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**Visa, Inc.** (V)

Citi FinTech Conference

## CORPORATE PARTICIPANTS

**Ryan McNerney**  
*President, Visa, Inc.*

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## OTHER PARTICIPANTS

**Ashwin Vasant Shirvaikar**  
*Analyst, Citigroup Global Markets, Inc.*

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## MANAGEMENT DISCUSSION SECTION

**Ashwin Vasant Shirvaikar**  
*Analyst, Citigroup Global Markets, Inc.*

Good afternoon, everyone. And as we kick off the next session, I'm Ashwin Shirvaikar, Citi's Global Head of Fintech Research. It's my pleasure to welcome the next company, Visa. And from Visa, delighted to welcome Ryan McNerney, who is the President. Ryan, thank you. Thank you for being here.

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**Ryan McNerney**  
*President, Visa, Inc.*

Great to be here.

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**Ashwin Vasant Shirvaikar**  
*Analyst, Citigroup Global Markets, Inc.*

Yeah.

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**Ryan McNerney**  
*President, Visa, Inc.*

Great to see, everybody.

## QUESTION AND ANSWER SECTION

**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Absolutely. Absolutely. Ryan, I was going to start with just going through each of your three pillars and dig into each of them. Start with consumer payments, which is still two-thirds of your revenues. And the question really – the fundamental question is how will Visa we continue to grow consumer payments revenue, which is very pertinent to longer-term investors? And one way we're trying to think of it is developed markets such as emerging markets. And so growth in developed markets is more about usage, traction, velocity, things like that, and EM is more of a penetration opportunity. So that's how we're thinking of it. Is that the appropriate way to think of it as we sort of think of its growth algorithm?

**Ryan McInerney**

*President, Visa, Inc.*

A

I think there's an enormous opportunity, enormous runway in our consumer payments franchise globally. Maybe the relative emphasis of engagement versus expansion of the network is along the lines of what you said, but we see expansion opportunity on all those levers all around the world. I mean, we've now got about \$4 billion credentials around the world, 4 billion cards. Historically, that number had grown kind of in the 5% annual growth rate. More recently, in several quarters, it's been growing at 10%. I think, in last quarter, it's been growing at 13%. So we've been accelerating credentials growth all around the world. Anyway that's true in developed markets, too. In the US, I think our debit credentials have been growing double digits. In Europe, they've been growing 6% or 7%, which is twice the historical rate. We also – I think we have close to 5 billion tokens now, 4.9 (sic) [4.8], I think, as of last quarter, billion token.

So we're expanding credentials all around the world, developed markets, developing markets. We're growing acceptance. About 10 years ago, we had about 25 million sellers on our network around the world. As we sit here today, if you count all the work that payment facilitators have done in the squares and stripes and the like, we have 100 million sellers. We've quadrupled the size of the seller side of our network, which just drives more opportunity for more transactions.

I actually got here a little early today, so I was walking around just kind of the bottom of Central Park out there, there's a coffee vendor, they take Visa cards. There's a guy selling like churros, he takes Visa cards. There's another guy selling kebabs over by the horses over there, he takes Visa cards. I mean, I went looking for someone who didn't take Visa cards and couldn't find some.

So we continue to grow the seller side of the ecosystem. And then to your point around engagement, that remains a huge opportunity. Tap to Pay is a great example of kind of an accelerant of transactions and accelerant of payments volume. In the US now, more than a quarter of all face-to-face transactions are taps. I think it's 28%. All around the world, more than half of all the transactions now are taps. And if you put the US to one side, we're north of 70% around the world.

7 out of 10 Visa transactions being taps. We know from our data that once you get a customer to start tapping as a way to pay, they make more transactions, they spend more on their Visa card. And it was a lot of those types of programs that we're driving together with our partners. So maybe the opportunity for consumer payments is enormous. It's enormous in developed markets like the United States where we're all sitting today. It's enormous in Africa.

And Africa is an enormous opportunity for us. I think there's about 800 million people in Africa, about 500 million of them are yet to be banked. I'd like to think of them as yet to be banked as opposed to unbanked. In the bigger markets like Nigeria and South Africa and Kenya, we've had offices there for decades and we've been working to build those businesses in one of the emerging markets like the Democratic Republic of Congo, more than 100 million people there. We just opened an office. Ethiopia we just opened an office, 100 million people there. As soon as the US relaxed their sanctions, we opened an office in Sudan and it's about 40 million people there, almost all of whom are buying or selling with Visa cards today. So it's a great opportunity, develop, emerging kind of credentials acceptance, engagement, it's all upside.

**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Right. Right. And just to put a finer point on that, in markets where order net payment mechanisms are more prevalent, and that does tend to happen I think more in outside the developed world. I guess the question is, do the drivers of growth differ and does it involve more work around partnerships with, say, wallet providers or do you think that has played out as an avenue?

**Ryan McInerney**

*President, Visa, Inc.*

A

Well, alternative payment methods are a reality in every market we do business at this point.

**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. Yeah. Right.

**Ryan McInerney**

*President, Visa, Inc.*

A

I mean, again, here in the US, you've got Venmo. You've got Square Cash. You've got PayPal. You've got Zelle. You've got all types of alternative payment methods. And as you move around the world, you have Paytm in India. You have LINE in Asia. You have Mercado Pago in South America and Ali and WeE and so on and so forth.

We've seen these wallets kind of develop in kind of, relatively at this point, predictable ways. They tend to start as closed ecosystems, no access to Visa, either for issuance or acceptance. As a lot of these companies around the world have grown and they've sought sources of revenue, which, in this environment that we're all in today, that fintechs are in today is even more important than it's ever been, not just revenue but profitability, they look for opportunities to both expand their business without having to continue to build out a closed ecosystem, and are looking for opportunities to generate more revenue and earnings.

So we've leaned into these types of partners all around the world. We've made good progress with many of them, both issuing Visa credentials and turning some of these closed networks into acceptance points. I mentioned Paytm in India. Paytm started exactly that way, a closed ecosystem. It only works within that ecosystem. Paytm is now the issuer of Visa debit and Visa credit cards in India. I think Paytm has surpassed 15 million cards issued to their users at this point. They've also opened up what were previously closed sellers. They only accepted Paytm. Now they've basically become an acquirer, and then they've lit up something like 0.5 million of their merchants to accept Visa cards, which helps them expand their value proposition to their users, helps them generate earnings and revenue for their business, and ultimately grow and grow their flywheel.

And similar approaches we've taken, I mentioned LINE Pay, LINE Pay has got \$7 million or \$8 million credentials they've issued. [ph] Ali and WeE (08:04), kind of, some of the biggest closed networks have enabled Visa cards to push money into their wallets. And WeChat launched a co-brand card with us. And even just here in the US, I mentioned Square Cash. Square Cash is a huge user of the Visa ecosystem, money in, money out. Obviously, the Square debit card, which has proven to be a big generator of revenue and earnings for them.

So, the alternative payment mechanisms exist pretty much everywhere we do business to this point. We've leaned into them. I mentioned some of the on-ramps, off-ramps, issuing acceptance. There's a whole story around value-added services that we've had success with as well.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Yeah, yeah. No, we'll get to value-add in a bit. That's a huge topic of discussion we're super interested. But it sounds like as you look at many of these opportunities, the path from closed systems toward seeking growth and then becoming open systems and either you follow issuance path or a merchant acquiring path and then on to value-added services. That seems like something that at this point one can count on as repeatable.

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**Ryan McInerney**

*President, Visa, Inc.*

A

If something that we've had successfully proven the ability to have success with it, kind of, market after market around the world, and some markets are at different points in that evolution. But our country teams and our country managers and our account executives, we view all of these companies as partners and clients and opportunities. We're in their offices all the time, talking to them about what we can do to help them, how we can advance their strategy, how we can create value for them, and so far we've had some good success.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay, okay. And in terms of the network differentiation, right? To what extent is it about rebates and incentives versus other factors?

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**Ryan McInerney**

*President, Visa, Inc.*

A

So, when we compete against other networks, there's always a price game in any business. Yeah, right. Price is always a factor in any B2B business. When I have the opportunity to sit in front of clients all around the world and talk about why they should choose Visa, which is a big part of what I have the opportunity to do, first, it always starts and finishes with the people.

And if you are making a decision on who you're going to partner with, you need to believe in the people that are going to serve you. I mentioned a moment ago our country managers. If you're going to choose Visa in Mexico or in Poland or in Australia, you want to know who is the team on the ground that's going to help you. You want to know who the senior team is that's going to support them. And you want to know their strategy and what they're going to do to fight for you as a client.

So these decisions, they often start and they often finish with the people and their belief in the people. The Visa brand is a huge differentiator. We either have the opportunity or we have the opportunity to sit down with partners and clients and potential clients, and we show them the data. We showed an independent research for agencies that we don't hire, that just ask consumers these questions in general. And then almost always in every country

around the world, consumers and small businesses prefer Visa two or three times the next most preferred network.

And when I have the chance to talk to clients, I always say the same thing. I say this is independent research, we're looking at facts right there. The results are the same for affluent and less affluent, older and younger. Any segment that you want to look at. But I'd say go do your own research. Ask your customers. Ask your members. Ask them who they prefer. And almost always, it comes back with the same significant and significant growth for the Visa brand versus any other competitors. And what that does is it drives performance. It drives higher acquisition. It drives higher spending. It drives higher engagement. And there, too, we have a chance to sit down with clients and show them the work we do with whether it be the credit bureaus or other independent data sources to show them that Visa products outperform any other products from other competitors.

And then, finally it does come down to capabilities and our value-added services suite helps us tremendously with clients. Here in the US, our data processing platform, we think, is second to none. It's a huge differentiator. Cybersource has increasingly become a very important differentiator for our bank clients around the world who are looking to continue to compete in the acquiring business but not have to continue to compete in this arms race of technology and cybersecurity and all these kind of investments that are required data risk scores. All of those capabilities matter a lot as well.

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**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. Okay. That's very comprehensive and I thank you for that. You mentioned value-added services so let's go there. And one thing I wanted to discuss was open banking in Tink. And just kind of broadly, if we can start with what is your open banking approach and then kind of role in Tink and its capabilities and how that fits.

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**Ryan McInerney**

*President, Visa, Inc.*

A

Yeah. We're thrilled to own Tink. It's a fantastic platform. Coincidentally, I was just with several of our Tink team members who had flown over to spend some time with me today in New York. Back to the broadest part of your question, like, we view open banking as a network opportunity. If you think about it, at its core, open banking is a network play. It's about connectivity between on the one side, financial institutions and on the other side developers. And that is what we do. That's what we've done for four decades is kind of create a significant number of parties [indiscernible] (13:46) and run an efficient, effective, and secure network, and that's how we see open banking. So that's why we think it's a natural opportunity for us. It's certainly a space that our clients, whether they be issuers, acquirers, sellers, fintechs, or others, view someone like us as an ability to come in and provide a reliable, trusted solution.

So when we had the opportunity to buy Tink, we were thrilled with the opportunity, the leading platform, certainly in Europe and one of the leading ones around the world. The Tink team has done a great job building out connectivity. I think they're in 18 countries in Europe, if I recall, 14,000, 15,000 financial institutions (sic) [3,400 banks]. And we look forward to building out and expanding that capability around the world.

Almost every client that I have a chance to meet as I travel around the world, they're looking for open banking solutions. They're looking for personal financial management capabilities for their clients. They're looking for payment initiation capabilities in the account-to-account space. They're looking for risk scoring capabilities and algorithms that leverage their data, plus the rest of the data available from other financial systems or players in an open banking-driven market. So, yeah, we're very excited about the open banking opportunity in Europe, around the world, and really excited to continue to invest and scale the Tink platform.

**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. Okay. Is it possible to sort of think of open banking, what might it mean in the context of the overall growth formula?

**Ryan McInerney**

*President, Visa, Inc.*

A

I think it's going to be a big accelerant. I think it's a big opportunity. It's an opportunity for us to continue to scale and build our value add – value-added services portfolio. It's also – I talked about it earlier. It's a network. It's a network play as much as it is anything. So it becomes a platform for us to deliver more of our value-added services to our clients if we're engaged with them as their partner in delivering open banking solutions, payment initiation solutions, as well as our more traditional network solutions.

**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. Okay. And as we think beyond open banking, are there value add-services that you would want investors to maybe focus on, maybe something that doesn't get noticed as much but you are super excited about?

**Ryan McInerney**

*President, Visa, Inc.*

A

Well, I'll just tell you how we – like when – internally how we spend time and talk about our value-add services portfolio. And as you know, it's a \$6 billion revenue business for us growing at 20-plus percent year-over-year growth. We are very excited about kind of our issuer solutions portfolio of value-added services.

I mentioned DPS a moment ago. DPS, I think we just last year surpassed 2 trillion authorizations on the platform. And it is – when you think about issuer processing platforms in the US and around the world, DPS has been a huge differentiator for us to help our clients, both our traditional clients on our traditional platform, but also our new cloud-based, API-driven DPS Forward platform.

You may have seen we recently converted Current – it was a neobank here in the US – to the platform. That shows that even fintechs are voting with their feet and adopting that platform. And then what DPS does is it allows us a platform to deliver more issuer value-added services to those that are on it. So that's a really important area for us and focus.

I mentioned Cybersource earlier. I think we just onboarded our 1 millionth merchant onto the Cybersource platform, one of the largest gateways on the planet, and that's become a big differentiator, as I said earlier, for both our traditional banks who want to and need to kind of participate in the acquirer ecosystem but don't have the resources or the ability to continue to keep up with all of the investments that are required, but also for us to engage directly with merchants and engage directly with sellers all over the planet.

And then go back 10 years ago, it was primarily the US-based platform, not at all today. We're delivering and engaging directly with merchants all over the planet, and it is a chance for us to engage directly with those merchants, have a primary relationship, which is significant.

Our risk services family and value-added services is a huge differentiator just given the big advantage that we have with data, given the size of our network, the number of transactions that we process, we're able to provide better risk scoring algorithms, better data solutions for our clients. And then we also have our consulting and



analytics business. We have more than 1,000 client-facing staff helping clients in, I think, it was 80 countries around the world last year with engagements and driving new marketing programs, credit risk programs.

We've got a crypto-as-a-service platform they're working on, data analytics, segmentation, all the different work that helps ultimately our clients grow better and deepens our relationship with them. And we talked a little bit about open banking as well.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Yeah. Yeah. As you look at your portfolio of services, we kind of consider it relatively full portfolio. Are there things in there that are – I don't want to say missing but can be enhanced and can be improved on. And maybe the follow-up to that question is maybe walk us through sort of the build versus buy on that question, sort of the M&A philosophy?

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**Ryan McInerney**

*President, Visa, Inc.*

A

Sure. We feel great about the capabilities that we have. We had great success with them, but we had a lot of opportunity.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Yeah.

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**Ryan McInerney**

*President, Visa, Inc.*

A

We have great product teams, great engineering teams that are working on a deep and broad product pipeline in each of those five areas of value-added services that I mentioned and regularly bringing those products and services to market here in the US and around the world.

When we think about the opportunity to build versus buy, it's really a question of speed, capability, and talent. Our preference is always when we're able to build the products ourselves. And for most of the products and capabilities, both in VAS and the rest of the company, we've done that and we'll continue to do that. But if we can get to market faster, if we can access capabilities that we otherwise couldn't access or build as well, if we can access talent, we're going to do that.

So we think right now and especially over the next 6, 12, 18 months, there should be a lot of opportunities, as you might expect. We are spending a lot of time understanding a lot of the different companies around the planet that play in all the areas of our value-added services business and beyond. We do all types of work to get to know these companies around the planet, many of whom we have commercial relationships with, many of whom we might have made investments in. And so we're familiar with the management team. We're familiar with kind of how they make money, how they go to market, and those types of things. And we certainly look to be an opportunistic investor and acquire of companies over the foreseeable future.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. Should we talk about new flows?



**Ryan McNerney**

*President, Visa, Inc.*

Let's do it.

A

**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Awesome. So Visa's B2B payment strategy, let's start there. How does it differ for domestic versus cross-border?

Q

**Ryan McNerney**

*President, Visa, Inc.*

Well, they're both opportunities. Certainly, I guess, we'll talk a little bit about both of them. Maybe to frame it a little bit of saying B2B is already a big business for us.

A

**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Yeah.

Q

**Ryan McNerney**

*President, Visa, Inc.*

It's about \$1.5 trillion of flows on our platform. It's grown significantly over the last several years, and we expect it will continue to grow significantly. If you start on the cross-border side of things, there's really two sets of opportunities that we've been actively pursuing. I guess I'll call it three sets of opportunities. The first is and it's the bread and butter travel both corporate and small business around the world. That's a big opportunity and it remains a big opportunity. Virtual is a huge capability in that business.

A

The second is kind of the large dollar money movement, cross-border business traditionally on Swift or via corresponding banks. We spend a lot of time laying the groundwork for a new network called B2B Connect. We've spent time with so many clients at this point around the world designing the product, designing the pricing, ensuring that it is a faster, cheaper, more transparent way to send large ticket cross-border payments and we feel really good about the progress that we're making, building out that network.

And then finally, in terms of cross-border B2B, we've been building out a relatively big business in the disbursements business. So this is kind of big B to small B, if you will. If you're a ride-hailing company and you have drivers in India, we've created the ability for you to push those payouts, make it seamless, make it easy for those drivers to accept those payments on their Visa card, in their account, in their wallet, whatever it is. So that's kind of some of the cross-border stuff.

Domestically, the first thing I would say just domestically in many markets around the world, the commercial card product, the small business product both credit and debit is still very under-penetrated. So we're working with our country managers, our account executives, our account teams around the world to make sure that they're leaning in to their bank clients, helping them understand the power of these products for their small business and corporate clients outside of about 15 to 20 markets around the world that business is very, very underpenetrated. It's a huge domestic payments opportunity. We'll continue to invest in that. We have done a lot of work through both partnerships and products doing everything we can to build out the virtual card platform, kind of, domestically. We think there's a ton of runway for that product, not just in travel, but in healthcare and insurance and a lot of other verticals as well.

So, those are just some of the opportunities. But again, just for your audience and the investors, really just to understand, we see an enormous amount of growth just in that continuing to scale the small business credit, debit and corporate card business like we have the consumer business in dozens and dozens and dozens of markets around the world.

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**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Right, right. And as you sort of think of virtual cards and so on, right, long term versus other monetization methods needed as a sort of not really a debate, but a question, how are you thinking about...

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**Ryan McInerney**

*President, Visa, Inc.*

A

Tons of room to run. Tons of room to run. Listen, I think there's so many more segments to be added, so much opportunity to further deepen in the segments that we're in. And to be honest, so many opportunities to improve the product, the experience for the buyers and for suppliers. I think it's a lot of opportunity for us.

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**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

So, even the – on purpose kind of said virtual cards because it's one of the older ones is it not from a...

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**Ryan McInerney**

*President, Visa, Inc.*

A

It is, but still I think a ton of opportunity to continue to penetrate that space. And again, here, in the US, but also around the world, where it still remains a relatively nascent product in many markets.

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**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Right, right. You mentioned B2B connect. Could you talk a little bit more about that in terms of just kind of usage and so on?

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**Ryan McInerney**

*President, Visa, Inc.*

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Yeah. Listen, when you're building out a global network, 220 territories around the world, has that been [indiscernible] (25:36-26:01)?

[Technical Difficulty] (26:01-26:19)

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**Ryan McInerney**

*President, Visa, Inc.*

A

Yeah. So we did the work. We studied the space. We identified the opportunity. We traveled around the world. We met with clients. We understand how incredibly dissatisfied they were with the opportunities that they had. And we designed and built a network from scratch that right now we're building out. I think we've built out kind of connections now in 80 markets around the world or something like that. We have transactions now flowing on the network, but nothing near the size of a Visa Net.

Of course, at this point in time. And B2B Connect becomes an important component of our network of network strategy, where we've said we're going to build out new networks, we've got Visa Net, we've got Interlink, we've got B2B Connect, we have Visa Direct also partnering with networks, whether they be real-time payment networks, ACH networks, other card networks. And the combination of all of those networks delivered through single integration with our clients allows them to optimize money movement domestically and globally around the world, optimize speed price transparency to deliver the best solution that they want for their partners.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. Okay. So Visa Direct, right? [indiscernible] (27:38) but it still probably has a ton of opportunity. What are the top three use cases that you see today?

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**Ryan McInerney**

*President, Visa, Inc.*

A

I don't know that you say top three. I'm just – the ones that come to mind that we're seeing some great success with that are newer, that your audience may not be as familiar with, earned wage access. That's been a great hit, right, the ability for an employee to be able to open up their employer's app and just press pay me today and had to go right to their Visa Direct card.

And it's just like a magical experience. You sit in focus groups. You hear the end users talk about it. It's – it does come across like magic. Remittances is a big area of focus for us. We think the global remittance market via the Visa Direct platform has an opportunity to be completely reinvented, again, faster, cheaper, more transparent. We're having good success with that platform, both with the traditional remitters like Western Union, the more fintech remitters like Remitly, and they're all excited to put the Visa Direct platform to work. We're doing work in insurance payout disbursements, the gig economy of, as I mentioned earlier, drivers being able to get paid every day when they're done driving, goes right on their Visa card. They can go to a restaurant and pay for dinner, those types of things.

So we're just – our team – I'm so proud of our team. They're spending time. They're out there. They're meeting with partners and potential clients, trying to identify how can we help? And they come back, it feels like, every day or certainly every week with a new idea, a new use case that then our product teams and engineering teams build against, and it's that flywheel that we're seeing all around the world.

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**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. I want to pull in a couple of acquisitions that you made, one a slightly older one, I think, from maybe three years ago, if I'm not mistaken, is Earthport. And the other one is a newer one, Currencycloud. So as you sort of think of various aspects of cross-border, right, can you kind of talk to how these types of acquisitions help supplement the network and kind of build out what you're trying to build out there?

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**Ryan McInerney**

*President, Visa, Inc.*

A

Yes, sure. Those two work together in many of the use cases. But let me just put it in the context of Visa Direct. Visa Direct started several years ago when we launched it as simply a push-card-to-push-card platform which is significant. We have a number of Visa debit cards around the planet, but obviously more limited than if you want to serve every customer on the planet Earth, which we want to do. Then we were able to expand Visa Direct to push to other cards. Then we bought Earthport. And Earthport was a bit of a watershed moment for the Visa

Direct platform where we added, I think, the better part of about 2 billion accounts to the network or end points to the network that we weren't able to previously reach with a debit card. And then, I guess just a couple of weeks ago or maybe on earnings, we announced a partnership with Thunes where we've now lit up a 1.5 billion endpoint opportunity via wallets.

So you put all that in the context with Earthport, we're now able to go to a partner and say, we can deliver you a money movement network that reaches 7 billion endpoints all around the planet. We can reach many of those endpoints in real-time. We can provide you via currency cloud with real-time FX conversion capabilities for any of the corridors that you want to deliver money. And that's one example of how those capabilities come together.

Currencycloud also has a lot of utility beyond just cross-border money movement. It's a kind of a really important part of our go-to-market offering for our traditional card products as well. We can go to a partner, and via Currencycloud, we can deliver them the capability to offer their cardholders, their users the ability to know in real time as they're standing at the point of sale via their bank app what is exactly the FX rate they're going to get on that transaction gives them a lot of confidence, gives them a differentiated value proposition. That's an example of a capability that we're able to deliver with the Currencycloud platform. So really excited to have both those companies in the family.

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**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. And when you think of sort of non-Visa Direct and some of this can be new flows and some of it, it can be in value-add services. But in terms of the non-visa Direct account to account flows, how are you thinking about that?

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**Ryan McInerney**

*President, Visa, Inc.*

A

We're not just thinking about it. We're working aggressively and we're in the space today. Tink is one of the premier account-to-account money movement platforms in Europe right now. We just announced or recently announced that Tink is going to be powering Adyen pay-by-bank offering in many countries. So we're actively engaged in account-to-account in Europe, which is certainly one of the leading geographies around the world. And as I mentioned earlier, we look forward to expanding that capability more broadly around the world.

We're engaged in account-to-account in our value-added services platform. Token ID is a good example, providing non-card tokenization to RTP and ACH schemes around the world. I think you had someone from the clearinghouse up here yesterday or today. Clearinghouse announced several months ago that they're going to be using Visa's Token ID platform for their tokenization capability, just as an example. We're having good success with Verifi, providing disputes, capabilities. YellowPepper providing directory services to RTP platforms around the world.

I mentioned that we're engaged mentioned that we're engaged with many of the wallet players that are leading players in the ADA space around the world and then as you mentioned Visa Direct. I kind of think about Visa Direct as the largest, if not the largest, one of the largest account to account money movement platforms on the planet with, as I said earlier, 7 billion endpoints.

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**Ashwin Vassant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

So a step back question as you look at various pillars and the new flows, best value add services has kind of occurred 35% somewhere there of your revenues. Is that a steady state that you want to get to? I mean, obviously in the near-term they're growing faster than consumer payments but what's the steady state for the pieces?

**Ryan McNerney**

*President, Visa, Inc.*

A

We're just focused on growing the business and serving our clients. And as I said earlier, we think the consumer payments franchise has enormous opportunity as far as the eye can see. Value-added services and new flows, as you said, has been growing significantly faster than the consumer payments franchise. We think all three of these growth vectors provide tremendous runway, tremendous growth. We got great ideas, great people, great products, great go-to-market propositions all around the world and just working as hard as we can every day to serve our clients and deliver those to the market.

**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. If I can ask you to sort of give us your view on crypto, and obviously these questions were written before FTX but it doesn't matter because I think what you do in that field is quite different and providing the on ramps, off ramps. Is your commitment to crypto for a more longer term than any of the volatility we see in it?

**Ryan McNerney**

*President, Visa, Inc.*

A

We've always viewed crypto as a very long-term play both for Visa but also for the ecosystem. We want to be helpful to our partners and our clients and our users to move money and how they want to move money. And as you said, you know, Visa credentials are an important on ramp and off ramp and we'll continue to lean into that.

We have been I think the partner of choice for most exchanges around the world of issuing credentials to their users so that they have a simple, easy, frictionless way to spend money that they might have in terms of savings. And we also view stablecoins as an opportunity. It's something that we've been investing in on the Visa network. We've been piloting and also looking at expanding to using, I think, first USDC and then, potentially, other stablecoins as a way to actually transaction settle on our network.

So we've got – we had a great crypto team at Visa. I think many of the leading thinkers in the space and they too are continuing to understand what clients need, understand what partners need, understand what users need, build great product, and we'll continue to invest responsibly in the space with an eye to the very long term.

**Ashwin Vasant Shirvaikar**

*Analyst, Citigroup Global Markets, Inc.*

Q

Okay. And my very last question, given your position in the US debit, how are you thinking of the clarification that was issued recently from Washington with regards to with regard to [indiscernible] (36:33)?

**Ryan McNerney**

*President, Visa, Inc.*

A

[indiscernible] (36:34) that it was clarification. It was exactly in-line with our expectations. As I think most of your audience knows, it just clarified that issuers need to enable to unaffiliated networks for card not present transactions. Many, if not most of our issuers, had already done that. The ones that hadn't are working to do that. I expect everybody will be in compliance by July 1 and things will continue on from there.

## Ashwin Vasant Shirvaikar

*Analyst, Citigroup Global Markets, Inc.*

Awesome. Great discussion. Thank you very much.

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## Ryan McInerney

*President, Visa, Inc.*

Yeah. Anytime. It's great to see your audience and appreciate the opportunity.

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## Ashwin Vasant Shirvaikar

*Analyst, Citigroup Global Markets, Inc.*

Absolutely. Thank you.

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