

Visa Inc.
Form S-1/A
February 25, 2008
Table of Contents

As filed with the Securities and Exchange Commission on February 25, 2008

Registration No. 333-147296

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VISA INC.

(Exact name of Registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	7389 (Primary Standard Industrial Classification Code Number) P.O. Box 8999	26-0267673 (I.R.S. Employer Identification Number)
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San Francisco, California 94128-8999

(415) 932-2100

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Joseph W. Saunders

Chief Executive Officer and Chairman of the Board of Directors

Visa Inc.

P.O. Box 8999

San Francisco, California 94128-8999

Telephone: (415) 932-2100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Mark L. Mandel

S. Ward Atterbury

Colin J. Diamond

White & Case LLP

1155 Avenue of the Americas

New York, New York 10036

Telephone: (212) 819-8200

Facsimile: (212) 354-8113

Richard J. Sandler

Joseph A. Hall

Davis Polk & Wardwell

450 Lexington Avenue

New York, New York 10017

Telephone: (212) 450-4000

Facsimile: (212) 450-3800

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the Securities Act), check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered ⁽¹⁾	Proposed Maximum	Proposed Maximum	Amount of Registration Fee ⁽³⁾
		Offering Price Per Share	Aggregate Offering Price ⁽¹⁾⁽²⁾	
Class A common stock, par value \$0.0001 per share	446,600,000 shares	\$42.00	\$18,757,200,000	\$651,158

(1) Includes 40,600,000 shares subject to underwriters' option to purchase additional shares.

(2) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(a) promulgated under the Securities Act.

(3) Includes a \$307,000 registration fee previously paid with the initial filing of this Form S-1 on November 9, 2007.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated February 25, 2008

406,000,000 Shares

VISA INC.

Class A Common Stock

This is Visa Inc.'s initial public offering. We are offering 406,000,000 shares of our class A common stock. We expect the initial public offering price to be between \$37.00 and \$42.00 per share.

Currently, no public market exists for our class A common stock. We have applied to list our class A common stock on the New York Stock Exchange under the symbol "V". Our shares of class B and class C common stock are held by our financial institution customers, generally carry no voting rights, will not be listed and are subject to transfer restrictions. See *Description of Capital Stock*.

Investing in our class A common stock involves risks that are described in the Risk Factors section beginning on page 18 of this prospectus.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to Visa	\$	\$

To the extent that the underwriters sell more than 406,000,000 shares of class A common stock, the underwriters have the option to purchase up to an additional 40,600,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about _____, 2008.

JPMorgan
Banc of America Securities LLC **Citi** **HSBC** **Merrill Lynch & Co.** **Goldman, Sachs & Co.**
UBS Investment Bank **Wachovia Securities**

CIBC World Markets Corp. **Daiwa Securities America Inc.** **Mitsubishi UFJ Securities International plc**

Piper Jaffray **RBC Capital Markets** **SunTrust Robinson Humphrey** **Wells Fargo Securities**

The date of this prospectus is _____, 2008.

Table of Contents

Table of Contents

Table of Contents

Table of Contents**TABLE OF CONTENTS**

	Page
<u>PROSPECTUS SUMMARY</u>	1
<u>THE OFFERING</u>	7
<u>SUMMARY FINANCIAL AND OTHER DATA OF VISA INC.</u>	13
<u>RISK FACTORS</u>	18
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	40
<u>USE OF PROCEEDS</u>	41
<u>DIVIDEND POLICY</u>	41
<u>CAPITALIZATION</u>	42
<u>UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS</u>	44
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF HISTORICAL AND PRO FORMA FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VISA INC.</u>	59
<u>SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF VISA U.S.A.</u>	100
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF VISA U.S.A.</u>	102
<u>THE GLOBAL PAYMENTS INDUSTRY</u>	127
<u>BUSINESS</u>	131
<u>MANAGEMENT</u>	172
<u>PRINCIPAL STOCKHOLDERS</u>	209
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	211
<u>SHARES ELIGIBLE FOR FUTURE SALE</u>	213
<u>MATERIAL CONTRACTS</u>	215
<u>DESCRIPTION OF CAPITAL STOCK</u>	219
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-UNITED STATES HOLDERS OF OUR CLASS A COMMON STOCK</u>	231
<u>UNDERWRITING</u>	235
<u>SELLING RESTRICTIONS</u>	241
<u>LEGAL MATTERS</u>	256
<u>EXPERTS</u>	256
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	256
<u>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1

You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on our behalf. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Through and including (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This obligation is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

Table of Contents

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

The registered trademarks of Visa Inc. and its subsidiaries include: All It Takes; Bands Design Blue, White & Gold; Dove Design; Interlink; Takes Visa; PLUS; Verified by Visa; Visa; Visa Classic; Visa Corporate; Porque La Vida es Ahora; The World's Best Way to Pay; Electron; Visa Europe; Visa Fleet; Visa Infinite; Visa Mobile; VisaNet; Visa Platinum; Visa Purchasing; Visa Resolve OnLine; Visa Signature; Visa Signature Business; Visa Vale; and Winged V Design. Other trademarks used in this prospectus are the property of their respective owners.

All shares of class A common stock acquired by a Visa member, an affiliate of a Visa member or any person that is an operator, member or licensee of any general purpose payment card system that competes with us, or any affiliate of such a person, in each case to the extent acting as a principal investor, will be converted automatically into class C common stock. Under the terms of our amended and restated certificate of incorporation, class C common stock is not transferable until the third anniversary of the closing of this offering (subject to limited exceptions, including transfers to other class C shareholders) unless our board makes an exception to this transfer restriction. After this date, the class C common stock will be convertible into class A common stock only if transferred to a person that was not, immediately after our October 2007 reorganization, a Visa member, an affiliate of a Visa member or any person that is an operator, member or licensee of any general purpose payment card system that competes with us, or any affiliate of such a person. Upon such transfer, each share of class C common stock will convert into one share of class A common stock.

Table of Contents

PROSPECTUS SUMMARY

You should read the following summary together with the rest of this prospectus, including the more detailed information in the financial statements and the unaudited pro forma condensed combined statement of operations and related notes, and the section entitled Risk Factors, before you decide to invest.

The Company

Visa operates the world's largest retail electronic payments network and manages the world's most recognized global financial services brand. We have more branded credit and debit cards in circulation, more transactions and greater total volume than any of our competitors. We facilitate global commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses and government entities. We provide financial institutions, our primary customers, with product platforms encompassing consumer credit, debit, prepaid and commercial payments. VisaNet, our secure, centralized, global processing platform, enables us to provide financial institutions and merchants with a wide range of product platforms, transaction processing and related value-added services. Based on the size of our network, the strength of the Visa brand and the breadth and depth of our products and services, we believe we are the leading electronic payments company in the world.

Our business primarily consists of the following:

we own a family of well known, widely accepted payment brands, including Visa, Visa Electron, PLUS and Interlink, which we license to our customers for use in their payment programs;

we manage and promote our brands for the benefit of our customers through advertising, promotional and sponsorship initiatives and by encouraging card usage and merchant acceptance;

we offer a wide range of branded payments product platforms, which our customers use to develop and offer credit, debit, prepaid and cash access programs for cardholders (individuals, businesses and government entities);

we provide transaction processing services (primarily authorization, clearing and settlement) to our customers through VisaNet, our secure, centralized, global processing platform;

we provide various other value-added services to our customers, including risk management, debit issuer processing, loyalty services, dispute management and value-added information services;

we develop new products and services to enable our customers to offer efficient and effective payment methods to their cardholders and merchants; and

we adopt and enforce a common set of rules adhered to by our customers to ensure the efficient and secure functioning of our payments network and the maintenance and promotion of our brands.

Table of Contents

The following charts show a comparison of total volume and total transactions relative to our major competitors for the 2006 calendar year:

Source: The Nilson Report, issue 874 (February 2007) and issue 877 (April 2007).

Note: Excludes Visa Europe based on internal Visa data. Total volume is the sum of payments volume and cash volume. Payments volume is the total monetary value of transactions for goods and services that are purchased. Cash volume generally consists of cash access transactions, balance access transactions, balance transfers and convenience checks. Total transactions for Visa represent transactions involving our cards as reported by our customers and includes transactions that are not processed on our VisaNet processing system.

We derive revenues primarily from card service fees, data processing fees and international transaction fees. We do not issue cards, set fees or determine interest rates that cardholders are charged for use of their cards. Our unaudited operating revenues were \$1.5 billion for the three months ended December 31, 2007 and our unaudited pro forma operating revenues were \$1.2 billion for the three months ended December 31, 2006. Our unaudited net income was \$424 million for the three months ended December 31, 2007 and our unaudited pro forma net income was \$249 million for the three months ended December 31, 2006. Our unaudited non-U.S. operating revenues, based on the location of our financial institution customers, were \$568 million for the three months ended December 31, 2007, representing 38% of our total operating revenues for that period. Our non-U.S. pro forma operating revenues were \$373 million for the three months ended December 31, 2006, representing 32% of our total pro forma operating revenues for that period.

Our unaudited pro forma operating revenues were \$5.2 billion and \$3.9 billion for the fiscal years ended September 30, 2007 and 2006, respectively. Our unaudited pro forma net loss was \$861 million in fiscal 2007 (which included the effect of a \$1.9 billion litigation provision related to settlement of outstanding litigation with American Express and a \$650 million litigation provision related to the Discover litigation) and our unaudited pro forma net income was \$453 million in fiscal 2006. Our pro forma non-U.S. operating revenues, based on the location of our financial institution customers, were \$1.8 billion and \$1.1 billion for fiscal 2007 and 2006, respectively, representing 34% and 29% of our total pro forma operating revenues for those periods.

Table of Contents

Our Market Opportunity

Visa operates in the global payments industry, which is undergoing a major shift from paper-based payments, such as cash and checks, to card-based and other electronic payments. This shift has driven significant growth in card-based payments globally. According to The Nilson Report, global card purchase transactions grew at a compound annual growth rate, or CAGR, of 14% over the period from 2000 to 2006. The Nilson Report forecasts global card purchase transactions to increase at a CAGR of 11% from 2006 to 2012, with particularly strong growth in Asia/Pacific, Latin America and Middle East/Africa:

Total Transactions (billions)

Source: The Nilson Report, issue 866 (October 2006) and issue 885 (August 2007).

We believe that consumers are increasingly attracted to the convenience, security, enhanced services and rewards associated with electronic payments. We also believe that corporations and governments are shifting to electronic payments to improve efficiency, control and security, and that a growing number of merchants are accepting electronic payments to improve sales and customer convenience. Recent innovations such as contactless cards and mobile payments are also increasing the attractiveness of electronic payments. We believe this shift to electronic payment forms is a worldwide phenomenon; however, in many developing countries, it is at an early stage and will be accelerated by rising incomes, globalization of commerce and increased travel. We believe these trends represent a substantial growth opportunity for the global payments industry.

Table of Contents

Our Competitive Strengths

We believe our competitive strengths include the following:

World's Largest Payments Network. We operate the world's largest retail electronic payments network. Visa-branded cards are accepted in more than 170 countries around the world. We have more branded credit and debit cards in circulation, more transactions and greater total volume than any of our competitors. We believe that merchants, cardholders and our financial institution customers benefit from the Visa cardholder base, which is the largest in the world, and our merchant acceptance network, which is unsurpassed globally.

Leading Global Brand. Visa is the world's most recognized global financial services brand. We believe merchants, consumers and our financial institution customers associate our brand with trust, security, reliability, efficiency, convenience and empowerment. Our deep base of local market knowledge enables us to tailor our product and marketing programs to the particular needs of specific geographies. We believe that the strength of our brand enables us to increase card usage in existing and new market segments, develop and offer innovative payment products and services and enhance the utility of our payments network for all participants.

Scalable and Unique Global Payments Processing Platform. We own and operate VisaNet, our secure, centralized, global processing platform. Unlike the processing platforms of some of our primary competitors, VisaNet is built on a centralized architecture rather than a distributed architecture, which enables us to provide real-time, value-added information to our customers. In addition, our centralized processing platform provides us the flexibility to develop, modify and enhance our products and services efficiently. VisaNet is highly reliable and processed more than 81 billion authorization, clearing and settlement requests in the 12 months ended December 31, 2007. We believe that the operating efficiencies that result from the scale of our processing network provide us with a significant cost advantage over our competitors.

Comprehensive Payment Products and Services. We provide our financial institution customers with a comprehensive suite of electronic payment products and services. Our product platforms encompass credit, debit, cash access and prepaid products for consumers, businesses and governments. These product platforms enable our customers to develop and customize their own payment programs to meet the needs of their cardholders and merchants. We also offer our customers issuer processing to support our debit and prepaid platforms, and we are the largest issuer processor of Visa debit transactions in the world. Additionally, we offer a broad range of value-added services such as risk management, loyalty services, dispute management and value-added information services, which are enabled by our secure, centralized, global processing platform.

Established and Long-Standing Customer Relationships. We have long-standing relationships with the majority of our customers and long-term contracts with many of our major customers, which provide us with a significant level of business stability. More than two-thirds of our financial institution customers have been our customers for longer than 10 years. We believe that our many years of close cooperation with our customers in developing new products, processing capabilities and value-added services have enabled us to establish strong relationships. By virtue of these relationships, we believe we are well-positioned to continue developing new products and services that anticipate the evolving needs of our customers.

Table of Contents

Our Strategy

We seek revenue and profit growth by expanding our core payments business in new and established geographies and market segments, as well as by broadening our processing capabilities and value-added service offerings for payments and related opportunities. The key components of our strategy include:

Expand Our Network. We will continue to use an integrated product strategy to increase our share of business with our existing financial institution customers and to build relationships with new customers. Merchants are important to the growth of our business, and we seek to increase the value we bring to them in order to increase merchant acceptance and preference for Visa. We also seek to grow our network by encouraging active cardholder preference for Visa through continual improvement of the convenience, value and security of our products. By focusing on expanding the number of merchants and cardholders in our network, we increase the value we provide to our financial institution customers.

Expand into New and High Growth Geographies and Market Segments. We will continue to globalize our product and service offerings and to expand acceptance of our core products in new and high growth geographies and market segments, including new consumer and merchant segments in our established markets. We believe there is a significant opportunity to expand the usage of our products and services in high growth geographies in which we currently have a presence, such as the Asia Pacific, Latin America and Caribbean, and Central and Eastern Europe, Middle East and Africa regions. We have introduced a full suite of product platforms and value-added processing services that enable our customers to drive Visa products to a wide range of consumers and businesses. We will also continue to expand Visa acceptance in merchant segments that have traditionally not accepted electronic payments, such as quick-service restaurants and bill payment merchants.

Develop and Offer Innovative Products and Services. We will continue to provide new products and services and increase the functionality, utility and cost-effectiveness of our existing products and services. VisaNet provides flexibility to quickly customize current offerings and rapidly develop, deploy and drive adoption of new products and services. We will continue to upgrade or modify existing products to take advantage of market opportunities and generate growth. We also intend to continue making significant investments in new technologies to strengthen our position in emerging forms of payment, including contactless and mobile devices. In addition, we will continue to introduce value-added processing services, which we believe increase network utility.

Strengthen and Grow Visa's Brand Leadership. We will continue to invest in order to maintain Visa's position as the world's most recognized global financial services brand. We will focus on a combination of integrated global and local investments to increase consumer and business brand awareness. We will seek to maximize return on our investment by optimizing the mix of spending across our media channels, sponsorships, co-brand relationships and other marketing properties.

The Recent Reorganization

We completed a reorganization in October 2007. Prior to our reorganization, Visa operated as five corporate entities related by ownership and membership: Visa U.S.A., Visa International (comprising the operating regions of Asia Pacific (AP), Latin America and Caribbean (LAC), and Central and Eastern Europe, Middle East and Africa (CEMEA)), Visa Canada, Visa Europe and Inovant, which operated the VisaNet transaction processing system and other related processing systems. Each of Visa U.S.A., Visa Canada, Visa Europe, Visa AP, Visa LAC and Visa CEMEA operated as a separate geographic region, serving its member financial institutions and administering Visa programs in its respective region.

Table of Contents

In order to respond to industry dynamics and enhance Visa's ability to compete, Visa undertook a reorganization in which Visa U.S.A., Visa International, Visa Canada and Inovant became direct or indirect subsidiaries of Visa Inc., a Delaware stock corporation. Visa Europe did not become a subsidiary of Visa Inc., but rather remained owned by its member financial institutions and entered into a set of contractual arrangements with Visa Inc. in connection with the reorganization. In the reorganization, we issued different classes and series of shares reflecting the different rights and obligations of Visa financial institution members and Visa Europe based on the geographic region in which they are located.

We believe that the reorganization provides us with several significant strategic benefits. It allows us to increase our operational efficiency and enhances our ability to deliver more innovative products and services to financial institutions, merchants and cardholders on a global basis. The reorganization allows us to centralize and streamline our strategy and decision making. We also believe that the reorganization and this offering will enable us to facilitate a common, global approach, where appropriate, to the legal, regulatory and competitive issues arising in today's marketplace. At the same time, we believe that the reorganization preserves and reinforces the advantages that have made Visa the largest retail electronic payments network in the world.

Recent Developments

On February 21, 2008, pursuant to our retrospective responsibility plan described under *Business Retrospective Responsibility Plan*, the litigation committee determined that the escrow amount should be established at \$3.0 billion. This amount will be deposited in an escrow account promptly following, and contingent upon, the completion of this offering. In accordance with the terms of the retrospective responsibility plan, settlements of, or judgments in, covered litigation will be payable from this account. See *Note 5 Retrospective Responsibility Plan* to our consolidated financial statements as of and for the three months ended December 31, 2007. For the quarter ended March 31, 2008, we currently expect to record an additional litigation provision of approximately \$285 million related to the covered litigation, which will be recorded as a charge against income. The determination to record this additional provision is based on management's present understanding of its litigation profile and the specifics of each case, and takes into account the determination of the litigation committee. See *Management's Discussion and Analysis of Historical and Pro Forma Financial Condition and Results of Operations of Visa Inc. Liquidity and Capital Resources Uses of Liquidity Litigation*.

Risks Affecting Us

Our business is subject to numerous risks and uncertainties, including, but not limited to, those arising from regulatory scrutiny, legal proceedings seeking substantial damages, competitive and economic factors, and operational breakdowns. You should carefully consider all of the information set forth in this prospectus and, in particular, the information under the heading *Risk Factors*, prior to making an investment in our common stock.

Corporate Information

The address for our principal executive office is P.O. Box 8999, San Francisco, California 94128-8999, and our telephone number is (415) 932-2100. Our web site address is www.visa.com. This is a textual reference only. The information on, or accessible through, our website is not part of this prospectus.

Table of Contents**THE OFFERING**

Common stock offered 406,000,000 shares of class A common stock

Option to purchase additional shares 40,600,000 shares of class A common stock

Common stock outstanding after this offering In connection with our October 2007 reorganization and in order to implement our retrospective responsibility plan, we issued different classes and series of shares reflecting the different rights and obligations of Visa financial institution members and Visa Europe based on the geographic region in which they are located.

Class A common stock is being offered to the public pursuant to this prospectus. Class B common stock is held by financial institution customers that are members of Visa U.S.A. Class C (series I) common stock is held by financial institution customers that are associated with Visa Canada and our AP, LAC and CEMEA regions. Class C (series II, III and IV) common stock is held by Visa Europe.

We created a multi-class structure in order to: (i) allow stockholder decisions generally to be made by, and a majority of our board of directors to consist of independent directors elected by, our class A stockholders and not by our financial institution customers that hold our class B and class C common stock; and (ii) implement a key principle of the retrospective responsibility plan, which is that liability for certain litigation, which we refer to as the covered litigation, would remain with the members of Visa U.S.A., as holders of our class B common stock through adjustments to the conversion rate for such stock.

A portion of our class B and class C common stock is subject to mandatory redemption pursuant to our amended and restated certificate of incorporation. We intend to redeem 123,216,659 shares of class B common stock and 143,037,934 shares of class C (series I) common stock following the completion of this offering, assuming no exercise of the underwriters' option to purchase additional shares. See *Use of Proceeds*.

Giving effect to these redemptions, the number of shares outstanding and the number of shares of class A common stock issuable upon conversion of the class B and class C common stock immediately following this offering would be:

Common Stock	Immediately Following this Offering	
	Shares Outstanding	Class A Common Stock Outstanding or Issuable Upon Conversion of Class B and Class C Common Stock
Class A	406,000,000	406,000,000
Class B	277,035,213	198,777,235
Class C (series I, III and IV) ⁽¹⁾	203,885,689	203,885,689
Class C (series II) ⁽²⁾	79,748,846	

Total	966,669,748	808,662,924
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Table of Contents

- (1) Includes 31,592,881 shares of class C (series III) common stock that will be redeemed in October 2008 as described below.
- (2) Class C (series II) common stock is not convertible into class A common stock upon completion of this offering.

In the table above, the number of shares of class A common stock issuable upon the conversion of class B and class C common stock gives effect to the adjustment to the conversion rate of the class B common stock in connection with the establishment of the escrow fund as contemplated by our retrospective responsibility plan. See *Use of Proceeds* and *Business Retrospective Responsibility Plan*. Following the redemptions described above, the holders of our class A common stock will own an approximate 50.2% economic interest in our outstanding capital stock. The redemptions will not generally affect voting power due to the limited voting rights of our class B and class C common stock.

We intend to redeem in October 2008 all class C (series II) common stock and 31,592,881 shares of class C (series III) common stock, after which all remaining class C (series III) and class C (series IV) common stock will automatically convert into class C (series I) common stock on a one-to-one basis. Following these redemptions, the holders of our class A common stock will own an approximate 52.2% economic interest in our outstanding capital stock. These redemptions will also not generally affect voting power due to the limited voting rights of our class B and class C common stock. Giving pro forma effect to the transactions described above and the October 2008 redemption and subsequent conversion as if each occurred promptly following the closing of this offering, the number of shares outstanding and the number of shares of class A common stock issuable upon the conversion of the class B and class C common stock would be:

Common Stock	Pro Forma October 2008	
	Shares Outstanding	Class A Common Stock Outstanding or Issuable Upon Conversion of Class B and C Common Stock
Class A	406,000,000	406,000,000
Class B	277,035,213	198,777,235
Class C	172,292,807	172,292,807
Total	855,328,020	777,070,042

The October 2008 pro forma amounts in the table above and the percentage economic interest of our class A common stock do not give effect to any issuance of shares of class A common stock or other securities, including issuances under our equity compensation plan, or any repurchases of common stock that we may effect, after this offering.

Use of proceeds

We estimate that the net proceeds to us from this offering will be approximately \$15.6 billion, or \$17.1 billion if the underwriters exercise their option to purchase additional shares in full, assuming an

Table of Contents

initial public offering price of \$39.50 per share (the midpoint of the range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses.

We intend to deposit \$3.0 billion into an escrow account from which settlements of, or judgments in, the covered litigation described under *Business Retrospective Responsibility Plan* will be payable.

Following the completion of this offering, we intend to use \$10.2 billion of the net proceeds to redeem 123,216,659 shares of class B common stock and 143,037,934 shares of class C (series I) common stock, assuming no exercise of the underwriters' option to purchase additional shares.

We will use the balance of the net proceeds for general corporate purposes, which may include funding the \$1.146 billion aggregate redemption price for all of the class C (series II) common stock, which we intend to redeem in 2008, and the \$1.2 billion aggregate redemption price for 31,592,881 shares of class C (series III) common stock, which we will be required to redeem in October 2008 in accordance with our amended and restated certificate of incorporation.

In the event the underwriters exercise all or a portion of their option to purchase an additional 40,600,000 shares of class A common stock, we intend to redeem additional shares of class B common stock and class C (series I) common stock following such exercise, in which case we would also redeem additional shares of class C (series III) common stock in October 2008. The number of shares of class B common stock, class C (series I) common stock and class C (series III) common stock that would be redeemed would depend upon the number of additional shares of class A common stock issued pursuant to any such exercise, and would be proportional to the number of shares of the applicable class being redeemed in the absence of any such exercise.

Sale and transfer restrictions on class B and class C common stock

The class B common stock is not transferable until the later of the third anniversary of the closing of this offering and the date on which all of the covered litigation has been finally resolved, which we refer to as the escrow termination date, although our board of directors may make exceptions to this transfer restriction after resolution of all covered litigation.

The class C common stock is not transferable until the third anniversary of the closing of this offering, although our board of directors may make exceptions to this transfer restriction.

These transfer restrictions are subject to limited exceptions, including transfers to another holder of the same class of each respective security.

Table of Contents

<p>Conversion of class B and class C common stock</p>	<p>After termination of the restrictions on transfer described above, the class B or class C common stock will be convertible into class A common stock if transferred to a person that was not, immediately after the reorganization, a Visa member. Upon such transfer, each share 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. In the event that class B or class C common stock is transferred and converts into class A common stock, it will have the effect of diluting the voting power of our existing holders of class A common stock.</p> <p>After giving effect to the application of the proceeds of this offering, the conversion rate applicable to each share of class B common stock will be 0.72 shares of class A common stock per share of class B common stock (based on the midpoint of the range set forth on the cover of this prospectus less underwriting discounts and commissions) and the conversion rate applicable to each share of class C common stock will be one-to-one, in each case subject to adjustments for stock splits, stock dividends, recapitalizations and similar transactions. In the event the underwriters exercise in full their option to purchase additional shares of class A common stock, the applicable conversion rate for each share of class B common stock would adjust to 0.69 shares of class A common stock per share of class B common stock (based on the midpoint of the range set forth on the cover of this prospectus less underwriting discounts and commissions). In connection with our retrospective responsibility plan, the conversion rate applicable to our class B common stock may be subject to further dilutive adjustments to the extent of any future issuances of class A common stock to increase the size of the escrow account, which we refer to as loss shares. If, following the escrow termination date, any funds remain in the escrow account, such funds will be released back to us and the conversion rate of the class B common stock will be adjusted so that each share of class B common stock then outstanding becomes convertible into an increased number of shares of class A common stock, which in turn will result in dilution of the interest in Visa Inc. held by the holders of class A common stock. The amount of such dilution will depend on the amount, if any, of the funds released from the escrow account and the market price of our class A common stock at the time such funds are released. See <i>Description of Capital Stock Conversion</i>.</p>
<p>Retrospective responsibility plan; adjustment of conversion rate of class B common stock</p>	<p>Our retrospective responsibility plan is designed to address potential liabilities arising from the covered litigation. We developed our capital structure to implement a key principle of the retrospective responsibility plan, which is that liability for the covered litigation would remain with the members of Visa U.S.A. Pursuant to the retrospective responsibility plan, following the closing of this offering</p>

Table of Contents

we will establish the escrow account referred to above from which settlements of, or judgments in, the covered litigation will be payable. The class B common stock that is retained by Visa U.S.A. members and not redeemed out of the net proceeds of this offering will be diluted to the extent of the initial amount of the escrow account through an adjustment to the conversion rate. As a result, after giving effect to the application of the proceeds of this offering the conversion rate applicable to each share of class B common stock will be 0.72 shares of class A common stock per share of class B common stock (based on the midpoint of the range set forth on the cover of this prospectus). After the closing of this offering, we may conduct additional sales of loss shares in the form of class A common stock in order to increase the size of the escrow account under certain circumstances, in which case the conversion rate of the class B common stock will be subject to additional dilutive adjustments to the extent of the proceeds from those sales. See *Business Retrospective Responsibility Plan* and *Description of Capital Stock Conversion*.

Underwriter lock-up agreements

We, and our officers and directors, have agreed that we and they will not, without the prior written consent of J.P. Morgan Securities Inc. and Goldman, Sachs & Co., subject to certain exceptions, offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable for our common stock for a period of 180 days after the date of this prospectus.

In addition, we have agreed that our board of directors will not waive any of the transfer restrictions described under *Sale and transfer restrictions on class B and class C common stock* during such 180-day period.

Voting rights

Each share of class A common stock will entitle its holder to one vote.

Holders of class B and class C common stock will not have voting rights, except in the case of certain extraordinary transactions and as may be required under Delaware law. In those cases, each share will entitle its holder to vote on an as-converted basis, which means that each holder will be entitled to a number of votes equal to the number of shares of class B or class C common stock held multiplied by the applicable conversion rate.

Dividend rights

Holders of class A, class B and class C common stock are entitled to share ratably in dividends or distributions paid on the common stock, on an as-converted basis in the case of class B and class C common stock.

Dividend policy

Following this offering and subject to legally available funds, we currently intend to pay a quarterly dividend, in cash, at an annual rate

Table of Contents

initially equal to \$0.42 per share of class A common stock (representing a quarterly rate initially equal to \$0.105 per share) commencing with the quarter ended June 30, 2008. Our class B and class C common stock will share ratably on an as-converted basis in such dividends. The declaration and payment of any dividends will be at the sole discretion of our board of directors after taking into account various factors, including our financial condition, operating results, capital requirements, covenants in our debt instruments and other factors that our board deems relevant.

Risk factors See *Risk Factors* beginning on page 18 of this prospectus for a discussion of risks you should carefully consider before deciding to invest in the class A common stock.

Proposed New York Stock Exchange Symbol V

The class A common stock outstanding after this offering excludes 59,000,000 shares reserved for issuance under our 2007 Equity Incentive Plan. This amount includes the following securities that we intend to grant to our directors and employees immediately following the pricing of this offering: (1) options to purchase 10,560,870 shares with an exercise price equal to the initial public offering price, (2) 670,799 restricted stock units, and (3) 1,373,998 shares of restricted stock. The shares of restricted stock will be issued and outstanding immediately following the pricing of this offering. Of these grants, our directors and officers will receive options to purchase 2,501,890 shares, 24,606 restricted stock units and 100,425 shares of restricted stock.

The estimated number of options, restricted stock and restricted stock units to be granted is calculated using the midpoint of the range set forth on the cover of this prospectus and, in the case of option grants, the Black-Scholes valuation model. These amounts are subject to adjustment based on the final public offering price and in the case of option grants adjustments for other assumptions used in the Black-Scholes valuation model. See *Management Compensation Discussion and Analysis Executive Compensation Components Long-Term Incentive Compensation Visa Inc. 2007 Equity Incentive Compensation Plan*.

Except as otherwise indicated, all information contained in this prospectus:

assumes an initial public offering price of \$39.50 per share of class A common stock (the midpoint of the range set forth on the cover of this prospectus); and

assumes no exercise by the underwriters of their right to purchase up to an additional 40,600,000 shares.

Table of Contents**SUMMARY****FINANCIAL AND OTHER DATA OF VISA INC.**

In October 2007, we completed a reorganization in which Visa U.S.A., Visa International, Visa Canada and Inovant became direct or indirect subsidiaries of Visa Inc. Prior to the three months ended December 31, 2007, there was no historical combined statement of operations of Visa Inc. because Visa Inc. did not have any operations prior to the reorganization. The pro forma statements of operations data set forth below for fiscal 2007 and for the three months ended December 31, 2006 give effect to the reorganization as if it had occurred on October 1, 2006. The pro forma statements of operations data set forth below for fiscal 2006 give effect to the reorganization as if it had occurred on October 1, 2005. These pro forma statements of operations data have been prepared in accordance with Statement of Financial Accounting Standards, or SFAS, No. 141, *Business Combinations*. See *Note 3 The Reorganization* to the audited consolidated balance sheet of Visa Inc. at October 1, 2007 and *Note 3* to the consolidated financial statements of Visa Inc. at and for the three months ended December 31, 2007 and 2006 included elsewhere in this prospectus.

The pro forma and other data set forth below should be read in conjunction with the information under *Management's Discussion and Analysis of Historical and Pro Forma Financial Condition and Results of Operations of Visa Inc.*, the consolidated financial statements of Visa Inc., Visa U.S.A. and Visa International, and *Unaudited Pro Forma Condensed Combined Statement of Operations*, included elsewhere in this prospectus.

	Actual Visa Inc.		Pro Forma Visa Inc.	
	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006	Fiscal Year 2007	Fiscal Year 2006
	(unaudited)		(unaudited)	
	(in millions, except percentages)			
Statements of Operations Data:				
Operating revenues:				
Service fees ⁽¹⁾	\$ 732	\$ 577	\$ 2,582	\$ 2,060
Data processing fees	492	377	1,659	1,411
Volume and support incentives	(250)	(136)	(714)	(890)
International transaction fees	381	247	1,193	911
Other revenues	133	108	473	410
Total operating revenues	\$ 1,488	\$ 1,173	\$ 5,193	\$ 3,902
Operating expenses:				
Personnel	283	273	1,159	1,009
Network, EDP and communications	133	118	517	475
Advertising, marketing, and promotion	210	205	1,075	864
Professional and consulting fees	98	101	552	418
Administrative and other	78	81	353	410
Litigation provision ⁽²⁾		2	2,653	23
Total operating expenses	\$ 802	\$ 780	\$ 6,309	\$ 3,199
Operating income (loss)	686	393	(1,116)	703
Other (expense) income:				
Interest expense	(45)	(23)	(97)	(104)
Investment income, net	41	40	197	136
Other, net	1		8	
Total other (expense) income	(3)	17	108	32
Income (loss) before income taxes	683	410	(1,008)	735
Income tax (benefit) expense ⁽³⁾	259	161	(147)	282

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Net (loss) income	\$ 424	\$ 249	\$ (861)	\$ 453
Other Financial Data:				
Depreciation and amortization	\$ 62	\$ 55	\$ 228	\$ 228

Table of Contents

- (1) Service fees in a given quarter are assessed based on payments volume in the prior quarter. Payments volume data for the 12-month period ending June 30 is used as the basis for recording service fees for the fiscal year ending September 30. See *Statistical Data* in the table below.
- (2) In November 2007, Visa U.S.A. settled the American Express litigation matter for total maximum payments of approximately \$2.1 billion, as described in *Note 20 Legal Matters* to the Visa U.S.A. fiscal 2007 consolidated financial statements included elsewhere in this prospectus. The present value of this obligation of \$1.9 billion was recorded in fiscal 2007.
- (3) The pro forma statements of operations data presented above do not reflect our loss of eligibility for a California special deduction. The State of California, where Visa U.S.A. and Visa International are headquartered, historically has not taxed a substantial portion of the reported income of these companies on the basis that both operate on a cooperative or mutual basis and therefore are eligible for a special deduction. As taxpayers eligible for the special deduction, Visa U.S.A. and Visa International were generally only subject to California taxation on interest and investment income. Therefore, the majority of each company's income has not historically been taxed in California. As a result of this offering and consequent ownership by parties other than our financial institution customers, we will no longer be eligible to claim the special deduction. Had ineligibility for the special deduction been reflected at the beginning of each period presented in our actual and pro forma condensed combined statements of operations, our income tax benefit would decrease and net loss would increase by approximately \$31 million in fiscal 2007 and our income tax expense would increase and net income would decrease by approximately \$10 million for the three months ended December 31, 2007. Income tax expense would increase and net income would decrease by approximately \$16 million in fiscal 2006 and approximately \$9 million for the three months ended December 31, 2006.

	Pro Forma Visa Inc.			
	Three Months Ended September 30, 2007	2006 (unaudited)	Twelve Months Ended June 30, 2007	2006
	(in millions, except percentages)			
Statistical Data: ⁽¹⁾				
Payments volume ⁽²⁾				
Credit	346,948	301,154	\$ 1,257,948	\$ 1,122,905
<i>Year-over-year change</i>	15%	12%	12%	13%
Debit	198,725	170,851	730,070	643,450
<i>Year-over-year change</i>	16%	15%	13%	24%
Commercial and other	77,380	66,025	277,919	231,095
<i>Year-over-year change</i>	17%	22%	20%	23%
Total payments volume	623,053	538,030	2,265,937	1,997,450
<i>Year-over-year change</i>	16%	14%	13%	18%
Cash volume ⁽³⁾	349,082	283,112	1,216,257	1,000,520
<i>Year-over-year change</i>	23%	20%	22%	20%
Total volume ⁽⁴⁾	972,136	821,142	3,482,194	2,997,970
<i>Year-over-year change</i>	18%	16%	16%	18%

	Actual Visa Inc.	Pro Forma Visa Inc.		
	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006 (unaudited)	2007	Fiscal Year 2006
	(in millions, except percentages)			
Transactions processed ⁽⁵⁾	9,094	8,018	32,720	29,202
<i>Year-over-year change</i>	13%	NA	12%	NA

- (1) The statistical data in this table, which we consider to be important measures of the scale of our business, are based on quarterly operating certificates from Visa's customers and are unaudited.
- (2) Payments volume is the total monetary value of transactions for goods and services purchased with cards bearing our brands.
- (3) Cash volume generally consists of cash access transactions, balance access transactions, balance transfers and convenience checks.
- (4) Total volume is the sum of payments volume and cash volume.
- (5) Transactions processed represent transactions involving Visa-branded cards processed on our VisaNet processing system.

Table of Contents

The balance sheet data set forth below is derived from our unaudited consolidated balance sheet at December 31, 2007 and our audited consolidated balance sheet at October 1, 2007, each included elsewhere in this prospectus. Amounts in the as adjusted column give effect to this offering, including the application of the net proceeds of the offering, as if it occurred on December 31, 2007.

	At October 1, 2007	Visa Inc.	
		Actual	At December 31, 2007 As Adjusted
		Actual (unaudited) (in millions)	
Balance Sheet Data:			
Cash and cash equivalents	\$ 1,278	\$ 1,698	4,055
Restricted cash			3,000
Total investment securities, available-for-sale.	1,585	1,109	1,109
Intangible assets and goodwill	20,022	19,938	19,938
Total assets	27,069	27,742	33,099
Total debt	124	115	115
Total accrued litigation obligation	3,682	3,720	3,720
Total liabilities	10,784	11,026	12,237 ⁽¹⁾
Temporary equity			1,115 ⁽²⁾
Total stockholders' equity	16,286	16,716	19,747

(1) Includes our obligation to redeem 31,592,881 shares of class C (series III) common stock in October 2008 and is based on the midpoint of the range set forth on the cover of this prospectus.

(2) Includes the fair value of the shares of class C (series II) common stock that we intend to redeem in October 2008 for an aggregate redemption price of \$1.146 billion (subject to reduction for dividends and other adjustments).

Presentation of Earnings Per Share Subsequent to this Offering

For periods subsequent to the completion of this offering, we will present earnings per share using the two-class method under the guidelines of Statement of Financial Accounting Standards, or SFAS No. 128 *Earnings Per Share* to reflect the different rights of our outstanding shares. In order to assist in understanding this presentation, we have provided an illustrative example under *Illustrative Example of the Calculation of Earnings Per Share* below.

The following table sets forth, on a pro forma basis, (i) the number of shares of common stock that would be used in the calculation of earnings per share under the guidelines of SFAS No. 128 following the reorganization and this offering and (ii) the number of shares of class A common stock issuable upon conversion of the class B common stock and class C common stock:

Class of Common Stock	Pro Forma Shares Outstanding Upon Reorganization and Offering ⁽⁴⁾	Pro Forma Class A Common Stock Outstanding or Issuable Upon Conversion of the Class B and Class C Common Stock ⁽⁵⁾
Class A ⁽¹⁾	406,000,000	406,000,000
Class B	277,035,213	198,777,235
Class C (series I, III and IV) ⁽²⁾	172,292,807	172,292,807
Class C (series II) ⁽³⁾	79,748,847	
Total	935,076,867	777,070,042

Table of Contents

- (1) Amount excludes 1,373,998 shares of restricted stock and 670,799 restricted stock units that we intend to grant upon the pricing of this offering to certain of our directors and employees.
- (2) This amount does not include 31,592,881 shares of class C (series III) common stock reclassified as a liability upon the closing of this offering. This amount is not included in the weighted-average of shares outstanding used in the calculation of earnings per share under the guidelines of SFAS No. 128. These shares of class C (series III) common stock are not convertible into class A common stock upon completion of this offering. See *Note 3 Visa Europe Transaction to the Unaudited Pro Forma Condensed Combined Statement of Operations*.
- (3) Class C (series II) common stock is not convertible into class A common stock upon completion of this offering.
- (4) These amounts reflect the application of \$10.2 billion of the proceeds of this offering to redeem 123,216,659 shares of class B common stock and 143,037,934 shares of class C common stock, at an assumed price of \$38.33 per share (the midpoint of the range set forth on the cover of this prospectus less underwriting discounts and commissions).
- (5) The conversion rate applicable to any conversion of our class C common stock into class A common stock will be one-to-one, subject to adjustment for stock splits, recapitalizations and similar transactions. Assuming the deposit of \$3.0 billion into the escrow account, the conversion rate applicable to the class B common stock into class A common stock immediately following this offering will be 0.72 shares of class A common stock per share of class B common stock, assuming an initial public offering price of \$38.33 per share (the midpoint of the range set forth on the cover of this prospectus less underwriting discounts and commissions). See *Business Retrospective Responsibility Plan*.

Calculation of Earnings Per Share

Under the guidelines of SFAS No. 128, the total weighted average number of shares outstanding for the period is used in the calculation of basic earnings per share presented for each class and series of common stock. The total weighted average number of shares for the period used in the calculation of fully diluted earnings per share also includes all potentially dilutive shares applicable to each class and series of common stock. In the calculation of diluted earnings per share applicable to class A common stock, potentially dilutive shares will include the number of shares of class A common stock issuable upon conversion of the class B and class C common stock based on the conversion rate in effect for the period.

For periods subsequent to the completion of this offering, net income available to each class and series of common stock in the calculation of earnings per share will be as follows:

Class A and class C (series I, III and IV) Income available to these shares is reduced by the amount of accretion recorded on the class C (series II) common stock (as described below) and the income attributable to the class C (series III) shares held by Visa Europe that are subject to redemption (the class C series III redemption shares) in the period presented.

Class B Income available to these shares is reduced by the amount of accretion recorded on the class C (series II) common stock (as described below) and the income attributable to the class C (series III) redemption shares in the period presented. The class B common stock participates in the remaining income available to common stockholders on an as-converted basis.

Class C (series II) common stock Income available to these shares is limited to the accretion recorded through retained earnings on this common stock in the period presented.

For the class A common stock diluted earnings per share calculation, net income available to class A common stock will include the allocated class C (series I, III and IV) common stock and class B common stock earnings described above.

Table of Contents**Illustrative Example of the Calculation of Earnings Per Share**

Based on the pro forma and pro forma as converted number of shares of common stock, as detailed in the table above, and our actual unaudited results of operations for the quarter ended December 31, 2007, pro forma earnings per share for the quarter ended December 31, 2007, assuming that the reorganization and this offering had occurred at the beginning of the period, is calculated as follows:

	(in millions except per share data)
Net income for the quarter ended December 31, 2007	\$ 424
Less: Accretion of class C (series II) common stock ⁽¹⁾	(11)
Less: Amount allocated to participating class C (series III) redemption shares held by Visa Europe ⁽²⁾	(16)
Total pro forma net income available to common stockholders	397
Pro forma net income available to common stockholders:	
Class A and class C (series I, III and IV) common stock . .	295
Class B common stock . .	102
Class C (series II) common stock ⁽³⁾ . .	
Pro forma basic earnings per share two-class method:	
Class A and class C (series I, III and IV) common stock	0.51
Class B common stock	0.37
Class C (series II) common stock ⁽³⁾	0.13
Pro forma diluted earnings per share two-class method ⁽⁴⁾ :	
Class A common stock ⁽⁵⁾	0.51
Class B common stock	0.37
Class C (series I, III and IV) common stock	0.51
Class C (series II) common stock	0.13

- (1) Upon the closing of this offering, we intend to classify all class C (series II) common stock at its then fair value as temporary or mezzanine level equity in our consolidated balance sheet. Additionally, over the period from the closing of this offering to on or about October 10, 2008, we will accrete this stock to its redemption price through our retained earnings. We estimate that the total amount of accretion will be approximately \$42 million, which represents the difference between its initial fair value and its redemption price assuming no dividends or other applicable adjustments. The amount reflected above represents one quarter of the total anticipated accretion expected to be recognized.
- (2) Upon the closing of this offering, we intend to classify the class C (series III) redemption shares as a liability, at their redemption value, on our consolidated balance sheet. From the date of reclassification, these shares will be excluded from the weighted average number of shares outstanding in the calculation of basic and diluted earnings per share. However, until redeemed, the class C (series III) redemption shares will continue to share ratably in any dividends or distributions paid on our common stock. Therefore, in the calculation of basic and diluted earnings per share, the class C (series III) redemption shares will be treated as participating in the allocation of net income and will proportionately reduce net income available to all remaining common stockholders.
- (3) The aggregate redemption price of the class C (series II) common stock is reduced by the aggregate amount of any dividends and other distributions declared and paid. Therefore, for the purposes of calculating pro forma earnings per share, under SFAS No. 128, class C (series II) common stockholders are deemed not to participate in any distribution of pro forma net income available to other common stockholders.

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(4) Amount excludes 1,373,998 shares of restricted stock and 670,799 restricted stock units that we intend to grant upon the pricing of this offering to certain of our directors and employees.

(5) Pro forma diluted earnings per share applicable to class A common stock is calculated by dividing total pro forma net income available to common stockholders by 777,070,042, the total number of class A common stock outstanding upon conversion of the class B and C common stock based on the conversion ratio in effect for the period.

Had all outstanding class C (series II) common stock and class C (series III) redemption shares been redeemed on October 1, 2007, the beginning of the period, pro forma earnings per share would have been \$0.55 per share of class A and class C (series I, III and IV) common stock and \$0.39 per share of class B common stock for the quarter ended December 31, 2007.

Table of Contents

RISK FACTORS

An investment in our class A common stock involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this prospectus before investing in our class A common stock. Any of the following risks, if realized, could materially and adversely affect our revenues, operating results, profitability, financial condition, prospects for future growth and overall business. In that case, the trading price of our class A common stock could decline and you could lose all or part of your investment.

Risks Related to Our Business

Legal and Regulatory Risks

Interchange fees are subject to significant legal and regulatory scrutiny worldwide, which may have a material adverse impact on our revenues, our prospects for future growth and our overall business.

Interchange represents a transfer of value between the financial institutions participating in an open-loop payments network such as ours. On purchase transactions, interchange fees are typically paid to issuers, which are the financial institutions that issue Visa cards to cardholders, by acquirers, which are the financial institutions that offer Visa network connectivity and payments acceptance services to merchants, in connection with transactions initiated with cards in our payments system. We set default interchange rates in the United States and other regions. In certain jurisdictions, interchange rates are subject to government regulation. Although we administer the collection and remittance of interchange fees through the settlement process, we generally do not receive any portion of the interchange fees. Interchange fees are often the largest component of the costs that acquirers charge merchants in connection with the acceptance of payment cards. We believe that interchange fees are an important driver of system volume.

As the volume of card-based payments has increased in recent years, interchange fees, including our default interchange rates, have become subject to increased regulatory scrutiny worldwide. We believe that regulators are increasingly adopting a similar approach to interchange fees, and, as a result, developments in any one jurisdiction may influence regulatory approaches in other jurisdictions.

Interchange fees have been the topic of recent committee hearings in the U.S. House of Representatives and the U.S. Senate, as well as conferences held by a number of U.S. Federal Reserve Banks. In addition, the U.S. House of Representatives has passed a bill that would commission a study by the Federal Trade Commission of the role of interchange fees in alleged price gouging at gas stations. Individual state legislatures in the United States are also reviewing interchange fees, and legislators in a number of states have proposed bills that purport to limit interchange fees or merchant discount rates or to prohibit their application to portions of a transaction. In addition, the Merchants Payments Coalition, a coalition of trade associations representing businesses that accept credit and debit cards, is mounting a challenge to interchange fees in the United States by seeking legislative and regulatory intervention.

Interchange fees and related practices also have been or are being reviewed by regulatory authorities and/or central banks in a number of other jurisdictions, including the European Union, Australia, Brazil, Colombia, Germany, Honduras, Hungary, Mexico, New Zealand, Norway, Poland, Portugal, Romania, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom. For example:

The Reserve Bank of Australia has made regulations under legislation enacted to give it powers over payments systems. A regulation controls the costs that can be considered in setting interchange fees for Visa credit and debit cards, but does not regulate the merchant discount charged by any payment system, including competing closed-loop payments systems.

New Zealand's competition regulator, the Commerce Commission, filed a civil claim alleging that, among other things, the fixing of default interchange rates by Cards NZ Limited, Visa International, MasterCard and certain Visa International member financial institutions contravenes the New Zealand

Table of Contents

Commerce Act. A group of New Zealand retailers filed a nearly identical claim against the same parties before the same tribunal. Both the Commerce Commission and the retailers seek declaratory, injunctive and monetary relief.

In March 2006, Banco de México, the central bank of Mexico, reached an agreement with the Mexican Banks Association to implement a new, value-based interchange methodology. As part of Banco de México's transparency policies, details of the new interchange rates have been publicly disclosed and are available on Banco de México's web site.

In December 2007, the European Commission adopted a decision that MasterCard's multilateral interchange fees for cross-border payment transactions within the European Economic Area violated European Community Treaty rules on restrictive business practices and must be withdrawn within six months.

Regulatory actions such as these, even if not directed at us or if affecting a geographic region in which we do not operate, may nonetheless increase regulatory scrutiny of interchange fees. If we cannot successfully defend our ability to set default interchange rates to maximize system volume, our payments system may become unattractive to issuers and/or acquirers. This result could reduce the number of financial institutions willing to participate in our open-loop multi-party payments system, lower overall transaction volumes and/or make closed-loop payments systems or other forms of payment more attractive. Issuers could also begin to charge higher fees to consumers, thereby making our card programs less desirable and reducing our transaction volumes and profitability. Acquirers could elect to charge higher merchant discount rates to merchants, regardless of the level of Visa interchange, leading merchants not to accept cards for payment or to steer Visa cardholders to alternate payment systems. In addition, issuers or acquirers could attempt to decrease the expense of their card programs by seeking incentives from us or a reduction in the fees that we charge. Any of the foregoing could have a material adverse impact on our revenues, operating results, prospects for future growth and overall business.

A finding of liability in the interchange litigation may result in substantial damages.

Since 2005, approximately 50 class action and individual complaints have been filed on behalf of merchants against Visa U.S.A., Visa International, MasterCard and other defendants, including certain Visa U.S.A. member financial institutions, which we refer to as the interchange litigation. Among other antitrust allegations, the plaintiffs allege that Visa U.S.A.'s and Visa International's setting of default interchange rates violated federal and state antitrust laws. The lawsuits have been transferred to a multidistrict litigation in the U.S. District Court for the Eastern District of New York. The class action complaints have been consolidated into a single amended class action complaint and the individual complaints are also being consolidated in the same multidistrict litigation. A similar case, filed in 2004, is on appeal by plaintiffs after having been dismissed with prejudice, and has not been transferred to the multidistrict litigation.

The plaintiffs in the interchange litigation seek damages for alleged overcharges in merchant discount fees, as well as injunctive and other relief. The plaintiffs have not yet quantified the damages they seek, although several of the complaints allege that the plaintiffs expect that damages will range in the tens of billions of dollars. Because these lawsuits were brought under the U.S. federal antitrust laws, any actual damages will be trebled and Visa U.S.A. and/or Visa International may be subject to joint and several liability among the defendants if liability is established, which could significantly magnify the effect of any adverse judgment. The interchange litigation is part of the covered litigation, which our retrospective responsibility plan is intended to address; however, the retrospective responsibility plan may not adequately insulate us from the impact of settlements of, or judgments in, the interchange litigation. Failure to successfully defend or settle the interchange litigation would result in liability that to the extent not covered by our retrospective responsibility plan could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent. In addition, even if our direct financial exposure were covered by our retrospective responsibility plan, settlements or judgments involving the multidistrict litigation could include restrictions on our ability to conduct business, which could increase our cost of doing business and limit our prospects for future growth. See *Business Retrospective Responsibility Plan Covered Litigation The Interchange Litigation*.

Table of Contents

A finding of liability in the Discover litigation may result in substantial damages.

In 1998, the U.S. Department of Justice filed suit against Visa U.S.A., Visa International and MasterCard International in the U.S. District Court for the Southern District of New York. The suit alleged, among other things, that Visa U.S.A. restrained competition by prohibiting its member financial institutions from issuing certain payment cards that compete with Visa-branded cards (such as American Express or Discover), which we refer to as competing payment cards. The district court held that the prohibition constituted an unlawful restraint of trade under the U.S. federal antitrust laws, and this decision was affirmed by the Second Circuit Court of Appeals. In 2004, the U.S. Supreme Court denied our petition for certiorari, thereby exhausting all avenues for further appeal in this case. As a result of this judgment, the Visa U.S.A. bylaw that provided for the prohibition became unenforceable in October 2004 and was subsequently repealed.

Discover filed suit against Visa U.S.A., Visa International and MasterCard International, alleging that prohibiting member financial institutions from issuing competing payment cards caused it injury under the U.S. federal antitrust laws. Discover has requested that the district court give collateral estoppel effect to the court's findings in the judgment of the 1998 Department of Justice litigation. Although the district court denied that request when made at the outset of the litigation, the district court indicated it would entertain a motion by Discover for collateral estoppel at a later time. If the court were to give collateral estoppel effect to one or more issues, significant elements of Discover's claims would be established, making it more likely that Visa U.S.A. and Visa International could be found liable and that Discover would be awarded damages. Even if the court declines to give collateral estoppel effect to any of these issues, Discover may nevertheless be successful in establishing these issues in subsequent proceedings. On July 24, 2007, Discover served an expert report purporting to demonstrate that it had incurred substantial damages. Because this lawsuit was brought under the U.S. federal antitrust laws, any actual damages will be trebled and Visa U.S.A. and Visa International may be subject to joint and several liability among the defendants if liability is established, which could significantly magnify the effect of any adverse judgment.

American Express filed a suit similar to the Discover litigation against Visa U.S.A., Visa International and certain Visa U.S.A. member financial institutions. The American Express lawsuit is part of the covered litigation, which our retrospective responsibility plan is intended to address. We, Visa U.S.A. and Visa International entered into a settlement agreement with American Express that became effective on November 9, 2007. The settlement agreement in the American Express litigation will be funded through our retrospective responsibility plan.

The Discover lawsuit is also part of the covered litigation. The retrospective responsibility plan may not adequately insulate us from the impacts of settlements of, or judgments in, the Discover lawsuit. Failure to successfully defend against or settle these lawsuits would result in liability that to the extent not covered by our retrospective responsibility plan could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent. See *Business Retrospective Responsibility Plan Covered Litigation*.

Our retrospective responsibility plan may not adequately insulate us from the impact of settlements and judgments in the covered litigation and will not insulate us from other pending or future litigation.

Our retrospective responsibility plan is intended to address monetary liabilities from settlements of, or final judgments in, the litigation described under the heading *Business Retrospective Responsibility Plan Covered Litigation*. The retrospective responsibility plan consists of several related mechanisms to fund settlements of, or judgments in, the covered litigation, including an escrow account funded with a portion of the net proceeds of our initial public offering and potential follow-on offerings of our common stock, a loss sharing agreement, a judgment sharing agreement and the indemnification obligation of Visa U.S.A. members pursuant to Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements. These mechanisms are unique and complex. If we are prevented from using one or more of these mechanisms under our retrospective responsibility plan, we could have difficulty funding the payment of a settlement or final judgment

Table of Contents

against us in a covered litigation, which could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent.

The retrospective responsibility plan does not address litigation other than the covered litigation that we currently face, including state court litigation relating to interchange, and will not cover litigation that we may face in the future, except for cases that include claims for damages relating to the period prior to our initial public offering that are transferred for pre-trial proceedings or otherwise included in the interchange litigation. In addition, our retrospective responsibility plan is designed to cover only the potential monetary liability from settlements of, or judgments in, the covered litigation. Settlements and judgments in covered litigation may require us to modify the way we do business in the future, which could adversely affect our revenues, increase our expenses and/or limit our prospects for growth. Therefore, even if our retrospective responsibility plan adequately safeguards us from the monetary impact of settlements of, or judgments in, the covered litigation, it may not be sufficient to insulate us from all potential adverse consequences of settlements of, or judgments in, the covered litigation.

If the settlements of Visa U.S.A. s and Visa International s currency conversion cases are not ultimately approved and we are unsuccessful in any of the various lawsuits relating to Visa U.S.A. s and Visa International s currency conversion practices, our business may be materially and adversely affected.

Visa U.S.A. and Visa International are defendants in several state and federal lawsuits alleging that their currency conversion practices are or were deceptive, anti-competitive or otherwise unlawful. In particular, a trial judge in California found that the former currency conversion practices of Visa U.S.A. and Visa International were deceptive under California state law, and ordered Visa U.S.A. and Visa International to require their members to disclose the currency conversion process to cardholders in cardholder agreements, applications, solicitations and monthly billing statements. The judge also ordered unspecified restitution to credit card holders. The decision was reversed on appeal on the ground that the plaintiff lacked standing to pursue his claims. After the trial court s decision, several putative class actions were filed in California state courts challenging Visa U.S.A. s and Visa International s currency conversion practices for credit and debit cards. A number of putative class actions relating to Visa U.S.A. s and Visa International s former currency conversion practices were also filed in federal court. The federal actions have been coordinated or consolidated in the U.S. District Court for the Southern District of New York. The consolidated complaint alleges that the former currency conversion practices of Visa U.S.A. and Visa International violated federal antitrust laws.

On July 20, 2006 and September 14, 2006, Visa U.S.A. and Visa International entered into agreements settling or otherwise disposing of the federal and state actions and related matters. Pursuant to the settlement agreements, Visa U.S.A. paid approximately \$100 million as part of the defendants settlement fund for the federal actions and will pay approximately \$20 million to fund settlement of the California cases. The federal court has granted preliminary approval of the settlement agreements, but the settlement is subject to final approval by the court and resolution of all appeals. If final approval of the settlement agreements is not granted, all of the agreements resolving the federal and state actions will terminate. If that occurs, and we are unsuccessful in defending against some or all of these lawsuits, we may have to pay restitution and/or damages, and may be required to modify our currency conversion practices. The potential amount of damages and/or restitution could be substantial. In addition, although Visa U.S.A. and Visa International have substantially changed the practices that were at issue in these litigations, if the courts require further changes to our currency conversion and cross-border transaction practices, it could materially and adversely affect our business. See *Business Other Legal and Regulatory Proceedings Currency Conversion Litigation*.

If Visa U.S.A. or Visa International is found liable in certain other lawsuits that have been brought against them or if we are found liable in other litigation to which we may become subject in the future, we may be forced to pay substantial damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our financial condition, revenues and profitability.

In recent years, numerous civil actions and investigations have been filed or initiated against Visa U.S.A. and Visa International alleging or seeking information as to violations of various competition, antitrust, consumer

Table of Contents

protection and other laws. These actions and investigations have been filed or initiated by a variety of different parties, including the U.S. Department of Justice, state attorneys general, merchants, consumers, competing card-issuing companies and other plaintiffs. Examples of such claims, which are described more fully under *Business Other Legal and Regulatory Proceedings*, include the following:

various state court actions based on a federal merchant class action lawsuit that Visa U.S.A. settled in 2003, alleging unlawful tying of credit and debit card services, attempted monopolization and other state law competition claims;

a claim of patent infringement, misrepresentation, breach of contract and antitrust violations against Visa International relating to a license agreement for smart card technology;

two state unfair competition law claims, one against Visa U.S.A. and Visa International based in part on Visa U.S.A.'s past practice of prohibiting member financial institutions from issuing certain competing payment cards, and another against Visa U.S.A. and Visa International alleging failure to inform cardholders of a security breach in a timely manner;

a promissory estoppel and misrepresentation claim against Visa U.S.A. and Visa International regarding deferment of a deadline for laboratory certification of ATM devices meeting heightened data encryption standards;

a trademark infringement claim against Visa International in Venezuela in connection with the Visa Vale product;

a civil investigative demand to Visa U.S.A. from the Office of the Attorney General for the District of Columbia, in coordination with the Attorneys General of New York and Ohio, seeking information regarding practices related to PIN debit cards;

a patent infringement claim against Visa U.S.A. regarding prepaid card products;

two civil investigative demands issued by the Antitrust Division of the U.S. Department of Justice to Visa U.S.A., one concerning PIN debit and Visa U.S.A.'s No Signature Required Program, and the other regarding Visa U.S.A.'s agreements with financial institutions that issue Visa debit cards, respectively; and

a putative class action against Visa U.S.A. claiming unjust enrichment and/or intentional misrepresentation in connection with alleged fees assessed on the state tax portion of a sales transaction.

Private plaintiffs often seek class action certification in cases against us, particularly in cases involving merchants and consumers, due to the size and scope of our business and the large number of parties that are involved in our payment system. Although our retrospective responsibility plan is intended to address potential monetary liabilities arising from the specific litigation described under *Business Retrospective Responsibility Plan Covered Litigation*, the plan does not cover other litigation that we currently face, and will not cover litigation, including state court litigation, that we may face in the future, except for cases that include claims for damages relating to the period prior to our initial public offering that are transferred for pre-trial proceedings or otherwise included in the interchange litigation. We cannot predict whether or to what extent we will be subject to litigation liability that is not covered by our retrospective responsibility plan. If we are unsuccessful in our defense against any of the proceedings described above or in any future proceedings, we may be forced to pay substantial damages and/or change our business practices or our pricing structure, any of which could have a material adverse effect on our revenues, operating results, prospects for future growth and overall business.

We have received, and we may in the future receive, notices or inquiries from other companies suggesting that we may be infringing a pre-existing patent or that we need to license use of their patents to avoid infringement. Such notices may, among other things, threaten litigation against us. Holders of patents may pursue

Table of Contents

claims against us in the future if they believe their patents are being infringed by our product or service offerings. Based on our experience with such claims to date, we do not believe that any such claims would prevent us from continuing to operate our payments system or market any of our significant core products and services in substantially the same or equivalent manner as we have to date.

Limitations on our business and other penalties resulting from litigation or litigation settlements may materially and adversely affect our revenues and profitability.

Certain limitations have been placed on our business in recent years as a result of litigation and litigation settlements. For example, as a result of the June 2003 settlement of a U.S. merchant lawsuit against Visa U.S.A., merchants are able to reject Visa consumer debit cards in the United States while still accepting other Visa-branded cards, and vice versa. In addition, following the final judgment entered in the litigation the U.S. Department of Justice, or DOJ, brought against Visa U.S.A. and Visa International in 1998, as of October 2004, members of Visa U.S.A. may issue certain competing payment cards. Since this final judgment, several members of Visa U.S.A. have begun to issue, or have announced that they will issue, American Express or Discover-branded cards. See *Business Other Legal and Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*.

In addition, pursuant to a court order, certain Visa U.S.A. debit issuers may be able to terminate some parts of their agreements with us. Visa U.S.A.'s bylaws provided that a settlement service fee was to be paid by certain Visa U.S.A. members that shifted a substantial portion of their offline debit card volume to another debit brand unless that shift was to the American Express or Discover brands. In June 2007, a federal court ruled that the settlement service fee violated the final judgment entered in the case the DOJ brought against Visa U.S.A., Visa International and MasterCard in 1998. See *Business Other Legal and Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*. As a remedy, the court ordered Visa U.S.A. to repeal the settlement service fee bylaw. Further, any Visa U.S.A. debit issuer subject to the settlement service fee prior to its repeal that entered into an agreement with Visa U.S.A. that includes offline debit issuance on or after June 20, 2003 is now permitted to terminate that agreement, provided that the issuer has entered into an agreement to issue MasterCard-branded debit cards and has repaid to Visa U.S.A. any unearned benefits or financial incentives under its Visa U.S.A. agreement. The settlement service fee bylaw was rescinded as of the effective date of the order, but Visa U.S.A. has appealed other aspects of the court's decision, including the contract termination portion of the court's remedy. See *Business Other Legal and Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*.

The developments discussed above and any future limitations on our business resulting from settlements of, or judgments in, pending or potential litigation could limit the fees we charge and reduce our payments volume, which could materially and adversely affect our revenues, operating results, prospects for future growth and overall business.

If we are partially or wholly unable to realize the benefit of our deferred tax assets related to our litigation expenses incurred in connection with the covered litigation, our financial results and cash flows may be materially and adversely affected.

Our December 31, 2007 balance sheet reflects accrued litigation of \$3.7 billion, including the settlement of the American Express litigation and management's liability estimate under the guidelines of SFAS No. 5 related to the Discover litigation and other matters. For tax purposes, the deduction related to these matters is deferred until the payments are made and thus the company established a deferred tax asset of \$787 million related to these payments, which is net of a reserve to reflect our best estimate of the amount of the benefit to be realized. Although we believe that the estimates and judgments we made in establishing our deferred tax asset and related reserves are reasonable, 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 and adverse effect on our financial results and cash flows.

Table of Contents

The payments industry is the subject of increasing global regulatory focus, which may result in costly new compliance burdens being imposed on us and our customers and lead to increased costs and decreased payments volume and revenues.

We and our customers are subject to regulations that affect the payments industry in many countries in which our cards are used. Regulation of the payments industry has increased significantly in recent years. Examples of such regulation include:

Anti-money laundering regulation. Most jurisdictions in which we and our customers operate have implemented, amended or have pending anti-money laundering regulations, such as the U.S.A. PATRIOT Act, which requires the creation and implementation of comprehensive anti-money laundering programs.

U.S. Treasury Office of Foreign Assets Control regulation. Visa U.S.A. and Visa International are subject to regulations imposed by the U.S. Treasury Office of Foreign Assets Control, or OFAC. OFAC restricts financial dealings with Cuba, Iran, Myanmar and Sudan, as well as financial dealings with certain restricted parties, such as identified money laundering fronts for terrorists or narcotics traffickers. While we prohibit financial institutions that are domiciled in those countries or are restricted parties from being Visa members, many Visa International members are non-U.S. financial institutions, and thus are not subject to OFAC restrictions. Accordingly, our payments system may be used for transactions in or involving countries or parties subject to OFAC-administered sanctions.

Regulation of the Price of Credit. In recent years, legislation, regulations or other legal requirements affecting credit cards have been adopted in a number of the jurisdictions in which our cards are used. For example, in the United States, Congress and the federal banking agencies have increased their scrutiny of the disclosure and billing practices of credit card issuers. The Federal Reserve Board has proposed significant changes to Regulation Z, under the Federal Truth in Lending Act, which, if implemented, could have a significant affect on the advertising, disclosure and billing practices of card issuers. Proposed or other changes to the laws and or regulations affecting credit card operations and pricing could increase the costs of card issuance and/or decrease the flexibility of card issuers to charge interest rates and fees on credit card accounts. Any such unfavorable regulation of the practices of card issuers could result in a decrease in our payments volume and revenues.

Regulation of Internet transactions. Many jurisdictions in which our customers and we operate are considering, or are expected to consider, legislation concerning Internet transactions, and in particular with regard to choice of law, the legality of certain e-commerce transactions, the collection of applicable taxes and copyright and trademark infringement. Such legislation may make it less desirable or more costly to complete Internet transactions using our cards.

Safety and soundness regulation. In recent years, federal banking regulators in the United States have adopted a series of regulatory measures intended to require more conservative accounting, greater risk management and higher capital requirements for bank credit card activities, which may make becoming an issuer of our cards less attractive.

Increased regulatory focus in connection with the matters discussed above may increase our costs, which could materially and adversely affect our financial performance. Similarly, increased regulatory focus on our customers may cause a reduction in payments volume, which could materially adversely affect our revenues, operating results, prospects for future growth and overall business.

Existing and proposed regulation in the areas of consumer privacy and data use and security could decrease the number of payment cards issued, our payments volume and revenues.

We and our customers are subject to regulations related to privacy and data use and security in the jurisdictions in which we do business, and we could be adversely affected by these regulations. For example, in the United States, we and our customers are subject to the banking regulators information safeguard rules and the Federal Trade Commission's rules under the Gramm-Leach-Bliley Act. The rules require that we and our

Table of Contents

customers develop, implement and maintain written, comprehensive information security programs containing safeguards that are appropriate to our size and complexity, the nature and scope of our activities, and the sensitivity of any customer information at issue.

In recent years, there has been heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. In the United States, a number of bills have been introduced in Congress and there have been several Congressional hearings to address these issues. Congress will likely consider data security/data breach legislation in 2008 that, if implemented, could affect our customers and us. In addition, a number of U.S. states have enacted security breach legislation requiring varying levels of consumer notification in the event of a security breach, and several other states are considering similar legislation.

Regulation of privacy, data use and security may materially increase our costs and our customers' costs and may decrease the number of our cards that our customers issue, which could materially and adversely affect our profitability. Our failure, or the failure of our customers, to comply with the privacy and data use and security laws and regulations to which we are subject could result in fines, sanctions and damage to our global reputation and our brand.

Government actions may prevent us from competing effectively against providers of domestic payments services in certain countries, which could adversely affect our ability to maintain or increase our revenues.

Governments in certain countries have acted, or could act, to provide resources or protection to selected national payment card providers or national payment processing providers to support domestic competitors or to displace us from, prevent us from entering into, or substantially restrict us from participating in, particular geographies. For example, our members in China are not permitted to issue our cards for domestic use in China. Governments in certain other countries have considered similar restrictions from time to time. Our efforts to effect change in countries where our access to the domestic payments segment is limited may not be successful, which could adversely affect our ability to maintain or increase our revenues and extend our global brand.

If government regulators determine that we are a systemically important payments system, we may have to change our settlement procedures or other operations, which could make it more costly to operate our business and reduce our operational flexibility.

A number of international initiatives are underway to maintain financial stability by strengthening financial infrastructure. The Committee on Payment and Settlement Systems of the central banks of the Group of Ten countries has developed a set of core principles for systemically important payment systems. Government regulators in the United States or elsewhere may determine that we are a systemically important payments system and impose settlement risk management requirements on us, including new settlement procedures or other operational rules to address credit and operational risks or new criteria for member participation and merchant access to our payments system. Any of these developments could make it more costly to operate our business.

Our framework agreement with Visa Europe includes indemnity obligations that could expose us to significant liabilities.

Under our framework agreement with Visa Europe, we are required to indemnify Visa Europe for losses resulting from any claims in the United States or anywhere else outside of Visa Europe's region arising from our or their activities that relate to our payments business or the payments business of Visa Europe. This obligation applies whether or not we or any of our related parties or agents participated in the actions that gave rise to such claims. Such an obligation could expose us to significant liabilities for activities over which we have little or no control. These liabilities would not be covered by our retrospective responsibility plan.

Table of Contents

Business Risks

We face intense competitive pressure on customer pricing, which may materially and adversely affect our revenues and profitability.

We generate revenues from fees we charge our customers that are based on payments volume, transaction messages processed and various other services we provide. In order to increase payments volume, enter new market segments and expand our card base, we offer incentives to customers, such as up-front cash payments, fee discounts, credits, performance-based growth incentives, marketing support payments and other support, such as marketing consulting and market research studies. Over the past several years, we have increased our use of incentives such as up-front cash payments and fee discounts in many countries, including the United States. In order to stay competitive, we may have to continue to increase our use of incentives. Such pricing pressure may make the provision of certain products and services less profitable or unprofitable and materially and adversely affect our operating revenues and profitability. To the extent that we continue to increase incentives to our customers, we will need to further increase payments volume or the amount of services we provide in order to benefit incrementally from such arrangements and to increase revenues and profit, and we may not be successful in doing so. In addition, we enter into long-term contracts with certain customers, and continued pressure on fees could prevent us from entering into such agreements in the future on terms that we consider favorable or may require us to modify existing agreements in order to maintain relationships. Increased pricing pressure also enhances the importance of cost containment and productivity initiatives in areas other than those relating to customer incentives, and we may not succeed in these efforts.

Our operating results may suffer because of intense competition in the global payments industry.

The global payments industry is intensely competitive. Our payment programs compete against all forms of payment, including cash, checks and electronic transactions such as wire transfers and automated clearing house payments. In addition, our payment programs compete against the card-based payments systems of our competitors, such as MasterCard, American Express, Discover and private-label cards issued by merchants.

Some of our competitors may develop substantially greater financial and other resources than we have, may offer a wider range of programs and services than we offer, may use more effective advertising and marketing strategies to achieve broader brand recognition or merchant acceptance than we have or may develop better security solutions or more favorable pricing arrangements. Our competitors may also introduce more innovative programs and services than ours.

Certain of our competitors, including American Express, Discover, private-label card networks and certain alternative payments systems, operate closed-loop payments systems with direct connections to both merchants and consumers, without involving intermediaries. These competitors seek to derive competitive advantages from their business models. For example, operators of closed-loop payments systems tend to have greater control over consumer and merchant customer service than operators of open-loop multi-party payments systems such as ours, in which we must rely on our issuing and acquiring financial institution customers. In addition, these competitors have not attracted the same level of legal or regulatory scrutiny of their pricing and business practices as have operators of open-loop multi-party payments systems such as ours.

We also expect that there may be changes in the competitive landscape in the future, including:

Competitors, customers and other industry participants may develop products that compete with or replace value-added services we currently provide to support our transaction processing. For example, in recent years some of our competitors and members have begun to compete with our currency conversion services by providing dynamic currency conversion services. Dynamic currency conversion is a service offered or facilitated by a merchant or processor that allows a cardholder to choose to have a transaction converted from the merchant's currency into the cardholder's billing currency at the point of sale in real-time, thereby bypassing our currency conversion processes. Dynamic currency

Table of Contents

conversion services could, if significant numbers of cardholders choose to use them, replace our own currency conversion processing services or could force us to change our pricing or practices for these services. If we process fewer transactions or are forced to change our pricing or practices for our currency conversion processing because of competing dynamic currency conversion services or otherwise, our revenues may be materially and adversely affected.

Parties that process our transactions in certain countries may try to eliminate our position in the payments value chain. For example, merchants could process transactions directly with issuers, or processors could process transactions directly between issuers and acquirers.

Participants in the payments industry may merge, create joint ventures or form other business combinations that may strengthen their existing business propositions or create new payment services that compete with our services.

Competition from alternative types of payment services, such as online payment services and services that permit direct debit of consumer checking accounts or automatic clearing house, or ACH, payments, may increase.

Our failure to compete effectively against any of the foregoing competitive threats, could materially and adversely affect our revenues, operating results, prospects for future growth and overall business.

Our operating revenues would decline significantly if we lost one or more of our largest customers, which could have a material adverse impact on our business.

A significant portion of our operating revenues are concentrated among our largest customers. Our five largest customers represented approximately \$324 million, or 22%, of our operating revenues for the three months ended December 31, 2007. In addition, operating revenues from our largest customer, JPMorgan Chase, accounted for \$106 million, or 7%, of our operating revenues for the three months ended December 31, 2007. Our pro forma operating revenues from our five largest customers represented approximately \$1.2 billion, or 23%, and \$938 million, or 24%, of our total pro forma operating revenues for fiscal 2007 and 2006, respectively. In addition, pro forma operating revenues from our largest customer, JPMorgan Chase, accounted for \$454 million, or 9%, and \$408 million, or 10%, of our pro forma operating revenues for fiscal 2007 and 2006, respectively. Most of our larger customer relationships (including our customer relationships with JPMorgan Chase and Bank of America) are not exclusive and in certain circumstances (including, in some cases, on relatively short notice) may be terminated by our customers. Our customers can reassess their commitments to us at any time in the future and/or develop their own competitive services. Loss of business from any of our largest customers could have a material adverse effect on our business.

Consolidation of the banking industry could result in our losing business and may create pressure on the fees we charge our customers, which may materially and adversely affect our revenues and profitability.

Over the last several years, the banking industry has undergone substantial consolidation, and we expect this trend to continue in the future. Significant ongoing consolidation in the banking industry may result in one of our largest customers being acquired by an institution that has a strong relationship with a competitor, resulting in a substantial loss of business. In addition, one or more of our customers could seek to merge with or acquire one of our competitors, and any such transaction could have a material adverse effect on our business and prospects.

Continued consolidation in the banking industry would also reduce the overall number of our customers and potential customers and could increase the bargaining power of our remaining customers and potential customers. This consolidation could lead financial institutions to seek greater pricing discounts or other incentives with us. In addition, consolidation could prompt our existing customers to seek to renegotiate their pricing agreements with us to obtain more favorable terms. Pressure on the fees we charge our customers caused by such consolidation could materially and adversely affect our revenues, operating results, prospects for future growth and overall business.

Table of Contents

Merchants are pursuing litigation and supporting regulatory proceedings relating to the costs associated with payment card acceptance and are negotiating incentive arrangements, including pricing discounts, all of which may increase our costs and materially and adversely affect our profitability.

We rely in part on merchants and their relationships with our customers to maintain and expand the acceptance of our payment cards. We believe that consolidation in the retail industry is producing a set of larger merchants that are having a significant impact on all participants in the global payments industry. For instance, some large merchants are bringing lawsuits against us with regard to, or advocating regulation of, interchange fees, which may represent a significant cost that merchants pay to accept payment cards. The emphasis merchants are placing on the costs associated with payment card acceptance may lead to additional regulation and litigation, which would not be covered by our retrospective responsibility plan and which could impair our revenues, operating results, prospects for future growth and overall business.

We, along with our customers, negotiate pricing discounts and other incentive arrangements with certain large merchants to increase acceptance of our payment cards. If merchants continue to consolidate, we and our customers may have to increase the incentives provided to certain larger merchants, which could materially and adversely affect our revenues, operating results, prospects for future growth and overall business.

Certain financial institutions have exclusive, or near exclusive, relationships with our competitors to issue payment cards, and these relationships may adversely affect our ability to maintain or increase our revenues.

Certain financial institutions have long-standing exclusive, or near exclusive, relationships with our competitors to issue payment cards, and these relationships may make it difficult or cost-prohibitive for us to do material amounts of business with them in order to increase our revenues. In addition, these financial institutions may be more successful and may grow faster than the financial institutions that primarily issue our cards, which could put us at a competitive disadvantage.

We depend significantly on our relationships with our customers and other third parties to deliver services and manage our payments system. As a result, our success and reputation are significantly dependent on the success of our customers and the quality of the services they provide. If we are unable to maintain those relationships, or if third parties on which we depend fail to deliver services on our behalf, our business may be materially and adversely affected.

We are, and will continue to be, significantly dependent on relationships with our customers and their relationships with cardholders and merchants to support our programs and services. We do not issue cards, extend credit to cardholders or determine the interest rates (if applicable) or other fees charged to cardholders using cards that carry our brands. Each issuer determines these and most other competitive card features. In addition, we do not generally solicit merchants to accept our cards and we do not establish the discount rates that merchants are charged for card acceptance, which are responsibilities of acquirers. As a result, the success of our business significantly depends on the continued success and competitiveness of our customers and the strength of our relationships with them.

Outside of the United States and certain other countries, most domestic (as opposed to cross-border) transactions conducted using our payment cards are authorized, cleared and settled by our customers or other processors without involving our processing systems. Because we do not provide domestic transaction processing services in these countries, do not generally have direct relationships with merchants and never have direct relationships with cardholders, we depend on our close working relationships with our customers to effectively manage the processing of transactions involving our cards. Our inability to control the end-to-end processing on cards carrying our brands in many countries may put us at a competitive disadvantage by limiting our ability to ensure the quality of the services supporting our brand.

In addition, we depend on third parties to provide various services on our behalf and to the extent that any third party vendors fail to deliver services, our business and reputation could be impaired.

Table of Contents

Our brands and reputation are key assets of our business and may be affected by how we are perceived in the marketplace.

Our brands and their attributes are key assets of our business. The ability to attract and retain consumer cardholders and corporate clients to Visa-branded products is highly dependent upon the external perceptions of our company and our industry. Our business may be affected by actions taken by our customers that impact the perception of our brands. From time to time, our customers may take actions that we do not believe to be in the best interests of our brands, such as creditor practices that may be viewed as predatory, which may materially and adversely impact our business. Adverse developments with respect to our industry may also, by association, impair our reputation, or result in greater regulatory or legislative scrutiny.

Global economic, political and other conditions may adversely affect trends in consumer spending and cross-border travel, which may materially and adversely impact our revenues, operating results, prospects for future growth and overall business.

The global payments industry depends heavily upon the overall level of consumer, business and government spending. For example, a sustained deterioration in general economic conditions, particularly in the United States and the Asia-Pacific region, where approximately 66% and 14%, respectively, of our pro forma revenues were generated for fiscal 2007 and, 71% and 12%, respectively, of our pro forma revenues were generated for fiscal 2006, or increases in interest rates in key countries in which we operate, may adversely affect our financial performance by reducing the number or average purchase amount of transactions involving payment cards carrying our brands. A significant portion of the revenues we earn outside the United States results from cross-border business and leisure travel, which may be adversely affected by world geopolitical, economic and other conditions, including the threat of terrorism and outbreak of diseases, such as SARS and avian flu. In particular, revenues from processing foreign currency transactions for our customers fluctuate with cross-border travel and our customers need for transactions to be converted into their base currency. In addition, as we are principally domiciled in the United States, a negative perception of the United States could impact the perception of our company, which could materially and adversely affect our revenues, operating results, prospects for future growth and overall business.

As a guarantor of certain obligations of Visa members, we are exposed to risk of loss or insolvency if any member fails to fund its settlement obligations.

We indemnify Visa members for any settlement loss suffered due to the failure of a member to fund its daily settlement obligations. In certain instances, we indemnify members even in situations in which a transaction is not processed by our system. This indemnification creates settlement risk for us due to the difference in timing between the date of a payment transaction and the date of subsequent settlement. The term and amount of the indemnification are unlimited.

While we believe that we have sufficient liquidity to cover a settlement failure by any of the largest Visa members, concurrent settlement failures of more than one of our largest members or several of the smaller Visa members, or systemic operational failures that last for more than a single day, may exceed our available resources and could materially and adversely affect our business and financial condition. In addition, even if we have sufficient liquidity to cover a settlement failure, we may not be able to recover the amount of such payment and may therefore be exposed to significant losses, which could materially and adversely affect our results of operations, cash flow and financial condition. Settlement at risk (or exposure) is estimated using the average daily volumes during the quarter multiplied by the estimated number of days to settle, and the total balance for outstanding travelers cheques. Our estimated settlement exposure, after consideration of collateral that we require certain financial institutions to post, amounted to approximately \$29.3 billion at December 31, 2007.

Some Visa members are composed of groups of financial institutions. Some of these members have elected to limit their responsibility for settlement losses arising from the failure of their constituent financial institutions in exchange for managing their constituent financial institutions in accordance with our credit risk policy. To the

Table of Contents

extent that any settlement failure resulting from a constituent financial institution exceeds the limits established by our credit risk policy, we would have to absorb the cost of such settlement failure, which could materially and adversely affect our cash flow.

If our transaction processing systems are disrupted or we are unable to process transactions efficiently, our revenues or operating results and the perception of our brands could be materially and adversely affected.

Our transaction processing systems may experience service interruptions or degradation as a result of processing or other technology malfunction, fire, natural disasters, power loss, disruptions in long distance or local telecommunications access, fraud, terrorism or accident. Our visibility in the global payments industry may attract terrorists and hackers to conduct physical or computer-based attacks, leading to an interruption in service, increased costs or the compromise of data security. Additionally, we rely on service providers for the timely transmission of information across our global data network. If a service provider fails to provide the communications capacity or services we require, as a result of natural disaster, operational disruption, terrorism or any other reason, the failure could interrupt our services, adversely affect the perception of our brands' reliability and materially reduce our revenues or profitability.

If we are not able to keep pace with the rapid technological developments in the payments industry to provide customers, merchants and cardholders with new and innovative payment programs and services, the use of our cards could decline, which could reduce our revenues and income.

The payments industry is subject to rapid and significant technological changes, including continuing developments of technologies in the areas of smart cards, radio frequency and proximity payment devices (such as contactless cards), e-commerce and mobile commerce, among others. We cannot predict the effect of technological changes on our business. We rely in part on third parties, including some of our competitors and potential competitors, for the development of and access to new technologies. We expect that new services and technologies applicable to the payments industry will continue to emerge, and these new services and technologies may be superior to, or render obsolete, the technologies we currently use in our card products and services. In addition, our ability to adopt new services and technologies that we develop may be inhibited by a need for industry-wide standards, by resistance from customers or merchants to such changes or by intellectual property rights of third parties. Our future success will depend, in part, on our ability to develop new technologies and adapt to technological changes and evolving industry standards.

Account data breaches involving card data stored by us or third parties could adversely affect our reputation and revenues.

We and our customers, merchants and other third parties store cardholder account information in connection with our payment cards. In addition, our customers may use third-party processors to process transactions generated by cards carrying our brands. Breach of the systems on which sensitive cardholder data and account information are stored could lead to fraudulent activity involving our cards, reputational damage and lead to claims against us. For example, in January 2007, TJX Companies, Inc., a large retailer with stores in the United States, Canada and the United Kingdom, disclosed a significant security breach in connection with card and account information, which exposed tens of millions of payment cards issued under our brands and our competitors' brands to fraudulent use. If we are sued in connection with any data security breach, we could be involved in protracted litigation. If unsuccessful in defending such lawsuits, we may be forced to pay damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenues and profitability. In addition, any reputational damage resulting from an account data breach at one of our customers, merchants or other third parties could decrease the use and acceptance of our cards, which could have a material adverse impact on our payments volume, revenues and future growth prospects. Finally, any data security breach could result in additional regulation, which could materially increase our costs.

Table of Contents

An increase in fraudulent and other illegal activity involving our cards could lead to reputational damage to our brands and could reduce the use and acceptance of our cards.

Criminals are using increasingly sophisticated methods to capture cardholder account information to engage in illegal activities such as fraud and identity theft. As outsourcing and specialization become a more acceptable way of doing business in the payments industry, there are more third parties involved in processing transactions using our cards. If fraud levels involving our cards were to rise, it could lead to reputational damage to our brands, which could reduce the use and acceptance of our cards, or to greater regulation, which could increase our compliance costs.

Visa Europe's payments system operations are becoming increasingly independent from ours, and if we are unable to maintain seamless interaction of our respective systems, our business and the global perception of the Visa brand could be impaired.

Visa Europe currently has a regionally controlled processing platform. In June 2006, Visa Europe began operating an authorization system that is separate from ours and Visa Europe plans to begin operating a transaction clearing and settlement system that is separate from ours. Because we and Visa Europe have independent processing platforms, interoperability must be maintained. Visa Europe's authorization system has experienced interruptions in service, and it could experience further interruptions in the future. To the extent that system disruptions occur, it may affect our cardholders who are traveling in Visa Europe's region and impair our reputation. The increasingly independent payments system operations of Visa Europe could present certain challenges to our business because differences between the two processing systems may make it more difficult to maintain the interoperability of our respective systems. In addition, under the framework agreement, we are restricted from requiring Visa Europe to implement certain changes that we may deem important unless we agree to pay for the implementation costs. Any of the foregoing could result in a loss of payments volume or of customers or could materially increase our costs.

Adverse currency fluctuations could decrease revenues and increase expenses.

We conduct business globally in many foreign currencies, but report our financial results in U.S. dollars. We are therefore exposed to adverse movements in foreign currency exchange rates because depreciation of non-U.S. currencies against the U.S. dollar reduces the U.S. dollar value of the non-U.S. dollar denominated revenues that we recognize and appreciation of non-U.S. currencies against the U.S. dollar increases the U.S. dollar value of expenses that we incur that are denominated in those foreign currencies. We enter into foreign currency hedging contracts to reduce the effect of adverse changes in the value of a limited number of foreign currencies and for a limited period of time (typically up to one year).

Some of our financial incentives to customers are recorded using estimates of our customers' performance. Material changes in our customers' performance compared to our estimates could have a material adverse impact on our results of operations.

In certain instances, we offer our customers financial incentives, which are typically tied to their payments volume or transaction messages processed, often under particular programs. These financial incentives are typically recorded as a reduction of revenues. We typically make estimates of our customers' performance under these programs (sometimes over several years) in order to derive our estimates of the financial incentives that we will pay them. The reduction of revenues that we record each quarter under volume and support agreements is based on these estimates. Material changes in our customers' performance compared to estimates could have a material adverse impact on our results of operations. For example, if a customer performs better than expected, we may be required to reduce future period revenues to account for the fact that we did not reduce revenues enough in prior periods. On the other hand, if a customer performs worse than expected, we may conclude that we reduced revenues by too much in previous periods.

Table of Contents

We have significant contingent liabilities for settlement payment of all issued and outstanding travelers cheques.

At December 31, 2007, we had over \$1 billion in contingent liabilities for settlement payment of all issued and outstanding travelers cheques. Approximately 32% of these travelers cheques were issued outside of the United States by a single issuer. While these obligations are supported in part by a bank guarantee, if the issuer were to fail to pay, we would be obligated to fund partial settlement of presented travelers cheques.

Risks Related to our Structure and Organization

The recent change to our governance structure could have a material adverse effect on our business relationships with our customers.

Prior to our recent reorganization, a number of Visa's key members had officers who also served on the boards of directors of Visa U.S.A., Visa International, Visa Canada or the regional boards of directors of the unincorporated regions of Visa AP, Visa LAC and Visa CEMEA. As a result of our reorganization, the regional boards of directors of the unincorporated regions have been eliminated, and the boards of directors of Visa U.S.A. and Visa Canada are now comprised of management and are largely administrative in nature. In addition, although our regions are represented on our board by six of our 17 directors, the holders of our class B and class C common stock are not otherwise entitled to vote in the election of directors. As a result, the role of member-nominated and member-elected directors in our corporate governance has been reduced as a result of the reorganization. These changes could have a detrimental effect on our business relationships with members associated with a particular region. In addition, if a member that had an officer who also served on one of the regional boards of directors does not have an officer who currently serves on our board of directors, our business relationship with that member could suffer. A significant loss of revenues or payments volume attributable to such members could have a material adverse effect on our business.

Our relationship with Visa Europe is governed by our framework agreement, which gives Visa Europe very broad rights to operate the Visa business in Visa Europe's region. We have limited ability to control their operations and limited recourse in the event of a breach by Visa Europe.

Historically, Visa Europe had been subject to the same global operating rules as Visa U.S.A., Visa International and Visa Canada. These global operating rules regulate, among other things, interoperability of payment processing, brand maintenance and investment, standards for products and services, risk management, disputes between members and acceptance standards for merchants. After the reorganization, Visa Europe, unlike Visa U.S.A., Visa International and Visa Canada, did not become our subsidiary. As a result, Visa Europe is no longer subject to the same global operating rules as our subsidiaries and customers.

Our relationship with Visa Europe is now governed by a framework agreement and a subset of operating rules that we have agreed to with Visa Europe and that we have limited ability to change in the future. Although the agreement seeks to ensure that Visa Europe operates in a manner that is acceptable to us, the contractual arrangement is untested and may not be effective in achieving this result. Visa Europe is responsible for designing its own plans to ensure that it is in compliance with the global rules, interoperability, integrity of the system and trademark usage. While we have the right to request changes to these plans, we have no right to audit their compliance with these requirements or examine their books and records in connection with the framework agreement or the put option. The agreement provides Visa Europe with very broad latitude to operate the Visa business and use our brands and technology within Visa Europe's region and provides us limited controls over the operation of the Visa business in their region. Visa Europe is not required to spend any minimum amount promoting and building the Visa brand in its region, and the strength of the Visa global brand is contingent, in part, on the efforts of Visa Europe to maintain product and service recognition and quality in Europe. Visa Europe may develop, among other things, new brands, payment processing characteristics, products, services, risk management standards, processes for resolving disputes among its members or merchant acceptance profiles that are inconsistent with the operating rules that we apply in the rest of the world.

If we want to change a global rule or require Visa Europe to implement certain changes that would not have a positive return for Visa Europe and its members, then Visa Europe is not required to implement such rule or

Table of Contents

change unless we agree to pay for the implementation costs and expenses that Visa Europe and its members will incur as a consequence of the implementation to the extent necessary to return Visa Europe and its members to a neutral financial condition. We cannot terminate the framework agreement even in the event of Visa Europe's material uncured breach, and we can only exercise our call right to purchase Visa Europe under extremely limited circumstances. Our remedies under this agreement, if Visa Europe fails to meet its obligations, are limited. Our inability to terminate and other features of the licenses granted under the agreement may also raise issues concerning the characterization of the licenses for purposes of determining our tax treatment with respect to entering into the licenses and receiving payments thereunder. Any inconsistency in the payment processing services and products that we are able to provide could negatively affect cardholders from Visa Europe using cards in our regions or our cardholders using cards in Visa Europe's region.

We have granted to Visa Europe the right to require us to purchase all of the outstanding shares of Visa Europe's capital stock. If Visa Europe exercises this option, we will incur a substantial financial obligation. In addition, we are required to record any change in the fair value of the put option on a quarterly basis, which will impact our net income.

We have granted Visa Europe a put option, which, if exercised, will require us to purchase all of the outstanding shares of capital stock of Visa Europe from its members. Visa Europe may exercise the put option at any time after the first anniversary of this offering. The purchase price of the Visa Europe shares under the put option is based upon a formula that, subject to certain adjustments, applies the 12-month forward price-to-earnings multiple applicable to our common stock at the time the option is exercised to Visa Europe's projected sustainable adjusted net operating income for the same 12-month period. Upon exercise of the put option, we will be obligated, subject only to regulatory approvals and other limited conditions, to pay the purchase price within 285 days in cash or, at our option, with a combination of cash and shares of our publicly tradable common stock. The portion of the purchase price we will be able to pay in stock will initially be limited to 49.7% (assuming the redemption of 143,037,934 shares of class C (series I) common stock with the proceeds of this offering) and will be reduced to the extent of any further redemptions of, or exceptions made by the directors to the transfer restrictions applicable to, the class C (series I) common stock. We must pay the purchase price in cash, however, if the settlement of the put option occurs more than three years after the completion of this offering.

We will incur a substantial financial obligation if Visa Europe exercises the put option. The amount of that potential obligation could vary dramatically based on, among other things, the 12 month projected sustainable net operating income of Visa Europe, the allocation of cost synergies, the trading price of our class A common stock, and our 12-month forward price-to-earnings multiple, in each case, as determined at the time the put option is exercised. We are not currently able to estimate the amount of this obligation due to the nature and number of factors involved and the range of important assumptions that would be required. However, depending upon Visa Europe's level of sustainable profitability and/or our 12-month forward price-to-earnings multiple at the time of any exercise of the option, the amount of this obligation could be several billion dollars or more. We may need to obtain third-party financing, either by borrowing funds or undertaking a subsequent equity offering, in order to meet our obligation. This financing may not be available to us in a sufficient amount within the required 285-day period or on terms that we deem to be reasonable. The payment of part of the exercise price in stock would dilute the ownership interests of our stockholders. Moreover, the acquisition of Visa Europe following an exercise of the put option would require us to integrate the operations of Visa Europe into our business, which could divert the time and attention of senior management.

We recorded the put option at its fair value in our consolidated balance sheet on October 1, 2007 as part of the reorganization. In the future, we will be required to record any change in the fair value of the put option on a quarterly basis. These adjustments will be recorded through our consolidated statement of operations, which will therefore impact our reported net income and earnings per share. Such quarterly adjustments and their resulting impact on our reported statement of operations could be significant. The existence of these charges could adversely affect our ability to raise capital and/or the price at which we can raise capital.

See *Material Contracts The Put-Call Option Agreement*.

Table of Contents

The terms of our reorganization created financial incentives that reward net revenue growth in the four quarters ended December 31, 2007.

One of the terms of our reorganization plan was a true up mechanism designed to reallocate the shares initially distributed to the members of Visa U.S.A. and Visa International, and the former members of Visa Canada, among themselves, based on each participating region's relative under- or over-achievement of its net revenue targets during a measurement period consisting of the four-quarter period ending with (and including) the latest quarter for which financial statements are included in this registration statement on the date it is declared effective by the SEC. We expect that the measurement period will consist of the four quarters ended December 31, 2007. This mechanism creates financial incentives that reward net revenue growth in the measurement period. Because comparable incentives did not exist in prior periods and will not exist in future periods, it is possible that the rate of revenue growth in the measurement period will not be representative of rates that may be expected in future periods.

Our management team is new and does not have a history of working together.

We designated Joseph W. Saunders as our Chief Executive Officer and Chairman of our board in May 2007 and have since assembled a new management team, including John C. (Hans) Morris, our President, and Byron H. Pollitt, our Chief Financial Officer. Our success will largely depend on the ability of the new management team to work together to integrate the operations and business of Visa U.S.A., Visa International and Visa Canada, and to continue to execute our business strategy. Because our management team does not have a significant history of working together and includes individuals recruited from outside our company, they may not be able to work together effectively, which could disrupt our operations and harm our business.

Our recent reorganization will require us to make significant changes to our culture and business operations. If we fail to make this transition successfully, our business could be materially and adversely affected.

Our recent reorganization will require broad and significant changes to our culture and operations. Historically, the primary goal of Visa U.S.A., Visa International and Visa Canada has not been to maximize profit for these entities, but rather to deliver benefits to their members and enhance member opportunity and revenue. As a result of the reorganization, we now must operate our business in a way that maximizes long-term stockholder value. Many of our employees have limited experience operating in a profit-maximizing business environment.

In addition, the Visa enterprise historically has been operated under a decentralized regional structure, and each region has had substantial autonomy in its own business strategies and decisions. Our recent reorganization has resulted in a more centralized corporate governance structure in which our board of directors exerts centralized management control. We face significant challenges integrating the operations of the different regions. We may also be unable to retain and attract key employees, and we may not realize the cost savings and operational efficiencies that we currently expect. This transition will be subject to risks, expenses and difficulties that we cannot predict and may not be capable of handling in an efficient and timely manner.

Any acquisitions that we make could disrupt our business and harm our financial condition.

We may make strategic acquisitions of complementary businesses, products or technologies. If so, we may not be able to successfully finance or integrate any such businesses, products or technologies. Furthermore, the integration of any acquisition may divert management's time and resources from our core business and disrupt our operations. We may spend time and money on projects that do not increase our revenues. To the extent we pay the purchase price of any acquisition in cash, it would reduce our cash reserves, and to the extent the purchase price is paid with our stock, it could be dilutive to our stockholders. While we from time to time evaluate potential acquisitions of businesses, products and technologies, and anticipate continuing to make these evaluations, we have no present understandings, commitments or agreements with respect to any material acquisitions.

Table of Contents

Risks Related to Our Class A Common Stock and this Offering

An active trading market for our class A common stock may not develop, which may cause our class A common stock to trade at a discount from the initial offering price and make it difficult to sell the shares you purchase.

Prior to this offering, there has been no public trading market for our class A common stock. Although we have filed an application to have our class A common stock listed on the New York Stock Exchange, an active public market for our class A common stock may not develop or continue. The initial public offering price per share of our class A common stock has been determined by agreement among us and the underwriters and may not be indicative of the price at which our class A common stock will trade in the public market after this offering.

Future sales of our class A common stock could depress the market price of our class A common stock.

The market price of our class A common stock could decline as a result of sales of a large number of shares in the public market after this offering or the perception that such sales could occur. These sales, or the perception that such sales may occur, could depress the market price of our class A common stock and might make it more difficult for us or you to sell equity securities in the future.

Upon completion of this offering, we will have 406,000,000 outstanding shares of class A common stock (or 446,600,000 shares if the underwriters exercise their option to purchase additional shares in full), not including 1,373,998 shares of restricted stock that we intend to grant upon the pricing of this offering to certain of our directors and employees. Except for any shares acquired by our affiliates, as that term is defined in Rule 144 under the Securities Act, any of these shares may be resold immediately in the public market.

After the completion of this offering and if the litigation committee so requests in order to increase the size of the escrow account, we will conduct follow-on offerings of our class A common stock, which we refer to as loss shares. All of the loss shares will be freely tradable without restriction or registration under the Securities Act by persons other than our affiliates.

In addition, following the completion of this offering and the redemption of certain shares of class B and class C common stock as described under *Use of Proceeds*, our existing stockholders will hold 277,035,213 shares of class B common stock and 203,885,689 shares of class C common stock (other than class C (series II) common stock). Subject to limited exceptions, the class B common stock is not transferable until the later of the third anniversary of this offering and the date on which all of the covered litigation has been finally resolved. Subject to limited exceptions, the class C common stock is not transferable until the third anniversary of this offering. After the termination of these transfer restrictions, the class B and class C common stock will only be convertible into class A common stock upon transfer to a person that was not, immediately after the reorganization, a Visa member. Upon such transfer, each share of class B or class C common stock will automatically convert into class A common stock based on the applicable conversion rate in effect at the time of such transfer. All of the class A common stock issuable upon such conversion will be freely tradable without restriction or registration under the Securities Act by persons other than our affiliates.

If funds are released from escrow after the resolution of the litigation covered by our retrospective responsibility plan, holders of our class A common stock will suffer dilution as a result of a favorable adjustment to the conversion rate of our class B common stock.

Our retrospective responsibility plan provides that any amounts remaining in the escrow account after the date on which all of the covered litigation is resolved will be released back to us and the conversion rate of the class B common stock then outstanding will be adjusted in favor of the holders of the class B common stock through a formula based on the released escrow amount and the market price of our class A common stock. If any funds remain in the escrow account and are released back to us, the resulting adjustment in the conversion rate of the class B common stock will result in each share of class B common stock then outstanding becoming

Table of Contents

convertible into an increased number of shares of class A common stock, which in turn will result in dilution of the interest in Visa Inc. held by the holders of class A common stock. The amount of such dilution will depend on the amount, if any, of the funds released from the escrow account and the market price of our class A common stock at the time such funds are released. See *Description of Capital Stock Conversion*.

The market price of our common stock may be volatile, which could cause the value of your investment to decline.

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as the factors listed below, could affect the market price of our class A common stock:

quarterly variations in our results of operations or the results of operations of our competitors or those of Visa Europe;

changes in earning estimates, investors' perceptions, recommendations by securities analysts or our failure to achieve analysts' earning estimates;

the announcement of new products or service enhancements by us or our competitors;

announcements related to litigation;

potential acquisitions by us of other companies, including the exercise of the put option requiring us to purchase all of the outstanding shares of capital stock of Visa Europe from its members;

developments in our industry; and

general economic, market and political conditions and other factors unrelated to our operating performance or the operating performance of our competitors.

Certain adjustments to the conversion rate of class B common stock in connection with the creation, or additional funding, of the escrow account from which settlements of, or judgments in, the covered litigation will be payable may give rise to taxable deemed dividends for holders of class A common stock.

In connection with this offering and the creation of the escrow account from which settlements of, or judgments in, the covered litigation will be payable, there will be an adjustment, which we refer to as the first adjustment, to the conversion rate of the class B common stock, which will result in a reduction in the total number of shares of class A common stock into which the class B common stock may be converted. At the request of the litigation committee, we will consummate one or more follow-on offerings of class A common stock, the net proceeds from which will be added to the escrow account. In that case, there will be one or more subsequent adjustments, which we refer to as the potential subsequent adjustments, to the conversion rate of the class B common stock, which will result in a further reduction in the total number of shares of class A common stock into which the class B common stock may be converted (when compared to the number of shares of class A common stock into which the class B common stock was convertible after the first adjustment or after any prior potential subsequent adjustment, as the case may be).

Neither the first adjustment nor the potential subsequent adjustments should give rise to deemed distributions under Section 305 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, to holders of our class A common stock on the grounds that such adjustments are not within the purview of Section 305 of the Code, because, for example, they are adjustments of the price paid by us to acquire property in our reorganization and, thus, are not, and do not have the effect of, distributions with respect to our class A common stock. There can be no assurance, however, that the IRS will not assert that any of the first adjustment and the potential subsequent adjustments has the result of an increase in the proportionate interest in our earnings and profits or assets to holders of our class A common stock and, accordingly, should be treated as giving rise to deemed distributions under Section 305 of the Code with respect to such class A common stock. If such a position were

successfully asserted, a holder of our class A common stock would, for U.S. federal income tax

Table of Contents

purposes, be deemed to receive a distribution from us in an amount equal to the value of the increase in such holder's proportionate interest in our earnings and profits or assets reflected in such holder's class A common stock that would result from the decrease in the total number of shares of class A common stock into which the class B common stock may be converted after the first adjustment or after any potential subsequent adjustments, as the case may be. Such a deemed distribution would be characterized as a dividend to such holder, for U.S. federal income tax purposes, to the extent the deemed distribution is treated as paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any remaining portion of such a deemed distribution will be treated first as a tax-free return of such holder's adjusted tax basis in our class A common stock and thereafter as gain. We will take the position that none of the first adjustment and the potential subsequent adjustments gives rise to deemed distributions under Section 305 of the Code to holders of our class A common stock.

We urge you to consult with your own tax advisor regarding the tax consequences under Section 305 of the Code (as well as other Code sections) of any adjustment to the conversion rate of the class B common stock in connection with the creation, or additional funding, of the escrow account from which settlements of, or judgments in, the covered litigation will be payable.

The trading market for our class A common stock could be adversely affected because provisions of our amended and restated certificate of incorporation may limit the market-making ability of broker-dealers that are affiliated with Visa members.

Following this offering, our amended and restated certificate of incorporation will provide that no person that is a Visa member or affiliated with a Visa member will be permitted to beneficially own more than 5% of the aggregate outstanding class A common stock or certain other voting stock (or securities convertible or exchangeable into such stock) at any time, subject to a limited number of exceptions. This restriction may limit the ability of a broker-dealer that is affiliated with a Visa member to act as a market-maker in our class A common stock, although this restriction will not prevent such a broker-dealer from executing trades on an agency basis on behalf of third parties. This restriction could adversely affect the trading market for the class A common stock.

All shares of class A common stock acquired by a Visa member, an affiliate of a Visa member or a similar person will be converted automatically into class C common stock and, as a result, will generally not be transferable until the third anniversary of this offering and will lose substantially all its voting rights.

All shares of common stock acquired by a Visa member, an affiliate of a Visa member or any person that is an operator, member or licensee of any general purpose payment card system that competes with us, or any affiliate of such a person, in each case to the extent, acting as a principal investor, will be converted automatically into class C common stock. Under the terms of our amended and restated certificate of incorporation, class C common stock is not transferable (subject to exceptions, including transfers to other class C stockholders) until the third anniversary of the closing of this offering unless our board makes an exception to this transfer restriction. After this date has passed, the class C common stock will be convertible into class A common stock only if transferred to a person that was not, immediately after our October 2007 reorganization, a Visa member, an affiliate of a Visa member or any person that is an operator, member or licensee of any general purpose payment card system that competes with the Company, or any affiliate of such a person. Upon such transfer, each share of class C common stock will convert into one share of class A common stock. As a result of these restrictions, if you are a Visa member, an affiliate of a Visa member or any person that is an operator, member or licensee of any general purpose payment card system that competes with us, or any affiliate of such a person, you should consider carefully the consequences to your investment of acquiring any shares of class A common stock.

Table of Contents

Until the third anniversary of the completion of this offering, six of our 17 directors will be individuals elected or nominated by our regions. In addition, holders of our class B common stock and class C common stock have voting rights concerning certain significant corporate transactions, and their interests in our business may be different than yours.

Our amended and restated certificate of incorporation provides that, until the third anniversary of the completion of this offering, six of our 17 directors will be individuals elected or nominated by our regions. Although holders of class B and class C common stock do not have any right to vote on those matters on which stockholders generally are entitled to vote, such holders have the right to cast a number of votes equal to the number of shares of class B common stock or class C common stock (other than the class C (series II) common stock), as applicable multiplied by the applicable conversion rate on certain significant transactions enumerated in the amended and restated certificate of incorporation, such as a proposed consolidation or merger, a decision to exit our core payments business or any other vote required by law. The holders of the class B common stock and class C common stock may not have the same incentive to approve a corporate action that may be favorable to the holders of class A common stock or their interests may otherwise conflict with those of the holders of class A common stock. See *Description of Capital Stock Voting Rights*.

Anti-takeover provisions in our governing documents and Delaware law could delay or prevent entirely a takeover attempt or a change in control.

Provisions contained in our amended and restated certificate of incorporation, bylaws and Delaware law could delay or prevent a merger or acquisition that our stockholders consider favorable. Except for limited exceptions, no person may own more than 15% of our total outstanding shares on an as-converted basis or more than 15% of any class or series of our common stock, unless our board of directors approves the acquisition of such shares. In addition, except for common stock issued to a member in connection with the reorganization, or shares issuable on conversion of such common stock, shares held by a member, a competitor, an affiliate or member of a competitor may not exceed 5% of any class of common stock. In addition:

our board of directors will be divided into three classes, with approximately one-third of our directors elected each year;

following the closing of this offering until the third anniversary of this offering, six directors will be individuals elected or nominated by our regions;

our independent directors may be removed only upon the affirmative vote of at least 80% of the outstanding shares of class A common stock;

our stockholders are not entitled to the right to cumulate votes in the election of directors;

holders of our class A common stock are not entitled to act by written consent;

our stockholders must provide timely notice for any stockholder proposals and director nominations;

we have adopted provisions that eliminate the personal liability of directors for monetary damages for actions taken as a director, with certain exceptions;

in addition to certain class votes, a vote of 66²/₃% or more of all of the outstanding shares of our common stock then entitled to vote is required to amend certain sections of our amended and restated certificate of incorporation; and

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we will be governed by Section 203 of the General Corporation Law of the State of Delaware, or DGCL, as amended from time to time, which provides that a corporation shall not engage in any business combination with any interested stockholder for a period of three years following the time that such stockholder became an interested stockholder, except under certain circumstances including upon receipt of prior board approval.

See *Description of Capital Stock* *Limitations on a Change of Control* *Amendment of Certificate of Incorporation* and *Delaware Anti-Takeover Statute*.

Table of Contents

Our ability to pay regular dividends to holders of our class A, class B and class C common stock in the future is subject to the discretion of our board of directors and will be limited by our ability to generate sufficient earnings and cash flows.

We have not paid any cash dividends on our common stock. After the consummation of this offering, we intend to pay cash dividends on a quarterly basis on our class A, class B and class C common stock. Any future payment of dividends will be dependent upon our ability to generate earnings and cash flows. However, sufficient cash may not be available to pay such dividends. Payment of future dividends, if any, would be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, capital requirements, covenants in our debt instruments and other factors that our board of directors deems relevant. Furthermore, no dividend may be declared or paid on any class or series of common stock unless an equivalent dividend is contemporaneously declared and paid on each other class and series of common stock. If, as a consequence of these various factors, we are unable to generate sufficient earnings and cash flows from our business, we may not be able to make payments of dividends on our common stock, including our class A common stock.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include statements regarding the period following the completion of this offering. These statements include, but are not limited to:

statements regarding the expected growth of the electronic payments industry;

expectations as to the benefits of the recent reorganization;

projections as to the future trends in the electronic payments industry, as well as our corresponding business strategies and the expected benefits derived from such strategies;

statements regarding our relationships with customers and expectations as to the future development of these relationships;

statements regarding the capabilities and advantages of our processing platform, VisaNet;

statements as to the market opportunities for certain product segments and in certain geographies, as well as our ability to take advantage of these opportunities;

statements as to future foreign and domestic regulatory changes and their impact on our business;

statements as to the impact of litigation and the operation of our retrospective responsibility plan;

expectations as to the payment of dividends; and

statements regarding the capacity of our facilities.

In addition, statements that contain the terms anticipate, believe, continue, could, estimate, expect, intend, may, plan, potential, should, will and similar expressions are intended to identify forward-looking statements. In addition, any underlying assumptions are forward-looking statements. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Assumptions were made by us in light of our experience and our perceptions of historical trends, current conditions and expected future developments and other factors that we believe are appropriate under the circumstance. In addition to the assumptions specifically identified in the prospectus, assumptions have been made regarding other things, including:

the continued migration of paper-based payments to card-based and other electronic payments;

the impact of globalization on the electronic payments industry in developing countries;

the impact of potential foreign and domestic regulatory changes; and

the impact of potential capital market and currency market fluctuations.

Actual results could differ materially and adversely from these forward-looking statements as a result of a variety of factors, including all the risks discussed in *Risk Factors* and elsewhere in this prospectus. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this prospectus. Unless we are required to do so under U.S. federal securities laws or other applicable laws, we do not intend to update or revise any forward-looking statements.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of class A common stock in this offering will be approximately \$15.6 billion, or \$17.1 billion if the underwriters exercise their option to purchase additional shares in full, assuming an initial public offering price of \$39.50 per share (the midpoint of the range set forth on the cover of this prospectus), after deducting the underwriting discounts and commissions and estimated offering expenses.

We intend to deposit \$3.0 billion into an escrow account from which settlements of, or judgments in, the covered litigation described under *Business Retrospective Responsibility Plan* will be payable.

Following the completion of this offering, we intend to use \$10.2 billion of the net proceeds to redeem 123,216,659 shares of class B common stock and 143,037,934 shares of class C common stock, assuming no exercise of the underwriters' option to purchase additional shares.

We will use the balance of net proceeds for general corporate purposes. These purposes may include funding the \$1.146 billion aggregate redemption price for all of the class C (series II) common stock, which we intend to redeem in October 2008, and the \$1.2 billion redemption price for 31,592,881 shares of class C (series III) common stock, which we will be required to redeem in October 2008 pursuant to our amended and restated certificate of incorporation. See *Unaudited Pro Forma Condensed Combined Statement of Operations*.

In the event the underwriters exercise all or a portion of their option to purchase an additional 40,600,000 shares of class A common stock, we intend to redeem additional shares of class B common stock and class C (series I) common stock following such exercise, in which case we would also redeem additional shares of class C (series III) common stock in October 2008. The number of shares of class B common stock, class C (series I) common stock and class C (series III) common stock that would be redeemed would depend upon the number of additional shares of class A common stock issued pursuant to any such exercise, and would be proportional to the number of shares of the applicable class being redeemed in the absence of any such exercise.

DIVIDEND POLICY

Following this offering and subject to legally available funds, we currently intend to pay a quarterly dividend, in cash, at an annual rate initially equal to \$0.42 per share of class A common stock (representing a quarterly rate initially equal to \$0.105 per share) commencing with the quarter ended June 30, 2008. Our class B and class C common stock will share ratably on an as-converted basis in such dividends. The declaration and payment of any dividends will be at the sole discretion of our board of directors after taking into account various factors, including our financial condition, operating results, capital requirements, covenants in our debt instruments and other factors that our board of directors deems relevant.

Table of Contents

CAPITALIZATION

Prior to the closing of this offering, each of the regional classes of common stock will convert into class C common stock except in the case of common stock held by Visa U.S.A. and its members, which will convert into class B common stock. The following table sets forth our capitalization at December 31, 2007:

on an actual basis as adjusted to reflect the conversion of regional shares into class B and class C common stock; and

on a pro forma basis to give effect to:

the receipt by us of estimated net proceeds of \$15.6 billion from the sale of 406,000,000 shares of class A common stock in this offering at an assumed initial public offering price of \$38.33 per share (the midpoint of the range on the cover of this prospectus less underwriting discounts and commissions);

the application of the net proceeds of this offering as described under *Use of Proceeds*, including the redemption of 123,216,659 shares of class B common stock and 143,037,934 shares of class C (series I) common stock, at an assumed price of \$38.33 per share (the midpoint of the range set forth on the cover of this prospectus less underwriting discounts and commissions), as well as the deposit of \$3.0 billion into an escrow account from which settlements of, or judgments in, the covered litigation will be payable;

the reclassification of all of the shares of class C (series II) common stock to temporary equity reflecting the ability of Visa Europe, upon completion of this offering, to force redemption of the class C (series II) common stock at any time after December 4, 2008, and our intention to redeem the class C (series II) common stock in October 2008 at an aggregate price of \$1.146 billion, subject to reduction to the extent of dividends paid by us prior to that time and other adjustments; and

the reclassification of 31,592,881 shares of class C (series III) common stock as a liability on our balance sheet reflecting the fact that these shares, held by Visa Europe, will be called for redemption promptly following this offering at a price equal to the price per share of our class A common stock in this offering, net of underwriting discounts and commissions, but that payment for such shares will not be made until October 2008.

Table of Contents

	December 31, 2007	
	Actual, As Adjusted (unaudited)	Pro Forma (unaudited)
	(in millions)	
Cash and cash equivalents	\$ 1,698	\$ 4,055
Restricted cash		3,000
Total cash, cash equivalents and restricted cash	\$ 1,698	\$ 7,055
Liabilities:		
Redeemable class C (series III) common stock, 31,592,881 shares issued pro forma ⁽¹⁾	\$	\$ 1,211
Total debt	115	115
Temporary Equity:		
Class C (series II) common stock, 79,748,847 shares authorized and issued pro forma ⁽¹⁾⁽²⁾		1,115
Stockholders Equity:		
Preferred stock, \$0.0001 par value, 25,000,000 shares authorized, actual and pro forma; zero shares issued and outstanding, actual and pro forma		
Class A common stock, \$0.0001 par value, 2,001,622,245,209 shares authorized, actual, as adjusted, and pro forma; zero shares issued and outstanding, actual, as adjusted, and 406,000,000 shares issued and outstanding, pro forma ⁽³⁾		
Class B common stock, \$0.0001 par value, 622,245,209 shares authorized, actual, as adjusted, and pro forma; and 400,251,872 issued and outstanding, actual, as adjusted, and 277,035,213 shares issued and outstanding, pro forma		
Class C (series I, III and IV) common stock, \$0.0001 par value, 878,582,801 shares authorized, actual, as adjusted and pro forma; 346,923,623 shares issued and outstanding, actual, as adjusted, and 203,885,689 shares issued and outstanding, pro forma ⁽¹⁾		
Class C (series II) common stock, \$0.0001 par value, 218,582,801 shares authorized, actual, as adjusted; 27,904,464 shares issued and outstanding, actual, as adjusted; and zero shares issued and outstanding, pro forma ⁽¹⁾⁽²⁾		
Additional paid-in capital	16,785	19,816
Accumulated deficit	(69)	(69)
Accumulated other comprehensive loss, net		
Total stockholders equity	16,716	19,747
Total capitalization	\$ 16,831	\$ 22,188

- (1) We intend to redeem all class C (series II) common stock, which is classified as temporary equity in our pro forma presentation, and we are required to redeem 31,592,881 shares of class C (series III) common stock, which is classified as a liability in our pro forma presentation, in October 2008 for an aggregate redemption price of \$1.2 billion, after which all remaining class C (series III) and class C (series IV) common stock will automatically convert into class C (series I) common stock on a one-to-one basis.
- (2) Immediately prior to the offering, we will issue 51,844,383 additional shares of class C (series II) common stock pursuant to provisions of our amended and restated certificate of incorporation that require that Visa Europe's ownership of our common stock on an as-converted basis represent no less than 10% of our total outstanding share capital at all times prior to October 5, 2008. The issuance of these shares will have no cash impact and will not affect our financial results, including earnings per share, as the shares will be classified as temporary equity and all class C (series II) common stock is intended to be redeemed in October 2008 for an aggregate price of \$1.146 billion (subject to reduction to the extent of dividends paid by us prior to that time and other adjustments).
- (3) Amount excludes 1,373,998 shares of restricted stock and 670,799 restricted stock units that we intend to grant upon the pricing of this offering to certain of our directors and employees.

The foregoing table should be read in conjunction with *Management's Discussion and Analysis of Historical and Pro Forma Financial Condition and Results of Operations of Visa Inc.*, *Unaudited Pro Forma Condensed Combined Statement of Operations* and the consolidated balance sheet of Visa Inc. at December 31, 2007, and related notes included elsewhere in this prospectus.

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

The following unaudited pro forma condensed combined statement of operations has been prepared by applying pro forma adjustments to the historical audited consolidated statement of operations for fiscal 2007 of Visa U.S.A., Visa International and Visa Canada to give pro forma effect to the reorganization and this offering under U.S. GAAP.

The unaudited pro forma condensed combined statement of operations gives effect to the reorganization and this offering, including the use of proceeds, as if they had occurred on October 1, 2006, except for the purposes of calculating our liability under the framework agreement with Visa Europe. See *Note 3 Visa Europe Transaction* to this unaudited pro forma condensed combined statement of operations.

We have applied pro forma adjustments to reflect the reorganization as follows:

The reorganization was accounted for as a purchase under the guidelines of Statement of Financial Accounting Standards, or SFAS, No. 141 *Business Combinations* with Visa U.S.A. deemed to be the accounting acquirer of Visa International and Visa Canada, including their respective minority interest in Inovant.

Visa Europe remains owned and governed by its European member financial institutions. Visa Europe holds an 11.7% equity ownership interest in our common stock, of which 8.1% is represented by class EU (series I) and class EU (series III) common stock and 3.6% is represented by class EU (series II) common stock. Visa Europe received these shares in the reorganization in exchange for both its membership interest in Visa International and its ownership interest in Inovant. The class EU (series I) and (series III) common stock will be converted on a one-to-one basis into class C (series III) and class C (series IV) common stock, respectively, and the class EU (series II) common stock will be converted on a one-to-one basis into class C (series II) common stock, prior to the completion of this offering. Further, we entered into a framework agreement with Visa Europe, which provides for trademark and technology licenses and bilateral services. See *Note 3 Visa Europe Transaction* to this unaudited pro forma condensed combined statement of operations.

We have applied pro forma adjustments to reflect the offering as follows:

Historically, Visa U.S.A. and Visa International were both eligible for a special state tax deduction pursuant to which they were not taxed on a substantial portion of their reported income on the basis that they both operated on a cooperative or mutual basis. As a result of this offering and consequent ownership by parties other than our financial institution customers, we will no longer be eligible to claim a special deduction pursuant to California Revenue and Taxation Code §24405.

The application of the estimated net proceeds of this offering, as described under *Use of Proceeds*, which includes the redemption of 123,216,659 shares of class B common stock and 143,037,934 shares of class C common stock at an assumed price of \$38.33 per share (the midpoint of the range set forth on the cover of this prospectus less underwriting discounts and commissions), and the deposit of \$3.0 billion into an escrow account from which settlements of, or judgments in, the covered litigation will be payable.

Reclassification of the class C (series II) common stock to temporary or mezzanine level equity, the issuance of additional class C (series II) common stock pursuant to the terms of these securities and accretion of approximately \$42 million on the class C (series II) common stock from its initial fair value of \$1.104 billion to its redemption value of \$1.146 billion.

Reclassification of 31,592,881 shares of class C (series III) common stock as a liability reflecting the fact that these shares, held by Visa Europe, have been called for redemption at a price of \$38.33 per share (the midpoint of the range set forth on the cover of the prospectus less underwriting discounts and commissions), but that payment for such shares will not be made until October 2008.

Table of Contents

Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined statement of operations. The unaudited pro forma condensed combined statement of operations is provided for illustrative purposes only and is not necessarily indicative of the results of operations that would have actually been reported had the reorganization and this offering occurred on the assumed date indicated, nor is it necessarily indicative of our results of operations for any future periods. The pro forma information presented is based on available information and assumptions that we believe are reasonable under the circumstances.

The unaudited pro forma condensed combined statement of operations should be read in conjunction with the following:

the Visa Inc. consolidated balance sheet at October 1, 2007;

the Visa Inc. consolidated financial statements at and for the three months ended December 31, 2007;

the Visa U.S.A. consolidated financial statements at September 30, 2007 and 2006 and for the years ended September 30, 2007, 2006 and 2005; and

the Visa International consolidated financial statements at September 30, 2007 and 2006 and for the years ended September 30, 2007, 2006 and 2005.

The above referenced financial statements are included elsewhere in the prospectus. The unaudited pro forma condensed combined statement of operations should also be read in conjunction with the information contained in *Risk Factors*, *Capitalization*, *Summary Financial and Other Data of Visa Inc.*, *Selected Consolidated Financial and Other Data of Visa U.S.A.*, *Management's Discussion and Analysis of Historical and Pro Forma Financial Condition and Results of Operations of Visa Inc.* and *Management's Discussion and Analysis of Financial Condition and Results of Operations of Visa U.S.A.*

Table of Contents**VISA INC.****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS****FOR THE YEAR ENDED SEPTEMBER 30, 2007****(in thousands, except share and per share data)**

	Historical		Note 2		Pro Forma Reorganization		Note 5	Unaudited
	Visa U.S.A.	Visa International	Visa Canada	Combination Adjustments	Combined Subtotal	Adjustments	Subtotal	Offering Pro Forma Visa Inc.
Operating revenues								
Service fees	\$ 1,944,537	\$ 963,008	\$ 92,170	\$ (188,985) B (141,540) A	\$ 2,669,190	\$ (87,166) E	\$ 2,582,024	\$ 2,582,024
Data processing fees	1,416,075	325,761	32,792	(86,235) B	1,688,393	(29,034) F	1,659,359	1,659,359
Volume and support incentives	(504,780)	(209,822)			(714,602)		(714,602)	(714,602)
International transaction fees	454,168		12,570	777,552 A	1,244,290	(50,984) G	1,193,306	1,193,306
International service revenues		636,012		(636,012) A				
Other revenues	279,796	187,537	11,694	(194,710) B 46,226 C	330,543	142,500 H	473,043	473,043
Total operating revenues	\$ 3,589,796	\$ 1,902,496	\$ 149,226	\$ (423,704)	\$ 5,217,814	\$ (24,684)	\$ 5,193,130	\$ 5,193,130
Operating expenses								
Personnel	\$ 721,381	\$ 410,019	\$ 16,980	\$ 10,646 C	\$ 1,159,026		\$ 1,159,026	\$ 1,159,026
Affiliates services		211,808	21,505	(211,808) A (21,505) B				
Premises, equipment and software		108,147		(108,147) A				
Communications		36,533		(36,533) A				
Network, EDP and communications	366,231		1,722	95,323 A (2,839) B 2,020 C	462,457	59,355 D (5,064) D	516,748	516,748
Advertising, marketing and promotion	580,883	457,261	36,376	24 C	1,074,544		1,074,544	1,074,544
Travel and meetings		57,412		(57,412) A				
Visa International fees	172,728		18,256	(190,984) B				
Professional and consulting fees	334,290	204,266	10,473	(2,895) B 6,239 C	552,373		552,373	552,373
Administrative and other	210,948	56,201	9,076	318,541 A (266,811) B 23,771 C	351,726	1,227 D	352,953	352,953
Settlement risk guarantee		(57)		57 A				
Litigation provision	2,652,830			272 A	2,653,102		2,653,102	2,653,102
Total operating expenses	\$ 5,039,291	\$ 1,541,590	\$ 114,388					