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Visa, Inc. (V)

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MANAGEMENT DISCUSSION SECTION

John P. Hall

Vice Chairman, Investment Banking, JPMorgan Securities LLC

Good morning and welcome to the third and final day of our 2020 edition of the TMC Conference here at JPMorgan. We also welcome you to today's breakfast keynote. I'm John Hall. I'm the Vice Chairman, Investment Banking, with a background of FinTech and payments. This, our first virtual conference, has been a huge success. We've had over 5,000 individuals participate each of the last two days, which is over two times what we normally have in an in-person event. It's perhaps established a new modality or format for doing these events, and we look forward to your feedback on how we can make the event more effective.

I'm pleased to introduce our keynote speaker, Al Kelly, the Chairman and CEO of Visa. Prior to Visa, Al held many leadership positions at American Express and ultimately served as President of the company. At Visa under Al's leadership, the company has what I would say adapted and prospered in what I would call a dynamic world of payments, which has been reflected in its share performance over the last four years. When Al joined in December 2016, the stock was at \$79. And at its height in mid-February prior to the pandemic, the stock had appreciated over three times, nearly three times over that period of time. And at the close yesterday, the stock had appreciated over two times, double its value from 2016.

Tien-Tsin Huang, our payments and IT services analyst, will interview Al, over to you, Tien-Tsin.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Thank you, John. Al, great to see you, thanks for joining us again.

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

Tien-Tsin, thank you for having me. And, John, thank you for your introduction, way too warm. I'm blessed to work with a lot of great people, who the people deserve all the credit, not me. So thank you.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Great, so we'll do a fireside chat and we will be taking some questions through the Ask a Question portal. So, investors, feel free to ask through there. But we've got a pretty exhaustive list of questions to go through, Al, that I've gathered from the investment community. So if you don't mind, let's just dig right into it.

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

Sure, let's go for it.

QUESTION AND ANSWER SECTION

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

All right. So the obligatory COVID-19 question, what are you doing for clients to help them manage through this crisis?

Q

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

As we all know, this is truly unprecedented territory, uncharted waters. But at any point in time, good or bad, focusing on our clients is the number one priority for us. And I should say, by the way, up front, Tien-Tsin, I know my friend Ajay [Banga] released some numbers yesterday. I'm not planning to give an update on numbers since we just had earnings two weeks ago, but we certainly can talk about any of those numbers, but I don't plan on talking about them today or giving an update.

A

In terms of clients, number one, we decided a number of weeks back that we should act as if this was the holiday season and make sure that we do no harm. And so for the first time, I think, in our history, we elected not to do our normal April what we call business enhancement release, where we put new code out into the system. We do that twice a year, one in April and October. We decided to delay that. And making sure that our network continues to run reliably and securely is a top priority. And with 95% of our employees working from home around the world, the reality is that we have been able to make sure our network continues to run well and that our application processing is good.

The second thing we're doing is trying to help people with capabilities, and tap-to-pay is at the top of that list. It's now – in the second quarter 60% of face-to-face transactions were tap-to-pay, excluding the United States, and that's up 40% in terms of transactions a year ago. And as part of that, one of the things we did was we worked with many governments, almost 60 governments around the world, to raise limits on tap-to-pay. And we raised limits in about 25 markets in Europe, about 25 markets in Central Europe, Middle East, and Africa. And we were able to raise them in Australia and New Zealand and Canada.

And so by way of example, in the UK we raised it from £30 to £45, and that 50% increase resulted in a reduction of 50% of the transactions actually requiring somebody to actually interact with a terminal. In Canada, the level raised from CAD 100 to CAD 250, and 40% of the transactions in that range, between CAD 100 and CAD 250, went contactless during that period of time, which is quite terrific.

The second thing we're working on is Visa Direct, and there's a huge demand for earned wage access at this point in time. And we saw a 70 – well, in that category of earned wage access, almost a 100% increase in terms of transactions. We're working closely with governments, clients. In Guatemala as an example, we helped them get emergency funds, relief funds out to 2 million people over the course of three months.

And then of course, there's a few of our value-added services that are even more important in a time like this. The first is data. We have over 20 governments that we're helping by providing them data, including the US government, on either a daily or a couple times a week basis. And then our clients are using our Visa analytics platform at levels they've never used it. We have 5,000 active users, and they generated 33% more reports in Q2 than they did in Q1 because – you and I were talking about this earlier. Everybody's asking more questions than they ever did before, and people are interrogating their portfolios, interrogating their databases at levels that they've never had in the past.

Our consulting business continues to do quite well. We saw a 50% increase in consulting projects in this quarter just ended versus the prior quarter last year. We're doing things like portfolio optimization analysis. We are doing digital activation, campaign planning, and all kinds of other things to help our clients.

And then obviously, our risk services are very important. As more transactions have gone online or into e-commerce at this point in time, there's a heck of a lot of interest amongst our clients relative to keeping fraud down because we know ever since we went to EMV and put chips in the cards, the fraud slid from card-present to card-not-present, and now with volume going to card-not-present. And by the way, the bad guys love times like this because they're looking and hoping that everybody's distracted and they have the ability to come in and cause problems. So we have to be particularly careful, and therefore our clients are really interested in our fraud prevention capabilities.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

That's a good summary. So I'm thinking, as you're describing things like contactless and Visa Direct, what are some of these trends that you've seen now that will likely continue or maybe even accelerate in a post-COVID world? Because I get that question a lot.

Alfred F. Kelly*Chairman & Chief Executive Officer, Visa, Inc.*

A

Sure.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

Of course, we're all looking at the short-term numbers, but it does feel like there's going to be some pull-forward in the secular shift towards whatever kind of forms of payment that obviously you drive on. So how do you see that?

Alfred F. Kelly*Chairman & Chief Executive Officer, Visa, Inc.*

A

I'll tell you, number one, I want to state for everybody that it was only 90 or so days ago that we had our Investor Day in San Francisco. It feels like a lifetime ago. But the things we highlighted there in terms of our strategy, the fact that we're committed to core payments, that we're going to get much more involved in new flows and value-added services, and we're doing that on a base of four really important things, security, technology, our brand, and our people. And we're as committed to those things as we ever have.

So let's unpack them a little bit. If I look at consumer payments, there's a number of areas where, I think, because of COVID-19, we might even see accelerated progress, and the first is cash displacement. \$18 trillion spent on cash and check around the world, and I think people are increasingly discovering that cash and currency is a germ-carrying vehicle, and there's all kinds of things you probably have read about how many times a day or a week a form of currency is exchanged and touched by different people.

And I just say where I've been hunkered down, I've seen a number of stores put up signs saying no cash. So I think it's a big opportunity. And as we know, there's still a long-tailed pigeon of merchants that only take cash, and I think that's going to be problematic for them. So that's the first one that comes to mind.

The second is the shift to digital, and that's going to accelerate in so many ways. And that's really good for us because cash isn't a competitor in a digital world, and our share of digital payments is three times our share of what it is in a face-to-face world. And as much as we've seen e-commerce grow, the reality is that only 14% of retail spending globally is on e-commerce, so there's still tremendous, tremendous upside there.

We've also seen in this COVID world a number of people being introduced to e-commerce for the first time. So in Latin America, for example, there were 13 million active card members, cards that had been active only in a face-to-face world that in the course of the second quarter converted over and had an e-commerce transaction, and that's amazing and really terrific.

Even in a developed country like the US, we saw big increases in activation in e-commerce in categories that we typically – people typically when we looked at their past had not interacted in. So a lot of people, because they're being hunkered down at home, have been required to get familiar with their computer and familiar with shopping and e-com and really embraced it, and I think that's a trend to say.

Now, what happens as things start to reopen is a little bit unclear, but I think if there's a lot of restrictions in terms of spacing and waiting, I think e-commerce will continue to grow at the pace it is. Maybe if the world opens up too much, which has potential other issues and too quickly, maybe more of this gets back into a face-to-face or card-present environment, we'll have to see.

Growth in wallets is continuing. We've developed a lot of great wallet relationships in the past. We're talking about Paytm. We're talking about Toss. We have STC in Saudi Arabia. We've got Paga in Nigeria. We've got Kyash in Japan. And all of these wallets represent a great, great opportunity for us to get Visa credentials into them, and we'll probably talk a little bit more about the closed-loop and open-loop networks in a little bit.

A fourth thing is that it's becoming easier and easier just to do digital. We've had more success in terms of Touch to Pay on a phone, and obviously tap-to-pay is becoming a big deal. Even in the US, we're really starting to see traction because of COVID-19. We now have most of the top 10 issuers issuing cards. We've got 190 million cards out there that are tap-to-pay enabled in the United States. In the United States, even though it's way behind in terms of numbers of transactions, it's got the most tap-to-pay cards of any market in the world. And we know that in the United States, the vast majority of transactions under \$10 are still cash, so there's great opportunity to bring those into the marketplace.

And then on the other side, the seller/merchant side, now nine of the 10 top grocery stores are enabled for tap-to-pay, 80 of the top 100 merchants are enabled for tap-to-pay. So I expect to see the United States start to reach new inflection points of growth.

The last point I'd make about the opportunity in core payments is governments as clients. I talked about Guatemala. We've worked very closely with the government in the Dominican Republic to do likewise. We have worked with – in the case of the United States, we have relationships with over two dozen states where we help them with the distribution of government programs such as unemployment insurance.

Then we talk about new flows, \$185 trillion, that opportunity is still there. It might come slower because of COVID but it's still there, \$65 trillion we think enabled by Visa Direct, and Visa Direct still grew 70% in the second quarter. And then the other \$120 trillion in B2B, now B2B has definitely been hit by the COVID-19 impact, and in a similar way that I would say to consumer credit. There's a lot of overlap between the profiles of those.

And then lastly is value-added services, where we're seeing we have a lot of opportunity to grow. There's a lot of interest – renewed interest in CyberSource because CyberSource now with Payworks is providing that omni-channel gateway capability for merchants, and more and more merchants are realizing, obviously, the importance of e-commerce. In fact, we've seen in markets where e-commerce is less developed, the impact on payment volumes is much more pronounced than it is in markets that have adapted or had adapted to e-com in advance of COVID-19. But value-added services provide an ability for us to help a client. It provides an opportunity for us to deepen the relationship with the client. And thirdly, it provides a new revenue stream for us, so that is really good. So I see all of those as continuing to be upside for us going forward.

Again, the pace at which it happens might not be exactly what it would have been when I talked to you about this on February 11, and I didn't really know much about the coronavirus beyond the impact in China. But I still believe that the opportunities are still there and, in the long term, very, very helpful for us. And in some cases, some of them will accelerate. Certainly, the move to digital will and has and will continue to accelerate.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

I agree. So let's drill in on some of the things that you mentioned. You mentioned wallets. And I thought on the earnings call, something that got lost in all the virus discussion was the partnerships that you guys announced with Tencent, Safaricom, which runs M-PESA. We used to think of those as competitors of Visa, but now you're partnering with them. So what are you doing with names like that, and how does Visa monetize that as part of the strategy you just discussed?

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

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It's an interesting question. I think one of the most interesting and exciting developments in payments globally is what's happening with formerly closed-loop networks. Three, four, even five years ago, when we started hearing about the emergence of wallets from non-financial institutions that were closed ecosystems, I think there was a lot of concern about, wow, what could these guys do? Could they disintermediate, et cetera?

And the reality – and by the way, they were truly closed. They're proprietary. We couldn't get a Visa card in them. And I can understand why people potentially saw them as a threat at the time. But what's happened over time is as these ecosystems have grown, they've realized that they cap out if they're closed. And so almost all of them have opened up, and they're now either issuing Visa cards or allowing Visa cards issued by somebody else to go into their wallet. They're opening up their acceptance footprint to Visa, enabling Visa to operate. And basically, it is opening up the world to their formerly closed ecosystem because one of the characteristics of these closed ecosystems that was a negative is that they tended to be domestic oriented.

And now with the establishment of a relationship with a company like Visa with our reach and our scale and our ubiquity and our reliability, they get the opportunity to open up the world to all of our merchant network around the globe, which facilitates obviously cross-border, which today is very little card-present cross-border. But it opens it up to cross-border e-commerce, which is good for us and good for them, so that's super-exciting.

Now you talked about a few of the deals. The Tencent deal is really cool because it is the first co-brand with an international scheme that Tencent took on, and it's going to allow Chinese citizens who are going to travel outside the borders of China to have a Visa credential in their WeChat wallet and then facilitate the ability to use our global footprint anywhere they travel to around the globe.

Safaricom, the biggest telecom provider in Kenya with branching off into other parts of Africa, they along with Vodafone own M-PESA. M-PESA has 24 million users in Africa and 173,000 merchants. So the ability for us to be able to get into that wallet and their network and open up that formerly closed-loop network is great.

You asked about the financials, Tien-Tsin. The economic model for these wallets and the cards used in those wallets for commerce is exactly the same as it is for traditional users. And to the point I was making earlier, to the degree that we open up the world and they're able to now have cross-border transactions enabled by Visa, that's even better for us and better for the user because of the economics of cross-border.

So we're really excited about these two deals that we just announced, Tencent and Safaricom. But they're adding to this arsenal of wallets with whom we're forging relationships. And today, I think we said on the earnings call that we have the potential to get into 2 billion wallets, just based on the relationships we've developed already, which is obviously extremely exciting.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC



So it's a big number, so while you're signing these deals with some of these new digital players, you also announced that you'll be working with Truist and you'll be converting their legacy SunTrust portfolio. So I don't want to forget about the traditional players here. My question now is how do you balance working with all of these wallets, which are obviously really exciting, and we get a lot questions about them, but also working with your traditional bank partners that Visa was built on. How do you balance those two?

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.



It's a really good question, Tien-Tsin. First, I have to make a comment or two about Truist. We are extremely excited and honored to have developed this win with Truist. The former SunTrust and BB&T guys are great. It's a terrific team of women and men that we enjoy working with. The fact that we're going to be working with them on consumer credit, consumer debit, small business, commercial, and DPS really makes for a really deep relationship.

And we're particularly excited to help what is now the sixth largest bank in the United States develop this brand that they're really, really excited about. And one of the things that I spent a bunch of time talking to Kelly King and Bill Rogers and the team about is how do we help them as a company that knows a lot about brand realize the power of brands. We're really excited about working with them to help them grow their brand.

When you ask me about how do we do this balance, first of all, regardless of who the client is or how big or small they are, I think there are three things that we immediately bring to the table. One is our brand, a great global brand that by every independent study does better than all of its competitors, and most importantly, by a number

of studies we've done, shows that it generates more growth than our competitor brands do. Technically it's our platform, its scale, its reach, its reliability, its security, its APIs. We're now up to 600 APIs. There's 1 billion calls per month against those APIs.

And then lastly, our people, we at Visa don't make anything. It's all intellectual power. And our people through their relationships as well as the products they conceive of and the solutions they conceive of are what is a differentiator for us. So obviously, that's a really, really important aspect of how we service them.

But when we talk about FinTechs, there are a couple things we have done specific to FinTechs. One is we've hired people who are used to working with that kind of player, and we've dedicated people to those clients on a client-by-client basis. The other thing is we learned, and I think you and I have talked about this in the past. Honestly, we were slow to the FinTech thing, and we were too bureaucratic when we first came when FinTechs first started emerging, and we were getting our butt beat. We were just too slow.

I'm really – I'm not proud of that, but I'm certainly proud of the fact that the company has realized that and we have doubled down, tripled down our efforts, and we're going after FinTechs with our FinTech fast-track program. It's made a tremendous difference. We're having great success now. I think we said at Investor Day that we've won 70% of the deals that we pursued in the last year. So we're really, really excited about how we're doing with FinTechs as we are with the big players. And again, I think at Investor Day, we said we are the network for 19 of the top 25 portfolios in North America. So we're trying to – we want everybody who is a client of ours to do well, no matter how big or small they are and no matter what they actually do for the payment ecosystem, whether they're on the seller side or the issuer side.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC



So another big bet investment that you're making is in acquiring Plaid, which I think is a gateway to the FinTechs and the digital world, your biggest tech deal since Visa acquired CyberSource which [ph] I remember writing (00:23:35) about that back in the day. So could we see Visa do more tech or software-based deals given what you've learned and everything you've discussed here so far around digital?

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.



A quick comment on Plaid. Obviously, we're as excited about it as ever. We obviously have to await the regulatory process to go through, but we think it's a phenomenal asset. It's a network connecting FinTech developers with financial institutions, much like we connect merchants and their acquirers with bank issuers.

Just a quick reminder, one in four people in the United States who has a bank account has interacted with Plaid. We see great growth still in the United States. We're going help them overseas. They're focused on Canada and Spain, France, and Ireland at the moment. We think we can help bring value-added services into our PP kind of situations. And certainly we think it can help us grow our core business as we help FinTechs with money movement and payments and in value-added services.

In terms of our M&A phasing in general, I would say nothing has really changed. We continue to believe that we have three options when we look at something and wanting to do something. We can build it ourselves. We can partner with somebody, or we can we can buy something. And then against that, we analyze three things: what's the time to market of the various alternatives; what's the cost of them; and what are the talent implications.

Because obviously one of the things that – I talked about our people and how important they are. Obviously, we have the opportunity through an acquisition to acquire some great people, which we think we are getting in Plaid. One of the things that was highly valued by us in the Plaid transaction was the quality of the people there. Those are the criteria which we guess which we do it. We don't plan for acquisitions. We don't put them into our budget.

In terms of specific areas, I wouldn't close my mind to anything, to be honest with you. But I do think capabilities certainly come high to mind for me, things in the risk area, the data area. Authentication and loyalty would be examples of things that I would be interested in.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Okay, that's helpful to hear. And so staying with digital, I think a lot of people have asked me to ask you about your views on cryptocurrency. With Visa bowing out of Libra, that's well understood. Can you catch us up on Visa's strategy on crypto?

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

A

So I think first, it's important to distinguish between cryptocurrencies and digital currencies. Cryptocurrencies like Bitcoin I think continue to be more commodities. If you look at Bitcoin as an example, many more people are buying Bitcoin and holding it versus actually spending on it, whereas digital currencies backed by a fiat currency I think are a real potential emerging payments technology that could be very interesting.

As it relates to those, we support the case for digital currencies. We actually think that digital currencies could be additive to the payments ecosystem as opposed to being any kind of replacement or negative. And we think they could potentially be really valuable in emerging market areas, where you're bringing people out of cash dependence and into more of the financial mainstream and moving unbanked people to become ideally banked people. So we want to be there and support digital currencies, and we are. We've got a relationship with Coinbase in the UK, where their cryptocurrency can be converted over to a Visa credential and a fiat currency and used at any of the merchants where Visa is accepted. And we believe over time, digital currencies can go into wallets as well, since we have relationships with a lot of wallets. That's a good thing as well.

So today, we deal – every day we settle in 160 different currencies around the world, and there's no reason why we couldn't take on digital currencies as part of that if they get accepted as a real way of – real means of exchanging goods and services by using digital currencies.

In the case of Libra, we were intrigued with Libra whenever that was, months and months ago, and we remain quite intrigued by it. At the time, we elected to not join the association because we didn't see under that structure how regulatory requirements were going to be able to be met, and we certainly have a very strong relationship with regulators around the world, and we didn't want to do any harm to those relationships. But we remain engaged, we continue to talk to Libra. And I think if they continue to advance and I think they're making progress, I don't know when it was, 10 days ago, I can't keep track of time anymore, they hired a CEO, we've remained engaged with them. And one never says never, we continue to be very interested in what Libra is looking to do and, as I said, how they potentially could be additive to the payment ecosystem.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

Okay, great. Thanks for that. So we have about five minutes left, Al. I started asking you about what you're doing for clients really with COVID-19. So let's talk about what you're doing for shareholders with your appetite for buybacks and your ability to protect the bottom line. I know that lost revenue comes off at a very high decremental margin. We've talked quite a bit about that, but your willingness and your ability to protect the bottom line here if things persist.

Alfred F. Kelly*Chairman & Chief Executive Officer, Visa, Inc.*

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So I'd like to first start with a couple of philosophies from my perspective as the CEO of Visa. First is I continue to run this business for the long term. This is a tough period, and it may take any number of quarters to get through it. But I still believe that there's a lot of brightness on the other side of COVID-19. And in fact, COVID-19 might generate some things that are really very good for the business, as we've talked about earlier. Saying that, I also have a real thoughtful sensitivity to the short term. And a good leader has to make sure that they're not blind to the short term but is keeping the long-term focus of the company in mind all the time.

Secondly, I think about managing the company through a series of dials as opposed to on-and-off switches. And I think a big part of my job is to be able to take that dial or set of dials and tweak them in the right ways, as opposed to jerk the organization with on-and-off switches, and I try to do that. I try to be very balanced in our thinking. We try not to overreact. We're not sitting there feeling sorry for ourselves in the COVID-19 situation. We're simply saying hey, what's the right thing to do in the short and medium term.

We're going to continue to invest in the business. We're being thoughtful about expenses. I'm not going to sacrifice the long term by cutting investments in things that I believe in that will drive that strategy that I talked about earlier. But we do have to be conscious of our expense base. I do think we did a very good job in the second quarter. We had guided to well into double digits on expense growth, and we were able to react to COVID-19 and bring our expenses down. But you know the profile of our business in terms of variable versus fixed expenses. And so again, we have to be cognizant of that and careful in terms of what we do.

In terms of capital, number one is build the business. And whether we do that organically or inorganically, it is the first port of call for our capital. Second is dividend, where we look to return 20% to 25% of EPS in the form of a dividend. We are committed to remain with our dividend and pay our dividend on a going-forward basis,

As it relates to buybacks, we do not see secular change here in COVID-19. And we continue to have a good liquidity and cash position at Visa. And so we remain completely committed to our share buyback and the commitment we made at the beginning of the year to buy back \$9 billion worth of Visa stock. As Vasant Prabhu, our CFO, said, this is no time to chicken out. If we believe that the stock is undervalued, which we believe it was in the second quarter, let's buy. And you saw that we bought at a higher rate than we had been buying because we saw the value and believe in the long-term upside of the company and of the stock. So our commitment to our buyback for 2020 remains.

Tien-Tsin Huang*Analyst, JPMorgan Securities LLC*

Q

That's great. We've got 2.5 minutes left.

Alfred F. Kelly*Chairman & Chief Executive Officer, Visa, Inc.*

A

Okay.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

So I'll let you go on a simple question maybe. I know a lot of the stuff maybe got lost in the earnings call because of the focus on the pandemic, as it should be. What are you most excited about now that we haven't talked about yet that maybe the investment community is under-appreciating?

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

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Whenever somebody even internally asks me that question, I think the two things that come to mind are Visa Direct and Visa value-added services. And maybe I'll just, in the interest of time, talk about the latter.

First of all, value-added services are growing two times the core business. And we just have a large set of options available that we haven't over the years probably packaged enough and talked enough about, but we're trying to do more of that going forward. We have one of the largest debit issuer processors in the world in Visa Debit. We have some great acquirer and seller solutions in terms of CyberSource, Account Updater, Tap to Phone. We've got great security and identity capabilities. We've got data capabilities. We've got our Visa consulting and analytics service. And then we've got things in the category of loyalty and installments and open banking and dispute management.

And I think that COVID-19 allows us – introduced where we haven't introduced them in the past some of these services to our clients, because in particular right now, they're eating up any data we can talk about. I've had so many client meetings in the last four or five weeks, and everybody's hungry for data. What are we seeing, how are we benchmarking, et cetera? Everybody's hungry to figure out how to build omni capability where we can really help them.

Even security and fraud is obviously becoming a bigger deal, and people are talking much more about adopting tokens. Last year we had 0.75 billion tokens in the market. We saw 6 billion token transactions. That's going to continue to grow, and that's going to be really good for the ecosystem on a going-forward basis as well.

So I think we have built a tremendous suite of value-added services that I think again COVID-19 has given us an opportunity to go out and interact with merchant clients, interact with issuer clients, acquirer clients, FinTech clients, and talk about those various sets of capabilities. And I think they're going to be a tremendous growth engine for us going forward, Tien-Tsin.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Q

That's a great summary, Al. Thank you for spending breakfast with us, it was really great to see you, and I hope I can see you in person very soon.

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

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I hope so too, and I hope to everybody listening that you and your families are doing well during this surreal time, and the same to you, Tien-Tsin and your family. So thank you.

Tien-Tsin Huang

Analyst, JPMorgan Securities LLC

Be well.

Alfred F. Kelly

Chairman & Chief Executive Officer, Visa, Inc.

Thank you.

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