



## Visa Inc. Reports Fiscal First Quarter 2020 Results

San Francisco, CA, January 30, 2020 – Visa Inc. (NYSE: V)

- GAAP and non-GAAP net income of \$3.3B or \$1.46 per share
- Net revenues of \$6.1B, an increase of 10%
- Growth in underlying business drivers remained strong
- Returned \$3.0B of capital to shareholders in the form of share repurchases and dividends
- The board of directors authorized a new \$9.5 billion share repurchase program

### Q1 2020 Results

(Ended December 31, 2019)

in billions, except percentages and per share data	GAAP		Non-GAAP <sup>(1)</sup>	
	USD	YoY Change	USD	YoY Change
<b>Net Revenues</b>	\$6.1	10%	\$6.1	10%
<b>Net Income</b>	\$3.3	10%	\$3.3	10%
<b>Earnings Per Share</b>	\$1.46	12%	\$1.46	12%

<sup>(1)</sup> Non-GAAP results exclude equity investment gains and losses, amortization of acquired intangible assets and non-recurring acquisition-related costs.

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

“Our fiscal first quarter 2020 reflected stable and robust business growth around the world. We continue to have great success in building and renewing partnerships and growing our acceptance network. We are excited about the recent announcement to acquire Plaid which will enhance the growth trajectory of our business well into the future.”

### Q1 2020 Key Business Drivers

(YoY growth, volume in constant dollars)

**Payments Volume**

+8%

**Cross-Border Volume**

+9%

**Processed Transactions**

+11%

## Fiscal First Quarter 2020 — Financial Highlights

---

GAAP net income in the fiscal first quarter was \$3.3 billion or \$1.46 per share, increases of 10% and 12%, respectively, over prior year's results. Current and prior year's results included \$13 million gains and \$4 million losses for equity investments, respectively. Current year's results also included \$13 million related to amortization of acquired intangible assets and non-recurring acquisition-related costs. Excluding these items, non-GAAP net income for the quarter was \$3.3 billion or \$1.46 per share, increases of 10% and 12%, respectively, over prior year's results (refer to the accompanying financial tables for further details and a reconciliation of the non-GAAP measures presented). Non-GAAP earnings per share growth was approximately 14% on a constant-dollar basis. All references to earnings per share assume fully-diluted class A share count.

Net revenues in the fiscal first quarter were \$6.1 billion, an increase of 10%, driven by continued growth in payments volume, cross-border volume and processed transactions. Net revenues growth was over 11% on a constant-dollar basis.

Payments volume for the three months ended September 30, 2019, on which fiscal first quarter service revenues are recognized, grew 9% over the prior year on a constant-dollar basis.

Payments volume for the three months ended December 31, 2019, grew 8% over the prior year on a constant-dollar basis.

Cross-border volume growth, on a constant-dollar basis, was 9% for the three months ended December 31, 2019. Excluding cross-border transactions within Europe, which have revenue yields similar to Europe's domestic volume, growth was 9% in the quarter.

Total processed transactions, which represent transactions processed by Visa, for the three months ended December 31, 2019, were 37.8 billion, an 11% increase over the prior year.

Fiscal first quarter service revenues were \$2.6 billion, an increase of 9% over the prior year, and are recognized based on payments volume in the prior quarter. All other revenue categories are recognized based on current quarter activity. Data processing revenues rose 16% over the prior year to \$2.9 billion. International transaction revenues grew 9% over the prior year to \$2.0 billion. Other revenues of \$365 million rose 22% over the prior year. Client incentives, which are a contra-revenue item, were \$1.7 billion and represented 22.4% of gross revenues.

GAAP operating expenses were \$2.0 billion for the fiscal first quarter, a 14% increase over the prior year's results, including the amortization of acquired intangible assets and non-recurring acquisition-related costs. Excluding these operating expense items, non-GAAP operating expenses grew 13% over the prior year, primarily driven by personnel and general and administrative costs.

GAAP non-operating expense was \$42 million for the fiscal first quarter, including \$13 million of net equity investment gains.

GAAP and non-GAAP effective income tax rate was 17.7% for the quarter ended December 31, 2019.

Cash, cash equivalents and investment securities were \$14.4 billion as of December 31, 2019.

The weighted-average number of diluted shares of class A common stock outstanding was 2.24 billion for the quarter ended December 31, 2019.

## Other Notable Items

---

On October 22, 2019, Visa announced it completed the acquisition of the token services and ticketing businesses of Rambus. These businesses will enable Visa to extend the security and convenience of tokenization to all types of transactions, including the ability to support domestic card networks and account-based and real-time payments systems.

On December 13, 2019, the district court granted final approval of the 2018 settlement agreement relating to claims brought by the damages class plaintiffs in the multi-district litigation. The 2018 damages class settlement agreement included, among other terms, monetary relief for Visa and Mastercard merchants of approximately \$5.5 billion. While the district court's order is a significant step toward resolving this long-running litigation, the case is not yet fully resolved as several objectors have filed notices to appeal the district court's decision. In addition, claims by merchants that opted out of the class settlement and by a class of merchants seeking injunctive relief against certain of Visa's rules and practices remain pending.

On January 13, 2020, Visa announced it signed a definitive agreement to acquire Plaid, a network that makes it easy for people to securely connect their financial accounts to the apps they use to manage their financial lives. Visa will pay \$4.9 billion cash consideration and \$0.4 billion of retention equity and deferred equity consideration.

Starting in fiscal 2020, Visa revised its non-GAAP methodology to exclude the impacts of equity investment gains and losses, amortization of acquired intangible assets for acquisitions in fiscal year 2019 and forward, and non-recurring acquisition-related costs. Prior-year non-GAAP results were restated to reflect this change.

During the three months ended December 31, 2019, Visa repurchased 13.0 million shares of class A common stock, at an average price of \$179.71 per share, using \$2.3 billion of cash on hand. The Company had \$1.7 billion of remaining authorized funds for share repurchase as of December 31, 2019. On January 28, 2020, the board of directors authorized a new \$9.5 billion class A common stock share repurchase program.

On January 28, 2020, the board of directors declared a quarterly cash dividend of \$0.30 per share of class A common stock (determined in the case of class B and C common stock and series B and C convertible participating preferred stock on an as-converted basis) payable on March 3, 2020, to all holders of record as of February 14, 2020.

Visa will host an Investor Day in San Francisco on Tuesday, February 11, 2020 beginning at 8:00 a.m. Pacific Time. Visa's management team will provide a comprehensive update of our strategies and key initiatives. A live webcast and replay of the presentation will be available at <http://investor.visa.com>.

## Financial Outlook for Fiscal Full-Year 2020

	GAAP Nominal-Dollar Basis	Foreign Currency Impact	Acquisition Impact	Adjusted Constant-Dollar Basis <sup>(1)</sup>
<b>Annual Net Revenues Growth</b>	Low double-digit	~1% decrease	~0.5% increase	Low double-digit
<b>Client Incentives as a % of Gross Revenues</b>	High end of 22.5% to 23.5% range			High end of 22.5% to 23.5% range
<b>Annual Operating Expense Growth<sup>(2)</sup></b>	Mid-single-digit	~1% decrease	3% – 4% increase	Mid-to-high single-digit
<b>Effective Tax Rate</b>	19% – 19.5%			19% – 19.5%
<b>Annual Diluted Class A Common Stock Earnings Per Share Growth<sup>(3)</sup></b>	Mid-teens	~1% decrease	~1% decrease	Mid-teens

- (1) Adjusted financial outlook is on a constant-dollar basis and excludes non-GAAP equity investment gains and losses, amortization of acquired intangible assets for acquisitions in fiscal year 2019 and forward, and non-recurring acquisition-related costs. In addition, it excludes the operating revenues and expenses of the acquired entities that were not in the entire quarter of the previous year and the incremental interest expense or forgone interest income as a result of funding the acquisition through debt or cash, respectively. We believe presenting this adjusted outlook provides investors with additional insight into our expected operating performance for fiscal full-year 2020. The recently announced acquisition of Plaid is not included in our outlook as the transaction has not closed.
- (2) Annual adjusted operating expense growth is derived from non-GAAP full-year 2019 operating expenses of \$7.6 billion, which excludes \$0.4 billion impact of a non-GAAP special item.
- (3) Annual adjusted diluted class A common stock earnings per share growth is derived from adjusted full-year 2019 earnings per share results of \$5.40, which excludes the non-GAAP impacts of a special item (~\$0.12 decrease) and equity investment gains and losses (~\$0.04 increase).

## Fiscal First Quarter 2020 Earnings Results Conference Call Details

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

# Forward-Looking Statements

---

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, our future operations, prospects, developments, strategies, business growth and financial outlook for fiscal full-year 2020. Forward-looking statements generally are identified by words such as “believes,” “estimates,” “expects,” “intends,” “may,” “projects,” “outlook,” “could,” “should,” “will,” “continue” and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict.

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

- increased oversight and regulation of the global payments industry and our business;
- impact of government-imposed restrictions on international payment systems;
- outcome of tax, litigation and governmental investigation matters;
- increasingly intense competition in the payments industry, including competition for our clients and merchants;
- proliferation and continuous evolution of new technologies and business models;
- our ability to maintain relationships with our clients, merchants and other third parties;
- brand or reputational damage;
- management changes;
- impact of global economic, political, market, health and social events or conditions;
- exposure to loss or illiquidity due to settlement guarantees;
- uncertainty surrounding the impact of the United Kingdom’s withdrawal from the European Union;
- a disruption, failure, breach or cyber-attack of our networks or systems;
- risks, uncertainties and the failure to achieve the anticipated benefits with respect to our acquisitions and other strategic investments; and
- other factors described in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended September 30, 2019, and our subsequent reports on Forms 10-Q and 8-K.

Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

## About Visa Inc.

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

### Contacts

#### Investor Relations

Mike Milotich, 650-432-7644,  
[InvestorRelations@visa.com](mailto:InvestorRelations@visa.com)

#### Media Relations

Will Stickney, 415-805-4892,  
[Press@visa.com](mailto:Press@visa.com)

# Fiscal First Quarter 2020 — Financial Summary

## Q1 FISCAL 2020 INCOME STATEMENT SUMMARY

(in millions, except percentages and per share data)

	Three Months Ended December 31, 2019		YoY Change	
	GAAP	Non-GAAP	GAAP	Non-GAAP
<b>Revenues</b>				
Service revenues	\$ 2,555	\$ 2,555	9%	9%
Data processing revenues	2,864	2,864	16%	16%
International transaction revenues	2,018	2,018	9%	9%
Other revenues	365	365	22%	22%
Client incentives	(1,748)	(1,748)	20%	20%
<b>Net revenues</b>	<b>6,054</b>	<b>6,054</b>	<b>10%</b>	<b>10%</b>
<b>Operating Expenses</b>				
Personnel	982	982	22%	21%
Marketing	274	274	(1%)	(1%)
Network and processing	181	181	5%	4%
Professional fees	106	104	16%	15%
Depreciation and amortization	182	171	15%	8%
General and administrative	313	313	13%	13%
Litigation provision	—	—	(94%)	(94%)
<b>Total operating expenses</b>	<b>2,038</b>	<b>2,025</b>	<b>14%</b>	<b>13%</b>
<b>Operating income</b>	<b>4,016</b>	<b>4,029</b>	<b>8%</b>	<b>8%</b>
Non-operating expense	(42)	(55)	(52%)	(34%)
Effective tax rate	17.7%	17.7%	(0 ppt)	(0 ppt)
<b>Net income</b>	<b>\$ 3,272</b>	<b>\$ 3,272</b>	<b>10%</b>	<b>10%</b>
<b>Earnings per share</b>	<b>\$ 1.46</b>	<b>\$ 1.46</b>	<b>12%</b>	<b>12%</b>

## Q1 FISCAL 2020 KEY BUSINESS DRIVERS

	YoY Change	
	Constant	Nominal
Payments volume	8%	8%
Cross-border volume	9%	7%
Processed transactions	11%	11%

# Visa Inc. Consolidated Balance Sheets (unaudited)

	December 31, 2019	September 30, 2019
	(in millions, except par value data)	
<b>Assets</b>		
Cash and cash equivalents	\$ 8,768	\$ 7,838
Restricted cash equivalents—U.S. litigation escrow	1,634	1,205
Investment securities	3,902	4,236
Settlement receivable	3,273	3,048
Accounts receivable	1,661	1,542
Customer collateral	1,698	1,648
Current portion of client incentives	803	741
Prepaid expenses and other current assets	580	712
Total current assets	22,319	20,970
Investment securities	1,719	2,157
Client incentives	2,481	2,084
Property, equipment and technology, net	2,739	2,695
Goodwill	15,767	15,656
Intangible assets, net	27,137	26,780
Other assets	2,619	2,232
Total assets	\$ 74,781	\$ 72,574
<b>Liabilities</b>		
Accounts payable	\$ 133	\$ 156
Settlement payable	4,277	3,990
Customer collateral	1,698	1,648
Accrued compensation and benefits	527	796
Client incentives	4,270	3,997
Accrued liabilities	2,045	1,625
Current maturities of long-term debt	3,000	—
Accrued litigation	1,629	1,203
Total current liabilities	17,579	13,415
Long-term debt	13,688	16,729
Deferred tax liabilities	4,810	4,807
Other liabilities	3,434	2,939
Total liabilities	39,511	37,890
<b>Equity</b>		
Preferred stock, \$0.0001 par value, 25 shares authorized and 5 shares issued and outstanding as follows:		
Series A convertible participating preferred stock, none issued (the "class A equivalent preferred stock")	—	—
Series B convertible participating preferred stock, 2 shares issued and outstanding at December 31, 2019 and September 30, 2019 (the "UK&I preferred stock")	2,285	2,285
Series C convertible participating preferred stock, 3 shares issued and outstanding at December 31, 2019 and September 30, 2019 (the "Europe preferred stock")	3,177	3,177
Class A common stock, \$0.0001 par value, 2,001,622 shares authorized, 1,709 and 1,718 shares issued and outstanding at December 31, 2019 and September 30, 2019, respectively	—	—
Class B common stock, \$0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at December 31, 2019 and September 30, 2019	—	—
Class C common stock, \$0.0001 par value, 1,097 shares authorized, 11 shares issued and outstanding at December 31, 2019 and September 30, 2019	—	—
Right to recover for covered losses	(175)	(171)
Additional paid-in capital	16,424	16,541
Accumulated income	13,899	13,502
Accumulated other comprehensive income (loss), net:		
Investment securities	4	6
Defined benefit pension and other postretirement plans	(203)	(192)
Derivative instruments	49	199
Foreign currency translation adjustments	(190)	(663)
Total accumulated other comprehensive income (loss), net	(340)	(650)
Total equity	35,270	34,684
Total liabilities and equity	\$ 74,781	\$ 72,574

# Visa Inc. Consolidated Statements of Operations (unaudited)

	Three Months Ended December 31,	
	2019	2018
	(in millions, except per share data)	
<b>Net revenues</b>	<b>\$ 6,054</b>	<b>\$ 5,506</b>
<b>Operating Expenses</b>		
Personnel	982	807
Marketing	274	276
Network and processing	181	173
Professional fees	106	91
Depreciation and amortization	182	159
General and administrative	313	276
Litigation provision	—	7
<b>Total operating expenses</b>	<b>2,038</b>	<b>1,789</b>
<b>Operating income</b>	<b>4,016</b>	<b>3,717</b>
<b>Non-operating Income (Expense)</b>		
Interest expense, net	(111)	(145)
Investment income and other	69	58
<b>Total non-operating income (expense)</b>	<b>(42)</b>	<b>(87)</b>
Income before income taxes	3,974	3,630
Income tax provision	702	653
<b>Net income</b>	<b>\$ 3,272</b>	<b>\$ 2,977</b>
<b>Basic Earnings Per Share</b>		
Class A common stock	<b>\$ 1.46</b>	<b>\$ 1.30</b>
Class B common stock	<b>\$ 2.37</b>	<b>\$ 2.12</b>
Class C common stock	<b>\$ 5.85</b>	<b>\$ 5.20</b>
<b>Basic Weighted-average Shares Outstanding</b>		
Class A common stock	1,713	1,760
Class B common stock	245	245
Class C common stock	11	12
<b>Diluted Earnings Per Share</b>		
Class A common stock	<b>\$ 1.46</b>	<b>\$ 1.30</b>
Class B common stock	<b>\$ 2.37</b>	<b>\$ 2.12</b>
Class C common stock	<b>\$ 5.84</b>	<b>\$ 5.20</b>
<b>Diluted Weighted-average Shares Outstanding</b>		
Class A common stock	2,240	2,291
Class B common stock	245	245
Class C common stock	11	12

# Visa Inc. Consolidated Statements of Cash Flows (unaudited)

	Three Months Ended December 31,	
	2019	2018
	(in millions)	
<b>Operating Activities</b>		
Net income	\$ 3,272	\$ 2,977
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Client incentives	1,748	1,456
Share-based compensation	116	100
Depreciation and amortization of property, equipment, technology and intangible assets	182	159
Deferred income taxes	(47)	139
VE territory covered losses incurred	(4)	(91)
Other	(50)	9
Change in operating assets and liabilities:		
Settlement receivable	(183)	(1,551)
Accounts receivable	(107)	(200)
Client incentives	(1,943)	(1,361)
Other assets	123	(37)
Accounts payable	(12)	(46)
Settlement payable	218	1,739
Accrued and other liabilities	136	(54)
Accrued litigation	426	55
Net cash provided by (used in) operating activities	3,875	3,294
<b>Investing Activities</b>		
Purchases of property, equipment and technology	(191)	(157)
Investment securities:		
Purchases	(400)	(1,124)
Proceeds from maturities and sales	1,202	1,233
Acquisitions, net of cash acquired	(77)	—
Purchases of / contributions to other investments	(9)	(22)
Proceeds / distributions from other investments	1	—
Other investing activities	36	—
Net cash provided by (used in) investing activities	562	(70)
<b>Financing Activities</b>		
Repurchase of class A common stock	(2,370)	(2,393)
Dividends paid	(671)	(572)
Cash proceeds from issuance of common stock under employee equity plans	55	48
Restricted stock and performance-based shares settled in cash for taxes	(147)	(101)
Net cash provided by (used in) financing activities	(3,133)	(3,018)
Effect of exchange rate changes on cash and cash equivalents	127	(68)
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	1,431	138
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	10,832	10,977
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	\$ 12,263	\$ 11,115
<b>Supplemental Disclosure</b>		
Income taxes paid, net of refunds	\$ 345	\$ 168
Interest payments on debt	\$ 234	\$ 234
Accruals related to purchases of property, equipment and technology	\$ 66	\$ 34

# Visa Inc. Fiscal 2020 and 2019 Quarterly Results of Operations (unaudited)

	Fiscal 2020 Quarter Ended		Fiscal 2019 Quarter Ended		
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
	(in millions)				
<b>Net revenues</b>	<b>\$ 6,054</b>	<b>\$ 6,137</b>	<b>\$ 5,840</b>	<b>\$ 5,494</b>	<b>\$ 5,506</b>
<b>Operating Expenses</b>					
Personnel	982	871	872	894	807
Marketing	274	306	282	241	276
Network and processing	181	193	184	171	173
Professional fees	106	149	113	101	91
Depreciation and amortization	182	172	165	160	159
General and administrative	313	341	315	264	276
Litigation provision	—	370	1	22	7
<b>Total operating expenses</b>	<b>2,038</b>	<b>2,402</b>	<b>1,932</b>	<b>1,853</b>	<b>1,789</b>
<b>Operating income</b>	<b>4,016</b>	<b>3,735</b>	<b>3,908</b>	<b>3,641</b>	<b>3,717</b>
<b>Non-operating Income (Expense)</b>					
Interest expense, net	(111)	(120)	(128)	(140)	(145)
Investment income and other	69	96	86	176	58
<b>Total non-operating income (expense)</b>	<b>(42)</b>	<b>(24)</b>	<b>(42)</b>	<b>36</b>	<b>(87)</b>
Income before income taxes	3,974	3,711	3,866	3,677	3,630
Income tax provision	702	686	765	700	653
<b>Net income</b>	<b>\$ 3,272</b>	<b>\$ 3,025</b>	<b>\$ 3,101</b>	<b>\$ 2,977</b>	<b>\$ 2,977</b>

## Visa Inc. Reconciliation of Non-GAAP Financial Results (unaudited)

---

We use non-GAAP financial measures of our performance which exclude certain items which we believe are not representative of our continuing operations and may distort our longer-term operating trends. We consider non-GAAP measures useful to investors because they provide greater transparency into management's view and assessment of our ongoing operating performance. Starting in fiscal 2020, we revised our non-GAAP methodology to exclude the impact of gains and losses on our equity investments, amortization of acquired intangible assets and acquisition-related costs for acquisitions that closed in fiscal 2019 and subsequent periods. Prior year amounts have been restated to conform to our current presentation.

- *Gains and losses on equity investments.* Gains and losses on equity investments include periodic non-cash fair value adjustments and gains and losses upon sale of an investment. These long-term investments are strategic in nature and are primarily private company investments. Gains and losses and the related tax impacts associated with these investments are tied to the performance of the companies that we invest in and therefore do not correlate to the underlying performance of our business. During the three months ended December 31, 2019 and 2018, we recorded net realized and unrealized gains of \$13 million and losses of \$4 million, respectively, and related tax expense of \$3 million and tax benefit of \$1 million, respectively.
- *Amortization of acquired intangible assets.* Amortization of acquired intangible assets consists of amortization of intangible assets such as developed technology, customer relationships and brands acquired in connection with business combinations executed beginning in fiscal 2019. Amortization charges for our acquired intangible assets are non-cash and are significantly affected by the timing, frequency and size of our acquisitions, rather than our core operations. As such, we have excluded this amount and the related tax impact to facilitate an evaluation of our current operating performance and comparison to our past operating performance. During the three months ended December 31, 2019, we recorded amortization of acquired intangible assets of \$11 million and related tax benefit of \$3 million. There were no comparable amounts during the three months ended December 31, 2018 since we are only adjusting for transactions that closed in fiscal 2019 and subsequent periods.
- *Acquisition-related costs.* Acquisition-related costs consist primarily of one-time transaction and integration costs associated with our business combinations. These costs include professional fees, technology integration fees, restructuring activities and other direct costs related to the purchase and integration of acquired entities. It also includes retention equity and deferred equity compensation when they are agreed upon as part of the purchase price of the transaction but are required to be recognized as expense post-combination. We have excluded these amounts and the related tax impacts as the expenses are recognized for a limited duration and do not reflect the underlying performance of our business. During the three months ended December 31, 2019, we recorded acquisition-related costs of \$2 million. There were no comparable amounts during the three months ended December 31, 2018 since we are only adjusting for transactions that closed in fiscal 2019 and subsequent periods.

## Visa Inc. Reconciliation of Non-GAAP Financial Results - continued (unaudited)

Non-GAAP operating expense, non-operating income (expense), income tax provision, effective income tax rate, net income and diluted earnings per share should not be relied upon as substitutes for, or considered in isolation from, measures calculated in accordance with U.S. GAAP. The following tables reconcile our as-reported financial measures, calculated in accordance with U.S. GAAP, to our respective non-GAAP financial measures for the three months ended December 31, 2019 and 2018.

	Three Months Ended December 31, 2019					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate <sup>(1)</sup>	Net Income	Diluted Earnings Per Share <sup>(1)</sup>
	(in millions, except percentages and per share data)					
As reported	\$ 2,038	\$ (42)	\$ 702	17.7 %	\$ 3,272	\$ 1.46
(Gains) Losses on equity investments, net	—	(13)	(3)		(10)	—
Amortization of acquired intangible assets	(11)	—	3		8	—
Acquisition-related costs	(2)	—	—		2	—
Non-GAAP	\$ 2,025	\$ (55)	\$ 702	17.7 %	\$ 3,272	\$ 1.46

	Three Months Ended December 31, 2018					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate <sup>(1)</sup>	Net Income	Diluted Earnings Per Share <sup>(1)</sup>
	(in millions, except percentages and per share data)					
As reported	\$ 1,789	\$ (87)	\$ 653	18.0 %	\$ 2,977	\$ 1.30
(Gains) Losses on equity investments, net	—	4	1		3	—
Non-GAAP	\$ 1,789	\$ (83)	\$ 654	18.0 %	\$ 2,980	\$ 1.30

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