VISA

Visa Europe Limited Annual Report 2021

Registered Number 05139966

Contents

Strategic Report

The directors present their Strategic Report for Visa Europe Limited (Visa Europe, the Company, we, or our) for the year ended 30 September 2021.

By a recognition order dated 19 March 2015, HM Treasury categorised Visa Europe as a recognised "payment system" for the purposes of Part 5 of the Banking Act 2009. As a result, the Bank of England has assumed oversight of Visa Europe pursuant to its statutory responsibility for the oversight of recognised payment systems and, more broadly, for monetary and financial stability of the UK.

In addition to the Bank of England, Visa Europe's activities are also subject to various laws and regulations, and regulatory oversight, in the EU, as well as in different countries within the Visa Europe region. Particularly relevant for Visa Europe's activities are the Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 on Interchange Fees for Card Based Payment Transactions (the Interchange Fee Regulation (IFR)); the revised Payment Services Directive (PSD2); oversight by the UK Payment Systems Regulator (PSR); and oversight by the European Central Bank (ECB) and Eurosystem of National Central Banks in accordance with the Oversight Framework for Card Payment Schemes – Standards (2008). Visa Europe is also subject to oversight by the National Bank of Poland (NBP), and on 26 May 2021, Visa Europe was authorised in the Netherlands as a Payments Processing Service Provider (PPSP), making it subject to oversight by De Nederlandsche Bank.

Our business model

How we create value

Visa Europe is a private limited company, incorporated in England and Wales, and is a wholly owned subsidiary of Visa International Holdings Limited and part of the Visa Inc. group. Visa Europe is responsible for representing the Visa brand name and facilitating commerce across the Europe Region, which encompasses 38 countries including the UK, the 27 countries of the EU, Turkey, Israel, Switzerland and the Baltic states.

Visa is one of the world's leaders in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payments network - enabling individuals, businesses and economies to thrive. Visa facilitates global commerce and money movement across more than 200 countries and territories among a global set of consumers, merchants, financial institutions, businesses, strategic partners and government entities through innovative technologies.

Since Visa's inception in 1958, Visa has been in the business of facilitating payments between consumers and businesses. With new ways to pay, Visa has evolved into a company that is a trusted engine of commerce, working to provide payment solutions for everyone, everywhere. To accomplish this, we are focused on extending, enhancing and investing in Visa's proprietary network, VisaNet, while seeking new ways to offer products and services and become a single connection point for facilitating any payment transaction, using both the Visa network, other networks, or a combination of networks. We offer products and solutions that facilitate secure, reliable and efficient money movement for all participants in the ecosystem.

- **We facilitate secure, reliable and convenient transactions amongst financial institutions, merchants and consumers.** We have traditionally referred to this as the 'four party' model. As the payments ecosystem continues to evolve, we have broadened this model to include digital banks, digital wallets and a range of financial technology companies (fintechs), governments and non-governmental organisations (NGOs). We provide transaction processing services (primarily authorisation, clearing and settlement) to our financial institution and merchant clients through VisaNet.
- **We offer a wide range of Visa-branded payment products** that Visa's global 15,100 financial institution clients use to develop and offer core business solutions, including credit, debit, prepaid and cash access programs for individual, business and government account holders.
- **We take an open, partnership approach** and seek to provide value by enabling access to Visa's global network, including offering our technology capabilities through application programming interfaces (APIs). We partner with both traditional and emerging players to innovate and expand the payments ecosystem, allowing them to leverage the resources of our platform to scale and grow their businesses more quickly and effectively.
- **We are accelerating the migration to digital payments** and evolving Visa to be a "network of networks" to enable the movement of money through all available networks. We aim to provide a single connection point so that Visa clients can enable money movement for businesses, governments, and consumers regardless of which network is used to start or complete the transaction; ultimately, helping to unify a complex payments ecosystem. Visa's network of networks approach creates opportunities by facilitating person-to-person (P2P), business-to-consumer (B2C), business-to-business (B2B), business-to-small business (B2b) and government-to-consumer (G2C) payments, in addition to consumer to business (C2B) payments.
- **We provide value-added services** to our clients, including issuer solutions, acceptance solutions, risk, authentication and identity solutions, and advisory services.
- **We invest in and promote our brand** to the benefit of our clients and partners through advertising, promotional and sponsorship initiatives with FIFA, the International Olympic Committee and the International Paralympic Committee and the National Football League (NFL), among others. Visa Europe was the first ever sponsor of UEFA women's football. We also use these sponsorship assets to engage consumers and businesses around our payment innovations.

How we earn revenues

Visa is not a financial institution. We do not issue cards, extend credit, or set rates and fees for account holders of Visa products nor do we earn revenues from, or bear credit risk with respect to, any of these activities. Visa Europe earns revenue by facilitating money movement across the Europe Region among a global set of consumers, merchants, financial institutions, businesses, strategic partners and government entities through innovative technologies.

Net revenues consist of service revenues, data processing revenues, international transaction revenues, and other revenues minus costs incurred under client incentive arrangements we have with our clients.

ACCELERATING OUR BUSINESS: FINANCIAL YEAR 2021 KEY FOCUS AREAS

Financial year 2021 and COVID-19 continues to bring unprecedented challenges and widespread economic and social change. At the same time, the past financial year continues to demonstrate the strength and resiliency of our strategy and the meaningful role we play at the centre of the payments ecosystem. Our strategy has also continued to accelerate progress, including accelerating the shift to ecommerce and the demand for contactless payments, providing significant opportunities for Visa that are aligned with our strategy. As we look to be a single point of connection for money movement globally, there are three primary levers to that growth - consumer payments, new flows and value added services. Visa is also building and acquiring new capabilities that can add value to our clients and strengthen the foundation of our business: technology, security, brand and talent.

1. Consumer Payments

For decades, Visa's growth has been driven by the strength of our core business solutions - credit, debit and prepaid products - as well as our global ATM network. As the pace of change accelerates each year, helped by the advancement of technology and our focus on the user experience in payments, we see significant opportunity for continued growth.

The pandemic accelerated the shift to digital payments, which has been a powerful catalyst for the entire payments system. As economies adjust to an increasingly digital world, we see further opportunities for growth in our core products – credit, debit, and prepaid - for both consumers and businesses.

Core Business

Visa's growth has been driven by the strength of our core products — credit, debit and prepaid products.

Credit: Credit cards and digital credentials allow consumers and businesses to access credit to pay for goods and services. Credit cards are affiliated with programs operated by financial institution clients, co-brand partners, fintechs and affinity partners.

Debit: Debit cards and digital credentials allow consumers and small businesses to purchase goods and services using funds held in their bank accounts. Debit cards enable account holders to transact in person, online or via mobile without needing cash or cheques and without accessing a line of credit. The Visa/PLUS Global ATM network also provides debit, credit and prepaid account holders with cash access, and other banking capabilities, in more than 200 countries and territories worldwide through issuing and acquiring partnerships with both financial institutions and independent ATM operators.

Prepaid: Prepaid cards and digital credentials draw from a designated balance funded by individuals, businesses or governments. Prepaid cards address many use cases and needs, including general purpose reloadable, payroll, government and corporate disbursements, healthcare, gift and travel. Visa-branded prepaid cards also play an important part in financial inclusion, bringing payment solutions to those with limited or no access to traditional banking products.

Capabilities

We offer capabilities, tools and solutions that enable consumer payments and help our clients grow as digital commerce, new technologies and new participants continue to transform the payments ecosystem. Some of our offerings include:

Tap to Pay

As we seek to improve the user experience in the face-to-face environment, contactless payments or tap to pay, which is tapping a contactless card or mobile device on a terminal to make a payment, has emerged as the preferred way to pay amongst consumers in many countries around the world. Tap to pay adoption is growing and many consumers have come to expect touchless payment experiences. In addition, Visa continues to work with payments industry partners and governments to support raising contactless payment limits.

Tokenisation

Visa Token Service (VTS) brings additional security to digital commerce innovation. As consumers increasingly rely on digital transactions, VTS is designed to enhance the digital ecosystem through improved authorisation, reduced fraud and improved customer experience. VTS helps protect digital transactions by replacing 16-digit Visa account numbers with a token protecting the underlying account information. This security technology can work for a variety of payment transactions, both in the physical and online space.

The issuance of network tokens continues to accelerate. In the past 17 months, Visa has more than doubled the number of network tokens issued globally from one billion to 2.6 billion. By comparison, it took nearly six years to reach our first one billion network tokens.

Click to Pay

Click to Pay provides a simplified and more consistent cardholder checkout experience online by removing time-consuming key entry of personal information and enabling consumer and transaction data to be passed securely between payments network participants. Based on the EMV® Secure Remote Commerce industry standard. Click to Pay brings a standardised and streamlined approach to online checkout and meets the needs of consumers shopping across a growing number of connected devices. The goal of Click to Pay is to make digital payments safe, consistent. and interoperable like the checkout experience in physical stores.

Fintechs and Digital Partnerships

Fintechs are key enablers of new payment experiences and new flows. Our work with fintechs has opened new points of acceptance. extended credit at the point of sale. made cross-border money flows more efficient, moved B2B spend onto Visa's network. expedited payroll and provided digital wallet customers access to our services.

From inception of our fintech programme in 2018 we have worked to support fintech participation on our network while maintaining strong risk management. Today. we have 71 active partners in the fintech space such as Crypto.com, Capital on Tap. Lunar Bank. Revolut. Wise and others.

With our start up engagement programs. the Visa Everywhere Initiative and the Inclusive Fintech 50. early-stage companies can build payment solutions based on our capabilities. With Visa Fintech Partner Connect. a program launched globally this year, we are helping our clients tap into innovations emerging from the fintech community. The program is designed to help financial institutions quickly connect with a vetted and curated set of technology providers, helping Visa's issuing partners create digital-first experiences without the cost and complexity of building the back-end technology in-house.

Cryptocurrency

Visa enables cryptocurrencies for everyday payments through our global presence, partnership approach and trusted brand. We are building infrastructure capabilities and value added services to support crypto use cases, including a new Visa Crypto API platform to help financial institutions create a cryptocurrency offering, assisting central banks as they evaluate digital currencies and a growing number of other services and infrastructure capabilities. Cryptocurrency participants in the Visa network are subject to the same sets of rules and participation requirements as all of our other members.

2. New Flows

New flows represent a $185 trillion[1] volume opportunity for Visa globally. Visa's network of networks approach creates opportunities to capture new sources of money movement through card and non-card flows for consumers, businesses and governments around the world by facilitating P2P, B2C, B2B. B2b and G2C payments.

Visa Direct

Visa Direct is Visa's global, real-time[2] push payments platform. which reverses the traditional card payment flow by allowing payment originators, through their acquirer, to push funds directly to eligible debit and prepaid cards or accounts. It helps facilitate fast. simple and secure money movement around the world. enabling businesses and consumers to send money directly to a bank account or card, including domestic or cross-border payouts and payments. P2P. payments to small businesses. and corporate, worker. insurance and government payouts.

In financial year 2021. Visa had 5.2 billion Visa Direct transactions globally, an increase of 50 percent year over year. and more than 20 use cases and 500 programs. Globally. Visa Direct connected 16 card-based networks. 66 automated clearing house (ACH) schemes, seven real time payment (RTP) networks and five gateways. With the addition of Visa Direct Payouts, Visa Direct provides access to almost 6 billion credentials across more than 200 countries and territories.

Visa Business Solutions

We are also extending our network with B2B payments. Our three strategic areas of focus include investing and growing card-based payments, accelerating our efforts in non-card, cross-border payments and digitizing domestic accounts payable and accounts receivable processes. We offer a portfolio of business payment solutions, including small business, corporate (travel) cards, purchasing cards, virtual cards and digital credentials. non-card cross-border B2B payment options and disbursement accounts, covering most major industry segments around the world. Business solutions are designed to bring efficiency, controls and automation to small businesses, commercial and government payment processes, ranging from employee travel to fully integrated, invoice-based payables.

Visa B2B Connect is a multilateral B2B cross-border payments network designed to facilitate transactions from the bank of origin directly to the beneficiary bank. helping streamline settlement and optimize payments for financial institutions' corporate client base. The network delivers B2B cross-border payments that are predictable. flexible, data-rich, secure and cost-effective. Visa B2B Connect continues to scale, with the ability to operate in more than 100 countries and territories.

[1] McKinsey Global Payments Map and Visa Analysis. 2018.

[2] Actual fund availability varies by receiving financial institution. receiving account type. region and whether the transaction is domestic or cross-border.

3. Value Added Services

Value added services represent an opportunity for us to diversify our revenue with products and solutions that differentiate our network, deepen our client relationships and deliver innovative solutions across other networks.

Issuer and Consumer Solutions

Visa Debit Processing Solutions (DPS) is one of the largest issuer processors of Visa debit transactions in the world and is able to deliver agility at scale. Visa DPS provides a wide range of debit, prepaid and credit value added services to clients including call centre services, data analytics, campaign management, fraud and risk solutions, and a white-label branded mobile app. Visa DPS continues to extend and expand our capabilities in modern, API-based issuer processing solutions called DPS Forward, which will be used in international markets, and in Europe providing European issuers in select countries access to a comprehensive and end-to-end solution, from core processing services to value added services.

We also provide a range of other services and digital solutions to issuers, such as account controls, digital issuance, branded consumer experiences and buy now pay later (BNPL) capabilities. BNPL or instalment payments allow shoppers the flexibility to pay for a purchase in equal payments over a defined period of time. Visa is investing in instalments as a payments strategy - both by offering our own solution, Visa Instalments - and by partnering with innovative instalments providers who use our cards and services to support a wider variety of instalment options. Visa Instalments offers issuing banks the opportunity to offer Visa cardholders the option to divide their total purchase amount into smaller payments during or after checkout, at the store and online at participating merchants.

Acceptance Solutions

Cybersource is a global payment management platform that provides modular, digital capabilities in addition to the traditional gateway function of connecting merchants to payment processing. Using Cybersource, merchants of all sizes can improve the way their consumers engage and transact, mitigate fraud and security risk, lower operational costs and adapt to changing business requirements. Cybersource white-labeled capabilities provide new and enhanced payment integrations with ecommerce platforms, enabling sellers and acquirers to provide tailored commerce experiences with payments seamlessly embedded. Cybersource enables an omnichannel solution with a cloud-based architecture to deliver more innovation at the point-of-sale.

In addition, we provide secure, reliable services for merchants and acquirers that reduce friction and drive acceptance. Examples include Global Urban Mobility, which allows transit operators to accept Visa contactless payments in addition to proprietary closed-loop payment solutions; Rapid Seller Onboarding, which enables digital onboarding of small businesses and acquirers; and Visa Account Updater, which provides updated account information to merchants to strengthen customer relationships and retention. Visa also offers dispute management services, including a network agnostic solution with Verifi that enables merchants to prevent and resolve disputes with a single connection.

Risk and Identity Solutions

Visa Secure and Visa's new authentication technology, EMV 3DS, provide an additional layer of security for ecommerce transactions to enable strong customer authentication. Demand for these services increased with the introduction of the second Payment Services Directive (PSD2) regulation in 2021.

Solutions such as Visa Advanced Authorization, Visa Advanced Identity Score, Visa Consumer Authentication Service, and payment-decisioning solutions from CardinalCommerce empower financial institutions and merchants with tools that help automate and simplify fraud prevention and enhance payment security.

These programs and Visa's fraud prevention expertise are among the core benefits of being part of the Visa network. Through the combined efforts of security and identity tools and services, payment and cyber intelligence, insights and learnings from client/partner breach investigations and law enforcement engagement, Visa helps protect financial institutions and merchants from fraud and solve payment security challenges.

Advisory Services

Visa Consulting and Analytics is the payments consulting advisory arm of Visa. The combination of our deep payments expertise, proprietary analytical models applied to a breadth of data and our economic intelligence allows us to identify actionable insights, make recommendations and help implement solutions that can drive better business decisions and measurable outcomes for clients. Visa Consulting and Analytics offers consulting services for issuers, acquirers, merchants, fintechs and other partners, spanning the entire customer journey from acquisition to retention.

4. Fortify Key Foundations

We are fortifying the key foundations of our business model. which consist of our technology platforms, security, brand and talent.

Technology Platforms

Visa's technology platforms are provided to Visa Europe by Visa Technology & Operations LLC (VTO) (a Visa Inc. subsidiary) and include software, hardware, data centres and a large telecommunications infrastructure, each with a distinct architecture and operational footprint wrapped with several layers of security and protection technologies. Visa's three data centres are a critical part of our global processing environment and have a high redundancy of network connectivity. power and cooling designed to provide continuous availability of systems. Together, these systems operate at five nines – which essentially means that the Visa network is available for payments 99.999% of the time to deliver the secure, convenient and reliable service that our clients and consumers expect from the Visa brand.

Security

Our in-depth, multi-layer security approach includes a formal program to devalue sensitive and/or personal data through various cryptographic means. embedded security in the software development lifecycle; identity and access management controls to protect against unauthorized access; and advanced cyber detection and response capabilities. We deploy security tools that help keep our clients and consumers safe, while providing buyer and seller solutions that help make Visa the best way to pay and be paid. We also invest significantly in our comprehensive approach to cybersecurity. We deploy security technologies to strengthen data confidentiality, integrity and service availability, emphasizing core cybersecurity capabilities to minimise risk. VTO provides security to Visa Europe and continues to invest significantly in a comprehensive approach to cybersecurity at Visa.

Brand

Visa's brand strength helps deliver added value to our clients and their customers, financial institutions, merchants and partners through compelling brand expressions, a wide range of products and services as well as innovative brand and marketing efforts. In line with our commitment to an expansive and diverse range of partnerships for the benefit of our stakeholders, Visa is the only brand in the world that is a top sponsor of FIFA, the Olympic Games, and the NFL and is one of the most active sponsors of women's football around the world. According to Fortune Magazine, Visa is recognised as one of the Top 50 World's Most Admired Companies for 2021.

This year, we launched a multi-year brand initiative to spotlight the diverse capabilities of our network and our commitment to enabling global economic inclusion. The "Meet Visa" campaign reintroduced Visa as a network working for everyone.

Talent

Central to our long-term strategy is attracting, developing and retaining the best talent globally with the right skills to drive our success. In financial year 2021, the COVID-19 pandemic continued to have an impact on our human capital management. A large majority of our workforce worked remotely throughout financial year 2021, though many of our offices were open for those who preferred to attend an office. We have continued our safety protocols and procedures with the health and safety of our colleagues remaining top priority.

The Visa Europe group increased by net 180 employees in financial year 2021, ending the year with a workforce of approximately 2,585 employees.

Our culture is underpinned by our core values, including an unwavering commitment to inclusion and diversity. Visa is committed to pay equally and conducts regular equal pay audits. In addition, in 2020, we launched a Visa Scholars program to support the education and employment of under-represented youth in the UK and Spain. We are also committed to the development of our under represented talent internally, running two cohorts through the talent accelerator program in partnership with the British Black Business Awards. Visa Europe is a member of the 'Women in Finance' Charter, which is discussed further in the Corporate Governance Report on page 19 of this report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a trusted brand, Visa has an opportunity and responsibility to contribute to a more inclusive, equitable and sustainable world. We believe that economies that include everyone everywhere, uplift everyone everywhere. As we build business resilience and long-term value, we are committed to managing the risks and opportunities that arise from Environmental, Social and Governance (ESG) issues. We are focused on empowering people and economies; securing commerce and protecting customers; investing in our workforce; protecting the planet; and operating responsibly. Additional details can be found in our Corporate Governance Report on page 19 and Visa's 2020 ESG report, which provides enhanced ESG disclosures, is available on Visa's website at *usa.visa.com/about-visa/esg.html*.

INTELLECTUAL PROPERTY

Visa Europe leverages the Visa brand, which stands for acceptance, security, convenience, speed and reliability. The portfolio of Visa-owned trademarks is important to our business. Generally, trademark registrations are valid indefinitely as long as they are in use and/or maintained. We give our clients access to these assets through agreements with our issuers and acquirers, which authorise the use of our trademarks in connection with their participation in our payments network. Additionally, we have filed patent applications in international jurisdictions covering certain aspects of our proprietary technology and new innovations, and own a number of patents, patent applications and other intellectual property relating to our business. We rely on a combination of patent, trademark, copyright and trade secret laws in the U.S. and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology.

COMPETITION

The global payments industry continues to undergo dynamic change. Existing and emerging competitors compete with Visa's network and payment solutions for consumers and for participation by financial institutions and merchants. Technology and innovation are shifting consumer habits and driving growth opportunities in ecommerce, mobile payments, blockchain technology and digital currencies. These advances are enabling new entrants, many of which depart from traditional network payment models. In certain countries, the evolving regulatory landscape is creating local networks or enabling additional processing competition. The digital payments market is becoming ever more competitive.

Our electronic payment competitors principally include:

Global or Multi-Regional Networks: These networks typically offer a range of branded, general purpose card payment products that consumers can use at millions of merchant locations around the world. Examples include Mastercard, American Express, Discover, JCB and UnionPay. These competitors may be more concentrated in specific geographic regions or have a leading position in certain countries. Based on available data, Visa is one of the largest retail electronic funds transfer networks used throughout the world.

Local and Regional Networks: Operated in many countries, these networks, in some cases, are owned by financial institutions or payment processors. These networks typically focus on debit payment products, and may have local acceptance, and recognisable brands. In Europe, the European Payments Initiative has been mooted as a future regional network.

Alternate Payment Providers: These providers such as digital wallets, closed commerce ecosystems, BNPL solutions, cryptocurrency platforms, and account-to-account systems often have a primary focus of enabling payments through ecommerce and mobile channels, however, they are expanding or may expand their offerings to the physical point of sale. These companies may process payments using in-house account transfers between parties, electronic funds transfer networks like the ACH, global or local networks like Visa, or some combination of the foregoing. In some cases, these entities are both a partner and a competitor to Visa.

Automated Clearing House (ACH) and Real Time Payment (RTP) Networks: These networks are often governed by local regulations. Primarily focused on interbank transfers, many are adding capabilities that may make them more competitive for retail payments, as is the case in the UK market. We also compete with closed-loop payment systems, emerging payments networks, wire transfers and electronic benefit transfers.

Payment Processors: We compete with payment processors for the processing of Visa transactions. These processors may benefit from mandates requiring them to handle processing under local regulation. For example, as a result of regulation in Europe under the Interchange Fee Regulation (IFR), we may face competition from other networks, processors and other third-parties who could process Visa transactions directly with issuers and acquirers.

Value Added Products and Service Providers: We face competition from companies that provide alternatives to our value added products and services, including information services and consulting firms that provide consulting services and insights to financial institutions, merchants and governments and technology companies that provide cyber and fraud solutions. Regulatory initiatives could also lead to increased competition in this space.

We believe our fundamental value proposition of security, convenience, speed and reliability as well as the number of credentials and our acceptance footprint are differentiating for our clients and end consumers and businesses. In addition, we invest in understanding the needs of the individual markets in which we operate and partner with local financial institutions, merchants, fintechs, governments, non-governmental organisations and business organisations to provide tailored and innovative solutions. Our network of networks strategy implies that we have and we will continue to utilize other networks to facilitate the movement of money. We believe Visa is well-positioned competitively due to our global brand, our broad set of Visa-branded payment products and value added services, and our proven track record of processing payment transactions securely and reliably.

GOVERNMENT REGULATION

As a global payments technology company, we are subject to complex and evolving global regulations in the various jurisdictions in which our products and services are used. Visa Europe itself is regulated by multiple bodies across the region. The most significant government regulations that impact our business are discussed below.

Anti-Corruption, Anti-Money Laundering, Anti-Terrorism and Sanctions: *We are subject to anti-corruption laws and* regulations, including the UK Bribery Act, and as Visa Europe is a subsidiary of Visa Inc., a United States company, the U.S. Foreign Corrupt Practices Act (FCPA) and other laws that generally prohibit the making or offering of improper payments to foreign government officials and political figures for the purpose of obtaining or retaining business or to gain an unfair business advantage. We are also subject to anti-money laundering and anti-terrorist financing laws and regulations. In addition, we are subject to economic and trade sanctions programs administered by the Office of Foreign Assets Control (OFAC) in the U.S. Therefore, we do not permit financial institutions or other entities that are domiciled in countries or territories subject to comprehensive OFAC trade sanctions (currently, Cuba, Iran, North Korea, Syria and Crimea), or that are included on OFAC's list of Specially Designated Nationals and Blocked Persons, to issue or acquire Visa cards or engage in transactions using our services. Visa Europe also complies with UK and EU sanctions regulations where applicable.

Interchange Rates and Fees: An increasing number of jurisdictions around the world regulate or influence debit and credit interchange reimbursement rates in their regions. The Interchange Fee Regulation (IFR) limits the interchange rates in the European Economic Area (EEA) and has been on-shored in the UK pursuant to the Interchange Fee (Amendment) (EU Exit) Regulations 2019.

Internet Transactions: Many jurisdictions have adopted regulations that require payments system participants to monitor, identify, filter, restrict or take other actions with regard to certain types of payment transactions on the Internet, such as gambling, digital currencies, the purchase of cigarettes or alcohol and other controversial transaction types.

Network Exclusivity and Routing: In EEA, the IFR prohibits restrictions that prevent multiple payment brands or functionality on the same card.

No-surcharge Rules: We have historically enforced rules that prohibit merchants from charging higher prices to consumers who pay using Visa products instead of other means. However, merchants' ability to surcharge varies by geographic market as well as Visa product type, and continues to be impacted by litigation, regulation and legislation.

Privacy and Data Protection: Aspects of our operations or business are subject to privacy, data use and data security regulations, which impact the way we use and handle data, operate our products and services and even impact our ability to offer a product or service. In addition, regulators are proposing new laws or regulations that could require Visa to adopt certain cybersecurity and data-handling practices, create new individual privacy rights and impose increased obligations on companies handling personal data.

Supervisory Oversight of the Payments Industry: Visa is subject to financial sector oversight and regulation in substantially all of the jurisdictions in which we operate. Central banks in countries/regions, including Europe and the United Kingdom (as discussed below), have recognised or designated Visa as a retail payment system under various types of financial stability regulations.

United Kingdom and European Regulations and Supervisory Oversight: Visa in Europe continues to be subject to complex and evolving regulation in the United Kingdom and the European Economic Area (EEA). Visa Europe is designated as a Recognised Payment System in the United Kingdom, bringing it within the scope of the Bank of England's supervisory powers and subject to various requirements, including on issues such as governance and risk management designed to maintain the stability of the United Kingdom's financial system. Furthermore, Visa Europe is regulated by the United Kingdom's Payment Systems Regulator (PSR), which has wide-ranging powers and authority to review our business practices, systems, rules and fees with respect to promoting competition and innovation in the United Kingdom, and ensuring payments meet account holder needs. In addition, Visa Europe's activities are also subject to oversight by the European Central Bank (ECB) and Eurosystem of National Central Banks in accordance with the Oversight Framework for Card Payment Schemes - Standards (2008). Further, since 26 May 2021, Visa Europe has also been under the regulatory supervision of Dutch regulator, De Nederlandsche Bank (DNB), for payment processing activities in the Netherlands. Pursuant to the Payment Services Act of 2016 the National Bank of Poland (NBP) has certain oversight responsibilities in relation to payment schemes and, as a result, exercises oversight of Visa Europe.

Furthermore, there are a number of EU regulations that impact our business. As discussed above, the IFR regulates interchange rates within Europe, requires Visa Europe to separate its payment card scheme activities from processing activities for accounting, organisation, and decision-making purposes within the EU and imposes limitations on network exclusivity and routing. National competent authorities in the EU are responsible for monitoring and enforcing the IFR in their markets. We are also subject to regulations governing privacy and data protection, anti-bribery, anti-money laundering, anti-terrorism and sanctions. Other regulations in Europe, such as the second Payment Services Directive (PSD2), require, among other things, that our financial institution clients provide certain customer account access rights to emerging non-financial institution players. PSD2 also includes strong customer authentication requirements for certain transactions that could impose both operational complexity on Visa and negatively impact consumer payment experiences.

Post-Brexit, the United Kingdom has adopted various European regulations, including regulations that impact the payments ecosystem such as the IFR and PSD2. The PSR is responsible for monitoring Visa Europe's compliance with the IFR as adopted in the United Kingdom.

Visa Europe itself is not reliant on licences or authorisations to continue to conduct business in the UK and EU after Brexit, and is not currently subject to regulations which require an EU entity presence. Over time there may be divergence in national laws and regulations in the UK and EU. In this regard, Visa Europe continues to monitor for any changes in supervision that may arise as a result. Visa Europe continues to be subject to complex and evolving regulation in the EEA. As discussed above, there are regulations in Europe and the UK that impact our business.

ESG and Sustainability: Certain governments around the world are adopting laws and regulations pertaining to ESG performance, transparency and reporting. Regulations may include mandated corporate reporting on ESG overall (e.g., EU Sustainable Reporting Directive) or in individual areas such as mandated reporting on climate-related financial disclosures. In the UK, the Department for Business, Energy & Industrial Strategy ('BEIS') conducted a consultation in 2021 on mandatory climate-related financial disclosures by publicly quoted companies, large private companies and Limited Liability Partnerships. Depending on the outcome of the BEIS consultation, Visa Europe, as a large private company, may be required in subsequent years to produce enhanced climate-related reporting in line with the requirements of the Task Force on Climate-related Financial Disclosure ('TCFD'). The Company, as a UK unquoted company, is currently required to disclose information concerning greenhouse gas emissions, energy consumption and energy efficiency actions. These disclosures have been made in the Directors' Report and can be found on page 25 of this report.

Additional Regulatory Developments: Various regulatory agencies across the world also continue to examine a wide variety of other issues, including mobile payment transactions, tokenization, access rights for non-financial institutions, money transfer services, identity theft, account management guidelines, disclosure rules, security and marketing that could affect our financial institution clients and our business. These changes could have negative implications for our business depending on how the regulations are framed and implemented.

SECTION 172 (1) STATEMENT: The directors of the Company act and take decisions in accordance with their statutory duty under Section 172 of the Companies Act 2006 (the "Act"). The information provided in the "Corporate Governance Report" following this Strategic Report, detail the way in which the directors have regard to the matters set out in Section 172 (1) (a) to (f) of the Act in overseeing and promoting the success of the Company.

Risk management

Visa recognises that the purpose of effective risk management is the creation and protection of value, and that it improves performance, encourages innovation and supports the achievement of these objectives of our stakeholders.

Visa's approach to managing risk is by implementing the Three Lines of Defence model defined in its Risk Management Policy. Under that model, risk management is everybody's responsibility, i.e. particularly the First Line of Defence. The Second Line of Defence provides oversight and challenge of First Line of Defence business and risk management activities. The Third Line of Defence, Internal Audit, provides independent review of the First and Second Line of Defence adherence to risk and control standards, reporting directly to the Chair of the Audit Committee.

The Risk function is responsible for managing and maintaining oversight of a risk management framework, the corporate risk register (and associated software tools), and risk governance reporting. The Enterprise Risk Management Framework (ERMF) describes an integrated approach to risk management activities, facilitating the embedding of a disciplined risk management ethos and awareness across the Company. The framework also describes the risk taxonomy, governance structure and approach to risk identification, assessment, treatment, and monitoring and reporting. This framework is updated regularly and is subject to periodic audits. Constructive dialogue is maintained with the relevant regulators, including the provision of risk-related material under supervisory obligations. Visa's ERMF is informed by, and generally consistent with, leading risk management practices in the industry including the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management, and the Integrated Framework and Principles for Financial Market Infrastructures (PFMI). The Framework also incorporates guidance from regulatory bodies such as the Bank of England and the Federal Financial Institutions Examinations Council.

Risk governance

Visa Europe retains the necessary autonomy, independence and control to enable it to fulfil its responsibilities in accordance with Visa Europe's status as a recognised operator of a payments system.

Visa Europe has put a formal governance structure in place to oversee the effectiveness of systems and controls over risk management. The governance structure is designed to facilitate reporting and escalation of risks or control framework matters across the Company.

The key risk governance forums are:

- **Board Risk Committee** - chaired by an independent non-executive director. Responsible for oversight and providing advice to the Visa Europe Board on a) responsibilities relating to risk management, b) internal controls and compliance, c) finance, and d) legal and regulatory matters.
- **Europe Risk Committee** - chaired by the Europe Chief Risk Officer, includes a sub-set of the Executive Leadership Team, including the CEO. Provides executive level oversight of the functioning of Visa's risk management framework in Europe, including policies, risk appetite, material risks, the associated controls and risk mitigations, and the effectiveness of those controls and mitigations.

Principal Risks and Uncertainties

Visa Europe, through the application of its ERMF, has a programme in place to continuously identify assess, measure and report risks and uncertainties that may threaten the successful achievement of business objectives, implementing mitigating actions to reduce risks and uncertainties to acceptable levels. The key risks and uncertainties currently faced by the business include:

COVID-19

The global outbreak of COVID-19 continues to evolve at the time of writing this report. At Visa, the health and safety of our employees remains a primary concern, in parallel with our operational resilience. To support our employees in the remote work environment, Visa has increased flexibility in schedules, encouraged individuals to collaborate with managers to balance professional and personal obligations and launched "Wellbeing Hours" to encourage schedule flexibility at the end of the work week. Throughout the COVID-19 pandemic, Visa's services have demonstrated their resilience and Visa has maintained our customary high levels of availability to clients on behalf of consumers during this time. We remain confident in our ability to operate without interruption for the benefit of consumers and the whole payments ecosystem. Our infrastructure can route to multiple data centres around the world, while instant fail-over capabilities contribute to best-in-class operational resilience - VisaNet operates to 99.999% resilience. Our cyber security capabilities are located around the world and use global data assets. Visa's Pandemic Plan is based on World Health Organisation (WHO) terms and definitions.

We have also taken added precautions to address the potential escalation of COVID-19, including updates to our crisis response and technological capabilities. As part of this effort, we have run controlled exercises with critical segments of our global teams to validate and strengthen our resilience plans. These tests help ensure we can maintain business continuity under different scenarios, including operating with a decentralised workforce. The exercises were successful and reassuring, with learnings incorporated into our operational plans. Our balance sheet is strong and can withstand significant interruption to our revenues without jeopardizing either our capital or liquidity positions. Operational Resilience is core within our business model and representative scenarios, such as a pandemic, have been reviewed in our resilience response plans. Our response to the impact of COVID-19 is managed through comprehensive crisis management planning and ongoing crisis simulation exercises, to prioritise employee safety and continuity of our core services.

Visa Europe also considers the potential financial impacts of COVID-19, updating financial planning to react to changes in the market and integrating COVID-19 impacts into its capital management scenarios to ensure continued capital adequacy. This is continuously monitored against Board approved financial risk appetite.

We applaud the steps that have been taken across payments ecosystems including raising the contactless limits in many countries in Europe and we remain ready to support our clients and the individuals, businesses and economies. In our monitoring of fraud rates, overall, fraud performance across Europe has reduced and remains in line with expectations and while card not present (CNP) continues to dominate reported fraud, the continued adoption of strong customer authentication (SCA) has resulted in significant improvement in CNP fraud rates. Contactless fraud remains low, with no material impact attributable to the increase in contactless limits during the pandemic. Growth in the use of tokenization across both card and card not present channels continues to yield lower fraud rates.

Risks	*Our response*
A. STRATEGIC AND GROWTH RISKS	
Competitive pressure and innovation	
The intensity of competition has increased in recent years from both new entrants and across the ecosystem value chain and existing payment providers.	Visa Europe has a comprehensive multi-year planning process with the global Visa strategic framework. Market-by-market strategies are in place and regularly revised to target specific business lines. Visa Europe is engaged in a number of strategic partnerships with non-traditional market participants. Visa continues to offer valuable, relevant payment solutions to its clients, and supports individual market strategies in providing a defined onboarding pathway for new and emerging business models, together with key milestones for sustainable growth. Visa is also actively engaging in new and emerging business models and investing in capabilities including cybersecurity that will continue to be relevant. The unified global processing platform aims to increase the speed-to-market, resilience and availability of innovative solutions to our European clients. The enhanced value-proposition delivered by the platform enables greater utilisation of value-added services such as Visa Direct, real-time risk management and tokenisation.
B. OPERATIONAL RISKS	
Operational resilience	
Operating as an enabler of the '4 party payments model' and providing transaction processing services to a wide range of clients across the UK and Europe (and globally) means that Visa Europe is often a key player in maintaining financial stability as consumers rely on a seamless payment experience. As a result, it is important that Visa Europe maintains a high level of service availability, supported by robust operational resilience, due to the fact that consumers and the payments infrastructure at large, is heavily reliant on our services.	Operational resilience at Visa Europe is supported by a range of activities; skilled and experienced operational functions; effective cyber security practices; demonstration of rigorous operational risk management and having a good understanding of the Company's risk profile and control framework, including internal and external threats. Visa Europe maintains Business Continuity, Crisis Management, Disaster Recovery and Third Party Risk functions, which complemented with skilled and experienced executive and management leadership, support operational resilience. Our systems are built to a high level of resilience (i.e. 99.999%) and we maintain multiple data centres to enhance our operational resilience. We have exceeded our goals this year for the resilience of our systems. Visa regularly exercises availability, by switching authorisations from our primary to our alternative data centres at all hours of the day, including during business hours.
Third party risk	
To deliver our products and services and pursue our strategic objectives, we rely on a wide range of partners and suppliers. If for any reason they were unable to fulfil their commitments, this could significantly impact our performance and result in financial or reputational implications.	We have a supplier due diligence programme to deliver a thorough risk-based approach for onboarding new suppliers, monitoring for all critical and high/medium risk suppliers, that includes, annual on-site assessments and/or alternative assurance documents (PCI DSS, ISO 27001, ISAE SOC2, etc) for critical and high risk suppliers. Through financial year 2021, Visa Europe engaged its critical service providers and other key suppliers to validate their preparedness and identify any risks to disruption due to the COVID-19 pandemic and Brexit.

Risks	*Our response*
B. OPERATIONAL RISKS *continued*	
Integrity of the payment ecosystem	
The majority of the European infrastructure is managed by parties outside of our direct control whose operational practices may impact the integrity of the payments ecosystem, Visa works with all the ecosystem participants to protect the ecosystem. In order to protect the ecosystem, we need to maintain the integrity of the Visa Network irrespective of where the transaction is processed, the data is stored or transmitted.	As the payments ecosystem diversifies away from traditional products and physical touch-points, fraud prevention and detection techniques need to evolve. We have dedicated ecosystem risk and compliance functions to seek to ensure that clients, partners and third parties (such as technology vendors, payment processors and card manufacturers) adhere to our operational, business and security requirements. At the same time, we continue to evolve these rules, with a view to continuously enhancing system integrity. In addition, we have capabilities in place to help support the integrity of the ecosystem through automated alerts identifying potential attack vectors through Artificial Intelligence (AI). These allow our clients to continue to provide a service for merchants and cardholders in the event of service disruption for Visa or issuers. The level of service in these situations is dependent on the participation and risk appetite of the clients.
C. TECHNOLOGY RISKS	
Information and cyber security	
Our visibility and role in the global payments industry may put our company at a greater risk of being targeted by hackers. In the normal course of our business, we have been the target of malicious cyber-attack attempts. We have been, and may continue to be, impacted by attacks and data security breaches of financial institutions, merchants, or third-party processors. Such attacks and breaches have resulted, and may continue to result in, fraudulent activity and ultimately, financial losses to Visa's clients, and it is difficult to predict the direct or indirect impact of future attacks or breaches to our business. In addition, numerous and evolving cybersecurity threats, including geopolitical, advanced and persistent cyber-attacks, phishing and social engineering schemes, particularly on our internet-facing applications, could compromise the confidentiality, availability, and integrity of data in our systems or the systems of our third-party service providers. These events could significantly disrupt our operations; impact our clients and consumers; damage our reputation and brand; result in litigation or claims, violations of applicable privacy and other laws, and increased regulatory review or scrutiny, investigations, actions, fines or penalties; result in damages or changes to our business practices; decrease the overall use and acceptance of our products; decrease our volume, revenues and future growth prospects; and be costly, time consuming and difficult to remedy. Furthermore, while we maintain insurance, our coverage may not sufficiently cover all types of losses or claims that may arise.	Our in-depth, multi-layer security approach includes a formal program to devalue sensitive and/or personal data through various cryptographic means; embedded security in the software development lifecycle; identity and access management controls to protect against unauthorized access; and advanced cyber detection and response capabilities. We deploy security tools that help keep our clients and consumers safe, while providing buyer and seller solutions that help make Visa the best way to pay and be paid. We also invest significantly in our comprehensive approach to cybersecurity. We deploy security technologies to strengthen data confidentiality, integrity and service availability, emphasizing core cybersecurity capabilities to minimize risk.

Risks	***Our response***
D. FINANCIAL RISKS	
Settlement, credit and liquidity risk	
Visa Europe is exposed to various financial risks including settlement risk (i.e. the risk that a client is unable to meet its obligations to the Company as and when they fall due), credit risk (i.e. risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under a contract and arises principally from the Company's receivable customers, banks and derivative counterparties) and liquidity risk (i.e. risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost).	Visa Europe monitors the credit risk related to each member that participates in the Visa system. We regularly assess the member's financial health and their ability to respond to a settlement risk, which has a short duration measured in days. In addition, future service transactions through acquiring pose a longer-term risk. These risks are managed through a range of tools including collateral where members' financial strength is assessed as non-investment grade. Visa Europe currently measures and monitors its level of loss *absorbing capital relative to the credit risk exposure generated* by the participant with the largest gross settlement exposure. We aim to hold sufficient net liquid assets funded by equity to absorb the potential losses arising from the disorderly failure of its single largest participant and the crystallisation of business risks, measured with reference to operational and cyber stress scenarios. Investment of Visa Europe's cash assets is restricted to financial counterparties with a minimum credit rating of A- and limits are documented for both individual counterparties and by investment instrument type to reduce concentration risk and ensure ready access to cash should it be required. In addition to Visa Europe's own liquidity portfolio, Visa Europe is a named designated participant in a Revolving Credit Agreement established by Visa Inc. with a syndicate consisting of high credit quality financial institutions. Visa Europe has full access rights to drawdown directly from the facility.
Pensions	
Visa Europe has a funding obligation to its defined benefit pension scheme, the Visa Europe Pension Plan (VPP). The defined benefit plan exposes the Company to risks, the most significant of which are: -Asset volatility - The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets under-perform this yield, this will create a deficit. The VPP holds a significant proportion of growth assets (such as equities and diversified growth funds) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. -Inflation risk - A significant portion of the VPP's benefit obligations are linked to inflation, and higher inflation leads to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). Some of the assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation could also increase the deficit. -Changes in bond yields - A decrease in corporate bond yields will increase the value placed on the VPP's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the VPP's holdings. -Life expectancy - Most of the VPP's obligations are to provide benefits for the lifetime of the member, so increases in life expectancy will result in an increase in the liabilities.	The VPP scheme, which as of 30 September 2021, has 80 active members (current employees of the Company), 647 deferred members (former employees of the Company) and 241 retired members (currently receiving a pension from the scheme), has been closed to new entrants since 2003. The Company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy, which aims to reduce the volatility of the funding level of the VPP. By investing in assets such as liability driven investments, which perform in line with the liabilities of the VPP, the VPP is protected to some extent against unanticipated changes in interest rates and inflation. The investment strategy will reduce the risk of market movements resulting in higher cash contributions from the Company; however, as the accounting liabilities are mainly driven by bond yields, there is an asset/ liability mismatch risk that the Company will remain exposed to. The investment performance and liability experience are regularly reviewed by both the Company and the Trustees of the VPP, with the most recent revaluation in September 2020. The Company's financial strength and cash generation provide a level of protection against the impact of changes in the funding position of the VPP. Legislation requires that the funding valuation calculates liabilities on a prudent basis, so that it includes a margin for future negative experience. In addition to the VPP, Visa Europe offers a defined benefit pension scheme in France, which is an unfunded plan, in relation to retirement indemnities paid on retirement in line with French regulations.

Risks	*Our response*
E. LEGAL AND REGULATORY RISKS	
Data privacy	
Laws and regulations regarding the handling of personal data and information may impede our services or result in increased costs, legal claims, or fines against us. Regulatory guidance on the General Data Protection Regulation (GDPR), UK GDPR and the Data Protection Act continues to evolve and regulatory scrutiny is increasing. Our ongoing efforts to comply with data protection laws in light of evolving guidance may increase the complexity of our compliance operations, entail substantial expenses, divert resources from other initiatives and projects, and could limit the services we are able to offer. Furthermore, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. Future enforcement actions or investigations could impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory fines and significant legal liability.	Visa's global privacy program employs a GDPR-based approach to global privacy compliance and is designed to ensure that data practices remain consistent with Visa's established data use principles. Visa demonstrates accountability for data protection laws through its robust governance framework. The global privacy office works with two cross functional governance bodies to evaluate new data use cases and to define a strategic vision for Visa's data related businesses. The global privacy program is operationalised by a privacy controls framework and privacy impact assessment process which provide a comprehensive structure for managing privacy and data protection risks. Visa continues to enhance the program to protect and enhance data by promoting accountability, transparency and innovation.
Market and regulatory environment	
The introduction of far reaching regulatory changes coupled with the industry continuously evolving to meet the needs of customers presents new challenges. By a recognition order dated 19 March 2015, HM Treasury categorised Visa Europe as a recognised "payment system" for the purposes of Part 5 of the Banking Act 2009. As a result, the Bank of England has assumed oversight of Visa Europe pursuant to its statutory responsibility for the oversight of designated payment systems and, more broadly, for monetary and financial stability of the UK. In addition to the Bank of England, Visa Europe's activities are also subject to oversight by the UK Payment Systems Regulator (PSR); and oversight by the European Central Bank (ECB) and Eurosystem of National Central Banks in accordance with the Oversight Framework for Card Payment Schemes - Standards (2008). Further, since 26 May 2021, Visa Europe has also been under the regulatory supervision of Dutch regulator, De Nederlandsche Bank (DNB), for payment processing activities in the Netherlands. Visa Europe is also subject to oversight by the National Bank of Poland (NBP).	Visa Europe maintains dedicated risk and regulatory functions with extensive knowledge of UK and European payments regulations. As the industry evolves, we engage with Government, Regulators and our clients to help shape regulatory change to meet the needs of our clients and consumers.

Risks	***Our response***
E. LEGAL AND REGULATORY RISKS *continued*	
Litigation risk	
The Company is party to or involved in various litigation matters, investigations, and proceedings asserted by civil litigants, governments, and enforcement bodies investigating or alleging, among other things, violations of competition and antitrust law, consumer protection law, privacy law and intellectual property law (these are referred to as "actions" in this section). Details of the most significant actions against the Company are described more fully in Note 26, Contingent liabilities, and Note 29, Retailer Litigation, in the accompanying Notes to the financial statements. These actions are inherently uncertain, expensive and disruptive to our operations. In the event we are found liable in any material action, or we incur liability arising from a government investigation, we may be required to pay significant awards, settlements or fines. In addition, settlement terms, judgments, orders or pressures resulting from actions may harm our business by influencing or requiring us to modify, among other things, the default interchange reimbursement rates we set, the Visa operating rules or the way in which we enforce those rules, our fees or pricing, or the way we do business. These actions or their outcomes may also influence regulators, investigators, governments or civil litigants in the same or other jurisdictions, which may lead to additional actions against Visa.	The Company seeks to minimise litigation risk through the adoption of compliance and other policies and procedures, continuing to refine controls over business practices and behaviour, employee training, the use of appropriate documentation, and the involvement of outside legal counsel, where appropriate. Although losses will be borne in the first instance by Visa Europe, Visa Inc., the Company's overall parent company, has agreed to recapitalise Visa Europe, via a share subscription agreement executed between Visa Europe and Visa International Holdings Limited, funded by Visa Inc., if financial resources fall below levels that are outside Visa Europe's risk appetite as a result of any litigation settlement. Visa Europe maintains a Financial Recovery Plan that details the steps that would be taken in the event of any significant shortfall in financial resources.

Risks	***Our response***
F. BUSINESS RISKS	
Global risk	
The impact of global economic, political, market, health and social events or conditions, including the ongoing effects of the COVID-19 pandemic and the evolving conflict between Russia and Ukraine; may harm our business. Our revenues are dependent on the volume and number of payment transactions made by consumers, governments, and businesses whose spending patterns may be affected by prevailing economic conditions. Cross-border transaction revenues represent a significant part of our revenue and are an important part of our growth strategy. Therefore, adverse macroeconomic conditions, including recessions, inflation, high unemployment, currency fluctuations, actual or anticipated large-scale defaults or failures, or slowdown of global trade could decrease consumer and corporate confidence and reduce consumer, government, and corporate spending which have a direct impact on our revenues. The payments market is increasingly competitive, with alternative options available to both end consumers and merchants. These changing dynamics could lead to pressures on our traditional business and present additional challenges. Within the competitive market space, the strength of our brand is key to business growth. As a result, the risk of damage to our reputation could result in damage to our business. This risk arises from not meeting the expectations of our stakeholders be those cardholders, clients, regulators or others. Outbreaks of illnesses, pandemics, or other local or global health issues, political uncertainties, international hostilities, armed conflict, or unrest, climate-related events, including the increasing frequency of extreme weather events, and natural disasters could impact our operations, our clients, our activities in a particular location, and cross- border travel and spend. Geopolitical trends towards nationalism, protectionism, and restrictive visa requirements, as well as continued activity and uncertainty around economic sanctions could limit the expansion of our business in those regions. In addition, as governments and other stakeholders face additional pressures to accelerate actions to address climate change and other ESG topics, governments may implement regulations or other stakeholders may impose new expectations or focus investments in ways that cause significant shifts in disclosure, commerce and consumption behaviours that may have negative impacts on our business. Any decline in cross-border travel and spend could impact the number of cross-border transactions we process and our currency exchange activities, which in turn would reduce our international transaction revenues.	Visa Europe is focused on the identification, monitoring and response to various geopolitical and macro-economic developments and events that may detrimentally impact our business. Visa Europe is focused on further growing its diverse revenue sources. This comprises of capturing new flows of payments beyond C2B such as B2B, B2C and G2C segments. Visa Europe is also focused on broadening its revenue streams by expanding the capabilities of its existing network by offering several enhanced capabilities and services, including fraud prevention and security, processing, loyalty, merchant and digital solutions, consulting and data solutions. Visa Europe actively engages with Government, Regulators, our clients and various industry bodies in influencing regulatory change as well as monitor and respond to relevant geopolitical developments that may impact our business. As part of a global organisation, Visa Europe seeks to bring the benefits of the global infrastructure, brand and protection to its clients. As we build business resilience and long-term value, we are committed to managing the risks and opportunities that arise from ESG issues. Visa is proud of our recognition as an industry leader on sustainability, including being named on the Dow Jones Sustainability Index for five consecutive years and being recognized as an "A List Company" by CDP for 2021. Visa has also completed a global climate risk assessment in alignment with the Task Force on Climate-related Financial Disclosures (TCFD), the results of which inform key functions, including risk, strategy and government engagement. Additional details can be found in our Corporate Governance Report on page 19, our Streamlined Energy and Carbon Report on page 25, and Visa's 2020 ESG report, which provides enhanced ESG disclosures, is available on Visa's website at: *usa.visa.com/about-visa/esg.html.*

Our business and operating performance

There were over 583 million Visa-branded cards in circulation in Europe at the end of financial year 2021 (2020: 568 million). This represents a 3% increase (2020: 1% increase) on the previous year and a solid performance in a relatively mature market and taking into account the impact of COVID-19. Visa Europe's active credentials increased by nearly 18% between September 2018 – September 2021.

These cards - in a face-to-face context, stored on file at online merchants, or through a mobile device - were used nearly 55 billion times during the year. This amounts to over 150 million transactions for every day of the year. This usage is partly driven by the continued expansion of contactless across the region. Contactless is also a key driver of the long-term contraction in the average transaction value, as customers elect to use their card for ever smaller and more frequent purchases.

Total volume (payments volume and cash volume) grew 4% compared to financial year 2020. The first half of the year contracted (1)% with growth recovering to 11% in the second half of the year as the impact of COVID-19 started to lap (i.e., a full year has passed since the impact of COVID-19 started and the event is no longer reflected in year-over-year growth rates). Volumes continue to benefit from the expansion of electronic commerce (ecommerce) and contactless payments.

International cross-border outbound (issued) and inbound (acquired) volumes saw a strong recovery, with growth rates bouncing back in the second half of the year as the impact of COVID-19 started to lap with lockdown and travel restrictions eased across Europe. The pandemic caused both Card Present (face to face) and travel related Card Not Present CNP (ecommerce) volumes to suffer a contraction in the first half of the year as we lapped a pre-COVID-19 half of 2020; however non-travel CNP volumes continued to grow for both inbound and outbound. In addition, international cross-border inbound volumes benefited from increased spend on cryptocurrency. Overall, the Company is closer to pre-pandemic level with September 2021 international cross-border outbound and inbound reaching, respectively, 91 and 95 index, to September 2019.

Cross-border volumes within the Visa Europe region (intra-regional volumes), which excludes domestic volumes within a Visa Europe country, recorded growth of 19% for the year, benefiting from strong performance in ecommerce as well as a recovery in cross-border travel in the second half of the year.

Total processed transactions grew 12% for the year. This improvement is the result of the strong recovery seen in the second half of the year, as the impact of COVID-19 started to lap. Processed transactions remain above pre-COVID-19 levels.

The following measures are indicative of the past performance of the Visa Europe Group (which includes Visa Europe and its subsidiaries) for years 2017, and through 31 March 2018. As of 31 March 2018, due to the reorganisation of the Visa Europe Group, the Company's stand-alone performance is representative of the Visa Europe Group.

Year ending June	2017	2018	2019	2020	2021
Number of cards (000)	538,101	555,126	561,872	567,517	583,327
Number of transactions (000)	34,359,092	38,633,563	51,242,075	51,231,564	54,700,524
Total volume (€000)	2,039,465,640	2,195,630,474	2,339,634,121	2,263,397,316	2,360,284,445

Note: Data is calculated using constant exchange rates to minimise the effect of exchange rate movements.
Transaction counts in this table include transactions on Visa cards not processed by Visa.
Total volume is the sum of payments volume and cash volume.

Company financial performance

Operating revenues: €3,544 million (2020: €3,055 million). Our business is affected by overall economic conditions and consumer expenditure. Financial year 2021 and COVID-19 have brought unprecedented challenges and widespread economic and social change. Our business performance during 2021 reflects continued global consumer spending amidst uneven global economic conditions. Operating revenues consist of service revenues, data processing revenues, international transaction revenues and other revenues reduced by costs incurred under client incentive arrangements. Payments volume and number of processed transactions are the primary drivers of revenues. Operating revenue increased 16% from the prior year primarily due to the year-over-year growth in payments volume and processed transactions, as the business laps the initial impacts of COVID-19 starting in March 2020, and the expansion of electronic commerce (ecommerce) and contactless expenditure and payments. Gross revenues of €4,728 million (2020: €4,075 million) were reduced by client incentives of €1,184 million (2020: €1,020 million). Client incentives increased in conjunction with the increase in payments volume during financial year 2021. The amount of client incentives we record in future periods will vary based on changes in performance expectations, actual client performance, amendments to existing contracts or the execution of new contracts.

Operating expenses: €1,380 million (2020: €1,451 million). The decrease in operating expenses over the prior year was primarily driven by favourable foreign currency fluctuations and lower travel expenses, offset by higher personnel and client marketing spend, reflecting our strategy to invest in future growth, and increased core marketing expenses as we lapped reductions in spending in the prior year at the outset of COVID-19.

Profit before tax: €2,135 million (2020: €1,638 million). The performance represents an increase of 30%.

Total assets: €7,692 million (2020: €7,435 million). The increase in total assets of €258 million has primarily been driven by the increase in trade and other receivables of €603 million, offset by the decrease in cash of €(339) million. The decrease in cash is net of €(1,887) million cash dividends paid to the Company's immediate parent during the year. Visa Europe retains financial resources to mitigate risks that arise through provision of core activities. The level of these mitigants is set through the Visa Europe Board approved risk appetite. Liquidity forecasts indicate sufficient coverage to meet future funding needs.

Cash balances: €4,831 million (2020: €5,171 million). The decrease in cash of €(339) million has been driven by €(1,931) million of financing activities, primarily due to €(1,887) million in dividend payments during the year, and €(26) million of investing activities due to the purchase of tangible assets, partly offset by cash provided by operating activities in 2021 of €1,597 million, primarily due to profit before tax of €2,135 million offset by income taxes paid of €(391) million and the net impact of increase in receivables and payables of €(168) million, as well as the impact of currency movements of €23 million. We regularly evaluate cash requirements for current operations, commitments, development activities and capital expenditures. Based on our current cash flow budgets and forecasts of our short-term and long-term liquidity needs, we believe that cash flow generated from operations, in conjunction with access to our other sources of liquidity, will be sufficient to meet our ongoing operational and projected liquidity needs for more than the next 12 months. We will continue to assess our liquidity position in view of our operating performance, current economic and capital market conditions and other relevant circumstances.

Significant financial matters

The following financially significant events occurred in 2021:

- During the year, the Company paid a total of €1,887 million in cash dividends to its immediate parent, Visa International Holdings Limited, in line with the Visa Europe Capital Management and Dividend Policy and Annual Dividend Plan.
- On 30 September 2021, the Company and Sainsbury's entered into a confidential forward-looking settlement in the Retailer Litigation case. Refer to Notes to the financial statements, Note 29, Retailer Litigation, for further details.
- The Company agreed to settlements of €42 million in total with individual merchants related to multilateral interchange fees, which includes incremental charges associated with settlement of the Retailer Litigation case. Refer to Notes to the financial statements, Note 29, Retailer Litigation, for further details.

On behalf of the Visa Europe Board

DocuSigned by:
Charlotte Hogg
A4DA52B1B35445B
Charlotte Hogg
Chief Executive Officer

10 March 2022

Corporate Governance Report

Introduction

Visa Europe's mission is to connect the world through the most innovative, reliable and secure payments network - enabling individuals, businesses and economies to thrive and in doing so, we apply high standards and best practice to its corporate governance arrangements, and complying with the regulatory governance requirements of our regulators. Following the implementation of the Companies (Miscellaneous Reporting) Regulations 2018 (the **Regulations**), and as a result of meeting certain thresholds, the Visa Europe Board has chosen to comply with the Regulations through applying the Wates Principles as our framework for governance reporting.

Section 172 Statement

Section 172 sets out the duty of directors to promote the success of the company. A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a. the likely consequences of any decision in the long term;
b. the interests of the company's employees;
c. the need to foster the company's business relationships with suppliers, customers and others;
d. the impact of the company's operations on the community and the environment;
e. the desirability of the company maintaining a reputation for high standards of business conduct; and
f. the need to act fairly as between members of the company.

Principles

As a subsidiary of a larger global listed company, Visa Inc., our overall parent company and shareholder that is regulated by the Securities and Exchange Commission and supervised by the Federal Financial Institutions Examination Council, we have governance requirements in place to ensure local oversight of relevant Section 172 matters. The directors have chosen to apply each of the Wates Principles in setting out how we have had regard to Section 172, in our principal decision making during the financial year.

Principle 1 - Purpose and Leadership - *an effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.*

Our purpose is to connect the world around the most innovative, reliable and secure payment network enabling individuals, businesses and economies to thrive. We have a clearly articulated strategy framed around the collective vision to be the best way to pay and be paid for everyone, everywhere (as further discussed in the Strategic Report) The Board and Executive team actively develop and promote the success of the Company, acting with integrity and with a clear understanding of the views of all of our stakeholders. The Board engages regularly on strategic issues and planning, assessing the opportunities and risks facing the Company. The strategy is clearly communicated and further embedded through regular interaction with colleagues, including through leadership briefings, all-colleague meetings and regular training, which inform expected behaviours and practices throughout the business and ensuring the right resources to deliver the strategic objectives.

As Visa Europe is not captured within the Senior Managers and Certification Regime (SMCR), we have voluntarily implemented an Individual Accountability Model, which includes key aspects of the SMCR, ensuring that we have identified clear accountabilities for those Board members identified with prescribed responsibilities (in addition to key executives), and monitor against those on an annual basis. In addition, Visa's Leadership Principles (which can be found *https://usa.visa.com/about-visa/diversity-inclusion/life-at-visa/leadership-principles.html*) guide the way we act and the way we lead and provide a framework for how Visa colleagues are evaluated and rewarded. They are also used to identify individual opportunities for growth and development, and focus not only on what people accomplish but how they go about doing it.

The Board makes decisions in the best interests of Visa Europe, having due regard to all of our stakeholders (as detailed below) as well as our regulatory obligations, in particular in relation to our role as a systemic risk manager, including operational resilience, financial strength and stability (both relating to capital and liquidity) and the management of third party critical suppliers. The Board and Executive promote a positive, inclusive and diverse culture of wellbeing and social responsibility creating a culture of driving the right behaviours through various programmes including training and awareness initiatives, senior executive podcast interviews, a wellbeing portal and benefits for employees, wellness hours; and diversity and inclusion and education programmes.

Principle 2 - Board Composition - *effective board composition requires an effective Chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company.*

The Visa Europe Board is made up of 4 independent non-executive directors (**INEDs**), (1 of whom is appointed as Board Chair and 1 of whom is appointed as Senior Independent Director), 2 non-executive directors (**NEDs**) (appointed by Visa Inc., as overall parent and shareholder representatives) and 2 executive directors (Europe Chief Executive Officer and Europe Chief Finance Officer). The Board consists of a broad range of diverse skills and experience drawn from regulated businesses and other sectors such as retail, business services and technology as well as Visa's own business. Board member biographies can be found on the Company's website: https://www.visa.co.uk/about-visa/visa-in- europe.html

The Committees, reporting directly to the Board, consist of the Risk Committee, Audit Committee, Nominations Committee and Remuneration Committee, each composed of an independent Chair and a majority of INEDs. The Board Chair (Alison Deborah Hewitt) is a named person to whom whistleblowing claims can be escalated, in line with approved Compliance policies.

The Board and Committee structure and composition is agreed by the Board to be appropriate for Visa Europe (as a regulated subsidiary of a large listed global business) providing a good balance of experience, knowledge and skills. Both internal and externally led Board effectiveness reviews are carried out on a periodic basis to ensure the Board remains effective, skilled and diverse in its approach, and the Nominations Committee periodically reviews Board composition.

The Board is governed by the documented matters reserved for the Board. These, along with Committee terms of reference are reviewed annually to ensure their continued relevance and effectiveness.

The Risk Committee: *chaired by Philippe Tromp. Responsible for oversight and providing advice to the Visa Europe Board* on a) responsibilities relating to risk management, b) internal controls and compliance, c) financial risk, and d) legal and regulatory matters.

The Audit Committee: chaired by Hamayou Akbar Hussain. Responsible for oversight and providing advice to the Visa Europe Board on a) responsibilities relating to internal Audit, b) external audit, and c) financial controllership.

The Nominations Committee: chaired by Alison Deborah Hewitt. Responsible for oversight and providing advice to the Visa Europe Board on Board appointments and succession.

The Remuneration Committee: chaired by Alison Deborah Hewitt. Responsible for oversight and providing advice to the Visa Europe Board on performance reviews and remuneration of certain executives.

Principle 3 - Director Responsibilities - *a Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision making and independent challenge.*

Internal governance documents and policies including the articles of association of the Company, matters reserved for the board, terms of reference of the board committees, conflicts of interest policy, code of conduct and ethics, are all in place. These set out the responsibilities of those who are members of the Board and respective committees. The governance documents provide directors the framework from which they make effective decisions and provide independent challenge, delivering long term value and success. These documents and policies are reviewed annually by the Board and the various committees. In addition to undertaking a detailed programme of induction training on appointment, the Board also takes part in periodic training sessions during the year on various topics, including refresher training where appropriate.

Principle 4 - Opportunity and Risk - *a Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.*

The Board actively promotes the long-term sustainable success of the Company, identifying both long and short-term opportunities, through an annual Board strategy review process in line with the risk management framework and quarterly business unit reviews. Key risks are identified (see Principal Risks and Uncertainties outlined in the Strategic Report) and regularly reviewed and discussed along with any residual risks, and the methods of mitigating those risks by the Risk Committee and/or Board over the course of the financial year during board meetings and in dialogue with senior management.

Principle 5 - Remuneration - *A Board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.*

Visa Europe has an established policy on remuneration within Visa Inc.'s Global Framework for its employees and this is presented to the Visa Europe Board annually by the Visa Inc. global HR executive. The framework is aligned with performance and Visa's Leadership Principles (based on the principle of pay for performance) and the achievement of the Company's strategy. This also takes account of wider employee pay and conditions, and a gender pay gap report is presented to and approved by the Board on a yearly basis. The Remuneration Committee, consisting of a majority of INEDs, has clearly defined terms of reference which include reviewing the performance and remuneration of key executives.

Principle 6 - Stakeholder Relationships and Engagement - *Directors should foster effective stakeholder relationships aligned to the company's purposes. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce and having regard to their views when taking decisions.*

We are committed to delivering value to all of our stakeholders for the future success of the Company and our communities, and consider the impact of our business on a range of stakeholders when making decisions. We are committed to transparency and effective engagement with our stakeholders, we regularly review our relationships with key stakeholders, and the impact of these relationships on the Company's business is monitored closely.

Clients: Our commitment to our clients remains at the forefront of our efforts, as does the critical role we play in maintaining the stability, security and resilience of the global payment ecosystem. Visa has continued to take steps to ensure the reliability of our network and provide operating and economic stability for all of our clients.

Regulators: Throughout financial year 2021, the Board continued to oversee the business of the Company in light of Visa Europe being a financial markets infrastructure and continued our active engagement with our primary regulator, the Bank of England, as well as other regulators including the PSR, ECB, DNB and NBP.

Shareholder: A number of channels are used to receive feedback from the Shareholder, including two (shareholder representative) NEDs that sit on the Board, and periodic 1:1 meetings between the Visa Europe Board Chair and the Visa Inc. Chief Executive Officer, and other Visa Inc. executives promoting transparent and effective engagement. Certain Visa Inc. executives also meet with the Visa Europe Board to provide updates on their priorities from a global perspective.

Employees: We conduct frequent polls and pulse surveys to keep abreast of our employee engagement and wellbeing and seek to offer an attractive benefits package which supports our focus on inclusion and diversity.

Visa Europe also conducts regular equal pay audits to ensure women and men doing similar roles are paid fairly, and we comply with gender pay gap reporting in the UK where the results show continued progress in the diversification of our workforce. Gender diversity remains a key metric of focus and our gender pay gap report is available to view on https:// www.visa.co.uk./about-visa/visa-in-europe.html.

Visa Europe committed to and achieved gender diversity targets for the entire organisation as well as senior female leadership as part of the Women in Finance Charter in 2019 and 2020 and have reset additional stretch targets for this period to 2023. In addition, we remain committed to diversity and inclusion more broadly within our employee population, for example across sexual orientation, ethnicity, caring responsibilities and mental health.

The Board has regard to interests of employees through regular updates from executive management on employee sentiment through employee survey results, reports from the business teams and human resources, and an annual report from the Visa Europe's Pensions Trustee Company.

During 2021, the Board appointed one of the INEDs, Hamayou Akbar Hussain, as its first Employee Engagement Director (EED). He held a number of cohort meetings with a range of employees from across the business seeking their views on Visa Europe, and reported back to the Board on those discussions. These cohort meetings will continue to take place twice yearly, following which Hamayou Akbar Hussain will report back to the Board.

Key Third Party Suppliers: We foster effective relationships with our service providers through a supplier relationship management framework with critical suppliers including Visa Technology & Operations LLC (VTO), a subsidiary of Visa Inc. As part of this governance framework, the Visa Board engages with VTO through monthly reporting from VTO, twice yearly meetings held between VTO and the Visa Europe Chief Executive officer and annual reporting to the Visa Board.

Other Stakeholders: Visa recognises the importance of corporate responsibility, sustainability and ethical leadership and we have summarised our efforts below. Further details are available in Visa's 2020 Environmental, Social and Governance report:

https://usa.visa.com/dam/VCOM/global/about-visa/documents/visa-2020-esg-report.pdf

Empowering People & Economies: Visa believes inclusive economies are beneficial to everyone, everywhere. The Company continues to empower economic growth by supporting small and micro businesses; expanding financial access; building financial capability; and strengthening our local communities.

Securing Commerce & Protecting Customers: Visa are committed to implementing a multi-layered information security approach that enables reliable, trustworthy and frictionless digital payment experiences.

Protecting the Planet: Our commitment begins with our continued efforts to minimize the environmental impact of our operations and activities "within Visa" — the footprint of our offices, data centres, business travel, employee commuting, procurement and other areas. While it is important to have begun our efforts here, Visa also seeks to be an engine of sustainable commerce. As a network connecting thousands of financial institutions, millions of merchants and billions of consumers, we are committed to using our products, services, network, expertise, brand and partnerships to inspire and empower sustainable living and support the global transition to a low-carbon economy.

Operating Responsibly: Visa continues to operate as a responsible and ethical company by upholding the highest standards for integrity, compliance and corporate governance. We have built a new Supplier Code of Conduct through activities such as developing ethical and agile onboarding procedures and revising our Code of Business Conduct and Ethics to improve transparency and clarity. Links to these codes can be found here:

- https://usa.visa.com/dam/VCOM/global/common-assets/documents/visa-supplier-code-of-conduct.pdf
- https://www.visa.co.uk/content/dam/VCOM/regional/ve/unitedkingdom/pdf/visa-in-europe/code-of-conduct-update-april-2020-final.v2.pdf

The Visa Europe Board recognises the severity of modern slavery and has taken steps to ensure we have controls against modern slavery and human trafficking across our suppliers and approves Visa Europe Modern Slavery Act Statement annually. You will find the most recent statement available here:

- https://www.visa.co.uk/content/dam/VCOM/regional/ve/unitedkingdom/PDF/visa-modern-slavery-act-transparency-statement.pdf

In accordance with the Regulations, this Corporate Governance report will be published and available to view on the Visa Europe Limited website at www.visa.co.uk.

Directors' Report

The directors present their annual report and audited financial statements for Visa Europe Limited (Visa Europe or the Company) for the year ended 30 September 2021

In accordance with Section 401 of the Companies Act 2006, the Company has availed its exemption from the requirements to prepare consolidated financial statements as the financial result of the Company, and all of its subsidiaries, are included in the audited consolidated financial statements of Visa Inc., the Company's overall parent company, for the years ended 30 September 2021 and 2020. Visa Inc.'s financial statements are prepared in accordance with accounting standards which are considered equivalent under the requirements of Section 401 of the Companies Act 2006. Visa Inc. is incorporated in the United States of America and copies of Visa Inc.'s financial statements are available from its website and also on Companies House website.

Principal activities

Visa Europe is a payments technology company that enables fast, secure and reliable electronic payments across the Europe Region.

We manage a range of payment products under the Visa brand name, which we license to our clients. Using the tools that Visa provides, these clients compete vigorously with one another to provide payment services to consumers and retailers.

Business objectives and activities

Developments in Visa Europe's business during the year, and an indication of likely future developments, are outlined in the Strategic Report on pages 2 to 18, which form part of this Directors' Report.

Results and dividend

The income statement for the year is set out on page 32 and shows a profit after tax for the year and attributable to the ordinary shareholders of €1.734 million (2020: €1,324 million). The increase in operating profit is primarily a result of the year-over-year growth in payments volume and processed transactions, as the business laps the initial impacts of COVID-19 starting in March 2020, and the expansion of electronic commerce (ecommerce) and contactless expenditure and payments, as well as favourable foreign currency fluctuations and lower travel expenses. This is offset by higher personnel and client marketing spend, reflecting our strategy to invest in future growth, and increased core marketing expenses as we lapped reductions in spending in the prior year at the outset of COVID-19. The statement of financial position is on page 34 and shows a net asset balance of €4,005 million (2020: €4,102 million).

Cash has decreased during the year by €(339) million (2020: increase in cash of €823 million), driven by €(1,931) million of financing activities, primarily due to €(1,887) million in dividend payments during the year, and €(26) million of investing activities due to the purchase of tangible assets, partly offset by cash provided by operating activities in 2021 of €1,597 million, primarily due to profit before tax of €2,135 million offset by income taxes paid of €(391) million and the net impact of increase in receivables and payables of €(168) million, as well as the impact of currency movements of €23 million.

During the year, the Company paid a total of €1,887 million interim cash dividends to its immediate parent, Visa International Holdings Limited (2020: €736 million), in line with the Visa Europe Capital Management and Dividend Policy and Annual Dividend Plan. The directors do not recommend a final dividend.

Directors

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Employees

It is Visa Europe's policy to ensure that no job applicant or employee is disadvantaged or receives unfavourable treatment, that all employees have the opportunity for advancement and development, regardless of race, colour, nationality or ethnic origins, gender, marital status, age, disability, religion or sexual orientation. Visa Europe is an equal opportunity employer. Equal opportunity is about good employment practices and treating our most valuable asset, our employees, fairly and equally. Visa Europe considers and, where appropriate, provides reasonable workplace adjustments to both current and prospective disabled employees.

Visa Europe is also committed to ensuring that all prospective applicants for employment are treated fairly and equitably throughout the recruitment process.

Visa Europe has established clear standards of communication for all of our employees, to provide information and to consult with our staff about important developments in the business and future changes to the organisation, and to generate an understanding of our purpose, strategy, values and business performance on an ongoing basis. Employees are provided with an anonymous channel to communicate views and opinions about working for Visa Europe through periodic Employee Surveys. Visa's Code of Business Conduct and Ethics sets out Visa's commitment to the highest ethical standards and provides employees with channels to raise any concerns and questions including a Confidential Compliance Hotline where they can remain anonymous if they chose to do so.

Overseas branches

Visa Europe has an overseas branch in France, which is included in the reported figures.

Financial risk management

The details of the Company's financial instruments, policies and strategies are set out in notes 2 and 24 to the financial statements and the preceding Strategic Report.

Political donations

Visa Europe's policy is that it does not make contributions in cash or in kind to any political party.

In 2021, due to the COVID-19 pandemic, Visa Europe did not make any commitments to attend events at the Labour and Conservative party conferences as in previous years.

Going concern

The directors have adopted the going concern basis in preparing these financial statements having given due consideration to the liabilities of the Company and the consistent earnings growth over the years. The period covered by the directors assessment of going concern is in excess of twelve months from the date of approval of the financial statements. The directors considered the impact of COVID-19 and the evolving macroeconomic uncertainty (supply chain issues, inflation, rising interest rates, geopolitical considerations) in their assessment including the severe but reasonably possible downside scenarios, such as ongoing or further periods of travel bans and restrictions, quarantines, shelter-in-place or total lock-down orders and business limitations and shutdowns in the next twelve months, or client insolvencies. The directors also considered the impact of Retailer Litigation in their assessment. (Refer to Note 29, Retailer Litigation, for further details.) The directors have established that the Company's balance sheet is strong, and the Company can withstand significant interruption to its revenues without jeopardising either its capital or liquidity positions.

Although losses will be borne in the first instance by Visa Europe, Visa Inc., the Company's overall parent company, has agreed to recapitalise Visa Europe, via a share subscription agreement executed between Visa Europe and Visa International Holdings Limited, funded by Visa Inc., if financial resources fall below levels that are outside Visa Europe's risk appetite as a result of any litigation settlement. Visa Europe maintains a Financial Recovery Plan that details the steps that would be taken in the event of any significant shortfall in financial resources.

Post balance sheet events

On 9 November 2021, the Company paid in full its settlement with Sainsbury's in relation to the Retailer Litigation. The associated liability has been recognised in these financial statements as at 30 September 2021, however the settlement is not reflected in this financial year. See Note 29, Retailer Litigation, for further details.

See Note 25, Contingent liabilities, for details on activity of other pending litigation against the Company taking place subsequent to the balance sheet date and before the date of approval of the Directors' Report.

On 29 November 2021 and 28 January 2022, the Company paid a cash dividend in the amount of €422 million and €567 million, respectively, to its immediate parent, Visa International Holdings Limited, in line with the Visa Europe Capital Management and Dividend Policy and Annual Dividend Plan. These dividends have not been reflected in these financial statements.

In November 2021, Amazon informed its UK customers that it would no longer accept Visa credit cards in the UK from 19 January 2022, due to a commercial dispute between the two companies. On 17 January 2022, Amazon informed its UK customers that the expected change would no longer take place and that UK customers could continue to use Visa credit cards after 19th January. A global agreement between Visa and Amazon was reached in February 2022.

As of 1 November 2021, Visa Europe has been included in the Dutch Financial Core Infrastructure, after Visa Europe's activities in the Netherlands were identified as critical processes and services.

Given the deteriorating situation in Russia and Ukraine, the Company has undertaken a high level review of business exposure, noting that the conflict zone is outside of the markets that form the Visa Europe region. Although a revenue and credit exposure does exist, the amounts are not considered to be material.

Our top priority is ensuring the safety and security of our employees who are directly impacted by these recent events and supporting the humanitarian relief efforts underway to aid the Ukrainian people.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of auditor

The external auditor, KPMG LLP, was reappointed by the Board of Directors on 10 March 2022, and will therefore continue in office.

Streamlined Energy and Carbon Emissions Report (SECR)

In 2021, we continued our commitment to improve our energy efficiency and procure renewable energy. We used approximately 18.1 million kilowatt-hours (kWh) of energy from electricity, natural gas and other fuels. This represents a 28% percent decrease in consumption compared to 2020. Our energy intensity per square foot, a commonly used metric that adjusts for growth, improved by 29% percent year-over-year. We acknowledge that this year's, and last year's, measured energy use was impacted in part by COVID-19 and the shift to a remote work environment for a majority of Visa's employees. Visa receives third-party assurance of global corporate GHG emissions from an independent verifier annually, which includes those from UK facilities and activities.

Calculation Methodology

Visa Europe's carbon footprint is calculated in accordance with the Greenhouse Gas (GHG) Protocol of the World Business Council for Sustainable Development. Energy use information is collected directly from facilities and/or energy utilities. Relevant emissions factors are sourced from the IEA, DEFRA, and/or EPA to calculate emissions associated with energy use. Renewable energy purchases are allocated following the GHG Protocol and RE100 guidance.

UK Activity	Energy (kWh)		Emissions (Metric Tons CO2e)	
	2021	2020	2021	2020
UK Energy Use - Scope 1 Gas, transport and other fuels	2,808,333	5,079,722	537	939
UK Energy Use - Scope 2 Electricity use	15,250,278	19,968,611	0	21
Total (Scope 1 & Scope 2)	18,058,611	25,048,333	537	960
Intensity Ratio - per 1,000 square foot	47,405	66,809	1.4	2.5

The emissions intensity ratio is representative of Scope 1 and 2 market-based emissions. All Scope 2 figures reported are market-based emissions.

Energy Efficiency actions taken during the year

The London Paddington, Reading, and Basingstoke locations all procure renewable electricity and green gas from British Gas. Additionally, all UK sites are in the final stages of BREEAM (Building Research Establishment Environmental Assessment Method) certification.

Visa Europe Board members

The following directors held office during and after the year ended 30 September 2021:

Members	Appointed/ Resigned	Board	Risk Committee	Audit Committee	Nominations Committee	Remuneration Committee
Alison Deborah Hewitt (Independent Non-Executive Director)	Appointed 7 Jun 2017	x (chair from 2 Jul 2018)	x	x	x (chair from 21 Jun 2019)	x (chair from 21 Jun 2019)
Charlotte Mary Hogg (Chief Executive Officer)	Appointed 2 Oct 2017	x				
Robert Philip Livingston (Chief Financial Officer)	Appointed 5 Aug 2019	x				
William Morgan Sheedy (Non-Executive Director)	Re-appointed 2 Jul 2018	x		x	x	x
Philippe Tromp (Independent Non-Executive Director)	Appointed 14 Mar 2019	x	x (chair from 21 Jun 2019)	x	x	x
Hamayou Akbar Hussain (Independent Non-Executive Director)	Appointed 21 Jun 2019	x	x	x (chair from 21 Jun 2019)	x	x
Peter James Plumb (Independent Non-Executive Director)	Appointed 3 Dec 2019	x	x	x	x	x
Christopher James Clark (Non-Executive Director)	Appointed 3 Dec 2019	x	x		x	x
Kelly Mahon Tullier (Alternate Non-Executive Director)	Appointed 19 Aug 2020					

On behalf of the Visa Europe Board

DocuSigned by:

Charlotte Hogg

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Charlotte Hogg

Chief Executive Officer

10 March 2022

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Visa Europe Limited

Opinion

We have audited the financial statements of Visa Europe Limited ("the Company") for the year ended 30 September 2021 which comprise the income statement, statement of other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

- significant decline in general economic activity due to the Covid pandemic and associated economic uncertainty, resulting in a substantial reduction in processed transaction volumes; and
- unfavourable litigation outcome in respect of the material litigation and claims against the Company.

We also considered less predictable but realistic second order impacts, such as operational resilience and the erosion of customer confidence.

We considered whether these risks could plausibly affect regulatory capital and liquidity in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the parent Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee, risk committee, remuneration committee and nominations committee minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited complexity, estimation or judgment *involved in the determination and recognition of revenue.*

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals that typically do not make journal entries, journal entries with description that includes executive names and titles, back posted journals entries into revenue or litigation accounts, and journals posted to seldom used income statement accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension legislations, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity, competition legislation and interchange fee regulations, and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

For the legal matters discussed in note 26 and 29, we assessed disclosures against our understanding from inquiries with internal and external legal counsel, inspection of minutes of meetings and correspondence, and in some instances obtaining legal confirmations from Visa Europe's external counsel.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 27, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karyn Nicoll (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

10 March 2022

Income Statement

For the year ended 30 September 2021

	Note	**2021** €'000	2020 €'000
Revenue	4	**3,544,305**	3,054,754
Administrative expenses			
Employee benefits	8	**(365,041)**	(322,535)
Retailers provision and expense	5, 21	**(42,380)**	(34,743)
Depreciation and amortisation	5	**(39,069)**	(43,931)
Other administrative expense	5	**(933,432)**	(1,049,698)
		(1,379,922)	(1,450,907)
Other expenses			
Re-measurement income	7	**94**	52,786
		94	52,786
Other operating income		**294**	1,112
Operating profit		**2,164,771**	1,657,745
Net finance expense		**(30,057)**	(19,959)
Profit before tax		**2,134,714**	1,637,786
Income tax expense	10	**(400,985)**	(313,556)
Profit for the year		**1,733,729**	1,324,230

The notes on pages 38 to 81 form part of these financial statements.

Statement of Other Comprehensive Income

For the year ended 30 September 2021

	Note	2021 €'000	2020 €'000
Profit for the year		**1,733,729**	1,324,230
Other comprehensive income:			
Items that will not be reclassified to income statement			
Remeasurement gains/(losses) on defined benefit pension schemes	10	**47,176**	(11,274)
Income tax (charge)/credit relating to items that will not be reclassified	10	**(9,951)**	6,131
		37,225	(5,143)
Items that may be reclassified subsequently to income statement			
Cash flow hedges:			
Net gains arising on hedging derivatives	10	**12,710**	34,693
Effective hedge gains transferred from other comprehensive income to income statement	10	**(28,002)**	(13,757)
Income tax relating to items that may be reclassified	10	**2,906**	(4,111)
		(12,386)	16,825
Other comprehensive income for the year, net of tax		**24,839**	11,682
Total comprehensive income for the year		**1,758,568**	1,335,912

The notes on pages 38 to 81 form part of these financial statements.

Statement of Financial Position

As at 30 September 2021

	Note	2021 €'000	2020 €'000
Non-current assets			
Property, plant and equipment	11	**120,521**	122,330
Goodwill and intangibles	12	**54,526**	55,004
Right of use assets	27	**83,078**	94,386
Retirement benefit asset	20	**26,329**	—
Deferred tax assets	15	**11,151**	9,878
Investment in subsidiaries	13	**53**	49
		295,658	281,647
Current assets			
Trade and other receivables	16	**2,558,637**	1,955,743
Cash and cash equivalents	17	**4,831,434**	5,170,822
Financial assets	14	**6,469**	26,300
		7,396,540	7,152,865
Current liabilities			
Trade and other payables	18	**3,500,096**	3,048,567
Current tax liabilities		**11,638**	22,619
Financial liabilities	19	**6,580**	14,572
		3,518,314	3,085,758
Net current assets		**3,878,226**	4,067,107
Non-current liabilities			
Retirement benefit obligation	20	**8,932**	35,067
Provisions	21	**26,135**	78,557
Other liabilities	22	**133,346**	133,063
		168,413	246,687
Net assets		**4,005,471**	4,102,067
Equity			
Share capital	23	**32**	32
Share premium	23	**60,903**	60,903
Contribution reserve	23	**208,319**	176,483
Cash flow hedging reserve	23	**3,390**	15,776
Retained earnings	23	**3,732,827**	3,848,873
Total equity		**4,005,471**	4,102,067

The notes on pages 38 to 81 form part of these financial statements.

The financial statements were approved by the Visa Europe Board and authorised for signing on 10 March 2022. They were signed on its behalf by:

DocuSigned by:
Robert Livingston
0FFEB92C667E4CA
Robert Livingston
Chief Financial Officer, Visa Europe
Company number: 5139966

10 March 2022

Statement of Changes in Equity

For the year ended 30 September 2021

	Attributable to equity holders of the Company					
	Share capital €'000	Share premium €'000	Contribution reserve €'000	Cash flow hedging reserve €'000	Retained earnings €'000	Total equity €'000
Balance as at 30 September 2020	**32**	**60,903**	**176,483**	**15,776**	**3,848,873**	**4,102,067**
Total comprehensive income for the year						
Profit after tax	—	—	—	—	**1,733,729**	**1,733,729**
Other comprehensive income:						
Items that will not be reclassified to income statement						
Remeasurement gains on defined benefit pension schemes	—	—	—	—	47,176	**47,176**
Income taxes relating to items that will not be reclassified	—	—	—	—	(9,951)	**(9,951)**
	—	—	—	—	**37,225**	**37,225**
Items that may be reclassified subsequently to income statement						
Cash flow hedges:						
Net gains arising on hedging derivatives	—	—	—	12,710	—	**12,710**
Net (gains) transferred from other comprehensive income to income statement	—	—	—	(28,002)	—	**(28,002)**
Income tax relating to items that may be reclassified	—	—	—	2,906	—	**2,906**
	—	—	—	**(12,386)**	—	**(12,386)**
Other comprehensive income for the year, net of tax	—	—	—	**(12,386)**	**37,225**	**24,839**
Total comprehensive income for the year	—	—	—	**(12,386)**	**1,770,954**	**1,758,568**
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners:						
Dividend paid to parent	—	—	—	—	(1,887,000)	**(1,887,000)**
Equity settled share-based payment transactions	—	—	31,888	—	—	**31,888**
Income tax relating to transactions with owners, recorded directly in equity	—	—	(52)	—	—	**(52)**
Total contributions by and distributions to owners	—	—	**31,836**	—	**(1,887,000)**	**(1,855,164)**
Balance as at 30 September 2021	**32**	**60,903**	**208,319**	**3,390**	**3,732,827**	**4,005,471**

The notes on pages 38 to 81 form part of these financial statements.

Statement of Changes in Equity *continued*

For the year ended 30 September 2020

	Attributable to equity holders of the Company					
	Share capital €'000	Share premium €'000	Contribution reserve €'000	Cash flow hedging reserve €'000	Retained earnings €'000	Total equity €'000
Balance as at 30 September 2019	32	60,903	147,859	(1,049)	3,269,415	3,477,160
Total comprehensive income for the year						
Profit after tax	—	—	—	—	1,324,230	1,324,230
Other comprehensive income:						
Items that will not be reclassified to income statement						
Remeasurement losses on defined benefit pension schemes	—	—	—	—	(11,274)	(11,274)
Income taxes relating to items that will not be reclassified	—	—	—	—	6,131	6,131
	—	—	—	—	(5,143)	(5,143)
***Items that may be reclassified subsequently* to income statement**						
Cash flow hedges:						
Net gains arising on hedging derivatives	—	—	—	34,693	—	34,693
Net (gains) transferred from other comprehensive income to income statement	—	—	—	(13,757)	—	(13,757)
Income tax relating to items that may be reclassified	—	—	—	(4,111)	—	(4,111)
	—	—	—	16,825	—	16,825
Other comprehensive income for the year, net of tax	—	—	—	16,825	(5,143)	11,682
Total comprehensive income for the year	—	—	—	16,825	1,319,087	1,335,912
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners:						
Dividend paid to parent	—	—	—	—	(735,957)	(735,957)
Equity settled share-based payment transactions	—	—	27,900	—	—	27,900
Income tax relating to transactions with owners, recorded directly in equity	—	—	724	—	—	724
Transfer of reserves as a result of transactions with subsidiary	—	—	—	—	(3,672)	(3,672)
Total contributions by and distributions to owners	—	—	*28,624*	—	*(739,629)*	*(711,005)*
Balance as at 30 September 2020	32	60,903	176,483	15,776	3,848,873	4,102,067

The notes on pages 38 to 81 form part of these financial statements.

Statement of Cash Flows

For the year ended 30 September 2021

	Note	2021 €'000	2020 €'000
Profit before tax		**2,134,714**	1,637,786
Adjustments for:			
Depreciation of property, plant and equipment	11	**27,011**	31,369
Amortisation of intangibles	12	**478**	675
Depreciation of right-of-use assets	5	**11,580**	11,887
Share-based payment expense	8	**31,888**	27,900
Finance costs		**30,057**	19,959
Foreign exchange net (gain)/loss	5	**(28,606)**	106,560
Current and past service cost on retirement benefit scheme	20	**5,014**	4,852
Loss on disposal of property, plant and equipment	5	**1,041**	4,595
Changes in other assets and liabilities		**(39,676)**	9,115
Operating cash flows before movements in working capital		**2,173,501**	1,854,698
(Increase)/Decrease in receivables		**(599,740)**	2,163,516
Increase/(Decrease) in payables		**432,008**	(1,888,812)
Cash generated by operations		**2,005,769**	2,129,402
Contributions to retirement benefit scheme	20	**(17,750)**	(19,832)
Income taxes paid		**(390,746)**	(467,917)
Net cash from operating activities		**1,597,273**	1,641,653
Investing activities			
Purchase of property, plant and equipment	11	**(25,580)**	(41,766)
Net cash used in investing activities		**(25,580)**	(41,766)
Financing activities			
Dividend paid to parent	23	**(1,887,000)**	(735,957)
Interest paid		**(30,057)**	(19,959)
Payment of lease liabilities - principal	27	**(11,110)**	(6,550)
Payment of lease liabilities - interest	27	**(2,692)**	(2,751)
Net cash used in financing activities		**(1,930,859)**	(765,217)
Net (decrease)/increase in cash and cash equivalents		**(359,166)**	834,670
Cash and cash equivalents at the beginning of the year		**5,167,365**	4,348,038
Foreign exchange gain/(loss) thereon		**23,090**	(15,343)
Cash and cash equivalents at the end of the year, net of overdraft	17	**4,831,289**	5,167,365

The notes on pages 38 to 81 form part of these financial statements.

Notes to the financial statements

As at 30 September 2021

1. General information

Visa Europe Limited (Visa Europe or the Company) is an entity incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 81.

Visa Europe is a payments technology company that enables fast, secure and reliable electronic payments across the Europe Region, which encompasses 38 countries including the UK, the 27 countries of the EU, Turkey, Israel, Switzerland, and the Baltic states. The Company continues to manage a range of payment products under the Visa brand name, which we license to our clients. Using the tools that Visa provides, these clients compete vigorously with one another to provide payment services to consumers and retailers.

2. Significant accounting policies

IFRS

Statement of compliance

The Company's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. These financial statements are presented in Euros, which is both the functional and presentational currency, rounded to the nearest thousand, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that support carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 3.

In accordance with Section 401 of the Companies Act 2006, the Company has availed its exemption from the requirements to prepare consolidated financial statements as the Company, and all of its subsidiaries, are included in the audited consolidated financial statements of Visa Inc., the Company's overall parent company, for the years ended 30 September 2021 and 2020. Visa Inc.'s financial statements are prepared in accordance with accounting standards which are considered equivalent under the requirements of Section 401 of the Companies Act 2006. Visa Inc. is incorporated in the United States of America and copies of Visa Inc.'s financial statements are available from its website.

Going concern

The directors have adopted the going concern basis in preparing these financial statements having given due consideration to the liabilities of the Company and the consistent earnings growth over the years. The period covered by the directors assessment of going concern is in excess of twelve months from the date of approval of the financial statements. The directors considered the impact of COVID-19 and the evolving macroeconomic uncertainty (supply chain issues, inflation, rising interest rates, geopolitical considerations) in their assessment including the severe but reasonably possible downside scenarios, such as ongoing or further periods of travel bans and restrictions, quarantines, shelter-in-place or total lock-down orders and business limitations and shutdowns in the next twelve months, or client insolvencies. The directors also considered the impact of Retailer Litigation in their assessment. (Refer to Note 29, Retailer Litigation, for further details.) The directors have established that the Company's balance sheet is strong and the Company can withstand significant interruption to its revenues without jeopardizing either its capital or liquidity positions.

Although losses will be borne in the first instance by Visa Europe, Visa Inc., the Company's overall parent company, has agreed to recapitalise Visa Europe, via a share subscription agreement executed between Visa Europe and Visa International Holdings Limited, funded by Visa Inc., if financial resources fall below levels that are outside Visa Europe's risk appetite as a result of any litigation settlement. Visa Europe maintains a Financial Recovery Plan that details the steps that would be taken in the event of any significant shortfall in financial resources.

Adoption of new or revised standards

Amendments were made to the following accounting standards in the current financial year and the adoption of these standards has had no material impact on these financial statements:

Amendments to References to Conceptual Framework in IFRSs
Amendments to IAS 39, IFRS 9 and IFRS 7: Interest Rate Benchmark Reform
Amendments to IAS 1 and IAS 8: Definition of Material
Amendments to IFRS 3: Definition of a Business
Amendment to IFRS 16: COVID-19 Related Rent Concessions

The following revisions to accounting standards and pronouncements which are applicable to the Company were issued as at 30 September 2021, but are effective for accounting periods beginning on or after 1 October 2021. The use of these standards that have yet to be endorsed by the European Union is not permitted. Where the standards listed below have been endorsed by the European Union and early adoption is permitted, the Company has elected not to apply them in the preparation of these financial statements.

Pronouncement	Nature of change	Latest effective date for the Company
Amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform-Phase 2	To ensure that financial statements best reflect the economic effects of IBOR reform, the IASB has issued amendments that focus on the accounting once a new benchmark rate is in place.	1 October 2021
Amendments to IAS 37: Onerous Contracts-Cost of Fulfilling a Contract	The amendments clarify the types of costs a company includes as the 'costs of fulfilling a contract' when assessing whether a contract is onerous.	1 October 2022
Annual Improvements to IFRS Standards 2018-2020	IFRS 1 - First-time Adoption of International Financial Reporting Standards IFRS 9 - Financial Instruments IFRS 16 - Leases IAS 41 - Agriculture	1 October 2022
Amendments to IAS 16: Property, Plant and Equipment Proceeds before Intended Use	To address diversity in practice, the IASB has amended IAS 16, Property, Plant and Equipment, to provide guidance on the accounting for sale proceeds before PPE is available for its intended use and the related production costs.	1 October 2022
Amendments to IFRS 3: Reference to the Conceptual Framework	The amendments (1) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; (2) adds to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and (3) adds to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	1 October 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB has amended IAS 1.	1 October 2023
IFRS 17: Insurance Contracts and Amendments to IFRS 17	The IASB aims for greater comparability and transparency for investors and analysts. With these amendments, the IASB is responding to the concerns and implementation challenges raised by insurers and other stakeholders, having monitored and supported IFRS 17 implementation since its publication in 2017.	1 October 2023

2. Significant accounting policies *continued*

Pronouncement	Nature of change	Latest effective date for the Company
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	The IASB has recently issued amendments to IAS 1, Presentation of Financial Statements, and an update to IFRS Practice Statement 2, Making Materiality Judgements, to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: requiring companies to disclose their material accounting policies rather than their significant accounting policies: clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.	1 October 2023
Amendments to IAS 8: Definition of Accounting Estimates	The IASB has issued amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.	1 October 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Amendments to IAS 12, Income Taxes, clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.	1 October 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments respond to a conflict in existing guidance, and the resulting diversity in practice. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. The amendments require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 -Business Combinations.	Effective date deferred indefinitely

The above amendments to accounting standards and pronouncements applicable to the Company effective for accounting periods beginning after 30 September 2021 are not expected to have a material impact.

Foreign currency translation

The Company's financial statements are presented in Euros, which is Visa Europe's functional currency. In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Any resulting exchange differences are included in administrative expenses in the income statement. Non-monetary items measured at fair value on recognition and subsequently revalued are translated at the rates prevailing at the date when the initial fair value was determined. Non-monetary items measured in terms of historical cost that are denominated in foreign currencies are translated using the exchange rate at the date of the transaction.

In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts. The nature of the Company's currency risks is explained in Note 24 (see below for details of the Company's accounting policies in respect of such derivative financial instruments).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents service fees, data processing fees and international fees, net of volume-based discounts and support incentives. VAT and other sales-related taxes.

Scheme fees predominantly represent payments by clients with respect to the Visa card programme. Current quarter scheme fees are assessed using a calculation of current pricing applied to the prior quarter's payments volume Data processing fees represent user fees for authorisation, clearing, settlement and other activities that facilitate transaction and information flow among the Company's clients. Data processing revenues are recognised in the same period the related transactions occur or services are performed. International fees are determined by the extent to which Visa cards issued by Visa Europe clients are used non-domestically and Visa cards issued elsewhere are used within the Visa Europe territories. International fees are primarily generated by cross-border payments and cash volume and are recognised in the same period related volumes are transacted.

Client incentive agreements (Incentives or CIAs)
The Company enters into long-term contracts with financial institution clients, merchants and strategic partners for various programmes designed to build payments volume, increase Visa product acceptance. win merchant routing transactions over Visa's network and drive innovation.

Incentives are primarily accounted for as reductions to revenues or as operating expenses. Operating expense classification applies if the Company has enforceable rights under the contract to receive distinct goods/services from the customer, a separate identifiable benefit at fair value can be established, the goods/services are controlled by the Company and the Company is not required to pay or has the right to claw-back prepaid funds if not used as directed.

Client incentives are provided as discounts against fees or payouts to drive increased payments volume and transactions routed through Visa, which are then cleared and settled over Visa's network. Incentives costs, incurred in pursuit of revenue growth or retention, are considered direct costs of revenues and are treated as a contra to revenue in the income statement.

The Company generally capitalises advance incentive payments under these agreements. Advance payments relate to up front payments made in advance of any performance year or at the beginning of the contract, before which we are able to assess the clients' performance against contracted targets. These payments generally have a clawback element associated for non-performance of a pre-agreed condition or performance target. Advance payments are typically to support clients with migration, installing acceptance terminals or setting up on Visa's systems. amongst other uses. Capitalised amounts are amortised over the life of the agreement. Incentives not yet paid are accrued based on management's estimate of each client's performance against the contractual terms. These accruals are regularly reviewed and estimates of performance are adjusted, as appropriate, based on changes in performance expectations, actual client performance, amendments to existing contracts or the execution of new contracts. If there is a history of renewal with a client, accruals are recorded during any gap period, based on an estimated accrual under the expired contract. Any amount in excess of what was accrued under the new contract, would be deferred and amortized over the new contract term.

Leasing
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee
At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. Lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Company does not combine lease payments with non-lease components for any of its leases.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses. if any. and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or. if that rate cannot be readily determined, a rate based upon the Visa Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed and determinable payments;
- variable lease payments that depend on an index or a rate. initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise. lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property as a separate line item in the statement of financial position. The current portion of lease liabilities are included in Trade and other payables and the non-current portion is included in Other liabilities in the statement of financial position.

Depreciation of right-of-use assets is charged to the income statement and included in Other administrative expense. Interest expense on lease liabilities is charged to the income statement and included in Net finance (expense)/income.

Short-term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as lessor
At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of Other operating income in the income statement.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax in the income statement except as relates to other comprehensive income. Tax related to other comprehensive income is included in the statement of other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit for the year attributable equity holders of the parent as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the year. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities and when they relate to income taxes levied by the same taxation authority.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Visa's UK tax strategy, which is available from the Company's website, can be found here: https://www.visa.co.uk/content-dam/VCOM/regional/ve/unitedkingdom/PDF/visa-in-europe/uk-tax-strategy-for-publication-28-7-21%20.pdf .

Property, plant and equipment
Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of self-constructed assets includes the costs of materials and direct labour. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Computer equipment and software includes integrated computer hardware, purchased software and IT system infrastructures that consist of integrated hardware and software.

Land is not depreciated. Depreciation on all other assets is charged to the income statement using the straight-line method so as to write off the cost of the asset to the estimated residual value over the estimated useful life on the following bases:

Buildings	40 years
Leasehold improvements	40 years (or lease term if shorter)
Fixtures and equipment	3 to 10 years
Computer equipment and software	3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Goodwill and intangible assets
Goodwill arising from a business combination represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses to the income statement.

Operating rights, an intangible asset, assessed to have an indefinite useful life as, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company.

Intangible assets also include customer relationships, brand and internally generated software (IGS), which is software designed, developed and commercialised by the Company to generate economic profit. Development expenditure for IGS is capitalised as an intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognised in the income statement as incurred.

Expenditure related to research-associated activities is recognised as an expense in the period in which it is incurred. IGS is initially capitalised and held in property, plant and equipment and is transferred to intangible assets when the software is brought into use.

Intangible assets are recorded at cost less accumulated amortisation and any impairment losses. Amortisation for customer relationship, brand and internally generated software are charged to the income statement using the straight-line method so as to write off the cost of the assets over their estimated useful lives on the following bases:

Customer relationships	15 years
Brand	15 years
Internally generated software	3 to 10 years

Impairment of tangible and intangible assets
At each reporting date, or more frequently when an indication of impairment has been identified, the Company reviews the carrying amounts of its tangible assets, intangible assets and goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately. If the recoverable amount of goodwill is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets of the cash-generating unit on a pro-rata basis

Where an impairment loss, other than goodwill. subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. Impairment losses on goodwill are not subsequently reversed.

Financial instruments

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through OCI (FVOCI) — debt *investment; FVOCI — equity investment; or Fair Value through Profit and Loss* (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held tor trading. the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

On initial recognition. the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensation - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not quality for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment. 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount and/or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate terms;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassed to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. In addition, in determining whether a market is active the Company takes into consideration transaction volumes for the instrument in the given market and whether transaction frequency and volumes drive the provision of pricing information on an ongoing basis. If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

In the instance that fair values of assets and liabilities cannot be reliably measured, they are carried at cost.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, less any reduction for impairment.

Financial instruments derecognition

The Company derecognises a financial asset when the contractual rights to the cashflows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial asset that is created or retained by the Company is recognised as a separate asset or liability.

The difference between the carrying amount of the asset (or that allocated to the portion of the asset derecognised) and the sum of i) the consideration received and ii) any cumulative gain or loss recognised in other comprehensive income, is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Trade receivables and other receivables

Trade receivables are measured at fair value at the date of trade plus directly attributable transaction costs on initial recognition, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement. When estimating loss allowances for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, short-term bank deposits with an original maturity of three months or less, money market funds and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and overdrafts are held separately on the statement of financial position as assets and liabilities, but are combined for the purpose of the statement of cash flows. Cash and overdrafts are carried at amortised cost in the statement of financial position.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities

Derivative financial instruments and cash flow hedge accounting

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Netting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right at all times to offset the amounts and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Retirement benefit schemes

Obligations for contributions to defined contribution plans are expensed as the related service is provided and recognised as employee benefits in the income statement. The Company currently operates defined contribution pension schemes and the schemes are open to new entrants.

For defined benefit plans, which are open to future accrual but closed to new entrants, the Company's net obligation is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in employee benefits in the income statement.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Share-based payments

The overall parent company of Visa Europe issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The fair value of awards of non-vested shares is equal to the closing price of the Visa Inc. shares on the date of grant, adjusted for the present value of future dividend entitlements where appropriate.

Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value using a commercial rate where the effect is material. The discount rate adopted for present value purposes in calculating provisions is pre-tax, reflective of the risks specific to the liability, and not reflective of risks for which future cash flow estimates have been adjusted. Discounts are unwound through the income statement from the date the provision is made up to the date that the expenditure covered by the provision is incurred.

Contingent liabilities are disclosed when the Company has a present obligation as a result of a past event, but the probability that it will be required to settle that obligation is more than remote, but not probable.

3. Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Retirement benefits (Estimate)

The defined benefit schemes' liabilities are calculated using the projected unit credit method, which takes into account projected earnings increases, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the scheme liabilities. The resulting estimated cash flows are discounted at a rate equivalent to the market yield at the balance sheet date on high quality bonds with a similar duration and currency to the schemes' liabilities. In order to estimate the future cash flows, a number of financial and non-financial assumptions are made by management, changes to which could have a material impact upon the overall deficit or the net cost recognised in the income statement.

The three most important assumptions are the rate of inflation, the discount rate and the rates of mortality. The Company's UK defined benefit pension scheme, as of 30 September 2021, has 80 active members (current employees of the Company), 647 deferred members (former employees of the Company) and 241 retired members (currently receiving a pension from the scheme).

The assumed rates of inflation affect the rate at which salaries and deferred pensions are projected to grow before retirement and also the rates at which pensions in payment increase. Over the longer term, rates of inflation can vary significantly; at 30 September 2021 it was assumed that the rate of inflation was based on the increase in the Retail Prices Index (RPI), for which an assumption of 3.40% per annum (2020: 3.00%) was made, and also on the increase in the Consumer Prices Index (CPI), for which an assumption of 2.50% per annum was made (2020: 2.20%). If these assumptions were increased by 0.25% (2020: 0.1%), and the other inflation related assumptions were increased by a commensurate amount, the overall deficit would increase by approximately €17.5 million (2020: €9 million) and the annual cost by approximately €0.4 million (2020: €0.2 million). A reduction of 0.25% (2020: 0.1%) would reduce the overall deficit by approximately €16.1 million (2020: €8.9 million) and the annual cost by approximately €0.4 million (2020: €0.2 million). The size of the overall deficit is also sensitive to changes in the discount rate, which is affected by market conditions and therefore potentially subject to significant variations.

At 30 September 2021 the discount rate used was 2.10% (2020: 1.60%); a reduction of 0.25% (2020: 0.1%) would increase *the overall deficit by approximately €24 million (2020: €10.6 million) and the annual cost by approximately €0.7 million (2020:* €0.2 million), while an increase of 0.25% (2020: 0.1%) would reduce the deficit by approximately €21.3 million (2020: €10.4 million) and the annual cost by approximately €0.7 million (2020: €0.2 million).

The sensitivities level was increased from 0.1% in 2020, to 0.25% in 2021, as short term volatility was higher than normal in 2021 and current market trends reflect this level of sensitivity.

The size of the overall deficit is also sensitive to changes in the assumption for rates of mortality, which is another variable that cannot be predicted with any degree of certainty; it is therefore also an assumption which is subject to variations over time (both in terms of the ultimate rates observed and what is considered a reasonable assumption for projecting future improvements to these rates).

In particular, during financial years 2021 and 2020, there was further uncertainty introduced by the COVID-19 global pandemic. No excessive deaths from COVID-19 had been experienced in the scheme so no change to the assumption for current rates of mortality was made, nor for the long term rates of improvement. If the assumed life expectancy was increased by approximately* one year the overall deficit would increase by approximately €17 million (2020: €16 million) and the annual cost by approximately €0.4 million (2020: €0.9 million). If the assumed life expectancy was reduced by approximately* one year the overall deficit would reduce by approximately €16.7 million (2020: €15.7 million) and the annual cost by approximately €0.4 million (2020: €0.3 million).

The scheme exposes the Company to the following risks:

- Asset volatility: The Plan's assets may underperform the discount rate assumed over any accounting period.
- Inflation risk: A significant proportion of the Plan's benefits increase in line with the UK inflation measures, RPI and CPI. Unexpected increases in UK inflation would lead to higher Plan benefits.
- Longevity: Unexpected increases in life expectancy would increase the Plan's liabilities.

*We have approximated the change in life expectancy by assuming that everyone experiences the mortality rates (prior to the allowance for improvements) of someone aged one year younger or older than they actually were.

Provisions and contingent liabilities (Judgement and Estimate)

The Company exercises its judgement in considering whether a liability may arise and where estimation is possible, makes an estimate of that liability. Judgement is necessary in assessing the likelihood that a claim or allegation will succeed or that a negotiated settlement may be reached. Judgement is further required in recognising and estimating the quantum of provisions (see Note 21) and contingent liabilities (see Note 26) related to legal and regulatory proceedings.

The Company evaluates the likelihood of an unfavourable outcome in legal or regulatory proceedings to which it is a party and recognises a provision when it is probable that an outflow of resources will be required to settle the obligation and the amount of the loss can be estimated reliably. "Probable" is defined as more likely than not. The amount recorded as a provision is the Company's best estimate of the expenditure required to settle the obligation. If the best estimate of the expenditure is a range, and if one amount in that range represents a better estimate than any other amount within the range, that amount is recorded. If no amount in the range is a better estimate than any other amount, the Company recognises the midpoint of the range for recording the liability. These judgements are subjective, based on the status of such legal or regulatory proceedings, the merits of the Company's defences and consultation with corporate and external legal counsel. Actual outcomes of these legal and regulatory proceedings may differ materially from the Group's estimates. See Note 21 - Provisions and Note 29 - Retailer Litigation.

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote. See Note 26 - Contingent liabilities and Note 29 - Retailer Litigation.

Due to the inherent uncertainty in these evaluation processes, assessments or estimates may prove to be incorrect and actual outflows of resources may be different from the original assessment.

4. Revenue

An analysis of the Company's revenue is as follows:

	2021 **€'000**	2020 €'000
Gross revenue	**4,727,985**	4,074,852
Incentives	**(1,183,680)**	(1,020,098)
Net revenue	**3,544,305**	3,054,754

Separation of gross revenue by the Company's three business units, Scheme, Processing and International fees, is as follows:

	2021 €'000			
	Scheme	Processing	International fees	Total
Gross revenue	**810,767**	**1,062,212**	**2,855,006**	**4,727,985**

	2020 €'000			
	Scheme	Processing	International fees	Total
Gross revenue	635,818	946,336	2,492,698	4,074,852

The following table provides information about contract assets and contract liabilities from client incentive contracts with customers:

	2021 **€'000**	2020 €'000
Contract assets	**586,744**	558,287
Contract liabilities	**(875,322)**	(847,361)

The contract assets primarily relate to advance payments made on the Company's client incentive agreements with financial institution clients, merchants and various strategic partners. Contract assets also include the deferral of accruals relating to the difference that arises when the start date of a new or modification agreement is earlier than the execution date, and the incentives provided are applicable from the start date rather than the execution date. The contract assets were impacted by new agreements signed with clients and the amortization of existing assets over the period of the respective contract terms. There were no significant impairments to contract assets during the period.

The contract liabilities primarily relate to unpaid incentives on agreements with clients and partners, as at the reporting date. The contract liabilities were impacted by payments made against accruals from the previous period and the accounting for obligations arising from new contracts signed with customers.

Contract assets and contract liabilities are presented in the statement of financial position within trade and other receivables and trade and other payables, respectively. (Refer to Note 16, Trade and other receivables, and Note 18, Trade and other payables.)

5. Administrative expenses

Other administrative expense includes:

	2021 €'000	2020 €'000
Foreign exchange net (gain)/loss	**(28,606)**	106,560
Research and development costs	**—**	1,749
Auditor's remuneration (see Note 6)	**1,874**	1,912
Loss on disposal of property, plant and equipment (see Note 11)	**1,041**	4,595
Other remaining costs	**959,123**	934,882
Total Other administrative expense	**933,432**	1,049,698

Other remaining costs within other administrative expense includes charges from Visa Inc. (resulting from our contractual arrangement with Visa Inc. as governed by the Framework Agreement - refer to Note 28), along with professional, consulting and marketing costs.

Depreciation and amortisation includes:

	2021 €'000	2020 €'000
Depreciation of property, plant and equipment (see Note 11)	**27,011**	31,369
Amortisation of intangibles (see Note 12)	**478**	675
Depreciation of right-of-use assets (see Note 27)	**11,580**	11,887
Total Depreciation and amortisation	**39,069**	43,931

In financial year 2021, the Company recorded settlement costs of €42 million (2020: €35 million) in total with individual merchants related to multilateral interchange fees, which includes incremental charges associated with settlement of the Retailer Litigation case, and the charges are reflected in Retailers provision and expense in the Company's income statement. See Note 21, Provisions, and Note 29, Retailer Litigation, for further details.

Refer to Note 8 for details of Employee benefits.

6. Auditor's remuneration

The remuneration of the auditor, KPMG LLP, is set out below:

	2021 €'000	2020 €'000
Fees payable to the Company's auditor for the audit of the annual accounts	**1,176**	1,186
Fees payable to the Company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	**80**	79
Audit related assurance services	**409**	430
Other assurance services	**209**	217
	1,874	1,912

In the prior year, Audit related and Other assurance services were disclosed as a single line, 'Other assurance services'. 2020 has been re-presented to be consistent with the current year classification.

Audit related assurance services both in the current and prior year, related primarily to regulatory assurance associated with Interchange Fee Regulation (IFR) reporting and other regulatory reporting.

7. Re-measurement income

	2021 €'000	2020 €'000
Net realised gain on derivatives in a designated hedge accounting relationship	**5,054**	39,414
Net unrealised (loss)/gain on derivatives in a designated hedge accounting relationship	**(4,960)**	13,372
	94	52,786

There was €0.8 million ineffectiveness arising from cash flow hedges included in re-measurement income (2020: €0.3 million).

8. Employee benefit costs and employee numbers

Employee benefit costs were as follows:

	2021 €'000	2020 €'000
Wages, salaries, and performance related pay	**246,695**	220,264
Social security costs	**49,413**	42,935
Other retirement benefit obligation costs	**26,078**	26,762
Share-based payment	**31,888**	27,900
Severance costs	**6,940**	112
Other	**4,027**	4,562
	365,041	322,535

The average monthly number of employees (including executive directors) was:

	2021	2020
Technology and Business operations	**1,260**	1,202
Sales and marketing	**226**	221
Management and administrative	**426**	388
	1,912	1,811

The classification of employees in 2020 have been represented to be consistent with the current year classification.

Share-based payment arrangements

Description of Share-based payment arrangements

Equity based remuneration has been issued to select employees since November 2017. The majority of awards are made as part of the annual compensation cycle in the form of Restricted Stock Units (RSUs) with some executives eligible to receive stock options. Awards are made by the overall parent company, Visa Inc.

Shares generally vest rateably over three years from the date of grant, subject to earlier vesting in full under certain conditions. Recipients must be employed through each respective grant date, except in the case of termination of employment due to death or disability, in which case restrictions would cease immediately.

	Restricted Stock Units	Weighted-Average Grant Date Fair Value[1]	Weighted Average Remaining Contractual Term (in years)	Fair Value at Grant[1]
Outstanding at 30 September 2020	382,733	$154.02		
Granted	213,194	$208.38		$208.38
Exercised	(188,229)	$142.57		
Transfers out	(1,027)	$181.08		
Forfeited[2]	(25,600)	$185.73		
Outstanding at 30 September 2021[3]	**381,071**	**$187.91**	**1.4**	

1 Visa Inc shares are quoted in USD

2 No shares expired during the period

3 None of the shares outstanding as at 30 September 2021 are exercisable

Measurement of Share-based payment arrangements

RSUs have been treated as equity-settled share-based payment transactions and have been valued at Visa Inc.'s closing stock price on the date of grant, or in cases where the date of grant is not a trading day, the last trading day prior.

Each RSU entitles the participant to dividend equivalents with respect to regular cash dividends during the period from the grant date to the date such shares are delivered to employees. Dividend equivalents have been settled in cash.

Details of increase in equity arising from Share-based payments

RSUs have been granted by the overall parent company, Visa Inc.. which are not charged back to the Company. The benefit received by the Company is therefore considered a capital contribution recognised in equity.

The expense recognised for the period totals:

Equity settled transactions	**2021 €'000**	2020 €'000
Total Share-based payment expense recognised during the period	**31,888**	27,900

9. Remuneration of directors

The remuneration of the directors for the year was as follows:

	2021 €'000	2020 €'000
Directors fees and expenses	**628**	628
Base remuneration	**1,057**	1,014
Performance related bonuses	**799**	784
Share-based payment	**2,167**	2,821
Retirement benefits	**91**	91
Other benefits	**42**	38
	4,784	5,376

The emoluments and amounts receivable under long-term incentive schemes of the highest paid director were as follows:

	2021 €'000	2020 €'000
Base remuneration	**630**	625
Performance related bonuses	**554**	552
Share-based payment	**1,753**	2,393
Retirement benefits	**57**	56
Other benefits	**20**	20
	3,014	3,646

Share-based awards granted in the year are delivered in a mix of equity instruments with both performance and time-bound restrictions over the next three years (see Note 8).

The final amount delivered to the employee for the performance-based shares are dependent on the achievement of both performance and market conditions of the three-year period and can range from zero to 200% of the grant value.

None of the directors are members of a defined benefit scheme (2020: nil). During the year, four of the directors received share options and received shares under a long-term incentive scheme (2020: four directors).

The remuneration of three directors, which is included in the remuneration of the directors above, was incurred and paid by other Visa Inc. group companies in both 2021 and 2020 and was not charged back to the Company.

10. Income tax expense

The Income tax expense represents the sum of both current and deferred taxes.

Current tax payable is based on taxable profit for the year. Taxable profit can differ from the profit reported on the income statement due to permanent or timing differences for tax purposes.

Deferred tax is the tax expected to be payable or recoverable in the future, arising from temporary differences between the carrying value in the accounts and the tax bases used in the computation of taxable profits.

	2021 €'000	2020 €'000
Current tax:		
UK corporation tax:		
Current tax on profit for the year	**402,765**	315,317
Adjustment in respect of prior years	**(1,321)**	(3,969)
	401,444	311,348
Foreign tax:		
Current tax on profit for the year	**7,903**	5,917
Total current income tax expense	**409,347**	317,265
Deferred tax (Note 15):		
Origination and reversal of temporary differences	**(2,297)**	(6,313)
Adjustment in respect of prior years	**(4,080)**	2,252
Rate change	**(1,985)**	352
	(8,362)	(3,709)
Total income tax expense	**400,985**	313,556

Reconciliation of income tax expense

The income tax expense for the year is lower than the UK tax rate of 19.0% (2020: higher than the UK tax rate of 19.0%). The table below reconciles the tax charge at the UK statutory tax rate to the actual tax charge for the year.

	2021 €'000	2020 €'000
Profit before tax	**2,134,714**	1,637,786
Taxation at the standard UK tax rate of 19.0%	**405,596**	311,179
Effects of:		
Non-deductible expenses	**636**	1,432
Other permanent differences	**(1,984)**	—
Higher country rates	**4,123**	2,310
Rate change for deferred tax	**(1,985)**	352
Prior year adjustments	**(5,401)**	(1,717)
Total income tax expense (see above)	**400,985**	313,556

Finance Act 2021, enacted on 10 June 2021, increases the main rate of UK corporation tax to 25% from 1 April 2023.

Deferred tax assets and liabilities are required to be valued using the tax rate which will be in force at the time when the temporary difference is expected to unwind. In line with the requirements of IAS 12, the impact of the future change in rate to 25% has been reflected in the deferred tax balances at 30 September 2021.

Future tax charges, and therefore the Company's effective tax rate, may be affected by factors such as acquisitions, disposals, restructuring, tax regime reform and resolutions of open matters as we continue to manage our tax affairs.

Income tax recognised in other comprehensive income and directly in reserves

	2021 €'000			2020 €'000		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Charged to other comprehensive income:						
Net gains arising on hedging derivatives	**12,710**	**(2,415)**	**10,295**	34,693	(4,111)	30,582
Net gains transferred from other comprehensive income to income statement	**(28,002)**	**5,321**	**(22,681)**	(13,757)	—	(13,757)
Remeasurement gains/(losses) on defined benefit pension schemes	**47,176**	**(9,951)**	**37,225**	(11,274)	6,131	(5,143)
Charged directly in reserves:						
Equity settled share-based payment transactions	***31,888***	***(52)***	***31,836***	*27,900*	*724*	*28,624*

11. Property, plant and equipment

	Land, buildings and leasehold improvements €'000	Assets in course of construction €'000	Fixtures and equipment €'000	Computer equipment and software €'000	Total €'000
Cost					
At 30 September 2019	46,470	29,552	17,640	87,139	180,801
Additions	—	41,310	—	456	41,766
Transfers between items	36,783	(60,967)	3,787	20,397	—
Transfer adjustment from subsidiary companies	(5,556)	—	(289)	(2,611)	(8,456)
Disposals	(3,000)	—	(351)	(11,537)	(14,888)
At 30 September 2020	74,697	9,895	20,787	93,844	199,223
Additions	**—**	**25,580**	**—**	**—**	**25,580**
Transfers between items	**15,235**	**(30,089)**	**2,142**	**12,712**	**—**
Transfer adjustment from subsidiary companies	**663**	**—**	**—**	**—**	**663**
Disposals	**(6,953)**	—	**(13,630)**	**(55,426)**	**(76,009)**
At 30 September 2021	**83,642**	**5,386**	**9,299**	**51,130**	**149,457**
Accumulated depreciation					
At 30 September 2019	(14,444)	—	(7,208)	(38,350)	(60,002)
Charge for the year	(6,761)	—	(2,850)	(21,758)	(31,369)
Transfer adjustment from subsidiary companies	2,068	—	103	2,014	4,185
Disposals	2,533	—	18	7,742	10,293
At 30 September 2020	(16,604)	—	(9,937)	(50,352)	(76,893)
Charge for the year	**(7,061)**	**—**	**(3,024)**	**(16,926)**	**(27,011)**
Transfer adjustment from subsidiary companies	—	—	—	—	—
Disposals	**6,953**	**—**	**13,414**	**54,601**	**74,968**
At 30 September 2021	**(16,712)**	—	**453**	**(12,677)**	**(28,936)**
Carrying amount					
At 30 September 2020	58,093	9,895	10,850	43,492	122,330
At 30 September 2021	**66,930**	**5,386**	**9,752**	**38,453**	**120,521**

There are no restrictions on title and property, plant and equipment have not been pledged as security for liabilities.

An annual assessment has been made as to whether the carrying amount of tangible assets is impaired. No such indication of impairment was identified.

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2021 €'000	2020 €'000
Contracted purchase of software and computer equipment	**5,135**	1,551
Contracted expenditure on buildings, fixtures and equipment	**2,561**	4,554
	7,696	6,105

12. Goodwill and intangibles

	Goodwill €'000	Operating rights €'000	Customer relationships €'000	Brand €'000	Internally generated software €'000	Total €'000
Cost						
At 30 September 2019	33,015	20,519	3,711	757	1,846	59,848
Additions	—	—	—	—	—	—
At 30 September 2020	33,015	20,519	3,711	757	1,846	59,848
Additions	—	—	—	—	—	—
At 30 September 2021	**33,015**	**20,519**	**3,711**	**757**	**1,846**	**59,848**
Accumulated amortisation						
At 30 September 2019	—	—	(2,394)	(484)	(1,291)	(4,169)
Charge for the year	—	—	(248)	(51)	(376)	(675)
At 30 September 2020	—	—	(2,642)	(535)	(1,667)	(4,844)
Charge for the year	—	—	**(248)**	**(51)**	**(179)**	**(478)**
At 30 September 2021	—	—	**(2,890)**	**(586)**	**(1,846)**	**(5,322)**
Carrying amount						
At 30 September 2020	33,015	20,519	1,069	222	179	55,004
At 30 September 2021	**33,015**	**20,519**	**821**	**171**	—	**54,526**

The operating rights have been assessed as having an indefinite life because Visa Europe has signed an exclusive, irrevocable licensing arrangement in perpetuity with Visa Inc. to use the Visa trademarks and technology, and the Company is expected to generate net cash inflows indefinitely.

An annual assessment has been made as to whether the carrying value of goodwill is impaired. The recoverable amount of goodwill has been based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of cash generating units (CGUs). The carrying amount of the goodwill has been determined to be lower than its recoverable amount, indicating no impairment.

An annual assessment has been made as to whether the carrying amount of intangible assets that have a definitive useful life is impaired. No such indication of impairment was identified.

13. Investment in subsidiaries

	2021	2020
	€'000	€'000
Cost and carrying value		
At 30 September	**53**	49

Details of the Company's subsidiaries, which are all direct investments, at 30 September 2021 are as follows:

Name	Place of incorporation ownership (or registration)	Place of operation	Proportion of ownership interest	Proportion of voting power held	Method used to account for investment
Visa Europe Services LLC ("VES" - formerly Visa Europe Services Inc.) (1)	USA	UK	100%	100%	Cost
Visa Europe Management Services Limited ("VEMS") (1)	UK	UK	100%	100%	Cost
Visa Europe (Malta) Limited (2)	Malta	Malta	100%	100%	Cost
Visa Europe (Cyprus) Limited (3)	Cyprus	Cyprus	100%	100%	Cost
Visa Europe Management Services (Ireland) Private Limited (4)	Ireland	Ireland	100%	100%	Cost
Visa Europe Pension Trustee Limited (1)	UK	UK	100%	100%	Cost
Visa Europe (Netherlands) B.V. (5)	Netherlands	Netherlands	100%	100%	Cost
Visa Europe (Slovakia) s.r.o. (6)	Slovakia	Slovakia	85%	85%	Cost
Visa Europe (Latvia) S.I.A. (7)	Latvia	Latvia	100%	100%	Cost
Visa Europe Greece Limited Liability Company (8)	Greece	Greece	99%	99%	Cost

(1) The registered address of these subsidiaries is 1 Sheldon Square, London, United Kingdom, W2 6TT.
(2) The registered address of Visa Europe (Malta) Ltd is Regus, 2nd Floor, Tower Business Centre, Tower Street, Swatar, Malta, BKR 4013.
(3) The registered address of Visa Europe (Cyprus) Ltd is Karaiskaki, 13, 3032, Limassol, Cyprus.
(4) The registered address of Visa Europe Management Services (Ireland) Private Limited is 112-114 St Stephen's Green, Dublin 2, D02 Td28.
(5) The registered address of Visa International (Holland) B.V. is Herikerbergweg 292-342 Diana Building Office 0.02 1101 CT
(6) The registered address of Visa Europe (Slovakia) s.r.o is Michalská 9, Bratislava - Staré Mesto, 811 01
(7) The registered address of Visa Europe (Latvia) S.I.A is Riga, Terbatas Street 14 – 3
(8) The registered address of Visa Europe Greece Limited Liability Company is 13 Posidonos Avenue, GR-17455 Alimos, Athens, Greece

On 30 June 2020, Visa International (Holland) B.V. was transferred to the Company from Visa International Service Association and renamed to Visa Europe (Netherlands) B.V.

On 13 June 2020, Visa Europe (Slovakia) s.r.o. was formed, which is 85% held by the Company and 15% held by VEMS, a wholly owned subsidiary of the Company.

On 26 October 2020, Visa Europe (Latvia) S.I.A. was formed, which is 100% held by the Company.

On 23 September 2021, Visa Europe Greece Limited Liability Company was formed, which is 99% held by the Company and 1% held by VEMS, a wholly owned subsidiary of the Company.

14. Financial assets

	2021	2020
	€'000	€'000
Currency derivatives (see Note 25)	**6,469**	26,300
Total financial assets	**6,469**	26,300

The total gross notional amount in respect of all derivative contracts as at 30 September 2021 was €875 million (2020: €1,744 million).

15. Deferred tax

The table below summarises the deferred tax assets and liabilities recognised by the Company and movements thereon during the current reporting period.

	Accelerated tax depreciation €'000	Retirement benefit obligations €'000	Other temporary differences €'000	Total €'000
Deferred tax assets/(liabilities) at 1 October 2020	**34,558**	**6,074**	**(30,754)**	**9,878**
(Charge)/credit to income statement	**(7,667)**	**(2,863)**	**12,827**	**2,297**
(Charge)/credit to other comprehensive income	**—**	**(9,951)**	**2,906**	**(7,045)**
Charge to reserves	**—**	**—**	**(52)**	**(52)**
Prior year adjustment to income statement	**209**	**3,007**	**864**	**4,080**
Rate change to income statement	**5,094**	**(2,384)**	**(725)**	**1,985**
Other movements	**10**	**(2)**	**—**	**8**
Deferred tax assets/(liabilities) at 30 September 2021	**32,204**	**(6,119)**	**(14,934)**	**11,151**

The deferred tax assets and liabilities have been offset where there is a legal right of set off. The deferred tax assets and liabilities recognised in the statement of financial position relate to accelerated tax depreciation, retirement benefit obligation and other temporary differences. Other temporary differences relate to stock based compensation, derivative instruments, the net impact of the implementation of IFRS 15 and other short term differences.

Certain deferred tax assets and liabilities have been offset where the netting criteria has been met. The following is the analysis of the deferred tax balances (before offset) for financial reporting purposes:

	2021 €'000	2020 €'000
Deferred tax assets	**47,529**	51,544
Deferred tax liabilities	**(36,378)**	(41,666)
	11,151	9,878

Deferred tax assets comprise accelerated tax depreciation, stock based compensation and other short term differences. Deferred tax liabilities relate to retirement benefit surplus, the net impact of the implementation of IFRS 15 and derivative instruments.

16. Trade and other receivables

	2021 €'000	2020 €'000
Trade receivables	**1,240,849**	985,467
Net amounts owed by related parties (see Note 28)	**667,865**	391,020
Other receivables	**596,679**	566,102
Prepayments	**53,244**	13,154
	2,558,637	1,955,743

Beginning in 2020, the Company is no longer required to settle its settlement positions with UK clients on a gross basis rather than net in certain circumstances. The Bank of England, in its capacity as the designating authority under the terms of the Financial Markets and Insolvency Regulations 1999 (as amended), granted the Company designation under the UK Settlement Finality Regulation with effect from 23 September 2020. This designation provides the Company legal protection from netting of UK client settlement positions being unwound in an insolvency event. Therefore, settlement receivable and payable positions with UK clients have been presented in the statement of financial position on a net basis.

At 30 September 2021, trade receivables included net settlement receivables of €936 million (2020: €758 million). The gross amount of the settlement receivable position, not including the €932 million (2020: €363 million) set off against settlement payables, is €1,868 million (2020: €1,121 million). (See also Note 18, Trade and other payables.)

Amounts owed to the Company by related parties is mainly due to the €632 million (2020: €375 million) international settlement receivable position between the Company and Visa Inc., which is normally settled daily on the next business day.

Other receivables are primarily related to client incentive assets (refer to Note 4).

The average debtor days on sales of services is 29 days (2020: 28 days). The Company does not charge interest on unpaid receivables for the first 30 days from the date of invoice.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

The Company's exposure to credit and currency risks as well as impairment losses related to trade and other receivables are disclosed in Note 25.

17. Cash and cash equivalents

	2021 €'000	2020 €'000
Money market investments	**4,221,668**	4,632,810
Bank balances	**609,766**	538,012
Bank overdrafts (see Note 19)	**(145)**	(3,457)
Total cash and cash equivalents	**4,831,289**	5,167,365

In the prior year, Money market investments and Bank balances were disclosed as a single line, 'Bank balances'. 2020 has been re-presented to be consistent with the current year classification.

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 25, Financial instruments. The Company's exposure to currency risk related to cash is also disclosed in Note 25.

18. Trade and other payables

	2021 €'000	2020 €'000
Trade payables	**1,699,424**	1,206,389
Net amounts owed to related parties (see Note 28)	**634,168**	799,405
Social security and other taxes	**23,311**	16,700
Accruals	**1,057,025**	965,603
Deferred income	**76,455**	49,746
Current lease liabilities (See Note 27)	**9,713**	10,724
	3,500,096	3,048,567

Beginning in 2020, the Company is no longer required to settle its settlement positions with UK clients on a gross basis rather than net in certain circumstances. Therefore, settlement receivable and payable positions with UK clients have been presented in the statement of financial position on a net basis.

At 30 September 2021, trade payables included net settlement payables of €1,594 million (2020: €1,135 million). The gross amount of the settlement payable position, not including the €932 million (2020: €363 million) set off against settlement receivables, is €2,526 million (2020: €1,498 million). (See also Note 16, Trade and other receivables.)

Amounts owed to related parties is mainly due to the provision of administrative and marketing support services from the Company's subsidiaries.

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs, in addition to settlement payables. The average creditor days for trade purchases is 45 days (2020: 59 days).

Accruals is primarily related to accrued client incentives (refer to Note 4).

19. Financial liabilities

	2021	2020
	€'000	€'000
Bank overdrafts	**145**	3,457
Currency derivatives	**6,435**	11,115
Total financial liabilities	**6,580**	14,572

The total gross notional amount in respect of all derivative contracts as at 30 September 2021 was €875 million (2020: €1,744 million).

Visa Europe is a designated borrower, along with Visa Inc. and other related entities, of a shared, stand-by credit facility that Visa Europe can access to meet liquidity needs, if required. The total facility of $5.0 billion was committed to the Visa Inc Group, including Visa Europe. As of 30 September 2021, Visa Europe had a nil draw on the credit facility (2020: nil).

20. Retirement benefit obligation

Defined contribution pension schemes

The Company currently operates defined contribution pension schemes and the schemes are open to new entrants. The retirement benefit obligation charge for the year represents contributions payable by the Company to the schemes and amounted to €18.5 million (2020: €22.2 million). The assets of the defined contribution schemes are held in independently administered funds. The charge in respect of these schemes is calculated on the basis of contributions payable by the Company in the financial year. Approximately 96% of all UK employees (2020: 96.0%) are members of these retirement benefit obligation schemes.

Defined benefit schemes

The Company provides benefits to certain employees through a defined benefit plan which is known as 'the Visa Europe Pension Plan' (VPP). Here the benefits are provided on a funded basis and are based on the final pensionable pay of VPPs members to the maximum level allowed by HMRC. The balance of the benefit, for those few individuals entitled to benefits above the maximum allowed by HMRC, is provided through an unfunded unapproved arrangement (UA). The UA scheme is classified in 'other schemes' in the following tables. The duration of the VPP scheme liabilities is estimated at 24 years. The VPP is open to future accrual but closed to new entrants.

The latest actuarial valuation for the VPP and UA schemes was carried out at 30 September 2020 and was updated for the purpose of IAS 19, Employee Benefits, to 30 September 2021 by a qualified independent actuary. As the schemes are closed to new members, it is expected that the cost of the schemes as a percentage of individual pensionable salaries will increase as the member's age.

The investment strategy of the VPP is the Trustees' responsibility after consulting with the Company. The triennial actuarial valuation of the VPP and UA schemes is used to judge the contribution the Company needs to pay into the pension scheme assuming a level of prudence in its assumptions. It may be different to the IAS 19 accounting assumptions, which is an accounting requirement concerning employee benefits and shown on the Company's statement of financial position. Accounting standards require all companies to assume their pension fund grows at a standard rate reflecting a relatively low level of risk. Generally, the actuarial deficit may be higher than the accounting deficit.

The defined benefit plan exposes the Company to risks, the most significant of which are:

- Asset volatility - The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets under-perform this yield, this will create a deficit. The VPP holds a significant proportion of growth assets (such as equities and diversified growth funds) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the VPP's long-term objectives.
- Inflation risk - A significant portion of the VPP's benefit obligations are linked to inflation, and higher inflation leads to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). Some of the assets are either unaffected by or loosely correlated with inflation, meaning that an increase in inflation could also increase the deficit.
- Changes in bond yields - A decrease in corporate bond yields will increase the value placed on the VPP's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the VPP's holdings.
- Life expectancy - Most of the VPP's obligations are to provide benefits for the lifetime of the member, so increases in life expectancy will result in an increase in the liabilities.

The Company and Trustees have agreed a long-term strategy to de-risk as and when appropriate. This includes an asset-liability matching policy, which aims to reduce the volatility of the funding level of the VPP. By investing in assets such as liability driven investments, which perform in line with the liabilities of the VPP, the VPP is protected to some extent against unanticipated changes in interest rates and inflation. For the life expectancy risk, the funding strategy includes margins for prudence in projecting future mortality improvements.

During 2010, Visa Europe acquired SAS Carte Bleue. The liabilities of SAS Carte Bleue included a defined benefit scheme, which is unfunded. This scheme, the France Pension Scheme, has been included within 'other schemes' and is in relation to retirement indemnities paid on retirement in line with French regulations. The latest actuarial review for the France Pension Scheme was carried out at 30 September 2021.

Nature of benefits provided by the VPP scheme:
The Company operates a defined benefit scheme in the UK which is a final salary plan and provides benefits linked to salary at retirement, at earlier date of leaving service or that effective at 1 February 2015. The VPP scheme, which as of 30 September 2021, has 80 active members (current employees of the Company), 647 deferred members (former employees of the Company) and 241 retired members (currently receiving a pension from the scheme), has been closed to new entrants since 2003.

Description of regulatory framework in which the VPP scheme operates
The UK pensions market is regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website, www.thepensionregulator.gov.uk.

On 26 October 2018, the High Court issued a judgement relating to Guaranteed Minimum Pensions (GMP) inequality in respect of the Lloyds Banking Group's defined benefit pension schemes. The ruling concluded that GMP benefits should be equalised between male and females for the schemes. Although the ruling relates to the Lloyds Banking Group sponsored schemes, it is expected that this will set a precedent for other UK registered defined benefit schemes. The judgement means there is likely to be an increase in the benefit obligations of other defined benefit schemes. The impact on the VPP liability is assessed to be immaterial.

On 20 November 2020, the High Court issued a further judgement ruling that Lloyds Banking Group pension scheme trustees are legally responsible for equalising the GMPs for the employees who transferred out of one of its defined benefit pension schemes. This was not addressed in the 2018 ruling. The impact of this new ruling on the VPP liability is assessed to be immaterial.

Description of responsibilities for governance of the VPP scheme
The Trustees have the primary responsibility for governance of the VPP - including the setting of contribution rates subject to consultation/agreement with the Company as required by the VPP's Trust Deed and Rules and overriding legislation. Benefit payments are from Trustee administered funds and VPP assets are held in a trust which is governed by UK regulation. The Trustees are comprised of qualified trustees who are independent of the Company, employee representatives of the Company and members in accordance with the Trust Deed and Rules.

Key actuarial assumptions used:

	2021 %	2020 %
Discount rate applied to scheme liabilities	**2.10**	1.60
Expected rate of salary increases (salary sacrifice members)	**2.50**	2.50
Future pension increases	**3.20**	2.90
Inflation (RPI)	**3.40**	3.00
Inflation (CPI)	**2.50**	2.20
	2021 **Years**	2020 Years
Life expectancy for a male aged 65	**23.5**	23.7
Life expectancy for a male aged 45 from the age of 65	**24.8**	25.1
Life expectancy for a female aged 65	**25.8**	26.6
Life expectancy for a female aged 45 from the age of 65	**27.3**	28.1

Amounts recognised through the income statement in respect of these defined benefit schemes are as follows:

	2021			2020		
	VPP €'000	**Other schemes €'000**	**Total €'000**	VPP €'000	Other schemes €'000	Total €'000
Current service cost	**3,506**	**980**	**4,486**	3,888	318	4,206
Net interest cost on net defined benefit liability	**442**	**59**	**501**	518	101	619
Past service costs	**—**	**27**	**27**	—	27	27
	3,948	**1,066**	**5,014**	4,406	446	4,852

Amounts recognised through the income statement have been included in administrative expenses. Remeasurement gains and losses have been reported in other comprehensive income.

The amounts included in the statement of financial position arising from the Company's obligations in respect of its defined retirement benefit schemes are as follows:

	Present value of defined benefit obligation €'000	Fair value of scheme assets €'000	Asset/ (liability) recognised in the statement of financial position €'000
2021			
VPP	**(449,279)**	**475,608**	**26,329**
Other schemes	**(8,932)**	**—**	**(8,932)**
Total	**(458,211)**	**475,608**	**17,397**
2020			
VPP	(476,963)	447,082	(29,881)
Other schemes	(5,186)	—	(5,186)
Total	(482,149)	447,082	(35,067)

On the Company's statement of financial position, retirement benefit obligations of €6.9 million (2020: €3.4 million) relate to the France Pension Scheme, which is the pension scheme for the French branch of Visa Europe. The remaining €2.0 million (2020: €1.8 million) relate to the EVP scheme.

Movements in the present value of defined benefit obligations were as follows:

	2021			2020		
	VPP €'000	**Other schemes €'000**	**Total €'000**	VPP €'000	Other schemes €'000	Total €'000
At 1 October	**(476,963)**	**(5,186)**	**(482,149)**	(477,506)	(6,893)	(484,399)
Current service cost	***(3,506)***	***(980)***	***(4,486)***	*(3,888)*	*(318)*	*(4,206)*
Interest expense on defined benefit obligation	**(7,867)**	**(59)**	**(7,926)**	(8,612)	(101)	(8,713)
Re-measurement gains/(losses) financial assumptions	**20,257**	**47**	**20,304**	(7,417)	(2)	(7,419)
Re-measurement gains/(losses) demographic assumptions	**8,439**	**109**	**8,548**	(1,380)	(10)	(1,390)
Contributions by scheme participants	**(98)**	**—**	**(98)**	(105)	1,717	1,612
Experience gains/(losses)	**15,855**	**(1,223)**	**14,632**	(1,305)	387	(918)
Foreign exchange differences	**(28,411)**	**(150)**	**(28,561)**	9,568	61	9,629
Benefits paid	**23,015**	**—**	**23,015**	13,682	—	13,682
Past service cost	**—**	**(27)**	**(27)**	—	(27)	(27)
Other adjustments	**—**	**(1,463)**	**(1,463)**	—	—	—
At 30 September	**(449,279)**	**(8,932)**	**(458,211)**	(476,963)	(5,186)	(482,149)

20. Retirement benefit obligation *continued*

Movements in the present value of defined benefit assets were as follows:

	2021			2020		
	VPP €'000	**Other schemes €'000**	**Total €'000**	VPP €'000	Other schemes €'000	Total €'000
At 1 October	**447,082**	**—**	**447,082**	446,711	—	446,711
Interest income on assets	**7,425**	**—**	**7,425**	8,094	—	8,094
Return on plan assets excluding interest income	**(17)**	**—**	**(17)**	(3,431)	—	(3,431)
Foreign exchange difference	**26,285**	**—**	**26,285**	(8,876)	—	(8,876)
Contributions by scheme participants	**98**	**—**	**98**	105	—	105
Contributions from the sponsoring company	**17,750**	**—**	**17,750**	18,161	1,671	19,832
Benefits paid	**(23,015)**	**—**	**(23,015)**	(13,682)	(1,671)	(15,353)
At 30 September	**475,608**	**—**	**475,608**	447,082	—	447,082

During the year the Company made an unscheduled contribution of €13 million to reduce the deficit (2020: €9 million). (Refer to the below section. Description of any funding arrangements and funding policy that would affect future contributions.)

The analysis of the fair value of the VPP assets at the reporting date is shown below. The assets are classified by level within the fair value hierarchy.

VPP assets with a fair value based on quoted market prices (level 1) include valuations that are determined by unadjusted quoted prices for identical instruments in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis.

VPP assets measured using 'market comparison techniques', whereby the fair values are based on broker quotes of similar instruments traded in an active market, are classified as level 2. The fair value of level 2 assets are based on observable inputs and are not based upon significant unobservable inputs.

VPP assets with a fair value based on significant unobservable inputs (level 3) include valuations that incorporate significant inputs that are not based on observable market data. Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historic observations, or analytical techniques.

	2021			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Equity instrument – Overseas	**—**	**59,155**	**—**	**59,155**
Liability driven investments	—	**212,862**	**—**	**212,862**
Debt instruments	—	**78,071**	**34,725**	**112,796**
Property	—	—	**32,738**	**32,738**
Diversified growth fund	—	**42,291**	**—**	**42,291**
Cash and cash equivalents	**15,766**	**—**	—	**15,766**
	15,766	**392,379**	**67,463**	**475,608**

	2020			
	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Equity instrument – Overseas	—	55,964	—	55,964
Liability driven investments	—	221,785	—	221,785
Debt instruments	—	71,351	29,383	100,734
Property	—	—	27,665	27,665
Diversified growth fund	—	36,000	—	36,000
Cash and cash equivalents	4,934	—	—	4,934
	4,934	385,100	57,048	447,082

Remeasurement (losses)/gains recognised in other comprehensive income were as follows:

	Re-measurement gains/(losses) financial assumptions	Re-measurement gains/(losses) demographic assumptions	Experience (losses) on assets €'000	Experience gains/ (losses) on liabilities €'000	Total
	€'000	€'000	€'000	€'000	€'000
2021					
VPP	**20,257**	**8,439**	**(17)**	**15,855**	**44,534**
Other schemes	**47**	**109**	**—**	**(1,223)**	**(1,067)**
Total	**20,304**	**8,548**	**(17)**	**14,632**	**43,467**
2020					
VPP	(7,417)	(1,380)	(3,431)	(1,305)	(13,533)
Other schemes	(2)	(10)	—	387	375
Total	(7,419)	(1,390)	(3,431)	(918)	(13,158)

Description of any funding arrangements and funding policy that would affect future contributions:
UK legislation requires that pension schemes are funded prudently, which will produce a higher value for the liabilities than the best estimate IAS19 accounting basis. The last funding valuation of the VPP which has been signed off was carried out by a qualified actuary as at 30 September 2020 and showed a deficit of €39.6 million. Although the IAS19 assumptions indicated a surplus at 30 September 2021, the scheme remained in deficit on the more prudent funding basis, which is the basis that determines the Company's funding obligations. As such, the Company will continue to pay deficit contributions of €13.3 million per annum, which, along with investment returns from return-seeking assets, are expected to make good the funding shortfall by 30 September 2024. The next funding valuation is scheduled for 30 September 2023, at which point the Company's funding arrangements of VPP will be reviewed. The Company also pays contributions of €0.4 million per month to meet the cost of benefits accrued by active members.

The Company's best estimate of contributions to be paid over the following year is €18.0 million, which is based on the Schedule of Contributions currently in force that was agreed and signed off during financial year 2021.

The VPP duration is an indicator of the weighted-average time until benefit payments are made. For the VPP as a whole, the duration was around 24 years at 30 September 2020. This remains broadly similar as at 30 September 2021.

Expected future benefit payments:

	€'000
2022	6,867
2023	7,079
2024	7,299
2025	7,524
2026	7,758
2027-31	42,547

Expected amounts to be recognised through the income statement in financial year 2022 in respect of these defined benefit schemes are as follows:

	2022		
	VPP €'000	Other schemes €'000	Total €'000
Current service cost	2,458	497	2,955
Net interest cost on net defined benefit liability	(605)	72	(533)
Past service costs	—	27	27
	1,853	596	2,449

21. Provisions

Provisions held as at 30 September 2021:

	2021			
	Asset *retirement* obligation €'000	*Indirect* taxes €'000	*Retailer* and other €'000	Total €'000
At 30 September 2020	7,020	10,652	60,885	78,557
Additional provision in the year	3,983	9,985	25,136	39,104
Unwinding of discount	370	—	—	370
Provisions used during the year	(364)	—	(86,021)	(86,385)
Provisions reversed during the year	(39)	(5,137)	—	(5,176)
Exchange difference	(418)	83	—	(335)
At 30 September 2021	10,552	15,583	—	26,135

The asset retirement obligation represents a liability to restore the Company's leased buildings to their original condition. The provision is made on a discounted basis over the remainder of the lease. A corresponding asset has been capitalised within land and buildings in property, plant and equipment and is being amortised to the income statement over the term of the lease. The leases expire between October 2021 and March 2029.

Provision for indirect taxes represents the Company's estimate of VAT due on certain amounts, or potentially due, to tax authorities across the Visa Europe region. The utilisation date of the remaining €16 million relates to tax disputes which are uncertain.

The retailer provision in the amount of €86 million, which included incremental charges recognised in the Company's income statement in 2021, was utilised during the year, and is included within Trade and other payables as at 30 September 2021, as the Company had agreed a final settlement with the claimant. The settlement was paid in full in November 2021. (Refer to Note 29, Retailer Litigation, for further details, and Note 26, Contingent liabilities).

22. Other non-current liabilities

	2021 €'000	2020 €'000
Non-current lease liability (see Note 27)	**84,747**	90,687
Other tax related liabilities	**21,617**	20,237
Client incentives	**26,982**	22,139
Total other liabilities	**133,346**	133,063

23. Share capital, share premium, capital contributions and reserves

	2021		2020	
	Number	**€**	Number	€
Issued and fully paid:				
Ordinary shares of €1 each at 30 September	**32,210**	**32,210**	32,210	32,210

23. Share capital. share premium. capital contributions and reserves *continued*

Reserves

	Attributable to equity holders of the Company					
	Share capital €'000	Share premium €'000	Cash flow hedging reserve €'000	Retained earnings €'000	Contribution reserve €'000	Total €'000
At 30 September 2019	32	60,903	(1,049)	3,269,415	147,859	3,477,160
Net gains arising on hedging derivatives, net of losses transferred from other comprehensive income and net of tax	—	—	16,825	—	—	16,825
Dividend paid to parent	—	—	—	(735,957)	—	(735,957)
Equity settled share based payment transactions, net of tax	—	—	—	—	28,624	28,624
Profit after tax	—	—	—	1,324,230	—	1,324,230
Remeasurement losses on defined benefit pension schemes, net of tax	—	—	—	(5,143)	—	(5,143)
Transfer of reserves as a result of transactions with subsidiary	—	—	—	(3,672)	—	(3,672)
Total recognised income and expense	—	—	16,825	579,458	28,624	624,907
At 30 September 2020	32	60,903	15,776	3,848,873	176,483	4,102,067
Net losses arising on hedging derivatives, net of gains transferred from other comprehensive income and net of tax	—	—	**(12,386)**	—	—	**(12,386)**
Dividend paid to parent	—	—	—	**(1,887,000)**	—	**(1,887,000)**
Equity settled share-based payment transactions, net of tax	—	—	—	—	**31,836**	**31,836**
Profit after tax	—	—	—	**1,733,729**	—	**1,733,729**
Remeasurement gains on defined benefit pension schemes, net of tax	—	—	—	**37,225**	—	**37,225**
Total recognised income and expense	—	—	**(12,386)**	**(116,046)**	**31,836**	**(96,596)**
At 30 September 2021	**32**	**60,903**	**3,390**	**3,732,827**	**208,319**	**4,005,471**

Share premium
In December 2016, Visa Inc. subscribed to an additional 100 shares of Visa Europe for an aggregate subscription price of €60,903,000.

Contribution reserve
In February 2017, Visa Inc. completed a reorganisation of certain legal entities to align its corporate structure to the geographic jurisdictions in which it conducts business. As a result, Visa Inc. contributed its shareholding in Visa Europe to Visa International Holdings Inc., which is incorporated in the United States of America. Subsequently, also in connection with the reorganisation, Visa International Holdings Inc. sold its shareholdings in Visa Europe to Visa International Holdings Limited, a UK limited company. Both Visa International Holdings Limited and Visa Europe are indirect wholly-owned subsidiaries of Visa Inc. The reorganisation resulted in a capital contribution of €106,000,000 from Visa International Holdings Limited.

RSUs have been granted by the overall parent company, Visa Inc., which are not charged back to the Company. The benefit received by the Company is therefore considered a capital contribution recognised in equity.

Cash flow hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedging pending subsequent recognition in the income statement as the hedged cash flows affect profit or loss. Refer to Note 25, Financial instruments, for further details of the Company's risk management and hedging strategy.

Retained earnings
Over the course of the financial year, the Company paid cash dividends to its immediate parent Visa International Holdings Limited in the amount of €1,887 million (2020: €736 million).

The Company's profit on ordinary activities after taxation was €1,734 million (2020: €1,324 million).

24. Financial risk management

Overview
The Company has exposure to the following risks arising from financial instruments:
- Settlement risk
- Credit risk
- Liquidity risk
- Market risk
- Other price risk

This note presents information about the Company's exposure to each of the above risks. Further quantitative disclosures are included in Note 25.

Risk management framework
The Company's attitude to risk and risk appetite is determined by the management level Europe Risk Committee. These are then endorsed by the Board Risk Committee of the Visa Europe Board. The Board Risk Committee also endorses the tolerance and capacity for the various risk categories and makes policy decisions about future controls.

An enterprise-wide risk management framework is used as a way to identify, assess and report against risks. This is a Company-wide activity involving all divisions, by engagement with our Risk management teams. Risk and control reviews and assessments identify the relevant risks and controls and develop plans to mitigate those risks.

The Company is exposed to a range of financial risks which predominantly arise from activity settling client volumes (settlement and credit risk), changes in foreign exchange rates, interest rates and money market liquidity. A financial risk management framework is in place, where appropriate, to mitigate any negative impact these may have on the Company's reported results.

The financial risk management framework is referenced in the treasury policy (the Policy). The Policy provides guidance over all treasury matters and is underpinned by delegated authority guidelines and detailed procedures. The main objectives of the Policy are to ensure that sufficient liquidity exists to meet the operational needs of the business, to maintain the integrity and liquidity of the investment portfolio, and to manage the impact of foreign exchange volatility on the Company's net income.

The execution of the Policy is performed by the Treasury team and is monitored by the Chief Financial Officer. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

The Company manages its foreign exchange and liquidity risks in accordance with these policies using a variety of derivative and non-derivative instruments. These derivative instruments are comprised of forward foreign exchange contracts. The Company does not trade in financial instruments, nor does it take on speculative or open positions through its use of derivatives.

Settlement risk
Settlement risk is the risk that a client is unable to meet its obligations to the Company as and when they fall due. The Company employs a specialist credit settlement risk management team that is responsible for monitoring the credit settlement risk related to each member that participates in the Visa system. This is done by regularly assessing each principal member's financial health and evaluating their ability to respond to a settlement risk, which has a short duration measured in days. The exposure to each member is also assessed based on issuing and acquiring volumes, as well as reviewing the robustness of any merchant risk management undertaken by acquiring members. The latter focuses in particular on members that acquire for merchants with prolonged fulfilment periods. In addition, future service transactions through acquiring pose a longer-term risk. These risks are managed though a range of tools including collateral where members' financial strength is assessed as non-investment grade.

Other risk management measures include assessing the economic, supervisory and regulatory environment of the countries in which those members operate. To reduce any potential member losses that may arise from members' failure to settle, any members that are assessed as presenting an unacceptable risk to the Visa system are required to provide financial safeguards to ensure performance of settlement obligations arising from card and other product clearing.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under a contract and arises principally from the Company's receivable customers, banks and derivative counterparties. The Company measures and monitors its level of loss absorbing capital relative to the credit risk exposure generated by the participant with the largest settlement exposure. Following designation under UK Settlement Finality Regulation in September 2020, UK settlement exposure is measured on a net basis. Visa Europe aims to hold sufficient net liquid assets funded by equity to absorb the potential losses arising from the disorderly failure of its single largest participant.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. This includes the risk that the Company is unable to meet settlement obligations to acquiring banks due to failure of an issuing bank to pay.

To mitigate this risk, it is the Company's policy that sufficient liquidity must be available same-day in the amount equivalent to or greater than that represented by the participant with the largest net settlement exposure on any given day.

Investment of the Company's cash assets is restricted to financial counterparties with a minimum credit rating of A- and limits are documented for both individual counterparties and by investment instrument type to reduce concentration risk. No investments are classed as either past due or subject to an expected credit loss.

In addition to the Company's own liquid investments, committed back-up liquidity facilities of $5.0bn arranged by Visa Inc. with a syndicate consisting of high credit quality financial institutions. Visa Europe is a designated borrower, along with Visa Inc. and other related entities to the shared committed facility which can be accessed to meet liquidity needs if required.

Market risk

Market risk is the risk that movements in market factors such as foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices will reduce the Company's income or value of its financial instruments. The Company is exposed to market risk factors such as changes in foreign exchange rates and, interest rates.

i) Foreign exchange risk

A substantial proportion of the Company's expenditure is denominated in foreign currencies, mainly Sterling and US Dollar. To manage the income statement volatility attributable to this foreign exchange risk, the foreign exchange exposure of future committed and uncommitted cash flows is mitigated through the use of natural and derivative hedging within the parameters defined by the treasury policy. Committed cash flows relate to certain contractual rights or obligations. Uncommitted cash flows are highly probable future cash flows for which the Company does not yet have a contractual right or obligation.

ii) Interest rate risk

Visa Europe is exposed to fluctuations in interest rates on its investments and borrowings. Currently, Visa Europe has no long-term debt, but monitors interest rate exposures on its investment portfolio so as to minimise the effect of interest rate fluctuations on the income statement.

Managing interest rate benchmark reform and associate risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, by the Visa group, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as ' IBOR reform'). Visa Europe has exposures to IBORs on its financial instruments that have been replaced or reformed as part of these market-wide initiatives.

The ISDA Credit Support Annex (CSA) agreements, which govern the interest rate applied to collateralized balances, were previously referenced to the European Overnight Index (EONIA). Visa Europe's CSA agreements have been transitioned to reference the Euro Short Term Rate (ESTR), in line with the industry standard.

The Visa group global treasury team managed this transition and periodic reports of interest rate risk arising from the IBOR reform will be provided to the Visa Europe Board Risk Committee. The Company anticipates that IBOR reform will not have a material impact on its risk management and hedge accounting.

Other price risk

The defined benefit pension scheme is additionally exposed to equity price risk and this indirectly affects the Company. Refer to Note 20, Retirement benefit obligation.

Capital management

Visa Europe maintains a Capital Management and Dividend Policy, which sets out the Company's objectives and approach in managing capital.

As set out within the Policy, Visa Europe's objectives are

a. To ensure that the Company maintains sufficient capital in the form of Liquid Net Assets Funded by Equity (LNAFE) to cover the risks the business undertakes;
b. Support its strategic objectives; and
c. To comply at all times with regulatory requirements.

The Visa Europe Capital Management and Dividend Policy is approved by the Visa Europe Board Risk Committee.

The amount required to support this is defined by Visa Europe's risk appetite and includes a provision to cover both client credit risk - refer to Credit risk above - and general business risk. As at 30 September 2021, the provision for general business risk stood at €622 million, and is based on requirements set out within the Company's Capital Management and Dividend Policy. Visa Europe's risk appetite is approved by the Visa Europe Board.

Visa Europe monitors capital in line with the measurement set out within the Principles for Financial Market Infrastructures – that is based on LNAFE. This is calculated monthly based on an analysis of short term assets less short term liabilities up to the amount recorded as equity.

The Company reports its financial resources position to the Bank of England regularly.

The Internal Financial Resources Adequacy Assessment (IFRAA) is updated annually and is presented to the Visa Europe Board Risk Committee for approval. The IFRAA identifies the key sources of financial risk and documents resources held to mitigate these risks. The adequacy of financial resources is stress tested against a range of stress scenarios. Stress testing is conducted at least annually to provide insight into the risk management cycle to inform risk appetite, recovery plan and financial planning/budgeting. However, stress testing may also be conducted more frequently on an ad-hoc basis to accommodate changes in business landscape, market conditions, capital planning and regulatory changes. Scenarios and assumptions included within the IFRAA are reviewed by the Stress Testing Working Group (STWG) on a quarterly basis to ensure that they capture any change in environment or business operations that could materially change the Company's risk profile. The stress tests look to cover current economic regulatory issues that impact the Company's statement of financial position, as well as risk drivers identified for the current financial year.

The Company may make dividends provided it retains sufficient in liquid net assets to meet future obligations plus a buffer, and if for some reason Visa Europe's capital falls below this level, dividends will be halted.

As at 30 September 2021, the calculated net liquid assets stood at €3.8 billion (2020: €3.9 billion), with dividends of €1.9 billion (2020: €0.7 billion) paid to Visa Europe's shareholder during the financial year. Visa Europe does not have any debt.

25. Financial instruments

Settlement risk

Settlement risk is the risk that a client is unable to meet its obligations to the Company as and when they fall due. Daily settlements volumes averaged approximately €4.9 billion (2020: €4.4 billion). To guard against any potential losses that may arise, the Company obtains financial safeguards from clients where it is deemed appropriate. This is based on board-approved guidelines and generally includes cash equivalents, letters of credit and guarantees.

The Company held the following financial safeguards to mitigate its settlement risk with clients:

	2021	2020
	€ million	€ million
Cash	**508.0**	444.0
Letters of credit	**160.0**	182.0
Guarantees	**192.0**	162.0
Total	**860.0**	788.0

As these forms of collateral do not meet the definition of an asset for the Company, no amounts are included on the statement of financial position. The cash is not an asset of the Company as the Company is not exposed to the risks and rewards of the cash, individual clients retain beneficial ownership and the cash is only accessible to the Company in the event of default on its settlement obligations by the client.

The Bank of England, in its capacity as the designating authority under the terms of the Financial Markets and Insolvency Regulations 1999 (as amended), granted the Company designation under the UK Settlement Finality Regulation with effect from 23 September 2020. This designation provides the Company legal protection from netting of UK client settlement positions being unwound in an insolvency event and therefore settlement receivable and settlement payable positions with UK clients are presented in the Statement of Financial Position on a net basis from the date of the designation. Refer to Note 16, Trade and other receivables, and Note 18, Trade and other payables.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under a contract and arises principally from the Company's receivables from customers, banks and derivative counterparties. The carrying amount of financial assets represents the Company's maximum exposure, which at the reporting date, was as follows:

	2021	2020
	€ million	€ million
Financial assets held at fair value	**6.5**	26.3
Trade and other receivables	**1,838.0**	1,552.0
Cash, net of overdraft	**4,831.0**	5,167.0
	6,675.5	6,745.3

Trade and other receivables in the above table includes gross amounts owed by related parties and excludes prepayments.

In applying IFRS 9, *Financial Instruments*, no material Expected Credit Loss (ECL) was determined for trade and other receivables and cash.

88% of the Company's cash balance is held in "AAA" rated short-term Money Market Funds, 9.7% held at the Bank of England, with the remaining amount spread between a number of commercial banks. These diversified pooled investment funds invest in high-quality, short-term debt instruments and allow same-day access to cash if required.

At the reporting date there were no significant financial guarantees for third-party obligations that increased this risk. The Company signs netting agreements under an ISDA (International Swaps and Derivatives Association) master agreement with the respective counterparties, which minimises the exposure on derivative positions.

The Company only trades foreign exchange with investment grade banks as presented in the table below:

S&P Ratings less than one year	2021 € million	2020 € million
A1+	—	—
A1	**0.03**	5.4
A2	**0.01**	9.8
	0.04	15.2

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient financial resources to meet its obligations as they fall due.

Maturity analysis

The following tables show the Company's contractual maturities of financial assets and liabilities, including estimated interest payments. Where appropriate, values have been presented on a contractual cash flow basis. The Company's derivative financial instruments and hedge accounting policy is disclosed in Note 2.

30 September 2021	Less than 7 days € million	7 to 30 days € million	31 to 90 days € million	91 plus days € million	Contractual cash flow € million	Total € million
Non-derivative financial liabilities:						
Trade payables	**(1,699.0)**	—	—	—	**1,699.0**	**(1,699.0)**
Derivative financial liabilities:						
Foreign exchange forward contracts	**(2.6)**	**(0.2)**	**(2.8)**	**(0.8)**	**6.4**	**(6.4)**
Total financial liabilities	**(1,701.6)**	**(0.2)**	**(2.8)**	**(0.8)**	**1,705.4**	**(1,705.4)**
Non-derivative financial assets:						
Cash and cash equivalents, net of overdraft	**4,831.0**	—	—	—	**(4,831.0)**	**4,831.0**
Trade receivables	**1,241.0**	—	—	—	**(1,241.0)**	**1,241.0**
Derivative financial assets:						
Foreign exchange forward contracts	**0.8**	**1.1**	**3.4**	**1.2**	**(6.5)**	**6.5**
Total financial assets	**6,072.8**	**1.1**	**3.4**	**1.2**	**(6,078.5)**	**6,078.5**
Total liquidity risk	**4,371.2**	**0.9**	**0.6**	**0.4**	**(4,373.1)**	**4,373.1**

25. Financial instruments *continued*

30 September 2020	Less than 7 days € million	7 to 30 days € million	31 to 90 days € million	91 plus days € million	Contractual cash flow € million	Total € million
Non-derivative financial liabilities:						
Trade payables	(1.206.0)	—	—	—	1.206.0	(1,206.0)
Derivative financial liabilities:						
Foreign exchange forward contracts	—	(5)	(2)	(4.2)	11.2	(11.2)
Total financial liabilities	(1,206)	(5)	(2)	(4.2)	1,217.2	(1,217.2)
Non-derivative financial assets:						
Cash and cash equivalents	5,167.0	—	—	—	(5,167.0)	5,167.0
Trade receivables	985.0	—	—	—	(985.0)	985.0
Derivative financial assets:						
Foreign exchange forward contracts	—	9.2	4.7	12.5	(26.4)	26.4
Total financial assets	6,152.0	9.2	4.7	12.5	(6,178.4)	6,178.4
Total liquidity risk	4,946.0	4.2	2.7	8.3	(4,961.2)	4,961.2

The following table indicates the periods in which the maturities associated with derivatives are expected to occur on a notional contract basis.

30 September 2021	6 months or less *€ million*	6-12 months *€ million*	1-3 years *€ million*	Greater than 3 years *€ million*	Total *€ million*
Foreign exchange forward contracts					
Sterling	**(184.0)**	**48.2**	—	—	**(135.8)**
US Dollar	**(197.9)**	**—**	—	—	**(197.9)**
Other	**(10.9)**	**(9.7)**	—	—	**(20.6)**
Total	**(392.8)**	**38.5**	**—**	—	**(354.3)**

30 September 2020	6 months or less € million	6-12 months € million	1-3 years € million	Greater than 3 years € million	Total € million
Foreign exchange forward contracts					
Sterling	(211.7)	(22.2)	—	—	(233.9)
US Dollar	(632.1)	—	—	—	(632.1)
Other	(19.3)	(5.6)	—	—	(24.9)
Total	(863.1)	(27.8)	—	—	(890.9)

The following table indicates the periods in which the maturities associated with cash flow hedges outstanding at 30 September 2021 and 2020 are expected to impact the income statement.

30 September 2021	6 months or less € million	6-12 months € million	1-3 years € million	than 3 years € million	Total € million
Foreign exchange forward contracts					
Sterling	**83.7**	**48.2**	—	—	**131.9**
US Dollar	—	—	—	—	—
Other	**(10.9)**	**(9.7)**	—	—	**(20.6)**
Total	**72.8**	**38.5**	—	—	**111.3**

30 September 2020	6 months or less € million	6-12 months € million	1-3 years € million	than 3 years € million	Total € million
Foreign exchange forward contracts					
Sterling	(6.0)	(22.2)	—	—	(28.2)
US Dollar	—	—	—	—	—
Other	(19.3)	(5.6)	—	—	(24.9)
Total	(25.3)	(27.8)	—	—	(53.1)

The following table shows the fair values of the Company's derivative financial instruments held at 30 September 2021 and 2020:

30 September 2021	6 months or less € million	6-12 months € million	1-3 years € million	Greater than 3 years € million	Total € million
Foreign exchange forward contracts					
Sterling	**5.7**	**(0.3)**	—	—	**5.4**
US Dollar	**(4.8)**	—	—	—	**(4.8)**
Other	**(0.4)**	**(0.1)**	—	—	**(0.5)**
Total	**0.5**	**(0.4)**	—	—	**0.1**

30 September 2020	6 months or less € million	6-12 months € million	1-3 years € million	Greater than 3 years € million	Total € million
Foreign exchange forward contracts					
Sterling	5.8	0.3	—	—	6.1
US Dollar	1.9	—	—	—	1.9
Other	6.8	0.4	—	—	7.2
Total	14.5	0.7	—	—	15.2

Forecast data for liabilities which may be incurred in the future is not included in the table above. Amounts in foreign currency were translated at the closing rate at the reporting date. The variable payments arising from the financial instruments were calculated based on the forward interest rate yield curve at 30 September 2021 and 2020. Interest on interest rate swaps includes the paid and received amounts as interest is settled on a net basis. Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Visa Europe is a designated borrower, along with Visa Inc. and other related entities, of a shared, stand-by credit facility that Visa Europe can access to meet liquidity needs, if required. The total facility of $5.0 billion was committed to the Visa Inc Group, including Visa Europe. As of 30 September 2021, Visa Europe had a nil draw on the credit facility (2020: nil).

Market risk

Market risk is the risk that movements in market factors such as foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices will reduce the Company's income or value of its financial instruments.

Interest rate risks

The Company is exposed to fluctuations in interest rates on its cash investments. The majority of cash and cash equivalents are held as deposits with less than three months maturity, are readily accessible and receive floating rate interest.

The following table shows deposits held:

	2021 Carrying amount € million	2020 Carrying amount € million
Financial assets		
Amounts owing from counterparties under various deposit arrangements at various interest rates	**4,743.0**	5,130.0
Total	**4,743.0**	5,130.0

Currency risk

Hedge accounting

As described above, the Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. To hedge these exposures, the Company uses foreign exchange forward contracts and interest rate swaps which are designated as cash flow hedges. As at the end of September 2021, the Company had no cash flow hedge designated interest rate swaps. The Company does not use derivative financial instruments for speculative purposes. The Company's derivative financial instruments and hedge accounting policy is disclosed in Note 2.

The Company's cash flow hedging policy stipulates a maximum hedge tenor of 13 months.

The fair value movements of certain foreign currency and interest rate transactions that are not designated as hedges for accounting purposes are recorded in the income statement.

The carrying amount of derivative financial instruments and whether these derivatives are designated in a formal hedging relationship at the reporting date is analysed as follows

	2021		2020	
	Assets € million	Liabilities € million	Assets € million	Liabilities € million
Designated in a qualifying hedging relationship				
Foreign exchange forward contracts				
Sterling	**4.2**	**(0.4)**	7.6	(1.3)
US Dollar	—	—	—	—
Other	**0.2**	**(0.7)**	12.4	(5.2)
Total	**4.4**	**(1.1)**	20.0	(6.5)
Not designated in a qualifying hedging relationship				
Foreign exchange forward contracts				
Sterling	**2.0**	**(0.5)**	1	(1.3)
US Dollar	—	**(4.9)**	5.3	(3.4)
Other	—	—	—	—
Total	**2.0**	**(5.4)**	6.3	(4.7)

Sensitivity analysis on foreign exchange risk

Residual risk after hedging is assessed using sensitivity analysis.

The Company has an element of non-Euro settlement exposure by retaining liquid investments and accounts receivable values denominated in foreign currency. The assets in the statement of financial position have been hedged using a combination of natural hedging and currency forwards. The risk is evaluated by the impact of a hypothetical 10% currency shift. The impact of a 10% currency shift on net exposure at year-end would be €15.4 million (2020: €3.2 million). A significant strengthening of the US Dollar or Sterling against the Euro will thus negatively affect the Company's results. The Company assesses the risk by evaluating the impact of a hypothetical 10% currency shift in the net underlying exposure on a monthly basis. At year-end 2021, a 10% strengthening of both the US Dollar and Sterling against the Euro would adversely affect the cash flow by €12.7 million (2020: €16.3 million).

The following tables demonstrate foreign currency exposures affecting cash, trade receivables, trade payables, revenue and administrative expenses. The primary net foreign currency exposures against the Euro are the US Dollar and Sterling.

The split of cash, trade receivables and trade payables by currency for the years ended 2021 and 2020 were as follows:

	Cash				Trade receivables				Trade payables			
	2021		2020		**2021**		2020		**2021**		2020	
Currency	**€ m**	**%**	€ m	%	**€ m**	**%**	€ m	%	**€ m**	**%**	€ m	%
US Dollar	**290**	**6**	878	17	**77**	**3**	763	39	**385**	**11**	1,159	38
Euro	**4,010**	**83**	3,824	74	**1,638**	**64**	1,076	55	**1,890**	**54**	1,738	57
Sterling	**531**	**11**	465	9	**435**	**17**	117	6	**700**	**20**	152	5
Other	**—**	**—**	—	—	**409**	**16**	—	—	**525**	**15**	—	—
	4,831	**100**	5,167	100	**2,559**	**100**	1,956	100	**3,500**	**100**	3,049	100

The split of revenue and administrative expenses by currency for the years 2021 and 2020 were as follows:

	Revenue				Administrative expenses[1]			
	2021		2020		**2021**		2020	
Currency	**€ m**	**%**	€ m	%	**€ m**	**%**	€ m	%
US Dollar	**567**	**16**	641	21	**437**	**31**	484	36
Euro	**2,127**	**60**	1,161	38	**451**	**32**	269	20
Sterling	**496**	**14**	703	23	**507**	**36**	470	35
Other	**354**	**10**	550	18	**14**	**1**	121	9
	3,544	**100**	3,055	100	**1,409**	**100**	1,344	100

(1) Administrative expenses excludes foreign exchange net gain of €29 million (2020: €107 million loss).

The uncertainty created by the Brexit process has led to elevated volatility for Sterling currency pairs although for Euro based pairs, volatility has declined. This affects the revaluation impact on the Income Statement arising from un-hedged net balance sheet exposures. Throughout the year currency volatility did not materially impact the Income Statement as unhedged exposures were maintained at low levels. Implied volatility remains elevated for Sterling based currency pairs and close scrutiny will continue. Currency rate fluctuations also affect the impact that future anticipated Sterling cash flows have on the Income Statement, however this has been hedged by placing currency forwards with up to 12 months maturity.

The Turkish lira has been subject to increased volatility in the past financial year, and this continues to this day. The currency risk is mitigated through the globally administered cash flow hedge program, which has been supported without interruption by the Company's banking partners.

Fair values

Financial instruments with a fair value based on quoted market prices (level 1) include valuations which are determined by unadjusted quoted prices for identical instruments in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis.

The Company uses foreign currency and interest rate derivatives to hedge its market risk exposures. These level 2 financial instruments are measured using 'market comparison techniques', whereby the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. When determining the value for these financial instruments there are no significant unobservable inputs.

Financial instruments with a fair value based on significant unobservable inputs (level 3) include valuations which incorporate significant inputs for the instrument that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product.

These inputs are generally determined based on observable inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The table below analyses financial instruments carried at fair value, by valuation method.

30 September 2021	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Derivative financial assets:				
Currency derivatives	**—**	**6.5**	**—**	**6.5**
	—	**6.5**	**—**	**6.5**
Derivative financial liabilities:				
Currency derivatives	**—**	**(6.4)**	**—**	**(6.4)**
	—	**(6.4)**	**—**	**(6.4)**

30 September 2020	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Derivative financial assets:				
Currency derivatives	—	26.3	—	26.3
	—	26.3	—	26.3
Derivative financial liabilities:				
Currency derivatives	—	(11.1)	—	(11.1)
	—	(11.1)	—	(11.1)

Cash and cash equivalents, trade receivables and trade payables are recognised and measured by the Company at amortised cost. Management considers fair value and book value to be the same. These items are assessed to be level 2 financial instruments.

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date and were as follows:

	2021	2020
Derivative contracts	**0.11% to 0.25%**	**0.22% to 2.09%**

Accounting Classification

The following tables show all the Company's financial assets and liabilities by accounting classification.

30 September 2021	Fair Value through P&L (FVTPL) € million	Financial assets/(liabilities) at amortised cost € million	Total € million
Financial assets:			
Cash and cash equivalents	—	**4,831.0**	**4,831.0**
Trade and other receivables	—	**1,838.0**	**1,838.0**
Currency derivatives	**6.5**	—	**6.5**
Total	**6.5**	**6,669.0**	**6,675.5**
Financial liabilities:			
Trade and other payables	**—**	**(1,699.0)**	**(1,699.0)**
Currency derivatives	**(6.4)**	—	**(6.4)**
Total	**(6.4)**	**(1,699.0)**	**(1,705.4)**

30 September 2020	Fair Value through P&L (FVTPL) € million	Financial assets/(liabilities) at amortised cost € million	Total € million
Financial assets:			
Cash and cash equivalents	—	5,167.0	5,167.0
Trade and other receivables	—	1,552.0	1,552.0
Currency derivatives	26.3	—	26.3
Total	26.3	6,719.0	6,745.3
Financial liabilities:			
Trade and other payables	—	(2,786.0)	(2,786.0)
Currency derivatives	(11.1)	—	(11.1)
Total	(11.1)	(2,786.0)	(2,797.1)

26. Contingent liabilities

The Company is subject to extensive regulation and oversight in the conduct of its business. A failure to comply with applicable regulations could result in regulatory investigations, fines and restrictions on some of the Company's business activities or other sanctions. The Company seeks to minimise these risks through the adoption of compliance and other policies and procedures, continuing to refine controls over business practices and behaviour, employee training, the use of appropriate documentation, and the involvement of outside legal counsel, where appropriate.

UK and Ireland Retailer claims
The Company may be exposed to possible obligations with other individual merchants related to multilateral interchange fees (MIFs), separate to the Sainsbury's retailer litigation case, which has settled (refer to Note 29 - Retailer Litigation). The full scope of potential damages is not yet known because the claims are at a very early stage (and in many cases have not even yet been particularised) and the Company has substantial defences. However, the claims that have been issued, served and/ or preserved seek, in aggregate, several billion euros in damages with timing uncertain.

Europe claims
On 13 December 2019, Euronet 360 Finance Limited, Euronet Polska Spółka z.o.o., Euronet Services spol. S.r.o. and Euronet Card Services S.A. ("Euronet") served a claim in the UK alleging that certain rules affecting ATM access fees in Poland, the Czech Republic and Greece by Visa Inc. and Mastercard Incorporated, and certain of their subsidiaries, which included Visa Europe, breach various competition laws. Visa served its defence to the claim on 24 April 2020, and a Case Management Conference, to determine next steps in the case, took place on 19 October 2020. The parties subsequently agreed to transfer the claim from the High Court to the Competition Appeal Tribunal (CAT). The Court confirmed the transfer to the CAT in an Order dated 14 June 2021. The parties also agreed to revise the timetable, which the Court confirmed in an order also dated 14 June 2021. In accordance with this Order, the parties have now provided disclosure and inspection of their documents (on 30 September 2021 and 7 October 2021, respectively).

A trial will not occur before October 2023. Euronet seeks damages, costs, and injunctive relief to prevent the defendants from enforcing the aforementioned rule. The Company is of the view that it is possible that there will be an outflow of economic benefit.

On 6 December 2019, LitFin, a Czech litigation funder, brought a first set of interchange fee claims on behalf of Czech and Slovak merchants against a number of Visa entities including Visa Europe, as well as Mastercard, before the Entreprise Tribunal of Walloon Brabant, Belgium. LitFin claims that the interchange fees applied by Visa and Mastercard in the Czech Republic and Slovakia from 2000 to 2015 were in breach of various competition laws within the EU internal market. LitFin is seeking damages for the fees paid by the merchants above the levels referred to in the EU Interchange Fee Regulation during this period. The parties exchanged three rounds of trial briefs from 26 October 2020 to 9 September 2021. The hearing on the merits is scheduled to take place across 3, 10 and 17 June 2022.

On 4 December 2020, LitFin brought a second set of interchange fee claims on behalf of merchants from Belgium, Croatia, the Czech Republic, Hungary, Luxembourg, Romania, Slovakia and Slovenia. Similarly to the first set of interchange fee claims, LitFin claims that the interchange fees applied by Visa and Mastercard in Belgium, Croatia, the Czech Republic, Hungary, Luxembourg, Romania, Slovakia and Slovenia were in breach of various competition laws within the EU internal market. LitFin is seeking damages for the fees paid by the merchants above the levels referred to in the EU Interchange Fee Regulation during this period. Visa filed its first trial brief on 15 November 2021, with subsequent trial briefs to be filed before the case management hearing in November 2022. The Company is of the view that it is possible that there will be an outflow of economic benefit associated with the two LitFin proceedings.

On 6 November 2019, a Polish petrol retailer, Orlen, brought an interchange fee claim before a Polish court and subsequently on 31 January 2020, a claim was brought by Super-Pharm. Visa's defences in these cases were served on 23 July 2020 and 22 October 2020, respectively. A further claim was brought by AmRest on 26 June 2020 and Visa's defence to this claim was submitted to the court on 8 January 2021. The first hearing will take place in March 2022. Finally, a claim has been brought by EURO-net (a different company to Euronet referred to above), which was served on 1 April 2020, and Visa submitted its defence to this claim on 8 March 2021. Further rounds of pleadings have been exchanged. (Collectively these claims are referred to as "Poland litigation".) The Company is of the view that it is possible that there will be an outflow of economic benefit associated with the Poland litigation.

On 23 December 2020, 275 German savings banks filed a request for 'conciliation' proceedings, which had the effect of suspending the limitation period for alleged antitrust damage claims for the year 2015 in relation to Visa's ban on charging consumers for domestic debit cash withdrawals at ATMs ('DAF ban'). On 22 March 2021, Visa declined to participate in these proceedings and the proceedings were terminated.

In December 2021 and January/February 2022, Visa was served with claims brought in September/October 2021 by several dozens of German savings banks in various German courts against Visa Europe and Visa Inc. The banks claim that Visa's DAF ban in relation to both debit and credit cards is anti-competitive seek damages going back to 2015 (credit) and 2016 (debit). The claimants are represented by the same law firm which had acted on behalf of the banks in the conciliation proceedings and have filed virtually identical statements of claim. (Collectively these proceedings are referred to as the "German DAF Proceedings".)

The Company is of the view that it is possible that there will be an outflow of economic benefit associated with the German DAF Proceedings.

The full scope of potential damages and outflow of economic benefit related to the Europe claims is not yet known because the claims are at a very early stage and the Company has substantial defences. However, the claims that have been issued, served and/or preserved, in aggregate, seek less than a billion euros in damages. The timing of any potential outflows is uncertain at this stage.

Please also see Note 29—Retailer Litigation.

27. Leases

The Company as lessee

The Company leases its office properties. The leases run for an average term of nine years, with an option to renew the lease after that date and lease payments are renegotiated to reflect market rentals. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments under the Company's lease arrangements are generally fixed. Some leases provide for additional rent payments that are based on changes in local price indices.

A portion of one of the leased properties is sub-let by the Company. The sub-lease expires in March 2029.

The Company also leased residential property for certain expatriate employees. The leases typically run for a term of one to three years. Prior to 2020, these leases were borne by another entity within the Visa Group.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets are leased properties that do not meet the definition of investment property.

	2021		
	Office property	Residential property	Total
	€'000		
Balance at 1 October 2020	93,473	913	94,386
Depreciation charge for the year	(10,954)	(626)	(11,580)
Other adjustments	290	(18)	272
Balance at 30 September 2021	82,809	269	83,078

	2020		
	Office property	Residential property	Total
	€'000		
Balance at 1 October 2019	87,812	—	87,812
Additions to right-of-use assets	16,401	2,060	18,461
Depreciation charge for the year	(10,740)	(1,147)	(11,887)
Balance at 30 September 2020	93,473	913	94,386

Amounts recognised in profit or loss

	2021	2020
	€'000	€'000
Depreciation of right-of-use assets presented in 'Other administrative expense'	**(11,580)**	(11,887)
Interest on lease liabilities presented in 'Net finance expense'	**(2,698)**	(2,763)
Income from sub-leasing right-of-use assets presented in 'Other operating income'	**294**	1,112

Amounts recognised in statement of cash flows

	2021	2020
	€'000	**€'000**
Total cash outflow for leases:		
Payment of lease liabilities-principal	**11,110**	6,550
Payment of lease liabilities-interest	**2,692**	2,751
	13,802	9,301

Lease liabilities

At 30 September 2021, the present value of future minimum lease payments was as follows:

	2021 **€'000**	2020 **€'000**
Within one year	**11,870**	10,263
One to two years	**15,480**	15,012
Two to three years	**14,887**	14,757
Three to four years	**14,355**	14,197
Four to five years	**14,355**	13,695
More than five years	**32,520**	45,043
Total undiscounted lease payments	**103,467**	112,967
Less: interest	**(9,007)**	(11,556)
Present value of lease liabilities	**94,460**	101,411

Current portion of lease liabilities presented in 'Trade and other payables'	**9,713**	10,724
Non-current portion of lease liabilities presented in 'Other liabilities'	**84,747**	90,687
Present value of lease liabilities	**94,460**	101,411

At 30 September 2021, the Company did not have any leases that had not yet commenced but to which the Company is committed (2020: nil).

Extension options

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The above lease liabilities balance includes extension options exercisable by the Company.

The Company as lessor

The Company sub-leases out a portion of one of its office property leases, and in 2021 the sub-lease was with another entity within the Visa Group. The Company has classified this sub-lease as an operating lease, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Property rental income earned during the year was €0.3 million (2020: €1.1 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2021 €'000	2020 €'000
Within one year	**385**	315
One to two years	**385**	315
Two to three years	**385**	79
Three to four years	**385**	—
Four to five years	**385**	—
More than five years	**930**	—
	2,855	709

28. Related party transactions

The Company earns an intercompany fee through the provision of various services to Visa Inc., the Company's overall parent company and other entities within the Visa Group.

These services include intra-regional transaction fees and other information technology related services, as well as administrative support. The total intercompany revenue earned by the Company from Visa Inc. and other entities within the Visa Group, for the year was €2.5 million (2020: €0.5 million)

In addition, the Company incurred intercompany expenses of €394.9 million (2020: €396.5 million) under the Framework Agreement with Visa Inc. for the full year. The expenses are comprised of license fees, management fees and royalties, as well as fees related to information technology and network infrastructure.

The Company incurs an intercompany management fee through the provision of various services from Visa Europe Services LLC, the Company's subsidiary. These services include the provision of administrative and marketing support services from Visa Europe Services LLC. The total intercompany management fee incurred by the Company with Visa Europe Services LLC for the year was €62.3 million (2020: €32.6 million).

The Company also incurs an intercompany management fee through the provision of administrative and marketing support services from Visa Europe Management Services Limited, the Company's subsidiary. The total intercompany management fee incurred by the Company with Visa Europe Management Services Limited for the year was €122.5 million (2020: €93.9 million).

During the year, the Company paid a total of €1,887 million interim cash dividends to its immediate parent, Visa International Holdings Limited (2020: €736 million).

The Company sub-leases out a portion of one of its office property leases to another entity within the Visa Group and property rental income earned during the year was €0.3 million (2020: nil). (Refer to Note 27, Leases).

At 30 September 2021, the Company's trade and other receivables falling due within one year include the following net amounts due from Visa Inc. and other Visa Group entities and the Company's trade and other payables falling due within one year include the following net amounts due to Visa Inc. and other Visa Group entities and net amounts due to the Company's subsidiaries:

	2021 €'000	2020 €'000
Visa Inc.	**640,583**	**375,166**
Other Visa Group entities	**27,282**	**15,854**
Net amounts owed by related parties (see Note 16)	**667,865**	**391,020**
Visa Inc. and other Visa Group entities	**(100,694)**	**(303,416)**
Company's subsidiaries	**(533,474)**	**(495,989)**
Net amounts owed to related parties (see Note 18)	**(634,168)**	**(799,405)**

Visa Europe's Broader Leadership Team are considered to be key management personnel. Disclosure of their remuneration is shown below.

	2021 €'000	2020 €'000
Short-term employee benefits	**8,252**	9,097
Share-based payment	**6,968**	7,101
Retirement benefits	**521**	509
Other long-term benefits	**875**	253
	16,616	16,960

Directors' remuneration is disclosed in Note 9. The above table includes the remuneration for members of Visa Europe's Broader Leadership Team who are also directors.

Share-based awards granted in the year are delivered in a mix of equity instruments with both performance and time bound restrictions over the next three years (see Note 8).

28. Related party transactions *continued*

Overall Parent Company

Visa Inc., which is incorporated in the United States of America, is Visa Europe's overall controlling related party. Copies of the financial statements for Visa Inc., are available from its website. The largest and smallest group of undertakings for which accounts have been drawn up is that headed by Visa Inc.

Visa International Holdings Limited, a UK limited company, is Visa Europe's immediate parent company. Both Visa International Holdings Limited and Visa Europe are indirect wholly-owned subsidiaries of Visa Inc.

29. Retailer Litigation

During 2013, certain UK and Irish retailers issued proceedings against Visa Europe claiming for losses suffered in respect of alleged breaches of EU, EEA and UK (and in some cases Irish) competition law. Further retailers have brought similar proceedings since. The courts decided first on questions of time limitation: in October 2014 the English High Court struck out those elements of the claim that were out of time (i.e. in relation to the period preceding the six years before the claims were brought). The retailers' appeals were ultimately unsuccessful. In principle, this judgment on limitation issues will apply to all current and future related claims which concern domestic and intra-EEA MIFs on UK transactions. In other words, claimants can only claim damages for the six years prior to issuing their claim.

A trial in relation to certain of these claims commenced in November 2016 and ended in March 2017. Three retailers settled before the trial started, and a further twelve settled during the course of the trial. Judgment was handed down in relation to the one remaining merchant claim involving Sainsbury's on 30 November 2017, with the Court finding that Visa's domestic UK interchange fees did not restrict UK and EU competition law, leading it to reject Sainsbury's claim in its entirety. A further judgment by the same Court, which was considered on the hypothetical question of what a lawful level of interchange would have been in the event that a restriction of competition had been found, was handed down on 23 February 2018.

A separate case against Mastercard (which did not involve Visa) was determined at first instance before the UK Competition Appeal Tribunal in July 2016. In a further case, in January 2017 the English High Court ruled in favour of Mastercard and found that other than in respect of a brief period covered by a negative European Commission decision against MasterCard, its interchange was set lawfully at all times.

Therefore, at that stage in the litigation history, there were four judgments from three courts/tribunals in relation to Visa and Mastercard with inconsistent outcomes.

The Court of Appeal therefore agreed to hear an appeal of all of these cases at the same time in April 2018. The Court of Appeal handed down its judgment on 4 July 2018, and overturned the lower court's rulings in relation to Visa of November 2017 and February 2018, concluding that Visa's UK domestic interchange fees restricted competition and that the question of exemption under applicable law (i.e. the determination of the lawful level of interchange) had not been adequately dealt with. It also overturned the two previous MasterCard judgments, and decided to remit the cases to the Competition Appeal Tribunal (CAT) in order to reconsider the lawful level of interchange on the basis of the evidence put forward at the original trials. In light of the Court of Appeal ruling, the Company assessed it to be probable that an outflow of economic resource would occur and therefore a provision was recognised. As of 30 September 2020, it had been calculated that the potential provision ranged between €0 million and €122 million. The low point of the range had been determined on the basis that if liability against Visa is found, the claimant might not be able to establish that it has suffered any loss. The high point of the range had been calculated by reference to the concession made by the claimant (Sainsbury's had conceded a lawful level of interchange of 19 bps for domestic consumer credit and 20 bps for domestic consumer debit, which eliminated a large proportion of the original claim). The Company had assessed that this was a continuous range of possible outcomes with each point in the range being equally likely and the Company had therefore recognised a provision of €61 million as at 30 September 2020, being the midpoint of the range.

In November 2018, the Supreme Court granted Visa leave to appeal certain elements of the Court of Appeal's judgment. The appeal was heard on 20-23 January 2020 and judgment was handed down on 17 June 2020. The judgment rejected Visa's appeals in relation to whether its UK interchange fee was a restriction of competition, as well as two questions relating to the standard of proof required to show that interchange was lawful. The Supreme Court directed that (i) the remittal to the CAT on the lawful level of interchange should proceed, and (ii) once the lawful level has been determined, there should (if necessary) be a further hearing to determine the quantum of any damages owed by Visa to Sainsbury's. Visa's potential liability is capped as a result of the concession made by the claimant when Sainsbury's accepted 19 and 20 bps (as set out above) as the lawful levels of interchange fees, which is not subject to appeal. The Supreme Court also ruled that Sainsbury's is subject to a heavy evidentiary burden to demonstrate it has not passed on interchange to its customers.

As Visa and Sainsbury's had agreed on these levels as lawful for the purpose of those proceedings only, the proceedings moved straight to a quantum trial.

On 30 September 2021, Visa and Sainsbury's entered into a confidential forward-looking settlement on all types of MIFs (amongst other matters). Incremental charges associated with the settlement were recognised and are reflected in the Company's 2021 income statement as Retailers provision and expense. As a result, as of 30 September 2021, the €61 million provision balance for Sainsbury's proceedings recognised in prior years, along with incremental charges associated with the settlement, were reclassed from Provisions to Trade and other payables, where it is reflected in the Company's 2021 statement of financial position. (Refer to Note 5, Administrative expenses, Note 18, Trade and other payables, and Note 21, Provisions.) The settlement was paid in full in November 2021.

In addition, a substantial number of merchants have threatened to commence, or have issued, similar proceedings and standstill agreements (or similar arrangements) have been entered into with respect to some of those merchants' claims. A large number of these claims have been, or are being, moved to the CAT.

In December 2020, some of these claimants had made an application to the CAT for summary judgment on restriction issues for all types of interchange fee, for all time periods, even though the Supreme Court had only considered UK and Irish domestic and intra-EEA consumer interchange and did not discuss the introduction of the Interchange Fee Regulation from 2015 (IFR). On 26 November 2021, the CAT refused to give summary judgment for UK and Irish domestic and intra-EEA consumer MIFs in the post-IFR period and for any of inter-regional, commercial card and Italian MIFs in the pre- and post-IFR periods. On 1 February 2022, the claimants have received permission to appeal in respect of the post-IFR period and inter-regional MIFs. Visa has submitted a respondent's notice including on points it lost that the CAT considered that it was not arguable that (i) the OneVisa acquisition in 2016 meant that none of the MIFs were determined collectively; and (ii) Visa Inc. set inter-regional MIFs throughout the claim period, such that they were not set collectively or by a defendant in those proceedings). If the summary judgment ruling is not overturned on appeal, there will be a new trial on whether interchange is a restriction of competition in the post-IFR period, and whether commercial, domestic Italian and inter-regional interchange is a restriction of competition for the entire claim period.

While parts of the Sainsbury's case may be relevant to these cases, the outcome of any other retailer claims will still depend on the application of these legal tests to the relevant facts and evidence on those cases, that may well be different. In these cases, Visa will have an opportunity to put forward new evidence to demonstrate the benefits of interchange to the Court, meaning there is no read-across from the Sainsbury's case to these other cases. The Supreme Court test for pass-through will be equally burdensome for new claimants as it was for Sainsbury's. As a result, a provision has not been recognised in relation to the other retailer claims. (Refer to Note 26, Contingent liabilities.)

Although other Visa Group entities, in addition to Visa Europe, are included as named defendants in the Retailer Litigation, Visa Europe will absorb all losses associated with the claim.

Please see Note 26, Contingent liabilities, for discussion of other pending claims against Visa Europe.

30. Subsequent events

On 9 November 2021, the Company paid in full its settlement with Sainsbury's in relation to the Retailer Litigation. See Note 29, Retailer Litigation, for further details.

See Note 26, Contingent liabilities, for details on activity of other pending litigation against the Company taking place subsequent to the balance sheet date and before the date of approval of the Directors' Report.

On 29 November 2021 and 28 January 2022, the Company paid a cash dividend in the amount of €422 million and €567 million, respectively, to its immediate parent, Visa International Holdings Limited, in line with the Visa Europe Capital Management and Dividend Policy and Annual Dividend Plan.

In November 2021, Amazon informed its UK customers that it would no longer accept Visa credit cards in the UK from 19 January 2022, due to a commercial dispute between the two companies. On 17 January 2022, Amazon informed its UK customers that the expected change would no longer take place and that UK customers could continue to use Visa credit cards after 19th January. A global agreement between Visa and Amazon was reached in February 2022.

As of 1 November 2021, Visa Europe has been included in the Dutch Financial Core Infrastructure, after Visa Europe's activities in the Netherlands were identified as critical processes and services.

Given the deteriorating situation in Russia and Ukraine, the Company has undertaken a high level review of business exposure, noting that the conflict zone is outside of the markets that form the Visa Europe region. Although a revenue and credit exposure does exist, the amounts are not considered to be material.

Our top priority is ensuring the safety and security of our employees who are directly impacted by these recent events and supporting the humanitarian relief efforts underway to aid the Ukrainian people.

Visa Europe office and business information

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1 Sheldon Square
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Tel: +44 (0)20 7937 8111
Fax +44 (0)20 7937 0877

Company secretary
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London
W2 6TT

Registered office
1 Sheldon Square
London
W2 6TT

Registered number
5139966

Auditor
KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor
Linklaters
1 Silk Street
London
EC2Y 8HQ

Banker
Barclays Bank
1 Churchill Place
London
E14 5HP

Overall parent company
Visa Inc.
P.O. Box 8999
San Francisco, California
94128-8999

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from **to**

Commission file number 001-33977

THESE ACCOUNTS FORM PART OF THE GROUP ACCOUNTS OF COMPANY No. 5139966

VISA

VISA INC.

(Exact name of Registrant as specified in its charter)

Delaware	
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
P.O. Box 8999	**94128-8999**
San Francisco, California	
(Address of principal executive offices)	**(Zip Code)**

(650) 432-3200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock, par value $0.0001 per share	V	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Class B common stock, par value $0.0001 per share
Class C common stock, par value $0.0001 per share

(Title of each Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the registrant's class A common stock, par value $0.0001 per share, held by non-affiliates (using the New York Stock Exchange closing price as of March 31, 2021, the last business day of the registrant's most recently completed second fiscal quarter) was approximately $358.6 billion. There is currently no established public trading market for the registrant's class B common stock, par value $0.0001 per share, or the registrant's class C common stock, par value $0.0001 per share.

As of November 10, 2021, there were 1,669,730,762 shares outstanding of the registrant's class A common stock, par value $0.0001 per share, 245,513,385 shares outstanding of the registrant's class B common stock, par value $0.0001 per share, and 10,099,892 shares outstanding of the registrant's class C common stock, par value $0.0001 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the 2022 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the Registrant's fiscal year ended September 30, 2021.

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Unless the context indicates otherwise, reference to "Visa," "Company," "we," "us" or "our" refers to Visa Inc. and its subsidiaries.

"Visa" and our other trademarks referenced in this report are Visa's property. This report may contain additional trade names and trademarks of other companies. The use or display of other companies' trade names or trademarks does not imply our endorsement or sponsorship of, or a relationship with these companies.

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, the impact on our future financial position, results of operations, and cash flows as a result of the ongoing effects of the coronavirus ("COVID-19") pandemic, the measures taken in response, as well as the speed and strength of an economic recovery, including the reopening of borders and resumption of international travel; prospects, developments, strategies and growth of our business; anticipated expansion of our products in certain countries; industry developments; anticipated timing and benefits of our acquisitions; expectations regarding litigation matters, investigations and proceedings; timing and amount of stock repurchases; sufficiency of sources of liquidity and funding; effectiveness of our risk management programs; and expectations regarding the impact of recent accounting pronouncements on our consolidated financial statements. Forward-looking statements generally are identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "may," "projects," "could," "should," "will," "continue" and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in *Item 1—Business*, *Item 1A—Risk Factors*, *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this report. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

PART I

ITEM 1. Business

OVERVIEW

Visa is one of the world's leaders in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payments network — enabling individuals, businesses and economies to thrive. We facilitate global commerce and money movement across more than 200 countries and territories among a global set of consumers, merchants, financial institutions, businesses, strategic partners and government entities through innovative technologies.

Since Visa's inception in 1958, Visa has been in the business of facilitating payments between consumers and businesses. With new ways to pay, we have evolved into a global company that is a trusted engine of commerce, working to provide payment solutions for everyone, everywhere. We are focused on extending, enhancing and investing in our proprietary network, VisaNet, while seeking new ways to offer products and services and become a single connection point for facilitating any payment transaction, using our network, other networks, or a combination of networks. We offer products and solutions that facilitate secure, reliable and efficient money movement for all participants in the ecosystem.

- **We facilitate secure, reliable and convenient transactions among financial institutions, merchants and consumers.** We have traditionally referred to this as the "four-party" model. As the payments ecosystem continues to evolve, we have broadened this model to include digital banks, digital wallets and a range of financial technology companies (fintechs), governments and non-governmental organizations (NGOs). We provide transaction processing services (primarily authorization, clearing and settlement) to our financial institution and merchant clients through VisaNet, our advanced transaction processing network. During fiscal year 2021, we saw 232 billion payments and cash transactions with Visa's brand, equating to an average of 637 million transactions per day. Of the 232 billion total transactions, 165 billion were processed by Visa.
- **We offer a wide range of Visa-branded payment products** that our 15,100 financial institution clients use to develop and offer core business solutions, including credit, debit, prepaid and cash access programs for individual, business and government account holders. During fiscal year 2021, Visa's total payments and cash volume was $13 trillion, and 3.7 billion credentials were available worldwide to be used at more than 80 million[(1)] merchant locations.
- **We take an open partnership approach** and seek to provide value by enabling access to our global network, including offering our technology capabilities through application programming interfaces (APIs). We partner with both traditional and emerging players to innovate and expand the payments ecosystem, allowing them to leverage the resources of our platform to scale and grow their businesses more quickly and effectively.
- **We are accelerating the migration to digital payments** and evolving Visa to be a "network of networks" to enable the movement of money through all available networks. We aim to provide a single connection point so that Visa clients can enable money movement for businesses, governments, and consumers regardless of which network is used to start or complete the transaction; ultimately, helping to unify a complex payments ecosystem. Visa's network of networks approach creates opportunities by facilitating person-to-person (P2P), business-to-consumer (B2C), business-to-business (B2B), business-to-small business (B2b) and government-to-consumer (G2C) payments, in addition to consumer to business (C2B) payments.
- **We provide value added services** to our clients, including issuer solutions; acceptance solutions; risk and identity solutions; and advisory services.
- **We invest in and promote our brand** to the benefit of our clients and partners through advertising, promotional and sponsorship initiatives with FIFA, the International Olympic Committee, the International Paralympic Committee and the National Football League (NFL), among others. We also use these sponsorship assets to showcase our payment innovations

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(1) Data provided to Visa by acquiring institutions and other third parties.

FISCAL YEAR 2021 KEY STATISTICS

NET REVENUES
$24.1B
up 10% from prior year

GAAP NET INCOME
$12.3B
up [illegible] from prior year

NON-GAAP NET INCOME[1]
$12.9B
up 15% from prior year

PAYMENTS VOLUME
$10.4T
up [illegible] from prior year

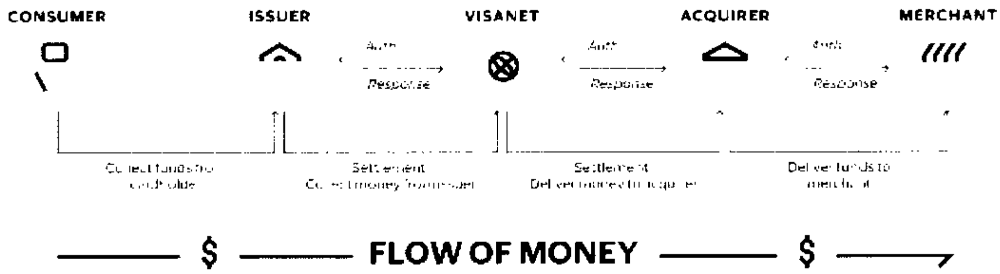
PROCESSED TRANSACTIONS
164.7B
up 17% from prior year

DIVIDENDS & SHARE BUYBACKS
$11.5B
up 7% from prior year

21,500
EMPLOYEES IN 123 LOCATIONS AROUND THE WORLD

(1) Please see *Item 7–Management's Discussion and Analysis of Financial Condition and Results of Operations* for a reconciliation of our GAAP to non-GAAP financial results.

OUR CORE BUSINESS



In an example of a typical Visa C2B payment transaction, the consumer purchases goods or services from a merchant using a Visa card or payment product. The merchant presents the transaction data to an acquirer, usually a bank or third-party processing firm that supports acceptance of Visa cards or payment products, for verification and processing. Through VisaNet, the acquirer presents the transaction data to Visa, which in turn contacts the issuer to check the account holder's account or credit line for authorization. After the transaction is authorized, the issuer effectively pays the acquirer an amount equal to the value of the transaction, minus the interchange reimbursement fee, and then posts the transaction to the consumer's account. The acquirer pays the amount of the purchase, minus the merchant discount rate (MDR), to the merchant.

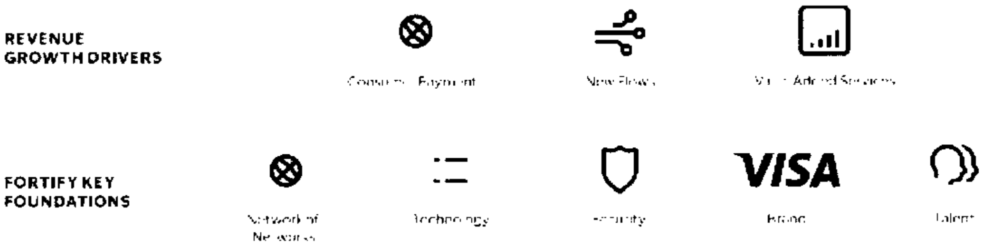
Visa earns revenue by facilitating money movement across more than 200 countries and territories among a global set of consumers, merchants, financial institutions, businesses, strategic partners and government entities through innovative technologies. Net revenues consist of service revenues, data processing revenues, international transaction revenues and other revenues, minus client incentive arrangements we have with our clients. We have one reportable segment, which is Payment Services. We generally do not experience any pronounced seasonality in our business.

Visa is not a financial institution. We do not issue cards, extend credit, or set rates and fees for account holders of Visa products nor do we earn revenues from, or bear credit risk with respect to, any of these activities. Interchange reimbursement fees reflect the value merchants receive from accepting our products and play a key role in balancing the costs and benefits that account holders and merchants derive from participating in our payments networks. Generally, interchange reimbursement fees are collected from acquirers and paid to issuers. We establish default interchange reimbursement fees that apply absent other established settlement terms. In addition, we do not earn revenues from the fees that merchants are charged by acquirers for acceptance, including the MDR. Our acquiring clients are generally responsible for soliciting merchants as well as establishing and earning these fees.

Our net revenues in fiscal year 2021 consisted of the following:

Our Strategy

Visa's strategy is to accelerate our revenue growth in consumer payments, new flows and value added services, and fortify the key foundations of our business model.

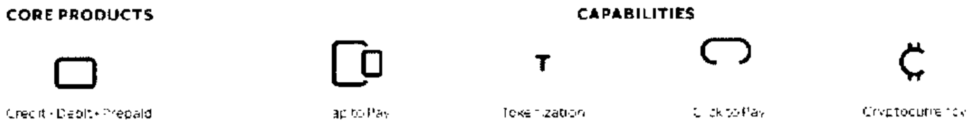


Revenue Growth Drivers

We seek to accelerate revenue growth in three primary areas — consumer payments, new flows and value added services

Consumer Payments

We are accelerating efforts to move approximately $18 trillion[2] in consumer spending still exchanged in cash and check to cards and digital accounts on Visa's network of networks.



Core Products

Visa's growth has been driven by the strength of our core products — credit, debit and prepaid products.

Credit: Credit cards and digital credentials allow consumers and businesses to access credit to pay for goods and services. Credit cards are affiliated with programs operated by financial institution clients, co-brand partners, fintechs and affinity partners.

Debit: Debit cards and digital credentials allow consumers and small businesses to purchase goods and services using funds held in their bank accounts. Debit cards enable account holders to transact in person, online or via mobile without needing cash or checks and without accessing a line of credit. The Visa/PLUS Global ATM network also provides debit, credit and prepaid account holders with cash access, and other banking capabilities, in more than 200 countries and territories worldwide through issuing and acquiring partnerships with both financial institutions and independent ATM operators.

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(2) Estimate as of December 2018.

Prepaid: Prepaid cards and digital credentials draw from a designated balance funded by individuals, businesses or governments. Prepaid cards address many use cases and needs, including general purpose reloadable, payroll, government and corporate disbursements, healthcare, gift and travel. Visa-branded prepaid cards also play an important part in financial inclusion, bringing payment solutions to those with limited or no access to traditional banking products.

Capabilities

We offer capabilities, tools and solutions that enable consumer payments and help our clients grow as digital commerce, new technologies and new participants continue to transform the payments ecosystem. Some of our offerings include:

Tap to Pay

As we seek to improve the user experience in the face-to-face environment, contactless payments or tap to pay, which is tapping a contactless card or mobile device on a terminal to make a payment, has emerged as a preferred way to pay among consumers in many countries around the world. Tap to pay adoption is growing and many consumers have come to expect touchless payment experiences. In addition, Visa continues to work with payments industry partners and governments to support raising contactless payment limits.

Globally we have more than 20 countries with more than 90 percent contactless penetration and nearly 70 countries where tap to pay is more than 50 percent of face-to-face transactions. Excluding the United States, nearly 70 percent of face-to-face transactions globally were contactless. In the U.S., Visa has more than 15 percent contactless penetration. We have 400 million tap-to-pay-enabled Visa cards, and now three cities have above 25 percent face-to-face tap-to-pay penetration: New York, San Francisco and San Jose. We have activated nearly 500 contactless public transport projects worldwide and have nearly 750 projects in our pipeline.

Tokenization

Visa Token Service (VTS) brings trust to digital commerce innovation. As consumers increasingly rely on digital transactions, VTS is designed to enhance the digital ecosystem through improved authorization, reduced fraud and improved customer experience. VTS helps protect digital transactions by replacing 16-digit Visa account numbers with a token protecting the underlying account information. This security technology can work for a variety of payment transactions, both in the physical and online space.

The issuance of network tokens continues to accelerate. In the past 17 months, we have more than doubled the number of network tokens issued from one billion to 2.6 billion. By comparison, it took nearly six years to reach our first one billion network tokens.

Click to Pay

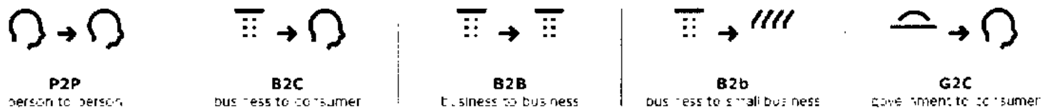
Click to Pay provides a simplified and more consistent cardholder checkout experience online by removing time-consuming key entry of personal information and enabling consumer and transaction data to be passed securely between payments network participants. Based on the EMV® Secure Remote Commerce industry standard, Click to Pay brings a standardized and streamlined approach to online checkout and meets the needs of consumers shopping across a growing number of connected devices. The goal of Click to Pay is to make digital payments safe, consistent, and interoperable like the checkout experience in physical stores.

Cryptocurrency

We enable cryptocurrencies for everyday payments through our global presence, partnership approach and trusted brand. We want to serve as the bridge between the crypto ecosystem and our global network, which would enable our clients to provide consumers the ability to easily convert cryptocurrencies into fiat and access our global network of more than 80 million merchant locations and 15,100 financial institutions. In fiscal year 2021, we had $3.5 billion in payments volume on crypto-linked card programs, which are crypto wallets linked to Visa credentials where cryptocurrencies are converted to fiat currency before funds can be accessed through the Visa credential. We are advancing this effort through our partnerships with nearly 60 crypto platforms on crypto-linked Visa card programs. We are also building infrastructure capabilities and value added services to support crypto use cases, including future settlement in digital currencies, a new Visa Crypto API platform to help financial institutions create a cryptocurrency offering, assisting central banks as they evaluate digital currencies and a growing number of other services and infrastructure capabilities.

New Flows

New flows represent a $185 trillion[3] volume opportunity. Visa's network of networks approach creates opportunities to capture new sources of money movement through card and non-card flows for consumers, businesses and governments around the world by facilitating P2P, B2C, B2B, B2b and G2C payments.



Visa Direct

Visa Direct is Visa's global, real-time[4] push payments platform, which reverses the traditional card payment flow by allowing payment originators, through their acquirer, to push funds directly to eligible debit and prepaid cards or accounts. It helps facilitate fast, simple and secure money movement around the world, enabling businesses and consumers to send money directly to a bank account or card, including domestic or cross-border payouts and payments, P2P, payments to small businesses, and corporate, worker, insurance and government payouts.

In fiscal year 2021, we had 5.2 billion Visa Direct transactions, an increase of 50 percent year over year, and more than 20 use cases and 500 programs. Visa Direct connected 16 card-based networks, 66 automated clearing house (ACH) schemes, seven real time payment (RTP) networks and five gateways. With the addition of Visa Direct Payouts, Visa Direct provides access to almost 6 billion credentials across more than 200 countries and territories.

Visa Business Solutions

We are also extending our network with B2B payments. Our three strategic areas of focus include investing and growing card-based payments, accelerating our efforts in non-card, cross-border payments and digitizing domestic accounts payable and accounts receivable processes. We offer a portfolio of business payment solutions, including small business, corporate (travel) cards, purchasing cards, virtual cards and digital credentials, non-card cross-border B2B payment options and disbursement accounts, covering most major industry segments around the world. Business solutions are designed to bring efficiency, controls and automation to small businesses, commercial and government payment processes, ranging from employee travel to fully integrated, invoice-based payables.

Visa B2B Connect is a multilateral B2B cross-border payments network designed to facilitate transactions from the bank of origin directly to the beneficiary bank, helping streamline settlement and optimize payments for financial institutions' corporate client base. The network delivers B2B cross-border payments that are predictable, flexible, data-rich, secure and cost-effective. Visa B2B Connect continues to scale, with the ability to operate in more than 100 countries and territories.

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(3) McKinsey Global Payments Map and Visa Analysis, 2018.
(4) Actual fund availability varies by receiving financial institution, receiving account type, region and whether the transaction is domestic or cross-border.

Value Added Services

Value added services represent an opportunity for us to diversify our revenue with products and solutions that differentiate our network. deepen our client relationships and deliver innovative solutions across other networks.

ISSUER SOLUTIONS

ACCEPTANCE SOLUTIONS

RISK & IDENTITY SOLUTIONS

ADVISORY SERVICES

Issuer Solutions

Visa Debit Processing Service (DPS) is one of the largest issuer processors of Visa debit transactions in the world and is able to deliver agility at scale. Visa DPS provides a wide range of debit, prepaid and credit value added services to clients including call center services, data analytics, campaign management. fraud and risk solutions. and a white-label branded mobile app. Visa DPS continues to extend and expand our capabilities in modern. API-based issuer processing solutions called DPS Forward, which will be used for both the U.S. and international markets. We have expanded Visa DPS into Europe, providing European issuers in select countries access to a comprehensive and end-to-end solution, from core processing services to value added services.

We also provide a range of other services and digital solutions to issuers, such as account controls, digital issuance, branded consumer experiences and buy now pay later (BNPL) capabilities. BNPL or installment payments allow shoppers the flexibility to pay for a purchase in equal payments over a defined period of time. Visa is investing in installments as a payments strategy — by offering our own solution, Visa Installments — and by partnering with innovative installments providers who use our cards and services to support a wider variety of installment options. Visa Installments offers issuing banks the opportunity to offer Visa cardholders the option to divide their total purchase amount into smaller payments during or after checkout, at the store and online at participating merchants.

Acceptance Solutions

Cybersource is a global payment management platform that provides modular, digital capabilities in addition to the traditional gateway function of connecting merchants to payment processing. Using Cybersource, merchants of all sizes can improve the way their consumers engage and transact, mitigate fraud and security risk, lower operational costs and adapt to changing business requirements. Cybersource white-labeled capabilities provide new and enhanced payment integrations with ecommerce platforms, enabling sellers and acquirers to provide tailored commerce experiences with payments seamlessly embedded. Cybersource enables an omnichannel solution with a cloud-based architecture to deliver more innovation at the point-of-sale.

In addition, we provide secure, reliable services for merchants and acquirers that reduce friction and drive acceptance. Examples include Global Urban Mobility, which allows transit operators to accept Visa contactless payments in addition to proprietary closed-loop payment solutions; Rapid Seller Onboarding, which enables digital onboarding of small businesses and acquirers; and Visa Account Updater, which provides updated account information to merchants to strengthen customer relationships and retention. Visa also offers dispute management services, including a network agnostic solution with Verifi that enables merchants to prevent and resolve disputes with a single connection.

Risk and Identity Solutions

Visa's risk and identity solutions transform data into insights for near real-time decisions and facilitate account holder authentication to help clients prevent fraud and protect account holder data. With the increasing popularity of omnichannel commerce among consumers, preventing fraud helps increase trust in digital payments. Solutions such as Visa Advanced Authorization, Visa Secure, Visa Advanced Identity Score, Visa Consumer Authentication Service, and payment-decisioning solutions from CardinalCommerce empower financial institutions and merchants with tools that help automate and simplify fraud prevention and enhance payment security.

These value added payment security tools layer on top of a suite of programs that protect the safety and integrity of the payment ecosystem, and along with our investments in intelligence and technology, help to prevent, detect and mitigate threats. These programs and Visa's fraud prevention expertise are among the core benefits of being part of the Visa network. Through the combined efforts of security and identity tools and services, payment and cyber intelligence, insights and learnings from client/partner breach investigations and law enforcement engagement, Visa helps protect financial institutions and merchants from fraud and solve payment security challenges.

Advisory Services

Visa Consulting and Analytics is the payments consulting advisory arm of Visa. The combination of our deep payments expertise, proprietary analytical models applied to a breadth of data and our economic intelligence allows us to identify actionable insights, make recommendations and help implement solutions that can drive better business decisions and measurable outcomes for clients. Visa Consulting and Analytics offers consulting services for issuers, acquirers, merchants, fintechs and other partners, spanning the entire customer journey from acquisition to retention.

Fortify Key Foundations

We are fortifying the key foundations of our business model, which consist of becoming a network of networks, our technology platforms, security, brand and talent.

NETWORK OF NETWORKS	TECHNOLOGY	SECURITY	BRAND	TALENT

Network of Networks

Visa strives to become a network of networks, offering a single connection point for senders and receivers to enable money movement to all endpoints and to all form factors, using all available networks.

Technology Platforms

Visa's technology platforms include software, hardware, data centers and a large telecommunications infrastructure, each with a distinct architecture and operational footprint wrapped with several layers of security and protection technologies. Visa's three data centers are a critical part of our global processing environment and have a high redundancy of network connectivity, power and cooling designed to provide continuous availability of systems. Together, these systems deliver the secure, convenient and reliable service that our clients and consumers expect from the Visa brand.

Security

Our in-depth, multi-layer security approach includes a formal program to devalue sensitive and/or personal data through various cryptographic means; embedded security in the software development lifecycle; identity and access management controls to protect against unauthorized access; and advanced cyber detection and response capabilities. We deploy security tools that help keep our clients and consumers safe, while providing buyer and seller solutions that help make Visa the best way to pay and be paid. We also invest significantly in our comprehensive approach to cybersecurity. We deploy security technologies to strengthen data confidentiality, integrity and service availability, emphasizing core cybersecurity capabilities to minimize risk.

Brand

Visa's brand strength helps deliver added value to our clients and their customers, financial institutions, merchants and partners through compelling brand expressions, a wide range of products and services as well as innovative brand and marketing efforts. In line with our commitment to an expansive and diverse range of partnerships for the benefit of our stakeholders, Visa is the only brand in the world that is a top sponsor of FIFA, the Olympic Games, and the NFL and is one of the most active sponsors of women's football around the world.

This year, we launched a multi-year brand initiative to spotlight the diverse capabilities of our network and our commitment to enabling global economic inclusion. The "Meet Visa" campaign reintroduced Visa as a network working for everyone.

Talent

Attracting, developing and retaining the best talent globally is critical to our continued success. Our workforce grew from approximately 20,500 in fiscal year 2020 to approximately 21,500 employees in fiscal year 2021. Visa employees are located in more than 80 countries, with more than 49 percent located outside the U.S. Voluntary workforce turnover (rolling 12-month attrition) was 9.3 percent as of September 30, 2021. At the end of fiscal year 2021, Visa's global workforce was 58 percent male and 42 percent female, and women represented 35 percent of Visa's leadership (defined as vice president level and above). In the U.S., ethnicity of our workforce was 41 percent Asian, 7 percent Black, 12 percent Hispanic, 3 percent Other and 37 percent White. For our U.S. leadership, the breakdown was 20 percent Asian, 6 percent Black, 12 percent Hispanic, 2 percent Other and 59 percent White.

At Visa, we have an unwavering commitment to inclusion and diversity, and we foster an inclusive workplace to encourage diversity of thought, culture and background. In 2020, we established "Stand Together" goals in support of social justice and racial equality in the U.S. focused on our people, our community and our company. We are proud of the progress we made in fiscal year 2021, including the launch of the Visa Black Scholars and Jobs Program in the U.S. with the inaugural class of 50 Visa Black Scholars who will participate in year-round programs and training aimed at developing their professional and technical skills. Upon graduation, all Scholars who have met their commitments will be offered a full-time job with Visa.

We have also increased the number of underrepresented employees in the U.S. We are supporting Visa's commitment to recruit and retain diverse talent by launching employee development programs and partnering with several non-profit and community organizations, as well as historically black colleges and a generally more diverse set of universities to develop our talent pipeline. Visa is committed to pay equity, regardless of gender or race/ethnicity, and conducts pay equity analyses on an annual basis. More details regarding our human capital management, as well as enhanced workforce disclosures that include our 2020 Consolidated EEO-1 Report and our 2020 Environmental, Social and Governance (ESG) Report can be found on our website at *usa.visa.com/about-visa/esg.html*.

For additional information, please see the section titled "Talent and Human Capital Management" in Visa's 2021 Proxy Statement.

FINTECH AND DIGITAL PARTNERSHIPS

Fintechs are key enablers of new payment experiences and new flows. Our work with fintechs has opened new points of acceptance, extended credit at the point of sale, made cross-border money flows more efficient, moved B2B spend onto Visa's network, expedited payroll and provided digital wallet customers access to our services.

To better serve fintechs, Visa has a suite of streamlined commercial programs and digital onboarding tools. Our Fintech Fast Track program enables qualifying fintechs to quickly launch and scale their programs. The program has welcomed hundreds of fintechs who are actively engaged in the program.

With our startup engagement programs, the Visa Everywhere Initiative and the Inclusive Fintech 50, early-stage companies can build payment solutions based on our capabilities. With Visa Fintech Partner Connect, a program launched globally this year, we are helping our clients tap into innovations emerging from the fintech community. The program is designed to help financial institutions quickly connect with a vetted and curated set of technology providers, helping Visa's issuing partners create digital-first experiences without the cost and complexity of building the back-end technology in-house.

MERGERS AND ACQUISITIONS AND STRATEGIC INVESTMENTS

Visa continually explores opportunities to augment our capabilities and provide meaningful value to our clients. Mergers and acquisitions and strategic investments complement our internal development and enhance our partnerships to align with Visa's priorities. Visa applies a rigorous business analysis to our acquisitions and investments to ensure they will differentiate our network, provide value added services and accelerate growth.

In fiscal year 2021, we acquired YellowPepper to accelerate our network of networks strategy in Latin America and the Caribbean by becoming a single point of access for initiating multiple transaction types and significantly reducing the time-to-market and cost for issuers and processors to launch card and account agnostic payments solutions.

On June 24, 2021, we signed a definitive agreement to acquire Tink AB (Tink), a European open banking platform that enables financial institutions, fintechs and merchants to build tailored financial management tools, products and services for European consumers and businesses based on their financial data.

On July 22, 2021, we signed a definitive agreement to acquire The Currency Cloud Group Limited (Currencycloud), a UK-based global platform that enables banks and fintechs to provide innovative foreign exchange solutions for cross-border payments. The Tink and Currencycloud transactions are subject to regulatory approvals and other customary closing conditions.

Environmental, Social and Governance

As a trusted brand, Visa has an opportunity and responsibility to contribute to a more inclusive, equitable and sustainable world. We believe that economies that include everyone everywhere, uplift everyone everywhere. As we build business resilience and long-term value, we are committed to managing the risks and opportunities that arise from ESG issues. We are focused on empowering people and economies; securing commerce and protecting customers; investing in our workforce; protecting the planet; and operating responsibly. Our 2020 ESG report, which provides enhanced ESG disclosures is available on our website at *usa.visa.com/about-visa/esg.html*.

INTELLECTUAL PROPERTY

We own and manage the Visa brand, which stands for acceptance, security, convenience, speed and reliability. Our portfolio of Visa-owned trademarks is important to our business. Generally, trademark registrations are valid indefinitely as long as they are in use and/or maintained. We give our clients access to these assets through agreements with our issuers and acquirers, which authorize the use of our trademarks in connection with their participation in our payments network. Additionally, we have filed patent applications in the U.S. and international jurisdictions covering certain aspects of our proprietary technology and new innovations, and own a number of patents, patent applications and other intellectual property relating to our business. We rely on a combination of patent, trademark, copyright and trade secret laws in the U.S. and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology.

COMPETITION

The global payments industry continues to undergo dynamic change. Existing and emerging competitors compete with Visa's network and payment solutions for consumers and for participation by financial institutions and merchants. Technology and innovation are shifting consumer habits and driving growth opportunities in ecommerce, mobile payments, blockchain technology and digital currencies. These advances are enabling new entrants, many of which depart from traditional network payment models. In certain countries, the evolving regulatory landscape is creating local networks or enabling additional processing competition.

We compete against all forms of payment. This includes paper-based payments, primarily cash and checks, and all forms of electronic payments. Our electronic payment competitors principally include:

Global or Multi-Regional Networks: These networks typically offer a range of branded, general purpose card payment products that consumers can use at millions of merchant locations around the world. Examples include Mastercard, American Express, Discover, JCB and UnionPay. These competitors may be more concentrated in specific geographic regions, such as JCB in Japan and Discover in the U.S., or have a leading position in certain countries, such as UnionPay in China. See *Item 1A—Risk Factors—Regulatory Risks—Government-imposed obligations and/or restrictions on international payment systems may prevent us from competing against providers in certain countries, including significant markets such as China, India and Russia*. Based on available data, Visa is one of the largest retail electronic funds transfer networks used throughout the world.

The following chart compares our network with these network competitors for calendar year 2020[1]:

	Visa	Mastercard	American Express	JCB	Diners Club
Payments Volume ($B)	8,911	4,743	1,005	308	166
Total Volume ($B)	11,383	6,337	1,011	317	178
Total Transactions (B)	205	126	9	5	3
Cards (M)	3,586	2,334	112	141	65

(1) Mastercard, American Express, JCB and Diners Club / Discover data sourced from The Nilson Report issue 1199 (June 2021). Mastercard excludes Maestro and Cirrus figures. American Express, Diners Club / Discover, and JCB include business from third-party issuers. JCB figures include other payment-related products and some figures are estimates.

Local and Regional Networks: Operated in many countries, these networks often have the support of government influence or mandate. In some cases, they are owned by financial institutions or payment processors. These networks typically focus on debit payment products, and may have strong local acceptance, and recognizable brands. Examples include STAR, NYCE, and Pulse in the U.S., Interac in Canada, EFTPOS in Australia and Mir in Russia.

Alternative Payment Providers: These providers such as digital wallets, closed commerce ecosystems, BNPL solutions, cryptocurrency platforms, and account-to-account systems often have a primary focus of enabling payments through ecommerce and mobile channels; however, they are expanding or may expand their offerings to the physical point of sale. These companies may process payments using in-house account transfers between parties, electronic funds transfer networks like the ACH, global or local networks like Visa, or some combination of the foregoing. In some cases, these entities are both a partner and a competitor to Visa.

ACH and RTP Networks: These networks are often governed by local regulations. Primarily focused on interbank transfers, many are adding capabilities that may make them more competitive for retail payments. We also compete with closed-loop payment systems, emerging payments networks, wire transfers and electronic benefit transfers.

Payment Processors: We compete with payment processors for the processing of Visa transactions. These processors may benefit from mandates requiring them to handle processing under local regulation. For example, as a result of regulation in Europe under the Interchange Fee Regulation (IFR), we may face competition from other networks, processors and other third parties who could process Visa transactions directly with issuers and acquirers.

Value Added Products and Service Providers: We face competition from companies that provide alternatives to our value added products and services, including information services and consulting firms that provide consulting services and insights to financial institutions, merchants and governments and technology companies that provide cyber and fraud solutions. Regulatory initiatives could also lead to increased competition in this space.

We believe our fundamental value proposition of security, convenience, speed and reliability as well as the number of credentials and our acceptance footprint help us to succeed. In addition, we understand the needs of the individual markets in which we operate and partner with local financial institutions, merchants, fintechs, governments, NGOs and business organizations to provide tailored and innovative solutions. Our network of networks strategy implies that we have and we will continue to utilize other networks to facilitate the movement of money. We believe Visa is well-positioned competitively due to our global brand, our broad set of payment products and value added services, and our proven track record of processing payment transactions securely and reliably.

GOVERNMENT REGULATION

As a global payments technology company, we are subject to complex and evolving global regulations in the various jurisdictions in which our products and services are used. The most significant government regulations that impact our business are discussed below. For further discussion of how global regulations may impact our business, see *Item 1A-Risk Factors-Regulatory Risks*

Anti-Corruption, Anti-Money Laundering, Anti-Terrorism and Sanctions: We are subject to anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and other laws that generally prohibit the making or offering of improper payments to foreign government officials and political figures for the purpose of obtaining or retaining business or to gain an unfair business advantage. We are also subject to anti-money laundering and anti-terrorist financing laws and regulations, including the U.S. Bank Secrecy Act. In addition, we are subject to economic and trade sanctions programs administered by the Office of Foreign Assets Control (OFAC) in the U.S. Therefore, we do not permit financial institutions or other entities that are domiciled in countries or territories subject to comprehensive OFAC trade sanctions (currently, Cuba, Iran, North Korea, Syria and Crimea), or that are included on OFAC's list of Specially Designated Nationals and Blocked Persons, to issue or acquire Visa cards or engage in transactions using our services.

Government-Imposed Market Participation Restrictions: Certain governments, including China, India, Indonesia, Russia, Thailand and Vietnam, have taken actions to promote domestic payments systems and/or certain issuers, payments networks or processors, by imposing regulations that favor domestic providers, impose local ownership requirements on processors, require data localization or mandate that domestic processing be done in that country.

Interchange Rates and Fees: An increasing number of jurisdictions around the world regulate or influence debit and credit interchange reimbursement rates in their regions. For example, the U.S. Dodd-Frank Wall Street Reform and Consumer Act (Dodd-Frank Act) limits interchange reimbursement rates for certain debit card transactions in the U.S., the European Union (EU) IFR limits interchange rates in Europe (as discussed below), and the Reserve Bank of Australia and the Central Bank of Brazil regulate average permissible levels of interchange.

Internet Transactions: Many jurisdictions have adopted regulations that require payment system participants to monitor, identify, filter, restrict or take other actions with regard to certain types of payment transactions on the Internet, such as gambling, digital currencies, the purchase of cigarettes or alcohol and other controversial transaction types.

Network Exclusivity and Routing: In the U.S., the Dodd-Frank Act limits network exclusivity and restrictions on merchant routing choice for the debit and prepaid market segments. Other jurisdictions impose similar limitations, such as the IFR's prohibition in Europe on restrictions that prevent multiple payment brands or functionality on the same card.

No-surcharge Rules: We have historically enforced rules that prohibit merchants from charging higher prices to consumers who pay using Visa products instead of other means. However, merchants' ability to surcharge varies by geographic market as well as Visa product type, and continues to be impacted by litigation, regulation and legislation.

Privacy and Data Protection: Aspects of our operations or business are subject to privacy, data use and data security regulations, which impact the way we use and handle data, operate our products and services and even impact our ability to offer a product or service. In addition, regulators are proposing new laws or regulations that could require Visa to adopt certain cybersecurity and data-handling practices, create new individual privacy rights and impose increased obligations on companies handling personal data.

Supervisory Oversight of the Payments Industry: Visa is subject to financial sector oversight and regulation in substantially all of the jurisdictions in which we operate. In the U.S., for example, the Federal Financial Institutions Examination Council (FFIEC) has supervisory oversight over Visa under applicable federal banking laws and policies as a technology service provider to U.S. financial institutions. The federal banking agencies comprising the FFIEC are the Federal Reserve Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the National Credit Union Administration. Visa also may be separately examined by the Bureau of Consumer Financial Protection as a service provider to the banks that issue Visa-branded consumer credit and debit card products. Central banks in other countries/regions, including Europe, India, Russia, Ukraine and the United Kingdom (as discussed below), have recognized or designated Visa as a retail payment system under various types of financial stability regulations. Visa is also subject to oversight by banking and financial sector authorities in other jurisdictions, such as Brazil and Hong Kong.

European and United Kingdom Regulations and Supervisory Oversight: Visa in Europe continues to be subject to complex and evolving regulation in the United Kingdom and the European Economic Area (EEA). Specifically, in the United Kingdom, Visa Europe is designated as a Recognized Payment System, bringing it within the scope of the Bank of England's supervisory powers and subject to various requirements, including on issues such as governance and risk management designed to maintain the stability of the United Kingdom's financial system. Visa Europe is also regulated by the United Kingdom's Payment Systems Regulator (PSR), which has wide-ranging powers and authority to review our business practices, systems, rules and fees with respect to promoting competition and innovation in the United Kingdom, and ensuring payments meet account holder needs.

Furthermore, there are a number of EU regulations that impact our business. As discussed above, the IFR regulates interchange rates within Europe, requires Visa Europe to separate its payment card scheme activities from processing activities for accounting, organization, and decision-making purposes within the EU and imposes limitations on network exclusivity and routing. National competent authorities in the EU are responsible for monitoring and enforcing the IFR in their markets. We are also subject to regulations governing privacy and data protection, anti-bribery, anti-money laundering, anti-terrorism and sanctions. Other regulations in Europe, such as the second Payment Services Directive (PSD2), require, among other things, that our financial institution clients provide certain customer account access rights to emerging non-financial institution players. PSD2 also includes strong customer authentication requirements for certain transactions that could impose both operational complexity on Visa and negatively impact consumer payment experiences.

Post-Brexit, the United Kingdom has adopted various European regulations, including regulations that impact the payments ecosystem such as the IFR and PSD2. The PSR is responsible for monitoring Visa Europe's compliance with the IFR as adopted in the United Kingdom.

ESG and Sustainability: Certain governments around the world are adopting laws and regulations pertaining to ESG performance, transparency and reporting. Regulations may include mandated corporate reporting on ESG overall (e.g., EU Sustainable Reporting Directive) or in individual areas such as mandated reporting on climate-related financial disclosures.

Additional Regulatory Developments: Various regulatory agencies across the world also continue to examine a wide variety of other issues, including mobile payment transactions, tokenization, access rights for non-financial institutions, money transfer services, identity theft, account management guidelines, disclosure rules, security and marketing that could affect our financial institution clients and our business. Furthermore, following the passage of PSD2 in Europe, several countries, including Australia, Brazil, Canada, Hong Kong and Mexico, are contemplating granting or have already granted various types of access rights to third party processors, including access to consumer account data maintained by our financial institution clients. These changes could have negative implications for our business depending on how the regulations are framed and implemented.

AVAILABLE INFORMATION

Our corporate website is *usa.visa.com/about-visa.html*. Our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, proxy statements and any amendments to those reports filed or furnished pursuant to the U.S. Securities Exchange Act of 1934, as amended, can be viewed at *www.sec.gov* and our investor relations website at *investor.visa.com* as soon as reasonably practicable after these materials are electronically filed with or furnished to the U.S. Securities and Exchange Commission (SEC). In addition, we routinely post financial and other information, which could be deemed to be material to investors, on our investor relations website. Information regarding our ESG, corporate responsibility and sustainability initiatives is also available on our website at *usa.visa.com/about-visa/esg.html*. The content of any of our websites referred to in this report is not incorporated by reference into this report or any other filings with the SEC.

ITEM 1A. Risk Factors

Regulatory Risks

We are subject to complex and evolving global regulations that could harm our business and financial results.

As a global payments technology company, we are subject to complex and evolving regulations that govern our operations. See *Item 1—Business—Government Regulation* for more information on the most significant areas of regulation that affect our business. The impact of these regulations on us, our clients, and other third parties could limit our ability to enforce our payments system rules; require us to adopt new rules or change existing rules; affect our existing contractual arrangements; increase our compliance costs; require us to make our technology or intellectual property available to third parties, including competitors, in an undesirable manner; and reduce our revenue opportunities. As discussed in more detail below, we may face differing rules and regulations in matters like interchange reimbursement rates, preferred routing, domestic processing requirements, currency conversion, point-of-sale transaction rules and practices, privacy, data use or protection, licensing requirements, and associated product technology. As a result, the Visa operating rules and our other contractual commitments may differ from country to country or by product offering. Complying with these and other regulations increases our costs and could reduce our revenue opportunities. Our diversification into new product offerings and participation in new flows could also introduce new licensing and other regulatory obligations that impact our business.

If widely varying regulations come into existence worldwide, we may have difficulty rapidly adjusting our product offerings, services, fees and other important aspects of our business in the regions where we operate. Our compliance programs and policies are designed to support our compliance with a wide array of regulations and laws, such as anti-money laundering, anti-corruption, competition, money transfer services, privacy and sanctions, and we continually enhance our compliance programs as regulations evolve. However, we cannot guarantee that our practices will be deemed compliant by all applicable regulatory authorities. In the event our controls should fail or we are found to be out of compliance for other reasons, we could be subject to monetary damages, civil and criminal penalties, litigation, investigations and proceedings, and damage to our global brands and reputation. Furthermore, the evolving and increased regulatory focus on the payments industry could negatively impact or reduce the number of Visa products our clients issue, the volume of payments we process, our revenues, our brands, our competitive positioning, our ability to use our intellectual property to differentiate our products and services, the quality and types of products and services we offer, the countries in which our products are used, and the types of consumers and merchants who can obtain or accept our products, all of which could harm our business.

Increased scrutiny and regulation of the global payments industry, including with respect to interchange reimbursement fees, merchant discount rates, operating rules, risk management protocols and other related practices, could harm our business.

Regulators around the world have been establishing or increasing their authority to regulate certain aspects of the payments industry. See *Item 1—Business —Government Regulation* for more information. In the U.S. and many other jurisdictions, we have historically set default interchange reimbursement fees. Even though we generally do not receive any revenue related to interchange reimbursement fees in a payment transaction (in the context of credit and debit transactions, those fees are paid by the acquirers to the issuers; the reverse is true for certain transactions like ATM), interchange reimbursement fees are a factor on which we compete with other payments providers and are therefore an important determinant of the volume of transactions we process. Consequently, changes to these fees, whether voluntarily or by mandate, can substantially affect our overall payments volumes and revenues.

Interchange reimbursement fees, certain operating rules and related practices continue to be subject to increased government regulation globally, and regulatory authorities and central banks in a number of jurisdictions have reviewed or are reviewing these fees, rules, and practices. For example, regulations adopted by the U.S. Federal Reserve cap the maximum U.S. debit interchange reimbursement rate received by large financial institutions at 21 cents plus 5 basis points per transaction, plus a possible fraud adjustment of 1 cent. The Dodd-Frank Act also limits issuers' and our ability to adopt network exclusivity and preferred routing in the debit and prepaid area, which also impacts our business. Earlier this year, the Federal Reserve issued a notice of proposed rulemaking that would, among other things, require issuers to ensure that at least two networks are available for routing card not present debit transactions. Various stakeholder groups are also advocating that the Federal Reserve further lower interchange fees on debit transactions and restrict the ability of payments networks to enter into certain incentive and growth agreements with issuers. In addition, there continues to be interest in further regulation of interchange fees and routing practices by members of Congress and state legislators in the U.S. The EU's IFR places an effective cap on consumer credit and consumer debit interchange fees for both domestic and cross-border transactions within the EEA (30 basis points and 20 basis points, respectively). EU member states have the ability to further reduce these interchange levels within their territories. The European Commission concluded its impact assessment of the IFR, indicating that while it does not intend to expand the legislation at this time, it will continue to monitor market dynamics. Countries in other parts of the world, including the Latin America region, have either adopted or are exploring interchange caps. For example, in March 2017, Argentina's central bank passed regulations that cap interchange fees on credit and debit transactions. In March 2018, Brazil adopted interchange caps on debit transactions and in March 2020, the Congress in Costa Rica passed legislation allowing the Central Bank to regulate interchange and other fees. This trend to regulate pricing continued in Latin America in 2021, when the President in Chile signed legislation to create a committee to set interchange caps. Finally, in Australia, the Reserve Bank completed its review of the country's payment system regulations and made a series of preliminary recommendations including, to further lower interchange rates for debit transactions, and set expectations for issuers and acquirers in the country to support greater issuance and acceptance of dual-badged debit cards and allow merchant choice routing on certain transactions.

When we cannot set default interchange reimbursement rates at optimal levels, issuers and acquirers may find our payments system less attractive. This may increase the attractiveness of other payments systems, such as our competitors' closed-loop payments systems with direct connections to both merchants and consumers. We believe some issuers may react to such regulations by charging new or higher fees, or reducing certain benefits to consumers, which make our products less appealing to consumers. Some acquirers may elect to charge higher MDR regardless of the Visa interchange reimbursement rate, causing merchants not to accept our products or to steer customers to alternative payments systems or forms of payment. In addition, in an effort to reduce the expense of their payment programs, some issuers and acquirers have obtained, and may continue to obtain, incentives from us, including reductions in the fees that we charge, which may directly impact our revenues.

In addition to the regulation of interchange reimbursement fees, a number of regulators impose restrictions on other aspects of our payments business. For example, many governments including, but not limited to governments in India and Turkey are using regulation to further drive down MDR, which could negatively affect the economics of our transactions. Some countries in Latin America, like Peru and Chile are relying on antitrust-driven regulatory actions that can have implications for how the payments ecosystem and four party model operate. The PSR's review of the acquiring market in the United Kingdom could lead to additional regulatory pressure on our business. With increased merchant lobbying, we could also begin to see regulatory interest in network fees. Government regulations or pressure may also require us to allow other payments networks to support Visa products or services, or to have the other network's functionality or brand marks on our products. As innovations in payment technology have enabled us to expand into new products and services, they have also expanded the potential scope of regulatory influence. For instance, new products and capabilities, including tokenization, push payments, and non-card based payment flows (e.g., Visa B2B Connect) could bring increased licensing or authorization requirements in the countries where the product or capability is offered. In addition, the EU's requirement to separate scheme and processing adds costs and impacts the execution of our commercial, innovation and product strategies.

We are also subject to central bank oversight in a growing number of countries, including, Brazil, India, Russia, the United Kingdom and within the EU. Furthermore, some countries with existing oversight frameworks are looking to further enhance their regulatory powers. This oversight could result in new governance, reporting, licensing, cybersecurity, processing infrastructure, capital, or credit risk management requirements. We could also be required to adopt policies and practices designed to mitigate settlement and liquidity risks, including increased requirements to maintain sufficient levels of capital and financial resources locally, as well as localized risk management or governance. Increased oversight could also include new criteria for member participation and merchant access to our payments system. Additionally, regulators in other jurisdictions are considering or adopting approaches based on similar regulatory principles.

Regulators around the world increasingly take note of each other's approaches to regulating the payments industry. Consequently, a development in one jurisdiction may influence regulatory approaches in another. The risks created by a new law, regulation or regulatory outcome in one jurisdiction have the potential to be replicated and to negatively affect our business in another jurisdiction or in other product offerings. For example, our settlement with the European Commission on cross-border interchange rates has drawn some preliminary attention of regulators in other parts of the world. Similarly, new regulations involving one product offering may prompt regulators to extend the regulations to other product offerings. For example, credit payments could become subject to similar regulation as debit payments (or vice versa). For instance, the Reserve Bank of Australia initially capped credit interchange, but subsequently capped debit interchange as well

Government-imposed obligations and/or restrictions on international payment systems may prevent us from competing against providers in certain countries, including significant markets such as China, India and Russia.

Governments in a number of jurisdictions shield domestic payment card networks, brands, and processors from international competition by imposing market access barriers and preferential domestic regulations. To varying degrees, these policies and regulations affect the terms of competition in the marketplace and undermine the competitiveness of international payments networks. Public authorities may impose regulatory requirements that favor domestic providers or mandate that domestic payments or data processing be performed entirely within that country, which could prevent us from managing the end-to-end processing of certain transactions.

In Russia, legislation effectively prevents us from processing domestic transactions. The central bank controlled national payment card system (NSPK) is the only entity allowed to process domestically. In China, UnionPay remains the sole processor of domestic payment card transactions and operates the sole domestic acceptance mark Although we have filed an application with the People's Bank of China (PBOC) to operate a Bank Card Clearing Institution (BCCI) in China, the timing and the procedural steps for approval remain uncertain. The approval process might require several years, and there is no guarantee that the license to operate a BCCI will be approved or, if we obtain such license, that we will be able to successfully compete with domestic payments networks.

Regulatory initiatives in India also suggest growing nationalistic priorities, including a data localization mandate passed by the government, which has cost implications for us and could affect our ability to effectively compete with domestic payment providers. Furthermore, any inability to meet the requirements of the data localization mandate could impact our ability to do business in India. In Europe, with the support of the European Central Bank, a group of European banks have announced their intent to launch a pan-European payment system, the European Payments Initiative or EPI, with the purported intent to reduce the risks of disintermediation by international technology companies and continued reliance on international payments networks for intra-Europe card transactions. Furthermore, regional groups of countries, such as the Gulf Cooperation Council (GCC) and a number of countries in Southeast Asia, are considering, or may consider, efforts to restrict our participation in the processing of regional transactions. The African Development Bank has also indicated an interest in supporting national payment systems in its efforts to expand financial inclusion and strengthen regional financial stability. Finally, some countries such as South Africa are mandating on-shore processing of domestic transactions. Geopolitical events, including sanctions, trade tensions or other types of activities could potentially intensify any or all of these activities, which could adversely affect our business.

Due to our inability to manage the end-to-end processing of transactions for cards in certain countries (e.g., Russia and Thailand), we depend on our close working relationships with our clients or third-party processors to ensure transactions involving our products are processed effectively. Our ability to do so may be adversely affected by regulatory requirements and policies pertaining to transaction routing or on-shore processing.

Co-badging and co-residency regulations may pose additional challenges in markets where Visa competes with national networks for issuance and routing. For example, in China, certain banks have issued dual-branded cards for which domestic transactions in China are processed by UnionPay and transactions outside of China are processed by us or other international payments networks. The PBOC is contemplating that dual-branded cards could be phased out over time as new licenses are issued to international companies to participate in China's domestic payments market. Accordingly, we have been working with Chinese issuers to issue Visa-only branded cards for international travel, and later for domestic transactions after we obtain a BCCI license. However, notwithstanding such efforts, the phase out of dual-branded cards may decrease our payment volumes and impact the revenue we generate in China. Furthermore, as discussed above, Australia is contemplating additional requirements to mandate dual-badged or co-badged cards that support the local domestic debit network, Eftpos.

Mir and UnionPay have grown rapidly in Russia and China, respectively, and are actively pursuing international expansion plans, which could potentially lead to regulatory pressures on our international routing rule (which requires that international transactions on Visa cards be routed over VisaNet). Furthermore, although regulatory barriers shield Mir and UnionPay from competition in Russia and China, respectively, alternative payment providers such as Alipay and WeChat Pay have rapidly expanded into ecommerce, offline, and cross-border payments, which could make it difficult for us to compete even if our license is approved in China. NetsUnion Clearing Corp, a

Chinese digital transaction routing system, and other such systems could have a competitive advantage in comparison with international payments networks

Finally, central banks in a number of countries, including those in Argentina, Australia, Brazil, Canada and Russia, are in the process of developing or expanding national real-time payments networks with the goal of driving a greater number of domestic transactions onto these systems. Similarly, an increasing number of jurisdictions are exploring the concept of building central bank digital currencies for retail payments. If successfully deployed, these national payment platforms and digital currencies could have significant implications for Visa's domestic and cross-border payments, including potential disintermediation.

In general, national laws that protect or otherwise support domestic providers or processing may increase our costs; decrease our payments volumes and impact the revenue we generate in those countries; decrease the number of Visa products issued or processed; impede us from utilizing our global processing capabilities and controlling the quality of the services supporting our brands; restrict our activities; limit our growth and the ability to introduce new products, services and innovations; force us to leave countries or prevent us from entering new markets; and create new competitors, all of which could harm our business.

Laws and regulations regarding the handling of personal data and information may impede our services or result in increased costs, legal claims, or fines against us.

Our business relies on the processing of data in many jurisdictions and the movement of data across national borders. Legal requirements relating to the collection, storage, handling, use, disclosure, transfer, and security of personal data continue to evolve, and regulatory scrutiny in this area is increasing around the world. For example, in July 2020 the Court of Justice of the European Union (CJEU) ruled to invalidate the U.S./EU Privacy Shield — a legal framework that allowed participating companies to transfer personal data from EU member states to the U.S. Visa has never used the Privacy Shield framework for its transfers, and relies instead on standard contractual clauses. However, the CJEU ruling made clear that these transfer mechanisms will be subject to additional scrutiny as well. Significant uncertainty exists as privacy and data protection laws may be interpreted and applied differently from country to country and may create inconsistent or conflicting requirements. For example, the EU's and UK's General Data Protection Regulation (GDPR) extends the scope of the EU and UK data protection law to all companies processing data of EU and UK residents, regardless of the company's location. The law requires companies to comply with a broad range of requirements regarding the handling of personal information. Although we have a global data privacy program that addresses the requirements applicable to our international business, our ongoing efforts to comply with GDPR and rapidly emerging privacy and data protection laws in countries such as India or states in the U.S. such as Colorado and Virginia may increase the complexity of our compliance operations, entail substantial expenses, divert resources from other initiatives and projects, and could limit the services we are able to offer.

Furthermore, inconsistent local and regional regulations restricting location, movement, collection, use and management of data may limit our ability to innovate or compete in certain jurisdictions. For example, China adopted its first comprehensive privacy law, the Personal Information Protection Law (PIPL), which took effect in November 2021. Although certain details of PIPL may require further regulatory clarification or guidance, Visa could be impacted more significantly if our license is approved and we begin conducting domestic bank card clearing activity in China. Lastly, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. The enactment of more restrictive laws, rules, regulations, or future enforcement actions or investigations could impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory penalties and significant legal liability

We may be subject to tax examinations or disputes, or changes in tax laws.

We exercise significant judgment and make estimates in calculating our worldwide provision for income taxes and other tax liabilities. Although we believe our tax estimates are reasonable, many factors may limit their accuracy. We are currently under examination by, or in disputes with, the U.S. Internal Revenue Service, the UK's HM Revenue and Customs as well as tax authorities in other jurisdictions, and we may be subject to additional examinations or disputes in the future. Relevant tax authorities may disagree with our tax treatment of certain material items and thereby increase our tax liability. Failure to sustain our position in these matters could harm our cash flow and financial position. In addition, changes in existing laws in the U.S. or foreign jurisdictions, including unilateral actions of foreign jurisdictions to introduce digital services taxes, or changes resulting from the Organisation for Economic Cooperation and Development's Programme of Work, related to the revision of profit allocation and nexus rules and design of a system to ensure multinational enterprises pay a minimum level of tax to the countries where we earn revenue, may also materially affect our effective tax rate. A substantial increase in our tax payments could have a material, adverse effect on our financial results. See also *Note 19—Income Taxes* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Litigation Risks

We may be adversely affected by the outcome of litigation or investigations, despite certain protections that are in place.

We are involved in numerous litigation matters, investigations, and proceedings asserted by civil litigants, governments, and enforcement bodies investigating or alleging, among other things, violations of competition and antitrust law, consumer protection law, privacy law and intellectual property law (these are referred to as "actions" in this section). Details of the most significant actions we face are described more fully in *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report. These actions are inherently uncertain, expensive and disruptive to our operations. In the event we are found liable in any material action, particularly in a large class action lawsuit, such as one involving an antitrust claim entitling the plaintiff to treble damages in the U.S., or we incur liability arising from a government investigation, we may be required to pay significant awards, settlements or fines. In addition, settlement terms, judgments, orders or pressures resulting from actions may harm our business by influencing or requiring us to modify, among other things, the default interchange reimbursement rates we set, the Visa operating rules or the way in which we enforce those rules, our fees or pricing, or the way we do business. These actions or their outcomes may also influence regulators, investigators, governments or civil litigants in the same or other jurisdictions, which may lead to additional actions against Visa. Finally, we are required by some of our commercial agreements to indemnify other entities for litigation brought against them, even if Visa is not a defendant.

For certain actions like those that are U.S. covered litigation or VE territory covered litigation, as described in *Note 5—U.S. and Europe Retrospective Responsibility Plans* and *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report, we have certain financial protections pursuant to the respective retrospective responsibility plans. The two retrospective responsibility plans are different in the protections they provide and the mechanisms by which we are protected. The failure of one or both of the retrospective responsibility plans to adequately insulate us from the impact of such settlements, judgments, losses, or liabilities could materially harm our financial condition or cash flows, or even cause us to become insolvent.

Business Risks

We face intense competition in our industry.

The global payments space is intensely competitive. As technology evolves, new competitors or methods of payment emerge, and existing clients and competitors assume different roles. Our products compete with cash, checks, electronic funds, virtual currency payments, global or multi-regional networks, other domestic and closed-loop payments systems, and alternative payment providers primarily focused on enabling payments through ecommerce and mobile channels. As the global payments space becomes more complex, we face increasing competition from our clients, other emerging payment providers such as fintechs, other digital payments, technology companies that have developed payments systems enabled through online activity in ecommerce, social media, and mobile channels, as well as governments in a number of jurisdictions (e.g. Brazil, India and Russia), that are developing, supporting and/or operating national schemes, real time payments networks and other payment platforms.

Our competitors may acquire or develop substantially better technology, have more widely adopted delivery channels or have greater financial resources. They may offer more effective, innovative or a wider range of programs, products and services. They may use more effective advertising and marketing strategies that result in broader brand recognition, and greater use, including with respect to issuance and merchant acceptance. They may also develop better security solutions or more favorable pricing arrangements. Moreover, even if we successfully adapt to technological change and the proliferation of alternative types of payment services by developing and offering our own services in these areas, such services may provide less favorable financial terms for us than we currently receive from VisaNet transactions, which could hurt our financial results and prospects.

Certain of our competitors operate with different business models, have different cost structures or participate in different market segments. Those business models may ultimately prove more successful or more adaptable to regulatory, technological and other developments. In some cases, these competitors have the support of government mandates that prohibit, limit or otherwise hinder our ability to compete for transactions within certain countries and regions. Some of our competitors, including American Express, Discover, private-label card networks, virtual currency providers, technology companies that enable the exchange of digital assets, and certain alternative payments systems like Alipay and WeChat Pay, operate closed-loop payments systems, with direct connections to both merchants and consumers. Government actions or initiatives such as the Dodd-Frank Act, the IFR in Europe, or real time payment initiatives by governments such as the U.S. Federal Reserve's FedNow or the Central Bank of Brazil's Pix system may provide competitors with increased opportunities to derive competitive advantages from these business models, and may create new competitors, including in some cases the government itself. Similarly, regulation in Europe under PSD2 and the IFR may require us to open up access to, and allow participation in, our network to additional participants, and reduce the infrastructure investment and regulatory burden on competitors. We also run the risk of disintermediation due to factors such as emerging technologies and platforms, including mobile payments, alternative payment credentials, other ledger technologies or payment forms, and by virtue of increasing bilateral agreements between entities that prefer not to use our payments network for processing transactions. For example, merchants could process transactions directly with issuers, or processors could process transactions directly with issuers and acquirers.

We expect the competitive landscape to continue to shift and evolve. For example:

- we, along with our competitors, clients, network participants, and others are developing or participating in alternative payments systems or products, such as mobile payment services, ecommerce payment services, P2P payment services, real-time and faster payment initiatives, and payment services that permit ACH or direct debits from or to consumer checking accounts, that could either reduce our role or otherwise disintermediate us from the transaction processing or the value added services we provide to support such processing. Examples include initiatives from The Clearing House, an association consisting of large financial institutions that has developed its own faster payments system; Early Warning Services, which operates Zelle, a bank-offered alternative network that provides another platform for faster funds or real-time payments across a variety of payment types, including P2P, corporate and government disbursement, bill pay and deposit check transactions; and cryptocurrency or stablecoin-based payments initiatives.

- similarly, many countries are developing or promoting domestic networks, switches and real-time payment systems (e.g. India, Russia, as well as Europe). To the extent these governments mandate local banks and merchants to use and accept these systems for domestic or other transactions, prohibit international payments networks, like Visa, from participating on those systems, and/or impose restrictions or prohibitions, on international payments networks from offering payment services on such transactions, we could face the risk of our business being disintermediated in those countries. For example, in Argentina, the government has mandated local acquirers to use debit card credentials to initiate payment transactions on a government-sponsored national real-time payment system. Furthermore, in some regions (e.g., Southeast Asia; the Middle East), through intergovernmental organizations such as the Association of Southeast Asian Nations and the GCC, some countries are looking into cross-border connectivity of such domestic systems;

- parties that process our transactions may try to minimize or eliminate our position in the payments value chain;

- parties that access our payment credentials, tokens and technologies, including clients, technology solution providers or others might be able to migrate or steer account holders and other clients to alternative payment methods or use our payment credentials, tokens and technologies to establish or help bolster alternate payment methods and platforms;

- participants in the payments industry may merge, form joint ventures or enable or enter into other business combinations that strengthen their existing business propositions or create new, competing payment services; and

- new or revised industry standards related to online checkout and web payments, cloud-based payments, tokenization or other payments-related technologies set by individual countries, regions or organizations such as the International Organization for Standardization, American National Standards Institute, World Wide Web Consortium, European Card Standards Group, PCI Co, Nexo and EMVCo may result in additional costs and expenses for Visa and its clients, or otherwise negatively impact the functionality and competitiveness of our products and services.

As the competitive landscape is quickly evolving, we may not be able to foresee or respond sufficiently to emerging risks associated with new businesses, products, services and practices. We may be asked to adjust our local rules and practices, develop or customize certain aspects of our payment services, or agree to business arrangements that may be less protective of Visa's proprietary technology and interests in order to compete and we may face increasing operational costs and risk of litigation concerning intellectual property. Our failure to compete effectively in light of any such developments could harm our business and prospects for future growth.

Our revenues and profits are dependent on our client and merchant base, which may be costly to win, retain, and develop.

Our financial institution clients and merchants can reassess their commitments to us at any time or develop their own competitive services. While we have certain contractual protections, our clients, including some of our largest clients, generally have flexibility to issue non-Visa products. Further, in certain circumstances, our financial institution clients may decide to terminate our contractual relationship on relatively short notice without paying significant early termination fees. Because a significant portion of our net revenues is concentrated among our largest clients, the loss of business from any one of these larger clients could harm our business, results of operations, and financial condition. For more information, please see *Note 14—Enterprise-wide Disclosures and Concentration of Business* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

In addition, we face intense competitive pressure on the prices we charge our financial institution clients. In order to stay competitive, we may need to adjust our pricing or offer incentives to our clients to increase payments volume, enter new market segments, adapt to regulatory changes, and expand their use and acceptance of Visa products and services. These include up-front cash payments, fee discounts, rebates, credits, performance-based incentives, marketing, and other support payments that impact our revenues and profitability. In addition, we offer incentives to certain merchants or acquirers to win routing preference in relation to other network options or forms of payment. Market pressures on pricing, incentives, fee discounts, and rebates could moderate our growth. If we are not able to implement cost containment and productivity initiatives in other areas of our business or increase our volumes in other ways to offset or absorb the financial impact of these incentives, fee discounts, and rebates, it may harm our net revenues and profits.

In addition, it may be difficult or costly for us to acquire or conduct business with financial institutions or merchants that have longstanding exclusive, or nearly exclusive, relationships with our competitors. These financial institutions or merchants may be more successful and may grow more quickly than our existing clients or merchants. In addition, if there is a consolidation or acquisition of one or more of our largest clients or co-brand partners by a financial institution client or merchant with a strong relationship with one of our competitors, it could result in our business shifting to a competitor, which could put us at a competitive disadvantage and harm our business.

Merchants' and processors' continued push to lower acceptance costs and challenge industry practices could harm our business.

We rely in part on merchants and their relationships with our clients to maintain and expand the use and acceptance of Visa products. Certain merchants and merchant-affiliated groups have been exerting their influence in the global payments system in certain jurisdictions, such as the U.S., Canada and Europe, to attempt to lower their acceptance costs by lobbying for new legislation, seeking regulatory intervention, filing lawsuits and in some cases, refusing to accept Visa products. If they are successful in their efforts, we may face increased compliance and litigation expenses, issuers may decrease their issuance of our products, and consumer usage of our products could be adversely impacted. For example, in the U.S., certain stakeholders have raised concerns regarding how payment security standards and rules may impact debit routing choice and the cost of payment card acceptance. In addition to ongoing litigation related to the U.S. migration to EMV-capable cards and point-of-sale terminals, U.S. merchant-affiliated groups and processors have expressed concerns regarding the EMV certification process and some policymakers have expressed concerns about the roles of industry bodies such as EMVCo and the Payment Card Industry Security Standards Council in the development of payment card standards. Additionally, some merchants and processors have advocated for changes to industry practices and Visa acceptance requirements at the point of sale, including the ability for merchants to accept only certain types of Visa products, to mandate only PIN authenticated transactions, to differentiate or steer among Visa product types issued by different financial institutions, and to impose surcharges on customers presenting Visa products as their form of payment. If successful, these efforts could adversely impact consumers' usage of our products, lead to regulatory enforcement and/or litigation, increase our compliance and litigation expenses, and harm our business.

We depend on relationships with financial institutions, acquirers, processors, merchants, payment facilitators, ecommerce platforms, fintechs and other third parties.

As noted above, our relationships with industry participants are complex and require us to balance the interests of multiple third parties. For instance, we depend significantly on relationships with our financial institution clients and on their relationships with account holders and merchants to support our programs and services, and thereby compete effectively in the marketplace. We engage in discussions with merchants, acquirers, ecommerce platforms and processors to provide incentives to promote routing preference and acceptance growth. We also engage in many payment card co-branding efforts with merchants, who receive incentives from us. As emerging participants such as fintechs enter the payments industry, we engage in discussions to address the role they may play in the ecosystem, whether as, for example, an issuer, merchant, ecommerce platform or digital wallet provider. As these and other relationships become more prevalent and take on a greater importance to our business, our success will increasingly depend on our ability to sustain and grow these relationships. In addition, we depend on our clients and third parties, including network partners, vendors and suppliers, to submit, facilitate and process transactions properly, provide various services associated with our payments network on our behalf, and otherwise adhere to our operating rules and applicable laws. To the extent that such parties fail to perform or deliver adequate services, it may result in negative experiences for account holders or others when using their Visa-branded payment products, which could harm our business and reputation.

Our business could be harmed if we are not able to maintain and enhance our brand, if events occur that have the potential to damage our brand or reputation, or if we experience brand disintermediation.

Our brand is globally recognized and is a key asset of our business. We believe that our clients and account holders associate our brand with acceptance, security, convenience, speed, and reliability. Our success depends in large part on our ability to maintain the value of our brand and reputation of our products and services in the payments ecosystem, elevate the brand through new and existing products, services and partnerships, and uphold our corporate reputation. The popularity of products that we have developed in partnership with technology companies and financial institutions may have the potential to cause consumer confusion or brand disintermediation at the point-of-sale and decrease the value of our brand. Our brand reputation may be negatively impacted by a number of factors, including authorization, clearing and settlement service disruptions; data security breaches; compliance failures by Visa, including our employees, agents, clients, partners or suppliers; failure to meet our environmental, social and governance goals; negative perception of our industry, the industries of our clients. Visa-accepting merchants, or our clients' customers, including third party payments providers; ill-perceived actions or affiliations by clients, partners or other third parties, such as sponsorship or co-brand partners; and fraudulent, controversial or illegal activities using our payment products. If we are unable to maintain our reputation, the value of our brand may be impaired, which could harm our relationships with clients, account holders, governments and the public, as well as impact our business.

Global economic, political, market, health and social events or conditions, including the ongoing effects of the coronavirus pandemic, may harm our business.

More than half of our net revenues are earned outside the U.S. International cross-border transaction revenues represent a significant part of our revenue and are an important part of our growth strategy. Our revenues are dependent on the volume and number of payment transactions made by consumers, governments, and businesses whose spending patterns may be affected by prevailing economic, political, market, health and social events or conditions. Adverse macroeconomic conditions, including recessions, inflation, high unemployment, currency fluctuations, actual or anticipated large-scale defaults or failures, or a slowdown of global trade could decrease consumer and corporate confidence and reduce consumer, small business, government, and corporate spending which have a direct impact on our revenues. In addition, outbreaks of illnesses, pandemics like COVID-19, or other local or global health issues, political uncertainties, international hostilities, armed conflict, or unrest, climate-related events, including the increasing frequency of extreme weather events, and natural disasters could have similar impacts on our operations, clients, third-party suppliers, activities in a particular location or globally, and cross-border travel and spend. Geopolitical trends towards nationalism, protectionism, and restrictive visa requirements, as well as continued activity and uncertainty around economic sanctions, tariffs or trade restrictions could limit the expansion of our business in those regions. In addition, as governments, investors and other stakeholders face additional pressures to accelerate actions to address climate change and other environmental, governance and social topics, governments may implement regulations or investors and other stakeholders may impose new expectations or focus investments in ways that cause significant shifts in disclosure, commerce and consumption behaviors that may have negative impacts on our business. As a result of any of these factors, any decline in cross-border travel and spend could impact the number of cross-border transactions we process and our currency exchange activities, which in turn would reduce our international transaction revenues.

A decline in economic, political, market, health and social conditions could impact our clients as well, and their decisions could reduce the number of cards, accounts, and credit lines of their account holders, which ultimately impact our revenues. They may also implement cost-reduction initiatives that reduce or eliminate marketing budgets, and decrease spending on optional or enhanced value added services from us. Any events or conditions that impair the functioning of the financial markets, tighten the credit market, or lead to a downgrade of our current credit rating could increase our future borrowing costs and impair our ability to access the capital and credit markets on favorable terms, which could affect our liquidity and capital resources, or significantly increase our cost of capital. If clients default on their settlement obligations, it may also impact our liquidity. Any of these events could adversely affect our volumes and revenue.

The ongoing effects of the coronavirus pandemic remain difficult to predict due to numerous uncertainties, including the transmissibility, severity, duration and resurgence of the outbreak; new variants of the virus; the uptake and effectiveness of health and safety measures or actions that are voluntarily adopted by the public or required by governments or public health authorities, including vaccines and treatments; the speed and strength of an economic recovery, including the reopening of borders and the resumption of international travel; and the impact to our employees and our operations, the business of our clients, suppliers and business partners; and other factors such as:

- third party disruptions, including potential outages at network providers, call centers and other suppliers;
- increased consumer dispute volumes due to travel or event cancellations and the speed or accuracy in processing refunds;
- increased cyber and payment fraud risk, as cybercriminals attempt DDoS related attacks, phishing scams and other disruptive actions, given the shift to online banking, ecommerce and other online activity, as well as more employees working remotely as a result of the ongoing pandemic;
- challenges to the availability and reliability of our network due to changes to normal operations, including the possibility of one or more clusters of COVID-19 cases occurring at our data centers, affecting our employees, or affecting the systems or employees of our issuers, acquirers or merchants;
- additional regulatory requirements, including, for example, government initiatives or requests to reduce or eliminate payments fees or other costs. A number of countries have taken steps to temporarily cap interchange or other fees on electronic payments as part of their COVID-19 economic relief measures. It is possible that some or all of these caps may become permanent over time, or that we see governments introduce additional and/or new pricing caps in future economic relief initiatives. In addition, proponents of interchange and/or MDR regulation may try to position government intervention as necessary to support recovery efforts. In an overall soft global economy, such pricing measures could result in additional financial pressures on our business; and
- workforce impacts, such as difficulty recruiting, retaining, training, motivating and developing employees due to evolving health and safety protocols; changing worker expectations and talent marketplace variability regarding flexible work models; restrictions on immigration, travel and employee mobility; and the challenges of maintaining our strong corporate culture, which values communication, collaboration and connections, despite a majority of employees working from home.

Our indemnification obligation to fund settlement losses of our clients exposes us to significant risk of loss and may reduce our liquidity.

We indemnify issuers and acquirers for settlement losses they may suffer due to the failure of another issuer or acquirer to honor its settlement obligations in accordance with the Visa operating rules. In certain instances, we may indemnify issuers or acquirers in situations in which a transaction is not processed by our system. This indemnification creates settlement risk for us due to the timing difference between the date of a payment transaction and the date of subsequent settlement. Our indemnification exposure is generally limited to the amount of unsettled Visa card payment transactions at any point in time and any subsequent amounts that may fall due relating to adjustments for previously processed transactions. Concurrent settlement failures or insolvencies involving more than one of our largest clients, several of our smaller clients, or systemic operational failures could negatively impact our financial position. Even if we have sufficient liquidity to cover a settlement failure or insolvency, we may be unable to recover the amount of such payment. This could expose us to significant losses and harm our business. See *Note 12—Settlement Guarantee Management* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Technology and Cybersecurity Risks

Failure to anticipate, adapt to, or keep pace with, new technologies in the payments industry could harm our business and impact future growth.

The global payments industry is undergoing significant and rapid technological change, including mobile and other proximity and in-app payment technologies, ecommerce, tokenization, cryptocurrencies, distributed ledger and blockchain technologies, and new authentication technologies such as biometrics, 3D Secure 2.0 and dynamic cardholder verification values or dCVV2. As a result, we expect new services and technologies to continue to emerge and evolve, including those developed by Visa such as our cross-border B2B payment service, Visa B2B Connect. In addition to our own initiatives and innovations, we work closely with third parties, including potential competitors, for the development of, and access to, new technologies. It is difficult, however, to predict which technological developments or innovations will become widely adopted and how those technologies may be regulated. Moreover, some of the new technologies could be subject to intellectual property-related lawsuits or claims, potentially impacting our development efforts and/or requiring us to obtain licenses. If we or our partners fail to adapt and keep pace with new technologies in the payments space in a timely manner, it could harm our ability to compete, decrease the value of our products and services to our clients, impact our intellectual property or licensing rights, harm our business and impact our future growth.

A disruption, failure or breach of our networks or systems, including as a result of cyber-attacks, could harm our business.

Our cybersecurity and processing systems, as well as those of financial institutions, merchants, and third-party service providers, have experienced in limited instances and may continue to experience errors, interruptions, delays or damage from a number of causes, including power outages, hardware, software and network failures, computer viruses, malware or other destructive software, internal design, manual or user errors, cyber-attacks, terrorism, workplace violence or wrongdoing, catastrophic events, natural disasters, severe weather conditions and other effects from climate change. In addition, there is risk that third party suppliers of hardware and infrastructure required to operate our data centers and support employee productivity could be impacted by supply chain disruptions, such as manufacturing and shipping delays. An extended supply chain disruption could also impact processing or delivery of technology services.

Furthermore, our visibility and role in the global payments industry may also put our company at a greater risk of being targeted by hackers. In the normal course of our business, we have been the target of malicious cyber-attack attempts. We have been, and may continue to be, impacted by attacks and data security breaches of financial institutions, merchants, or third-party processors. We are also aware of instances where nation states have sponsored attacks against some of our financial institution clients, and other instances where merchants and issuers have encountered substantial data security breaches affecting their customers, some of whom were Visa account holders. Such attacks and breaches have resulted, and may continue to result in, fraudulent activity and ultimately, financial losses to Visa's clients, and it is difficult to predict the direct or indirect impact of future attacks or breaches to our business.

Numerous and evolving cybersecurity threats, including advanced and persistent cyber-attacks, phishing and social engineering schemes, particularly on our internet-facing applications, could compromise the confidentiality, availability, and integrity of data in our systems or the systems of our third-party service providers. Because the techniques used to obtain unauthorized access, or to disable or degrade systems change frequently, have become increasingly more complex and sophisticated, and may be difficult to detect for periods of time, we may not anticipate these acts or respond adequately or timely. The security measures and procedures we, our financial institution and merchant clients, other merchants and third-party service providers in the payments ecosystem have in place to protect sensitive consumer data and other information may not be successful or sufficient to counter all data security breaches, cyber-attacks, or system failures. In some cases, the mitigation efforts may be dependent on third parties who may not deliver to the required contractual standards, who may not be able to timely patch vulnerabilities or fix security defects, or whose hardware, software or network services may be subject to error, defect, delay, outage or lack appropriate malware prevention to prevent breaches or data exfiltration incidents. Although we devote significant resources to our cybersecurity, acquired entities, and supplier risk management programs and have implemented security measures to protect our systems and data, and to prevent, detect and respond to data security incidents, there can be no assurance that our efforts will prevent these threats.

These events could significantly disrupt our operations; impact our clients and consumers; damage our reputation and brand; result in litigation or claims, violations of applicable privacy and other laws, and increased regulatory review or scrutiny, investigations, actions, fines or penalties; result in damages or changes to our business practices; decrease the overall use and acceptance of our products; decrease our volume, revenues and future growth prospects; and be costly, time consuming and difficult to remedy. In the event of damage or disruption to our business due to these occurrences, we may not be able to successfully and quickly recover all of our critical business functions, assets, and data through our business continuity program. Furthermore, while we maintain insurance, our coverage may not sufficiently cover all types of losses or claims that may arise

Structural and Organizational Risks

We may not achieve the anticipated benefits of our acquisitions or strategic investments, and may face risks and uncertainties as a result.

As part of our overall business strategy, we make acquisitions and strategic investments. We may not achieve the anticipated benefits of our current and future acquisitions and strategic investments and they may involve significant risks and uncertainties, including:

- disruption to our ongoing business, including diversion of resources and management's attention from our existing business;
- greater than expected investment of resources or operating expenses;
- failure to adequately develop our acquired entities;
- the data security, cybersecurity and operational resilience posture of our acquired entities, or companies we invest in or partner with, may not be adequate and may be more susceptible to cyber incidents;
- difficulty, expense or failure of implementing controls, procedures and policies at the acquired entities;
- challenges of integrating new employees, business cultures, business systems and technologies;
- failure to retain employees, clients or partners of our acquired entities;
- in the case of foreign acquisitions, risks related to the integration of operations across different cultures and languages;
- disruptions, costs, liabilities, judgments, settlements or business pressures resulting from litigation matters, investigations or legal proceedings involving the acquisitions or strategic investments;
- the inability to pursue aspects of the acquired entities due to outcomes in litigation matters, investigations or legal proceedings;
- failure to obtain the necessary government or other approvals at all, on a timely basis or without the imposition of burdensome conditions or restrictions;
- the economic, political, regulatory and compliance risks associated with entering into a new business or operating in new regions or countries. For more information on regulatory risks, please see *Item 1—Business—Government Regulations* and *Item 1A—Risk Factors—Regulatory Risks* above,
- discovery of unidentified issues and related liabilities after the acquisition or investment was made,
- failure to mitigate the deficiencies and liabilities of the acquired entities;
- dilutive issuance of equity securities, if new securities are issued;
- the incurrence of debt;
- negative impact on our financial position and/or statement of operations; and
- anticipated benefits, synergies or value of the investment or acquisition not materializing.

We may be unable to attract, hire, and retain a highly qualified and diverse workforce, including key management.

The talents and efforts of our employees, particularly our key management, are vital to our success. The market for highly skilled workers and leaders in our industry, especially in fintech, technology and other specialized areas, is extremely competitive. Our management team has significant industry experience and would be difficult to replace. We may be unable to retain them or to attract other highly qualified employees, particularly if we do not offer employment terms that are competitive with the rest of the labor market. Ongoing changes in laws and policies regarding immigration and work authorizations have made it more difficult for employees to work in, or transfer among, jurisdictions in which we have operations and could continue to impair our ability to attract and retain qualified employees. Failure to attract, hire, develop, motivate, and retain highly qualified and diverse employee talent; to meet our goals related to fostering an inclusive and diverse culture, including increasing the number of underrepresented employees in the U.S.; to develop and implement an adequate succession plan for the management team; to maintain a corporate culture that fosters innovation, collaboration and inclusion; or to design and successfully implement flexible work models that meet the expectations of employees and prospective employees could disrupt our operations and adversely affect our business and our future success. These challenges may be further amplified by the ongoing coronavirus pandemic.

The conversions of our class B and class C common stock or series A, B and C preferred stock into shares of class A common stock would result in voting dilution to, and could impact the market price of, our existing class A common stock.

The market price of our class A common stock could fall as a result of many factors. The value of our class B and C common stock and series A, B and C preferred stock is tied to the value of the class A common stock. Under our U.S. retrospective responsibility plan, upon final resolution of our U.S. covered litigation, all class B common stock will become convertible into class A common stock. In September 2020, we released $7.3 billion of the as-converted value from our series B and series C preferred stock and issued series A preferred stock in connection with that release. Visa will continue to release value from the series B and series C preferred stock in stages based on developments in current and potential litigation under our Europe retrospective responsibility plan. The series B and series C preferred stock will become fully convertible to series A preferred stock or class A common stock no later than 2028 (subject to a holdback to cover any pending claims). Visa may take action on the class B common stock and series B and C preferred stock at a certain valuation and due to unforeseen circumstances the overall value of the class B and C common stock and series A, B and C preferred stock as determined by the class A common stock price, may later decrease. Conversion of our class B and class C common stock into class A common stock, or our series A, B and C preferred stock into class A common stock, would increase the amount of class A common stock outstanding, which could adversely affect the market price of our existing class A common stock and would dilute the voting power of existing class A common stockholders.

Holders of our class B and C common stock and series A, B and C preferred stock may have different interests than our class A common stockholders concerning certain significant transactions.

Although their voting rights are limited, holders of our class B and C common stock and, in certain specified circumstances, holders of our series A, B and C preferred stock, can vote on certain significant transactions. With respect to our class B and C common stock, these transactions include a proposed consolidation or merger, a decision to exit our core payments business and any other vote required under Delaware law. With respect to our series A, B and C preferred stock, voting rights are limited to proposed consolidations or mergers in which holders of the series A, B and C preferred stock would receive shares of stock or other equity securities with preferences, rights and privileges that are not substantially identical to the preferences, rights and privileges of the applicable series of preferred stock; or, in the case of series B and C preferred stock, holders would receive securities, cash or other property that is different from what our class A common stockholders would receive. Because the holders of classes of capital stock other than class A common stock are our current and former financial institution clients, they may have interests that diverge from our class A common stockholders. As a result, the holders of these classes of capital stock may not have the same incentive to approve a corporate action that may be favorable to the holders of class A common stock, and their interests may otherwise conflict with interests of our class A common stockholders.

Delaware law, provisions in our certificate of incorporation and bylaws, and our capital structure could make a merger, takeover attempt, or change in control difficult.

Provisions contained in our certificate of incorporation and bylaws and our capital structure could delay or prevent a merger, takeover attempt, or change in control that our stockholders may consider favorable. For example, except for limited exceptions:

- no person may beneficially own more than 15 percent of our class A common stock (or 15 percent of our total outstanding common stock on an as-converted basis), unless our board of directors approves the acquisition of such shares in advance;
- no competitor or an affiliate of a competitor may hold more than 5 percent of our total outstanding common stock on an as-converted basis;
- the affirmative votes of the class B and C common stock and series A, B and C preferred stock are required for certain types of consolidations or mergers;
- our stockholders may only take action during a stockholders' meeting and may not act by written consent; and
- only the board of directors, Chairman, or CEO or any stockholders who have owned continuously for at least one year not less than 15 percent of the voting power of all shares of class A common stock outstanding may call a special meeting of stockholders.

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 2. Properties

At September 30, 2021, we owned or leased 123 office locations in 77 countries around the world, including three global processing centers located in the U.S. and the United Kingdom. Our corporate headquarters are located in owned and leased premises in the San Francisco Bay Area.

We believe that these facilities are suitable and adequate to support our ongoing business needs.

ITEM 3. Legal Proceedings

Refer to *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our class A common stock has been listed on the New York Stock Exchange under the symbol "V" since March 19, 2008 At November 10, 2021, we had 330 stockholders of record of our class A common stock. The number of beneficial owners is substantially greater than the number of record holders, because a large portion of our class A common stock is held in "street name" by banks and brokers. There is currently no established public trading market for our class B or C common stock. As of November 10, 2021, there were 1,243 and 435 holders of record of our class B and C common stock, respectively.

On October 22, 2021, our board of directors declared a quarterly cash dividend of $0.375 per share of class A common stock (determined in the case of class B and C common stock and series A, B and C convertible participating preferred stock on an as-converted basis) payable on December 7, 2021, to holders of record as of November 12, 2021 of our common and preferred stock.

Subject to legally available funds, we expect to continue paying quarterly cash dividends on our outstanding common and preferred stock in the future. However, the declaration and payment of future dividends is at the sole discretion of our board of directors after taking into account various factors, including our financial condition, settlement indemnifications, operating results, available cash and current and anticipated cash needs.

Issuer Purchases of Equity Securities

The table below presents our purchases of common stock during the quarter ended September 30, 2021:

Period	Total Number of Shares Purchased	Average Purchase Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[(1)]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[(1)]
	(in millions, except per share data)			
July 1-31, 2021	2	$ 243.34	2	$ 7,302
August 1-31, 2021	6	$ 233.92	6	$ 5,942
September 1-30, 2021	5	$ 224.87	5	$ 4,679
Total	**13**	**$ 231.33**	13	

(1) The figures in the table reflect transactions according to the trade dates. For purposes of our consolidated financial statements included in this Form 10-K, the impact of these repurchases is recorded according to the settlement dates.

See *Note 15—Stockholders' Equity* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report for further discussion on our share repurchase programs

EQUITY COMPENSATION PLAN INFORMATION

The table below presents information as of September 30, 2021, for the Visa 2007 Equity Incentive Compensation Plan (the "EIP") and the Visa Inc. Employee Stock Purchase Plan (the "ESPP"), which were approved by our stockholders. We do not have any equity compensation plans that have not been approved by our stockholders. For a description of the awards issued under the EIP and the ESPP, see *Note 17—Share-based Compensation* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Plan Category	(a) Number Of Shares of Class A Common Stock Issuable Upon Exercise of Outstanding Options And Rights	Weighted-Average Exercise Price of Outstanding Options	Number of Shares of Class A Common Stock Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected In Column (a))
	(in millions, except weighted-average exercise price)		
Equity compensation plans approved by stockholders [redacted]	12 (1)	$ 134.56 (2)	[redacted] (3)

(1) As of September 30, 2021, the maximum number of shares issuable consisted of 6 million outstanding options, 5 million outstanding restricted stock units and 1 million outstanding performance shares under the EIP and less than 1 million outstanding purchase rights under the ESPP.

(2) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding stock options and does not reflect the shares that will be issued upon the vesting of outstanding restricted stock units and performance shares, which have no exercise price. Additionally, it excludes the weighted-average exercise price of the outstanding purchase rights under the ESPP, as the exercise price is based on the future stock price, net of discount, at the end of each monthly purchase over the offering period.

(3) As of September 30, 2021, 98 million shares and 15 million shares remain available for issuance under the EIP and the ESPP, respectively.

ITEM 6. [Reserved]

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis provides a review of the results of operations, financial condition and liquidity and capital resources of Visa Inc. and its subsidiaries ("Visa," "we," "us," "our" and the "Company") on a historical basis and outlines the factors that have affected recent earnings, as well as those factors that may affect future earnings. The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included in Item 8—Financial Statements and Supplementary Data of this report.

This section of this Form 10-K generally discusses fiscal 2021 compared to fiscal 2020. Discussions of fiscal 2020 compared to 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our fiscal 2020 Form 10-K, filed with the United States Securities and Exchange Commission on November 19, 2020.

Overview

Visa is a global payments technology company that enables innovative, reliable and secure electronic payments across more than 200 countries and territories. We facilitate global commerce and money movement across a global network of consumers, merchants, financial institutions, businesses, strategic partners and government entities through innovative technologies. Our advanced transaction processing network, VisaNet, enables authorization, clearing and settlement of payment transactions and allows us to offer products and solutions that facilitate secure, reliable, and efficient money movement for all participants in the ecosystem.

Financial overview. A summary of our as-reported U.S. GAAP and non-GAAP operating results are as follows:

	For the Years Ended September 30,			% Change[1]	
	2021	**2020**	**2019**	**2021 vs. 2020**	**2020 vs. 2019**
	(in millions, except percentages and per share data)				
Net revenues	**$ 24,105**	$ 21,846	$ 22,977	10 %	(5 %)
Operating expenses	**$ 8,301**	$ 7,765	$ 7,976	7 %	(3 %)
Net income	**$ 12,311**	$ 10,866	$ 12,080	13 %	(10 %)
Diluted earnings per share	**$ 5.63**	$ 4.89	$ 5.32	15 %	(8 %)
Non-GAAP operating expenses[2]	**$ 8,077**	$ 7,702	$ 7,596	5 %	1 %
Non-GAAP net income[2]	**$ 12,933**	$ 11,193	$ 12,274	16 %	(9 %)
Non-GAAP diluted earnings per share[2]	**$ 5.91**	$ 5.04	$ 5.40	17 %	(7 %)

(1) Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.
(2) For a full reconciliation of our GAAP to non-GAAP financial results, see tables in *Non-GAAP financial results* below

Coronavirus. As the effects of an evolving coronavirus ("COVID-19") pandemic continues, much remains uncertain. Our priority remains the safety of our employees, clients and the communities in which we live and operate. We are taking a phased approach to reopening our offices, with most of our employees currently working remotely. We continue to remain in close and regular contact with our employees, clients, partners and governments globally to help them navigate these challenging times.

The ongoing effects of COVID-19 remain difficult to predict due to numerous uncertainties, including the transmissibility, severity, duration and resurgence of the outbreak; new variants of the virus; the uptake and effectiveness of health and safety measures or actions that are voluntarily adopted by the public or required by governments or public health authorities, including vaccines and treatments; the speed and strength of an economic recovery, including the reopening of borders and the resumption of international travel; and the impact to our employees and our operations, the business of our clients, suppliers and business partners; and other factors identified in Part I, Item 1A "Risk Factors" in this Form 10-K. We will continue to evaluate the nature and extent of the impact to our business.

Highlights for fiscal 2021. Net revenues were $24.1 billion, an increase of 10% over the prior year, primarily due to the year-over-year growth in payments volume, processed transactions and cross-border volume, helped by fewer COVID-19 restrictions, partially offset by higher client incentives. Exchange rate movements and our hedging program positively impacted our net revenues growth by approximately half a percentage point.

GAAP operating expenses were $8.3 billion and increased 7% over the prior year, primarily driven by higher personnel and marketing expenses, partially offset by lower general and administrative expenses. Non-GAAP operating expenses were $8.1 billion and increased 5% over the prior year, primarily driven by higher personnel and marketing expenses, partially offset by lower general and administrative expenses. Exchange rate movements negatively impacted our operating expense growth by approximately half a percentage point.

Non-GAAP financial results. We use non-GAAP financial measures of our performance which exclude certain items which we believe are not representative of our continuing operations, as they may be non-recurring or have no cash impact, and may distort our longer-term operating trends. We consider non-GAAP measures useful to investors because they provide greater transparency into management's view and assessment of our ongoing operating performance.

- *Gains and losses on equity investments.* Gains and losses on equity investments include periodic non-cash fair value adjustments and gains and losses upon sale of an investment. These long-term investments are strategic in nature and are primarily private company investments. Gains and losses and the related tax impacts associated with these investments are tied to the performance of the companies that we invest in and therefore do not correlate to the underlying performance of our business.

- *Amortization of acquired intangible assets.* Amortization of acquired intangible assets consists of amortization of intangible assets such as developed technology, customer relationships and brands acquired in connection with business combinations executed beginning in fiscal 2019. Amortization charges for our acquired intangible assets are non-cash and are significantly affected by the timing, frequency and size of our acquisitions, rather than our core operations. As such, we have excluded this amount and the related tax impact to facilitate an evaluation of our current operating performance and comparison to our past operating performance.

- *Acquisition-related costs.* Acquisition-related costs consist primarily of one-time transaction and integration costs associated with our business combinations. These costs include professional fees, technology integration fees, restructuring activities and other direct costs related to the purchase and integration of acquired entities. It also includes retention equity and deferred equity compensation when they are agreed upon as part of the purchase price of the transaction but are required to be recognized as expense post-combination. We have excluded these amounts and the related tax impacts as the expenses are recognized for a limited duration and do not reflect the underlying performance of our business.

- *Remeasurement of deferred tax balances.* During fiscal 2021, in connection with the UK enacted legislation on June 10, 2021 that increases the tax rate from 19% to 25%, effective April 1, 2023, we remeasured our UK deferred tax liabilities, resulting in the recognition of a non-recurring, non-cash income tax expense of $1.0 billion.

  During fiscal 2020, in connection with the UK enacted legislation that repealed the previous tax rate reduction from 19% to 17% that was effective on April 1, 2020, we remeasured our UK deferred tax liabilities as of the enactment date, resulting in the recognition of a non-recurring, non-cash income tax expense of $329 million. See *Note 19—Income Taxes* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

- *Indirect taxes.* During fiscal 2021, we recognized a one-time charge within general and administrative expense of $152 million, before tax. Net of the related income tax benefit of $40 million, determined by applying applicable tax rates, non-GAAP net income increased by $112 million. This charge is to record our estimate of probable additional indirect taxes, related to prior periods, for which we could be liable as a result of certain changes in applicable law. This one-time charge is not representative of our ongoing operations.

- *Resolution of a tax item.* During fiscal 2020, we resolved a long-outstanding tax matter, dating back more than 12 years, relating to certain tax filing positions taken prior to our initial public offering. The resolution of this matter resulted in the recognition of a one-time charge to income tax expense of $28 million, which we believe is not representative of our continuing operations and ongoing effective tax rate.

- *Litigation provision.* During fiscal 2019, we recorded a litigation provision of $370 million and related tax benefits of $83 million associated with the interchange multidistrict litigation. The tax impact is determined by applying applicable federal and state tax rates to the litigation provision. Under the U.S. retrospective responsibility plan, we recover the monetary liabilities related to the U.S. covered litigation through a reduction to the conversion rate of our class B common stock to shares of class A common stock. See *Note 5—U.S. and Europe Retrospective Responsibility Plans* and *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Non-GAAP operating expenses, non-operating income (expense), income tax provision, effective income tax rate, net income and diluted earnings per share should not be relied upon as substitutes for, or considered in isolation from, measures calculated in accordance with U.S. GAAP. The following tables reconcile our as-reported financial measures, calculated in accordance with U.S. GAAP, to our respective non-GAAP financial measures:

	For the Year Ended September 30, 2021					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate(1)	Net Income	Diluted Earnings Per Share(1)
	(in millions, except percentages and per share data)					
As reported	$ 8,301	$ 259	$ 3,752	23.4 %	$ 12,311	$ 5.63
(Gains) losses on equity investments, net	—	(712)	(159)		(553)	(0.25)
Amortization of acquired intangible assets	(51)	—	12		39	0.02
Acquisition-related costs	(21)	—	4		17	0.01
Remeasurement of deferred tax balances	—	—	(1,007)		1,007	0.46
Indirect taxes	(152)	—	40		112	0.05
Non-GAAP	$ 8,077	$ (453)	$ 2,642	17.0 %	$ 12,933	$ 5.91

	For the Year Ended September 30, 2020					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate(1)	Net Income	Diluted Earnings Per Share(1)
	(in millions, except percentages and per share data)					
As reported	$ 7,765	$ (291)	$ 2,924	21.2 %	$ 10,866	$ 4.89
(Gains) losses on equity investments, net	—	(101)	(23)		(78)	(0.04)
Amortization of acquired intangible assets	(46)	—	11		35	0.02
Acquisition-related costs	(17)	—	4		13	0.01
Remeasurement of deferred tax balances	—	—	(329)		329	0.15
Resolution of a tax item	—	—	(28)		28	0.01
Non-GAAP	$ 7,702	$ (392)	$ 2,559	18.6 %	$ 11,193	$ 5.04

	For the Year Ended September 30, 2019					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate[1]	Net Income	Diluted Earnings Per Share[1]
	(in millions, except percentages and per share data)					
As reported	$ 7,976	$ (117)	$ 2,804	18.8 %	$ 12,080	$ 5.32
(Gains) losses on equity investments, net	—	(131)	(30)		(101)	(0.04)
Amortization of acquired intangible assets	(6)	—	1		5	—
Acquisition-related costs	(4)	—	1		3	—
Litigation provision	(370)	—	83		287	0.13
Non-GAAP	$ 7,596	$ (248)	$ 2,859	18.9 %	$ 12,274	$ 5.40

[1] Figures in the table may not recalculate exactly due to rounding. Effective income tax rate, diluted earnings per share and their respective totals are calculated based on unrounded numbers.

Common stock repurchases. In January 2021, our board of directors authorized an $8.0 billion share repurchase program (the "January 2021 Program"). During fiscal 2021, we repurchased 40 million shares of our class A common stock in the open market for $8.7 billion. As of September 30, 2021, our January 2021 Program had remaining authorized funds of $4.8 billion for share repurchase. See *Note 15—Stockholders' Equity* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Pending acquisitions. On June 24, 2021, we entered into a definitive agreement to acquire Tink AB ("Tink") for €1.8 billion, inclusive of cash and retention incentives. This acquisition is subject to customary closing conditions, including regulatory reviews and approvals.

On July 22, 2021, we entered into a definitive agreement to acquire The Currency Cloud Group Limited ("Currencycloud"). The acquisition values Currencycloud at £700 million, inclusive of cash and retention incentives. The financial consideration will be reduced by the outstanding equity of Currencycloud that we already own. This acquisition is subject to customary closing conditions, including regulatory reviews and approvals.

Terminated acquisition. On January 12, 2021, Visa and Plaid Inc. mutually terminated their merger agreement announced on January 13, 2020. See *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Payments volume and processed transactions. Payments volume is the primary driver for our service revenues, and the number of processed transactions is the primary driver for our data processing revenues.

Payments volume represents the aggregate dollar amount of purchases made with cards and other form factors carrying the Visa, Visa Electron, V PAY and Interlink brands and excludes Europe co-badged volume. Nominal payments volume is denominated in U.S. dollars and is calculated each quarter by applying an established U.S. dollar/local currency exchange rate for each local currency in which our volumes are reported. Processed transactions represent transactions using cards and other form factors carrying the Visa, Visa Electron, V PAY, Interlink and PLUS brands processed on Visa's networks.

The following tables present nominal payments and cash volume:

	U.S. 12 months ended June 30,[1]			International 12 months ended June 30,[1]			Visa Inc. 12 months ended June 30,[1]		
	2021	2020	% Change[2]	2021	2020	% Change[2]	2021	2020	% Change[2]
	(in billions, except percentages)								
Nominal payments volume									
Consumer credit	**$ 1,641**	$ 1,518	8 %	**$ 2,396**	$ 2,362	1 %	**$ 4,036**	$ 3,880	4 %
Consumer debit[3]	**2,387**	1,848	29 %	**2,440**	1,975	24 %	**4,828**	3,824	26 %
Commercial[4]	**697**	641	9 %	**406**	370	10 %	**1,103**	1,011	9 %
Total nominal payments volume[2]	**$ 4,725**	$ 4,007	18 %	**$ 5,243**	$ 4,707	11 %	**$ 9,968**	$ 8,714	14 %
Cash volume[5]	**635**	573	11 %	**1,927**	2,045	(6 %)	**2,561**	2,619	(2 %)
Total nominal volume[2],[6]	**$ 5,359**	$ 4,580	17 %	**$ 7,169**	$ 6,753	6 %	**$ 12,529**	$ 11,333	11 %

	U.S. 12 months ended June 30,[1]			International 12 months ended June 30,[1]			Visa Inc. 12 months ended June 30,[1]		
	2020	2019	% Change[2]	2020	2019	% Change[2]	2020	2019	% Change[2]
	(in billions, except percentages)								
Nominal payments volume									
Consumer credit	$ 1,518	$ 1,540	(1 %)	$ 2,362	$ 2,484	(5 %)	$ 3,880	$ 4,024	(4 %)
Consumer debit[3]	1,848	1,699	9 %	1,975	1,878	5 %	3,824	3,577	7 %
Commercial[4]	641	634	1 %	370	381	(3 %)	1,011	1,015	— %
Total nominal payments volume[2]	$ 4,007	$ 3,873	3 %	$ 4,707	$ 4,743	(1 %)	$ 8,714	$ 8,616	1 %
Cash volume[5]	573	573	— %	2,045	2,262	(10 %)	2,619	2,835	(8 %)
Total nominal volume[2],[6]	$ 4,580	$ 4,447	3 %	$ 6,753	$ 7,005	(4 %)	$ 11,333	$ 11,451	(1 %)

The following table presents the change in nominal and constant payments and cash volume:

	International 12 months ended June 30, 2021 vs 2020[1],[2]		International 12 months ended June 30, 2020 vs 2019[1],[2]		Visa Inc. 12 months ended June 30, 2021 vs 2020[1],[2]		Visa Inc. 12 months ended June 30, 2020 vs 2019[1],[2]	
	Nominal	Constant[7]	Nominal	Constant[7]	Nominal	Constant[7]	Nominal	Constant[7]
Payments volume growth								
Consumer credit growth	1 %	(1 %)	(5 %)	(3 %)	4 %	3 %	(4 %)	(2 %)
Consumer debit growth[3]	24 %	21 %	5 %	8 %	26 %	25 %	7 %	8 %
Commercial growth[4]	10 %	7 %	(3 %)	— %	9 %	8 %	— %	1 %
Total payments volume growth	11 %	9 %	(1 %)	2 %	14 %	13 %	1 %	2 %
Cash volume growth[5]	(6 %)	(3 %)	(10 %)	(7 %)	(2 %)	— %	(8 %)	(5 %)
Total volume growth	6 %	5 %	(4 %)	(1 %)	11 %	10 %	(1 %)	1 %

(1) Service revenues in a given quarter are assessed based on nominal payments volume in the prior quarter. Therefore, service revenues reported for the 12 months ended September 30, 2021, 2020 and 2019, were based on nominal payments volume reported by our financial institution clients for the 12 months ended June 30, 2021, 2020 and 2019, respectively. On occasion, previously presented volume information may be updated. Prior period updates are not material.
(2) Figures in the tables may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers.
(3) Includes consumer prepaid volume and Interlink volume.
(4) Includes large, medium and small business credit and debit, as well as commercial prepaid volume.
(5) Cash volume generally consists of cash access transactions, balance access transactions, balance transfers and convenience checks.
(6) Total nominal volume is the sum of total nominal payments volume and cash volume. Total nominal volume is provided by our financial institution clients, subject to review by Visa.
(7) Growth on a constant-dollar basis excludes the impact of foreign currency fluctuations against the U.S. dollar.

The following table provides the number of processed transactions:

	For the Years Ended September 30,			% Change[1]	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	(in millions, except percentages)				
Visa processed transactions	**164,733**	140,839	138,329	17 %	2 %

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers. On occasion, previously presented information may be updated. Prior period updates are not material.

Results of Operations

Net Revenues

Our net revenues are primarily generated from payments volume on Visa products for purchased goods and services, as well as the number of transactions processed on our network. See *Note 1—Summary of Significant Accounting Policies* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report for further discussion on the components of our net revenues.

The following table presents our net revenues earned in the U.S. and internationally:

	For the Years Ended September 30,			% Change[1]	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	(in millions, except percentages)				
U.S.	**$ 11,160**	$ 10,125	$ 10,279	10 %	(1 %)
International	**12,945**	11,721	12,698	10 %	(8 %)
Net revenues	**$ 24,105**	$ 21,846	$ 22,977	10 %	(5 %)

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Net revenues increased in fiscal 2021 primarily due to the year-over-year growth in payments volume, processed transactions and cross-border volume, helped by fewer COVID-19 restrictions, partially offset by higher client incentives.

Our net revenues are impacted by the overall strengthening or weakening of the U.S. dollar as payments volume and related revenues denominated in local currencies are converted to U.S. dollars. In fiscal 2021, exchange rate movements and our hedging program positively impacted our net revenues growth by approximately half a percentage point.

The following table presents the components of our net revenues:

	For the Years Ended September 30,			% Change[1]	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	(in millions, except percentages)				
Service revenues	**$ 11,475**	$ 9,804	$ 9,700	17 %	1 %
Data processing revenues	**12,792**	10,975	10,333	17 %	6 %
International transaction revenues	**6,530**	6,299	7,804	4 %	(19 %)
Other revenues	**1,675**	1,432	1,313	17 %	9 %
Client incentives	**(8,367)**	(6,664)	(6,173)	26 %	8 %
Net revenues	**$ 24,105**	$ 21,846	$ 22,977	10 %	(5 %)

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Service revenues* increased primarily due to 14% growth in nominal payments volume. Service revenues were also impacted by select pricing modifications and business mix.
- *Data processing revenues* increased due to 17% growth in processed transactions, as the business laps the initial impacts of COVID-19 starting in March 2020.
- *International transaction revenues* increased primarily due to growth in nominal cross-border volumes, excluding transactions within Europe, of 4%, as the business laps the initial impacts of COVID-19 starting in March 2020 and border restrictions were relaxed in various markets.
- *Other revenues* increased as the business laps the initial impacts of COVID-19 starting in March 2020, driven by higher consulting and data services revenues.
- *Client incentives* increased in conjunction with the increase in payments volume during fiscal 2021. The amount of client incentives we record in future periods will vary based on changes in performance expectations, actual client performance, amendments to existing contracts or the execution of new contracts.

Operating Expenses

Our operating expenses consist of the following:

- *Personnel expenses* include salaries, employee benefits, incentive compensation, share-based compensation, contractor expense and severance charges.
- *Marketing expenses* include expenses associated with advertising and marketing campaigns, sponsorships and other related promotions of the Visa brand.
- *Network and processing expenses* mainly represent expenses for the operation of our processing network, including maintenance, equipment rental and fees for other data processing services.
- *Professional fees* mainly consist of fees for consulting, legal and other professional services.
- *Depreciation and amortization expenses* include amortization of purchased and internally developed software, as well as depreciation expense for property and equipment. Also included in this amount is amortization of finite-lived intangible assets primarily obtained through acquisitions.
- *General and administrative expenses* consist mainly of card benefits, indirect taxes, facilities costs, travel and meeting costs, foreign exchange gains and losses and other corporate expenses incurred in support of our business.
- *Litigation provision* represents litigation expenses and is based on management's understanding of our litigation profile, the specifics of the cases, advice of counsel to the extent appropriate and management's best estimate of incurred loss.

The following table presents the components of our total operating expenses:

	For the Years Ended September 30,			% Change[1]	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	(in millions, except percentages)				
Personnel	**$ 4,240**	$ 3,785	$ 3,444	12 %	10 %
Marketing	**1,136**	971	1,105	17 %	(12 %)
Network and processing	**730**	727	721	— %	1 %
Professional fees	**403**	408	454	(1 %)	(10 %)
Depreciation and amortization	**804**	767	656	5 %	17 %
General and administrative	**985**	1,096	1,196	(10 %)	(8 %)
Litigation provision	**3**	11	400	(76 %)	(97 %)
Total operating expenses[2]	**$ 8,301**	$ 7,765	$ 7,976	7 %	(3 %)

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.
[2] Operating expenses for fiscal 2021 and 2019 include significant items that we do not believe are indicative of our operating performance. See *Overview* within this *Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations.*

- *Personnel expenses* increased primarily due to higher headcount and incentive compensation, reflecting our strategy to invest in future growth.
- *Marketing expenses* increased as we lapped reductions in spending in the prior year at the outset of COVID-19 as well as higher spending in client marketing and various campaigns, including the Olympic Games Tokyo 2020, which were held in Summer 2021.
- *General and administrative expenses* decreased due to lower travel expenses, favorable foreign currency fluctuations and lower usage of travel related card benefits, partially offset by a one-time charge to record our estimate of probable additional indirect taxes, related to prior periods, for which we could be liable as a result of certain changes in applicable laws.

Non-operating Income (Expense)

Non-operating income (expense) primarily includes interest expense, gains and losses earned on investments, income from derivative instruments not associated with our core business, as well as the non-service components of net periodic pension income and expense.

The following table presents the components of our non-operating income (expense):

	For the Years Ended September 30,			% Change[1]	
	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
	(in millions, except percentages)				
Interest expense, net	**$ (513)**	$ (516)	$ (533)	(1 %)	(3 %)
Investment income and other	**772**	225	416	243 %	(46 %)
Total non-operating income (expense)	**$ 259**	$ (291)	$ (117)	(189 %)	148 %

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Interest expense, net* decreased primarily as a result of lower interest related to income tax liabilities, partially offset by an increase in interest expense due to the issuance of debt in fiscal 2020. See *Note 10—Debt* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.
- *Investment income and other* increased primarily due to higher gains from our equity investments, partially offset by lower interest income on our cash and investments. See *Note 6—Fair Value Measurements and Investments* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Effective Income Tax Rate

The following table presents our effective income tax rates:

	For the Years Ended September 30,		
	2021	2020	2019
Effective income tax rate	**23 %**	21 %	19 %

The effective tax rate in fiscal 2021 differs from the effective tax rate in fiscal 2020 mainly due to the following:

- during fiscal 2021, a $1.0 billion non-recurring non-cash tax expense related to the remeasurement of UK deferred tax liabilities, as discussed below:
- during fiscal 2021, $255 million of tax benefits recognized as a result of the conclusion of audits by taxing authorities; and
- during fiscal 2020, a $329 million non-recurring, non-cash tax expense related to the remeasurement of UK deferred tax liabilities, as discussed below

On June 10, 2021, the UK enacted legislation that increases the tax rate from 19% to 25%, effective April 1, 2023. On July 22, 2020, the UK enacted legislation that repealed the previous tax rate reduction from 19% to 17% that was effective on April 1, 2020. As a result, in fiscal 2021 and fiscal 2020, we recorded non-recurring, non-cash tax expense related to the remeasurement of our UK deferred tax liabilities, primarily related to intangibles recorded upon the acquisition of Visa Europe Limited ("Visa Europe") in fiscal 2016.

Liquidity and Capital Resources

Management of Our Liquidity

We regularly evaluate cash requirements for current operations, commitments, development activities and capital expenditures, and we may elect to raise additional funds for these purposes in the future through the issuance of either debt or equity. Our treasury policies provide management with the guidelines and authority to manage liquidity risk in a manner consistent with our corporate objectives.

The objectives of our treasury policies are to:

- provide adequate liquidity to cover operating expenditures and liquidity contingency scenarios;
- ensure timely completion of payments settlement activities;
- ensure payments on required litigation settlements;
- make planned capital investments in our business;
- pay dividends and repurchase our shares at the discretion of our board of directors; and
- invest excess cash in securities that enable us to first meet our working capital and liquidity needs, and earn additional income.

Based on our current cash flow budgets and forecasts of our short-term and long-term liquidity needs, we believe that our current and projected sources of liquidity will be sufficient to meet our projected liquidity needs for more than the next 12 months. We will continue to assess our liquidity position and potential sources of supplemental liquidity in view of our operating performance, current economic and capital market conditions and other relevant circumstances.

Cash Flow Data

The following table summarizes our cash flow activity for the fiscal years presented:

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions)		
Total cash provided by (used in):			
Operating activities	**$ 15,227**	$ 10,440	$ 12,784
Investing activities	**(152)**	1,427	(591)
Financing activities	**(14,410)**	(3,968)	(12,061)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	**(37)**	440	(277)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	**$ 628**	$ 8,339	$ (145)

Operating activities. Cash provided by operating activities in fiscal 2021 was higher than the prior fiscal year primarily due to growth in our underlying business, lower client incentive payments and timing and impact of COVID-19 on settlement in the prior fiscal year.

Investing activities. Cash was used in investing activities in fiscal 2021 compared to cash provided by investing activities in fiscal 2020, primarily due to higher purchases, net of proceeds from sales and maturities of investment securities.

Financing activities. Cash used in financing activities in fiscal 2021 was higher than the prior fiscal year primarily due to the absence of proceeds received from the issuance of senior notes in the prior year, the $3.0 billion principal debt payment upon maturity of our senior notes and higher share repurchases. See *Note 10—Debt and Note 15—Stockholders' Equity*, to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Sources of Liquidity

Our primary sources of liquidity are cash on hand, cash flow from our operations, our investment portfolio and access to various equity and borrowing arrangements. Funds from operations are maintained in cash and cash equivalents and short-term or long-term investment securities based upon our funding requirements, access to liquidity from these holdings and the return that these holdings provide.

Cash, cash equivalents and investments. As of September 30, 2021, our cash and cash equivalents balance were $16.5 billion and our available-for-sale debt securities were $3.2 billion. Our investment portfolio is designed to invest cash in securities which enables us to meet our working capital and liquidity needs. Our investment portfolio consists of debt securities issued by the U.S. Treasury or U.S. government-sponsored agencies. $1.5 billion of the investments are classified as current and are available to meet short-term liquidity needs. The remaining non-current investments have stated maturities of more than one year from the balance sheet date; however, they are also generally available to meet short-term liquidity needs.

Factors that may impact the liquidity of our investment portfolio include, but are not limited to, changes to credit ratings of the securities, uncertainty related to regulatory developments, actions by central banks and other monetary authorities and the ongoing strength and quality of credit markets. We will continue to review our portfolio in light of evolving market and economic conditions. However, if current market conditions deteriorate, the liquidity of our investment portfolio may be impacted and we could determine that some of our investments are impaired, which could adversely impact our financial results. We have policies that limit the amount of credit exposure to any one financial institution or type of investment.

Commercial paper program. We maintain a commercial paper program to support our working capital requirements and for other general corporate purposes. Under the program, we are authorized to issue up to $3.0 billion in outstanding notes, with maturities up to 397 days from the date of issuance. At September 30, 2021, we had no outstanding obligations under the program. See *Note 10—Debt* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report

Credit facility. We have an unsecured $5.0 billion revolving credit facility (the "Credit Facility") which expires on July 25, 2024. As of September 30, 2021, there were no borrowings under the Credit Facility. See *Note 10—Debt* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

U.S. Litigation escrow account. Pursuant to the terms of the U.S. retrospective responsibility plan, which was created to insulate Visa and our class A common shareholders from financial liability for certain litigation cases, we maintain a U.S. litigation escrow account from which monetary liabilities from settlements of, or judgments in, the U.S. covered litigation will be payable. As these funds are restricted for the sole purpose of making payments related to the U.S. covered litigation matters, we do not rely on them for other operational needs. See *Note 5—U.S. and Europe Retrospective Responsibility Plans* and *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Credit Ratings

Various factors affect our credit ratings, including changes in our operating performance, the economic environment, conditions in the electronic payments industry, our financial position and changes in our business strategy. Our credit ratings are published by nationally recognized statistical rating organizations in the U.S. and have not changed from the prior-year comparable period. We do not currently foresee any reasonable circumstances under which our credit ratings would be significantly downgraded. If a downgrade were to occur, it could adversely impact, among other things, our future borrowing costs and access to capital markets.

Uses of Liquidity

Payments settlement. Payments settlement due to and from our financial institution clients can represent a substantial daily liquidity requirement. Most U.S. dollar settlements are settled within the same day and do not result in a receivable or payable balance, while settlements in currencies other than the U.S. dollar generally remain outstanding for one to two business days, which is consistent with industry practice for such transactions. In general, during fiscal 2021, we were not required to fund settlement-related working capital. At September 30, 2021, we held $9.1 billion of our total available liquidity to fund daily settlement in the event one or more of our financial institution clients are unable to settle, with the remaining liquidity available to support our working capital and other liquidity needs. See *Note 12—Settlement Guarantee Management* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Litigation. Judgments in and settlements of litigation or other fines imposed in investigations and proceedings, other than the U.S. covered litigation and VE territory covered litigation, which are covered by the U.S. and Europe retrospective responsibility plans, could give rise to future liquidity needs. See *Note 5—U.S. and Europe Retrospective Responsibility Plans* and *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Common stock repurchases. During fiscal 2021, we repurchased 40 million shares of our class A common stock in the open market for $8.7 billion. As of September 30, 2021, our January 2021 Program had remaining authorized funds of $4.8 billion. See *Note 15—Stockholders' Equity* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Dividends. During fiscal 2021, we declared and paid $2.8 billion in dividends at a quarterly rate of $0.32 per share. On October 22, 2021, our board of directors declared a quarterly cash dividend of $0.375 per share of class A common stock (determined in the case of class B and C common stock and series A, B and C convertible participating preferred stock on an as-converted basis). We expect to pay approximately $812 million in connection with this dividend on December 7, 2021. See *Note 15—Stockholders' Equity* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report. We expect to continue paying quarterly dividends in cash, subject to approval by the board of directors. All preferred and class B and C common stock will share ratably on an as-converted basis in such future dividends.

Capital expenditures. During fiscal 2021, our capital expenditures decreased slightly. We expect to continue investing in technology assets and payments system infrastructure to support our digital solutions and core business initiatives.

Senior notes. As of September 30, 2021, we had an outstanding aggregate principal amount relating to our fixed-rate senior notes of $21.0 billion with maturity dates ranging from September 2022 to August 2050. During fiscal 2021, we repaid $3.0 billion of principal upon maturity of our senior notes. A principal payment of $1.0 billion is due on September 14, 2022 on our fixed-rate senior notes issued in December 2015, for which we have sufficient liquidity. In August 2020, we issued a $500 million green bond as part of our commitment to sustainable living and a sustainable payments ecosystem. In fiscal 2021, we allocated $165 million to eligible green projects. See *Note 10—Debt to* our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Client incentives. As the future cash payments for these agreements, which range in terms from less than one to fifteen years, are based on specific performance requirements, the timing of payments can vary. As of September 30, 2021, we had $5.4 billion of client incentives liability recorded on the consolidated balance sheet related to these agreements. See *Note 1—Summary of Significant Accounting Policies* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Uncertain tax positions. As of September 30, 2021, we had liabilities for uncertain tax positions of $1.8 billion for which we cannot determine the range and timing of the cash payments. See *Note 19—Income Taxes* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Pending acquisitions. On June 24, 2021, we entered into a definitive agreement to acquire Tink for €1.8 billion, inclusive of cash and retention incentives. This acquisition is subject to customary closing conditions, including regulatory reviews and approvals

On July 22, 2021, we entered into a definitive agreement to acquire Currencycloud for a value of £700 million, inclusive of cash and retention incentives. The financial consideration will be reduced by the outstanding equity of Currencycloud that we already own. This acquisition is subject to customary closing conditions, including regulatory reviews and approvals. See *Note 2—Acquisitions* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Other uses of cash. The following table represents material, expected or contractually committed future obligations as of September 30, 2021. We believe that we will be able to fund these obligations through cash generated from our operations and available credit facility.

	Payments Due by Period				
	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
			(in millions)		
Purchase obligations[1]	$ 1,730	$ 685	$ 384	$ 569	$ 3,368
Leases not yet commenced[2]	1	41	58	367	467
Transition tax[3]	87	249	455	—	791
Total	**$ 1,818**	**$ 975**	**$ 897**	**$ 936**	**$ 4,626**

(1) Represents agreements to purchase goods and services that specify significant terms, including: fixed or minimum quantities to be purchased, minimum or variable price provisions, and the approximate timing of the transaction. For obligations where the individual years of spend are not specified in the contract, we have estimated the timing of when these amounts will be spent

(2) Represents future payments under leases that have not yet commenced and are not included in the consolidated balance sheet. For future lease payments related to leases that have commenced and are included in the consolidated balance sheet, see *Note 9—Leases* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report

(3) Amounts presented relate to the estimated transition tax, net of foreign tax credit carryovers, on certain foreign earnings of non-U.S. subsidiaries recognized during fiscal 2018 in connection with the Tax Cuts and Jobs Act.

Indemnifications

We indemnify our financial institution clients for settlement losses suffered due to the failure of any other client to fund its settlement obligations in accordance with our operating rules. The amount of the indemnification is limited to the amount of unsettled Visa payment transactions at any point in time. We maintain and regularly review global settlement risk policies and procedures to manage settlement risk, which may require clients to post collateral if certain credit standards are not met. See *Note 1—Summary of Significant Accounting Policies* and *Note 12—Settlement Guarantee Management* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Accounting Pronouncements Not Yet Adopted

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Board Update ("ASU") 2019-12, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in the existing guidance and making other minor improvements. The amendments in the ASU are effective on October 1, 2021. The adoption is not expected to have a material impact on our consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01, which clarifies that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the fair value measurement alternative. The amendments in the ASU are effective on October 1, 2021. The adoption is not expected to have a material impact on our consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate or another reference rate expected to be discontinued because of reference rate reform. Subsequently, the FASB also issued an amendment to this standard. The amendments in the ASU are effective upon issuance through December 31, 2022. We are evaluating the effect ASU 2020-04 and its subsequent amendment will have on our consolidated financial statements. The adoption is not expected to have a material impact on our consolidated financial statements.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America which require us to make judgments, assumptions and estimates that affect the amounts reported. See *Note 1—Summary of Significant Accounting Policies* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report. We have established policies and control procedures which seek to ensure that estimates and assumptions are appropriately governed and applied consistently from period to period. However, actual results could differ from our assumptions and estimates, and such differences could be material.

We believe that the following accounting estimates are the most critical to fully understand and evaluate our reported financial results, as they require our most subjective or complex management judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain and unpredictable.

Revenue Recognition—Client Incentives

Critical estimates. We enter into long-term incentive agreements with financial institution clients, merchants and other business partners for various programs that provide cash and other incentives designed to increase revenue by growing payments volume, increasing Visa product acceptance, winning merchant routing transactions over to our network and driving innovation. These incentives are primarily accounted for as reductions to net revenues; however, if a separate identifiable benefit at fair value can be established, they are accounted for as operating expenses. Incentives are recognized systematically and rationally based on management's estimate of each client's performance. These estimates are regularly reviewed and adjusted as appropriate based on changes in performance expectations, actual client performance, amendments to existing contracts or the execution of new contracts.

Assumptions and judgment. Estimation of client incentives relies on forecasts of payments and transaction volume, card issuance and card conversion. Performance is estimated using client-reported information, transactional information accumulated from our systems, historical information, market and economic conditions and discussions with our clients, merchants and business partners.

Impact if actual results differ from assumptions. If actual performance is not consistent with our estimates, client incentives may be materially different than initially recorded. Increases in incentive payments are generally driven by increased payments and transaction volume, which drive our net revenues. As a result, in the event incentive payments exceed estimates, such payments are not expected to have a material effect on our financial condition, results of operations or cash flows. The cumulative impact of a revision in estimates is recorded in the period such revisions become probable and estimable. For the year ended September 30, 2021, client incentives represented 26% of gross revenues.

Legal and Regulatory Matters

Critical estimates. We are currently involved in various legal proceedings, the outcomes of which are not within our complete control or may not be known for prolonged periods of time. Management is required to assess the probability of loss and estimate the amount of such loss, if any, in preparing our consolidated financial statements.

Assumptions and judgment. We evaluate the likelihood of a potential loss from legal or regulatory proceedings to which we are a party. We record a liability for such claims when a loss is deemed probable and the amount can be reasonably estimated. Significant judgment may be required in the determination of both probability and whether a potential loss is reasonably estimable. Our judgments are subjective based on management's understanding of the litigation profile, the specifics of each case, our history with similar proceedings, advice of in-house and outside legal counsel to the extent appropriate and management's best estimate of incurred loss. As additional information becomes available, we reassess the potential loss related to pending claims and may revise our estimates.

We have entered into loss sharing agreements that reduce our potential liability under certain litigation. However, our U.S. retrospective responsibility plan only addresses monetary liabilities from settlements of, or final judgments in, the U.S. covered litigation. The plan's mechanisms include the use of the U.S. litigation escrow account. The accrual related to the U.S. covered litigation could be either higher or lower than the U.S. litigation escrow account balance. Our Europe retrospective responsibility plan only covers Visa Europe territory covered litigation (and resultant liabilities and losses) relating to the covered period, subject to certain limitations, and does not cover any fines or penalties incurred in the European Commission proceedings or any other matter. See *Note 5—U.S. and Europe Retrospective Responsibility Plans* and *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data.*

Impact if actual results differ from assumptions. Due to the inherent uncertainties of the legal and regulatory processes in the multiple jurisdictions in which we operate, our judgments may be materially different than the actual outcomes, which could have material adverse effects on our business, financial conditions and results of operations. See *Note 20—Legal Matters* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data.*

Income Taxes

Critical estimates. In calculating our effective income tax rate, we make judgments regarding certain tax positions, including the timing and amount of deductions and allocations of income among various tax jurisdictions.

Assumptions and judgment. We have various tax filing positions with regard to the timing and amount of deductions and credits and the allocation of income among various tax jurisdictions, based on our interpretation of local tax laws. We also inventory, evaluate and measure all uncertain tax positions taken or expected to be taken on tax returns and to record liabilities for the amount of such positions that may not be sustained, or may only be partially sustained, upon examination by the relevant taxing authorities.

Impact if actual results differ from assumptions. Although we believe that our estimates and judgments are reasonable, actual results may differ from these estimates. Some or all of these judgments are subject to review by the taxing authorities. If one or more of the taxing authorities were to successfully challenge our right to realize some or all of the tax benefit we have recorded, and we were unable to realize this benefit, it could have a material adverse effect on our financial results and cash flows.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the potential economic loss arising from adverse changes in market factors. Our exposure to financial market risks results primarily from fluctuations in foreign currency exchange rates, interest rates and equity prices. Aggregate risk exposures are monitored on an ongoing basis.

Foreign Currency Exchange Rate Risk

We are exposed to risks from foreign currency exchange rate fluctuations that are primarily related to changes in the functional currency value of revenues generated from foreign currency-denominated transactions and changes in the functional currency value of payments in foreign currencies. We manage these risks by entering into foreign currency forward contracts that hedge exposures of the variability in the functional currency equivalent of anticipated non-functional currency denominated cash flows. Our foreign currency exchange rate risk management program reduces, but does not entirely eliminate, the impact of foreign currency exchange rate movements.

At September 30, 2021 and 2020, the aggregate notional amounts of our foreign currency forward contracts outstanding in our exchange rate risk management program, including contracts not designated for cash flow hedge accounting, were $2.7 billion and $3 9 billion, respectively. The aggregate notional amount outstanding at September 30, 2021 is fully consistent with our strategy and treasury policy aimed at reducing foreign exchange risk below a predetermined and approved threshold. However, actual results could materially differ from our forecast. At September 30, 2021, the effect of a hypothetical 10% weakening in the value of the functional currencies is estimated to create an additional fair value loss of approximately $190 million on our outstanding foreign currency forward contracts. The loss from this hypothetical weakening would be largely offset by a corresponding gain on our cash flows from foreign currency-denominated revenues and payments. See *Note 1—Summary of Significant Accounting Policies* and *Note 13—Derivative Financial Instruments* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

We are further exposed to foreign currency exchange rate risk related to translation as the functional currency of Visa Europe is the Euro. Translation from the Euro to the U.S. dollar is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average exchange rate for the period. Resulting translation adjustments are reported as a component of accumulated other comprehensive income (loss) on the consolidated balance sheets. A hypothetical 10% change in the Euro against the U.S. dollar compared to the exchange rate at September 30, 2021 would result in a foreign currency translation adjustment of $2.0 billion. See *Note 1—Summary of Significant Accounting Policies* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

We are also subject to foreign currency exchange risk in daily settlement activities. This risk arises from the timing of rate setting for settlement with clients relative to the timing of market trades for balancing currency positions. Risk in settlement activities is limited through daily operating procedures, including the utilization of Visa settlement systems and our interaction with foreign exchange trading counterparties.

Interest Rate Risk

Our investment portfolio assets are held in both fixed-rate and adjustable-rate securities. Investments in fixed-rate instruments carry a degree of interest rate risk. The fair value of fixed-rate securities may be adversely impacted due to a rise in interest rates. Additionally, a falling-rate environment creates reinvestment risk because as securities mature, the proceeds are reinvested at a lower rate, generating less interest income.

At September 30, 2021 and 2020, the fair value of our fixed-rate investment securities were $5.5 billion and $4.0 billion, respectively, and the fair value of our adjustable-rate investment securities were $0.2 billion and $2.0 billion, respectively. At September 30, 2021, a hypothetical 100 basis point increase in interest rates would create an estimated decrease in the fair value of our investment securities of approximately $40 million. Any realized gains or losses resulting from such interest rate changes would only occur if we sold the investments prior to maturity. Historically, we have been able to hold investments until maturity.

We have interest rate and cross-currency swap agreements on a portion of our outstanding senior notes that allow us to manage our interest rate exposure through a combination of fixed and floating rates and reduce our overall cost of borrowing. Together these swap agreements effectively convert a portion of our U.S. dollar denominated fixed-rate payments into U.S. dollar and Euro denominated floating-rate payments. By entering into interest rate swaps, we have assumed risks associated with market interest rate fluctuations. A hypothetical 100 basis point increase in interest rates would have resulted in an increase of approximately $40 million in annual interest expense. See *Note 13—Derivative Financial Instruments* to our consolidated financial statements included in *Item 8—Financial Statements and Supplementary Data* of this report.

Equity Investment Risk

As of September 30, 2021 and 2020, the carrying value of our non-marketable equity securities was $1.5 billion and $1.0 billion, respectively These investments are subject to a wide variety of market-related risks that could substantially reduce or increase the carrying value of our holdings. A decline in financial condition or operating results of these investments could result in a loss of all or a substantial part of our carrying value in these companies. We regularly review our non-marketable equity securities for possible impairment, which generally involves an analysis of the facts and changes in circumstances influencing the investment, expectations of the entity's cash flows and capital needs, and the viability of its business model.

Pension Plan Risk

At September 30, 2021 and 2020, our U.S. defined benefit pension plan assets were $1.3 billion and $1.1 billion, respectively, and projected benefit obligations were $0.9 billion at each year end. A material adverse decline in the value of pension plan assets and/or in the discount rate for benefit obligations would result in a decrease in the funded status of the pension plans, an increase in pension cost and an increase in required funding. As of September 30, 2021, a hypothetical 10% decrease in the value of pension plan assets and a 1% decrease in the discount rate would result in an aggregate decrease of approximately $225 million in the funded status and an increase of approximately $26 million in pension cost.

At September 30, 2021 and 2020, our non-U.S. defined benefit pension plan assets were $0.5 billion at each year end, and projected benefit obligations were $0.5 billion and $0.6 billion, respectively. A material adverse decline in the value of pension plan assets and/or in the discount rate for benefit obligations would result in a decrease in the funded status of the pension plans, an increase in pension cost and an increase in required funding. As of September 30, 2021, a hypothetical 10% decrease in the value of pension plan assets and a 1% decrease in the discount rate would result in an aggregate decrease of approximately $166 million in the funded status and an increase of approximately $16 million in pension cost.

We will continue to monitor the performance of pension plan assets and market conditions as we evaluate the amount of our contribution to the pension plans for fiscal 2022, if any, which would be made in September 2022.

ITEM 8. Financial Statements and Supplementary Data

VISA INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors
Visa Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Visa Inc. and subsidiaries (the Company) as of September 30, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended September 30, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of September 30, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2021, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Report of Independent Registered Public Accounting Firm—(Continued)

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of the accrued litigation liability for class members opting out of the Damages Class settlement in the Interchange Multidistrict Litigation (MDL)

As discussed in Notes 5 and 20 to the consolidated financial statements, the Company is involved in various legal proceedings including the *Interchange Multidistrict Litigation (MDL) – Individual Merchant Actions*, and has recorded an accrued litigation liability of $881 million as of September 30, 2021. In preparing its consolidated financial statements, the Company is required to assess the probability of loss associated with each legal proceeding and amount of such loss, if any. The outcome of legal proceedings to which the Company is a party is not within the complete control of the Company or may not be known for prolonged periods of time.

We identified the assessment of the accrued liability for class members opting out of the Damages Class settlement, also known as the *MDL – Individual Merchant Actions*, as a critical audit matter. This proceeding involves complex claims that are subject to substantial uncertainties and unascertainable damages. The assessment of the accrued litigation liability for the *MDL – Individual Merchant Actions* required especially challenging auditor judgment due to the assumptions and estimation associated with the consideration and evaluation of possible outcomes. Changes to the outcome could have a significant effect on the estimated amount of the liability.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's litigation accrual process for the *MDL – Individual Merchant Actions*. We assessed the amounts accrued by reading letters received directly from the Company's external legal counsel and in-house legal counsel that discussed the Company's legal matters, including the *MDL – Individual Merchant Actions*. We considered relevant publicly available information, such as published news articles about the Company and its legal matters, including the *MDL – Individual Merchant Actions*. We evaluated the Company's ability to estimate its monetary exposure by comparing historically recorded liabilities to actual monetary amounts incurred upon resolution of legal matters for merchants that opted out of the previous MDL class settlement. To assess the estimated monetary exposure in the Company's analysis, we compared such amounts to the complete population of amounts attributable to opt-out merchants. We also performed sensitivity analysis over the Company's monetary exposure calculations.

Report of Independent Registered Public Accounting Firm—(Continued)

/s/ KPMG LLP

We have served as the Company's auditor since 2007.

Santa Clara, California
November 18, 2021

VISA INC.

CONSOLIDATED BALANCE SHEETS

	September 30,	
	2021	2020
	(in millions, except per share data)	
Assets		
Cash and cash equivalents	$ 16,487	$ 16,289
Restricted cash equivalents—U.S. litigation escrow	894	901
Investment securities	2,025	3,752
Settlement receivable	1,758	1,264
Accounts receivable	1,968	1,618
Customer collateral	2,260	1,850
Current portion of client incentives	1,359	1,214
Prepaid expenses and other current assets	856	757
Total current assets	27,607	27,645
Investment securities	1,705	231
Client incentives	3,245	3,175
Property, equipment and technology, net	2,715	2,737
Goodwill	15,958	15,910
Intangible assets, net	27,664	27,808
Other assets	4,002	3,413
Total assets	$ 82,896	$ 80,919
Liabilities		
Accounts payable	$ 266	$ 174
Settlement payable	2,443	1,736
Customer collateral	2,260	1,850
Accrued compensation and benefits	1,211	821
Client incentives	5,243	4,176
Accrued liabilities	2,334	1,840
Current maturities of debt	999	2,999
Accrued litigation	983	914
Total current liabilities	15,739	14,510
Long-term debt	19,978	21,071
Deferred tax liabilities	6,128	5,237
Other liabilities	3,462	3,891
Total liabilities	45,307	44,709
Commitments and contingencies (Note 18)		
Equity		
Preferred stock, $0.0001 par value, 25 shares authorized and 5 shares issued and outstanding as follows:		
Series A convertible participating preferred stock, less than one shares issued and outstanding at September 30, 2021 and 2020 (the "series A preferred stock")	486	2,437
Series B convertible participating preferred stock, 2 shares issued and outstanding at September 30, 2021 and 2020 (the "series B preferred stock")	1,071	1,106
Series C convertible participating preferred stock, 3 shares issued and outstanding at September 30, 2021 and 2020 (the "series C preferred stock")	1,523	1,543
Class A common stock, $0.0001 par value, 2,001,622 shares authorized, 1,677 and 1,683 shares issued and outstanding at September 30, 2021 and 2020, respectively	—	—
Class B common stock, $0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at September 30, 2021 and 2020	—	—
Class C common stock, $0.0001 par value, 1,097 shares authorized, 10 and 11 shares issued and outstanding at September 30, 2021 and 2020, respectively	—	—
Right to recover for covered losses	(133)	(39)
Additional paid-in capital	18,855	16,721
Accumulated income	15,351	14,088
Accumulated other comprehensive income (loss), net:		
Investment securities	(1)	3
Defined benefit pension and other postretirement plans	(49)	(196)
Derivative instruments	(257)	(291)
Foreign currency translation adjustments	743	838
Total accumulated other comprehensive income (loss), net	436	354
Total equity	37,589	36,210
Total liabilities and equity	$ 82,896	$ 80,919

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions, except per share data)		
Net revenues	$ 24,105	$ 21,846	$ 22,977
Operating Expenses			
Personnel	4,240	3,785	3,444
Marketing	1,136	971	1,105
Network and processing	730	727	721
Professional fees	403	408	454
Depreciation and amortization	804	767	656
General and administrative	985	1,096	1,196
Litigation provision	3	11	400
Total operating expenses	8,301	7,765	7,976
Operating income	15,804	14,081	15,001
Non-operating Income (Expense)			
Interest expense, net	(513)	(516)	(533)
Investment income and other	772	225	416
Total non-operating income (expense)	259	(291)	(117)
Income before income taxes	16,063	13,790	14,884
Income tax provision	3,752	2,924	2,804
Net income	$ 12,311	$ 10,866	$ 12,080
Basic Earnings Per Share			
Class A common stock	$ 5.63	$ 4.90	$ 5.32
Class B common stock	$ 9.14	$ 7.94	$ 8.68
Class C common stock	$ 22.53	$ 19.58	$ 21.30
Basic Weighted-average Shares Outstanding			
Class A common stock	1,691	1,697	1,742
Class B common stock	245	245	245
Class C common stock	10	11	12
Diluted Earnings Per Share			
Class A common stock	$ 5.63	$ 4.89	$ 5.32
Class B common stock	$ 9.13	$ 7.93	$ 8.66
Class C common stock	$ 22.51	$ 19.56	$ 21.26
Diluted Weighted-average Shares Outstanding			
Class A common stock	2,188	2,223	2,272
Class B common stock	245	245	245
Class C common stock	10	11	12

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions)		
Net income	$ 12,311	$ 10,866	$ 12,080
Other comprehensive income (loss), net of tax:			
Investment securities:			
Net unrealized gain (loss)	(4)	1	20
Income tax effect	1	—	(5)
Reclassification adjustments	(1)	(3)	1
Income tax effect	—	1	—
Defined benefit pension and other postretirement plans:			
Net unrealized actuarial gain (loss) and prior service credit (cost)	178	(7)	(174)
Income tax effect	(41)	1	36
Reclassification adjustments	13	18	9
Income tax effect	(3)	(3)	(2)
Derivative instruments:			
Net unrealized gain (loss)	19	(547)	233
Income tax effect	(1)	119	(25)
Reclassification adjustments	15	(81)	(85)
Income tax effect	1	19	16
Foreign currency translation adjustments	(95)	1,511	(1,228)
Other comprehensive income (loss), net of tax	82	1,029	(1,204)
Comprehensive income	$ 12,393	$ 11,895	$ 10,876

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Preferred Stock			Common Stock								
	Series A	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	(in millions, except per share data)											
lance as of September 30, 2020	—	2	3	1,683	245	11	$ 5,086	$ (39)	$ 16,721	$ 14,088	$ 354	$ 36,210
Net income										12,311		12,311
Other comprehensive income (loss), net of tax											82	82
Comprehensive income												12,393
Adoption of new accounting standards										3		3
territory covered losses incurred								(147)				(147)
Recovery through conversion rate adjustment							(55)	53				(2)
Conversion of series A preferred stock upon sales into public market	—[1]			28			(1,951)		1,951			—
Conversion of class C common stock upon sales into public market				2		(1)						—
Share-based compensation, net of forfeitures									542			542
Vesting of restricted stock and performance-based shares				3								—
Restricted stock and performance-based shares settled in cash for taxes				(1)					(144)			(144)
Cash proceeds from issuance of class A common stock under employee equity plans				2					208			208
Cash dividends declared and paid, at a quarterly amount of $0.32 per class A common stock										(2,798)		(2,798)
Repurchase of class A common stock				(40)					(423)	(8,253)		(8,676)
Balance as of September 30, 2021	—[1]	2	3	1,677	245	10	$ 3,080	$ (133)	$ 18,855	$ 15,351	$ 436	$ 37,589

[1] Increase, decrease or balance is less than one million shares.

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)

	Preferred Stock			Common Stock								
	Series A	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
							(in millions, except per share data)					
Balance as of September 30, 2019	—	2	3	1,718	245	11	$ 5,462	$ (171)	$ 16,541	$ 13,502	$ (650)	$ 34,684
Net income										10,866		10,866
Other comprehensive income (loss), net of tax											1,029	1,029
Comprehensive income												11,895
Adoption of new accounting standards										25	(25)	—
VE territory covered losses incurred								(37)				(37)
Recovery through conversion rate adjustment							(164)	169				5
Issuance of series A preferred stock	— [(1)]						(5)					(5)
Conversion of series A preferred stock upon sales into public market	— [(1)]			3			(207)		207			—
Conversion of class C common stock upon sales into public market				3		— [(1)]						—
Share-based compensation, net of forfeitures									416			416
Vesting of restricted stock and performance-based shares				3								—
Restricted stock and performance-based shares settled in cash for taxes				(1)					(160)			(160)
Cash proceeds from issuance of class A common stock under employee equity plans				1					190			190
Cash dividends declared and paid, at a quarterly amount of $0.30 per class A common stock										(2,664)		(2,664)
Repurchase of class A common stock				(44)					(473)	(7,641)		(8,114)
Balance as of September 30, 2020	— [(1)]	2	3	1,683	245	11	$ 5,086	$ (39)	$ 16,721	$ 14,088	$ 354	$ 36,210

[(1)] Increase, decrease or balance is less than one million shares.

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)

	Preferred Stock		Common Stock								
	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	(in millions, except per share data)										
Balance as of September 30, 2018	2	3	1,768	245	12	$ 5,470	$ (7)	$ 16,678	$ 11,318	$ 547	$ 34,006
Net income									12,080		12,080
Other comprehensive income (loss), net of tax										(1,204)	(1,204)
Comprehensive income											10,876
Adoption of new accounting standards									385	7	392
VE territory covered losses incurred							(172)				(172)
Recovery through conversion rate adjustment						(8)	8				—
Conversion of class C common stock upon sales into public market			2		(1)						—
Share-based compensation, net of forfeitures								407			407
Vesting of restricted stock and performance-based shares			3								—
Restricted stock and performance-based shares settled in cash for taxes			(1)					(111)			(111)
Cash proceeds from issuance of class A common stock under employee equity plans			2					162			162
Cash dividends declared and paid, at a quarterly amount of $0.25 per class A common stock									(2,269)		(2,269)
Repurchase of class A common stock			(56)					(595)	(8,012)		(8,607)
Balance as of September 30, 2019	2	3	1,718	245	11	$ 5,462	$ (171)	$ 16,541	$ 13,502	$ (650)	$ 34,684

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions)		
Operating Activities			
Net income	$ 12,311	$ 10,866	$ 12,080
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Client incentives	8,367	6,664	6,173
Share-based compensation	542	416	407
Depreciation and amortization of property, equipment, technology and intangible assets	804	767	656
Deferred income taxes	873	307	214
VE territory covered losses incurred	(147)	(37)	(172)
(Gains) losses on equity investments, net	(712)	(101)	(131)
Other	(109)	(44)	(140)
Change in operating assets and liabilities:			
Settlement receivable	(468)	1,858	(1,533)
Accounts receivable	(343)	(43)	(333)
Client incentives	(7,510)	(8,081)	(6,430)
Other assets	(147)	(402)	(310)
Accounts payable	88	21	(24)
Settlement payable	679	(2,384)	1,931
Accrued and other liabilities	929	923	627
Accrued litigation	70	(290)	(231)
Net cash provided by (used in) operating activities	15,227	10,440	12,784
Investing Activities			
Purchases of property, equipment and technology	(705)	(736)	(756)
Investment securities:			
Purchases	(5,111)	(2,075)	(2,653)
Proceeds from maturities and sales	5,701	4,510	3,996
Acquisitions, net of cash and restricted cash acquired	(75)	(77)	(699)
Purchases of / contributions to other investments	(71)	(267)	(501)
Other investing activities	109	72	22
Net cash provided by (used in) investing activities	(152)	1,427	(591)
Financing Activities			
Repurchase of class A common stock	(8,676)	(8,114)	(8,607)
Repayments of debt	(3,000)	—	—
Dividends paid	(2,798)	(2,664)	(2,269)
Proceeds from issuance of senior notes	—	7,212	—
Payment of deferred purchase consideration related to the Visa Europe acquisition	—	—	(1,236)
Cash proceeds from issuance of class A common stock under employee equity plans	208	190	162
Restricted stock and performance-based shares settled in cash for taxes	(144)	(160)	(111)
Payments to settle derivative instruments	—	(333)	—
Other financing activities	—	(99)	—
Net cash provided by (used in) financing activities	(14,410)	(3,968)	(12,061)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	(37)	440	(277)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	628	8,339	(145)
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of year	19,171	10,832	10,977
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of year	$ 19,799	$ 19,171	$ 10,832
Supplemental Disclosure			
Cash paid for income taxes, net	$ 3,012	$ 2,671	$ 2,648
Interest payments on debt	$ 643	$ 537	$ 537
Accruals related to purchases of property, equipment and technology	$ 41	$ 38	$ 95

See accompanying notes, which are an integral part of these consolidated financial statements.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2021

Note 1—Summary of Significant Accounting Policies

Organization. Visa Inc. ("Visa" or the "Company") is a global payments technology company that enables innovative, reliable and secure electronic payments across more than 200 countries and territories. Visa and its wholly-owned consolidated subsidiaries operate one of the world's largest electronic payments network — VisaNet — which facilitates authorization, clearing and settlement of payment transactions and enables the Company to offer products and solutions that facilitate secure, reliable and efficient money movement for all participants in the ecosystem. Visa is not a financial institution and does not issue cards, extend credit or set rates and fees for account holders of Visa products. In most cases, account holder and merchant relationships belong to, and are managed by, Visa's financial institution clients.

Consolidation and basis of presentation. The consolidated financial statements include the accounts of Visa and its consolidated entities and are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company consolidates its majority-owned and controlled entities, including variable interest entities ("VIEs") for which the Company is the primary beneficiary. The Company's investments in VIEs have not been material to its consolidated financial statements as of and for the periods presented. All significant intercompany accounts and transactions are eliminated in consolidation.

The Company's activities are interrelated, and each activity is dependent upon and supportive of the other. All significant operating decisions are based on analysis of Visa as a single global business. Accordingly, the Company has one reportable segment, Payment Services.

Use of estimates. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. These estimates may change as new events occur and additional information is obtained, and will be recognized in the consolidated financial statements in the period in which such changes occur. Future actual results could differ materially from these estimates. As the effects of an evolving coronavirus ("COVID-19") pandemic continues, much remains uncertain. There have been no comparable recent events and as a result the ultimate impact of COVID-19 and the extent to which COVID-19 and new variants continue to impact the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and difficult to predict. The use of estimates in specific accounting policies is described further below as appropriate.

Cash, cash equivalents, restricted cash, and restricted cash equivalents. Cash and cash equivalents include cash and certain highly liquid investments with original maturities of 90 days or less from the date of purchase. Cash equivalents are primarily recorded at cost, which approximates fair value due to their generally short maturities. The Company defines restricted cash and restricted cash equivalents as cash and cash equivalents that cannot be withdrawn or used for general operating activities. See *Note 4—Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents.*

Restricted cash equivalents—U.S. litigation escrow. The Company maintains an escrow account from which monetary liabilities from settlements of, or judgments in, the U.S. covered litigation are paid. See *Note 5—U.S. and Europe Retrospective Responsibility Plans* and *Note 20—Legal Matters* for a discussion of the U.S. covered litigation. The escrow funds are held in money market investments, together with the interest earned, less applicable taxes payable, and classified as restricted cash equivalents on the consolidated balance sheets. Interest earned on escrow funds is included in non-operating income (expense) on the consolidated statements of operations.

Fair value. The Company measures certain financial assets and liabilities at fair value on a recurring basis. Certain non-financial assets such as goodwill, intangible assets and property, equipment and technology are measured at cost and only recognized at fair value if they are deemed to be impaired. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are reported under a three-level valuation hierarchy. See *Note 6—Fair Value Measurements and Investments.*

Marketable equity securities. Marketable equity securities, which are reported in investment securities on the consolidated balance sheets, include mutual fund investments related to various employee compensation and benefit plans. Trading activity in these investments is at the direction of the Company's employees. These investments are held in a trust and are not available for the Company's operational or liquidity needs. Interest and dividend income as well as gains and losses, realized and unrealized, from changes in fair value are recorded in non-operating income (expense), and offset in personnel expense on the consolidated statements of operations.

Available-for-sale debt securities. The Company's investment in debt securities, which are classified as available-for-sale and reported in investment securities on the consolidated balance sheets, include U.S. government-sponsored debt securities and U.S. Treasury securities. These securities are recorded at cost at the time of purchase and are carried at fair value. The Company considers these securities to be available-for-sale to meet working capital and liquidity needs. Investments with original maturities of greater than 90 days and stated maturities of less than one year from the balance sheet date, or investments that the Company intends to sell within one year, are classified as current assets, while all other securities are classified as non-current assets. Unrealized gains and losses are reported in accumulated other comprehensive income (loss) on the consolidated balance sheets. The specific identification method is used to calculate realized gain or loss on the sale of securities, which is recorded in non-operating income (expense) on the consolidated statements of operations. Interest income is recognized when earned and is included in non-operating income (expense) on the consolidated statements of operations.

The Company evaluates its debt securities for impairment on an ongoing basis. When there has been a decline in fair value of a debt security below the amortized cost basis, the Company recognizes an impairment if: (1) it has the intent to sell the security; (2) it is more likely than not that it will be required to sell the security before recovery of the amortized cost basis; or (3) it does not expect to recover the entire amortized cost basis of the security. If the Company identifies that the decline in fair value has resulted from credit losses, the credit loss component is recognized as an allowance on the balance sheet and in non-operating income (expense) on the consolidated statements of operations. The non-credit loss component remains in accumulated other comprehensive income (loss) until realized from a sale or subsequent impairment.

Non-marketable equity securities. The Company's non-marketable equity securities, which are reported in other assets on the consolidated balance sheets, include investments in privately held companies without readily determinable market values. All gains and losses on non-marketable equity securities, realized and unrealized, are recognized in non-operating income (expense).

The Company applies the equity method of accounting for investments in other entities when it holds between 20% and 50% ownership in the entity or when it exercises significant influence. Under the equity method, the Company's share of each entity's profit or loss is reflected in non-operating income (expense) on the consolidated statements of operations. The equity method of accounting is also used for flow-through entities such as limited partnerships and limited liability companies when the investment ownership percentage is equal to or greater than 5% of outstanding ownership interests, regardless of whether the Company has significant influence over the investees.

The Company applies the fair value measurement alternative for investments in other entities when it holds less than 20% ownership in the entity and does not exercise significant influence, or for flow-through entities when the investment ownership is less than 5% and the Company does not exercise significant influence. These investments consist of equity holdings in non-public companies and are recorded in other assets on the consolidated balance sheets. The Company adjusts the carrying value of these equity securities to fair value when transactions for identical or similar investments of the same issuer are observable.

The Company regularly reviews investments accounted for under the equity method and the fair value measurement alternative for possible impairment, which generally involves an analysis of the facts and changes in circumstances influencing the investment, expectations of the entity's cash flows and capital needs, and the viability of its business model.

Financial instruments. The Company considers the following to be financial instruments: cash, cash equivalents, restricted cash, restricted cash equivalents, investment securities, settlement receivable and payable, accounts receivable, customer collateral, non-marketable equity investments and derivative instruments. See *Note 6—Fair Value Measurements and Investments.*

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
September 30, 2021

Settlement receivable and payable. The Company operates systems for authorizing, clearing and settling payment transactions worldwide. Most U.S. dollar settlements with the Company's financial institution clients are settled within the same day and do not result in a receivable or payable balance. Settlements in currencies other than the U.S. dollar generally remain outstanding for one to two business days, resulting in amounts due from and to clients. These amounts are presented as settlement receivable and settlement payable on the consolidated balance sheets.

Customer collateral. The Company holds cash deposits and other non-cash assets from certain clients in order to ensure their performance of settlement obligations arising from Visa payment services are processed in accordance with the Company's operating rules. The cash collateral assets are restricted and fully offset by corresponding liabilities and both balances are presented on the consolidated balance sheets. Pledged securities are held by a custodian in an account under the Company's name and ownership; however, the Company does not have the right to repledge these securities, but may sell these securities in the event of default by the client on its settlement obligations. Letters of credit are provided primarily by client financial institutions to serve as irrevocable guarantees of payment. Guarantees are provided primarily by parent financial institutions to secure the obligations of their subsidiaries. The Company routinely evaluates the financial viability of institutions providing the letters of credit and guarantees. See *Note 12—Settlement Guarantee Management.*

Guarantees and indemnifications. The Company recognizes an obligation at inception for guarantees and indemnifications that qualify for recognition, regardless of the probability of occurrence. The Company indemnifies its financial institution clients for settlement losses suffered due to the failure of any other client to fund its settlement obligations in accordance with the Visa operating rules. The Company estimates expected credit losses and recognizes an allowance for those credit losses related to its settlement indemnification obligations. The estimated fair value of the liability for settlement indemnification is included in accrued liabilities on the consolidated balance sheets.

Property, equipment and technology, net. Property, equipment and technology are recorded at historical cost less accumulated depreciation and amortization, which are computed on a straight-line basis over the asset's estimated useful life. Depreciation and amortization of technology, furniture, fixtures and equipment are computed over estimated useful lives ranging from 2 to 10 years. Leasehold improvements are amortized over the shorter of the useful life of the asset or lease term. Building improvements are depreciated between 3 and 40 years, and buildings are depreciated over 40 years. Improvements that increase functionality of the asset are capitalized and depreciated over the asset's remaining useful life. Land and construction-in-progress are not depreciated. Fully depreciated assets are retained in property, equipment and technology, net, until removed from service.

Technology includes purchased and internally developed software, including technology assets obtained through acquisitions. Internally developed software represents software primarily used by the VisaNet electronic payments network. Internal and external costs incurred during the preliminary project stage are expensed as incurred. Qualifying costs incurred during the application development stage are capitalized. Once the project is substantially complete and ready for its intended use these costs are amortized on a straight-line basis over the technology's estimated useful life. Acquired technology assets are initially recorded at fair value and amortized on a straight-line basis over the estimated useful life.

The Company evaluates the recoverability of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If the sum of expected undiscounted net future cash flows is less than the carrying amount of an asset or asset group, an impairment loss is recognized to the extent that the carrying amount of the asset or asset group exceeds its fair value. See *Note 7—Property, Equipment and Technology, Net.*

Leases. The Company determines if an arrangement is a lease at its inception. Right-of-use ("ROU") assets, and corresponding lease liabilities, are recognized at the commencement date based on the present value of remaining lease payments over the lease term. For this purpose, the Company considers only payments that are fixed and determinable at the time of commencement. As a majority of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The ROU asset also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. The Company does not record a ROU asset and corresponding liability for leases with terms of 12 months or less.

Lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Company does not combine lease payments with non-lease components for any of its leases. Operating leases are recorded as ROU assets, which are included in other assets on the consolidated balance sheets. The current portion of lease liabilities are included in accrued liabilities and the long-term portion is included in other liabilities on the consolidated balance sheets. The Company's lease cost is included in general and administrative expense in the consolidated statements of operations and consists of amounts recognized under lease agreements, adjusted for impairment and sublease income.

Intangible assets, net. The Company records identifiable intangible assets at fair value on the date of acquisition and evaluates the useful life of each asset.

Finite-lived intangible assets primarily consist of customer relationships and trade names obtained through acquisitions. Finite-lived intangible assets are amortized on a straight-line basis and are tested for recoverability if events or changes in circumstances indicate that their carrying amounts may not be recoverable. These intangibles have useful lives ranging from 3 to 15 years. See *Note 8—Intangible Assets and Goodwill*.

Indefinite-lived intangible assets consist of trade name, customer relationships and reacquired rights. Intangible assets with indefinite useful lives are not amortized but are evaluated for impairment annually or more frequently if events or changes in circumstances indicate that impairment may exist. The Company first assesses qualitative factors to determine whether it is necessary to perform a quantitative impairment test for indefinite-lived intangible assets. The Company assesses each category of indefinite-lived intangible assets for impairment on an aggregate basis, which may require the allocation of cash flows and/or an estimate of fair value to the assets or asset group. Impairment exists if the fair value of the indefinite-lived intangible asset is less than the carrying value. The Company relies on a number of factors when completing impairment assessments, including a review of discounted net future cash flows, business plans and the use of present value techniques.

The Company performed its annual impairment review of indefinite-lived intangible assets as of February 1, 2021, and concluded there was no impairment as of that date. No recent events or changes in circumstances indicate that impairment of the Company's indefinite-lived intangible assets existed as of September 30, 2021.

Goodwill. Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in a business combination. Goodwill is not amortized but is evaluated for impairment at the reporting unit level annually or more frequently if events or changes in circumstances indicate that impairment may exist.

The Company performed its annual impairment review of goodwill as of February 1, 2021, and concluded there was no impairment as of that date. *No recent events or changes in circumstances indicate that impairment existed as of September* 30, 2021.

Accrued litigation. The Company evaluates the likelihood of an unfavorable outcome in legal or regulatory proceedings to which it is a party and records a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These judgments are subjective, based on the status of such legal or regulatory proceedings, the merits of the Company's defenses and consultation with corporate and external legal counsel. Actual outcomes of these legal and regulatory proceedings may differ materially from the Company's estimates. The Company expenses legal costs as incurred in professional fees in the consolidated statements of operations. See *Note 20—Legal Matters*.

Revenue recognition. The Company's net revenues are comprised principally of the following categories: service revenues, data processing revenues, international transaction revenues and other revenues, reduced by client incentives. As a payments network service provider, the Company's obligation to the customer is to stand ready to provide continuous access to our payments network over the contractual term. Consideration is variable based primarily upon the amount and type of transactions and payments volume on Visa's products. The Company recognizes revenue, net of sales and other similar taxes, as the payments network services are performed in an amount that reflects the consideration the Company expects to receive in exchange for those services. Fixed fees for payments network services are generally recognized ratably over the related service period. The Company has elected the optional exemption to not disclose the remaining performance obligations related to payments network services and other performance obligations which are constrained by and dependent upon the future performance of its clients, which are variable in nature. The Company also recognizes revenues, net of sales and other similar taxes, from other value added services, including issuer solutions, acceptance solutions, risk and identity solutions and advisory services, as these value added services are performed.

Service revenues consist mainly of revenues earned for services provided in support of client usage of Visa payment services. Current quarter service revenues are primarily assessed using a calculation of current quarter's pricing applied to the prior quarter's payments volume. The Company also earns revenues from assessments designed to support ongoing acceptance and volume growth initiatives, which are recognized in the same period the related volume is transacted.

Data processing revenues consist of revenues earned for authorization, clearing, settlement, value added services, network access and other maintenance and support services that facilitate transaction and information processing among the Company's clients globally. Data processing revenues are recognized in the same period the related transactions occur or services are performed.

International transaction revenues are earned for cross-border transaction processing and currency conversion activities. Cross-border transactions arise when the country of origin of the issuer or financial institution originating the transaction is different from that of the beneficiary. International transaction revenues are recognized in the same period the cross-border transactions occur or services are performed.

Other revenues consist mainly of value added services, license fees for use of the Visa brand or technology, fees for account holder services, certification, licensing and card benefits, such as extended account holder protection and concierge services. Other revenues are recognized in the same period the related transactions occur or services are performed.

Client incentives. The Company enters into long-term contracts with financial institution clients, merchants and strategic partners for various programs that provide cash and other incentives designed to increase revenue by growing payments volume, increasing Visa product acceptance, winning merchant routing transactions over to Visa's network and driving innovation. Incentives are classified as reductions to revenues within client incentives, unless the incentive is a cash payment made in exchange for a distinct good or service provided by the customer, in which case the payment is classified as operating expense. The Company generally capitalizes upfront and fixed incentive payments under these agreements and amortizes the amounts as a reduction to revenues ratably over the contractual term. Incentives that are earned by the customer based on performance targets are recorded as reductions to revenues based on management's estimate of each client's future performance. These accruals are regularly reviewed and estimates of performance are adjusted, as appropriate, based on changes in performance expectations, actual client performance, amendments to existing contracts or the execution of new contracts.

Marketing. The Company expenses costs for the production of advertising as incurred. The cost of media advertising is expensed when the advertising takes place. Sponsorship costs are recognized over the period in which the Company benefits from the sponsorship rights. Promotional items are expensed as incurred, when the related services are received, or when the related event occurs.

Income taxes. The Company's income tax expense consists of two components: current and deferred. Current income tax expense represents taxes paid or payable for the current period. Deferred tax assets and liabilities are recognized to reflect the future tax consequences attributable to temporary differences between the financial statement carrying amounts and the respective tax basis of existing assets and liabilities, and operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. In assessing whether deferred tax assets are realizable, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. A valuation allowance is recorded for the portions that are not expected to be realized based on the level of historical taxable income, projections of future taxable income over the periods in which the temporary differences are deductible, and qualifying tax planning strategies.

Where interpretation of the tax law may be uncertain, the Company recognizes, measures and discloses income tax uncertainties. The Company accounts for interest expense and penalties related to uncertain tax positions in non-operating income (expense) in the consolidated statements of operations. The Company files a consolidated federal income tax return and, in certain states, combined state tax returns. The Company elects to claim foreign tax credits in any given year if such election is beneficial to the Company. See *Note 19—Income Taxes*.

Pension and other postretirement benefit plans. The Company's defined benefit pension and other postretirement benefit plans are actuarially evaluated, incorporating various critical assumptions including the discount rate and the expected rate of return on plan assets (for qualified pension plans). The discount rate is based on a cash flow matching analysis, with the projected benefit payments matching spot rates from a yield curve developed from high-quality corporate bonds. The expected rate of return on pension plan assets is primarily based on the targeted allocation, and evaluated for reasonableness by considering such factors as: (i) actual return on plan assets; (ii) historical rates of return on various asset classes in the portfolio; (iii) projections of returns on various asset classes; and (iv) current and prospective capital market conditions and economic forecasts. Any difference between actual and expected plan experience, including asset return experience, in excess of a 10% corridor is recognized in net periodic pension cost over the expected average employee future service period, which ranges from approximately 7 to 9 years for the U.S. and non-U.S. pension plans. Other assumptions involve demographic factors such as retirement age, mortality, attrition and the rate of compensation increases. The Company evaluates assumptions annually and modifies them as appropriate.

The Company recognizes settlement losses when it settles pension benefit obligations, including making lump-sum cash payments to plan participants in exchange for their rights to receive specified pension benefits, when certain thresholds are met. See *Note 11—Pension and Other Postretirement Benefits*.

Foreign currency remeasurement and translation. The Company's functional currency is the U.S. dollar for the majority of its foreign operations except for Visa Europe Limited ("Visa Europe") whose functional currency is the Euro. Transactions denominated in currencies other than the applicable functional currency are converted to the functional currency at the exchange rate on the transaction date. At period end, monetary assets and liabilities are remeasured to the functional currency using exchange rates in effect at the balance sheet dates. Non-monetary assets and liabilities are remeasured at historical exchange rates. Resulting foreign currency transaction gains and losses related to conversion and remeasurement are recorded in general and administrative expense in the consolidated statements of operations and were not material for fiscal 2021, 2020 and 2019.

Where a non-U.S. currency is the functional currency, translation from that functional currency to the U.S. dollar is performed for balance sheet accounts using exchange rates in effect at the balance sheet dates and for revenue and expense accounts using an average exchange rate for the period. Resulting translation adjustments are reported as a component of accumulated other comprehensive income (loss) on the consolidated balance sheets.

Derivative financial instruments. The Company uses foreign exchange forward derivative contracts to reduce its exposure to foreign currency rate changes on forecasted non-functional currency denominated operational cash flows. The terms of these derivative contracts designated as cash flow hedges are generally no more than 12 months. The Company uses regression analysis to assess hedge effectiveness prospectively and retrospectively. The effectiveness tests are performed on foreign exchange forward contracts based on changes in the spot rate of the derivative instrument compared to changes in the spot rate of the forecasted hedged transaction.

Derivatives are carried at fair value on a gross basis on the consolidated balance sheets. Gains and losses resulting from changes in the fair value of cash flow hedges are accounted for in accumulated other comprehensive income (loss) on the consolidated balance sheets. When the forecasted transaction occurs and is recognized in earnings, the amount in accumulated other comprehensive income (loss) related to that hedge is reclassified to the consolidated statements of operations in the corresponding account where revenue or expense is recorded. Forward points are excluded from effectiveness testing and measurement purposes and are reported in earnings. Cash flow hedges are subject to master netting agreements, which provide the Company with a legal right to net settle multiple payable and receivable positions with the same counterparty, in a single currency through a single payment. However, the Company presents fair values on a gross basis on the consolidated balance sheets.

The Company holds foreign exchange forward contracts which were designated as a net investment hedge against a portion of the Company's net investment in Visa Europe. The Company also holds interest rate and cross-currency swap agreements on a portion of the outstanding senior notes that allows the Company to manage its interest rate exposure through a combination of fixed and floating rates and reduce the overall cost of borrowing. The Company designated the interest rate swaps as a fair value hedge and the cross-currency swap as a net investment hedge. Gains and losses related to changes in fair value hedges are recognized in non-operating income (expense) along with a corresponding loss or gain related to the change in fair value of the underlying hedged item in the same line item in the consolidated statements of operations. Gains and losses related to changes in the fair value of net investment hedges are recorded in other comprehensive income (loss). Amounts excluded from the effectiveness testing of net investment hedges are recognized in non-operating income (expense).

The Company utilizes foreign exchange derivative contracts to hedge against foreign currency exchange rate fluctuations related to certain monetary assets and liabilities denominated in foreign currency. Gains and losses resulting from changes in the fair value of these derivative instruments not designated for hedge accounting are recorded in general and administrative expense for hedges of operating activity, or non-operating income (expense) for hedges of non-operating activity.

Cash flows associated with a cash flow hedge are classified as an operating activity on the consolidated statement of cash flows. Cash flows associated with a fair value hedge may be included in operating, investing or financing activities depending on the classification of the items being hedged. Cash flows associated with a net investment hedge are classified as an investing activity. See *Note 13—Derivative Financial Instruments.*

Share-based compensation. The Company recognizes share-based compensation cost, net of estimated forfeitures, using the fair value method of accounting. The Company recognizes compensation cost for awards with only service conditions on a straight-line basis over the requisite service period, which is generally the vesting period. Compensation cost for performance-based awards is recognized on a graded-vesting basis. The amount is initially estimated based on target performance and is adjusted as appropriate based on management's best estimate throughout the performance period. See *Note 17—Share-based Compensation.*

Earnings per share. The Company calculates earnings per share using the two-class method to reflect the different rights of each class and series of outstanding common stock. The dilutive effect of incremental common stock equivalents is reflected in diluted earnings per share by application of the treasury stock method. See *Note 16—Earnings Per Share.*

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Board Update ("ASU") 2016-13, which requires the measurement and recognition of expected credit losses for financial assets and certain other instruments held at amortized cost, replacing the incurred loss model. Subsequently, the FASB also issued amendments to this standard. The Company adopted the guidance effective October 1, 2020 using the modified retrospective transition method with comparative periods continuing to be reported using the previous applicable guidance. The adoption did not have a material impact on the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, which simplifies the accounting for goodwill impairments by eliminating Step 2 from the goodwill impairment test. An entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of the reporting unit with its carrying amount, which is Step 1 of the goodwill impairment test. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit. The Company adopted the standard effective October 1, 2020 on a prospective basis. The adoption had no impact on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. The Company adopted this standard effective October 1, 2020. The adoption did not have a material impact on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-14, which modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans by removing, modifying or adding certain disclosures. The Company adopted this standard effective October 1, 2020. The adoption did not have a material impact on the consolidated financial statements.

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Note 2—Acquisitions

Pending Acquisitions

On June 24, 2021, Visa entered into a definitive agreement to acquire Tink AB ("Tink") for €1.8 billion, inclusive of cash and retention incentives. Tink is a European open banking platform that enables financial institutions, fintechs and merchants to build tailored financial management tools, products and services for European consumers and businesses based on their financial data This acquisition is subject to customary closing conditions, including regulatory reviews and approvals.

On July 22, 2021, Visa entered into a definitive agreement to acquire The Currency Cloud Group Limited ("Currencycloud"), a UK-based global platform that enables banks and fintechs to provide innovative foreign exchange solutions for cross-border payments. The acquisition values Currencycloud at £700 million, inclusive of cash and retention incentives. The financial consideration will be reduced by the outstanding equity of Currencycloud that Visa already owns. This acquisition is subject to customary closing conditions, including regulatory reviews and approvals.

Terminated Acquisition

On January 12, 2021, Visa and Plaid Inc. mutually terminated their merger agreement announced on January 13, 2020. See *Note 20—Legal Matters*.

Note 3—Revenues

The nature, amount, timing and uncertainty of the Company's revenues and cash flows and how they are affected by economic factors are most appropriately depicted through the Company's revenue categories and geographical markets. The following tables disaggregate the Company's net revenues by revenue category and by geography for the years ended September 30, 2021, 2020, and 2019:

	For the Years Ended September 30,		
	2021	2020	2019
		(in millions)	
Service revenues	**$ 11,475**	$ 9,804	$ 9,700
Data processing revenues	**12,792**	10,975	10,333
International transaction revenues	**6,530**	6,299	7,804
Other revenues	**1,675**	1,432	1,313
Client incentives	**(8,367)**	(6,664)	(6,173)
Net revenues	**$ 24,105**	$ 21,846	$ 22,977

	For the Years Ended September 30,		
	2021	2020	2019
		(in millions)	
U.S.	**$ 11,160**	$ 10,125	$ 10,279
International	**12,945**	11,721	12,698
Net revenues	**$ 24,105**	$ 21,846	$ 22,977

Remaining performance obligations are comprised of deferred revenues and unbilled contract revenues that will be invoiced and recognized as revenues in future periods primarily related to value added services. As of September 30, 2021, the remaining performance obligations were $1.7 billion. The Company expects approximately half to be recognized as revenue in the next two years and the remaining thereafter. However, the amount and timing of revenue recognition is affected by several factors, including contract modifications and terminations, which could impact the estimate of amounts allocated to remaining performance obligations and when such revenues could be recognized.

Note 4—Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

The Company reconciles cash, cash equivalents, restricted cash and restricted cash equivalents reported in the consolidated balance sheets that aggregate to the beginning and ending balances shown in the consolidated statements of cash flows as follows:

	September 30,	
	2021	2020
	(in millions)	
Cash and cash equivalents	**$ 16,487**	$ 16,289
Restricted cash and restricted cash equivalents:		
U.S. litigation escrow	**894**	901
Customer collateral	**2,260**	1,850
Prepaid expenses and other current assets	**158**	131
Cash, cash equivalents, restricted cash and restricted cash equivalents	**$ 19,799**	$ 19,171

Note 5—U.S. and Europe Retrospective Responsibility Plans

U.S. Retrospective Responsibility Plan

The Company has established several related mechanisms designed to address potential liability under certain litigation referred to as the "U.S. covered litigation." These mechanisms are included in and referred to as the U.S. retrospective responsibility plan and consist of a U.S. litigation escrow agreement, the conversion feature of the Company's shares of class B common stock, the indemnification obligations of the Visa U.S.A. Inc. ("Visa U.S.A.") members, an interchange judgment sharing agreement, a loss sharing agreement and an omnibus agreement, as amended.

U.S. covered litigation consists of a number of matters that have been settled or otherwise fully or substantially resolved, as well as the following:

- *the Interchange Multidistrict Litigation.* In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, 1:05-md-01720-JG-JO (E.D.N.Y.) or MDL 1720, including all cases currently included in MDL 1720, any other case that includes claims for damages relating to the period prior to the Company's IPO that has been or is transferred for coordinated or consolidated pre-trial proceedings at any time to MDL 1720 by the Judicial Panel on Multidistrict Litigation or otherwise included at any time in MDL 1720 by order of any court of competent jurisdiction;
- any claim that challenges the reorganization or the consummation thereof; provided that such claim is transferred for coordinated or consolidated pre-trial proceedings at any time to MDL 1720 by the Judicial Panel on Multidistrict Litigation or otherwise included at any time in MDL 1720 by order of any court of competent jurisdiction; and
- any case brought after October 22, 2015 by a merchant that opted out of the Rule 23(b)(3) settlement class in MDL 1720 that arises out of facts or circumstances substantially similar to those alleged in MDL 1720 and that is not transferred to or otherwise included in MDL 1720. See *Note 20—Legal Matters*.

U.S. litigation escrow agreement. In accordance with the U.S. litigation escrow agreement, the Company maintains an escrow account, from which settlements of, or judgments in, the U.S. covered litigation are paid. The amount of the escrow is determined by the board of directors and the Company's litigation committee, all members of which are affiliated with, or act for, certain Visa U.S.A. members. The accrual related to the U.S. covered litigation could be either higher or lower than the U.S. litigation escrow account balance. See *Note 20—Legal Matters*.

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The following table presents the changes in the restricted cash equivalents—U.S. litigation escrow account by fiscal year:

	2021	2020
	(in millions)	
Balance at beginning of period	**$ 901**	$ 1,205
Return of takedown payment to the litigation escrow account	**—**	467
Payments to opt-out merchants[1] and interest earned on escrow funds	**(7)**	(771)
Balance at end of period	**$ 894**	$ 901

[1] These payments are associated with the interchange multidistrict litigation. See *Note 20—Legal Matters.*

Conversion feature. Under the terms of the plan, when the Company funds the U.S. litigation escrow account, the shares of class B common stock are subject to dilution through an adjustment to the conversion rate of the shares of class B common stock to shares of class A common stock. This has the same economic effect on diluted class A common stock earnings per share as repurchasing the Company's class A common stock, because it reduces the class B conversion rate and consequently the as-converted class A common stock share count. See *Note 15—Stockholders' Equity.*

Indemnification obligations. To the extent that amounts available under the U.S. litigation escrow arrangement and other agreements in the plan are insufficient to fully resolve the U.S. covered litigation, the Company will use commercially reasonable efforts to enforce the indemnification obligations of Visa U.S.A.'s members for such excess amounts, including but not limited to enforcing indemnification obligations pursuant to Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements.

Interchange judgment sharing agreement. Visa U.S.A. and Visa International Service Association ("Visa International") have entered into an interchange judgment sharing agreement with certain Visa U.S.A. members that have been named as defendants in the interchange multidistrict litigation, which is described in *Note 20—Legal Matters.* Under this judgment sharing agreement, Visa U.S.A. members that are signatories will pay their membership proportion of the amount of a final judgment not allocated to the conduct of Mastercard.

Loss sharing agreement. Visa has entered into a loss sharing agreement with Visa U.S.A., Visa International and certain Visa U.S.A. members. The loss sharing agreement provides for the indemnification of Visa U.S.A., Visa International and, in certain circumstances, Visa with respect to: (i) the amount of a final judgment paid by Visa U.S.A. or Visa International in the U.S. covered litigation after the operation of the interchange judgment sharing agreement, plus any amounts reimbursable to the interchange judgment sharing agreement signatories; or (ii) the damages portion of a settlement of a U.S. covered litigation that is approved as required under Visa U.S.A.'s certificate of incorporation by the vote of Visa U.S.A.'s specified voting members. The several obligation of each bank that is a party to the loss sharing agreement will equal the amount of any final judgment enforceable against Visa U.S.A., Visa International or any other signatory to the interchange judgment sharing agreement, or the amount of any approved settlement of a U.S. covered litigation, multiplied by such bank's then-current membership proportion as calculated in accordance with Visa U.S.A.'s certificate of incorporation.

On October 22, 2015, Visa entered into an amendment to the loss sharing agreement. The amendment includes within the scope of U.S. covered litigation any action brought after the amendment by an opt-out from the Rule 23(b)(3) Settlement Class in MDL 1720 that arises out of facts or circumstances substantially similar to those alleged in MDL 1720 and that is not transferred to or otherwise included in MDL 1720. On the same date, Visa entered into amendments to the interchange judgment sharing agreement and omnibus agreement that include any such action within the scope of those agreements as well.

Omnibus agreement. Visa entered into an omnibus agreement with Mastercard and certain Visa U.S.A. members that confirmed and memorialized the signatories' intentions with respect to the loss sharing agreement, the interchange judgment sharing agreement and other agreements relating to the interchange multidistrict litigation, see *Note 20—Legal Matters.* Under the omnibus agreement, the monetary portion of any settlement of the interchange multidistrict litigation covered by the omnibus agreement would be divided into a Mastercard portion at 33.3333% and a Visa portion at 66.6667%. In addition, the monetary portion of any judgment assigned to Visa-related claims in accordance with the omnibus agreement would be treated as a Visa portion. Visa would have no liability for the monetary portion of any judgment assigned to Mastercard-related claims in accordance with the omnibus agreement, and if a judgment is not assigned to Visa-related claims or Mastercard-related claims in accordance with the omnibus agreement, then any monetary liability would be divided into a Mastercard portion at 33.3333% and a Visa portion at 66.6667%. The Visa portion of a settlement or judgment covered by the omnibus agreement would be allocated in accordance with specified provisions of the Company's U.S. retrospective responsibility plan. The litigation provision on the consolidated statements of operations was not impacted by the execution of the omnibus agreement.

On August 26, 2014, Visa entered into an amendment to the omnibus agreement. The omnibus amendment makes applicable to certain settlements in opt-out cases in the interchange multidistrict litigation the settlement-sharing provisions of the omnibus agreement, pursuant to which the monetary portion of any settlement of the interchange multidistrict litigation covered by the omnibus agreement would be divided into a Mastercard portion at 33.3333% and a Visa portion at 66.6667%. The omnibus amendment also provides that in the event of termination of the class settlement agreement, Visa and Mastercard would make mutually acceptable arrangements so that Visa shall have received two-thirds and Mastercard shall have received one-third of the total of (i) the sums paid to defendants as a result of the termination of the settlement agreement and (ii) the takedown payments previously made to defendants

Europe Retrospective Responsibility Plan

UK loss sharing agreement. The Company has entered into a loss sharing agreement with Visa Europe and certain of Visa Europe's member financial institutions located in the United Kingdom (the "UK LSA members"). Each of the UK LSA members has agreed, on a several and not joint basis, to compensate the Company for certain losses which may be incurred by the Company, Visa Europe or their affiliates as a result of certain existing and potential litigation relating to the setting and implementation of domestic multilateral interchange fee rates in the United Kingdom prior to the closing of the Visa Europe acquisition (the "Closing"), subject to the terms and conditions set forth therein and, with respect to each UK LSA member, up to a maximum amount of the up-front cash consideration received by such UK LSA member. The UK LSA members' obligations under the UK loss sharing agreement are conditional upon, among other things, either (a) losses valued in excess of the sterling equivalent on June 21, 2016 of €1.0 billion having arisen in UK covered claims (and such losses having reduced the conversion rate of the series B preferred stock accordingly), or (b) the conversion rate of the series B preferred stock having been reduced to zero pursuant to losses arising in claims relating to multilateral interchange fee rate setting in the Visa Europe territory.

Litigation management deed. The Company has entered into a litigation management deed with Visa Europe which sets forth the agreed upon procedures for the management of the VE territory covered litigation, the allocation of losses resulting from this litigation (the "VE territory covered losses") between the series B and C preferred stock, and any accelerated conversion or reduction in the conversion rate of the shares of series B and C preferred stock. The litigation management deed applies only to VE territory covered litigation (and resultant losses and liabilities). The litigation management deed provides that the Company will generally control the conduct of the VE territory covered litigation, subject to certain obligations to report and consult with the litigation management committees for VE territory covered litigation (the "VE territory litigation management committees"). The VE territory litigation management committees, which are composed of representatives of certain Visa Europe members, have also been granted consent rights to approve certain material decisions in relation to the VE territory covered litigation.

The Company obtained certain protections for VE territory covered losses through the series B and C preferred stock, the UK loss sharing agreement, and the litigation management deed, referred to as the "Europe retrospective responsibility plan." The plan covers VE territory covered litigation (and resultant liabilities and losses) relating to the covered period, which generally refers to the period before the Closing. Visa's protection from the plan is further limited to 70% of any liabilities where the claim relates to inter-regional multilateral interchange fee rates where the issuer is located outside the Visa Europe territory, and the merchant is located within the Visa Europe territory. The plan does not protect the Company in Europe against all types of litigation or remedies or fines imposed in competition law enforcement proceedings, only the interchange litigation specifically covered by the plan's terms.

Unlike the U.S. retrospective responsibility plan, the Europe retrospective responsibility plan does not have an escrow account that is used to fund settlements or judgments. The Company is entitled to recover VE territory covered losses through a periodic adjustment to the class A common stock conversion rates applicable to the series B and C preferred stock. The total amount of protection available through the preferred stock component of the Europe retrospective responsibility plan is equivalent to the as-converted value of the preferred stock, which can be calculated at any point in time as the product of: (a) the outstanding number of shares of preferred stock; (b) the current conversion rate applicable to each class of preferred stock; and (c) Visa's class A common stock price. This amount differs from the value of the preferred stock recorded within stockholders' equity on the Company's consolidated balance sheets. The book value of the preferred stock reflects its historical value recorded at the Closing less VE territory covered losses recovered through a reduction of the applicable conversion rate. The book value does not reflect changes in the underlying class A common stock price subsequent to the Closing.

Visa Inc. net income will not be impacted by VE territory covered losses as long as the as-converted value of the preferred stock is greater than the covered loss. VE territory covered losses will be recorded when the loss is deemed to be probable and reasonably estimable, or in the case of attorney's fees, when incurred. Concurrently, the Company will record a reduction to stockholders' equity, which represents the Company's right to recover such losses through adjustments to the conversion rate applicable to the preferred stock. The reduction to stockholders' equity is recorded in a contra-equity account referred to as "right to recover for covered losses."

As required by the litigation management deed, at the fourth anniversary of the Visa Europe acquisition, Visa, in consultation with the VE territories litigation management committee, carried out a release assessment of the extent to which, if at all, it would be appropriate to effect a partial conversion of series B or C preferred stock into class A common stock or series A preferred stock. After the completion of this assessment, in September 2020, the Company released $7.3 billion of the as-converted value from its series B and C preferred stock and issued 374,819 shares of series A preferred stock (the "Fourth anniversary release"). Each holder of a share of series B and C preferred stock received a number of series A preferred stock equal to the applicable conversion adjustment divided by 100. The Company paid $5 million in cash in lieu of issuing fractional shares of series A preferred stock. The release resulted in a downward adjustment to the series B and C preferred stock conversion rates. See *Note 15—Stockholders' Equity*.

VE territory covered losses may be recorded before the corresponding adjustment to the applicable conversion rate is effected. Adjustments to the conversion rate may be executed once in any six-month period unless a single, individual loss greater than €20 million is incurred, in which case, the six-month limitation does not apply. When the adjustment to the conversion rate is made, the amount previously recorded in "right to recover for covered losses" as contra-equity will then be recorded against the book value of the preferred stock within stockholders' equity. During the year ended September 30, 2021, the Company recovered $55 million of VE territory covered losses through adjustments to the class A common stock conversion rates applicable to the series B and C preferred stock.

The following table presents the activities related to VE territory covered losses in preferred stock and "right to recover for covered losses" within stockholders' equity during the year ended September 30, 2021:

	Preferred Stock		
	Series B	Series C	Right to Recover for Covered Losses
		(in millions)	
Balance as of September 30, 2020	$ 1,106	$ 1,543	$ (39)
VE territory covered losses incurred[1]	—	—	(147)
Recovery through conversion rate adjustment[2]	(35)	(20)	53
Balance as of September 30, 2021	**$ 1,071**	**$ 1,523**	**$ (133)**

[1] VE territory covered losses incurred reflect settlements with merchants and additional legal costs. See *Note 20—Legal Matters*.
[2] Adjustment to right to recover for covered losses for the conversion rate adjustment differs from the actual recovered amount due to differences in foreign exchange rates between the time the losses were incurred and the subsequent recovery through the conversion rate adjustment.

The following table presents the as-converted value of the preferred stock available to recover VE territory covered losses compared to the book value of preferred stock recorded in stockholders' equity within the Company's consolidated balance sheets as of September 30, 2021 and 2020:

	September 30,			
	2021		2020	
	As-converted Value of Preferred Stock[1],[2]	Book Value of Preferred Stock[1]	As-converted Value of Preferred Stock[1],[3]	Book Value of Preferred Stock[1]
	(in millions)			
Series B preferred stock	**$ 3,493**	**$ 1,071**	$ 3,168	$ 1,106
Series C preferred stock	**4,806**	**1,523**	4,331	1,543
Total	**8,299**	**2,594**	7,499	2,649
Less: right to recover for covered losses	**(133)**	**(133)**	(39)	(39)
Total recovery for covered losses available	**$ 8,166**	**$ 2,461**	$ 7,460	$ 2,610

[1] Figures in the table may not recalculate exactly due to rounding. As-converted and book values are based on unrounded numbers.

[2] As of September 30, 2021, the as-converted value of preferred stock is calculated as the product of: (a) 2 million and 3 million shares of the series B and C preferred stock outstanding, respectively; (b) 6.321 and 6.834, the class A common stock conversion rate applicable to the series B and C preferred stock outstanding, respectively, and (c) $222.75, Visa's class A common stock closing stock price.

[3] As of September 30, 2020, the as-converted value of preferred stock is calculated as the product of: (a) 2 million and 3 million shares of the series B and C preferred stock outstanding, respectively; (b) 6.387 and 6.861, the class A common stock conversion rate applicable to the series B and C preferred stock outstanding, respectively, and (c) $199.97, Visa's class A common stock closing stock price.

Note 6—Fair Value Measurements and Investments

The Company measures certain assets and liabilities at fair value. See *Note 1—Summary of Significant Accounting Policies*.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value Measurements at September 30 Using Inputs Considered as			
	Level 1		Level 2	
	2021	2020	2021	2020
	(in millions)			
Assets				
Cash equivalents and restricted cash equivalents:				
Money market funds	**$ 11,779**	$ 12,522	**$ —**	$ —
U.S. government-sponsored debt securities	**—**	—	**100**	1,469
U.S. Treasury securities	**2,400**	650	**—**	—
Investment securities:				
Marketable equity securities	**490**	148	**—**	—
U.S. government-sponsored debt securities	**—**	—	**245**	2,582
U.S. Treasury securities	**2,985**	1,253	**—**	—
Other current and non-current assets:				
Money market funds	**4**	—	**—**	—
Derivative instruments	**—**	—	**410**	512
Total	**$ 17,658**	$ 14,573	**$ 755**	$ 4,563
Liabilities				
Accrued compensation and benefits:				
Deferred compensation liability	**$ 167**	$ 135	**$ —**	$ —
Accrued and other liabilities:				
Derivative instruments	**—**	—	**109**	181
Total	**$ 167**	$ 135	**$ 109**	$ 181

Level 1 assets and liabilities. Money market funds, marketable equity securities and U.S. Treasury securities are classified as Level 1 within the fair value hierarchy, as fair value is based on unadjusted quoted prices in active markets for identical assets and liabilities. The Company's deferred compensation liability is measured at fair value based on marketable equity securities held under the deferred compensation plan.

Level 2 assets and liabilities. The fair value of U.S. government-sponsored debt securities, as provided by third-party pricing vendors, is based on quoted prices in active markets for similar, not identical, assets. Derivative instruments are valued using inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

U.S. government-sponsored debt securities and U.S. Treasury securities. As of September 30, 2021 and 2020, gross unrealized gains and losses were not material. As of September 30, 2021, $4.0 billion of the Company's debt securities are due within one year and $1.7 billion is due between one to five years.

Assets Measured at Fair Value on a Non-recurring Basis

Non-marketable equity securities. The Company's non-marketable equity securities are investments in privately held companies without readily determinable market values. These investments are classified as Level 3 due to the absence of quoted market prices, the inherent lack of liquidity and the fact that inputs used to measure fair value are unobservable and require management's judgment.

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The following table summarizes the total carrying value of the Company's non-marketable equity securities held as of September 30, 2021 including cumulative unrealized gains and losses:

	September 30, 2021
	(in millions)
Initial cost basis	$ 874
Adjustments:	
Upward adjustments	607
Downward adjustments (including impairment)	(13)
Carrying amount, end of period	**$ 1,468**

Unrealized gains and losses included in the carrying value of the Company's non-marketable equity securities still held as of September 30, 2021 and 2020 were as follows:

	For the Years Ended September 30,	
	2021	2020
	(in millions)	
Upward adjustments	**$ 484**	$ 102
Downward adjustments (including impairment)	**$ (3)**	$ (6)

Investment Income

Investment income is recorded as non-operating income (expense) in the Company's consolidated statements of operations and consisted of the following:

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions)		
Interest and dividend income on cash and investments	**$ (16)**	$ 80	$ 247
Realized gains (losses), net on debt securities	—	4	1
Equity securities:			
Unrealized gains (losses), net	**721**	115	117
Realized gains (losses), net	**26**	1	18
Investment income	**$ 731**	$ 200	$ 383

Other Fair Value Disclosures

Debt. Debt instruments are measured at amortized cost on the Company's consolidated balance sheets. The fair value of the debt instruments, as provided by third-party pricing vendors, is based on quoted prices in active markets for similar, not identical, assets. If measured at fair value in the financial statements, these instruments would be classified as Level 2 in the fair value hierarchy. As of September 30, 2021, the carrying value and estimated fair value of debt was $21.0 billion and $22.5 billion, respectively. As of September 30, 2020, the carrying value and estimated fair value of debt was $24.1 billion and $26.6 billion, respectively.

Other financial instruments not measured at fair value. The following financial instruments are not measured at fair value on the Company's consolidated balance sheet at September 30, 2021, but disclosure of their fair values is required: settlement receivable and payable and customer collateral. The estimated fair value of such instruments at September 30, 2021 approximates their carrying value due to their generally short maturities. If measured at fair value in the financial statements, these financial instruments would be classified as Level 2 in the fair value hierarchy.

Note 7—Property, Equipment and Technology, Net

Property, equipment and technology, net, consisted of the following:

	September 30,	
	2021	2020
	(in millions)	
Land	**$ 72**	$ 71
Buildings and building improvements	**1,008**	1,007
Furniture, equipment and leasehold improvements	**2,048**	1,997
Construction-in-progress	**226**	163
Technology	**4,320**	3,923
Total property, equipment and technology	**7,674**	7,161
Accumulated depreciation and amortization	**(4,959)**	(4,424)
Property, equipment and technology, net	**$ 2,715**	$ 2,737

Technology consists of both purchased and internally developed software. Internally developed software primarily represents software utilized by the VisaNet electronic payments network. At September 30, 2021 and 2020, accumulated amortization for technology was $3.2 billion and $2.7 billion, respectively.

At September 30, 2021, estimated future amortization expense on technology is as follows:

	For the Years Ending September 30,						
	2022	2023	2024	2025	2026	Thereafter	Total
				(in millions)			
Estimated future amortization expense	$ 408	$ 307	$ 217	$ 134	$ 56	$ 18	**$ 1,140**

For fiscal 2021, 2020 and 2019, depreciation and amortization expense related to property, equipment and technology was $721 million, $687 million and $596 million, respectively.

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Note 8—Intangible Assets and Goodwill

Indefinite-lived and finite-lived intangible assets consisted of the following:

	September 30,					
	2021			2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
	(in millions)					
Finite-lived intangible assets:						
Customer relationships	**$ 726**	**$ (440)**	**$ 286**	$ 709	$ (376)	$ 333
Trade names	**199**	**(148)**	**51**	199	(134)	65
Reseller relationships	**95**	**(92)**	**3**	95	(89)	6
Other	**16**	**(15)**	**1**	17	(14)	3
Total finite-lived intangible assets	**1,036**	**(695)**	**341**	1,020	(613)	407
Indefinite-lived intangible assets:						
Customer relationships and reacquired rights	**23,239**	**—**	**23,239**	23,317	—	23,317
Visa trade name	**4,084**	**—**	**4,084**	4,084	—	4,084
Total indefinite-lived intangible assets	**27,323**	**—**	**27,323**	27,401	—	27,401
Total intangible assets	**$ 28,359**	**$ (695)**	**$ 27,664**	$ 28,421	$ (613)	$ 27,808

For fiscal 2021, 2020 and 2019, amortization expense related to finite-lived intangible assets was $83 million, $80 million and $60 million, respectively.

At September 30, 2021, estimated future amortization expense on finite-lived intangible assets is as follows:

	For the Years Ending September 30,						
	2022	2023	2024	2025	2026	Thereafter	Total
	(in millions)						
Estimated future amortization expense	$ 78	$ 55	$ 53	$ 42	$ 27	$ 86	**$ 341**

The changes in goodwill during the years ended September 30, 2021 and 2020 are as follows:

	2021	2020
	(in millions)	
Goodwill, beginning of period	**$ 15,910**	$ 15,656
Goodwill from acquisitions, net of adjustments	**63**	48
Foreign currency translation	**(15)**	206
Goodwill, end of period	**$ 15,958**	$ 15,910

During fiscal 2021, 2020 or 2019, there was no impairment related to the Company's intangible assets and goodwill.

Note 9—Leases

The Company entered into various operating lease agreements primarily for real estate. The Company's leases have original lease periods expiring between fiscal 2022 and 2031. Many leases include one or more options to renew. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments under the Company's lease arrangements are generally fixed. At September 30, 2021, the Company had no finance leases.

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At September 30, 2021 and 2020, ROU assets included in other assets on the consolidated balance sheets was $515 million and $508 million, respectively. At September 30, 2021 and 2020, the current portion of lease liabilities included in accrued liabilities on the consolidated balance sheets was $103 million and $97 million, respectively, and the long-term portion included in other liabilities was $471 million and $473 million, respectively.

During fiscal 2021 and 2020, total operating lease cost was $111 million and $114 million, respectively. At September 30, 2021 and 2020, the weighted-average remaining lease term for operating leases was approximately 6 years and the weighted-average discount rate for operating leases was 2.23% and 2.29%, respectively.

At September 30, 2021, the present value of future minimum lease payments was as follows:

	September 30, 2021
	(in millions)
2022	$ 120
2023	108
2024	100
2025	85
2026	75
Thereafter	132
Total undiscounted lease payments	**620**
Less: imputed interest	(46)
Present value of lease liabilities	**$ 574**

During fiscal 2021 and 2020, ROU assets obtained in exchange for lease liabilities was $96 million and $76 million, respectively.

At September 30, 2021, the Company had additional operating leases that had not yet commenced with lease obligations of $467 million. These operating leases will commence between fiscal 2022 and 2023 with non-cancellable lease terms of 1 to 15 years.

Note 10—Debt

The Company had outstanding debt as follows:

	September 30, 2021	September 30, 2020	Effective Interest Rate[1]
	(in millions, except percentages)		
2.20% Senior Notes due December 2020	$ —	$ 3,000	2.30 %
2.15% Senior Notes due September 2022	1,000	1,000	2.30 %
2.80% Senior Notes due December 2022	2,250	2,250	2.89 %
3.15% Senior Notes due December 2025	4,000	4,000	3.26 %
1.90% Senior Notes due April 2027	1,500	1,500	2.02 %
0.75% Senior Notes due August 2027	500	500	0.84 %
2.75% Senior Notes due September 2027	750	750	2.91 %
2.05% Senior Notes due April 2030	1,500	1,500	2.13 %
1.10% Senior Notes due February 2031	1,000	1,000	1.20 %
4.15% Senior Notes due December 2035	1,500	1,500	4.23 %
2.70% Senior Notes due April 2040	1,000	1,000	2.80 %
4.30% Senior Notes due December 2045	3,500	3,500	4.37 %
3.65% Senior Notes due September 2047	750	750	3.73 %
2.00% Senior Notes due August 2050	1,750	1,750	2.09 %
Total debt	21,000	24,000	
Unamortized discounts and debt issuance costs	(161)	(178)	
Hedge accounting fair value adjustments[2]	138	248	
Total carrying value of debt	$ 20,977	$ 24,070	
Reported as:			
Current maturities of debt	$ 999	$ 2,999	
Long-term debt	19,978	21,071	
Total carrying value of debt	$ 20,977	$ 24,070	

(1) Effective interest rates disclosed do not reflect hedge accounting adjustments

(2) Represents the change in fair value of interest rate swap agreements entered into on a portion of the outstanding senior notes. See *Note 1—Summary of Significant Accounting Policies* and *Note 13—Derivative Financial Instruments*.

Senior Notes

The Company's outstanding senior notes, or collectively, the "Notes", are senior unsecured obligations of the Company, ranking equally and ratably among themselves and with the Company's existing and future unsecured and unsubordinated debt. The Notes are not secured by any assets of the Company and are not guaranteed by any of the Company's subsidiaries. As of September 30, 2021, the Company was in compliance with all related covenants. Each series of Notes may be redeemed as a whole or in part at the Company's option at any time at specified redemption prices.

During the year ended September 30, 2021, the Company repaid $3.0 billion of principal upon maturity of its senior notes.

In August 2020, the Company issued fixed-rate senior notes in a public offering in an aggregate principal amount of $3.3 billion with maturities of 7, 10 and a half and 30 years. The August 2027 Notes, 2031 Notes and 2050 Notes, or collectively, the "August 2020 Notes", have interest rates of 0.75%, 1.10% and 2.00%, respectively. Interest on the August 2020 Notes is payable semi-annually on February 15 and August 15 of each year, commencing on February 15, 2021. The net aggregate proceeds, after deducting discounts and debt issuance costs, were approximately $3.2 billion. The net proceeds from the offering of the August 2027 Notes will be used to fund eligible green projects and the net proceeds from the offering of the 2031 Notes and 2050 Notes will be used for general corporate purposes.

In April 2020, the Company issued fixed-rate senior notes in a public offering in an aggregate principal amount of $4 0 billion with maturities of 7, 10 and 20 years. The April 2027 Notes, 2030 Notes and 2040 Notes, or collectively, the "April 2020 Notes", have interest rates of 1.90%, 2.05% and 2.70%, respectively. Interest on the April 2020 Notes is payable semi-annually on April 15 and October 15 of each year, commencing October 15, 2020. The net aggregate proceeds, after deducting discounts and debt issuance costs, were approximately $4.0 billion. The net proceeds from the offering of the April 2020 Notes will be used for general corporate purposes.

Commercial Paper Program

Visa maintains a commercial paper program to support its working capital requirements and for other general corporate purposes. Under the program, the Company is authorized to issue up to $3.0 billion in outstanding notes, with maturities up to 397 days from the date of issuance. As of September 30, 2021 and 2020, the Company had no outstanding obligations under the program.

Credit Facility

On July 25, 2019, the Company entered into an amended and restated credit agreement for a 5 year, unsecured $5.0 billion revolving credit facility (the "Credit Facility"), which will expire on July 25, 2024. The Credit Facility is not governed by any financial covenants. This Credit Facility is maintained to ensure the integrity of the payment card settlement process and for general corporate purposes. Interest on borrowings under the Credit Facility will be charged at the London Interbank Offered Rate or an alternative base rate, in each case plus applicable margins that fluctuate based on the applicable credit rating of the Company's senior unsecured long-term debt. The Company has agreed to pay a commitment fee which will fluctuate based on such applicable rating of the Company. As of September 30, 2021 and 2020, the Company had no amounts outstanding under the Credit Facility.

At September 30, 2021, future principal payments on the Company's outstanding debt were as follows:

	For the Years Ending September 30,						
	2022	2023	2024	2025	2026	Thereafter	Total
				(in millions)			
Future principal payments	$ 1,000	$ 2,250	$ —	$ —	$ 4,000	$ 13,750	**$ 21,000**

Note 11—Pension and Other Postretirement Benefits

The Company sponsors various qualified and non-qualified defined benefit pension and other postretirement benefit plans that provide for retirement and medical benefits for all eligible employees residing in the U.S. The Company also sponsors other pension benefit plans that provide benefits for internationally-based employees at certain non-U.S. locations.

Disclosures presented below include the U.S. pension plans and the non-U.S. plans, comprising only the Visa Europe plans. Disclosures relating to other U.S. postretirement benefit plans and other non-U.S. pension benefit plans are not included as they are immaterial, individually and in aggregate. The Company uses a September 30 measurement date for its pension and other postretirement benefit plans.

Defined benefit pension plans. The U.S. pension benefits under the defined benefit pension plan were earned based on a cash balance formula. An employee's cash balance account was credited with an amount equal to 6% of eligible compensation plus interest based on 30-year Treasury securities. In October 2015, the Company's board of directors approved an amendment of the U.S. qualified defined benefit pension plan such that the Company discontinued employer provided credits after December 31, 2015. Plan participants continue to earn interest credits on existing balances at the time of the freeze.

The funding policy for the U.S. pension benefits is to contribute annually no less than the minimum required contribution under ERISA.

Under the Visa Europe plans, retirement benefits are provided based on the participants' final pensionable pay and are currently closed to new entrants. However, future benefits continue to accrue for active participants. The

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September 30, 2021

funding policy is to contribute in accordance with the appropriate funding requirements agreed with the trustees of the UK pension plans. Additional funding amounts may be agreed to with the UK pension plan trustees.

Summary of Plan Activities

A reconciliation of pension benefit obligations, plan assets, funded status and amounts recognized in the Company's consolidated balance sheets were as follows:

	U.S. Plans		Non-U.S. Plans	
	September 30,		September 30,	
	2021	2020	2021	2020
	(in millions)			
Change in pension benefit obligation:				
Benefit obligation at beginning of period	**$ 920**	$ 919	**$ 563**	$ 528
Service cost	**—**	—	**4**	4
Interest cost	**25**	28	**10**	10
Actuarial (gain) loss	**(8)**	37	**(53)**	11
Benefit payments	**(60)**	(64)	**(28)**	(17)
Foreign currency exchange rate changes	**—**	—	**24**	27
Benefit obligation at end of period	**$ 877**	$ 920	**$ 520**	$ 563
Accumulated benefit obligation	**$ 877**	$ 920	**$ 520**	$ 563
Change in plan assets:				
Fair value of plan assets at beginning of period	**$ 1,142**	$ 1,090	**$ 525**	$ 490
Actual return on plan assets	**205**	114	**9**	5
Company contribution	**1**	2	**21**	22
Benefit payments	**(60)**	(64)	**(28)**	(17)
Foreign currency exchange rate changes	**—**	—	**21**	25
Fair value of plan assets at end of period	**$ 1,288**	$ 1,142	**$ 548**	$ 525
Funded status at end of period	**$ 411**	$ 222	**$ 28**	$ (38)
Recognized in consolidated balance sheets:				
Non-current asset	**$ 417**	$ 229	**$ 30**	$ —
Current liability	**(1)**	(1)	**—**	—
Non-current liability	**(5)**	(6)	**(2)**	(38)
Funded status at end of period	**$ 411**	$ 222	**$ 28**	$ (38)

Amounts recognized in accumulated other comprehensive income (loss) before tax consist of the following:

	U.S. Plans		Non-U.S. Plans	
	September 30,		September 30,	
	2021	2020	2021	2020
	(in millions)			
Net actuarial (gain) loss	**$ (11)**	$ 135	**$ 47**	$ 93

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September 30, 2021

Benefit obligations in excess of plan assets were as follows:

	U.S. Plans		Non-U.S. Plans	
	September 30,		September 30,	
	2021	2020	2021	2020
	(in millions)			
Accumulated benefit obligation in excess of plan assets				
Accumulated benefit obligation at end of period	**$ (6)**	$ (7)	**$ (520)**	$ (563)
Fair value of plan assets at end of period	**$ —**	$ —	**$ 548**	$ 525
Projected benefit obligation in excess of plan assets				
Benefit obligation at end of period	**$ (6)**	$ (7)	**$ (520)**	$ (563)
Fair value of plan assets at end of period	**$ —**	$ —	**$ 548**	$ 525

Net periodic benefit cost consists of the following:

	U.S. Plans			Non-U.S. Plans		
	For the Years Ended September 30,					
	2021	2020	2019	2021	2020	2019
	(in millions)					
Service cost	**$ —**	$ —	$ —	**$ 4**	$ 4	$ 4
Interest cost	**25**	28	32	**10**	10	13
Expected return on assets	**(70)**	(72)	(71)	**(17)**	(15)	(18)
Amortization of actuarial (gain) loss	**3**	6	—	**4**	2	—
Settlement (gain) loss	**(1)**	8	7	**2**	—	—
Total net periodic benefit cost	**$ (43)**	$ (30)	$ (32)	**$ 3**	$ 1	$ (1)

The service cost component of net periodic benefit cost is presented in personnel expenses while the other components are presented in other non-operating income (expense) on the Company's consolidated statements of operations.

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) consist of the following:

	U.S. Plans			Non-U.S. Plans		
	For the Years Ended September 30,					
	2021	2020	2019	2021	2020	2019
	(in millions)					
Current year actuarial (gain) loss	**$ (143)**	$ (5)	$ 114	**$ (45)**	$ 21	$ 27
Amortization of actuarial gain (loss)	**(3)**	(14)	(7)	**(6)**	(2)	—
Current year prior service cost	**—**	—	—	**—**	—	1
Total recognized in other comprehensive (income) loss	**$ (146)**	$ (19)	$ 107	**$ (51)**	$ 19	$ 28
Total recognized in net periodic benefit cost and other comprehensive (income) loss	**$ (189)**	$ (49)	$ 75	**$ (48)**	$ 20	$ 27

For the year ended September 30, 2021, the net gain was primarily attributable to market-driven increases in the fair value of plan assets combined with an increase in the discount rate

Weighted-average actuarial assumptions used to estimate the benefit obligation and net periodic benefit cost were as follows:

	U.S. Plans			Non-U.S. Plans		
	For the Years Ended September 30,					
	2021	2020	2019	2021	2020	2019
Discount rate for benefit obligation:						
Pension	**2.98 %**	2.88 %	3.26 %	**2.10 %**	1.60 %	1.80 %
Discount rate for net periodic benefit cost:						
Pension	**2.88 %**	3.27 %	4.23 %	**1.60 %**	1.80 %	2.90 %
Expected long-term rate of return on plan assets	**6.50 %**	7.00 %	7.00 %	**3.50 %**	3.00 %	3.00 %
Rate of increase[(1)] in compensation levels for:						
Benefit obligation	**NA**	NA	NA	**2.50 %**	2.50 %	2.50 %
Net periodic benefit cost	**NA**	NA	NA	**2.50 %**	2.50 %	2.50 %

[(1)] This assumption is not applicable for the U.S. plans due to the amendment of the U S. qualified defined benefit pension plan in October 2015, which discontinued the employer provided credits effective after December 31, 2015.

The U.S. plans include a cash balance plan with promised interest crediting rates. Under the plan rules, for fiscal 2021, 2020 and 2019, the weighted average interest crediting rates for the benefit obligation were 1.98%,1.88%, 2.26%, respectively, and the weighted average interest crediting rates for the benefit cost set at the beginning of the period were 1.88%, 2.26% and 3.23% for fiscal 2021, 2020 and 2019, respectively.

Pension Plan Assets

Pension plan assets are managed with a long-term perspective to ensure that there is an adequate level of assets to support benefit payments to participants over the life of the pension plan. Pension plan assets are managed by external investment managers. Investment manager performance is measured against benchmarks for each asset class on a quarterly basis. An independent consultant assists management with investment manager selections and performance evaluations.

Pension plan assets are broadly diversified to maintain a prudent level of risk and to provide adequate liquidity for benefit payments. The Company generally evaluates and rebalances pension plan assets, as appropriate, to ensure that allocations are consistent with its investment strategy and within target allocation ranges. For U.S. pension plan assets, the Company's investment strategy is to invest in the following: equity securities of 35% to 65%, fixed income securities of 43% to 53% and other, primarily consisting of cash equivalents to meet near term expected benefit payments and expenses, of up to 4%. At September 30, 2021, U.S. pension plan asset allocations for these categories were 50%, 48% and 2%, respectively, which were within target allocation ranges.

For non-U.S. pension plan assets, the Company's investment strategy is to invest in the following: equity funds of 12%, interest and inflation hedging assets of 50% and other of 38%, consisting of cash and cash equivalents, corporate debt and asset-backed securities, multi-asset funds and property. At September 30, 2021, non-U.S. pension plan asset allocations for these categories were 12%, 45% and 43%, respectively, which generally aligned with the target allocations.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
September 30, 2021

The following tables set forth by level, within the fair value hierarchy, the pension plans' investments at fair value as of September 30, 2021 and 2020, including the impact of transactions that were not settled at the end of September:

	U.S. Plans							
	Fair Value Measurements at September 30 Using Inputs Considered as							
	Level 1		Level 2		Level 3		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	(in millions)							
Cash equivalents	$ 20	$ 17	$ —	$ —	$ —	$ —	$ 20	$ 17
Collective investment funds	—	—	548	509	—	—	548	509
Corporate debt securities	—	—	455	373	—	—	455	373
U.S. government-sponsored debt securities	—	—	28	30	—	—	28	30
U.S. Treasury securities	105	84	—	—	—	—	105	84
Asset-backed securities	—	—	—	—	31	37	31	37
Equity securities	101	92	—	—	—	—	101	92
Total	$ 226	$ 193	$ 1,031	$ 912	$ 31	$ 37	$ 1,288	$ 1,142

	Non-U.S. Plans							
	Fair Value Measurements at September 30 Using Inputs Considered as							
	Level 1		Level 2		Level 3		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	(in millions)							
Cash and cash equivalents	$ 18	$ 6	$ —	$ —	$ —	$ —	$ 18	$ 6
Corporate debt securities	—	—	51	48	—	—	51	48
Asset-backed securities	—	—	—	—	78	67	78	67
Equity funds	—	—	68	65	—	—	68	65
Multi-asset securities[1]	—	—	333	339	—	—	333	339
Total	$ 18	$ 6	$ 452	$ 452	$ 78	$ 67	$ 548	$ 525

[1] Multi-asset securities represent pension plan assets that are invested in funds comprised of broad ranges of assets.

Level 1 assets. Cash equivalents, which comprise of money market funds, U.S. Treasury securities and equity securities are classified as Level 1 within the fair value hierarchy, as fair value is based on unadjusted quoted prices in active markets for identical assets.

Level 2 assets. Collective investment funds are unregistered investment vehicles that generally commingle the assets of multiple fiduciary clients, such as pension and other employee benefit plans, to invest in a portfolio of stocks, bonds or other securities. Although the collective investment funds held by the plan are ultimately invested in publicly traded equity securities, their own unit values are not directly observable, and therefore they are classified as Level 2. Equity funds are investments in mutual funds that in-turn ultimately invest in equity securities of various jurisdictions. These are classified as level 2 as the equity funds held by the plan are not actively traded but the fair value of underlying securities are generally, although not always, determined with observable data and inputs. The fair values of corporate debt, multi-asset and U.S. government-sponsored securities are based on quoted prices in active markets for similar, not identical, assets.

Level 3 assets. Asset-backed securities are bonds that are backed by various types of assets and primarily consist of mortgage-backed securities. Asset-backed securities are classified as Level 3 due to a lack of observable inputs in measuring fair value.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
September 30, 2021

Cash Flows

Expected future employer contributions and benefit payments are as follows:

	U.S. Plans	Non-U.S. Plans
	(in millions)	
Expected employer contributions		
2022	$ 1	$ 21
Expected benefit payments		
2022	$ 122	$ 8
2023	$ 93	$ 8
2024	$ 84	$ 9
2025	$ 80	$ 9
2026	$ 72	$ 9
2027-2031	$ 278	$ 50

Other Benefits

The Company sponsors a defined contribution plan, or 401(k) plan, that covers substantially all of its employees residing in the U.S. In fiscal 2021, 2020 and 2019, personnel costs included $141 million, $140 million, and $121 million, respectively, of expenses attributable to the Company's employees under the 401(k) plan. The Company's contributions to this 401(k) plan are funded on a current basis, and the related expenses are recognized in the period that the payroll expenses are incurred.

Note 12—Settlement Guarantee Management

The Company indemnifies its clients for settlement losses suffered due to failure of any other client to fund its settlement obligations in accordance with the Visa operating rules. This indemnification creates settlement risk for the Company due to the difference in timing between the date of a payment transaction and the date of subsequent settlement.

Historically, the Company has experienced minimal losses as a result of its settlement risk guarantee. However, the Company's future obligations, which could be material under its guarantees, are not determinable as they are dependent upon future events.

The Company's settlement exposure is limited to the amount of unsettled Visa payment transactions at any point in time, which vary significantly day to day. During the year ended September 30, 2021, the Company's maximum daily settlement exposure was $105.0 billion and the average daily settlement exposure was $65.1 billion.

The Company maintains and regularly reviews global settlement risk policies and procedures to manage settlement exposure, which may require clients to post collateral if certain credit standards are not met. At September 30, 2021 and 2020, the Company held the following collateral to manage settlement exposure:

	September 30,	
	2021	2020
	(in millions)	
Restricted cash and restricted cash equivalents	**$ 2,260**	$ 1,850
Pledged securities at market value	**254**	228
Letters of credit	**1,518**	1,306
Guarantees	**758**	717
Total	**$ 4,790**	$ 4,101

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
September 30, 2021

Note 13—Derivative Financial Instruments

As of September 30, 2021 and 2020, the aggregate notional amount of the Company's derivative contracts outstanding in its hedge program was $11.2 billion and $10.7 billion, respectively. As of September 30, 2021 and 2020, the aggregate notional amount of the derivative contracts not designated as hedging instruments was $0.8 billion and $1.6 billion, respectively.

As of September 30, 2021 and 2020, the following table shows the Company's derivative instruments at gross fair value:

	Balance Sheet Location	September 30, 2021	September 30, 2020
		(in millions)	
Assets			
Designated as Hedging Instrument:			
Foreign exchange contracts	Prepaid expenses and other current assets and other assets	**$ 270**	$ 257
Interest rate swap	Other assets	**$ 138**	$ 248
Not Designated as Hedging Instrument:			
Foreign exchange contracts	Prepaid expenses and other current assets	**$ 2**	$ 7
Liabilities			
Designated as Hedging Instrument:			
Foreign exchange contracts	Accrued liabilities	**$ 13**	$ 39
Cross-currency swap	Other liabilities	**$ 90**	$ 137
Not Designated as Hedging Instrument:			
Foreign exchange contracts	Accrued liabilities	**$ 6**	$ 5

For fiscal 2021, 2020 and 2019, the Company recognized pre-tax net gains (losses) in other comprehensive income (loss) related to net investment hedges of $20 million, ($318) million and $234 million, respectively. For fiscal 2021, 2020 and 2019, the Company recognized an increase in earnings of $156 million, $150 million and $95 million, respectively, related to excluded forward points and interest differentials from forward contracts and swap agreements.

Credit and market risks. The Company's derivative financial instruments are subject to both credit and market risk. The Company monitors the credit-worthiness of the financial institutions that are counterparties to its derivative financial instruments and does not consider the risks of counterparty nonperformance to be significant. The Company mitigates this risk by entering into master netting agreements, and such agreements require each party to post collateral against its net liability position with the respective counterparty. As of September 30, 2021, the Company has received collateral of $35 million from counterparties, which is included in accrued liabilities in the consolidated balance sheets, and posted collateral of $9 million, which is included in prepaid expenses and other current assets in the consolidated balance sheets. Notwithstanding the Company's efforts to manage foreign exchange risk, there can be no absolute assurance that its hedging activities will adequately protect against the risks associated with foreign currency fluctuations. As of September 30, 2021, credit and market risks related to derivative instruments were not considered significant.

Note 14—Enterprise-wide Disclosures and Concentration of Business

The Company's long-lived net property and equipment and ROU assets are classified by major geographic areas as follows:

	September 30, 2021	September 30, 2020
	(in millions)	
U.S.	$ 1,286	$ 1,350
International	596	558
Total	**$ 1,882**	$ 1,908

Revenues by geographic market is primarily based on the location of the issuing financial institution. Net revenues earned in the U.S. were approximately 46% of total net revenues in each of fiscal 2021 and fiscal 2020 and 45% of total net revenues in fiscal 2019. No individual country, other than the U.S., generated more than 10% of total net revenues in these years.

In fiscal 2021, the Company had one client that accounted for 11% of its total net revenues. In fiscal 2020, the Company had two clients that accounted for 11% and 10% of its total net revenues, respectively. In fiscal 2019, no clients generated greater than 10% of the Company's total net revenues.

Note 15—Stockholders' Equity

Series A preferred stock issuance. In September 2020, the Company issued 374,819 shares of series A preferred stock in connection with the Fourth anniversary release. See *Note 5—U.S. and Europe Retrospective Responsibility Plans.*

As-converted class A common stock. The number of shares of each series and class, and the number of shares of class A common stock on an as-converted basis at September 30, 2021 and 2020, were as follows:

	September 30, 2021			September 30, 2020		
	Shares Outstanding	Conversion Rate Into Class A Common Stock	As-converted Class A Common Stock[1]	Shares Outstanding	Conversion Rate Into Class A Common Stock	As-converted Class A Common Stock[1]
	(in millions, except conversion rate)					
Series A preferred stock	— [2]	100.0000	7	— [2]	100.0000	35
Series B preferred stock	2	6.3210	16	2	6.3870	16
Series C preferred stock	3	6.8340	22	3	6.8610	22
Class A common stock[3]	1,677	—	1,677	1,683	—	1,683
Class B common stock	245	1.6228 [4]	398	245	1.6228 [4]	398
Class C common stock	10	4.0000	41	11	4.0000	43
Total			**2,161**			2,197

[1] Figures in the table may not recalculate exactly due to rounding. As-converted class A common stock is calculated based on unrounded numbers.
[2] The number of shares outstanding was less than one million.
[3] Class A common stock shares outstanding reflect repurchases that settled on or before September 30, 2021 and 2020.
[4] The class B to class A common stock conversion rate is presented on a rounded basis. Conversion calculations for dividend payments are based on a conversion rate rounded to the tenth decimal.

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September 30, 2021

Reduction in as-converted shares. Under the terms of the Europe retrospective responsibility plan, the Company is entitled to recover VE territory covered losses through periodic adjustments to the class A common stock conversion rates applicable to the series B and C preferred stock. The recovery has the same economic effect on earnings per share as repurchasing the Company's class A common stock, because it reduces the series B and C preferred stock conversion rates and consequently, reduces the as-converted class A common stock share count. See *Note 5—U.S. and Europe Retrospective Responsibility Plans.*

The following table presents the reduction in as-converted series B and C preferred stock after the Company recovered VE territory covered losses through conversion rate adjustments and the Fourth anniversary release:

	For the Years Ended September 30,					
	2021		2020		2019	
	Series B	Series C	Series B	Series C	Series B	Series C
	(in millions, except per share data)					
Reduction in equivalent number of as-converted shares of class A common stock	— (1)	— (1)	16	22	— (1)	— (1)
Effective price per share[2]	**$ 220.84**	**$ 220.71**	$ 194.31	$ 194.33	$ 141.32	$ 150.26
Recovery through conversion rate adjustment	**$ 35**	**$ 20**	$ 72	$ 92	$ 6	$ 2
Fourth anniversary release	**$ —**	**$ —**	$ 3,084	$ 4,216	$ —	$ —

(1) The reduction in equivalent number of shares of class A common stock was less than one million shares.
(2) Effective price per share for each adjustment made during the year is calculated using the volume-weighted average price of the Company's class A common stock over a pricing period in accordance with the Company's current certificates of designations for its series B and C preferred stock. Effective price per share for each fiscal year is calculated using the weighted-average effective prices of the respective adjustments made during the year.

Under the terms of the U.S. retrospective responsibility plan, when the Company makes a deposit into the litigation escrow account, the shares of class B common stock are subject to dilution through a reduction to the conversion rate of the shares of class B common stock to shares of class A common stock. See *Note 5—U.S. and Europe Retrospective Responsibility Plans.*

The following table presents the reduction in as-converted class B common stock after deposits into the litigation escrow account for the following fiscal years:

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions, except per share data)		
Reduction in equivalent number of as-converted shares of class A common stock	**—**	—	2
Effective price per share[1]	**$ —**	$ —	$ 174.73
Deposits under the U.S. retrospective responsibility plan	**$ —**	$ —	$ 300

(1) Effective price per share is calculated using the volume-weighted average price of the Company's class A common stock over a pricing period in accordance with the Company's current certificate of incorporation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
September 30, 2021

Common stock repurchases. The following table presents share repurchases in the open market for the following fiscal years:

	For the Years Ended September 30,		
	2021	**2020**	**2019**
	(in millions, except per share data)		
Shares repurchased in the open market[1]	**40**	44	56
Average repurchase price per share[2]	**$ 219.03**	$ 183.00	$ 154.01
Total cost[2]	**$ 8,676**	$ 8,114	$ 8,607

[1] Shares repurchased in the open market reflect repurchases that settled during fiscal 2021, 2020 and 2019. All shares repurchased in the open market have been retired and constitute authorized but unissued shares

[2] Figures in the table may not recalculate exactly due to rounding. Average repurchase price per share and total cost are calculated based on unrounded numbers.

In January 2020, the Company's board of directors authorized a $9.5 billion share repurchase program and in January 2021, authorized an additional $8.0 billion share repurchase program (the "January 2021 Program"). These authorizations have no expiration date. As of September 30, 2021, the Company's January 2021 Program had remaining authorized funds of $4.8 billion. All share repurchase programs authorized prior to January 2021 have been completed.

Dividends. In fiscal 2021, 2020 and 2019, the Company declared and paid dividends of $2.8 billion, $2.7 billion and $2.3 billion, respectively, at a quarterly rate of $0.32, $0.30 and $0.25 per share, respectively. On October 22, 2021, the Company's board of directors declared a quarterly cash dividend of $0.375 per share of class A common stock (determined in the case of class B and C common stock and series A, B and C preferred stock on an as-converted basis), which will be paid on December 7, 2021, to all holders of record of the Company's common and preferred stock as of November 12, 2021.

Class B common stock. The class B common stock is not convertible or transferable until the date on which all of the U.S. covered litigation has been finally resolved. This transfer restriction is subject to limited exceptions, including transfers to other holders of class B common stock. After termination of the restrictions, the class B common stock will be convertible into class A common stock if transferred to a person that was not a Visa Member (as defined in the current certificate of incorporation) or similar person or an affiliate of a Visa Member or similar person. Upon such transfer, each share of class B common stock will automatically convert into a number of shares of class A common stock based upon the applicable conversion rate in effect at the time of such transfer.

Adjustment of the conversion rate occurs upon: (i) the completion of any follow-on offering of class A common stock completed to increase the size of the U.S. litigation escrow account (or any cash deposit by the Company in lieu thereof) resulting in a further corresponding decrease in the conversion rate; or (ii) the final resolution of the U.S. covered litigation and the release of funds remaining on deposit in the U.S. litigation escrow account to the Company resulting in a corresponding increase in the conversion rate. See *Note 5—U.S. and Europe Retrospective Responsibility Plans.*

Class C common stock. As of September 30, 2021, all of the shares of class C common stock have been released from transfer restrictions. A total of 141 million shares have been converted from class C to class A common stock upon their sale into the public market.

Preferred stock. In connection with the Visa Europe acquisition, three new series of preferred stock of the Company were created. Upon issuance, all of the preferred stock participate on an as-converted basis in regular quarterly cash dividends declared on the Company's class A common stock. Preferred stock may be issued as redeemable or non-redeemable, and has preference over any class of common stock with respect to the payment of dividends and distribution of the Company's assets in the event of a liquidation or dissolution.

The series B and C preferred stock is convertible upon certain conditions into shares of class A common stock or series A preferred stock. The shares of series B and C preferred stock are subject to restrictions on transfer and may become convertible in stages based on developments in the VE territory covered litigation. The shares of series B and C preferred stock will become fully convertible on the 12th anniversary of the closing of the Visa Europe acquisition, subject only to a holdback to cover any then-pending claims. Upon any such conversion of the series B and C preferred stock (whether by such 12th anniversary, or thereafter with respect to claims pending on such anniversary), the conversion rate would be adjusted downward and the holder would receive either class A common stock or series A preferred stock (for those who are not eligible to hold class A common stock pursuant to the Company's charter). The conversion rates may also be reduced from time to time to offset certain liabilities.

The series A preferred stock, generally designed to be economically equivalent to the Company's class A common stock, is freely transferable and each share of series A preferred stock will automatically convert into 100 shares of class A common stock upon a transfer to any holder that is eligible to hold class A common stock under the charter. See *Note 5—U.S. and Europe Retrospective Responsibility Plans.*

Voting rights. The holders of the series B and C preferred stock have no right to vote on any matters, except for certain defined matters, including, in specified circumstances, any consolidation, merger, combination or similar transaction of the Company in which the preferred stockholders would either (i) receive shares of common stock or other equity securities of the Company with preferences, rights and privileges that are not substantially identical to the preferences, rights and privileges of the applicable series of preferred stock or (ii) receive securities, cash or other property that is different from what the Company's class A common stockholders would receive. With respect to these limited matters on which the holders of preferred stock may vote, approval by the preferred stockholders requires the affirmative vote of the outstanding voting power of each such series of preferred stock, each such series voting as a single class. In either case, the series B and C preferred stockholders are entitled to cast a number of votes equal to the number of shares held by each such holder. Holders of the series A preferred stock, upon issuance at conversion, will have similar voting rights to the rights of the holders of the series B and C preferred stock.

Class A common stockholders have the right to vote on all matters on which stockholders generally are entitled to vote. Class B and C common stockholders have no right to vote on any matters, except for certain defined matters, including (i) any decision to exit the core payments business, in which case the class B and C common stockholders will vote together with the class A common stockholders in a single class, and (ii) in specified circumstances, any consolidation, merger, combination or similar transaction of the Company, in which case the class B and C common stockholders will vote together as a single class. In either case, the class B and C common stockholders are entitled to cast a number of votes equal to the number of shares of class B or C common stock held multiplied by the applicable conversion rate in effect on the record date. Holders of the Company's common stock have no right to vote on any amendment to the current certificate of incorporation that relates solely to any series of preferred stock.

Note 16—Earnings Per Share

Basic earnings per share is computed by dividing net income available to each class of shares by the weighted-average number of shares of common stock outstanding and participating securities during the period. Participating securities include the Company's series A, B and C preferred stock and restricted stock units ("RSUs") that contain non-forfeitable rights to dividends or dividend equivalents. Net income is allocated to each class of common stock and participating securities based on its proportional ownership on an as-converted basis. The weighted-average number of shares outstanding of each class of common stock reflects changes in ownership over the periods presented. See *Note 15—Stockholders' Equity*.

Diluted earnings per share is computed by dividing net income available by the weighted-average number of shares of common stock outstanding, participating securities and, if dilutive, potential class A common stock equivalent shares outstanding during the period. Dilutive class A common stock equivalents may consist of: (1) shares of class A common stock issuable upon the conversion of series A, B and C preferred stock and class B and C common stock based on the conversion rates in effect through the period, and (2) incremental shares of class A common stock calculated by applying the treasury stock method to the assumed exercise of employee stock options, the assumed purchase of stock under the Company's Employee Stock Purchase Plan and the assumed vesting of unearned performance shares.

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September 30, 2021

The following table presents earnings per share for fiscal 2021:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)					
Class A common stock	$ 9,527	1,691	$ 5.63	$ 12,311	2,188 [3]	$ 5.63
Class B common stock	2,244	245	$ 9.14	2,242	245	$ 9.13
Class C common stock	237	10	$ 22.53	236	10	$ 22.51
Participating securities	303	Not presented	Not presented	303	Not presented	Not presented
Net income	$ 12,311					

The following table presents earnings per share for fiscal 2020:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)					
Class A common stock	$ 8,310	1,697	$ 4.90	$ 10,866	2,223 [3]	$ 4.89
Class B common stock	1,951	245	$ 7.94	1,948	245	$ 7.93
Class C common stock	214	11	$ 19.58	214	11	$ 19.56
Participating securities	391	Not presented	Not presented	391	Not presented	Not presented
Net income	$ 10,866					

The following table presents earnings per share for fiscal 2019:

	Basic Earnings Per Share			Diluted Earnings Per Share		
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)					
Class A common stock	$ 9,273	1,742	$ 5.32	$ 12,080	2,272 [3]	$ 5.32
Class B common stock	2,130	245	$ 8.68	2,127	245	$ 8.66
Class C common stock	247	12	$ 21.30	246	12	$ 21.26
Participating securities	430	Not presented	Not presented	429	Not presented	Not presented
Net income	$ 12,080					

(1) Net income is allocated based on proportional ownership on an as-converted basis. The weighted-average number of shares of as-converted class B common stock used in the income allocation was 398 million for each of fiscal 2021 and 2020 and 400 million for fiscal 2019. The weighted-average number of shares of as-converted class C common stock used in the income allocation was 42 million, 44 million and 46 million for fiscal 2021, 2020 and 2019, respectively. The weighted-average number of shares of preferred stock included within participating securities was 12 million and 1 million of as-converted series A preferred stock for fiscal 2021 and 2020, respectively, 16 million of as-converted series B preferred stock for fiscal 2021 and 32 million of as-converted series B preferred stock for each of fiscal 2020 and 2019, and 22 million, 43 million, and 44 million of as-converted series C preferred stock for fiscal 2021, 2020 and 2019, respectively.

(2) Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated based on unrounded numbers.

(3) Weighted-average diluted shares outstanding are calculated on an as-converted basis, and include incremental common stock equivalents, as calculated under the treasury stock method. The common stock equivalents are not material for each of fiscal 2021, 2020 and 2019.

Note 17—Share-based Compensation

2007 Equity Incentive Compensation Plan

The Company's 2007 Equity Incentive Compensation Plan, or the EIP, authorizes the compensation committee of the board of directors to grant non-qualified stock options ("options"), restricted stock awards, RSUs and performance-based shares to its employees and non-employee directors. On January 26, 2021, the EIP was amended to extend the termination date from January 31, 2022 to January 26, 2031 and reduce the number of shares of class A common stock authorized for grant from 236 million to 198 million. Shares available for grant may be either authorized and unissued or previously issued shares subsequently acquired by the Company. Under the amended EIP, shares withheld for taxes, or shares used to pay the exercise or purchase price of an award, shall not again be available for future grant. The EIP will continue to be in effect until all of the common stock available under the EIP is delivered and all restrictions on those shares have lapsed, unless the EIP is terminated earlier by the Company's board of directors.

For fiscal 2021, 2020 and 2019, the Company recorded share-based compensation cost related to the EIP of $518 million, $393 million and $388 million, respectively, in personnel expense on its consolidated statements of operations. The related tax benefits for fiscal 2021, 2020 and 2019 were $73 million, $63 million and $59 million, respectively.

Options

Options issued under the EIP expire 10 years from the date of grant and primarily vest ratably over 3 years from the date of grant, subject to earlier vesting in full under certain conditions.

During fiscal 2021, 2020 and 2019, the fair value of each stock option was estimated on the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	For the Years Ended September 30,		
	2021	**2020**	**2019**
Expected term (in years)[1]	**4.07**	4.03	3.98
Risk-free rate of return[2]	**0.3 %**	1.6 %	2.9 %
Expected volatility[3]	**25.1 %**	18.7 %	20.2 %
Expected dividend yield[4]	**0.6 %**	0.7 %	0.7 %
Fair value per option granted	**$ 39.51**	$ 29.37	$ 25.89

(1) Based on Visa's historical exercise experience.
(2) Based upon the zero coupon U.S. treasury bond rate over the expected term of the awards
(3) Based on the Company's implied and historical volatilities
(4) Based on the Company's annual dividend rate on the date of grant.

The following table summarizes the Company's option activity for fiscal 2021:

	Options		Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)		Aggregate Intrinsic Value[1] (in millions)
Outstanding at September 30, 2020	5,786,549	$	114.61			
Granted	1,022,430	$	207.57			
Forfeited	(57,107)	$	179.38			
Expired	—	$	—			
Exercised	(912,093)	$	87.06			
Outstanding at September 30, 2021	**5,839,779**	**$**	**134.56**	**6.56**	**$**	**515**
Options exercisable at September 30, 2021	3,736,509	$	105.05	5.55	$	440
Options exercisable and expected to vest at September 30, 2021[2]	**5,783,092**	$	133.93	6.54	$	514

[1] Calculated using the closing stock price on the last trading day of fiscal 2021 of $222.75, less the option exercise price, multiplied by the number of instruments.
[2] Applied a forfeiture rate to unvested options outstanding at September 30, 2021 to estimate the options expected to vest in the future.

During fiscal 2021, 2020 and 2019, the total intrinsic value of options exercised was $124 million, $146 million and $107 million, respectively, and the tax benefit realized was $23 million, $31 million and $23 million, respectively. As of September 30, 2021, there was $23 million of total unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted-average period of approximately 0.42 years.

Restricted Stock Units

RSUs issued under the EIP primarily vest ratably over 3 years from the date of grant, subject to earlier vesting in full under certain conditions. Upon vesting, RSUs can be settled in class A common stock on a one-for-one basis or in cash, or a combination thereof, at the Company's option. The Company does not currently intend to settle any RSUs in cash. During the vesting period, RSU award recipients are eligible to receive dividend equivalents, but do not participate in the voting rights granted to the holders of the underlying class A common stock.

The fair value and compensation cost before estimated forfeitures for RSUs is calculated using the closing price of class A common stock on the date of grant. During fiscal 2021, 2020 and 2019, the weighted-average grant date fair value of RSUs granted was $209.00, $183.61 and $137.38, respectively. During fiscal 2021, 2020 and 2019, the total grant date fair value of RSUs vested was $331 million, $284 million and $228 million, respectively.

The following table summarizes the Company's RSU activity for fiscal 2021:

	Units		Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (in years)		Aggregate Intrinsic Value[1] (in millions)
Outstanding at September 30, 2020	4,690,500	$	154.06			
Granted	2,486,219	$	209.00			
Vested	(2,327,105)	$	142.35			
Forfeited	(323,166)	$	183.46			
Outstanding at September 30, 2021	**4,526,448**	**$**	**188.16**	**0.87**	**$**	**1,008**

[1] Calculated by multiplying the closing stock price on the last trading day of fiscal 2021 of $222.75 by the number of instruments.

At September 30, 2021, there was $452 million of total unrecognized compensation cost related to unvested RSUs, which is expected to be recognized over a weighted-average period of approximately 0.87 years.

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Performance-based Shares

For the Company's performance-based shares, in addition to service conditions, the ultimate number of shares to be earned depends on the achievement of both performance and market conditions. The performance condition is based on the Company's earnings per share target. The market condition is based on the Company's total shareholder return ranked against that of other companies that are included in the Standard & Poor's 500 Index. For fiscal 2021, the fair value of the performance-based shares incorporating the market condition is estimated on the grant date using a Monte Carlo simulation model with the following weighted-average assumptions: risk-free rate of return of 0.2%, expected term of 2 years, expected volatility of 27.2% and expected dividend yield of 0.6%. In fiscal 2021, 2020 and 2019, the weighted-average grant date fair value of performance-based shares granted was $229.81, $211.08 and $153.42 per share, respectively. Performance-based shares vest over three years and are subject to earlier vesting in full under certain conditions. During fiscal 2021, 2020 and 2019, the total grant date fair value of performance-based shares vested and earned was $47 million, $65 million and $41 million, respectively. Compensation cost for performance-based shares is initially estimated based on target performance. It is recorded net of estimated forfeitures and adjusted as appropriate throughout the performance period.

The following table summarizes the maximum number of performance-based shares which could be earned and related activity for fiscal 2021:

	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value[1] (in millions)
Outstanding at September 30, 2020	994,800	$ 171.33		
Granted[2]	432,714	$ 229.81		
Vested and earned	(359,894)	$ 130.98		
Unearned	(203,760)	$ 224.79		
Forfeited	—	$ —		
Outstanding at September 30, 2021	**863,860**	**$ 204.82**	**0.82**	**$ 192**

[1] Calculated by multiplying the closing stock price on the last trading day of fiscal 2021 of $222.75 by the number of instruments.
[2] Represents the maximum number of performance-based shares which could be earned.

At September 30, 2021, there was $40 million of total unrecognized compensation cost related to unvested performance-based shares, which is expected to be recognized over a weighted-average period of approximately 0.82 years.

Employee Stock Purchase Plan

The Visa Inc. Employee Stock Purchase Plan (the "ESPP") permits eligible employees to purchase the Company's class A common stock at a 15% discount of the stock price on the purchase date, subject to certain restrictions. A total of 20 million shares of class A common stock have been reserved for issuance under the ESPP. In fiscal 2021, 2020 and 2019, the ESPP did not have a material impact on the consolidated financial statements.

Note 18—Commitments and Contingencies

Commitments. The Company has software licenses throughout the world with varying expiration dates. At September 30, 2021, future minimum payments on software licenses are as follows:

	For the Years Ending September 30,						
	2022	2023	2024	2025	2026	Thereafter	Total
	(in millions)						
Software licenses	$ 97	$ 35	$ 7	$ 6	$ —	$ —	**$ 145**

Note 19—Income Taxes

The Company's income before taxes by fiscal year consisted of the following:

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions)		
U.S.	**$ 11,002**	$ 9,178	$ 9,536
Non-U.S.	**5,061**	4,612	5,348
Total income before taxes	**$ 16,063**	$ 13,790	$ 14,884

For fiscal 2021, U.S. income before taxes included $3.1 billion, and for fiscal 2020 and 2019 included $3.0 billion, of the Company's U.S. entities' income from operations outside of the U.S.

Income tax provision by fiscal year consisted of the following:

	For the Years Ended September 30,		
	2021	2020	2019
	(in millions)		
Current:			
U.S. federal	**$ 1,943**	$ 1,662	$ 1,504
State and local	**69**	212	243
Non-U.S.	**869**	743	843
Total current taxes	**2,881**	2,617	2,590
Deferred:			
U.S. federal	**(57)**	42	184
State and local	**(28)**	9	28
Non-U.S.	**956**	256	2
Total deferred taxes	**871**	307	214
Total income tax provision	**$ 3,752**	$ 2,924	$ 2,804

At September 30, 2021 and 2020, the tax effect of temporary differences that give rise to significant portions of deferred tax assets and liabilities, are presented below:

	September 30,	
	2021	2020
	(in millions)	
Deferred Tax Assets:		
Accrued compensation and benefits	**$ 166**	$ 114
Accrued litigation obligation	**234**	204
Client incentives	**327**	121
Net operating loss carryforwards	**104**	80
Comprehensive loss	**106**	148
Federal benefit of state taxes	**157**	203
Other	**55**	60
Valuation allowance	**(103)**	(84)
Deferred tax assets	**1,046**	846
Deferred Tax Liabilities:		
Property, equipment and technology, net	**(346)**	(343)
Intangible assets	**(6,452)**	(5,492)
Unrealized gains on equity securities	**(203)**	(48)
Foreign taxes	**(93)**	(137)
Deferred tax liabilities	**(7,094)**	(6,020)
Net deferred tax liabilities	**$ (6,048)**	$ (5,174)

On June 10, 2021, the UK enacted legislation that increases the tax rate from 19% to 25%, effective April 1, 2023. As a result, the Company recorded a $1.0 billion non-recurring, non-cash tax expense related to the remeasurement of its UK deferred tax liabilities, primarily related to intangibles recorded upon the acquisition of Visa Europe in fiscal 2016. The increase in deferred tax liabilities reflects the remeasurement of UK deferred tax liabilities.

The American Rescue Plan Act of 2021 (the "ARP Act") was enacted in the U.S. on March 11, 2021. The ARP Act did not have a material impact on the Company's financial results.

At September 30, 2021 and 2020, net deferred tax assets of $80 million and $63 million, respectively, are reflected in other assets on the consolidated balance sheets.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that all or some portion of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are deductible. The fiscal 2021 and 2020 valuation allowances relate primarily to foreign net operating losses from subsidiaries acquired in recent years.

As of September 30, 2021, the Company had $42 million federal, $15 million state and $390 million foreign net operating loss carryforwards from acquired subsidiaries. Federal net operating loss carryforwards generated in years prior to fiscal 2018 will expire in fiscal 2034 through 2037. State net operating loss carryforwards will expire in fiscal 2028 through 2035. Federal net operating losses generated after fiscal 2017 and foreign net operating losses may be carried forward indefinitely. The Company expects to fully utilize the state net operating loss carryforwards in future years.

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The income tax provision differs from the amount of income tax determined by applying the applicable U.S. federal statutory rate to pretax income, as a result of the following:

	For the Years Ended September 30,					
	2021		2020		2019	
	(in millions, except percentages)					
U.S. federal income tax at statutory rate	**$ 3,373**	21 %	$ 2,896	21 %	$ 3,126	21 %
State income taxes, net of federal benefit	**222**	1 %	199	2 %	223	2 %
Non-U.S. tax effect, net of federal benefit	**(505)**	(3 %)	(483)	(4 %)	(527)	(4 %)
Remeasurement of deferred tax balances	**1,007**	6 %	329	2 %	—	— %
Conclusion of audits	**(255)**	(2 %)		— %	—	— %
Other, net	**(90)**	— %	(17)	— %	(18)	— %
Income tax provision	**$ 3,752**	23 %	$ 2,924	21 %	$ 2,804	19 %

In fiscal 2021 and fiscal 2020, the effective income tax rate was 23% and 21%, respectively. The effective tax rate in fiscal 2021 differs from the effective tax rate in fiscal 2020 primarily due to the following:

- during fiscal 2021, a $1.0 billion non-recurring non-cash tax expense related to the remeasurement of UK deferred tax liabilities, as discussed above;
- during fiscal 2021, $255 million of tax benefits recognized as a result of the conclusion of audits by taxing authorities; and
- during fiscal 2020, a $329 million non-recurring, non-cash tax expense related to the remeasurement of UK deferred tax liabilities, as discussed below.

In fiscal 2020 and fiscal 2019, the effective income tax rate was 21% and 19%, respectively. The effective tax rate in fiscal 2020 differs from the effective tax rate in fiscal 2019 mainly due to a $329 million non-recurring, non-cash tax expense related to the remeasurement of UK deferred tax liabilities, as a result of the enactment of UK legislation on July 22, 2020 that repealed the previous tax rate reduction from 19% to 17% that was effective April 1, 2020.

Current income taxes receivable at September 30, 2021 and 2020 of $83 million and $93 million, respectively, were included in prepaid expenses and other current assets. Non-current income taxes receivable at September 30, 2021 and 2020 of $974 million and $988 million, respectively, were included in other assets. Income taxes payable at September 30, 2021 and 2020 of $325 million and $134 million, respectively, were included in accrued liabilities. Accrued income taxes at September 30, 2021 and 2020 of $2.4 billion and $2.8 billion, respectively, were included in other liabilities.

The Company's operating hub in the Asia Pacific region is located in Singapore. Effective October 1, 2008 through September 30, 2023, it is subject to a tax incentive which is conditional upon meeting certain business operations and employment thresholds in Singapore. The tax incentive decreased Singapore tax by $273 million, $280 million and $324 million, and the gross benefit of the tax incentive on diluted earnings per share was $0.12, $0.13 and $0.14 in fiscal 2021, 2020 and 2019, respectively.

In accordance with *Accounting Standards Codification 740—Income Taxes*, the Company is required to inventory, evaluate and measure all uncertain tax positions taken or to be taken on tax returns, and to record liabilities for the amount of such positions that may not be sustained, or may only partially be sustained, upon examination by the relevant taxing authorities.

At September 30, 2021, 2020, and 2019, the Company's total gross unrecognized tax benefits were $2.5 billion, $2.6 billion and $2.2 billion, respectively, exclusive of interest and penalties described below. Included in the $2.5 billion, $2.6 billion and $2.2 billion are $1.3 billion, $1.6 billion and $1.4 billion of unrecognized tax benefits, respectively, that if recognized, would reduce the effective tax rate in a future period.

A reconciliation of beginning and ending unrecognized tax benefits by fiscal year is as follows:

	2021	2020	2019
		(in millions)	
Balance at beginning of period	**$ 2,579**	$ 2,234	$ 1,658
Increases of unrecognized tax benefits related to prior years	**34**	66	216
Decreases of unrecognized tax benefits related to prior years	**(386)**	(83)	(13)
Increases of unrecognized tax benefits related to current year	**326**	376	384
Decreases related to settlements with taxing authorities	**(63)**	(12)	(9)
Reductions related to lapsing statute of limitations	**(2)**	(2)	(2)
Balance at end of period	**$ 2,488**	$ 2,579	$ 2,234

In fiscal 2021, 2020 and 2019, the Company recognized $1 million, $68 million and $66 million of net interest expense, respectively, related to uncertain tax positions. In fiscal 2021, 2020 and 2019, the Company accrued penalties related to uncertain tax positions of $3 million, $4 million and $5 million, respectively. At September 30, 2021 and 2020, the Company had accrued interest of $233 million, and accrued penalties of $34 million and $31 million, respectively, related to uncertain tax positions included in other long-term liabilities in its consolidated balance sheets.

The Company's U.S. federal income tax returns for fiscal 2013 through 2018 and refund claims filed for fiscal 2008 through 2012 are currently under examination. The Company's California income tax returns for fiscal 2012 through 2015 and refund claims filed for fiscal 2006 through 2011 are currently under examination. Except for the refund claims, the federal and California statutes of limitations have expired for fiscal years prior to 2012

In September 2020, the Company accepted a settlement offer related to the examination of Canadian tax returns dating back to fiscal 2003, which was subject to approval by the Tax Court of Canada. On January 21, 2021, the Tax Court of Canada approved the settlement agreement related to the examination. The Company's income tax provision was adjusted to reflect the estimated impact of the settlement in fiscal 2020.

The India tax authorities completed the assessment of the Company's income tax returns for the taxable years falling within the period from fiscal 2010 to 2018, and made certain adjustments. The Company objected to these adjustments and filed appeals to the appellate authorities. While the timing and outcome of the final resolution of these appeals are uncertain, the Company believes that its income tax provision adequately reflects its income tax obligations in India.

The Company is also subject to examinations by various state and foreign tax authorities. All material state and foreign tax matters have been concluded for years through fiscal 2007. The timing and outcome of the final resolutions of the federal, state and foreign tax examinations and refund claims are uncertain. As such, it is not reasonably possible to estimate the impact that the final outcomes could have on the Company's unrecognized tax benefits in the next 12 months.

Note 20—Legal Matters

The Company is party to various legal and regulatory proceedings. Some of these proceedings involve complex claims that are subject to substantial uncertainties and unascertainable damages. Accordingly, except as disclosed, the Company has not established reserves or ranges of possible loss related to these proceedings, as at this time in the proceedings, the matters do not relate to a probable loss and/or the amount or range of losses are not reasonably estimable. Although the Company believes that it has strong defenses for the litigation and regulatory proceedings described below, it could, in the future, incur judgments or fines or enter into settlements of claims that could have a material adverse effect on the Company's financial position, results of operations or cash flows. From time to time, the Company may engage in settlement discussions or mediations with respect to one or more of its outstanding litigation matters, either on its own behalf or collectively with other parties.

The litigation accrual is an estimate and is based on management's understanding of its litigation profile, the specifics of each case, advice of counsel to the extent appropriate and management's best estimate of incurred loss as of the balance sheet date.

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The following table summarizes the activity related to accrued litigation by fiscal year:

	2021	2020
	(in millions)	
Balance at beginning of period	**$ 914**	$ 1,203
Provision for uncovered legal matters	**4**	10
Provision for covered legal matters	**125**	26
Reestablishment of prior accrual related to interchange multidistrict litigation	**—**	467
Payments for legal matters	**(60)**	(792)
Balance at end of period	**$ 983**	$ 914

Accrual Summary—U.S. Covered Litigation

Visa Inc., Visa U.S.A. and Visa International are parties to certain legal proceedings that are covered by the U.S. retrospective responsibility plan, which the Company refers to as the U.S. covered litigation. An accrual for the U.S. covered litigation and a charge to the litigation provision are recorded when a loss is deemed to be probable and reasonably estimable. In making this determination, the Company evaluates available information, including but not limited to actions taken by the litigation committee. The total accrual related to the U.S. covered litigation could be either higher or lower than the escrow account balance. See further discussion below under *Interchange Multidistrict Litigation (MDL) – Individual Merchant Actions* and *Note 5—U.S. and Europe Retrospective Responsibility Plans*.

The following table summarizes the accrual activity related to U.S. covered litigation by fiscal year:

	2021	2020
	(in millions)	
Balance at beginning of period	**$ 888**	$ 1,198
Reestablishment of prior accrual related to interchange multidistrict litigation	**—**	467
Payments for U.S. covered litigation	**(7)**	(777)
Balance at end of period	**$ 881**	$ 888

Accrual Summary—VE Territory Covered Litigation

Visa Inc., Visa International and Visa Europe are parties to certain legal proceedings that are covered by the Europe retrospective responsibility plan. Unlike the U.S. retrospective responsibility plan, the Europe retrospective responsibility plan does not have an escrow account that is used to fund settlements or judgments. The Company is entitled to recover VE territory covered losses through periodic adjustments to the conversion rates applicable to the series B and C preferred stock. An accrual for the VE territory covered losses and a reduction to stockholders' equity will be recorded when the loss is deemed to be probable and reasonably estimable. See further discussion below under *VE Territory Covered Litigation* and *Note 5—U.S and Europe Retrospective Responsibility Plans*.

The following table summarizes the accrual activity related to VE territory covered litigation by fiscal year:

	2021	2020
	(in millions)	
Balance at beginning of period	**$ 21**	$ 5
Accrual for VE territory covered litigation	**125**	26
Payments for VE territory covered litigation	**(44)**	(10)
Balance at end of period	**$ 102**	$ 21

U.S. Covered Litigation

Interchange Multidistrict Litigation (MDL) – Putative Class Actions

Beginning in May 2005, a series of complaints (the majority of which were styled as class actions) were filed in U.S. federal district courts by merchants against Visa U.S.A., Visa International and/or Mastercard, and in some cases, certain U.S. financial institutions. The Judicial Panel on Multidistrict Litigation issued an order transferring the cases to the U.S. District Court for the Eastern District of New York for coordination of pre-trial proceedings in MDL 1720. A group of purported class plaintiffs subsequently filed amended and supplemental class complaints. The individual and class complaints generally challenged, among other things, Visa's and Mastercard's purported setting of interchange reimbursement fees, their "no surcharge" and honor-all-cards rules, alleged tying and bundling of transaction fees, and Visa's reorganization and IPO, under the federal antitrust laws and, in some cases, certain state unfair competition laws. The complaints sought money damages, declaratory and injunctive relief, attorneys' fees and, in one instance, an order that the IPO be unwound.

Visa Inc., Visa U.S.A., Visa International, Mastercard Incorporated, Mastercard International Incorporated, various U.S. financial institution defendants, and the class plaintiffs signed a settlement agreement (the "2012 Settlement Agreement") to resolve the class plaintiffs' claims. Pursuant to the 2012 Settlement Agreement, the Company deposited approximately $4.0 billion from the U.S. litigation escrow account and approximately $500 million attributable to interchange reductions for an eight-month period into court-authorized settlement accounts. Visa subsequently received from the Court and deposited into the Company's U.S. litigation escrow account "takedown payments" of approximately $1.1 billion. On June 30, 2016, the U.S. Court of Appeals for the Second Circuit vacated the lower court's certification of the merchant class, reversed the approval of the settlement, and remanded the case to the lower court for further proceedings.

On remand, the district court entered an order appointing interim counsel for two putative classes of plaintiffs, a "Damages Class" and an "Injunctive Relief Class." The plaintiffs purporting to act on behalf of the putative Damages Class subsequently filed a Third Consolidated Amended Class Action Complaint, seeking money damages and attorneys' fees, among other relief. A new group of purported class plaintiffs, acting on behalf of the putative Injunctive Relief Class, filed a class action complaint against Visa, Mastercard, and certain bank defendants seeking, among other things, an injunction against the setting of default interchange rates; against certain Visa operating rules relating to merchants, including the honor-all-cards rule; and against various transaction fees, including the fixed acquirer network fee, as well as attorneys' fees.

On September 17, 2018, Visa, Mastercard, and certain U.S. financial institutions reached an agreement with plaintiffs purporting to act on behalf of the putative Damages Class to resolve all Damages Class claims (the "Amended Settlement Agreement"), subject to court approval. The Amended Settlement Agreement supersedes the 2012 Settlement Agreement and includes, among other terms, a release from participating class members for liability arising out of conduct alleged by the Damages Class in the litigation, including claims that accrue no later than five years after the Amended Settlement Agreement becomes final. Participating class members will not release injunctive relief claims as a named representative or non-representative class member in the putative Injunctive Relief Class. The Amended Settlement Agreement also required an additional settlement payment from all defendants totaling $900 million, with the Company's share of $600 million paid from the Company's litigation escrow account established pursuant to the Company's retrospective responsibility plan. See *Note 5—U.S. and Europe Retrospective Responsibility Plans*. The additional settlement payment was added to the approximately $5.3 billion previously deposited into settlement accounts by the defendants pursuant to the 2012 Settlement Agreement.

Following a motion by the Damages Class plaintiffs for final approval of the Amended Settlement Agreement, certain merchants in the proposed settlement class objected to the settlement and/or submitted requests to opt out of the settlement class. On December 13, 2019, the district court granted final approval of the Amended Settlement Agreement relating to claims by the Damages Class, which was subsequently appealed. Based on the percentage of class members (by payment volume) that opted out of the class, $700 million was returned to defendants. Visa's portion of the takedown payment was calculated to be approximately $467 million, and upon receipt, was deposited into the U.S. litigation escrow account with a corresponding increase in accrued litigation to address opt-out claims.

On May 29, 2020, a complaint was filed by Old Jericho Enterprise, Inc. against Visa and Mastercard on behalf of a purported class of gasoline retailers operating in 24 states and the District of Columbia. On April 28, 2021, a complaint was filed by Hayley Lanning and others, and on June 16, 2021, a complaint was filed by Camp Grounds Coffee and others, each against Visa and Mastercard on behalf of a purported class of merchants located in 25 states and the District of Columbia who have taken payment using the Square card acceptance service. Each of these complaints alleges violations of the antitrust laws of those jurisdictions and seeks recovery for plaintiffs as indirect purchasers. To the extent that these plaintiffs' claims are not released by the Amended Settlement Agreement, Visa believes they are covered by the U.S. Retrospective Responsibility Plan.

On June 1, 2020, Visa, jointly with other defendants, served a motion for summary judgment regarding the claims in the Injunctive Relief Class complaint. The putative Injunctive Relief Class plaintiffs served a motion for partial summary judgment. On September 27, 2021, the district court certified without opt out rights an Injunctive Relief Class consisting of all merchants that accept Visa or Mastercard credit or debit cards in the United States at any time between December 18, 2020 and entry of final judgment.

Interchange Multidistrict Litigation (MDL) – Individual Merchant Actions

Since May 2013, more than 50 cases have been filed in or removed to various federal district courts by hundreds of merchants generally pursuing damages claims on allegations similar to those raised in MDL 1720. The cases name as defendants Visa Inc., Visa U.S.A., Visa International, Mastercard Incorporated and Mastercard International Incorporated, although some also include certain U.S. financial institutions as defendants. A number of the cases include allegations that Visa has monopolized, attempted to monopolize, and/or conspired to monopolize debit card-related market segments. Some of the cases seek an injunction against the setting of default interchange rates; certain Visa operating rules relating to merchants, including the honor-all-cards rule; and various transaction fees, including the fixed acquirer network fee. In addition, some cases assert that Visa, Mastercard and/or their member banks conspired to prevent the adoption of chip-and-PIN authentication in the U.S. or otherwise circumvent competition in the debit market. Certain individual merchants have filed amended complaints to, among other things, add claims for injunctive relief and update claims for damages.

In addition to the cases filed by individual merchants, Visa, Mastercard, and/or certain U.S. financial institution defendants in MDL 1720 filed complaints against certain merchants in the Eastern District of New York seeking, in part, a declaration that Visa's conduct did not violate federal or state antitrust laws.

The individual merchant actions described in this section have been either assigned to the judge presiding over MDL 1720, or have been transferred or are being considered for transfer by the Judicial Panel on Multidistrict Litigation for inclusion in MDL 1720. These individual merchant actions are U.S. covered litigation for purposes of the U.S. retrospective responsibility plan. See *Note 5—U.S. and Europe Retrospective Responsibility Plans*.

Visa has reached settlements with a number of merchants representing approximately 40% of the Visa-branded payment card sales volume of merchants who opted out of the Amended Settlement Agreement with the Damages Class plaintiffs.

On June 1, 2020, Visa, jointly with other defendants, served motions for summary judgment regarding the claims in certain of the individual merchant actions, as well as certain declaratory judgment claims brought by Visa, Mastercard, and some U.S. financial institutions. Plaintiffs in certain of the individual merchant actions served motions for partial summary judgment.

The Company believes it has substantial defenses to the claims asserted in the putative class actions and individual merchant actions, but the final outcome of individual legal claims is inherently unpredictable. The Company could incur judgments, enter into settlements or revise its expectations regarding the outcome of merchants' claims, and such developments could have a material adverse effect on the Company's financial results in the period in which the effect becomes probable and reasonably estimable. While the U.S. retrospective responsibility plan is designed to address monetary liability in these matters, see *Note 5—U.S. and Europe Retrospective Responsibility Plans*, judgments or settlements that require the Company to change its business practices, rules, or contractual commitments could adversely affect the Company's financial results.

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VE Territory Covered Litigation

Europe Merchant Litigation

Since July 2013, in excess of 750 Merchants (the capitalized term "Merchant," when used in this section, means a merchant together with subsidiary/affiliate companies that are party to the same claim) have commenced proceedings against Visa Europe, Visa Inc. and other Visa subsidiaries in the UK, Belgium and Poland primarily relating to interchange rates in Europe and in some cases relating to fees charged by Visa and certain Visa rules. They seek damages for alleged anti-competitive conduct in relation to one or more of the following types of interchange fees for credit and debit card transactions: UK domestic, Irish domestic, other European domestic, intra-European Economic Area and/or other inter-regional. As of the filing date, Visa Europe, Visa Inc. and other Visa subsidiaries have settled the claims asserted by over 150 Merchants, leaving more than 550 Merchants with outstanding claims. In addition, over 30 additional Merchants have threatened to commence similar proceedings. Standstill agreements have been entered into with respect to some of those threatened Merchant claims, several of which have been settled. While the amount of interchange being challenged could be substantial, these claims have not yet been filed and their full scope is not yet known. The Company has learned that several additional European entities have indicated that they may also bring similar claims and the Company anticipates additional claims in the future

A trial took place from November 2016 to March 2017, relating to claims asserted by only one Merchant. In judgments published in November 2017 and February 2018, the court found as to that Merchant that Visa's UK domestic interchange did not restrict competition, but that if it had been found to be restrictive it would not be exemptible under applicable law. On July 4, 2018, the Court of Appeal overturned the lower court's rulings, finding that Visa's UK domestic interchange restricted competition and the question of whether Visa's UK domestic interchange was exempt from the finding of restriction under applicable law had been incorrectly decided Following an appeal to the Supreme Court of the United Kingdom, on June 17, 2020, the Supreme Court found that Visa's UK domestic interchange restricted competition under applicable competition law. On September 30, 2021, Visa reached a confidential settlement agreement resolving the plaintiff's claims Certain other plaintiffs, whose claims were effectively stayed pending the Supreme Court of the United Kingdom's judgment, are moving their claims forward, mostly before the UK Competition Appeal Tribunal

The full scope of potential damages is not yet known because not all Merchant claims have been served and Visa has substantial defenses. However, the claims that have been issued, served and/or preserved seek several billion dollars in damages.

Other Litigation

On November 14, 2021, a motion to certify a class action was filed against Visa and Mastercard in the Israel Central District Court. The motion asserts that interchange fees on cross-border transactions in Israel and the Honor All Cards rule are anti-competitive and seeks damages and injunctive relief.

Other Litigation

Canadian Merchant Litigation

Beginning in December 2010, a number of class action lawsuits were filed in Quebec, British Columbia, Ontario, Saskatchewan and Alberta against Visa Canada, Mastercard and ten financial institutions on behalf of merchants that accept payment by Visa and/or Mastercard credit cards. The actions alleged a violation of Canada's price-fixing law and various common law claims based on separate Visa and Mastercard conspiracies in respect of default interchange and certain of the networks' rules. In June 2017, Visa and Mastercard reached settlements with the plaintiffs. Courts in each of the five provinces approved the settlements and appeals of the decisions approving the settlements were rejected.

U.S. ATM Access Fee Litigation

National ATM Council Class Action. In October 2011, the National ATM Council and thirteen non-bank ATM operators filed a purported class action lawsuit against Visa (Visa Inc., Visa International. Visa U.S.A. and Plus System, Inc.) and Mastercard in the U.S. District Court for the District of Columbia. The complaint challenges Visa's rule (and a similar Mastercard rule) that if an ATM operator chooses to charge consumers an access fee for a Visa or Plus transaction, that fee cannot be greater than the access fee charged for transactions on other networks. Plaintiffs claim that the rule violates Section 1 of the Sherman Act, and seek treble damages, injunctive relief, and attorneys' fees. On August 4, 2021, the district court granted plaintiffs' motion for class certification, and on October 1, 2021, the U.S. Court of Appeals for the District of Columbia Circuit granted defendants' motion for leave to appeal the district court's decision.

Consumer Class Actions. In October 2011, a purported consumer class action was filed against Visa and Mastercard in the same federal court challenging the same ATM access fee rules. Two other purported consumer class actions challenging the rules, later combined, were also filed in October 2011 in the same federal court naming Visa, Mastercard and three financial institutions as defendants. Plaintiffs seek treble damages, restitution, injunctive relief, and attorneys' fees where available under federal and state law, including under Section 1 of the Sherman Act and consumer protection statutes. On September 20, 2019, plaintiffs in both cases filed motions for class certification. On August 4, 2021, the district court granted plaintiffs' motion for class certification in each case, and on October 1, 2021, the U.S. Court of Appeals for the District of Columbia Circuit granted defendants' motion for leave to appeal the district court's decision. On November 12, 2021, in the case in which the three financial institutions were named, the district court granted plaintiffs' motion for preliminary approval of a class action settlement with those institutions.

U.S. Department of Justice Civil Investigative Demand

On March 13, 2012, the Antitrust Division of the United States Department of Justice (the "Division") issued a Civil Investigative Demand, or "CID," to Visa Inc. seeking documents and information regarding a potential violation of Section 1 or 2 of the Sherman Act, 15 U.S.C. §§ 1, 2. The CID focuses on PIN-Authenticated Visa Debit and Visa's competitive responses to the Dodd-Frank Act, including Visa's fixed acquirer network fee. Visa is cooperating with the Division in connection with the CID.

Pulse Network

On November 25, 2014, Pulse Network LLC filed suit against Visa Inc. in federal district court in Texas. Pulse alleges that Visa has, among other things, monopolized and attempted to monopolize debit card network services markets. Pulse seeks unspecified treble damages, attorneys' fees and injunctive relief, including to enjoin the fixed acquirer network fee structure, Visa's conduct regarding PIN-Authenticated Visa Debit and Visa agreements with merchants and acquirers relating to debit acceptance. On August 31, 2018, the court granted Visa's motion for summary judgment, finding that Pulse did not have standing to pursue its claims. Pulse appealed the district court's summary judgment decision to the U.S. Court of Appeals for the Fifth Circuit.

EMV Chip Liability Shift

Following their initial complaint filed on March 8, 2016, B&R Supermarket, Inc., d/b/a Milam's Market, and Grove Liquors LLC filed an amended class action complaint on July 15, 2016, against Visa Inc., Visa U.S.A., Mastercard, Discover, American Express, EMVCo and certain financial institutions in the U.S. District Court for the Northern District of California. The amended complaint asserts that defendants, through EMVCo, conspired to shift liability for fraudulent, faulty or otherwise rejected payment card transactions from defendants to the purported class of merchants, defined as those merchants throughout the U.S. who have been subjected to the "Liability Shift" since October 2015. Plaintiffs claim that the so-called "Liability Shift" violates Sections 1 and 3 of the Sherman Act and certain state laws, and seek treble damages, injunctive relief and attorneys' fees.

EMVCo and the financial institution defendants were dismissed, and the matter was subsequently transferred to the U.S. District Court for the Eastern District of New York, which has clarified that this case is not part of MDL 1720.

On August 28, 2020, the district court granted plaintiffs' motion for class certification.

Australian Competition & Consumer Commission

On July 12, 2019, the Australian Competition & Consumer Commission (ACCC) informed Visa that the ACCC had commenced an investigation into certain agreements and interchange fees relating to Visa Debit. On March 9, 2021, the ACCC accepted an undertaking by Visa to resolve the investigation. The investigation is closed.

Federal Trade Commission Civil Investigative Demand (Formerly Voluntary Access Letter)

On November 4, 2019, the Bureau of Competition of the United States Federal Trade Commission (the "Bureau") requested that Visa provide, on a voluntary basis, documents and information for an investigation as to whether Visa's actions inhibited merchant choice in the selection of debit payments networks in potential violation of the Durbin Amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act. On June 9, 2020, the Federal Trade Commission issued a Civil Investigative Demand to Visa requesting additional documents and information, and Visa is cooperating with the Bureau.

Euronet Litigation

On December 13, 2019, Euronet 360 Finance Limited, Euronet Polska Spolka z.o.o. and Euronet Services spol. s.r.o. ("Euronet") served a claim in the UK alleging that certain rules affecting ATM access fees in Poland, the Czech Republic and Greece by Visa Inc. and Mastercard Incorporated, and certain of their subsidiaries, breach various competition laws. Euronet seeks damages, costs, and injunctive relief to prevent the defendants from enforcing the aforementioned rules. Trial has been scheduled for a date on or after October 2, 2023.

European Commission Staged Digital Wallets Investigation

On June 26, 2020, the European Commission ("EC") informed Visa that it has opened a preliminary investigation into Visa's rules regarding staged digital wallets and issued a request for information regarding such rules. Visa is cooperating with the EC.

Plaid Inc. Acquisition

On November 5, 2020, the U.S. Department of Justice filed a complaint in the U.S. District Court for the Northern District of California seeking a permanent injunction to prevent Visa from acquiring Plaid Inc., alleging that the proposed acquisition would substantially lessen competition in violation of Section 7 of the Clayton Act and would constitute monopolization under Section 2 of the Sherman Act. The case was dismissed on January 12, 2021.

German ATM Litigation

In December 2020 and January 2021, six savings banks and cooperative banks filed claims in Germany against Visa Europe challenging Visa's ATM rules prohibiting the charging of access fees on domestic cash withdrawals with a credit card as anti-competitive. No damages were sought. The claims were withdrawn in August 2021.

U.S. Department of Justice Civil Investigative Demand (2021)

On March 26, 2021, the Antitrust Division of the U.S. Department of Justice (the "Division") issued a Civil Investigative Demand ("CID") to Visa seeking documents and information regarding a potential violation of Section 1 or 2 of the Sherman Act, 15 U.S.C. §§ 1, 2. The CID focuses on U.S. debit and competition with other payment methods and networks. Visa is cooperating with the Division in connection with the CID. On June 11, 2021, the Division issued a further CID seeking additional documents and information on the same subjects.

Foreign Currency Exchange Rate Litigation

On July 9, 2021, a class action complaint was filed against Visa in the U.S. District Court for the Northern District of California by several individuals on behalf of a nationwide class, and/or California, Washington, or Illinois subclasses, of cardholders who made a transaction in a foreign currency. The complaint alleges that Visa sets foreign exchange rates in violation of Visa's rules and bank cardholder agreements, and asserts claims for unjust enrichment and restitution as well as violations of the California Unfair Competition Law, the Washington Consumer Protection Act, and the Illinois Consumer Fraud Act. Plaintiffs seek an injunction, damages, disgorgement, and attorneys' fees among other relief. On October 18, 2021, Visa filed a motion to dismiss the complaint.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Not applicable.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures (as defined in the Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that is designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of September 30, 2021, our disclosure controls and procedures were effective at the reasonable assurance level.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error, the circumvention or overriding of the controls and procedures and reasonable resource constraints. In addition, because we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, our system of controls may not achieve its desired purpose under all possible future conditions. Accordingly, our disclosure controls and procedures provide reasonable assurance, but not absolute assurance, of achieving their objectives.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management assessed the effectiveness of the Company's internal control over financial reporting as of September 30, 2021. Based on management's assessment, management has concluded that the Company's internal control over financial reporting was effective as of September 30, 2021 using the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Our internal control over financial reporting is designed to provide reasonable, but not absolute, assurance regarding the reliability of financial *reporting and the preparation of financial statements in accordance with U.S. generally accepted accounting principles. There are inherent limitations to* the effectiveness of any system of internal control over financial reporting. These limitations include the possibility of human error, the circumvention or overriding of the system and reasonable resource constraints. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks discussed in *Item 1A—Risk Factors* of this report.

The effectiveness of our internal control over financial reporting as of September 30, 2021, has been audited by KPMG LLP, an independent registered public accounting firm and is included in *Item 8* of this report.

Changes in Internal Control over Financial Reporting

In preparation for management's report on internal control over financial reporting, we documented and tested the design and operating effectiveness of our internal control over financial reporting. There have been no significant changes in our internal controls over financial reporting that occurred during our fourth quarter of fiscal 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. Other Information

Not applicable.

PART III

Certain information required by Part III is omitted from this Report and the Company will file a definitive proxy statement pursuant to Regulation 14A under the Exchange Act (the "Proxy Statement") not later than 120 days after the end of the fiscal year ended September 30, 2021, and certain information included therein is incorporated herein by reference. Only those sections of the Proxy Statement that specifically address the items set forth herein are incorporated by reference. Such incorporation does not include the report of the Audit and Risk Committee included in the Proxy Statement.

ITEM 10. Directors, Executive Officers and Corporate Governance

The information required by this item concerning the Company's directors, executive officers, the Code of Business Conduct and Ethics and corporate governance matters is incorporated herein by reference to the sections entitled *"Director Nominee Biographies," "Executive Officers" and "Corporate Governance"* in our Proxy Statement.

The information required by this item regarding compliance with Section 16(a) of the Exchange Act pursuant to Item 405 of Regulation S-K is incorporated herein by reference to the section entitled *"Beneficial Ownership of Equity Securities"* in our Proxy Statement.

Our Code of Business Conduct and Ethics that is applicable to our directors, executive officers, senior financial officers, as well as our employees and contractors and our Corporate Governance Guidelines are available on the Investor Relations page of our website at http://investor.visa.com, under "Corporate Governance." Printed copies of these documents are also available to stockholders without charge upon written request directed to Corporate Secretary, Visa Inc., P.O. Box 193243, San Francisco, California 94119 or corporatesecretary@visa.com.

ITEM 11. Executive Compensation

The information required by this item concerning director and executive compensation is incorporated herein by reference to the sections entitled *"Compensation of Non-Employee Directors" and "Executive Compensation"* in our Proxy Statement.

The information required by this item pursuant to Item 407(e)(4) of Regulation S-K is incorporated herein by reference to the section entitled *"Compensation Committee Interlocks and Insider Participation"* in our Proxy Statement.

The information required by this item pursuant to Item 407(e)(5) of Regulation S-K is incorporated herein by reference to the section entitled *"Compensation Committee Report"* in our Proxy Statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item pursuant to Item 403 of Regulation S-K is incorporated herein by reference to the section entitled *"Beneficial Ownership of Equity Securities"* in our Proxy Statement.

For the information required by item 201(d) of Regulation S-K, refer to *Item 5* in this report.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item concerning related party transactions pursuant to Item 404 of Regulation S-K is incorporated herein by reference to the section entitled *"Certain Relationships and Related Person Transactions"* in our Proxy Statement.

The information required by this item concerning director independence pursuant to Item 407(a) of Regulation S-K is incorporated herein by reference to the section entitled *"Independence of Directors"* in our Proxy Statement.

ITEM 14. Principal Accountant Fees and Services

The information required by this Item is incorporated herein by reference to the section entitled *"Independent Registered Public Accounting Firm Fees"* in our Proxy Statement.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this report:

1. Consolidated Financial Statements

   See Index to Consolidated Financial Statements in *Item 8—Financial Statements and Supplementary Data* of this report.

2. Consolidated Financial Statement Schedules

   None.

3. The following exhibits are filed as part of this report or, where indicated, were previously filed and are hereby incorporated by reference:

   Refer to the Exhibit Index herein.

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File Number	Exhibit Number	Filing Date
2.1	Amended and Restated Transaction Agreement, dated as of May 10, 2016, between Visa Inc. and Visa Europe Limited #	8-K	001-33977	2.1	5/10/2016
3.1	Seventh Restated Certificate of Incorporation of Visa Inc.	8-K	001-33977	3.1	1/27/2021
3.2	Amended and Restated Bylaws of Visa Inc.	8-K	001-33977	3.2	1/27/2021
4.1	Form of stock certificate of Visa Inc.	S-4/A	333-143966	4.1	9/13/2007
4.2	Form of specimen certificate for class B common stock of Visa Inc.	8-A	000-53572	4.1	1/28/2009
4.3	Form of specimen certificate for class C common stock of Visa Inc.	8-A	000-53572	4.2	1/28/2009
4.4	Indenture dated December 14, 2015 between Visa Inc. and U.S. Bank National Association	8-K	001-33977	4.1	12/14/2015
4.5	Form of 2.150% Senior Note due 2022	8-K	001-33977	4.1	9/11/2017
4.6	Form of 2.800% Senior Note due 2022	8-K	001-33977	4.4	12/14/2015
4.7	Form of 3.150% Senior Note due 2025	8-K	001-33977	4.5	12/14/2015
4.8	Form of 0.750% Senior Note due 2027	8-K	001-33977	4.1	8/17/2020
4.9	Form of 1.900% Senior Note due 2027	8-K	001-33977	4.1	4/2/2020
4.10	Form of 2.750% Senior Note due 2027	8-K	001-33977	4.2	9/11/2017
4.11	Form of 2.050% Senior Note due 2030	8-K	001-33977	4.2	4/2/2020
4.12	Form of 1.100% Senior Note due 2031	8-K	001-33977	4.2	8/17/2020
4.13	Form of 4.150% Senior Note due 2035	8-K	001-33977	4.6	12/14/2015
4.14	Form of 2.700% Senior Note due 2040	8-K	001-33977	4.3	4/2/2020
4.15	Form of 4.300% Senior Note due 2045	8-K	001-33977	4.7	12/14/2015
4.16	Form of 3.650% Senior Note due 2047	8-K	001-33977	4.3	9/11/2017
4.17	Form of 2.000% Senior Note due 2050	8-K	001-33977	4.3	8/17/2020
4.18	Certificate of Designations of Series A Convertible Participating Preferred Stock of Visa Inc.	8-K	001-33977	3.1	6/21/2016
4.19	Certificate of Designations of Series B Convertible Participating Preferred Stock of Visa Inc.	8-K	001-33977	3.2	6/21/2016
4.20	Certificate of Designations of Series C Convertible Participating Preferred Stock of Visa Inc.	8-K	001-33977	3.3	6/21/2016
4.21+	Description of Securities				
10.1	Form of Indemnity Agreement	10-Q	001-33977	10.1	1/31/2020

10.2	Amended and Restated Global Restructuring Agreement, dated August 24, 2007, by and among Visa Inc., Visa International Service Association, Visa U.S.A. Inc., Visa Europe Limited, Visa Canada Association, Inovant LLC, Inovant, Inc., Visa Europe Services, Inc., Visa International Transition LLC, VI Merger Sub, Inc., Visa USA Merger Sub Inc. and 1734313 Ontario Inc.	S-4/A	333-143966	Annex A	9/13/2007
10.3	Form of Escrow Agreement by and among Visa Inc., Visa U.S.A. Inc. and the escrow agent	S-4	333-143966	10.15	6/22/2007
10.4	Form of Framework Agreement by and among Visa Inc., Visa Europe Limited, Inovant LLC, Visa International Services Association and Visa U.S.A. Inc. †	S-4/A	333-143966	10.17	7/24/2007
10.5	Five Year Revolving Credit Agreement, amended and restated as of July 25, 2019, by and among Visa Inc., Visa International Service Association, Visa U.S.A. Inc. and Visa Europe Limited, as borrowers, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank N.A., as syndication agent, and the lenders referred to therein #	10-K	001-33977	10.5	11/13/2019
10.6	Form of Interchange Judgment Sharing Agreement by and among Visa International Service Association and Visa U.S.A. Inc., and the other parties thereto †	S-4/A	333-143966	10.13	7/24/2007
10.7	Interchange Judgment Sharing Agreement Schedule	8-K	001-33977	10.2	2/8/2011
10.8	Amendment of Interchange Judgment Sharing Agreement	10-K	001-33977	10.10	11/20/2015
10.9	Form of Loss Sharing Agreement by and among Visa U.S.A. Inc., Visa International Service Association, Visa Inc. and various financial institutions	S-4/A	333-143966	10.14	7/24/2007
10.10	Loss Sharing Agreement Schedule	8-K	001-33977	10.1	2/8/2011
10.11	Amendment of Loss Sharing Agreement	10-K	001-33977	10.13	11/20/2015
10.12	Form of Litigation Management Agreement by and among Visa Inc., Visa International Service Association, Visa U.S.A. Inc. and the other parties thereto	S-4/A	333-143966	10.18	8/22/2007
10.13	Omnibus Agreement, dated February 7, 2011, regarding Interchange Litigation Judgment Sharing and Settlement Sharing by and among Visa Inc., Visa U.S.A. Inc., Visa International Service Association, Mastercard Incorporated, Mastercard International Incorporated and the parties thereto	8-K	001-33977	10.2	7/16/2012
10.14	Amendment, dated August 26, 2014, to the Omnibus Agreement regarding Interchange Litigation Judgment Sharing and Settlement Sharing by and among Visa Inc., Visa U.S.A. Inc., Visa International Service Association, Mastercard Incorporated, Mastercard International Incorporated and the parties thereto	10-K	001-33977	10.14	11/21/2014
10.15	Second Amendment, dated October 22, 2015, to Omnibus Agreement regarding Interchange Litigation Judgment Sharing and Settlement Sharing	10-K	001-33977	10.17	11/20/2015

10.16	Settlement Agreement, dated October 19, 2012, by and among Visa Inc., Visa U.S.A. Inc., Visa International Service Association, Mastercard Incorporated, Mastercard International Incorporated, various U.S. financial institution defendants, and the class plaintiffs to resolve the class plaintiffs' claims in the matter styled In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, No. 05-MD-1720	10-Q	001-33977	10.3	2/6/2013
10.17	Superseding and Amended Settlement Agreement, dated September 17, 2018, by and among Visa Inc., Visa U.S.A. Inc., Visa International Service Association, Mastercard Incorporated, Mastercard International Incorporated, various U.S. financial institution defendants, and the damages class plaintiffs to resolve the damages class plaintiffs' claims in the matter styled In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, No. 05-MD-1720	8-K	001-33977	10.1	9/18/2018
10.18	Loss Sharing Agreement, dated as of November 2, 2015, among the UK Members listed on Schedule 1 thereto, Visa Inc. and Visa Europe Limited	8-K	001-33977	10.1	11/2/2015
10.19	Litigation Management Deed, dated as of June 21, 2016, by and among the VE Member Representative, Visa Inc., the LMC Appointing Members, the UK&I DCC Appointing Members, the Europe DCC Appointing Members and the UK&I DCC Interested Members	8-K	001-33977	10.1	6/21/2016
10.20*	Visa 2005 Deferred Compensation Plan, effective as of August 12, 2015	10-K	001-33977	10.21	11/20/2015
10.21*	Visa Directors Deferred Compensation Plan, as amended and restated as of July 22, 2014	10-K	001-33977	10.17	11/21/2014
10.22*	Visa Inc. 2007 Equity Incentive Compensation Plan, amended and restated as of January 26, 2021	8-K	001-33977	10.22	1/27/2021
10.23*	Visa Inc. Incentive Plan, as amended and restated as of February 3, 2016	DEF 14A	001-33977	Annex B	12/11/2015
10.24*	Visa Excess Thrift Plan, as amended and restated as of January 1, 2008	10-K	001-33977	10.31	11/21/2008
10.25*	Visa Excess Retirement Benefit Plan, as amended and restated as of January 1, 2008	10-K	001-33977	10.32	11/21/2008
10.26*	First Amendment, effective January 1, 2011, of the Visa Excess Retirement Benefit Plan, as amended and restated as of January 1, 2008	10-K	001-33977	10.34	11/18/2011
10.27*	Visa Inc. Executive Severance Plan, effective as of November 3, 2010	8-K	001-33977	10.1	11/9/2010
10.28*	Visa Inc. 2015 Employee Stock Purchase Plan	DEF 14A	001-33977	Appendix B	12/12/2014
10.29*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for awards granted after November 18, 2013	10-Q	001-33977	10.1	1/30/2014

10.30*	Form of Alternate Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for awards granted after November 18, 2013	10-Q	001-33977	10.5	1/30/2014
10.31*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Director Restricted Stock Unit Award Agreement for awards granted after November 1, 2014	10-K	001-33977	10.40	11/21/2014
10.32*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for awards granted after November 1, 2014	10-K	001-33977	10.41	11/21/2014
10.33*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for awards granted after November 1, 2015	10-Q	001-33977	10.1	1/28/2016
10.34+	Form of Alternate Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for awards granted after November 1, 2015				
10.35*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Director Restricted Stock Unit Award Agreement for awards granted after November 1, 2018	10-Q	001-33977	10.1	1/31/2019
10.36*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Restricted Stock Unit Award Agreement for the CEO for awards granted after November 1, 2018	10-Q	001-33977	10.2	1/31/2019
10.37*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for the CEO for awards granted after November 1, 2018	10-Q	001-33977	10.3	1/31/2019
10.38*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Performance Share Award Agreement for the CEO for awards granted after November 1, 2018	10-Q	001-33977	10.4	1/31/2019
10.39*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Restricted Stock Unit Award Agreement for awards granted after November 1, 2018	10-Q	001-33977	10.5	1/31/2019
10.40*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Stock Option Award Agreement for awards granted after November 1, 2018	10-Q	001-33977	10.6	1/31/2019
10.41*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Performance Share Award Agreement for awards granted after November 1, 2018	10-Q	001-33977	10.7	1/31/2019
10.42*	Form of Letter Agreement relating to Visa Inc. Executive Severance Plan	8-K	001-33977	10.2	11/9/2010
10.43*	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Director Restricted Stock Unit Award Agreement for awards granted after November 1, 2017	10-Q	001-33977	10.1	2/1/2018

10.44+	Form of Visa Inc. 2007 Equity Incentive Compensation Plan Director Restricted Stock Unit Award Agreement for awards granted after January 1, 2021				
10.45*	Offer Letter, dated July 18, 2019, between Visa Inc. and Paul D. Fabara	10-K	001-33977	10.46	11/19/2020
10.46*	Amended and Restated Aircraft Time Sharing Agreement, effective November 1, 2019, between Visa Inc. and Alfred F. Kelly, Jr.	10-K	001-33977	10.48	11/13/2019
21.1+	List of Significant Subsidiaries of Visa Inc.				
23.1+	Consent of KPMG LLP, Independent Registered Public Accounting Firm				
31.1+	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer				
31.2+	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer				
32.1+	Section 1350 Certification of Principal Executive and Financial Officer				
101.INS+	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH+	Inline XBRL Taxonomy Extension Schema Document				
101.CAL+	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF+	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB+	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE+	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104+	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

† Confidential treatment has been requested for portions of this agreement. A completed copy of the agreement, including the redacted portions, has been filed separately with the SEC.

* Management contract, compensatory plan or arrangement.

\+ Filed or furnished herewith.

\# Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule will be furnished supplementally to the SEC upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

VISA INC.

By:	/s/ Alfred F. Kelly, Jr.
Name:	Alfred F. Kelly, Jr.
Title:	Chairman and Chief Executive Officer
Date:	November 18, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Alfred F. Kelly, Jr. **Alfred F. Kelly, Jr.**	Chairman and Chief Executive Officer, and Director (Principal Executive Officer)	November 18, 2021
/s/ Vasant M. Prabhu **Vasant M. Prabhu**	Vice Chair, Chief Financial Officer (Principal Financial Officer)	November 18, 2021
/s/ James H. Hoffmeister **James H. Hoffmeister**	Global Corporate Controller, Chief Accounting Officer (Principal Accounting Officer)	November 18, 2021
/s/ John F. Lundgren **John F. Lundgren**	Lead Independent Director	November 18, 2021
/s/ Lloyd A. Carney **Lloyd A. Carney**	Director	November 18, 2021
/s/ Mary B. Cranston **Mary B. Cranston**	Director	November 18, 2021
/s/ Francisco Javier Fernández-Carbajal **Francisco Javier Fernández-Carbajal**	*Director*	November 18, 2021
/s/ Ramon Laguarta **Ramon Laguarta**	Director	November 18, 2021
/s/ Robert W. Matschullat **Robert W. Matschullat**	Director	November 18, 2021
/s/ Denise M. Morrison **Denise M. Morrison**	Director	November 18, 2021
/s/ Suzanne Nora Johnson **Suzanne Nora Johnson**	Director	November 18, 2021
/s/ Linda J. Rendle **Linda J. Rendle**	Director	November 18, 2021
/s/ John A. C. Swainson **John A. C. Swainson**	Director	November 18, 2021
/s/ Maynard G. Webb, Jr. **Maynard G. Webb, Jr.**	Director	November 18, 2021

Exhibit 4.21

**DESCRIPTION OF SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF
THE SECURITIES EXCHANGE ACT OF 1934**

The following summary describes our class A common stock, par value $0.0001 per share, class B common stock, par value $0.0001 per share, and class C common stock, par value $0.0001 per share, of Visa Inc., (the "Company"), which are the only securities of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended.

DESCRIPTION OF COMMON STOCK

The following summary describes the material terms of our common stock and is not complete. This summary is qualified in its entirety by reference to applicable Delaware law, our Certificate of Incorporation and our amended and restated bylaws (our "Bylaws"). For a complete description of our common stock, we refer you to our Certificate of Incorporation and Bylaws, which have been filed with the SEC and are incorporated by reference as exhibits to this Annual Report on Form 10-K.

Authorized Capitalization

Our authorized common stock consists of:

- 2,001,622,245,209 shares of class A common stock, par value $0.0001 per share;
- 622,245,209 shares of class B common stock, par value $0.0001 per share;
- 1,097,165,602 shares of class C common stock, par value $0.0001 per share: and
- 25,000,000 shares of preferred stock, par value $0 0001 per share.

The number of authorized shares of any preferred stock, class A common stock, class B common stock or class C common stock may be increased or decreased (but not below the number of shares of that class then outstanding) by the affirmative vote of the holders of a majority in voting power of our stock entitled to vote thereon, and no vote or action by the holders of any of the preferred stock, class A common stock, class B common stock or class C common stock, voting separately as a class, is required for any such increase or decrease.

Description of Common Stock

Voting Rights . Each holder of class A common stock has the right to cast one vote for each share of class A common stock held of record by such holder on all matters on which our stockholders generally are entitled to vote.

Each holder of class B common stock and each holder of class C common stock has no right to vote on any matters on which stockholders generally are entitled to vote. However, in addition to any other vote required by law, for so long as any shares of class B common stock or class C common stock remain issued and outstanding:

- the affirmative vote of the holders of a majority of the voting power of the class B common stock and class C common stock, voting together as a single class (in which vote the class A common stock will not participate) separate from all other classes or series of our capital stock, on an "as-converted basis" as described in the following paragraph, is required for the approval of any consolidation, merger, combination or other transaction in which shares of class A common stock are exchanged for, converted into or changed into other stock or securities, or the right to receive cash or other property, unless the shares of class B common stock and the shares of class C common stock will be exchanged for or changed into the same per share amount of stock, securities, cash or any other property, as the case may be, for which or into which each share of class A common stock is exchanged, converted or changed; and

- the affirmative vote of the holders of at least 80% of the voting power of the common stock of all classes and series, voting together as a single class separate from all other classes or series of our capital stock, shall be required to authorize us to exit our core payments business (i.e., to no longer operate a consumer debit/credit payments business).

For purposes of the prior paragraph, "as-converted basis" means, with respect to each share of class B common stock or class C common stock entitled to vote on any matter, a number of votes equal to the aggregate number of shares of class A common stock into which each share of class B common stock or class C common stock owned by such holder would be converted, assuming the conversion at the applicable conversion rate in effect on the record date for such vote.

Conversion . In the event that any outstanding share of our class B common stock or class C common stock is transferred to a person other than a Visa member or an affiliate of a Visa member, as defined in our Certificate of Incorporation, such share will, automatically and without further action on our part or on the part of any holder of class B common stock or class C common stock, as applicable, immediately prior to the transfer, be converted into shares of class A common stock based upon the applicable conversion rate in effect on the date of that transfer. However, in no event shall any share of class B common stock or class C common stock, as applicable, be converted into any shares of class A common stock except in connection with (i) a sale of such shares on a securities exchange on which shares of class A common stock are listed by means of a "brokers' transaction" within the meaning of paragraph (g) of Rule 144 under the Securities Act or (ii) a private placement of such shares to a person who is not a Visa member or an affiliate of a Visa member. In addition, no such conversion shall be effected until the expiration of all applicable restrictions on transfer of such shares described under "—Transfer Restrictions," although our board of directors may make exceptions to such transfer restrictions. Shares of class B common stock or class C common stock so converted will cease to be outstanding and shall no longer be issuable by us. Shares of class B common stock and class C common stock are convertible into shares of class A common stock only in connection with a transfer described above, and no holder of any shares of class B common stock or class C common stock has the right to convert, or to require us to convert, such shares into shares of class A common stock at any time.

As of September 30, 2021, the conversion rate applicable to our shares of class B common stock was 1.6228-to-one, subject to adjustments for stock splits, recapitalizations and similar transactions. This conversion rate will automatically be adjusted upon the issuance of any shares of our class A common stock which are designated as loss shares, the net proceeds of which are to be deposited in the escrow account to satisfy any settlements or judgments in respect of any covered litigation and upon the deposit of funds designated as "loss funds" by our board of directors, into the escrow account in accordance with the terms of the escrow agreement and our Certificate of Incorporation. The applicable conversion rate will also be adjusted upon the final resolution of the covered litigation and the release of funds then remaining on deposit in the escrow account. These adjustments will be made automatically, such that one share of class B common stock is convertible into a number of shares of class A common stock determined based upon the following formulae:

- 1.0 x (A–B–D), during the period between March 25, 2008 and the final resolution of the covered litigation; and

- 1.0 x (A–B–D+C), after the final resolution of all of the covered litigation.

For purposes of these formulae:

"A" will be equal to 0.7142888829.

"B" will be a fraction:

- the numerator of which is the number of loss shares that have been issued; and
- the denominator of which is the class B number.

"C" will be a fraction:

- the numerator of which is the quotient obtained by dividing the aggregate portion of any funds disbursed to us from the escrow account after the final resolution of the covered litigation (other than certain tax distributions and reimbursements related to the loss sharing agreement) by the greater of $0.04 or the volume-weighted average price per share of our class A common stock during the 90 trading day period ending on the third trading day immediately preceding the date on which the covered litigation is finally resolved; and
- the denominator of which is the class B number.

"D" will be a fraction:

- the numerator of which is the sum of what we call the loss funds share equivalents (described below) in respect of all deposits of loss funds into the escrow account, and
- the denominator of which is the class B number.

The loss funds share equivalent in respect of a deposit of loss funds into the escrow account made after January 1, 2009, is the quotient obtained by dividing the amount of those deposited loss funds by an amount we call the loss funds cost per share applicable to such deposit. The loss funds cost per share applicable to a deposit of loss funds into the escrow account is the weighted average of each day's volume-weighted average price per share (which we refer to as the daily VWAP) of our class A common stock over a period that begins on the date our board of directors approves the deposit of those loss funds (which we refer to as the funding decision date) and lasts for a certain number of trading days. That number of trading days that any such period lasts is equal to a quotient obtained by dividing:

- another quotient, obtained by dividing the amount of those loss funds by the volume-weighted average of the daily VWAP of our class A common stock over the five trading days immediately preceding the funding decision date, by
- 15% of the average daily trading volume of the class A common stock over the four calendar weeks prior to the week of the funding decision date (or such other percentage as set by our board of directors and consented to by members of the litigation committee).

For deposits made in calendar year 2008, the loss funds share equivalent is the quotient obtained by dividing the amount of such loss funds deposit by the weighted average of the daily VWAP during the 15 trading days most closely preceding and including December 19, 2008.

After the date on which all of the covered litigation has been finally resolved, any amounts remaining on deposit in the escrow account with respect to the covered litigation will be released to us and the conversion rate applicable to any transfer of shares of our class B common stock will automatically be adjusted in favor of the holders of our class B common stock (i.e., such that a lesser number of shares of class B common stock are required in order to convert into a single share of class A common stock), to the extent of the aggregate amount released to us from the escrow account, taking into account the weighted average trading price of our class A common stock at such time, as described above.

The conversion rate applicable to any transfer of shares of our class C common stock shall always be four-to-one (i.e., one share of class C common stock will, upon transfer, be converted into four shares of class A common stock), subject to adjustments for stock splits, recapitalizations and similar transactions.

If any shares of our class A common stock are acquired by a Visa member, as defined in our Certificate of Incorporation, or any person that is an operator, member or licensee of a general purpose payment card system that competes with us, or in each case any affiliate of such person, such shares will automatically be converted, at the inverse of the conversion rate applicable for shares of our class C common stock on the date of such conversion, into shares of our class C common stock. Such converted class A common stock will cease to be outstanding and will no longer be issuable by us.

However, such automatic conversion will not apply with respect to any shares of class A common stock acquired by a Visa member other than shares of class A common stock acquired by such Visa member for its own account as a principal investor or for the account of an affiliate of such Visa member that is acting as a principal investor. Without limiting the foregoing, such automatic conversion shall not apply to any shares of class A common stock acquired or held by a Visa member, a similar person or any of their respective affiliates in connection with its brokerage, market making, custody, investment management or similar operations or acquired by any investment fund managed by a Visa member, a similar person or any of their respective affiliates.

Preemptive Rights. In general, no holders of any shares of our common stock will be entitled to preemptive rights to subscribe for any shares of any class or series of our capital stock, except as may be provided in any resolution or resolutions providing for the issuance of a series of stock adopted by our board of directors or any agreement between us and our stockholders. We have no current plans to grant preemptive rights by a resolution of our board of directors or through any agreement with our stockholders.

Fractional Shares. We will not issue any fractional shares of any class of common stock upon conversion of any shares of any other class of common stock into shares of such class. In lieu of fractional shares, we will pay cash equal to such fractional amount multiplied by the fair market value, as determined by or in accordance with procedures established by our board of directors, in good faith and in its sole discretion, per share of the applicable class of common stock into which such shares are being converted, at the conversion date.

Dividend and Distribution Rights. Subject to any limitations contained in the Delaware General Corporation Law, or DGCL, our Certificate of Incorporation and any rights of the holders of any outstanding series of preferred stock or any class or series of stock having a preference over or the right to participate with the common stock with respect to the payment of dividends or distributions, dividends or distributions may be declared and paid on the common stock out of our assets that are by law available therefor at such times and in such amounts as our board may determine. Other than with respect to certain dividends or distributions of class A common stock, the holders of shares of class A common stock, class B common stock and class C common stock are entitled to share ratably (on an as-converted basis as described below in the case of the holders of the class B common stock or class C common stock) in dividends or distributions paid on the common stock, and no dividend or distribution may be declared or paid on any class or series of common stock unless an equivalent dividend or distribution is contemporaneously declared and paid (on an as-converted basis as described below in the case of the holders of the class B common stock or class C common stock) on each other class and series of common stock. Dividends or distributions payable in shares of class A common stock may be paid on the class A common stock without also paying a corresponding dividend or distribution on each other class or series of common stock, subject to certain adjustments to the conversion rates applicable to the class B and class C common stock.

Liquidation Rights. Upon our voluntary or involuntary liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably on an as-converted basis in the net assets available for distribution to stockholders after the payment of our debts and other liabilities, subject to the prior rights of any issued preferred shares. Neither the voluntary sale, conveyance, exchange or transfer for cash, shares of stock, securities or other consideration of all or substantially all of our property or assets nor our consolidation or merger with or into one or more other corporations will be deemed to be a liquidation, dissolution or winding-up, voluntary or involuntary, unless such voluntary sale, conveyance, exchange or transfer will be in connection with a dissolution or winding-up of our business.

Mergers, Consolidation, Etc . If we enter into any consolidation, merger, combination or other transaction in which shares of common stock are exchanged for, converted into, or otherwise changed into other stock or securities, or the right to receive cash or any other property, such shares of common stock will be exchanged for or changed into the same per-share amount of stock, securities, cash or any other property, as the case may be, into which or for which each share of any other class of common stock is exchanged or changed, on an as-converted basis.

Use of the Term "As-Converted". For purposes of the paragraphs entitled "—Dividend and Distribution Rights," "—Liquidation Rights" and "—Mergers, Consolidation, Etc.," as-converted means that each holder of class B common stock, or each holder of class C common stock, other than with respect to any dividend or distribution payable in shares of class A common stock, will be entitled to its ratable portion of: (x) any dividend or distribution in case of dividend rights; (y) any assets available for distribution in case of liquidation rights; or (z) any stock, securities, cash or other consideration in a consolidation, merger, combination or other transaction, as the case may be, in each case based upon the number of shares of class A common stock into which the shares of class B common stock or class C common stock, as applicable, beneficially owned by such holder would be converted, assuming the conversion of all outstanding shares of class B common stock and class C common stock into class A common stock, based on the applicable conversion rate then in effect, on the record date for such distribution or dividend, or immediately prior to such vote on such liquidation, dissolution or winding up, or the consummation of such consolidation, merger, combination or other transaction, as applicable.

Transfer Restrictions . Shares of our class B common stock are not transferable until the escrow termination date. The above described limitation on transfer is, however, subject to the following exceptions:

- any transfer by us to the initial holders of any class B common stock;
- any transfer by us to any person or entity or by the holders thereof to us;
- any transfer of any shares of class B common stock to any other holder of class B common stock or its affiliate;
- any transfer of any shares of any class B common stock to an affiliate of such holder;
- any transfer of shares of common stock pursuant to the terms of the loss sharing agreement (as defined in our Certificate of Incorporation);
- any transfer of any shares of class B common stock by any person that is a group member (as defined in the bylaws of Visa International) of Visa International to any person that is a stockholder, member or other equity holder of such group member, provided that such transfer is made in accordance with applicable securities laws and is made to each transferee ratably in accordance with their respective entitlements to dividends or other distributions from such group member, in accordance with the applicable constituent documents of such group member;
- any transfer by a holder of class B common stock to any person that succeeds to all or substantially all of the assets of such holder, whether by merger, consolidation, amalgamation, sale of substantially all assets or other similar transactions;

- any transfer by a holder of class B common stock to any person that acquires from such holder all or substantially all of the Visa-branded payments products portfolio of such holder;

- any transfer of any shares of common stock by any non-equity member of Visa International in the principal category of membership to any non-equity member of Visa International with membership in Visa International that is sponsored by such principal non-equity member; and

- any transfer of any shares of common stock by any non-equity member of Visa International in the principal category of membership to any person that participates in the Visa payment system as an issuer and which person is sponsored by such non-equity member, by an associate member of Visa International sponsored by such non-equity member (if such non-equity member is a group member) or by a constituent member of such non-equity member.

Our board of directors may approve exceptions to the limitation on transfers of our class B common stock, provided that such exception applies to all holders of class B common stock equally on a ratable basis or, if such exception does not apply on an equal and ratable basis, such exception is also approved by at least a majority of our independent directors.

Our board of directors may, by resolution adopted by a majority of the board of directors, extend the three-year component of the transfer restriction periods with respect to any portion of the outstanding shares of our class B common stock for a period of not more than one year after the date on which such period would otherwise terminate provided that:

- contemporaneously with any such extension with respect to any portion of such shares of class B common stock, our board of directors has approved one or more reductions to the transfer restriction period with respect to another portion of such shares of class B common stock, such that at all times the weighted average period of the transfer restriction period with respect to all outstanding shares of class B common stock is not more than three years; and

- such extension is also approved by at least a majority of our independent directors.

Exhibit 10.34

Notice of Option Grant

Participant: <first_name> <middle_name> <last_name>

Employee ID: <emp_id>

Company: Visa Inc

Notice: You have been granted the following stock option (the "Option") to purchase Shares in accordance with the terms of the Visa Inc. 2007 Equity Incentive Compensation Plan (the "Plan") and the Stock Option Award Agreement (the "Agreement") attached hereto.

Type of Award: Nonqualified Stock Option

Grant ID: <award_id>

Grant: Grant Date: <award_date>
Option Price per Share: <award_price>
Number of Shares under Option: <shares_awarded>

Vesting: The exercise of your Option is subject to the terms of the Plan and this Agreement. Beginning on each of the following dates, you may exercise your Option to purchase the corresponding portion of the total number of Shares underlying your Option. You may then exercise your Option to purchase that portion of the Shares at any time until your Option terminates or expires.

Shares on Vesting Date
<vesting_schedule>

However, in the event of your termination of employment due to death, Disability or without Cause (as those terms are defined in the Agreement), your Option will then immediately become fully exercisable or in the event of your termination of employment due to Retirement (as the term is defined in the Agreement), your Option will continue to vest according to the stated vesting schedule. Moreover, your Option and any Shares issued or cash payment(s) made hereunder are subject to rescission and forfeiture during Participant's employment and for twelve (12) months after the later of Participant's (i) Termination or (ii) receipt of cash payment(s) or Shares hereunder if Participant engages in Detrimental Activity during such periods, as described in Section 4(g) below.

Expiration Date: Your Option will expire ten years from the Grant Date, subject to earlier termination as set forth in the Plan and the Agreement.

Acceptance: To accept or reject your Stock Option award, please complete the online form ("Accept or Reject Your Grant") as promptly as possible, but, in any case, within ninety (90) days after the Grant Date. If you accept your award, you will be deemed to have agreed to the terms and conditions set forth in this Agreement, the terms and conditions of the Plan, and the Addendum with Additional Country Specific Terms and Conditions attached as Exhibit A, all of which are made part of the Agreement. Your Agreement is available to you online in your Schwab Equity Award Center (EAC) account via this link https://eac.schwab.com

Visa Inc.

2007 Equity Incentive Compensation Plan

Stock Option Award Agreement

This Stock Option Award Agreement (this "Agreement"), dated as of the Grant Date set forth in the Notice of Option Grant attached as Schedule A hereto (the "Grant Notice"), is made between Visa Inc. (the "Company") and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

1. Grant of the Option.

(a) Subject to the provisions of this Agreement and the provisions of the Visa Inc. 2007 Equity Incentive Compensation Plan (the "Plan"), the Company hereby grants to the Participant, pursuant to the Plan, the right and option (the "Option") to purchase all or any part of the number of shares of Class A Common Stock of the Company ("Shares") set forth in the Grant Notice at the Option Price per Share and on the other terms as set forth in the Grant Notice.

(b) The Option is intended to be a Nonqualified Stock Option.

2.2. Exercisability of the Option.

The Option shall become exercisable in accordance with the exercisability schedule and other terms set forth in the Grant Notice The Option shall terminate on the tenth anniversary of the Grant Date stated in the Grant Notice (the "Expiration Date"), subject to earlier termination as set forth in the Plan and this Agreement.

3.3. Method of Exercise of the Option.

(a) The Participant may exercise the Option, to the extent then exercisable, by delivering a written or electronic notice to the Stock Plan Administrator in a form satisfactory to the Committee specifying the number of Shares with respect to which the Option is being exercised and payment to the Company of the aggregate Option Price in accordance with Section 3(b).

(b) At the time the Participant exercises the Option, the Participant shall pay the Option Price of the Shares as to which the Option is being exercised to the Company, subject to such terms, conditions and limitations as the Committee may prescribe: (i) in cash or its equivalent: (ii) by tendering (either by actual delivery or attestation) unencumbered Shares previously acquired by the Participant exercising such Option having an aggregate Fair Market Value at the time of exercise equal to the total Option Price; (iii) a cashless (broker-assisted) exercise that complies with all applicable laws; (iv) withholding of Shares otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value at the time of exercise equal to the total Option Price; or (v) by a combination of the consideration provided for in the foregoing clauses (i), (ii), (iii), and (iv).

(c) The Company's obligation to deliver the Shares to which the Participant is entitled upon exercise of the Option is conditioned on the Participant's satisfaction in full to the Company of the aggregate Option Price of those Shares and the required tax withholding related to such exercise.

4.4. <u>Termination</u>.

Except as provided below, the Option shall terminate and be forfeited upon Termination of the Participant, and upon such termination and forfeiture of the Option, no Shares may thereafter be purchased under the Option. The Participant acknowledges that an important and material purpose of this Agreement, as a matter of the internal affairs of the Company, is to ensure that Participant's interests and those of the Company remain aligned. This is achieved by Participant agreeing to avoid Detrimental Activity during the life of the Option and for a period of twelve (12) months after the later of Participant's (i) Termination or (ii) receipt of cash payment(s) or Shares hereunder. Avoidance of Detrimental Activity in accordance with the terms of this Agreement is understood to be a precondition to entitlement and retention of any award under this Agreement. Notwithstanding anything contained in this Agreement, the Option shall not be exercised after the Expiration Date.

(a) *Termination by the Company without Cause*. Upon Termination of the Participant by the Company or a Subsidiary or Affiliate without Cause (as defined below), whether prior to or following a Change of Control, the Option shall thereafter be immediately exercisable for all or any portion of the full number of Shares available for purchase under the Option for a period of 90 days from the date of such Termination. For the avoidance of doubt, Section 15.1(a) of the Plan shall not apply to the Option to the extent such provision conflicts with this Section 4(a).

(b) *Death and Disability*. Upon Termination of the Participant due to the Participant's death or disability (as defined under the Company's, a Subsidiary's or an Affiliate's long-term disability plan under which the Participant is covered from time to time ("Disability")), the Option shall thereafter be immediately exercisable for all or any portion of the full number of Shares available for purchase under the Option until the third anniversary of the date of such Termination.

(c) *Retirement*. Upon Termination of the Participant at or after attainment of age fifty-five and five years of completed service and six months of service from the date of grant ("Retirement"), then the Shares subject to the Option shall continue to vest according to the vesting schedule set forth in the Grant Notice and the number of Shares of the award that have vested or become vested during this period will be available for purchase under the Option until the third anniversary of the date of such Termination or the Expiration Date, if earlier.

(d) *Termination for Cause*. Upon Termination of the Participant by the Company, a Subsidiary or an Affiliate for Cause, any portion of the Option, whether vested or unvested, that has not been exercised shall immediately terminate.

(e) *Change of Control*. Notwithstanding any contrary provisions of this Section 4, if a Change of Control occurs, and, at any time prior to the second (2nd) anniversary of such Change of Control, the Participant incurs a Termination, either by the Company, a Subsidiary or an Affiliate without Cause, or by the Participant for Good Reason (as defined below), then the Option shall thereafter be exercisable for all or any portion of the full number of Shares available for purchase under the Option until the first anniversary of the date of such Termination or the Expiration Date, if earlier. For the avoidance of doubt, Section 15.1(a) of the Plan shall not apply to the Option to the extent such provision conflicts with this Section 4(e).

(f) *Other Terminations*. Upon Termination of the Participant by the Company or a Subsidiary or Affiliate or by the Participant other than under the circumstances described in paragraph (a), (b), (c), (d) or (e) of this Section 4, the Option, to the extent exercisable as of the date of such Termination, shall thereafter be exercisable for a period of 90 days from the date of such Termination, and all Options that were not exercisable as of the date of such Termination shall be immediately forfeited.

(g) *Detrimental Activity.* If, at any time during Participant's employment by the Company, any Affiliate or a Subsidiary or within the later of (i) twelve (12) months after the Participant's Termination (as defined in the Plan) or (ii) twelve (12) months after Participant is delivered Shares or cash payment(s) pursuant to this Award, Participant engages in any Detrimental Activity, then the Company may rescind any portion of the Award distributed to the Participant within the twenty-four (24) month period immediately prior to the Participant's engagement in Detrimental Activity and/or pursue any other remedies allowed under applicable law. In the event of such a rescission, any portion of the Option, whether vested or unvested, that has not been exercised shall immediately terminate for no additional consideration by the Company and Participant will have no rights in same, and Participant shall immediately repay or return to the Company any cash payment(s) and Shares that have been paid or issued to Participant by the Company pursuant to this Agreement within the twenty-four (24) month period immediately prior to Participant's engagement in Detrimental Activity. If *any such Shares are no longer held by Participant then Participant shall pay the Company a sum equal to the Fair Market Value of the Shares at the time* they were sold or otherwise conveyed to another party by Participant. This Section 4(g) shall be construed to supplement, and not contradict, replace or eliminate, any remedies available to the Company under Section 14, or otherwise available under applicable law.

(h) *Business Days.* If the relevant date until which the Option would otherwise be exercisable specified in Section 4 (a), (b), (c), (e) or (f) hereof is not a business day on which the main office of Visa Inc. is open for business, such relevant date shall be deemed to be the immediately next following such business day for purposes of such section. Notwithstanding the foregoing provisions of this Section 4, in no event may the Option be exercised after the Expiration Date.

5.5. Non-Transferability of the Option.

The Option shall not be transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the lifetime of the Participant, only by him or her; *provided, however*, that the Company may, in its discretion, permit the Option to be transferred subject to such conditions and limitations as the Company may impose. Notwithstanding the foregoing, during the Participant's lifetime, the Option may be transferred to and exercised by the Participant's former spouse pursuant to a domestic relations order which is approved by the Company, in accordance with any procedures, and subject to any limitations, as the Company may prescribe and subject to applicable law.

6.6. Taxes and Withholdings.

At the time of receipt of Shares upon the exercise of all or any part of the Option, the Participant shall pay to the Company in cash, or make other arrangements, in accordance with Article XVII of the Plan, for the satisfaction of, any taxes of any kind and social security payments due or potentially payable or required to be withheld with respect to such Shares; *provided, however*, that subject to any limitations as the Committee *may prescribe and subject to applicable law*, the Participant *may elect to satisfy, in whole or in part*, such withholding obligations by (a) directing the Company to withhold Shares otherwise issuable to the Participant upon exercise of the Option; *provided, however*, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required federal, state, local and non-United States withholding obligations using the minimum statutory withholding rates for federal, state, local and/or non-U.S. tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and/or (b) tendering to the Company a number of Shares then owned by the Participant (or by the Participant and his or her spouse jointly) and purchased or held for the requisite period of time as may be required to avoid the Company or any Subsidiary or Affiliate incurring an adverse accounting charge and having an aggregate Fair Market Value as of the exercise date not greater than such tax and other obligations. Any such election made by the Participant must be (i) made on or prior to the applicable exercise date; and (ii) irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Company, in its sole discretion, deems appropriate.

Regardless of any action the Company, an Affiliate and/or a Subsidiary takes with respect to any or all tax withholding (including social insurance contribution obligations, if any), the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility (or that of the Participant's beneficiary), and that none of the Company, an Affiliate and /or a Subsidiary: (a) makes any representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the Option, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (b) commits to structure the terms of the Option or any aspect of the Option to reduce or eliminate the Participant's (or his or her beneficiary's) liability for such tax.

7.7. <u>No Rights as a Shareholder</u>.

Neither the Participant nor any other person shall become the beneficial owner of the Shares subject to the Option, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until the Participant has actually received such Shares following the exercise of the Option in accordance with the terms of the Plan and this Agreement.

8.8. <u>No Right to Continued Employment</u>

Neither the Option nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the Plan and this Agreement, and shall not give the Participant any express or implied right to be retained in the employment or service of the Company or any Subsidiary or Affiliate for any period or in any particular position or at any particular rate of compensation, nor restrict in any way the right of the Company or any Subsidiary or Affiliate, which right is hereby expressly reserved, to modify or terminate the Participant's employment or service at any time for any reason. The Participant acknowledges and agrees that any right to exercise the Option is earned only by continuing as an employee of the Company or a Subsidiary or Affiliate at the will of the Company or such Subsidiary or Affiliate, or satisfaction of any other applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being hired, being granted the Option or acquiring Shares hereunder.

9.9. <u>The Plan</u>.

By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. Unless defined herein, capitalized terms are used herein as defined in the Plan. Subject to Section 4(a) of this Agreement, in the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. The Plan and the prospectus describing the Plan can be found on the Company's Human Resources intranet site. A paper copy of the Plan and the prospectus shall be provided to the Participant upon the Participant's written request to the Company at 900 Metro Center Blvd., Foster City, California 94404, Attention: Stock Plan Administrator.

10.10. <u>Certain Defined Terms</u>.

For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Cause" means: (i) engaging in (A) willful or gross misconduct or (B) willful or gross neglect; (ii) the commission of a felony or a crime of moral turpitude, dishonesty, breach of trust or unethical business conduct, or any crime involving the Company, a Subsidiary or an Affiliate; (iii) fraud, misappropriation or embezzlement; (iv) a material breach of the Participant's employment agreement or offer letter (if any) with the Company, a Subsidiary or an Affiliate; (v) acts or omissions constituting a material failure to perform substantially and adequately the duties assigned to the Participant (other than any such failure resulting from incapacity due to physical or mental illness); *provided, however*, that following a Change of Control, any such failure will only serve as the basis for a termination for Cause if it is willful; or (vi) any illegal act detrimental to the Company, a Subsidiary or an Affiliate.

(b) "Good Reason" means: (i) a diminution in the Participant's annual base salary, annual incentive opportunity or annual long-term incentive award opportunity, as applicable, in effect immediately prior to the Change of Control l; (ii) the assignment to the Participant of any duties inconsistent with the Participant's positions (including status, offices, titles and reporting requirements), authority, duties or responsibilities from those in effect immediately prior to such Change of Control or any action by the Company that results in a diminution in any of the foregoing from those in effect immediately prior to such Change of Control, or (iii) the Company, a Subsidiary or an Affiliate requires the Participant to change the Participant's principal location of work to a location that is in excess of fifty (50) miles from the location thereof immediately prior to the Change of Control. Notwithstanding the foregoing, a Termination by a Participant for Good Reason shall not have occurred unless (i) the Participant gives written notice to the Company, a Subsidiary or an Affiliate, as applicable, of Termination within thirty (30) days after the Participant first becomes aware of the occurrence of the circumstances constituting Good Reason, specifying in reasonable detail the circumstances constituting Good Reason, and (ii) the Company, the Subsidiary or the Affiliate, as the case may be, has failed within thirty (30) days after receipt of such notice to cure the circumstances constituting Good Reason.

(c) "Detrimental Activity" means: (i) providing services or material assistance to any payments business that is in competition with the payments business of the Company in the United States or any other country where the Company does business; (ii) soliciting or knowingly inducing a Company customer that Participant had material dealings with or was provided confidential information about while employed with the Company to cease or reduce doing business with the Company or to divert a business opportunity related to the Company's line of business to another party; or, (iii) soliciting or knowingly inducing an employee of the Company that Participant gained knowledge of while employed with the Company to leave the employment of the Company. Detrimental Activity is not intended to include (i) duly authorized activity undertaken for the benefit of the Company in the ordinary course of Participant's employment duties for the Company, (ii) employment with an independently operated subsidiary, division, or unit of a diversified corporation so long as the independently operated business unit at issue is truly independent and does not compete in any way with the Company; or, (iii) holding a passive and non-controlling ownership interest of less than 5% of the stock or other securities of a publicly traded company.

I I 11. Compliance with Laws and Regulations.

(a) The Option and the obligation of the Company to sell and deliver Shares hereunder shall be subject in all respects to: (i) all applicable Federal and state laws, rules and regulations; and (ii) any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Committee shall, in its discretion, determine to be necessary or applicable. Moreover, the Option may not be exercised if its exercise, or the receipt of Shares pursuant thereto, would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration or qualification of Shares upon any national securities exchange or under any state or Federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any certificates for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that the Shares received upon the exercise of the Option shall have been registered under the Securities Act. If the Participant is an "affiliate" of the Company, as that term is defined in Rule 144 under the Securities Act ("Rule 144"), the Participant may not sell the Shares received except in compliance with Rule 144. Certificates representing Shares issued to an "affiliate" of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Shares as the Company deems appropriate to comply with Federal and state securities laws.

(c) If at the time of exercise of all or part of the Option, the Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Shares, the Participant shall execute, prior to the delivery of any Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is purchasing or acquiring the shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Shares shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Shares being offered or sold; or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

12.12 Notices and Consent to Service of Process.

Any notice or other communication provided for hereunder shall be made in writing and deemed given (a) three days after being deposited in the U.S. mail, first class, postage prepaid, certified receipt requested, or (b) when delivered by a nationally recognized overnight courier which provides confirmation of delivery. All notices by the Participant or the Participant's successors or permitted assigns shall be addressed to the Company at 900 Metro Center Blvd., Foster City, California 94404, Attention: Stock Plan Administration in the Benefits Department, or such other address as the Company may from time to time specify, and any notice that involves service of legal process on the Company shall be directed to Company's Registered Agent for purposes of service of legal process.. All notices and service of legal process to the Participant shall be addressed to the Participant at the Participant's last known address in the Company's records or such forwarding address as Participant may provide to the Company in writing and in accordance with this Section 12.

13.13. Other Plans.

The Participant acknowledges that any income derived from the exercise of the Option shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Subsidiary or Affiliate

14.14. Clawback Policy.

Notwithstanding any other provision of this Agreement to the contrary, any cash incentive compensation received by the Participant, Option granted and/or Shares issued hereunder, and/or any amount received with respect to any sale of any such Shares, shall be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Company's Clawback Policy, as it may be amended from time to time (the "Policy"). The Participant agrees and consents to the Company's application, implementation and enforcement of (a) the Policy or any similar policy established by the Company that may apply to the Participant and (b) any provision of applicable law relating to cancellation, rescission, payback or recoupment of compensation, and expressly agrees that the Company may take such actions as are necessary to effectuate the Policy, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. To the extent that the terms of this Agreement and the Policy or any similar policy conflict, then the terms of such policy shall prevail.

15.15. Rights of Participant.

In accepting the grant, the Participant acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan and this Agreement;

(b) the grant of the Options is voluntary and occasional and does not create any contractual or other right for the Participant or any other person to receive future grants of Options, or benefits in lieu of Options;

(c) all decisions with respect to any future grants will be at the sole discretion of the Company;

(d) the Options do not constitute compensation of any kind for services of any kind rendered to the Company, its Affiliates and /or Subsidiaries, and are not part of the terms and conditions of the Participant's employment;

(e) no provision of this Agreement or of the Option granted hereunder shall give the Participant any right to continue in the employ of the Company or any Affiliate or Subsidiary, create any inference as to the length of employment of the Participant, affect the right of an employer to terminate the employment of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan);

(f) if the Participant ceases to be an employee of the Company or any Affiliate or Subsidiary for any reason, the Participant shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Participant for the loss of any rights under this Agreement or the Plan;

(g) notwithstanding any terms or conditions of the Plan to the contrary, in the event of termination of the Participant's *employment for any reason other than a termination pursuant to which accelerated or continued vesting occurs as provided in Section 4 hereof, the* Participant's right to receive Options and vest in Options under the Plan, if any, will terminate immediately on the date that the Participant is no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); and

(h) notwithstanding any provisions in this Agreement, the Option Granted hereunder shall be subject to any special terms and conditions for Participant's country set forth in the Addendum, attached hereto as Exhibit A. Moreover, if Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Addendum constitutes part of this Agreement.

16. Data Protection.

(a) The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his personal data as described in this document by and among, as applicable, the Company, its Affiliates and its Subsidiaries ("the Group") for the exclusive purpose of implementing, administering and managing his participation in the Plan.

(b) The Participant acknowledges that the Group holds certain personal information about him, including, but not limited to, his name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, details of all Options or any other entitlement to Shares outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Plan ("Data")

(c) The Participant acknowledges and agrees that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country of residence or elsewhere, and that the recipient's country of residence may have different data privacy laws and protections than those of the Participant's country. The Participants authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his participation in the Plan. The Participant understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Participant understands, however, that refusing or withdrawing his consent may affect his ability to participate in the Plan.

17. Choice of Law and Forum / Consent to Jurisdiction.

In order to maintain uniformity in the interpretation of this Agreement across the Company's operations in many different locations, the parties have expressly agreed that this Agreement shall be governed by and enforced under the laws of the State of Delaware, without regard to any contrary principles of conflict of laws of Delaware or another state. The parties further agree that any legal action, suit or proceeding arising from or related to this Agreement shall be instituted exclusively in a state or federal court of competent jurisdiction located in Delaware. The parties consent to the personal jurisdiction of such Delaware courts over them, waive all objections to the contrary, and waive any and all objections to the exclusive location of legal proceedings in Delaware (including, without limitation, any objection based on cost, convenience or location of relevant persons). The parties further agree that there shall be a conclusive presumption that this Agreement has a significant, material and reasonable relationship to the State of Delaware.

18. Acceptance.

The Participant must accept or reject his award under this Agreement no later than ninety (90) days after the Grant Date ("Acceptance Period"). If the Participant accepts the award within the Acceptance Period, he will be deemed to have agreed to the terms and conditions set forth in this Agreement, the terms and conditions of the Plan, and the Addendum with Additional Country Specific Terms and Conditions attached as Exhibit A, all of which are made part of this Agreement.

Exhibit 10.44

Notice of Restricted Stock Unit Grant

Participant: /$ParticipantName$/

Company: Visa Inc.

Notice: You have been granted the following Restricted Stock Units in accordance with the terms of the Visa Inc. 2007 Equity Incentive Compensation Plan (the "Plan") and the Restricted Stock Unit Award Agreement ("Agreement") attached hereto.

Type of Award: Restricted Stock Units

Grant ID: /$GrantID$/

Grant: Grant Date: /$GrantDate$/
Number of Shares Underlying Restricted Stock Units: /$AwardsGranted$/

Vesting: The Restricted Stock Units shall be fully vested on the Grant Date.

Acceptance: You are deemed to have accepted your Restricted Stock Units award and agreed to the terms and conditions set forth in this Agreement, the terms and conditions of the Plan, and the Addendum with Additional Country Specific Terms and Conditions attached as Exhibit A, all of which are made part of the Agreement. Your Agreement is available to you online in your Merrill Benefits Online account via this link: https://benefits.ml.com.

Visa Inc.

2007 Equity Incentive Compensation Plan
Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (this "Agreement"), dated as of the Grant Date (the "Grant Date") set forth in the *Notice of Restricted Stock Unit Grant attached as Schedule A hereto (the "Grant Notice"), is made between Visa Inc. (the "Company") and the Participant* set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

1. Definitions.

Capitalized terms used but not defined herein have the meaning set forth in the Visa Inc. 2007 Equity Incentive Compensation Plan (the "Plan").

2. Grant of the Restricted Stock Units.

Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant, pursuant to the Plan, the number of Restricted Stock Units set forth in the Grant Notice (the "Restricted Stock Units").

3. Dividend Equivalents.

Each Restricted Stock Unit shall entitle the Participant to Dividend Equivalents with respect to regular cash dividends that would otherwise be paid on the Share underlying such Restricted Stock Unit during the period from the Grant Date to the date on which such Restricted Stock Unit is settled in accordance with Section 6. Any such Dividend Equivalent shall be paid to the Participant at (or within thirty (30) days following) the time such related dividends are paid to holders of Shares.

4. Vesting

The Restricted Stock Units shall be fully vested on the Grant Date as set forth in the Grant Notice.

5. Deferral Election.

The Participant may elect to defer commencement of the settlement of the vested Restricted Stock Units until the later of (a) the first anniversary of the Grant Date and (b) a date or dates during the Participant's service as a member of the Board or following the Participant's termination of service as a member of the Board, subject however to earlier settlement (i) upon or within thirty (30) days following the Participant's death or (ii) upon, or within thirty (30) days following, a Change of Control that constitutes a "change in control event" within the meaning of Section 409A of the Code. To do so, the Participant must make a valid and timely election pursuant to the terms of the deferral election form provided to the Participant for this purpose.

6. Settlement of Restricted Stock Units.

Unless the Participant has made a valid deferral election pursuant to Section 5 above or unless otherwise provided in the Plan, including, without limitation, by reason of a Change of Control, the Company shall cause to be delivered to the Participant (a) the full number of Shares underlying the Restricted Stock Units (a "Share Settlement"), (b) a cash payment determined by reference to the then-current Fair Market Value of such Shares or (c) a combination of Shares and such cash payment as the Committee, in its sole discretion, shall determine, subject to satisfaction of applicable Tax Withholding Obligations (as defined in and in accordance with Section 7 of this Agreement), within 90 days following the Grant Date or if earlier, upon, or within 90 days following, the earlier to occur of (i) a Change of Control that constitutes a "change in control event" within the meaning of Section 409A of the Code and (ii) the Participant's death provided, however, that if the Participant's Termination occurs under any circumstances other than death, any such delivery of Shares or cash payment shall be delayed for six (6) months from the date of such Participant's Termination if the Participant is a "specified employee" (as such term is defined in Section 409A(a)(2)(B)(i) of the Code). Any right to a distribution or series of distributions of Shares hereunder shall be treated as a right to a series of separate payments for purposes of Section 409A of the Code.

Notwithstanding the foregoing, payment of the Restricted Stock Units to the Participant may only be in the form of a Share Settlement, unless otherwise elected by the Participant and permitted by the Committee or the Board, or unless otherwise determined by the Committee or the Board.

7. Taxes and Withholdings.

In the event any Restricted Stock Units becomes includible in the Participant's gross income for income tax purposes, the Participant authorizes any Tax Withholding Obligations (as defined below) with respect to such Restricted Stock Units to be satisfied by the Company by any means to the extent permitted by the Plan and applicable law, including but not limited to the following: (1) through a sale arranged by the Company through a securities broker (on the Participant's behalf pursuant to this authorization) without further consent from the Participant and the remittance of the cash proceeds of such sale to the Company, under which the Company is authorized and directed by the Participant to make payment from the cash proceeds of the sale directly to the appropriate taxing authorities in an amount equal to the Tax Withholding Obligations; (2) withholding Shares or cash otherwise deliverable or payable to the Participant pursuant to the Restricted Stock Unit award (provided, however, that the amount of any Shares so withheld shall not exceed the sum of all statutory maximum rates in the Participant's applicable jurisdiction with respect to the Restricted Stock Units, as determined by the Company) pursuant to any procedures, and subject to any limitations as the Committee may prescribe and subject to applicable law, based on the Fair Market Value of the Shares on the payment date ("Net Settlement"); or (3) withholding the Tax Withholding Obligations from the Participant's cash compensation payable to the Participant by the Company, if determined to be necessary or appropriate by the Company. The Company may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Article XVII of the Plan.

Notwithstanding the foregoing, the Company shall use Net Settlement to satisfy the Participant's Tax Withholding Obligations, unless otherwise determined by the Committee or the Board

Tax Withholding Obligations means the minimum tax or social insurance obligations required by law to be withheld in respect of the Restricted Stock Units, or such other withholding amount (a "Greater Amount"), up to the sum of all applicable statutory maximum rates, provided that such Greater Amount is approved in advance by the Committee or the Board.

Regardless of any action the Company takes with respect to any or all tax withholding (including social insurance contribution obligations, if any), the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility (or that of the Participant's beneficiary, if applicable), and that the Company does not: (a) make any representations or undertakings regarding the treatment of any tax withholding in connection with any aspect of the Restricted Stock Units, including the grant or vesting thereof, the subsequent sale of Shares and the receipt of any dividends; or (b) commits to structure the terms of the Restricted Stock Units or any aspect of the Restricted Stock Units to reduce or eliminate the Participant's (or the Participant's beneficiary's) liability for such tax.

8. No Rights as a Shareholder Prior to Issuance of Shares.

Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the Restricted Stock Units, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Participant and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this Agreement.

9. No Right to Continued Service.

Neither the Restricted Stock Units nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the Plan and this Agreement, and shall not give the Participant any express or implied right to be retained in the service of the Company for any period or in any particular position or at any particular rate of compensation, nor restrict in any way the right of the Company, which right is hereby expressly reserved, to modify or terminate the Participant's service at any time for any reason.

10. The Plan.

By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated Participant's acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. The Plan and the prospectus describing the Plan can be found on the Company's Human Resources intranet site. A paper copy of the Plan and the prospectus shall be provided to the Participant upon the Participant's written request to the Company at 900 Metro Center Blvd., Foster City, California 94404, Attention: Stock Plan Administrator.

11. Compliance with Laws and Regulations

(a) The Restricted Stock Units and the obligation of the Company to deliver Shares or cash payments hereunder shall be subject in all respects to (i) all applicable federal and state laws, rules and regulations; and (ii) any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Committee shall, in its discretion, determine to be necessary or applicable. Moreover, the Company shall not deliver any certificates for Shares to the Participant or any other person pursuant to this Agreement if doing so would be contrary to applicable law If at any time the Company determines, in its discretion, that the listing, registration or qualification of Shares upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any certificates for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that any Shares received under this Agreement shall have been registered under the Securities Act If the *Participant is an "affiliate" of the Company, as that term is defined in Rule 144 under the Securities Act ("Rule 144"), the Participant may not sell the* Shares received except in compliance with Rule 144. Certificates representing Shares issued to an "affiliate" of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Shares as the Company deems appropriate to comply with federal and state securities laws.

(c) If at any time the Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Shares, the Participant shall execute, prior to the delivery of any Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is purchasing or acquiring the Shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Shares shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Shares being offered or sold; or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

12. Notices.

All notices by the Participant or the Participant's successors or permitted assigns shall be addressed to the Company at 900 Metro Center Blvd., Foster City, California 94404, Attention: Stock Plan Administrator or such other address as the Company may from time to time specify. All notices to the Participant shall be addressed to the Participant at the Participant's address in the Company's records.

13. Other Plans.

The Participant acknowledges that any income derived from this Restricted Stock Units award shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Subsidiary or Affiliate.

14. Rights of Participant.

In accepting the grant, the Participant acknowledges that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan and this Agreement;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right for the Participant or any other person to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units;

(c) all decisions with respect to any future grants will be at the sole discretion of the Company;

(d) the Restricted Stock Units do not constitute compensation of any kind for services of any kind rendered to the Company, its Affiliates and/or Subsidiaries, and are not part of the terms and conditions of the Participant's employment or service with the Company, its Affiliates and/or Subsidiaries;

(e) no provision of this Agreement or of the Restricted Stock Units granted hereunder shall give the Participant any right to continue in the employ or service of the Company or any Affiliate or Subsidiary, create any inference as to the length of employment or service of the Participant, affect the right of an employer to terminate the employment of the Participant, with or without Cause, or give the Participant any right to participate in any employee welfare or benefit plan or other program (other than the Plan); and

(f) if the Participant ceases to be an employee or other individual service provider of the Company or any Affiliate or Subsidiary for any reason, the Participant shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate the Participant for the loss of any rights under this Agreement or the Plan.

15. Data Protection.

(a) The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this document by and among, as applicable, the Company, its Affiliates and its Subsidiaries ("the Group") for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

(b) The Participant acknowledges that the Group holds certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, details of all Options or any other entitlement to Shares outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Plan ("Data").

(c) The Participant acknowledges and agrees that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country of residence or elsewhere, and that the recipient's country of residence may have different data privacy laws and protections than those of the Participant's country. In particular, the Company may transfer Data to the broker or stock plan administrator assisting with the Plan, to the Company's legal counsel and tax/accounting advisor, and to the Subsidiary or Affiliate that is Participant's employer and its payroll provider. The Participant authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired.

(d) The Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. The Participant understands, however, that refusing or withdrawing the Participant's consent will affect the Participant's ability to participate in the Plan; without providing consent, the Participant will not be able to participate in the Plan or realize benefits (if any) from the Restricted Stock Units The Participant should also refer to the Visa Inc. Global Privacy Policy (which is available to Participant separately and may be updated from time to time) for more information regarding the collection, use, storage, and transfer of the Participant's Data. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this document by and among, as applicable, the Company, its Affiliates and its Subsidiaries ("the Group") for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Exhibit 21.1

List of Significant Subsidiaries of Visa Inc. as of September 30, 2021

Name	Jurisdiction
Visa Europe Limited	United Kingdom
Visa International Holdings, Inc.	Delaware
Visa International Holdings Limited	United Kingdom
Visa International Service Association	Delaware
Visa U.S.A. Inc.	Delaware
Visa Worldwide Pte. Limited	Singapore

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Visa Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-214208, No. 333-201770, No. 333-157191, and No. 333-150426) on Form S-8 and (No. 333-258258) on Form S-3 of Visa Inc. of our report dated November 18, 2021, with respect to the consolidated balance sheets of Visa Inc. as of September 30, 2021 and 2020, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended September 30, 2021, and the related notes, and the effectiveness of internal control over financial reporting as of September 30, 2021, which report appears in the September 30, 2021 annual report on Form 10-K of Visa Inc.

/s/ KPMG LLP

Santa Clara, California
November 18, 2021

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14(A)/15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Alfred F. Kelly, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Visa Inc.:

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2021

/s/ Alfred F. Kelly, Jr.

Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULES 13A-14(A)/15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Vasant M. Prabhu, certify that:

1. I have reviewed this annual report on Form 10-K of Visa Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation,

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 18, 2021

/s/ Vasant M. Prabhu

Vasant M. Prabhu
Vice Chair, Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Visa Inc. (the "Company") on Form 10-K for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alfred F. Kelly, Jr., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 18, 2021

/s/ Alfred F. Kelly, Jr.
Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

In connection with the Annual Report of Visa Inc. (the "Company") on Form 10-K for the period ended September 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vasant M. Prabhu, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 18, 2021

/s/ Vasant M. Prabhu
Vasant M. Prabhu
Vice Chair, Chief Financial Officer
(Principal Financial Officer)