

**Visa Worldwide Pte. Limited**  
Registration Number: 200719281K

Annual Report  
Year ended 30 September 2025

## **Directors' statement**

We are pleased to submit this annual report to the member of Visa Worldwide Pte. Limited (the 'Company') together with the audited financial statements for the financial year ended 30 September 2025.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS60 are drawn up so as to give a true and fair view of the financial position of the Company as at 30 September 2025 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## **Directors**

The directors in office at the date of this statement are as follows:

Christopher Choong-Won Suh  
Aakash Degwekar  
Tan Kay Huat Andrew  
Karpin Stephen David

## **Directors' interests**

The member of the Company has consented to the directors' statement not containing the information set out in item 9 of the Twelfth Schedule to the Companies Act 1967.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **Share options**

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

## **Auditors**


The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Signed by:  
  
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**Aakash Degwekar**  
*Director*

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**Tan Kay Huat Andrew**  
*Director*

15 December 2025



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## Independent auditors' report

Member of the Company  
Visa Worldwide Pte. Limited

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Visa Worldwide Pte. Limited ('the Company'), which comprise the statement of financial position as at 30 September 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS60.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 30 September 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

*Auditors' responsibilities for the audit of the financial statements*

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

#### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

**KPMG LLP**

*Public Accountants and  
Chartered Accountants*

**Singapore**

15 December 2025

**Statement of financial position**  
**As at 30 September 2025**

	<b>Note</b>	<b>2025</b> <b>US\$'000</b>	<b>2024</b> <b>US\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	57,627	77,569
Intangible assets		1,636	2,792
Volume and support incentives	5	645,338	492,909
Investment securities	6	11	11
Trade and other receivables	7	54,649	18,727
Subsidiaries	8	217,274	217,274
Deferred tax assets	15	2,949	4,237
		<u>979,484</u>	<u>813,519</u>
<b>Current assets</b>			
Volume and support incentives	5	395,340	366,189
Investment securities	6	—	148,908
Trade and other receivables	7	859,114	2,780,738
Customer collateral		375,818	332,561
Prepayments		50,407	59,788
Cash and cash equivalents	9	2,648,223	187,251
Derivative financial instruments	10	10,576	9,649
		<u>4,339,478</u>	<u>3,885,084</u>
<b>Total assets</b>		<u>5,318,962</u>	<u>4,698,603</u>
<b>Equity attributable to equity holder of the Company</b>			
Share capital	11	8,968	8,968
Reserves	12	(212,568)	(178,125)
Accumulated profits		1,125,163	1,140,522
<b>Total equity</b>		<u>921,563</u>	<u>971,365</u>
<b>Non-current liabilities</b>			
Volume and support incentives	5	40,589	40,729
Trade and other payables	13	7,859	3,524
Lease liabilities	23	16,158	34,195
		<u>64,606</u>	<u>78,448</u>
<b>Current liabilities</b>			
Volume and support incentives	5	2,343,625	2,037,553
Trade and other payables	13	783,888	547,946
Lease liabilities	23	21,189	19,602
Customer collateral		375,818	332,561
Contract liabilities	16	497,339	423,421
Derivative financial instruments	10	43,887	31,575
Tax liabilities	14	267,047	256,132
		<u>4,332,793</u>	<u>3,648,790</u>
<b>Total liabilities</b>		<u>4,397,399</u>	<u>3,727,238</u>
<b>Total equity and liabilities</b>		<u>5,318,962</u>	<u>4,698,603</u>

The accompanying notes form an integral part of these financial statements.

**Statement of profit or loss and other comprehensive income**  
**Year ended 30 September 2025**

	<b>Note</b>	<b>2025</b> <b>US\$'000</b>	<b>2024</b> <b>US\$'000</b>
Revenue	18	5,281,296	4,814,973
Intercompany service fee income	24	402,198	383,767
Income before operating expenses		5,683,494	5,198,740
Intercompany service fee expense	24	(920,333)	(818,828)
Staff costs		(490,774)	(430,869)
Professional fees expense		(42,289)	(30,046)
Depreciation expense	4	(28,910)	(26,353)
Amortisation expense		(1,156)	(1,826)
Advertising, marketing and promotions expenses		(229,429)	(193,349)
(Impairment loss)/reversal of impairment on trade receivables		(764)	149
Other (expenses)/income		(128,467)	23,840
<b>Result from operating activities</b>		<b>3,841,372</b>	<b>3,721,458</b>
Finance income		83,897	99,775
Finance costs		(8,621)	(40,794)
<b>Net finance income</b>	19	<b>75,276</b>	<b>58,981</b>
<b>Profit before income tax</b>		<b>3,916,648</b>	<b>3,780,439</b>
Income tax (expense)/credit	20	(252,007)	20,253
<b>Profit for the year</b>	21	<b>3,664,641</b>	<b>3,800,692</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Effective portion of changes in fair value of cash flow hedges		(16,514)	(64,594)
Net change in fair value of debt investments at fair value through other comprehensive income ("FVOCI")		1,046	11,600
Net change in fair value of debt investments at FVOCI reclassified to profit or loss		(1,388)	—
Net change in fair value of derivative financial instruments reclassified to profit or loss		921	—
Income tax credit on items that are or may be reclassified subsequently to profit or loss		838	4,653
<b>Other comprehensive income for the year, net of income tax</b>		<b>(15,097)</b>	<b>(48,341)</b>
<b>Total comprehensive income for the year</b>		<b>3,649,544</b>	<b>3,752,351</b>

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity  
Year ended 30 September 2025

At 1 October 2023	Share capital US\$'000	Hedging reserve US\$'000	Fair value reserve US\$'000	Other reserve US\$'000	Accumulated profits US\$'000	Total US\$'000
	8,968	23,486	(9,344)	(133,314)	989,830	879,626
<b>Total comprehensive income for the year</b>						
Profit for the year	–	–	–	–	3,800,692	3,800,692
<b>Other comprehensive income</b>						
Effective portion of changes in fair value of cash flow hedges	–	(64,594)	–	–	–	(64,594)
Net change in fair value of debt investments at FVOCI	–	–	11,600	–	–	11,600
Income tax on other comprehensive income	–	6,625	(1,972)	–	–	4,653
Total other comprehensive income, net of income tax	–	(57,969)	9,628	–	–	(48,341)
<b>Total comprehensive income for the year</b>	–	(57,969)	9,628	–	3,800,692	3,752,351
<b>Transactions with owner of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owner of the Company</b>						
Dividends declared	–	–	–	–	(3,650,000)	(3,650,000)
Share-based payment transactions	–	–	–	(10,612)	–	(10,612)
<b>Total contributions by and distributions to owner of the Company</b>	–	–	–	(10,612)	(3,650,000)	(3,660,612)
At 30 September 2024	8,968	(34,483)	284	(143,926)	1,140,522	971,365

The accompanying notes form an integral part of these financial statements.

**Statement of changes in equity (continued)**  
**Year ended 30 September 2025**

At 1 October 2024	8,968	(34,483)	284	(143,926)	1,140,522	971,365
<b>Total comprehensive income for the year</b>						
Profit for the year	—	—	—	—	3,664,641	3,664,641
<b>Other comprehensive income</b>						
Effective portion of changes in fair value of cash flow hedges	—	(16,514)	—	—	—	(16,514)
Net change in fair value of debt investments at FVOCI	—	—	1,046	—	—	1,046
Net change in fair value of debt investments at FVOCI reclassified to profit or loss	—	—	(1,388)	—	—	(1,388)
Net change in fair value of derivative financial instruments reclassified to profit or loss	—	921	—	—	—	921
Income tax on other comprehensive income	—	780	58	—	—	838
Total other comprehensive income, net of income tax	—	(14,813)	(284)	—	—	(15,097)
<b>Total comprehensive income for the year</b>	—	(14,813)	(284)	—	3,664,641	3,649,544
<b>Transactions with owner of the Company, recognised directly in equity</b>						
<b>Contributions by and distributions to owner of the Company</b>						
Dividends declared	—	—	—	—	(3,680,000)	(3,680,000)
Share-based payment transactions	—	—	—	(19,346)	—	(19,346)
<b>Total contributions by and distributions to owner of the Company</b>	—	—	—	(19,346)	(3,680,000)	(3,699,346)
At 30 September 2025	8,968	(49,296)	—	(163,272)	1,125,163	921,563

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows**  
**Year ended 30 September 2025**

	<b>Note</b>	<b>2025</b> <b>US\$'000</b>	<b>2024</b> <b>US\$'000</b>
<b>Cash flows from operating activities</b>			
Profit for the year		3,664,641	3,800,692
Adjustments for:			
Depreciation expense	4	28,910	26,353
Amortisation expense		1,156	1,826
Equity-settled share-based payment transactions	22	52,052	48,214
Net finance income	19	(75,276)	(58,981)
Impairment loss/(Reversal of impairment) on trade receivables		764	(149)
Loss on disposal of property, plant and equipment		2	108
Income tax expense/(credit)		252,007	(20,253)
		<u>3,924,256</u>	<u>3,797,810</u>
Changes in:			
- Amounts due from related corporations and subsidiaries (non-trade)		3,351	(135,180)
- Amount due to ultimate holding company (non-trade)		(12,270)	(14,356)
- Amounts due to related corporations and subsidiaries (non-trade)		175,712	117,975
- Contract liabilities		73,918	55,751
- Volume and support incentives		124,352	86,805
- Prepayments		9,381	(22,858)
- Trade and other receivables		(41,793)	(23,016)
- Trade and other payables		(37,431)	(222,964)
<b>Cash generated from operations</b>		<u>4,219,476</u>	<u>3,639,967</u>
Income tax paid		(200,052)	(61,982)
<b>Net cash from operating activities</b>		<u>4,019,424</u>	<u>3,577,985</u>
<b>Cash flows from investing activities</b>			
Interest received		85,186	99,073
Purchase of property, plant and equipment		(5,809)	(45,305)
Purchase of debt investments at FVOCI		—	(257,241)
Proceeds from sale/redemption of debt investments at FVOCI		150,000	741,950
Loan disbursement to ultimate holding company		(4,853,413)	(5,312,100)
Repayment of loan disbursed to ultimate holding company		6,774,070	3,362,100
<b>Net cash from/(used in) investing activities</b>		<u>2,150,034</u>	<u>(1,411,523)</u>

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows (continued)**  
**Year ended 30 September 2025**

	<b>Note</b>	<b>2025</b> <b>US\$'000</b>	<b>2024</b> <b>US\$'000</b>
<b>Cash flows from financing activities</b>			
Dividends paid	11	(3,680,000)	(3,650,000)
Payment of lease liabilities	23	(19,609)	(17,831)
Interest paid	23	(1,403)	(1,689)
<b>Net cash used in financing activities</b>		<u>(3,701,012)</u>	<u>(3,669,520)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,468,446	(1,503,058)
Cash and cash equivalents at beginning of year		187,251	1,687,812
Effect of exchange rate fluctuations on cash held		(7,474)	2,497
<b>Cash and cash equivalents at end of year</b>	9	<u>2,648,223</u>	<u>187,251</u>

**Non-cash transactions:**

During the year ended 30 September 2025, the Company set off a portion of a loan receivable from the ultimate holding company amounting to US\$29,343,000 against an intercompany payable to the same entity.

The accompanying notes form an integral part of these financial statements.

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 15 December 2025.

### **1 Domicile and activities**

Visa Worldwide Pte. Limited (the ‘Company’) is a company incorporated in Singapore and has its principal place of business at 71 Robinson Road #08-01, Singapore 068895.

The principal activities of the Company include provision of payments technology that enables fast, secure and reliable electronic payments which facilitates commerce through the transfer of value and information among a network of consumers, merchants, financial institutions, businesses, strategic partners and government entities across the Asia Pacific region.

The immediate holding company of the Company is Visa Global Business Holdings, LLC, incorporated in the United States of America. The ultimate holding company and ultimate controlling party is Visa Inc., incorporated in the United States of America.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (‘FRS’). The changes to material accounting policies are described in Note 2.5.

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

#### **2.3 Functional and presentation currency**

These financial statements are presented in United States Dollars (‘USD’ or ‘US\$’) which is the Company’s functional currency. All financial information presented in USD has been rounded to the nearest thousand, unless otherwise stated.

#### **2.4 Use of estimates and judgements**

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## **2 Basis of preparation (continued)**

### **2.4 Use of estimates and judgements (continued)**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in Notes 3.9 and 5 – measurement of volume and support incentives.

#### **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

### **2.5 Changes in material accounting policies**

#### **New accounting standards and amendments**

The Company has applied the following FRS, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 October 2024:

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current* and Amendments to FRS 1: *Non-current Liabilities with Covenants*
- Amendments to FRS 16: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

### **3 Material accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in material accounting policies.

#### **3.1 Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

#### **3.2 Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance costs/income. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an equity investment designated as at fair value through other comprehensive income ('FVOCI'); and
- qualifying cash flow hedges to the extent that the hedges are effective.

#### **3.3 Financial instruments**

##### **(i) Recognition and initial measurement**

##### **Non-derivative financial assets and financial liabilities**

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

### **3 Material accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

##### **(i) Recognition and initial measurement (continued)**

###### **Non-derivative financial assets and financial liabilities (continued)**

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Company has an unconditional right to an amount that differs from the transaction price (e.g. due to the Company's refund policy), the trade receivable will be initially measured at the amount of that unconditional right.

##### **(ii) Classification and subsequent measurement**

###### **Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment or FVOCI – equity investment.

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

###### ***Financial assets at amortised cost***

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

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

###### ***Debt investments at FVOCI***

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

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

### **3 Material accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

##### **(ii) Classification and subsequent measurement (continued)**

###### ***Equity investments at FVOCI***

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

###### **Financial assets: Business model assessment**

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

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

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

###### **Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

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

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

### **3 Material accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

##### **(ii) Classification and subsequent measurement (continued)**

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Company had no financial assets held outside trading business models that failed the SPPI assessment.

##### **Non-derivative financial assets: Subsequent measurement and gains and losses**

###### ***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

###### ***Debt investments at FVOCI***

These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

###### ***Equity investments at FVOCI***

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### **3 Material accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

##### **(ii) Classification and subsequent measurement (continued)**

##### **Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

##### **(iii) Derecognition**

##### **Financial assets**

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial assets are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

##### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### **(iv) Offsetting**

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

### **3 Material accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

##### **(v) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

##### **(vi) Customer collateral**

The Company holds cash deposits and other non-cash assets from certain clients in order to ensure their performance of settlement obligations arising from Visa payment services are processed in accordance with the Company's rules. The cash collateral assets are restricted and fully offset by corresponding liabilities and both balances are presented in the balance sheet.

##### **(vii) Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency risk exposure.

The Company's policy is to enter into foreign exchange forward derivative contracts to manage the variability in expected future cash flows attributable to changes in foreign exchange rates. Such cash flow exposures result from portions of forecasted revenues and expenses being denominated in or based on currencies other than USD. The Company's rolling hedge strategy seeks to reduce the exchange rate risk from forecasted net exposure of revenue receipts derived from and payments made in foreign currencies during the immediately following 12 months. The Company does not use foreign exchange forward contracts for speculative or trading purposes.

On initial designation of the derivative as the hedging instrument, the Company formally documents the relationships between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

Derivatives are initially measured at fair value and any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

##### *Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of the changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

### **3 Material accounting policies (continued)**

#### **3.3 Financial instruments (continued)**

##### **(vii) Derivative financial instruments and hedge accounting (continued)**

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss.

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

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

##### *Other non-trading derivatives*

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

##### **(viii) Share capital**

##### *Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with FRS 12.

#### **3.4 Leases**

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

##### **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

### **3 Material accounting policies (continued)**

#### **3.4 Leases (continued)**

##### **As a lessee (continued)**

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

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

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

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment'. Lease liabilities are separately presented in the statement of financial position.

### **3 Material accounting policies (continued)**

#### **3.4 Leases (continued)**

##### *Short-term leases and leases of low-value assets*

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

#### **3.5 Impairment**

##### **(i) Non-derivative financial assets**

The Company recognises loss allowances for Expected Credit Loss ('ECLs') on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

##### *Simplified approach*

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

##### *General approach*

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

### **3 Material accounting policies (continued)**

#### **3.5 Impairment (continued)**

##### **(i) Non-derivative financial assets (continued)**

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

##### ***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

##### ***Credit-impaired financial assets***

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

##### ***Presentation of allowance for ECLs in the statement of financial position***

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

### **3 Material accounting policies (continued)**

#### **3.5 Impairment (continued)**

##### ***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

##### **(i) Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

#### **3.6 Employee benefits**

##### **(i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

### **3 Material accounting policies (continued)**

#### **3.6 Employee benefits (continued)**

##### **(ii) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

##### **(iii) Share-based payments**

The equity and equity-related compensation plans allow the Company's employees to acquire a certain number of options and shares of the ultimate holding company at a predetermined price. The fair value of options and shares granted is recognised as compensation expense, net of estimated forfeitures. Compensation cost for awards with only service condition is recognised on a straight-line basis over the requisite service period, which is generally the vesting period. Compensation cost for performance-based shares is initially estimated based on target performance and adjusted as appropriate throughout the performance period.

The fair value is measured at grant date, and compensation expense is recognised over the requisite service period during which the employees become unconditionally entitled to the options and shares. On a quarterly basis, the Company reviews the reasonableness of the forfeiture rate used. Any change in the forfeiture rate results in a true-up of compensation expense previously recognised for unvested options and shares in the period of change.

##### **(iv) Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

##### **(v) Termination benefits**

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

#### **3.7 Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **3 Material accounting policies (continued)**

#### **3.8 Revenue**

The Company's revenue comprises service fees, data processing fees, international transaction fees, royalty fees (collectively, 'payment services revenue'), and other revenues, reduced by client incentives. As a payment network service provider, the Company's performance obligation ('PO') to the customer is to stand ready to provide continuous access to the payment network over the contractual term.

Service fees consist mainly of revenues earned for services provided in support of client usage of Visa payment services. Current quarter service revenues are primarily assessed using a calculation of current quarter's pricing applied to the prior quarter's payments volume. The Company also earns revenues from assessments designed to support ongoing acceptance and volume growth initiatives, which are recognised in the same period the related volume is transacted.

Data processing fees consist of revenues earned for authorisation, clearing, settlement, network access and other maintenance and support services that facilitate transaction and information processing among the Company's customers. Data processing revenues are recognised in the same period the related transactions occur or services are performed.

International transaction fees are earned for cross-border transaction processing and currency conversion activities. Cross-border transactions arise when the country of origin of the issuer or financial institution is different from that of the beneficiary. International transaction revenues are recognised in the same period the cross-border transactions occur or services are performed.

Royalty fees are assessed in relation to the right to use Visa's licensed trademarks in connection with customers' Visa card program. Royalty fees are recognised in the same period the related transactions occur or services are performed.

Other revenues consist mainly of value-added services, fees for account holder services, certification, licensing and product enhancements, such as extended account holder protection and concierge services. These fees are initially recognised as contract liabilities when advance payments are made by customers. Other revenues are recognised in accordance to when the related POs are satisfied.

The Company recognises payment services revenue at the transaction price allocated to the satisfied PO. Fees are collected from customers on a monthly basis on the 15<sup>th</sup> day of the subsequent month the services are provided based on agreed terms with the customers through pricing agreements.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

### **3 Material accounting policies (continued)**

#### **3.8 Revenue (continued)**

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price is variable based primarily upon the amount and type of transactions and payments volume on Visa's products. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

#### **3.9 Volume and support incentives**

The Company enters into long-term contracts with financial institution clients, merchants and strategic partners for various programs designed to increase revenue by growing payments volume, increasing Visa product acceptance, winning merchant routing transactions over to Visa's network and driving innovation. These incentives are primarily accounted for as reductions to revenues. Client incentives are accounted for as operating expenses if the payment is in exchange for a distinct good or service provided by the customer and the fair value of the distinct good or service received by the Company can be reasonably estimated.

The Company generally capitalises upfront and fixed incentive payments under these agreements and amortises the amounts as a reduction to revenues rateably over the contractual term. Incentives that are earned by the customer based on performance targets are recorded as reductions to revenues based on management's estimate of each client's future performance. These accruals are regularly reviewed and estimates of performance are adjusted, as appropriate, based on changes in performance expectations, actual client performance, amendments to existing contracts or the execution of new contracts. The cumulative impact of a revision in estimates is recorded in the period such revisions become probable and estimable.

#### **3.10 Finance income and costs**

Finance income and finance costs include interest income on funds invested; interest expense on borrowings and lease liabilities; hedge ineffectiveness recognised in profit or loss; the foreign currency gain or loss on financial assets and financial liabilities; the net gain or loss on the disposal of debt investments measured at FVOCI; impairment losses (and reversals) on debt investments carried at amortised cost or FVOCI; and the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of foreign currency risk.

Interest income or expense is recognised under the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### **3 Material accounting policies (continued)**

#### **3.10 Finance income and costs (continued)**

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### **3.11 Income tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *FRS 37 Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

### **3 Material accounting policies (continued)**

#### **3.11 Income tax (continued)**

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

#### **3.12 New accounting standards and interpretations not adopted**

A number of new accounting standards, interpretations and amendments to standards are effective for annual periods beginning after 1 October 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

##### **(i) FRS 118 *Presentation and Disclosure in Financial Statements***

FRS 118 will replace FRS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

### **3 Material accounting policies (continued)**

#### **3.12 New accounting standards and interpretations not adopted (continued)**

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

##### **(ii) Other accounting standards**

The following amendments to FRSs are not expected to have a significant impact on the Company's statement of financial position.

- Amendments to FRS 21: *Lack of Exchangeability*
- *Classification and Measurement of Financial Instruments (Amendments to FRS 109 and FRS 107)*
- *Annual Improvements to FRSs—Volume 11*
- *FRS 119: Subsidiaries without Public Accountability: Disclosures*

4 Property, plant and equipment

	Leasehold improvements US\$'000	Furniture and fittings US\$'000	Office equipment US\$'000	Tele-communication equipment US\$'000	Computer equipment US\$'000	Security equipment US\$'000	Software US\$'000	Leased premises US\$'000	Leased equipment US\$'000	Total US\$'000
<-----ROU assets----->										
Cost										
At 1 October 2023	50,572	6,511	1,105	5,371	61,532	2,754	8,522	107,967	—	244,334
Additions	5,830	669	47	—	8,515	291	35	29,918	—	45,305
Disposals	(106)	—	(60)	(650)	(14,050)	(1,092)	(67)	—	—	(16,025)
At 30 September 2024	56,296	7,180	1,092	4,721	55,997	1,953	8,490	137,885	—	273,614
At 1 October 2024	56,296	7,180	1,092	4,721	55,997	1,953	8,490	137,885	—	273,614
Additions	4,646	—	38	—	599	385	141	—	3,161	8,970
Disposals	(20,317)	(2,751)	(225)	(2,583)	(24,524)	(407)	(7,701)	(7,886)	—	(66,394)
At 30 September 2025	40,625	4,429	905	2,138	32,072	1,931	930	129,999	3,161	216,190
Accumulated depreciation and impairment losses										
At 1 October 2023	46,483	5,782	919	5,113	50,240	2,581	8,475	66,016	—	185,609
Depreciation	2,322	308	138	211	3,773	146	47	19,408	—	26,353
Disposals	(106)	—	(60)	(644)	(13,948)	(1,092)	(67)	—	—	(15,917)
At 30 September 2024	48,699	6,090	997	4,680	40,065	1,635	8,455	85,424	—	196,045
At 1 October 2024	48,699	6,090	997	4,680	40,065	1,635	8,455	85,424	—	196,045
Depreciation	4,283	316	55	19	4,305	117	50	19,730	35	28,910
Disposals	(20,317)	(2,751)	(225)	(2,583)	(24,522)	(407)	(7,701)	(7,886)	—	(66,392)
At 30 September 2025	32,665	3,655	827	2,116	19,848	1,345	804	97,268	35	158,563
Carrying amounts										
At 1 October 2023	4,089	729	186	258	11,292	173	47	41,951	—	58,725
At 30 September 2024	7,597	1,090	95	41	15,932	318	35	52,461	—	77,569
At 30 September 2025	7,960	774	78	22	12,224	586	126	32,731	3,126	57,627

## 5 Volume and support incentives

	2025 US\$'000	2024 US\$'000
At 1 October, net liability	(1,219,184)	(1,132,379)
Current year amount charged to profit or loss		
- Volume and support incentives	(3,486,574)	(2,846,234)
Reclassification to contract liabilities (Note a)	253,137	187,411
Payments	3,109,085	2,572,018
At 30 September, net liability	<u>(1,343,536)</u>	<u>(1,219,184)</u>
Volume and support incentives:		
- Non-current assets	645,338	492,909
- Current assets	395,340	366,189
- Non-current liabilities	(40,589)	(40,729)
- Current liabilities	<u>(2,343,625)</u>	<u>(2,037,553)</u>
	<u>(1,343,536)</u>	<u>(1,219,184)</u>

Volume and support incentive amounts on the balance sheet are estimated based on existing customer performance and management's estimate of each customer's future performance, amongst other variables. These estimates require a degree of judgement and the application of assumptions.

*Note (a)*

Volume and support incentives balance is reclassified to contract liabilities upon a customer's election to receive the incentive through value-added-services.

## 6 Investment securities

	2025 US\$'000	2024 US\$'000
Debt securities, at FVOCI	—	148,908
Equity investment in a related corporation, at FVOCI	11	11
	<u>11</u>	<u>148,919</u>
Non-current	11	11
Current	—	148,908
	<u>11</u>	<u>148,919</u>

In the prior year, FVOCI debt securities with a carrying amount US\$148,908,000 yield coupon interest rates ranging from 2.630% to 3.500%.

The Company's exposures to credit, currency and interest rate risks relating to investment securities are disclosed in Note 17.

## 7 Trade and other receivables

	<b>2025</b> <b>US\$'000</b>	<b>2024</b> <b>US\$'000</b>
Trade receivables	521,400	432,297
Allowance for impairment losses	(1,284)	(561)
	<u>520,116</u>	<u>431,736</u>
Loan to ultimate holding company	—	1,950,000
Non-trade amounts due from:		
- subsidiaries	42,800	67,059
- related corporations	241,255	220,347
Other receivables	109,592	130,323
	<u>913,763</u>	<u>2,799,465</u>
Trade and other receivables:		
Non-current	54,649	18,727
Current	<u>859,114</u>	<u>2,780,738</u>
	<u>913,763</u>	<u>2,799,465</u>

The loan granted to the ultimate holding company was non-trade in nature, unsecured, interest-bearing and repayable on demand or at short notice. The interest rate was calculated at the annual “short term” Applicable Federal Rate (AFR) published by the Internal Revenue Service (‘IRS’) in the United States for the applicable month. The interest rate relating to the balance at 30 September 2024 was 4.48% per annum. The loan was fully repaid during the year.

Amounts due from subsidiaries and other related corporations are non-trade in nature, unsecured, interest-free and repayable on demand or at short notice.

There is no allowance for doubtful debts arising from the outstanding balances from the ultimate holding company, subsidiaries and related corporations as the ECL is not material.

Included in ‘Other receivables’ are withholding and other tax receivables amounting to US\$9,095,000 (2024: US\$106,122,000).

The Company’s exposures to credit and currency risks, and impairment losses relating to trade and other receivables are disclosed in Note 17.

## 8 Subsidiaries

	<b>2025</b> <b>US\$'000</b>	<b>2024</b> <b>US\$'000</b>
Equity investments, at cost	<u>217,274</u>	<u>217,274</u>

## 8 Subsidiaries (continued)

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest	
			2025 %	2024 %
Visa AP (Australia) Pty Ltd	Provision of marketing support, client support, relationship and liaison services to its related companies	Australia	100	100
Visa Hong Kong Limited	Provision of marketing support, client support, relationship and liaison services to its related companies	Hong Kong	100	100
Visa Support Services (Singapore) Pte Ltd	Investment holding	Singapore	100	100
CYBS Singapore Pte. Ltd.	Provision of secure electronic payment and risk management solutions to organisations	Singapore	100	100
Visa Worldwide Singapore Pte. Limited	Provision of marketing support, client support, relationship and liaison services to its related companies	Singapore	100	100
Visa Worldwide (New Zealand) Limited	Provision of marketing support, client support, relationship and liaison services to its related companies	New Zealand	100	100

## 8 Subsidiaries (continued)

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest	
			2025 %	2024 %
PT Visa Worldwide Indonesia	Provision of support services to its related companies' clients and business interests in Indonesia to assist them in relation to international and domestic electronic payment transactions	Indonesia	99	99
Visa Managed Service (India) Private Limited	Provision of payment processing services, consumer and business support services, technology and business process outsourcing to related companies	India	99.99	99.99
Visa Taiwan Co., Ltd.	Provision of support services to its related companies	Taiwan	100	100
Visa Information Technology (Beijing) Co., Ltd.	Provision of support services to its related companies	China	99	99

Consolidated financial statements have not been prepared as the Company is itself a wholly-owned subsidiary within the Visa Inc. group of companies, incorporated in the United States of America with its address at 900 Metro Center Boulevard, Foster City, California 94404, United States of America, which prepares consolidated financial statements available for public use.

## 9 Cash and cash equivalents

	2025 US\$'000	2024 US\$'000
Bank balances	145,478	89,775
Money market funds	2,502,745	97,476
	<u>2,648,223</u>	<u>187,251</u>

## 10 Derivative financial instruments

	<b>Notional amount US\$'000</b>	<b>Positive fair value US\$'000</b>	<b>Negative fair value US\$'000</b>
<b>2025</b>			
Forward foreign exchange contracts	1,965,714	10,576	43,887
<b>2024</b>			
Forward foreign exchange contracts	1,768,055	9,649	31,575

The Company enters into forward foreign exchange contracts to hedge certain operational cash flow exposures resulting from changes in foreign currency exchange rates that are expected to occur and affect profit or loss in the 12 months from the reporting date. These forward foreign exchange currency contracts have maturity dates that fall within the expected occurrence period of these operational transactions.

## 11 Share capital

	<b>2025 No. of shares</b>	<b>2024 No. of shares</b>
<b>Fully paid ordinary shares, with no par value:</b>		
At 1 October and 30 September	8,967,661	8,967,661

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Pursuant to resolutions dated 23 October 2024, 22 January 2025, 23 April 2025 and 23 July 2025, the Company declared dividends amounting to US\$3,680,000,000 (2024: US\$3,650,000,000) to its shareholder.

### *Capital management*

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value. Capital comprises total shareholder's equity.

The Company manages its capital structure which comprises all components of equity and makes alignment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may align the dividend payment to its shareholder, return capital to its shareholder or issue new shares.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

## 12 Reserves

	2025 US\$'000	2024 US\$'000
Hedging reserve	(49,296)	(34,483)
Fair value reserve	—	284
Other reserve	(163,272)	(143,926)
	<u>(212,568)</u>	<u>(178,125)</u>

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecasted transactions.

Fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI and the cumulative net change in the fair value of debt securities at FVOCI until the assets are derecognised or reclassified.

Other reserve represents equity-settled share-based payments granted to employees. The reserves are made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the equity-settled share-based payments, and reduced by the recharge from the ultimate holding company.

## 13 Trade and other payables

	2025 US\$'000	2024 US\$'000
Trade payables	61,024	37,928
Non-trade amounts due to:		
- ultimate holding company	17,561	10,485
- subsidiaries	28,487	7,304
- related corporations	420,827	266,298
Accrued operating expenses	149,571	136,408
Accrued compensation	114,277	93,047
	<u>791,747</u>	<u>551,470</u>
Trade and other payables:		
Non-current	7,859	3,524
Current	<u>783,888</u>	<u>547,946</u>
	<u>791,747</u>	<u>551,470</u>

Non-trade amounts due to ultimate holding company, subsidiaries and other related corporations are unsecured, interest-free and repayable on demand or at short notice.

The Company's exposures to currency and liquidity risks relating to trade and other payables are disclosed in Note 17.

## 14 Tax liabilities

	2025 US\$'000	2024 US\$'000
Income tax payables	267,047	256,132

## 15 Deferred tax assets

Movements in deferred tax assets and liabilities (prior to the offsetting of balances) of the Company during the year are as follows:

	At 1 October 2023 US\$'000	Recognised in profit or loss (Note 20) US\$'000	Recognised in other comprehen- -sive income US\$'000	At 30 September 2024 US\$'000	Recognised in profit or loss (Note 20) US\$'000	Recognised in other comprehen- -sive income US\$'000	At 30 September 2025 US\$'000
<b>Deferred tax assets</b>							
Investment securities	3,302	—	(1,972)	1,330	(1,388)	58	—
Accrued operating expenses	7,403	(4,975)	—	2,428	(1,634)	—	794
Derivative financial instruments	(5,731)	—	6,625	894	921	780	2,595
	4,974	(4,975)	4,653	4,652	(2,101)	838	3,389
<b>Deferred tax liabilities</b>							
Property, plant and equipment	(1,416)	1,001	—	(415)	(25)	—	(440)
<b>Net deferred tax assets</b>	3,558	(3,974)	4,653	4,237	(2,126)	838	2,949

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred taxes are calculated by applying the substantially enacted statutory tax rate applicable for future years on temporary differences. Potential tax rate changes or level of temporary differences which differs from the assumptions may result in the deferred tax assets/(liabilities) not being reversed at the tax rates that are applied and consequently a different asset/(liability) has to be recorded.

## 16 Contract liabilities

Contract liabilities primarily relate to advance consideration received from customers for the services rendered. The contract liabilities balance arises primarily on card service fees where billing is performed one quarter in advance and recognised as revenue in the subsequent quarter.

Significant changes in the contract liabilities balance during the year are as follows.

	<b>Contract liabilities 2025 US\$'000</b>	<b>Contract liabilities 2024 US\$'000</b>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(423,421)	(367,670)
Increases due to amount billed, excluding amounts recognised as revenue during the year	202,658	155,286
Increases due to deferral of value-added services revenue, excluding amounts recognised as revenue during the year	294,681	268,135

### Transaction price allocated to the remaining performance obligations

The following table sets out revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	<b>2026 US\$'000</b>	<b>2027 US\$'000</b>	<b>2028 and after US\$'000</b>	<b>Total US\$'000</b>
<b>30 September 2025</b>				
Value-added services revenue	(318,702)	(334,222)	(1,235,353)	(1,888,277)
	<b>2025 US\$'000</b>	<b>2026 US\$'000</b>	<b>2027 and after US\$'000</b>	<b>Total US\$'000</b>
<b>30 September 2024</b>				
Value-added services revenue	(228,456)	(215,536)	(991,321)	(1,435,313)

The Company has applied the practical expedient to not disclose the remaining performance obligations related to payment services revenue.

## **17 Financial risk management**

### ***Overview***

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

### ***Risk management framework***

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and/or satisfy credit worthiness procedures. The Company limits individual trade debtor counterparty exposure depending on the size and credit worthiness of the customer. At the reporting date, the Company is not exposed to significant credit risk.

The Company indemnifies its financial institution customers for settlement losses suffered due to failure of any other customer to honour Visa-branded cards and payment products processed in accordance with Visa's operating regulations. In certain instances, the Company may indemnify customers even in situations in which a transaction is not processed by the system. 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. No material loss related to settlement risk has been incurred in recent years.

To manage the Company's exposure in the event the customers fail to fund their settlement obligations, the Company has a credit risk policy with a set of credit standards and risk control measures that are consistently applied. The Company regularly evaluates its customers to assess risk. In certain instances, the Company may require a customer to post collateral or provide other guarantees. If a customer becomes unable or unwilling to meet its obligations, the Company is able to draw upon such collateral or guarantee in order to minimise any potential loss.

## 17 Financial risk management (continued)

### Credit risk (continued)

The exposure to settlement losses is accounted for as a settlement risk guarantee. The fair value of the settlement risk guarantee is estimated using the Company's proprietary model. Key inputs to the model include the probability of customers becoming insolvent, statistically derived loss factors based on historical experience and estimated settlement exposures at period end.

Settlement risk (or exposure) is estimated based on the sum of the following inputs: (1) average daily issuing volumes during the quarter multiplied by the estimated number of days to settle plus a safety margin; (2) four months of the rolling acquiring chargebacks volume; and (3) average daily original credit volume initiated by the acquirer during the quarter multiplied by the estimated number of days to settle plus a safety margin.

The Company's settlement exposure is limited to the amount of unsettled Visa payment transactions at any point in time. As at 30 September 2025, the Company's estimated maximum settlement exposure was approximately US\$11.9 billion (2024: US\$14.7 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 30 September 2025 and 2024, the Company held the following collateral to manage settlement exposure:

	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash collateral	375,818	332,561
Letters of credit	472,314	429,635
Guarantees	114,085	89,363
Guarantees received from insurance companies	103,685	94,720
	<u>1,065,902</u>	<u>946,279</u>

Letters of credit are provided primarily by customer financial institutions to serve as irrevocable guarantees of payment. Guarantees are provided primarily by parent financial institutions to secure the obligations of their subsidiaries. The Company routinely evaluates the financial viability of institutions providing the guarantees.

The fair value of the settlement risk guarantee is estimated using a proprietary model which considers statistically derived loss factors based on historical experience, estimated settlement exposures at period end and a standardised grading process for clients (using, where available, third-party estimates of the probability of customer failure). Historically, the Company has experienced minimal losses, which has contributed to an estimated probability-weighted value of the guarantee of approximately US\$2,000,000 (2024: US\$5,000,000). The fair value of the settlement risk guarantee is reflected in accrued liabilities on the balance sheet.

## 17 Financial risk management (continued)

### Credit risk (continued)

#### *Trade and other receivables*

#### *Exposure to credit risk*

The exposure to credit risk for trade and other receivables (excluding tax receivables) at the reporting date by geographic region was as follows:

	2025 US\$'000	2024 US\$'000
United Kingdom	3,504	31
India	50,062	42,514
Australia	86,426	75,678
Singapore	77,947	62,571
Japan	57,204	90,944
China	273,983	190,173
Korea	21,179	15,401
Hong Kong	51,454	33,356
Thailand	19,155	16,583
Malaysia	27,057	20,361
Indonesia	38,200	37,267
Taiwan	25,079	18,380
New Zealand	41,400	54,915
Vietnam	17,336	12,885
United States of America	39,669	1,963,590
Others	75,013	58,694
	<u>904,668</u>	<u>2,693,343</u>

#### *Expected credit loss assessment*

The following tables provide information about the exposure to credit risk and ECLs for trade and other receivables (excluding tax receivables).

	Gross carrying amount US\$'000	Impairment loss allowance US\$'000	Credit impaired
<b>30 September 2025</b>			
Not past due	897,792	—	No
Past due 0 – 30 days	1,974	(1)	No
Past due 31 – 120 days	2,320	(1)	No
Past due more than 120 days	2,585	(1)	No
Past due more than one year	1,281	(1281)	Yes
	<u>905,952</u>	<u>(1284)</u>	

## 17 Financial risk management (continued)

### *Trade and other receivables (continued)*

#### *Exposure to credit risk (continued)*

	<b>Gross carrying amount US\$'000</b>	<b>Impairment loss allowance US\$'000</b>	<b>Credit impaired</b>
<b>30 September 2024</b>			
Not past due	2,690,658	(4)	No
Past due 0 – 30 days	595	–	No
Past due 31 – 120 days	1,017	–	No
Past due more than 120 days	1,144	(67)	No
Past due more than one year	490	(490)	Yes
	<u>2,693,904</u>	<u>(561)</u>	

#### *Movements in allowance for impairment in respect of trade receivables*

The movements in the allowance for impairment in respect of trade receivables were as follows:

	<b>Lifetime ECL – credit impaired</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 October	(561)	(877)
(Impairment loss)/Reversal of impairment on trade receivables	(764)	149
Amounts written off	41	167
At 30 September	<u>(1,284)</u>	<u>(561)</u>

#### *Cash and cash equivalents and customer collateral*

The Company held cash and cash equivalents and customer collateral of US\$2,648,223,000 and US\$375,818,000 respectively as at 30 September 2025 (2024: US\$187,251,000 and US\$332,561,000 respectively) which represents its credit exposure on these assets. The cash and cash equivalents are held with banking and financial institution counterparties which are rated from A to B (2024: A to B), based on *Moody's* ratings. Impairment of cash and cash equivalents and customer collateral has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents and customer collateral have low credit risk based on the external credit ratings of the counterparties. No impairment loss allowance was provided for cash and cash equivalents and customer collateral.

## 17 Financial risk management (continued)

### Credit risk (continued)

#### *Trade and other receivables (continued)*

#### *FVOCI debt investments*

The Company limits its exposure to credit risk on investments held by investing only in U.S Treasury or U.S government sponsored agencies.

12-month and lifetime probabilities of default are based on historical data supplied by *Moody's* for each credit rating. Loss given default (LGD) parameters generally reflect an assumed recovery rate of approximately 40% based on *Moody's* debt recovery rates, except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate.

The credit rating of the debt investments in 2024 was Aaa from *Moody's* and impairment was measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. No impairment loss was recognised on these balances.

#### *Derivative financial instruments*

The derivative financial instruments are entered into with bank and financial institution counterparties with strong credit ratings.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount US\$'000	Cash flows			
		Contractual cash flows US\$'000	Within 1 year US\$'000	Within 1 to 5 years US\$'000	More than 5 years US\$'000
<b>2025</b>					
<b>Non-derivative financial liabilities</b>					
Trade and other payables*	(677,470)	(677,470)	(669,611)	(7,859)	—
Lease liabilities	(37,347)	(38,405)	(21,982)	(16,423)	—
Customer collateral	(375,818)	(375,818)	(375,818)	—	—
Volume and support incentives	(2,384,214)	(2,384,214)	(2,343,625)	(40,589)	—
	<u>(3,474,849)</u>	<u>(3,475,907)</u>	<u>(3,411,036)</u>	<u>(64,871)</u>	<u>—</u>

## 17 Financial risk management (continued)

### Liquidity risk (continued)

		Cash flows			
	Carrying amount US\$'000	Contractual cash flows US\$'000	Within 1 year US\$'000	Within 1 to 5 years US\$'000	More than 5 years US\$'000
2025 (continued)					
Derivative financial instruments					
Forward foreign exchange contracts used for hedging (net-settled)	10,576	10,576	10,576	—	—
Forward foreign exchange contracts used for hedging (gross-settled):	(6,229)	—	—	—	—
- Outflow		(296,741)	(296,741)	—	—
- Inflow	—	290,512	290,512	—	—
Forward foreign exchange contracts used for hedging (net- settled)	(37,658)	(37,658)	(37,658)	—	—
	(33,311)	(33,311)	(33,311)	—	—
	(3,508,160)	(3,509,218)	(3,444,347)	(64,871)	—
2024					
Non-derivative financial liabilities					
Trade and other payables*	(458,423)	(458,424)	(454,900)	(3,524)	—
Lease liabilities	(53,797)	(56,008)	(21,012)	(34,996)	—
Customer collateral	(332,561)	(332,561)	(332,561)	—	—
Volume and support incentives	(2,078,282)	(2,078,282)	(2,037,553)	(40,729)	—
	(2,923,063)	(2,925,275)	(2,846,026)	(79,249)	—
Derivative financial instruments					
Forward foreign exchange contracts used for hedging (net-settled)	9,649	9,649	9,649	—	—
Forward foreign exchange contracts used for hedging (gross-settled):	(231)	—	—	—	—
- Outflow	—	(73,331)	(73,331)	—	—
- Inflow	—	73,100	73,100	—	—
Forward foreign exchange contracts used for hedging (net- settled)	(31,344)	(31,344)	(31,344)	—	—
	(21,926)	(21,926)	(21,926)	—	—
	(2,944,989)	(2,947,201)	(2,867,952)	(79,249)	—

\* Trade and other payables exclude accrued compensation.

## **17 Financial risk management (continued)**

### **Market risk**

Market risk is the potential economic loss arising from adverse changes in market factors. The Company's exposure to financial market risks results primarily from fluctuations in foreign currency rates and interest rates. The Company does not hold or enter into derivatives or other financial instruments for speculative purposes. Aggregate risk exposures are monitored on an ongoing basis, and cash and cash equivalents are not considered to be subject to significant interest rate risk due to the short period of time to maturity.

### ***Foreign currency risk***

The Company is exposed to foreign currency risk on revenue and operating expenses that are denominated in currencies other than USD.

The Company enters into forward foreign exchange contracts to hedge certain operational ("cash flow") exposures resulting from changes in foreign currency exchange rates. Such cash flow exposures result from portions of forecasted revenues and expenses being denominated in or based on currencies other than USD.

17

Financial risk management (continued)

Market risk (continued)

Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows:

	AUD US\$'000	CNY US\$'000	EUR US\$'000	GBP US\$'000	HKD US\$'000	IDR US\$'000	INR US\$'000	JPY US\$'000	KRW US\$'000	NZD US\$'000	SGD US\$'000	THB US\$'000	TWD US\$'000	PHP US\$'000	MYR US\$'000	VND US\$'000
2025																
Trade and other receivables*	4,262	7	2,867	—	1,548	24,876	16,298	4,295	3,971	18,035	19,965	245	13	2,078	189	26
Customer collateral	—	—	—	—	—	—	—	8,575	—	—	764	—	—	—	—	—
Cash and cash equivalents	6,382	—	—	—	669	—	22,809	51	—	2,729	13,035	188	—	—	—	—
Volume and support incentives	(383,801)	(2,050)	(61)	—	—	(25,135)	(138,272)	(168,343)	(69,526)	(84,561)	(84,294)	(28,102)	—	(13,943)	(28,858)	—
Trade and other payables**	(25,366)	(293,359)	(413)	(881)	(7,080)	(1,883)	(34,642)	—	(8,715)	(848)	(6,913)	(6,402)	(1,973)	(142)	(2,579)	(657)
Lease liabilities	—	—	—	—	—	—	—	—	—	—	(37,347)	—	—	—	—	—
Customer collateral	—	—	—	—	—	—	—	(8,575)	—	—	(764)	—	—	—	—	—
Balance sheet exposure	(398,523)	(295,402)	2,393	(881)	(4,863)	(2,142)	(133,807)	(163,997)	(74,270)	(64,645)	(95,554)	(34,071)	(1,960)	(12,007)	(31,248)	(631)

Forward foreign exchange contracts	(7,193)	(3,516)	(573,830)	(133,514)	(254,078)	—	(213,296)	(510,533)	—	(31,317)	(126,455)	(69,950)	(42,033)	—	—	—
Net exposure	(405,716)	(298,918)	(571,437)	(134,395)	(258,941)	(2,142)	(347,103)	(674,530)	(74,270)	(95,962)	(222,009)	(104,021)	(43,993)	(12,007)	(31,248)	(631)

\* Trade and other receivables exclude tax receivable.

\*\* Trade and other payables exclude accrued compensation.

## 17 Financial risk management (continued)

### Market risk (continued)

#### Exposure to foreign currency risk (continued)

	AUD US\$'000	CNY US\$'000	EUR US\$'000	GBP US\$'000	HKD US\$'000	IDR US\$'000	INR US\$'000	JPY US\$'000	KRW US\$'000	NZD US\$'000	SGD US\$'000	THB US\$'000	TWD US\$'000	PHP US\$'000	MYR US\$'000	VND US\$'000
<b>2024</b>																
Trade and other receivables*	2,172	32	–	–	25	26,345	21,437	53,751	114	33,900	14,806	–	47	987	3	6
Customer collateral	–	–	–	–	–	–	–	26,616	–	–	236	–	–	–	–	–
Cash and cash equivalents	6,133	–	–	–	201	–	–	1,896	–	1,859	4,957	932	–	–	–	–
Volume and support																
incentives	(319,833)	(986)	–	–	–	(16,735)	(157,432)	(99,257)	(73,682)	(80,689)	(92,493)	(17,943)	–	(7,187)	(20,697)	–
Trade and other payables**	(1,688)	(185,557)	(357)	(131)	(1,660)	(906)	(32,770)	(1,210)	(2,837)	(244)	(8,251)	(3,560)	(1,711)	(118)	(1,414)	(379)
Lease liabilities											(53,797)					
Customer collateral	–	–	–	–	–	–	–	(26,616)	–	–	(236)	–	–	–	–	–
Balance sheet exposure	(313,216)	(186,511)	(357)	(131)	(1,434)	8,704	(168,765)	(44,820)	(76,405)	(45,174)	(134,778)	(20,571)	(1,664)	(6,318)	(22,108)	(373)
Forward foreign exchange contracts	(21,201)	(40,630)	(542,508)	(81,930)	(192,553)	–	(222,035)	(469,783)	–	(57,399)	(86,517)	(53,500)	–	–	–	–
Net exposure	(334,417)	(227,141)	(542,865)	(82,061)	(193,987)	8,704	(390,800)	(514,603)	(76,405)	(102,573)	(221,295)	(74,071)	(1,664)	(6,318)	(22,108)	(373)

\* Trade and other receivables exclude tax receivable.

\*\* Trade and other payables exclude accrued compensation.

## 17 Financial risk management (continued)

### Market risk (continued)

#### *Exposure to foreign currency risk (continued)*

##### *Sensitivity analysis*

A 10 percent strengthening of the USD against the following currencies at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables remain constant.

	Profit or loss 2025 US\$'000	Other comprehensive income 2025 US\$'000	Profit or loss 2024 US\$'000	Other comprehensive income 2024 US\$'000
<b>30 September</b>				
AUD	39,852	719	31,322	2,120
CNY	29,540	352	18,651	4,063
EUR	(239)	57,383	36	54,251
GBP	88	13,351	13	8,193
HKD	486	25,408	143	19,255
IDR	214	—	(870)	—
INR	13,381	21,330	16,877	22,204
JPY	16,400	51,053	4,482	46,978
KRW	7,427	—	7,641	—
NZD	6,465	3,132	4,517	5,740
SGD	9,555	12,646	13,478	8,652
THB	3,407	6,995	2,057	5,350
TWD	196	4,203	166	—
PHP	1,201	—	632	—
MYR	3,125	—	2,211	—
VND	63	—	37	—
	<u>131,161</u>	<u>196,572</u>	<u>101,393</u>	<u>176,806</u>

A 10 percent weakening of the USD against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

#### *Interest rate risk*

The Company has no interest-bearing debt obligation. The Company's direct exposure to changes in interest rates relates primarily to investment securities which is managed through the ultimate holding company. Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

## 17 Financial risk management (continued)

### Market risk (continued)

#### *Profile*

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	2025 US\$'000	2024 US\$'000
<b>Fixed rate instruments</b>		
Investment securities	—	148,908
	—	148,908
<b>Variable rate instruments</b>		
Cash and cash equivalents	2,579,942	168,200
Loan to ultimate holding company	—	1,950,000
	2,579,942	2,118,200

#### *Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

#### *Cash flow sensitivity analysis for variable rate instruments*

A change of 10 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	10 bp increase US\$'000	10 bp decrease US\$'000
<b>2025</b>		
Cash and cash equivalents	2,580	(2,580)
Cash flow sensitivity (net)	2,580	(2,580)
<b>2024</b>		
Cash and cash equivalents	168	(168)
Loan to ultimate holding company	1,950	(1,950)
Cash flow sensitivity (net)	2,118	(2,118)

## 17 Financial risk management (continued)

### Market risk (continued)

#### Offsetting financial assets and financial liabilities

The disclosures set out in the table below include financial assets and financial liabilities that:

- are offset in the Company's balance sheet; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheet.

Financial instruments such as trade receivables and trade payables are not disclosed in the table below unless they are offset in the balance sheet.

The Company's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Netting Agreements. In general, under such agreements the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Company or the counterparties. In addition, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements

	Gross amounts of recognised financial instruments US\$'000	Gross amounts of recognised financial instruments offset in the balance sheet US\$'000	Net amounts of financial instruments presented in the balance sheet US\$'000	Related amounts not offset in the balance sheet – financial instruments US\$'000	Cash collateral pledged US\$'000	Net amount US\$'000
<b>2025</b>						
<b>Financial assets</b>						
Derivative financial instruments	10,576	–	10,576	(10,450)	–	126
<b>Financial liabilities</b>						
Derivative financial instruments	(43,887)	–	(43,887)	10,450	21,481	(11,956)

## 17 Financial risk management (continued)

### Market risk (continued)

#### Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements (continued)

	Gross amounts of recognised financial instruments US\$'000	Gross amounts of recognised financial instruments offset in the balance sheet US\$'000	Net amounts of financial instruments presented in the balance sheet US\$'000	Related amounts not offset in the balance sheet – financial instruments		
				Financial instruments US\$'000	Cash collateral pledged US\$'000	Net amount US\$'000
<b>2024</b>						
<b>Financial assets</b>						
Derivative financial instruments	9,649	–	9,649	(8,528)	(1,121)	–
<b>Financial liabilities</b>						
Derivative financial instruments	(31,575)	–	(31,575)	8,528	6,300	(16,747)

# 17

## Financial risk management (continued)

### Accounting classifications and fair values

The carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Fair value - hedging instruments US\$'000	Carrying amount				Fair value		
		Amortised cost US\$'000	Equity investments at FV/OCI US\$'000	Debt securities at FV/OCI US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1	Level 2
							US\$'000	US\$'000
<b>2025</b>								
<b>Financial assets measured at fair value</b>								
Investment securities	-	-	11	-	-	11	-	-
Derivative financial instruments	10,576	-	-	-	-	10,576	-	10,576
	10,576	-	11	-	-	10,587	-	-
<b>Financial assets not measured at fair value</b>								
Trade and other receivables (non-current)*	-	45,554	-	-	-	45,554		
Trade and other receivables (current)*	-	859,114	-	-	-	859,114		
Customer collateral	-	375,818	-	-	-	375,818		
Cash and cash equivalents	-	2,648,223	-	-	-	2,648,223		
	-	3,928,709	-	-	-	3,928,709		
<b>Financial liabilities measured at fair value</b>								
Derivative financial instruments	(43,887)	-	-	-	-	(43,887)	-	(43,887)
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables (non-current)	-	-	-	-	(7,859)	(7,859)		
Trade and other payables (current)**	-	-	-	-	(669,611)	(669,611)		
Lease liabilities (non-current)	-	-	-	-	(16,158)	(16,158)		
Lease liabilities (current)	-	-	-	-	(21,189)	(21,189)		
Customer collateral	-	-	-	-	(375,818)	(375,818)		
Volume and support incentives (non-current)	-	-	-	-	(40,589)	(40,589)		
Volume and support incentives (current)	-	-	-	-	(2,343,625)	(2,343,625)	-	(31,664)
	-	-	-	-	(3,474,849)	(3,474,849)	-	-

\* Trade and other receivables exclude tax receivables.

\*\* Trade and other payables exclude accrued compensation.

17 Financial risk management (continued)  
Accounting classifications and fair values (continued)

	Carrying amount					Fair value				
	Fair value - hedging instruments US\$'000	Amortised cost US\$'000	Equity investments at FVOCI US\$'000	Debt securities at FVOCI US\$'000	Other financial liabilities US\$'000	Total US\$'000	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
2024										
Financial assets measured at fair value										
Investment securities	-	-	11	148,908	-	148,919	-	148,908	11	148,919
Derivative financial instruments	9,649	-	-	-	-	9,649	-	9,649	-	9,649
	9,649	-	11	148,908	-	158,568				
Financial assets not measured at fair value										
Trade and other receivables (non-current)*	-	7,192	-	-	-	7,192				
Trade and other receivables (current)*	-	2,686,151	-	-	-	2,686,151				
Customer collateral	-	332,561	-	-	-	332,561				
Cash and cash equivalents	-	187,251	-	-	-	187,251				
	-	3,213,155	-	-	-	3,213,155				
Financial liabilities measured at fair value										
Derivative financial instruments	(31,575)	-	-	-	-	(31,575)	-	(31,575)	-	(31,575)
Financial liabilities not measured at fair value										
Trade and other payables (non-current)	-	-	-	-	(3,524)	(3,524)				
Trade and other payables (current)**	-	-	-	-	(454,899)	(454,899)				
Lease liabilities (non-current)	-	-	-	-	(34,195)	(34,195)				
Lease liabilities (current)	-	-	-	-	(19,602)	(19,602)				
Customer collateral	-	-	-	-	(332,561)	(332,561)				
Volume and support incentives (non-current)	-	-	-	-	(40,729)	(40,729)	-	-	(31,398)	(31,398)
Volume and support incentives (current)	-	-	-	-	(2,037,553)	(2,037,553)				
	-	-	-	-	(2,923,063)	(2,923,063)				

\* Trade and other receivables exclude tax receivables.

\*\* Trade and other payables exclude accrued compensation.

## **17 Financial risk management (continued)**

### **Accounting classifications and fair values (continued)**

#### ***Fair value hierarchy***

During the financial year, there were no transfers between Levels 1, 2 and 3.

#### **Financial instruments measured at fair value**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods outlined below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) FVOCI debt securities**

FVOCI debt securities consists of U.S. Treasury securities and U.S. government-sponsored debt securities. The fair value of U.S. Treasury securities is determined by reference to their quoted prices in active markets at the reporting date. The fair value of U.S. government-sponsored debt securities is based on quoted prices in active markets for similar assets. The pricing data obtained from external sources is reviewed internally for reasonableness, compared against benchmark quotes from independent pricing sources, then confirmed or revised accordingly.

#### **(ii) Derivatives**

Forward exchange contracts are valued using valuation techniques and market observable inputs. The valuation technique applied is the forward pricing model, using present valuation calculations. The model incorporates various inputs including foreign exchange spot and forward rates, interest rate and forward rate curves.

#### **(iii) Investments in equity securities**

The Level 3 fair value of the FVOCI investment was determined based on a market approach using comparable industry EBITDA multiples.

## 17 Financial risk management (continued)

### Financial instruments not measured at fair value

The following table shows the valuation technique and the significant unobservable inputs used in the determination of fair value of the Level 3 financial instruments:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Volume and support incentives (non-current)	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using an adjusted discount rate.	<ul style="list-style-type: none"> <li>Adjusted discount rate 8.63% (2024: 9.06%)</li> </ul>	<ul style="list-style-type: none"> <li>The estimated fair value would increase if the adjusted discount rate was lower.</li> </ul>

### Financial instruments for which fair value is equal to the carrying amount

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables (current), cash and cash equivalents, customer collateral, trade and other payables (current), lease liabilities (current) and volume and support incentives (current)) are assumed to approximate their fair values because of the short period to maturity.

The carrying amounts of trade and other receivables (non-current), trade and other payables (non-current) and lease liabilities (non-current) with maturity of more than one year approximate their fair values as the effect of discounting is insignificant.

## 18 Revenue

Revenue comprises the following:

	2025 US\$'000	2024 US\$'000
Revenue from contracts with customers:		
Service fees	2,386,761	2,195,861
Data processing fees	2,639,756	2,256,007
International transaction fees	2,964,635	2,568,858
Royalty fees	170,234	166,547
Other revenues	606,234	473,525
Volume and support incentives	(3,486,324)	(2,845,825)
	<u>5,281,296</u>	<u>4,814,973</u>

## 19 Net finance income

	2025 US\$'000	2024 US\$'000
<b>Recognised in profit or loss</b>		
Interest income:		
- cash and cash equivalents	2,920	3,180
- debt investments at FVOCI	62,583	84,043
- ultimate holding company	18,394	12,552
<b>Finance income</b>	<u>83,897</u>	<u>99,775</u>
Net foreign exchange loss	(7,218)	(39,105)
Interest on lease liabilities	(1,403)	(1,689)
<b>Finance costs</b>	<u>(8,621)</u>	<u>(40,794)</u>
<b>Net finance income</b>	<u>75,276</u>	<u>58,981</u>

## 20 Income tax expense/(credit)

	2025 US\$'000	2024 US\$'000
<b>Current tax expense/(credit)</b>		
Current year	224,029	211,541
Tax expense/(credit) arising from foreign jurisdictions	32,684	(219,387)
Over provision in prior years	(6,832)	(16,381)
	<u>249,881</u>	<u>(24,227)</u>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(434)	3,665
Under provision in prior years	2,560	309
	<u>2,126</u>	<u>3,974</u>
<b>Income tax expense/(credit)</b>	<u>252,007</u>	<u>(20,253)</u>

### Income tax recognised in other comprehensive income ("OCI")

	<----- 2025 ----->			<----- 2024 ----->		
	Before tax US\$'000	Tax expense US\$'000	Net of tax US\$'000	Before tax US\$'000	Tax (credit)/ expense US\$'000	Net of tax US\$'000
Fair value reserve	1,046	58	1,104	11,600	(1,972)	9,628
Cash flow hedges	(16,514)	780	(15,734)	(64,594)	6,625	(57,969)
	<u>(15,468)</u>	<u>838</u>	<u>(14,630)</u>	<u>(52,994)</u>	<u>4,653</u>	<u>(48,341)</u>

## 20 Income tax expense/(credit) (continued)

### *Reconciliation of effective tax rate*

	2025 US\$'000	2024 US\$'000
Profit before income tax	3,916,648	3,780,439
Tax calculated using Singapore tax rate of 17% (2024: 17%)	665,830	642,675
Tax exempt income	(13)	(13)
Non-deductible expenses		
- expenses	16,045	11,889
- write-back	(2,952)	(21,627)
Effect of concessionary tax rate	(456,385)	(420,656)
Tax expense/(credit) arising from foreign jurisdictions	32,684	(219,387)
Over provision in prior years	(4,272)	(16,072)
Deferred tax expense arising from change in tax rate	—	3,955
Others	1,070	(1,017)
	252,007	(20,253)

The Company has been granted a tax concession from Economic Development Board (EDB) under provisions of Part 4 of the Economic Expansion Incentives. A concessionary rate is applied for qualifying items up to 30 September 2028, subject to certain terms and conditions with which the Company is complying.

## 21 Profit for the year

The following items have been included in arriving at profit for the year:

	2025 US\$'000	2024 US\$'000
Contribution to defined contribution plan, included in staff costs	33,193	28,536
Loss on disposal of property, plant and equipment	2	108

## 22 Share-based payments

The Company's ultimate holding company, Visa Inc., granted non-qualified stock options ("options"), restricted stock units and performance-based shares to employees of its subsidiaries under Visa Inc. 2007 Equity Incentive Compensation Plan ("EIP"). The EIP will continue to be in effect until all of the common stock available under the EIP is delivered and all restrictions on those shares have lapsed, unless the EIP is terminated earlier by the ultimate holding company's board of directors. No awards may be granted under the plan on or after 10 years from its effective date.

## 22 Share-based payments (continued)

### Options (equity-settled)

Options issued under the EIP expire ten years from the date of grant and vest rateably over three years from the date of grant, subject to earlier vesting in full under certain conditions specified in the award agreement.

The fair value of each stock option was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2025	2024
Expected terms (in years) <sup>(1)</sup>	4.25	4.23
Risk-free rate of return <sup>(2)</sup>	4.18%	4.37%
Expected volatility <sup>(3)</sup>	22.02%	24.09%
Expected dividend yield <sup>(4)</sup>	0.75%	0.83%
Weighted-average fair value per option granted	\$73.63	\$62.55

<sup>(1)</sup> Based on Visa Inc.'s historical option exercises and those of a set of peer companies that management believes is generally comparable to Visa Inc.

<sup>(2)</sup> Based upon the zero coupon U.S. treasury bond rate over the expected term of the awards.

<sup>(3)</sup> Based on the average of Visa Inc.'s implied and historical volatility. As Visa Inc.'s publicly traded stock history is relatively short, historical volatility relies in part on the historical volatility of a group of peer companies that management believes is generally comparable to Visa Inc.

<sup>(4)</sup> Based on Visa Inc.'s expected annual dividend rate on the date of grant.

The following table summarises the Company's stock options activity for the year ended 30 September:

	Options 2025	Weighted average exercise price 2025 (US\$)	Options 2024	Weighted average exercise price 2024 (US\$)
Outstanding at beginning of the year	163,647	183.74	184,652	156.95
Granted	19,803	311.85	30,414	249.56
Forfeited/expired	—	—	(2,917)	226.15
Exercised	(30,783)	120.97	(40,944)	108.64
Transferred from/(to) a related corporation	13,285	160.67	(7,558)	184.61
Outstanding at end of the year	165,952	208.82	163,647	183.74

The options outstanding at 30 September 2025 have an exercise price in the range of US\$80.15 to US\$311.85 (2024: US\$80.15 to US\$249.56) and the weighted average remaining contractual life of 6.0 years (2024: 6.1 years).

## 22 Share-based payments (continued)

### Options (equity-settled) (continued)

The weighted average share price at the date of exercise for share options exercised in 2025 was US\$334.64 (2024: US\$274.67).

At 30 September 2025, there was US\$652,039 (2024: US\$782,904) of total unrecognised compensation cost related to non-vested stock options. The cost is expected to be recognised over a weighted average period of approximately 1.25 years (2024: 1.26 years).

### Restricted Stock Units ("RSUs") (equity-settled)

RSUs issued under the EIP generally vest rateably over three years from the date of grant, subject to earlier vesting in full under certain conditions specified in the award agreement.

Upon vesting, RSUs can be settled in the ultimate holding company's class A common stock on a one-for-one basis or in cash, or a combination thereof, at the ultimate holding company's option. The Company does not currently intend to settle any RSUs in cash. During the vesting period, RSU award recipients are eligible to receive dividend equivalents, but do not participate in the voting rights granted to the holders of the underlying class A common stock.

The fair value and compensation cost before estimated forfeitures is calculated using the closing price of the ultimate holding company's Class A common stock on the date of grant.

The following table summarises the Company's RSUs activity for the year ended 30 September:

#### Restricted stock units

	<b>Units</b>	<b>Weighted average grant date fair value</b>	<b>Units</b>	<b>Weighted average grant date fair value</b>
	<b>2025</b>	<b>2025 (US\$)</b>	<b>2024</b>	<b>2024 (US\$)</b>
Outstanding at beginning of the year	386,036	230.29	376,276	209.32
Granted	172,243	314.58	196,044	251.21
Forfeited/expired	(24,879)	255.32	(17,877)	225.72
Vested	(186,366)	221.66	(170,150)	208.11
Transferred (to)/from a related corporation	(4,795)	243.67	1,743	191.36
Outstanding at end of the year	<u>342,239</u>	<u>275.41</u>	<u>386,036</u>	<u>230.29</u>

At 30 September 2025, there was US\$47,799,977 (2024: US\$45,614,771) of total unrecognised compensation cost related to non-vested RSUs. The cost is expected to be recognised over a weighted average period of approximately 1.41 years (2024: 1.34 years).

## 22 Share-based payments (continued)

### Options (equity-settled) (continued)

#### Performance-based shares (“PBSs”) (equity-settled)

PBSs issued under the EIP generally vest rateably approximately over three years from the date of grant subject to the achievement of both performance and market conditions as specified in the award agreement. The performance condition is based on the ultimate holding company’s earnings per share target and the market condition is based on the ultimate holding company’s total shareholder return ranked against that of other companies that are included in the Standard & Poor’s 500 Index.

The fair value of the PBSs, incorporating the market condition, is estimated on the date of grant using the Monte Carlo simulation model.

The following table summarises the Company’s PBSs activity for the year ended 30 September:

#### Performance-based shares

	<b>Units 2025</b>	<b>Weighted average grant date fair value 2025 (US\$)</b>	<b>Units 2024</b>	<b>Weighted average grant date fair value 2024 (US\$)</b>
Outstanding at beginning of the year	18,224	251.17	31,354	209.50
Granted	7,384	342.26	9,090	280.17
Forfeited/expired	(717)	312.71	(11,195)	209.59
Vested	(8,245)	234.56	(11,025)	198.79
Outstanding at end of the year	16,646	297.15	18,224	251.17

#### Employee Stock Purchase Plan (equity-settled)

In January 2015, Visa Inc. approved the Employee Stock Purchase Plan (the “ESPP”), under which substantially all employees are eligible to participate. The ESPP permits eligible employees to purchase the ultimate holding company’s Class A common stock at a 15% discount of the stock price on the purchase date with no look-back option, subject to certain restrictions. A total of 20 million shares of the ultimate holding company’s Class A common stock have been reserved for issuance under the ESPP.

Under the terms of the ESPP, employees can elect at each offering to have up to 10% of their eligible compensation withheld to purchase the ultimate holding company’s Class A common stock. A one-time decrease in the percentage withholding is allowed but not an increase during the offering period. Upon enrolment, participants are required to remain in service or employed from the offering date to purchase date to be able to exercise their purchase rights. The ESPP’s offering period has a duration of 6 months and allows monthly purchase over the offering period. The employees are required to hold the common stock purchased for 12 months from the purchase date, except for certain conditions such as employee termination, change of control, etc., as stipulated in the ESPP agreement. Participants are allowed to withdraw from the ESPP prior to purchase date and any withholding contributions will be refunded.

## 22 Share-based payments (continued)

### Employee Stock Purchase Plan (equity-settled) (continued)

The fair value of the purchase rights is determined on the offering date calculated as 15% discount multiplied by the offering date stock price and the estimated number of shares to be purchased. Expected dividends are not incorporated into the measurement of fair value. Compensation cost is recognised based on a graded vesting method over the offering period.

As at 30 September 2025, the number and weighted average fair value of shares purchased was 76,316 (2024: 92,709) and US\$285.89 (2024: US\$225.74).

The components of share-based compensation expense during the year ended 30 September are summarised below:

	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
RSUs	44,495	40,914
Options	1,517	1,496
PBSs	1,550	1,555
ESPP	4,490	4,249
	<u>52,052</u>	<u>48,214</u>

## 23 Leases

### Leases as lessee (FRS 116)

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

### Right-of-use assets

Right-of-use assets related to leased premises and leased equipment that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	<b>Lease</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Balance at 1 October	52,461	41,951
Additions to right-of-use assets	3,161	29,918
Depreciation charge for the year	(19,765)	(19,408)
<b>Balance at 30 September</b>	<u>35,857</u>	<u>52,461</u>

## 23 Leases (continued)

### Amounts recognised in profit or loss

	2025 US\$'000	2024 US\$'000
<b>Leases under FRS 116</b>		
Interest on lease liabilities	1,403	1,689

### Amounts recognised in statement of cash flows

	2025 US\$'000	2024 US\$'000
<b>Total cash outflow for leases</b>	21,012	19,520

### Extension options

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

The Company has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of US\$45,800,000 (2024: US\$55,000,000).

### *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	<b>Lease liabilities</b>	
	2025 US\$'000	2024 US\$'000
At 1 October	53,797	41,710
<b><i>Changes in financing cash flows</i></b>		
Payment of lease liabilities	(19,609)	(17,831)
Interest paid	(1,403)	(1,689)
Total changes from financing cash flows	(21,012)	(19,520)
<b><i>Other changes – liability related</i></b>		
Addition of lease	3,161	29,918
The effect of changes in foreign exchange rates	(2)	—
Interest expense on lease liabilities	1,403	1,689
At 30 September	37,347	53,797

## 23 Leases (continued)

	<b>Lease liabilities</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Lease Liabilities</b>		
Non-current	16,158	34,195
Current	21,189	19,602
	<u>37,347</u>	<u>53,797</u>

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments after the reporting date.

	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Less than one year	21,982	21,012
One to two years	13,996	21,097
Two to three years	1,587	13,166
Three to four years	840	733
<b>Total</b>	<u>38,405</u>	<u>56,008</u>

## 24 Related parties

### *Identification of related parties*

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or at least a control and a significant influence by a common related party. Related parties may be individuals or other entities.

### *Transactions with related parties*

Other than those disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Intercompany service fee income</b>		
- From related corporations	380,515	364,894
- From subsidiaries	21,683	18,873
	<u>402,198</u>	<u>383,767</u>
<b>Intercompany service fee expense</b>		
- To related corporations	(751,291)	(679,890)
- To subsidiaries	(169,042)	(138,938)
	<u>(920,333)</u>	<u>(818,828)</u>

## 24 Related parties (continued)

### *Key management personnel remuneration*

	2025 US\$'000	2024 US\$'000
Short-term employee benefits	14,362	14,913
Share-based payment (equity-settled)	7,763	7,087
	<u>22,125</u>	<u>22,000</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The following persons are considered as key management personnel:

- (i) directors of the Company; and
- (ii) members of the Company's key management team.

During the year, 45,426 (2024: 59,540) shares in Visa Inc. were granted by the Company to key management personnel. The shares were granted on the same terms and conditions as those offered to other employees of the Company as described in Note 22. At the reporting date, 151,831 (2024: 221,349) of those shares were outstanding.

Remuneration fees of certain key management personnel are borne by related parties and not recharged to the Company. The remuneration is not in relation to services rendered to the Company.

## 25 Subsequent events

Pursuant to a directors' resolution in writing dated 21 October 2025, the Company declared an interim dividend amounting to US\$860,000,000 to its immediate holding company which was paid fully in cash.