

2018 Visa Debit Product Profile



Tools and expertise to grow your business

**VISA** everywhere  
you want to be

# Visa helps your business succeed

Visa is a trusted global brand known for strength, integrity and industry-leading innovation. We continue to break new ground with an advanced suite of debit solutions that can be customized to meet your needs, streamline your processes, and deliver exceptional value to you and the customers you serve.

Visa is a better way to pay and be paid, enabling consumers and merchants to do business with confidence.



## Visa offers global scale

Visa Inc. operates one of the world's largest retail electronic payments network<sup>3</sup> with international connections and impressive payment volume.

## Why choose Visa for debit?

Visa's industry leadership is your assurance of capability and quality at the highest level. Here's what sets Visa apart:

- The Visa Network – widely accepted around the world
- A commitment to uncovering debit potential and increasing usage
- Powerful tools and marketing resources to support your growth
- Strategic insights, benchmarking and diagnostics to optimize your performance
- Sophisticated risk and fraud detection techniques to safeguard transactions

### More places and more ways to use Visa

We're expanding and modernizing.

- Over 46 million merchant locations globally<sup>1</sup>
- The exclusive major payment card network accepted at U.S. Costco locations, the world's 2nd largest retailer.<sup>2</sup>
- Multiple payment solutions: Visa Checkout, Visa Developer, Visa Direct

**US \$7.6T**

Payments Volume  
(as of December 31, 2017)

**US \$10.5T**

Total Volume<sup>4</sup>  
(as of December 31, 2017)

**2.6M ATMs<sup>5</sup>**

(as of June 30, 2017)

**160 Currencies**

(as of December 31, 2016)

**169.2B**

Total Transactions<sup>4</sup>  
(as of December 31, 2017)

**65,000**

Transaction Messages Per Second  
(capacity as of August 2017)

**3.2B**

Visa Cards  
(as of September 30, 2017)

**16,100**

Financial Institution Clients  
(as of December 31, 2017)

Figures in the column to the right are rounded and are from the latest operational performance data except number of financial institutions and ATMs.

<sup>1</sup> Data provided to Visa by acquiring financial institutions and other third parties.

<sup>2</sup> National Retail Federation – Top 250 Global Retailers, 2016.

<sup>3</sup> Based on payments volume, total volume, number of transactions and number of cards in circulation.

<sup>4</sup> Includes payments and cash transactions.

<sup>5</sup> As reported by client financial institutions and therefore may be subject to change; includes ATMs in the Visa Europe territory.

# The Visa Debit opportunity



Visa has historically been the debit leader.<sup>1</sup> We've made significant, strategic investments in innovation, security, and expanded acceptance to drive future debit growth.

## Round out and enhance your debit portfolio with a full suite of products

### Visa Debit

- Accepted at tens of millions of merchants worldwide
- Purchasing power at point-of-sale and card-not-present
- Flexible and convenient cardholder verification including signature, no signature, PIN (PAVD), and biometrics

### Visa/Plus ATM

- Cash access at 2+ million ATMs worldwide and 600+ thousand ATMs in U.S.<sup>2</sup>
- Scalable and interoperable network

### Interlink

- Accepted at 2.6 million U.S. merchant locations<sup>3</sup>
- Purchasing power at point-of-sale via PIN

### Visa DPS

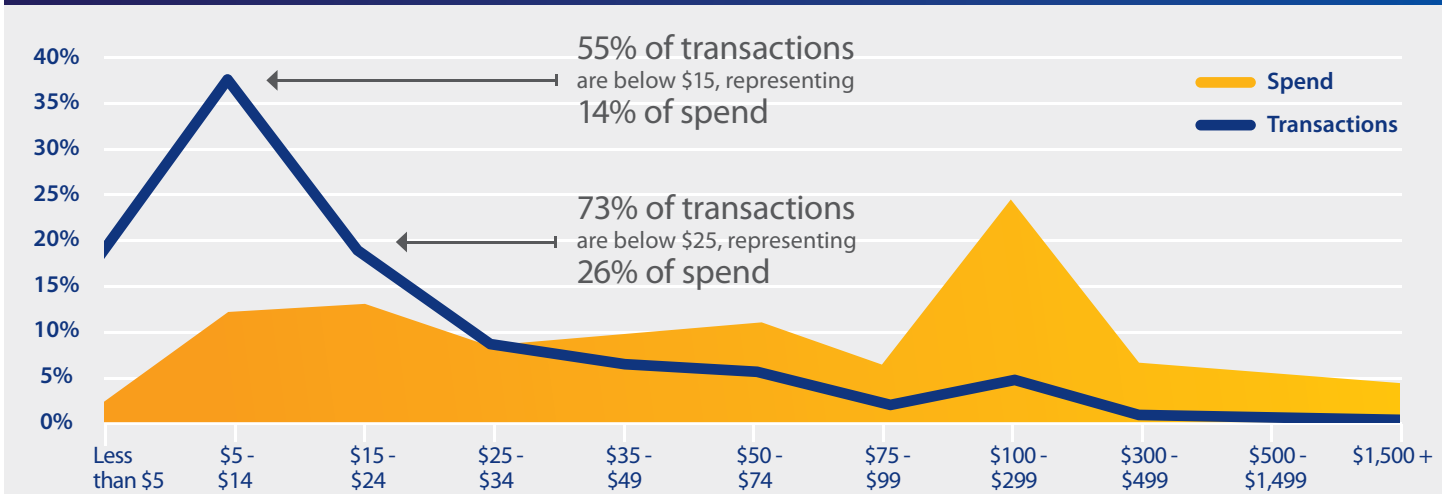
- Turnkey and reliable single-source processing platform
- Debit and prepaid processing
- Fraud and risk services

<sup>1</sup> Nilson Report issue #1119 published October 2017 <sup>2</sup> Visa Annual Report 2017 <sup>3</sup> Visa Interlink Matching Service (VIMS) Database

## Cash to Debit Migration

Migrating cash to debit represents an enormous opportunity for Visa Debit issuers. Approximately \$2 trillion in Purchase PPE was in the form of cash, and 55% of these cash transactions were \$15 or less.

## Cash-to-card migration represents a \$2T opportunity\*



Sources: \*Nilson Report / Euromonitor Data, Q1 2017. SEC filings, Oxford Economics, Nilson Reports, Analysis by Visa Business and Economics Insights; Cash excludes credit card, offline debit card and online debit card cash advances. U.S. Payments Panel Data, data from 3Q-2016 to 2Q-2017 included. Importantly, the \$100-\$299 band is only showing a spike based on the larger range of the band. It is 8x larger than the range of the previous band of \$75-\$99.

# Optimize your debit portfolio with online support

When you partner with Visa, you never go it alone. You have a one-stop online resource to help you grow your portfolio. Visit Visa Online for a complete toolkit of metrics and support including helpful guides and turnkey, customizable marketing materials to help you take action.

## Consumer Debit Scorecard

Visa's flagship metrics tool is unique in the industry. It identifies potential for penetration, activation, and usage improvement and lets you benchmark your portfolio against Peers (other issuers of your size) and the Visa System. That lets you focus your resources where the opportunity is greatest, and move ahead with clarity and confidence.

Metrics	Peer Group 1 - 20	Peer Group 21 - 50	Peer Group 51 - 100	Peer Group 101 - 250	Peer Group 251 - 400	Visa System
<b>Power Scores:</b>						
Transaction	14.88	13.00	13.96	12.35	11.60	12.80
Sales Volume	\$529.60	\$466.70	\$477.01	\$435.97	\$410.82	\$458.18
<b>PAU:</b>						
Penetration	81.7%	79.1%	80.4%	76.4%	75.6%	77.6%
Activation	75.0%	78.5%	77.2%	77.7%	79.2%	71.7%
Penetration* Activation	62.1%	60.7%	62.4%	61.6%	61.4%	55.6%
Usage	24.8	21.1	22.1	20.5	19.0	23.0
<b>Portfolio:</b>						
Sales Volume	\$9,148,558,944	\$514,826,309	\$265,112,121	\$12,902,309	\$63,236,490	-
Transaction Volume	254,431,587	14,277,411	7,700,179	3,569,598	1,771,600	-
Sales Volume Growth	10.0%	12.7%	13.4%	12.1%	12.3%	9.4%
Transaction Count Growth	7.1%	10.6%	10.5%	8.9%	9.5%	6.7%
Average Ticket Size	\$35.72	\$36.28	\$34.51	\$35.81	\$36.20	\$35.78
<b>Accounts &amp; Cards:</b>						
# of DDAs	5,698,102	4,111,561	212,146	144,181	55,639	-
# of Visa Debit Accounts	4,752,522	3,111,176	165,481	88,011	41,795	-
# of Active Visa Debit Accounts	3,341,196	236,854	125,053	63,146	32,349	-
# of Active Cards	4,125,897	233,757	123,874	60,353	30,016	-
<b>Monthly Average per Active Card:</b>						
Sales per Active Card	\$746.50	\$736.65	\$725.26	\$709.16	\$710.83	\$757.90
Transaction per Active Card	20.92	20.39	21.01	19.90	19.81	21.38

The Visa Debit Toolkit also includes:



**Performance Measurement Calculator**  
to estimate portfolio revenue potential



**Branch Best Practices**  
to help maximize new account production



**Customizable Marketing Collateral**  
to help increase turnkey, multi-channel campaigns to increase debit card usage

# Potential for added growth

Visa Debit represents exceptional revenue potential for you, as debit cards are poised for further growth. The use of debit has become increasingly important with an impressive sales volume of more than \$2.6 trillion in 2016.<sup>1</sup>

And there is still room to grow debit spend. With 26% of those who participated in the Visa Payments Panel continuing to use cash and checks, and 73% of cash transactions falling below \$25,<sup>2</sup> Visa is now taking aim at well-defined targets for future debit expansion.

<sup>1</sup> Nilson Report issue #1119 published October 2017 (Excluded Private Label Prepaid & ACH) <sup>2</sup> Visa U.S. Payment Panel, 4 Quarters Ending 2Q 2017

## \$3 Trillion of untapped potential in new segments<sup>3</sup>



Loan Payment



Rent



Government & Tax



Assisted Living



Charity



Insurance



Education

### More possibilities ahead:

Visa is committed to opening up rich, powerful new markets for debit. We've pinpointed underpenetrated verticals including rent, loan repayment, tuition, taxes and more – key markets that represent exciting new opportunities for debit cards, and for your business. There is \$3 trillion of cash and check spend with the potential to be converted to debit card transactions.

<sup>3</sup> Aite How American Pay their Bills 2013-2016; Cardable opportunity: market opportunity excluding bank online bill pay, direct debit from customer DDA, and card payments. Only opportunities greater than \$100B were considered



### Webinars

In-depth content on industry trends, business opportunities and more



### Insight Guides

to help increase the effectiveness of your marketing efforts



### In-depth Research

Whenever possible we use firsthand customer research data to inform our debit marketing strategies

# Industry-leading risk solutions

## Our approach keeps payments efficient and secure:

- Optimizing authorization rates
- Minimizing fraud
- Streamlining the payment process

## Our methods include:

- Identifying fraud before it occurs using predictive analytics
- Tokenizing transaction data so payment data becomes worthless to criminals
- Verifying cardholder identity before a transaction is made
- Optimizing the customer experience with best-in-class payment products

## Visa's integrated risk products for the transaction lifecycle

### Authentication:

**Visa Advanced Authorization (VAA)** In-flight real-time risk scoring available for every VisaNet transaction

**Visa Risk Manager (VRM)** Lets financial institutions decline only the highest risk transactions while optimizing approval rates at point of purchase, resulting in reduced risk exposure and increased usage

**Visa Consumer Authentication Service (VCAS)** Visa's hosted 3DS solution delivers multiple layers of protection against eCommerce fraud

**Mobile Location Confirmation** Unique geolocation service enhances risk scoring

**Travel Authorization Tag** Incorporates travel data into authorization

**Visa ID Intelligence** Intelligent risk analytics

**Transaction Advisor** Lessens fraud on Automated Fuel Dispensers

**Compromised Account Management System** Identifies accounts for reissuance

### Risk Management:

**Threat Intelligence** Delivers real time threat information

**Visa Claims Resolution** Allows issuers to process disputes efficiently

**Consumer Transaction Controls** Empowers consumers to limit card usage

VAA increases  
the effectiveness of  
fraud detection by  
**30-40%**<sup>1</sup>

<sup>1</sup> Visa Internal Analysis; Assuming a 10:1 False Positive Rate



Learn how Visa can add strength and drive performance for your debit portfolio. Call 888-847-2242

and follow the prompts on the menu to be directed to the Sales Department.