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Visa, Inc. (V)

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CORPORATE PARTICIPANTS

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

MANAGEMENT DISCUSSION SECTION

Unverified Participant

All right. We'll go ahead and get started here with Visa. I'm very pleased to have CFO, Vasant Prabhu. I was just saying it's like – is this the kick off of the farewell stadium tour?

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

Oh my God.

QUESTION AND ANSWER SECTION

Q

I think you're a little too modest for that. That's fine. Before we get started, I do have important disclosures for those. Please see the Morgan Stanley Research Disclosure website at morganstanley.com/researchdisclosures. If you have any questions, please reach out to Morgan Stanley reps.

So Vasant, late last week, Visa provided an update on volumes through, I guess, the beginning of March or very end of February. Things look great. I mean, tell us what you're seeing. I mean, maybe recap the – like what your takeaways were from that update.

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

I think you summarized that things look great.

Q

Okay.

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

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So look, I think what helped us all the way through over the last several years is – all the way through the pandemic, we stayed focused on how our business was doing versus 2019. I think that kept us from becoming manic-depressive like a lot...

Q

Right, right, right, right.

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

A

And then more recently, we've stayed focused on what does our data tell us.

Q

Right.

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

A

And if you listen to the talking heads, you would be manic-depressive again as you see with the market. So our data, as you can see, has been remarkably stable, right?

Q

Yeah.

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

A

Shockingly stable in a way. If you look at our numbers starting all through 2022, quarter-by-quarter, it's been stable almost on a day-by-day, week-by-week basis. And that's continued as you saw all the way through February. January, we had some benefit from Omicron comparisons to last year. But if you look at February, nice double-digit growth in the US, plus 11%. Credit growing double-digits, debit growing double-digits, e-commerce growing double-digits, card-present almost double-digits. You look at the cross-border business, you know that we have been hoping for a steady recovery and we've had a steady recovery up. We gave you some of our assumptions. We're not – it's not easy to predict this. But surprisingly, through the first quarter, we were generally on track.

As you saw January and February, we've seen some more improvement. And I just want to caution you, when you look at January and February, now, it's a full-year comparison to 2019.

Q

Yeah.

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

A

We are still providing that. We have to adjust for that. But even if you look at it on a three-year basis, at least in January and February, there's some comparability because the pandemic didn't really hit till late Feb, early March – it's still improvement. Cross-border e-commerce we indexed at [ph] 180 (02:51), which is very strong. So as I said, if you just looked at our numbers, you'd say, everything is great.

Q

Everything is great. I mean, is there anything perhaps within there that you're looking at saying, okay, this is a positive indicator or negative like things that come to mind or a lot of times as people feel – start to feel more stress – consumers start to feel more stress, they shift a little bit to debit from credit or vice versa.

On the other hand, there's been this speculation that, well, people run through their savings. And so, they're turning more to credit, especially for nondiscretionary, that kind of thing. Any other like things that aren't as obvious at a high level that would be things to watch?

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

A

Yeah, I think, first of all, let me repeat what we've been saying for a while that I don't think we're leading indicators.

Q

Right.

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

A

We are coincident indicators. It's what's happening today. We don't really know if you're going to change your spending behavior two weeks from now because your bank balances are dropping or your credit limits are being hit and all that. If you just look at trends as you saw through February and you dig below those trends, there really are no surprises. It's quite intuitive. It would be what you would expect.

Q

Right.

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

A

So, we've said for a while that the goods categories had a big boom in 2021. And so in comparison versus 2021 and now versus early 2022, the goods categories are – the growth rates are not that great.

Q

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Right.

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

A

But if you look at on an index basis to 2019, actually, they're doing just fine, right? They just had a big bump up in 2021 and the comparison to 2021 and to early parts of 2022 are not flattering. But what's holding up the business is the shift in spending, which is very evident into travel, which is growing extremely fast; entertainment growing very fast; restaurants, various kinds of services. So, what the consumer has done is they're spending the same amount of money.

Q

Right.

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

A

And they're just spending it in different places and they're also adapting to whatever inflation is out there. E-commerce has stayed strong.

Q

Yeah.

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

A

Cross-border has stayed strong. So, there's really no leading indicators of changes of behavior, not that we would have a lot of leading indicators...

Q

Right, right.

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

A

...but there's nothing there that you wouldn't say is, it's intuitive.

Q

And in terms of this mix shift of spend, where are we in terms of service versus goods spending? I mean, I know, you made the comment now a couple of quarters ago that pre-pandemic that services spend was greater than goods. But at least since the middle of last year, you still were seeing more goods than spend. Are we back to that pre-COVID level of services versus goods mix?

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

A

Yeah, it's roughly approaching 50/50 and it's probably headed back to where it used to be. But if you look at travel, and once again, the index for 2019 is always useful because you want to look at, had the pandemic never happened, where would we have been versus where we are. Travel still has recovery left, both domestic and cross-border. Entertainment has some recovery left. Restaurants, I think, are back to where they might have been. Many of the goods categories are generally doing just fine. So, I would – as we said, which is why we've stopped reporting comparisons to 2019 for the domestic business.

Q

Yes.

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

A

We've past the pandemic. We're pretty much steady state at this point. Some recovery left in travel; cross-border travel still more to come, which is why we are still providing comparisons to 2019. But [ph] nothing much (06:48) without the Omicron effects, we had a little bit of Omicron effect, let's say, in the first week of February. It should be a fairly clean comparison.

Q

Clean comparisons. So, one of the questions that we get a lot is like, okay, great – and I'm – repeat or have our own spin on a lot of the same points that you've made here this morning. But one of the questions we often get from investors is like, all right, great, [ph] James (07:13), that's awesome. But like, what about in a real recession? And maybe you can help remind us a little bit of how Visa performed during the global financial crisis and how do consumer payments hold up across credit and debit? And maybe more importantly, what's different about the business now versus, wow, 14, 15 years ago?

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

A

Yeah. First of all, 2008 was a long time ago. 15 years is a long time, number one.

Q

Right.

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

A

Number two, we were just going public. And the Visa of today is vastly different than the Visa of 2008 on many dimensions. E-commerce is a much bigger phenomenon today than it was then. E-commerce is a much larger component of our mix than it was then. E-commerce is not only a big component of our mix in general, it's especially a big component of our cross-border mix, which as you know, prior to e-commerce, cross-border was mostly about travel.

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Q

Right?

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

A

Now, there's a big chunk of e-commerce in cross-border, which is again, a very different thing. Europe didn't exist as part of Visa then.

Q

Right.

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

A

Europe is now almost 20% of our business. The emerging markets have grown a lot in that timeframe. The business is just far more globally diversified than it used to be. Value-added services and new flows are a sizable part of our business and growing very fast and growing based on new services we're launching, penetration of new markets, penetration of new clients, penetration of new use cases, didn't exist then, right? It was more of a strictly credit and debit business. Our debit businesses continue to be bigger and bigger. And, we do debit in many different ways now, not the traditional way, we're embedded in phones, we're embedded in wallets, et cetera.

So you really can't compare the business of today to the business of 2008. That's one thing. The second thing is 2008 for good reason it's called the Global Financial Crisis, right. It was a massive event. It was a credit event.

Q

Right. Right.

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

A

And a lot of credit was pulled back. Unemployment shot up. I don't think anybody today is suggesting that whatever we may have is going to be like that.

Q

Right.

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

A

We've gone and looked at 40 years' worth of recessions and they're all different. None of them are the same. Some have more impact on consumers than others. Some have more impact on personal consumption, expenditure than others. We have a very big debit business, which stays resilient. We have an e-commerce

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business that is growing very fast because of penetration and we have a higher share of e-commerce than we would of card-present. We have some recovery elements still in travel. So, potentially travel holds up better because there's a recovery element in travel.

Q

Yeah.

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

A

So you really can't compare one to the other. Now, having said that, the data on 2008 for us and definitely for Mastercard is publicly available. So you can see what happened. I would urge you to look at it with caution, because that recession and this one are likely to be very different.

Q

Very different.

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

A

And our businesses are very different.

Q

That's right. That makes sense. So turning to travel, this is one where, similar to like, we've kind of conducted similar exercise. We go back and we look at historical travel trends during recession, etcetera but where are – what's your perception of how international travel spend on Visa cards generally is impacted by macroeconomic conditions. And one of the big things that we see people say, well, business travel falls by a lot, but like how much of Visa's volumes on travel really are business related versus tourism related, etcetera?

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

A

Yeah, a lot, the biggest chunk, as we told you during the pandemic is consumer related travel, right?

Q

Right.

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

A

Because a lot of business travel often gets charged differently. It doesn't necessarily show up on our credentials. So you can assume it's more consumer than business. Now having said that, I mean, again, I have to come back to we're still in a recovery mode in travel.

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Q

Yeah.

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

A

And there's a lot of pent-up demand. There's been capacity constraints in a lot of markets for travel. So travel hasn't been able to meet the level of demand. You see the prices have gone up a lot. So you're going into a situation where employment levels are still very high. Wage rates have been pretty good. The consumer for all intents and purposes seems to be doing fine. You've got pent-up demand for travel. Most of the volume on our credential is consumer travel. Again, I don't think history is a good predictor. I know the conventional wisdom is that travel is discretionary, and therefore in a recession it might be the one to be cut back. I think we'll have to wait and see.

Q

Right.

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

A

It all depends on what kind of recession this is.

Q

That's right. Well, I think it's interesting that you characterize this as the conventional wisdom or, for us, I call it like the innate prejudice that people have is that like travel falls by a massive amount in a recession. But like you said, it's like as we go back to recessions, even back into the 1960s, does travel overall, has it underperformed GDP? Yeah. But a lot of times it's only by 100 or 200 basis points that's underperforming GDP.

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

A

Yeah.

Q

And so then, like you say, it's like you layer on like, well, we're still below unit volumes and passenger volumes and the like. So, to me that's still an important point. And on that of passenger volumes, I mean, we're still indexing below 2019, obviously because of Asia Pacific, but also even parts of Europe, etcetera. Can you help us balance or think about what the right relationship is between passenger traffic and volumes, right? Because we're approaching 120% of transaction volumes but passenger traffic itself is still cumulatively maybe only 80%, 90% recovered.

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

A

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Yeah. Well, the delta is driven by the fact that prices of travel have gone up, right.

Q

Okay.

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

A

So, you're paying a lot more for that airline ticket, you're paying a lot more for that hotel. And so, while transactions are still indexing lower than what volumes are, some of that is driven by...

Q

Right, right, right.

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

A

...these kinds of things. In terms of cross-border travel, as we look at where it stands today, we have seen nice improvement in Asian travel. Asia was the laggard and Asia is improving steadily. I think by the time we get to the end of this quarter, maybe Asia will be back to 2019 levels. That's the last region that needed to get back to pre-COVID levels.

Q

Right.

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

A

But then you're just at pre-COVID levels. So there's still a long way to go to get back to the pre-COVID trend line. And most regions are equal to or better than the pre-COVID trend line.

Q

Right.

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

A

Among the strongest ones would be outbound travel from the US has been very strong, indexing probably above the pre-COVID trend line versus 2019, helped by the strong dollar, I would imagine. Inbound travel into Latin America, inbound travel into Europe have been huge beneficiaries of travel out of the Middle East and the US and so on. They're indexing extremely strongly. The sluggish ones have been Asia, which is now recovering. And then the US inbound has been sluggish, as you saw but it's recovering steadily. And I would hope that by the end of this quarter, I mean, that would also be back to pre-COVID trend line.

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Q

Right.

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

A

But again, that means there's still more to go.

Q

Right.

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

A

And there's nothing we've seen that says you won't get back to the pre-COVID trend line or even above it, right, because if the rates continue to be higher, then you would get above the pre-COVID trend line when transactions get back to the pre-COVID trend line.

Q

Right. That makes sense. So back on China specifically, can you remind us how big China travel was for you pre-pandemic and more broadly, how the reopening there can support ongoing recovery in international travel in and out of APAC?

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

A

Yeah, I know there were some numbers thrown out by Mastercard and all that. And I don't want to get into all that. All I can tell you is that the future recovery of travel is clearly dependent on China. Right? Because China has been the laggard and China is a sizable market. And we told you to be a little patient on Chinese travel recovery because there are some things that make it slower than you might think.

Q

Okay.

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

A

Airline capacity, if you look at the data, was cut back sharply, right? I think if I remember right, at one point coming out of the shutdown of China, I think the airline capacity – and these numbers maybe wrong or not accurate precisely – into London, were at 10% of pre-COVID levels. So, what we're seeing is, first of all, the Chinese had to get new passports in many cases if they had expired. They had to get visas. And that wasn't always easy. Some countries have made it easy. So, those are the ones benefiting earlier.

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Prices were very high for travel because there was very little capacity. We've seen a big pickup into the obvious places, going into Hong Kong and Macau and so on, then into Southeast Asia, especially Thailand. Traveling to Canada has picked up faster than other parts of the world, I guess, because maybe airline slots have opened up more in Canada faster, and so there's more capacity coming online faster. So, what you should be watching is how airline capacity build is coming out of China. And there'll be travel going into China now as the COVID situation there has settled down.

We are very bullish on the Chinese travel recovery. We see it happening, but it's going to be more of a second-half event. It's not yet happening to Europe and the US.

Q

Okay.

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

A

Because there were initially COVID testing requirements. I think Visa issues have to be resolved. And the big roadblock would be slots opening up for airlines to travel to the US and Europe from China. So, it will take some time, but it's going to come. And when we said that cross-border travel will recover through the year, it was based on things like China opening up.

Q

Got it. Got it. So wanted to look at – turn to new flows and new revenue streams for Visa. I mean, there's a list of them that we can talk about. But I want to make sure to hit some of the more important ones. Let's start with Visa Direct. This seems like it's contributing a meaningful amount of – to growth right now, but for a lot of investors, they may not be completely up to speed of like, what are the most recent developments there and growth within Visa Direct and what are the use cases that are seeing the most traction that at least you're most excited about?

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

A

Sure. Yeah. I mean, you should think of Visa Direct as not a product but a capability. So Visa Direct is really something that can serve use cases that are not our traditional use cases. So in that sense, Visa Direct, I think is a platform that you should be watching for the next decade, right? This is the future of Visa outside of our traditional consumer payments business. It is the platform that will allow us to develop use cases that we're already doing, like P2P, like cross-border remittances, like the revolutionizing of payroll to on-demand pay, like marketplace payments, like disbursements of all kinds.

Q

Right.

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

A

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What Visa Direct is, is something that allows us to put into effect, what we call our network of network strategy. So it isn't just that you move money on your own network, but we'll get your money where it needs to get to. Visa Direct connects to, I believe, 60-plus ACH networks, 10-plus RTP networks. I think 15 card networks. So essentially, whatever your needs are, card to account, account to account, account to card, we can do it.

And what it brings is this extraordinary ubiquity. I think there are 7 billion end points. Second is, it's relatively easy to connect to. People tell us the APIs are easy to use and people can set themselves up pretty fast. We allow a whole bunch of intermediaries who are offering these services to scale by using our network. It offers what our network offers, which is extraordinary reliability, extraordinary security, which you don't normally get, a whole range of value-added services that we can layer on top of it, whether that's dispute resolution, identity, various forms of risk management, and so on. It's global in scope. It's real time. Remember that ACH networks and RTP networks are not global.

Q

Right.

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

A

Most ACH networks are not real-time. Most RTP and ACH networks are not as secure by a wide margin compared to what we are. So the value of Visa Direct is quite extraordinary. B2B is normally the first use case. We are very, very excited about cross-border remittances, which is a huge, huge market. And we have an incredibly compelling solution. We are excited about marketplaces. This is – these are the businesses where people sitting in Turkey can sell you a service here and then they have to be paid or a Airbnb host has to be paid.

Q

Right.

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

A

Then there's the whole on-demand payroll, which we started with the gig economy and now we're extending to traditional businesses. And we are working with a whole range of partners. We are in – we are working with all the remittance providers. We're working with all the new payroll platforms. We're working with insurance companies on digital disbursements.

These are early days, but the momentum is great. It is already a meaningful part of our volume that you can see in our debit volumes. It's been growing at a very hefty clip. We give you what the transactions are and what the growth has been. We're expanding it globally. We are going into new use cases and we're deepening penetration of existing use cases. So this is just the first or second inning. In fact, it's the first inning. And we think this is one of the key legs of the long-term growth of Visa.

Q

So there within Visa Direct, you laid out a lot of the impressive capabilities and differentiating capabilities of Visa Direct say versus traditional ACH networks et cetera. But I'm sure you get the question as much as we do, which

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is what about the role or the position, especially as we sort of talk about imminent launch of FedNow or real-time payments more generally? How do you play within that space? And what are the implications of FedNow roll out for Visa in terms of potential volumes or how are you seeing that ecosystems – those ecosystems put together?

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

A

Well, our view is that, everybody is a potential partner. Nobody really is a competitor. Anything that makes payments more ubiquitous, anything that, causes consumers to adopt digital forms of payment. Anything that makes merchants accept digital forms of payment is a good thing.

Q

Yeah.

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

A

Because it expands the market. And maybe we have a large share of a market that's 5 times as big than a large share of a market that's one-tenth the size. And that's historically proven to be the case, because once people get used to, let's say, a digital form of payment because they use [ph] Pix (23:12) or RuPay in India, UPI in India. They get used to digital payments.

That means they use digital payments for lots of things. And when it comes to higher value payments, they often come to us. For all those reasons, they're more secure. It's more prestigious to use a Visa card.

Q

Right. Right.

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

A

There are lots of reasons that we benefit and we've seen this in other parts of the world. We saw it in Europe. So – and then we co-opt them, right? We don't view these other networks as necessarily competitors. They are open to us. We partner with them. We send transactions to them. They send transactions to us. We may offer value-added services to them. We're happy to help them in any way we can. We just think that the rising tide just lifts all boats and it's a good thing for the industry. And that's how it's played out. If you look at Latin America through the pandemic, our payments volumes have doubled...

Q

Wow.

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

A

...which is much more than consumer...

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Q

[indiscernible] (24:09) right?

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

A

...versus consumption expenditure. In the Middle East and Africa, consumer volumes – our payment volumes have doubled. In India, they have almost doubled. Brazil has been one of our strongest performing markets. So, we actually think these are good things for the digital payments ecosystem in general. And our approach to things has been really the philosophy of – everybody is a partner.

Q

Yeah.

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

A

I know, we said that about the wallets when they came around and they're all our partners right now. And that'll be the case with RTP networks. They're already working with most of them. It'll be the case with the phone networks in Africa. We're working with many of them. I think it's a win-win for all parties.

Q

Right. Right. Right. Makes sense. Another common question that we get, I'm sure you also get is like, consumer card penetration generally. So outside of newer flows, how much runway is there from your perspective to keep driving growth in the consumer card and what – which countries and regions is Visa able to get more aggressive in and particularly as we think about like how much further for the US and how much further for developed markets?

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

A

Yeah, I think there's concern that they're going to run out of room is somewhat premature and misplaced. If you just look at our data, our credential growth has never been stronger. I mean, we're growing credentials double-digits, which is quite astonishing.

Q

Right. Right.

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

A

60 years after we started doing it, right? I mean, which business can grow like the basic credential amount, right, like we are adding people at a double-digit rate 60 years into what we're doing. That's because we're now embedding our credentials in [ph] normal (25:50) cards, in wallets, in phones, in all kinds of devices. And so,

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there's no evidence whatsoever, if anything credential growth has accelerated. Usage has accelerated, right? Through the pandemic, people are using their digital credentials for just about everything. I mean, there are lots of you who probably never use cash.

Q

Right.

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

A

That wasn't true even five years ago. We've made the friction of payments drop dramatically with Tap to Pay. Tap to Pay still has a long way to go in the US, for example. Merchants, we have 4 billion credentials today versus 2 billion a decade ago. We have over 100 million merchants accepting and that's growing at a very fast clip. We think there's still extraordinary runway here. Penetration levels in emerging markets are still extremely low. There's still a lot of – just dollar volume of cash in developed markets. There's no reason why penetration levels can't go well north of 90%.

Q

Right.

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

A

We've seen that in many markets. We've had more success in building penetration than others have had in coming after these kinds of use cases. We've had more success in doing new use cases than – and penetrated new areas. There's just many, many more uses that people are putting their credentials to. So I don't think we have any risk that we're running out of the runway in our consumer payments business.

Q

Right, right.

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

A

And our belief is that our new flows and value-added services businesses can grow much faster than our consumer payments business and just raise our overall growth rate.

Q

Got it. And in the last minute here, let's talk about B2B. You've got Visa's B2B Connect, but what's your assessment of where the opportunity is for that product and service and are we making progress there? Just like, can it start to move the needle?

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Vasant M. Prabhu

Vice Chairman & Chief Financial Officer, Visa, Inc.

A

Yeah. It is already big, right? We are – so I'll do the one minute answer. Three parts of B2B. Don't underestimate what we call traditional cardable B2B because it's high yielding, we know how to do it. We have great solutions with virtual cards and other kinds of products. It's growing very fast. We are twice as big as anybody else. It's a sizable business today and growing at a very healthy clip.

Cross-border B2B with B2B Connect, Visa Direct and other things is going to be a big business. It's already a big business and high yielding. AR and AP will be down the road. We've always said that. They're harder nut to crack, maybe big PVs, but moving money there isn't where the money is. You have to find more value to add.

Q

Right.

Vasant M. Prabhu

Vice Chairman & Chief Financial Officer, Visa, Inc.

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But there's plenty of room to grow in the traditional areas that we are advantaged in delivering that are very attractive and they're growing extremely fast as you saw in our numbers last quarter. So we're very excited about B2B. It is a decent sized price part of the business. It is very much a priority and there's a lot of growth left there.

Unverified Participant

Well, that's great. Well, that's all the time we have to chat with you this morning, Vasant. Thank you very much for joining us.

Vasant M. Prabhu

Vice Chairman & Chief Financial Officer, Visa, Inc.

Thank you. Bye.

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