02-Mar-2023

Visa, Inc. (V)

Evercore ISI Payments & Fintech Innovators Forum

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CORPORATE PARTICIPANTS

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

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David Mark Togut
Analyst, Evercore Group LLC

MANAGEMENT DISCUSSION SECTION

David Mark Togut
Analyst, Evercore Group LLC

Welcome back to Evercore ISI 7th Annual Payments and Fintech Innovators Forum. I'm David Togut, I lead the payments, processors and IT services research team here at Evercore ISI. Really delighted to welcome Visa management to the conference. Oliver Jenkyn, Group President of Global Markets Organization and formerly the Regional President of North America. So we have a bit of a twofer here. And we're also joined by Jennifer Como, Global Head of Investor Relations. Oliver, Jennifer, thanks so much for being with us here today. We greatly appreciate it.

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

Our pleasure.

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QUESTION AND ANSWER SECTION

David Mark Togut
Analyst, Evercore Group LLC

Q

Oliver, congratulations on your promotion. Please discuss the scope of your new role as Group President of Global Markets Organization.

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Sure, David. It's a pleasure to be here. Thanks for the invite. Really looking forward to the conversation. But as you mentioned, I've been promoted to Group President of our global markets, still reporting to Ryan who's now our CEO. And this role basically brings together all of the teams that are responsible for our business in the 200-plus countries and territories that we operate in around the globe.

As you know, Visa operates around five regions. So you've got North America, Europe, Latin America, Asia, and then Central Europe, Middle East and Africa. Those are the five regions. There's a regional president that sits on top of each of those regions and those five regional presidents now will report to me, along with our global head of merchant, our global head of digital partners, global clients, global deals and a couple of other things, but it really pulls together everyone that is in market, on the frontline, driving the business and the revenue of the company, and I think it's going to be really, really powerful for our company.

David Mark Togut
Analyst, Evercore Group LLC

Q

That's terrific. Given the extensive scope of your responsibilities, let's start with top priorities for each of the five regions that report to you as you noted, North America, Europe, Asia-Pac, CEMEA, and Europe.

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

That's going to take the rest of the meeting. That's a great question. There's a lot going on around the world, perhaps before I get into each region, I'll make a couple of broader points. And let me just say, like all day, every day around the world, our focus is very much consistent in our strategy to grow our three growth levers.

So, maximizing consumer payments with more credentials, more acceptance and more usage of those credentials. Two, new flows, so capturing the enormous opportunity in the flow of money movement outside of a C2B, a consumer-to-business transaction, that's two. Three, value-added services, adding value to all of those transactions I mentioned above with a wide range of value-added services for all ecosystem players. Though that strategy is solid globally, it might manifest itself differently in different regions and markets, but that's what we think about every single day.

And then maybe, I'll give you a few more themes of priorities generally and then in specific regions. And stop me if I go too long because there's just so much opportunity to talk about. But one of the first thing, to just be on this point of consumer payments, there's just a lot of growth still for us to go and get. There's still so much cash in check. We've doubled our credentials from $2 billion to almost $4 billion over the past decade, which is enormous.

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Our acceptance is now around 100 million locations around the world and growing it double-digits. Our engagement in usage in these core consumer payments is something we feel great about with contactless. The pandemic built a lot of new muscle memory for people to use their credentials in new places. We've got some great projects with clients to further increase the usage of these cards, through our consulting teams.

So, theme one, I would just say is there's still much to go after. Theme two is cash digitization, which is related to the above but in Latin America, CEMEA, Central Europe, Middle East and Africa, and in several AP markets, there's just so much cash still to go and get. For example, until recently, there was more cash volume on the Visa network in LAC, Latin America and CEMEA than there was payment volume. And we've been attacking that with great success.

For example, in Latin America, prior to the pandemic, 55% of the volume on the Visa system in Latin America was cash, now it's 41%. So just a huge shift from, like, cash into payments. I'll say a couple other things, while I'm on the topic of Latin America – now going region by region, things we're excited about. We see great adoption of Visa Direct in Latin America, over 20 domestic and cross-border P2P use cases that are launched or launching. Feel great. We're excited about B2B verticals in Latin America, specifically in the agriculture space.

VAS, I was on with the Latin American leadership team yesterday, our value added services in Latin America are really, really strong, in particularly risk and identity services. So we'll keep pushing those.

I'll switch to CEMEA, again strong Visa Direct. We launched a lot of great cross-border remittances, digitizing these remittances in Kuwait, Saudi Arabia, UAE. B2B Connect is doing great in the B2B space, launching really important sort of niche corridors in markets like Qatar, Azerbaijan, Kazakhstan, just really important reach accomplishments. And then, super excited about just the continent of Africa. I'm going to be there two if not three times this year to really, really explore where we're heading there.

Asia-Pacific, gosh, so much opportunity across Asia-Pacific, the cash displacements in a lot of these markets, a lot of the developing markets in Southeast Asia, but also countries like Japan, where there is just so much cash, huge opportunity. B2B is a major focus. Cross-border remittance is a major focus in Asia.

In Europe, I'll call it fintech. We've got over 100 material fintech programs in Europe. And with many of those fintechs, we work with them across multiple fronts. So for example, Revolut, they're an issuer. They are a Visa Direct client, they are Currencycloud client, they are Tink client. So sort of broad and deep partnerships there, and also open banking, obviously, a major focus for us in Europe with our Tink acquisition.

And in North America – I mean I could go on and on here – clearly, B2B is a huge focus for us. Value added service is a huge focus for us, specific advisory service. But the biggest opportunity in North America really is in core consumer payments and usage. Just give me like three more seconds on this.

Driving more usage from the credentials that North Americans have in their wallet or on their phone is probably our biggest opportunity. If you think about this, the issuers have developed a product, they built the technology for it, they built the value proposition, they've marketed it, they've acquired the customer, they've underwritten it, they've mailed the credential or digitally activated it. They've got it into the consumer's hand, they've activated and they've used it. They've done all of those things. They've run the ball the 99 yards down the field.

And so, we're spending a lot of time with the issuers to say, well, let's just get them – let's just consumers to use that two or three more times a month. Let's get them to use it in three or four different merchant categories. In a market as big as North America, if you can achieve that usage lift, that's the biggest driver of our upside. So

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anyway, if this fireside chat were like four hours, I'd love to keep going on that. But it's – we're – we just got so much opportunity to go after, I'm really excited about all of it.

David Mark Togut
Analyst, Evercore Group LLC

Q

That's great. Just to follow up on your last point about consumer usage in the US. A lot of what you're referencing seems to me perhaps a matter of targeting consumer rewards to get them to use Visa card in specific verticals where you want to increase penetration. So to the extent that's correct, that seems to be a project that you would work on with issuers, correct?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

That's a great point. One of our most active areas of our consulting and analytics team is value proposition, rewards, optimization, and refreshes. And again, a lot of these decisions obviously are the issuers' decisions of where they want to – how they want to design their proposition, where they want to put their funds. But we're doing a lot of work in partnership with those issuers to really try to think about what is the outcome you want to achieve and how can we work with you to help develop value propositions and rewards and loyalty in your products, and your proposition to sort of support that behavior. It's one of the most active areas, one of the most enjoyable areas our consultants are engaged in right now.

David Mark Togut
Analyst, Evercore Group LLC

Q

Terrific. Since you now oversee global merchant relationships, what do you see as the key tailwinds and headwinds, starting with the US, where the largest merchants continue to push for a reduction in payment swipe rates?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Yeah. Great question. I'll start by saying that we have really strong relationships with the merchant community in the US and around the world, as well as the acquirers, the PayFacs and other enablers that serve them. Certainly, there are always a few merchants who aren't happy and would prefer different terms on economics or functionality or capability. But overall, we believe our relationships here are really strong.

We're deeply focused on delivering value to these merchant clients in terms of seamless, secure, innovative money movement solutions to help them grow their business, which includes really working with the community deeply to help them pivot during the pandemic, and really get millions of merchants online to sell for the first time.

We've got a dedicated global team that reports into me, who interact with, listen to, serve, and represent the perspective for this merchant community every single day. The leader of that team sits on my global markets leadership team, and she's a great advocate and a constant voice for that group. In our value added services team, we have a head of seller solutions. He spends all of his time doing nothing, but thinking about solutions and functionality for merchants. So, we feel really good about the relationships we have in that space. There's always opportunity to improve and we'll keep doing that. But across risk and fraud and security and dispute resolution, dual message capabilities and consulting, benchmarking, marketing services, we're really, really active with this merchant community in the US and around the world.

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David Mark Togut
Analyst, Evercore Group LLC

Q

Appreciate that. Can we dig into your approach to open banking and how Visa's going to market with Earthport and Visa Direct to drive your growth, especially for cross-border use cases? And what about value added services?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Yeah. Okay. There's a lot in there. These are all really good points. So, let me start with open banking. I'll just say – and this is Oliver's perspective, but I think it also counts as a Visa perspective. I think open banking is still in its early days, if we're honest about it. A lot of ink has been spilt and a lot of discussion has been had but I think there's still a long way to go to see how open banking unfolds. That's not to belittle it in any way. It's very real. But just to remind everyone, I still think we're in early innings on this.

But at Visa, we're very much following, influencing, very much involved in how it unfolds and where it goes from here. I think that's a fair assessment. I think it's also important to remind folks of the fact that we're still in early innings. But I think open banking will continue to grow. I think it will manifest itself in different markets, sometimes government-led, sometimes market-led.

But I think the main message I'll leave you on open banking is, while the evolution is still uncertain, I'll say. There is one thing that is certain and that is open banking will require an experienced network operator that is trusted, secure, standards based, and that'll provide a connectivity infrastructure layer with related value-added services. This is going to be required to ensure the seamless, secure flow of consumer information that everyone envisions as part of what open banking is. And that description, that's exactly what Visa does.

This is why we exist in other areas of the world. That's almost like a verbatim description of the core raison d'etre for Visa as a company. And so, our plan is to provide this critical layer to serve the needs of these digital platforms, fintechs and banking partners. And the Tink acquisition, which we think is absolutely best in class in Europe is central to that. So that's open banking.

You also referenced Earthport. And so, related but also distinct is Earthport and so, Visa Direct. As you know, Visa Direct is our real-time money movement capability that enables us to push and pull money between cards, accounts and wallets around the world for a wide range of use cases. I think there's over 50 use cases that we've got right now. It's a wonderfully powerful global network that's, I think, approaching 7 billion end points of where money can be pushed and pulled around the world, it's a really wonderful platform. It's got a huge runway for growth ahead of it.

And the four sort of initiatives within Visa Direct there is – continue to push our current business, which has a lot of domestic P2P. It's expanding new use cases. Again, we've got close to 50 really scaling those, scaling cross-border, we have P2P cross-border remittances, and then constantly finding what's next. And I think in your question, you talked a bit about cross-border, so I'll double click on that one. But in Visa Direct, a huge part of the long term growth and revenue growth model is ensuring that we are the way that people want to move money cross-border for both remittances or for cross-border P2P and that's an area where we absolutely are focused on ensuring that Visa Direct is a winner.

And Earthport, to your specific question on Earthport, EarthPort is at the very heart of this cross-border money-movement capability. We can push money between Visa cards around the world but Earthport enables us to push

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money between Visa cards and accounts or even wallets around the world. So if I owe money for my busted NCAA bracket to my roommate in Germany, I can start it from my Visa card and Earthport can push that into the giro network in Germany to get it to my former roommate's account in Bavaria. And Earthport is central to that capability. So we're really excited about that.

And then you mentioned VAS, I'll just say really quickly, because there's so much we could say about this but we're really, really excited about the opportunity of VAS to add value to all of the transactions that I've sort of mentioned above. Visa transactions as well as non-Visa transactions, a lot of them are sort of network agnostic in terms of the value added service that we can offer. And we organize our value-added services into issuer solutions for the issuers, seller solutions for our merchant and acquirer community, risk and identity, advisory services or consulting and then open banking. So if we had an hour, I'd love to go into any of those, but each of those is a – just a really powerful and exciting runway ahead and a lot of demand and appetite for services. We're excited for that.

David Mark Togut
Analyst, Evercore Group LLC

Q

Thank you. Thank you so much for that. In your comments on Visa Direct, you did call out new use cases, and you said there were 50 use cases currently and finding what's next. So, what is next?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Yeah. So again, there are these four levers, right? There's the continue to do one in the core business because – so I'll go through each four real quick and call out use cases. So, number one is continue to do well in the current business which is largely domestic P2P. That's a great place to plant a flag in a market where you build scale, similarity, trust. You really plant the flag in the market and really have something to build from. So domestic P2P is critical for us.

Then you expand to new use cases. And so, I'll do domestic use cases. Gosh, there's gig economy payouts, so paying Uber drivers, paying hosts on the Airbnb network. There's early wage access or earned wage access, where you can sort of push money in between paychecks. At the end of a shift, you can get that money pushed to your debit card. There's insurance disbursements. So instead of Progressive sending you a check in the mail that takes two weeks for a claim that you're owed money for, it can be pushed to your debit card immediately, especially in times of crisis where you need that money. Online gaming payout.

I mean, there's – each one – any one of those I mentioned and like the 40 others, any one of those should be a material business for us that can really drive growth. And so, what we're focused on now is scale, scale, scale; sell, sell, sell. It's less talk about tech platforms and investments. It's really about selling into these players where they really want these capabilities. So we're pushing on an open door.

The third one that I'll just double click on a bit more is growing cross-border for Visa Direct. And so, again, there's really two aspects of this: there is P2P cross-border, so me sending money back to my family; and there's cross-border disbursements. In P2P cross-border, last I looked, the money moving around in 2020 for P2P cross-border was almost $1 trillion. And the current system is far from efficient. And we think the platform that we can offer is really going to advance the ability to do this seamlessly and easily and securely. And we're going to do that through partnerships with Western Union, and MoneyGram and Revolut and Xoom, Remitly, Wise, all these players. We're really excited about that.

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And then, you've also got cross-border disbursements. And so, this would be helping marketplaces or gig economy players push money to sellers or providers of services on their platform cross-border. And so, we're partnering with players like Finastra who can really help make that happen. So a lot of opportunity in the space. My summary on Visa Direct is the capability is there, the reach is there. It's a fantastic platform. Now, it's about selling and it's about pushing things forward in a meaningful way to drive scale.

David Mark Togut
Analyst, Evercore Group LLC

Q

Great. We do have an incoming question that is Visa Direct related. So I will pass it to you. How does Visa perceive the threat from new products like PIX in Brazil that reduces friction for cash use and takes transactions off Visa rails and away from Visa Direct? Could other central banks follow the roadmap and threaten Visa?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Yeah. I mean, I think if you look at RTP, account-to-account payments, those are going to grow in markets around the world either because the government is pushing for it or there's, in some situations, a natural market-led push for them. I think in those situations, we will respond to those as they develop, based on the individual situation that arises in the market.

But our general view is, this is an important statement broadly, anything in Visa's opinion that helps drive more efficient digitization of what otherwise would be inefficient cash and check and paper-based payments, that's a good thing. And Visa would be able to get its fair share for ourselves and for our clients by drafting behind that.

So in some situations with A2A, RTP, open banking and different manifestations of it, we will partner with some of those players, ensure that our credentials are embedded in some way for certain use cases, selling value-added services to ensure that it actually is a well-functioning payment system, if it's really going to take hold.

In other situations, some of these solutions might do really well in P2P or might do really well in bill pay or B2B, but they might not have the capability to do much in the sort of C2B, consumer-to-business core space. But that habituation of more digital payments is something that could actually accelerate the growth in our core business in some of these markets because people have been habituated to more digital payments. And so, now they are adopting their Visa credentials and we can ride that wave. Even if perhaps the P2P business of Visa Direct is challenged, there's a lot of other ways Visa could benefit.

So if you think generally about it, it's a market-by-market, we will adjust to how RTP, A2A, open banking evolves. But if it's going to drive more digitization, we feel good about it and we'll adjust our strategy and market to do well for Visa and our clients.

David Mark Togut
Analyst, Evercore Group LLC

Q

Very clear. Thank you for that. On July 1, the US Federal Reserve will enforce two unaffiliated networks throughout every online debit transaction. How do you assess the potential impact on Visa given you're a leading market share of US debit?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

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So the recent Fed ruling clarifies that all issuers must enable to unaffiliated networks for card-not-present transactions. I would say that that verification was consistent with our expectations. I would also sort of make clear that most Visa issuers comply with this already. Some issuers will need to take action to ensure that their unaffiliated network, which exists on their credentials, but just making sure that it's capable of processing card-not-present and lists some folks who will have to do some work on that, that's it.

So we expect minimal impact in FY 2023. In the medium term and longer term, we'll see. It's definitely unclear in terms of how this will unfold. What I would say though is, when a merchant or an acquirer or payment facilitator is making a payment decision for routing or for any other payment decision they need to make, there are a lot of factors they need to take into consideration. This is especially true in the e-commerce space. The card-not-present space where the merchant bears the liability and where specific functionality is required. Where if you authorize a basket of goods, you can only actually charge for them once they've been shipped, and that requires specific capability.

So there's a whole bunch of other examples like that. And so when a merchant or acquirer is making a decision, there's a lot of things they have to take into consideration, and we at Visa very much believe that the capabilities and the functionality of our network, coupled with the fact that we spend all our time talking to these merchants and payment facilitators and acquirers, we feel that across our fraud mitigation capabilities and protections, our dual-message capabilities, our security and reliability, dispute resolution, trust, brand protections, et cetera, we feel that we'll do very well in this new world, as we did when Durbin Amendment first came out over a decade ago. But things will change. There will be some change as this unfolds, and we'll sort of pivot and adjust to it as we have over the years past in the US.

David Mark Togut
Analyst, Evercore Group LLC

Q

Very clear. Since the first year of the pandemic, when we were all shopping online and debit volume growth accelerated, debit volume growth has since decelerated, as we saw in the December 2022 quarter to 3% in constant dollars compared to 11% for credit. Is this the new normal for debit growth or do you see sufficient new cases emerging so that debit growth may actually reaccelerate?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

I think debit is going to do great. I think debit is doing well and it's going to continue to do well. Just as an aside though, coming through the pandemic, it's so hard to adjust for all of the things that have to be adjusted for because there's a shock and then there's a lapping of that shock and so there's just – for all of you guys, it must be so hard to find all the adjustments to get that underlying core trend. It's hard for us and we've got all the data.

But let me try to play through the noise a little bit. So again, there is still noise coming through the numbers. There's a lot of adjustments to make. But here are the facts. In the US in Q1, debit grew at 8% and was 155% indexed to 2019, which is higher growth than pre-pandemic even as credit was recovering during that period. Internationally, when you make the appropriate adjustments for China and Russia, that debit growth is 10% or greater, and that's still not accounting for UK debit runoff that we've been still dealing with.

So again, those are really strong numbers. I think debit has been and will continue to be a beneficiary of this broad trend to digitization around the world, especially as we push through the cash displacement. There's more everyday spend going to e-commerce as people have gotten more comfortable in e-commerce . There's more time to pay with contactless, which eats up a lot of small ticket transactions, which are disproportionately cash based.

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More people are using digital credentials in a wider range of payment apps and digital wallets, which I think really helps us. So debit is resilient. I am very long and bullish on debit for the long-term, but again, we still have some shocks and ripples to work through coming out of the pandemic. But I feel very positive about debit in the US and around the world.

David Mark Togut
Analyst, Evercore Group LLC

Q

Thank you for that. In January of this year, card present and card not present travel payment volume growth at Visa accelerated to the mid-70s year-over-year. Over the next 12 months, do you expect a sustained global travel rebound to continue? And if so, will the drivers, including China reopening and/or continued appetite by consumers and businesses, make up for some of the lost time during the pandemic?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Yeah. The million dollar question. Well, let me start by highlighting some of the metrics that we showed in the past, and then, I'll loop back and try to answer that question specifically as I can. But just to ground on the facts. So cross-border travel from our last earnings call, it grew at 63% year-over-year and it was 118% of the 2019 index.

And if you look at the corridors, Latin America, solid. Travel into LAC remained strong and stable, indexing to about 150% to 2019. CEMEA, Central Europe, Middle East and Africa that is, solid. Travel in and out of the region indexed between 120% and 130% for inbound and outbound relative to 2019.

Europe, similarly solid. Inbound and outbound remained strong, 120% to 130% indexed to 2019. US outbound, also solid. Travel outbound from the US to all geographies, I think it's about low 140s to 2019, which leaves us with like the three laggards, the three laggards by corridor.

And that is US inbound, people coming to the US. This is still below 2019 levels. The recovery has picked up a little bit, I think it was – just looking at my notes. It was about 85% of 2019's pre-pandemic levels, but it's – oh no, is that right? No, no, no. Sorry, it's – actually, I don't have that number. Jennifer, maybe you can come back and fill it? It's still below 2019 levels. I actually don't have that number. But it continues to improve based on the weakening dollar. Actually, I don't have the number with me.

The second corridor that's behind is AP outbound; still below 2019, but picking up. I think it was about 85% of 2019, but again picking up. And then, the third laggard was AP inbound, people going into Asia Pacific, also below 2019, but also recovering nicely. Last I looked, it has been 90% of 2019 with strong growth last quarter, especially from Japan, which had a significant increase once it opened its border, which then gets us to China, which is sort of in your question.

In terms of outbound China travel, we do believe this is going to pick up steam as more flight capacity is available, ticket prices moderate, new passports and visas are obtained, and restrictions are lifted. So we do think that's going to pick up first with China. And initial destinations that we're seeing and thinking are Hong Kong, Thailand, Singapore, Malaysia, so Southeast Asia more broadly. So that's outbound China.

Inbound travel to Mainland China has not increased as much and may not until we get a little more stability in the COVID situation. So we think outbound China will recover a little faster than inbound China. But just to summarize, cross-border travel recovery generally in line with what we expected in Q1. We are assuming that the

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recent trends will sustain in Q2, and we expect outbound travel from Mainland China to recover first and the pace of inbound to lag a little bit until COVID unfolds. And that's as clear as our crystal ball gets. So we will see, but that's what we think.

David Mark Togut
Analyst, Evercore Group LLC

Q

Thank you. I appreciate that very comprehensive answer. Since 2016, when Visa, Mastercard and the card issuing banks negotiated the choice agreements with PayPal, Visa, Mastercard, Amex and Discover rolled out Click to Pay, the multi-network button. And now, the largest Visa and Mastercard issuing banks are introducing their own online wallet. How would you score the success to date of Click to Pay? And what do you see as the greatest opportunities to improve? And then, the related question is, what's the opportunity for a bank-led button and why now?

Oliver Jenkyn
Group President-Global Markets, Visa, Inc.

A

Okay. Yeah. Great question. Listen, maybe a broad point first, we are constantly working to remove friction at the point of sale. Be it face-to-face or online, we want payments, the payment experience to be seamless. So we are never going to stop on trying to make it seamless. In the online environment, the guest checkout experience remains a pain point. That's just a fact. We will continue to focus on sorting this out until it's solved.

Click to Pay, absolutely, can and will be part of the solution, such that when a user selects guest checkout or goes to enter their card information, Click to Pay can seamlessly serve up their card credential with Card Art and provide a very easy way for them to complete that transaction. It's great for the cardholder and great for the merchant. But getting that out there and implementing it is a big piece of work that we'll continue to push on.

We continue to advance this Click to Pay solution. We've got over 19,000 active merchants in 25 countries, over 50 acceptance enablers. So we're going to keep at that. Nothing is easy in this business, and we're going to keep at it because it's incredibly important and we have to solve for friction in the card-not-present e-commerce guest checkout experience, and we will.

On your question on the bank-led button in the US, we think it's great. We think it's fantastic. We welcome any and all solutions that make it easier to buy and sell with Visa cards online. That's what we want to have happen. That's what's important to us, especially those that provide a more secure transaction and protect cardholder data with tokenization.

So I can't emphasize this enough. We think what the US banks are doing with EWS is fantastic, and we'll do what we can to support. Again, any effort that is enabling choice and removing friction at the point of sale through Visa cards is good for merchants, is good for consumers, is good for the ecosystem. And we'll do whatever we can to help.

And so, we just have to keep our eyes on that main goal, which is a seamless cardholder and merchant experience in e-commerce, specifically in guest checkout and we'll support a range of things to make sure that happens.

David Mark Togut
Analyst, Evercore Group LLC

Q

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Very clear. Just pivoting to my last question. What's top of mind right now among Visa's largest issuing banks? What are they most looking for in terms of consulting services?

Oliver Jenkyn

Group President-Global Markets, Visa, Inc.

A

It's a great opportunity for me to toot the horn of the advisory services at Visa. I am really, really proud of what this team does, the impact that it has for clients, the growth it has achieved, the broadening of the areas where it can provide expert and stellar advice. I think what our consulting and advisory services team is doing is world class and its performance in the market is proving that out.

I don't think anyone in the world is better at providing advice on payments than the folks at Visa, given what we can bring to bear and the fact that this is what we do for a living every day. So it's a great – and that's not just to pat our consulting guys, advisory guys on the back. It's to tell you guys as investors that there's a long runway for continued growth in this consulting and advisory space directly from the services we provide. But then also, indirectly from the accelerated growth that results from that good advice and partnership.

Anyway in terms of some of the key areas, I'll mention a few. I mentioned earlier this, what we call the Visa Portfolio Health Check, which is where we go to issuers or merchants or acquirers and we take a data driven benchmarking approach to look across all of our clients portfolio to determine whether there is room to improve, and everyone has pockets to improve, and they can, everyone.

And then we combine that diagnostic with actionable recommendations and an implementation team to actually make it real. This is one of our most common and most powerful. It doesn't matter if you're the best issuer in the world or an up and comer, everybody benefits from this and it drives real business.

I also mentioned this one in passing, but it's also a big one is product design and development. There's lots of demand to support and partner to build new value propositions, for new segments to get spend in categories or to target recent grads, sustainable products, ultra high net worth. And so a data driven approach to new product design is something a lot of issuers are looking at. I wish I could say more about that but a lot of that's confidential to those issuers as they roll out their new programs.

Marketing-as-a-service is another one I'm very excited about. Visa has some of the best marketers in the world, especially in the digital and social space. And we do that for our own brand. We're a very powerful brand but now we're saying, let's turn those capabilities and actually provide it as a service to our clients to help them in the digital space.

And so we're doing a lot of work to actually help drive marketing-as-a-service in the digital and social space for our clients. And I can't list them all but goodness, we're providing digital advisory services, crypto advisory services, a little bit less now than in the past, great risk services. So there's a wide range of capabilities that we feel really, really good about in this space. And stay tuned to coming attractions in the advisory services space because it's a real powerful engine for us.

David Mark Togut

Analyst, Evercore Group LLC

Oliver, thanks so much for this wide ranging and insightful discussion. It's been terrific. And congratulations again to you on your big promotion. And, Jennifer, thanks so much as well for being a part of our conference in our fireside chat today.

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Oliver Jenkyn

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Thanks, David. It's our pleasure. Thank you so much.

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