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Visa, Inc. (V)

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CORPORATE PARTICIPANTS

Ryan McInerney
President

OTHER PARTICIPANTS

Tien-Tsin Huang
JPMorgan Securities LLC

MANAGEMENT DISCUSSION SECTION

Tien-Tsin Huang
JPMorgan Securities LLC

Ready to go? All right. Thanks, everyone, for joining. My name is Tien-Tsin Huang. I cover the Computer Services and IT Consulting Group at J.P. Morgan. So, always delighted to have Visa here at the conference, at our tech conference. So, super excited to have Ryan McInerney, President of Visa, with us. So, obviously, moved up quickly within Chase, and then he's been at Visa now for a little bit.

I've heard Ryan speak a couple of times at a lot of the industry conferences, 2020 and ETA, and always thought he was really insightful. We'll get his view from his seat as the President. So thanks for being here, Ryan. Really appreciate it.

Ryan McInerney
President

Yes. Great to be here. Thanks for having me.

Tien-Tsin Huang
JPMorgan Securities LLC

So before we go into the questions, I think, maybe, if you don't mind, just to get it out the way, just to ask you about Visa Europe, if there's anything new to say. You may have heard there's been some rumors about it.

Ryan McInerney
President

Is that right?

Tien-Tsin Huang
JPMorgan Securities LLC

Something like that.

Ryan McInerney
President

No new news on Visa Europe. Listen, we share a brand. We share clients. As you might imagine, we work together day in and day out, and we've got a strong working relationship as I think we've ever had. But in terms of us being separate entities, as you know well, they have a put and requires 80% of their board to take action on that put, and that's their decision to make.

Tien-Tsin Huang
JPMorgan Securities LLC

Okay. Fair enough.

QUESTION AND ANSWER SECTION

Tien-Tsin Huang
JPMorgan Securities LLC

Q

So, maybe just to kick it off, just to ask you a softball here and just have you talk about your priorities, maybe your top three priorities as president. I think this might be one of your first opportunities, I think, in front of the mic here on the investor side. So maybe we could start with that if that's okay.

Ryan McInerney
President

A

Sure. Why don't I start just for a minute and just talk about what our team does at Visa? The team that I'm responsible for at Visa really is responsible for all the client-facing functions in the organizations. So, we have regional teams around the world that serve our clients day in and day out. We've recently built a bigger, stronger merchant organization, serving merchants around the world. We have product groups that design, build and deliver our traditional products but also digital and our innovation products. We also have a Visa client consulting group that helps clients grow their businesses around the world, and we have other groups that kind of do customer service and operations in support of our clients.

In terms of priorities, my priorities and our team's priorities really center on clients, innovation, security, and our people and the talent in the company. The first one of those, we have – we spent a lot of time thinking about how do we develop deeper, stronger, longer, and broader relationships with our clients around the world, whether that be issuers or merchants, and moving beyond kind of the traditional payment processing services that we've provided for a lot of our clients historically, but to really kind of bring in a much broader suite of assets and capabilities that we have inside of Visa to help them grow their business, run their business more efficiently, whether that be our client consulting resources, data, analytics, technology, risk, marketing, all the different things that we can do to help our clients, as I said whether it's issuers or merchants.

Second, innovation is a big priority for me, for our team, for the company. No question that there's a lot happening in the mobile digital space right now in many ways because all of us as consumers are choosing to spend more and more time shopping on tablets and mobile phones and others. And so a big focus for us as a company is making sure that our products are as easy to use on a mobile phone or a tablet or in the digital world as they have been historically for many years in the physical world, and I'm sure we can talk more about those things, but a big focus of ours.

Security is always a big priority and extraordinarily important to our clients and their cardholders and to the strength of the ecosystem in general. So, focusing on continuing to innovate and lead the industry on security and making sure that we're – the payment system is safe and secure and sound as possible is a big priority.

Also focused on how do we expand access to our products and services around the world, whether that be acceptance even in developed markets, but especially in more developing markets, and also on the issuance side of things.

And then, finally, talent. Like any business and most businesses, the talent that we bring every day to our client is extraordinarily important. And I spend a lot of time thinking about how do we attract, develop, retain, excite the best talent in the industry to help our clients.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

All right. Great. So I think one of the big themes that we've been writing about for a couple of years now is that the merchant seems to be gaining power in the ecosystem with respect to payments. So I think at ETA, you went through some things that Visa's doing to work closer with the merchants. So maybe can you elaborate on that and give us some examples of how Visa is actually doing that?

Ryan McInerney

President

A

Merchants are an extraordinarily important group of clients for us. And historically, we have spent more time as a company thinking about how do we deploy our resources to help issuers. That's just the truth. But over the course of the last couple of years as we've built out a global organization that understands merchants' needs, that regularly call on merchants, understand what their problems, their opportunities are, and then come back and sit with our product groups and the rest of the organization and develop and design products that we can bring to market to help our merchants grow their businesses or overcome other challenges.

It's a very new space for Visa, in many ways. We're off to a very good and early start, but we have a long way to go. And we're going to focus our product pipeline in a couple of different areas. One is helping merchants attract new clients, grow their business, capture new sales opportunities. So some of the things that we've been working with merchants on there in early days are helping them get a much better feel for their digital marketing spend which our merchant clients spend an enormous amount of money on, understanding not just kind of how many people click on those ads or view them, but how many of those ads actually turn into real sales in their stores on Visa cards, one, two, three, four, five days and more after the ad has been seen by a consumer, something few people can really help our merchant clients understand like Visa can.

We also acquired a company, TrialPay, which is a company we've known for a long time and have done business with and are working on their platform to actually put digital impressions out there on our mobile devices and on our computers that actually drive sales into merchants and obviously using their Visa card. So, there's a couple of examples, very new initiatives for Visa, but have been very, very positively received by our merchant clients.

Second area we've been building a pipeline of products is in the fraud space. It's a challenge for anybody that's in the retailing business or in a broader merchant. And here, too, for many, many years, we've used our data, our analytics, our technology, and our risk resources to help issuers reduce fraud and reduce risk on their products. And now, we've taken that same know-how and expertise and put it to work for merchants in very specific use cases.

So, we brought a product to market last year to help our fuel merchants, right, gas stations where they've got unattended gas terminals create a scoring algorithm so that they were able to score every transaction that happened at one of these gas pumps and identify which ones were likely to be fraudulent. And we did it without interrupting the customer experience in any way, because all we did was give the gas merchant a score. And if it was a high likelihood of fraud, they would just ask the customer to come in the store rather than authorize the transaction out of the pump. And not a surprise, those of us that got scored high went in and showed them our Visa card and the bad guys just drove away. So, helping merchants reduce fraud.

And then, the last thing is just creating new products, new service to make it a lot easier to do business with us. And that gets into the nitty-gritty of the transaction types. And we have, in many ways, had one-size-fits-all approaches for how transactions work with different types of merchants. But when you sit with them and you understand that – an airline now, 50% of their transactions are ancillary services, which is a surprising stat to a lot of people, but on the Visa network, they were forced to kind of almost fake those transactions as airline tickets, which resulted in cost complexity and bad customer experiences. That's a good example, where we took that back. We created a new transaction type. We rolled it out recently with the large airlines, and it's been a big win, and helped build our relationships with those clients.

Tien-Tsin Huang

JPMorgan Securities LLC

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Yeah. That's a good example. So maybe thinking about some of the things that merchants are feeling right now, EMV is the big one, right, with you and MasterCard promoting EMV with a deadline. So, bigger picture question, what's the mission around EMV, and a lot follow-ons to that, right? We've been hearing rumors of maybe a delay or a soft delays. What's the impact of chip-and-choice versus chip-and-PINs? So maybe just speak broadly towards EMV, what we're trying to accomplish with it?

Ryan McInerney

President

A

So we rolled out the EMV and chip liability shift. I think it was in 2011. So it's been something that has been evolving now in the U.S. We're coming up upon the liability shift date in October of this year. And it's a big change, no doubt about it, for the entire industry in the U.S. The U.S. is one of the few markets in the world that hasn't already migrated to chip. And the whole point of the migration is to significantly reduce fraud and the susceptibility to fraud in a card present environment. And chip is not a silver bullet in and of itself, right, together with tokenization, together with end-to-end encryption and a number of different things that as an industry we're driving to reduce fraud, but it's an important piece of the overall program in the U.S.

And chip-and-choice is a pragmatic way to make progress quickly and eliminate the overwhelming majority of fraud. And if you just look around the United States, first of all, it's important to understand that 80% of the card-present fraud gets fixed by chip cards, eliminated by chip cards. The only fraud that really remains if I give you a chip card is if somebody steals your wallet and then maybe goes off and makes a transaction before you're able to call your bank and turn the card off. It's a very small sliver that isn't addressed by chip cards.

So, you've got 80% of the fraud, close to 80% of the fraud that's addressed by chip cards. Two-thirds of the merchants in the U.S. don't have PIN terminals. So, again, if you just think about pragmatic progress that solves the overwhelming majority of the fraud in the U.S., going out with chip-and-choice, so giving merchants the option of either having PIN Pads or not and giving issuers the option of authenticating with signatures or PINs just allows everybody to make progress quickly.

And then the last piece of the chip-and-choice story is the truth of the matter is, in the United States, most people have multiple credit cards, and very few, if any, people know the PIN that's associated with their credit card. And so if you think about kind of the October liability shift getting close to the holiday, having some kind of mandate go in place where people would have to authenticate with a number they don't know would be a very bad customer experience.

So, we feel good about the approach. We feel good about the progress. The industry outlook show that by the end of this year, there should be about 500 million chip cards issued in the U.S., kind of more than half of the cards that are out there, and that's a lot of progress in what's been a reasonably short amount of time since the issuers started putting the cards in the market.

And on the terminal side, industry forecast show that about 50% of terminals are likely to be able to read the chip card. So, all in all, a lot of work to do. It's been a big collaboration effort among the networks, the acquirers, the merchants, the industry. But we're making progress, and it's a very important initiative.

Tien-Tsin Huang

JPMorgan Securities LLC

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Okay. That's great. So, I do see a lot of questions around about how PIN economics, hardware, software, Visa, if we go towards a chip-and-PIN world, that it could be decremental to your pricing. So, you can comment on that? I know there's a difference between signature and PIN authentication versus signature and PIN networks. So, maybe if you can broadly speak to that.

Ryan McInerney

President

A

Yeah. The two get confused, so from an authentication perspective, again, we think the chip-and-choice roadmap solves most of the fraud or a very good portion of it. We – there was a time in the United States when there was a very big difference between signature and PIN economics for issuers with interchange for a bunch of different players.

In a post-Durbin world, there's just not a big or significant economic difference between the different types of transactions. There may be on the margin for different types of players. So, it's certainly not anything rooted in economics. Right now, I think we're all very focused on how do we get the right solution to get as much risk out of the system as quickly as possible.

Tien-Tsin Huang

JPMorgan Securities LLC

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Okay. Great. So, let me talk about – let's talk about tokenization a little bit and sort of bridge a little bit into mobile. I know tokenization is a big effort. I've heard you talking about taking the card numbers out of the clear with tokenization. Apple Pay is a great case study. But I know there's a little bit of standards battle perhaps on the tokenization front. So, how do you see that shaking out? Will there be one standard, multiple standards? What's the vision?

Ryan McInerney

President

A

I don't see there's a battle. I think on big kind of cross-payment system efforts, there's been a long history of collaboration between the networks and the rest of the ecosystem, and tokenization is a great example. Just to take a step back for everybody, what tokenization really is, I kind of think about it as we've reinvented the card

number for a mobile digital age. So, if you think about the kind of history of Visa, you all hopefully got Visa cards in your pocket, and they all have a 16-digit number that starts with a 4 on them. But that number, putting that – to your point, out in the clear on kind of these phones and other wearables and other devices as they proliferate isn't as safe and secure as it could be.

So, better part of two years ago, we started an effort, working together with other people in the payment system – MasterCard, American Express, and others – to reinvent the card number so that the token, right, if you will, is device-specific or use case-specific so that it's dynamic. So, if somebody gets a hold of a device – the number off of this device that I have in my hand, they can't use it. It only works on this device with my thumbprint, in the example of Apple Pay. So, we think it's a very important standard for the future that really enables a proliferation of different mobile and digital experiences to happen in a very safe and secure way.

Tien-Tsin Huang

JPMorgan Securities LLC

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Okay. So, Apple Pay, I know, gets a lot of attention. But there's Samsung Pay; talk about Android Pay, and you name your pay company. But how do you see the mobile wallet war shaking out? I mean, the same question, multiple winners? Should we see it narrow down, and can we see some consumer confusion given all these different ways to pay, again, Samsung Pay, very different from Apple Pay, et cetera?

Ryan McInerney

President

A

Yeah. So, I think Apple Pay is a bit of a tipping point, not because we're all going to be using Apple Pay in 6 or 12 months, but because it allowed people to see through a consumer's eyes, a simple, intuitive, safe mobile payment experience. And we built up, leading up to Apple Pay, we invested an enormous amount of resources internally in Visa in building a platform to support it, the tokenization standard, but also our Visa Digital Solutions platform which Apple built Apple Pay on top of.

We've now taken that same standard and that same platform, and we've opened it up to multiple different partners. You mentioned a couple of the platform or hardware players. Also we've opened it up to our issuers and to merchants and we have people actively in our sandbox developing a host of new payment experiences and products right now.

They're all built on the Visa Digital Solutions platform, so they operate on our network the same as any other Visa transaction would, and they all leverage tokenization as the standard to make sure they're safe and secure.

I think what's my own personal view of what's going to happen is we're going to see a proliferation of different experiences. Some of them will be wallets; some of them will be banks that create their own payment experiences; some of them will be merchant-driven, examples of how they leverage the Visa Digital Solutions platform and tokenization.

And ultimately, what happened is I do think there'll be a narrowing, right. We'll go through this process of a proliferation of lots of different experiences, and consumers ultimately are only going to have the ability to kind of consume one, two or three of these, day in and day out as they live their daily lives.

So I think we'll go through this proliferation and start to narrow, and ultimately consumers will decide. What actually wins, I think, we'll see. We'll see in terms of the eyes of consumer what really makes sense given how they live their lives. I think it's quite possible that it's a different answer in different parts of the world, right? So, in some markets where you have less consolidated marketplaces where the proliferation of NFC is higher or lower

and it might be different from different types of consumers. So I think we're in really exciting time right now, but it's also really early.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

Yeah.

Ryan McInerney

President

A

Right? So we all talk about all these things, but yet at the same time, there's really only a very few things that have been in market yet. So a lot to come.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

So you clearly see a lot that's going on around the world. It does feel like though most of these, you can call it disruptors, if you want, are actually piggybacking off of Visa or want to connect to the rails there instead of trying to recreate the plumbing. Do you feel like that's still the case and could the pendulum swing back again?

Ryan McInerney

President

A

I think that is exactly the case. And there have been times in our industry where there's been a lot of people trying to focus on doing what we do and doing it better than what networks do. And I think they found, historically, that's very hard.

Tien-Tsin Huang

JPMorgan Securities LLC

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Yeah.

Ryan McInerney

President

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And what you have is – now, you have device companies like Apple, who make a lot of money selling devices, and they're perfectly happy doing that. Or you have platform players – you mentioned Google who makes good money selling advertisements. And you have a lot of startups who have been able to dream big and think about different ways to reinvent the consumer experience or the merchant experience and find ways to monetize that. And I think they do all look at Visa as an easy way to process the transactions, not have to worry about the safety, security, the interconnectivity of 40 million merchants or 14,000 banks around the world. So we see it – it's a good partnership in that way, and we really built our technology architecture to encourage that. To make it easy for them, we're creating open APIs, SDKs, reference apps, make it very accessible to use our network and allow them to capture the benefits of the network that we've built, but dream big and create new experiences.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

All right. Great. So, last one related to this, I guess Visa Checkout, how does that fit? Because in that case, you are touching the consumer a little bit more. And I know a lot of attention on PayPal with the pending spin, so can you stack up, maybe, Visa Checkout versus other peers that are trying to accomplish the same thing?

Ryan McInerney

President

A

Well, Visa Checkout's off to a great start. We really just launched Visa Checkout in July of last year. So, less than a year into this, we've had great merchant adoption. We've announced a number of large merchants that have adopted Visa Checkout that are very happy with it. I think we actually we put out a press release today about some new merchants, Dunkin' Donuts, Williams-Sonoma, few others. And so, we've been very encouraged by the merchant adoption, but it's very early.

On the consumer side of things, the results have been very good as well. We just put out some independent research that comScore did. I think we put out a press release today that shows that Visa Checkout is 67% – let's call it almost 70% conversion rate. That's two-thirds higher than a traditional checkout process on a desktop computer.

So we're seeing big spikes in conversion. We're seeing faster transactions. The comScore data shows that Visa Checkout transactions are 22% faster than the traditional methods of checkout, and our merchant clients are seeing higher sales. I think it's 7% higher sales when a sale is done using Visa Checkout.

So, it's faster, higher conversion rates, higher sales rates. The early results from consumers and merchants is very strong. And in many ways, the CMOs and the heads of digital in these merchants have become big advocates for Visa because they found a platform that's helping them grow their business and helping them grow their sales. So, encouraging early results from Visa Checkout.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

All right. Good. Good to hear. I feel like folks are staring at me like I got to ask the Costco question. So I'll ask that one and then open it up to the audience. But, yeah. I mean, I know you've been fielding a lot of questions on Costco. It came up a lot on the earnings call, it felt like the Costco earnings call. I guess my question is we met with AmEx as well, and they were very clear to say that it would not have been profitable to renew that contract as it was signed. So tell us why it's a good deal for Visa.

Ryan McInerney

President

A

Well, I'll start by saying Costco is a fabulous retailer, one of the largest retailers in the world, and having had the chance to get to know their management team well over many months, remarkable management team, extraordinarily member-focused, as they call their members. And it's a place where Visa cardholders hadn't been able to use their credit cards for a very long time. And so, when the opportunity came up, as you can imagine, we've invested quite a bit of time in making sure that we were able to show them everything we could do to help them with their business.

It's a long-term, big strategic opportunity for our clients and their cardholders. It's an opportunity for them to use their cards in a place that they've wanted to for a long time and they haven't been able to. It's also a chance for our clients to have yet another differentiator when they're putting Visa cards into the hands of their customers, and they want that to be a top-of-wallet card.

And when you ask cardholders, time in and time out, is that an important thing for them, it absolutely is, and our clients know that and they've told us that. So our clients have given us very positive feedback on it. We think it's a great opportunity. And I don't obviously know kind of what our competitors did and how they view it, but I do think it's a good reflection of the strength of the four-party model to a company like Costco.

And the power of all of our issuers, and their products, their branch networks, the purchasing power that they put in the hands and the pockets of their customers every day, and when Costco had to make a decision about who they wanted to partner with, I think the strength of the four-party model and all of our banks and the customers that go along with, that was a big differentiator.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

So, I know that network exclusivity was a big piece of it, and you have clearly said it's unique. But is this going to drive more of a pricing war potentially for future co-branded deals and – perhaps this is going to be different?

Ryan McInerney

President

A

I think – and by the way, I didn't mention earlier, but the co-brand piece of it, we're thrilled to be their co-brand partner together with Citi. We think it's going to be a fabulous co-brand program and be great for Costco and for Visa and Citi.

Our business is competitive every day. We compete for business every month, every quarter, whether it's co-brands or issuing deals or other things in the merchant side of the business. Price has to be competitive, but our clients have shown us, time in and time out, that they make decisions for things far beyond just price.

And Costco was an example in our experience, but many of the other things that we compete for are in terms of our brand, the strength of our brand with consumers, the data and analytics solutions that we provide our customers, our consulting services technology, risk, marketing, and all those things matter a lot to partners, and we compete on all those pieces.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

Okay. Great. Thanks for that. So, questions from the audience, please? Do you have any? Happy to take them. Otherwise, I can keep going. Anyone?

All right. So let's do M&A, if that's okay. I guess MasterCard has been fairly acquisitive. They've built up an analytics practice inorganically. They've got a big adviser's business. You talked about consulting a little bit in your intro. So, what's the thinking around M&A? I know TrialPay was something you added after a longstanding relationship with TrialPay. Could we see more in the way of acquisitions for Visa?

Ryan McInerney

President

A

Well, you asked earlier, so I'll say. Obviously, if we ever had the opportunity to acquire Visa Europe, that'd be a big transformational, strategic acquisition opportunity for us, but that's something that's out of our direct control. The way we think about M&A beyond that is we're always kind of assessing where there's capabilities that if we acquired a company, that it'll allow us to build something we couldn't otherwise build on our own or do it in a much faster way than we would be able to on our own. TrialPay was an example of that, and we're constantly assessing other opportunities as you might imagine, but nothing more specific to talk about today.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

How important is data? So, you see a lot – and data analytics is a big theme throughout this technology conference. You see a lot of data. So what more could be done on the data side? In three years or five years, when I sit down and interview with you, how big could data be?

Ryan McInerney

President

A

The way we think about data and analytics and the intelligence that we build is how can we use all of that to help our clients. So, how can we use that, and I mentioned earlier, for our merchants to create better intelligence on their customers, so they can attract more customers, or sell more, or reduce their fraud, or grow their business, or find new opportunities, or all those different things.

So in that way, data and analytics is very, very important because our ability to differentiate ourselves versus our competitor is how much value we can add for every transaction that comes across, right, and that has a lot to do with fraud scores, loyalty scores, alerts, all the different value-added services that we add on to a transaction, which is all rooted in data, plus the different ways that we can help our clients whether they be issuers or merchants, acquirers, or others grow their business, reduce their costs. All of that in many ways is delivered by the data analytics intelligence that we're able to provide.

And in some ways, that's where in many of the markets where we do business, our larger share gives us an advantage. We see more transactions. We see more data. We're able to create solutions that have more scale and have more applicability to their business as a whole, if you go back to some of the merchants examples I mentioned earlier in terms of advertising and solicitations, those types of things, but also the effectiveness of the scoring mechanisms that we create for them.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

Right. That was fun. It's a fun thing to think about, so I'll ask you about it again in future events. But let me do a segue. We're going to segue, I guess, into China. Just to skip around and make sure we hit all the questions.

Ryan McInerney

President

A

Yeah, sure.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

So with China obviously opening up and there's a lot of excitement around that opening up to foreign firms are clearing. How real do you think that is and how much investment will be required for Visa to break through in China, which is clearly very big?

Ryan McInerney

President

A

So I'll start by saying China is very big and very important market for us today. We don't participate in the domestic side of China, but we have deep, longstanding relationships with all the big Chinese banks. We've been issuing Visa cards to Chinese customers for many, many years for cross-border purposes, for them to use when they travel outside of China. It's a big growing business, very important and deep relationships with the clients that we have in China.

In terms of the market opening news, it was obviously very well received. I do get the sense that the process will continue. There was a lot of information that we saw in the latest release. It was all consistent with our expectations. But there's still a lot of blanks to be filled in.

We've learned a lot about the application process on the one hand. We understand there's going to be a two-step process and probably approximately 18 months in length. But before I think a lot can be done, there's more blanks that need to be filled in. And the PPOC and the Chinese government said that they expect to give more data soon, and so we're waiting for that.

I think in terms of how real it is we hope it's very real. We think we have a lot that we could offer China, in general, helping to use our expertise in many other markets around the world to drive the electrification of payments, but also just to help the Chinese economy and Chinese consumers and growing what's been a very good success story in China, so we look forward to it.

But the last thing I would say is it's a very long-term opportunity. So it's not something that we think about that's going to have any near to midterm financial impact for Visa. We approach it as a very long-term strategic opportunity that's going to play out over a long period of time. And so how much gets invested and how fast it happens, those things are all still questions that we don't have solid answers to yet, but we're committed to doing everything we can to be helpful and good partner in China.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

Okay. So there's a lot of – obviously, UnionPay, a very strong incumbent in China. And on occasion, we hear new networks of domestic schemes bubbling up, I think UAE with the Mercury network and I guess Elo, you could argue, is doing the same thing in Brazil; India, RuPay. I don't want to list them all here. But, Ryan, how much of a concern or a threat, or is it just more of the same with respect to these domestic schemes, and how do you beat them out?

Ryan McInerney

President

A

It's the real competitors. We compete against them day in and day out in lots of countries around the world. Some of the ones you mentioned are more developed. Some are just developing. But country by country, we know how to compete against them. We've been successful. It's about adding value to the transactions, adding value to our clients, building a brand that matters to their customers. And while the exact – like it's a little different in each country how successful we have been or will be based on those types of things. It's a competition set that we know well and have competed against for many years. In some markets, some of these competitors have advantages that come from the government's sponsors or others. But in general, we feel good about our ability to compete in the track record so far.

Tien-Tsin Huang

JPMorgan Securities LLC

Q

Good. Good. Maybe just the last one, unless there's a question from the audience. So somewhat related, I know there's so much regulation and litigation going on, but it seems like Europe is fairly well-known at this point. Canada came down, and it was probably better than what people had anticipated. Anything else you're hearing as you've been traveling the world in terms of regulation that we should be paying attention to? Has the pendulum shifted in any way?

Ryan McInerney

President

A

I don't know if the pendulum shifted, but we're very engaged with governments in all the markets that we do business. We've continued to invest in resources inside of Visa, talent, sophistication of resources, and government partners are very important in a lot of markets that we do business.

In many of the markets that we do business, governments are some of our biggest advocates, as they look at opportunities to electronify very large sections of spending that's done on cash for all the reasons that they want to do that. They're our biggest sponsor. So we're very engaged, kind of country-by-country, in terms of having a regular dialogue about the benefits of electronification, the benefits that Visa can bring to their countries. And feel good about the nature of the dialogue that we're having.

Tien-Tsin Huang

JPMorgan Securities LLC

All right. Terrific. Unless there are any other questions, we're right at the end here. So, Ryan, appreciate you coming.

Ryan McInerney

President

You bet. It's great to be here.

Tien-Tsin Huang

JPMorgan Securities LLC

Always fun to chat with you. So, we'll see you next time. Appreciate it.

Ryan McInerney

President

Thanks a lot.

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