

13-Jan-2020

# Visa, Inc. (V)

Acquisition of Plaid by Visa, Inc. Call

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Welcome to Visa's Conference Call to discuss the Proposed Acquisition of Plaid. All participants are in a listen-only mode until the question-and-answer session. Today's conference is being recorded. If you have any objections, you may disconnect at this time.

I would now like to turn the conference over to your host, Mr. Mike Milotich, Senior Vice President of Investor Relations. Mr. Milotich, you may now begin.

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**Mike Milotich**

*Senior Vice President-Investor Relations, Visa, Inc.*

Thanks, Jordan. Good afternoon, everyone, and welcome to Visa's conference call to discuss the proposed acquisition of Plaid. Joining us today are Al Kelly, Visa's Chairman and Chief Executive Officer; Vasant Prabhu, Visa's Vice Chairman and Chief Financial Officer; and Zach Perret, Plaid's Chief Executive Officer and Co-Founder. Also, for the question-and-answer section, we have Ryan McInerney, Visa's President; and Jack Forestell, Visa's Executive Vice President and Chief Product Officer.

This call is being webcast on the Investor Relations section of our website at [www.investor.visa.com](http://www.investor.visa.com). A replay will be archived on our site for 30 days. A slide deck containing an overview of the proposed acquisition of Plaid have been posted to our Investor Relations website, which provides more details you will find helpful.

Let me also remind you that this presentation includes forward-looking statements. These statements are not guarantees of future performance, and our actual results could differ materially as a result of any factors.

Additional information concerning those factors is available in our most recent 10-K, which you can find on the SEC's website and the Investor Relations section of our website.

And with that, let me turn the call over to Al.

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**Alfred F. Kelly, Jr**

*Chairman & Chief Executive Officer, Visa, Inc.*

Mike, thank you, and good afternoon, everyone, and thank you for joining us today. We'll make a few brief comments before taking questions.

We are extremely excited about our proposed acquisition of Plaid and how it enhances the growth trajectory of our business. Plaid opens up new market opportunities by significantly expanding Visa's network capabilities to provide a terrific platform for extending our integrated payment solutions and value-added services, and positions Visa to capitalize on the fintech-driven evolution that is happening in financial services.

Let me briefly explain Plaid's offering. Plaid's products enable consumers to conveniently share their financial information with thousands of apps and services such as Acorns, Betterment, Chime, Transferwise and Venmo. Consumers rely on these apps and services to help them in a number of ways, including planning their spending, increasing their savings, and monitoring their investments. For example, when a user sets up a Venmo account, it is Plaid that enables the user to link their bank account to their Venmo account.

As we've discussed many times over the past couple years, fintechs are increasingly developing, unbundling and repackaging financial services, payment and funds movement capabilities, all with end users in mind; and these fintech offerings are being used more and more. In 2019, 75% of the world's Internet users used at least one fintech application. And this evolution has progressed, the connectivity between banks and fintech developers has become critically important.

Providing this network connectivity represents a significant opportunity to: number one, partner more extensively with a broad range of fast-growing fintechs through the delivery of developer services that Visa does not provide today; number two, deliver a variety of payment capabilities and value-added services as part of our network of networks strategy; number three, enhance our offering and provide high demand services to our clients in International Open Banking markets; and number four, provide consumer data management solutions that put the consumer at the center of managing their data and how and where it is used.

The acquisition of Plaid, combined with our many other fintech efforts already underway, positions Visa and deliver even more value for fintech developers, financial institutions, and consumers.

Plaid is the leading financial data network in the United States and in the past year has expanded to Canada and Europe. For those of you who do not or not familiar with Plaid, let me dimension a few of their key differentiators. Number one is their scale. They have established scale with one in four people with a US bank account having used Plaid. It is also well-positioned outside the United States. Plaid currently operates in Canada and the UK and is in beta in Ireland, France and Spain. They have over 200 million user accounts connected which has grown at a compound annual growth rate of over 100% since 2015.

Number two, connectivity. Plaid has sophisticated best-in-class financial institution connectivity that is well-established in the US and off to a strong start in new geographies. Plaid is currently connected with over 11,000 financial institutions.

Number three, the developer franchise. Plaid enjoys a world-class developer franchise supporting over 2,600 fintechs. Their easy-to-integrate technology, quality and reliable product performance, along with proven results, has led to loyal and engaged customers.

Number four, Plaid has created industry-leading open banking connectivity products. Plaid's Link Software Development Kit or SDK provides a proprietary branded user experience with seamless integration of authentication and user consent. Plaid has a complete end-to-end product set, including transactions, identity, balance, and access, to name a few, and tremendous credibility with global fintech developers.

Number five, talent. Plaid simply has an expert team with strong leadership and developer-centric is core to their culture.

With these deep bank and fintech relationships globally, we believe we can accelerate the expansion of Plaid's network around the world and deliver data access and security enhancements, a key need for all ecosystem participants. We know there are financial institutions who would prefer Plaid operate differently in some cases, and we intend to address those concerns, while not diminishing the value for developers, leveraging our global experience balancing a two-sided network.

The acquisition of Plaid will be a key enabler of our network of networks strategy and will deliver value to Visa in four important ways. First, it will expand a new high-growth financial data network business in the United States with a meaningful value proposition for fintech developers and our bank partners. Second, we will broaden the financial data network business to international markets. Third, we will deliver payment initiation and value-added services to fintech developers globally for non-card and/or RTP payments, which could also be a significant accelerator for our Visa Direct and Open Banking efforts. Number four, it will serve as the source of new growth in our core business as we work more closely and extensively with fintechs on payments, money movement and value-added services use cases.

As I said earlier, one of Plaid's greatest assets is the team, and we have Co-Founder and CEO, Zach Perret, with us. So, let me turn the call over to you, Zach.

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## Zachary Perret

*Chief Executive Officer & Co-Founder, Plaid Inc.*

Thank you, Al. I'm incredibly excited about today's announcement. From the beginning, our mission at Plaid has been to make money easier for everyone, allowing consumers to connect their financial data with applications and services that they now rely on to live their financial lives. Throughout the journey, we have stayed maniacally focused on building simple, secure, and powerful products that remove friction and allow developers to create financial services that have helped to digitize the financial ecosystem.

Our focus is on enabling the growth of thousands of digital finance products, and we feel honored to be a catalyzing force to the growth of fintech. The reception has been overwhelming. One in four people in the US with a bank account have connected their account to Plaid across our 2,600 fintech applications that people now rely on every day. We think we can do more and faster. This is where Visa comes in. As we have gotten to know Visa over the past several years, we realized that Visa sees the world and the future the same way that we do. In fact, as financial connectivity networks, we both share very similar business models. We both see a future filled with even more amazing fintech user experiences as well as an opportunity to power those experiences with connectivity services built for fintech developers by fintech developers.

The more we have partnered with and learned about Visa, the more excited we are about the potential for accelerating our mission and impact by utilizing the global scale of Visa, its deep expertise in building financial networks and, of course, its world-class brand. The Plaid team and I can't wait to get to work on all of these opportunities that AI outlined and surely many more.

Now let me hand the call back over to AI.

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**Alfred F. Kelly, Jr**

*Chairman & Chief Executive Officer, Visa, Inc.*

Zach, thank you. We have really enjoyed getting to know you and your team beyond you and William, you have a terrific leadership team anchored by leaders like Jean-Denis, Eric and Baker. The Plaid team and the team at Visa share similar values and have a really strong cultural alignment and we really can't wait to get working together. Importantly, Plaid will continue to be led by Zach, who will report to our Chief Product Officer, Jack Forestell.

Visa at its core is a network provider, increasing – increasingly we are a network of networks. As we look at the landscape of financial services activity around the world, fintechs are emerging that develop apps that make the financial lives of consumers easier. These fintechs require a network to connect them with financial institutions. We have looked at the alternatives and there is no question in our mind that Plaid has the best capabilities. This acquisition will position these as a trusted facilitator of financial data connections between consumers, their financial institutions and third-party apps and service providers.

Visa has been a trusted facilitator of commerce between consumers, financial institutions and merchants for decades. This is a natural evolution of Visa's 60-year journey from safely and securely connecting buyers and sellers to now connecting fintech developers, financial institutions, and consumers.

We believe Plaid will be a foundational building block to a wing strategy with a next generation of financial solution providers that places Visa on a higher growth trajectory. It expands Visa's total addressable market in the higher growth financial data network business both in the US and expanding internationally.

The combination will materially accelerate Plaid's success and growth as Visa scale and trusted brand will provide significant benefit as an ecosystem partner for fintech developers, financial institutions and consumers.

It supports our network of networks' money movement strategy for payment initiation and value-added services. And lastly, it strengthens partnerships with fintechs, which are a source of faster growth in our core business.

I'd now like to pass it over to Vasant, who will talk more about the financial details.

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**Vasant M. Prabhu**

*Vice Chairman & Chief Financial Officer, Visa, Inc.*

Thank you, AI. We are delighted today to announce Visa's proposed acquisition of Plaid. For our investors, this acquisition will offer two significant long-term sources of value. First, a substantial expansion of Visa's total addressable market. And second, acceleration of Visa's long-term revenue growth trajectory. As AI and Zach have described, Plaid is a global leader connecting fintech developers to financial institutions in order to provision a wide range of innovative financial services to consumers.

Through the acquisition of Plaid, Visa will be able to provide a broad set of products and services to the global fintech community serving as a key enabler of financial services innovation. As such, Visa will be able to tap into new revenue streams that represent a substantial expansion of our total addressable market.

Fintechs are growing at many multiples of the rate of growth in Visa's core C2B payments business. Plaid is a leading global provider of products and services to fintechs, expands Visa's access to these extraordinary growth opportunities. Through Visa's global relationships and infrastructure, we can accelerate Plaid's global expansion.

In addition, by integrating payments with Plaid, we can accelerate Visa's network of networks money movement strategy, which is underpinned by the Visa Direct, Earthport and our B2B initiatives. As such, the acquisition of Plaid will accelerate Visa's long-term revenue growth trajectory.

A quick review of the financial terms. Visa will pay total cash consideration of \$4.9 billion to acquire 100% of Plaid. In addition, Visa will deliver approximately \$400 million of retention equity and deferred equity consideration composed of Visa restricted stock units to current Plaid employees. We will fund the \$4.9 billion cash consideration from cash on hand and new debt issuance at the appropriate time. This transaction will have no impact on our capital allocation strategy including our previously announced stock buyback program and our dividend policy. The transaction is expected to close within three months to six months assuming required regulatory approvals and other customary closing conditions have been obtained.

Moving now to the near-term revenue and earnings impact of this transaction. As maybe expected, the acquisition of Plaid will be accretive to revenue immediately. For example, if the transaction closes by April 1, i.e. in the middle of fiscal year 2020, Plaid will add 30 basis points to 40 basis points to Visa's net revenue growth.

Given the rate at which Plaid is growing, Plaid could add 80 basis points to 100 basis points to Visa's revenue growth in fiscal 2021. As we expand internationally, integrate payments, and as Plaid's revenue base becomes larger, Plaid will continue to drive acceleration in Visa's revenue growth trajectory. We intend to invest heavily in the early years to sustain Plaid's current momentum to enhance the functionality of Plaid's platform, to expand internationally and to integrate payments.

As maybe expected, we will incur one-time integration costs in the first year, also the approximately \$400 million in retention equity and deferred equity consideration will be expensed over the first three years with approximately 75% of the expense incurred in the first two years.

In addition, there will be purchase accounting related expenses from amortization of acquired intangibles and of course, higher interest expenses from the new debt issued. In order to help our investors track ongoing business performance, we will provide adjustment to our GAAP EPS each quarter.

Non-GAAP EPS will exclude amortization expense from acquired intangible assets, expensing of retention equity and deferred equity consideration, as well as non-recurring transaction and integration costs. For example, if the transaction closes on April 1, i.e., in the middle of fiscal year 2020, the acquisition will dilute non-GAAP EPS by approximately 0.5 point. In fiscal year 2021, we anticipate non-GAAP EPS dilution of 1% to 1.5%. Our current expectation is that this transaction will be accretive to non-GAAP EPS by the end of year-three, i.e., in fiscal year 2023. We will update all of this as we have greater clarity as to when this transaction will be completed.

With that, I'll turn this back to Mike.

**Mike Milotich***Senior Vice President-Investor Relations, Visa, Inc.*

Jordan, we are now ready to take questions. Jordan?

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**QUESTION AND ANSWER SECTION**

**Operator:** [Operator Instructions] Our first question comes from Lisa Ellis from MoffettNathanson. Your line is now open.

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**Lisa Ellis***Analyst, MoffettNathanson LLC*

Q

Hi. Good afternoon, guys, and congratulations on this one. Al, Maybe can you take a step back from Plaid and just comment on how you are thinking about the network of networks strategy for Visa holistically and sort of fit the Plaid acquisition in with the recent Earthport acquisition as well as the ongoing investments in Visa Direct and some of the other capabilities like cross-network tokenization? Thank you.

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**Alfred F. Kelly, Jr***Chairman & Chief Executive Officer, Visa, Inc.*

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Thanks, Lisa. So, we are increasingly trying to move from being strictly focused on payments to being focused on the movement of funds for any purpose around the world. And the reality is that, as big as Visa is in terms of the bank accounts that we can reach in the world today, we're not as big as we need to be if we want to be a formidable player in money movement around the world. And that's what generated the reality of any interest that we had in Earthport where we move for being able to reach about 2 billion bank accounts for which we had debit credentials to reach virtually all bank accounts at least in the top 50 markets around the world. And I think, as it relates to the actual movement of money, obviously we would like as much to move on Visa's network as possible, but if the first or last mile ends up on a different network to make sure that we get the funds move to the consumer's account, that's perfectly fine with us.

When we looked at Plaid and we've kind of had a front-row seat to watching them over the last number of years and particularly last seven months as an investor, we just have been obviously enormously impressed with the business that they've created. And in essence, we said there were another many-to-many network and just as we are connecting many, many fintechs with many, many financial institutions. And we think that they provide an immediate new business for us in terms of what they do on a network here in the United States; and we're excited about that. And I think Zach and his team are excited about the fact that we provide a lot of help to them in being able to broaden their reach outside the United States where we are strong and they are just kind of getting going.

So, we think that there's numerous ways that this fits very, very well strategically. And we're excited about what it does in terms of driving us into new businesses and, ultimately, the ability to accelerate our revenue growth over time.

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**Mike Milotich***Senior Vice President-Investor Relations, Visa, Inc.*

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Next question, please.

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**Operator:** Our next question comes from David Togut from Evercore ISI. Your line is now open.

**David Mark Togut**

*Analyst, Evercore ISI*

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Thank you. Good afternoon and congratulations. Given Plaid's presence in the UK and the European continent, what experience has Plaid had with the Open Banking as part of PSD2?

**Zachary Perret**

*Chief Executive Officer & Co-Founder, Plaid Inc.*

A

Thanks for the question, David. This is Zach stepping in. It's been a really fascinating and exciting market for us to be in the UK and start to expand, as we said, we're in beta in a couple of other European countries. The Open Banking concept is one that we've long thought to be incredibly important, the concept that consumers own and have access to their financial data underpins the core of fintech and enabling consumers to interact with their financial data in the way that they need to when they want to.

As we look at the Open Banking regulations, we've learned a lot, we've taken a lot of the concepts there and then able to apply them back into our home market. And also as we look at these European markets, it allows us to quickly and easily build and work with the financial institutions in order to create the product set that ultimately our customers and then their end consumers need. So we think that Open Banking is a very positive step forward and we are excited to continue to operate in these four markets and hopefully, we'll see Open Banking or Open Banking like concepts continue to expand worldwide.

**Mike Milotich**

*Senior Vice President-Investor Relations, Visa, Inc.*

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Next question, please.

**Operator:** Our next question comes from Ashwin Shirvaikar from Citi. Your line is now open.

**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Thank you, and congratulations on this deal. I guess, the question I have is about Plaid's current financial model. I believe it is license-based, but is there a – is there scope for Visa perhaps to modify the financial model overtime and take advantage of the growth of fintechs as opposed to looking for more fintechs, in other words make it more transaction based unless I'm misunderstanding how Plaid currently makes money, if you could explain that, that will be quite useful?

**Zachary Perret**

*Chief Executive Officer & Co-Founder, Plaid Inc.*

A

So, Ashwin, thank you. Yes, yes, and yes. I mean we see – we don't see changing Plaid's model. We've seen helping them accelerate their growth both in the US and internationally, which will bring more revenue, but we also see ourselves being able to grow by creating opportunities for payment and funds management to be integrated into RTP and non-card scenarios as well as we see the ability to bring these fintechs closer to us with the partnership with Plaid that we're going to have the ability to grow our core business by integrating payment capability as well as providing various value-added services to fintechs.

So I think that there are a whole lot of growth vectors here. If we find other better ways to monetize what we're doing over time, we'll obviously take advantage of those, but we go into that feeling as if there are good number of growth vectors that excite us.

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**Mike Milotich**

*Senior Vice President-Investor Relations, Visa, Inc.*

Next question please.

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**Operator:** Our next question comes from Tien-Tsin Huang from JPMorgan. Your line is now open.

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**Tien-Tsin Huang**

*Analyst, JPMorgan Securities LLC*

Hey. Thanks so much. I know it's a lot of strategic potential here given the rise of fintechs and Open Banking, but I'm curious in terms of the revenue synergy potential itself as you laid out, what excites you the most? Maybe if we can hear from both Al and Zach. I heard a lot, right, winning in Open Banking and working closely with the fintechs and Plaid to get closer to banks will control money movement. But I'm just trying to prioritize or maybe trying to hear from your strategically where you will prioritize on either side. Thanks.

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**Alfred F. Kelly, Jr**

*Chairman & Chief Executive Officer, Visa, Inc.*

What I would say – Tien-Tsin, first of all, thank you. Look, I think that we have to be very pragmatic about this. Zach and his team have built an enormous powerful business here in the United States, and I think we want to do everything we can to make sure that we continue to help him continue to grow that business. This whole network business that Plaid brings is a new business for us.

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So, obviously I think – the second high priority is to sit with Zach and help prioritize where we go beyond the markets that he's in already, the UK and Canada and I mentioned that they are beta in three other countries. But we're going to surely have some long discussions about, based on our relationships, based on the new regulations in the market, based on how many fintechs and how many financial institutions there are in different markets, we're going to have a lot of good strategic discussions about where we go from there.

I think that the second order of integrate – they're going to have to integrate funds movement, payment initiation, value-added services will come over time as we get the ability to work more closely together and with the customers of Plaid, that's the way I would think about it. Zach?

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**Zachary Perret**

*Chief Executive Officer & Co-Founder, Plaid Inc.*

Yeah. I would echo that. I think first and foremost, we see the acquisition and the partnership with Visa as a way to continue to expand the current product set that we have particularly into many new international markets where we don't currently have a presence, but certainly see a lot of demand.

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And second, one thing that I'd add in addition to what Al said is that we're fortunate to have a very developer-driven, kind of technology-driven customer acquisition model, one that allows us to distribute products directly to engineers and people that are building products inside of those really larger organizations. I've been so impressed by looking at the product that Visa actually has on the developer side, and I'm really hopeful that we can use kind of the go-to-market channel that we have here to continue to distribute Visa's existing products into many of these

organizations, and perhaps even find ways to take elements of our products combining with elements of Visa products and create things that are totally not new.

**Alfred F. Kelly, Jr**

*Chairman & Chief Executive Officer, Visa, Inc.*

Vasant, anything to add?

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**Vasant M. Prabhu**

*Vice Chairman & Chief Financial Officer, Visa, Inc.*

Tien-Tsin, just so you know, I mean, the revenue growth trajectory that Plaid has right now is excellent and just continuing that is in itself very valuable. And as you've heard, I mean, the three sort of vectors of growth here, one is, there's a broader set of products and services that Plaid can already offer in the market where it has the best presence, which is the US. Second is we'll clearly accelerate the international expansion in a prioritized way, and there are immediate opportunities that we can create with the transactions that are now flowing through Plaid where there's an opportunity to bring in payments, as well as accelerate what we're trying to do with Earthport and Visa Direct with cross-border transactions as well as B2B transactions. So, there's a variety of immediate things we can do that can accelerate what is already a great revenue growth trajectory.

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**Mike Milotich**

*Senior Vice President-Investor Relations, Visa, Inc.*

Next question?

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**Operator:** Our next question comes from Sanjay Sakhrani from KBW. Your line is now open.

**Sanjay Sakhrani**

*Analyst, Keefe, Bruyette & Woods, Inc.*

Thanks. And just to follow up on sort of Vasant's comments, so I guess the really strong revenue growth that we're seeing at Plaid, you guys feel like you could accelerate that. And how significant can you accelerate it over sort of the intermediate term? And then, when we think about the investment dollars necessary to scale the business, can you dimensionalize that? Is that at full run rate in 2023 or does it scale up more?

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**Vasant M. Prabhu**

*Vice Chairman & Chief Financial Officer, Visa, Inc.*

No. This is about positioning Visa for the next decade. This is not about high growth rates in the short run. Clearly, we've given you some indications of what we think the revenue impact would be in fiscal 2021, which would be the first full year that Plaid is in our numbers. And we think, based on what our plans are in the current trajectory, the revenue growth acceleration could be in that 80 to 100-basis-point range. But what you have to think about here is that this is a substantial expansion in our addressable market. It's a whole new sets of products and services that we're providing to a whole new community that is growing at structurally far higher growth rates than our core business. That's one thing.

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The second is, we are able to do something with Plaid that would have been harder for them to do or taken longer on their own, which is international expansion. And the third thing we can do is to accelerate our own network of networks money movement strategy, which you'll hear a lot more about at our Investor Day next month.

So, when you put that altogether, this is not a one- or two-year revenue growth opportunity, this is a decade-long opportunity that in our view transforms both their business and ours.

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**Mike Milotich***Senior Vice President-Investor Relations, Visa, Inc.*

Next question?

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**Operator:** Our next question comes from Darrin Peller from Wolfe Research. Your line is now open.

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**Darrin Peller***Analyst, Wolfe Research LLC*

Hey. Congrats on this, guys. Look, more specifically, can you just touch on the revenue model for Plaid in terms of subscription versus number of accounts? And then, is that growth on revenue in line with the number of accounts we've seen like the 70-ish or 60% to 70%? And then, also, real quickly, just Visa has been partnering, as you mentioned before, with a lot of digital wallets globally, especially in emerging markets. What kind of overlap does Plaid and Visa already have and how much whitespace can Visa really get into more markets and more of these digital wallet partnerships like you've done with and Paytm and others through this deal?

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**Alfred F. Kelly, Jr***Chairman & Chief Executive Officer, Visa, Inc.*

So, Darrin, let me comment on the second part, and then we can come back, address the first part of the question. So, again, Plaid is really just getting Gojek going internationally. And the reality is that there are – we certainly have built some relationships with some tremendous fintech partners around the world, but this is a – would give us a very different relationship that we don't have today. I mean, just to be clear, Plaid is bringing a new network and a new network capability in form of connectivity that we at Visa do not have. So, we see ourselves to the degree necessary to certainly introducing and integrating some of the relationships that we have outside the United States with Plaid as we figure out which markets we want to move to strategically. So, particularly, when we talk about outside the United States, I see an enormous amount of whitespace for the combination of the two companies.

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Zach, do you want to comment further either on that or on the first part of Darrin's question?

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**Zachary Perret***Chief Executive Officer & Co-Founder, Plaid Inc.*

Sure. Well, I agree with what you said there, Al. I'll comment on the first part, which is just asking about our revenue model and how it's structured. The core thesis behind our revenue is that, we want to be charging kind of usage-based and growing as our customers grow, as their value grows, we want to be growing likewise. And so, we've structured it – our revenue model as, is based on the usage that developers have of our products. So, as developers connect more accounts, as they use more data on those types of accounts, and then recharge more over time.

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**Vasant M. Prabhu***Vice Chairman & Chief Financial Officer, Visa, Inc.*

Yeah. We have provided some numbers in that financial – in the presentation. And on – I think it is slide 4 or 5, it shows you accounts linked to Plaid, which has gone from 10 million in 2015 to 200-plus-million in 2019 which is

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compounding at 115%. You should assume that the revenue trajectory has matched or exceeded that growth rate.

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**Mike Milotich**

*Senior Vice President-Investor Relations, Visa, Inc.*

One last question, Jordan.

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**Operator:** Our last question comes from Bob Napoli from William Blair. Your line is now open.

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**Robert Napoli**

*Analyst, William Blair & Co. LLC*

Thank you, and congratulations. I wondered if you could maybe try to quantify the TAM expansion in some way that this gives Visa, AI?

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**Vasant M. Prabhu**

*Vice Chairman & Chief Financial Officer, Visa, Inc.*

So, if you look at the slide following the one I just referred to, there are some estimates there of what the TAM is in different segments. So, for example, in Banking & Investing, there's an estimated TAM of \$650 million. It gives you some examples of the clients that Plaid have today. Plaid's penetration of that's only 5% today and growing at a very fast clip. Lending is about a – it's \$1 billion or more in revenue potential, with only 2% penetration today, you can see some of the clients there.

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So, there's many segments, and this is North America only. And on the right, it shows you that the international opportunity is substantially larger because clearly there's many, many more markets you add on to. So, when you put it all together, we see this as a, as we said earlier, a massive expansion in our total addressable market with a new set of products and services.

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**Alfred F. Kelly, Jr**

*Chairman & Chief Executive Officer, Visa, Inc.*

The only thing I want to add is, I want to go back to something that Vasant said earlier. We certainly see this as a revenue accelerant over time for Visa, but this was a – really a long-term strategic decision for us. We believe that Zach and his team have built an enormously terrific platform that combined with – their asset combined with our assets we see as giving us optionality and growth potential for at least, as Vasant said, the next decade, at least the next decade. And so, as the fintechs' evolution and boom continues to take off, I think it's important for us to be more front and center on that, and that's why we say this is so important to us strategically over time.

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**Mike Milotich**

*Senior Vice President-Investor Relations, Visa, Inc.*

We like to thank you for joining us today. If you have additional questions, please feel free to call or email our Investor Relations team. Thanks again, and have a great evening.

Disclaimer

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