


**VISA**

**2006 NASACT Annual Conference**  
Emerging Trends in Electronic Payments



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Visa USA

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Visa Confidential

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**Discussion Topics** **VISA**

- Benefits and Obstacles of Electronic Payments
- Types of Electronic Payments
  - Purchasing Card
  - B2B/G2G Electronic Payment Solution
  - Prepaid Products
- Emerging Electronic Payment Products

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**Benefits of Adopting Electronic Payments** **VISA**

- **Improved agency cash flow**  
Payments are efficiently transferred electronically to and from buyers and suppliers, enhancing cash liquidity
- **Decreased administrative costs for processing payments**  
Savings are associated with adopting purchase card payments versus traditional, paper-based procurement
- **Added empowerment and convenience for government employees**  
Ability to purchase goods and services with reduced lead times and/or approvals
- **Improved Controls and Auditing**  
Visibility into purchase and travel card transactions allows agencies to detect potential instances of card misuse
- **Increased financial incentives**  
Agencies and departments may receive financial benefits based on card spend and speed of payment to issuing banks

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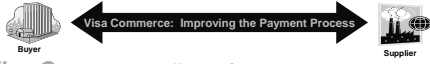
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## B2B/G2G Electronic Payment Solutions



Data-rich electronic payment solution for B2B, G2G, and G2B transactions



**Visa Commerce** allows for:

- Savings:** Replace inefficient payments for invoice-based transactions
- Global Reach:** Expand programs using VisaNet's global strength
- Control:** Buyer-initiated, deferred payments of up to US\$10 million
- Financing revenues:** Extend terms to buyer; Advance funds to supplier
- Reporting:** Payment data stored and accessible for efficient reconciliation
- Process Improvements:**
  - Potential to integrate into existing financial systems
  - Streamline current strategic payables and receivables processes

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## Prepaid Payment Products



Significant Market Opportunity

Product Platform	Category Opportunity	Product Types
Consumer to Consumer	\$517 billion <sup>1</sup>	Teen Spending Cards, Gift Cards, Travel Cards, College Campus Cards, General Purpose Spending Cards, Private Label Gift Cards, Cross Border Remittance
Business to Consumer	\$205 billion <sup>1</sup>	Insurance Claim Cards, Workers Compensation Cards, Promotional and Rebate Cards, Customer Service Cards
Business to Employee	\$555 billion <sup>1</sup>	Payroll Cards, Incentive/Bonus Cards, Flexible Spending Account Cards
Business to Business	\$155 billion <sup>1</sup>	Petty Cash Cards, Infrequent Traveler Cards, Relocation Cards, Private and Government Purchasing/Corporate Cards (tbc)
Government to Consumer	\$689 billion <sup>1</sup>	Federal and State government disbursements, for example SSA, Veterans, Child Support, etc.
<b>Total</b>	<b>&gt;\$2.1 trillion <sup>1</sup></b>	<b>Multiple other custom applications either in market, plan, or to be identified. Product solutions may also be hybrids.</b>

<sup>1</sup> Visa preliminary estimate based on approximate segment sizes of demographic and industry spending and disbursements where prepaid products may provide payment solutions. Some segment dollar amounts may overlap.

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## Emerging Electronic Payment Products



Visa continually evaluates and introduces new technologies, form factors, and services for payment

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