17-Nov-2020

Visa, Inc. (V)

Citi Financial Technology Conference

Copyright © 2001-2020 FactSet CallStreet, LLC

CORPORATE PARTICIPANTS

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

OTHER PARTICIPANTS

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

MANAGEMENT DISCUSSION SECTION

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Good afternoon. This is Ashwin Shirvaikar, Citi's payments analyst and global co-head of fintech research. So, we have over 700 registrants for the conference. I know that for a majority of you, this session is one you all have been waiting for. So, without further delay, let me welcome Visa. And from Visa, we're fortunate to have Vasant Prabhu who is Vice Chairman and CFO. Vasant, welcome to our event.

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

Thank you, Ashwin. Thanks for having me.

Copyright © 2001-2020 FactSet CallStreet, LLC

QUESTION AND ANSWER SECTION

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Absolutely. I thought it'll be maybe a good idea to start off talking about sort of the structural changes that you see in the payments landscape going forward. And particularly, given what we've gone through this year because of the pandemic and so on, so forth, I'm thinking e-commerce acceleration, I'm thinking the emergence of buy now, pay later, not that that's related necessarily to the pandemic, but that and the guys of alternative payment mechanisms, a lot of stuff going on. So, give us your view of the structural changes in the payments landscape.

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

A

Sure. We had our Investor Day in February and we talked about our conviction that there was an extraordinary amount of growth ahead of us, 10x opportunity. And I think what the pandemic has done effectively is accelerated a lot of that, as you described. One of the more obvious ones, of course, is the acceleration of the shift to e-commerce. Now, this shift has been underway for a while, but only 15% of consumer payments were actually e-commerce coming into 2020. And there's no question, there's been an acceleration in that. And you can see that from the numbers that we've reported. You've seen some massive growth in our e-commerce side of the business. It's growing significantly faster than it was pre-pandemic in an economy that clearly is not growing as fast almost anywhere in the world.

So, one thing that's happened is the massive shift to e-commerce, and we're seeing that in all categories including categories that historically were not heavy on e-commerce like [indiscernible] (02:34), for example. So, that's clearly one structural shift. It's also important to note that something we've been watching very closely is what happens to this when face-to-face commerce is possible again.

And as economies have opened up in the past few months, we've seen e-commerce stay very strong even as face-to-face commerce is possible, which means that the habits that people have formed in the past few months are sticking. We have seen significantly more people activate their cards online. And we're seeing more transactions for card online, which means that the whole move of people away from face-to-face commerce to e-commerce has definitely seen a step-change, and it's sticking.

The other things that go with e-commerce, of course, is it gives us a greater opportunity to sell value-added services. Certainly, fraud and authentication are all important things, and cybersecurity are far more important online than they are face-to-face. Products like Visa Advanced Authorization and Visa Risk Manager, we've screened over 160 billion online face-to-face transactions over 8,000 issuers in 125 markets. For example, our tokenization services are incredibly important online. 1.4 billion tokens, we just crossed that milestone. Again, 8,300 issuers of tokens across 192 markets.

Our click to pay is off to a good start. 15,000 merchants, live in 16 markets. And then, on e-commerce, the CyberSource is also getting a big boost. So, the whole shift to e-commerce comes with a lot of big benefits.

Face-to-face too, people now don't want to use cash. Cash is dirty. And so, we've seen a substantial move away from cash to digital forms of payment. Click to pay and tap to pay is clearly helping it. Tap to pay is now two-thirds of transactions outside the US, over 40% on a global basis. Many markets have seen massive increases in tap to

Copyright © 2001-2020 FactSet CallStreet, LLC

pay. And debit is a big beneficiary. So, you can see the shift away from cash in our debit business, which is growing twice as fast.

So, two of the big structural shifts. Now beyond that, we're seeing big improvements in our new flows business. B2B, massive growth. Massive growth in disbursements. I think this has been a big boost to Visa Direct. If you look at our Visa Direct numbers, you wouldn't even know there's a pandemic going on. It continues to grow at the rates that we saw pre-pandemic, which is extremely high, in the 60% and 70% range.

And then, installments, you talked about it. We approach it in two ways. We have partnerships to do, we have investments in companies like [indiscernible] (05:39) and we've partnered with a bunch of other people like [indiscernible] (05:43) and we also enable it

[audio gap] (05:47)

There's just a lot going on in multiple fronts that highlights what we said in February that the opportunity is large, and what this has shown is that things are accelerating and sticking.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Yeah, that's a great setup, and we'll get into many of those topics in detail. But first I want to ask about – the world has spent the better part of 2020 dealing with the pandemic. Through the summer, we saw recovery in payment volumes, but then that seems to have kind of stalled out. There isn't certainly a linear pace of any kind, particularly we see the recent cases in multiple geographies and so on. So, give us an idea of what Visa's planning process has been like in terms of dealing with this extreme uncertainty?

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

A

Yeah. I think you described it and then calling it extreme uncertainty, right? We're dealing with a 100-year event. The world has never seen this in our lifetimes. We've never seen shutdowns of economies and things like that. So, we started to see this, as you know, in about February when we saw the first impact in Asia. And we knew immediately that we had to start to act on it. So, we didn't wait. We started to act right away. We started to really focus on three things. And we've said that all the way through.

The first is rigorous prioritization. We knew that this was going to have an impact on our business. So, we started the process of figuring out what the real priorities were that we have to make sure we sustain investments in. What can wait, want can be cut. And we made all those decisions fairly quickly. And you saw that we started to scale back the level of investment almost immediately in our second fiscal quarter. And then, in the third and fourth quarter, our expense base was actually down about 4% to 5%. So, prioritization becomes extremely important in times like these. Some of them are obvious, I mean if borders are shut down, there isn't going to be a lot of cross-border travel. So, a lot of marketing directed towards – towards cross-border spending is probably not very useful because people are not traveling because they can't. The Olympics don't happen, certainly that helped us.

The second thing that is to be very focused on what is happening with our business drivers almost on a daily basis. So, kind of very granular and almost daily understanding of how trends are changing because you can't predict these trends. We don't pretend to be able to predict two and three quarters out, which is why we have chosen provide an outlook. But what that means is that you really have to monitor trends and understand how the trend is changing, where the trend is changing, and why the trend is changing. So that, you can then understand

Copyright © 2001-2020 FactSet CallStreet, LLC

how the business might play out over the next several weeks until the trend changes again. So, we are very focused on it. We [ph] told you (09:07) for example, in the fourth fiscal quarter, you saw an improvement in the cross-border business, on the travel side in the month of September. And we knew very quickly why, because some borders were opening up. And you saw that Mexico, US-Mexico, US-Caribbean opened up. We saw some significant improvements there. Turkey opened up. So, it wasn't a broad-based improvement. It was borders opening up. So, we sort of had a feel for how that's going to play out. So, the second thing is really monitoring trends very closely and planning accordingly.

And then, the third thing then would be to stay very flexible. You really have to be willing to adjust your plans based on how the trends are changing. Right now, for example, there's anxiety about spiking infections, and so we're monitoring very closely what impact it's going to have on our business. And one of the things we're finding is that it all depends on what the reaction to the spikes in infections is. If the spike in infections is causing governments to shut things down, it has one impact. If the spike in infections isn't causing governments to take action because some governments just are not, it has a different impact. And different cultures have different impacts. So, there's no single answer to what the impact is when infections spike. And once again, you have to react accordingly.

So, prioritization is important. Close monitoring is important. Flexibility is important. And then, agility, moving really fast to respond is also very important. So, that's how we try to react to this. We stay flexible. We adjust plans as we go along. I know many of you would like us to tell you what the next three or four quarters are going to look like, chosen not to do that because it would be I think disingenuous of us to tell you that we can forecast that far out.

Now, through all this though, there have been two clear areas of growth that we've kept up our foot on the pedal. The first is our new flows business. As I've said earlier, it's growing extremely fast. Visa Direct is really doing well. So, we are not scaling back any level of investment in that. And the other is our value-added services business. We told you that it was growing in the mid-teens. I believe the growth in 2020 was about 18% for our value-added services through the year. And we're very excited about that. So, there are some parts of our business that pandemic or not have continued to grow at a very steady clip, and we remained very focused on investing in them.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Got it. Got it. An add-on question is the recovery discussion for payments companies, it's – often tend to be limited to consumer spending trends. You mentioned your flows business, I mean Visa obviously has exposure to B2B payments. What are you seeing in that part of the market, how are businesses reacting?

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

A

Yeah. The way we look at B2B is there are sort of three components of the B2B business, as we discussed at Investor Day. One is the sort of the traditional card-based B2B business where the bulk of our historic B2B business has been, and that breaks down into sort of small businesses and large and medium-sized businesses, who may use cards, any e-cards, and those kinds of purposes. What we've seen there is that the small business part of it has begun to recover. In many ways, it's recovering like the consumer businesses. As we told you on the call, on the domestic consumer side, we've seen sort of a V-shape recovery, small businesses have tended to recover along those lines. Now, part of it is because a lot of them in those areas is not travel related. And so, they're buying things they need to run their business. And so, we've seen a recovery there. The larger-sized businesses are not recovering as fast. So, they're still a little sluggish, the large and mid-sized market on the B2B

Copyright © 2001-2020 FactSet CallStreet, LLC

side. On the cross-border side, we have B2B Connect that is scaling. We're really excited about it. We think there's significant opportunity there. And hopefully, in the next few quarters, we can tell you more about how things are scaling on the B2B side, in the B2B Connect. And then, the large enterprise B2B, the whole [indiscernible] (14:05) side, that's in its early days. So, the pandemic, I think, did not impact that much because it's still not a huge business. They are all still trying to figure out where the value creation opportunity is in that business. But look, I mean B2B is a big opportunity. We have remained very focused on it. We think there's huge opportunities in the traditional B2B business. And we are very excited about the value we can add in the cross-border B2B business. So, that's [indiscernible] (14:37) B2B business front on this call.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Got it. Got it. One other trend obviously we've all seen debit growth outpacing credit, and that's understandable partly based on very sharp – partly, the remnant stimulus impact, things like that, essential services and so on. In general, as we move towards normalcy – and by normalcy, I am not suggesting that we'll go completely back the other way. I think perhaps debit has permanently gained some shift. But it's kind of easy to see that T&E transactions, they tend to be more credit based. So, would you agree with that? And are there factors that you think continue to sustain robust debit growth as we start to see behavior normalization?

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

A

Yeah. So, there's no question whatsoever that debit has become the engine of cash conversion, right? So, the bulk of the cash conversion that has accelerated through this pandemic has benefited debit. And you can see that in the numbers, the debit business is growing twice as fast as it was pre-pandemic despite the fact that economies are doing worse than they were pre-pandemic. So, there's no question that all that growth is coming from cash conversion. And we went through some of the reasons why. First is, even at a physical point of sale, people are preferring to use digital forms of payment, and debit tends to be the preferred form of payment. We are seeing a substantial increase in e-commerce in everyday spend categories like food and drug, for example, like some retail goods and every expense tends to be skewed towards debit. So, that's clearly helping debit.

There is an element in tough times for people to use debit rather than credit. They'd rather use money they have in the bank than borrow money. Now, we saw that in the last crisis and it took about two or three years for that to normalize. But we think this crisis is different. We think in this case, because of the nature of this crisis, it's not strictly an economic crisis. It is also, as you know, a pandemic that is causing people to change habits, adopt more digital forms of payment, move more online. This is a structural shift that is benefiting debit.

So, while some of the move from debit to credit will change over time as people feel more confident, there's a structural element here that makes debit a larger part of the business overall. The other thing I would point to is that Visa Direct is largely debit [indiscernible] (17:36) and Visa Direct, as you know, is growing extremely fast. And there are new use cases that Visa Direct is enabling that didn't exist before, and that's a structural shift too that is in favor of debit.

A couple of other things I might add is we have done a phenomenal job in the last few years signing up wallets around the world, right. Wallets are a massive engine of financial inclusion. Wallets are a massive engine in emerging markets to open up new acceptance, so there are new consumers and new merchants accepting digital forms of payment and we're embedding our credentials in these wallets with all the big ones, right, ATM, LINE Pay, Safaricom, Rappi, you name them, Gojek, et cetera. A lot of it is debit, they are all payment banks, they can issue debit credentials. That's benefiting debit too. So, it's become a big engine of financial inclusion too in

Copyright © 2001-2020 FactSet CallStreet, LLC

emerging markets. So, when you put it all together, there is clearly a structural shift in favor of debit which I believe will sustain post the pandemic.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Okay. Okay. No, that's – thank you for that. How should investors think then about the differences in yield between debit and credit transactions?

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

A

Yeah. I mean generally speaking, the yields are relatively comparable. They can vary from market to market. Debit yields can sometimes be better. But overall, I mean, we like the debit business we have around the world, and it's a good business from a yield standpoint.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Okay. Okay. Cross-border, I'm sure, has become one of your favorite topics to talk about. So, one of the common questions we get, given how important it's perceived to be sort of for your financials. So, I mean, you guys have done a good job of breaking it out. There's non-travel e-commerce. There's corporate T&E. There's consumer travel. Are we missing anything significant in those categories, and can you talk about sort of the yields across each of those three categories?

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

A

Sure. So, just to remind everyone of things we've said before, two-thirds of our cross-border volumes are travel related before coming into the pandemic.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Yes.

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

A

One-third was e-commerce. Of course, as travel has been hit hard, that makes us different today. But pre-pandemic, it was two-thirds, one-third. The other important thing to note, which is very relevant as you start to think about how the cross-border business might recover, is that the biggest chunk of it, the vast majority of it is consumer oriented, not commercial. A lot of commercial travel tends to happen outside of cards. People – companies will pay for airlines and hotels and all that in other ways. So, the bulk of our cross-border business is consumer related, not commercial. So, I think that's important to note.

In terms of yields, the yields are relatively similar between business and consumer, whether it's card present, card not present. So, I don't think the yields are that dissimilar. Yields are higher, of course, than the domestic business, which you all know.

I think the other important thing to note is that people may have the tendency to draw some conclusions on what's going on with the cross-border business. I would say that the important factor to remember is that people can't

Copyright © 2001-2020 FactSet CallStreet, LLC

travel today and borders are closed. The vast majority of borders are closed. I think we give you the statistics. I think 99% of the borders, according to the World Tourism Organization, which is keeping tabs on this, are either completely close or have massive friction like quarantines. There's only 1% of borders that can still travel freely. And so, one of the things we're watching is what is happening in those corridors where travel is relatively free, and we're seeing some massive improvements, right.

So, people do want to travel if they can. So, there's a lot of pent-up demand. And as soon as one of these things open, you see massive improvements. We told you about US-Mexico 40-point recovery from April through July. It actually grew 20% in September and October. Now, some of it is because people can't travel anywhere else, so this model is getting – this corridor is getting a lot of the travel.

Turkey opened up in and out, and we saw massive improvements there just within a month in the month of August and September. Certain parts of the Middle East, the Gulf countries are generally open for people to travel in and out of, we've seen some big gains there.

Russia. People are traveling in and out of Russia to the neighboring countries, not to Europe, but to countries of the former Soviet Union. So, what we're seeing is that when people can travel, there's a lot of travel. So, we're not seeing a lot of structural changes in people's propensity to travel. Time will tell how this is going to recover. We'll be closely monitoring how borders are reopening. When we talk to you again in January, we'll tell you more about whether other borders have opened up and what the trends we're seeing are.

We remain very optimistic about this business. In the meantime, the e-commerce business cross-border is booming. As you saw, it is growing much faster than it was pre-crisis. We're finding that as more business moves online, people don't care as much where the product is coming from. So, there's a lot of cross-border e-commerce that this pandemic has also enabled. And so, that's going to be a bigger business even when this crisis ends. I mean, the cross-border e-commerce business could be a larger share of the business even after the cross-border travel business recovers.

But the big question mark right now is, when will borders reopen? And we'll keep you posted on what we learn. You can obviously keep tabs on it yourselves by monitoring what the various organizations are doing, and they're telling you what's going on border-by-border, therefore I have to monitor that if you want to know what might be going on with the cross-border business.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Got it. Got it. So, as we keep tabs on – with the borders reopening, are there certain border pairs or corridors that become or have historically been more important for you in terms of cross-border, US-Brazil, US-China, US to sort of some parts of the UK or Europe, Continental Europe, anything you could share on that?

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

A

Yeah. It's interesting that our cross-border business is extremely diversified, right. So, you might think that cross-border business from US to China is a big share of our business, or US to UK or US to Europe, yeah, some models, some corridors are larger than others, but it's extremely diversified. There's no one corridor that has, like, a meaningful chunk. So, in that sense, I don't think there's one or two corridors that matter more than others. It is very likely that as the borders reopen, the way the cross-border business recovers may not look like what it was before, right.

Copyright © 2001-2020 FactSet CallStreet, LLC

So, we always thought perhaps there'll be bilateral arrangements, certainly within Europe. Intra-Europe travel, as you know, has picked up pretty fast because they were fairly open. Of course, our views on that are like domestic, so we don't talk about it very much. Intra-Europe, it will be good when certain corridors open up for sure. I mean, you mentioned Brazil. Brazil is relatively open and they're seeing a fair amount of travel into and out of Brazil to where they're allowed to go, right. I mean, still not to the US.

US-UK, still closed. US-China, still closed. In many ways, I mean, people can travel but with quarantines and all that. We could see Australia, New Zealand open up at some point. We could see countries in Asia do bilateral arrangements. We could see countries in Latin America open up as we are seeing now some of them opening up to each other. But we're not yet at a point where there is a large amount of that going on, right. People are still, I think, monitoring trends. Certainly, the spikes in infections in Europe and the US are probably going to give people a little pause. But we'll wait and see. We'll wait and see.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Got it. Okay. Okay. So, let's move to talk about rebates and incentives. We know that Visa is more heavily weighted to incentives rather than rebates. We know you've been exceptionally busy renewing a lot of stuff. We know mix is important. So, I guess a few questions. One is, why are incentives more tied to domestic volumes? Is there something structural there?

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

A

No. So, two reasons. Number one, for the vast majority of clients, there's always exceptions. The volumes tied to cross-border is relatively small. So, historically incentives depend on the volume a client gives you. And so, then the vast majority of the volume is domestic, it's not surprising that the incentives will be tied more to their total volumes because a client wants to say, hey, I'm giving you X billion, I need to be treated like a client giving you X billion or maybe that 5% or 6% of its cross-border, but there were likely incentives to be tied to their total volume. So, it's been more common to tie incentives to total volumes, not just cross-border volume.

The second is our cross-border business is a very – it's a very valuable business, right. We do it uniquely, very few people can do cross-border like we do. You can go anywhere in the world and your credentials are valid. And in real time, you can buy things. Merchants love it because that's the way they get your business. So, there hasn't been a desire [indiscernible] (28:44) to attach incentives to cross-border [indiscernible] (28:47) view it as a very high value service. We shouldn't be – banks love it. I mean, they love the idea that they can give you a credential that can be used anywhere in the world. We don't need to give people incentives to offer our cross-border business. That's been a little bit of the history.

Now, there are unique situations, so mostly on the credit side and there may be some credit portfolios that are just heavily cross-border, right, because they're a travel product or something like that. In those cases, yeah, you will find that incentives are linked to cross-border. I was just trying to say, hey, I mean the bulk of my business is cross-border. So, you have to acknowledge that. And so, you can have some portfolios that cross-border matters and there's an important element of the discussion around incentives. Clearly, in good times, that helped us a lot. And when cross-border comes back, it's going to help us a lot.

Clearly, nobody expected the pandemic that for the first time in 100 years actually shut down borders. I don't think anybody would have anticipated a world where you couldn't cross borders. So, it works both ways, right. The fact that we don't pay incentives on cross-border helps you in good times. If you have this unusual environment where

Copyright © 2001-2020 FactSet CallStreet, LLC

all of a sudden cross-border travel is not possible and you lose that high-yielding volume, and that [ph] converts you (30:06).

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Yeah. Yeah. So, as a corollary to that, is it fair to say then that the ongoing pandemic has really not affect any incentive negotiation, if you will?

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

A

Well, I think not people on both sides. We and clients have seen what happens in times like these. Could there be some discussions about this? Perhaps. But I don't think there would be fundamentally a very big change.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Got it. Got it. I was hoping maybe we could kind of move to talk about maybe some of your new flows. You mentioned Visa Direct into growth and Visa Direct a few times. When we kind of think of the key use cases that keep driving Visa Direct, could you maybe talk about some of those maybe from a demographic perspective, gig economy and what we've seen in spite of the pandemic, the rise of online marketplaces, need for immediate funding, things like that. I mean can you talk about what drives Visa Direct and maybe some metrics around it?

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

A

Sure. I think we shared – first of all, I mean, this is one of the most exciting parts of our business.

Ashwin Vassant Shirvaikar
Analyst, Citigroup Global Markets, Inc.

Q

Yeah.

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

A

And I would just say once again that people should not think about Visa Direct as a product. Visa Direct is a capability, right. Visa Direct is a capability that enables use cases in B2C, businesses paying consumers, disbursements, B2B, in various elements of B2B especially small ticket transactions, high volume, and even G2C, governments paying consumers. So, part of that really it's a vast expansion of what we as a business can do. And we started talking about it three or four years ago, most of you were scratching your heads wondering what it was. It's growing in the mid to high-60s now even through the pandemic. We ended the year with 3.5 billion transactions which is up 2 billion over 2019. We are going to [indiscernible] (32:24) more and more use cases.

So, just to give you an idea of some of the big use cases, B2B, you all know, in the US for example, B2B saw [indiscernible] (32:36) growth in transactions. We are now signing up. We have signed up a whole bunch of remittance players. Remittance is our bigger than foreign direct investments in terms of [indiscernible] (32:52) close.

So right now, MoneyGram, Western Union, Remitly are all utilizing it and pretty much they're adding all the remittance players. This, we think, is a business that will ramp very fast. Earthport that we acquired a year ago will

Copyright © 2001-2020 FactSet CallStreet, LLC

be a critical element of doing cross-border disbursements through remittances. That's a huge use case. A very big use case, as you said is, is what we call on-demand payroll. You can revolutionize payroll. We're seeing significant growth in on-demand payroll as well as payments to big economy workers. So, while payments to Uber drivers may have gone down, we're seeing a big increase in delivery drivers right now in terms of disbursements.

The other area that's seeing massive is insurance payments to consumers, disbursements done by insurance companies, we're seeing the huge increase in that. In the B2b area, merchant settlement has been impacted as small merchants have been hurt up by the pandemic, but marketplaces are booming. Faster merchant settlement is a big element of growth for Visa Direct. In the last 12 months, Visa Direct has enabled faster payouts to over 2 million US small businesses and sellers.

So, what you're really seeing is that an extraordinary number of intermediaries are showing up that are creating businesses. So, for example, Wagestream is a earned wage access provider in Europe. They're now creating a big business, and they're a Visa Direct partner. So, there's a lot of these intermediaries coming up that are scaling the business for us. These are early days in Visa Direct. I mean, there's – the opportunity is vast, and I would direct you to our Investor Day presentation where [indiscernible] (34:53) runs the business, went through all the various businesses we can build based on this capability and it's large areas of the economy which is why as we said it in Investor Day, Visa Direct is what enables our Network of Networks strategy. We're network agnostic and we move money. And it's also what allows us to go from being an enabler of consumer payments fundamentally moving money. So, think of our Visa Direct as opening up vast new areas, right? And fundamentally what we do as a business from moving money – from enabling consumer payments to moving money, from being sort of a payments network to being a network of networks, and Visa Direct is at the heart of it. And these are just early days.

Ashwin Vassant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Got it. Got it. Vasant, unfortunately, we are out of time on this session. I know I had a much longer list of questions, lot of exciting stuff going on, as you mentioned, at the top of the call. Really appreciate you joining. Thank you for your insights. And for those in the audience, thank you all for joining.

Up next, we have Square CFO, Amrita Ahuja. And Pete's going to speak with Amrita. Thank you, Vasant.

Vasant M. Prabhu

Vice Chairman & Chief Financial Officer, Visa, Inc.

Thank you, Ashwin.

Ashwin Vassant Shirvaikar

Analyst, Citigroup Global Markets, Inc.

Bye.

Copyright © 2001-2020 FactSet CallStreet, LLC

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2020 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.

Copyright © 2001-2020 FactSet CallStreet, LLC