

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 25, 2018

**VISA
VISA INC.**

(Exact name of Registrant as Specified in Its Charter)

**Delaware
(State or Other Jurisdiction
of Incorporation)**

**001-33977
(Commission File Number)**

**26-0267673
(IRS Employer
Identification No.)**

**P.O. Box 8999
San Francisco, California
(Address of Principal Executive Offices)**

**94128-8999
(Zip Code)**

Registrant's Telephone Number, Including Area Code: (650) 432-3200

**N/A
(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 *Results of Operations and Financial Condition.*

On July 25, 2018, Visa Inc. (the "Company") issued an earnings release announcing financial results for the Company's fiscal third quarter ended June 30, 2018.

A copy of the earnings release is attached hereto as Exhibit 99.1. All information in the earnings release is furnished but not filed.

On July 25, 2018, the Company will host a conference call to discuss its fiscal third quarter ended June 30, 2018.

A copy of the presentation to be used during the conference call is attached hereto as Exhibit 99.2. All information in the presentation is furnished but not filed.

Item 9.01 *Financial Statements and Exhibits.*

(d) Exhibits

Exhibit Number	Description
99.1	Earnings Release of Visa Inc., dated, July 25, 2018
99.2	Presentation of Visa Inc., dated, July 25, 2018

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VISA INC.

Date: July 25, 2018

By: /s/ Vasant M. Prabhu
Vasant M. Prabhu
Chief Financial Officer



Visa Inc. Reports Fiscal Third Quarter 2018 Results

San Francisco, CA, July 25, 2018 – Visa Inc. (NYSE: V)

- GAAP Net Income of \$2.3B or \$1.00 per share and adjusted net income of \$2.8B or \$1.20 per share
- Net Operating Revenues of \$5.2B, an increase of 15%
- Double-digit growth in payments volume, cross-border volume and processed transactions
- Returned \$2.2B of capital to shareholders in the form of share repurchases and dividends

Q3 2018 Results

(Ending June 30, 2018)

in billions, except percentages and per share data

	USD	YoY Change
Net Operating Revenues	\$5.2	15%
GAAP Net Income	\$2.3	13%
Adjusted Net Income ⁽¹⁾	\$2.8	36%
GAAP Earnings Per Share	\$1.00	16%
Adjusted Earnings Per Share ⁽¹⁾	\$1.20	39%

⁽¹⁾ Adjusted Net Income and Adjusted Earnings Per Share excludes a special item in the current quarter.

Alfred F. Kelly, Jr., Chief Executive Officer, Visa Inc., commented on the results:

“Our third quarter results reflect continued strength across all of our key business drivers and healthy economic fundamentals across the world. During the quarter, we made notable progress against our key strategic initiatives, particularly new Visa Direct and B2B partnerships. This progress furthers our confidence in the long-term investments we are making to drive profitable, sustainable growth in the rapidly changing payments environment.”

Q3 2018 Key Business Drivers

(YoY growth, volume in constant dollars)

Payments volume

+11%

Cross-border volume

+10%

Processed transactions

+12%

Fiscal Third Quarter 2018 — Financial Highlights

GAAP net income in the fiscal third quarter was \$2.3 billion or \$1.00 per share, increases of 13% and 16%, respectively, over prior year's results. On an adjusted basis, the Company's financial results exclude a \$600 million litigation provision and the related tax benefit associated with the interchange multi district litigation case. Excluding this special item, adjusted net income for the quarter was \$2.8 billion or \$1.20 per share, increases of 36% and 39%, respectively, over prior year's results (refer to the accompanying financial tables for further details and a reconciliation of the non-GAAP measures presented). Exchange rate shifts versus the prior year positively impacted earnings per share growth by approximately 3 percentage points. All references to earnings per share assume fully-diluted class A share count.

Net operating revenues in the fiscal third quarter were \$5.2 billion, an increase of 15%, driven by continued growth in payments volume, cross-border volume and processed transactions. Exchange rate shifts versus the prior year positively impacted reported net operating revenues growth by approximately 1.5 percentage points.

Payments volume for the three months ended March 31, 2018, on which fiscal third quarter service revenue is recognized, grew 11% over the prior year on a constant-dollar basis.

Payments volume for the three months ended June 30, 2018, grew 11% over the prior year on a constant-dollar basis.

Cross-border volume growth, on a constant-dollar basis, was 10% for the three months ended June 30, 2018.

Total processed transactions, which represent transactions processed by Visa, for the three months ended June 30, 2018, were 31.7 billion, a 12% increase over the prior year.

Fiscal third quarter service revenues were \$2.2 billion, an increase of 13% over the prior year, and are recognized based on payments volume in the prior quarter. All other revenue categories are recognized based on current quarter activity. Data processing revenues rose 19% over the prior year to \$2.4 billion. International transaction revenues grew 16% over the prior year to \$1.8 billion. Other revenues of \$229 million rose 9% over the prior year. Client incentives, which are a contra revenue item, were \$1.4 billion and represent 20.8% of gross revenues.

GAAP operating expenses were \$2.4 billion for the fiscal third quarter, a 53% increase over the prior year's results, including the special item. The Company recorded a litigation provision of \$600 million in the fiscal third quarter of 2018 related to the interchange multidistrict litigation case. Excluding this special item, operating expenses grew 14% over the prior year, primarily driven by personnel expenses.

GAAP effective income tax rate was 17.2% for the quarter ended June 30, 2018, including a one-time \$137 million tax benefit related to the special item. Excluding the tax impact from this special item, the adjusted effective income tax rate was 18.2% for the fiscal third quarter.

Cash, cash equivalents, and available-for-sale investment securities were \$14.6 billion at June 30, 2018.

The weighted-average number of diluted shares of class A common stock outstanding was 2.32 billion for the quarter ended June 30, 2018.

Fiscal Third Quarter 2018 — Other Notable Items

During the three months ended June 30, 2018, the Company repurchased 13.6 million shares of class A common stock, at an average price of \$128.80 per share, using \$1.8 billion of cash on hand. As previously announced, on June 28, 2018 the Company deposited \$600 million from operating cash into the litigation escrow account previously established under the U.S. retrospective responsibility plan. This deposit has the same economic effect on earnings per share as repurchasing the Company's class A common stock as it reduces the as-converted class B common stock share count.

During the nine months ended June 30, 2018, the Company repurchased a total of 46.0 million shares of class A common stock, at an average price of \$119.60 per share, using \$5.5 billion of cash on hand. The Company has \$5.8 billion of funds available for share repurchase as of June 30, 2018.

On July 16, 2018, the board of directors declared a quarterly cash dividend of \$0.21 per share of class A common stock (determined in the case of class B and C common stock and series B and C convertible participating preferred stock on an as-converted basis) payable on September 4, 2018, to all holders of record as of August 17, 2018.

Financial Outlook for Fiscal Full-Year 2018

Visa Inc. reaffirms its fiscal full-year 2018 financial outlook for the following metrics:

- Annual net revenue growth: Low double-digits on a nominal basis, with approximately 1 percentage point of positive foreign currency impact
- Client incentives as a percentage of gross revenues: Low end of 21.5% to 22.0% range
- Annual operating expense growth: High teens on a GAAP basis and low double-digits adjusted for special items in fiscal 2017 and 2018 (see note below)
- Annual operating margin: Mid-60s on a GAAP basis and high 60s adjusted for a special item in fiscal 2018

Visa Inc. updates its fiscal full-year 2018 financial outlook for the following metrics:

- GAAP and adjusted effective tax rate: 20.5% to 21.5% range, which includes a 6 percentage point reduction resulting from U.S. tax reform
- Annual diluted class A common stock earnings per share growth including the impact of U.S. tax reform: High 50's on a GAAP nominal dollar basis and low 30's on an adjusted, non-GAAP nominal dollar basis (see note below). Both include approximately 9 to 10 percentage points driven by U.S. tax reform and approximately 1.5 percentage points of positive foreign currency impact

Note: The financial outlook for fiscal full-year 2018 includes Visa Europe integration expenses of approximately \$60 million for the full-year. Annual operating expense growth is derived from adjusted full-year 2017 operating expenses of \$6.0 billion. Annual adjusted diluted class A common stock earnings per share growth is derived from adjusted full-year 2017 earnings per share results of \$3.48. Refer to the accompanying financial tables for details and a reconciliation of the adjusted fiscal full-year 2017 results.

Fiscal Third Quarter 2018 Earnings Results Conference Call Details

Visa's executive management team will host a live audio webcast beginning at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) today to discuss the financial results and business highlights. All interested parties are invited to listen to the live webcast at <http://investor.visa.com>. A replay of the webcast will be available on the Visa Investor Relations website for 30 days. Investor information, including supplemental financial information, is available on Visa Inc.'s Investor Relations website at <http://investor.visa.com>.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, our future operations, prospects, developments, strategies, business growth and financial outlook for fiscal full-year 2018. Forward-looking statements generally are identified by words such as “believes,” “estimates,” “expects,” “intends,” “may,” “projects,” “outlook”, “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.

Actual results could differ materially from those expressed in, or implied by, our forward-looking statements due to a variety of factors, including, but not limited to:

- increased oversight and regulation of the global payments industry and our business;
- impact of government-imposed restrictions on payment systems;
- outcome of tax, litigation and governmental investigation matters;
- increasingly intense competition in the payments industry, including competition for our clients and merchants;
- proliferation and continuous evolution of new technologies and business models;
- our ability to maintain relationships with our clients, merchants and other third parties;
- brand or reputational damage;
- management changes;
- impact of global economic, political, market and social events or conditions;
- exposure to loss or illiquidity due to settlement guarantees;
- uncertainty surrounding the impact of the United Kingdom’s withdrawal from the European Union;
- cyber security attacks, breaches or failure of our networks;
- failure to maintain interoperability with Visa Europe’s systems and to migrate European activity onto VisaNet successfully;
- our ability to successfully integrate and manage our acquisitions and other strategic investments; and
- other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended September 30, 2017, and our subsequent reports on Forms 10-Q and 8-K.

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.

About Visa Inc.

Visa Inc. (NYSE: V) is the world’s leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network - enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. Our relentless focus on innovation is a catalyst for the rapid growth of connected commerce on any device, and a driving force behind the dream of a cashless future for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit usa.visa.com/about-visa.html, visacorporate.tumblr.com and @VisaNews.

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Fiscal Third Quarter 2018 — Financial Summary

Q3 FISCAL 2018 INCOME STATEMENT SUMMARY

(in millions, except percentages and per share data)

	Three Months Ended June 30, 2018		YoY Change	
	GAAP	Adjusted	GAAP	Adjusted
Operating Revenues				
Service revenues	\$ 2,196	\$ 2,196	13%	13%
Data processing revenues	2,359	2,359	19%	19%
International transaction revenues	1,830	1,830	16%	16%
Other revenues	229	229	9%	9%
Client incentives	(1,374)	(1,374)	20%	20%
Net operating revenues	5,240	5,240	15%	15%
Operating Expenses				
Personnel	852	852	22%	22%
Marketing	240	240	8%	8%
Network and processing	169	169	7%	7%
Professional fees	112	112	10%	10%
Depreciation and amortization	152	152	16%	16%
General and administrative	230	230	0%	0%
Litigation provision	600	—	NM	NM
Total operating expenses	2,355	1,755	53%	14%
Operating income	2,885	3,485	(5%)	15%
Non-operating expense	(73)	(73)	(34%)	(34%)
Effective tax rate	17.2%	18.2%	(12 pts)	(11 pts)
Net income	\$ 2,329	\$ 2,792	13%	36%
Earnings per share	\$ 1.00	\$ 1.20	16%	39%

NM - Not Meaningful

Q3 FISCAL 2018 KEY BUSINESS DRIVERS

	YoY Change	
	Constant	Nominal
Payments volume	11%	13%
Cross-border volume	10%	15%
Processed transactions	12%	12%

Visa Inc. Consolidated Balance Sheets (unaudited)

	June 30, 2018	September 30, 2017
(in millions, except par value data)		
Assets		
Cash and cash equivalents	\$ 8,505	\$ 9,874
Restricted cash—U.S. litigation escrow	1,487	1,031
Investment securities:		
Trading	94	82
Available-for-sale	3,302	3,482
Settlement receivable	1,615	1,422
Accounts receivable	1,220	1,132
Customer collateral	1,346	1,106
Current portion of client incentives	377	344
Prepaid expenses and other current assets	545	550
Total current assets	18,491	19,023
Investment securities, available-for-sale	2,835	1,926
Client incentives	545	591
Property, equipment and technology, net	2,387	2,253
Other assets	1,085	1,226
Intangible assets, net	27,628	27,848
Goodwill	15,204	15,110
Total assets	\$ 68,175	\$ 67,977
Liabilities		
Accounts payable	\$ 145	\$ 179
Settlement payable	2,310	2,003
Customer collateral	1,346	1,106
Accrued compensation and benefits	729	757
Client incentives	2,577	2,089
Accrued liabilities	1,099	1,129
Deferred purchase consideration	1,300	—
Current maturities of long-term debt	—	1,749
Accrued litigation	1,428	982
Total current liabilities	10,934	9,994
Long-term debt	16,627	16,618
Deferred tax liabilities	4,802	5,980
Deferred purchase consideration	—	1,304
Other liabilities	2,494	1,321
Total liabilities	34,857	35,217
Equity		
Preferred stock, \$0.0001 par value, 25 shares authorized and 5 shares issued and outstanding as follows:		
Series A convertible participating preferred stock, none issued	—	—
Series B convertible participating preferred stock, 2 shares issued and outstanding at June 30, 2018 and September 30, 2017 (the "UK&I preferred stock")	2,291	2,326
Series C convertible participating preferred stock, 3 shares issued and outstanding at June 30, 2018 and September 30, 2017 (the "Europe preferred stock")	3,179	3,200
Class A common stock, \$0.0001 par value, 2,001,622 shares authorized, 1,778 and 1,818 shares issued and outstanding at June 30, 2018 and September 30, 2017, respectively	—	—
Class B common stock, \$0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at June 30, 2018 and September 30, 2017	—	—
Class C common stock, \$0.0001 par value, 1,097 shares authorized, 12 and 13 shares issued and outstanding at June 30, 2018 and September 30, 2017, respectively	—	—
Right to recover for covered losses	(5)	(52)
Additional paid-in capital	16,686	16,900
Accumulated income	10,426	9,508
Accumulated other comprehensive income (loss), net:		
Investment securities, available-for-sale	110	73
Defined benefit pension and other postretirement plans	(74)	(76)
Derivative instruments classified as cash flow hedges	54	(36)
Foreign currency translation adjustments	651	917
Total accumulated other comprehensive income, net	741	878
Total equity	33,318	32,760
Total liabilities and equity	\$ 68,175	\$ 67,977

Visa Inc. Consolidated Statements of Operations (unaudited)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2018	2017	2018	2017
(in millions, except per share data)				
Operating Revenues				
Service revenues	\$ 2,196	\$ 1,948	\$ 6,595	\$ 5,859
Data processing revenues	2,359	1,984	6,633	5,719
International transaction revenues	1,830	1,571	5,248	4,529
Other revenues	229	209	688	615
Client incentives	(1,374)	(1,147)	(3,989)	(3,219)
Net operating revenues	5,240	4,565	15,175	13,503
Operating Expenses				
Personnel	852	698	2,355	1,973
Marketing	240	221	724	632
Network and processing	169	158	498	453
Professional fees	112	102	312	265
Depreciation and amortization	152	132	450	409
General and administrative	230	230	688	822
Litigation provision	600	—	600	17
Total operating expenses	2,355	1,541	5,627	4,571
Operating income	2,885	3,024	9,548	8,932
Non-operating Income (Expense)				
Interest expense	(155)	(140)	(462)	(415)
Other	82	30	182	78
Total non-operating expense	(73)	(110)	(280)	(337)
Income before income taxes	2,812	2,914	9,268	8,595
Income tax provision	483	855	1,812	4,036
Net income	\$ 2,329	\$ 2,059	\$ 7,456	\$ 4,559
Basic earnings per share				
Class A common stock	\$ 1.00	\$ 0.87	\$ 3.20	\$ 1.90
Class B common stock	\$ 1.66	\$ 1.43	\$ 5.27	\$ 3.13
Class C common stock	\$ 4.02	\$ 3.46	\$ 12.78	\$ 7.60
Basic weighted-average shares outstanding				
Class A common stock	1,784	1,840	1,798	1,852
Class B common stock	245	245	245	245
Class C common stock	12	14	12	15
Diluted earnings per share				
Class A common stock	\$ 1.00	\$ 0.86	\$ 3.19	\$ 1.90
Class B common stock	\$ 1.65	\$ 1.42	\$ 5.26	\$ 3.13
Class C common stock	\$ 4.01	\$ 3.45	\$ 12.76	\$ 7.59
Diluted weighted-average shares outstanding				
Class A common stock	2,321	2,385	2,337	2,404
Class B common stock	245	245	245	245
Class C common stock	12	14	12	15

Visa Inc. Consolidated Statements of Cash Flows (unaudited)

	Nine Months Ended June 30,	
	2018	2017
	(in millions)	
Operating Activities		
Net income	\$ 7,456	\$ 4,559
Adjustments to reconcile net income to net cash provided by operating activities:		
Client incentives	3,989	3,219
Share-based compensation	242	183
Depreciation and amortization of property, equipment, technology and intangible assets	450	409
Deferred income taxes	(1,133)	1,715
Right to recover for covered losses recorded in equity	(9)	(165)
Charitable contribution of Visa Inc. shares	—	192
Other	(44)	30
Change in operating assets and liabilities:		
Settlement receivable	(239)	42
Accounts receivable	(82)	(34)
Client incentives	(3,483)	(3,376)
Other assets	(143)	(192)
Accounts payable	(18)	(71)
Settlement payable	379	(19)
Accrued and other liabilities	1,408	(65)
Accrued litigation	446	14
Net cash provided by operating activities	<u>9,219</u>	<u>6,441</u>
Investing Activities		
Purchases of property, equipment, technology and intangible assets	(523)	(512)
Proceeds from sales of property, equipment and technology	14	—
Investment securities, available-for-sale:		
Purchases	(3,354)	(1,877)
Proceeds from maturities and sales	2,789	4,296
Acquisition of business, net of cash received	(196)	(302)
Purchases of / contributions to other investments	(35)	(18)
Net cash (used in) provided by investing activities	<u>(1,305)</u>	<u>1,587</u>
Financing Activities		
Repurchase of class A common stock	(5,604)	(5,170)
Repayments of long-term debt	(1,750)	—
Dividends paid	(1,435)	(1,189)
Deposits into litigation escrow account—U.S. retrospective responsibility plan	(600)	—
Payments from litigation escrow account—U.S. retrospective responsibility plan	150	—
Cash proceeds from issuance of common stock under employee equity plans	135	128
Restricted stock and performance-based shares settled in cash for taxes	(90)	(73)
Net cash used in financing activities	<u>(9,194)</u>	<u>(6,304)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(89)</u>	<u>94</u>
(Decrease) increase in cash and cash equivalents	(1,369)	1,818
Cash and cash equivalents at beginning of period	9,874	5,619
Cash and cash equivalents at end of period	<u>\$ 8,505</u>	<u>\$ 7,437</u>
Supplemental Disclosure		
Income taxes paid, net of refunds	\$ 1,649	\$ 2,239
Interest payments on debt	\$ 510	\$ 489
Accruals related to purchases of property, equipment, technology and intangible assets	\$ 35	\$ 35

Visa Inc. Fiscal 2018 and 2017 Quarterly Results of Operations (unaudited)

	Fiscal 2018 Quarter Ended			Fiscal 2017 Quarter Ended	
	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
	(in millions)				
Operating Revenues					
Service revenues	\$ 2,196	\$ 2,253	\$ 2,146	\$ 2,116	\$ 1,948
Data processing revenues	2,359	2,127	2,147	2,067	1,984
International transaction revenues	1,830	1,752	1,666	1,792	1,571
Other revenues	229	230	229	226	209
Client incentives	(1,374)	(1,289)	(1,326)	(1,346)	(1,147)
Net operating revenues	5,240	5,073	4,862	4,855	4,565
Operating Expenses					
Personnel	852	824	679	655	698
Marketing	240	261	223	290	221
Network and processing	169	169	160	167	158
Professional fees	112	108	92	144	102
Depreciation and amortization	152	153	145	147	132
General and administrative	230	222	236	238	230
Litigation provision	600	—	—	2	—
Total operating expenses	2,355	1,737	1,535	1,643	1,541
Operating income	2,885	3,336	3,327	3,212	3,024
Non-operating Income (Expense)					
Interest expense	(155)	(153)	(154)	(148)	(140)
Other	82	34	66	35	30
Total non-operating expense	(73)	(119)	(88)	(113)	(110)
Income before income taxes	2,812	3,217	3,239	3,099	2,914
Income tax provision	483	612	717	959	855
Net income	\$ 2,329	\$ 2,605	\$ 2,522	\$ 2,140	\$ 2,059

Visa Inc. Reconciliation of Non-GAAP Financial Results

Fiscal Third Quarter of 2018 (unaudited)

Our financial results for the three and nine months ended June 30, 2018 and the nine months ended June 30, 2017 reflected the impact of certain significant items that we believe were not indicative of our operating performance in these or future periods, as they were either non-recurring or had no cash impact. As such, we believe the presentation of adjusted financial results excluding the following items provides a clearer understanding of our operating performance for the periods presented. There were no comparable adjustments recorded for the three months ended June 30, 2017.

- *Litigation provision.* During the three and nine months ended June 30, 2018, we recorded a litigation provision of \$600 million and related tax benefits of \$137 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.
- *Remeasurement of deferred tax balances.* During the nine months ended June 30, 2018, in connection with the Tax Cuts and Jobs Act's reduction of the corporate income tax rate, we remeasured our net deferred tax liabilities as of the enactment date, resulting in the recognition of a non-recurring, non-cash income tax benefit estimated to be approximately \$1.1 billion.
- *Transition tax on foreign earnings.* During the nine months ended June 30, 2018, in connection with the Tax Cuts and Jobs Act's requirement that we include certain untaxed foreign earnings of non-U.S. subsidiaries in our fiscal 2018 taxable income, we recorded a one-time transition tax estimated to be approximately \$1.1 billion.
- *Elimination of deferred tax balances.* During the nine months ended June 30, 2017, in connection with our legal entity reorganization, we eliminated deferred tax balances originally recognized upon the acquisition of Visa Europe, resulting in the recognition of a non-recurring, non-cash income tax provision of \$1.5 billion.
- *Charitable contribution.* During the nine months ended June 30, 2017, associated with our legal entity reorganization, we recognized a non-recurring, non-cash general and administrative expense of \$192 million, before tax, related to the charitable donation of Visa Inc. shares that were acquired as part of the Visa Europe acquisition and held as treasury stock. Net of the related cash tax benefit of \$71 million, determined by applying applicable tax rates, adjusted net income increased by \$121 million.

Visa Inc. Reconciliation of Non-GAAP Financial Results – continued

Fiscal Third Quarter of 2018 (unaudited)

Adjusted financial results are non-GAAP financial measures and should not be relied upon as substitutes for measures calculated in accordance with U.S. GAAP. The following table reconciles our as-reported financial measures calculated in accordance with U.S. GAAP, to our respective non-GAAP adjusted financial measures for the three and nine months ended June 30, 2018 and the nine months ended June 30, 2017. There were no comparable adjustments recorded for the three months ended June 30, 2017.

Three Months Ended June 30, 2018							
(in millions, except percentages and per share data)	Operating Expenses	Operating Margin ^{(1),(2)}	Income Before Income Taxes	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
As reported	\$ 2,355	55 %	\$ 2,812	\$ 483	17.2 %	\$ 2,329	\$ 1.00
Litigation provision	(600)	11 %	600	137		463	0.20
As adjusted	\$ 1,755	67 %	\$ 3,412	\$ 620	18.2 %	\$ 2,792	\$ 1.20

Nine Months Ended June 30, 2018							
(in millions, except percentages and per share data)	Operating Expenses	Operating Margin ^{(1),(2)}	Income Before Income Taxes	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
As reported	\$ 5,627	63 %	\$ 9,268	\$ 1,812	19.5 %	\$ 7,456	\$ 3.19
Litigation provision	(600)	4 %	600	137		463	0.20
Remeasurement of deferred tax balances	—	— %	—	1,133		(1,133)	(0.49)
Transition tax on foreign earnings	—	— %	—	(1,147)		1,147	0.49
As adjusted	\$ 5,027	67 %	\$ 9,868	\$ 1,935	19.6 %	\$ 7,933	\$ 3.39

Nine Months Ended June 30, 2017							
(in millions, except percentages and per share data)	Operating Expenses	Operating Margin ^{(1),(2)}	Income Before Income Taxes	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
As reported	\$ 4,571	66 %	\$ 8,595	\$ 4,036	47.0 %	\$ 4,559	\$ 1.90
Elimination of deferred tax balances	—	— %	—	(1,515)		1,515	0.63
Charitable contribution	(192)	1 %	192	71		121	0.05
As adjusted	\$ 4,379	68 %	\$ 8,787	\$ 2,592	29.5 %	\$ 6,195	\$ 2.58

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Operating margin, effective income tax rate, diluted earnings per share and their respective totals are calculated based on unrounded numbers.

⁽²⁾ Operating margin is calculated as operating income divided by net operating revenues.

Visa Inc. Reconciliation of Non-GAAP Financial Results

Fiscal Full-Year 2017 (unaudited)

Our financial outlook for fiscal full-year 2018 annual operating expense growth and annual diluted class A common stock earnings per share growth are based on adjusted non-GAAP fiscal full-year 2017 results, which are reconciled to their closest comparable U.S. GAAP financial measure below.

Our financial results during the twelve months ended September 30, 2017 reflected the impact of certain significant items that we do not believe were indicative of our ongoing operating performance in these or future periods, as they were either non-recurring or have no cash impact. As such, we believe the presentation of adjusted financial results excluding the following items provides a clearer understanding of our operating performance for the period presented.

- *Elimination of deferred tax balances.* During the twelve months ended September 30, 2017, in connection with our legal entity reorganization, we eliminated deferred tax balances originally recognized upon the acquisition of Visa Europe, resulting in the recognition of a non-recurring, non-cash income tax provision of \$1.5 billion.
- *Charitable contribution.* During the twelve months ended September 30, 2017, associated with our legal entity reorganization, we recognized a non-recurring, non-cash general and administrative expense of \$192 million, before tax, related to the charitable donation of Visa Inc. shares that were acquired as part of the Visa Europe acquisition and held as treasury stock. Net of the related cash tax benefit of \$71 million, determined by applying applicable tax rates, adjusted net income increased by \$121 million.

Adjusted financial results are non-GAAP financial measures and should not be relied upon as substitutes for measures calculated in accordance with U.S. GAAP. The following table reconciles our as-reported financial measures calculated in accordance with U.S. GAAP, to the respective non-GAAP adjusted financial measures for the twelve months ended September 30, 2017.

(in millions, except percentages and per share data)	Twelve Months Ended September 30, 2017						
	Operating Expenses	Operating Margin ^{(1),(2)}	Income Before Income Taxes	Income Tax Provision	Effective Income Tax Rate ⁽¹⁾	Net Income	Diluted Earnings Per Share ⁽¹⁾
As reported	\$ 6,214	66 %	\$ 11,694	\$ 4,995	42.7 %	\$ 6,699	\$ 2.80
Elimination of deferred tax balances	—	— %	—	(1,515)		1,515	0.63
Charitable contribution	(192)	1 %	192	71		121	0.05
As adjusted	\$ 6,022	67 %	\$ 11,886	\$ 3,551	29.9 %	\$ 8,335	\$ 3.48

⁽¹⁾ Figures in the table may not recalculate exactly due to rounding. Operating margin, effective income tax rate, diluted earnings per share and their respective totals are calculated based on unrounded numbers.

⁽²⁾ Operating margin is calculated as operating income divided by net operating revenues.

Operational Performance Data

The tables below provide information regarding the available operational results for the 3 months ended June 30, 2018, as well as the prior four quarterly reporting periods and the 12 months ended June 30, 2018 and 2017, for cards carrying the Visa, Visa Electron, V PAY and Interlink brands. Sections 1-3 below reflect the acquisition of Visa Europe, with Europe included in Visa Inc. results effective the 3 months ended September 30, 2016.

1. Branded Volume and Transactions

The tables present regional total volume, payments volume, and cash volume, and the number of payments transactions, cash transactions, accounts and cards for cards carrying the Visa, Visa Electron, V PAY and Interlink brands and excludes Europe co-branded volume and transactions for all periods. Card counts include PLUS proprietary cards. Nominal and constant dollar growth rates over prior years are provided for volume-based data.

For the 3 Months Ended June 30, 2018											
Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)	
All Visa Credit & Debit											
Asia Pacific	\$598	12.5%	8.6%	\$482	16.6%	11.9%	6,685	\$116	(2.1%)	(3.5%)	909
Canada	73	14.2%	9.8%	68	14.6%	10.2%	930	6	9.5%	5.3%	11
CEMEA	270	3.2%	6.6%	93	15.6%	19.2%	3,951	176	(2.3%)	1.0%	1,240
LAC	238	(4.2%)	7.4%	101	1.5%	16.3%	3,196	136	(8.0%)	1.7%	1,168
US	1,072	9.3%	9.3%	928	10.5%	10.5%	17,206	144	2.1%	2.1%	991
Europe	578	12.9%	7.3%	428	15.1%	8.7%	9,074	150	7.1%	3.5%	1,096
Visa Inc.	2,830	8.9%	8.3%	2,101	12.6%	11.1%	41,043	729	(0.7%)	1.1%	5,415
Visa Credit Programs											
US	\$507	10.0%	10.0%	\$493	10.5%	10.5%	5,991	\$14	(4.6%)	(4.6%)	15
International	741	12.5%	10.3%	689	13.4%	11.2%	9,699	52	2.1%	0.0%	220
Visa Inc.	1,247	11.5%	10.2%	1,182	12.2%	10.9%	15,690	66	0.7%	(1.0%)	235
Visa Debit Programs											
US	\$566	8.7%	8.7%	\$435	10.6%	10.6%	11,215	\$131	2.8%	2.8%	976
International	1,016	6.0%	5.9%	484	15.9%	12.0%	14,137	532	(1.7%)	1.0%	4,205
Visa Inc.	1,582	6.9%	6.9%	919	13.3%	11.3%	25,352	663	(0.8%)	1.3%	5,181

For the 3 Months Ended March 31, 2018													
Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)	Accounts (millions)	Cards (millions)	
All Visa Credit & Debit													
Asia Pacific	\$593	14.8%	7.8%	\$472	18.1%	10.9%	6,224	\$121	3.7%	(3.1%)	898	886	987
Canada	65	13.4%	9.1%	60	13.0%	8.9%	819	6	16.7%	12.3%	11	51	57
CEMEA	258	9.5%	7.2%	89	21.6%	18.3%	3,586	170	4.1%	2.1%	1,185	346	336
LAC	253	5.4%	7.8%	106	10.6%	15.0%	3,079	147	1.9%	3.1%	1,166	429	463
US	993	9.3%	9.3%	854	10.1%	10.1%	15,866	139	4.6%	4.6%	975	705	897
Europe	558	20.9%	7.9%	416	22.9%	9.6%	8,336	141	15.1%	3.2%	990	496	543
Visa Inc.	2,721	12.4%	8.3%	1,998	15.0%	10.7%	37,910	724	5.7%	2.1%	5,224	2,914	3,283
Visa Credit Programs													
US	\$460	10.0%	10.0%	\$446	10.4%	10.4%	5,420	\$15	0.9%	0.9%	15	265	342
International	721	15.9%	9.6%	670	16.5%	10.4%	9,003	51	8.1%	0.8%	206	683	755
Visa Inc.	1,182	13.5%	9.8%	1,116	14.0%	10.4%	14,424	66	6.4%	0.8%	221	948	1,097
Visa Debit Programs													
US	\$533	8.7%	8.7%	\$409	9.8%	9.8%	10,446	\$125	5.0%	5.0%	959	440	555
International	1,006	13.1%	6.4%	473	22.7%	12.4%	13,040	533	5.8%	1.7%	4,044	1,525	1,631
Visa Inc.	1,539	11.5%	7.2%	882	16.4%	11.2%	23,486	658	5.7%	2.3%	5,003	1,965	2,185

For the 3 Months Ended December 31, 2017

	Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)	Accounts (millions)	Cards (millions)
All Visa Credit & Debit													
Asia Pacific	\$588	8.8%	6.0%	\$468	11.2%	8.2%	6,357	\$120	0.3%	(2.0%)	917	874	971
Canada	72	15.4%	9.8%	67	15.6%	10.1%	884	5	12.5%	7.1%	11	51	57
CEMEA	271	10.3%	6.7%	89	23.8%	19.1%	3,589	182	4.7%	1.6%	1,271	342	332
LAC	271	8.1%	7.1%	112	13.9%	13.9%	3,151	159	4.3%	2.8%	1,203	429	464
US	1,018	8.6%	8.6%	881	9.6%	9.6%	16,475	137	2.7%	2.7%	957	701	886
<u>Europe</u>	<u>564</u>	<u>15.2%</u>	<u>7.5%</u>	<u>416</u>	<u>17.6%</u>	<u>9.4%</u>	<u>8,746</u>	<u>148</u>	<u>8.9%</u>	<u>2.5%</u>	<u>1,051</u>	<u>485</u>	<u>539</u>
Visa Inc.	2,784	10.2%	7.5%	2,033	12.5%	9.9%	39,202	751	4.3%	1.6%	5,410	2,883	3,249
Visa Credit Programs													
US	\$492	10.7%	10.7%	\$478	11.3%	11.3%	5,927	\$13	(5.9%)	(5.9%)	16	267	340
<u>International</u>	<u>732</u>	<u>12.5%</u>	<u>9.0%</u>	<u>678</u>	<u>12.9%</u>	<u>9.6%</u>	<u>9,333</u>	<u>54</u>	<u>7.3%</u>	<u>1.8%</u>	<u>223</u>	<u>671</u>	<u>745</u>
Visa Inc.	1,224	11.8%	9.7%	1,157	12.2%	10.3%	15,260	67	4.3%	0.1%	239	938	1,085
Visa Debit Programs													
US	\$526	6.7%	6.7%	\$403	7.6%	7.6%	10,548	\$124	3.7%	3.7%	941	434	546
<u>International</u>	<u>1,034</u>	<u>10.2%</u>	<u>5.5%</u>	<u>474</u>	<u>17.8%</u>	<u>10.7%</u>	<u>13,394</u>	<u>560</u>	<u>4.5%</u>	<u>1.4%</u>	<u>4,230</u>	<u>1,510</u>	<u>1,618</u>
Visa Inc.	1,560	9.0%	5.9%	877	12.9%	9.3%	23,942	683	4.3%	1.8%	5,171	1,944	2,164

For the 3 Months Ended September 30, 2017

	Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)	Accounts (millions)	Cards (millions)
All Visa Credit & Debit													
Asia Pacific	\$559	4.0%	4.1%	\$441	8.2%	9.0%	6,140	\$117	(9.3%)	(10.7%)	882	849	954
Canada	69	11.8%	7.0%	64	12.0%	7.2%	843	6	9.4%	4.7%	11	50	56
CEMEA	263	10.8%	7.6%	85	24.4%	19.7%	3,447	178	5.4%	2.6%	1,258	346	334
LAC	254	7.4%	6.8%	102	11.5%	11.8%	2,996	152	4.9%	3.7%	1,146	433	464
US	978	8.3%	8.3%	836	8.9%	8.9%	16,003	142	4.6%	4.6%	1,008	700	864
<u>Europe</u>	<u>555</u>	<u>9.4%</u>	<u>8.1%</u>	<u>403</u>	<u>11.8%</u>	<u>10.3%</u>	<u>8,259</u>	<u>152</u>	<u>3.4%</u>	<u>2.9%</u>	<u>1,090</u>	<u>485</u>	<u>541</u>
Visa Inc.	2,678	7.8%	7.1%	1,931	10.2%	9.7%	37,689	747	2.2%	0.9%	5,395	2,862	3,214
Visa Credit Programs													
US	\$463	9.1%	9.1%	\$449	9.7%	9.7%	5,649	\$14	(7.0%)	(7.0%)	17	264	336
<u>International</u>	<u>700</u>	<u>6.6%</u>	<u>6.5%</u>	<u>647</u>	<u>7.3%</u>	<u>7.4%</u>	<u>9,094</u>	<u>54</u>	<u>(1.5%)</u>	<u>(3.9%)</u>	<u>230</u>	<u>663</u>	<u>737</u>
Visa Inc.	1,163	7.5%	7.5%	1,095	8.2%	8.3%	14,742	68	(2.7%)	(4.6%)	247	927	1,073
Visa Debit Programs													
US	\$515	7.5%	7.5%	\$388	8.0%	8.0%	10,354	\$127	6.0%	6.0%	991	436	528
<u>International</u>	<u>1,000</u>	<u>8.3%</u>	<u>6.5%</u>	<u>448</u>	<u>17.3%</u>	<u>14.9%</u>	<u>12,592</u>	<u>552</u>	<u>1.9%</u>	<u>0.5%</u>	<u>4,157</u>	<u>1,499</u>	<u>1,612</u>
Visa Inc.	1,515	8.0%	6.8%	836	12.8%	11.6%	22,946	679	2.7%	1.5%	5,148	1,935	2,140

For the 3 Months Ended June 30, 2017

	Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)	Accounts (millions)	Cards (millions)
All Visa Credit & Debit													
Asia Pacific	\$532	0.1%	1.7%	\$414	5.2%	7.3%	5,912	\$118	(14.2%)	(14.4%)	867	835	943
Canada	64	3.6%	7.7%	59	3.7%	7.8%	814	5	1.6%	5.6%	11	50	56
CEMEA	261	12.2%	7.6%	81	26.5%	19.3%	3,244	181	6.9%	3.0%	1,288	342	330
LAC	248	10.9%	7.5%	100	16.4%	11.9%	2,920	148	7.5%	4.8%	1,161	425	457
US	981	11.1%	11.1%	840	12.1%	12.1%	15,940	141	5.6%	5.6%	1,004	703	867
<u>Europe</u>	<u>512</u>			<u>372</u>			<u>7,957</u>	<u>140</u>			<u>1,098</u>	<u>485</u>	<u>536</u>
Visa Inc.	2,599	34.4%	35.5%	1,865	38.2%	40.0%	36,787	734	25.7%	24.9%	5,429	2,841	3,191
Visa Credit Programs													
US	\$460	18.0%	18.0%	\$446	18.9%	18.9%	5,522	\$14	(3.9%)	(3.9%)	16	261	337
<u>International</u>	<u>658</u>	<u>28.3%</u>	<u>30.1%</u>	<u>607</u>	<u>27.5%</u>	<u>29.4%</u>	<u>8,789</u>	<u>51</u>	<u>39.4%</u>	<u>40.0%</u>	<u>233</u>	<u>659</u>	<u>732</u>
Visa Inc.	1,119	23.9%	24.9%	1,054	23.7%	24.8%	14,311	65	26.9%	27.5%	249	920	1,069
Visa Debit Programs													
US	\$521	5.7%	5.7%	\$394	5.3%	5.3%	10,418	\$127	6.8%	6.8%	987	442	530
<u>International</u>	<u>959</u>	<u>78.6%</u>	<u>81.3%</u>	<u>418</u>	<u>238.4%</u>	<u>250.5%</u>	<u>12,058</u>	<u>542</u>	<u>31.0%</u>	<u>29.9%</u>	<u>4,193</u>	<u>1,479</u>	<u>1,591</u>
Visa Inc.	1,480	43.7%	44.8%	811	63.2%	66.1%	22,476	669	25.6%	24.7%	5,180	1,921	2,122

For the 12 Months Ended June 30, 2018

	Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)
All Visa Credit & Debit											
Asia Pacific	\$2,338	10.0%	6.6%	\$1,864	13.5%	10.0%	25,406	\$474	(2.0%)	(4.9%)	3,607
Canada	280	13.7%	9.0%	258	13.8%	9.1%	3,476	22	11.9%	7.3%	44
CEMEA	1,062	8.3%	7.0%	356	21.1%	19.1%	14,572	706	2.9%	1.8%	4,954
LAC	1,015	4.1%	7.3%	422	9.3%	14.2%	12,424	594	0.8%	2.8%	4,682
US	4,062	8.9%	8.9%	3,500	9.8%	9.8%	65,551	562	3.5%	3.5%	3,930
<u>Europe</u>	<u>2,254</u>	<u>14.4%</u>	<u>7.7%</u>	<u>1,663</u>	<u>16.8%</u>	<u>9.5%</u>	<u>34,415</u>	<u>591</u>	<u>8.3%</u>	<u>3.0%</u>	<u>4,227</u>
Visa Inc.	11,012	9.8%	7.8%	8,063	12.6%	10.4%	155,843	2,950	2.8%	1.4%	21,444
Visa Credit Programs											
US	\$1,922	10.0%	10.0%	\$1,866	10.5%	10.5%	22,987	\$56	(4.2%)	(4.2%)	63
<u>International</u>	<u>2,894</u>	<u>11.8%</u>	<u>8.9%</u>	<u>2,684</u>	<u>12.5%</u>	<u>9.7%</u>	<u>37,129</u>	<u>211</u>	<u>3.8%</u>	<u>(0.4%)</u>	<u>879</u>
Visa Inc.	4,816	11.1%	9.3%	4,549	11.6%	10.0%	60,116	266	2.0%	(1.2%)	942
Visa Debit Programs											
US	\$2,141	7.9%	7.9%	\$1,634	9.0%	9.0%	42,564	\$507	4.4%	4.4%	3,867
<u>International</u>	<u>4,056</u>	<u>9.3%</u>	<u>6.1%</u>	<u>1,879</u>	<u>18.4%</u>	<u>12.5%</u>	<u>53,163</u>	<u>2,177</u>	<u>2.6%</u>	<u>1.1%</u>	<u>16,635</u>
Visa Inc.	6,197	8.8%	6.7%	3,513	13.8%	10.8%	95,727	2,683	2.9%	1.7%	20,502

For the 12 Months Ended June 30, 2017

	Total Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Payments Transactions (millions)	Cash Volume (\$ billions)	Growth (Nominal USD)	Growth (Constant USD)	Cash Transactions (millions)	Accounts (millions)	Cards (millions)
All Visa Credit & Debit													
Asia Pacific	\$2,127	2.5%	3.0%	\$1,643	7.5%	8.3%	22,556	\$484	(11.6%)	(11.7%)	3,641	835	943
Canada	247	6.8%	6.8%	227	7.0%	7.0%	3,080	20	4.9%	4.9%	44	50	56
CEMEA	980	9.2%	7.7%	294	21.6%	18.3%	11,556	687	4.7%	3.7%	5,045	342	330
LAC	975	9.3%	9.0%	386	13.6%	12.1%	12,085	589	6.7%	7.1%	4,684	425	457
US	3,731	10.8%	10.8%	3,188	11.9%	11.9%	60,903	544	4.6%	4.6%	3,827	703	867
<u>Europe (1)</u>	<u>1,970</u>			<u>1,425</u>			<u>30,065</u>	<u>546</u>			<u>4,296</u>	<u>485</u>	<u>536</u>
Visa Inc.	10,030	34.4%	35.7%	7,161	38.5%	40.0%	140,244	2,868	25.0%	25.8%	21,536	2,841	3,191
Visa Credit Programs													
US	\$1,747	18.9%	18.9%	\$1,689	19.7%	19.7%	20,946	\$58	0.7%	0.7%	66	261	337
<u>International</u>	<u>2,589</u>	<u>30.5%</u>	<u>31.4%</u>	<u>2,386</u>	<u>29.1%</u>	<u>30.0%</u>	<u>34,449</u>	<u>203</u>	<u>49.5%</u>	<u>50.1%</u>	<u>960</u>	<u>659</u>	<u>732</u>
Visa Inc.	4,336	25.6%	26.1%	4,075	25.0%	25.6%	55,395	261	34.9%	35.7%	1,026	920	1,069
Visa Debit Programs													
US	\$1,984	4.4%	4.4%	\$1,499	4.2%	4.2%	39,957	\$485	5.1%	5.1%	3,761	442	530
<u>International</u>	<u>3,710</u>	<u>75.6%</u>	<u>79.0%</u>	<u>1,588</u>	<u>235.6%</u>	<u>244.9%</u>	<u>44,892</u>	<u>2,122</u>	<u>29.5%</u>	<u>30.4%</u>	<u>16,750</u>	<u>1,479</u>	<u>1,591</u>
Visa Inc.	5,694	41.9%	43.9%	3,086	61.5%	64.9%	84,849	2,607	24.1%	24.8%	20,510	1,921	2,122

(1) Europe includes volumes and transactions effective with the 3 months ended September 30, 2016.

2. Cross-Border Volume

The table below represents cross-border volume growth for cards carrying the Visa, Visa Electron, V PAY, Interlink and PLUS brands. Cross-border volume refers to payments and cash volume where the issuing country is different from the merchant country.

Period (1)	Growth (Nominal USD)	Growth (Constant USD)	Normalized Growth (2) (Constant USD)
3 Months Ended			
Jun 30, 2018	15%	10%	–
Mar 31, 2018	21%	11%	–
Dec 31, 2017	14%	9%	–
Sep 30, 2017	12%	10%	–
Jun 30, 2017	142%	147%	11%
12 Months Ended			
Jun 30, 2018	16%	10%	–

(1) Europe is included as part of Visa Inc. effective with the 3 months ended September 30, 2016.

(2) Europe volumes and transactions were first included as part of Visa Inc. starting in the quarter ended September 30, 2016. Normalized Growth includes Europe activity in prior year periods before Visa Inc. acquired Visa Europe.

3. Visa Processed Transactions

The table below represents transactions involving Visa, Visa Electron, V PAY, Interlink and PLUS cards processed on Visa's networks.

Period (1)	Processed Transactions (millions)	Growth	Normalized Growth (2)
3 Months Ended			
Jun 30, 2018	31,728	12%	–
Mar 31, 2018	29,321	12%	–
Dec 31, 2017	30,508	12%	–
Sep 30, 2017	29,180	13%	–
Jun 30, 2017	28,450	44%	13%
12 Months Ended			
Jun 30, 2018	120,737	12%	–

(1) Europe is included as part of Visa Inc. effective with the 3 months ended September 30, 2016.

(2) Europe volumes and transactions were first included as part of Visa Inc. starting in the quarter ended September 30, 2016. Normalized Growth includes Europe activity in prior year periods before Visa Inc. acquired Visa Europe.



Footnote

Payments volume represents the aggregate dollar amount of purchases made with cards carrying the Visa, Visa Electron, V PAY and Interlink brands for the relevant period, and cash volume represents the aggregate dollar amount of cash disbursements obtained with these cards for the relevant period and includes the impact of balance transfers and convenience checks, but excludes proprietary PLUS volume. Total volume represents payments and cash volume.

Visa payment products are comprised of credit and debit programs, and data relating to each program is included in the tables. Debit programs include Visa's signature based and Interlink (PIN) debit programs.

The data presented is based on results reported quarterly by Visa's financial institution clients on their operating certificates. Estimates may be utilized if data is unavailable.

On occasion, previously presented information may be updated. Prior period updates, if any, are not material.

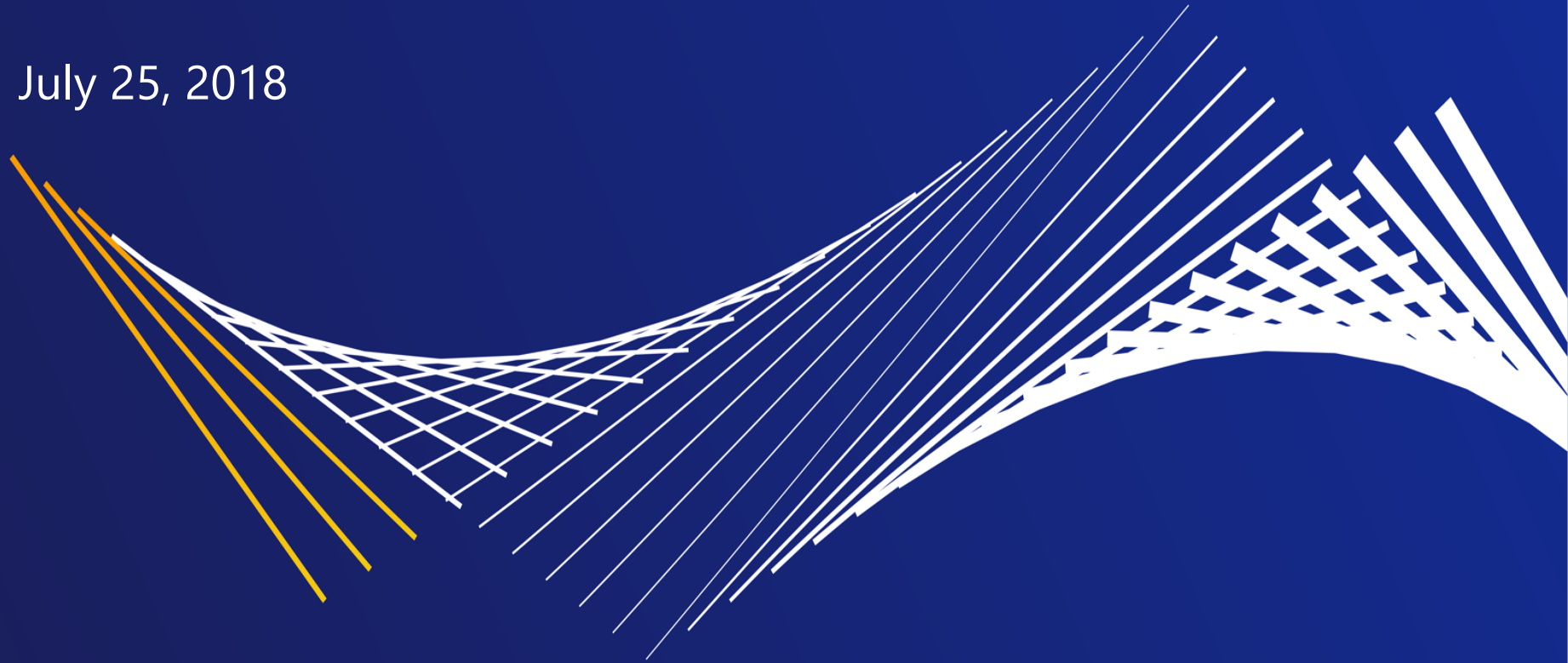
Europe is reported and included in Visa Inc. results effective with the 3 months ended September 2016. Visa's CEMEA region is comprised of countries in Central Europe, the Middle East and Africa. Several European Union countries in Central Europe, Israel and Turkey are not included in CEMEA. LAC is comprised of countries in Central and South America and the Caribbean. International includes Asia Pacific, Canada, CEMEA, Europe and LAC.

Information denominated in U.S. dollars is calculated by applying an established U.S. dollar/local currency exchange rate for each local currency in which Visa Inc. volumes are reported ("Nominal USD"). These exchange rates are calculated on a quarterly basis using the established exchange rate for each quarter. To eliminate the impact of foreign currency fluctuations against the U.S. dollar in measuring performance, Visa Inc. also reports year-over-year growth in total volume, payments volume and cash volume on the basis of local currency information ("Constant USD"). This presentation represents Visa's historical methodology which may be subject to review and refinement.

Effective June 9, 2016, Article 8 of the EU Interchange Fee Regulation states that payment card networks cannot impose reporting requirements or the obligation to pay fees on payment transactions where their payment brand is present but their network is not used. Prior to this regulation, Visa collected a small service fee in a few countries, particularly France, on domestic payment transactions where Visa cards are co-badged with a domestic network. Clients in Europe continued to report co-badged volume through the quarter ended September 2016; however, Europe co-badged volume and transactions have been excluded from all periods.

Visa Inc. Fiscal Third Quarter 2018 Financial Results

July 25, 2018



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Everywhere You Want To Be



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, our future operations, prospects, developments, strategies, business growth and financial outlook for fiscal full-year 2018. Forward-looking statements generally are identified by words such as "believes," "estimates," "expects," "intends," "may," "projects," "outlook," "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.

Actual results could differ materially from those expressed in, or implied by, our forward-looking statements due to a variety of factors, including, but not limited to:

- increased oversight and regulation of the global payments industry and our business;
- impact of government-imposed restrictions on payment systems;
- outcome of tax, litigation and governmental investigation matters;
- increasingly intense competition in the payments industry, including competition for our clients and merchants;
- proliferation and continuous evolution of new technologies and business models;
- our ability to maintain relationships with our clients, merchants and other third parties;
- brand or reputational damage;
- management changes;
- impact of global economic, political, market and social events or conditions;
- exposure to loss or illiquidity due to settlement guarantees;
- uncertainty surrounding the impact of the United Kingdom's withdrawal from the European Union;
- cyber security attacks, breaches or failure of our networks;
- failure to maintain interoperability with Visa Europe's systems and to migrate European activity onto VisaNet successfully;
- our ability to successfully integrate and manage our acquisitions and other strategic investments; and
- other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended September 30, 2017, and our subsequent reports on Forms 10-Q and 8-K.

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.

Fiscal Third Quarter 2018 Results

in billions, except percentages and per share data

	USD	YoY Change
Net Operating Revenues	\$5.2	15%
GAAP Net Income	\$2.3	13%
Adjusted Net Income⁽¹⁾	\$2.8	36%
GAAP Earnings Per Share	\$1.00	16%
Adjusted Earnings Per Share⁽¹⁾	\$1.20	39%

⁽¹⁾ Adjusted Net Income and Adjusted Earnings Per Share excludes a special item in the current quarter.

- Double-digit growth in payments volume, cross-border volume and processed transactions
- Returned \$2.2B of capital to shareholders in the form of share repurchases and dividends

Note: Refer to the accompanying financial tables for further details and a reconciliation of the non-GAAP measures presented.

Payments Volume

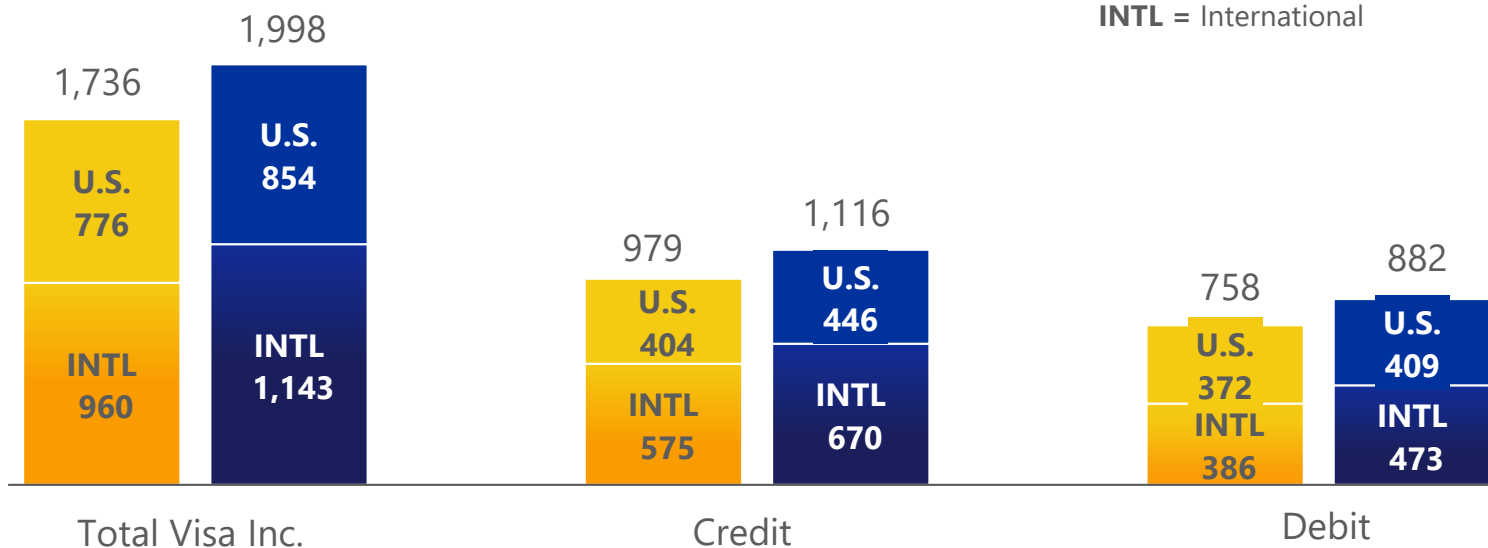
US\$ in billions, nominal, except percentages

Quarter ended March

■ 2017

■ 2018

INTL = International



YoY Change
(nominal)

15%

14%

16%

YoY Change
(constant)

11%

10%

11%

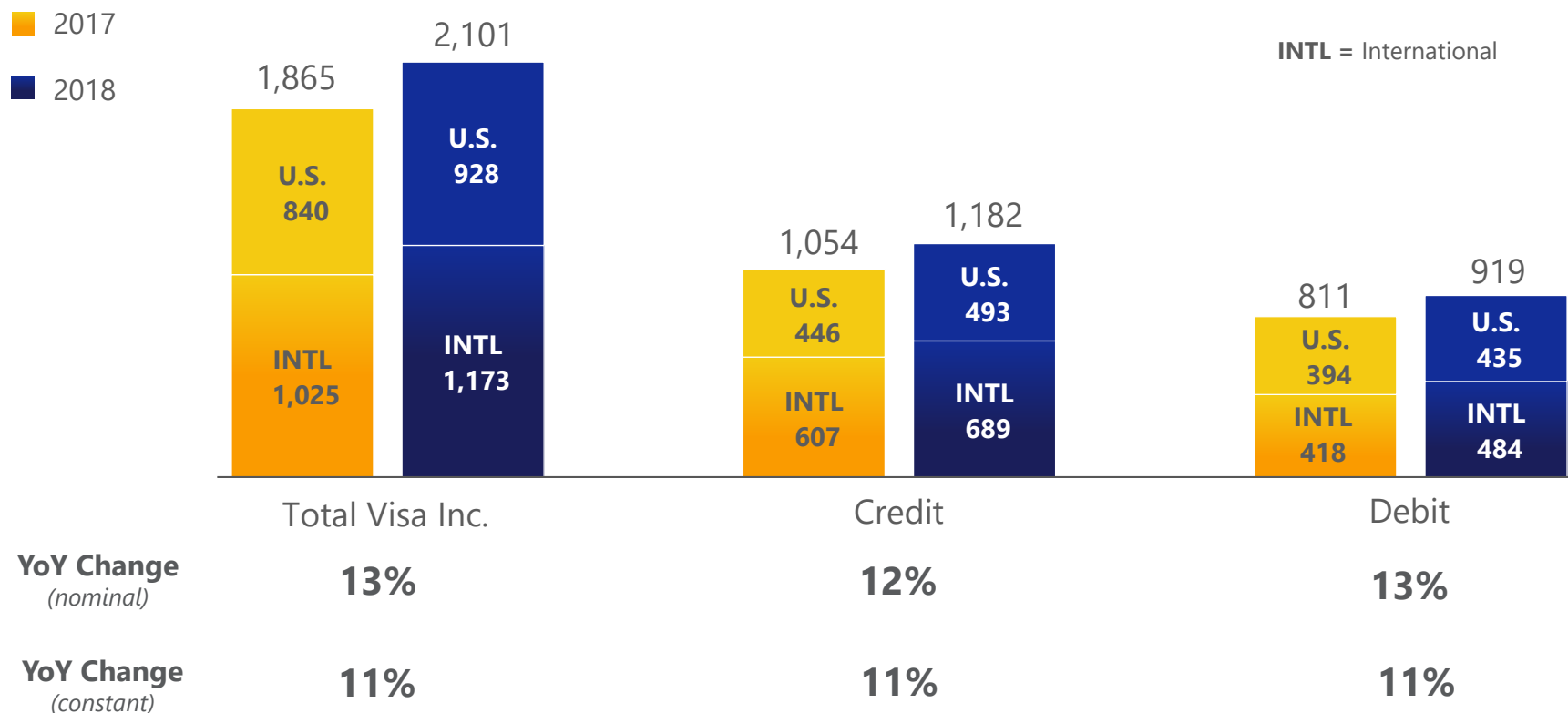
Note: On occasion, previously submitted volume information may be updated to reflect revised client submissions or other adjustments. Prior-period updates are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Constant-dollar growth rates exclude the impact of foreign currency fluctuations against the U.S. dollar in measuring performance.

Payments Volume

US\$ in billions, nominal, except percentages

Quarter ended June

Current quarter payments volume and other select metrics are provided in the operational performance data supplement in the earnings release to provide more recent operating data. Service revenues continue to be recognized based on payments volume in the prior quarter.



Note: On occasion, reported payments volume information may be updated to reflect revised client submissions or other adjustments. Prior-period updates are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Constant-dollar growth rates exclude the impact of foreign currency fluctuations against the U.S. dollar in measuring performance.

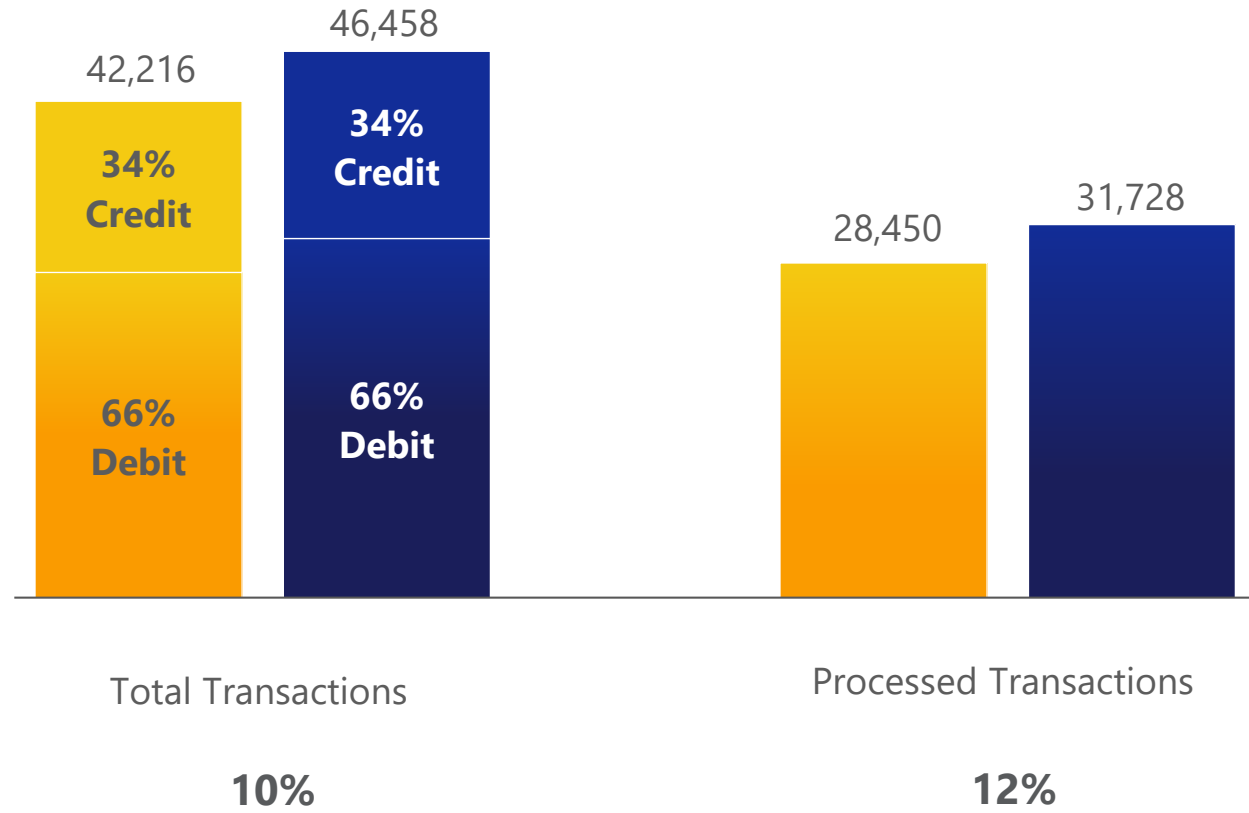
Transactions

in millions, except percentages

Quarter ended June

■ 2017

■ 2018

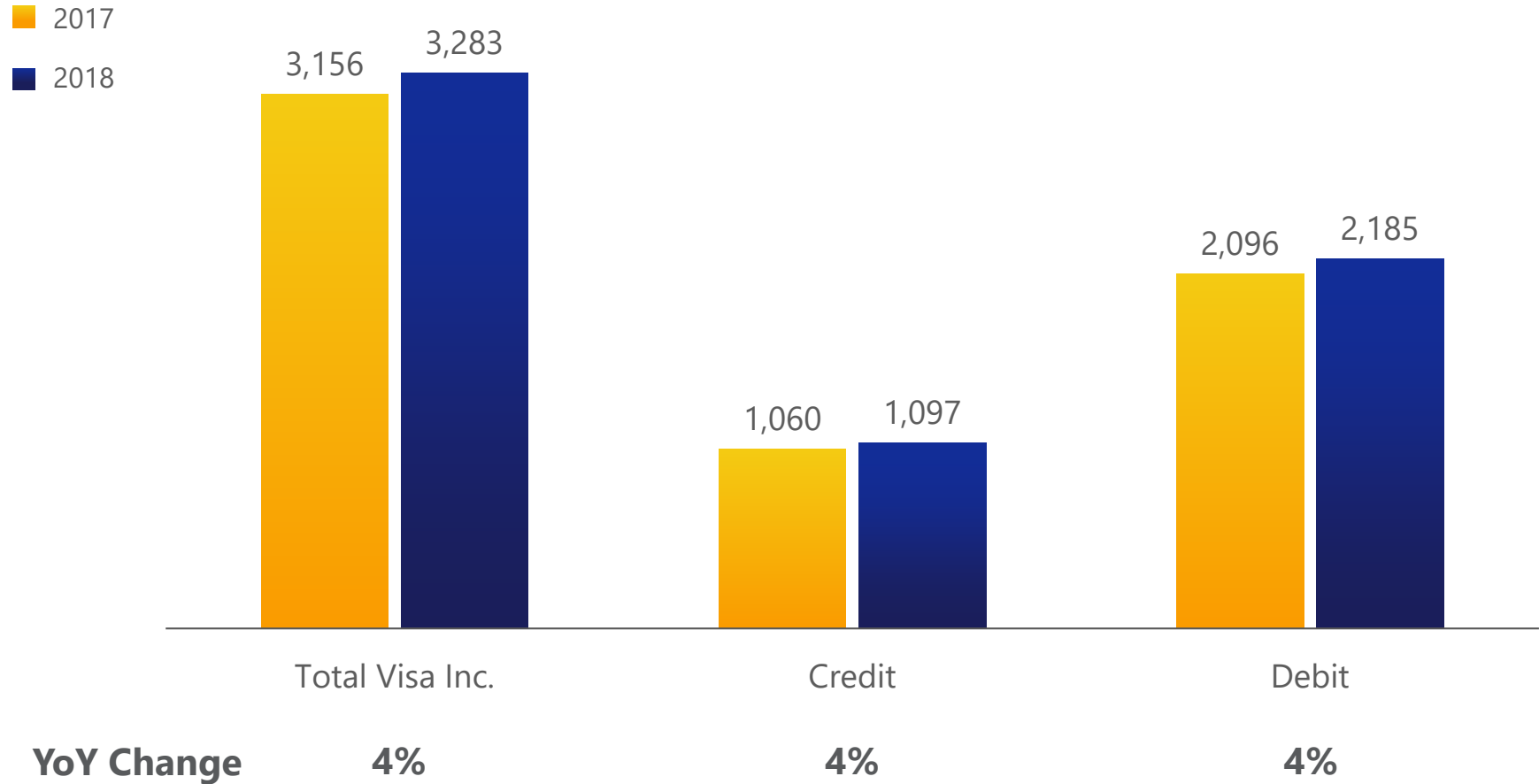


Note: Total transactions represent payments and cash transactions as reported by Visa clients on their operating certificates. On occasion, previously submitted transaction information may be updated to reflect revised client submissions or other adjustments. Prior-period updates are not material. Figures may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers. Processed transactions represent transactions involving Visa, Visa Electron, Interlink, V PAY and PLUS cards processed on Visa's networks.

Total Cards

in millions, except percentages

Quarter ended March

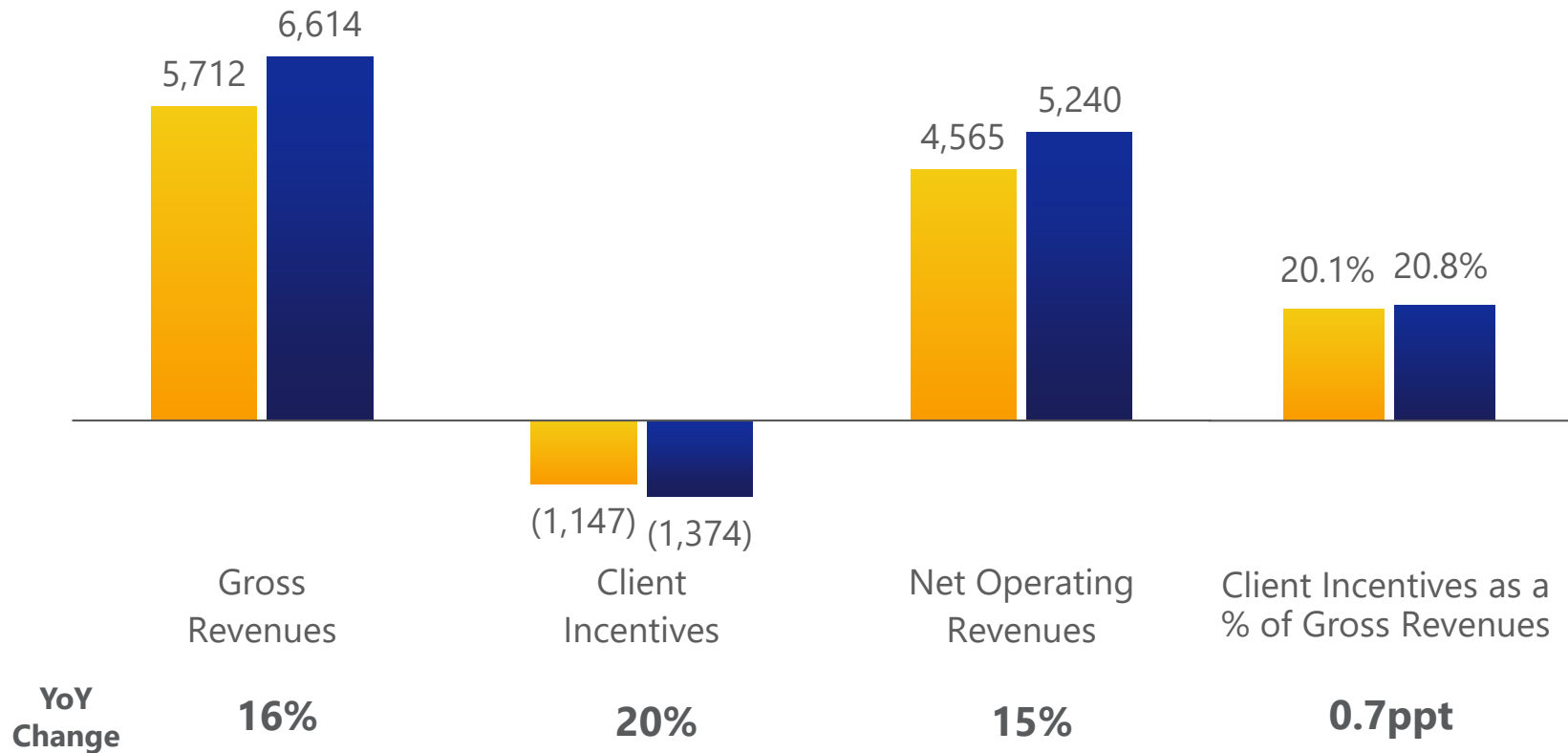


Note: The data presented is based on results reported quarterly by Visa clients on their operating certificates. Estimates may be utilized if data is unavailable. On occasion, previously submitted card information may be updated to reflect revised client submissions or other adjustments. Prior-period updates are not material. Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Revenue – Q3 2018

US\$ in millions, except percentages

■ Fiscal 2017
 ■ Fiscal 2018



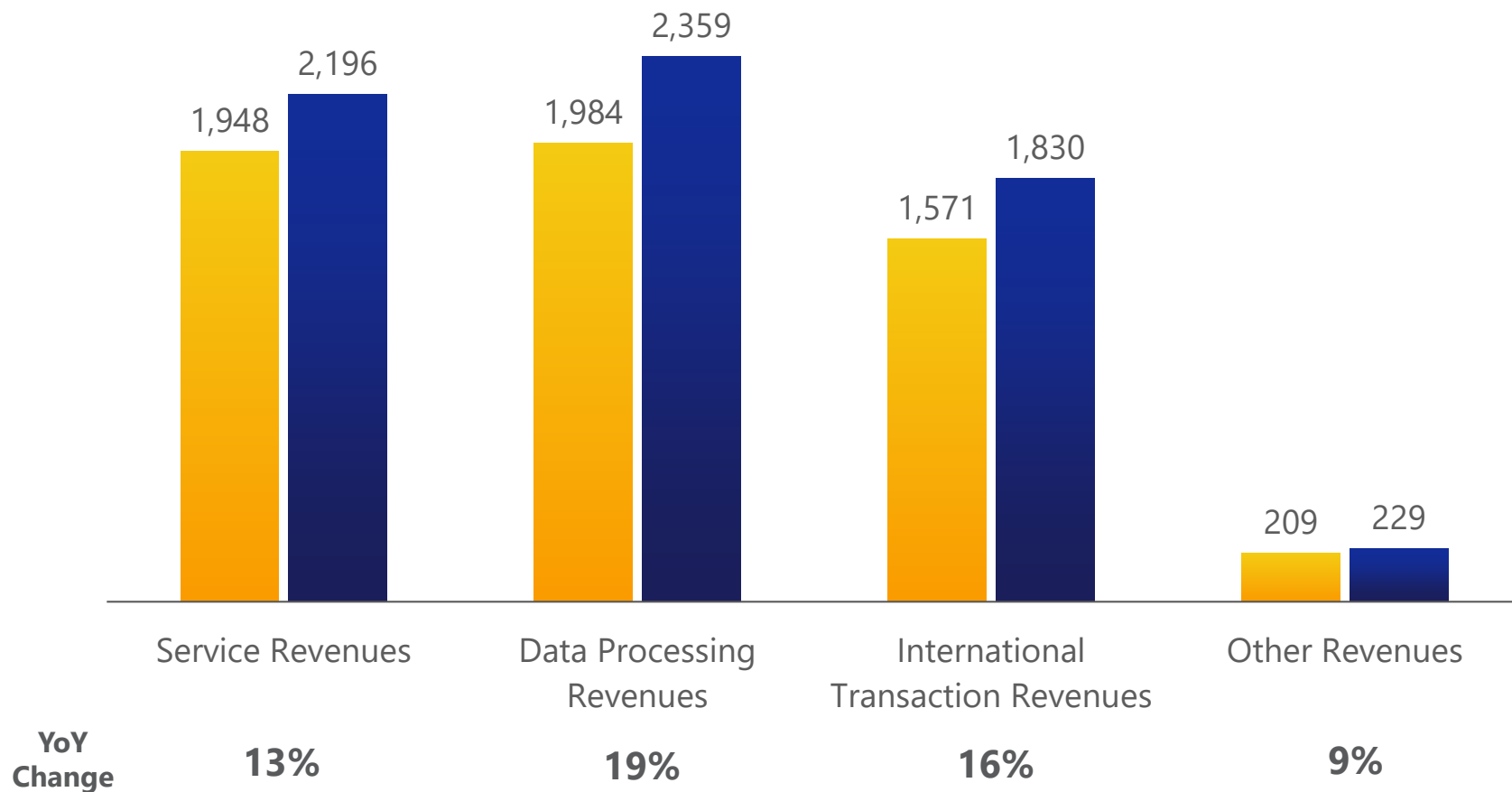
Note: Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Revenue Detail – Q3 2018

US\$ in millions, except percentages

■ Fiscal 2017

■ Fiscal 2018

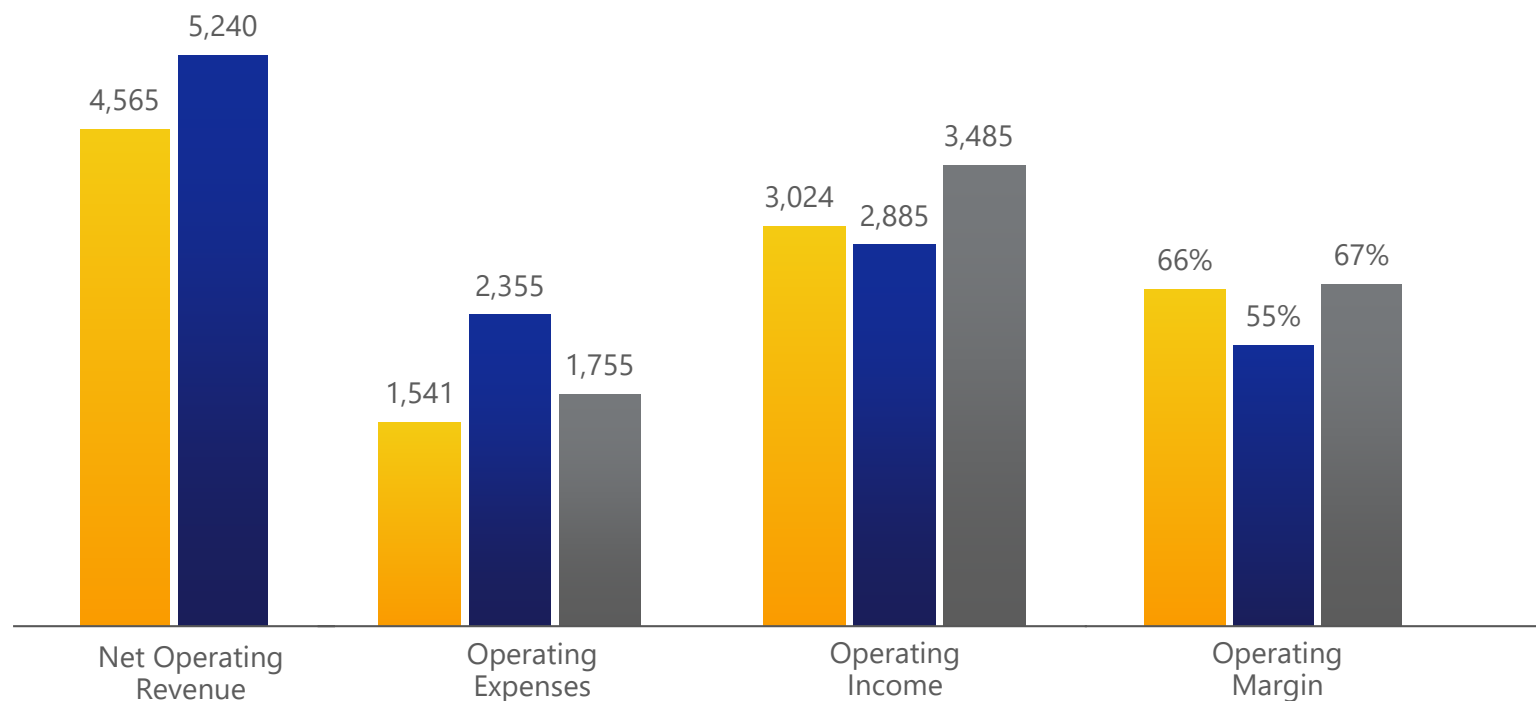


Note: Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Operating Margin – Q3 2018

US\$ in millions, except percentages

■ Reported GAAP Fiscal 2017 ■ Reported GAAP Fiscal 2018 ■ Adjusted non-GAAP Fiscal 2018



YOY Change
(Reported GAAP)

15%

53%

(5%)

(11ppts)

YOY Change
(Adjusted non-GAAP)

N/A

14%

15%

1ppt

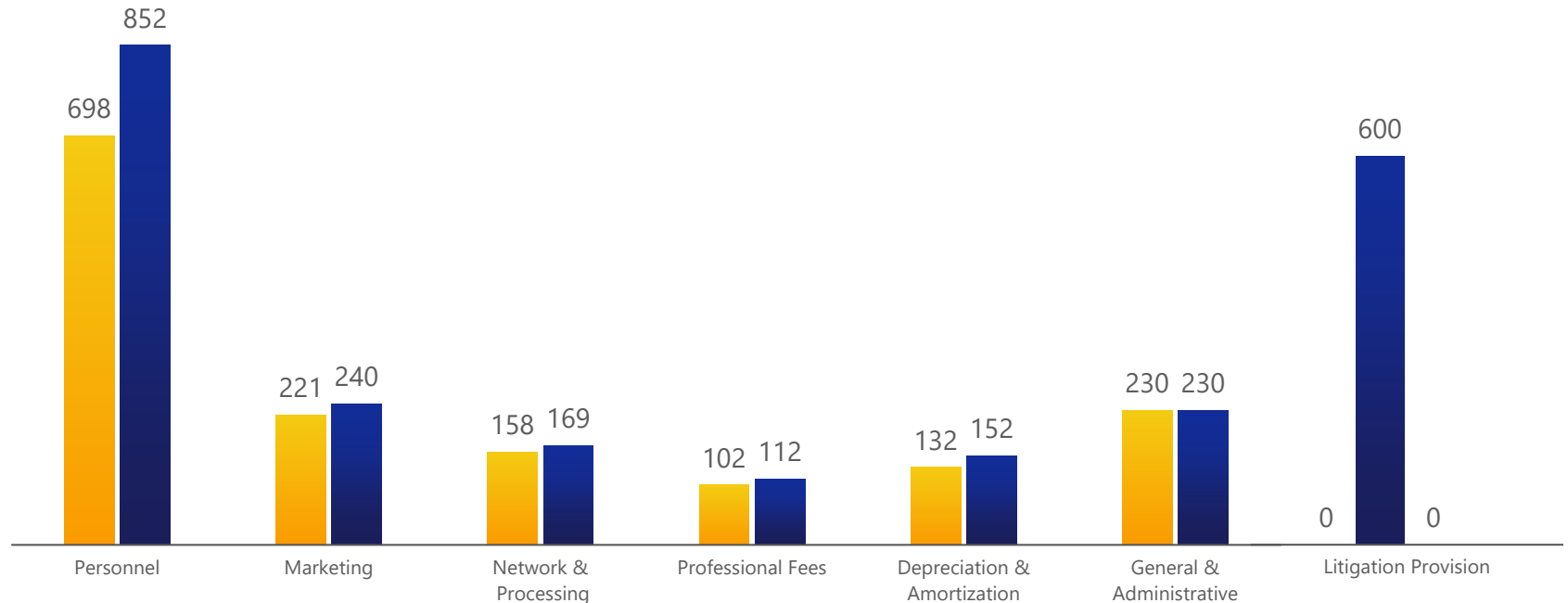
N/A – Not applicable, as there were no non-GAAP adjustments

Note: There were no comparable adjustments for third quarter of fiscal 2017. Refer to the accompanying financial tables for further details and a reconciliation of the non-GAAP measures presented. Operating margin is calculated as operating income divided by net operating revenues. Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Operating Expenses – Q3 2018

US\$ in millions, except percentages

■ Reported GAAP Fiscal 2017
 ■ Reported GAAP Fiscal 2018
 ■ Adjusted non-GAAP Fiscal 2018



YOY Change
(Reported GAAP)

22%

8%

7%

10%

16%

0%

NM

NM – Not meaningful

Note: There were no comparable adjustments for third quarter of fiscal 2017. Refer to the accompanying financial tables for further details and a reconciliation of the non-GAAP measures presented. Figures may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Other Financial Results and Highlights

- Cash, cash equivalents and available-for-sale investment securities of \$14.6 billion at June 30, 2018
- Adjusted free cash flow of \$3.5 billion for the fiscal third quarter
- Capital expenditures of \$169 million during the fiscal third quarter
- On June 28, 2018 the Company deposited \$600 million from operating cash into the litigation escrow account previously established under the U.S. retrospective responsibility plan

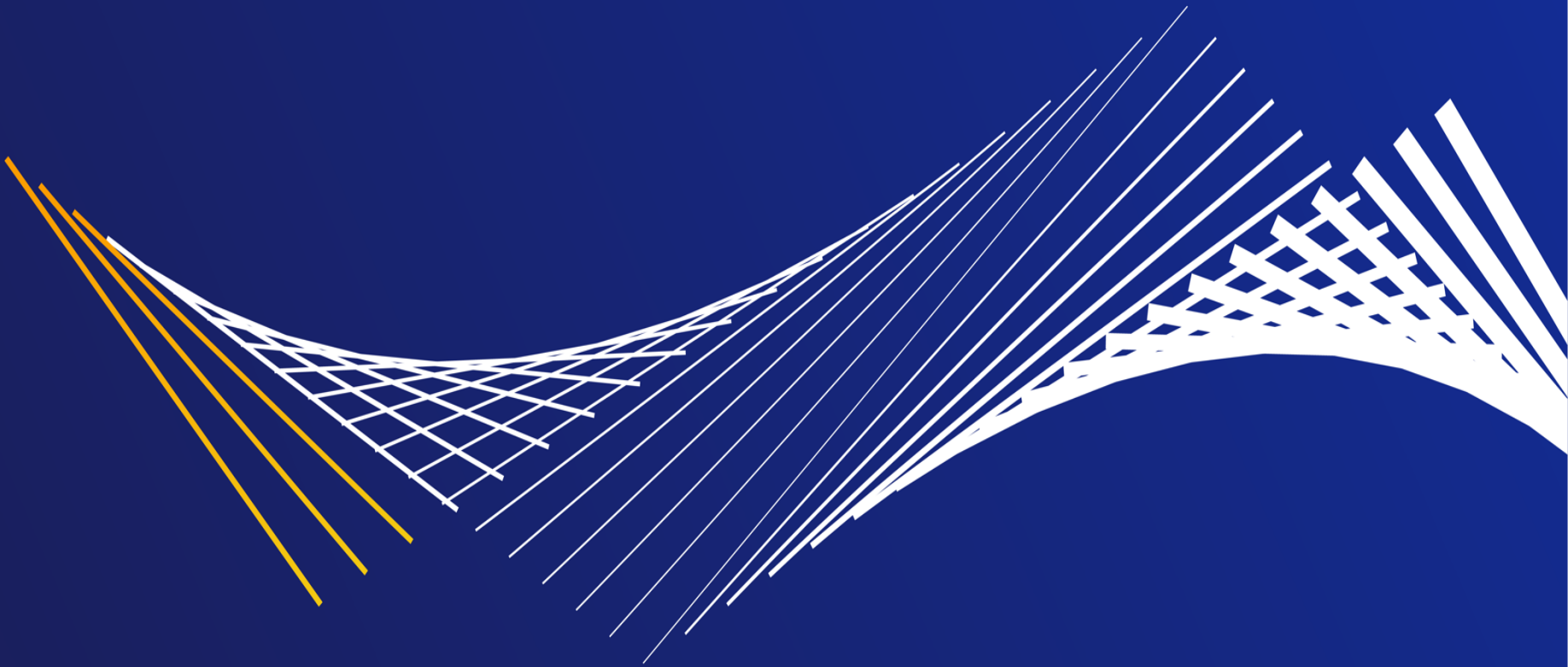
See appendix for reconciliation of adjusted free cash flow to the closest comparable U.S. GAAP financial measure.

Financial Outlook for Fiscal Full-Year 2018

Annual net revenue growth	Low double-digits on a nominal dollar basis, with approximately 1 percentage point of positive foreign currency impact
Client incentives as a percentage of gross revenues	Low end of 21.5% to 22.0% range
Annual operating expense growth	High teens on a GAAP basis and low double-digits adjusted for special items in fiscal 2017 and 2018 (see note below)
Annual operating margin	Mid-60s on a GAAP basis and high 60s adjusted for a special item in fiscal 2018
GAAP and adjusted effective tax rate	20.5% to 21.5% range, which includes a 6 percentage point reduction resulting from U.S. tax reform
Annual diluted class A common stock earnings per share growth including the impact of U.S tax reform	High 50's on a GAAP nominal dollar basis and low 30's on an adjusted, non-GAAP nominal dollar basis (see note below). Both include approximately 9 to 10 percentage points driven by U.S. tax reform and approximately 1.5 percentage points of positive foreign currency impact

Note: The financial outlook for fiscal full-year 2018 includes Visa Europe integration expenses of approximately \$60 million for the full-year. Annual operating expense growth is derived from adjusted full-year 2017 operating expenses of \$6.0 billion. Annual adjusted diluted class A common stock earnings per share growth is derived from adjusted full-year 2017 earnings per share results of \$3.48. Refer to the accompanying financial tables for further details and a reconciliation of the adjusted fiscal full-year 2017 results.

Appendix



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VISA

Calculation of Adjusted Free Cash Flow

Management believes that presentation of adjusted free cash flow is useful to measure the Company's generation of cash available to first re-invest in the business and then return excess cash to shareholders through stock buybacks and cash dividends. During the three months ended June 30, 2018, the Company generated adjusted free cash flow of \$3.5 billion, and returned \$2.2 billion to investors through stock buybacks of \$1.8 billion and dividends paid of \$487 million. During the nine months ended June 30, 2018, the Company generated adjusted free cash flow of \$8.7 billion, and returned \$6.9 billion to investors through stock buybacks of \$5.5 billion and dividends paid of \$1.4 billion. The Company defines adjusted free cash flow as cash provided by operating activities adjusted to reflect capital investments made in the business. Adjusted free cash flow is a non-GAAP performance measure and should not be relied upon as a substitute for measures calculated in accordance with U.S. GAAP. The following table reconciles as-reported net cash provided by operating activities to non-GAAP adjusted free cash flow.

<i>US\$ in millions</i>	Three Months Ended June 30, 2018	Nine Months Ended June 30, 2018
Net cash provided by operating activities	\$3,637	\$9,219
Less: capital expenditures	(169)	(523)
Adjusted free cash flow	\$3,468	\$8,696