29-Jan-2019

Visa, Inc. (V)

Annual General Meeting

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CORPORATE PARTICIPANTS

Robert W. Matschullat
Independent Chairman, Visa, Inc.

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

Kelly Mahon Tullier
Executive Vice President, General Counsel & Corporate Secretary, Visa, Inc.

MANAGEMENT DISCUSSION SECTION

Robert W. Matschullat
Independent Chairman, Visa, Inc.

Good morning, [audio gap] (00:00:02). I'm Bob Matschullat, Chairman of the Board of Directors of Visa, Inc. On behalf of the board, our management team, [audio gap] (00:00:10), employees of Visa, I would like to welcome you to [audio gap] (00:00:15-00:00:19). Today's meeting is being recorded and a replay will be available on Investor Relations website.

Before proceeding with the business of the meeting, I would like to take a moment to introduce the other members of the board in [audio gap] (00:00:32) ask that each director stand [audio gap] (00:00:35), Lloyd Carney, CEO of Carney Global Ventures, LLC; Mary Cranston, Retired Senior Partner of the international law firm of Pillsbury Winthrop Shaw Pittman [audio gap] (00:00:50); Javier Fernández-Carbajal, a consultant for public and private investment transactions and wealth management advisor as well as former CEO of the Corporate Development Division of Grupo Financiero BBVA Bancomer; John Lundgren, former CEO of Stanley Black & Decker; Denise Morrison, former President and CEO of Campbell Soup Company; Suzanne Nora Johnson, former Vice Chairman of Goldman Sachs; John Swainson, former CEO of CA Technologies; and Maynard Webb, the Founder of the Webb Investment Network and a Co-Founder of Everwise [audio gap] (00:01:35).

Also sitting almost next to me is Al Kelly, our CEO and a Member of the Board. I am proud to serve with such an experienced, dedicated group of directors who are committed to representing the best interest of Visa and [audio gap] (00:01:55). I would also like to introduce the members of Visa's executive team who are who are here today. Jennifer Grant, Executive Vice President of Human Resources and Chief Human Resources Officer; Oliver Jenkyn, Group Executive of North America; Ryan McInerney, President of Visa; Vasant Prabhu; Executive Vice President and Chief Financial Officer; Ellen Richey, Vice Chairman and Chief Risk Officer; Bill Sheedy, Executive Vice President of Corporate Strategy, M&A and Government Relations; Rajat Taneja, Executive Vice President of Technology and Operations; and Kelly Mahon Tullier, our Executive Vice President, General Counsel and Corporate Secretary.

Also with us this morning are Charles Lynch and Janelle Riley of KPMG, our independent registered public accounting firm. They will be available to answer questions later in the meeting.

At this time, Kelly, our Executive Vice President, General Counsel and Corporate Secretary will conduct the formal portion of this meeting and record the minutes. Then Al Kelly, our CEO, will present an overview of Visa's fiscal 2018 financial results and business strategy and then we will address your questions.

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Kelly Mahon Tullier

Executive Vice President, General Counsel & Corporate Secretary, Visa, Inc.

Okay. Thank you, Bob. Good morning. Upon registration, you were provided with an agenda for the meeting and the rules of conduct for the meeting. In order to allow for an orderly meeting and permit sufficient time for any questions, we ask that you abide by these rules. After the proposals are presented, you will be given an opportunity to ask questions regarding the proposals. There will be a question and answer period for company related questions after [ph] Al's present (00:03:54).

If you would like to ask a question, please proceed to the microphone. Once you've been recognized, please identify yourself by name and state whether you are a stockholder or hold the proxy of a stockholder. Any such questions will be subject to the rules of [audio gap] (00:04:09). We have an affidavit from Broadridge certifying that the stockholders of record as of November 30, 2018 were mailed a notice of Internet availability of proxy materials on or about December 6, 2018. The affidavit of mailing in notice will be filed with the minutes of this meeting.

Andrew Wilcox, on behalf of Broadridge, has been appointed to serve as Inspector of Elections. Mr. Wilcox, who is sitting in the back of the room [audio gap] (00:04:35) has taken the oath of office and is prepared to serve. Mr. Wilcox has advised me that we have present in person or by proxy a sufficient number of shares to constitute a quorum. Accordingly, the meeting is duly constituted and we may proceed with business.

It is 8:34 AM on January 29 and the polls are now open for voting. They will close at the conclusion of the formal portion of this meeting. Until the polls close, any stockholder may revoke or change his or her vote on any matter. However, once the polls close, no further ballots, proxies or votes or any revocations or changes will be accepted.

If you previously voted via the Internet, telephone or mail, you do not need to take any further action. If you did not previously vote or wish to change your vote, please raise your hand and we'll provide you with a ballot to vote with this morning.

[audio gap] (00:05:31-00:05:38) the others [audio gap] (00:05:40)? We will collect the ballots while voting is being completed on all matters on the agenda. Upon receipt of the ballot, the polls will officially close and we will announce the preliminary results of the voting at the end of the formal portion of this meeting.

There are three proposals on the agenda today. The first proposal is to elect 10 directors to Visa's board of directors. The board nominees for election to the board of directors are Lloyd Carney, Mary Cranston, Francisco Javier Fernández-Carbajal, Alfred Kelly, John Lundgren, Bob Matschullat, Denise Morrison, Suzanne Nora Johnson, John Swainson, and Maynard Webb. We did not receive any other nominations for director.

The second proposal is an advisory vote to approve our executive compensation. And the third proposal is to ratify the appointment of KPMG LLP to serve as Visa's independent registered public accounting firm for the 2019 fiscal year.

If you have a question at this time, please proceed to the microphone. As a reminder, we will only address questions related to the proposals now. All other questions will be addressed during the Q&A portion of the meeting following Al's presentation. [audio gap] (00:06:49-00:06:56)

Stockholders who are voting in person should now mark their ballots on proposals 1 through 3. [audio gap] (00:07:02-00:08:01) Please raise your hand if you have a ballot or proxy card to be submitted. It is 8:37 AM on

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January 29, and the polls are now closed. No additional ballots, proxies or votes changes or revocations will be accepted.

I have received the preliminary voting results from the Inspector of Elections based on the proxies received as of the opening of the polls of today's meeting. Ballots and proxies handed in during the meeting will be tabulated by the Inspector of Election and included in the final tally which will be filed with the minutes of this Annual Meeting of Stockholders.

In addition, we will report the final voting results in a current report on Form 8-K within four business days from today. The preliminary results of the voting are as follows: Proposal one, each of the board's 10 nominees have been elected to the board of directors. Each nominee was elected by a majority of the votes cast.

Proposal two, the advisory vote to approve the company's executive compensation has been approved by the affirmative vote by holders of at least the majority of the shares of the company's class A common stock who attended the meeting either in person or by proxy.

Proposal three, the proposal to ratify the appointment of KPMG LLP to serve as the company's independent registered public accounting firm for the 2019 fiscal year has been approved by the affirmative vote by holders of at least the majority of the shares of the company's class A common stock who attended the meeting either in person or by proxy.

I will now return the floor to Bob.

Robert W. Matschullat

Independent Chairman, Visa, Inc.

Thank you, Kelly. This ends the formal portion of our meeting. There being no further business to come before the meeting, this meeting is adjourned. We will now proceed with the overview of Visa's business strategy presented by Al.

Alfred F. Kelly, Jr

Chief Executive Officer & Director, Visa, Inc.

Good morning, everybody. Bob, thank you. I appreciate everybody being with us today. I'd also like to take the opportunity to welcome Denise Morrison who brings valuable experience and strength in consumer products through a variety of senior leadership posts that she has held at Nabisco, PepsiCo, and as CEO of Campbell Soup. Denise joined our board on August 2 and we're very fortunate to have her as a director.

2018 was a really historic year for Visa, which we celebrated our 60th anniversary as a company and 10 years as a publicly traded company. And at the heart of Visa's success for those last 60 years has been our strength and breadth and trust of our global network. In 2018, we expanded our network to displace cash and strengthened our core assets including our brand and security.

Before I talk about Visa's larger strategy, let me first start by giving a quick summary of the financial results of 2018. Fiscal 2018 was another very strong year for Visa. We reported net operating revenue of $20.6 billion, a 12% increase from the prior year; adjusted earnings per share growth of 32% to $4.61. These results were driven by the global increase in payments volume, cross-border volume and processed transactions, and the impact of U.S. tax reform. Payments volume in fiscal 2018 grew 11% over the prior year on a constant dollar basis.

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This strong financial performance enabled us to invest at healthy levels to drive future growth while also returning $9.3 billion to shareholders in the form of share repurchases and dividends. Our expectation is that 2019 builds upon our strong foundation to continue to deliver superior shareholder value through long-term sustainable growth. We plan to do this by continuing to displace the $17 trillion of consumer cash and check payments, and targeting new payment flows like person-to-person and business-to-business, the latter representing an even larger opportunity than the consumer segment.

Looking ahead, even with our success today, there's tremendous runway for growth for this company. As we reflect on the entire fiscal 2018, our global leading network connecting issuers and merchants got stronger on a number of dimensions. The number of cards or payment credentials increased by about 80 million to 3.3 billion across 15,900 financial clients. Total Visa volume surpassed $11 trillion driven by 182 billion transactions. This equates to an average of 500 million transactions every single day in fiscal 2018.

Our payment volume growth was strong across the globe and with our payments volume growing twice as fast as global PCE, Visa's penetration of global purchased PCE increased by 0.5 point to over 16% this year. Transactions processed totaled 124 billion, up 12%, lifting our processing penetration by 1 point globally in the year. Additionally, merchant locations increased by 7 million or 15%, reaching a total of 54 million locations globally.

Beyond the expansion of Visa's network, we've committed to accelerate the conversion of cash across three key areas of opportunity. The $17 trillion of consumer spending in cash and checks that I mentioned previously, the growing shift of physical payments moving online where cash is simply not an option, and lastly, $30 trillion in addressable spend across new segments like P2P.

Starting with the $17 trillion in consumer spending cash, adoption for contactless, tap or tap-to-pay, an EMV technology that allows consumers to transact by tapping their card at a terminal without inserting the chip continues to grow. The growth is driven by the fact that it reduces transaction times making it an ideal way for lower ticket transactions to be utilized in a heavy cash environment. [ph] Tap-to-pay (00:13:58) accounts for one in four domestic face to face transactions that run over our network globally. Excluding the U.S., which really has been very slow to adopt domestic tap-to-pay penetration, our face to face transaction processed over Visa [ph] and that is (00:14:15) 40% up over 12 percentage points versus 2017. In fact, more than 20 countries increased their domestic tap-to-pay penetration by more than 20 points in fiscal 2018 led by Russia which was up 38 points to over 50% of their transaction processed in tap-to-pay.

The U.S. market is poised for significant tap-to-pay growth over the coming year. A few facts to note, on the acceptance side, at the end of fiscal 2018, more than 70 of the top 100 merchants were enabled for tap-to-pay, an increase of over 20 from the past year. On the issuing side, several of our largest clients will begin issuing tap-to-pay enabled cards over the next few quarters. We expect there to be over 100 million Visa tap-to-pay cards issued in the United States by the end of 2019.

As more and more consumers spend and shop on their mobile and tablet devices, Visa is also focused on enabling the shift from physical payments to online payments. Today, the online buying experience is nowhere near where it should be. It is inconsistent and confusing for most consumers and merchants. To help address these challenges, EMVCo, the jointly operated standards body of the world's leading payments networks published a draft of a technical specification to enable a single acceptance button incorporating tokenization for merchants that will help reduce fraud, while improving the customer experience across all devices. This final specification called Secure Remote Commerce is expected to be public in 2019 and we expect merchants to start enabling this service this calendar year.

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Finally, Visa is expanding into new business segments and that remains a priority. Visa Direct enables us to capture new types of payments that were previously paid by cash and check. Visa Direct changes the typical payment flow whereby cardholders pay for goods and services using their Visa credit, debit, or prepaid cards. Instead, Visa Direct pushes the funds to the cardholder's account, opening our network for new types of payments such as peer-to-peer payments, business-to-consumer disbursements and bill payment.

Visa Direct enables many use cases but let me just give you two examples. First, using Visa Direct, rideshare drivers can now receive their wages in real-time at the end of a shift rather than having to wait for employees to receive a check in a two-week cycle. A second example, insurance companies can now disburse insurance claims directly to consumers' bank accounts versus needing to cut a check and send the claim check through the mail.

This [ph] 2016 (00:17:16), we have seen Visa Direct grow at an average annual rate of more than 70%. And in the fourth quarter of fiscal 2018, the growth rate was more than 100%. With Visa Direct enabled in over 150 countries around the world, we look forward to enabling much more growth in 2019 and beyond.

Outside of enhancing and broadening our network, we continue to focus heavily on the important topics of risk and security since our entire ecosystem is underpinned in trust. Over the last two years, we focused on building 24/7 cyber fusion centers in Ashburn, Virginia and London [audio gap] (00:17:58) that Visa's able to detect, respond and recover from cyber-attacks. We are now taking risk and security a step further by developing proprietary Visa services that can detect attacks before fraud can even occur.

An example of this early warning detection system is something called e-commerce threat disruption where we use proprietary Visa technology to analyze merchant websites for malicious payment data skimming malware, allowing us to identify potential compromises and to alert the relevant party before the fraud can occur. We also continue to pioneer other solutions to improve risk and fraud using technologies like machine-learning and artificial intelligence.

2018 was another year where we focused on building the Visa brand, one of our most important and valuable assets. 2018 was historic for the brand because we activated three of our global sponsorship properties: the Olympic Winter Games, the FIFA World Cup and the National Football League Super Bowl. Today, we are the only brand in the world that is a major sponsor of all three of these events and we recently announced that our global sponsorship with the Olympics and the International Olympic Committee will now run through the 2032 games. And just this morning, we announced that we have extended our NFL sponsorship through the 2025 season. These sponsorships enable us to grow our brand awareness, showcase innovation, and activate promotions that deepen client and consumer relationships.

For consumers and businesses, our brand continues to symbolize access, confidence, and convenience.

Another area of focus for the company is expanding access to the 1.7 billion people who remain largely excluded from formal financial services. As a global leader, it is imperative that we continually and constantly explore ways to improve people's lives and drive economic and societal progress in parallel to increasing shareholder value.

Small and micro businesses, many of them women-owned, are an important driver of economic activity particularly in developing economies. And our social impact platform is focused on enabling them to thrive through access, growth, and resilience. Recently, Visa partnered with the Female Founder Collective, a global network of

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female entrepreneurs, to launch a program called She's Next. The goal of this partnership is to enable a peer network of women entrepreneurs and use Visa sponsorship platforms to highlight these women-run businesses.

The launch of She's Next follows the commitment of the Visa Foundation made to Women's World Banking last year to support the growth of women-owned businesses around the world particularly in emerging markets. While we have a lot of work to do to bring small enterprises into the financial mainstream, we believe we can make meaningful difference through our foundation investments, our partnerships and access to Visa's unrivaled expertise, resources and experience.

In 2018, we also made progress to meet and exceed environmental, social and governance expectations of our shareholders including our 2018 commitment to transition to 100% renewable electricity by 2020. We're very proud of our commitment and the recognition we have received from the Dow Jones Sustainability Index, the FTSE Good Index (sic) [FTSE4Good Index] (00:21:44) and Best Corporate Citizens List.

On the Tuesday following Thanksgiving this year, Visa enabled GivingTuesday, whereby Visa decided to match employee charitable giving done on that day. We saw widespread participation with over 1,000 of our employees giving more than $1 million to causes that were important to them and causes that we matched dollar for dollar. This goes to show that Visa values giving back to local communities at every level throughout the organization.

As we move through fiscal 2019, Visa remains in a strong position with a seasoned and diverse management team, a strengthened and broadened network, best-in-class security, and a great brand. Challenges certainly remain, including those posed by regulation and emerging disruptive competitors. But I am confident we will continue to maximize the strength and manage the challenges with the same discipline we have in the past.

It is my great honor and privilege to lead this wonderful company. My 17,000 colleagues and I are committed to delivering sustained success and long-term value for our shareholders and all other stakeholders. I thank you, and I appreciate you putting confidence in Visa.

I want to show one quick video before we go to the Q&A. So, we can run that video.

[Video Presentation] (00:23:14-00:24:41)

Unverified Participant

Okay. That completes my formal remarks. So we're open for questions. Thank you.

Robert W. Matschullat

Independent Chairman, Visa, Inc.

[ph] Thank you (00:24:54) everybody for coming. [audio gap] (00:24:56)

Kelly Mahon Tullier

Executive Vice President, General Counsel & Corporate Secretary, Visa, Inc.

Thank you.

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