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Visa To Acquire Plaid

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SAN FRANCISCO--(BUSINESS WIRE)--Jan. 13, 2020-- Visa Inc. (NYSE: V) today announced it has signed a definitive agreement to acquire [Plaid \(https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fplaid.com%2Fwhat-is-plaid%2F&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=Plaid&index=1&md5=0702cb3c4f748ec52c86c62ebfd83c55\)](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fplaid.com%2Fwhat-is-plaid%2F&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=Plaid&index=1&md5=0702cb3c4f748ec52c86c62ebfd83c55), a network that makes it easy for people to securely connect their financial accounts to the apps they use to manage their financial lives. Visa will pay total purchase consideration of \$5.3 billion to acquire Plaid.

Plaid's products enable consumers to conveniently share their financial information with thousands of apps and services such as Acorns, Betterment, Chime, Transferwise and Venmo. Consumers rely on these apps and services to help plan their spending, increase their savings and monitor their investments. For example, when a user sets up a Venmo account, it is Plaid that enables the user to link their bank account to their Venmo account.

Connectivity between financial institutions and developers has become increasingly important to facilitate consumers' ability to use fintech applications. 75 percent of the world's internet-enabled consumers used a fintech application to initiate money movement in 2019 versus 18 percent in 2015¹. Plaid has been a leader in enabling this connectivity at scale. Today, one in four people with a U.S. bank account have used Plaid to connect to more than 2,600 fintech developers across more than 11,000 financial institutions.

"We are extremely excited about our acquisition of Plaid and how it enhances the growth trajectory of our business," said Al Kelly, CEO and chairman of Visa. "Plaid is a leader in the fast growing fintech world with best-in-class capabilities and talent. The acquisition, combined with our many fintech efforts already underway, will position Visa to deliver even more value for developers, financial institutions and consumers."

"Plaid's mission is to make money easier for everyone, and we are excited for this opportunity to continue delivering on that promise at a global scale," said Zach Perret, CEO and co-founder of Plaid. "Visa is trusted by billions of consumers, businesses and financial institutions as a key part of the financial ecosystem, and together Visa and Plaid can support the rapid growth of digital financial services."

Visa's acquisition of Plaid represents both an entry into new businesses and complementary enhancements to Visa's existing business. First, Plaid's fintech-centric business opens new market opportunities for Visa both in the U.S. and internationally. Second, the combination of Visa and Plaid provides the opportunity to deliver enhanced payment capabilities and related value-added services to fintech developers. Finally, the acquisition will enable Visa to work more closely with fintechs through all stages of their development and drive growth in Visa's core business.

"This acquisition is the natural evolution of Visa's 60-year journey from safely and securely connecting buyers and sellers to connecting consumers with digital financial services," said Kelly. "The combination of Visa and Plaid will put us at the epicenter of the fintech world, expanding our total addressable market and accelerating our long-term revenue growth trajectory."

Once closed, the combination of Visa and Plaid is expected to provide significant benefits to developers, financial institutions and consumers.

"We have strong relationships with both Visa and Plaid. The combination of Plaid's capabilities with the security and scale of Visa's global network will provide us with exciting opportunities to enhance our products," said Dan Schulman, president and CEO, PayPal.

"We believe Visa's acquisition of Plaid is an important development in giving consumers more security and control over how their financial data is used. Protecting customer data and helping them share that information safely has long been a top priority for Chase. We look forward to partnering with Visa to continue building a great experience for our shared customers," said Gordon Smith, co-president, JPMorgan Chase and CEO of Consumer and Community Banking.

The transaction is subject to regulatory approvals and other customary closing conditions. Visa will fund the transaction from cash on hand and debt issuance at the appropriate time. This transaction will have no impact on Visa's previously announced stock buyback program or dividend policy. The transaction is expected to close in the next three to six months.

Webcast and Conference Call Information

Visa's executive management team will host a live audio webcast beginning at 5:30 p.m. Eastern Time (2:30 p.m. Pacific Time) today to discuss the announcement. All interested parties are invited to listen to the live webcast at <http://investor.visa.com> (<https://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Finvestor.visa.com%2F&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=http%3A%2F%2Finvestor.visa.com&index=2&md5=2c1237ed2e1fbbe3538e6e2ba3b769d4>). A replay of the webcast will be available for 30 days. Investor information, including supplemental financial information, is also available at <http://investor.visa.com> (<https://cts.businesswire.com/ct/CT?id=smartlink&url=http%3A%2F%2Finvestor.visa.com%2F&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=http%3A%2F%2Finvestor.visa.com&index=3&md5=e68f031d0902fd21f1b0bc8b03f7669a>).

About Visa Inc.

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network - enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device, for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit [About Visa](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fusa.visa.com%2Fabout-visa%2Four_business.html&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=About+Visa&index=4&md5=f0fa998a65724c25e8d825fc2c02cd3a) (https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fusa.visa.com%2Fabout-visa%2Four_business.html&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=About+Visa&index=4&md5=f0fa998a65724c25e8d825fc2c02cd3a), [visa.com/blog](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fusa.visa.com%2Fvisa-everywhere%2Fblog.html&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=visa.com%2Fblog&index=5&md5=acdfb0c93b5a7f5bc3d90680c4415447) (<https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fusa.visa.com%2Fvisa-everywhere%2Fblog.html&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=visa.com%2Fblog&index=5&md5=acdfb0c93b5a7f5bc3d90680c4415447>), and [@VisaNews](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FVisaNews&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=%40VisaNews&index=6&md5=3eb4089111ff487f225751d36e77e6e4) (<https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Ftwitter.com%2FVisaNews&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=%40VisaNews&index=6&md5=3eb4089111ff487f225751d36e77e6e4>).

About Plaid

Plaid is a data network that powers the fintech tools millions of consumers rely on to live healthier financial lives. Plaid is used by thousands of digital financial apps and services like Acorns, Betterment, Expensify, and Venmo, and by many of the largest banks to make it easy for consumers to connect their financial accounts with the apps and services they want to use. Plaid connects with over 11,000 financial institutions across the U.S., Canada and Europe. The company was founded in 2013 by Zach Perret and William Hockey and is headquartered in San Francisco, CA.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as "will," "is expected," and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding the timing and likelihood of closing, Plaid's future success, the impact of the acquisition on Visa's growth, and the other benefits to Visa, developers, financial institutions and consumers.

By their nature, forward-looking statements: (i) speak only as of the date they are made; (ii) are not statements of historical fact or guarantees of future performance; and (iii) are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from Visa's forward-looking statements due to a variety of factors, including the timing and outcome of the regulatory approval process, shifts in the regulatory and competitive landscape, Plaid's maintenance of relationships with sources of data, cyber incidents, the pace and success of integration, Plaid's success in international expansion, and various other factors, including those contained in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019, and our other filings with the U.S. Securities and Exchange Commission.

You should not place undue reliance on such statements. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future developments or otherwise.

¹ Source: https://www.ey.com/en_us/ey-global-fintech-adoption-index (https://cts.businesswire.com/ct/CT?id=smartlink&url=https%3A%2F%2Fwww.ey.com%2Fen_us%2Fey-global-fintech-adoption-index&esheet=52158071&newsitemid=20200113005921&lan=en-US&anchor=https%3A%2F%2Fwww.ey.com%2Fen_us%2Fey-global-fintech-adoption-index&index=7&md5=fde5a4310f5aab30c2284fe0525aa920).

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