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# Visa, Inc. (V)

## Bank of America Merrill Lynch Global Technology Conference


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# CORPORATE PARTICIPANTS

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

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**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

# MANAGEMENT DISCUSSION SECTION

## Jason Kupferberg
*Analyst, BofA Securities, Inc.*

Hello, everybody. I'm Jason Kupferberg, the payments, processors and IT services Analyst here at Bank of America. And we're very excited to have Visa with us today. Specifically, we have Jack Forestell, who is Chief Product Officer at the company.

Jack, thanks very much for joining us. We appreciate it.

## Jack Forestell
*Chief Product Officer & Executive Vice President, Visa, Inc.*

Thanks for having me, Jason. Hello, everybody.


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# QUESTION AND ANSWER SECTION

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

So, Visa has been very good about providing some regular updates on key metrics amid this macro backdrop. And obviously, we saw the latest updates that you disclosed last night. So, I thought just to start, maybe for those who might have missed some of the details, can you just give us kind of the highlights for the month of May? And maybe, talk a little bit about some of the growth rates that you saw as you actually exited the month? And perhaps, a little bit of color on the types of transactions that have been driving some of the reacceleration?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

Yeah. I'd be happy to, Jason. And look, we're – I know I am. [ph] We are already spending (00:01:10) a ton of time poring over the numbers. There's just so much going on, so many moving pieces by individual country, by market, by vertical, by channel, by day, by week.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

[ph] Got them. (00:01:26)

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

So, we know you, guys, are as curious as we are. So, we thought we would try and package up May, and get that out there, and [indiscernible] (00:01:35) that we're going to see that in advance of today's conversation. So, hopefully, people had a chance to see some of it. But why don't I say it again.

So, maybe starting with the US. In payments volume, overall spending declined in May by 5% on a year-on-year basis. May was actually 13 percentage points better than April. And we saw a pretty steady improvement in spending week-over-week, and we've seen that happening since mid-April.

Another big thing we've seen is as the real debit credit mix shift that have continued to significantly outperform credit. Debit had positive year-over-year growth. It has had since late April. It grew 12% in the month of May. Credit also improved from April to May by 9 percentage points. By the way, I can't believe I'm seeing percentage points in all these things month-to-month. I mean, we're used to talking [indiscernible] (00:02:31). Credit improved in May by 9 percentage points, but it's still down year-on-year at 21%.

And look, there shouldn't be any big surprise there, debit outperforming credit. We've seen it before. People tend to want to rely on their own funds in tougher times, especially when it comes to purchases for essentials. And we've definitely seen a mix shift away from more discretionary items where consumers are more likely to turn to credit. But look, when we look across different verticals and different ticket size bands, in almost every case, the larger share of spending is now on debit than pre-crisis, even as I said for some of the higher ticket stuff which people may find surprising.

Turning outside of the US, for most of Europe and then handful countries like Australia, Canada, Japan, we've seen pretty similar performance to what we've seen in the US. I mean, there's the cycle of the crisis so far has


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been pretty similar across those markets. Different levels, the different degrees of stringency on lockdowns in different places have driven different ways to drop off. And so, if you adjust for that in those markets that I just listed, we've seen similar patterns of relative improvement. We also have seen kind of a consistent approach to stimulus in those markets, which we think is a big factor in some of the down stack that we're seeing.

We definitely have markets where strong restrictions got put in place. We saw big drops in spend, and we're just seeing flat at bottom. India is a good example of that. Singapore, which initially was doing pretty well but then had a sort of second wave of the virus and instituted some pretty severe lockdown impositions, is also in that kind of hard down and sort of flat.

We've, obviously, seen some of our larger markets have really positive year-over-year growth, especially in May as things started to open up more. New Zealand, Denmark and Chile have all done really well. New Zealand is a particularly interesting example. New Zealand implemented really tight restrictions, saw a pretty sharp drop in spend early in the crisis, largely eradicated – knock on wood – the virus and was able to open all the way up to sort of level 2 opening mid-May. And in the New Zealand, the numbers we saw are pretty dramatic shift relatively quickly. And consumers getting back out in face-to-face while doing transactions, actually, saw growth pop up by 60 percentage points. And...

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

[ph] By far. (00:05:31)

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

...has remained – exactly. Like I said, stop myself a few times here and say, did I really mean percentage points? Yes, I really meant percentage points. It's kind of stuck up at that level so far.

So, look, when you view the whole world, processed transactions declined 12% in May, which is actually 12 percentage points better than April. Let's see what else can I tell you. Beginning – since April, we've seen elevated average ticket sizes, and that's sort of a reflection of a few things. We're certainly seeing people buy more on a single shopping trip. I'm sure many of you listening, that resonates, right, if you're in a shelter-in-place?

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Yes.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

So, if you get to the grocery store and buy as much as you can to last you a little while, so you don't have to go back again. So, we're definitely seeing that show up in ticket sizes. And we're also seeing a change in mix spending because people are staying home. So, they're not bouncing around from the coffee shop without low ticket purchases to buying their lunch while they're at the office, such as low ticket purchase to tapping to pay for their commute or paying for their commute. So, we think all that is driving some degree of elevation in average ticket sizes for the time being.

Last thing I'll comment on is cross-border. So, if we look at constant dollar cross-border spend, stripping out transactions within Europe, those transactions shrunk by 45% in May which is about a 6% improvement from


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April. The overall constant dollar cross-border volume for Visa, by the way, declined 35% which is 10 percentage points better than the volume excluding inter-Europe. So, it's a reasonable significant difference.

But the reason but even we wanted to split that out is our international fee revenue is really driven by the volume excluding those inter-European transactions, so those are the numbers we thought you'd most really want to track. And so, sticking with those numbers excluding the inter-European transactions, just a little more detail in there, we've seen travel-related spends remain really weak, shrank [ph] 78% (00:08:01) in May and very little improvement from April. Even – and then, if you're looking at travel within that, perhaps not surprisingly, just not a lot of activity on long-haul trips and not a ton of short trips either, but maybe a little bit more than the long-haul. And then, again, inside of cross-border card not present spend, we saw that increase relatively early in the crisis. And it's sort of maintained that level throughout May. It's up about 18% year-on-year, mostly driven by retail.

So, sorry if that was a bit long. I think there's actually a lot more...

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

No, that's great.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

...in the 8-K than I covered there. But I thought those are some of the highlights that might be most top of mind for people.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Yeah. No, super, super helpful. And maybe, we can talk about card not present just overall as a [indiscernible] (00:09:02) category for a second. Obviously, COVID has been stimulating a shift in that direction. Curious if you've seen any reversal in those eCommerce behaviors in [ph] state fees (00:09:14) that were earliest to start reopening? I thought it was interesting in the daily release last night that card not present ex-travel actually seems to be accelerating in recent weeks.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Yeah. Some really interesting things going on. So, I'd give you some numbers. First, let me talk a little bit about what's happening. So, we saw our card not present excluding travel growth pop early on, and it's really remained there consistently. I'm talking in the US right now, about 30% up. While card present spending, at the same time, improved in April. It was down almost – in May over April, it was down almost 50% year-over-year in April, exited in the mid-20s. So, you sort of see, if you are imagining the graph, the card not present stuff popped up 30%, stayed up there. The card present stuff dropped 50%, and it's now kind of climbed back up to 20%.

So, the big question is, what are we going to see in terms of that as a acceleration of the secular consumer shift in behavior as away from the face-to-face card present transactions? And there, I would just say, it is just way too early to say. I anticipate there will be some degree of acceleration there. I also anticipate we'll see a little bit of a shift back to normal as things start to open up.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q


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Yes.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Yeah. Go ahead, Jason.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Yeah, yeah. No, that all makes sense. So, maybe we can zoom out a little bit now and just reflect back on your Analyst Day, which it's amazing that that was only four months ago. It feels more like four years. But there was some very important growth initiatives highlighted at that meeting. Was hoping you could just walk us through how Visa's network of networks strategy has evolved over the past year or so? Where do you see the greatest opportunities to expand your addressable market beyond VisaNet?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Yeah. And I agree, that Investor Day was actually just a few weeks before this crisis really took root, and it feels like it was years before that.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Yeah, yeah.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

But look, [ph] I'll get right at it (00:11:45). We talked about it, that way of strategy has really evolved from facilitating commerce to facilitating and enhancing all forms of money movement. So, we're enabling the movement of money for everyone everywhere. And we really want to be a single point of connection for any kind of transaction on the Visa network and beyond the Visa network. So, that's kind of a, in a really short form, what our network of networks strategy is all about.

I'd say, the way we're delivering on it is by building and assembling a set of assets that can enable us to do three or four things. One, move money to any endpoint into all form factors. We're going to be able to push money out to anywhere, any bank account endpoints, any card credential endpoint, and really any form factor. We want to be able to provide a single point of connection to all available networks for our partners. We'll leverage our sort of world-leading Visa settlement service to facilitate liquidity and guaranteed payment for our partners. And if were to add a fourth, I'd say we want to provide a set of value-added services across all Visa transactions, no matter what the underlying rail is being used to switch the transactions.

So, [ph] you need to sort of (00:13:16) going from that articulation of the network of networks strategy to the sort of our broader growth strategy which has three pieces. And the three pieces are expanding consumer payments, penetrating new payment flows, and delivering value-added services. If you remember our Investor Day, it was sort of structured around these three themes. The network of networks strategy actually plays in all of them.

So, if you think about it in consumer payment, it's about core Visa switch transactions on our proprietary networks, VisaNet, Interlink, Plus. In new flows, we drive a wide range of low-ticket, high-velocity use cases through Visa Direct, which can use a combination of VisaNet and Earthport, which we've added into the Visa family. Earthport


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has direct ACH and RTT connections to 88 countries, so you can get an account-to-account payment to pretty much any endpoint on Earth at this stage. And then for higher-ticket, lower-velocity transactions between businesses, we're focused on the cross-border side of that and scaling our B2B Connect platform, a whole new network that connects banks globally to enable cross-border payments.

And then lastly, in value-added services, like I said, that's about offering a set of capabilities that really can differentiate Visa transactions, even when those transactions aren't switched on our own rails. So, think about things like tokenization, dispute resolution, fraud scoring, payer authentication, we can deliver all of those obviously over Visa transactions, but increasingly over transactions that are switched across a different rail. And one more thing...

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Right.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

[indiscernible] (00:14:58)

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Sure.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

[ph] I think the opposite is (00:15:00) the Plaid, our network-to-network, so I think is going to expand even more. Plaid itself is a network connecting financial institutions and app developers, in and of itself represents an opportunity to sort of expand the scope and reach of our whole network of networks model. So, we're pretty excited about it.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

For sure. So, I wanted to come back. You mentioned B2B in the last answer. And I want to get a little deeper on that topic, maybe just to start there. Can you talk about to what extent COVID might be having either a positive or negative impact on the pace of some of these initiatives?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Yeah. Look, it's been a theme of the day and in some of our conversations. It's a little early to say...

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Yes.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A


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...with how exactly COVID is going to impact the B2B space. Certainly, T&E has been hit substantially. And we aren't expecting any return to normal in corporate T&E until likely there's a vaccine. And even with one, we think most businesses are going to really think differently about how business travel looks. So, there's probably some long-term impact there, but we just don't know what it looks like yet.

And in the sort of the accounts receivable/accounts payable space, we certainly saw some initial contraction caused by supply chain disruptions. But there, we're kind of expecting to more or less return to normal.

A third area that we focus in the B2B space is cross-border B2B transactions. There, we don't really see that much of an impact. And I know, I already mentioned our own cross-border face-to-face business, and certainly the cross-border B2B travel space is impacted. But here, we're talking about enterprise-level transactions across large businesses. We don't really see much of a long-term effect there either.

Look, at the bottom line is, I think, businesses are going to be looking to gain efficiencies over the short to medium-term. And whether it's the carded B2B space or the cross-border B2B enterprise payment space or the domestic accounts receivable/account payable space, I think our solutions have [ph] upped (00:17:31) the promise and the opportunity to deliver efficiencies for our partners across the board. So, on balance, I think there will be some long-term tailwinds here.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Sure, sure. Yeah. And I'm curious just to get your perspective on how you see Visa's overall B2B product portfolio being differentiated in the marketplace.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Yeah. And well, let me hit on the three things I was just kind of alluding to: the card-based component of the market, the cross-border...

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Yeah.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

...piece that we focused on, and then the domestic accounts receivable/account payable space. In card, we are the market leader, and we do over $1 trillion worth of volume. We offer unprecedented scale and breadth of products in core T&E procurement and virtual card, but as well as reconciliation and data capabilities. So, we've got a full suite of products, and we're continuing to invest more to enhance and support them and extend our capabilities in virtual suite and government payment. So, we feel like we're pretty differentiated in the card space and in a great spot.

In the cross-border B2B space, we just launched a brand-new network, B2B Connect, which is a multilateral real-time network to get funds from one entity in one country to another entity in another country. And in today's world of cross-border B2B payments, it's a complex and multistep and linear correspondent process that can really take a lot of time and carry a lot of uncertainties. So, we really like and have met with a lot of positive receptivity on the B2B Connect in the short-term. But it's a new network, and new networks always have chicken and eggs, so


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we're working hard to scale it. We've got great partners onboard. We can reach 70 countries already. We think we'll add another 30 over the next 18 to 24 months, and hopefully get the platform to scale by 2022. But in that space, there really isn't anything like B2B Connect out there.

And then, lastly, in the accounts receivable and accounts payable space, we're trying out some different things. We're relying on virtual card. We're working with a few different partners like PayMate in India and Billtrust here to work with them to build platforms there. But really, we're still in the process of mapping out exactly what the key pain points are and how we can best help build solutions that are differentiated [ph] and meaningful (00:20:34) for Visa.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Great, great. Appreciate that. So, as we were talking about before, eCommerce is a clear beneficiary from COVID. So, I think it might be a good opportunity if you could give us an update on click to pay. Curious if you've seen a ramp in merchant acceptance given the recent shift in consumers spending online, or are you seeing merchants just be a bit too distracted by the crisis to focus on making changes to their checkout experience?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

Yeah. I think the first thing I'd say is this that digital commerce experience, it's still too complicated.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Right.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

It's too complicated for consumers. It results in too many bad outcomes, high shopping cart abandonment, too many failed transactions, too much fraud. And a click to pay solution is really designed to streamline the whole consumer experience by offering stronger security, tokenization, improved transaction and success rate, and ultimately better outcome for consumer and more sales on the merchants' side.

So, look, in the near-term, I'm not sure it's a matter of distraction on the part of sellers with respect to click to pay, our approach with click to pay was really to get a handful of merchants up on the platform prior to the holiday season. We did that successfully, and then we started turning our attention to a more scale conversion of our preexisting Visa Checkout solution into click to pay. At the end of our second quarter, we now have 10,000 merchants enabled. That's up from over 5,000 at the end of the first quarter. So, we've been really focused on getting that migration done. We've been able to do that in ways that are really low-impact for those merchants.

So, like I said, I'm not sure it's a matter of distraction or priority. I think working with those merchants, we're just happy to get that more streamlined efficient solution in place. And now, we're starting to turn our attention more toward working with partners to scale that out really and get the mid to long-tail merchants up and running, and to start to take it outside of the initial geographic deployment here in the US.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q


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Understood. So, thinking back to the last earnings call, you announced that you extended and expanded your relationship with Truist. I want to see if you can give us a little bit more color on which parts of this are extensions versus new business? Why do you think Visa one those pieces of incremental business?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Yes. In terms of why did we win, [ph] I don't want to deliver anything (00:23:32). We kind of need to ask Truist.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

Yes.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

But in general, on these things I'd say, when we win a deal, it is about a whole package; it's rarely about price and much more about the brand. It's about our products, it's about our people, it's about the work we'll do, it's about the solutions and the thinking that we put in the process.

I want to emphasize the point about the strength of the brand because everyone knows the brand well, but I'm not sure we emphasize the point enough. Look, by any measure, our brand is among the top global brands, not just in the payment space or broader financial space but just flat-out top global brands. We're proud of it, but we're also really focused on the tangible value that our brand can generate for our clients, right? And it really is, and we demonstrate it with the facts and with the numbers through meaningfully higher consumer preference for our brand that consequently turns into higher levels of spending engagement. So, I'm not – there's nothing specific to Truist us here, but that's certainly a key ingredient.

When it comes to our products and our people, look, I think we have the best minds in payment. We put those minds to work alongside our clients to help drive their business forward. We do joint solution design, and we pull things together across risk and digital marketing, portfolio analytics, loyalty, digital solutions and so much more to develop solutions with our clients that drive real growth for them. So, I mean, that's how things come together to create an outcome like the one that we're so happy to have created with Truist.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*
Q

So, when the incremental business that you've won there puts to Visa, will that be a big bang or will that just be as the card expire? And I'm just curious, once this conversion is complete, does this move the needle on your overall US volumes?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*
A

Well, on the last part of your question like you said, if there – it's a marquee deal for us we're really excited about, super important to us. On the first part of the question, that one, you really do need to ask Truist. I mean, the Truist leadership team is focused on delivering a larger scale integration of BB&T and SunTrust and those brands and those operations.


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**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Yes.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

So, we're just here to help them deliver that in a way that they see fit along their own timeframe. So, however that turns out, we're going to be – we are and we're going to be incredibly excited to be a part of it.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Yeah, yeah. No, fair enough. So, let's talk a little bit about contactless, as you guys like to call it, tap to pay. We've got a report on this yesterday, just the expectation that there will be some acceleration in this direction because of hygiene concerns related to COVID. So, wanted to get your perspective to the extent that this dynamic does play out, how much of it do you think will represent an outright displacement of cash versus consumers just switching from a non-contactless card to a contactless card or to a mobile wallet like Apple Pay?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

Yeah. Look, there's certainly movement happening here. And we can see it in our own numbers. I actually see it in my text messages. I have had so many people take pictures [indiscernible] (00:27:14) from around the world where sellers have put together signage that says, please use contactless. And I have often actually grabbed those [ph] pictures and send back (00:27:24) to the team and said, hey, what's happening? Lo and behold, when merchants put up that little bit of encouragement, we start to see the contactless transaction rates popping.

And look, from a consumer behavioral standpoint, one of the things I think is happening here is that the virus is helping really accelerate the trial repeat purchase cycle of consumer products. If you think of contactless transaction like a consumer product, you got to get people to try it, and then you got to get them to repeat it. And with a product like this one where you got to try it in physical space with other people around, there's someone on the other side of the checkout, there are people behind you in line, there's a little bit of apprehension there. Sometimes, people think, will it work; well, I don't know how to do it; what if the person behind me gets mad? None of those things are, I think, a real worry that they certainly loom over it. And so, I think it can – it caused the adoption cycle to be a little bit slower.

I think what's happening here is those apprehensions are just being obliterated by COVID. I actually have heard stories of other shoppers kind of pointing out to people that they could use contactless because their cards have been enabled. So, I think we're really seeing a big shift on the consumer side toward it. People want it, the demand is there. We're seeing a shift on the seller side. And the shift in the demand side is helping drive supply. So, issuers are delivering more contactless cards. In the US where we got more than 190 million cards now, nine of the top 10 issuers are issuing them. But we need more. We do have 900 million cards in the US, so we still have a long way to go. And I'm hopeful that the demand for the experience will help accelerate it.

And the US is one of the markets in the world where we're still at a pretty early stage. In countries that have more penetrated contactless card bases, we're also seeing big increases in cash displacement. As of the end of April, we had, let's see, more than 50 countries that have 50% or more tap to pay penetration, up from 30% a year ago. And we're now at the 12 countries where it's more than 90%. And a year ago at that time, we only had three. So, you can just see it.


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And then, you're asking us a little bit about how do we know about how much cash is getting displaced by those transactions. We don't really see the cash side, so it's hard for us to do the calculus on that. That said, we like both the cash displacement and the migration from a cheaper magstripe transaction over to contactless. Because using contactless, it's just a better experience, right?

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Yeah.

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

So, instead of a [ph] non-contactless (00:30:16) transaction, it's creating a habituation to a better experience, which leads to more cash displacement because it gets used more frequently and more everyday transaction, and just overall contributes to a stronger relationship with the products overall.

**Jason Kupferberg**
*Analyst, BofA Securities, Inc.*

Q

Yeah, yeah. Makes sense. I wanted to also ask you a little bit about some international partnerships that were highlighted on the last earnings call: Paytm, Tencent, Safaricom. Can you maybe just make a couple of brief comments about the significance of each of those? And any sort of timeframe when you think they could start showing up more notably in volumes?

**Jack Forestell**
*Chief Product Officer & Executive Vice President, Visa, Inc.*

A

Yeah. I mean, I am super excited about all three of those. I mentioned our network of networks strategy, there are components there about driving growth in core consumer payments, but also penetrating new flows and getting to new endpoints. And all three of these contribute, I think, in meaningful ways to that. So, let me just try and picture them quickly.

Paytm in India, I mean, those guys are a juggernaut. They've grown massively over the last few years, more than 500 million users, 16 million sellers in their closed-loop network. But what we're doing with them is helping them embed a Visa credential into the Paytm Wallet. When we think about it, that wallet then becomes more valuable to the Paytm user because they can use it anywhere Visa is accepted physically or online. And Paytm can generate issuer-type revenues from that product add. On the merchant side, they're enabling their sellers to accept Visa so their sellers can attract a different perhaps more affluent client base, and Paytm can generate acquirer-type revenue stream. So, it's like a win-win-win for Visa, for Paytm and for Paytm's users on both the consumer and seller side.

With Tencent, we signed a partnership with them as the parent, as you all well know, of WeChat which is a platform with more than a billion monthly active users on it. In this case, we're going to enable a Visa credential to be embedded into the WeChat Wallet for Chinese tourists to use at Visa acceptance points as they travel around the world and want to tap to pay, or when a Chinese consumer shopping online with merchants outside of China. And for us, border-outbound Chinese volume is very important to us, so we're really excited about that partnership. It's a first of its kind for WeChat and for us.


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And the last one you mentioned was Safaricom. Largest telco operator in Kenya and big provider of financial services through their M-PESA platform. They have 24 million M-PESA users, 173,000 M-PESA merchants. And this one is sort of a little bit similar to Paytm partnership where we'll work with them on the wallet side to expand cashless [ph] enrollment (00:33:18) payments to a huge number of merchants and consumers.

So, I think also then asked, when will it show up? Well, yeah, it's going to take time for these things to show up. There's usually a lag from the time we announce the deal until we've got all the solution done, we've got things lit up and fully tested and then scaled. So, it could be a little while. I don't want to give you an exact timeframe, but that's – I'd just point you back to the significance of the opportunity when you'd combine the three of them. It's 1.5 billion potential end user credentials and 65 million merchant locations, so we're pretty excited about the scope of it overall.

### Jason Kupferberg

*Analyst, BofA Securities, Inc.*

Well, that's great. And time has flown here and, unfortunately, we are out of time. Really appreciate all of your thoughts and commentary, Jack. And thanks again for taking the time to join us. I hope you stay safe.

### Jack Forestell

*Chief Product Officer & Executive Vice President, Visa, Inc.*

Thanks for having me, Jason, and thanks to everyone for joining. Take care.

### Jason Kupferberg

*Analyst, BofA Securities, Inc.*

Okay. Talk soon. Take care. Bye-bye.

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