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

FORM 10-Q

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

For the quarterly period ended March 31, 2021

OR

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

Commission file number 001-33977



VISA INC.

(Exact name of Registrant as specified in its charter)

Delaware	**26-0267673**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
P.O. Box 8999	**94128-8999**
San Francisco, California	
(Address of principal executive offices)	**(Zip Code)**

(650) 432-3200
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

As of April 23, 2021, there were 1,691,806,129 shares outstanding of the registrant's class A common stock, par value $0.0001 per share, 245,513,385 shares outstanding of the registrant's class B common stock, par value $0.0001 per share, and 10,642,026 shares outstanding of the registrant's class C common stock, par value $0.0001 per share.

VISA INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements (Unaudited)

VISA INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2021	September 30, 2020
	(in millions, except per share data)	
Assets		
Cash and cash equivalents	$ 16,494	$ 16,289
Restricted cash equivalents—U.S. litigation escrow	894	901
Investment securities	2,058	3,752
Settlement receivable	1,434	1,264
Accounts receivable	1,791	1,618
Customer collateral	2,057	1,850
Current portion of client incentives	1,324	1,214
Prepaid expenses and other current assets	849	757
Total current assets	26,901	27,645
Investment securities	110	231
Client incentives	3,252	3,175
Property, equipment and technology, net	2,684	2,737
Goodwill	15,980	15,910
Intangible assets, net	27,823	27,808
Other assets	3,445	3,413
Total assets	$ 80,195	$ 80,919
Liabilities		
Accounts payable	$ 126	$ 174
Settlement payable	2,000	1,736
Customer collateral	2,057	1,850
Accrued compensation and benefits	794	821
Client incentives	4,760	4,176
Accrued liabilities	2,088	1,840
Current maturities of debt	—	2,999
Accrued litigation	886	914
Total current liabilities	12,711	14,510
Long-term debt	20,974	21,071
Deferred tax liabilities	5,212	5,237
Other liabilities	3,602	3,891
Total liabilities	42,499	44,709
Equity		
Preferred stock, $0.0001 par value, 25 shares authorized and 5 shares issued and outstanding as follows:		
Series A convertible participating preferred stock, less than one shares issued and outstanding at March 31, 2021 and September 30, 2020 (the “series A preferred stock”)	713	2,437
Series B convertible participating preferred stock, 2 shares issued and outstanding at March 31, 2021 and September 30, 2020 (the “UK&I preferred stock”)	1,097	1,106
Series C convertible participating preferred stock, 3 shares issued and outstanding at March 31, 2021 and September 30, 2020 (the “Europe preferred stock”)	1,537	1,543
Class A common stock, $0.0001 par value, 2,001,622 shares authorized, 1,694 and 1,683 shares issued and outstanding at March 31, 2021 and September 30, 2020, respectively	—	—
Class B common stock, $0.0001 par value, 622 shares authorized, 245 shares issued and outstanding at March 31, 2021 and September 30, 2020	—	—
Class C common stock, $0.0001 par value, 1,097 shares authorized, 11 shares issued and outstanding at March 31, 2021 and September 30, 2020	—	—
Right to recover for covered losses	(41)	(39)
Additional paid-in capital	18,505	16,721
Accumulated income	15,513	14,088
Accumulated other comprehensive income (loss), net:		
Investment securities	1	3
Defined benefit pension and other postretirement plans	(192)	(196)
Derivative instruments	(310)	(291)
Foreign currency translation adjustments	873	838
Total accumulated other comprehensive income (loss), net	372	354
Total equity	37,696	36,210
Total liabilities and equity	$ 80,195	$ 80,919

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
	(in millions, except per share data)			
Net revenues	**$ 5,729**	$ 5,854	**$ 11,416**	$ 11,908
Operating Expenses				
Personnel	**1,114**	940	**2,095**	1,922
Marketing	**206**	235	**411**	509
Network and processing	**179**	183	**352**	364
Professional fees	**82**	103	**165**	209
Depreciation and amortization	**201**	192	**398**	374
General and administrative	**363**	269	**566**	582
Litigation provision	**3**	8	**4**	8
Total operating expenses	**2,148**	1,930	**3,991**	3,968
Operating income	**3,581**	3,924	**7,425**	7,940
Non-operating Income (Expense)				
Interest expense, net	**(121)**	(118)	**(257)**	(229)
Investment income and other	**168**	23	**208**	92
Total non-operating income (expense)	**47**	(95)	**(49)**	(137)
Income before income taxes	**3,628**	3,829	**7,376**	7,803
Income tax provision	**602**	745	**1,224**	1,447
Net income	**$ 3,026**	$ 3,084	**$ 6,152**	$ 6,356
Basic Earnings Per Share				
Class A common stock	**$ 1.38**	$ 1.39	**$ 2.80**	$ 2.85
Class B common stock	**$ 2.24**	$ 2.25	**$ 4.55**	$ 4.62
Class C common stock	**$ 5.52**	$ 5.54	**$ 11.22**	$ 11.40
Basic Weighted-average Shares Outstanding				
Class A common stock	**1,695**	1,703	**1,695**	1,708
Class B common stock	**245**	245	**245**	245
Class C common stock	**11**	11	**11**	11
Diluted Earnings Per Share				
Class A common stock	**$ 1.38**	$ 1.38	**$ 2.80**	$ 2.85
Class B common stock	**$ 2.24**	$ 2.25	**$ 4.54**	$ 4.62
Class C common stock	**$ 5.52**	$ 5.54	**$ 11.20**	$ 11.38
Diluted Weighted-average Shares Outstanding				
Class A common stock	**2,193**	2,228	**2,196**	2,234
Class B common stock	**245**	245	**245**	245
Class C common stock	**11**	11	**11**	11

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
	(in millions)			
Net income	**$ 3,026**	$ 3,084	**$ 6,152**	$ 6,356
Other comprehensive income (loss), net of tax:				
Investment securities:				
Net unrealized gain (loss)	**(1)**	5	**(2)**	5
Income tax effect	**—**	(1)	**—**	(1)
Reclassification adjustments	**—**	(2)	**—**	(2)
Defined benefit pension and other postretirement plans:				
Net unrealized actuarial gain (loss) and prior service credit (cost)	**(2)**	3	**(3)**	2
Income tax effect	**1**	(1)	**2**	(1)
Reclassification adjustments	**3**	2	**6**	6
Income tax effect	**—**	—	**(1)**	(1)
Derivative instruments:				
Net unrealized gain (loss)	**280**	47	**(17)**	(141)
Income tax effect	**(57)**	(8)	**6**	31
Reclassification adjustments	**5**	(13)	**(13)**	(15)
Income tax effect	**—**	3	**5**	4
Foreign currency translation adjustments	**(1,011)**	(139)	**35**	344
Other comprehensive income (loss), net of tax	**(782)**	(104)	**18**	231
Comprehensive income	**$ 2,244**	$ 2,980	**$ 6,170**	$ 6,587

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

	Three Months Ended March 31, 2021											
	Preferred Stock			Common Stock								
	Series A	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	(in millions, except per share data)											
Balance as of December 31, 2020	— [1]	2	3	1,696	245	11	$ 3,683	$ (34)	$ 18,063	$ 14,813	$ 1,154	$ 37,679
Net income										3,026		3,026
Other comprehensive income (loss), net of tax											(782)	(782)
Comprehensive income												2,244
VE territory covered losses incurred								(7)				(7)
Conversion of series A preferred stock upon sales into public market	— [1]			5			(336)		336			—
Conversion of class C common stock upon sales into public market				— [1]		— [1]						—
Vesting of restricted stock and performance-based shares				— [1]								—
Share-based compensation, net of forfeitures									153			153
Restricted stock and performance-based shares settled in cash for taxes				— [1]					(6)			(6)
Cash proceeds from issuance of class A common stock under employee equity plans				1					47			47
Cash dividends declared and paid, at a quarterly amount of $0.32 per class A common stock										(701)		(701)
Repurchase of class A common stock				(8)					(88)	(1,625)		(1,713)
Balance as of March 31, 2021	— [1]	2	3	1,694	245	11	$ 3,347	$ (41)	$ 18,505	$ 15,513	$ 372	$ 37,696

[1] Increase, decrease or balance is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
(UNAUDITED)

	Six Months Ended March 31, 2021											
	Preferred Stock			Common Stock								
	Series A	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	(in millions, except per share data)											
Balance as of September 30, 2020	— [1]	2	3	1,683	245	11	$ 5,086	$ (39)	$ 16,721	$ 14,088	$ 354	$ 36,210
Net income										6,152		6,152
Other comprehensive income (loss), net of tax											18	18
Comprehensive income												6,170
Adoption of new accounting standards										3		3
VE territory covered losses incurred								(17)				(17)
Recovery through conversion rate adjustment							(15)	15				—
Conversion of series A preferred stock upon sales into public market	— [1]			25			(1,724)		1,724			—
Conversion of class C common stock upon sales into public market				— [1]		— [1]						—
Vesting of restricted stock and performance-based shares				3								—
Share-based compensation, net of forfeitures									275			275
Restricted stock and performance-based shares settled in cash for taxes				(1)					(140)			(140)
Cash proceeds from issuance of common stock under employee equity plans				1					108			108
Cash dividends declared and paid, at a quarterly amount of $0.32 per class A common stock										(1,404)		(1,404)
Repurchase of class A common stock				(17)					(183)	(3,326)		(3,509)
Balance as of March 31, 2021	— [1]	2	3	1,694	245	11	$ 3,347	$ (41)	$ 18,505	$ 15,513	$ 372	$ 37,696

[1] Increase, decrease or balance is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
(UNAUDITED)

	Three Months Ended March 31, 2020										
	Preferred Stock		Common Stock								
	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	(in millions, except per share data)										
Balance as of December 31, 2019	2	3	1,709	245	11	$ 5,462	$ (175)	$ 16,424	$ 13,899	$ (340)	$ 35,270
Net income									3,084		3,084
Other comprehensive income (loss), net of tax										(104)	(104)
Comprehensive income											2,980
VE territory covered losses incurred							(9)				(9)
Conversion of class C common stock upon sales into public market			2		— [1]						—
Vesting of restricted stock and performance-based shares			— [1]								—
Share-based compensation, net of forfeitures								99			99
Restricted stock and performance-based shares settled in cash for taxes			— [1]					(8)			(8)
Cash proceeds from issuance of class A common stock under employee equity plans			— [1]					54			54
Cash dividends declared and paid, at a quarterly amount of $0.30 per class A common stock									(668)		(668)
Repurchase of class A common stock			(18)					(184)	(2,949)		(3,133)
Balance as of March 31, 2020	2	3	1,693	245	11	$ 5,462	$ (184)	$ 16,385	$ 13,366	$ (444)	$ 34,585

[1] Increase or decrease is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY—(Continued)
(UNAUDITED)

	Six Months Ended March 31, 2020										
	Preferred Stock		Common Stock								
	Series B	Series C	Class A	Class B	Class C	Preferred Stock	Right to Recover for Covered Losses	Additional Paid-In Capital	Accumulated Income	Accumulated Other Comprehensive Income (Loss), Net	Total Equity
	(in millions, except per share data)										
Balance as of September 30, 2019	2	3	1,718	245	11	$ 5,462	$ (171)	$ 16,541	$ 13,502	$ (650)	$ 34,684
Net income									6,356		6,356
Other comprehensive income (loss), net of tax										231	231
Comprehensive income											6,587
Adoption of new accounting standards									25	(25)	—
VE territory covered losses incurred							(13)				(13)
Conversion of class C common stock upon sales into public market			3		— [(1)]						—
Vesting of restricted stock and performance-based shares			3								—
Share-based compensation, net of forfeitures								215			215
Restricted stock and performance-based shares settled in cash for taxes			(1)					(155)			(155)
Cash proceeds from issuance of common stock under employee equity plans			1					109			109
Cash dividends declared and paid, at a quarterly amount of $0.30 per class A common stock									(1,339)		(1,339)
Repurchase of class A common stock			(31)					(325)	(5,178)		(5,503)
Balance as of March 31, 2020	2	3	1,693	245	11	$ 5,462	$ (184)	$ 16,385	$ 13,366	$ (444)	$ 34,585

(1) Increase or decrease is less than one million shares.

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended March 31,	
	2021	2020
	(in millions)	
Operating Activities		
Net income	**$ 6,152**	$ 6,356
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Client incentives	**3,850**	3,453
Share-based compensation	**275**	215
Depreciation and amortization of property, equipment, technology and intangible assets	**398**	374
Deferred income taxes	**(27)**	(37)
VE territory covered losses incurred	**(17)**	(13)
Other	**(220)**	(84)
Change in operating assets and liabilities:		
Settlement receivable	**(127)**	1,642
Accounts receivable	**(165)**	38
Client incentives	**(3,262)**	(4,323)
Other assets	**(116)**	(496)
Accounts payable	**(41)**	14
Settlement payable	**210**	(2,165)
Accrued and other liabilities	**(39)**	303
Accrued litigation	**(29)**	65
Net cash provided by (used in) operating activities	**6,842**	5,342
Investing Activities		
Purchases of property, equipment and technology	**(318)**	(407)
Investment securities:		
Purchases	**(2,015)**	(499)
Proceeds from maturities and sales	**3,871**	3,420
Acquisitions, net of cash acquired	**(75)**	(77)
Purchases of / contributions to other investments	**(30)**	(30)
Other investing activities	**41**	34
Net cash provided by (used in) investing activities	**1,474**	2,441
Financing Activities		
Repurchase of class A common stock	**(3,509)**	(5,503)
Repayments of debt	**(3,000)**	—
Dividends paid	**(1,404)**	(1,339)
Proceeds from issuance of commercial paper	**—**	1,001
Cash proceeds from issuance of class A common stock under employee equity plans	**108**	109
Restricted stock and performance-based shares settled in cash for taxes	**(140)**	(155)
Net cash provided by (used in) financing activities	**(7,945)**	(5,887)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	**16**	88
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	**387**	1,984
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	**19,171**	10,832
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	**$ 19,558**	$ 12,816
Supplemental Disclosure		
Cash paid for income taxes, net	**$ 1,505**	$ 1,691
Interest payments on debt	**$ 340**	$ 269
Accruals related to purchases of property, equipment and technology	**$ 17**	$ 42

See accompanying notes, which are an integral part of these unaudited consolidated financial statements.

VISA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1—Summary of Significant Accounting Policies

Organization. Visa Inc. ("Visa" or the "Company") is a global payments technology company that enables innovative, secure and reliable electronic payments across more than 200 countries and territories. Visa and its wholly-owned consolidated subsidiaries, including Visa U.S.A. Inc. ("Visa U.S.A."), Visa International Service Association ("Visa International"), Visa Worldwide Pte. Limited, Visa Europe Limited ("Visa Europe"), Visa Canada Corporation ("Visa Canada"), Visa Technology & Operations LLC and CyberSource Corporation, operate one of the world's largest electronic payments network — VisaNet — which facilitates authorization, clearing and settlement of payment transactions and enables the Company to provide its financial institution and seller clients a wide range of products, platforms and value added services. Visa is not a financial institution and does not issue cards, extend credit or set rates and fees for account holders of Visa products. In most cases, account holder and merchant relationships belong to, and are managed by, Visa's financial institution clients.

Consolidation and basis of presentation. The accompanying unaudited consolidated financial statements include the accounts of Visa and its consolidated entities and are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company consolidates its majority-owned and controlled entities, including variable interest entities ("VIEs") for which the Company is the primary beneficiary. The Company's investments in VIEs have not been material to its unaudited consolidated financial statements as of and for the periods presented. All significant intercompany accounts and transactions are eliminated in consolidation.

The accompanying unaudited consolidated financial statements are presented in accordance with the U.S. Securities and Exchange Commission ("SEC") requirements for Quarterly Reports on Form 10-Q and, consequently, do not include all of the annual disclosures required by U.S. GAAP. Reference should be made to the Visa Annual Report on Form 10-K for the year ended September 30, 2020 for additional disclosures, including a summary of the Company's significant accounting policies.

In the opinion of management, the accompanying unaudited consolidated financial statements include all normal recurring adjustments necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the interim periods presented.

Use of estimates. The preparation of the accompanying unaudited consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited consolidated financial statements and reported amounts of revenues and expenses during the reporting period. These estimates may change, as new events occur and additional information is obtained, and will be recognized in the unaudited consolidated financial statements in the period in which such changes occur. Future actual results could differ materially from these estimates. Coronavirus ("COVID-19") has continued to create significant uncertainty in the global economy. There have been no comparable recent events that provide guidance as to the effect COVID-19 as a global pandemic may have, and, as a result, the ultimate impact of COVID-19 and the extent to which COVID-19 continues to impact the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and difficult to predict.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Board Update ("ASU") 2016-13, which requires the measurement and recognition of expected credit losses for financial assets and certain other instruments held at amortized cost. The Company adopted the standard effective October 1, 2020 using the modified retrospective transition method with comparative periods continuing to be reported using the previous applicable guidance. The adoption did not have a material impact on the consolidated financial statements.

In accordance with ASU 2016-13, the Company uses a forward-looking expected credit loss model for financial instruments measured at amortized cost. For available-for-sale debt securities, when credit loss indicators exist and a discounted cash flow approach results in a credit loss, the credit loss will be recorded through an allowance rather

than through an other-than-temporary impairment. In addition to recording the fair value of its settlement indemnification liability, under the new standard, the Company estimates expected credit losses and recognizes an allowance for those credit losses related to its settlement indemnification obligations.

In January 2017, the FASB issued ASU 2017-04, which simplifies the accounting for goodwill impairments by eliminating Step 2 from the goodwill impairment test. Under the amendments in ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of the reporting unit with its carrying amount, which is Step 1 of the goodwill impairment test. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit. The Company adopted the standard effective October 1, 2020. The adoption had no impact on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. The Company adopted this standard effective October 1, 2020. The adoption did not have a material impact on the consolidated financial statements.

Note 2—Acquisitions

Terminated Acquisition. On January 12, 2021, Visa and Plaid Inc. mutually terminated their merger agreement announced on January 13, 2020. See *Note 13—Legal Matters*.

Note 3—Revenues

The nature, amount, timing and uncertainty of the Company's revenues and cash flows and how they are affected by economic factors are most appropriately depicted through the Company's revenue categories and geographical markets. The following tables disaggregate the Company's net revenues by revenue category and by geography for the three and six months ended March 31, 2021 and 2020:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
	(in millions)			
Service revenues	**$ 2,845**	$ 2,623	**$ 5,522**	$ 5,178
Data processing revenues	**2,996**	2,711	**6,029**	5,575
International transaction revenues	**1,488**	1,833	**2,939**	3,851
Other revenues	**392**	392	**776**	757
Client incentives	**(1,992)**	(1,705)	**(3,850)**	(3,453)
Net revenues	**$ 5,729**	$ 5,854	**$ 11,416**	$ 11,908

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
	(in millions)			
U.S.	**$ 2,683**	$ 2,650	**$ 5,350**	$ 5,367
International	**3,046**	3,204	**6,066**	6,541
Net revenues	**$ 5,729**	$ 5,854	**$ 11,416**	$ 11,908

At March 31, 2021 and September 30, 2020, deferred revenue included in accrued liabilities on the consolidated balance sheets was $647 million and $533 million, respectively.

Note 4—Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents

The Company reconciles cash, cash equivalents, restricted cash and restricted cash equivalents reported in the consolidated balance sheets that aggregate to the beginning and ending balances shown in the consolidated statements of cash flows as follows:

	March 31, 2021	September 30, 2020
	(in millions)	
Cash and cash equivalents	$ 16,494	$ 16,289
Restricted cash and restricted cash equivalents:		
U.S. litigation escrow	894	901
Customer collateral	2,057	1,850
Prepaid expenses and other current assets	113	131
Cash, cash equivalents, restricted cash and restricted cash equivalents	$ 19,558	$ 19,171

Note 5—U.S. and Europe Retrospective Responsibility Plans

U.S. Retrospective Responsibility Plan

Under the terms of the U.S. retrospective responsibility plan, the Company maintains an escrow account from which settlements of, or judgments in, certain litigation referred to as the "U.S. covered litigation" are paid. The escrow funds are held in money market investments along with interest income earned, less applicable taxes, and are classified as restricted cash equivalents on the consolidated balance sheets. The accrual related to the U.S. covered litigation could be either higher or lower than the U.S. litigation escrow account balance. See *Note 13—Legal Matters*.

The following table sets forth the changes in the restricted cash equivalents—U.S. litigation escrow account:

	Six Months Ended March 31,	
	2021	2020
	(in millions)	
Balance at beginning of period	$ 901	$ 1,205
Return of takedown payment to the litigation escrow account	—	467
Payments to opt-out merchants[(1)] and interest earned on escrow funds	(7)	(408)
Balance at end of period	$ 894	$ 1,264

(1) These payments are associated with the Interchange Multidistrict Litigation. See *Note 13—Legal Matters*.

Europe Retrospective Responsibility Plan

Visa Inc., Visa International and Visa Europe are parties to certain existing and potential litigation relating to the setting of multilateral interchange fee rates in the Visa Europe territory (the "VE territory covered litigation"). Under the terms of the Europe retrospective responsibility plan, the Company is entitled to recover certain losses resulting from VE territory covered litigation (the "VE territory covered losses") through a periodic adjustment to the class A common stock conversion rates applicable to the UK&I and Europe preferred stock. VE territory covered losses are recorded in "right to recover for covered losses" within equity before the corresponding adjustment to the applicable conversion rate is effected. Adjustments to the conversion rate may be executed once in any six-month period unless a single, individual loss greater than €20 million is incurred, in which case, the six-month limitation does not apply. When the adjustment to the conversion rate is made, the amount previously recorded in "right to recover for covered losses" as contra-equity is then recorded against the book value of the preferred stock within stockholders' equity. During the six months ended March 31, 2021, the Company recovered $15 million of VE territory covered losses through adjustments to the class A common stock conversion rates applicable to the UK&I and Europe preferred stock.

The following table sets forth the activities related to VE territory covered losses in preferred stock and "right to recover for covered losses" within stockholders' equity during the six months ended March 31, 2021.

	Preferred Stock		Right to Recover for Covered Losses
	UK&I	Europe	
	(in millions)		
Balance as of September 30, 2020	$ 1,106	$ 1,543	$ (39)
VE territory covered losses incurred[1]	—	—	(17)
Recovery through conversion rate adjustment	(9)	(6)	15
Balance as of March 31, 2021	**$ 1,097**	**$ 1,537**	**$ (41)**

(1) VE territory covered losses incurred reflect settlements with merchants and additional legal costs. See *Note 13—Legal Matters*.

The following table sets forth the as-converted value of the preferred stock available to recover VE territory covered losses compared to the book value of preferred shares recorded in stockholders' equity within the Company's consolidated balance sheets as of March 31, 2021 and September 30, 2020:

	March 31, 2021		September 30, 2020	
	As-converted Value of Preferred Stock[1],[2]	Book Value of Preferred Stock[1]	As-converted Value of Preferred Stock[1],[3]	Book Value of Preferred Stock[1]
	(in millions)			
UK&I preferred stock	**$ 3,344**	**$ 1,097**	$ 3,168	$ 1,106
Europe preferred stock	**4,581**	**1,537**	4,331	1,543
Total	**7,925**	**2,634**	7,499	2,649
Less: right to recover for covered losses	**(41)**	**(41)**	(39)	(39)
Total recovery for covered losses available	**$ 7,884**	**$ 2,593**	$ 7,460	$ 2,610

(1) Figures in the table may not recalculate exactly due to rounding. As-converted and book values are based on unrounded numbers.

(2) The as-converted value of preferred stock is calculated as the product of: (a) 2 million and 3 million shares of the UK&I and Europe preferred stock outstanding, respectively, as of March 31, 2021; (b) 6.368 and 6.853, the class A common stock conversion rate applicable to the UK&I and Europe preferred stock as of March 31, 2021, respectively; and (c) $211.73, Visa's class A common stock closing stock price as of March 31, 2021.

(3) The as-converted value of preferred stock is calculated as the product of: (a) 2 million and 3 million shares of the UK&I and Europe preferred stock outstanding, respectively, as of September 30, 2020; (b) 6.387 and 6.861, the class A common stock conversion rate applicable to the UK&I and Europe preferred stock as of September 30, 2020, respectively; and (c) $199.97, Visa's class A common stock closing stock price as of September 30, 2020.

Note 6—Fair Value Measurements and Investments

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	Fair Value Measurements Using Inputs Considered as			
	Level 1		Level 2	
	March 31, 2021	September 30, 2020	March 31, 2021	September 30, 2020
	(in millions)			
Assets				
Cash equivalents and restricted cash equivalents:				
Money market funds	**$ 13,702**	$ 12,522	**$ —**	$ —
U.S. government-sponsored debt securities	**—**	—	**600**	1,469
U.S. Treasury securities	**450**	650	**—**	—
Investment securities:				
Marketable equity securities	**191**	148	**—**	—
U.S. government-sponsored debt securities	**—**	—	**901**	2,582
U.S. Treasury securities	**1,076**	1,253	**—**	—
Other current and non-current assets:				
Money market funds	**2**	—	**—**	—
Derivative instruments	**—**	—	**424**	512
Total	**$ 15,421**	$ 14,573	**$ 1,925**	$ 4,563
Liabilities				
Accrued compensation and benefits:				
Deferred compensation liability	**$ 159**	$ 135	**$ —**	$ —
Accrued and other liabilities:				
Derivative instruments	**—**	—	**201**	181
Total	**$ 159**	$ 135	**$ 201**	$ 181

Level 1 assets. Money market funds, marketable equity securities and U.S. Treasury securities are classified as Level 1 within the fair value hierarchy, as fair value is based on unadjusted quoted prices in active markets for identical assets and liabilities. The Company's deferred compensation liability is measured at fair value based on marketable equity securities held under the deferred compensation plan.

Level 2 assets and liabilities. The fair value of U.S. government-sponsored debt securities, as provided by third-party pricing vendors, is based on quoted prices in active markets for similar, not identical, assets. Derivative instruments are valued using inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

U.S. government-sponsored debt securities and U.S. Treasury securities. As of March 31, 2021 and September 30, 2020, the Company held $2.0 billion and $3.8 billion of these available-for-sale investment securities, respectively. All of the Company's long-term available-for-sale investment securities are due within one to five years.

Assets Measured at Fair Value on a Non-recurring Basis

Non-marketable equity securities. The Company's non-marketable equity securities are investments in privately held companies without readily determinable market values. These investments are classified as Level 3 due to the absence of quoted market prices, the inherent lack of liquidity and the fact that inputs used to measure fair value are unobservable and require management's judgment.

The following table summarizes the total carrying value of the Company's non-marketable equity securities held as of March 31, 2021 including cumulative unrealized gains and losses:

	March 31, 2021
	(in millions)
Initial cost basis	$ 858
Adjustments:	
Upward adjustments	355
Downward adjustments (including impairment)	(13)
Carrying amount, end of period	**$ 1,200**

During the three and six months ended March 31, 2021 and 2020, unrealized gains and losses included in the carrying value of the Company's non-marketable equity securities were as follows:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
	(in millions)			
Upward adjustments	**$ 129**	$ —	**$ 143**	$ 9
Downward adjustments (including impairment)	**$ —**	$ —	**$ (2)**	$ —

Non-financial assets and liabilities. Long-lived assets such as goodwill, indefinite-lived intangible assets, finite-lived intangible assets and property, equipment and technology are considered non-financial assets. The Company does not have any non-financial liabilities measured at fair value on a non-recurring basis. Finite-lived intangible assets primarily consist of customer relationships and trade names, all of which were obtained through acquisitions.

If the Company were required to perform a quantitative assessment for impairment testing of goodwill and indefinite-lived intangible assets, the fair values would generally be estimated using an income approach. As the assumptions employed to measure these assets on a non-recurring basis are based on management's judgment using internal and external data, these fair value determinations are classified as Level 3 in the fair value hierarchy. The Company completed its annual impairment review of its indefinite-lived intangible assets and goodwill as of February 1, 2021, and concluded that there was no impairment. No recent events or changes in circumstances indicate that impairment existed at March 31, 2021.

Other Fair Value Disclosures

Debt. Debt instruments are measured at amortized cost on the Company's unaudited consolidated balance sheets. The fair value of the debt instruments, as provided by third-party pricing vendors, is based on quoted prices in active markets for similar, not identical, assets. If measured at fair value in the financial statements, these instruments would be classified as Level 2 in the fair value hierarchy. As of March 31, 2021, the carrying value and estimated fair value of debt was $21.0 billion and $22.1 billion, respectively. As of September 30, 2020, the carrying value and estimated fair value of debt was $24.1 billion and $26.6 billion, respectively.

Other financial instruments not measured at fair value. The following financial instruments are not measured at fair value on the Company's unaudited consolidated balance sheet at March 31, 2021, but disclosure of their fair values is required: settlement receivable and payable and customer collateral. The estimated fair value of such instruments at March 31, 2021 approximates their carrying value due to their generally short maturities. If measured at fair value in the financial statements, these financial instruments would be classified as Level 2 in the fair value hierarchy.

Note 7—Debt

The Company had outstanding debt as follows:

	March 31, 2021	September 30, 2020	Effective Interest Rate[1]
	(in millions, except percentages)		
2.20% Senior Notes due December 2020	$ —	$ 3,000	2.30 %
2.15% Senior Notes due September 2022	**1,000**	1,000	2.30 %
2.80% Senior Notes due December 2022	**2,250**	2,250	2.89 %
3.15% Senior Notes due December 2025	**4,000**	4,000	3.26 %
1.90% Senior Notes due April 2027	**1,500**	1,500	2.02 %
0.75% Senior Notes due August 2027	**500**	500	0.84 %
2.75% Senior Notes due September 2027	**750**	750	2.91 %
2.05% Senior Notes due April 2030	**1,500**	1,500	2.13 %
1.10% Senior Notes due February 2031	**1,000**	1,000	1.20 %
4.15% Senior Notes due December 2035	**1,500**	1,500	4.23 %
2.70% Senior Notes due April 2040	**1,000**	1,000	2.80 %
4.30% Senior Notes due December 2045	**3,500**	3,500	4.37 %
3.65% Senior Notes due September 2047	**750**	750	3.73 %
2.00% Senior Notes due August 2050	**1,750**	1,750	2.09 %
Total debt	**21,000**	24,000	
Unamortized discounts and debt issuance costs	**(170)**	(178)	
Hedge accounting fair value adjustments[2]	**144**	248	
Total carrying value of debt	**$ 20,974**	$ 24,070	
Reported as:			
Current maturities of debt	**$ —**	$ 2,999	
Long-term debt	**20,974**	21,071	
Total carrying value of debt	**$ 20,974**	$ 24,070	

(1) Effective interest rates disclosed do not reflect hedge accounting adjustments.
(2) Represents the change in fair value of interest rate swap agreements entered into on a portion of outstanding senior notes.

Senior Notes

During the six months ended March 31, 2021, the Company repaid $3.0 billion of principal upon maturity of its senior notes due December 14, 2020.

Note 8—Settlement Guarantee Management

The Company indemnifies its clients for settlement losses suffered due to failure of any other client to fund its settlement obligations in accordance with the Visa operating rules. This indemnification creates settlement risk for the Company due to the difference in timing between the date of a payment transaction and the date of subsequent settlement.

Historically, the Company has experienced minimal losses as a result of its settlement risk guarantee. However, the Company's future obligations, which could be material under its guarantees, are not determinable as they are dependent upon future events.

The Company's settlement exposure is limited to the amount of unsettled Visa payment transactions at any point in time, which vary significantly day to day. During the six months ended March 31, 2021, the Company's maximum daily settlement exposure was $99.3 billion and the average daily settlement exposure was $61.5 billion.

The Company maintains and regularly reviews global settlement risk policies and procedures to manage settlement exposure, which may require clients to post collateral if certain credit standards are not met. At March 31, 2021 and September 30, 2020, the Company held the following collateral to manage settlement exposure:

	March 31, 2021	September 30, 2020
	(in millions)	
Restricted cash and restricted cash equivalents	**$ 2,057**	$ 1,850
Pledged securities at market value	**279**	228
Letters of credit	**1,334**	1,306
Guarantees	**635**	717
Total	**$ 4,305**	$ 4,101

Note 9—Stockholders' Equity

As-converted class A common stock. The number of shares of each series and class, and the number of shares of class A common stock on an as-converted basis were as follows:

	March 31, 2021			September 30, 2020		
	Shares Outstanding	Conversion Rate Into Class A Common Stock	As-converted Class A Common Stock[1]	Shares Outstanding	Conversion Rate Into Class A Common Stock	As-converted Class A Common Stock[1]
	(in millions, except conversion rates)					
Series A preferred stock	**— [2]**	**100.0000**	**10**	— [2]	100.0000	35
UK&I preferred stock	**2**	**6.3680**	**16**	2	6.3870	16
Europe preferred stock	**3**	**6.8530**	**22**	3	6.8610	22
Class A common stock[3]	**1,694**	**—**	**1,694**	1,683	—	1,683
Class B common stock	**245**	**1.6228 [4]**	**398**	245	1.6228 [4]	398
Class C common stock	**11**	**4.0000**	**43**	11	4.0000	43
Total			**2,183**			2,197

(1) Figures in the table may not recalculate exactly due to rounding. As-converted class A common stock is calculated based on unrounded numbers.
(2) The number of shares outstanding was less than one million.
(3) Class A common stock shares outstanding reflect repurchases that settled on or before March 31, 2021 and September 30, 2020, respectively.
(4) The class B to class A common stock conversion rate is presented on a rounded basis. Conversion calculations for dividend payments are based on a conversion rate rounded to the tenth decimal.

Reduction in as-converted shares. Under the terms of the Europe retrospective responsibility plan, the Company is entitled to recover VE territory covered losses through periodic adjustments to the class A common stock conversion rates applicable to the UK&I and Europe preferred stock. The recovery has the same economic effect on earnings per share as repurchasing the Company's class A common stock, because it reduces the UK&I and Europe preferred stock conversion rates and consequently, reduces the as-converted class A common stock share count.

The following table presents the reduction in as-converted UK&I and Europe preferred stock after the Company recovered VE territory covered losses through conversion rate adjustments in the six months ended March 31, 2021. There were no conversion rate adjustments in the six months ended March 31, 2020.

	Six Months Ended March 31, 2021	
	UK&I	Europe
	(in millions, except per share data)	
Reduction in equivalent number of as-converted shares of class A common stock	— [1]	— [1]
Effective price per share[2]	$ 209.89	$ 209.89
Recovery through conversion rate adjustment	$ 9	$ 6

[1] The reduction in equivalent number of shares of class A common stock was less than one million shares.
[2] Effective price per share for the quarter is calculated using the volume-weighted average price of the Company's class A common stock over a pricing period in accordance with the Company's current certificates of designations for its series B and C convertible participating preferred stock. Effective price per share is calculated using the weighted-average effective prices of the respective adjustments made during the year.

Common stock repurchases. The following table presents share repurchases in the open market for the following periods:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
	(in millions, except per share data)			
Shares repurchased in the open market[1]	8	18	17	31
Average repurchase price per share[2]	$ 208.65	$ 181.11	$ 205.05	$ 180.31
Total cost[2]	$ 1,713	$ 3,133	$ 3,509	$ 5,503

[1] Shares repurchased in the open market reflect repurchases that settled during the three and six months ended March 31, 2021 and 2020, respectively. All shares repurchased in the open market have been retired and constitute authorized but unissued shares.
[2] Figures in the table may not recalculate exactly due to rounding. Average repurchase price per share and total cost is calculated based on unrounded numbers.

In January 2020, the Company's board of directors authorized a $9.5 billion share repurchase program and in January 2021, authorized an additional $8.0 billion share purchase program. These authorizations have no expiration date. As of March 31, 2021, the Company's repurchase programs had remaining authorized funds of $10.0 billion.

*Dividends. O*n April 23, 2021, the Company's board of directors declared a quarterly cash dividend of $0.32 per share of class A common stock (determined in the case of class B and C common stock and series A, UK&I and Europe preferred stock on an as-converted basis), which will be paid on June 1, 2021, to all holders of record as of May 14, 2021. The Company declared and paid dividends of $701 million and $668 million during the three months ended March 31, 2021 and 2020, respectively, and $1.4 billion and $1.3 billion during the six months ended March 31, 2021 and 2020, respectively.

Note 10—Earnings Per Share

Basic earnings per share is computed by dividing net income available to each class of shares by the weighted-average number of shares of common stock outstanding and participating securities during the period. Net income is allocated to each class of common stock and participating securities based on its proportional ownership on an as-converted basis. The weighted-average number of shares outstanding of each class of common stock reflects changes in ownership over the periods presented. See *Note 9—Stockholders' Equity*.

VISA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

Diluted earnings per share is computed by dividing net income available by the weighted-average number of shares of common stock outstanding, participating securities and, if dilutive, potential class A common stock equivalent shares outstanding during the period. Dilutive class A common stock equivalents may consist of: (1) shares of class A common stock issuable upon the conversion of series A, UK&I and Europe preferred stock and class B and C common stock based on the conversion rates in effect through the period, and (2) incremental shares of class A common stock calculated by applying the treasury stock method to the assumed exercise of employee stock options, the assumed purchase of stock under the Company's Employee Stock Purchase Plan and the assumed vesting of unearned performance shares.

The following table presents earnings per share for the three months ended March 31, 2021:

	Basic Earnings Per Share			Diluted Earnings Per Share			
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)		Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)						
Class A common stock	$ 2,342	1,695	$ 1.38	$ 3,026	2,193	[3]	$ 1.38
Class B common stock	550	245	$ 2.24	$ 550	245		$ 2.24
Class C common stock	59	11	$ 5.52	$ 59	11		$ 5.52
Participating securities[4]	75	Not presented	Not presented	$ 74	Not presented		Not presented
Net income	**$ 3,026**						

The following table presents earnings per share for the six months ended March 31, 2021:

	Basic Earnings Per Share			Diluted Earnings Per Share			
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)		Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)						
Class A common stock	$ 4,752	1,695	$ 2.80	$ 6,152	2,196	[3]	$ 2.80
Class B common stock	1,117	245	$ 4.55	$ 1,116	245		$ 4.54
Class C common stock	120	11	$ 11.22	$ 120	11		$ 11.20
Participating securities[4]	163	Not presented	Not presented	$ 163	Not presented		Not presented
Net income	**$ 6,152**						

The following table presents earnings per share for the three months ended March 31, 2020:

	Basic Earnings Per Share			Diluted Earnings Per Share			
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)		Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)						
Class A common stock	$ 2,360	1,703	$ 1.39	$ 3,084	2,228	[3]	$ 1.38
Class B common stock	552	245	$ 2.25	$ 551	245		$ 2.25
Class C common stock	61	11	$ 5.54	$ 60	11		$ 5.54
Participating securities[4]	111	Not presented	Not presented	$ 111	Not presented		Not presented
Net income	$ 3,084						

The following table presents earnings per share for the six months ended March 31, 2020:

	Basic Earnings Per Share			Diluted Earnings Per Share			
	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)[2]	Income Allocation (A)[1]	Weighted-Average Shares Outstanding (B)		Earnings per Share = (A)/(B)[2]
	(in millions, except per share data)						
Class A common stock	$ 4,866	1,708	$ 2.85	$ 6,356	2,234	[3]	$ 2.85
Class B common stock	1,135	245	$ 4.62	$ 1,134	245		$ 4.62
Class C common stock	126	11	$ 11.40	$ 125	11		$ 11.38
Participating securities[4]	229	Not presented	Not presented	$ 229	Not presented		Not presented
Net income	$ 6,356						

(1) Net income is allocated based on proportional ownership on an as-converted basis. The weighted-average number of shares of as-converted class B common stock used in the income allocation was 398 million for the three and six months ended March 31, 2021 and 2020. The weighted-average number of shares of as-converted class C common stock used in the income allocation was 43 million for the three and six months ended March 31, 2021 and 44 million for the three and six months ended March 31, 2020. The weighted-average number of shares of preferred stock included within participating securities was 12 million and 17 million of as-converted series A preferred stock for the three and six months ended March 31, 2021, respectively, 16 million and 32 million of as-converted UK&I preferred stock for the three and six months ended March 31, 2021 and 2020, respectively, and 22 million and 44 million of as-converted Europe preferred stock for the three and six months ended March 31, 2021 and 2020, respectively.

(2) Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated based on unrounded numbers.

(3) Weighted-average diluted shares outstanding are calculated on an as-converted basis and include incremental common stock equivalents, as calculated under the treasury stock method. The computation includes common stock equivalents of 2 million and 3 million for the three and six months ended March 31, 2021, respectively, and 3 million for the three and six months ended March 31, 2020, because their effect would have been dilutive. The computation excludes common stock equivalents of 1 million for the three and six months ended March 31, 2021 and 1 million and 2 million for the three and six months ended March 31, 2020, respectively, because their effect would have been anti-dilutive.

(4) Participating securities include preferred stock outstanding and unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, such as the Company's series A preferred stock, UK&I and Europe preferred stock and restricted stock units. Participating securities' income is allocated based on the weighted-average number of shares of as-converted stock.

Note 11—Share-based Compensation

The Company granted the following equity awards to employees and non-employee directors under the 2007 Equity Incentive Compensation Plan, or the EIP, during the six months ended March 31, 2021:

	Granted	Weighted-Average Grant Date Fair Value	Weighted-Average Exercise Price
Non-qualified stock options	1,022,430	$ 39.51	$ 207.57
Restricted stock units	2,361,264	$ 207.73	
Performance-based shares[1]	432,714	$ 229.81	

(1) Represents the maximum number of performance-based shares which could be earned.

Related to the EIP, the Company recorded share-based compensation cost, net of estimated forfeitures, of $148 million and $93 million for the three months ended March 31, 2021 and 2020, respectively, and $264 million and $204 million for the six months ended March 31, 2021 and 2020, respectively.

On January 26, 2021, the EIP was amended to extend the termination date from January 31, 2022 to January 26, 2031 and reduce the number of shares authorized for grant from 236 million to 198 million. Additionally, shares available for grant may be either unissued or previously issued shares subsequently acquired by the Company, except that shares withheld for taxes, or shares used to pay the exercise or purchase price of an award, shall not again be available for future grant.

Note 12—Income Taxes

The effective income tax rates were 17% for the three and six months ended March 31, 2021, and 19% for the three and six months ended March 31, 2020. The decrease in the effective tax rate was primarily due to $66 million and $147 million of tax benefits recognized during the three and six months ended March 31, 2021, respectively, as a result of the conclusion of audits by taxing authorities.

During the three and six months ended March 31, 2021, the Company's gross unrecognized tax benefits decreased by $111 million and $117 million, respectively, and the Company's net unrecognized tax benefits decreased by $127 million and $176 million, respectively. The decrease in unrecognized tax benefits is primarily due to the recognition of previously unrecognized tax benefits as a result of the conclusion of audits by taxing authorities, partially offset by increases in gross timing differences as well as various tax positions across several jurisdictions. During the three and six months ended March 31, 2021 and 2020, there were no significant changes in accrued interest and penalties related to uncertain tax positions.

The Company's tax filings are subject to examination by U.S. federal, state and foreign taxing authorities. The timing and outcome of the final resolutions of the various ongoing income tax examinations are highly uncertain. It is not reasonably possible to estimate the increase or decrease in unrecognized tax benefits within the next twelve months.

In September 2020, the Company accepted a settlement offer related to the examination of Canadian tax returns dating back to fiscal 2003, which was subject to approval by the Tax Court of Canada. On January 21, 2021, the Tax Court of Canada approved the settlement agreement related to the examination. The Company's income tax provision was adjusted to reflect the estimated impact of the settlement in fiscal 2020.

The American Rescue Plan Act of 2021 (the "ARP Act") was enacted in the U.S. on March 11, 2021. The ARP Act is not expected to have a material impact on the Company's financial results.

Note 13—Legal Matters

The Company is party to various legal and regulatory proceedings. Some of these proceedings involve complex claims that are subject to substantial uncertainties and unascertainable damages. Accordingly, except as disclosed, the Company has not established reserves or ranges of possible loss related to these proceedings, as at this time in the proceedings, the matters do not relate to a probable loss and/or the amount or range of losses are not reasonably estimable. Although the Company believes that it has strong defenses for the litigation and regulatory proceedings described below, it could, in the future, incur judgments or fines or enter into settlements of claims that could have a material adverse effect on the Company's financial position, results of operations or cash flows. From time to time, the Company may engage in settlement discussions or mediations with respect to one or more of its outstanding litigation matters, either on its own behalf or collectively with other parties.

The litigation accrual is an estimate and is based on management's understanding of the Company's litigation profile, the specifics of each case, advice of counsel to the extent appropriate and management's best estimate of incurred loss as of the balance sheet date.

The following table summarizes the activity related to accrued litigation:

	Six Months Ended March 31,	
	2021	2020
	(in millions)	
Balance at beginning of period	**$ 914**	$ 1,203
Provision for uncovered legal matters	**3**	7
Provision for covered legal matters	**9**	7
Reestablishment of prior accrual related to interchange multidistrict litigation	**—**	467
Payments for legal matters	**(40)**	(416)
Balance at end of period	**$ 886**	$ 1,268

Accrual Summary—U.S. Covered Litigation

Visa Inc., Visa U.S.A. and Visa International are parties to certain legal proceedings that are covered by the U.S. retrospective responsibility plan, which the Company refers to as the U.S. covered litigation. An accrual for the U.S. covered litigation and a charge to the litigation provision are recorded when a loss is deemed to be probable and reasonably estimable. In making this determination, the Company evaluates available information, including but not limited to actions taken by the Company's litigation committee. The total accrual related to the U.S. covered litigation could be either higher or lower than the escrow account balance. See further discussion below under *U.S. Covered Litigation* and *Note 5—U.S. and Europe Retrospective Responsibility Plans.*

The following table summarizes the accrual activity related to U.S. covered litigation:

	Six Months Ended March 31,	
	2021	2020
	(in millions)	
Balance at beginning of period	**$ 888**	$ 1,198
Reestablishment of prior accrual related to interchange multidistrict litigation	**—**	467
Payments for U.S. covered litigation	**(7)**	(414)
Balance at end of period	**$ 881**	$ 1,251

Accrual Summary—VE Territory Covered Litigation

Visa Inc., Visa International and Visa Europe are parties to certain legal proceedings that are covered by the Europe retrospective responsibility plan. Unlike the U.S. retrospective responsibility plan, the Europe retrospective responsibility plan does not have an escrow account that is used to fund settlements or judgments. The Company is entitled to recover VE territory covered losses through periodic adjustments to the conversion rates applicable to the UK&I preferred stock and Europe preferred stock. An accrual for the VE territory covered losses and a reduction to stockholders' equity will be recorded when the loss is deemed to be probable and reasonably estimable. See further discussion below under *VE Territory Covered Litigation* and *Note 5—U.S. and Europe Retrospective Responsibility Plans*.

The following table summarizes the accrual activity related to VE territory covered litigation:

	Six Months Ended March 31,	
	2021	2020
	(in millions)	
Balance at beginning of period	$ 21	$ 5
Provision for VE territory covered litigation	9	7
Payments for VE territory covered litigation	(28)	(1)
Balance at end of period	$ 2	$ 11

U.S. Covered Litigation

Interchange Multidistrict Litigation (MDL) – Putative Class Actions

On December 18, 2020, the plaintiffs purporting to act on behalf of the putative Injunctive Relief Class moved for class certification.

On April 28, 2021, a complaint was filed by Hayley Lanning, SBG Designs, LLC and others against Visa and Mastercard on behalf of a purported class of merchants located in 25 states and the District of Columbia who have taken payment using the Square card acceptance service. The complaint alleges violations of the antitrust laws of those jurisdictions and seeks recovery for plaintiffs as indirect purchasers. To the extent that Plaintiffs' claims are not released by the Amended Settlement Agreement, Visa believes they are covered by the U.S. Retrospective Responsibility Plan.

Interchange Multidistrict Litigation (MDL) - Individual Merchant Actions

Visa has reached settlements with a number of merchants representing approximately 40% of the Visa-branded payment card sales volume of merchants who opted out of the Amended Settlement Agreement with the Damages Class plaintiffs.

VE Territory Covered Litigation

Europe Merchant Litigation

Since July 2013, in excess of 650 Merchants (the capitalized term "Merchant," when used in this section, means a merchant together with subsidiary/affiliate companies that are party to the same claim) have commenced proceedings against Visa Europe, Visa Inc. and other Visa subsidiaries in the UK, Belgium and Poland primarily relating to interchange rates in Europe and in some cases relating to fees charged by Visa and certain Visa rules. As of the filing date, Visa Europe, Visa Inc. and other Visa subsidiaries have settled the claims asserted by over 100 Merchants, leaving more than 500 Merchants with outstanding claims. In addition, over 30 additional Merchants have threatened to commence similar proceedings. Standstill agreements have been entered into with respect to some of those threatened Merchant claims, several of which have been settled.

With regard to the claim asserted by one Merchant, trial before the UK Competition Appeal Tribunal to determine the lawful amount, if any, the plaintiff may be entitled to recover is set for June 2022. Other plaintiffs, whose claims were stayed pending the Supreme Court of the United Kingdom's judgment, are moving their claims forward, mostly before the UK Competition Appeal Tribunal.

Other Litigation

Canadian Merchant Litigation

All defendants have settled with the plaintiffs. The appeals by Wal-Mart Canada and/or Home Depot of Canada Inc. of the decisions approving the Visa and Mastercard settlements have been rejected in all five provinces. Wal-Mart Canada and Home Depot of Canada Inc. sought leave to appeal the British Columbia, Quebec, Ontario and Saskatchewan Courts of Appeal decisions to the Supreme Court of Canada, and those applications were denied. Wal-Mart Canada and Home Depot of Canada Inc. chose not to appeal the Alberta Court of Appeal decision to the Supreme Court of Canada, and the Visa and Mastercard settlements are now final.

EMV Chip Liability Shift

On January 19, 2021, the U.S. Court of Appeals for the Second Circuit denied defendants' request to appeal the district court's decision granting plaintiffs' motion for class certification.

Australian Competition and Consumer Commission

On March 9, 2021, the Australian Competition and Consumer Commission accepted an undertaking by Visa to resolve the investigation. The investigation is now closed.

Euronet Litigation

In the claim by Euronet 360 Finance Limited, Euronet Polska Spolka z.o.o. and Euronet Services spol. s.r.o., trial has been set for January 2023.

Plaid Inc. Acquisition

On January 12, 2021, the case filed by the U.S. Department of Justice against Visa and Plaid was dismissed.

German ATM Litigation

In December 2020 and January 2021, six savings banks and cooperative banks filed claims in Germany against Visa Europe challenging Visa's ATM rules prohibiting the charging of access fees on domestic cash withdrawals with a credit card as anti-competitive. No damages are currently sought. On December 24, 2020, 275 German savings banks initiated conciliation proceedings against Visa Europe, Visa Europe Services, LLC., and Visa Europe Services, Inc. asserting claims related to the same rules. Visa declined participation in these proceedings on March 22, 2021.

U.S. Department of Justice Civil Investigative Demand (2021)

On March 26, 2021, the Antitrust Division of the U.S. Department of Justice (the "Division") issued a Civil Investigative Demand ("CID") to Visa seeking documents and information regarding a potential violation of Section 1 or 2 of the Sherman Act, 15 U.S.C. §§ 1, 2. The CID focuses on U.S. debit and competition with other payment methods and networks. Visa is cooperating with the Division in connection with the CID.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis provides a review of the results of operations, financial condition and the liquidity and capital resources of Visa Inc. and its subsidiaries ("Visa," "we," "us," "our" or the "Company") on a historical basis and outlines the factors that have affected recent earnings, as well as those factors that may affect future earnings. The following discussion and analysis should be read in conjunction with our unaudited consolidated financial statements and related notes included in Item 1—Financial Statements of this report.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, the impact on our future financial position, results of operations and cash flows as a result of the coronavirus ("COVID-19"); prospects, developments, strategies and growth of our business; anticipated expansion of our products in certain countries; industry developments; anticipated benefits of our acquisitions; expectations regarding litigation matters, investigations and proceedings; timing and amount of stock repurchases; sufficiency of sources of liquidity and funding; effectiveness of our risk management programs; and expectations regarding the impact of recent accounting pronouncements on our consolidated financial statements. Forward-looking statements generally are identified by words such as "believes," "estimates," "expects," "intends," "may," "projects," "could," "should," "will," "continue" and other similar expressions. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our SEC filings, including our Annual Report on Form 10-K, for the year ended September 30, 2020 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.

Overview

Visa is a global payments technology company that enables innovative, secure and reliable electronic payments across more than 200 countries and territories. We facilitate digital payments across a global network of consumers, merchants, financial institutions, businesses, strategic partners and government entities through innovative technologies. Our advanced transaction processing network, VisaNet, enables authorization, clearing and settlement of payment transactions and allows us to provide our financial institution and merchant clients a wide range of products, platforms and value added services.

Financial overview. Our as-reported U.S. GAAP and non-GAAP net income and diluted earnings per share are as follows:

	Three Months Ended March 31,			Six Months Ended March 31,		
	2021	2020	% Change[1]	2021	2020	% Change[1]
	(in millions, except percentages and per share data)					
Net income, as reported	**$ 3,026**	$ 3,084	(2)%	**$ 6,152**	$ 6,356	(3)%
Diluted earnings per share, as reported	**$ 1.38**	$ 1.38	— %	**$ 2.80**	$ 2.85	(2)%
Non-GAAP net income[2]	**$ 3,031**	$ 3,098	(2)%	**$ 6,156**	$ 6,370	(3)%
Non-GAAP diluted earnings per share[2]	**$ 1.38**	$ 1.39	(1)%	**$ 2.80**	$ 2.85	(2)%

(1) Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.
(2) For a full reconciliation of our non-GAAP financial results, see tables in *Non-GAAP financial results* below.

Coronavirus. COVID-19 continues to have an impact globally. While we have been actively monitoring the worldwide spread of COVID-19, the extent to which COVID-19 continues to impact our business remains difficult to predict. Our priority remains the safety of our employees, clients and the communities in which we live and operate. We are taking a measured approach in bringing our employees back in the office, with most of our employees currently working remotely. We continue to remain in close and regular contact with our employees, clients, partners and with governments globally to help them navigate these challenging times.

Revenues in the second quarter of fiscal 2021 were at varying stages of recovery. During the quarter, there was continued year-over-year growth in payments volume and processed transactions. Cross-border volume also continued to improve during the quarter, despite many borders remaining closed. Although we have taken measures to modify our business practices and reduce operating expenses, including scaling back hiring plans, restricting travel and the use of external resources, the impact that COVID-19 continues to have on our business remains difficult to predict due to numerous uncertainties, including the transmissibility, severity and duration of the outbreak, new variants of the virus, the effectiveness of social distancing measures or actions that are voluntarily adopted by the public or required by governments or public health authorities, the development, availability and rollout of effective treatments or vaccines, the timing of border openings, and the impact to our employees and our operations, the business of our clients, supplier and business partners, and other factors identified in Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended September 30 2020, filed with the SEC on November 19, 2020. We will continue to evaluate the nature and extent of the impact to our business.

Highlights for the first half of fiscal 2021. Net revenues for the three and six months ended March 31, 2021 were $5.7 billion and $11.4 billion, respectively, and decreased 2% and 4% over the prior-year comparable periods, respectively. The year-over-year changes are primarily due to cross-border volume, which were impacted by the spread of COVID-19 globally starting in March 2020 and higher client incentives, partially offset by growth in nominal payments volume and processed transactions. Exchange rate movements in the three and six months ended March 31, 2021, as partially mitigated by our hedging program, positively impacted our net revenues by approximately one half of a percentage point.

Total operating expenses for the three months ended March 31, 2021 were $2.1 billion on a GAAP basis and increased 11% over the prior-year comparable period, primarily driven by higher personnel expenses and higher general and administrative expenses, partially offset by lower marketing expenses and lower professional fees. Total operating expenses for the six months ended March 31, 2021 were $4.0 billion on a GAAP basis and increased 1% over the prior-year comparable period, primarily driven by higher personnel expenses, partially offset by lower marketing expenses, lower professional fees and lower general and administrative expenses.

Total operating expenses for the three months ended March 31, 2021 were $2.0 billion on a non-GAAP basis and increased 3% over the prior-year comparable period, primarily due to higher personnel expenses, partially offset by lower general and administrative expenses, lower marketing expenses and lower professional fees. Total operating expenses for the six months ended March 31, 2021 were $3.8 billion on a non-GAAP basis and decreased 3% over the prior-year comparable period, primarily driven by lower general and administrative expenses, lower marketing expenses and lower professional fees, partially offset by higher personnel expenses.

Non-GAAP financial results. We use non-GAAP financial measures of our performance which exclude certain items which we believe are not representative of our continuing operations, as they may be non-recurring or have no cash impact, and may distort our longer-term operating trends. We consider non-GAAP measures useful to investors because they provide greater transparency into management's view and assessment of our ongoing operating performance.

- *Gains and losses on equity investments.* Gains and losses on equity investments include periodic non-cash fair value adjustments and gains and losses upon sale of an investment. These long-term investments are strategic in nature and are primarily private company investments. Gains and losses and the related tax impacts associated with these investments are tied to the performance of the companies that we invest in and therefore do not correlate to the underlying performance of our business.

- *Amortization of acquired intangible assets.* Amortization of acquired intangible assets consists of amortization of intangible assets such as developed technology, customer relationships and brands acquired in connection with business combinations executed beginning in fiscal 2019. Amortization charges for our acquired intangible assets are non-cash and are significantly affected by the timing, frequency and size of our acquisitions, rather than our core operations. As such, we have excluded this amount and the related tax impact to facilitate an evaluation of our current operating performance and comparison to our past operating performance.

- *Acquisition-related costs.* Acquisition-related costs consist primarily of one-time transaction and integration costs associated with our business combinations. These costs include professional fees, technology integration fees, restructuring activities and other direct costs related to the purchase and integration of acquired entities. It also includes retention equity and deferred equity compensation when they are agreed upon as part of the purchase price of the transaction but are required to be recognized as expense post-combination. We have excluded these amounts and the related tax impacts as the expenses are recognized for a limited duration and do not reflect the underlying performance of our business.

- *Indirect taxes.* During the three and six months ended March 31, 2021, we recognized a one-time charge within general and administrative expense of $152 million, before tax. Net of the related income tax benefit of $40 million, determined by applying applicable tax rates, non-GAAP net income increased by $112 million. This charge is to record our estimate of probable additional indirect taxes, related to prior periods, for which we could be liable as a result of certain changes in applicable law. This one-time charge is not representative of our ongoing operations.

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 and six months ended March 31, 2021 and 2020.

	Three Months Ended March 31, 2021					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate[1]	Net Income	Diluted Earnings Per Share[1]
	(in millions, except percentages and per share data)					
As reported	$ 2,148	$ 47	$ 602	16.6 %	$ 3,026	$ 1.38
(Gains) Losses on equity investments, net	—	(156)	(35)		(121)	(0.05)
Amortization of acquired intangible assets	(13)	—	3		10	—
Acquisition-related costs	(5)	—	1		4	—
Indirect taxes	(152)	—	40		112	0.05
Non-GAAP	$ 1,978	$ (109)	$ 611	16.8 %	$ 3,031	$ 1.38

	Six Months Ended March 31, 2021					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate[1]	Net Income	Diluted Earnings Per Share[1]
	(in millions, except percentages and per share data)					
As reported	$ 3,991	$ (49)	$ 1,224	16.6 %	$ 6,152	$ 2.80
(Gains) Losses on equity investments, net	—	(172)	(39)		(133)	(0.06)
Amortization of acquired intangible assets	(25)	—	6		19	0.01
Acquisition-related costs	(8)	—	2		6	—
Indirect taxes	(152)	—	40		112	0.05
Non-GAAP	$ 3,806	$ (221)	$ 1,233	16.7 %	$ 6,156	$ 2.80

	Three Months Ended March 31, 2020					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate[1]	Net Income	Diluted Earnings Per Share[1]
	(in millions, except percentages and per share data)					
As reported	$ 1,930	$ (95)	$ 745	19.4 %	$ 3,084	$ 1.38
(Gains) Losses on equity investments, net	—	2	—		2	—
Amortization of acquired intangible assets	(11)	—	2		9	—
Acquisition-related costs	(5)	—	2		3	—
Non-GAAP	$ 1,914	$ (93)	$ 749	19.5 %	$ 3,098	$ 1.39

	Six Months Ended March 31, 2020					
	Operating Expenses	Non-operating Income (Expense)	Income Tax Provision	Effective Income Tax Rate[1]	Net Income	Diluted Earnings Per Share[1]
	(in millions, except percentages and per share data)					
As reported	$ 3,968	$ (137)	$ 1,447	18.5 %	$ 6,356	$ 2.85
(Gains) Losses on equity investments, net	—	(11)	(3)		(8)	—
Amortization of acquired intangible assets	(22)	—	5		17	0.01
Acquisition-related costs	(7)	—	2		5	—
Non-GAAP	$ 3,939	$ (148)	$ 1,451	18.6 %	$ 6,370	$ 2.85

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

Common stock repurchases. In January 2021, our board of directors authorized an additional $8.0 billion share repurchase program. During the three months ended March 31, 2021, we repurchased 8 million shares of our class A common stock in the open market for $1.7 billion. As of March 31, 2021, our repurchase programs had remaining authorized funds of $10.0 billion. See *Note 9—Stockholders' Equity* to our unaudited consolidated financial statements.

Payments volume and processed transactions. Payments volume is the primary driver for our service revenues, and the number of processed transactions is the primary driver for our data processing revenues.

Nominal payments volume growth in the U.S. for the three and six months ended December 31, 2020[1] was 8% for both periods, driven mainly by consumer debit. On a constant-dollar basis, which excludes the impact of exchange rate movements, our international payments volume growth for the three and six months ended December 31, 2020 was 2% for both periods. Growth in processed transactions reflects the ongoing worldwide shift to electronic payments, partially offset by the impact of COVID-19.

The following table presents nominal payments and cash volume:

	U.S. Three Months Ended December 31,[1]			International Three Months Ended December 31,[1]			Visa Inc. Three Months Ended December 31,[1]		
	2020	2019	% Change[2]	2020	2019	% Change[2]	2020	2019	% Change[2]
	(in billions, except percentages)								
Nominal payments volume									
Consumer credit	**$ 414**	$ 424	(2)%	**$ 620**	$ 662	(6)%	**$ 1,033**	$ 1,086	(5)%
Consumer debit[3]	**555**	459	21 %	**613**	537	14 %	**1,168**	996	17 %
Commercial[4]	**171**	172	— %	**103**	107	(4)%	**274**	278	(2)%
Total nominal payments volume[2]	**$ 1,140**	$ 1,055	8 %	**$ 1,335**	$ 1,305	2 %	**$ 2,475**	$ 2,360	5 %
Cash volume	**143**	144	(1)%	**500**	575	(13)%	**642**	719	(11)%
Total nominal volume[2],[5]	**$ 1,283**	$ 1,199	7 %	**$ 1,835**	$ 1,880	(2)%	**$ 3,117**	$ 3,079	1 %

	U.S. Six Months Ended December 31,[1]			International Six Months Ended December 31,[1]			Visa Inc. Six Months Ended December 31,[1]		
	2020	2019	% Change[2]	2020	2019	% Change[2]	2020	2019	% Change[2]
	(in billions, except percentages)								
Nominal payments volume									
Consumer credit	**$ 791**	$ 829	(5)%	**$ 1,193**	$ 1,307	(9)%	**$ 1,984**	$ 2,136	(7)%
Consumer debit[3]	**1,111**	905	23 %	**1,197**	1,038	15 %	**2,308**	1,943	19 %
Commercial[4]	**335**	342	(2)%	**197**	208	(5)%	**532**	550	(3)%
Total nominal payments volume[2]	**$ 2,237**	$ 2,075	8 %	**$ 2,587**	$ 2,553	1 %	**$ 4,824**	$ 4,628	4 %
Cash volume	**308**	292	5 %	**980**	1,141	(14)%	**1,288**	1,433	(10)%
Total nominal volume[2],[5]	**$ 2,544**	$ 2,367	7 %	**$ 3,568**	$ 3,694	(3)%	**$ 6,112**	$ 6,061	1 %

The following table presents nominal and constant payments and cash volume growth:

	International Three Months Ended December 31, 2020 vs. 2019[1],[2]		Visa Inc. Three Months Ended December 31, 2020 vs. 2019[1],[2]		International Six Months Ended December 31, 2020 vs. 2019[1],[2]		Visa Inc. Six Months Ended December 31, 2020 vs. 2019[1],[2]	
	Nominal	Constant[6]	Nominal	Constant[6]	Nominal	Constant[6]	Nominal	Constant[6]
Payments volume growth								
Consumer credit growth	(6)%	(8)%	(5)%	(6)%	(9)%	(9)%	(7)%	(7)%
Consumer debit growth[3]	14 %	15 %	17 %	18 %	15 %	16 %	19 %	19 %
Commercial growth[4]	(4)%	(4)%	(2)%	(2)%	(5)%	(5)%	(3)%	(3)%
Total payments volume growth[2]	2 %	2 %	5 %	5 %	1 %	2 %	4 %	4 %
Cash volume growth	(13)%	(9)%	(11)%	(7)%	(14)%	(9)%	(10)%	(6)%
Total volume growth[2]	(2)%	(1)%	1 %	2 %	(3)%	(2)%	1 %	2 %

(1) Service revenues in a given quarter are assessed based on nominal payments volume in the prior quarter. Therefore, service revenues reported for the three and six months ended March 31, 2021 and 2020, respectively, were based on nominal payments volume reported by our financial institution clients for the three and six months ended December 31, 2020 and 2019, respectively.

(2) Figures in the table may not recalculate exactly due to rounding. Percentage changes and totals are calculated based on unrounded numbers.

(3) Includes consumer prepaid volume and Interlink volume.

(4) Includes large, medium and small business credit and debit, as well as commercial prepaid volume.

(5) Total nominal volume is the sum of total nominal payments volume and cash volume. Total nominal payments volume is the total monetary value of transactions for goods and services that are purchased on cards and other form factors carrying the Visa, Visa Electron, Interlink and V PAY brands. Cash volume generally consists of cash access transactions, balance access transactions, balance transfers and convenience checks. Total nominal volume is provided by our financial institution clients, subject to review by Visa. On occasion, previously presented volume information may be updated. Prior-period updates are not material.

(6) Growth on a constant-dollar basis excludes the impact of foreign currency fluctuations against the U.S. dollar.

The following table provides the number of transactions involving cards and other form factors carrying the Visa, Visa Electron, Interlink, V PAY and PLUS cards processed on Visa's networks during the periods presented:

	Three Months Ended March 31,			Six Months Ended March 31,		
	2021	2020	% Change[1]	2021	2020	% Change[1]
	(in millions, except percentages)					
Visa processed transactions	**37,644**	34,941	8 %	**76,857**	72,716	6 %

[1] Figures in the table may not recalculate exactly due to rounding. Percentage change is calculated based on unrounded numbers.

Results of Operations

Net Revenues

The following table sets forth our net revenues earned in the U.S. and internationally:

	Three Months Ended March 31,				Six Months Ended March 31,			
	2021	2020	$ Change	% Change[1]	2021	2020	$ Change	% Change[1]
	(in millions, except percentages)							
U.S.	**$ 2,683**	$ 2,650	$ 33	1 %	**$ 5,350**	$ 5,367	$ (17)	— %
International	**3,046**	3,204	(158)	(5)%	**6,066**	6,541	(475)	(7)%
Net revenues	**$ 5,729**	$ 5,854	$ (125)	(2)%	**$ 11,416**	$ 11,908	$ (492)	(4)%

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

Net revenues decreased during the three and six-month comparable periods primarily due to the year-over-year changes in cross-border volume, which were impacted by COVID-19 starting in March 2020 and higher client incentives. The decrease in net revenues was partially offset by growth in nominal payments volume and processed transactions.

Our net revenues are impacted by the overall strengthening or weakening of the U.S. dollar as payments volume and related revenues denominated in local currencies are converted to U.S. dollars. Exchange rate movements in the three and six months ended March 31, 2021, as partially mitigated by our hedging program, positively impacted our net revenues by approximately one half of a percentage point.

The following table sets forth the components of our net revenues:

	Three Months Ended March 31,				Six Months Ended March 31,			
	2021	2020	$ Change	% Change[1]	2021	2020	$ Change	% Change[1]
	(in millions, except percentages)							
Service revenues	**$ 2,845**	$ 2,623	$ 222	8 %	**$ 5,522**	$ 5,178	$ 344	7 %
Data processing revenues	**2,996**	2,711	285	11 %	**6,029**	5,575	454	8 %
International transaction revenues	**1,488**	1,833	(345)	(19)%	**2,939**	3,851	(912)	(24)%
Other revenues	**392**	392	—	— %	**776**	757	19	2 %
Client incentives	**(1,992)**	(1,705)	(287)	17 %	**(3,850)**	(3,453)	(397)	11 %
Net revenues	**$ 5,729**	$ 5,854	$ (125)	(2)%	**$ 11,416**	$ 11,908	$ (492)	(4)%

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Service revenues* increased primarily due to 5% and 4% growth in nominal payments volume during the three and six-month comparable periods, respectively. Service revenues were also impacted by select pricing modifications and business mix.

- *Data processing revenues* increased mainly due to overall growth in processed transactions of 8% and 6% during the three and six-month comparable periods, respectively, growth in value added services and business mix.
- *International transaction revenues* driven by nominal cross-border volumes, excluding transactions within Europe, declined 19% and 26% during the three and six-month comparable periods, respectively, as COVID-19 spread globally starting in March 2020. International transaction revenues were also impacted by fluctuations in the volatility of a broad range of currencies and business mix.
- *Client incentives* increased in correlation with the increase in payments volumes during the three and six-month comparable periods. The amount of client incentives we record in future periods will vary based on changes in performance expectations, actual client performance, amendments to existing contracts or execution of new contracts.

Operating Expenses

The following table sets forth components of our total operating expenses:

	Three Months Ended March 31,				Six Months Ended March 31,			
	2021	2020	$ Change	% Change[1]	2021	2020	$ Change	% Change[1]
	(in millions, except percentages)							
Personnel	**$ 1,114**	$ 940	$ 174	18 %	**$ 2,095**	$ 1,922	$ 173	9 %
Marketing	**206**	235	(29)	(12)%	**411**	509	(98)	(19)%
Network and processing	**179**	183	(4)	(2)%	**352**	364	(12)	(3)%
Professional fees	**82**	103	(21)	(21)%	**165**	209	(44)	(21)%
Depreciation and amortization	**201**	192	9	5 %	**398**	374	24	7 %
General and administrative	**363**	269	94	35 %	**566**	582	(16)	(3)%
Litigation provision	**3**	8	(5)	(66)%	**4**	8	(4)	(55)%
Total operating expenses	**$ 2,148**	$ 1,930	$ 218	11 %	**$ 3,991**	$ 3,968	$ 23	1 %

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Personnel expenses* increased primarily due to increases in headcount and higher incentive compensation, reflecting our strategy to invest in future growth.
- *Marketing expenses* decreased primarily due to delays in spending to later in fiscal 2021.
- *Professional fees* decreased reflecting non-recurring expenses in the prior year and delays in spending to later in fiscal 2021.
- *Depreciation and amortization expenses* increased primarily due to additional depreciation and amortization from our on-going investments, including acquisitions.
- *General and administrative expenses* increased in the three months ended March 31, 2021, as a result of a one-time charge to record our estimate of probable additional indirect taxes, related to prior periods, for which we could be liable as a result of certain changes in applicable law, partially offset by lower travel expenses and lower usage of travel related product benefits. In the six months ended March 31, 2021, expenses decreased due to lower travel expenses and lower usage of travel related product benefits, partially offset by the one-time charge of indirect taxes.

Non-operating Income (Expense)

The following table sets forth the components of our non-operating income (expense):

	Three Months Ended March 31,				Six Months Ended March 31,			
	2021	2020	$ Change	% Change[1]	2021	2020	$ Change	% Change[1]
	(in millions, except percentages)							
Interest expense, net	**$ (121)**	$ (118)	$ (3)	3 %	**$ (257)**	$ (229)	$ (28)	12 %
Investment income and other	**168**	23	145	650 %	**208**	92	116	128 %
Total non-operating income (expense)	**$ 47**	$ (95)	$ 142	(150)%	**$ (49)**	$ (137)	$ 88	(65)%

[1] Figures in the table may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.

- *Interest expense, net* increased in the three and six months ended March 31, 2021 primarily as a result of the issuance of debt in fiscal 2020, offset by a discrete tax benefit recognized during the three months ended March 31, 2021.
- *Investment income and other* increased in the three and six months ended March 31, 2021 primarily due to higher gains on our equity investments, offset by lower interest income on our cash and investments.

Effective Income Tax Rate

The following table sets forth our effective income tax rate:

	Three Months Ended March 31,			Six Months Ended March 31,		
	2021	2020	% Change	2021	2020	% Change
Effective income tax rate	**17 %**	19 %	(2)%	**17 %**	19 %	(2)%

The decrease in the effective tax rate was primarily due to $66 million and $147 million of tax benefits recognized during the three and six months ended March 31, 2021, respectively, as a result of the conclusion of audits by taxing authorities.

Liquidity and Capital Resources

Cash Flow Data

The following table summarizes our cash flow activity for the periods presented:

	Six Months Ended March 31,	
	2021	2020
	(in millions)	
Total cash provided by (used in):		
Operating activities	**$ 6,842**	$ 5,342
Investing activities	**1,474**	2,441
Financing activities	**(7,945)**	(5,887)
Effect of exchange rate changes on cash, cash equivalents, restricted cash and restricted cash equivalents	**16**	88
Increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	**$ 387**	$ 1,984

Operating activities. Cash provided by operating activities for the six months ended March 31, 2021 was higher than the prior-year comparable period primarily due to lower client incentive payments and the timing and impact of COVID-19 on settlement in the prior-year period.

Investing activities. Cash provided by investing activities for the six months ended March 31, 2021 decreased primarily due to higher purchases of investment securities, partially offset by higher sales and maturities of investment securities as compared to the prior-year period.

Financing activities. Cash used in financing activities for the six months ended March 31, 2021 was higher than the prior-year comparable period primarily due to the $3.0 billion principal debt payment upon maturity of our senior notes in December 2020 and the absence of the $1.0 billion commercial paper issued in the prior year, partially offset by lower share repurchases. See *Note 7—Debt* and *Note 9—Stockholders' Equity* to our unaudited consolidated financial statements.

Sources of Liquidity

Our primary sources of liquidity are cash on hand, cash flow from operations, our investment portfolio and access to various equity and borrowing arrangements. Funds from operations are maintained in cash and cash equivalents and short-term or long-term available-for-sale investment securities based upon our funding requirements, access to liquidity from these holdings and the returns that these holdings provide. Based on our current cash flow budgets and forecasts of our short-term and long-term liquidity needs, we believe that our current and projected sources of liquidity will be sufficient to meet our projected liquidity needs for more than the next 12 months. We will continue to assess our liquidity position and potential sources of supplemental liquidity in view of our operating performance, current economic and capital market conditions and other relevant circumstances.

Uses of Liquidity

There has been no significant change to our primary uses of liquidity since September 30, 2020, except as discussed below.

Common stock repurchases. During the six months ended March 31, 2021, we repurchased 17 million shares of our class A common stock for $3.5 billion. As of March 31, 2021, our repurchase programs had remaining authorized funds of $10.0 billion. See *Note 9—Stockholders' Equity* to our unaudited consolidated financial statements.

Dividends. During the six months ended March 31, 2021, we declared and paid $1.4 billion in dividends to holders of our common and preferred stock. On April 23, 2021, our board of directors declared a cash dividend in the amount of $0.32 per share of class A common stock (determined in the case of class B and C common stock and series A, UK&I and Europe preferred stock on an as-converted basis), which will be paid on June 1, 2021, to all holders of record as of May 14, 2021. See *Note 9—Stockholders' Equity* to our unaudited consolidated financial statements. We expect to continue paying quarterly dividends in cash, subject to approval by the board of directors. All preferred and class B and C common stock will share ratably on an as-converted basis in such future dividends.

Senior notes. During the six months ended March 31, 2021, we repaid $3.0 billion of principal upon maturity of our senior notes due December 14, 2020. See *Note 7—Debt* to our unaudited consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Board Update ("ASU") 2019-12, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in the existing guidance for income taxes and making other minor improvements. The amendments in the ASU are effective on October 1, 2021. The adoption is not expected to have a material impact on our consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01, which clarifies that an entity should consider observable transactions that require it to either apply or discontinue the equity method of accounting for the purposes of applying the fair value measurement alternative. The amendments in the ASU are effective on October 1, 2021. The adoption is not expected to have a material impact on our consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate or another reference rate expected to be discontinued because of reference rate reform. Subsequently, the FASB also issued an amendment to this standard. The amendments in the ASU are effective upon issuance through December 31, 2022. We are evaluating the effect ASU 2020-04 and its subsequent amendment will have on our consolidated financial statements.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no significant changes to our market risks since September 30, 2020.

ITEM 4. Controls and Procedures

Disclosure controls and procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) of Visa Inc. at the end of the period covered by this report and, based on such evaluation, have concluded that the disclosure controls and procedures of Visa Inc. were effective at the reasonable assurance level as of such date.

Changes in internal control over financial reporting. There have been no changes in the internal control over financial reporting of Visa Inc. that occurred during the fiscal period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

Refer to *Note 13—Legal Matters* to the unaudited consolidated financial statements included in this Form 10-Q for a description of the Company's current material legal proceedings.

ITEM 1A. Risk Factors.

For a discussion of the Company's risk factors, see the information under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended September 30, 2020, filed with the SEC on November 19, 2020.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

ISSUER PURCHASES OF EQUITY SECURITIES

The table below sets forth our purchases of common stock during the quarter ended March 31, 2021:

Period	Total Number of Shares Purchased	Average Purchase Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1],[2]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1],[2]
		(in millions, except per share data)		
January 1 - 31, 2021	2	$ 206.12	2	$ 11,073
February 1 - 28, 2021	3	$ 206.71	3	$ 10,463
March 1 - 31, 2021	3	$ 212.88	3	$ 9,892
Total	**8**	**$ 208.51**	**8**	

(1) The figures in the table reflect transactions according to the trade dates. For purposes of our unaudited consolidated financial statements included in this Form 10-Q, the impact of these repurchases is recorded according to the settlement dates.

(2) Our board of directors from time to time authorizes the repurchase of shares of our common stock up to a certain monetary limit. In January 2020 and 2021, our board of directors authorized a share repurchase program for $9.5 billion and $8.0 billion, respectively. These authorizations have no expiration date.

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Mine Safety Disclosures.

Not applicable.

ITEM 5. Other Information.

None.

ITEM 6. Exhibits.

EXHIBIT INDEX

		Incorporated by Reference			
Exhibit Number	**Description of Documents**	**Schedule/ Form**	**File Number**	**Exhibit**	**Filing Date**
31.1+	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2+	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1+	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2+	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS+	XBRL Instance Document				
101.SCH+	XBRL Taxonomy Extension Schema Document				
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

+ Filed or furnished herewith.

SIGNATURES

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

VISA INC.

Date: April 29, 2021	By:	/s/ Alfred F. Kelly, Jr.
	Name:	Alfred F. Kelly, Jr.
	Title:	Chairman and Chief Executive Officer (Principal Executive Officer)
Date: April 29, 2021	By:	/s/ Vasant M. Prabhu
	Name:	Vasant M. Prabhu
	Title:	Vice Chairman and Chief Financial Officer (Principal Financial Officer)
Date: April 29, 2021	By:	/s/ James H. Hoffmeister
	Name:	James H. Hoffmeister
	Title:	Global Corporate Controller and Chief Accounting Officer (Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULES 13A-14(A)/15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Alfred F. Kelly, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Visa Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2021

/s/ Alfred F. Kelly, Jr.

Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULES 13A-14(A)/15D-14(A),
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Vasant M. Prabhu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Visa Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2021

/s/ Vasant M. Prabhu

Vasant M. Prabhu
Vice Chairman and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Visa Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alfred F. Kelly, Jr., do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2021

/s/ Alfred F. Kelly, Jr.

Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Visa Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vasant M. Prabhu, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2021

/s/ Vasant M. Prabhu

Vasant M. Prabhu
Vice Chairman and Chief Financial Officer
(Principal Financial Officer)