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Visa, Inc. (V)

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CORPORATE PARTICIPANTS

Ryan McInerney
Chief Executive Officer & Director, Visa, Inc.

OTHER PARTICIPANTS

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

MANAGEMENT DISCUSSION SECTION

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

We'll let everyone continue eating their lunch. My name is Tien-Tsin Huang. I follow the payments and IT services sector at JPMorgan. And this is the lunch keynote with Visa. Always delighted to have Visa and someone that I respect and admire a lot is here with us, Ryan McInerney. I was looking back, Ryan, I was thinking you joined Visa, what, 2013?

Ryan McInerney
Chief Executive Officer & Director, Visa, Inc.

2013.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

Yeah, as President, and then you took over in – on 2023, right, if I got that right.

Ryan McInerney
Chief Executive Officer & Director, Visa, Inc.

That's right.

Tien-Tsin Huang
Analyst, JPMorgan Securities LLC

But, of course, we knew you as the CEO of the Consumer Banking at JPMC.

Ryan McInerney
Chief Executive Officer & Director, Visa, Inc.

Proud alum.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Of course. So, glad to have you back with us. And of course, with McKinsey. And you're a Notre Dame grad, I got to say that. I was cheering for you guys during the college football playoffs.

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

Go Irish.

QUESTION AND ANSWER SECTION

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

Yes. So that was fun. So, we could talk football first, but let's dig right in. This is a tech conference, right, Ryan? So I've been thinking about how to kick off the conversation with you. There's so much to talk about, and hopefully, we'll get through most of these questions. But thinking about it being a tech conference, right, you can't be static in tech. The surviving, the winning tech companies are always adapting and evolving to change. And there's so much change happening in the world. But when I think back about Visa, right? Visa's evolved a lot, right, over the decades. You guys had an Investor Day, you talked about the evolution and the move towards Visa-as-a-Service. Can you go through that and the importance of that evolution and why Visa-as-a-Service today is the right path going forward?

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

A

Sure. It's great to be here, Tien-Tsin. Thanks for having me. Yeah. So when we started as a company, we were owned by the banks and we then went public in 2008. And I think since then, we've evolved as much as any tech company. You mentioned I joined the company in 2013 as our President. When I joined the company, we had about 2 billion Visa credentials out there in the world. We now have close to 5 billion. When I joined the company, we had about 23 million merchants on our network and we now have more than 150 million. We had 60 billion or 70 billion transactions. We now have close to 300 billion transactions.

So the scale has grown dramatically. And what's enabled that is just constantly evolving our strategy, our products, our tech and things like that. So we – in 2013, we primarily had debit cards and credit cards. Those were our products. We now have a vast array of products. Visa Direct is a whole product platform. We have a at-scale value-added services business and things like that. So we've evolved the products.

We've evolved the network. We started with, as I mentioned, banks as our primary participants on the network. And over the last decade, we've evolved that to fintechs and big tech and wallets and crypto players and BNPL players, and we've evolved the network itself to go from our network to a real network of networks. So we've constantly evolved those types of things.

And then as you mentioned, over the last couple years, we've worked diligently on building out Visa-as-a-Service, and that's our stack. And at the bottom of that stack is our infrastructure layer, the networks that I talked about, VisaNet and our network of networks. We've then componentized all of our services that used to be bundled

together in a Visa transaction. We've unbundled them and made them available via APIs to our users on the stack. We've built a solutions layer on top of that.

And essentially, now what we have with the Visa-as-a-Service stack is we've become a hyperscaler that enables anyone around the world to get access to 200 countries and territories, 150 currencies, the resiliency, the scale, the breadth of our network. And anybody that wants to be in the money movement business or the payments business can build on top of that stack. And we're very excited about how that'll help us push the company's growth forward and enable us to serve our clients more effectively.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

So, drilling in on the componentizing the business and unbundling the capabilities, Ryan, can you give us just some examples of that, because it is really important, right? It's allowing you to go after some of these newer geographies and non-card markets. So give us some examples.

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

Okay. I'll try to create a very relatable example. So, hopefully, you are all Visa cardholders. And if you are, we appreciate your business. When you're traveling around Boston, maybe you go, you buy a cup of coffee, or you go online on your mobile phone and you buy a new shirt or a jacket. We have, for years, protected you as a Visa user with our risk scoring capabilities.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Yeah.

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

We call it Visa Advanced Authorization. And we've done this for many years. Anytime that you go and make a transaction at a merchant, they don't know you, they have no reason to trust you, but because in milliseconds, we're able to look at 400 or so data elements on every transaction, we provide that layer of trust and protection. And we've done that for many years.

What we've now done is Visa-as-a-Service in our stack is we've taken those capabilities and we've unbundled it from the Visa transaction so that our clients can use that same data and risk algorithms to provide protection for any card network. And then what we've also done is taken those same capabilities and abstracted them from card networks themselves and allow our bank partners around the world to apply those risk algorithms to account-to-account transactions, an area where there's been a lot of scam, fraud and things around the world.

So we're now taking our billions of data elements and our many years of risk experience and we're providing that to banks and real-time payment networks around the world, and we've had some amazing results. We're identifying 50%, 60%, 75% of the fraud and scams that are happening on these real-time payment networks around the world. So that's like one example, just where we've taken something that we've done for years, abstracted it, made it available to our partners and they can consume it now really on any type of money movement or payment type.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Good. That's a perfect example. Yeah. I think the power of the governance and the rules and the trust that Visa has, right, that's easy to consume. So, let's talk about the product side then, Ryan. I think you guys had a product drop last month. I think the big unveil was AI-driven commerce. You called it Visa Intelligent Commerce. What problem are you trying to solve with that? I know there's a talk – a lot of talk about agentic systems and AI. What are you trying to solve there?

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

Yeah. So for – as I was alluding to a minute ago, for years, we have used AI to really protect our users, buyers and sellers, with risk and fraud and cyber protections and things like that that I mentioned. We're now taking generative AI and using it to empower our users.

And so the use cases that we're focused on, I think all of us as users of these AI platforms so far have primarily used it to get answers to questions. That's been the primary use case that most users have been involved in. We believe that over the coming months and quarters, we're all going to start to use these AIs to perform tasks for us. One of the most important tasks that we all do is we go shopping and we buy things.

And so, what we've done is we've partnered with many of the AI platforms that we announced at our product drop, whether it's OpenAI, Anthropic, Mistral, Microsoft and others, Perplexity, to really get into the weeds with them on how will so-called agentic commerce work. And the simplest form, we all will have an agent and we will be able to empower that agent to go shopping and ultimately, make transactions on our behalf.

And for all the innovations that there's been in shopping over the years, e-commerce, mobile commerce, so on and so forth, it still remains a relatively inefficient process for us as users. Trying to really go scan all of the inventory that's available in the world and optimize decisions, it's hard. We believe that agents will make that much, much more efficient. They'll be able to go shop and ultimately, buy things on our behalf. But for that to work, there has to be trusted payments.

And so, what we announced at our product drop was AI-ready Visa cards and new data payloads and processes that will ensure that Visa users have the ability to empower an agent to go buy things on their behalf, but define very specific parameters. I want my agent to go buy something from these particular merchants or search these merchant categories, spend not more than this amount of money, go for 30 minutes and then come back and report back to me so on and so forth. And then we can use those data payloads to ensure that the agent is making transactions that the user wants made and that we can provide those data payloads to your bank or financial institution to ensure that they have the confidence to approve those transactions.

We also announced an opt-in service that users can choose to participate in, where they can use their historical Visa transactions to provide context to their agent and relevance to their shopping journey with the agent. So this is a space we're excited about. We've launched those APIs on our sandbox. We're finding a lot of engagement from some of the parties that I mentioned and others that are consuming those APIs. And I think this is an area that over the coming months and quarters, we will all, as users, I think, find a lot of opportunities to have more efficient, more effective shopping experiences.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

So, how quickly – you mentioned weeks, months. I know I was at Stripe sessions and they talked about Visa being the launch partner for what they're doing around agentic commerce. Is this ready to go now, Ryan?

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

A

It's very early, obviously. And I think about it a bit like I think about the evolution of e-commerce. You go back to 1998, 1999, 2000, as users, we would go online and maybe we buy a pair of socks. And we'd see if they would actually get delivered to our house or not. And then, we might actually return them to see if the return would work. And over the years, obviously, the trust and the ecosystem grew and it scaled in meaningful and significant ways.

I think agentic commerce will progress along those means. I think we'll all try things. We'll try to go have our agent buy something very simple for us.

Maybe the first time, we'll have it go do some shopping, but not make the transaction. And then, we'll get more confidence and we'll have our agent actually go make the purchase for us. And then, over time, I think it'll scale. This is – think about it over the next 6 to 12 months, I think us as users in this room will start to experience these type of shopping experiences.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

Okay. Okay. Good. No, we look forward to get an update on that next time we check in with you here. A lot of this, I think, is made possible, right, by a technology that Visa has been very smart in pushing, which is tokens, tokenization, right? So agentic commerce now, think about you mentioned e-com or even Apple Pay, right, those are all made possible by token. So it feels like it's a pretty big theme and shift for payments and for Visa. Would you agree with that? And where are we in this journey of unlocking tokens, and of course, what investors want to know, for Visa to monetize tokens as well?

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

A

So, what we're talking about with payment tokens, just to put it in context, you mentioned Apple Pay, if you all have loaded your Visa credential into Apple Pay, most users think that they've loaded their Visa card number into their phone, but, actually, what you've loaded is a random string of numbers with a cryptographic element that we call a Visa payment token. And I think tokens are extremely important. The work that I just mentioned that we've been doing in agentic commerce, for example, is built on Visa tokenization platform. But I don't think it's a really good example of how innovation and scaling innovation works at Visa.

So, we first launched Visa tokens in 2013. The first use case was mobile payments. But then as we worked over the years with our sales teams and our product teams and our partners, we've scaled to dozens of additional use cases. You jump forward from 2013 to 2020, by 2020, we had 1 billion tokens out in the ecosystem. So we went from zero tokens in 2013 or the first token, and by 2020, we'd done the work to scale the use cases, to embed it in our clients' tech stacks around the world, and we had 1 billion tokens in 2020. You jump forward from 2020 until today, we've gone from 1 billion to close to 14 billion tokens. In our last quarter that we just completed, we added 1 billion tokens.

So just you think about when we do the work to create an innovation that has broad applicability, global use cases and then we're able to scale it through the ecosystem that I was describing earlier, you start to see what this S-curve can produce. And as we sit here today, we have about 14 billion tokens around the world.

And part of the reason that the adoption of tokens has been so significant is because the results are really meaningful. So if you're a merchant on our network, a seller, you're seeing a close to 5 percentage point lift in sales if the transaction runs over a Visa token. If you're an issuer or a seller, you're seeing a 37% reduction in fraud when transactions run over the Visa tokenization platform. So, because we've been able to provide those types of results, you're seeing those tokens scale broadly.

The other thing that those 14 billion tokens now embedded in digital use cases around the world have allowed us to do is build value-added services on top of that tokenization platform that we can provide as services that we sell to either issuers or to merchants, and that's become a meaningful revenue stream for us in our value-added services business. For example, if your issuer is able to provide you on their digital banking app a heat map of where you've put Visa credentials on file across the e-commerce ecosystem that is probably powered by the Visa tokenization platform. Or if your merchant is automatically updating your information that's on file, for example, for a subscription service when your card is reissued with new numbers and new expiration dates and things like that, that's probably powered by the Visa tokenization platform. And those are optional services that we offer and we generate revenue from.

So we feel good about it. I think it is, to your question, a very important plank in our innovation platform around the world.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

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Right. Good. No, that's a great summary, Ryan. Thanks for going through that. So, another hot topic or tech that people are tracking is stablecoins, right, and crypto and all that good stuff. I know it's a popular debate for investors. I get asked that question a lot. So I'm going to ask it to you, friend or foe, stablecoins for Visa?

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

We see crypto broadly as an opportunity for Visa and stablecoin specifically as an opportunity for Visa. And maybe I'll put this in a little bit of context as well. Our journey with crypto started with really enabling Visa users to be able to use their Visa debit cards to buy crypto. That was really the first step of our journey. By the way, at this point in the journey, we have had Visa users purchase \$100 billion in crypto using their Visa credentials.

The next step in our journey with crypto was enabling largely the big crypto exchanges around the world to issue Visa credentials to their users so that if you have \$1,000 of bitcoin at Crypto.com or Coinbase or any one of these exchanges and you want to go buy something, you don't need to think about how to convert it into fiat and how to go spend it and so on and so forth. You can just use your Coinbase Visa card or your Crypto.com Visa card or one of the many other exchanges that we partner with to go make a purchase. And we do all that in the cloud without the user having to think about it. And we've now enabled crypto users to make \$25 billion in purchases at Visa merchants with their crypto that they have at these exchanges.

And so then you jump forward to stablecoins. We announced some partnerships two weeks ago, where we're enabling similar use cases for stablecoin for users around the world that have US dollar-denominated stablecoins so that they can maintain US dollar-denominated stablecoins in whatever country that they live in, but have a Visa credential issued to them so that they don't have to think about how do they spend those stablecoins, they can just go use their Visa credential to make purchases.

The other area where we've been heavily invested in stablecoins is using stablecoins to modernize our settlement network. So we are regularly every day settling between 14,500 financial institutions around the world, but we largely rely on the existing correspondent banking infrastructure and others to manage and facilitate those settlements. A few years ago, we started using US dollar-denominated stablecoins to enable settlement. And what that allows us to do is settle seven days a week, we can settle on Saturdays, we can settle on Sundays, we can settle 10 times a day, 100 times a day, whatever it is that our user base on our network decides to do.

And then the last thing that we've been leaning into with stablecoins is working with our bank partners around the world to mint their own programmable money. We have the Visa Tokenized Asset Platform that we launched about a year ago in pilot. And this enables our bank partners to mint and burn their own stablecoins for their users and provide a lot of very interesting, especially personal financial services use case to their users using their proprietary stablecoin.

So, we very much view it as an opportunity. And I think like a lot of the waves of whether you consider innovation or disruption that have happened in the ecosystem over the last decade or so, we feel good about this as an area where we can provide a lot of value to the crypto ecosystem broadly and the stablecoin ecosystem specifically.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Yeah. No, you're absolutely running towards it, which sort of I think is a good segue into my thinking around money movement and – because I know stablecoins, and there's a lot of discussion around money movement. But just broadly speaking, you're working with a lot of different players. You mentioned some of the crypto ones. But with money movement, tell us a little bit more about who you're working with globally to win there, because it feels like there's some pent-up growth potential within money movement? Would you agree with that, Ryan? What are you doing on that front?

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

We see money movement as an enormous opportunity, both for Visa, but also to help Visa modernize use cases for consumers and businesses all around the world. I think it's another good example of kind of an innovation case study and roadmap at Visa.

So, we primarily enable improved money movement use cases around the world using our Visa Direct platform.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Right.

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

And many years ago, Visa Direct started as an idea that a group of our product managers had, which was when we use our Visa cards to go out and buy something, we typically pull money from your financial institution and give it to the merchant. And this team said, why don't we just reverse that? Why don't we take the existing infrastructure we have and be able to take money and push it to people? And we started with being able to push money to Visa debit cards. That was the first use case. And we've now built out the Visa Direct platform to be the largest money movement platform in the world.

We have 11 billion endpoints. It's Visa cards, it's other networks' cards, it's bank accounts, it's digital wallets in places like China and Southeast Asia and other places. And what we're able to do is take that out to an entirely new set of partners for Visa and provide them the ability to do domestic or cross-border money movement and reach 11 billion endpoints with one single integrated connection to Visa. That's become a very attractive proposition to, for example, remittance players around the world...

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Yeah.

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

...both traditional remittance players like Western Union as well as fintechs, like Remitty. It's been a very attractive value proposition to the gig economy. I have a vision where I think Visa Direct could become the payroll platform for gig economy workers around the world, hundreds of millions of gig economy workers where they can get paid at the end of every gig or every shift during the day and have that money pushed via the Visa Direct platform.

We've actually – while we started with just pushing to cards and one use case, we now have 65 use cases that we have enabled with money movement broadly around the world, both domestically and cross-border. We did, last year, 10 billion transactions on this platform. So starting from nothing several years ago to now kind of 10 billion transactions. And the revenue yield that we're earning on those transactions is similar to the revenue yield that we earn in our debit card payments.

So it's an at-scale largest global money movement platform out there, doing 10 billion plus transactions a year at very attractive revenue yield. So very excited about the possibilities and the opportunities that we have in that space.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Okay, good. I know we're more than halfway through, time is clicking. I told you it would. So let's bring it back to consumer payments, back to the product drop. I think you talked about a bunch of different things, but I thought Visa Accept was interesting as an extension of Tap to Pay and Tap to Phone and some of the things that you guys have talked about. I always write this down because people ask me, right? And correct me if I'm wrong. Tap to Pay penetration, 76% now globally. I think over 60% in the USA. I remember it was nothing in the US not that long ago, certainly pre-COVID. Tell us a little bit more about Visa Accept and is there more, right, with technology like that to drive consumer payments growth as you see it?

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

So to your numbers, those are right. Think about it this way, three out of every four physical face-to-face Visa transactions around the world are taps now. And that's just continuing to increase, as you said, it's 6 out of 10 in the US. And I would put, as a buyer and seller experience, tapping is second to none. I travel all around the world, see all kinds of use cases, QR, digital wallets, you name it, nothing competes with tapping. Buyer experience, seller experience, second to none. And I think that's why you're seeing the growth that we've seen in that use case around the world.

And so, what we've done is we've just built off that primary use case of you tapping your card or your phone to buy something to really build a whole different set of user experience, as some of which you mentioned. One of which we announced at our product drop last week called Visa Accept. And this is primarily a use case for more emerging markets, places outside the US, where we still have a large number of micro and very small businesses that don't yet accept Visa payments.

And so what Visa Accept allows a user to do is, any user around the world that has a Visa debit card, any one of those number of billions of cards that are out there in the world that also has a mobile phone with NFC capability, which is most of them at this point, they can in seconds essentially turn their phone into a Visa accepting device. And so now, if you're selling fruit out of the back of your truck in Lima, Peru, and you've got an American tourist who shows up that doesn't have any cash, they can immediately buy fruit from you using their Visa card or their Visa phone by just tapping to your phone.

And if you go back to what we were talking about in the beginning, Tien-Tsin, around our strategy with Visa-as-a-Service stack, the capability that we're enabling to get that money from my phone or my card as an American traveler into the debit card of that individual who's selling fruit out of the back of their truck is a Visa Direct push-to-card transaction that, again, we've abstracted and made available to enable this use case.

So I believe that Visa Accept will empower hundreds of millions, if not billions, of users around the world to become acceptors of Visa credentials and then further scale that network we were talking about in the beginning.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

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No, it's perfect, right? It eliminates the need to have a CapEx or a point-of-sale terminal. It drives the network density for you in terms of driving acceptance and hard to reach areas. So it feels like a natural extension. So which brings me back to the consumer payments and the penetration question, right, and TAM. I think you've grown – I think you talked about at Investor Day, right, the Visa payments volume has grown at a 6-point premium to addressable consumer spend. How sustainable is that premium in your mind? How much more room to go? Are you doing a lot with things like Visa Accept? What's going [ph] on in your head (00:24:56)?

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

Yeah. We see enormous opportunity. We see \$23 trillion every year that is spent around the world on products that we think would be much better spent on a Visa card, whether that's cash or check or domestic schemes or account-to-account payments or things like that. So the TAM is enormous.

We talked about the product innovation using tapping as an example. There's not a better buyer or seller experience around the world. So that if we can continue to scale both the number of credentials that are out there, 14 billion tokens, 5 billion credentials, so on and so forth, and the number of users that can easily accept those credentials, we talked about Visa Accept and other things like that, we have a high degree of conviction that we can continue to grow into that TAM and continue to grow our consumer payments business for the foreseeable future.

And even just look at markets around the world where cash has all but disappeared, places like South Korea or Australia or Canada or Denmark or Netherlands or markets like that, even in those markets where cash has all but disappeared, we're still growing at a significant premium, 4, 5, 6 points faster than underlying consumer spending.

And so, we have a high degree of conviction that we can continue to grow this business and we're going to continue to innovate and put out new products and services that ultimately will, hopefully, help us make us the best way to pay and be paid in all these markets.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

All right. Good. I know consumer spend is on the top of everyone's mind and you get a great look at that. I think in the earnings call, you talked about stability. We've been hearing a lot about stability. But I'd love to hear how you see it. Any signs of the consumer cracking globally?

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

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Well, let's start here in the US. I think you have to look at two things. One is how do consumers feel. Consumers are worried. You see this in the consumer confidence data. You see it in any number of consumer surveys data. Consumers are anxious. They're worried. But I think you also have to look at the facts. And the facts certainly in this country show very strong employment, strong wage growth, moderating inflation, strong consumer balance sheets. And then to your point, what we can add to this conversation is, what are we seeing on our broad-based network in terms of consumer spending, we're seeing stability. We showed 6% year-over-year growth in spending on the Visa network in the United States this last quarter. That's consistent with what we've seen for many, many quarters.

If you go outside the US, and maybe first look at cross-border, we continue to see strong cross-border spending, 13% year-over-year growth in cross-border spending, very similar to what we saw in the fourth quarter of our fiscal year last year. And then, broadly, around the world, you have some points of strength and weakness in some countries versus others, but, overall, we saw 9% year-over-year growth in domestic spending outside the US, which is also very resilient and consistent with what we've seen over the past couple quarters.

So all of this could change and it could change quickly, of course. But I think you have to both look at how people feel, but also the facts in terms of the consumer stability and ultimately, what they're doing day in and day out in terms of their spending.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

Yeah, good. I mean even with consumer spend, I know that gets a lot of attention, but the reality is your value-added services is growing very fast. You talked about money movement. I think those two segments now are just about 30% of Visa's revenue. I think value-added services is growing in the 20s. Jennifer, correct me if I'm wrong. But where – how much more room is there to go there? I think you talked about 2% penetration at Investor Day, but is this premium growth sustainable for VAS?

Ryan McInerney*Chief Executive Officer & Director, Visa, Inc.*

A

Yeah. We feel really good about our ability to continue to grow our VAS business. I think a lot of investors, especially those that are less familiar with Visa, are surprised to learn that we have built a roughly \$9 billion revenue SaaS business inside of Visa that's been growing consistently at 20% or 20%-plus year-over-year growth for several years and many, many quarters now with very attractive margins.

So, on the one hand, that is a big at-scale business. I think it's \$8.7 (sic) [\$8.8] billion in revenue at the end of the last fiscal year that is growing at very attractive rates with attractive margins. But to your point, the TAMs in our big four areas of value-added services, we haven't even scratched the surface. It's mid to low single digits in terms of penetration in our acceptance business, our issuance business, our risk and identity business and our advisory and other businesses.

So, we've built the products, we have reorganized our company in terms of how we go to market, our sales motions, our sales plays, how we serve clients, how we cover clients and we have a lot of conviction that we're going to be able to continue to grow that business.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

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Okay. So looking ahead, I think you said that there's a goal of having Visa be 50% VAS and CMS 50% consumer payments. Say, we get there, then what's next? I mean, can we still think of Visa as a payments network? Just kind of back to the beginning of when we talked about evolution. But what do you want investors here and the audience here to think about what Visa will be in five years?

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

A

Yeah. I think it goes back to your first question that we continue to evolve this business in service of our clients. We are a much more diverse business today than we were 5 years ago or 10 years ago, diverse in every way. Diverse in terms of geographic distribution of revenue; diversity in terms of where we're earning revenue, to your point, around VAS and CMS being close to a third of our business, and we've said we'll get it to half of our business; diverse in terms of the products that we're putting out into market. And I think if we're able to execute our strategy and deliver on our plans, you jump forward another five years, we're going to be even more diverse. And I think investors should feel really good about that.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

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Okay, good. We should probably leave it there. Any closing comments, anything to underline here before we let you go?

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

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No, appreciate the questions. Always fun to talk to this group.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

All right. Ryan McInerney, thank you for the time. Appreciate you being here.

Ryan McInerney

Chief Executive Officer & Director, Visa, Inc.

Thanks.

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