648,108	1,744,830	---
Sales Volume Growth	8.2%	12.7%	11.7%	9.7%	9.8%	11.7%
Transaction Count Growth	8.7%	14.0%	12.8%	10.4%	11.7%	12.3%
Average Ticket Size	\$24.89	\$39.09	\$33.96	\$33.53	\$35.86	\$28.31
Accounts & Cards						
# of CCAs	7,141,044	381,841	195,806	145,598	58,805	---
# of Visa Debit Accounts	6,176,136	305,199	161,217	81,087	41,223	---
# of Active Visa Debit Accounts	6,343,362	227,833	128,817	58,717	33,643	---
# of Active Cards	6,262,196	221,881	118,807	51,906	29,380	---
Monthly Average per Active Card						
Sales per Active Card	\$759.39	\$722.89	\$706.86	\$718.72	\$729.47	\$771.84
Transactions per Active Card	21.83	20.43	20.89	20.11	19.88	21.85



## Premium travel and protection benefits

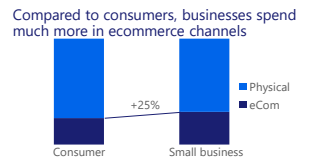
Upgrade

Hotels. Airlines. Dining.  
Brought to you by Visa Infinite™

VISA



## Spend insights



## Visa SavingsEdge

Womply BizShield

Save 10%  
See details >

practical ecommerce

Save 20%  
See details >

MailChimp

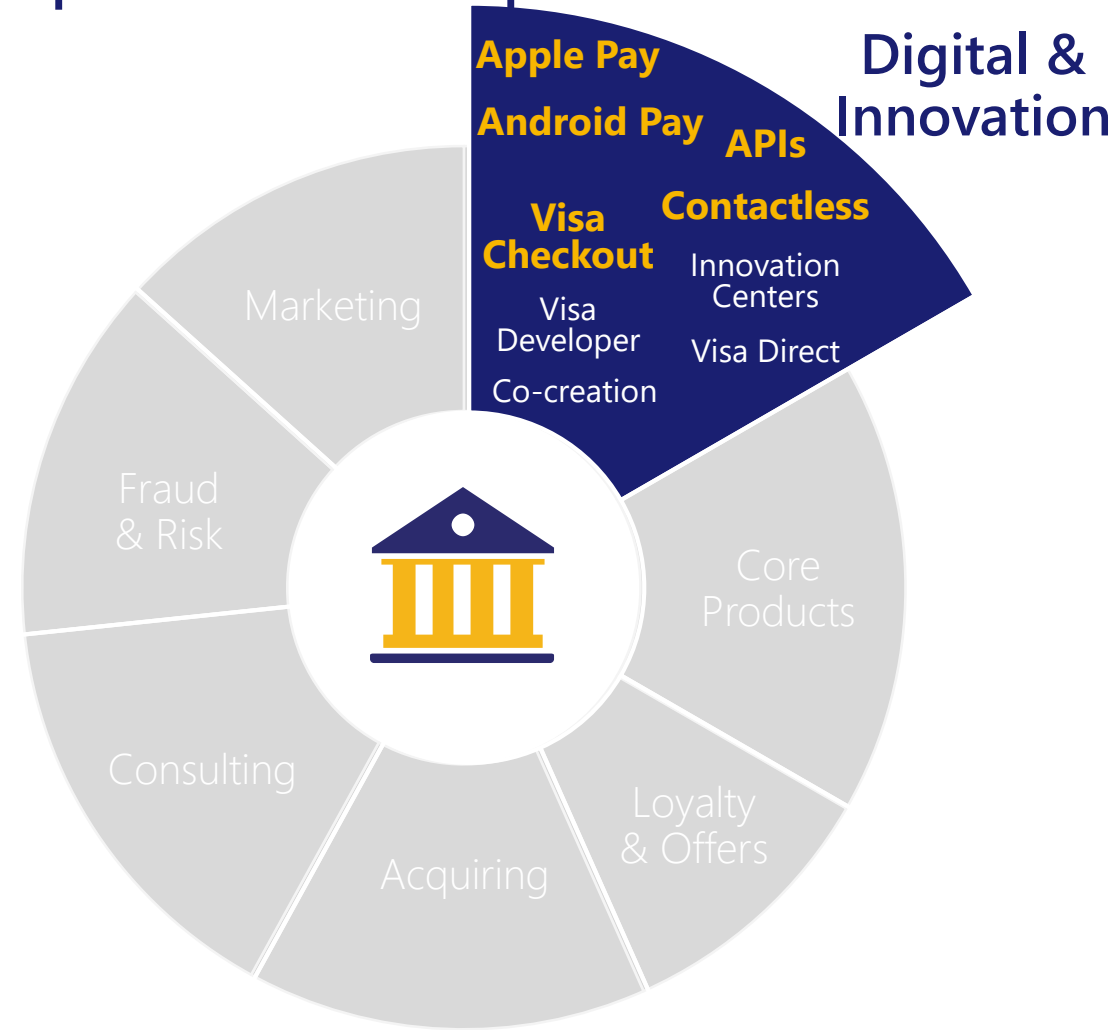
Save 5%  
See details >

Grasshopper

Save 15%  
See details >

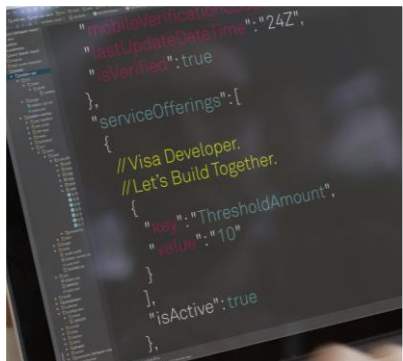


# Deep Partnerships: FIs



### Visa Developer APIs

Payment Methods	Risk and Fraud	Data and Analytics	Loyalty and Offers	Commercial
<ul style="list-style-type: none"><li>CyberSource Payments</li><li>Visa Checkout</li><li>Visa Direct</li></ul>	<ul style="list-style-type: none"><li>Mobile Location Confirmation</li><li>Payment Account Validation</li><li>Preauthorized Payment Cancellation Service</li><li>Visa Consumer Transaction Controls</li><li>Visa Risk Manager</li><li>Visa Token Service</li><li>Visa Transaction Alerts</li><li>Visa Travel Notification Service</li></ul>	<ul style="list-style-type: none"><li>Foreign Exchange Rates</li><li>Merchant Locator</li><li>Merchant Measurement</li><li>Merchant Search</li><li>Payment Account Attributes Inquiry</li><li>Visa Global ATM Locator</li><li>Digital Card and Account Services</li></ul>	<ul style="list-style-type: none"><li>Visa Card Eligibility Service</li><li>Visa Merchant Offers Resource Center</li><li>Visa Offers Platform</li></ul>	<ul style="list-style-type: none"><li>B2B Virtual Account Payment Method</li></ul>



**VISA Checkout**  
**samsung pay**



Pay confidently on the go.  
Android Pay is here.

Now you can use your [Issuer Name] Visa® card with your Android phone.

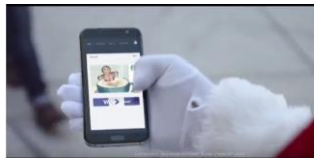
See the other side for details...



Pay with Visa Checkout and get \$20 off your \$100+ order.

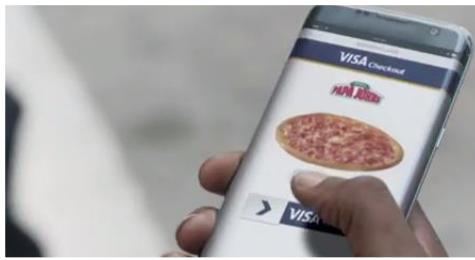
StubHub | **VISA Checkout** | [Learn More](#)

Offer valid thru 12/31/16, while supplies last. Click for terms.



Skip the extra typing

**VISA Checkout**  
Enroll now



Source: Visa Digital Product, Visa Marketing





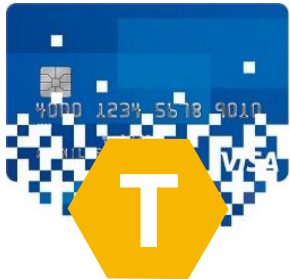
# Deep Partnerships: FIs



## Fraud & Risk



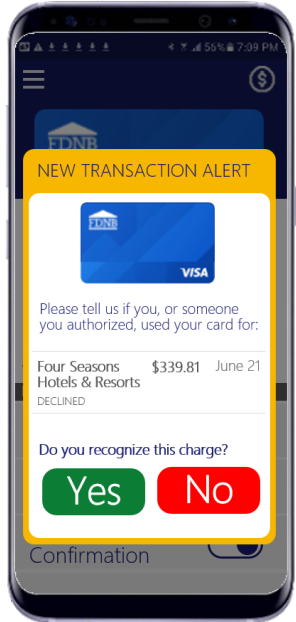
Tokenization



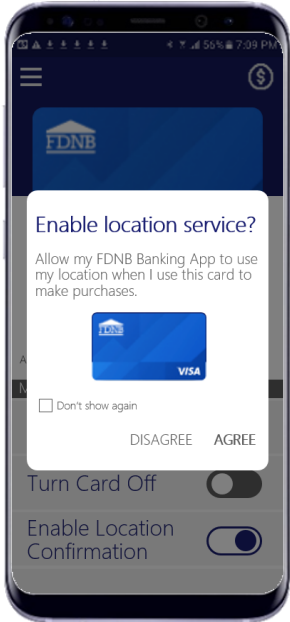
Fraud monitoring



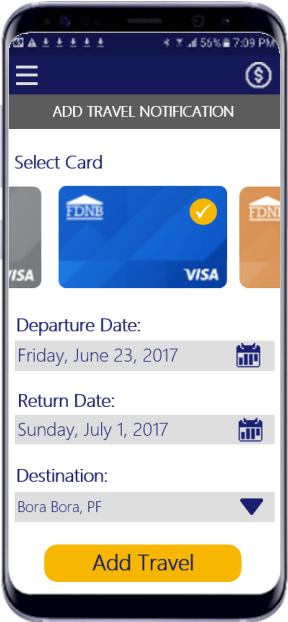
Alerts



Mobile Location

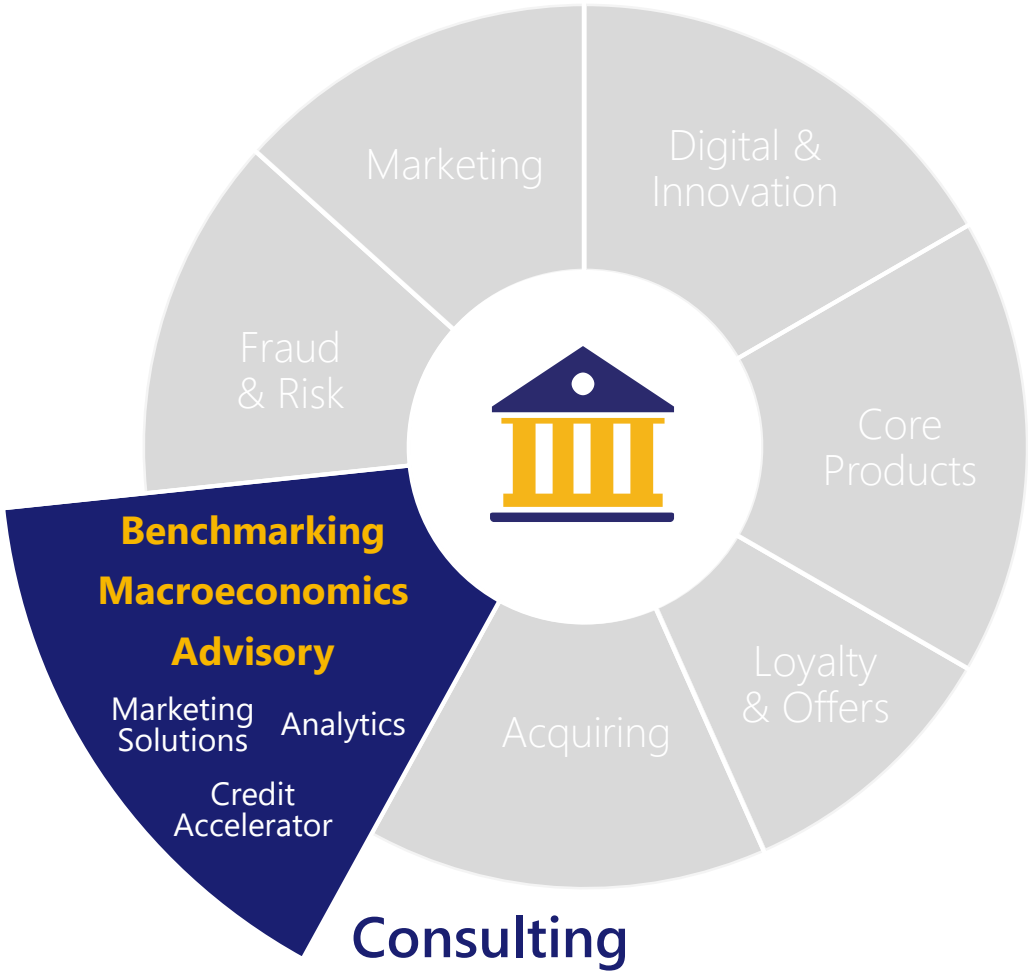


Travel Tag

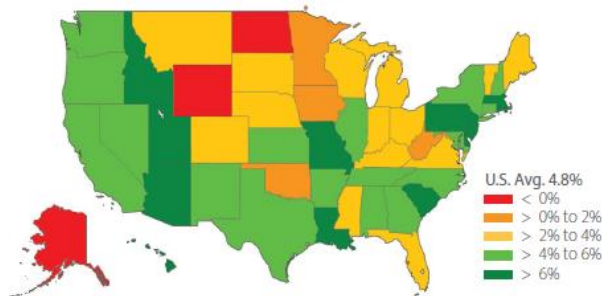


Source: Visa Digital Product; product designs are illustrative

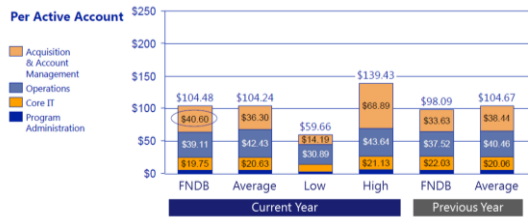
# Deep Partnerships: FIs



## Macroeconomics



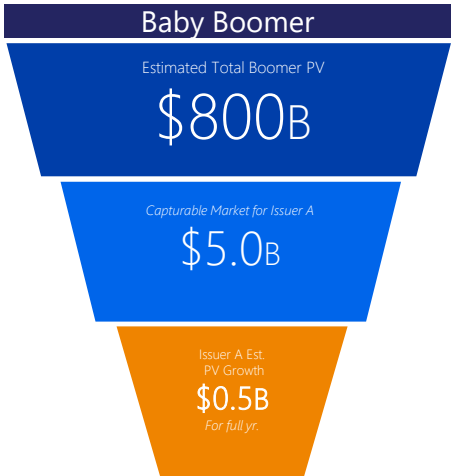
## Benchmarking



## Advisory

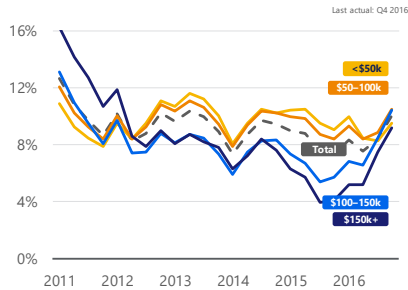


## Opportunity sizing



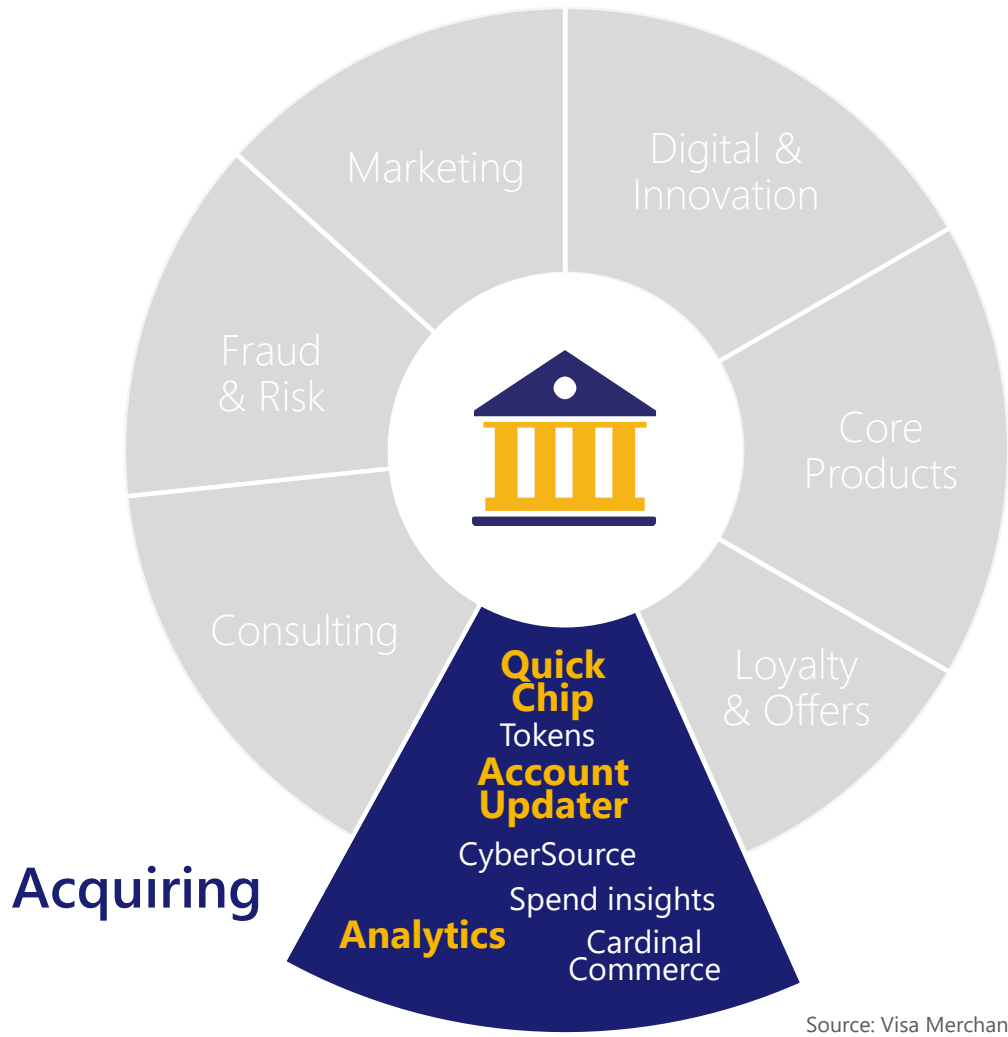
## Spend insights

Consumer credit\* spending  
(YoY growth, by annual US\$ HH income)



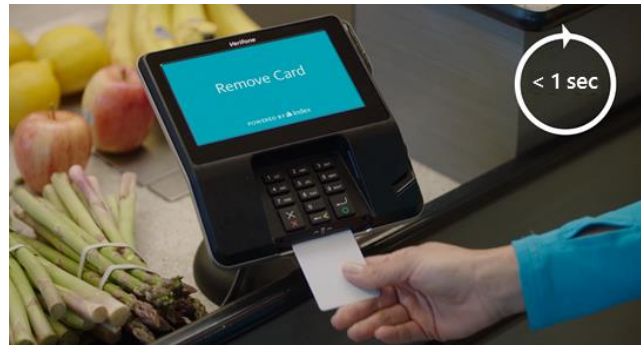
Source: Visa Performance Solutions; examples shown are illustrative

# Deep Partnerships: FIs

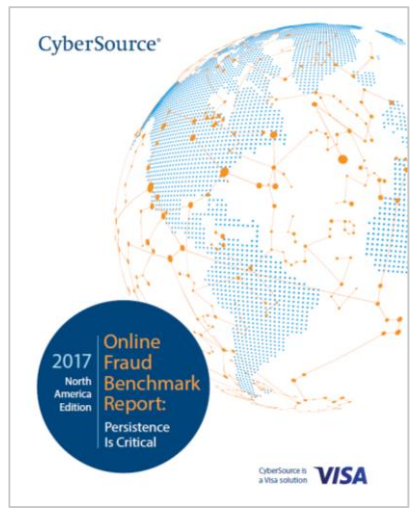
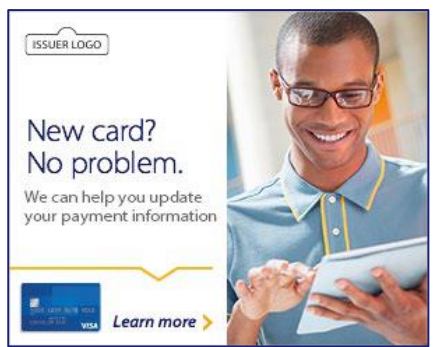


CARDINAL COMMERCE    CyberSource®    Authorize.Net®

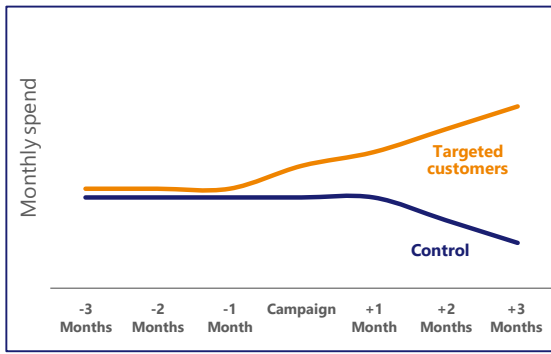
Quick Chip



Account Updater



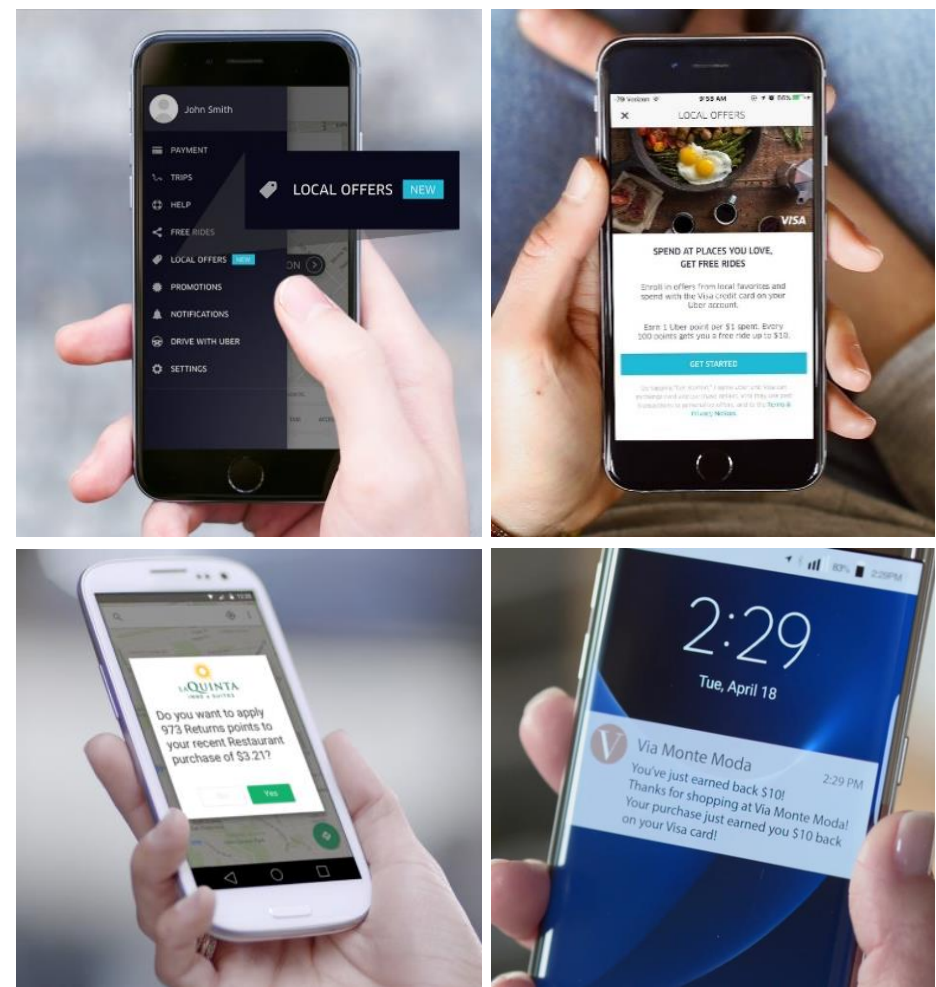
Analytics



Source: Visa Merchant Product; examples shown are illustrative

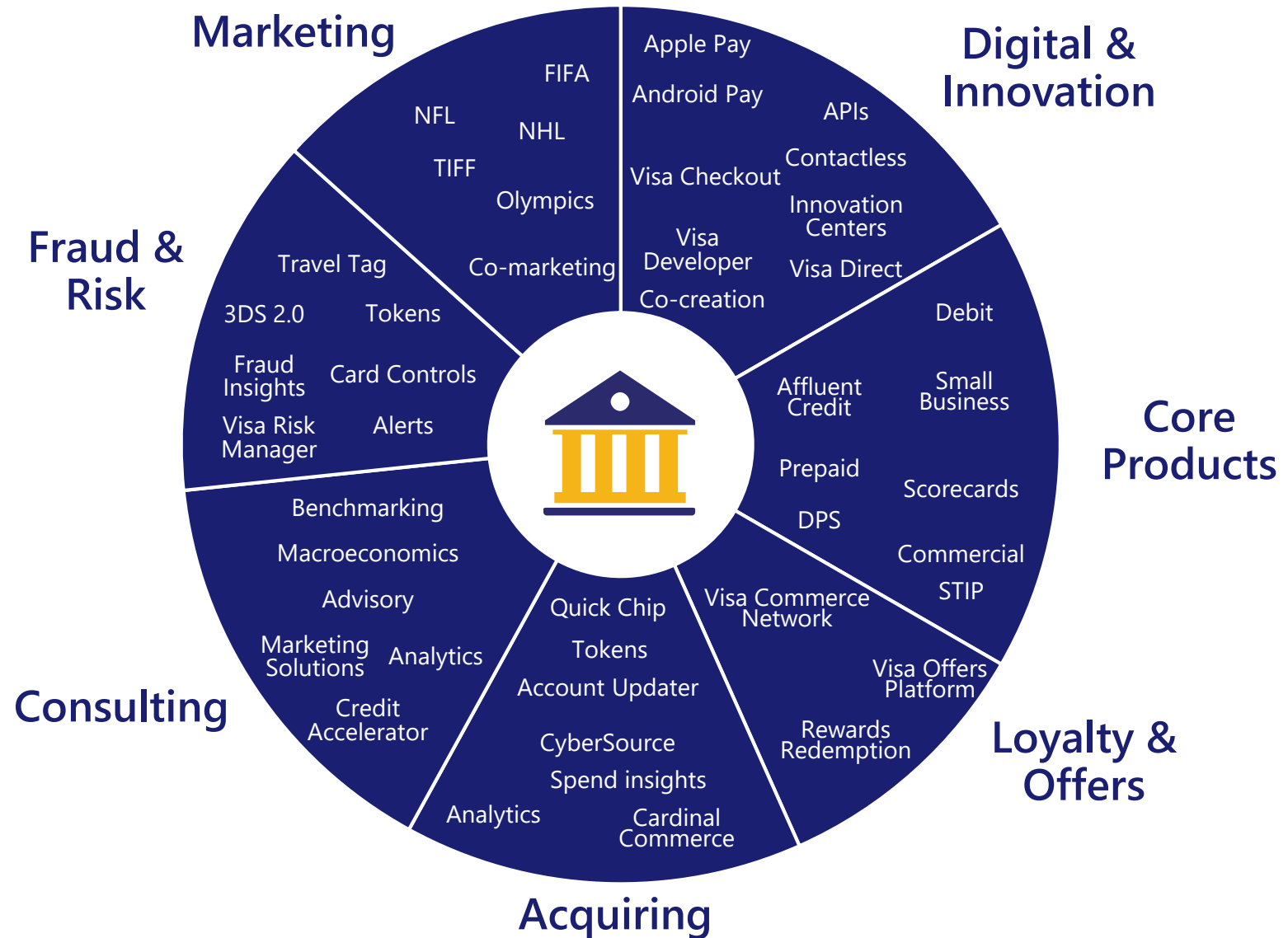


# Deep Partnerships: FIs

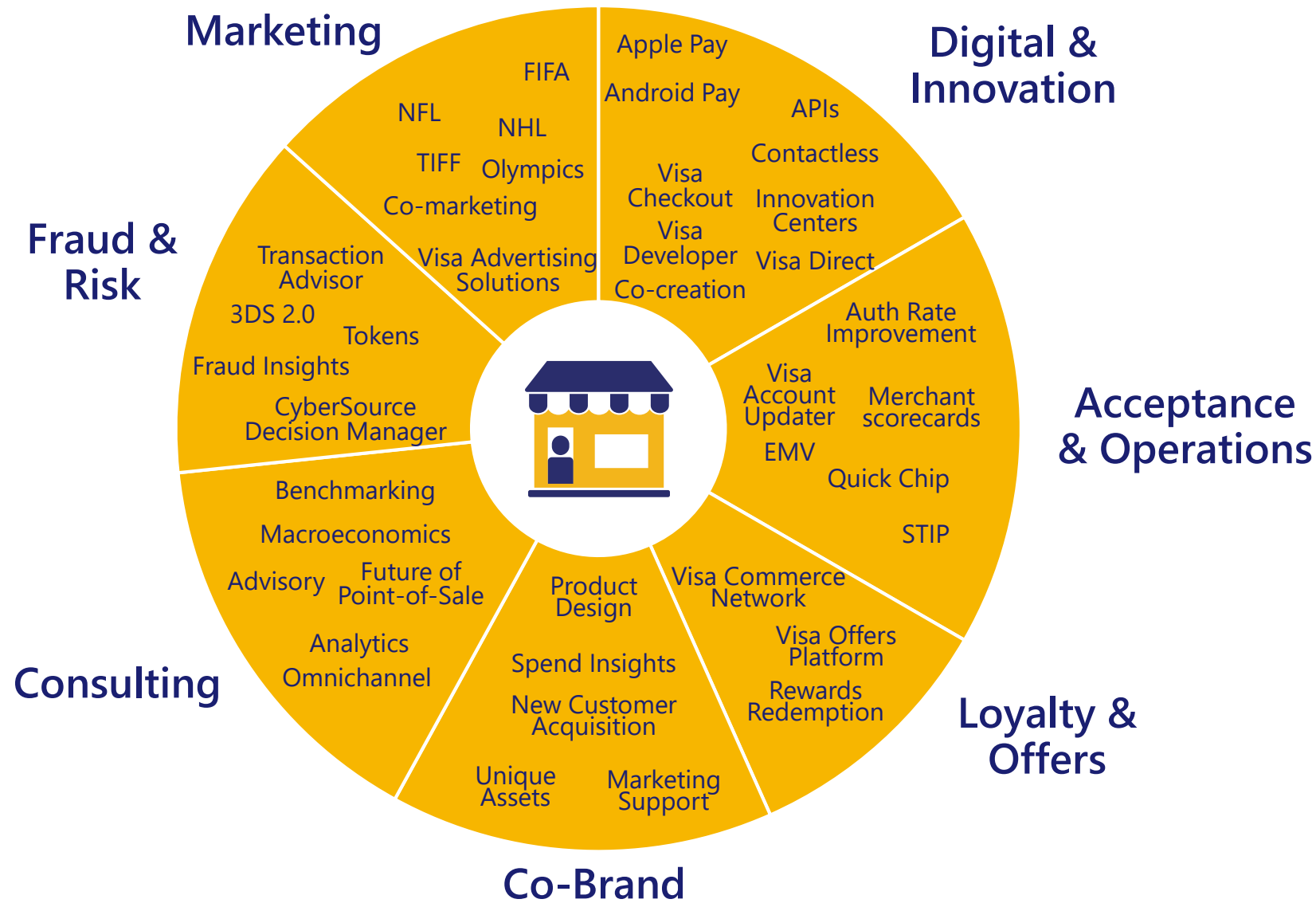


Source: Visa Loyalty & Offers, product designs shown are illustrative

# Deep Partnerships: FIs



# Deep Partnerships: Merchants



# Deep Partnerships: U.S. Debit

**U.S. Debit continues to evolve; Diverse market across continuum from relatively stable to very dynamic segments**



## Stable end of continuum: Acceptance, Capability, and Risk Advantages

- **Acceptance:** Estimate 40% of F2F merchants only connect to V/MA debit; also true for vast majority of online merchants
- **Functionality:** Visa has specific capabilities that many segments require
  - Hotels require different amounts at check-in (authorization) versus at check-out (billing)
  - Restaurants require similar capabilities for tipping
- **Online:** Online authorization message (when place order) is different from billing (when individual item shipped)
- **Risk:** Visa's scale, data and fraud tools enhance risk management

## Dynamic end of continuum: Partnerships with both sides of market

- **Issuers:** Structure partnerships that drive issuer value in return for card placement
  - 9 of top 10 debit issuers
  - Strong relationships across Regional, Community, Processor space
- **Merchants:** Structure arrangements that drive merchant value in return for routing transactions
  - 100+ merchant agreements
  - Partnership with most top acquirers

Sources: VisaNet data; Nilson Report #1105; Visa analysis

# Digital Leadership



## Opportunity Leverage

Digital	Physical
47¢	23¢

Visa digital share per dollar of PCE in North America is >2x physical

## Migration is Now



~\$12B shifted from physical to digital in the holiday season alone

## Platform for Growth

**Catalyze** war on cash with new technology

Source: comScore data June 2017; Oxford Economics Calendar Year 2016; Euromonitor data Calendar Year 2016; VisaNet data Calendar Year 2015 and 2016; Visa analysis

# Digital Leadership: Visa's Approach



## On behalf of services (OBO)

Product and services that are ready to use and can be quickly deployed



## APIs

Modular services that clients can plug into their apps or products



## Co-creation

Immersive collaboration experience to jointly develop new products with clients

# Digital Leadership: Visa's Approach



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Product and services that are ready to use and can be quickly deployed



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## Co-creation

Immersive collaboration experience to jointly develop new products with clients



EMV



Visa Direct



Visa Token Service

CyberSource®  
the power of payment



3D Secure 2.0



Visa Risk Manager



Visa Transaction Advisor



DPS



Rewards Redemption



Visa Advanced Authorization

# Digital Leadership: Visa's Approach



## On behalf of services (OBO)

Product and services that are ready to use and can be quickly deployed



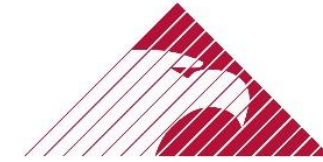
## APIs

Modular services that clients can plug into their apps or products

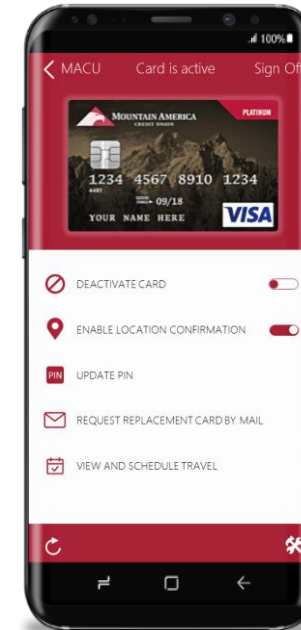


## Co-creation

Immersive collaboration experience to jointly develop new products with clients



**MOUNTAIN AMERICA**  
CREDIT UNION



Would you like to temporarily deactivate this card?



DEACTIVATE

KEEP CARD ACTIVE

*Preliminary design for demonstration purposes*





# Digital Leadership: Visa's Approach



## On behalf of services (OBO)

Product and services that are ready to use and can be quickly deployed



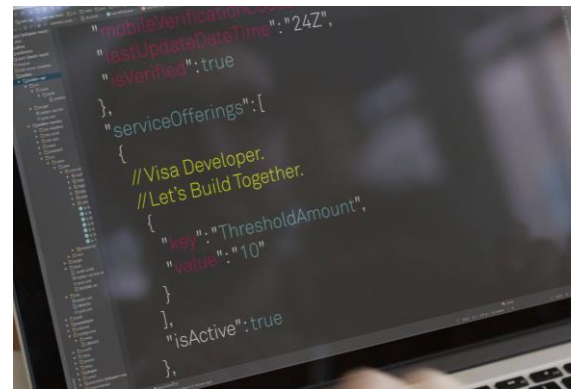
## APIs

Modular services that clients can plug into their apps or products



## Co-creation

Immersive collaboration experience to jointly develop new products with clients



# Expand Access



Traditional  
Acceptance  
\$2T+

Rent  
\$300B+

Person 2  
Person  
\$1T+

Funds  
Disbursements  
\$9T+

Unattended  
Retail  
\$100B+

Long  
Term Care  
\$200B+

Charitable  
Giving  
\$75B+

Debt  
Repayment  
\$1T+

Parking  
\$20B+

Education  
\$130B+

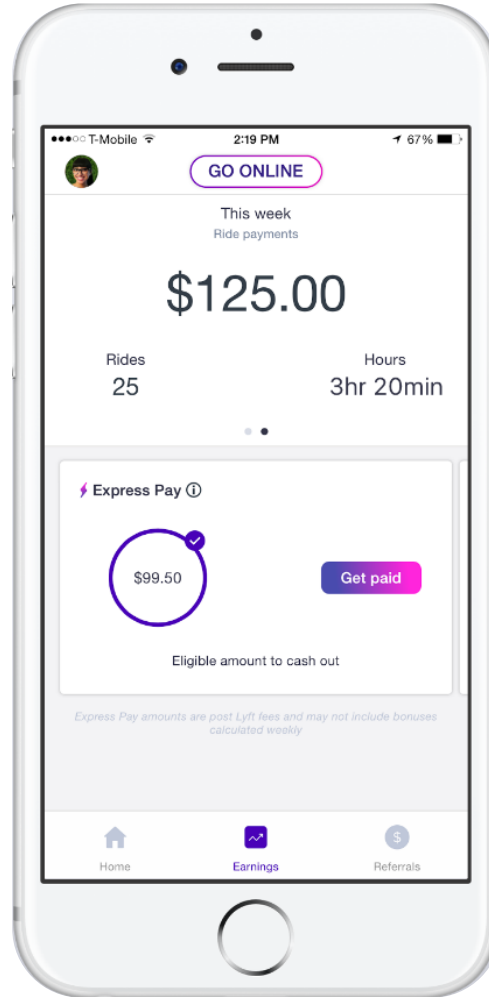
Source: Aite Group, Government Accountability Office, Bureau of Labor Statistics, Morgan Stanley, eMarketer, Statista, Oxford Economics, FDIC, PYMNTS.com, Caregiver.org; Visa analysis; estimates represent total addressable opportunity



# Expand Access



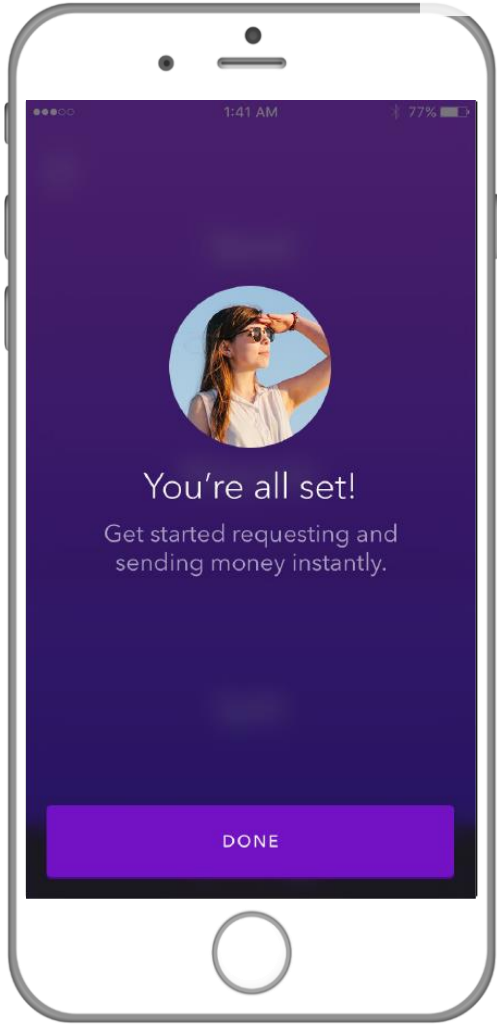
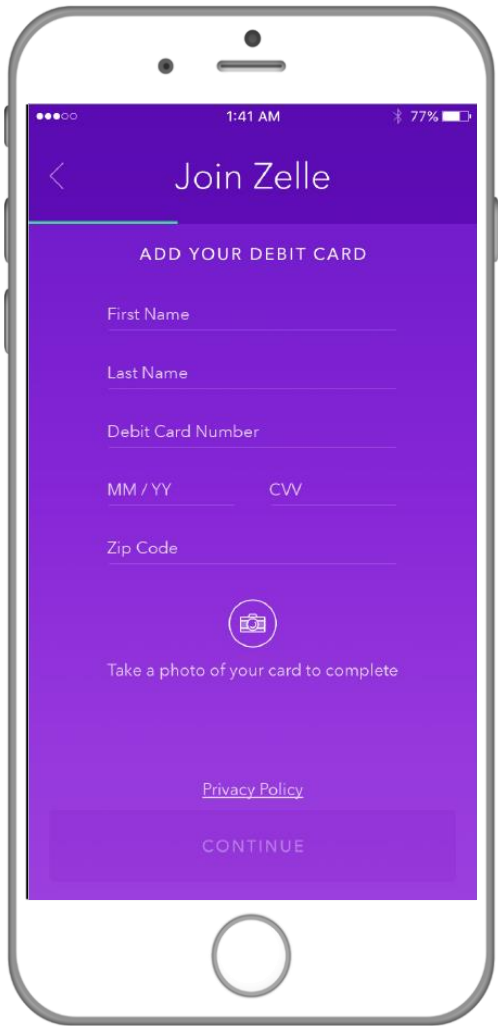
# Expand Access



- > **\$1.3B** in payouts made through Uber Instant Pay in the first year
- > **50%** of Lyft drivers now use Express Pay

Source: TechCrunch; Lyft blog

# Expand Access



# Expand Access

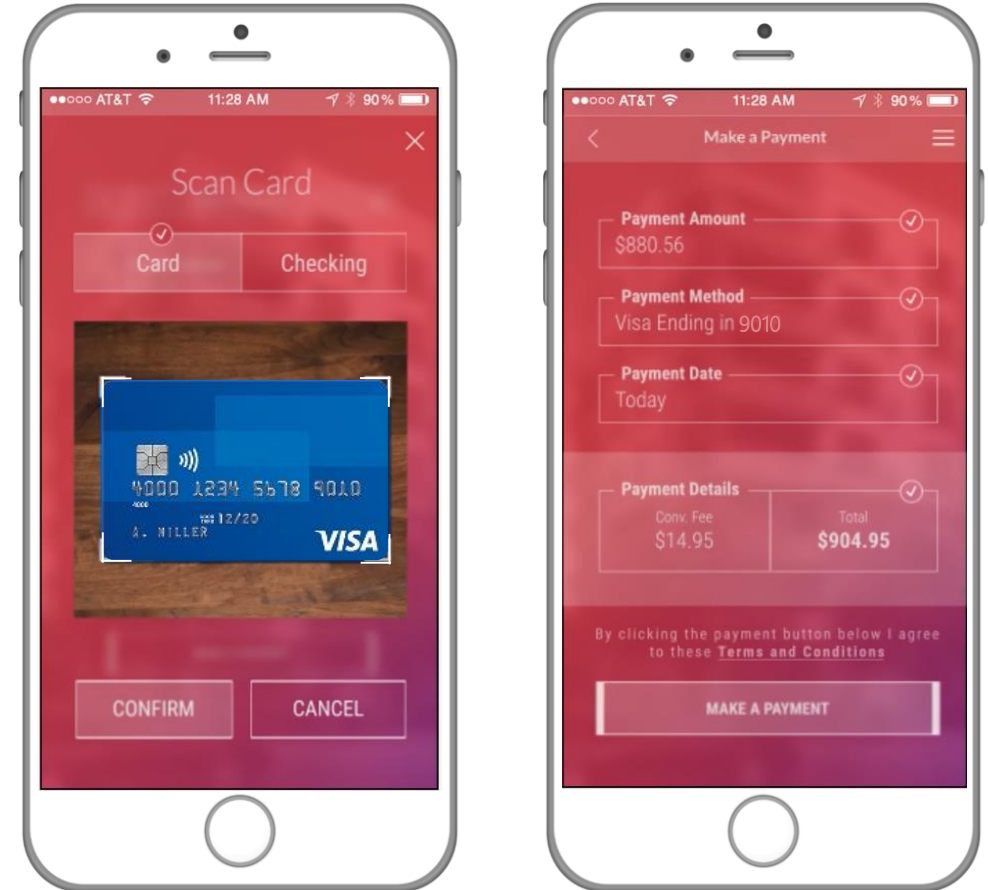


**More than 6X increase** in card adoption  
over 10-month pilot with Visa



**50% decrease in rent delinquencies**  
with increased online payment adoption

Source: Entrata



# Key takeaways

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- Deep client relationships, based on partnering to deliver value
  - **7 of top 10** U.S. credit issuers
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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 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).