

VISA INC.  
Form 10-K  
November 20, 2015  
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-K

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

For the fiscal year ended September 30, 2015  
OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-33977

VISA INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction

of incorporation or organization)

26-0267673

(IRS Employer

Identification No.)

P.O. Box 8999

San Francisco, California

(Address of principal executive offices)

(650) 432-3200

(Registrant's telephone number, including area code)

94128-8999

(Zip Code)

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

Class A common stock, par value \$0.0001 per share

(Title of each Class)

New York Stock Exchange

(Name of each exchange on which registered)

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

Class B common stock, par value \$0.0001 per share

Class C common stock, par value \$0.0001 per share

(Title of each Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See the definitions of “large accelerated filer” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

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

The aggregate market value of the registrant’s class A common stock, par value \$0.0001 per share, held by non-affiliates (using the New York Stock Exchange closing price as of March 31, 2015, the last business day of the registrant’s most recently completed second fiscal quarter) was approximately \$128.2 billion. There is currently no established public trading market for the registrant’s class B common stock, par value \$0.0001 per share, or the registrant’s class C common stock, par value \$0.0001 per share.

As of November 13, 2015, there were 1,946,442,415 shares outstanding of the registrant’s class A common stock, par value \$0.0001 per share, 245,513,385 shares outstanding of the registrant’s class B common stock, par value \$0.0001 per share, and 19,587,524 shares outstanding of the registrant’s class C common stock, par value \$0.0001 per share.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant’s Proxy Statement for the 2016 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the Registrant’s fiscal year ended September 30, 2015.

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

"Visa" and our other trademarks referenced in this report are Visa's property. This report may contain additional trade names and trademarks of other companies. The use or display of other companies' trade names or trademarks does not imply our endorsement or sponsorship of, or a relationship with these companies.

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Forward-Looking Statements:

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are identified by words such as "believes," "estimates," "expects," "intends," "may," "projects," "could," "should," "will," "will continue" and other similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make about our revenue, client incentives, operating margin, tax rate, earnings per share, free cash flow, and the growth of those items.

By their nature, forward-looking statements: (i) speak only as of the date they are made; (ii) are not statements of historical fact or guarantees of future performance; and (iii) are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from our forward-looking statements due to a variety of factors, including the following:

- the impact of laws, regulations and marketplace barriers, including:
  - increased regulation of fees, transaction routing, payment card practices or other aspects of the payments industry in the United States, including new or revised regulations issued under the Dodd-Frank Wall Street Reform and Consumer Protection Act;
  - increased regulation in jurisdictions outside of the United States;
  - increased government support of national payments networks outside the United States; and
  - increased regulation of consumer privacy, data use and security;
- developments in litigation and government enforcement, including those affecting interchange reimbursement fees, antitrust and tax;
- new lawsuits, investigations or proceedings, or changes to our potential exposure in connection with pending lawsuits, investigations or proceedings;
- economic factors, such as:
  - economic fragility in the Eurozone, the United States and in other advanced and emerging markets;
  - general economic, political and social conditions in mature and emerging markets globally;
  - general stock market fluctuations which may impact consumer spending;
  - material changes in cross-border activity, foreign exchange controls and fluctuations in currency exchange rates; and
  - material changes in our financial institution clients' performance compared to our estimates;
- industry developments, such as competitive pressure, rapid technological developments and disintermediation from our payments network;
- system developments, such as:
  - disruption of our transaction processing systems or the inability to process transactions efficiently;
  - account data breaches or increased fraudulent or other illegal activities involving Visa-branded cards or payment products; and
  - failure to maintain systems interoperability with Visa Europe;
- the transaction with Visa Europe may not be consummated on the terms currently contemplated or at all;
- Visa Europe's business may not be successfully integrated with our business or we may not achieve the anticipated benefits of the transaction;
- the costs and risks associated with the transaction with Visa Europe, including risks relating to our ability to finance the transaction on reasonable terms or at all;
- matters arising in connection with Visa Europe's or our efforts to comply with and satisfy applicable regulatory approvals and closing conditions relating to the transaction;
- the loss of organizational effectiveness or key employees;
- the failure to integrate acquisitions successfully or to effectively develop new products and businesses;
- natural disasters, terrorist attacks, military or political conflicts, and public health emergencies; and

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various other factors discussed throughout this report, including but not limited to, Item 1—Business, Item 1A—Risk Factors and Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations. You should not place undue reliance on such statements. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future developments or otherwise.

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PART I

ITEM 1. Business

General Business Developments

Visa Inc., which we refer to as Visa or the Company, is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We operate one of the world's most advanced processing networks — VisaNet — which facilitates authorization, clearing and settlement of payment transactions worldwide. It also offers fraud protection for account holders and rapid payment for merchants. Visa is not a bank and does not issue cards, extend credit or set rates and fees for account holders on Visa-branded cards and payment products. In most cases, account holder and merchant relationships belong to, and are managed by, our financial institution clients.

Visa Inc. was incorporated in the State of Delaware in May 2007. In October 2007, we undertook a reorganization in which Visa U.S.A. Inc., Visa International Service Association, Visa Canada Corporation and Inovant LLC became direct or indirect subsidiaries of Visa Inc. Visa Europe Limited remains owned and governed by its European member financial institutions and is not a subsidiary of Visa Inc. Visa Inc. completed its initial public offering ("IPO") in March 2008.

General business developments in fiscal 2015 included the following:

Product innovation. Visa's fundamental approach to innovation focuses on: (i) supporting an evolving payments ecosystem; (ii) enhancing payment system security through innovation; and (iii) developing new platforms, products and services.

*Evolving payments ecosystem.* By providing new and existing clients and partners greater access to Visa's network and payment capabilities, Visa is contributing to the evolving payments ecosystem. Through Visa's new developer center, financial institutions, software, cloud computing and other technology companies and new entrants will be able to more easily access Visa payment capabilities through programming interfaces and software developer kits beginning in 2016. The Visa Ready program also is intended to enable our partners to quickly deploy devices, software and services to consumers that meet Visa's standards, with a goal of significantly accelerating the pace of innovation in payments.

*Enhancing payment system security through innovation.* During 2015, Visa continued to make strides to enhance the security of the broader payments ecosystem with the following programs:

*Tokenization:* Tokenization replaces account numbers with digital tokens for online and mobile payments. This benefits merchants and our financial institution clients by removing sensitive account information from online and mobile payments and has the potential to reduce fraud risk. Visa has been working with several partners, including Apple, Google and Samsung, who are using our tokenization service to offer mobile payment solutions.

*EMV chip payment technology:* Visa is addressing fraud at the physical point-of-sale by working with merchants and our financial institution clients in the U.S. to introduce EMV-chip payment technology.

*Fraud and data analytics:* As an industry leader in payment security, we enhanced our real-time data analytics capabilities. When combined with Visa's centralized network structure, these capabilities help our financial institution clients and merchants identify and address fraud.

*New platforms, products and services.* Visa continues to develop new platforms, products and services to benefit clients, merchants, consumers and other partners.

*Bangalore Technology Center:* We are investing in internal technology resources and have recently opened a new technology development center in Bangalore, India that will play a central role in the Company's efforts to accelerate digital commerce globally. The new technology center, a combination of office and collaboration space for more than 1,000 Visa developers, is Visa's largest outside the U.S.

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**Visa Checkout:** Visa Checkout is a fast, simple and intuitive payment experience that allows consumers to pay for goods online on a smartphone, tablet, laptop or desktop, in just a few clicks. This service is presently available for b. eCommerce merchants and financial institutions in 16 countries around the world including Australia, Argentina, Brazil, Canada, Chile, China, Colombia, Hong Kong, Malaysia, Mexico, New Zealand, Peru, Singapore, South Africa, United Arab Emirates, and the U.S.

**Visa payWave:** With Visa payWave technology, consumers are able to pay for products and services via smart c. phone or other devices, and by using their contactless cards at physical retailers.

**Visa Direct:** Visa Direct provides a fast, secure and convenient solution for Visa's ecosystem of clients and partners. d. It enables customers to send and receive person-to-person payments and funds disbursements, and facilitates business to business settlements directly to eligible Visa account holders quickly and securely.

**mVisa:** In August 2015, Visa and several banks in India launched a pilot program testing mVisa, a mobile e. application, in India. The service extends the utility of existing Visa accounts by linking a consumer's Visa debit, credit or prepaid accounts to the mVisa mobile application that enables purchases in store, online and person-to-person through his or her mobile device.

**U.S. Regulation.** Rules were implemented in the U.S. during 2011 and 2012 with respect to debit products under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which regulates, among other things, debit interchange reimbursements rates, the availability of debit networks on a debit card and merchant transaction routing choice. The Federal Reserve's interpretation of the debit interchange provisions of the Dodd-Frank Act was upheld in March 2014 by the Court of Appeals for the D.C. Circuit. After the Supreme Court declined to review the ruling, the Federal Reserve on August 10, 2015 confirmed its position on the sole remaining issue related to the interchange cost calculation, leaving the debit interchange rules in effect as originally adopted. See Government Regulation below.

**Fiscal 2015 developments in Russia.** In response to U.S. and EU sanctions targeting Russia's financial sector, the Russian government modified its National Payments Systems laws to require that all payment transactions in the Russian Federation be processed within the country. We agreed in February 2015 to transfer processing of Russian domestic transactions to the government-owned processor. Additionally, a new Russian law requiring all personal data of its citizens to be stored in Russia went into effect on September 1, 2015. Authorities have also indicated that Russia will issue a new national payment card called the "MIR" card. See Government Regulation—Government-imposed market participation influences and restrictions below.

On November 2, 2015, the Company and Visa Europe entered into a transaction agreement pursuant to which the Company agreed to acquire Visa Europe. Closing of the acquisition is subject to various conditions including regulatory approvals, and is expected to occur in the fiscal third quarter of 2016. See Note 2—Visa Europe to our consolidated financial statements included in Item 8 of this report.

### Nature of Operations

Visa's mission is to accelerate the electronification of commerce. We operate an open-loop payments network, VisaNet, through which Visa connects and manages the exchange of information and value between: (i) issuers — financial institutions that issue Visa-branded cards or payment products to account holders, and (ii) acquirers — financial institutions that contract with merchants to accept Visa-branded cards or payment products. We do not earn revenues from, or bear credit risk with respect to, interest or fees paid by account holders on Visa-branded cards or payment products. The issuers have the responsibility for issuing cards and other payment products, and determining the interest rates and fees paid by the account holders.

Interchange reimbursement fees represent a transfer of value between the financial institutions participating in our open-loop payments network. On purchase transactions, interchange reimbursement fees are paid by the acquirers to the issuers. We generally do not receive any revenue related to interchange reimbursement fees. In addition, we generally do not earn any revenue from the fees that merchants are charged for acceptance by the acquirers, including the merchant discount rate. The acquirers are typically responsible for soliciting merchants, and establishing and

earning these fees.

A typical Visa transaction begins when the account holder presents his or her Visa-branded card or payment product to a merchant as payment for goods or services. The transaction information is then transmitted

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electronically to the acquirer and routed through VisaNet to the issuer for authorization. Following authorization, a clearing file containing the final transaction data is submitted from the acquirer and processed for final settlement between the issuer and acquirer. The following diagram illustrates the processing steps involved in a typical transaction on VisaNet.

Our operating revenues are principally comprised of service revenues, data processing revenues and international transaction revenues, and are reduced by costs incurred under client incentive arrangements. The Company has one reportable segment, Payment Services.

Service revenues consist of revenues earned for providing financial institution clients with support services for the delivery of Visa-branded payment products and solutions. Service revenues are primarily generated from payments volume on Visa-branded cards and payment products for purchased goods and services.

Data processing revenues consist of revenues earned for authorization, clearing, settlement, network access and other maintenance and support services that facilitate transaction and information processing among our clients globally and with Visa Europe. Data processing revenues are primarily generated from the number of transactions we process.

International transaction revenues consist of revenues earned for cross-border transaction processing and currency conversion activities. Cross-border transactions arise when the country of origin of the issuer is different from that of the merchant. International transaction revenues are primarily generated by cross-border payments and cash volume.

Client incentives consist of long-term contracts with financial institution clients and other business partners for various programs designed to build payments volume, increase Visa-branded card and product acceptance and win merchant routing transactions over our network. These incentives are primarily accounted for as reductions to operating revenues.

U.S. dollar settlements with our financial institution clients are typically settled within the same day and do not result in a receivable or payable balance. Settlement in currencies other than the U.S. dollar generally remain outstanding for one to two business days, resulting in amounts due from and to financial institution clients. These amounts are presented as settlement receivable and settlement payable on our consolidated balance sheets, respectively.

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In order to maintain the integrity of and minimize disruptions to our payments network, we indemnify our financial institution clients for settlement losses suffered due to the failure of any other client to fund its settlement obligations in accordance with our operating regulations. The settlement indemnification applies to the amount of Visa payment transactions that have occurred, but have not yet settled. We maintain and regularly review global settlement risk policies and procedures to manage settlement exposure, which may require clients to post collateral if certain credit standards are not met. Cash equivalents collateral is reflected in customer collateral on our consolidated balance sheets as it is held in escrow in our name. All other collateral is excluded from the consolidated balance sheets. We have incurred no material loss related to settlement risk in recent years.

### Core Products and Services

Visa provides a wide variety of payment solutions that support payment products that issuers can offer to their account holders: (i) pay now with debit; (ii) pay ahead with prepaid; or (iii) pay later with credit products. Visa also offers a growing suite of innovative digital, eCommerce, person-to-person payments and mobile products and services. These services facilitate transactions on our network among account holders, merchants, financial institutions and governments in mature and emerging markets globally.

**Debit.** Our debit payment solutions support issuers' payment products that draw on demand deposit accounts, such as checking accounts.

**Prepaid.** Our prepaid payment solutions support issuers' payment products that access a pre-funded amount, allowing account holders to enjoy the convenience and security of a payment card in lieu of cash or checks.

**Credit.** Our credit payment solutions support issuers' deferred payment and customized financing products.

Our core processing services involve the routing of payment information and related data to facilitate the authorization, clearing and settlement of transactions between our issuers and acquirers. VisaNet is built on a centralized architecture, enabling us to view and analyze each authorization transaction we process in real time and to provide value-added services, including information products, such as risk scoring and loyalty applications, while the transaction data is being routed through our network.

Visa's processing services continue to expand to address the needs of participants in the evolving payments ecosystem, through such offerings as our merchant gateway and Visa Debit Processing Services ("DPS"). Merchant gateway services provided through our CyberSource subsidiaries enable gateway routing and other services that make it easier for eCommerce merchants to accept, process and reconcile payments, manage fraud and safeguard payment security online. DPS provides comprehensive issuer processing services for participating issuers of Visa debit, prepaid and ATM payment products. These and other services support our issuers and acquirers and their use of our products, and promote the growth and security of our payments network.

### Processing Infrastructure

VisaNet consists of multiple synchronized processing centers, including two data centers in the U.S. that are linked by a global telecommunications network and are engineered for redundancy. In addition, in accordance with the terms of the Framework Agreement among Visa Inc., Visa Europe Limited and others, Visa Europe's processing centers in the United Kingdom must maintain interoperability with Visa's synchronized system. Intelligent access points around the world complete the VisaNet global processing infrastructure and enable merchants and financial institution clients worldwide to access our core processing and value-added services.

Visa also owns and manages additional data centers in the U.S. and internationally that enable transaction services and provide uninterrupted connectivity for account holders, our financial institution clients and our processing partners.

### Intellectual Property

Our portfolio of trademarks, in particular our family of Visa marks, our PLUS mark and our Dove design mark, are important to our business. Through agreements with our issuers, we authorize the use of our trademarks in connection with their participation in our payments network. We own a number of patents and patent applications relating to payment solutions, transaction processing, security systems and other matters. We rely on a combination of patent, trademark, copyright and trade secret laws in the U.S. and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology.



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## Seasonality

We generally do not experience any pronounced seasonality in our business. No individual quarter of fiscal 2015 or fiscal 2014 accounted for more than 30% of our operating revenues in those years.

## Working Capital

Payments settlement due to and from our financial institution clients can represent a substantial daily working capital requirement. U.S. dollar settlements are typically settled within the same day and do not result in a receivable or payable balance, while settlement in currencies other than the U.S. dollar generally remain outstanding for one to two business days, which is consistent with industry practice for such transactions.

## Concentration of Business and Financial Information About Geographic Areas

For more information on the concentration of our operating revenues and other financial information, see Item 8—Financial Statements and Supplementary Data—Note 13—Enterprise-wide Disclosures and Concentration of Business included elsewhere in this report.

## Competition

We compete in the global payment marketplace against all forms of payment. These include:

• paper-based payments, principally cash and checks;

• card-based payments, including credit, charge, debit, ATM, prepaid and private-label products;

• eCommerce, mobile wallets and mobile payments; and

• other electronic payments, including wire transfers, electronic benefits transfers, automated clearing house ("ACH") and electronic data interchange.

Based on payments volume, total volume and number of transactions, Visa is the largest retail electronic payments network used throughout the world. The following chart compares our network with those of our major competitors for calendar year 2014:

Company <sup>(1)</sup>	Payments Volume (billions)	Total Volume (billions)	Total Transactions (billions)	Cards (millions)
Visa Inc. <sup>(2)</sup>	\$4,761	\$7,360	98.4	2,402
MasterCard <sup>(3)</sup>	\$3,281	\$4,499	60.1	1,437
American Express <sup>(3)</sup>	\$1,011	\$1,023	6.7	112
JCB <sup>(3)</sup>	\$195	\$202	2.4	88
Discover/Diners Club <sup>(3)</sup>	\$153	\$164	2.4	57

UnionPay, which operates primarily within the Chinese domestic market, is not included in this table because Visa

<sup>(1)</sup> currently does not compete in that market under local law. Although we are uncertain how UnionPay reports certain volumes, reportedly its numbers could approach or exceed some of those listed in this chart.

<sup>(2)</sup> The data presented are provided by our financial institution clients. Previously submitted information may be updated and all data are subject to review by Visa. Visa Europe data are not included.

MasterCard, American Express, JCB, and Discover/Diners Club data sourced from The Nilson Report issue 1060 (March 2015). Includes all consumer and commercial credit, debit and prepaid cards. Some figures are estimates and currency figures are in U.S. dollars. MasterCard excludes Maestro and Cirrus figures. American Express

<sup>(3)</sup> includes figures for third-party issuers. Discover figures consist of U.S. data only and include third-party issuers. JCB figures include third-party issuers and other payment-related products. Certain general purpose payments network competitors are more concentrated in specific geographic regions, such as JCB in Japan and Discover in the U.S. Our competitors also have leading positions in certain countries. For example, UnionPay remains the sole processor of domestic transactions and operates the sole domestic acceptance mark in China.

In the global debit network market segment, our Interlink and Visa Electron brands compete with Maestro, owned by MasterCard, and various regional and country-specific debit network brands, including STAR, NYCE and PULSE in the U.S., EFTPOS in Australia, NETS in Singapore and Interac in Canada. In addition to our PLUS brand, the primary cash access card brands are Cirrus, owned by MasterCard, and many of the debit network brands referenced above. In many countries, local debit brands provide the primary network, and our brands are used



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primarily to enable cross-border transactions, which typically constitute a small portion of our overall transaction volume.

The global payments industry continues to undergo dynamic change. We may face increasing competition from emerging players in the payment space, many of which are non-financial institution networks that have departed from the more traditional business model. The emergence of these potentially competitive networks has primarily been via the online channel with a focus on eCommerce and/or mobile technologies. PayPal and Alipay are examples. These providers compete with us directly in some cases, yet may also be significant partners and customers of ours. We also face increasingly intense competitive pressure on the prices we charge our financial institution clients. We believe our fundamental value proposition of convenience, interoperability, accessibility and security offers us a key competitive advantage. We succeed in part because we understand the needs of the individual markets in which we operate. We do so by partnering with local financial institutions, merchants, governments, non-governmental organizations and business organizations to provide tailored solutions to meet their varied needs. We believe Visa is well-positioned competitively, due to our global brand, our broad set of Visa-branded payment products and our proven track record of processing payment transactions securely and reliably through VisaNet.

### Employees

At September 30, 2015, we employed approximately 11,300 persons worldwide. We consider our relationships with our employees to be good.

### Government Regulation

Interchange reimbursement fees. We have historically set default debit interchange reimbursement rates in the U.S. and many other geographies. During fiscal 2012, the Federal Reserve implemented new rules under the Dodd-Frank Act, setting a cap on the maximum U.S. debit interchange reimbursement fee assessed for debit products issued by large financial institutions. These rules continue to have an adverse impact on our pricing, reduce the number and volume of U.S. debit transactions we process and decrease our associated revenues. See Item 1A—Risk Factors—The Dodd-Frank Act and other regulations and developments arising from the Dodd-Frank Act may continue to harm our overall business included elsewhere in this report.

Certain jurisdictions outside the U.S. also regulate or have the power to regulate debit and credit interchange reimbursement rates in their regions. For example, the Reserve Bank of Australia regulates interchange reimbursement rates and the governing authorities in India regulate the merchant discount rate. In May 2015, the EU published a regulation on interchange fees for card-based payment transactions, and interchange caps for intra-regional debit and credit card transactions will take effect on December 9, 2015. See Item 1A—Risk Factors—Additional regulation of interchange reimbursement rates may reduce our transaction volumes and harm our overall business and Item 8—Financial Statements and Supplementary Data—Note 20—Legal Matters included elsewhere in this report.

Network exclusivity and routing. The Dodd-Frank Act limits the issuers' and our ability to impose rules for, or choose various forms of, network exclusivity and preferred routing in the U.S. debit and prepaid network market segments.

Other jurisdictions have enacted similar limitations.

U.S. Consumer Financial Protection Bureau. The Dodd-Frank Act created an independent Consumer Financial Protection Bureau (“CFPB”) with responsibility for most federal consumer protection laws in the area of financial services and new authority with respect to consumer protection issues, including those pertaining to us to some extent. The CFPB’s future actions may make payment card or product transactions generally less attractive to issuers, acquirers, consumers and merchants by further regulating disclosures, payment card practices, fees, routing and other matters with respect to credit, debit and prepaid cards.

No-surchARGE rules. We have historically implemented rules that prohibit merchants from charging higher prices to consumers who pay using their Visa-branded card or payment product instead of other means. As part of the settlement reached in the interchange multidistrict litigation, however, Visa has agreed to modify our rules to permit surcharging on credit transactions under certain circumstances. See Item 8—Financial Statements and Supplementary Data—Note 20—Legal Matters included elsewhere in this report. A number of U.S. states as well as certain jurisdictions outside the U.S. have taken steps to prohibit surcharging. Following court challenges, some of these laws have been invalidated by federal courts in certain states and upheld in others.



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Data protection and information security. Aspects of our operations or business are subject to privacy and data protection laws in the U.S. and other jurisdictions globally. In accordance with governing law, we devote substantial resources to maintain and continually refine our information security program in order to safeguard account holder information and under certain circumstances, to provide account holder notification in the event of a security breach. In addition, the U.S. Federal Financial Institutions Examination Council periodically reviews aspects of our operations in the U.S. to examine our compliance with data integrity, security and operational requirements and standards, as well as other requirements applicable to us because of our role as a service provider to financial institutions. Regulators around the globe are considering numerous legislative and regulatory proposals concerning privacy and data protection due to the evolving nature and handling of data. The interpretation and application of these privacy and data protection laws around the globe are often uncertain and in a state of flux.

Anti-money laundering, anti-terrorism and sanctioned countries. We are subject to anti-money laundering laws and regulations, including the U.S. Bank Secrecy Act and the PATRIOT Act. In addition, we are also subject to the economic and trade sanctions programs administered by the U.S. Department of the Treasury, Office of Foreign Assets Controls ("OFAC") that prohibit or restrict dealings with certain countries, their governments and, in certain circumstances, their nationals, as well as with specifically-designated individuals and entities such as narcotics traffickers, terrorists and terrorist organizations. We have policies, procedures, systems and controls designed to identify and address potentially impermissible transactions.

Government-imposed market participation influences and restrictions. Our market reach remains limited by certain governments' influence on their domestic payments competition and/or their protection of domestic issuers or payments network processors. Regulators in an increasing number of countries around the world have received statutory authority to regulate certain aspects of the payments systems in these countries.

Regulation of Internet, mobile payment and other types of transactions. Many jurisdictions have adopted or are considering regulations that require payments system participants, including our financial institution clients and us, to monitor, identify, filter, restrict or take other specific actions with regard to certain types of payment transactions. For example, U.S. federal legislation has been enacted that requires payment system operators to implement a system that allows issuers to identify Internet gambling transactions so they have the option to decline such transaction requests. State governments have been interested in the potential blocking of Internet interstate sales of cigarettes and alcohol, or the collection of state and local sales taxes on such Internet purchases. Implementing such systems increases costs for our financial institution clients and us, and may reduce merchant acceptance of Visa-branded cards and payment products for these purchases.

The U.S. Congress continues to consider regulatory initiatives in the areas of Internet prescription drug purchases, copyright and trademark infringement and privacy, among others, that could impose additional compliance burdens on our financial institution clients and us. Some U.S. states are considering a variety of similar legislation. Various regulatory agencies also continue to examine a wide variety of issues, including mobile payment transactions, money transfer, identity theft, account management guidelines, privacy, disclosure rules, security and marketing that could affect our financial institution clients directly. These new requirements and developments may affect our financial institution clients' ability to offer existing products and services, extend credit via payment cards and products, and offer new types of payment programs, which could decrease our transaction volumes and revenues.

Available Information

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and its rules and regulations. The Exchange Act requires us to file periodic reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC"). Copies of these reports, proxy statements and other information can be viewed at <http://www.sec.gov> or at the SEC Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

Our corporate website is accessible at <http://corporate.visa.com>. We make available, free of charge, on our investor relations website at <http://investor.visa.com> our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to those reports as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. We also may include supplemental financial information on our



investor relations website at <http://investor.visa.com> and may use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor such portions of our investor relations website, in addition to following SEC

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filings and publicly available conference calls. The information contained on our corporate website, including the information contained on our investor relations website, is not incorporated by reference into this report or any other report filed with, or furnished to, the SEC.

ITEM 1A. Risk Factors

Regulatory Risks

Additional regulation of interchange reimbursement rates may reduce our transaction volumes and harm our overall business.

We generally do not receive any revenue related to interchange reimbursement fees in a purchase transaction as those fees are paid by the acquirers to the issuers. They are, however, a factor on which we compete with other payments providers and are therefore an important determinant of the volume of transactions we process. Consequently, changes to these fees can substantially affect our revenues and overall payments volume.

We have historically set default interchange reimbursement rates in the U.S. and many other geographies. Interchange reimbursement rates, our operating rules and related practices have become subject to continued or increased government regulation globally, and regulatory authorities and central banks in a number of jurisdictions have reviewed or are reviewing these rates and practices.

When we cannot set default interchange reimbursement rates at optimal levels, issuers and acquirers may find our payments system less attractive. It may increase the attractiveness of other payments systems like competitors' closed-loop payments systems with direct connections to both merchants and consumers. In addition, as a result of such regulations, we believe some issuers are charging new or higher fees to consumers. In certain instances, some acquirers elect to charge higher discount rates to merchants, regardless of the Visa interchange reimbursement rate, causing merchants not to accept Visa-branded cards or payment products or to steer account holders to alternate payment systems or forms of payment. In addition, some issuers and acquirers have obtained, and may continue to obtain, incentives from us and reductions in the fees that we charge in an effort to reduce the expense of their card programs. For these reasons, additional regulation of interchange reimbursement rates may make Visa-branded cards and payment products less desirable, reduce our overall transaction volumes, and harm our overall business.

We are subject to regulations that prohibit us from contracting with clients or requiring them to use only our network, or that deny them the option of selecting only our network.

In order to provide account holders a consistent experience and transparency into VisaNet, we promote certain practices to ensure that Visa-branded cards are processed over our network. We have historically had agreements with some issuers under which they agree to issue certain payment cards that use only the Visa network or receive incentives if they do so. In addition, certain issuers of some products have historically chosen to include only our network. We refer to these various practices as network exclusivity.

In addition, certain network or issuer rules or practices may be viewed as limiting the routing options of merchants when multiple debit networks co-reside on Visa debit cards. For example, the Visa Rules require that all authorization, clearance and settlement of international transactions must be done through VisaNet. These are commonly referred to as routing rules.

The Dodd-Frank Act already limits our and issuers' ability to adopt network exclusivity and preferred routing in the debit area. Additional legislation or regulations like the Dodd-Frank Act in the U.S. and elsewhere could materially decrease the number of transactions we process. In order to retain transaction volume, we may reduce the fees we charge to issuers or acquirers or increase the payments and other incentives we provide to issuers, acquirers or merchants. Any of these outcomes could harm our overall business.

The Dodd-Frank Act and other regulations and developments arising from the Dodd-Frank Act may continue to harm our overall business.

As of October 1, 2011, in accordance with the Dodd-Frank Act, the Federal Reserve capped the maximum U.S. debit interchange reimbursement rate charged by large financial institutions at twenty-one cents plus five basis points, with a possible fraud adjustment up to an additional one cent. This amounted to a significant reduction in the average system-wide fees previously charged. The Federal Reserve also issued regulations requiring issuers to make at least two unaffiliated networks available for processing debit transactions on each debit card. The rules



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also prohibit us and issuers from restricting a merchant's ability to direct the routing of electronic debit transactions over any of the networks that an issuer has enabled to process those transactions.

These regulations have adversely affected our U.S. debit business and associated revenues by creating negative pressure on our pricing, reduced the volume and number of U.S. debit payments we process, and diminished associated revenues. Although we believe we have absorbed the principal impact of the October 2011 regulations, our business could continue to be affected, including if the Federal Reserve issues new or revised regulations.

Negative pressures have arisen through various channels. Other debit networks may become more aggressive in offering merchant cost reductions to win routing preference, which in turn puts more pressure on the business terms offered by Visa. A number of our clients obtained fee reductions or increased incentives from us to offset their own lost revenue. Some clients elected to issue fewer cards enabled with Visa-affiliated networks or reduced the number of debit cards they issued and investments they made in marketing and rewards programs, while others imposed new or higher fees on debit cards or demand deposit account relationships. Many merchants have used the routing regulations to redirect transactions or steer account holders to other debit networks based on lower cost or other factors. Other clients and merchants are likely to take similar actions in the future.

Some elements of the Dodd-Frank Act lack definition and create the potential for networks to pursue different strategies subject to their interpretation of the rules. Our interpretation may result in a pursuit of strategies that may be less effective than those of our competitors. Overall, the regulations and developments arising from the Dodd-Frank Act could harm our overall business.

New laws or regulations in one jurisdiction or of one product offering may lead to new laws or regulations in other jurisdictions or of other product offerings.

Regulators around the world increasingly note each other's approaches to the regulation of the payments industry. Consequently, a development in one country, state or region may influence regulatory approaches in another. The Dodd-Frank Act and the European Union interchange regulation are developments with such potential. See Note 20—Legal Matters to our consolidated financial statements included in Item 8 of this report. Similarly, new laws and regulations involving one product offering may cause lawmakers there to extend the regulations to other product offerings. For example, regulations affecting debit payments could eventually spread to credit payments.

The risks created by a new law or regulation have the potential to be replicated and to negatively affect our business in another region or in other product offerings. We may face differing rules and regulations in matters like interchange reimbursement rates, preferred routing, domestic processing requirements, currency conversion, point of sale transaction rules and practices, privacy, and data use or protection. As a result, the Visa Rules may differ from country to country or by product offering.

If widely varying regulations come into existence worldwide, we may have difficulty rapidly adjusting our product offerings, services and fees, and other important aspects of our business in the various regions. In addition, adverse developments, regulations and litigation with respect to our industry or another industry may also, by association, negatively impact our reputation and result in greater regulatory and legislative scrutiny or litigation against us. Any of these factors could harm our overall business.

Government actions may prevent us from competing effectively against providers of domestic payments services in certain countries.

Governments in some countries provide resources to or protection for their domestic payment card networks, brands and processors. These governments may impose regulatory requirements that favor domestic providers or that mandate domestic payments processing be done entirely in that country. In China, for example, UnionPay continues to enjoy advantages over international networks, remains the sole processor of domestic transactions and operates the sole domestic acceptance mark. Though the Chinese State Council has announced that international schemes, such as Visa, would be able to participate in the domestic market and be eligible to apply for a license to operate a Bank Card Clearing Institution (BCCI) in China, legislation and implementation guidelines for BCCI's have yet to be published and finalized. Meanwhile in Russia, National Payment Legislation has effectively prevented Visa from processing in the domestic market and has mandated that Visa migrate its domestic processing business to the state owned NSPK, which is the only entity allowed to process domestically. National laws that mandate domestic processing may increase our costs and decrease the number of Visa-branded cards issued or processed in those regions. These actions

could impede us from utilizing our global processing capabilities for our financial institution clients in those countries and substantially restrict our activities there and in

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other countries that may adopt similar practices. These actions could also force us to leave countries where we presently have activity and keep us from entering new markets. Although we are trying to effect change in these countries, we may not succeed. This could adversely affect our ability to operate our business, maintain or increase our revenues globally and extend our global brands.

We are subject to regulation in the areas of consumer privacy and data use and security.

Privacy, data use and security continue to receive heightened legislative and regulatory focus in the U.S. and elsewhere. For example, in many jurisdictions consumers must be notified in the event of a data breach and those jurisdictions that have these laws are continuing to increase the circumstances and the breadth of these notices. These laws and regulations can impact the way we use and handle data, operate our products and services, and even impact our ability to offer a product or service. Our failure or the failure of our clients to comply with these laws and regulations could result in fines, sanctions, litigation and damage to our global reputation and our brands. These laws and regulations may increase Visa's and our clients' costs, decrease the number of Visa-branded cards our clients issue and decrease our payments volume and revenue.

Evolving and increased global regulatory focus on the payments industry may result in costly new compliance burdens on our clients and on us.

Regulation of the payments industry has evolved and increased significantly. Examples include:

Data protection and information security. Aspects of our operations and business are subject to privacy and data protection regulation in the U.S. and elsewhere. Our financial institution clients around the globe are subject to similar requirements under privacy laws and bank regulatory regimes. For example, as of September 1, 2015, Russia amended its personal data law to require personal "data operators" to store personal information of Russian citizens in databases located in Russia. In addition, many U.S. states have enacted legislation requiring consumer notification in the event of a security breach.

Regulatory and sanctions compliance. We are subject to anti-money laundering laws and regulations, including the U.S. Bank Secrecy Act and the Patriot Act. In addition, we are subject to economic and trade sanctions programs administered by OFAC. An increase in the number of OFAC sanctions may affect the issuance, acceptance, reputation, and revenues associated with Visa-branded cards. Some of our clients located outside of the U.S. may not be subject to these same laws, regulations and sanctions, and, as a result, may initiate transactions that are permissible in their countries but that may not be permissible were the transaction to take place in the U.S.

Regulation of the price of credit. Many jurisdictions in which Visa-branded cards are used have regulations that could increase the costs of card issuance or decrease the flexibility of issuers to charge market-based interest rates and fees on credit card accounts. In the U.S., these include regulations issued under the Truth in Lending Act of 1968, as amended by the Credit CARD Act of 2009.

Increased U.S. Consumer Financial Protection Bureau scrutiny. Regulatory changes by the CFPB that impose new requirements on or restrict the terms under which financial products can be offered could increase our clients' costs and decrease the number of Visa-branded payment cards our clients issue. The CFPB also has supervisory and independent examination authority as well as enforcement authority over certain financial institutions, their service providers and other entities, which could include us due to our processing of credit, debit and prepaid transactions.

- Increased central bank oversight. Several central banks and similar regulatory bodies around the world have increased, or are seeking to increase, their formal oversight of the electronic payments industry, and in some cases have already designated certain payment systems as "systemically important payment systems" or "critical infrastructure." For example, Visa Europe was recently designated as systematically important by the Bank of England. Any such oversight may lead to additional regulations by central banks and other government regulators. These could include new settlement procedures, cyber security requirements or other policies or operational rules to address settlement and operational risks. Increased central bank oversight

could also include new criteria for financial institution client participation and merchant or other non-bank access to our payments system. For example, in China, draft cyber security legislation may prevent companies like Visa from bringing international best practice standards for fraud and risk management when the market is open.

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Safety and soundness regulation. Banking regulations enacted in the U.S. and elsewhere may make some financial institutions less likely to become an issuer of Visa-branded cards because they may be subject to increased risk management or higher capital requirements.

Regulation of Internet and mobile transactions. Legislation in various jurisdictions may make it less desirable or more costly to complete Internet transactions using Visa-branded cards by affecting the legality of those transactions, the laws that govern the transactions, their taxation or the allocation of various intellectual property rights. In addition, new mobile regulatory requirements could impact our business practices, for instance in China where new regulation may prevent companies like Visa from introducing new technologies when the market opens to them.

Money transfer regulations. As we expand our product offerings, we may become subject to U.S. federal and state money transfer regulations, international payments laws and other existing, new or evolving regulations which could increase our regulatory oversight and compliance costs.

Complying with these and other regulations increases our costs and can reduce our revenue opportunities. Our programs and policies are designed to comply with anti-money laundering, anti-terrorism, anti-corruption and sanctions regulations and other laws, and we continue to enhance them. But, as regulations continue to evolve and regulatory oversight continues to increase, we cannot guarantee that our programs and policies will be deemed compliant by all applicable regulatory authorities. In the event our controls should fail or we are found to be out of compliance for other reasons, we could be subject to monetary damages, civil and criminal money penalties, litigation and damage to our global brand reputation. The impact of such regulations on our clients and on us may increase compliance costs and reduce the volume of payments we process. Moreover, such regulations can limit the types of products and services that we offer, the countries in which Visa-branded cards are used and the types of account holders and merchants who can obtain or accept Visa-branded cards, thereby harming our overall business.

### Litigation Risks

Our U.S. retrospective responsibility plan may not adequately insulate us from the impact of settlements or final judgments.

Our U.S. retrospective responsibility plan addresses monetary liabilities from settlements of, or final judgments in, the U.S. covered litigation, which is described in Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities to our consolidated financial statements included in Item 8 of this report. The U.S. retrospective responsibility plan consists of several related mechanisms to fund settlements or judgments in the U.S. covered litigation. These include an escrow account funded with a portion of the net proceeds of our IPO and any subsequent offerings of our shares of class A common stock (or deposits of cash into the escrow account in lieu of such offerings). They also include a loss sharing agreement, a judgment sharing agreement and an omnibus agreement, as amended. In addition, our U.S. financial institution clients are obligated to indemnify us pursuant to Visa U.S.A. Inc.'s certificate of incorporation and bylaws and in accordance with their membership agreements. These mechanisms are unique, complicated and tiered, and if we cannot use one or more of them, this could have a material adverse effect on our financial condition and cash flows, or even cause us to become insolvent.

The principal remaining U.S. covered litigation involves interchange reimbursement rates. See Note 20—Legal Matters to our consolidated financial statements included in Item 8 of this report. Beginning in 2005, a series of complaints (the majority of which were styled as class actions) were filed on behalf of merchants against us, MasterCard and/or other defendants, including certain Visa member financial institutions. We refer to this as the interchange multidistrict litigation or MDL 1720. Among other allegations, the plaintiffs alleged that Visa's setting of default interchange reimbursement rates violated federal antitrust laws and, in some cases, certain state unfair competition laws. The lawsuits were transferred to a multidistrict litigation in the U.S. District Court for the Eastern District of New York. The plaintiffs in MDL 1720 seek damages for alleged overcharges in merchant discount rates as well as injunctive and other relief. The consolidated class action complaint alleges that estimated damages will range in the tens of billions of dollars. Because these lawsuits were brought under the U.S. federal antitrust laws, any actual damages would be trebled.



The allocation of any monetary judgment or certain settlements among the defendants is governed by an omnibus agreement dated February 7, 2011, and amended August 26, 2014 and October 22, 2015. See Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities to our consolidated financial statements

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included in Item 8 of this report. Visa's portion of a settlement or judgment covered by the omnibus agreement, as amended, would be allocated in accordance with specified provisions of our U.S. retrospective responsibility plan. We signed settlement agreements in connection with MDL 1720, which included an agreement to pay approximately \$4.0 billion to the class plaintiffs. On January 14, 2014, the court entered a final judgment order approving the settlement, from which a number of objectors have appealed. Until the appeals are finally adjudicated, no assurance can be provided that we will be able to resolve the class plaintiffs' claims as contemplated by the settlement agreement.

A number of merchants have filed opt-out cases in various federal district courts. All of the cases filed in federal court have been either assigned to the judge presiding over MDL 1720, or have been transferred by the Judicial Panel on Multidistrict Litigation for inclusion in MDL 1720. The court has entered an order confirming that MDL 1720 includes: (i) all current and future actions transferred to MDL 1720 by the Judicial Panel on Multidistrict Litigation or other order of any court for inclusion in coordinated or pretrial proceedings; and (ii) all actions filed in the Eastern District of New York that arise out of operative facts as alleged in the cases subject to the transfer orders of the Judicial Panel on Multidistrict Litigation. Cases that are transferred to or otherwise included in MDL 1720 or that are brought after October 22, 2015, by an opt out of the Rule 23(b)(3) Settlement Class in MDL 1720 and arise out of facts or circumstances substantially similar to those alleged in MDL 1720 are U.S. covered litigation for purposes of the U.S. retrospective responsibility plan. See Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities.

Failure of our U.S. retrospective responsibility plan to insulate us adequately from the impact of such settlements or judgments could result in a material adverse effect on our financial condition and cash flows. Such a failure could even cause us to become insolvent. The U.S. retrospective responsibility plan addresses only the U.S. covered litigation. The plan generally does not cover other pending litigation or any litigation that we may face in the future, except for cases that include claims for damages relating to the period prior to our IPO that are transferred to or otherwise included in the interchange multidistrict litigation or that are brought by a Rule 23(b)(3) opt out and arise out of facts or circumstances substantially similar to those alleged in MDL 1720. In addition, non-monetary settlement terms and judgments in the U.S. covered litigation may require us to modify the way we do business. Therefore, even if our U.S. retrospective responsibility plan provides us with adequate funding to satisfy our obligations with respect to monetary liabilities from settlements of, and judgments in, the U.S. covered litigation, it will not insulate us from the monetary impact of pending or future litigation.

As described in Note 2—Visa Europe and Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities to our consolidated financial statements included in Item 8 of this report, on November 2, 2015, the Company and Visa Europe entered into a transaction agreement pursuant to which the Company agreed to acquire Visa Europe. The closing is subject to various conditions including regulatory approvals and is expected to occur in the fiscal third quarter of 2016. Visa Inc., Visa Europe or their affiliates are, or may become, a party to certain existing and potential litigation relating to the setting of multilateral interchange fee rates in the Visa Europe territory. As part of the acquisition terms, the Company has obtained certain protection in respect of losses resulting from such existing and potential litigation through the preferred stock and the U.K. loss sharing agreement. If claims are not covered by these transactional protections, Visa Europe may have recourse under its membership documents against members under the terms of the existing indemnity arrangements (other than in respect of certain claims relating to U.K. domestic multilateral interchange fees). However, similar to the U.S. retrospective responsibility plan, failure of these protections to insulate us adequately from the impact of settlements or judgments in the existing and potential litigation against Visa Inc., Visa Europe or their affiliates could result in a material adverse effect on our financial condition and cash flows.

If we are found liable in other pending or future lawsuits, we may have to pay substantial damages.

Like many other large companies, we are a defendant in a number of civil actions and investigations alleging violations of competition or antitrust law, consumer protection law or intellectual property law, among others.

Examples of such claims are described more fully in Note 20—Legal Matters to our consolidated financial statements

included in Item 8 of this report. Some lawsuits involve complex claims that are subject to substantial uncertainties and unspecified damages; therefore, we cannot ascertain the probability of loss or estimate our liability. Accordingly, we have not established allowances for such legal proceedings.

Particularly in cases involving merchants and consumers, private plaintiffs often seek class action certification in cases against us due to the size and scope of our business. If we are unsuccessful in our defense against a large class action lawsuit, such as the U.S. or Canadian merchant class action lawsuits, monetary damages could be

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significant, which could harm our financial condition. See Note 20—Legal Matters to our consolidated financial statements included in Item 8 of this report.

There may be limitations on our business or changes to our business practices resulting from our litigation.

Certain limitations have been placed on our business in recent years because of litigation. We may also have to change our business practices in response to pending or future litigation. For example, under the settlement agreement in the interchange multidistrict litigation, we have agreed, among other things, to permit merchants to add surcharges to credit transactions in certain circumstances. See Item 8—Financial Statements and Supplementary Data—Note 20—Legal Matters included elsewhere in this report. Additional surcharges to credit transactions could adversely impact consumers' usage of Visa-branded payment products.

Settlements of, or judgments in pending and future litigation could force us to limit the rates we set, revise our rules about rates charged to consumers who use Visa-branded payment products or make other modifications that could harm our overall business.

We may be subject to tax examinations or disputes, or changes in the tax laws.

We exercise significant judgment in calculating our worldwide provision for income taxes and other tax liabilities. Although we believe our tax estimates are reasonable, many factors may decrease their accuracy. We are currently under examination by, or in disputes with, the U.S. Internal Revenue Service and other tax authorities, and we may be subject to additional examinations or disputes in the future. Relevant tax authorities may disagree with our tax treatment of certain material items and thereby increase our tax liability. Failure to sustain our position in these matters could result in a material, adverse effect on our cash flow and financial position. In addition, changes in existing laws, such as recent proposals for fundamental U.S. and international tax reform, may also increase our effective tax rate. A substantial increase in our tax payments could have a material, adverse effect on our financial results. See also Note 19—Income Taxes to our consolidated financial statements included in Item 8 of this report. We have limited rights to enforce our Framework Agreement with Visa Europe, which could expose us to significant liabilities.

While we have entered into an agreement to acquire Visa Europe, until the transaction closes or if it fails to close, our relationship is governed by the Framework Agreement. In the event Visa Europe fails to meet its obligations under the Framework Agreement, our remedies are limited. We are unable to terminate the Framework Agreement even upon Visa Europe's material, uncured breach. See Note 2—Visa Europe to our consolidated financial statements included in Item 8 of this report.

Under the Framework Agreement, we may be required to indemnify Visa Europe for losses resulting from all claims outside its region arising from our or their actions relating to the payments business. This obligation applies even if neither we nor any of our related parties or agents engaged in the actions gives rise to such claims. The indemnity obligation could expose us to significant liabilities for activities over which we have little or no control. Our U.S. retrospective responsibility plan would not cover these liabilities.

In our view, pursuant to the Framework Agreement, Visa Europe is obligated to indemnify Visa Inc. and Visa International Service Association ("Visa International") in connection with the European Competition Proceedings (i.e., the pending European Commission investigation and the filed or unfiled claims in the U.K. Merchant Litigation), including payment of any fines or damages that may be imposed. However, Visa Europe has informed us of its view that it is not obligated to indemnify Visa Inc. or Visa International for these claims. If Visa Europe continues in its refusal to indemnify us and we cannot enforce the indemnity, we could be exposed to significant liabilities which would not be covered under our U.S. retrospective responsibility plan. See Note 20—Legal Matters to our consolidated financial statements included in Item 8 of this report.

### Business Risks

We face intense pressures on client pricing.

Pressure on client pricing poses challenges for our business. In order to stay competitive, we offer incentives to our clients to increase payments volume, enter new market segments and expand their Visa-branded card base. These include up-front cash payments, fee discounts, credits, performance-based incentives, marketing and other support payments. We have continued to increase the use of incentives such as up-front cash payments and fee discounts in many countries, including the U.S. In addition, we offer incentives to certain merchants or acquirers to



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win routing preference in situations where our products co-reside with other networks and merchants have a choice of network routing options. The economic pressures on our clients arising from the Dodd-Frank Act have also increased our use of incentives. As a result, the provision of certain products and services may be less profitable or become unprofitable, which may materially and adversely affect our revenues and profits.

If we continue to increase incentives to our clients, we will need to find ways to offset the financial impact by increasing payments volume, increasing the amount of fee-based services we provide or both. We may not succeed in doing so, particularly in the current regulatory environment. In addition, we benefit from long-term contracts with certain clients, including those that are large contributors to our revenue. Continued pressure on our fees could prevent us from maintaining such agreements in the future on the same or favorable terms. We may also have to modify existing agreements in order to maintain relationships or comply with regulations. While we may implement cost containment and productivity initiatives in areas other than those surrounding client incentives, we may not be successful in our efforts or they may not offset the decreases in our revenues.

We face intense competition in our industry.

The global payments industry is intensely competitive and, as a result, our payment programs compete against all forms of payment. These include cash, checks, electronic, eCommerce, virtual currencies and mobile payments, as well as traditional general purpose card networks. In addition, our open-loop payments network competes against other alternate payment systems such as closed-loop payment systems. Traditional or nontraditional competitors may put us at a competitive disadvantage by leveraging services or products in areas in which we do not directly compete to win business in areas where we do compete.

Our clients can reassess their commitments to us at any time or develop their own competitive services. The Dodd-Frank Act increased this competitive pressure. The risk to maintaining or securing our clients' long-term commitments to our products increased with the Dodd-Frank Act's restrictions on network exclusivity in the debit sector. We do not have exclusivity with our largest clients such as JPMorgan Chase and Bank of America. In certain circumstances, our clients may terminate these relationships on relatively short notice without significant early termination fees. Because a significant portion of our operating revenues is concentrated among our largest clients, the loss of business from any of these clients could have an adverse effect on the Company. See Note 13—Enterprise-wide Disclosures and Concentration of Business to our consolidated financial statements included in Item 8 of this report. Additionally, some of our competitors may develop substantially better technology or have greater financial resources. They may offer a wider range of programs, products and services than we do, including more innovative ones. They may use advertising and marketing strategies that are more effective than ours, achieving broader brand recognition and merchant acceptance. They may also develop better security solutions or more favorable pricing arrangements. Certain of our competitors operate with different business models, have different cost structures or participate selectively in different market segments. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. In many cases, these competitors have the support of government mandates that prohibit, limit or otherwise hinder our ability to compete for or otherwise secure transactions within those countries and regions.

We expect there to be changes in the competitive landscape in the future. For example:

- competitors, clients and others may develop products that compete with, impair or replace the value-added services we provide to support our transaction processing;

- parties that process our transactions in certain countries may try to eliminate our position in the payments value chain;

- we may be asked to develop or customize certain aspects of our payment services for use by our customers, processors or other third parties;

- participants in the payments industry may merge, form joint ventures or enter into other business combinations that strengthen their existing business propositions or create new, competing payment services;



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competition may increase from alternate types of payment services, such as mobile payment services, eCommerce payment services and services that permit direct debit of consumer checking accounts or ACH payments;

new players and intermediaries in the payments value chain may redirect transactions or steer account holders away from our network; or

new services and technologies that we develop may be impacted by industry-wide solutions and standards set by organizations such as the International Organization for Standardization, American National Standards Institute, as well as EMVCo, related to EMV-chip payment technology, cloud-based payments, tokenization or other technologies. Our failure to compete effectively in light of any such developments could harm our business and prospects for future growth.

Disintermediation from the payments value chain could harm our business.

Our position in the payments value chain is key to our business. Some of our competitors, including American Express, Discover, private-label card networks, virtual currencies and certain alternate payments systems, operate closed-loop payments systems, with direct connections to both merchants and consumers without any intermediaries. These competitors seek to derive competitive advantages from this business model. Regulatory actions or initiatives such as the Dodd-Frank Act or the Federal Reserve's Faster Payments efforts may provide them with increased opportunity to do so. In addition, although other competitors are pursuing similar lines of business or adopting similar commercial models, they have not attracted the same level of legal or regulatory scrutiny of their pricing and business practices as operators of multi-party payments systems such as ours.

We also run the risk of disintermediation due to factors such as emerging technologies including mobile payments, and by virtue of increasing bilateral agreements between entities that prefer not to use our payments network for processing payments. For example, merchants could process transactions directly with issuers, or processors could process transactions directly with issuers and acquirers.

Additional consolidation in the financial services industry could impact our revenues and harm our overall business. Additional consolidation in the financial services industry or the acquisition of one or more of our largest clients by an institution with a strong relationship with one of our competitors may reduce the overall number of our clients. This could result in the acquired financial institution's Visa business shifting to a competitor, resulting in a substantial loss of business to us.

Our existing clients may seek to obtain more favorable pricing agreements. We may also be adversely affected by price compression should one of our clients absorb another financial institution and qualify for higher volume-based discounts on the combined volumes of the merged businesses. Pressure on the fees we charge our clients caused by such consolidation could impact our revenues and harm our overall business.

Merchants' continued focus on the costs associated with payment card acceptance exposes us to additional risks. We rely in part on merchants and their relationships with our clients to maintain and expand the acceptance of Visa-branded payment cards. Consolidation in the retail industry is producing a group of larger merchants that is having a significant impact on all participants in the global payments industry. Some merchants have sought to reduce their costs associated with payment card acceptance by lobbying for new legislation and regulatory enforcement and by filing lawsuits. If they continue, we may face increased compliance and litigation expenses. Additionally, some merchants have pushed for changes to the Visa Rules which govern Visa acceptance at the point of sale, including the ability to accept only certain types of Visa-branded cards (e.g., credit or debit) and impose account holder surcharges. If successful, where applicable, these efforts could adversely impact consumers' usage of Visa-branded payment products.

We also face competitive pressures on pricing. We and our clients negotiate pricing discounts and other incentive arrangements with certain large merchants to increase acceptance and usage of Visa-branded payment cards. If merchants continue to consolidate, we and our clients may have to increase the incentives provided to certain large merchants. Some merchants also continue to invest in their own payment solutions, using both





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traditional and new technology platforms. Examples include closed-loop payment systems that are specific to a single merchant or multi-merchant solutions like the Merchant Customer Exchange, which is designed for a mobile platform utilizing alternative payment systems and has many merchant participants. Such programs may offer unique or specialized benefits to consumers, including discounts or customized offers. If merchants are able to drive broad consumer adoption and usage, it could harm our business.

We may not be able to grow or maintain our business due to certain financial institutions or merchants' exclusive, or nearly exclusive, relationships with our competitors.

Certain financial institutions or merchants have longstanding exclusive, or nearly exclusive, relationships with our competitors to issue or accept payment cards. These relationships may make it difficult or cost-prohibitive for us to conduct material amounts of business with them. In addition, these financial institutions or merchants may be more successful and may grow more quickly than our existing clients or merchants, which could put us at a competitive disadvantage and prevent us from growing our business.

Our success depends on our relationships with our financial institution clients, acquirers, merchants, account holders and other third parties.

We depend and will continue to depend significantly on relationships with our financial institution clients and on their relationships with account holders and merchants to support and to compete effectively for our programs and services. We do not issue cards, extend credit to account holders or determine the interest rates or other fees charged to account holders using cards that carry our brands. Each issuer determines these competitive card features for their customers. Account holders, however, may associate these features with our brands and if they are dissatisfied, our business may be harmed.

As a result of the Dodd-Frank Act's network exclusivity regulations, we have engaged and will continue to engage in significantly more discussions with merchants, acquirers and processors to provide incentives to promote routing preference and acceptance growth. We already engage in many co-branding efforts, in which we contract with merchants, who directly receive incentives from us. As these and other relationships become more prevalent and take on a greater importance to our business, our success will increasingly depend on our ability to sustain and grow these relationships.

Outside the U.S., some governments only permit local providers to complete domestic processing, which prohibits us from overseeing the end-to-end processing of the transactions. Therefore, we depend on our close working relationships with our clients or other third party processors in these regions to effectively manage the processing of transactions involving Visa-branded cards. Our inability to oversee the end-to-end processing for cards carrying our brands in these countries may put us at a competitive disadvantage by limiting our ability to ensure the quality of the services supporting our brands.

In addition, we depend on third parties and our financial institution clients to provide various services associated with our payments network on our behalf, and to the extent that such third-party vendors or our financial institution clients fail to perform or deliver adequate services, our business and reputation could be impaired.

Negative perception of our company in the marketplace may affect our brands and reputation.

Our brands and reputation are key assets of our business. The ability to attract and retain account holders and financial institution clients to Visa-branded products depends highly upon the external perceptions of our company and our industry's quality of service, use and protection of account holder data, regulatory compliance, financial condition, corporate responsibility and other factors. Negative perception or publicity, particularly in light of the rapid, widespread use of social media channels, could cause damage to our brands and reputation. Our business may also be affected by actions taken by our clients or other third parties, or by circumstances that are outside of our control:

• Our clients and other third parties may take actions that we do not believe to be in the best interests of our brands or that are inconsistent with our own business practices.

• Until we are able to complete the proposed acquisition of Visa Europe, our limited control over the quality of service and promotion of our brands in Europe could affect our brands and reputation globally. While Visa Europe has very broad latitude to use our brands and technology within its region, Visa Europe is not required to spend any minimum amount of money conducting research on brand performance, promoting or maintaining the strength of our brands.



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Any negative perception of the U.S. arising from its political, economic, social or other positions could harm the perception of our company and our brands globally by associating Visa with those positions.

Any of these factors could turn clients and consumers away from our brand and products, require us to take on additional liabilities and costs, result in greater regulatory or legislative scrutiny, and harm our overall business.

We may continue to be affected by economic events in financial markets around the world.

The current threats to global economic growth include geopolitical instability in Brazil, Venezuela, Russia, Ukraine, the Middle East and other oil producing countries, which could affect oil prices, economic fragility in the Eurozone and in the U.S., higher interest rates hurting the housing market, sluggish job creation, political discord, spending cuts and debt defaults. While there continues to be some improvements in advanced economies, emerging economies continue to suffer with slower growth. Consumer spending continues to be impacted from consumer debt levels, elevated housing inventory, deflation, changes in savings rates, continued equity market volatility, decreased export activity, lowered government spending and additional government intervention. Furthermore, continued challenges in the credit environment, bank instability, downgrades of sovereign, bank and commercial debt, political issues affecting the handling of national debt, and the uncertainty arising from new government policies could also impact our clients, merchants and account holders.

The fragility of the current situation would be exacerbated if additional negative economic developments or crises were to arise around the world. These include defaults on government debt, exhaustion of national economic stimulus packages, significant increases in oil prices, tax increases, a significant decline in the commercial real estate market and policy missteps. Most recently, the economic situations in various countries in Europe have been particularly unstable, arising from the real prospect of debt defaults. If such defaults occur, or if the measures taken to avert such defaults create their own instability, economic turmoil is likely to result, and the impact is likely to be global and highly significant.

The volatility of the current economic environment in advanced and emerging economies and the responses by financial institutions and governments may create new risks or increase the impact of existing ones. These include the following:

• Depressed consumer and business confidence may continue to decrease account holder spending.

• Uncertainty and volatility in the performance of our clients' businesses may reduce the accuracy of our estimates of our revenues, rebates, incentives and realization of prepaid assets.

• Our clients may implement cost-reduction initiatives that reduce or eliminate payment card marketing budgets or increase requests for greater incentives or reduced fees from us.

• Our clients may decrease spending for optional or enhanced services, which could reduce account holders' desire to use these products.

• Our clients may increase account holder fees as a cost-recovery initiative, or as a result of regulatory action, decreasing their value proposition to consumers and reducing consumers' desire to use our products.

• Government intervention or investments in our clients may negatively affect our business in those regions with our financial institution clients.

• Tightening of credit availability could affect the ability of participating financial institutions to lend to us under the terms of our credit facility.

The U.S. government's inability to meet its obligations or a possible further downgrade in the U.S. debt rating could adversely affect the liquidity of our investments, a substantial portion of which are in U.S. treasury and government securities.

Our clients may default on their settlement obligations, including for reasons unrelated to payment card activity, such as mortgage loan commitments.

Adverse fluctuations in foreign currency exchange rates could negatively affect the dollar value of our revenues and payments in foreign currencies.

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The current economic environment could lead some clients to curtail or postpone near-term investments in growing their card portfolios, limit credit lines, modify fees and loyalty programs, or take other actions that adversely affect the growth of our volume and revenue streams from these clients.

Declines in stock prices or significant instability in the securities markets worldwide could cause consumer spending to decline materially.

Any of these developments could harm our overall business.

A decline in non-U.S. and cross-border activity and in multi-currency transactions could adversely affect our revenues and profitability.

We generate a significant amount of our revenues from cross-border transactions, and our clients pay us fees in connection with them. Cross-border transactions arise when the country of origin of the issuer is different from that of the merchant. Some of these cross-border transaction fees vary depending on the transaction currency and whether the transaction currency is different than the account holder's billing currency as provided to Visa by his or her issuer. Additionally, adverse changes in exchange rates could reduce the number of cross-border transactions which may harm our revenues.

In addition, Visa derives revenue from foreign currency exchange activities that result when our clients settle transactions in different currencies. A reduction in multi-currency transactions may reduce the need for foreign currency exchange activities and adversely affect our revenues. Limitations or changes in our ability to set foreign currency exchange rates for multi-currency transactions as a result of regulation, changes to tax policy, litigation, competitive pressures, reduced volatility in currency markets or other reasons may also adversely affect our revenues.

Cross-border travel may be adversely affected by global geopolitical, economic, social and other conditions. These include the threat of terrorism, social or political instability, natural disasters, effects of climate change and outbreaks of flu, viruses and other diseases. The need for conversion of currencies declines as cross-border travel is impacted.

Moreover, if our financial institution clients decide to change practices (e.g., prohibit certain transactions or increase account holder fees associated with cross-border transactions), there could be a decline in account holder spending because the value proposition to the consumer could be reduced.

Transactions outside the U.S. represent an increasingly important part of our strategy, which we hope will continue to grow. However, a decline in non-U.S. and cross-border activity and multi-currency transactions would decrease the number of cross-border transactions we process and our revenues and profitability may be materially and adversely affected as a consequence.

We risk loss or insolvency if our clients fail to fund settlement obligations for which we have provided indemnifications.

We indemnify issuers and acquirers for any settlement loss they suffer due to the failure of another issuer or acquirer to fund its settlement obligations in accordance with the Visa Rules. In certain instances, we may indemnify issuers or acquirers even in situations in which a transaction is not processed by our system. This indemnification creates settlement risk for us due to the difference in timing between the date of a payment transaction and the date of subsequent settlement. While the amount of our indemnification obligations has no limit, our exposure under the indemnification is restricted to the amount of unsettled Visa payment transactions at any point in time.

Concurrent settlement failures involving more than one of our largest clients, several of our smaller clients or systemic operational failures lasting more than a single day could cause us to exceed our available financial resources and impact our liquidity. Even if we have sufficient liquidity to cover a settlement failure, we may be unable to recover the amount of such payment. This could expose us to significant losses, and harm our business. See Note 11—Settlement Guarantee Management to our consolidated financial statements included in Item 8 of this report.

Some of our clients are considered group members under the Visa Rules. As a result, some of these group members have elected to limit their responsibility for settlement losses arising from the failure of their constituent



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financial institutions in exchange for managing their constituent financial institutions in accordance with our credit risk policy. To the extent that any settlement failure resulting from a constituent financial institution exceeds the limits established by our credit risk policy, we would have to absorb the cost of such settlement failure, which could impact our liquidity.

The use of our products and our revenues could decline if we cannot keep pace with rapid technological developments to provide new and innovative payment programs and services or comply with new laws and regulations.

Rapid, significant technological changes continue to confront the payments industry. These include developments in mobile and other proximity payment and acceptance, eCommerce, tokenization, crypto-currency and blockchain technologies. We cannot predict the effect of technological changes on our business. In addition to our own initiatives and innovations, we work closely with third parties, including some potential competitors, for the development of and access to new technologies. We expect that new services and technologies applicable to the payments industry will continue to emerge. These new services and technologies may be superior to, or render obsolete, the technologies we currently use in our products and services. In addition, our ability to adopt new services and technologies that we develop may be inhibited by industry-wide standards, new laws and regulations, resistance to change from clients or merchants, or third parties' intellectual property rights. If we are unable to develop new technologies and adapt to technological changes and evolving industry standards, it could reduce the use of our products and harm our business. The perception of our brands and our business could be harmed if our transaction processing systems are disrupted or compromised.

Processing or other technology malfunctions, fires, natural disasters, power losses, disruptions in long-distance or local telecommunications access, fraud, military or political conflicts, terrorism, effects of climate change or other catastrophic events may disrupt or compromise our transaction processing systems. In addition, we may be susceptible to physical or computer-based attacks by terrorists or hackers due to our role in the global payments industry. These concerns about security are increased when information is transmitted over the Internet and new technologies are used to conduct financial transactions. Threats include cyberattacks such as computer viruses, worms or other destructive or disruptive software, process breakdowns, denial-of-service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing. Any of these incidents could result in a degradation or disruption of our services or damage to our properties, equipment and data. They could also compromise data security. If such attacks are not detected immediately, their effect could be compounded. Finally, potential and actual attacks could also result in increased costs, both for recovery and for prevention against future attacks.

Additionally, we rely on service providers for the timely transmission of information across our global data network. If a service provider fails to provide the communications capacity or services we require for similar reasons, the failure could interrupt our services. Because of the centrality of our processing systems to our business, any interruption or degradation could adversely affect the perception of our brands' reliability and harm our business. We may encounter account data breaches, cyberattacks or system failures involving card or other data processed, stored or transmitted by third parties or by us.

We, our clients, merchants, and other service providers process, store or transmit account holder and other information in connection with Visa-branded cards and payment products. In addition, our clients may use third-party processors to process transactions generated by cards carrying our brands. The security measures and procedures we, our clients, merchants and other service providers have in place to protect sensitive account holder data and other information may not be successful or sufficient to counter all data breaches, cyberattacks or system failures. Defending against even unsuccessful attempts to access our systems could materially increase our costs.

A failure or breach of the systems processing, storing or transmitting sensitive account holder data and other information could lead to fraudulent activity involving Visa-branded cards, reputational damage, claims against us, and loss of clients. If we are sued in any lawsuit in connection with any data security breach, we could be involved in protracted litigation. If unsuccessful in defending such lawsuits, we may have to pay damages or change our business practices or pricing structure, any of which could harm our business. In addition, any reputational damage resulting from an account data breach, cyberattacks or system failure at one or more of our clients, merchants or other third parties could decrease the use and acceptance of Visa-branded cards, which could harm our payments volume, revenues and future growth prospects. Finally, a breach may also subject Visa to additional regulations or





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governmental or regulatory investigations, which could result in significant compliance costs, fines or enforcement actions against the Company or potential restrictions imposed by regulators on our ability to process transactions. Fraudulent or other illegal activity involving Visa-branded cards or payment products could harm our business. Criminals are using increasingly sophisticated methods to capture account holder and other information. They use this information to conduct fraudulent transactions involving our payment products. Outsourcing and specialization of functions within the payments system are increasing. As a result, more third parties are involved in processing transactions using Visa-branded cards or payment products. A rise in fraud levels and other illegal activities involving Visa-branded cards or payment products could lead to reputational damage to our brands. This could reduce the use and acceptance of Visa-branded cards and payment products, or lead to greater regulation, which could increase our compliance costs, lower our payments volume and harm our overall business.

Failure to maintain interoperability with Visa Europe's systems could damage the business and global perception of the Visa brands.

Until our proposed acquisition of Visa Europe closes and for a period of time afterwards while Visa Europe's systems are being integrated with Visa's systems, Visa and Visa Europe will continue to maintain mostly separate authorization, clearing and settlement systems. As a result, we have to ensure that the two systems can process every transaction involving both of our territories, regardless of where it originates. Visa Europe's independent system operations could present challenges to our business due to increasing costs and difficulty in maintaining the interoperability of our respective systems. Any inconsistency in the payment processing services and products between Visa Europe and us could negatively affect account holders from Visa Europe using payment products in the countries we serve or our account holders using payment products in Visa Europe's region. Failure to authorize, clear and settle inter-territory transactions quickly and accurately could harm our business and impair the global perception of our brands.

**Structural and Organizational Risks**

We may experience added costs and challenges in operating our business in certain territories due to our relationship with Visa Europe.

Until our proposed acquisition of Visa Europe closes, Visa Europe's exclusive license of our trademarks and technologies under the Framework Agreement gives us little ability to control and oversee Visa Europe's operations in its region. If we want to change a global rule or to implement certain changes that may be viewed as unfavorable to Visa Europe and its members, Visa Europe is not required to implement the changes unless we agree to pay for the associated implementation costs. This may result in added costs and expenses to our business. Furthermore, the licenses granted under the Framework Agreement may raise licensing, payment and associated tax treatment concerns. Until our proposed acquisition of Visa Europe closes, Visa Europe may hinder our ability to acquire new businesses or to operate them effectively in its region. If the acquired business has operations in Visa Europe's region, Visa Europe may play a significant part in influencing our ongoing operational decisions and costs there. Finally, Visa Europe may undertake operational and litigation strategies, including, but not limited to, our ongoing litigation in the U.K. and our ongoing case with the European Commission, that may adversely impact our business and reputation globally.

We may be unable to address the opportunities and challenges presented by our strategy and the increasingly global, dynamic, competitive, economic and regulatory environment.

For us to remain organizationally effective, we must effectively empower and deploy our management and operational resources, and incorporate both global and local perspectives into our decisions and processes. If we fail to do so, we may be unable to expand quickly, and the results of our expansion may be unsatisfactory.

In addition, if we are unable to make decisions quickly, assess our opportunities and risks, execute our strategy and implement new governance, managerial and organizational processes, as needed, we may not be successful in this increasingly global, dynamic, competitive, economic and regulatory environment.

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We may be unable to attract and retain key management and other key employees.

Our employees, particularly our key management, are vital to our success. Our senior management team has significant industry experience and would be difficult to replace. We may be unable to retain them or to attract other highly qualified employees, particularly if we do not offer employment terms that are competitive with the rest of the market. Failure to attract, motivate and retain highly qualified employees, or failure to develop and implement a viable succession plan, could adversely affect our business and our future success.

Future sales of our class A common stock, or the end of transfer restrictions on our class B common stock, could result in dilution to holders of our existing class A common stock.

The market price of our class A common stock could fall as a result of many factors. Under our U.S. retrospective responsibility plan, upon final resolution of our U.S. covered litigation, all class B common stock will become convertible into class A common stock. Future offerings of our class A common stock or the end of the transfer restrictions on our class B common stock would increase the number of class A common stock outstanding, which could adversely affect the market price and dilute the voting power of our existing class A common stock. Likewise, if we complete the proposed acquisition of Visa Europe and issue the preferred shares, similar impacts on market price and dilution to our existing Class A common stock could occur upon conversion of the preferred shares into Class A common shares. The market price of our class A common stock may also suffer from the perception that such an increase in the number of class A common stock outstanding could occur in the future.

If funds are released from escrow after the resolution of the litigation covered by our U.S. retrospective responsibility plan, the value of our class A common stock will be diluted.

Under our U.S. retrospective responsibility plan, funds still in the escrow account after the resolution of all U.S. covered litigation will be released back to us. At that time, each share of class B common stock will become convertible into shares of class A common stock, benefiting the holders of class B common stock. This in turn will result in dilution of the interest of holders of class A common stock. The amount of funds released and the market price of our class A common stock will determine the extent of the dilution.

Holders of our class B and C common stock may have different interests than our holders of our class A common stock concerning certain significant transactions.

Although their voting rights are limited, holders of our class B and C common stock can vote on certain significant transactions. These include a proposed consolidation or merger, a decision to exit our core payments business and any other vote required under Delaware law. The holders of these shares may not have the same incentive to approve a corporate action that may be favorable to the holders of class A common stock, and their interests may otherwise conflict with holders of class A common stock. Likewise, if we complete the proposed acquisition of Visa Europe and issue the preferred shares, a similar dynamic may occur with the holders of the preferred shares.

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

Provisions contained in our current certificate of incorporation, in our current bylaws and under Delaware law could delay or prevent a merger or acquisition that our stockholders may consider favorable. For instance, except for limited exceptions, no person may beneficially own more than 15% of our class A common stock (or 15% of our total outstanding common stock on an as-converted basis), unless our board of directors approves the acquisition of such shares in advance. In addition, except for common stock previously issued in connection with our reorganization to Visa Members, as defined in our current certificate of incorporation, no competitor or an affiliate of a competitor may hold more than 5% of our total outstanding common stock on an as-converted basis.

We may not be able to pay regular dividends to holders of our common stock in the future.

Since August 2008, we have paid cash dividends quarterly on our class A, B and C common stock. The payment of dividends, if any, is subject to the discretion of our board of directors after taking into account various factors, including, but not limited to, our financial condition, operating results, capital requirements, covenants in our debt instruments and other factors that our board of directors may deem relevant. If, as a result of these factors, we cannot generate sufficient earnings and cash flows from our business, we may not be able to pay dividends to all of our stockholders. Specifically, if a dividend is declared or paid, an equivalent amount must be paid on each class or series of our common stock (and on the preferred shares we are obligated to issue if we complete our proposed acquisition of

Visa Europe).

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Acquisitions, strategic investments and entries into new businesses could disrupt our business.

Although we may continue to make strategic acquisitions or investments in complementary businesses, products or technologies, we may be unable to successfully finance, partner with or integrate them. Such transactions, including our anticipated acquisition of Visa Europe, would present significant challenges and risks. In cases where strategic acquisitions or investments are not successfully implemented or completed, our financial condition or results of operations could be negatively impacted. We may incur substantial debt for strategic acquisitions or investments, which could adversely impact our credit ratings. Achieving the benefits of an acquisition is also dependent upon efficiently integrating the acquired business and systems into our existing operations, successfully managing new risks associated with the acquired business and achieving expected synergies, any of which we may be unable to achieve on a timely basis or at all.

Until our acquisition of Visa Europe is completed, we are subject to the terms of the exclusive license granted to Visa Europe in most acquisitions and major investments that involve countries in Visa Europe's territory, which impacts our ability to expand or conduct business in those regions. Regulatory constraints, particularly competition regulations, may also affect the extent to which we can maximize the value of our acquisitions or investments.

Acquisitions outside the U.S. may present unique challenges or increase our exposure to risks associated with foreign operations, including foreign currency risks and the risks of complying with foreign regulations.

Furthermore, the integration of any acquisition or investment will take time and resources from our core business and may disrupt our operations. We may spend time and money on acquisitions or investments that do not increase our revenues. Although we periodically evaluate potential acquisitions of and investments in businesses, products and technologies and anticipate continuing to make these evaluations, we cannot guarantee that they will be successful. With the evolution of technology and the opening of new market segments, we may choose to participate in areas in which we have not engaged in the past, either through acquisitions or through organic development. These include digital, eCommerce, loyalty services and mobile payments. Our recent entry into these businesses requires additional resources and presents an additional degree of risk, which could materially and adversely affect our financial condition and results of operations.

Risks Relating to our Proposed Acquisition of Visa Europe

We may not be able to complete the acquisition of Visa Europe on the terms currently contemplated or at all.

On November 2, 2015, we announced a definitive agreement to acquire Visa Europe Ltd. We and Visa Europe have agreed to use all reasonable efforts to take all actions reasonably necessary to complete the acquisition. There is no assurance, however, that the acquisition will ultimately be completed, as the obligations of the parties to complete the acquisition are subject to various conditions. These conditions include, among others:

• receipt of necessary regulatory approvals;

• absence of any material adverse effect (as determined under the definitive transaction documentation) on Visa Europe or the Company since September 30, 2014;

• absence of legal restraints that prohibit the closing of the acquisition;

• the U.K. loss sharing agreement remaining in full force and effect and the litigation management deed having been fully executed and remaining in full force and effect;

• compliance by each party in all material respects with its obligations under the acquisition agreement; and

• Visa Europe holding the full power and authority to effect the transaction.

The acquisition agreement may be terminated by us or Visa Europe, subject to specified exceptions, if the acquisition is not completed by August 2, 2016, or if legal restraints that prohibit the closing have become final and non-appealable.



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If we fail to complete the acquisition, Visa Europe would continue to have the right to require us to purchase all outstanding capital stock from Visa Europe's members under the terms of the put option (as it existed prior to its amendment in connection with the proposed acquisition). Given current economic conditions, the purchase price under the terms of the put option would likely be in excess of \$15 billion. We may not have the resources to fund the purchase price, particularly if the reason we failed to complete the acquisition was due to our inability to raise debt financing.

Financing the acquisition of Visa Europe exposes us to risk.

To finance the Visa Europe acquisition, we expect to issue senior unsecured debt in an amount ranging between \$15 and \$16 billion in the first half of fiscal 2016, with maturities ranging between two and 30 years depending on market conditions. We cannot predict whether we will be able to issue this debt on favorable terms, in this timeframe, or at all. If we are unable to issue this debt on favorable terms, the cost to us of financing the acquisition may be higher than we currently expect.

Moreover, although we currently anticipate that the issuance of this debt will not adversely impact our credit ratings, there can be no assurance that one or more credit rating agencies will not lower our credit ratings, particularly if there is a perceived deterioration in our business or financial prospects. Any lowering of our credit ratings before or in connection with the issuance of this debt would be expected to increase the cost of financing the acquisition.

If we are unable to issue this debt and are not able to obtain alternative financing on terms that are acceptable to us, we may be unable to complete the acquisition, which could expose us to liability to Visa Europe and its shareholders.

If we issue this debt but then fail to complete the acquisition, we will nevertheless incur interest expense, which may be higher than any returns we are able to achieve through investing the proceeds, in our business or otherwise. In addition, we may be obliged to redeem this debt at a redemption price that exceeds the net proceeds to us from its initial issuance.

We may not achieve the anticipated benefits of the Visa Europe acquisition.

Even if we complete the Visa Europe acquisition, a variety of factors may adversely affect any anticipated benefits to us from the acquisition. For example:

• the process of integrating Visa Europe's operations into ours may be more difficult and/or may require more resources than we anticipate;

• we may assume unexpected liabilities;

• we may face an increased risk of customer loss, for example if our European bank customers that were previously members of Visa Europe choose to expand business relationships with our competitors or otherwise support or engage in competing card or other payment solutions;

• there may be unexpected regulatory and operating difficulties, commercial issues or conditions, and expenditures;

• we would become subject to EU and other regulations that govern the operations of Visa Europe, including new regulations governing the separation of scheme and processing that have not yet been fully defined, as well as any ongoing or future litigation involving Visa Europe;

• we may fail to retain key personnel of Visa Europe;

• the transaction may divert the time and resources of our senior management and disrupt our current operations to a greater degree than we currently contemplate;

• we may not be able to repurchase shares of our Class A common stock in amounts sufficient to offset the dilution resulting from the preferred stock that we intend to issue as part of the acquisition consideration; and





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•we may incur higher costs to finance the transaction than we currently contemplate.

If we do not successfully implement the Visa Europe acquisition or the acquisition is not completed on the terms we currently contemplate, our financial condition, results of operations and prospects could be negatively impacted. In particular, although we currently expect the Visa Europe acquisition to be mildly accretive to adjusted earnings per share in fiscal year 2017 (before one-time integration costs), if the expenses associated with integrating Visa Europe into our operations and financing the acquisition are higher than we currently contemplate, if we fail to achieve our revenue expectations due to unexpected customer losses or otherwise, or if we do not achieve the benefits we anticipate from revenue synergies, cost savings, and increased repurchases of Class A common stock, we may not achieve this goal.

ITEM 1B. Unresolved Staff Comments

Not applicable.

ITEM 2. Properties

At September 30, 2015, we owned and leased approximately 3.3 million square feet of office and processing center space in 43 countries around the world, of which approximately 1.9 million square feet are owned and the remaining 1.4 million square feet are leased. Our corporate headquarters is located in the San Francisco Bay Area and consists of four buildings that we own, totaling 0.9 million square feet, and 0.1 million square feet of office space that we lease. We also own an office building in Miami, Florida, totaling approximately 0.2 million square feet. In addition, we own and operate two primary processing centers with adjacent office facilities in the United States, totaling approximately 0.8 million square feet.

We believe that these facilities are suitable and adequate to support our ongoing business needs.

ITEM 3. Legal Proceedings

Refer to Note 20—Legal Matters to our consolidated financial statements included in Item 8 of this report.

ITEM 4. Mine Safety Disclosures

Not applicable.

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## PART II

## ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

All per share amounts and number of shares presented below reflect the four-for-one stock split that was effected in the second quarter of fiscal 2015. See Note 14—Stockholders' Equity in Item 8—Financial Statements and Supplementary Data of this report.

## Price Range of Common Stock

Our class A common stock has been listed on the New York Stock Exchange under the symbol "V" since March 19, 2008. At November 13, 2015, we had 352 stockholders of record of our class A common stock. The number of beneficial owners is substantially greater than the number of record holders, because a large portion of our class A common stock is held in "street name" by banks and brokers. The following table sets forth the intra-day high and low sale prices for our class A common stock in each of our last eight fiscal quarters:

Fiscal 2015	High	Low
First Quarter	\$67.33	\$48.80
Second Quarter	\$69.66	\$61.29
Third Quarter	\$70.69	\$64.35
Fourth Quarter	\$76.92	\$60.00
Fiscal 2014	High	Low
First Quarter	\$55.68	\$45.03
Second Quarter	\$58.88	\$52.63
Third Quarter	\$54.54	\$48.71
Fourth Quarter	\$56.19	\$52.05

There is currently no established public trading market for our class B or class C common stock. There were 1,668 and 738 holders of record of our class B and class C common stock, respectively, as of November 13, 2015.

## Dividend Declaration and Policy

During the fiscal years ended September 30, 2015 and 2014, we paid the following quarterly cash dividends per share of our class A common stock (determined in the case of class B and C common stock, on an as-converted basis) to all holders of record of our class A, B and C common stock.

Fiscal 2015	Dividend Per Share
First Quarter	\$0.12
Second Quarter	\$0.12
Third Quarter	\$0.12
Fourth Quarter	\$0.12
Fiscal 2014	Dividend Per Share
First Quarter	\$0.10
Second Quarter	\$0.10
Third Quarter	\$0.10
Fourth Quarter	\$0.10

Additionally, in October 2015, our board of directors declared a quarterly cash dividend of \$0.14 per share of class A common stock (determined in the case of class B and C common stock, on an as-converted basis) payable on December 1, 2015, to holders of record as of November 13, 2015 of our class A, B and C common stock.

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Subject to legally available funds, we expect to continue paying quarterly cash dividends on our outstanding class A, B and C common stock in the future. However, the declaration and payment of future dividends is at the sole discretion of our board of directors after taking into account various factors, including our financial condition, settlement indemnifications, operating results, available cash and current and anticipated cash needs.

## Issuer Purchases of Equity Securities

The table below sets forth the information with respect to purchases of the Company's common stock made by or on behalf of the Company during the quarter ended September 30, 2015.

Period	Total Number Of Shares Purchased (1)	Average Price Paid Per Share	Total Number Of Shares Purchased As Part Of Publicly Announced Plans Or Programs (2)	Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans Or Programs (2),(3)
July 1-31, 2015	32,944	\$75.75	—	\$2,772,396,506
August 1-31, 2015	—	\$—	—	\$2,772,396,506
September 1-30, 2015	—	\$—	—	\$2,772,396,506
Total	32,944	\$75.75	—	

Represents shares of class A common stock withheld (per the terms of grants under the Visa 2007 Equity Incentive

(1) Compensation Plan) to offset tax withholding obligations that occur upon vesting and release of restricted shares as the Company did not repurchase additional shares under its share repurchase programs.

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

(3) Our board of directors from time to time authorizes the repurchase of shares of our common stock up to a certain monetary limit. In October 2014 and October 2015, our board of directors authorized share repurchase programs for \$5.0 billion each. These authorizations have no expiration date. All share repurchase programs authorized prior to October 2014 have been completed.

## EQUITY COMPENSATION PLAN INFORMATION

The table below presents information as of September 30, 2015, for the Visa 2007 Equity Incentive Compensation Plan (the "EIP") and the Visa Inc. Employee Stock Purchase Plan (the "ESPP"), which were approved by our stockholders. We do not have any equity compensation plans that have not been approved by our stockholders, except as discussed in note (2) in the table below. For a description of the awards issued under the EIP and the ESPP, see Note 16—Share-based Compensation to our consolidated financial statements included in Item 8—Financial Statements and Supplementary Data of this report.

Plan Category	(a) Number Of Shares Of Class A Common Stock Issuable Upon Exercise Of Outstanding Options And Purchase Rights	Weighted-Average Exercise Price Of Outstanding Options And Purchase Rights	Number Of Shares Of Class A Common Stock Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected In Column (a))
Equity compensation plans approved by stockholders	9,151,111	(1) \$29.01	174,430,730 (3)
Equity compensation plans not approved by stockholders	526,606	(2) \$11.74	—
Total	9,677,717	\$28.07	174,430,730

In addition to options, the EIP authorizes the issuance of restricted stock, restricted stock units, performance shares<sup>(1)</sup> and other stock-based awards. The maximum number of shares issuable as of September 30, 2015, pursuant to outstanding restricted stock units and performance shares, totals 1,442,522 and 1,263,962, respectively.

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These shares may be issued upon the exercise of options issued by Visa replacing certain CyberSource options  
(2) outstanding at the time of the fiscal 2010 acquisition. These options were issued under certain provisions of the EIP, which permit Visa to issue options in connection with certain acquisition transactions.

In January 2015, the Company's class A stockholders approved the ESPP which permits eligible employees to purchase shares of Class A common stock at a 15% discount of the stock price on the purchase date, subject to  
(3) certain restrictions. See Note 16—Share-based Compensation to our consolidated financial statements included in Item 8—Financial Statements and Supplementary Data of this report. As of September 30, 2015, 154 million shares and 20 million shares were available for issuance under the EIP and the ESPP, respectively.

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## ITEM 6. Selected Financial Data

The following table presents selected Visa Inc. financial data for the past five fiscal years. The data below should be read in conjunction with Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8—Financial Statements and Supplementary Data of this report.

## Selected Financial Data

Statement of Operations Data:	Fiscal Year Ended September 30,				
	2015 <sup>(1),(2)</sup>	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012 <sup>(3)</sup>	2011
	(in millions, except per share data)				
Operating revenues	\$13,880	\$12,702	\$11,778	\$10,421	\$9,188
Operating expenses	\$4,816	\$5,005	\$4,539	\$8,282	\$3,732
Operating income	\$9,064	\$7,697	\$7,239	\$2,139	\$5,456
Net income attributable to Visa Inc.	\$6,328	\$5,438	\$4,980	\$2,144	\$3,650
Basic earnings per share—class A common stock <del>(4)</del>	\$2.58	\$2.16	\$1.90	\$0.79	\$1.29
Diluted earnings per share—class A common stock <del>(4)</del>	\$2.58	\$2.16	\$1.90	\$0.79	\$1.29
	At September 30,				
Balance Sheet Data:	2015 <sup>(1),(2)</sup>	2014 <sup>(1)</sup>	2013 <sup>(1)</sup>	2012 <sup>(3)</sup>	2011
	(in millions, except per share data)				
Total assets	\$40,236	\$38,569	\$35,956	\$40,013	\$34,760
Accrued litigation	\$1,024	\$1,456	\$5	\$4,386	\$425
Total equity	\$29,842	\$27,413	\$26,870	\$27,630	\$26,437
Dividend declared and paid per common share <sup>(4)</sup>	\$0.48	\$0.40	\$0.33	\$0.22	\$0.15

During fiscal 2013, we made payments from the litigation escrow account totaling \$4.4 billion in connection with the U.S. covered litigation. During fiscal 2014, the court entered the final judgment order approving the settlement with the class plaintiffs in the interchange multidistrict litigation proceedings, which is subject to the adjudication of any appeals. Certain merchants in the settlement classes objected to the settlement and filed opt-out claims.

Takedown payments of approximately \$1.1 billion related to the opt-out merchants were received and deposited into the litigation escrow account, and a related increase in accrued litigation to address the opt-out claims were recorded in the second quarter of fiscal 2014. An additional accrual of \$450 million associated with these opt-out claims was recorded in the fourth quarter of fiscal 2014. During fiscal 2015, payments totaling \$426 million were made from the litigation escrow account reflecting settlements with a number of individual opt-out merchants, resulting in an accrued balance of \$1.0 billion as of September 30, 2015. See Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities and Note 20—Legal Matters to our consolidated financial statements included in Item 8—Financial Statements and Supplementary Data of this report.

<sup>(1)</sup> During fiscal 2015, we recorded a tax benefit of \$296 million resulting from the resolution of uncertain tax positions with taxing authorities in fiscal 2015, of which \$239 million relates to prior fiscal years.

<sup>(2)</sup> During fiscal 2012, we recorded: a one-time, non-cash tax benefit of \$208 million related to the remeasurement of our net deferred tax liabilities; a U.S. covered litigation provision of \$4.1 billion and related tax benefits; and the reversal of previously recorded tax reserves and interest, which increased net income by \$326 million.

<sup>(3)</sup> The per share amounts for the prior periods presented have been retroactively adjusted to reflect the four-for-one stock split effected in the fiscal second quarter of 2015.

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## ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis provides a review of the results of operations, financial condition and liquidity and capital resources of Visa Inc. and its subsidiaries ("Visa," "we," "our" and the "Company") on a historical basis and outlines the factors that have affected recent earnings, as well as those factors that may affect future earnings. The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes included in Item 8 of this report.

## Overview

Visa is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We provide our financial institution clients with a global payments infrastructure and support services for the delivery of Visa-branded payment products, including credit, debit and prepaid. We facilitate global commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses and government entities. Each of these constituencies has played a key role in the ongoing worldwide migration from paper-based to electronic forms of payment, and we believe that this transformation continues to yield significant growth opportunities, particularly outside the United States. We continue to explore additional opportunities to enhance our competitive position by expanding the scope of payment solutions we provide.

Overall economic conditions. Our business is affected by overall economic conditions and consumer spending. Our business performance during fiscal 2015 reflects the impacts of continued uneven and tepid economic growth.

Visa Europe acquisition. On November 2, 2015, we entered into a transaction agreement with Visa Europe, pursuant to which we agreed to acquire 100% of the share capital of Visa Europe for a total purchase price of up to €21.2 billion. The purchase price consists of: (a) at the closing of the transaction, up-front cash consideration of €11.5 billion and preferred stock convertible upon certain conditions into class A common stock or class A equivalent preferred stock, valued at approximately €5.0 billion, and (b) following the end of sixteen fiscal quarters post-closing, contingent cash consideration of up to €4.0 billion (plus up to an additional €0.7 billion in interest), determined based on the achievement of specified net revenue levels during such post-closing period. In conjunction with the transaction agreement, the Visa Europe put option was amended to align the terms on which Visa Europe may exercise its rights under the put option agreement with the terms of the transaction agreement. The purchase of Visa Europe's share capital will be effected through the exercise of the amended Visa Europe put option. The preferred stock conversion rates may be reduced from time to time to offset certain liabilities, if any, which may be incurred by us, Visa Europe or its affiliates as a result of certain existing and potential litigation relating to the setting of multilateral interchange fee rates in the Visa Europe territory. As part of the acquisition, we also entered into the U.K. loss sharing agreement with Visa Europe and certain of Visa Europe's members located in the United Kingdom to compensate us for certain losses which may be incurred by us or Visa Europe as a result of certain existing and potential litigation relating to the setting and implementation of domestic multilateral interchange fee rates in the United Kingdom. See Note 2—Visa Europe, Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities, and Note 20—Legal Matters to our consolidated financial statements. The closing of our acquisition of Visa Europe is subject to regulatory approvals and other customary conditions, and is currently expected to occur in our fiscal third quarter of 2016.

Financial highlights. During fiscal 2015, we recorded net income of \$6.3 billion or diluted class A earnings per share of \$2.58, an increase of 16% and 20% over the prior year, respectively. Our non-GAAP adjusted net income and diluted earnings per share for fiscal 2015, 2014 and 2013 are as follows:

	Fiscal Year Ended			% Change <sup>(1)</sup>		
	September 30,			2015	2014	
	2015	2014	2013	vs.	vs.	
				2014	2013	
	(in millions, except percentages)					
Net income, as adjusted <sup>(2)</sup>	\$6,438	\$5,721	\$4,980	13	% 15	%
Diluted earnings per share, as adjusted <sup>(2),(3)</sup>	\$2.62	\$2.27	\$1.90	16	% 19	%

(1)

Figures in the tables may not recalculate exactly due to rounding. Percentage changes are calculated based on unrounded numbers.



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Adjusted net income and diluted earnings per share in fiscal 2015 and 2014 exclude the impact of certain significant items that we believe are not indicative of our operating performance, as they either have no cash impact or are related to amounts covered by the U.S. retrospective responsibility plan. For a full reconciliation of our adjusted financial results, see tables in Adjusted financial results below. There were no comparable adjustments recorded during fiscal 2013.

(3) The per share amounts for the prior periods presented have been retroactively adjusted to reflect the four-for-one stock split effected in the fiscal second quarter of 2015.

During fiscal 2015, we recognized a tax benefit of \$296 million resulting from the resolution of uncertain tax positions with taxing authorities. Of the \$296 million benefit, \$239 million relates to prior fiscal years. Our financial results for the year ended September 30, 2014 reflect a one-time tax benefit of \$191 million associated with a deduction for U.S. domestic production activities related to fiscal years 2013 and prior. See Note 19—Income Taxes to our consolidated financial statements.

We recorded net operating revenues of \$13.9 billion for fiscal 2015, an increase of 9% over the prior year driven by continued growth in our underlying business drivers: nominal payments volume; processed transactions; and cross-border volume. The general strengthening of the U.S. dollar during the year resulted in a two-and-a-half-percentage point decline in total operating revenue growth.

Total operating expenses for fiscal 2015 were \$4.8 billion, a decrease of 4% over the prior year, primarily due to the absence of a \$450 million litigation provision associated with the interchange multidistrict litigation recorded in fiscal 2014. Excluding this provision, operating expenses increased by 6% over prior year adjusted operating expenses, primarily due to increases in personnel, additional depreciation from our ongoing investments in technology assets and infrastructure, and general and administrative expenses. The increases were partially offset by decreases in network and processing and marketing expenses.

Adjusted financial results. Our financial results for fiscal 2015 and 2014 reflect the impact of significant items that we believe are not indicative of our operating performance in the prior or future years, as they either have no cash impact or are related to amounts covered by the U.S. retrospective responsibility plan. As such, we believe the presentation of adjusted financial results excluding the following amounts provides a clearer understanding of our operating performance for the periods presented.

Revaluation of Visa Europe put option. During the third quarter of fiscal 2015, we recorded an increase of \$110 million in the fair value of the unamended Visa Europe put option, resulting in the recognition of non-cash, non-operating expense in our financial results. This amount is not subject to income tax and therefore has no impact on our reported income tax provision. See Note 2—Visa Europe to our consolidated financial statements.

Litigation provision. During fiscal 2014, we recorded a litigation provision of \$450 million and related tax benefits associated with the interchange multidistrict litigation. The tax impact is determined by applying applicable federal and state tax rates to the litigation provision. Monetary liabilities from settlements of, or judgments in, the U.S. covered litigation will be paid from the litigation escrow account. See Note 3—U.S. Retrospective Responsibility Plan and Potential Visa Europe Liabilities and Note 20—Legal Matters to our consolidated financial statements.

The following tables present our adjusted financial results for fiscal 2015 and 2014. There were no comparable adjustments recorded during fiscal 2013.

(in millions, except for percentages and per share data)	Fiscal 2015			Diluted Earnings Per Share (2),(3)
	Operating Expenses	Operating Margin (1),(2)	Net Income	
As reported	\$4,816	65	% \$6,328	\$2.58
Revaluation of Visa Europe put option	—	—	110	0.04
As adjusted	\$4,816	65	% \$6,438	\$2.62
Diluted weighted-average shares outstanding, as reported				2,457



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	Fiscal 2014			Diluted
(in millions, except for percentages and per share data)	Operating Expenses	Operating Margin (1),(2)	Net Income	Earnings Per Share (2),(3)
As reported	\$5,005	61	% \$5,438	\$2.16
Litigation provision	(450)	) 4	% 283	0.11
As adjusted	\$4,555	64	% \$5,721	\$2.27
Diluted weighted-average shares outstanding, as reported				2,523
	Fiscal 2013			Diluted
(in millions, except for percentages and per share data)	Operating Expenses	Operating Margin (1),(2)	Net Income	Earnings Per Share (2),(3)
As reported	\$4,539	61	% \$4,980	\$1.90
Diluted weighted-average shares outstanding, as reported				2,624

(1) Operating margin is calculated as operating income divided by total operating revenues.

(2) Figures in the table may not recalculate exactly due to rounding. Operating margin and diluted earnings per share figures are calculated based on unrounded numbers.

(3) The per share amounts for the prior periods presented have been retroactively adjusted to reflect the four-for-one stock split effected in the fiscal second quarter of 2015.

Class A common stock split. In January 2015, Visa's board of directors declared a four-for-one split of its class A common stock. Each class A common stockholder of record at the close of business on February 13, 2015 ("Record Date") received a dividend of three additional shares on March 18, 2015 for every share held as of the Record Date. Trading began on a split-adjusted basis on March 19, 2015. Holders of class B and C common stock did not receive a stock dividend. Instead, the conversion rate for class B common stock increased to 1.6483 shares of class A common stock per share of class B common stock, and the conversion rate for class C common stock increased to 4.0 shares of class A common stock per share of class C common stock. Immediately following the split, the class A, B and C stockholders retained the same relative ownership percentages that they had prior to the stock split. See Note 14—Stockholders' Equity to our consolidated financial statements.

Reduction in as-converted class A common stock. During fiscal 2015, we repurchased 44 million shares of our class A common stock in the open market using \$2.9 billion of cash on hand. As of September 30, 2015, we had remaining authorized funds of \$2.8 billion. All share repurchase programs authorized prior to October 2014 have been completed. In October 2015, our board of directors authorized an additional \$5.0 billion share repurchase program. See Note 14—Stockholders' Equity to our consolidated financial statements.

Nominal payments volume and transaction counts. Payments volume is the primary driver for our service revenues, and the number of processed transactions is the primary driver for our data processing revenues. Nominal payments volume over the prior year posted strong growth in the United States, driven mainly by consumer credit. Nominal international payments volume growth was negatively impacted by the overall strengthening of the U.S. dollar. On a constant-dollar basis, which excludes the impact of exchange rate movements, our international payments volume growth rate for the 12 months ended June 30, 2015<sup>(1)</sup> was 13% compared to 15% for the prior year comparable period. Processed transactions sustained healthy growth reflecting the ongoing worldwide shift to electronic currency.

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The following tables present nominal payments volume.<sup>(2)</sup>

	United States 12 months ended June 30, <sup>(1)</sup>			International 12 months ended June 30, <sup>(1)</sup>			Visa Inc. 12 months ended June 30, <sup>(1)</sup>		
	2015	2014	% Change	2015	2014	% Change	2015	2014	% Change
(in billions, except percentages)									
Nominal payments volume									
Consumer credit	\$980	\$872	12 %	\$1,676	\$1,600	5 %	\$2,656	\$2,472	7 %
Consumer debit <sup>(3)</sup>	1,201	1,128	7 %	463	454	2 %	1,665	1,581	5 %
Commercial <sup>(4)</sup>	412	370	11 %	151	145	4 %	563	515	9 %
Total nominal payments volume	\$2,594	\$2,369	9 %	\$2,290	\$2,198	4 %	\$4,884	\$4,567	7 %
Cash volume	492	469	5 %	2,016	2,122	(5) %	2,508	2,591	(3) %
Total nominal volume <sup>(5)</sup>	\$3,086	\$2,838	9 %	\$4,306	\$4,320	— %	\$7,392	\$7,158	3 %

	United States 12 months ended June 30, <sup>(1)</sup>			International 12 months ended June 30, <sup>(1)</sup>			Visa Inc. 12 months ended June 30, <sup>(1)</sup>		
	2014	2013	% Change	2014	2013	% Change	2014	2013	% Change
(in billions, except percentages)									
Nominal payments volume									
Consumer credit	\$872	\$786	11 %	\$1,600	\$1,498	7 %	\$2,472	\$2,284	8 %
Consumer debit <sup>(3)</sup>	1,128	1,046	8 %	454	392	16 %	1,581	1,438	10 %
Commercial <sup>(4)</sup>	370	334	11 %	145	140	3 %	515	474	9 %
Total nominal payments volume	\$2,369	\$2,167	9 %	\$2,198	\$2,030	8 %	\$4,567	\$4,197	9 %
Cash volume	469	446	5 %	2,122	2,083	2 %	2,591	2,530	2 %
Total nominal volume <sup>(5)</sup>	\$2,838	\$2,613	9 %	\$4,320	\$4,113	5 %	\$7,158	\$6,726	6 %

The following table presents nominal and constant payments volume growth.<sup>(2)</sup>

	International 12 months ended June 30, 2015 vs 2014 <sup>(1)</sup>		12 months ended June 30, 2014 vs 2013 <sup>(1)</sup>		Visa Inc. 12 months ended June 30, 2015 vs 2014 <sup>(1)</sup>		12 months ended June 30, 2014 vs 2013 <sup>(1)</sup>	
	Nominal	Constant <sup>(6)</sup>	Nominal	Constant <sup>(6)</sup>	Nominal	Constant <sup>(6)</sup>	Nominal	Constant <sup>(6)</sup>
Payments volume growth								
Consumer credit	5 %	13 %	7 %	April 11, 2026	0.00	0.00	13,080,235.25	0.00

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Date	N65832			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A	Series B	Series A	Series B
	Equipment Note	Equipment Note	Equipment Note	Equipment Note
At Issuance	\$ 28,809,000.00	\$ 8,323,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,809,000.00	8,323,000.00	0.00	0.00
April 11, 2015	28,809,000.00	8,323,000.00	0.00	0.00
October 11, 2015	28,185,479.97	7,989,957.93	623,520.03	333,042.07
April 11, 2016	27,430,855.33	7,619,419.06	754,624.64	370,538.87
October 11, 2016	26,676,182.94	7,248,843.20	754,672.39	370,575.86
April 11, 2017	25,921,460.47	6,878,228.53	754,722.47	370,614.67
October 11, 2017	25,166,685.44	6,507,573.14	754,775.03	370,655.39
April 11, 2018	24,411,855.18	6,136,874.95	754,830.26	370,698.19
October 11, 2018	23,656,966.86	5,766,131.78	754,888.32	370,743.17
April 11, 2019	22,902,017.44	5,395,341.27	754,949.42	370,790.51
October 11, 2019	22,147,003.67	5,024,500.90	755,013.77	370,840.37
April 11, 2020	21,391,922.06	4,653,607.97	755,081.61	370,892.93
October 11, 2020	20,636,768.87	4,282,659.57	755,153.19	370,948.40
April 11, 2021	19,881,540.07	3,911,652.60	755,228.80	371,006.97
October 11, 2021	19,126,231.34	3,540,583.69	755,308.73	371,068.91
April 11, 2022	18,370,838.01	0.00	755,393.33	3,540,583.69
October 11, 2022	17,615,355.03	0.00	755,482.98	0.00
April 11, 2023	16,859,776.96	0.00	755,578.07	0.00
October 11, 2023	16,104,097.91	0.00	755,679.05	0.00
April 11, 2024	15,348,311.47	0.00	755,786.44	0.00
October 11, 2024	14,592,410.70	0.00	755,900.77	0.00
April 11, 2025	13,836,388.04	0.00	756,022.66	0.00
October 11, 2025	13,080,235.25	0.00	756,152.79	0.00
April 11, 2026	0.00	0.00	13,080,235.25	0.00

Date	N69833			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A	Series B	Series A	Series B
	Equipment Note	Equipment Note	Equipment Note	Equipment Note
At Issuance	\$ 28,809,000.00	\$ 8,323,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,809,000.00	8,323,000.00	0.00	0.00
April 11, 2015	28,809,000.00	8,323,000.00	0.00	0.00
October 11, 2015	28,185,479.97	7,989,957.93	623,520.03	333,042.07
April 11, 2016	27,430,855.33	7,619,419.06	754,624.64	370,538.87
October 11, 2016	26,676,182.94	7,248,843.20	754,672.39	370,575.86
April 11, 2017	25,921,460.47	6,878,228.53	754,722.47	370,614.67
October 11, 2017	25,166,685.44	6,507,573.14	754,775.03	370,655.39
April 11, 2018	24,411,855.18	6,136,874.95	754,830.26	370,698.19
October 11, 2018	23,656,966.86	5,766,131.78	754,888.32	370,743.17
April 11, 2019	22,902,017.44	5,395,341.27	754,949.42	370,790.51
October 11, 2019	22,147,003.67	5,024,500.90	755,013.77	370,840.37

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April 11, 2020	21,391,922.06	4,653,607.97	755,081.61	370,892.93
October 11, 2020	20,636,768.87	4,282,659.57	755,153.19	370,948.40
April 11, 2021	19,881,540.07	3,911,652.60	755,228.80	371,006.97
October 11, 2021	19,126,231.34	3,540,583.69	755,308.73	371,068.91
April 11, 2022	18,370,838.01	0.00	755,393.33	3,540,583.69
October 11, 2022	17,615,355.03	0.00	755,482.98	0.00
April 11, 2023	16,859,776.96	0.00	755,578.07	0.00
October 11, 2023	16,104,097.91	0.00	755,679.05	0.00
April 11, 2024	15,348,311.47	0.00	755,786.44	0.00
October 11, 2024	14,592,410.70	0.00	755,900.77	0.00
April 11, 2025	13,836,388.04	0.00	756,022.66	0.00
October 11, 2025	13,080,235.25	0.00	756,152.79	0.00
April 11, 2026	0.00	0.00	13,080,235.25	0.00

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Date	N68834			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 28,809,000.00	\$ 8,323,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,809,000.00	8,323,000.00	0.00	0.00
April 11, 2015	28,809,000.00	8,323,000.00	0.00	0.00
October 11, 2015	28,185,479.97	7,989,957.93	623,520.03	333,042.07
April 11, 2016	27,430,855.33	7,619,419.06	754,624.64	370,538.87
October 11, 2016	26,676,182.94	7,248,843.20	754,672.39	370,575.86
April 11, 2017	25,921,460.47	6,878,228.53	754,722.47	370,614.67
October 11, 2017	25,166,685.44	6,507,573.14	754,775.03	370,655.39
April 11, 2018	24,411,855.18	6,136,874.95	754,830.26	370,698.19
October 11, 2018	23,656,966.86	5,766,131.78	754,888.32	370,743.17
April 11, 2019	22,902,017.44	5,395,341.27	754,949.42	370,790.51
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October 11, 2023	16,104,097.91	0.00	755,679.05	0.00
April 11, 2024	15,348,311.47	0.00	755,786.44	0.00
October 11, 2024	14,592,410.70	0.00	755,900.77	0.00
April 11, 2025	13,836,388.04	0.00	756,022.66	0.00
October 11, 2025	13,080,235.25	0.00	756,152.79	0.00
April 11, 2026	0.00	0.00	13,080,235.25	0.00

Date	N69835			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 28,998,000.00	\$ 8,377,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,998,000.00	8,377,000.00	0.00	0.00
April 11, 2015	28,998,000.00	8,377,000.00	0.00	0.00
October 11, 2015	28,370,389.40	8,042,375.65	627,610.60	334,624.35
April 11, 2016	27,610,814.08	7,669,405.88	759,575.32	372,969.77
October 11, 2016	26,851,190.70	7,296,398.87	759,623.38	373,007.01
April 11, 2017	26,091,516.92	6,923,352.81	759,673.78	373,046.06
October 11, 2017	25,331,790.22	6,550,265.74	759,726.70	373,087.07
April 11, 2018	24,572,007.93	6,177,135.61	759,782.29	373,130.13
October 11, 2018	23,812,167.20	5,803,960.20	759,840.73	373,175.41
April 11, 2019	23,052,264.97	5,430,737.13	759,902.23	373,223.07
October 11, 2019	22,292,297.97	5,057,463.88	759,967.00	373,273.25
April 11, 2020	21,532,262.69	4,684,137.73	760,035.28	373,326.15

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October 11, 2020	20,772,155.35	4,310,755.75	760,107.34	373,381.98
April 11, 2021	20,011,971.92	3,937,314.80	760,183.43	373,440.95
October 11, 2021	19,251,708.02	3,563,811.51	760,263.90	373,503.29
April 11, 2022	18,491,358.97	0.00	760,349.05	3,563,811.51
October 11, 2022	17,730,919.68	0.00	760,439.29	0.00
April 11, 2023	16,970,384.69	0.00	760,534.99	0.00
October 11, 2023	16,209,748.04	0.00	760,636.65	0.00
April 11, 2024	15,449,003.30	0.00	760,744.74	0.00
October 11, 2024	14,688,143.48	0.00	760,859.82	0.00
April 11, 2025	13,927,160.97	0.00	760,982.51	0.00
October 11, 2025	13,166,047.48	0.00	761,113.49	0.00
April 11, 2026	0.00	0.00	13,166,047.48	0.00

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Date	N68836			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 28,998,000.00	\$ 8,377,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,998,000.00	8,377,000.00	0.00	0.00
April 11, 2015	28,998,000.00	8,377,000.00	0.00	0.00
October 11, 2015	28,370,389.40	8,042,375.65	627,610.60	334,624.35
April 11, 2016	27,610,814.08	7,669,405.88	759,575.32	372,969.77
October 11, 2016	26,851,190.70	7,296,398.87	759,623.38	373,007.01
April 11, 2017	26,091,516.92	6,923,352.81	759,673.78	373,046.06
October 11, 2017	25,331,790.22	6,550,265.74	759,726.70	373,087.07
April 11, 2018	24,572,007.93	6,177,135.61	759,782.29	373,130.13
October 11, 2018	23,812,167.20	5,803,960.20	759,840.73	373,175.41
April 11, 2019	23,052,264.97	5,430,737.13	759,902.23	373,223.07
October 11, 2019	22,292,297.97	5,057,463.88	759,967.00	373,273.25
April 11, 2020	21,532,262.69	4,684,137.73	760,035.28	373,326.15
October 11, 2020	20,772,155.35	4,310,755.75	760,107.34	373,381.98
April 11, 2021	20,011,971.92	3,937,314.80	760,183.43	373,440.95
October 11, 2021	19,251,708.02	3,563,811.51	760,263.90	373,503.29
April 11, 2022	18,491,358.97	0.00	760,349.05	3,563,811.51
October 11, 2022	17,730,919.68	0.00	760,439.29	0.00
April 11, 2023	16,970,384.69	0.00	760,534.99	0.00
October 11, 2023	16,209,748.04	0.00	760,636.65	0.00
April 11, 2024	15,449,003.30	0.00	760,744.74	0.00
October 11, 2024	14,688,143.48	0.00	760,859.82	0.00
April 11, 2025	13,927,160.97	0.00	760,982.51	0.00
October 11, 2025	13,166,047.48	0.00	761,113.49	0.00
April 11, 2026	0.00	0.00	13,166,047.48	0.00

Date	N66837			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 28,998,000.00	\$ 8,377,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,998,000.00	8,377,000.00	0.00	0.00
April 11, 2015	28,998,000.00	8,377,000.00	0.00	0.00
October 11, 2015	28,370,389.40	8,042,375.65	627,610.60	334,624.35
April 11, 2016	27,610,814.08	7,669,405.88	759,575.32	372,969.77
October 11, 2016	26,851,190.70	7,296,398.87	759,623.38	373,007.01
April 11, 2017	26,091,516.92	6,923,352.81	759,673.78	373,046.06
October 11, 2017	25,331,790.22	6,550,265.74	759,726.70	373,087.07
April 11, 2018	24,572,007.93	6,177,135.61	759,782.29	373,130.13
October 11, 2018	23,812,167.20	5,803,960.20	759,840.73	373,175.41
April 11, 2019	23,052,264.97	5,430,737.13	759,902.23	373,223.07
October 11, 2019	22,292,297.97	5,057,463.88	759,967.00	373,273.25
April 11, 2020	21,532,262.69	4,684,137.73	760,035.28	373,326.15

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October 11, 2020	20,772,155.35	4,310,755.75	760,107.34	373,381.98
April 11, 2021	20,011,971.92	3,937,314.80	760,183.43	373,440.95
October 11, 2021	19,251,708.02	3,563,811.51	760,263.90	373,503.29
April 11, 2022	18,491,358.97	0.00	760,349.05	3,563,811.51
October 11, 2022	17,730,919.68	0.00	760,439.29	0.00
April 11, 2023	16,970,384.69	0.00	760,534.99	0.00
October 11, 2023	16,209,748.04	0.00	760,636.65	0.00
April 11, 2024	15,449,003.30	0.00	760,744.74	0.00
October 11, 2024	14,688,143.48	0.00	760,859.82	0.00
April 11, 2025	13,927,160.97	0.00	760,982.51	0.00
October 11, 2025	13,166,047.48	0.00	761,113.49	0.00
April 11, 2026	0.00	0.00	13,166,047.48	0.00

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Date	N69838			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 28,998,000.00	\$ 8,377,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,998,000.00	8,377,000.00	0.00	0.00
April 11, 2015	28,998,000.00	8,377,000.00	0.00	0.00
October 11, 2015	28,370,389.40	8,042,375.65	627,610.60	334,624.35
April 11, 2016	27,610,814.08	7,669,405.88	759,575.32	372,969.77
October 11, 2016	26,851,190.70	7,296,398.87	759,623.38	373,007.01
April 11, 2017	26,091,516.92	6,923,352.81	759,673.78	373,046.06
October 11, 2017	25,331,790.22	6,550,265.74	759,726.70	373,087.07
April 11, 2018	24,572,007.93	6,177,135.61	759,782.29	373,130.13
October 11, 2018	23,812,167.20	5,803,960.20	759,840.73	373,175.41
April 11, 2019	23,052,264.97	5,430,737.13	759,902.23	373,223.07
October 11, 2019	22,292,297.97	5,057,463.88	759,967.00	373,273.25
April 11, 2020	21,532,262.69	4,684,137.73	760,035.28	373,326.15
October 11, 2020	20,772,155.35	4,310,755.75	760,107.34	373,381.98
April 11, 2021	20,011,971.92	3,937,314.80	760,183.43	373,440.95
October 11, 2021	19,251,708.02	3,563,811.51	760,263.90	373,503.29
April 11, 2022	18,491,358.97	0.00	760,349.05	3,563,811.51
October 11, 2022	17,730,919.68	0.00	760,439.29	0.00
April 11, 2023	16,970,384.69	0.00	760,534.99	0.00
October 11, 2023	16,209,748.04	0.00	760,636.65	0.00
April 11, 2024	15,449,003.30	0.00	760,744.74	0.00
October 11, 2024	14,688,143.48	0.00	760,859.82	0.00
April 11, 2025	13,927,160.97	0.00	760,982.51	0.00
October 11, 2025	13,166,047.48	0.00	761,113.49	0.00
April 11, 2026	0.00	0.00	13,166,047.48	0.00

Date	N69839			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 28,998,000.00	\$ 8,377,000.00	\$ 0.00	\$ 0.00
October 11, 2014	28,998,000.00	8,377,000.00	0.00	0.00
April 11, 2015	28,998,000.00	8,377,000.00	0.00	0.00
October 11, 2015	28,370,389.40	8,042,375.65	627,610.60	334,624.35
April 11, 2016	27,610,814.08	7,669,405.88	759,575.32	372,969.77
October 11, 2016	26,851,190.70	7,296,398.87	759,623.38	373,007.01
April 11, 2017	26,091,516.92	6,923,352.81	759,673.78	373,046.06
October 11, 2017	25,331,790.22	6,550,265.74	759,726.70	373,087.07
April 11, 2018	24,572,007.93	6,177,135.61	759,782.29	373,130.13
October 11, 2018	23,812,167.20	5,803,960.20	759,840.73	373,175.41
April 11, 2019	23,052,264.97	5,430,737.13	759,902.23	373,223.07
October 11, 2019	22,292,297.97	5,057,463.88	759,967.00	373,273.25
April 11, 2020	21,532,262.69	4,684,137.73	760,035.28	373,326.15

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October 11, 2020	20,772,155.35	4,310,755.75	760,107.34	373,381.98
April 11, 2021	20,011,971.92	3,937,314.80	760,183.43	373,440.95
October 11, 2021	19,251,708.02	3,563,811.51	760,263.90	373,503.29
April 11, 2022	18,491,358.97	0.00	760,349.05	3,563,811.51
October 11, 2022	17,730,919.68	0.00	760,439.29	0.00
April 11, 2023	16,970,384.69	0.00	760,534.99	0.00
October 11, 2023	16,209,748.04	0.00	760,636.65	0.00
April 11, 2024	15,449,003.30	0.00	760,744.74	0.00
October 11, 2024	14,688,143.48	0.00	760,859.82	0.00
April 11, 2025	13,927,160.97	0.00	760,982.51	0.00
October 11, 2025	13,166,047.48	0.00	761,113.49	0.00
April 11, 2026	0.00	0.00	13,166,047.48	0.00

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Date	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A	Series B	Series A	Series B
	Equipment Note	Equipment Note	Equipment Note	Equipment Note
At Issuance	\$ 69,313,000.00	\$ 20,024,000.00	\$ 0.00	\$ 0.00
October 11, 2014	69,313,000.00	20,024,000.00	0.00	0.00
April 11, 2015	69,313,000.00	20,024,000.00	0.00	0.00
October 11, 2015	66,763,804.78	18,926,056.68	2,549,195.22	1,097,943.32
April 11, 2016	64,960,272.52	18,043,897.38	1,803,532.26	882,159.30
October 11, 2016	63,157,011.66	17,161,948.37	1,803,260.86	881,949.01
April 11, 2017	61,354,035.47	16,280,219.93	1,802,976.19	881,728.44
October 11, 2017	59,551,358.12	15,398,723.02	1,802,677.35	881,496.91
April 11, 2018	57,748,994.68	14,517,469.33	1,802,363.44	881,253.69
October 11, 2018	55,946,961.30	13,636,471.38	1,802,033.38	880,997.95
April 11, 2019	54,145,275.24	12,755,742.54	1,801,686.06	880,728.84
October 11, 2019	52,343,954.98	11,875,297.12	1,801,320.26	880,445.42
April 11, 2020	50,543,020.35	10,995,150.48	1,800,934.63	880,146.64
October 11, 2020	48,742,492.61	10,115,319.11	1,800,527.74	879,831.37
April 11, 2021	46,942,394.65	9,235,820.74	1,800,097.96	879,498.37
October 11, 2021	45,142,751.07	8,356,674.42	1,799,643.58	879,146.32
April 11, 2022	43,343,588.43	0.00	1,799,162.64	8,356,674.42
October 11, 2022	41,544,935.36	0.00	1,798,653.07	0.00
April 11, 2023	39,746,822.83	0.00	1,798,112.53	0.00
October 11, 2023	37,949,284.36	0.00	1,797,538.47	0.00
April 11, 2024	36,152,356.31	0.00	1,796,928.05	0.00
October 11, 2024	34,356,078.18	0.00	1,796,278.13	0.00
April 11, 2025	32,560,492.93	0.00	1,795,585.25	0.00
October 11, 2025	30,765,647.43	0.00	1,794,845.50	0.00
April 11, 2026	0.00	0.00	30,765,647.43	0.00

Date	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A	Series B	Series A	Series B
	Equipment Note	Equipment Note	Equipment Note	Equipment Note
At Issuance	\$ 69,881,000.00	\$ 20,188,000.00	\$ 0.00	\$ 0.00
October 11, 2014	69,881,000.00	20,188,000.00	0.00	0.00
April 11, 2015	69,881,000.00	20,188,000.00	0.00	0.00
October 11, 2015	68,368,940.26	19,381,076.96	1,512,059.74	806,923.04
April 11, 2016	66,538,462.76	18,482,268.43	1,830,477.50	898,808.53
October 11, 2016	64,707,869.44	17,583,370.16	1,830,593.32	898,898.27
April 11, 2017	62,877,154.64	16,684,377.78	1,830,714.80	898,992.38
October 11, 2017	61,046,312.33	15,785,286.59	1,830,842.31	899,091.19
April 11, 2018	59,215,336.06	14,886,091.61	1,830,976.27	899,194.98

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October 11, 2018	57,384,218.95	13,986,787.51	1,831,117.11	899,304.10
April 11, 2019	55,552,953.64	13,087,368.58	1,831,265.31	899,418.93
October 11, 2019	53,721,532.23	12,187,828.70	1,831,421.41	899,539.88
April 11, 2020	51,889,946.27	11,288,161.33	1,831,585.96	899,667.37
October 11, 2020	50,058,186.67	10,388,359.42	1,831,759.60	899,801.91
April 11, 2021	48,226,243.68	9,488,415.42	1,831,942.99	899,944.00
October 11, 2021	46,394,106.80	8,588,321.19	1,832,136.88	900,094.23
April 11, 2022	44,561,764.69	0.00	1,832,342.11	8,588,321.19
October 11, 2022	42,729,205.14	0.00	1,832,559.55	0.00
April 11, 2023	40,896,414.94	0.00	1,832,790.20	0.00
October 11, 2023	39,063,379.77	0.00	1,833,035.17	0.00
April 11, 2024	37,230,084.12	0.00	1,833,295.65	0.00
October 11, 2024	35,396,511.14	0.00	1,833,572.98	0.00
April 11, 2025	33,562,642.49	0.00	1,833,868.65	0.00
October 11, 2025	31,728,458.18	0.00	1,834,184.31	0.00
April 11, 2026	0.00	0.00	31,728,458.18	0.00

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Date	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A	Series B	Series A	Series B
	Equipment Note	Equipment Note	Equipment Note	Equipment Note
At Issuance	\$ 79,245,000.00	\$ 22,893,000.00	\$ 0.00	\$ 0.00
October 11, 2014	79,245,000.00	22,893,000.00	0.00	0.00
April 11, 2015	79,245,000.00	22,893,000.00	0.00	0.00
October 11, 2015	77,529,881.64	21,978,000.49	1,715,118.36	914,999.51
April 11, 2016	75,454,133.45	20,958,758.15	2,075,748.19	1,019,242.34
October 11, 2016	73,378,253.92	19,939,414.04	2,075,879.53	1,019,344.11
April 11, 2017	71,302,236.64	18,919,963.21	2,076,017.28	1,019,450.83
October 11, 2017	69,226,074.76	17,900,400.33	2,076,161.88	1,019,562.88
April 11, 2018	67,149,760.97	16,880,719.76	2,076,313.79	1,019,680.57
October 11, 2018	65,073,287.47	15,860,915.44	2,076,473.50	1,019,804.32
April 11, 2019	62,996,645.90	14,840,980.90	2,076,641.57	1,019,934.54
October 11, 2019	60,919,827.33	13,820,909.22	2,076,818.57	1,020,071.68
April 11, 2020	58,842,822.15	12,800,692.95	2,077,005.18	1,020,216.27
October 11, 2020	56,765,620.08	11,780,324.13	2,077,202.07	1,020,368.82
April 11, 2021	54,688,210.04	10,759,794.17	2,077,410.04	1,020,529.96
October 11, 2021	52,610,580.12	9,739,093.85	2,077,629.92	1,020,700.32
April 11, 2022	50,532,717.48	0.00	2,077,862.64	9,739,093.85
October 11, 2022	48,454,608.26	0.00	2,078,109.22	0.00
April 11, 2023	46,376,237.48	0.00	2,078,370.78	0.00
October 11, 2023	44,297,588.91	0.00	2,078,648.57	0.00
April 11, 2024	42,218,644.96	0.00	2,078,943.95	0.00
October 11, 2024	40,139,386.52	0.00	2,079,258.44	0.00
April 11, 2025	38,059,792.79	0.00	2,079,593.73	0.00
October 11, 2025	35,979,841.11	0.00	2,079,951.68	0.00
April 11, 2026	0.00	0.00	35,979,841.11	0.00

**Embraer ERJ 175 LR**

Date	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A	Series B	Series A	Series B
	Equipment Note	Equipment Note	Equipment Note	Equipment Note
At Issuance	\$ 15,817,000.00	\$ 4,569,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,817,000.00	4,569,000.00	0.00	0.00
April 11, 2015	15,817,000.00	4,569,000.00	0.00	0.00
October 11, 2015	14,876,045.19	4,217,028.60	940,954.81	351,971.40
April 11, 2016	14,350,344.21	3,986,069.15	525,700.98	230,959.45
October 11, 2016	13,827,674.35	3,757,458.23	522,669.86	228,610.92
April 11, 2017	13,308,183.78	3,531,310.65	519,490.57	226,147.58

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October 11, 2017	12,792,030.49	3,307,748.81	516,153.29	223,561.84
April 11, 2018	12,279,383.12	3,086,903.40	512,647.37	220,845.41
October 11, 2018	11,770,421.88	2,868,914.01	508,961.24	217,989.39
April 11, 2019	11,265,339.49	2,653,930.00	505,082.39	214,984.01
October 11, 2019	10,764,342.41	2,442,111.31	500,997.08	211,818.69
April 11, 2020	10,267,651.99	2,233,629.45	496,690.42	208,481.86
October 11, 2020	9,775,505.84	2,028,668.54	492,146.15	204,960.91
April 11, 2021	9,288,159.44	1,827,426.49	487,346.40	201,242.05
October 11, 2021	8,805,887.73	1,630,116.35	482,271.71	197,310.14
April 11, 2022	8,328,987.06	0.00	476,900.67	1,630,116.35
October 11, 2022	7,857,777.34	0.00	471,209.72	0.00
April 11, 2023	7,392,604.39	0.00	465,172.95	0.00
October 11, 2023	6,933,842.64	0.00	458,761.75	0.00
April 11, 2024	6,481,898.11	0.00	451,944.53	0.00
October 11, 2024	6,037,211.86	0.00	444,686.25	0.00
April 11, 2025	5,600,263.84	0.00	436,948.02	0.00
October 11, 2025	5,171,577.27	0.00	428,686.57	0.00
April 11, 2026	0.00	0.00	5,171,577.27	0.00

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Date	N87302			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,827,000.00	\$ 4,572,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,827,000.00	4,572,000.00	0.00	0.00
April 11, 2015	15,827,000.00	4,572,000.00	0.00	0.00
October 11, 2015	14,886,202.95	4,219,908.10	940,797.05	352,091.90
April 11, 2016	14,360,143.01	3,988,790.95	526,059.94	231,117.15
October 11, 2016	13,837,116.26	3,760,023.92	523,026.75	228,767.03
April 11, 2017	13,317,270.97	3,533,721.93	519,845.29	226,301.99
October 11, 2017	12,800,765.23	3,310,007.44	516,505.74	223,714.49
April 11, 2018	12,287,767.82	3,089,011.22	512,997.41	220,996.22
October 11, 2018	11,778,459.03	2,870,872.98	509,308.79	218,138.24
April 11, 2019	11,273,031.76	2,655,742.17	505,427.27	215,130.81
October 11, 2019	10,771,692.59	2,443,778.85	501,339.17	211,963.32
April 11, 2020	10,274,663.01	2,235,154.63	497,029.58	208,624.22
October 11, 2020	9,782,180.82	2,030,053.76	492,482.19	205,100.87
April 11, 2021	9,294,501.65	1,828,674.31	487,679.17	201,379.45
October 11, 2021	8,811,900.62	1,631,229.44	482,601.03	197,444.87
April 11, 2022	8,334,674.31	0.00	477,226.31	1,631,229.44
October 11, 2022	7,863,142.83	0.00	471,531.48	0.00
April 11, 2023	7,397,652.26	0.00	465,490.57	0.00
October 11, 2023	6,938,577.25	0.00	459,075.01	0.00
April 11, 2024	6,486,324.12	0.00	452,253.13	0.00
October 11, 2024	6,041,334.23	0.00	444,989.89	0.00
April 11, 2025	5,604,087.85	0.00	437,246.38	0.00
October 11, 2025	5,175,108.56	0.00	428,979.29	0.00
April 11, 2026	0.00	0.00	5,175,108.56	0.00

Date	N87303			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,827,000.00	\$ 4,572,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,827,000.00	4,572,000.00	0.00	0.00
April 11, 2015	15,827,000.00	4,572,000.00	0.00	0.00
October 11, 2015	14,886,202.95	4,219,908.10	940,797.05	352,091.90
April 11, 2016	14,360,143.01	3,988,790.95	526,059.94	231,117.15
October 11, 2016	13,837,116.26	3,760,023.92	523,026.75	228,767.03
April 11, 2017	13,317,270.97	3,533,721.93	519,845.29	226,301.99
October 11, 2017	12,800,765.23	3,310,007.44	516,505.74	223,714.49
April 11, 2018	12,287,767.82	3,089,011.22	512,997.41	220,996.22
October 11, 2018	11,778,459.03	2,870,872.98	509,308.79	218,138.24
April 11, 2019	11,273,031.76	2,655,742.17	505,427.27	215,130.81
October 11, 2019	10,771,692.59	2,443,778.85	501,339.17	211,963.32

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April 11, 2020	10,274,663.01	2,235,154.63	497,029.58	208,624.22
October 11, 2020	9,782,180.82	2,030,053.76	492,482.19	205,100.87
April 11, 2021	9,294,501.65	1,828,674.31	487,679.17	201,379.45
October 11, 2021	8,811,900.62	1,631,229.44	482,601.03	197,444.87
April 11, 2022	8,334,674.31	0.00	477,226.31	1,631,229.44
October 11, 2022	7,863,142.83	0.00	471,531.48	0.00
April 11, 2023	7,397,652.26	0.00	465,490.57	0.00
October 11, 2023	6,938,577.25	0.00	459,075.01	0.00
April 11, 2024	6,486,324.12	0.00	452,253.13	0.00
October 11, 2024	6,041,334.23	0.00	444,989.89	0.00
April 11, 2025	5,604,087.85	0.00	437,246.38	0.00
October 11, 2025	5,175,108.56	0.00	428,979.29	0.00
April 11, 2026	0.00	0.00	5,175,108.56	0.00

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Date	N89304			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,854,000.00	\$ 4,580,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,854,000.00	4,580,000.00	0.00	0.00
April 11, 2015	15,854,000.00	4,580,000.00	0.00	0.00
October 11, 2015	14,911,597.36	4,227,106.85	942,402.64	352,893.15
April 11, 2016	14,384,640.02	3,995,595.43	526,957.34	231,511.42
October 11, 2016	13,860,721.03	3,766,438.16	523,918.99	229,157.27
April 11, 2017	13,339,988.94	3,539,750.11	520,732.09	226,688.05
October 11, 2017	12,822,602.09	3,315,653.99	517,386.85	224,096.12
April 11, 2018	12,308,729.55	3,094,280.77	513,872.54	221,373.22
October 11, 2018	11,798,551.93	2,875,770.41	510,177.62	218,510.36
April 11, 2019	11,292,262.46	2,660,272.60	506,289.47	215,497.81
October 11, 2019	10,790,068.05	2,447,947.69	502,194.41	212,324.91
April 11, 2020	10,292,190.58	2,238,967.59	497,877.47	208,980.10
October 11, 2020	9,798,868.27	2,033,516.84	493,322.31	205,450.75
April 11, 2021	9,310,357.16	1,831,793.85	488,511.11	201,722.99
October 11, 2021	8,826,932.86	1,634,012.16	483,424.30	197,781.69
April 11, 2022	8,348,892.45	0.00	478,040.41	1,634,012.16
October 11, 2022	7,876,556.59	0.00	472,335.86	0.00
April 11, 2023	7,410,271.94	0.00	466,284.65	0.00
October 11, 2023	6,950,413.79	0.00	459,858.15	0.00
April 11, 2024	6,497,389.16	0.00	453,024.63	0.00
October 11, 2024	6,051,640.15	0.00	445,749.01	0.00
April 11, 2025	5,613,647.87	0.00	437,992.28	0.00
October 11, 2025	5,183,936.79	0.00	429,711.08	0.00
April 11, 2026	0.00	0.00	5,183,936.79	0.00

Date	N93305			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,870,000.00	\$ 4,585,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,870,000.00	4,585,000.00	0.00	0.00
April 11, 2015	15,870,000.00	4,585,000.00	0.00	0.00
October 11, 2015	15,286,998.91	4,333,524.86	583,001.09	251,475.14
April 11, 2016	14,755,365.81	4,098,571.27	531,633.10	234,953.59
October 11, 2016	14,226,641.51	3,865,871.43	528,724.30	232,699.84
April 11, 2017	13,700,968.20	3,635,535.53	525,673.31	230,335.90
October 11, 2017	13,178,497.49	3,407,681.02	522,470.71	227,854.51
April 11, 2018	12,659,391.22	3,182,433.30	519,106.27	225,247.72
October 11, 2018	12,143,822.31	2,959,926.35	515,568.91	222,506.95
April 11, 2019	11,631,975.74	2,740,303.50	511,846.57	219,622.85
October 11, 2019	11,124,049.60	2,523,718.24	507,926.14	216,585.26

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April 11, 2020	10,620,256.32	2,310,335.15	503,793.28	213,383.09
October 11, 2020	10,120,823.94	2,100,330.91	499,432.38	210,004.24
April 11, 2021	9,625,997.60	1,893,895.47	494,826.34	206,435.44
October 11, 2021	9,136,041.15	1,691,233.25	489,956.45	202,662.22
April 11, 2022	8,651,239.00	0.00	484,802.15	1,691,233.25
October 11, 2022	8,171,898.14	0.00	479,340.86	0.00
April 11, 2023	7,698,350.44	0.00	473,547.70	0.00
October 11, 2023	7,230,955.19	0.00	467,395.25	0.00
April 11, 2024	6,770,102.06	0.00	460,853.13	0.00
October 11, 2024	6,316,214.29	0.00	453,887.77	0.00
April 11, 2025	5,869,752.48	0.00	446,461.81	0.00
October 11, 2025	5,431,218.72	0.00	438,533.76	0.00
April 11, 2026	0.00	0.00	5,431,218.72	0.00

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Date	N87306			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,870,000.00	\$ 4,585,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,870,000.00	4,585,000.00	0.00	0.00
April 11, 2015	15,870,000.00	4,585,000.00	0.00	0.00
October 11, 2015	15,286,998.91	4,333,524.86	583,001.09	251,475.14
April 11, 2016	14,755,365.81	4,098,571.27	531,633.10	234,953.59
October 11, 2016	14,226,641.51	3,865,871.43	528,724.30	232,699.84
April 11, 2017	13,700,968.20	3,635,535.53	525,673.31	230,335.90
October 11, 2017	13,178,497.49	3,407,681.02	522,470.71	227,854.51
April 11, 2018	12,659,391.22	3,182,433.30	519,106.27	225,247.72
October 11, 2018	12,143,822.31	2,959,926.35	515,568.91	222,506.95
April 11, 2019	11,631,975.74	2,740,303.50	511,846.57	219,622.85
October 11, 2019	11,124,049.60	2,523,718.24	507,926.14	216,585.26
April 11, 2020	10,620,256.32	2,310,335.15	503,793.28	213,383.09
October 11, 2020	10,120,823.94	2,100,330.91	499,432.38	210,004.24
April 11, 2021	9,625,997.60	1,893,895.47	494,826.34	206,435.44
October 11, 2021	9,136,041.15	1,691,233.25	489,956.45	202,662.22
April 11, 2022	8,651,239.00	0.00	484,802.15	1,691,233.25
October 11, 2022	8,171,898.14	0.00	479,340.86	0.00
April 11, 2023	7,698,350.44	0.00	473,547.70	0.00
October 11, 2023	7,230,955.19	0.00	467,395.25	0.00
April 11, 2024	6,770,102.06	0.00	460,853.13	0.00
October 11, 2024	6,316,214.29	0.00	453,887.77	0.00
April 11, 2025	5,869,752.48	0.00	446,461.81	0.00
October 11, 2025	5,431,218.72	0.00	438,533.76	0.00
April 11, 2026	0.00	0.00	5,431,218.72	0.00

Date	N84307			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,881,000.00	\$ 4,588,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,881,000.00	4,588,000.00	0.00	0.00
April 11, 2015	15,881,000.00	4,588,000.00	0.00	0.00
October 11, 2015	15,297,401.76	4,336,473.84	583,598.24	251,526.16
April 11, 2016	14,765,406.89	4,101,360.36	531,994.87	235,113.48
October 11, 2016	14,236,322.79	3,868,502.17	529,084.10	232,858.19
April 11, 2017	13,710,291.76	3,638,009.52	526,031.03	230,492.65
October 11, 2017	13,187,465.51	3,409,999.96	522,826.25	228,009.56
April 11, 2018	12,668,005.98	3,184,598.96	519,459.53	225,401.00
October 11, 2018	12,152,086.23	2,961,940.60	515,919.75	222,658.36
April 11, 2019	11,639,891.34	2,742,168.29	512,194.89	219,772.31
October 11, 2019	11,131,619.55	2,525,435.64	508,271.79	216,732.65
April 11, 2020	10,627,483.44	2,311,907.34	504,136.11	213,528.30

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October 11, 2020	10,127,711.20	2,101,760.19	499,772.24	210,147.15
April 11, 2021	9,632,548.12	1,895,184.27	495,163.08	206,575.92
October 11, 2021	9,142,258.26	1,692,384.13	490,289.86	202,800.14
April 11, 2022	8,657,126.20	0.00	485,132.06	1,692,384.13
October 11, 2022	8,177,459.15	0.00	479,667.05	0.00
April 11, 2023	7,703,589.19	0.00	473,869.96	0.00
October 11, 2023	7,235,875.88	0.00	467,713.31	0.00
April 11, 2024	6,774,709.14	0.00	461,166.74	0.00
October 11, 2024	6,320,512.50	0.00	454,196.64	0.00
April 11, 2025	5,873,746.87	0.00	446,765.63	0.00
October 11, 2025	5,434,914.69	0.00	438,832.18	0.00
April 11, 2026	0.00	0.00	5,434,914.69	0.00

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Date	N89308			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,892,000.00	\$ 4,591,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,892,000.00	4,591,000.00	0.00	0.00
April 11, 2015	15,892,000.00	4,591,000.00	0.00	0.00
October 11, 2015	15,307,804.62	4,339,422.82	584,195.38	251,577.18
April 11, 2016	14,775,447.97	4,104,149.46	532,356.65	235,273.36
October 11, 2016	14,246,004.07	3,871,132.91	529,443.90	233,016.55
April 11, 2017	13,719,615.31	3,640,483.51	526,388.76	230,649.40
October 11, 2017	13,196,433.53	3,412,318.90	523,181.78	228,164.61
April 11, 2018	12,676,620.75	3,186,764.62	519,812.78	225,554.28
October 11, 2018	12,160,350.14	2,963,954.84	516,270.61	222,809.78
April 11, 2019	11,647,806.93	2,744,033.08	512,543.21	219,921.76
October 11, 2019	11,139,189.51	2,527,153.04	508,617.42	216,880.04
April 11, 2020	10,634,710.57	2,313,479.53	504,478.94	213,673.51
October 11, 2020	10,134,598.46	2,103,189.48	500,112.11	210,290.05
April 11, 2021	9,639,098.65	1,896,473.07	495,499.81	206,716.41
October 11, 2021	9,148,475.37	1,693,535.03	490,623.28	202,938.04
April 11, 2022	8,663,013.39	0.00	485,461.98	1,693,535.03
October 11, 2022	8,183,020.15	0.00	479,993.24	0.00
April 11, 2023	7,708,827.94	0.00	474,192.21	0.00
October 11, 2023	7,240,796.57	0.00	468,031.37	0.00
April 11, 2024	6,779,316.22	0.00	461,480.35	0.00
October 11, 2024	6,324,810.71	0.00	454,505.51	0.00
April 11, 2025	5,877,741.26	0.00	447,069.45	0.00
October 11, 2025	5,438,610.65	0.00	439,130.61	0.00
April 11, 2026	0.00	0.00	5,438,610.65	0.00

Date	N86309			
	Equipment Note Ending Balance		Scheduled Payments of Principal	
	Series A Equipment Note	Series B Equipment Note	Series A Equipment Note	Series B Equipment Note
At Issuance	\$ 15,908,000.00	\$ 4,596,000.00	\$ 0.00	\$ 0.00
October 11, 2014	15,908,000.00	4,596,000.00	0.00	0.00
April 11, 2015	15,908,000.00	4,596,000.00	0.00	0.00
October 11, 2015	15,323,408.90	4,343,846.29	584,591.10	252,153.71
April 11, 2016	14,790,509.58	4,108,333.09	532,899.32	235,513.20
October 11, 2016	14,260,525.99	3,875,079.02	529,983.59	233,254.07
April 11, 2017	13,733,600.65	3,644,194.51	526,925.34	230,884.51
October 11, 2017	13,209,885.54	3,415,797.30	523,715.11	228,397.21
April 11, 2018	12,689,542.89	3,190,013.10	520,342.65	225,784.20
October 11, 2018	12,172,746.02	2,966,976.20	516,796.87	223,036.90
April 11, 2019	11,659,680.34	2,746,830.26	513,065.68	220,145.94
October 11, 2019	11,150,544.44	2,529,729.14	509,135.90	217,101.12

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April 11, 2020	10,645,551.25	2,315,837.82	504,993.19	213,891.32
October 11, 2020	10,144,929.34	2,105,333.40	500,621.91	210,504.42
April 11, 2021	9,648,924.44	1,898,406.27	496,004.90	206,927.13
October 11, 2021	9,157,801.03	1,695,261.36	491,123.41	203,144.91
April 11, 2022	8,671,844.19	0.00	485,956.84	1,695,261.36
October 11, 2022	8,191,361.66	0.00	480,482.53	0.00
April 11, 2023	7,716,686.07	0.00	474,675.59	0.00
October 11, 2023	7,248,177.61	0.00	468,508.46	0.00
April 11, 2024	6,786,226.83	0.00	461,950.78	0.00
October 11, 2024	6,331,258.02	0.00	454,968.81	0.00
April 11, 2025	5,883,732.84	0.00	447,525.18	0.00
October 11, 2025	5,444,154.60	0.00	439,578.24	0.00
April 11, 2026	0.00	0.00	5,444,154.60	0.00

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The interest rate applicable to each Series of Equipment Notes must be equal to the rate applicable to the Certificates issued by the corresponding Trust.

The payment dates for the Equipment Notes must be April 11 and October 11 (but not before October 11, 2014).

The amounts payable under the all-risk aircraft hull insurance maintained with respect to each Aircraft must be sufficient to pay the unpaid principal amount of the related Equipment Notes together with six months of interest accrued thereon, subject to certain rights of self-insurance.

(a) The past due rate in the Indentures, (b) the Make-Whole Premium payable under the Indentures, (c) the provisions relating to the redemption of Equipment Notes in the Indentures and (d) the indemnification of the Loan Trustees, Subordination Agent, Liquidity Providers, Trustees, Escrow Agents and registered holders of the Equipment Notes (in such capacity, the Note Holders ) with respect to certain taxes and expenses, in each case shall be provided as set forth in the form of Participation Agreement attached as an exhibit to the Note Purchase Agreement.

In the case of the Indentures, modifications are prohibited in any material adverse respect (i) to the Granting Clause of the Indentures so as to deprive the Note Holders under all the Indentures of a first priority security interest in the Aircraft and certain of United s rights under warranties with respect to the Aircraft or to eliminate the obligations intended to be secured thereby, (ii) to certain provisions relating to the issuance, redemption, payments, and ranking of the Equipment Notes (including the obligation to pay the Make-Whole Premium in certain circumstances), (iii) to certain provisions regarding Indenture Defaults (including cross-defaults among Indentures) and remedies relating thereto, (iv) to certain provisions relating to any replaced airframe or engines with respect to an Aircraft and (v) to the provision that New York law will govern the Indentures.

In the case of the Participation Agreements, modifications are prohibited in any material adverse respect (i) to certain conditions to the obligations of the Trustees to purchase the Equipment Notes issued with respect to an Aircraft involving good title to such Aircraft, the release of any recorded liens on the Aircraft, obtaining a certificate of airworthiness with respect to such Aircraft, entitlement to the benefits of Section 1110 with respect to such Aircraft and filings of certain documents with the FAA and the registration of certain interests with the International Registry under the Cape Town Convention on International Interests in Mobile Equipment and the related Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the Cape Town Treaty ), (ii) to the provisions restricting the Note Holder s ability to transfer such Equipment Notes, (iii) to certain provisions requiring the delivery of legal opinions and (iv) to the provision that New York law will govern the Participation Agreement.

In the case of all of the Participation Agreements and Indentures, modifications are prohibited in any material adverse respect as regards the interest of the Note Holders, the Subordination Agent, the Liquidity Provider or the Loan Trustee in the definition of Make-Whole Premium .

Notwithstanding the foregoing, any such forms of financing agreements may be modified to correct or supplement any such provision which may be defective or to cure any ambiguity or correct any mistake, provided that any such action shall not materially adversely affect the interests of the Note Holders, the Subordination Agent, the Liquidity Provider, the Loan Trustee or the Certificateholders.

### **Liquidation of Original Trusts**

On the earlier of (i) the first Business Day after June 30, 2015 or, if later, the fifth Business Day after the Delivery Period Termination Date and (ii) the fifth Business Day after the occurrence of a Triggering Event (such Business Day, the Transfer Date ), each of the Trusts established on the Issuance Date (the Original Trusts ) will transfer and assign all of its assets and rights to a newly created successor trust (each, a Successor Trust ) with substantially identical terms, except that (i) the Successor Trusts will not have the right to purchase new

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Equipment Notes and (ii) Delaware law will govern the Original Trusts and New York law will govern the Successor Trusts. The institution acting as Trustee of each of the Original Trusts (each, an *Original Trustee*) will also act as Trustee of the corresponding Successor Trust (each, a *New Trustee*). Each New Trustee will assume the obligations of the related Original Trustee under each transaction document to which such Original Trustee was a party. Upon the effectiveness of such transfer, assignment and assumption, each of the Original Trusts will be liquidated and each of the Certificates will represent the same percentage interest in the Successor Trust as it represented in the Original Trust immediately prior to such transfer, assignment and assumption. Unless the context otherwise requires, all references in this Prospectus Supplement to the Trusts, the applicable Trustees, the Pass Through Trust Agreements and similar terms shall apply to the Original Trusts until the effectiveness of such transfer, assignment and assumption, and thereafter shall be applicable with respect to the Successor Trusts. If for any reason such transfer, assignment and assumption cannot be effected to any Successor Trust, the related Original Trust will continue in existence until it is effected. The Original Trusts may be treated as partnerships for U.S. federal income tax purposes. The Successor Trusts will be treated as grantor trusts. See *Certain U.S. Federal Tax Consequences*.

### **Termination of the Trusts**

The obligations of United and the applicable Trustee with respect to a Trust will terminate upon the distribution to Certificateholders of such Trust of all amounts required to be distributed to them pursuant to the applicable Pass Through Trust Agreement and the disposition of all property held in such Trust. The applicable Trustee will send to each Certificateholder of such Trust notice of the termination of such Trust, the amount of the proposed final payment and the proposed date for the distribution of such final payment for such Trust. The final distribution to any Certificateholder of such Trust will be made only upon surrender of such Certificateholder's Certificates at the office or agency of the applicable Trustee specified in such notice of termination. (Trust Supplements, Section 7.01(a))

### **The Trustees**

The Trustee for each Trust will be Wilmington Trust, National Association. The Trustee's address is Wilmington Trust, National Association, 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Trust Administration.

### **Book-Entry; Delivery and Form**

#### ***General***

Upon issuance, each Class of Certificates will be represented by one or more fully registered global certificates. Each global certificate will be deposited with, or on behalf of, The Depository Trust Company (*DTC*) and registered in the name of Cede & Co. (*Cede*), the nominee of DTC. DTC was created to hold securities for its participants (*DTC Participants*) and facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (*Indirect DTC Participants*).

So long as such book-entry procedures are applicable, no person acquiring an interest in such Certificates (*Certificate Owner*) will be entitled to receive a certificate representing such person's interest in such Certificates. Unless and until definitive certificates are issued under the limited circumstances described below under *Physical Certificates*, all references to actions by Certificateholders shall refer to actions taken by DTC upon instructions from DTC

Participants, and all references herein to distributions, notices, reports and

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statements to Certificateholders shall refer, as the case may be, to distributions, notices, reports and statements to DTC or Cede, as the registered holder of such Certificates, or to DTC Participants for distribution to Certificate Owners in accordance with DTC procedures.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to Section 17A of the Securities Exchange Act of 1934, as amended (the Exchange Act ).

Under the New York Uniform Commercial Code, a clearing corporation is defined as:

a person that is registered as a clearing agency under the federal securities laws;

a federal reserve bank; or

any other person that provides clearance or settlement services with respect to financial assets that would require it to register as a clearing agency under the federal securities laws but for an exclusion or exemption from the registration requirement, if its activities as a clearing corporation, including promulgation of rules, are subject to regulation by a federal or state governmental authority.

A clearing agency is an organization established for the execution of trades by transferring funds, assigning deliveries and guaranteeing the performance of the obligations of parties to trades.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers of the Certificates among DTC Participants on whose behalf it acts with respect to the Certificates and to receive and transmit distributions with respect to the Certificates. DTC Participants and Indirect DTC Participants with which Certificate Owners have accounts similarly are required to make book-entry transfers and receive and transmit the payments on behalf of their respective customers. Certificate Owners that are not DTC Participants or Indirect DTC Participants but desire to purchase, sell or otherwise transfer ownership of, or other interests in, the Certificates may do so only through DTC Participants and Indirect DTC Participants. In addition, Certificate Owners will receive all distributions with respect to the Certificates from the Trustees through DTC Participants or Indirect DTC Participants, as the case may be.

Under a book-entry format, Certificate Owners may experience some delay in their receipt of payments, because payments with respect to the Certificates will be forwarded by the Trustees to Cede, as nominee for DTC. DTC will forward payments in same-day funds to each DTC Participant who is credited with ownership of the Certificates in an amount proportionate to the face amount of that DTC Participant's holdings of beneficial interests in the Certificates, as shown on the records of DTC or its nominee. Each such DTC Participant will forward payments to its Indirect DTC Participants in accordance with standing instructions and customary industry practices. DTC Participants and Indirect DTC Participants will be responsible for forwarding distributions to Certificate Owners for whom they act. Accordingly, although Certificate Owners will not possess physical certificates, DTC's rules provide a mechanism by which Certificate Owners will receive payments on the Certificates and will be able to transfer their interests.

Unless and until physical certificates are issued under the limited circumstances described under Physical Certificates below, the only Certificateholder of physical certificates will be Cede, as nominee of DTC. Certificate Owners will

not be recognized by the Trustees as registered owners of Certificates under the applicable Pass Through Trust Agreement. Certificate Owners will be permitted to exercise their rights under the applicable Pass Through Trust Agreement only indirectly through DTC. DTC will take any action permitted to be taken by a Certificateholder under the applicable Pass Through Trust Agreement only at the direction of one or more DTC Participants to whose accounts with DTC the Certificates are credited. In the event any action requires approval by Certificateholders of a certain percentage of the beneficial interests in a Trust, DTC will take action only at the direction of and on behalf of DTC Participants whose holdings include undivided interests that satisfy the required percentage. DTC may take conflicting actions with respect to other undivided interests to the extent

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that the actions are taken on behalf of DTC Participants whose holdings include those undivided interests. DTC will convey notices and other communications to DTC Participants, and DTC Participants will convey notices and other communications to Indirect DTC Participants in accordance with arrangements among them. Arrangements among DTC and its direct and indirect participants are subject to any statutory or regulatory requirements as may be in effect from time to time. DTC's rules applicable to itself and DTC Participants are on file with the Commission.

A Certificate Owner's ability to pledge its Certificates to persons or entities that do not participate in the DTC system, or otherwise to act with respect to its Certificates, may be limited due to the lack of a physical certificate to evidence ownership of the Certificates, and because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect DTC Participants.

Neither United nor the Trustees will have any liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Certificates held by Cede, as nominee for DTC, for maintaining, supervising or reviewing any records relating to the beneficial ownership interests or for the performance by DTC, any DTC Participant or any Indirect DTC Participant of their respective obligations under the rules and procedures governing their obligations.

As long as the Certificates of any Trust are registered in the name of DTC or its nominee, United will make all payments to the Loan Trustee under the applicable Indenture in immediately available funds. The applicable Trustee will pass through to DTC in immediately available funds all payments received from United, including the final distribution of principal with respect to the Certificates of such Trust.

Any Certificates registered in the name of DTC or its nominee will trade in DTC's Same-Day Funds Settlement System until maturity. DTC will require secondary market trading activity in the Certificates to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in same-day funds on trading activity in the Certificates.

***Physical Certificates***

Physical certificates will be issued in paper form to Certificateholders or their nominees, rather than to DTC or its nominee, only if:

United advises the applicable Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to the Certificates and United is unable to locate a qualified successor;

United elects to terminate the book-entry system through DTC; or

after the occurrence of an Indenture Default under any Indenture pursuant to which Equipment Notes held by a Trust were issued, Certificate Owners owning at least a majority in fractional undivided interests in such Trust advise the applicable Trustee, United and DTC through DTC Participants that the continuation of a book-entry system through DTC or a successor to DTC is no longer in the Certificate Owners' best interest. Upon the occurrence of any of the events described in the three subparagraphs above, the applicable Trustee will notify all applicable Certificate Owners through DTC Participants of the occurrence of such event and the availability

of physical certificates. Upon surrender by DTC of the global certificates and receipt of instructions for re-registration, the applicable Trustee will reissue the Certificates as physical certificates to the applicable Certificate Owners.

In the case of the physical certificates that are issued, the applicable Trustee or a paying agent will make distributions with respect to such Certificates directly to holders in whose names the physical certificates were registered at the close of business on the applicable record date. Except for the final payment to be made with



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respect to a Certificate, the applicable Trustee or a paying agent will make distributions by check mailed to the addresses of the registered holders as they appear on the register maintained by such Trustee. The applicable Trustee or a paying agent will make the final payment with respect to any Certificate only upon presentation and surrender of the applicable Certificate at the office or agency specified in the notice of final distribution to Certificateholders.

Physical certificates will be freely transferable and exchangeable at the office of the Trustee upon compliance with the requirements set forth in the applicable Pass Through Trust Agreement. Neither the Trustee nor any transfer or exchange agent will impose a service charge for any registration of transfer or exchange. However, the Trustee or transfer or exchange agent will require payment of a sum sufficient to cover any tax or other governmental charge attributable to a transfer or exchange.

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**DESCRIPTION OF THE DEPOSIT AGREEMENTS**

The following summary describes the material terms of the Deposit Agreements. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Deposit Agreements, each of which will be filed as an exhibit to a Current Report on Form 8-K to be filed by United with the Commission. The provisions of the Deposit Agreements are substantially identical except as otherwise indicated.

**General**

Under the Escrow Agreements, the Escrow Agent with respect to each Trust will enter into a separate Deposit Agreement with the Depository. Pursuant to the Escrow Agreements, the Depository will establish separate accounts into which the proceeds of this Offering attributable to Certificates of the applicable Trust will be deposited (each, a Deposit ) on behalf of such Escrow Agent. Pursuant to the Deposit Agreement with respect to each Trust (each a Deposit Agreement ), on each Regular Distribution Date the Depository will pay to the Paying Agent on behalf of the applicable Escrow Agent, for distribution to the Certificateholders of such Trust, an amount equal to interest accrued on the Deposits relating to such Trust during the relevant interest period at a rate per annum equal to the interest rate applicable to the Certificates issued by such Trust. After the Issuance Date, upon each financing of an Aircraft during the Delivery Period, the Trustee for each Trust will request the Escrow Agent relating to such Trust to withdraw from the Deposits relating to such Trust funds sufficient to enable the Trustee of such Trust to purchase the Equipment Note of the series applicable to such Trust issued with respect to such Aircraft. Accrued but unpaid interest on all such Deposits withdrawn will be paid on the next Regular Distribution Date. Any portion of any Deposit withdrawn that is not used to purchase such Equipment Note will be re-deposited by each Trustee into an account relating to the applicable Trust. The Deposits relating to each Trust and interest paid thereon will not be subject to the subordination provisions of the Intercreditor Agreement and will not be available to pay any other amount in respect of the Certificates.

**Unused Deposits**

The Trustees' obligations to purchase the Equipment Notes issued with respect to each Aircraft are subject to satisfaction of certain conditions at the time of financing, as set forth in the Note Purchase Agreement. See Description of the Certificates Obligation to Purchase Equipment Notes . Since the Aircraft are expected to be financed from time to time during the Delivery Period, no assurance can be given that all such conditions will be satisfied at the time of financing for each such Aircraft. Moreover, delivery of the Aircraft is subject to delays in the manufacturing process and to the Aircraft manufacturer's right to postpone deliveries under its agreement with United. See Description of the Aircraft and Appraisals Timing of Financing the Aircraft .

If any funds remain as Deposits with respect to any Trust at the end of the Delivery Period or, if earlier, upon the acquisition by the Trusts of the Equipment Notes with respect to all of the Aircraft (the Delivery Period Termination Date ), such funds will be withdrawn by the Escrow Agent and distributed, with accrued and unpaid interest thereon but without premium, to the Certificateholders of such Trust after at least 15 days' prior written notice.

**Distribution Upon Occurrence of Triggering Event**

If a Triggering Event shall occur prior to the Delivery Period Termination Date, the Escrow Agent for each Trust will withdraw any funds then held as Deposits with respect to such Trust and cause such funds, with accrued and unpaid interest thereon but without any premium, to be distributed to the Certificateholders of such Trust by the Paying Agent on behalf of the Escrow Agent, after at least 15 days' prior written notice. Accordingly, if a Triggering Event occurs prior to the Delivery Period Termination Date, the Trusts will not acquire Equipment Notes issued with respect to

Aircraft available to be financed after the occurrence of such Triggering Event.

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**Replacement of Depositary**

If the Depositary's long-term issuer credit rating by Fitch Ratings Ltd. ( "Fitch" ) or Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ( "Standard & Poor's" ) falls below the Depositary Threshold Rating or if any such rating has been withdrawn or suspended, then United must, within 30 days of such event occurring, replace the Depositary with a new depositary bank that has a long-term issuer credit rating issued by Fitch and Standard & Poor's equal to or higher than the applicable Depositary Threshold Rating, subject to receipt of written confirmation from each nationally recognized rating agency which shall have been requested to rate the Certificates and which shall then be rating the Certificates (the "Rating Agencies" ) that such replacement will not result in a withdrawal, suspension or downgrading of the ratings for any Class of Certificates then rated by such Rating Agency without regard to any withdrawal, suspension or downgrading of any rating of the Depositary being replaced.

At any time during the Delivery Period, United may replace the Depositary, or the Depositary may replace itself, with a new depositary bank that has a long-term issuer credit rating issued by Fitch and Standard & Poor's equal to or higher than the applicable Depositary Threshold Rating, subject to receipt of written confirmation from each Rating Agency that such replacement will not result in a withdrawal, suspension or downgrading of the ratings for any Class of Certificates then rated by such Rating Agency.

Depositary Threshold Rating means the long-term issuer credit rating of A- by Fitch and A- by Standard & Poor's.

**Depositary**

Crédit Agricole Corporate and Investment Bank ( "Credit Agricole CIB" ), acting via its New York Branch, will act as the depositary (the "Depositary" ). Credit Agricole CIB specializes in capital markets, investment banking and financing activities. Credit Agricole CIB had over 800 billion euros in assets and over 15 billion euros total equity capital, both as of June 30, 2013. Credit Agricole CIB is a limited liability company incorporated in France as a société anonyme and established under the laws of France. The New York Branch of Credit Agricole CIB is licensed by the New York State Department of Financial Services. Credit Agricole CIB is 97.33% owned by Crédit Agricole S.A. The shares of Crédit Agricole S.A. have been listed on the French Stock Exchange since December 14, 2001.

Credit Agricole CIB's long-term unsecured debt is rated A by Fitch and A by Standard & Poor's, and Credit Agricole CIB's short-term unsecured debt is rated F1 by Fitch and A-1 by Standard & Poor's.

Credit Agricole CIB's registered office is located at 9, quai du President Paul Doumer, 92920 Paris La Defense Cedex, France. Credit Agricole CIB's most recent Document de Reference (which is translated to English) and its most recently audited annual consolidated financial statements and unaudited interim consolidated financial statements are available on the following website: <http://www.ca-cib.com>. The information and financial statements contained on this website are not part of this Prospectus Supplement and are not incorporated by reference herein.

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**DESCRIPTION OF THE ESCROW AGREEMENTS**

The following summary describes the material terms of the escrow and paying agent agreements (the Escrow Agreements). The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Escrow Agreements, each of which will be filed as an exhibit to a Current Report on Form 8-K to be filed by United with the Commission. The provisions of the Escrow Agreements are substantially identical except as otherwise indicated.

U.S. Bank National Association, as escrow agent in respect of each Trust (the Escrow Agent), Wilmington Trust, National Association, as paying agent on behalf of the Escrow Agent in respect of each Trust (the Paying Agent), each Trustee and the Underwriters will enter into a separate Escrow Agreement for the benefit of the Certificateholders of each Trust as holders of the Escrow Receipts affixed thereto (in such capacity, a Receiptholder). The cash proceeds of the offering of Certificates of each Trust will be deposited on behalf of the Escrow Agent (for the benefit of Receiptholders) with the Depository as Deposits relating to such Trust. Each Escrow Agent shall permit the Trustee of the related Trust to cause funds to be withdrawn from such Deposits on or prior to the Delivery Period Termination Date to allow such Trustee to purchase the related Equipment Notes pursuant to the Note Purchase Agreement. In addition, the Escrow Agent shall direct the Depository to pay interest on the Deposits accrued in accordance with the Deposit Agreement to the Paying Agent for distribution to the Receiptholders.

Each Escrow Agreement requires that the Paying Agent establish and maintain, for the benefit of the related Receiptholders, one or more Paying Agent Account(s), which shall be non-interest-bearing. The Paying Agent shall deposit interest on Deposits and any unused Deposits withdrawn by the Escrow Agent in the related Paying Agent Account. The Paying Agent shall distribute these amounts on a Regular Distribution Date or Special Distribution Date, as appropriate.

Upon receipt by the Depository of cash proceeds from this Offering, the Escrow Agent will issue one or more escrow receipts (Escrow Receipts) which will be affixed by the relevant Trustee to each Certificate. Each Escrow Receipt evidences the related Receiptholder's interest in amounts from time to time deposited into the Paying Agent Account and is limited in recourse to amounts deposited into such account. An Escrow Receipt may not be assigned or transferred except in connection with the assignment or transfer of the Certificate to which it is affixed. Each Escrow Receipt will be registered by the Escrow Agent in the same name and manner as the Certificate to which it is affixed.

Each Receiptholder shall have the right (individually and without the need for any other action of any person, including the Escrow Agent or any other Receiptholder), upon any default in the payment of interest on the Deposits when due by the Depository in accordance with the applicable Deposit Agreement, or upon any default in the payment of the final withdrawal when due by the Depository in accordance with the terms of the applicable Deposit Agreement and Escrow Agreement, to proceed directly against the Depository. The Escrow Agent will notify Receiptholders in the event of a default in any such payment and will promptly forward to Receiptholders upon receipt copies of all written communications relating to any payments due to the Receiptholders in respect of the Deposits.

**Table of Contents****DESCRIPTION OF THE LIQUIDITY FACILITIES**

The following summary describes the material terms of the Liquidity Facilities and certain provisions of the Intercreditor Agreement relating to the Liquidity Facilities. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Liquidity Facilities and the Intercreditor Agreement, each of which will be filed as an exhibit to a Current Report on Form 8-K to be filed by United with the Commission. The provisions of the Liquidity Facilities are substantially identical except as otherwise indicated.

**General**

Crédit Agricole Corporate and Investment Bank, acting via its New York Branch (the Liquidity Provider), will enter into a separate revolving credit agreement (each, a Liquidity Facility) with the Subordination Agent with respect to the Class A Trust and the Class B Trust. On any Regular Distribution Date, if, after giving effect to the subordination provisions of the Intercreditor Agreement, the Subordination Agent does not have sufficient funds for the payment of interest on the Class A or B Certificates, the Liquidity Provider under the relevant Liquidity Facility will make an advance (an Interest Drawing) in the amount needed to fund such interest shortfall up to the Maximum Available Commitment. The maximum amount of Interest Drawings available under each Liquidity Facility is expected to provide an amount sufficient for the Subordination Agent to pay interest on the related Class of Certificates on up to three consecutive semiannual Regular Distribution Dates (without regard to any expected future payments of principal on such Certificates) at the respective interest rates shown on the cover page of this Prospectus Supplement for such Certificates (the Stated Interest Rates). If interest payment defaults occur which exceed the amount covered by and available under the Liquidity Facility for the Class A or Class B Trust, the Certificateholders of such Trust will bear their allocable share of the deficiencies to the extent that there are no other sources of funds. The Liquidity Provider with respect to each of the Class A and B Trusts may be replaced by one or more other entities under certain circumstances.

**Drawings**

The aggregate amount available under the Liquidity Facility for the Class A and Class B Trusts at April 11, 2015, the first Regular Distribution Date after all Aircraft are expected to have been financed pursuant to this Offering, assuming that such Aircraft are so financed and that all interest due on or prior to April 11, 2015, is paid, will be as follows:

<b>Trust</b>	<b>Available Amount</b>
Class A	\$ 44,198,820
Class B	\$ 15,162,855

Except as otherwise provided below, the Liquidity Facility for each of the Class A and Class B Trusts will enable the Subordination Agent to make Interest Drawings thereunder promptly on or after any Regular Distribution Date if, after giving effect to the subordination provisions of the Intercreditor Agreement, there are insufficient funds available to the Subordination Agent to pay interest on the Certificates of such Trust at the Stated Interest Rate for such Trust; provided, however, that the maximum amount available to be drawn under the Liquidity Facility with respect to the Class A or Class B Trust on any Regular Distribution Date to fund any shortfall of interest on Certificates of such Trust will not exceed the then Maximum Available Commitment under such Liquidity Facility. The Maximum Available Commitment at any time under each Liquidity Facility is an amount equal to the then Maximum Commitment of such Liquidity Facility less the aggregate amount of each Interest Drawing outstanding under such Liquidity Facility at such time, provided that following a Downgrade Drawing, a Special Termination Drawing, a

Final Drawing or a Non-Extension Drawing under a Liquidity Facility, the Maximum Available Commitment under such Liquidity Facility shall be zero.

Maximum Commitment for the Liquidity Facility for the Class A Trust and the Class B Trust means initially \$44,526,219 and \$15,275,173, respectively, as the same may be reduced from time to time as described below.

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**Required Amount** means, in relation to the Liquidity Facility for any applicable Trust for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for such Trust, that would be payable on such Class of Certificates on each of the three successive Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the succeeding two Regular Distribution Dates, in each case calculated on the basis of the Pool Balance of the corresponding Class of Certificates on such day and without regard to expected future payments of principal on such Class of Certificates.

The Liquidity Facility for any applicable Class of Certificates does not provide for drawings thereunder to pay for principal of or premium on the Certificates of such Class or any interest on the Certificates of such Class in excess of the Stated Interest Rate for such Class or more than three semiannual installments of interest thereon or principal of or interest or premium on the Certificates of any other Class. (Liquidity Facilities, Section 2.02; Intercreditor Agreement, Section 3.5) In addition, the Liquidity Facility with respect to each of the Class A and Class B Trusts does not provide for drawings thereunder to pay any amounts payable with respect to the Deposits relating to such Trust.

Each payment by a Liquidity Provider reduces by the same amount the Maximum Available Commitment under the related Liquidity Facility, subject to reinstatement as described below. With respect to any Interest Drawing, upon reimbursement of the applicable Liquidity Provider in full or in part for the amount of such Interest Drawing plus interest thereon, the Maximum Available Commitment under the applicable Liquidity Facility will be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to an amount not to exceed the then Required Amount of such Liquidity Facility. However, the Maximum Available Commitment under such Liquidity Facility will not be so reinstated at any time if (i) a Liquidity Event of Default with respect to such Liquidity Facility shall have occurred and be continuing and less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes or (ii) a Final Drawing, Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing shall have been made or an Interest Drawing shall have been converted into a Final Advance. The Maximum Available Commitment under any Liquidity Facility will not be reinstated after a Final Drawing, Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing thereunder. On the first Regular Distribution Date and on each date on which the Pool Balance of the Class A or Class B Trust shall have been reduced by payments made to the related Certificateholders pursuant to the Intercreditor Agreement, the Maximum Commitment of the Liquidity Facility for such Trust will be automatically reduced from time to time to an amount equal to the then Required Amount. (Liquidity Facilities, Section 2.04(a); Intercreditor Agreement, Section 3.5(j))

**Performing Equipment Note** means an Equipment Note with respect to which no payment default has occurred and is continuing (without giving effect to any acceleration); provided that in the event of a bankruptcy proceeding under the U.S. Bankruptcy Code in which United is a debtor any payment default existing during the 60-day period under Section 1110(a)(2)(A) of the U.S. Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the U.S. Bankruptcy Code or as may apply for the cure of such payment default under Section 1110(a)(2)(B) of the U.S. Bankruptcy Code) shall not be taken into consideration until the expiration of the applicable period.

If at any time a Liquidity Provider is downgraded, or any applicable rating of a Liquidity Provider is suspended or withdrawn, by any Rating Agency such that after such downgrading, suspension or withdrawal such Liquidity Provider does not have a Long-Term Rating from such Rating Agency of the applicable Liquidity Threshold Rating or higher (any such downgrading, suspension or withdrawal, a **Downgrade Event**), and such Liquidity Facility is not replaced with a Replacement Facility within 35 days of the occurrence of such Downgrade Event (or, if earlier, the expiration date of such Liquidity Facility), such Liquidity Facility will be drawn up to the then Maximum Available Commitment under such Liquidity Facility (the **Downgrade Drawing**), unless no later than 30 days after the occurrence of such Downgrade Event (or, if earlier, the expiration date of such Liquidity Facility), the Rating Agency whose downgrading, suspension or withdrawal of such Liquidity Provider resulted in the occurrence of such Downgrade Event provides a written confirmation to





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the effect that such downgrading, suspension or withdrawal will not result in a downgrading, withdrawal or suspension of the rating by such Rating Agency for the related Class of Certificates. The proceeds of a Downgrade Drawing will be deposited into a cash collateral account (the Cash Collateral Account ) for the applicable Class of Certificates and used for the same purposes and under the same circumstances and subject to the same conditions as cash payments of Interest Drawings under such Liquidity Facility would be used. For the avoidance of doubt, the foregoing requirements shall apply to each occurrence of a Downgrade Event with respect to a Liquidity Provider, regardless of whether or not one or more Downgrade Events have occurred prior thereto and whether or not any confirmation by a Rating Agency specified in the foregoing requirements has been obtained with respect to any prior occurrence of a Downgrade Event. (Liquidity Facilities, Section 2.02(c); Intercreditor Agreement, Section 3.5(c)) If a qualified Replacement Facility is subsequently provided, the balance of the Cash Collateral Account will be repaid to the replaced Liquidity Provider.

Liquidity Threshold Rating means: (a) in the case of Fitch, a Long-Term Rating of BBB, and (b) in the case of Standard & Poor's, a Long-Term Rating of BBB+.

Long-Term Rating means, for any entity, the long-term issuer credit rating of such entity.

If at any time during the 18-month period prior to the final expected Regular Distribution Date, the Pool Balance for a Trust is greater than the aggregate outstanding principal amount of Equipment Notes held in such Trust (other than any Equipment Notes previously sold or with respect to which the collateral securing such Equipment Notes has been disposed of), the Liquidity Provider may, in its discretion, give notice of special termination under the applicable Liquidity Facility (a Special Termination Notice ). The effect of the delivery of such Special Termination Notice will be to cause (i) such Liquidity Facility to expire on the fifth Business Day after the date on which such Special Termination Notice is received by the Subordination Agent, (ii) the Subordination Agent to promptly request, and the Liquidity Provider to promptly make, a special termination drawing (a Special Termination Drawing ) in an amount equal to the Maximum Available Commitment thereunder and (iii) all amounts owing to the Liquidity Provider automatically to become accelerated. The proceeds of a Special Termination Drawing will be deposited into the Cash Collateral Account and used for the same purposes under the same circumstances and subject to the same conditions as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Section 6.02; Intercreditor Agreement, Section 3.5(m))

The Liquidity Facility for each Trust provides that the applicable Liquidity Provider's obligations thereunder will expire on the earliest of:

The first anniversary of the Issuance Date.

The date on which the Subordination Agent delivers to such Liquidity Provider a certification that all of the Certificates of such Trust have been paid in full.

The date on which the Subordination Agent delivers to such Liquidity Provider a certification that a Replacement Facility has been substituted for such Liquidity Facility.

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The fifth Business Day following receipt by the Subordination Agent of a Termination Notice from such Liquidity Provider (see Liquidity Events of Default ).

The fifth Business Day following receipt by the Subordination Agent of a Special Termination Notice from such Liquidity Provider.

The date on which no amount is or may (by reason of reinstatement) become available for drawing under such Liquidity Facility.

Each Liquidity Facility provides that it will be extended automatically for additional one-year periods unless the Liquidity Provider advises the Subordination Agent 25 days prior to its then-scheduled expiration date that the expiration date will not be extended. The Intercreditor Agreement will provide that the Liquidity Facility for any applicable Trust may be replaced if such Liquidity Facility is scheduled to expire earlier than 15 days after

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the Final Maturity Date for the Certificates of such Trust and the expiration date of such Liquidity Facility is not extended by the 25th day prior to its then-scheduled expiration date. If such Liquidity Facility is not so extended or replaced by the 25th day prior to its then-scheduled expiration date, such Liquidity Facility will be drawn in full up to the then Maximum Available Commitment under such Liquidity Facility (the Non-Extension Drawing ). The proceeds of the Non-Extension Drawing under any Liquidity Facility will be deposited in the Cash Collateral Account for the related Trust to be used for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Section 2.02(b); Intercreditor Agreement, Section 3.5(d))

Upon receipt by the Subordination Agent of a Termination Notice with respect to any Liquidity Facility from the relevant Liquidity Provider, the Subordination Agent shall request a final drawing (a Final Drawing ) under such Liquidity Facility, in an amount equal to the then Maximum Available Commitment thereunder. The Subordination Agent will hold the proceeds of the Final Drawing in the Cash Collateral Account for the related Trust as cash collateral to be used for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Section 2.02(d); Intercreditor Agreement, Section 3.5(i))

Drawings under any Liquidity Facility will be made by delivery by the Subordination Agent of a certificate in the form required by such Liquidity Facility. Upon receipt of such a certificate, the relevant Liquidity Provider is obligated to make payment of the drawing requested thereby in immediately available funds. Upon payment by the relevant Liquidity Provider of the amount specified in any drawing under any Liquidity Facility, such Liquidity Provider will be fully discharged of its obligations under such Liquidity Facility with respect to such drawing and will not thereafter be obligated to make any further payments under such Liquidity Facility in respect of such drawing to the Subordination Agent or any other person.

**Replacement Liquidity Facility**

A Replacement Facility for any Liquidity Facility will mean an irrevocable liquidity facility (or liquidity facilities) in substantially the form of the replaced Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit) as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Certificates of an applicable Trust (before downgrading of such ratings, if any, as a result of the downgrading of the replaced Liquidity Provider), in a face amount (or in an aggregate face amount) equal to the then Required Amount for the replaced Liquidity Facility and issued by a person (or persons) having a Long-Term Rating issued by each applicable Rating Agency which is equal to or higher than the applicable Liquidity Threshold Rating. (Intercreditor Agreement, Section 1.1) The provider of any Replacement Facility will have the same rights (including, without limitation, priority distribution rights and rights as Controlling Party ) under the Intercreditor Agreement as the Liquidity Provider being replaced.

Subject to certain limitations, United may, at its option, arrange for a Replacement Facility at any time to replace the Liquidity Facility for any applicable Trust (including without limitation any Replacement Facility described in the following sentence). In addition, if the Liquidity Provider shall determine not to extend any Replacement Facility, then the Liquidity Provider may, at its option, arrange for another Replacement Facility to replace such Replacement Facility (i) during the period no earlier than 40 days and no later than 25 days prior to the then scheduled expiration date of such Replacement Facility and (ii) at any time after a Non-Extension Drawing has been made. The Liquidity Provider may also arrange for a Replacement Facility to replace any of its Liquidity Facilities at any time after a Downgrade Drawing under such Liquidity Facility. If any Replacement Facility is provided at any time after a Downgrade Drawing, a Special Termination Drawing or a Non-Extension Drawing under any Liquidity Facility, the funds with respect to such Liquidity Facility on deposit in the Cash Collateral Account for such Trust will be returned

to the Liquidity Provider being replaced. (Intercreditor Agreement, Section 3.5(e))

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**Table of Contents****Reimbursement of Drawings**

The Subordination Agent must reimburse amounts drawn under any Liquidity Facility by reason of an Interest Drawing, Final Drawing, Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing and interest thereon, but only to the extent that the Subordination Agent has funds available therefor. See Description of the Intercreditor Agreement Priority of Distributions .

***Interest Drawings, Special Termination Drawing and Final Drawing***

Amounts drawn by reason of an Interest Drawing, Special Termination Drawing or Final Drawing will be immediately due and payable, together with interest on the amount of such drawing. From the date of the drawing to (but excluding) the third business day following the applicable Liquidity Provider's receipt of the notice of such Interest Drawing or Final Drawing, interest will accrue at the Base Rate plus 3.75% per annum. Thereafter, interest will accrue at LIBOR for the applicable interest period (or, as described in the fourth paragraph under Reimbursement of Drawings Interest Drawings, Special Termination Drawing and Final Drawing , the Base Rate) plus 3.75% per annum. Any Special Termination Drawing under the Liquidity Facilities, other than any portion thereof applied to the payment of interest on the Certificates, will bear interest (x) subject to clause (y) below, in an amount equal to the investment earnings on amounts deposited in the Cash Collateral Account attributable to such Liquidity Facility plus a specified rate per annum on the outstanding amount from time to time of such Special Termination Drawing and (y) from and after the date, if any, on which it is converted into a Final Drawing as described below under Liquidity Events of Default , at a rate equal to LIBOR for the applicable interest period (or, as described in the fourth paragraph under Interest Drawings, Special Termination Drawing and Final Drawing , the Base Rate) plus 3.75% per annum.

Base Rate means, on any day, a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a business day, for the next preceding business day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a business day, the average of the quotations for such day for such transactions received by the applicable Liquidity Provider from three Federal funds brokers of recognized standing selected by it, plus (b) one-quarter of one percent ( $\frac{1}{4}$  of 1%).

LIBOR means, with respect to any interest period, (i) the rate per annum appearing on Reuters Screen LIBOR01 Page (or any successor or substitute therefor) at approximately 11:00 a.m. (London time) two business days before the first day of such interest period, as the rate for dollar deposits with a maturity comparable to such interest period, or (ii) if the rate calculated pursuant to clause (i) above is not available, the average (rounded upwards, if necessary, to the next  $\frac{1}{16}$  of 1%) of the rates per annum at which deposits in dollars are offered for the relevant interest period by three banks of recognized standing selected by the applicable Liquidity Provider in the London interbank market at approximately 11:00 a.m. (London time) two business days before the first day of such interest period in an amount approximately equal to the principal amount of the drawing to which such interest period is to apply and for a period comparable to such interest period.

If at any time, a Liquidity Provider shall have determined (which determination shall be conclusive and binding upon the Subordination Agent, absent manifest error) that, by reason of circumstances affecting the relevant interbank lending market generally, LIBOR determined or to be determined for the current or the immediately succeeding interest period will not adequately and fairly reflect the cost to such Liquidity Provider (as conclusively certified by such Liquidity Provider, absent manifest error) of making or maintaining LIBOR advances, such Liquidity Provider shall give notice thereof (a Rate Determination Notice ) to the Subordination Agent. If such notice is given, then the outstanding principal amount of the LIBOR advances under the applicable Liquidity Facility shall be converted to

Base Rate advances effective from the date of the Rate Determination Notice; provided that the rate then applicable in respect of such Base Rate advances shall be increased by one percent (1.00%). Each applicable Liquidity Provider shall withdraw a Rate Determination Notice given under the applicable Liquidity Facility when such Liquidity Provider determines that the circumstances giving rise to such

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Rate Determination Notice no longer apply to such Liquidity Provider, and the Base Rate advances under the applicable Liquidity Facility shall be converted to LIBOR advances effective as of the first day of the next succeeding interest period after the date of such withdrawal. Each change in the Base Rate shall become effective immediately. (Liquidity Facilities, Section 3.07(g))

***Downgrade Drawings and Non-Extension Drawings***

The amount drawn under any Liquidity Facility by reason of a Downgrade Drawing or a Non-Extension Drawing will be treated as follows:

Such amount will be released on any Distribution Date to the applicable Liquidity Provider to the extent that such amount exceeds the Required Amount.

Any portion of such amount withdrawn from the Cash Collateral Account for such Certificates to pay interest on such Certificates will be treated in the same way as Interest Drawings.

The balance of such amount will be invested in certain specified eligible investments.

Any Downgrade Drawing under any Liquidity Facility, other than any portion thereof applied to the payment of interest on the applicable Certificates, will bear interest (x) subject to clause (y) below, in an amount equal to the investment earnings on amounts deposited in the Cash Collateral Account attributable to such Liquidity Facility plus a specified rate per annum on the outstanding amount from time to time of such Downgrade Drawing and (y) from and after the date, if any, on which it is converted into a Final Drawing as described below under Liquidity Events of Default , at a rate equal to LIBOR for the applicable interest period (or, as described in the fourth paragraph under Interest Drawings, Special Termination Drawing and Final Drawing , the Base Rate) plus 3.75% per annum.

Any Non-Extension Drawing under any Liquidity Facility, other than any portion thereof applied to the payment of interest on the applicable Certificates, will bear interest (x) subject to clause (y) below, in an amount equal to the investment earnings on amounts deposited in the Cash Collateral Account attributable to such Liquidity Facility plus a specified rate per annum on the outstanding amount from time to time of such Non-Extension Drawing and (y) from and after the date, if any, on which it is converted into a Final Drawing as described below under Liquidity Events of Default , at a rate equal to LIBOR for the applicable interest period (or, as described in the fourth paragraph under Interest Drawings, Special Termination Drawing and Final Drawing , the Base Rate) plus 3.75% per annum.

**Liquidity Events of Default**

Events of default under each Liquidity Facility (each, a Liquidity Event of Default ) will consist of:

The acceleration of all of the Equipment Notes (provided, that if such acceleration occurs during the Delivery Period, the aggregate principal amount thereof exceeds \$400 million).

Certain bankruptcy or similar events involving United. (Liquidity Facilities, Section 1.01)



If (i) any Liquidity Event of Default under any Liquidity Facility has occurred and is continuing and (ii) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes, the applicable Liquidity Provider may, in its discretion, give a notice of termination of such Liquidity Facility to the Subordination Agent (a Termination Notice ). The Termination Notice will have the following consequences:

Such Liquidity Facility will expire on the fifth Business Day after the date on which such Termination Notice is received by the Subordination Agent.

The Subordination Agent will promptly request, and the applicable Liquidity Provider will make, a Final Drawing thereunder in an amount equal to the then Maximum Available Commitment thereunder.

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Any drawing remaining unreimbursed as of the date of termination will be automatically converted into a Final Drawing under such Liquidity Facility.

All amounts owing to the applicable Liquidity Provider automatically will be accelerated. Notwithstanding the foregoing, the Subordination Agent will be obligated to pay amounts owing to the Liquidity Provider only to the extent of funds available therefor after giving effect to the payments in accordance with the provisions set forth under Description of the Intercreditor Agreement Priority of Distributions . (Liquidity Facilities, Section 6.01) Upon the circumstances described below under Description of the Intercreditor Agreement Intercreditor Rights , the Liquidity Provider may become the Controlling Party with respect to the exercise of remedies under the Indentures. (Intercreditor Agreement, Section 2.6(c))

**Liquidity Provider**

The initial Liquidity Provider for each Liquidity Facility will be Crédit Agricole Corporate and Investment Bank, acting via its New York Branch. The Liquidity Provider meets the Liquidity Threshold Rating.

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**DESCRIPTION OF THE INTERCREDITOR AGREEMENT**

The following summary describes the material provisions of the Intercreditor Agreement (the *Intercreditor Agreement*) among the Trustees, the Liquidity Provider and Wilmington Trust, National Association, as subordination agent (the *Subordination Agent*). The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Intercreditor Agreement, which will be filed as an exhibit to a Current Report on Form 8-K to be filed by United with the Commission.

**Intercreditor Rights**

***Controlling Party***

Each Loan Trustee will be directed in taking, or refraining from taking, any action under an Indenture or with respect to the Equipment Notes issued under such Indenture, by the holders of at least a majority of the outstanding principal amount of the Equipment Notes issued under such Indenture, so long as no Indenture Default shall have occurred and be continuing thereunder. For so long as the Subordination Agent is the registered holder of the Equipment Notes, the Subordination Agent will act with respect to the preceding sentence in accordance with the directions of the Trustees for whom the Equipment Notes issued under such Indenture are held as Trust Property, to the extent constituting, in the aggregate, directions with respect to the required principal amount of Equipment Notes.

After the occurrence and during the continuance of an Indenture Default under an Indenture, each Loan Trustee will be directed in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under such Indenture, including acceleration of such Equipment Notes or foreclosing the lien on the related Aircraft, by the Controlling Party, subject to the limitations described below. See *Description of the Certificates Indenture Defaults and Certain Rights Upon an Indenture Default* for a description of the rights of the Certificateholders of each Trust to direct the respective Trustees.

The *Controlling Party* will be:

The Class A Trustee.

Upon payment of Final Distributions to the holders of Class A Certificates, the Class B Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the largest amount owed to it, as discussed in the next paragraph.

At any time after 18 months from the earliest to occur of (x) the date on which the entire available amount under any Liquidity Facility shall have been drawn (for any reason other than a Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing that has not been converted into a Final Drawing) and shall remain unreimbursed, (y) the date on which the entire amount of any Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing shall have been withdrawn from the relevant Cash Collateral Account to pay interest on the relevant Class of Certificates and shall remain unreimbursed and (z) the date on which all Equipment Notes shall have been accelerated (provided that if such acceleration occurs prior to the Delivery Period Termination Date, the aggregate principal amount thereof exceeds \$400 million), the Liquidity Provider with the highest outstanding amount of Liquidity Obligations (so long as such Liquidity Provider has not defaulted in its obligation to make any drawing

under any Liquidity Facility) shall have the right to become the Controlling Party.

For purposes of giving effect to the rights of the Controlling Party, each Trustee (to the extent not the Controlling Party) shall irrevocably agree, and the Certificateholders (other than the Certificateholders represented by the Controlling Party) will be deemed to agree by virtue of their purchase of Certificates, that the Subordination Agent, as record holder of the Equipment Notes, shall exercise its voting rights in respect of the

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Equipment Notes as directed by the Controlling Party. (Intercreditor Agreement, Section 2.6) For a description of certain limitations on the Controlling Party's rights to exercise remedies, see Description of the Equipment Notes Remedies .

**Final Distributions** means, with respect to the Certificates of any Trust on any Distribution Date, the sum of (x) the aggregate amount of all accrued and unpaid interest on such Certificates (excluding interest payable on the Deposits relating to such Trust) and (y) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (less the amount of the Deposits for such Class of Certificates as of such preceding Distribution Date other than any portion of such Deposits thereafter used to acquire Equipment Notes pursuant to the Note Purchase Agreement). For purposes of calculating Final Distributions with respect to the Certificates of any Trust, any premium paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such premium or a portion thereof applied to the payment of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Final Distributions.

***Limitation on Exercise of Remedies***

So long as any Certificates are outstanding, during nine months after the earlier of (x) the acceleration of the Equipment Notes under any Indenture and (y) the bankruptcy or insolvency of United, without the consent of each Trustee (and each Additional Trustee, if any Additional Junior Certificates are outstanding), no Aircraft subject to the lien of such Indenture or such Equipment Notes may be sold in the exercise of remedies under such Indenture, if the net proceeds from such sale would be less than the Minimum Sale Price for such Aircraft or such Equipment Notes.

**Minimum Sale Price** means, with respect to any Aircraft or the Equipment Notes issued in respect of such Aircraft, at any time, in the case of the sale of an Aircraft, 75%, or in the case of the sale of related Equipment Notes, 85%, of the Appraised Current Market Value of such Aircraft.

Following the occurrence and during the continuation of an Indenture Default under any Indenture, in the exercise of remedies pursuant to such Indenture, the Loan Trustee under such Indenture may be directed to lease the Aircraft to any person (including United) so long as the Loan Trustee in doing so acts in a commercially reasonable manner within the meaning of Article 9 of the Uniform Commercial Code as in effect in any applicable jurisdiction (including Sections 9-610 and 9-627 thereof).

If following certain events of bankruptcy, reorganization or insolvency with respect to United described in the Intercreditor Agreement (a United Bankruptcy Event ) and during the pendency thereof, the Controlling Party receives a proposal from or on behalf of United to restructure the financing of any one or more of the Aircraft, the Controlling Party will promptly thereafter give the Subordination Agent and each Trustee (each Additional Trustee, if any Additional Junior Certificates are outstanding) notice of the material economic terms and conditions of such restructuring proposal whereupon the Subordination Agent acting on behalf of each Trustee (and each Additional Trustee, if Additional Junior Certificates are outstanding) will endeavor using reasonable commercial efforts to make such terms and conditions of such restructuring proposal available to all Certificateholders (and, if then outstanding, holders of Additional Junior Certificates) (whether by posting on DTC's Internet board or otherwise) and to each Liquidity Provider that has not made a Final Drawing. Thereafter, neither the Subordination Agent nor any Trustee, whether acting on instructions of the Controlling Party or otherwise, may, without the consent of each Trustee (and each Additional Trustee, if any Additional Junior Certificates are outstanding), enter into any term sheet, stipulation or other agreement (whether in the form of an adequate protection stipulation, an extension under Section 1110(b) of the U.S. Bankruptcy Code or otherwise) to effect any such restructuring proposal with or on behalf of United unless and until the material economic terms and conditions of such restructuring proposal shall have been made available to all Certificateholders (and, if then outstanding, holders of Additional Junior Certificates) and to each Liquidity Provider

that has not made a Final Drawing for a period of not less than 15 calendar days (except that such

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requirement shall not apply to any such term sheet, stipulation or other agreement that is entered into on or prior to the expiry of the 60-Day Period and that is effective for a period not longer than three months from the expiry of the 60-Day Period).

In the event that any holder of Class B Certificates or, if issued, of Additional Junior Certificates, gives irrevocable notice of the exercise of its right to purchase all (but not less than all) of the Class of Certificates represented by the then Controlling Party (as described in Description of the Certificates Purchase Rights of Certificateholders ), prior to the expiry of the 15-day notice period specified above, such Controlling Party may not direct the Subordination Agent or any Trustee to enter into any such restructuring proposal with respect to any of the Aircraft, unless and until such holder fails to purchase such Class of Certificates on the date that it is required to make such purchase.

### **Post Default Appraisals**

Upon the occurrence and continuation of an Indenture Default under any Indenture, the Subordination Agent will be required to obtain three desktop appraisals from the appraisers selected by the Controlling Party setting forth the current market value, current lease rate and distressed value (in each case, as defined by the International Society of Transport Aircraft Trading) of the Aircraft subject to such Indenture (each such appraisal, an Appraisal and the current market value appraisals being referred to herein as the Post Default Appraisals ). For so long as any Indenture Default shall be continuing under any Indenture, and without limiting the right of the Controlling Party to request more frequent Appraisals, the Subordination Agent will be required to obtain additional Appraisals on the date that is 364 days from the date of the most recent Appraisal or if a United Bankruptcy Event shall have occurred and is continuing, on the date that is 180 days from the date of the most recent Appraisal.

Appraised Current Market Value of any Aircraft means the lower of the average and the median of the three most recent Post Default Appraisals of such Aircraft.

### **Priority of Distributions**

All payments in respect of the Equipment Notes and certain other payments received on each Regular Distribution Date or Special Distribution Date (each, a Distribution Date ) will be promptly distributed by the Subordination Agent on such Distribution Date in the following order of priority:

To the Subordination Agent, any Trustee, any Certificateholder and any Liquidity Provider to the extent required to pay certain out-of-pocket costs and expenses actually incurred by the Subordination Agent (or reasonably expected to be incurred by the Subordination Agent for the period ending on the next succeeding Regular Distribution Date, which shall not exceed \$150,000 unless approved in writing by the Controlling Party) or Liquidity Provider or any Trustee or to reimburse any Certificateholder or the Liquidity Provider in respect of payments made to the Subordination Agent or any Trustee in connection with the protection or realization of the value of the Equipment Notes held by the Subordination Agent or any Collateral under (and as defined in) any Indenture (collectively, the Administration Expenses ).

To the Liquidity Provider (a) to the extent required to pay the Liquidity Expenses or (b) in the case of a Special Payment on account of the redemption, purchase or prepayment of Equipment Notes issued pursuant to an Indenture (an Equipment Note Special Payment ), so long as no Indenture Default has occurred and is continuing under any Indenture, the amount of accrued and unpaid Liquidity Expenses that are not yet due,

multiplied by the Section 2.4 Fraction or, if an Indenture Default has occurred and is continuing, clause (a) will apply.

To the Liquidity Provider (a) to the extent required to pay interest accrued on the Liquidity Obligations and if a Special Termination Drawing has been made and has not been converted into a Final Drawing, to pay the outstanding amount of such Special Termination Drawing or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Default has occurred and is continuing under any

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Indenture, to the extent required to pay accrued and unpaid interest then in arrears on the Liquidity Obligations plus an amount equal to the amount of accrued and unpaid interest on the Liquidity Obligations not in arrears, multiplied by the Section 2.4 Fraction and if a Special Termination Drawing has been made and has not been converted into a Final Drawing, the outstanding amount of such Special Termination Drawing or, if an Indenture Default has occurred and is continuing, clause (a) will apply.

To (i) the Liquidity Provider to the extent required to pay the outstanding amount of all Liquidity Obligations and (ii) if applicable, with respect to any particular Liquidity Facility, unless (in the case of this clause (ii) only) (x) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes and a Liquidity Event of Default shall have occurred and is continuing under such Liquidity Facility or (y) a Final Drawing shall have occurred under such Liquidity Facility or an Interest Drawing for such Liquidity Facility shall have been converted into a Final Drawing, the Subordination Agent to replenish the Cash Collateral Account with respect to such Liquidity Facility up to the Required Amount for the related Class of Certificates.

To the Subordination Agent, any Trustee or any Certificateholder to the extent required to pay certain fees, taxes, charges and other amounts payable.

To the Class A Trustee (a) to the extent required to pay accrued and unpaid interest at the Stated Interest Rate on the Pool Balance of the Class A Certificates (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Default has occurred and is continuing under any Indenture, to the extent required to pay any such interest that is then due (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) together with (without duplication) accrued and unpaid interest at the Stated Interest Rate on the outstanding principal amount of the Series A Equipment Notes held in the Class A Trust being redeemed, purchased or prepaid or, if an Indenture Default has occurred and is continuing, clause (a) will apply.

To the Class B Trustee (a) to the extent required to pay accrued and unpaid Class B Adjusted Interest on the Class B Certificates (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Default has occurred and is continuing under any Indenture, to the extent required to pay any such Class B Adjusted Interest that is then due (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) or, if an Indenture Default has occurred and is continuing, clause (a) will apply.

To the Class A Trustee to the extent required to pay Expected Distributions on the Class A Certificates.

To the Class B Trustee (a) to the extent required to pay accrued and unpaid interest at the Stated Interest Rate on the Pool Balance of the Class B Certificates (other than Class B Adjusted Interest paid above and interest, if any, payable with respect to the Deposits relating to the Class B Trust) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Default has occurred and is continuing under any Indenture, to the extent required to pay any such interest that is then due (other than Class B Adjusted

Interest paid above) (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) together with (without duplication) accrued and unpaid interest at the Stated Interest Rate on the outstanding principal amount of the Series B Equipment Notes held in the Class B Trust and being redeemed, purchased or prepaid or, if an Indenture Default has occurred and is continuing, clause (a) will apply.

To the Class B Trustee to the extent required to pay Expected Distributions on the Class B Certificates. If any Additional Junior Certificates have been issued, the priority of distributions in the Intercreditor Agreement may be revised such that certain obligations relating to the Additional Junior Certificates may rank ahead of certain obligations with respect to the Certificates. See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates .

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**Section 2.4 Fraction** means, with respect to any Special Distribution Date, a fraction, the numerator of which shall be the amount of principal of the applicable Series A Equipment Notes and Series B Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date, and the denominator of which shall be the aggregate unpaid principal amount of all Series A Equipment Notes and Series B Equipment Notes outstanding as of such Special Distribution Date.

**Liquidity Obligations** means the obligations of the Subordination Agent to reimburse or to pay the Liquidity Provider all principal, interest, fees and other amounts owing to it under each Liquidity Facility or certain other agreements.

**Liquidity Expenses** means the Liquidity Obligations other than any interest accrued thereon or the principal amount of any drawing under the Liquidity Facilities.

**Expected Distributions** means, with respect to the Certificates of any Trust on any Distribution Date (the **Current Distribution Date**), the difference between:

(A) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates of such Trust), and

(B) the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of the Equipment Notes other than Performing Equipment Notes (the **Non-Performing Equipment Notes**) held in such Trust has been paid in full and such payments have been distributed to the holders of such Certificates, (ii) the principal of the Performing Equipment Notes held in such Trust has been paid when due (but without giving effect to any acceleration of Performing Equipment Notes) and such payments have been distributed to the holders of such Certificates and (iii) the principal of any Equipment Notes formerly held in such Trust that have been sold pursuant to the Intercreditor Agreement has been paid in full and such payments have been distributed to the holders of such Certificates, but without giving effect to any reduction in the Pool Balance as a result of any distribution attributable to Deposits occurring after the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, occurring after the initial issuance of the Certificates of such Trust).

For purposes of calculating Expected Distributions with respect to the Certificates of any Trust, any premium paid on the Equipment Notes held in such Trust that has not been distributed to the Certificateholders of such Trust (other than such premium or a portion thereof applied to the payment of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of Expected Distributions.

**Class B Adjusted Interest** means, as of any Distribution Date, (I) any interest described in clause (II) of this definition accruing prior to the immediately preceding Distribution Date which remains unpaid and (II) interest at the Stated Interest Rate for the Class B Certificates (x) for the number of days during the period commencing on, and including, the immediately preceding Distribution Date (or, if the current Distribution Date is the first Distribution Date, the Issuance Date) and ending on, but excluding, the current Distribution Date, on the Preferred B Pool Balance on such Distribution Date and (y) on the principal amount calculated pursuant to clauses (B)(i), (ii), (iii) and (iv) of the definition of Preferred B Pool Balance for each Series B Equipment Note with respect to which a disposition, distribution, sale or Deemed Disposition Event has occurred since the immediately preceding Distribution Date (but only if no such event has previously occurred with respect to such Series B Equipment Note), for each day during the period, for each such Series B Equipment Note, commencing on, and including, the immediately preceding Distribution Date (or, if the current Distribution Date is the first Distribution Date, the Issuance Date) and ending on, but excluding the date of disposition, distribution, sale or Deemed Disposition Event with respect to such Series B Equipment Note, Aircraft or Collateral under (and as defined in) the related Indenture, as the case may be.

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**Preferred B Pool Balance** means, as of any date, the excess of (A) the Pool Balance of the Class B Certificates as of the immediately preceding Distribution Date (or, if such date is on or before the first Distribution Date, the original aggregate face amount of the Class B Certificates) (after giving effect to payments made on such date) over (B) the sum of (i) the outstanding principal amount of each Series B Equipment Note that remains unpaid as of such date subsequent to the disposition of the Collateral under (and as defined in) the related Indenture and after giving effect to any distributions of the proceeds of such disposition applied under such Indenture to the payment of each such Series B Equipment Note, (ii) the outstanding principal amount of each Series B Equipment Note that remains unpaid as of such date subsequent to the scheduled date of mandatory redemption of such Series B Equipment Note following an Event of Loss with respect to the Aircraft which secured such Series B Equipment Note and after giving effect to the distributions of any proceeds in respect of such Event of Loss applied under such Indenture to the payment of each such Series B Equipment Note, (iii) the excess, if any, of (x) the outstanding amount of principal and interest as of the date of sale of each Series B Equipment Note previously sold over (y) the purchase price received with respect to the sale of such Series B Equipment Note (net of any applicable costs and expenses of sale) and (iv) the outstanding principal amount of any Series B Equipment Note with respect to which a Deemed Disposition Event has occurred; provided, however, that if more than one of the clauses (i), (ii), (iii) and (iv) is applicable to any one Series B Equipment Note, only the amount determined pursuant to the clause that first became applicable shall be counted with respect to such Series B Equipment Note.

**Deemed Disposition Event** means, in respect of any Equipment Note, the continuation of an Indenture Default in respect of such Equipment Note without an Actual Disposition Event occurring in respect of such Equipment Note for a period of five years from the date of the occurrence of such Indenture Default.

**Actual Disposition Event** means, in respect of any Equipment Note, (i) the disposition of the Aircraft securing such Equipment Note, (ii) the occurrence of the mandatory redemption date for such Equipment Note following an Event of Loss with respect to the Aircraft which secured such Equipment Note or (iii) the sale of such Equipment Note.

Interest Drawings under the applicable Liquidity Facility and withdrawals from the applicable Cash Collateral Account in respect of interest on the Certificates of the Class A or B Trust, as applicable, will be distributed to the Trustee for such Trust, notwithstanding the priority of distributions set forth in the Intercreditor Agreement and otherwise described herein. All amounts on deposit in the Cash Collateral Account for any such Trust that are in excess of the Required Amount will be paid to the applicable Liquidity Provider.

**Voting of Equipment Notes**

In the event that the Subordination Agent, as the registered holder of any Equipment Note, receives a request for its consent to any amendment, supplement, modification, consent or waiver under such Equipment Note or the related Indenture (or, if applicable, the related Participation Agreement or other related document), (i) if no Indenture Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent shall request directions from each applicable Trustee and shall vote or consent in accordance with such directions and (ii) if any Indenture Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent will exercise its voting rights as directed by the Controlling Party, subject to certain limitations; provided that no such amendment, modification, consent or waiver shall, without the consent of the Liquidity Provider and each affected Certificateholder, reduce the amount of principal or interest payable by United under any Equipment Note or change the time of payments or method of calculation of any amount under any Equipment Note. (Intercreditor Agreement, Section 9.1(b))

**List of Certificateholders**

Upon the occurrence of an Indenture Default, the Subordination Agent shall instruct the Trustee to, and the Trustee shall, request that DTC post on its Internet bulletin board a securities position listing setting forth the names of all the parties reflected on DTC's books as holding interests in the Certificates.

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**Reports**

Promptly after the occurrence of a Triggering Event or an Indenture Default resulting from the failure of United to make payments on any Equipment Note and on every Regular Distribution Date while the Triggering Event or such Indenture Default shall be continuing, the Subordination Agent will provide to the Trustee, the Liquidity Providers, the Rating Agencies and United a statement setting forth the following information:

After a bankruptcy of United, with respect to each Aircraft, whether such Aircraft is (i) subject to the 60-day period of Section 1110 of the U.S. Bankruptcy Code, (ii) subject to an election by United under Section 1110(a) of the U.S. Bankruptcy Code, (iii) covered by an agreement contemplated by Section 1110(b) of the U.S. Bankruptcy Code or (iv) not subject to any of (i), (ii) or (iii).

To the best of the Subordination Agent's knowledge, after requesting such information from United, (i) whether the Aircraft are currently in service or parked in storage, (ii) the maintenance status of the Aircraft and (iii) the location of the Engines (as defined in the Indentures). United has agreed to provide such information upon request of the Subordination Agent, but no more frequently than every three months with respect to each Aircraft so long as it is subject to the lien of an Indenture.

The current Pool Balance of the Certificates, the Preferred B Pool Balance and outstanding principal amount of all Equipment Notes for all Aircraft.

The expected amount of interest which will have accrued on the Equipment Notes and on the Certificates as of the next Regular Distribution Date.

The amounts paid to each person on such Distribution Date pursuant to the Intercreditor Agreement.

Details of the amounts paid on such Distribution Date identified by reference to the relevant provision of the Intercreditor Agreement and the source of payment (by Aircraft and party).

If the Subordination Agent has made a Final Drawing under any Liquidity Facility.

The amounts currently owed to each Liquidity Provider.

The amounts drawn under each Liquidity Facility.

After a United Bankruptcy Event, any operational reports filed by United with the bankruptcy court which are available to the Subordination Agent on a non-confidential basis.

**The Subordination Agent**

Wilmington Trust, National Association will be the Subordination Agent under the Intercreditor Agreement. United and its affiliates may from time to time enter into banking and trustee relationships with the Subordination Agent and its affiliates. The Subordination Agent's address is Wilmington Trust, National Association, 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Trust Administration.

The Subordination Agent may resign at any time, in which event a successor Subordination Agent will be appointed as provided in the Intercreditor Agreement. The Controlling Party may remove the Subordination Agent for cause as provided in the Intercreditor Agreement. In such circumstances, a successor Subordination Agent will be appointed as provided in the Intercreditor Agreement. Any resignation or removal of the Subordination Agent and appointment of a successor Subordination Agent does not become effective until acceptance of the appointment by the successor Subordination Agent. (Intercreditor Agreement, Section 8.1)

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**Table of Contents****DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS****The Aircraft**

The 25 aircraft to be financed pursuant to this Offering (collectively, the Aircraft ) will consist of 13 new Boeing 737-924ER aircraft, two new Boeing 787-8 aircraft, one new Boeing 787-9 aircraft and nine new Embraer ERJ 175 LR aircraft scheduled for delivery from March 2014 to March 2015. The Boeing 737-924ER aircraft, the Boeing 787-9 aircraft and the Embraer ERJ 175 LR aircraft will be selected by United from among 22 Boeing 737-924ER aircraft, four Boeing 787-9 aircraft and 21 Embraer ERJ 175 LR aircraft (including one or more that may have been delivered to United in 2014 prior to the availability of financing pursuant to this Offering). See The Appraisals for a description of the 49 aircraft from which United will select the 25 aircraft that may be financed with the proceeds of this Offering.

***Boeing 737-924ER Aircraft***

The Boeing 737-924ER aircraft is a medium-range aircraft with a seating capacity of approximately 179 passengers. The engine type utilized on United s 737-924ER aircraft is the CFM InternationalInc. CFM56-7B27.

***Boeing 787-8 Aircraft***

The Boeing 787-8 aircraft is a long-range aircraft with a seating capacity of approximately 219 passengers. The engine type utilized on United s 787-8 aircraft is the General Electric GENx-1B70.

***Boeing 787-9 Aircraft***

The Boeing 787-9 aircraft is a long-range aircraft with a seating capacity of approximately 252 passengers. The engine type utilized on United s 787-9 aircraft is the General Electric GENx-1B74/75.

***Embraer ERJ 175 LR Aircraft***

The Embraer ERJ 175 LR aircraft (shown on FAA records as ERJ 170-200 LR) is a medium-range aircraft with a seating capacity of approximately 76 passengers. The engine type utilized on United s ERJ 175 LR aircraft is the General Electric CF34-8E5.

**The Appraisals**

The table below sets forth the appraised values of the aircraft that may be financed with the proceeds of this Offering, as determined by Aircraft Information Services, Inc. ( AISI ), BK Associates, Inc. ( BK ) and Morten Beyer & Agnew, Inc. ( MBA ), independent aircraft appraisal and consulting firms (the Appraisers ). Subject to the terms of the Note Purchase Agreement, 13 of the 22 Boeing 737-924ER aircraft, one of the four Boeing 787-9 aircraft and nine of the 21 Embraer ERJ 175 LR aircraft listed below will be selected by United to be financed pursuant to this Offering, and the two Boeing 787-8 aircraft listed below will also be financed pursuant to this Offering.

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Aircraft Type	Registration Number <sup>(1)</sup>	Manufacturer's Serial Number <sup>(1)</sup>	Delivery Month <sup>(1)</sup>	Appraiser's Valuations			Appraised Value <sup>(2)</sup>
				AISI	BK	MBA	
Boeing 737-924ER	N67827	44581	June 2014	\$ 55,250,000	\$ 53,350,000	\$ 52,340,000	\$ 53,350,000
Boeing 737-924ER	N66828	44580	June 2014	55,250,000	53,350,000	52,340,000	53,350,000
Boeing 737-924ER	N69829	44561	June 2014	55,250,000	53,350,000	52,340,000	53,350,000
Boeing 737-924ER	N69830	44560	July 2014	55,350,000	53,350,000	52,390,000	53,350,000
Boeing 737-924ER	N66831	44562	August 2014	55,440,000	53,350,000	52,430,000	53,350,000
Boeing 737-924ER	N65832	44563	August 2014	55,440,000	53,350,000	52,430,000	53,350,000
Boeing 737-924ER	N69833	44564	September 2014	55,530,000	53,350,000	52,470,000	53,350,000
Boeing 737-924ER	N68834	44565	September 2014	55,530,000	53,350,000	52,470,000	53,350,000
Boeing 737-924ER	N69835	60087	October 2014	55,620,000	53,700,000	52,510,000	53,700,000
Boeing 737-924ER	N68836	60088	October 2014	55,620,000	53,700,000	52,510,000	53,700,000
Boeing 737-924ER	N66837	60121	November 2014	55,710,000	53,700,000	52,560,000	53,700,000
Boeing 737-924ER	N69838	60122	November 2014	55,710,000	53,700,000	52,560,000	53,700,000
Boeing 737-924ER	N69839	60316	December 2014	55,800,000	53,700,000	52,600,000	53,700,000
Boeing 737-924ER	N66841	42181	January 2015	55,900,000	53,850,000	52,640,000	53,850,000
Boeing 737-924ER	N68842	42182	January 2015	55,900,000	53,850,000	52,640,000	53,850,000
Boeing 737-924ER	N68843	42183	January 2015	55,900,000	53,850,000	52,640,000	53,850,000
Boeing 737-924ER	N69840	60317	February 2015	55,990,000	53,850,000	52,680,000	53,850,000
Boeing 737-924ER	N64844	42184	February 2015	55,990,000	53,850,000	52,680,000	53,850,000
Boeing 737-924ER	N67845	42185	February 2015	55,990,000	53,850,000	52,680,000	53,850,000
Boeing 737-924ER	N67846	42186	February 2015	55,990,000	53,850,000	52,680,000	53,850,000
Boeing 737-924ER	N69847	42187	March 2015	56,080,000	53,850,000	52,730,000	53,850,000
Boeing 737-924ER	N66848	42188	March 2015	56,080,000	53,850,000	52,730,000	53,850,000
Boeing 787-8	N49911	34828	May 2014	132,880,000	134,300,000	117,890,000	128,356,667
Boeing 787-8	N28912	35879	October 2014	133,990,000	135,850,000	118,390,000	129,410,000
Boeing 787-9	N19951	36402	September 2014	157,670,000	149,400,000	133,180,000	146,750,000
Boeing 787-9	N26952	36403	January 2015	158,710,000	150,850,000	133,620,000	147,726,667
Boeing 787-9	N35953	36404	March 2015	159,240,000	150,850,000	133,840,000	147,976,667
Boeing 787-9	N13954	36405	March 2015	159,240,000	150,850,000	133,840,000	147,976,667
Embraer ERJ 175LR	N88301	TBD	March 2014	31,210,000	27,500,000	29,290,000	29,290,000
Embraer ERJ 175LR	N87302	TBD	April 2014	31,260,000	27,600,000	29,310,000	29,310,000
Embraer ERJ 175LR	N87303	TBD	April 2014	31,260,000	27,600,000	29,310,000	29,310,000
Embraer ERJ 175LR	N89304	TBD	June 2014	31,370,000	27,600,000	29,360,000	29,360,000
Embraer ERJ 175LR	N93305	TBD	July 2014	31,420,000	27,700,000	29,390,000	29,390,000
Embraer ERJ 175LR	N87306	TBD	July 2014	31,420,000	27,700,000	29,390,000	29,390,000
Embraer ERJ 175LR	N84307	TBD	August 2014	31,470,000	27,700,000	29,410,000	29,410,000
Embraer ERJ 175LR	N89308	TBD	September 2014	31,520,000	27,700,000	29,430,000	29,430,000
Embraer ERJ 175LR	N86309	TBD	October 2014	31,570,000	27,800,000	29,460,000	29,460,000

Embraer ERJ 175 LR							
Embraer ERJ 175 LR	N88310	TBD	October 2014	31,570,000	27,800,000	29,460,000	29,460,000
Embraer ERJ 175 LR	N86311	TBD	October 2014	31,570,000	27,800,000	29,460,000	29,460,000
Embraer ERJ 175 LR	N86312	TBD	November 2014	31,630,000	27,800,000	29,480,000	29,480,000
Embraer ERJ 175 LR	N89313	TBD	November 2014	31,630,000	27,800,000	29,480,000	29,480,000
Embraer ERJ 175 LR	N82314	TBD	November 2014	31,630,000	27,800,000	29,480,000	29,480,000
Embraer ERJ 175 LR	N89315	TBD	December 2014	31,680,000	27,800,000	29,510,000	29,510,000
Embraer ERJ 175 LR	N86316	TBD	December 2014	31,680,000	27,800,000	29,510,000	29,510,000
Embraer ERJ 175 LR	N89317	TBD	December 2014	31,680,000	27,800,000	29,510,000	29,510,000
Embraer ERJ 175 LR	N87318	TBD	February 2015	31,780,000	27,900,000	29,550,000	29,550,000
Embraer ERJ 175 LR	N87319	TBD	February 2015	31,780,000	27,900,000	29,550,000	29,550,000
Embraer ERJ 175 LR	N85320	TBD	March 2015	31,840,000	27,900,000	29,580,000	29,580,000
Embraer ERJ 175 LR	N89321	TBD	March 2015	31,840,000	27,900,000	29,580,000	29,580,000

- (1) The indicated registration number, manufacturer's serial number and delivery month for each aircraft reflect our current expectations, although these may differ for the actual Aircraft financed hereunder. United does not currently have the manufacturer's serial numbers for the Embraer ERJ 175 LR aircraft. The financing pursuant to this Offering of each Aircraft is expected to be effected at or around the time of delivery of such Aircraft by the manufacturer to United or, in the case of an Aircraft delivered to United in 2014 prior to the availability of financing pursuant to this Offering, after United's determination to so finance such Aircraft. The actual delivery date for any aircraft may be subject to delay or acceleration. See "Timing of Financing the Aircraft". United has certain rights to substitute other aircraft if the scheduled delivery date of any aircraft is delayed for more than 30 days after the month scheduled for delivery. See "Substitute Aircraft".
- (2) The appraised value of each aircraft set forth above is the lesser of the average and median values of such aircraft as appraised by the Appraisers.

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For purposes of the foregoing chart, AISI, BK and MBA were each asked to provide its opinion as to the appraised base value of each aircraft, projected as of the scheduled delivery month of the applicable aircraft. As part of this process, all three Appraisers performed desk top appraisals without any physical inspection of the aircraft. The appraisals are based on various assumptions and methodologies, which vary among the appraisals. The Appraisers have delivered letters summarizing their respective appraisals, copies of which are annexed to this Prospectus Supplement as Appendix II. For a discussion of the assumptions and methodologies used in each of the appraisals, reference is hereby made to such summaries.

An appraisal is only an estimate of value. It is not indicative of the price at which an aircraft may be purchased from the manufacturer. Nor should it be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft may be less than its appraised value. The value of the Aircraft in the event of the exercise of remedies under the applicable Indenture will depend on market and economic conditions, the availability of buyers, the condition of the Aircraft and other similar factors. Accordingly, there can be no assurance that the proceeds realized upon any such exercise with respect to the Equipment Notes and the Aircraft pursuant to the applicable Indenture would equal the appraised value of such Aircraft or be sufficient to satisfy in full payments due on such Equipment Notes or the Certificates. See Risk Factors Risk Factors Relating to the Certificates and the Offering The Appraisals are only estimates of Aircraft value.

**Timing of Financing the Aircraft**

The aircraft that may be financed with the proceeds of this Offering are scheduled for delivery under United's purchase agreements with The Boeing Company ( Boeing ) from May 2014 through March 2015 or, in the case of the Embraer ERJ 175 LR aircraft, under United's purchase agreement with Embraer S.A. ( Embraer ) from March 2014 through March 2015. See the table under The Appraisals for the scheduled month of delivery of each such aircraft. Under such purchase agreements, delivery of an aircraft may be delayed due to excusable delay , which is defined to include, among other things, acts of God, governmental acts or failures to act, strikes or other labor troubles, inability to procure materials, or any other cause beyond the applicable manufacturer's control or not occasioned by the applicable manufacturer's fault or negligence.

The Note Purchase Agreement provides that the period for financing the Aircraft under this Offering (the Delivery Period ) will expire on June 30, 2015. In addition, if a labor strike occurs at Boeing or Embraer prior to the scheduled expiration of the Delivery Period, the expiration date of the Delivery Period will be extended by the number of days that such strike continued in effect, but not more than 60 days and excluding any period of a strike at Boeing or Embraer after all Aircraft of such manufacturer shall have been financed pursuant to this Offering.

If the scheduled delivery date of any aircraft that may be financed with the proceeds of this Offering is delayed by more than 30 days after the month scheduled for delivery, United has the right to replace such aircraft with a Substitute Aircraft, subject to certain conditions. See Substitute Aircraft . If delivery of any such aircraft is delayed beyond the Delivery Period Termination Date and United does not exercise its right to replace such aircraft with a Substitute Aircraft, there will be unused Deposits that will be distributed to Certificateholders together with accrued and unpaid interest thereon but without a premium. See Description of the Deposit Agreements Unused Deposits .

**Substitute Aircraft**

If the scheduled delivery date for any aircraft that may be financed with the proceeds of this Offering is delayed by more than 30 days after the month scheduled for delivery, United may identify for delivery a substitute aircraft (each, together with the substitute aircraft referred to below, a Substitute Aircraft ) therefor meeting the following conditions:

A Substitute Aircraft must be of the same model as the aircraft being replaced.

United will be obligated to obtain written confirmation from each Rating Agency that substituting such Substitute Aircraft for the replaced aircraft will not result in a withdrawal, suspension or downgrading of the ratings of any Class of Certificates.

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**DESCRIPTION OF THE EQUIPMENT NOTES**

The following summary describes the material terms of the Equipment Notes. The summary makes use of terms defined in, and is qualified in its entirety by reference to all of the provisions of, the Equipment Notes, the Indentures, the Participation Agreements and the Note Purchase Agreement. The Note Purchase Agreement and the forms of the Equipment Notes, the Indentures and the Participation Agreements each will be filed as an exhibit to a Current Report on Form 8-K to be filed by United with the Commission. Except as otherwise indicated, the following summaries relate to the Equipment Notes, the Indenture and the Participation Agreement that may be applicable to each Aircraft.

Under the Note Purchase Agreement, United will enter into a secured debt financing with respect to each Aircraft. The Note Purchase Agreement provides for the relevant parties to enter into a Participation Agreement and an Indenture relating to the financing of each Aircraft.

The description of such financing agreements in this Prospectus Supplement is based on the forms of such agreements annexed to the Note Purchase Agreement. However, the terms of the financing agreements actually entered into may differ from the forms of such agreements and, consequently, may differ from the description of such agreements contained in this Prospectus Supplement. Although such changes are permitted, under the Note Purchase Agreement the terms of such agreements must not vary the Required Terms. In addition, United will be obligated to certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders. United must also obtain written confirmation from each Rating Agency that the use of financing agreements modified in any material respect from the forms attached to the Note Purchase Agreement would not result in a withdrawal, suspension or downgrading of the ratings of any Class of Certificates. See [Description of the Certificates](#) [Obligation to Purchase Equipment Notes](#) .

**General**

Equipment Notes will be issued in two series with respect to each Aircraft (the [Series A Equipment Notes](#) and the [Series B Equipment Notes](#) and, collectively, the [Equipment Notes](#) ). United may elect to issue up to two series of Additional Equipment Notes with respect to an Aircraft at any time, which will be funded from sources other than this Offering and will be subordinated in right of payment to the Equipment Notes. See [Possible Issuance of Additional Junior Certificates and Refinancing of Certificates](#) . The Equipment Notes with respect to each Aircraft will be issued under a separate Indenture among United and Wilmington Trust, National Association, as indenture trustee thereunder (each, a [Loan Trustee](#) ).

United's obligations under the Equipment Notes will be general obligations of United.

**Subordination**

The Indentures provide for the following subordination provisions applicable to the Equipment Notes:

Series A Equipment Notes issued in respect of an Aircraft will rank senior in right of payment to other Equipment Notes issued in respect of such Aircraft.

Series B Equipment Notes issued in respect of an Aircraft will rank junior in right of payment to the Series A Equipment Notes issued in respect of such Aircraft.

If United elects to issue Additional Equipment Notes with respect to an Aircraft, they will be subordinated in right of payment to the Series A and Series B Equipment Notes issued with respect to such Aircraft. See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates .

**Principal and Interest Payments**

Subject to the provisions of the Intercreditor Agreement, interest paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust on the dates and at the rate per annum set

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forth on the cover page of this Prospectus Supplement with respect to Certificates issued by such Trust until the final expected Regular Distribution Date for such Trust. Subject to the provisions of the Intercreditor Agreement, principal paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust in scheduled amounts on the dates set forth herein until the final expected Regular Distribution Date for such Trust.

Interest will be payable on the unpaid principal amount of each Equipment Note at the rate applicable to such Equipment Note on April 11 and October 11 of each year, commencing on the first such date to occur after initial issuance thereof (but not before October 11, 2014). Such interest will be computed on the basis of a 360-day year of twelve 30-day months.

Scheduled principal payments on the Equipment Notes will be made on April 11 and October 11 of each year, commencing on October 11, 2015. See Description of the Certificates Pool Factors for a discussion of the scheduled payments of principal of the Equipment Notes and possible revisions thereto.

If any date scheduled for a payment of principal, premium (if any) or interest with respect to the Equipment Notes is not a Business Day, such payment will be made on the next succeeding Business Day, without any additional interest.

United is also required to pay under each Indenture such Indenture's pro rata share of:

the fees, the interest payable on drawings under each Liquidity Facility in excess of earnings on cash deposits from such drawings plus certain other amounts and certain other payments due to the Liquidity Provider under each Liquidity Facility and

compensation and certain expenses payable to the Pass Through Trustee and the Subordination Agent.

**Redemption**

If an Event of Loss occurs with respect to an Aircraft and such Aircraft is not replaced by United under the related Indenture, the Equipment Notes issued with respect to such Aircraft will be redeemed, in whole, in each case at a price equal to the aggregate unpaid principal amount thereof, together with accrued interest thereon to, but not including, the date of redemption, but without premium, on a Special Distribution Date. (Indentures, Section 2.10)

All of the Equipment Notes issued with respect to an Aircraft may be redeemed prior to maturity at any time, at the option of United, only if all outstanding Equipment Notes with respect to all other Aircraft are simultaneously redeemed. In addition, United may elect to redeem the Series B Equipment Notes issued with respect to all Aircraft in connection with a refinancing of such Series. The redemption price for any optional redemption will be the unpaid principal amount of the relevant Equipment Notes, together with accrued and unpaid interest thereon to, but not including, the date of redemption, plus a Make-Whole Premium. (Indentures, Section 2.11) See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates .

Make-Whole Premium means, with respect to any Equipment Note, an amount (as determined by an independent investment bank of national standing) equal to the excess, if any, of (a) the present value of the remaining scheduled payments of principal and interest to maturity of such Equipment Note computed by discounting such payments on a semiannual basis on each payment date under the applicable Indenture (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield plus the applicable Make-Whole Spread over (b) the outstanding principal amount of such Equipment Note plus accrued interest to the date of determination. The



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Make-Whole Spread applicable to each Series of Equipment Notes is set forth below:

	<b>Make-Whole Spread</b>
Series A Equipment Notes	0.250%
Series B Equipment Notes	0.500%

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For purposes of determining the Make-Whole Premium, **Treasury Yield** means, at the date of determination with respect to any Equipment Note, the interest rate (expressed as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note and trading in the public securities markets either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date of such Equipment Note and (B) the other maturing as close as possible to, but later than, the Average Life Date of such Equipment Note, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note is reported in the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). **H.15(519)** means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Premium shall be the third Business Day prior to the applicable payment or redemption date and the most recent H.15(519) means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable payment or redemption date.

**Average Life Date** for any Equipment Note shall be the date which follows the time of determination by a period equal to the Remaining Weighted Average Life of such Equipment Note.

**Remaining Weighted Average Life** on a given date with respect to any Equipment Note shall be the number of days equal to the quotient obtained by dividing (a) the sum of each of the products obtained by multiplying (i) the amount of each then remaining scheduled payment of principal of such Equipment Note by (ii) the number of days from and including such determination date to but excluding the date on which such payment of principal is scheduled to be made, by (b) the then outstanding principal amount of such Equipment Note.

**Security**

***Aircraft***

The Equipment Notes issued with respect to each Aircraft will be secured by a security interest in such Aircraft and each of the other Aircraft for which Equipment Notes are outstanding and an assignment to the Loan Trustee of certain of United's rights under warranties with respect to the Aircraft.

Since the Equipment Notes are cross-collateralized, any proceeds from the sale of an Aircraft securing Equipment Notes or other exercise of remedies under an Indenture with respect to such Aircraft will (subject to the provisions of the U.S. Bankruptcy Code) be available for application to shortfalls with respect to obligations due under the other Equipment Notes at the time such proceeds are received. In the absence of any such shortfall, excess proceeds will be held as additional collateral by the Loan Trustee under such Indenture for such other Equipment Notes. However, if an Equipment Note ceases to be held by the Subordination Agent (as a result of sale upon the exercise of remedies or otherwise), it ceases to be entitled to the benefits of cross-collateralization.

See Appendix III to this Prospectus Supplement for tables setting forth the projected loan to value ratios for each of the aircraft that may be financed pursuant to this Offering.

***Cash***

Cash, if any, held from time to time by the Loan Trustee with respect to any Aircraft, including funds held as the result of an Event of Loss to such Aircraft, will be invested and reinvested by such Loan Trustee, at the direction of

United, in investments described in the related Indenture. (Indentures, Section 6.06)

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### **Limitation of Liability**

Except as otherwise provided in the Indentures, each Loan Trustee, in its individual capacity, will not be answerable or accountable under the Indentures or under the Equipment Notes under any circumstances except, among other things, for its own willful misconduct or gross negligence. (Indentures, Section 7.01)

### **Indenture Defaults, Notice and Waiver**

Events of default under each Indenture ( Indenture Defaults ) will include:

The failure by United to pay any amount, when due, under such Indenture or under any Equipment Note issued thereunder that continues for more than ten Business Days, in the case of principal, interest or Make-Whole Premium, and, in all other cases, ten Business Days after United receives written notice from the related Loan Trustee.

Any representation or warranty made by United in such Indenture, the related Participation Agreement or certain related documents furnished to the Loan Trustee or any holder of an Equipment Note pursuant thereto being false or incorrect in any material respect when made that continues to be material and adverse to the interests of the Loan Trustee or Note Holders and remains unremedied after notice and specified cure periods.

Failure by United to perform or observe any covenant or obligation for the benefit of the Loan Trustee or holders of Equipment Notes under such Indenture or certain related documents that continues after notice and specified cure periods.

The lapse or cancellation of insurance required under such Indenture.

The occurrence of an Indenture Default under any other Indenture.

The occurrence of certain events of bankruptcy, reorganization or insolvency of United. (Indentures, Section 5.01)

The holders of a majority in principal amount of the outstanding Equipment Notes issued with respect to any Aircraft, by notice to the Loan Trustee, may on behalf of all the holders waive any existing default and its consequences under the Indenture with respect to such Aircraft, except a default in the payment of the principal of, or premium or interest on any such Equipment Notes or a default in respect of any covenant or provision of such Indenture that cannot be modified or amended without the consent of each holder of Equipment Notes. (Indentures, Section 5.06) See

Description of the Intercreditor Agreement Voting of Equipment Notes regarding the persons entitled to direct the vote of Equipment Notes.

### **Remedies**

If an Indenture Default (other than certain events of bankruptcy, reorganization or insolvency) occurs and is continuing under an Indenture, the related Loan Trustee or the holders of a majority in principal amount of the Equipment Notes outstanding under such Indenture may declare the principal of all such Equipment Notes issued thereunder immediately due and payable, together with all accrued but unpaid interest thereon. If certain events of bankruptcy, reorganization or insolvency occur with respect to United, such amounts shall be due and payable without any declaration or other act on the part of the related Loan Trustee or holders of Equipment Notes. The holders of a majority in principal amount of Equipment Notes outstanding under an Indenture may rescind any declaration of acceleration of such Equipment Notes at any time before the judgment or decree for the payment of the money so due shall be entered if (i) there has been paid to the related Loan Trustee an amount sufficient to pay all principal, interest and premium, if any, on any such Equipment Notes, to the extent such amounts have become due otherwise than by such declaration of acceleration and (ii) all other Indenture Defaults and incipient Indenture Defaults with respect to any covenant or provision of such Indenture have been cured. (Indentures, Section 5.02(b))

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Each Indenture provides that if an Indenture Default under such Indenture has occurred and is continuing, the related Loan Trustee may exercise certain rights or remedies available to it under such Indenture or under applicable law.

In the case of Chapter 11 bankruptcy proceedings in which an air carrier is a debtor, Section 1110 of the U.S. Bankruptcy Code ( Section 1110 ) provides special rights to holders of security interests with respect to equipment (defined as described below). Under Section 1110, the right of such holders to take possession of such equipment in compliance with the provisions of a security agreement is not affected by any provision of the U.S. Bankruptcy Code or any power of the bankruptcy court. Such right to take possession may not be exercised for 60 days following the date of commencement of the reorganization proceedings. Thereafter, such right to take possession may be exercised during such proceedings unless, within the 60-day period or any longer period consented to by the relevant parties, the debtor agrees to perform its future obligations and cures all existing and future defaults on a timely basis. Defaults resulting solely from the financial condition, bankruptcy, insolvency or reorganization of the debtor need not be cured.

Equipment is defined in Section 1110, in part, as an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in Section 40102 of Title 49 of the U.S. Code) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued pursuant to chapter 447 of Title 49 of the U.S. Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo. Rights under Section 1110 are subject to certain limitations in the case of equipment first placed in service on or prior to October 22, 1994.

It is a condition to the Trustees obligation to purchase Equipment Notes with respect to each Aircraft that outside counsel to United, which is expected to be Hughes Hubbard & Reed LLP, provide its opinion to the Trustees that the Loan Trustees will be entitled to the benefits of Section 1110 with respect to the airframe and engines comprising such Aircraft, assuming that, at the time of such transaction, United holds an air carrier operating certificate issued pursuant to chapter 447 of Title 49 of the U.S. Code for aircraft capable of carrying ten or more individuals or 6,000 pounds or more of cargo. For a description of certain limitations on the Loan Trustee s exercise of rights contained in the Indenture, see Indenture Defaults, Notice and Waiver .

The opinion of Hughes Hubbard & Reed LLP will not address the possible replacement of an Aircraft after an Event of Loss in the future, the consummation of which is conditioned upon the contemporaneous delivery of an opinion of counsel to the effect that the related Loan Trustee will be entitled to Section 1110 benefits with respect to such replacement unless there is a change in law or court interpretation that results in Section 1110 not being available. See

Certain Provisions of the Indentures Events of Loss . The opinion of Hughes Hubbard & Reed LLP will also not address the availability of Section 1110 with respect to any possible lessee of an Aircraft if it is leased by United.

If an Indenture Default under any Indenture occurs and is continuing, any sums held or received by the related Loan Trustee may be applied to reimburse such Loan Trustee for any tax, expense or other loss incurred by it and to pay any other amounts due to such Loan Trustee prior to any payments to holders of the Equipment Notes issued under such Indenture. (Indentures, Section 3.03)

## **Modification of Indentures**

Without the consent of holders of a majority in principal amount of the Equipment Notes outstanding under any Indenture, the provisions of such Indenture and the related Participation Agreement may not be amended or modified, except to the extent indicated below.

Without the consent of the Liquidity Provider and the holder of each Equipment Note outstanding under any Indenture affected thereby, no amendment or modification of such Indenture may among other things (a) reduce the principal

amount of, or premium, if any, or interest payable on, any Equipment Notes issued under such

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Indenture or change the date on which any principal, premium, if any, or interest is due and payable, (b) permit the creation of any security interest with respect to the property subject to the lien of such Indenture, except as provided in such Indenture, or deprive any holder of an Equipment Note issued under such Indenture of the benefit of the lien of such Indenture upon the property subject thereto or (c) modify the percentage of holders of Equipment Notes issued under such Indenture required to take or approve any action under such Indenture. (Indentures, Section 10.01(a))

Any Indenture may be amended without the consent of the holders of Equipment Notes to, among other things, cure any defect or inconsistency in such Indenture or the Equipment Notes issued thereunder (provided that such change does not adversely affect the interests of any such holder) or provide for the re-issuance thereunder of Series B Equipment Notes or the issuance or successive redemption and issuance from time to time thereunder of up to two series of Additional Equipment Notes (and the re-issuance of Series B Equipment Notes or issuance of one or more series of Additional Equipment Notes under other Indentures) and any related credit support arrangements. See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates . (Indentures, Section 10.01(b))

## **Indemnification**

United will be required to indemnify each Loan Trustee, each Liquidity Provider, the Subordination Agent, the Escrow Agent and each Trustee, but not the holders of Certificates, for certain losses, claims and other matters.

## **Certain Provisions of the Indentures**

### ***Maintenance***

United is obligated under each Indenture, among other things and at its expense, to keep each Aircraft duly registered and insured, and to maintain, service, repair and overhaul the Aircraft so as to keep it in as good an operating condition as when delivered to United, ordinary wear and tear excepted, and in such condition as required to maintain the airworthiness certificate for the Aircraft in good standing at all times. (Indentures, Section 4.02)

### ***Possession, Lease and Transfer***

Each Aircraft may be operated by United or, subject to certain restrictions, by certain other persons. Normal interchange agreements with respect to the Airframe and normal interchange, pooling and borrowing agreements with respect to any Engine, in each case customary in the commercial airline industry, are permitted. Leases are also permitted to U.S. air carriers and foreign air carriers that have their principal executive office in certain specified countries, subject to a reasonably satisfactory legal opinion that, among other things, such country would recognize the Loan Trustee's security interest in respect of the applicable Aircraft. In addition, a lessee may not be subject to insolvency or similar proceedings at the commencement of such lease. (Indentures, Section 4.02) Permitted foreign air carriers are not limited to those based in a country that is a party to the Convention on the International Recognition of Rights in Aircraft (Geneva 1948) (the Convention ) or the Cape Town Treaty. It is uncertain to what extent the relevant Loan Trustee's security interest would be recognized if an Aircraft is registered or located in a jurisdiction not a party to the Convention or the Cape Town Treaty. Moreover, in the case of an Indenture Default, the ability of the related Loan Trustee to realize upon its security interest in an Aircraft could be adversely affected as a legal or practical matter if such Aircraft were registered or located outside the United States.

United expects that, at or about the time an Embraer ERJ 175 LR Aircraft is delivered by Embraer to United, such Aircraft will be leased by United to Mesa Airlines, Inc. ( Mesa ), a regional carrier, in compliance with the terms of the applicable Indenture. The lease between United and Mesa will be subject and subordinate to





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the Indenture. No such lease will relieve United of its obligations under the corresponding Indenture. Mesa has agreed with United to operate such Embraer ERJ 175 LR Aircraft pursuant to a capacity purchase agreement as a United Express carrier in regional operations.

***Registration***

United is required to keep each Aircraft duly registered under the Transportation Code with the FAA and to record each Indenture and certain other documents under the Transportation Code. In addition, United is required to register the international interests created pursuant to the Indenture under the Cape Town Treaty. (Indentures, Section 4.02(e)) Such recordation of the Indenture and certain other documents with respect to each Aircraft will give the relevant Loan Trustee a first-priority, perfected security interest in such Aircraft under U.S. law. If such Aircraft is located outside the United States, under U.S. law the effect of such perfection and the priority of such security interest will be governed by the law of the jurisdiction where such Aircraft is located. The Convention provides that such security interest will be recognized, with certain limited exceptions, in those jurisdictions that have ratified or adhere to the Convention. The Cape Town Treaty provides that a registered international interest has priority over a subsequently registered interest and over an unregistered interest for purposes of the law of those jurisdictions that have ratified the Cape Town Treaty. There are many jurisdictions in the world that have not ratified either the Convention or the Cape Town Treaty, and the Aircraft may be located in any such jurisdiction from time to time.

So long as no Indenture Default exists, United has the right to register any Aircraft in a country other than the United States at its own expense in connection with a permitted lease of the Aircraft to a permitted foreign air carrier, subject to certain conditions set forth in the related Indenture. These conditions include a requirement that an opinion of counsel be provided that the lien of the applicable Indenture will continue as a first priority security interest in the applicable Aircraft. (Indentures, Section 4.02(e)).

***Liens***

United is required to maintain each Aircraft free of any liens, other than the rights of the relevant Loan Trustee, the holders of the Equipment Notes and United arising under the applicable Indenture or the other operative documents related thereto, and other than certain limited liens permitted under such documents, including but not limited to (i) liens for taxes either not yet due or being contested in good faith by appropriate proceedings; (ii) materialmen's, mechanics' and other similar liens arising in the ordinary course of business and securing obligations that either are not yet delinquent for more than 60 days or are being contested in good faith by appropriate proceedings; (iii) judgment liens so long as such judgment is discharged or vacated within 60 days or the execution of such judgment is stayed pending appeal or discharged, vacated or reversed within 60 days after expiration of such stay; and (iv) any other lien as to which United has provided a bond or other security adequate in the reasonable opinion of the Loan Trustee; provided that in the case of each of the liens described in the foregoing clauses (i), (ii) and (iii), such liens and proceedings do not involve any material risk of the sale, forfeiture or loss of such Aircraft or the interest of the Loan Trustee therein or impair the lien of the relevant Indenture. (Indentures, Section 4.01)

***Replacement of Parts; Alterations***

United is obligated to replace all parts at its expense that may from time to time be incorporated or installed in or attached to any Aircraft and that may become lost, damaged beyond repair, worn out, stolen, seized, confiscated or rendered permanently unfit for use. United or any permitted lessee has the right, at its own expense, to make such alterations, modifications and additions with respect to each Aircraft as it deems desirable in the proper conduct of its business and to remove parts which it deems to be obsolete or no longer suitable or appropriate for use, so long as such alteration, modification, addition or removal does not materially diminish the fair market value, utility, condition

or useful life of the related Aircraft or Engine or invalidate the Aircraft's airworthiness certificate. (Indentures, Section 4.04(d))

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**Table of Contents*****Insurance***

United is required to maintain, at its expense (or at the expense of a permitted lessee), all-risk aircraft hull insurance covering each Aircraft, at all times in an amount not less than the unpaid principal amount of the Equipment Notes relating to such Aircraft together with six months of interest accrued thereon (the Debt Balance). However, after giving effect to self-insurance permitted as described below, the amount payable under such insurance may be less than such amounts payable with respect to the Equipment Notes. In the event of a loss involving insurance proceeds in excess of \$18,000,000 per occurrence in the case of a Boeing 787-9 Aircraft, \$15,000,000 per occurrence in the case of a Boeing 787-8 Aircraft, \$8,000,000 per occurrence in the case of a Boeing 737-924ER Aircraft and \$5,000,000 per occurrence in the case of an Embraer ERJ 175 LR Aircraft, such proceeds up to the Debt Balance of the relevant Aircraft will be payable to the applicable Loan Trustee, for so long as the relevant Indenture shall be in effect. In the event of a loss involving insurance proceeds of up to the amount per occurrence set forth in the preceding sentence with respect to the relevant model of Aircraft, such proceeds will be payable directly to United so long as no Indenture Default exists under the related Indenture. So long as the loss does not constitute an Event of Loss, insurance proceeds will be applied to repair or replace the property. (Indentures, Section 4.06 and Annex B)

In addition, United is obligated to maintain commercial airline liability insurance at its expense (or at the expense of a permitted lessee), including, without limitation, passenger liability, baggage liability, cargo and mail liability, hangarkeeper's liability and contractual liability insurance with respect to each Aircraft. Such liability insurance must be underwritten by insurers of nationally or internationally recognized responsibility. The amount of such liability insurance coverage per occurrence may not be less than the amount of commercial airline liability insurance from time to time applicable to aircraft owned or leased and operated by United (or a permitted lessee) of the same type and operating on similar routes as such Aircraft. (Indentures, Section 4.06 and Annex B)

United is also required to maintain war risk, hijacking and allied perils insurance if it (or any permitted lessee) operates any Aircraft, Airframe or Engine in any area of recognized hostilities or if United (or any permitted lessee) maintains such insurance with respect to other aircraft operated on the same international routes or areas on or in which the Aircraft is operated. (Indentures, Section 4.06 and Annex B)

United (or a permitted lessee) may self-insure under a program applicable to all aircraft in its fleet, but the amount of such self-insurance in the aggregate may not exceed 100% of the largest replacement value of any single aircraft in United's fleet or 1/2% of the average aggregate insurable value (during the preceding policy year) of all aircraft on which United carries insurance, whichever is less, unless an insurance broker of national standing shall certify that the standard among all other major U.S. airlines is a higher level of self-insurance, in which case United may self-insure the Aircraft to such higher level. In addition, United (or a permitted lessee) may self-insure to the extent of any applicable deductible per Aircraft that does not exceed industry standards for major U.S. airlines. (Indentures, Section 4.06 and Annex B)

In respect of each Aircraft, United is required to name as additional insured parties the Loan Trustees, the holders of the Equipment Notes and the Liquidity Provider under all liability insurance policies required with respect to such Aircraft. In addition, the insurance policies will be required to provide that, in respect of the interests of such additional insured persons, the insurance shall not be invalidated or impaired by any act or omission of United, any permitted lessee or any other person. (Indentures, Section 4.06 and Annex B)

***Events of Loss***

If an Event of Loss occurs with respect to the Airframe or the Airframe and Engines of an Aircraft, United must elect within 45 days after such occurrence either to make payment with respect to such Event of Loss or to replace such

Airframe and any such Engines. Not later than the first Business Day following the earlier of (i) the 120th day following the date of occurrence of such Event of Loss, and (ii) the fourth Business Day following the receipt of the insurance proceeds in respect of such Event of Loss, United must either (i) pay to the Loan Trustee

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the outstanding principal amount of the Equipment Notes, together with certain additional amounts, but, in any case, without any Make-Whole Premium or (ii) unless an Indenture Default or failure to pay principal or interest under the Indenture or certain bankruptcy defaults shall have occurred and is continuing, substitute an airframe (or airframe and one or more engines, as the case may be) for the Airframe, or Airframe and Engine(s), that suffered such Event of Loss. (Indentures, Sections 2.10 and 4.05(a))

If United elects to replace an Airframe (or Airframe and one or more Engines, as the case may be) that suffered such Event of Loss, it shall subject such an airframe (or airframe and one or more engines) to the lien of the Indenture, and such replacement airframe or airframe and engines must be the same model as the Airframe or Airframe and Engines to be replaced or an improved model, with a value, utility and remaining useful life (without regard to hours or cycles remaining until the next regular maintenance check) at least equal to the Airframe or Airframe and Engines to be replaced, assuming that such Airframe and such Engines had been maintained in accordance with the related Indenture. United is also required to provide to the relevant Loan Trustee reasonably acceptable opinions of counsel to the effect, among other things, that (i) certain specified documents have been duly filed under the Transportation Code and (ii) such Loan Trustee will be entitled to receive the benefits of Section 1110 of the U.S. Bankruptcy Code with respect to any such replacement airframe (unless, as a result of a change in law or court interpretation, such benefits are not then available). (Indentures, Section 4.05(c))

If United elects not to replace such Airframe, or Airframe and Engine(s), then upon payment of the outstanding principal amount of the Equipment Notes issued with respect to such Aircraft, together with accrued and unpaid interest thereon and all additional amounts then due and unpaid with respect to such Aircraft, the lien of the Indenture shall terminate with respect to such Aircraft, and the obligation of United thereafter to make interest and principal payments with respect thereto shall cease. (Indentures, Sections 2.10, 3.02 and 4.05(a)(ii))

If an Event of Loss occurs with respect to an Engine alone, United will be required to replace such Engine within 60 days after the occurrence of such Event of Loss with another engine, free and clear of all liens (other than certain permitted liens). Such replacement engine shall be the same make and model as the Engine to be replaced, or an improved model, suitable for installation and use on the Airframe, and having a value, utility and remaining useful life (without regard to hours or cycles remaining until overhaul) at least equal to the Engine to be replaced, assuming that such Engine had been maintained in accordance with the relevant Indenture. (Indentures, Section 4.05)

An Event of Loss with respect to an Aircraft, Airframe or any Engine means any of the following events with respect to such property:

The destruction of such property, damage to such property beyond economic repair or rendition of such property permanently unfit for normal use.

The actual or constructive total loss of such property or any damage to such property or requisition of title or use of such property which results in an insurance settlement with respect to such property on the basis of a total loss or a constructive or compromised total loss.

Any theft, hijacking or disappearance of such property for a period of 180 consecutive days or more.

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Any seizure, condemnation, confiscation, taking or requisition of title to such property by any governmental entity or purported governmental entity (other than a U.S. government entity) for a period exceeding 180 consecutive days.

As a result of any law, rule, regulation, order or other action by the FAA or any governmental entity, the use of such property in the normal course of United's business of passenger air transportation is prohibited for 180 consecutive days, unless United, prior to the expiration of such 180-day period, shall have undertaken and shall be diligently carrying forward steps which are necessary or desirable to permit the normal use of such property by United, but in any event if such use shall have been prohibited for a period of two consecutive years, provided that no Event of Loss shall be deemed to

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have occurred if such prohibition has been applicable to United's entire U.S. registered fleet of similar property and United, prior to the expiration of such two-year period, shall have conformed at least one unit of such property in its fleet to the requirements of any such law, rule, regulation, order or other action and commenced regular commercial use of the same and shall be diligently carrying forward, in a manner which does not discriminate against applicable property in so conforming such property, steps which are necessary or desirable to permit the normal use of such property by United, but in any event if such use shall have been prohibited for a period of three years.

With respect to any Engine, any divestiture of title to such Engine in connection with pooling or certain other arrangements shall be treated as an Event of Loss. (Indentures, Annex A)

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**POSSIBLE ISSUANCE OF ADDITIONAL JUNIOR CERTIFICATES AND REFINANCING OF CERTIFICATES**

**Issuance of Additional Junior Certificates**

United may elect to issue up to two additional series of equipment notes (each, a series of Additional Equipment Notes ) with respect to any Aircraft at any time, each of which will be funded from sources other than this offering (this Offering ) but will be issued under the same Indenture as the Equipment Notes for such Aircraft. Any Additional Equipment Note issued under an Indenture will be subordinated in right of payment to the Series A and Series B Equipment Notes issued under such Indenture and may also be subordinated in right of payment to a previously issued or concurrently issued series of Additional Equipment Notes. United will fund the sale of any series of Additional Equipment Notes through the sale of related pass through certificates (the Additional Junior Certificates ) issued by a single related United Airlines pass through trust (each such trust, an Additional Trust ). There will be no liquidity facility with respect to any class of Additional Junior Certificates.

The trustee of any Additional Trust (each, an Additional Trustee ) will become a party to the Intercreditor Agreement. The Intercreditor Agreement will be amended by written agreement of United and the Subordination Agent to provide for the subordination of the Additional Junior Certificates to the Administration Expenses, the Liquidity Obligations, the Class A and Class B Certificates and, if applicable, a previously issued or concurrently issued Class of Additional Junior Certificates. The priority of distributions under the Intercreditor Agreement may be revised, however, to provide for distribution of Adjusted Interest with respect to each issued class of Additional Junior Certificates (calculated in a manner substantially similar to the calculation of Class B Adjusted Interest but with respect to the applicable class of Additional Junior Certificates) after Class B Adjusted Interest, but before Expected Distributions on the Class A Certificates.

The holders of Additional Junior Certificates will have the right to purchase all of the Class A and B Certificates and, if applicable, a previously issued or concurrently issued Class of Additional Junior Certificates under certain circumstances after a bankruptcy of United. See Description of the Certificates Purchase Rights of Certificateholders . In addition, the applicable Additional Trustee may be the Controlling Party upon payment of Final Distributions to the holders of the Class B Certificates, subject to the rights of the Liquidity Providers to be the Controlling Party under certain circumstances. See Description of the Intercreditor Agreement Intercreditor Rights .

Any such issuance of Additional Equipment Notes and Additional Junior Certificates, and any such amendment of the Intercreditor Agreement (and any amendment of an Indenture in connection with such issuance) are contingent upon each Rating Agency providing written confirmation that such actions will not result in a withdrawal, suspension or downgrading of the rating of any Class of Certificates.

**Refinancing of Certificates**

United may elect to redeem and re-issue Series B Equipment Notes (or a series of Additional Equipment Notes if so provided under the terms thereof) then outstanding (any such re-issued equipment notes, the Refinancing Equipment Notes ) in respect of all (but not less than all) of the Aircraft secured by such refinanced notes at any time after the Delivery Period Termination Date. In such case, United will fund the sale of such Refinancing Equipment Notes through the sale of pass through certificates (any such certificates, the Refinancing Certificates ) issued by a United Airlines pass through trust (any such trust, the Refinancing Trust ). The Refinancing Certificates relating to the refinanced Series B Equipment Notes may have the benefit of a liquidity facility. The Refinancing Certificates relating to refinanced Additional Equipment Notes will not have the benefit of a Liquidity Facility.

The trustee of each Refinancing Trust will become a party to the Intercreditor Agreement and the Intercreditor Agreement will be amended by written agreement of United and the Subordination Agent to provide

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for the subordination of the Refinancing Certificates to the Administration Expenses, the Liquidity Obligations and the Class A Certificates and, if applicable, the Class B Certificates in the same manner that the corresponding Class of refinanced Certificates were subordinated. Such issuance of Refinancing Equipment Notes and Refinancing Certificates, and any such amendment of the Intercreditor Agreement (and any amendment of an Indenture in connection with such re-issuance), are contingent upon each Rating Agency providing written confirmation that such actions will not result in a withdrawal, suspension or downgrading of the rating of any Class of Certificates that remains outstanding.

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**Table of Contents****CERTAIN U.S. FEDERAL TAX CONSEQUENCES****General**

The following summary describes all material generally applicable U.S. federal income tax consequences, as well as certain Medicare tax considerations, to Certificateholders of the purchase, ownership and disposition of the Certificates. Except as otherwise specified, the summary is addressed to beneficial owners of Certificates that are (i) citizens or residents of the United States, (ii) corporations created or organized in or under the laws of the United States or any state therein or the District of Columbia, (iii) estates the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) trusts that (1) meet the following two tests: (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust or (2) were in existence on August 20, 1996 and treated as U.S. persons and have validly elected to continue to be so treated ( U.S. Persons ) that will hold the Certificates as capital assets ( U.S. Certificateholders ). This summary does not address the tax treatment of U.S. Certificateholders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or commodities, partnerships, holders subject to the mark-to-market rules, tax-exempt entities, holders that will hold Certificates as part of a straddle or holders that have a functional currency other than the U.S. Dollar, nor, except as otherwise specified, does it address the tax treatment of U.S. Certificateholders that do not acquire Certificates at the public offering price as part of the initial offering. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Certificates. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States.

The summary is based upon the tax laws and practice of the United States as in effect on the date of this Prospectus Supplement, as well as judicial and administrative interpretations thereof (in final or proposed form) available on or before such date. All of the foregoing are subject to change, which change could apply retroactively. We have not sought any ruling from the U.S. Internal Revenue Service (the IRS ) with respect to the tax consequences described below, and we cannot assure you that the IRS will not take contrary positions. The Trusts are not indemnified for any U.S. federal income taxes that may be imposed upon them, and the imposition of any such taxes on a Trust could result in a reduction in the amounts available for distribution to the Certificateholders of such Trust. **Prospective investors should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences to them of the purchase, ownership and disposition of the Certificates.**

**Tax Status of the Trusts**

Although there is no authority addressing the characterization of entities that are similar to the Trusts in all material respects, each of the Original Trusts should be classified as a grantor trust for U.S. federal income tax purposes. If, as may be the case, the Original Trusts are not classified as grantor trusts, they will be classified as partnerships for U.S. federal income tax purposes and will not be classified as publicly traded partnerships taxable as corporations provided that at least 90% of each Original Trust's gross income for each taxable year of its existence is qualifying income (which is defined to include, among other things, interest income, gain from the sale or disposition of capital assets held for the production of interest income, and income derived with respect to a business of investing in securities). Income derived by the Original Trusts from the Equipment Notes will constitute qualifying income and that the Trusts therefore will meet the 90% test described above, assuming that the Original Trusts operate in accordance with the terms of the Pass Through Trust Agreements and other agreements to which they are parties. The Successor Trusts will be classified as grantor trusts.

**Taxation of Certificateholders Generally**

*Trusts Classified as Grantor Trusts*

Assuming that a Trust is classified as a grantor trust, a U.S. Certificateholder will be treated as owning its pro rata undivided interest in the relevant Deposits and each of the Equipment Notes held by the Trust, the

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Trust's contractual rights and obligations under the Note Purchase Agreement, and any other property held by the Trust. Accordingly, each U.S. Certificateholder's share of interest paid on Equipment Notes will be taxable as ordinary income, as it is paid or accrued, in accordance with such U.S. Certificateholder's method of accounting for U.S. federal income tax purposes, and a U.S. Certificateholder's share of premium, if any, paid on redemption of an Equipment Note will be treated as capital gain. The Deposits will likely be subject to the short-term obligation rules, with the result that a U.S. Certificateholder using the cash method of accounting will be required to defer interest deductions with respect to the debt incurred or continued to purchase or carry an interest in a Deposit unless the U.S. Certificateholder elects to include income from the Deposit using the accrual method of accounting. Any amounts received by a Trust under a Liquidity Facility in order to make interest payments will be treated for U.S. federal income tax purposes as having the same characteristics as the payments they replace.

In the case of a subsequent purchaser of a Certificate, the purchase price for the Certificate should be allocated among the relevant Deposits and the assets held by the relevant Trust (including the Equipment Notes and the rights and obligations under the Note Purchase Agreement with respect to Equipment Notes not theretofore issued) in accordance with their relative fair market values at the time of purchase. Any portion of the purchase price allocable to the right and obligation under the Note Purchase Agreement to acquire an Equipment Note should be included in the purchaser's basis in its share of the Equipment Note when issued. Although the matter is not entirely clear, in the case of a purchaser after initial issuance of the Certificates but prior to the Delivery Period Termination Date, if the purchase price reflects a negative value associated with the obligation to acquire an Equipment Note pursuant to the Note Purchase Agreement being burdensome under conditions existing at the time of purchase (e.g., as a result of the interest rate on the unissued Equipment Notes being below market at the time of purchase of a Certificate), such negative value probably would be added to such purchaser's basis in its interest in the Deposits and the remaining assets of the Trust and reduce such purchaser's basis in its share of the Equipment Notes when issued. The preceding two sentences do not apply to purchases of Certificates following the Delivery Period Termination Date.

A U.S. Certificateholder who is treated as purchasing an interest in an Equipment Note at a market discount (generally, at a cost less than its remaining principal amount) that exceeds a statutorily defined de minimis amount will be subject to the market discount rules of the Code. These rules provide, in part, that gain on the sale or other disposition of a debt instrument with a term of more than one year and partial principal payments (including partial redemptions) on such a debt instrument are treated as ordinary income to the extent of accrued but unrecognized market discount. The market discount rules also provide for deferral of interest deductions with respect to debt incurred or continued to purchase or carry a debt instrument that has market discount. A U.S. Certificateholder who purchases an interest in an Equipment Note at a premium may elect to amortize the premium as an offset to interest income on the Equipment Note under rules prescribed by the Code and Treasury regulations promulgated under the Code.

Each U.S. Certificateholder will be entitled to deduct, consistent with its method of accounting, its pro rata share of fees and expenses paid or incurred by the corresponding Trust as provided in Section 162 or 212 of the Code. Certain fees and expenses, including fees paid to the Trustee and the Liquidity Provider, will be borne by parties other than the Certificateholders. It is possible that payments related to such fees and expenses will be treated as constructively received by the Trust, in which event a U.S. Certificateholder will be required to include in income and will be entitled to deduct its pro rata share of such fees and expenses. If a U.S. Certificateholder is an individual, estate or trust, the deduction for such holder's share of such fees or expenses will be allowed only to the extent that all of such holder's miscellaneous itemized deductions, including such holder's share of such fees and expenses, exceed 2% of such holder's adjusted gross income. In addition, in the case of U.S. Certificateholders who are individuals, certain otherwise allowable itemized deductions will be subject generally to additional limitations on itemized deductions under applicable provisions of the Code.

*Original Trusts Classified as Partnerships*

If an Original Trust is classified as a partnership (and not as a publicly traded partnership taxable as a corporation) for U.S. federal income tax purposes, income or loss with respect to the assets held by the Trust will

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be calculated at the Trust level, but the Trust itself will not be subject to U.S. federal income tax. Generally, a U.S. Certificateholder would be required to report its share of the Trust's items of income and deduction on its tax return for its taxable year within which the Trust's taxable year (which should be a calendar year) ends as well as income from its interest in the relevant Deposits. A U.S. Certificateholder's basis in its interest in the Trust would be equal to its purchase price therefor including its share of any funds withdrawn from the Depository and used to purchase Equipment Notes, plus its share of the Trust's net income, minus its share of any net losses of the Trust, and minus the amount of any distributions from the Trust. In the case of an original purchaser of a Certificate that is a calendar year taxpayer, income or loss generally should be the same as it would be if the Trust were classified as a grantor trust, except that income or loss would be reported on an accrual basis even if the U.S. Certificateholder otherwise uses the cash method of accounting. A subsequent purchaser, however, generally would be subject to tax on the same basis as an original holder with respect to its interest in the Original Trust, and would not be subject to the market discount rules or the bond premium rules during the duration of the Original Trust, except that it is possible that, in the case of a subsequent purchaser that purchases Certificates at a time when the total adjusted tax basis of the Trust's assets exceeds their fair market value by more than \$250,000, taxable income would be computed as if the adjusted basis of the Trust's assets were reduced by the amount of such excess.

**Effect of Reallocation of Payments under the Intercreditor Agreement**

In the event that the Class B Trust receives less than the full amount of the interest, principal or premium paid with respect to the Equipment Notes held by it because of the subordination of the Class B Trust under the Intercreditor Agreement, the corresponding owners of beneficial interests in the Class B Certificates would probably be treated for federal income tax purposes as if they had:

received as distributions their full share of interest, principal or premium;

paid over to the holders of Class A Certificates an amount equal to their share of the amount of the shortfall;  
and

retained the right to reimbursement of the amount of the shortfall to the extent of future amounts payable to them on account of the shortfall.

Under this analysis:

Class B Certificateholders incurring a shortfall would be required to include as current income any interest or other income of the Class B Trust that was a component of the shortfall, even though that amount was in fact paid to the holders of Class A Certificates;

a loss would only be allowed to Class B Certificateholders when their right to receive reimbursement of the shortfall becomes worthless; that is, when it becomes clear that funds will not be available from any source to reimburse the shortfall; and



reimbursement of the shortfall before a claim of worthlessness would not be taxable income to the Class B Certificateholders because the amount reimbursed would have been previously included in income. These results should not significantly affect the inclusion of income for Class B Certificateholders on the accrual method of accounting, but could accelerate inclusion of income to Class B Certificateholders on the cash method of accounting by, in effect, placing them on the accrual method.

**Dissolution of Original Trusts and Formation of New Trusts**

Assuming that the Original Trusts are classified as grantor trusts, the dissolution of an Original Trust and distribution of interests in the related Successor Trust will not be a taxable event to U.S. Certificateholders, who will continue to be treated as owning their shares of the property transferred from the Original Trust to the

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Successor Trust. If the Original Trusts are classified as partnerships, a U.S. Certificateholder will be deemed to receive its share of the Equipment Notes and any other property transferred by the Original Trust to the Successor Trust in liquidation of its interest in the Original Trust in a non-taxable transaction. In such case, the U.S. Certificateholder's basis in the property so received will be equal to its basis in its interest in the Original Trust, allocated among the various assets received based upon their bases in the hands of the Original Trust and any unrealized appreciation or depreciation in value in such assets, and the U.S. Certificateholder's holding period for the Equipment Notes and other property will include the Original Trust's holding period.

**Sale or Other Disposition of the Certificates**

Upon the sale, exchange or other disposition of a Certificate, a U.S. Certificateholder generally will recognize capital gain or loss (subject to the possible recognition of ordinary income under the market discount rules) equal to the difference between the amount realized on the disposition (other than any amount attributable to accrued interest which will be taxable as ordinary income and any amount attributable to any Deposits) and the U.S. Certificateholder's adjusted tax basis in the Note Purchase Agreement, Equipment Notes and any other property held by the corresponding Trust. Any such gain or loss will be long-term capital gain or loss to the extent attributable to property held by the Trust for more than one year. In the case of individuals, estates and trusts, the maximum rate of tax on net long-term capital gains generally is 20%. Any gain with respect to an interest in a Deposit will likely be treated as ordinary income. Notwithstanding the foregoing, if the Original Trusts are classified as partnerships, gain or loss with respect to a disposition of an interest in an Original Trust will be calculated and characterized by reference to the U.S. Certificateholder's adjusted tax basis and holding period for its interest in the Original Trust.

**3.8% Medicare Tax On Net Investment Income**

U.S. Certificateholders that are individuals, estates, and certain trusts are subject to an additional 3.8% tax on all or a portion of their net investment income, which may include the interest payments and any gain realized with respect to the Equipment Notes and the Deposits, to the extent of their net investment income that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, estate or trust, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. U.S. Certificateholders should consult their advisors with respect to the 3.8% Medicare tax.

**Foreign Certificateholders**

Subject to the discussion of backup withholding below, payments of principal, interest and premium on the Equipment Notes or Deposits to, or on behalf of, any beneficial owner of a Certificate that is for U.S. federal income tax purposes a nonresident alien (other than certain former United States citizens or residents), foreign corporation, foreign trust, or foreign estate (a non-U.S. Certificateholder) will not be subject to U.S. federal withholding tax provided that:

the non-U.S. Certificateholder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of United;

the non-U.S. Certificateholder is not a bank receiving interest pursuant to a loan agreement entered into in the ordinary course of its trade or business, or a controlled foreign corporation for U.S. tax purposes that is related to United; and

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certain certification requirements (including identification of the beneficial owner of the Certificate) are complied with.

Any capital gain (not including any amount treated as interest) realized upon the sale, exchange, retirement or other disposition of a Certificate or upon receipt of premium paid on an Equipment Note by a non-U.S. Certificateholder will not be subject to U.S. federal income or withholding taxes if (i) such gain is not effectively

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connected with a U.S. trade or business of the holder and (ii) in the case of an individual, such holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition or receipt.

Legislation enacted in 2010 ( FATCA ) generally imposes a withholding tax of 30% on U.S. sourced interest paid on, and the gross proceeds of a disposition of, debt obligations paid to (i) a foreign financial institution, as defined for purposes of FATCA (whether as a beneficial owner or an intermediary), unless (a) such institution enters into an agreement with the United States government to collect and provide to the United States tax authorities substantial information regarding United States account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with United States owners), or (b) such institution is resident in a country that has entered into an agreement with the United States regarding the exchange of certain information with respect to United States account holders and complies with local legislation enacted to give effect to such agreement or (ii) a foreign entity that is not a financial institution, unless such entity provides the withholding agent with a certification identifying the substantial United States owners of the entity, which generally includes any U.S. Person who directly or indirectly owns more than 10% of the entity. Pursuant to recently finalized regulations and subsequent IRS guidance, this new withholding tax will not apply to gross proceeds from the disposition of debt instruments paid on or before December 31, 2016. In addition, these rules will not apply with respect to Deposits or Equipment Notes unless they are treated as significantly modified after June 30, 2014. Investors are encouraged to consult with their own tax advisors regarding the implications of this legislation on their investment in the Certificates.

## **Backup Withholding**

Payments made on the Certificates and proceeds from the sale of Certificates will not be subject to backup withholding tax unless, in general, the Certificateholder fails to comply with certain reporting procedures or otherwise fails to establish an exemption from such tax under applicable provisions of the Code.

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**CERTAIN DELAWARE TAXES**

The Trustee is a national banking association with its corporate trust office in Delaware. In the opinion of Morris James LLP, Wilmington, Delaware, counsel to the Trustee, under currently applicable law, assuming that the Trusts will not be taxable as corporations, but, rather, will be classified as grantor trusts under subpart E, Part I of Subchapter J of the Code or as partnerships under Subchapter K of the Code, (i) the Trusts will not be subject to any tax (including, without limitation, net or gross income, tangible or intangible property, net worth, capital, franchise or doing business tax), fee or other governmental charge under the laws of the State of Delaware or any political subdivision thereof and (ii) Certificateholders that are not residents of or otherwise subject to tax in Delaware will not be subject to any tax (including, without limitation, net or gross income, tangible or intangible property, net worth, capital, franchise or doing business tax), fee or other governmental charge under the laws of the State of Delaware or any political subdivision thereof as a result of purchasing, holding (including receiving payments with respect to) or selling a Certificate.

Neither the Trusts nor the Certificateholders will be indemnified for any state or local taxes imposed on them, and the imposition of any such taxes on a Trust could result in a reduction in the amounts available for distribution to the Certificateholders of such Trust. In general, should a Certificateholder or any Trust be subject to any state or local tax which would not be imposed if the Trustee were located in a different jurisdiction in the United States, the Trustee will resign and a new Trustee in such other jurisdiction will be appointed.

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**CERTAIN ERISA CONSIDERATIONS**

The Employee Retirement Income Security Act of 1974, as amended ( ERISA ), imposes certain requirements on employee benefit plans subject to Title I of ERISA ( ERISA Plans ), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, Plans )) and certain persons (referred to as parties in interest or disqualified persons ) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Department of Labor has promulgated a regulation, 29 CFR Section 2510.3-101 (the Plan Asset Regulation ), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, as modified by Section 3(42) of ERISA, if a Plan invests (directly or indirectly) in a Certificate, the Plan's assets will include both the Certificate and an undivided interest in each of the underlying assets of the corresponding Trust, including the Equipment Notes held by such Trust, unless it is established that equity participation in such Trust by Plans and entities whose underlying assets include Plan assets by reason of a Plan's investment in the entity is not significant within the meaning of the Plan Asset Regulation, as modified by Section 3(42) of ERISA. In this regard, the extent to which there is equity participation in a particular Trust by, or on behalf of, employee benefit plans will not be monitored. If the assets of a Trust are deemed to constitute the assets of a Plan, transactions involving the assets of such Trust could be subject to the prohibited transaction provisions of ERISA and Section 4975 of the Code unless a statutory or administrative exemption is applicable to the transaction.

The fiduciary of a Plan that proposes to purchase and hold any Certificates should consider, among other things, whether such purchase and holding may involve a direct or indirect (i) extension of credit to a party in interest or a disqualified person, (ii) sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, United and its affiliates, the Underwriters, the Loan Trustee, the Escrow Agent, the Depositary, the Trustee and the Liquidity Provider. In addition, if one Class of Certificates is purchased by a Plan and another Class of Certificates is held by a party in interest or a disqualified person with respect to such Plan, the exercise by the holder of the subordinate Class of Certificates of its right to purchase the senior Class of Certificates upon the occurrence and during the continuation of a Certificate Buyout Event could be considered to constitute a prohibited transaction unless a statutory or administrative exemption were applicable. Depending on the identity of the Plan fiduciary making the decision to acquire or hold Certificates on behalf of a Plan, Prohibited Transaction Class Exemption ( PTCE ) 91-38 (relating to investments by a bank collective investment fund), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager ), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house professional asset manager) or PTCE 90-1 (relating to investments by an insurance company pooled separate account) (collectively, the Class Exemptions ) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Certificates.

Governmental plans, certain church plans, and foreign plans (collectively, Similar Law Plans ) while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and

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Section 4975 of the Code, may nevertheless be subject to other laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Certificates.

Any Plan fiduciary which proposes to cause a Plan to purchase any Certificates should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

Each person who acquires or accepts a Certificate or an interest therein, will be deemed by such acquisition or acceptance to have represented and warranted that either: (i) no assets of a Plan or any Similar Law Plan have been used to purchase or hold such Certificate or an interest therein or (ii) the purchase and holding of such Certificate or an interest therein either (a) in the case of Plan assets, are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions or (b) in the case of Similar Law Plan assets, will not violate any similar state, local or foreign law.

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**Table of Contents****UNDERWRITING**

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this Prospectus Supplement among United, the Depositary and the several underwriters listed below (collectively, the Underwriters), United has agreed to cause each Trust to sell to the Underwriters, and each of the Underwriters has severally agreed to purchase, the following respective face amounts of the Class A and Class B Certificates:

<b>Underwriter</b>	<b>Face Amount of Class A Certificates</b>	<b>Face Amount of Class B Certificates</b>
Morgan Stanley & Co. LLC	\$ 116,636,000	\$ 33,696,000
Credit Suisse Securities (USA) LLC	116,636,000	33,696,000
Deutsche Bank Securities Inc.	116,636,000	33,695,000
Citigroup Global Markets Inc.	116,636,000	33,695,000
Barclays Capital Inc.	116,636,000	33,694,000
Goldman, Sachs & Co.	116,636,000	33,694,000
Credit Agricole Securities (USA) Inc.	36,831,000	10,642,000
<b>Total</b>	<b>\$ 736,647,000</b>	<b>\$ 212,812,000</b>

The underwriting agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that the Underwriters are obligated to purchase all of the Certificates if any are purchased. If an Underwriter defaults on its purchase commitment, the purchase commitments of the non-defaulting Underwriters may be increased or the offering of the Certificates may be terminated. The Certificates are offered subject to receipt and acceptance by the Underwriters and to certain other conditions, including the right to reject orders in whole or in part.

The aggregate proceeds from the sale of the Certificates will be \$949,459,000. United will pay the Underwriters a commission of \$9,494,590. United estimates that its expenses associated with the offer and sale of the Certificates will be approximately \$2,700,000.

The Underwriters propose to offer the Certificates to the public initially at the public offering prices on the cover page of this Prospectus Supplement and to selling group members at those prices less the concessions set forth below. The Underwriters and selling group members may allow a discount to other broker/dealers as set forth below. After the initial public offering, the public offering prices and concessions and discounts may be changed by the Underwriters.

<b>Pass Through Certificates</b>	<b>Concession To Selling Group Members</b>	<b>Discount To Broker/Dealers</b>
2014-1A	0.500%	0.250%
2014-1B	0.500%	0.250%

Each Class of Certificates is a new issue of securities with no established trading market. United does not intend to apply for the listing of the Certificates on a national securities exchange.

The Underwriters have advised United that one or more of the Underwriters currently intend to make a market in the Certificates, as permitted by applicable laws and regulations. The Underwriters are not obligated, however, to make a market in the Certificates and any such market making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the Certificates.

United has agreed to indemnify the several Underwriters against certain liabilities including liabilities under the Securities Act of 1933, as amended, or contribute to payments which the Underwriters may be required to make in that respect.

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From time to time, the several Underwriters or their affiliates have performed and are performing investment banking and advisory services for, and have provided and are providing general financing and banking services to, UAL, United and their affiliates. In particular, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and affiliates of Morgan Stanley & Co. LLC and affiliates of Barclays Capital Inc. serve as counterparties to certain fuel hedging arrangements with United. In addition, affiliates of Morgan Stanley & Co. LLC are providers of fuel to United. Affiliates of Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. LLC, Deutsche Bank Securities Inc., Citigroup Global Markets Inc., Barclays Capital Inc., Goldman, Sachs & Co. and Credit Agricole Securities (USA) Inc. are lenders to UAL and/or United. Affiliates of Morgan Stanley & Co. LLC, Citigroup Global Markets Inc. and Credit Agricole Securities (USA) Inc. are liquidity facility providers to United.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of United. The Underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United expects that delivery of the Certificates will be made against payment therefor on or about the closing date specified on the cover page of this Prospectus Supplement, which will be the tenth business day following the date hereof (this settlement cycle being referred to as T+10). Under Rule 15c6-1 of the Commission under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to the trade expressly agree otherwise. Accordingly, purchasers who wish to trade Certificates on a day prior to the third business day before the date of initial delivery of the Certificates will be required, by virtue of the fact that the Certificates initially will settle on a delayed basis, to specify an alternate settlement cycle at the time of any trade to prevent a failed settlement and should consult their own advisor.

To facilitate the offering of the Certificates, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Certificates. Specifically, the Underwriters may overallocate in connection with this Offering, creating a short position in the Certificates for their own account. To cover overallocations or to stabilize the price of the Certificates, the Underwriters may bid for, and purchase, Certificates in the open market. Finally, the Underwriters may reclaim selling concessions allowed to an agent or a dealer for distributing Certificates in this Offering, if the Underwriters repurchase previously distributed Certificates in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Certificates above independent market levels. The Underwriters are not required to engage in these activities, and may end any of these activities at any time.

### **Notice to Prospective Investors in the European Union**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Underwriter has represented and agreed that with effect from and including the Relevant Implementation Date it has not made and will not make an offer of Certificates which are the subject of this offering contemplated by this Prospectus Supplement to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus

Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

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provided that no such offer of Certificates shall require United or the Underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Certificates to the public in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

**Notice to Prospective Investors in the United Kingdom**

In the United Kingdom, this Prospectus Supplement is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons ). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons. For the purpose of this paragraph, the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive) and includes any relevant implementing measure in the United Kingdom.

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**LEGAL MATTERS**

The validity of the Certificates is being passed upon for United by Hughes Hubbard & Reed LLP, New York, New York, and for the Underwriters by Milbank, Tweed, Hadley & McCloy LLP, New York, New York. Morris James LLP, Wilmington, Delaware, counsel for Wilmington Trust, National Association, as Trustee, will pass upon certain matters of Delaware law relating to the Pass Through Trust Agreements, including that the Certificates are binding obligations of the Trustee, and Milbank, Tweed, Hadley & McCloy LLP will rely on such opinion.

**EXPERTS**

United's consolidated financial statements, and the related financial statement schedule, appearing in our Annual Report on Form 10-K filed with the Commission on February 20, 2014, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, which is incorporated by reference herein. United's financial statements are incorporated by reference in reliance upon such report given on the authority of Ernst & Young LLP as experts in accounting and auditing.

The references to AISI, BK and MBA, and to their appraisal reports, dated March 18, 2014, March 20, 2014 and March 10, 2014, respectively, are included herein in reliance upon the authority of each such firm as an expert with respect to the matters contained in its appraisal report.

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**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

This Prospectus Supplement incorporates by reference the following documents previously filed by United with the Commission (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act) and that are not delivered with this Prospectus Supplement:

**Filing**

Annual Report on Form 10-K for the year ended December 31, 2013  
United's Commission file number is 1-10323.

**Date Filed**

February 20, 2014

Reference is made to the information under Incorporation of Certain Documents by Reference in the accompanying Prospectus. All documents filed under the Exchange Act with the Commission prior to January 1, 2014, and incorporated by reference in the accompanying Prospectus have been superseded by the above-listed document and shall not be deemed to constitute a part of the accompanying Prospectus or the Prospectus Supplement. In addition, for the avoidance of doubt, the Annual Report on Form 10-K for the year ended December 31, 2013, of UAL is not incorporated by reference in this Prospectus Supplement.

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**APPENDIX II APPRAISAL LETTERS**

***AIRCRAFT***

***INFORMATION***

***SERVICES, INC.***

**Mr. Gerry Laderman**

**Senior Vice President Finance, Procurement and Treasurer**

**United Airlines, Inc.**

**233 South Wacker Drive**

**14<sup>th</sup> Floor HDQFT**

**Chicago, IL 60606**

**Sight Unseen New Base**

**Value Opinion**

**49 Future Delivery United Airlines Aircraft Portfolio**

**AISI File No.: A4S021BVO-2**

**Report Date: 18 March 2014**

**Values as of: 18 March 2014**

**Main Office: 1409 Peachtree Street, Suite 200, Atlanta, Georgia 30309**

**TEL: 404 870-AISI (2474) E-MAIL: mail@AISL.aero**

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***AIRCRAFT  
INFORMATION  
SERVICES, INC.***

18 March 2014

Mr. Gerry Laderman

Senior Vice President Finance, Procurement and Treasurer

United Airlines, Inc.

233 South Wacker Drive

14<sup>th</sup> Floor HDQFT

Chicago, IL 60606

Subject: Sight Unseen New Base Value Opinion for 49 Future Delivery United Airlines Aircraft Portfolio, AISI  
File number: A4S021BVO-2

Ref: (a) Email messages UAL to AISI, 06 February 18 March 2014

Dear Mr. Laderman:

Aircraft Information Services, Inc. (AIS) has been requested to offer our opinion of the sight unseen new base values as of 13 March 2014 in delivery date U.S. Dollars for a portfolio of 22 future delivery Boeing 737-924ER aircraft, with CFM56-7B27E/F engines, at 187,700 lbs maximum takeoff weight, two future delivery Boeing 787-8 aircraft, with GENx-1B70 engines, at 502,500 lbs maximum takeoff weight, four future delivery Boeing 787-9 aircraft, with GENx-1B74/75 engines, at 533,000 lbs maximum takeoff weight, and 21 future delivery Embraer ERJ 175 LR aircraft, with CFM34-8E5 engines at 85,517 lbs maximum takeoff weight as identified and defined in Table I, Table II, and reference (a) above (the Aircraft ).

**1. Methodology and Definitions**

The standard terms of reference for commercial aircraft value are base value and current market value of an average aircraft. Base value is a theoretical value that assumes a hypothetical balanced market while current market value is the value in the actual market; both assume a hypothetical average aircraft condition. All other values are derived from these values. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT), those of 30 January 2013. AISI is a member of that organization and employs an ISTAT Certified Senior Appraiser.

AISI defines a base value as that of a transaction between an equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, with supply and demand of the sale item roughly in balance and with no event which would cause a short term change in the market.

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Base values are typically given for aircraft in new condition, average half-life condition, or adjusted for an aircraft in a specifically described condition at a specific time.

**Main Office: 1409 Peachtree Street, Suite 200, Atlanta, Georgia 30309**

**TEL: 404 870-AISI (2474) E-MAIL: mail@AISLaero**

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An average aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age.

Note that a stored aircraft is not an average aircraft. AISI assumes average condition unless otherwise specified in this report.

AISI also assumes that airframe, engine and component parts are from the original equipment manufacturer (OEM) and that maintenance, maintenance program and essential records are sufficient to permit normal commercial operation under a strict airworthiness authority.

Half-life condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval.

An adjusted appraisal reflects an adjustment from half life condition for the actual condition, utilization, life remaining or time remaining of an airframe, engine or component.

A new aircraft is an aircraft with no utilization, equipped with engines, buyer furnished equipment, seller furnished equipment and other equipment typical or required for the mission for which the aircraft is designed.

It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a current market value, which is synonymous with the older term fair market value as that value which reflects the actual market conditions including short term events, whether at, above or below the base value conditions. Assumptions of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Note that for a current market value to exist, the seller may not be under duress. Current market value assumes that there is no short term time constraint to buy or sell.

AISI defines a distressed market value as that value which reflects the actual market condition including short term events, when the market for the subject aircraft is so depressed that the seller is under duress. Distressed market value assumes that there is a time constraint to sell within a period of less than 1 year. All other assumptions remain unchanged from that of current market value.





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AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft when the seller is not under duress. AISI encourages the use of distressed market values to consider the probable near term value of an aircraft when the seller is under duress.

No physical inspection of the Aircraft or their essential records was made by AISI for the purposes of this report, nor has any attempt been made to verify information provided to us, which is assumed to be correct and applicable to the Aircraft.

It should be noted that the values given are not directly additive, that is, the total of the given values is not the value of the fleet but rather the sum of the values of the individual aircraft if sold individually over time so as not to exceed demand.

**2. Valuations**

The 787-8 and 787-9 aircraft are assumed to be capable of 180 minute ETOPS operation with the avionics and equipment necessary for that capability. The 787-8 and 787-9 aircraft are equipped with overhead flight crew and cabin crew rest facilities. The ERJ 175 aircraft are the LR variant with the associated equipment and maximum takeoff weight of that model.

It is our considered opinion that the sight unseen new base values as of 18 March 2014 in delivery date U.S. Dollars are as follows in Table I and Table II subject to the assumptions, definitions, and disclaimers herein.

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Table I

Aircraft Type	Delivery Date	Aircraft Serial Number	Aircraft Registration Number	MTOW (Lbs.)	Engines	New Base Value Delivery Date U.S. Dollars
737-924ER	Jun-2014	44581	N67827	187,700	CFM56-7B27E/F	\$ 55,250,000
737-924ER	Jun-2014	44580	N66828	187,700	CFM56-7B27E/F	\$ 55,250,000
737-924ER	Jun-2014	44561	N69829	187,700	CFM56-7B27E/F	\$ 55,250,000
737-924ER	Jul-2014	44560	N69830	187,700	CFM56-7B27E/F	\$ 55,350,000
737-924ER	Aug-2014	44562	N66831	187,700	CFM56-7B27E/F	\$ 55,440,000
737-924ER	Aug-2014	44563	N65832	187,700	CFM56-7B27E/F	\$ 55,440,000
737-924ER	Sep-2014	44564	N69833	187,700	CFM56-7B27E/F	\$ 55,530,000
737-924ER	Sep-2014	44565	N68834	187,700	CFM56-7B27E/F	\$ 55,530,000
737-924ER	Oct-2014	60087	N69835	187,700	CFM56-7B27E/F	\$ 55,620,000
737-924ER	Oct-2014	60088	N68836	187,700	CFM56-7B27E/F	\$ 55,620,000
737-924ER	Nov-2014	60121	N66837	187,700	CFM56-7B27E/F	\$ 55,710,000
737-924ER	Nov-2014	60122	N69838	187,700	CFM56-7B27E/F	\$ 55,710,000
737-924ER	Dec-2014	60316	N69839	187,700	CFM56-7B27E/F	\$ 55,800,000
737-924ER	Jan-2015	42181	N66841	187,700	CFM56-7B27E/F	\$ 55,900,000
737-924ER	Jan-2015	42182	N68842	187,700	CFM56-7B27E/F	\$ 55,900,000
737-924ER	Jan-2015	42183	N68843	187,700	CFM56-7B27E/F	\$ 55,900,000
737-924ER	Feb-2015	60317	N69840	187,700	CFM56-7B27E/F	\$ 55,990,000
737-924ER	Feb-2015	42184	N64844	187,700	CFM56-7B27E/F	\$ 55,990,000
737-924ER	Feb-2015	42185	N67845	187,700	CFM56-7B27E/F	\$ 55,990,000
737-924ER	Feb-2015	42186	N67846	187,700	CFM56-7B27E/F	\$ 55,990,000
737-924ER	Mar-2015	42187	N69847	187,700	CFM56-7B27E/F	\$ 56,080,000
737-924ER	Mar-2015	42188	N66848	187,700	CFM56-7B27E/F	\$ 56,080,000
787-8	May-2014	34828	N49911	502,500	GEEx-1B70	\$ 132,880,000
787-8	Oct-2014	35879	N28912	502,500	GEEx-1B70	\$ 133,990,000
787-9	Sep-2014	36402	N19951	553,000	GEEx-1B74/75	\$ 157,670,000
787-9	Jan-2015	36403	N26952	553,000	GEEx-1B74/75	\$ 158,710,000
787-9	Mar-2015	36404	N35953	553,000	GEEx-1B74/75	\$ 159,240,000
787-9	Mar-2015	36405	N13954	553,000	GEEx-1B74/75	\$ 159,240,000

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**Table II**

Aircraft Type	Delivery Date	Aircraft Registration Number	MTOW (Lbs.)	Engines	New Base Value Delivery Date U.S. Dollars
ERJ 175 LR	Mar-2014	N88301	85,517	CF34-8E5	\$ 31,210,000
ERJ 175 LR	Apr-2014	N87302	85,517	CF34-8E5	\$ 31,260,000
ERJ 175 LR	Apr-2014	N87303	85,517	CF34-8E5	\$ 31,260,000
ERJ 175 LR	Jun-2014	N89304	85,517	CF34-8E5	\$ 31,370,000
ERJ 175 LR	Jul-2014	N93305	85,517	CF34-8E5	\$ 31,420,000
ERJ 175 LR	Jul-2014	N87306	85,517	CF34-8E5	\$ 31,420,000
ERJ 175 LR	Aug-2014	N84307	85,517	CF34-8E5	\$ 31,470,000
ERJ 175 LR	Sep-2014	N89308	85,517	CF34-8E5	\$ 31,520,000
ERJ 175 LR	Oct-2014	N86309	85,517	CF34-8E5	\$ 31,570,000
ERJ 175 LR	Oct-2014	N88310	85,517	CF34-8E5	\$ 31,570,000
ERJ 175 LR	Oct-2014	N86311	85,517	CF34-8E5	\$ 31,570,000
ERJ 175 LR	Nov-2014	N86312	85,517	CF34-8E5	\$ 31,630,000
ERJ 175 LR	Nov-2014	N89313	85,517	CF34-8E5	\$ 31,630,000
ERJ 175 LR	Nov-2014	N82314	85,517	CF34-8E5	\$ 31,630,000
ERJ 175 LR	Dec-2014	N89315	85,517	CF34-8E5	\$ 31,680,000
ERJ 175 LR	Dec-2014	N86316	85,517	CF34-8E5	\$ 31,680,000
ERJ 175 LR	Dec-2014	N89317	85,517	CF34-8E5	\$ 31,680,000
ERJ 175 LR	Feb-2015	N87318	85,517	CF34-8E5	\$ 31,780,000
ERJ 175 LR	Feb-2015	N87319	85,517	CF34-8E5	\$ 31,780,000
ERJ 175 LR	Mar-2015	N85320	85,517	CF34-8E5	\$ 31,840,000
ERJ 175 LR	Mar-2015	N89321	85,517	CF34-8E5	\$ 31,840,000

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18 March 2014

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Unless otherwise agreed by Aircraft Information Services, Inc. (AIS) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AIS has no past, present, or anticipated future interest in any of the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. AIS certifies that this report has been independently prepared and it reflects AIS's conclusions and opinions which are judgments that reflect conditions and values current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AIS shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any party's action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

***AIRCRAFT INFORMATION SERVICES, INC.***

Dave Miller

Appraiser

Fred Bearden

Certified Senior Appraiser

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1295 Northern Boulevard  
Manhasset, New York 11030  
(516) 365-6272 · Fax (516) 365-6287

March 20, 2014

Mr. Gerry Laderman

Senior Vice President Finance, Procurement & Treasurer

United Airlines, Inc.

233 S. Wacker Drive, 14<sup>th</sup> Floor HDQFT

Chicago, IL 60606

Dear Mr. Laderman:

In response to your request, BK Associates, Inc. is pleased to provide our opinion regarding the Base Values (BV) for 28 Boeing aircraft and 21 Embraer aircraft in the United Airlines, Inc. ( United ) fleet. The Aircraft include two B787-8s, four B787-9s, 22 B737-924ERs and 21 ERJ 175 LRs scheduled for future delivery to United and identified as United 2014-1 EETC . Each of the Boeing Aircraft is further identified by type, manufacturer s serial number, registration number, date of manufacture, engine type/variant and maximum takeoff weight in the attached Figure 1. Corresponding identification, except for the manufacturer s serial numbers which are not available, for the Embraer Aircraft is in Figure 2.

Values of the Aircraft reflect the new aircraft delivery maintenance configuration.

**Definitions**

According to the International Society of Transport Aircraft Trading s (ISTAT) definition of Base Value, to which BK Associates subscribes, the base value is the Appraiser s opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its highest and best use . An aircraft s base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm s length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. The base value normally refers to a transaction involving a single aircraft. When multiple aircraft are acquired in the same transaction, the trading price of each unit may be discounted.

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United Airlines, Inc.

March 20, 2014

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**Market Discussion & Methodology**

For a newly delivered aircraft one can argue that, almost by definition, the base value is approximately equal to the actual selling price. Without the existence of white tails or finished aircraft for which there is no buyer, the very existence of a buyer and seller at the agreed price suggests the market is in balance and the purchase price is the base value.

We do not know the new purchase price of the Aircraft but we do know the current published Boeing list price averages \$94.6 million for the B737-900ERs depending on the configuration and options. For the B787-8, it is \$206.8 million and for the B787-9, it is \$243.6 million. The list price for the ERJ 175 LRs averages \$46.8 million. We also know that nobody pays list price and the discount is normally at least 15 percent with much larger discounts often applied for buyers placing large orders. Recent reports indicate it is not uncommon to see discounts of 35 to 45 percent from the list price. Because of confidential actual transaction prices some of our clients have shared with us, we are convinced a typical new price for a B737-900ER aircraft is in the \$51 to \$52 million range. For the B787-8 which we understand has overhead flight crew and cabin crew rests which add to its value, about \$133.50 million and, for the B787-9, about \$148.50 million. We concluded that the new price of your B737-924ER aircraft with CFM56-7B27 engines ranges from \$53.35 to \$53.85 million during the term of the deliveries. For your B787-8 aircraft, considering the engine choice, takeoff and escalation during the period, we concluded that the new price ranges from \$134.30 to \$135.85 million. The B787-9 aircraft, equipped with GENx-1B74/75 engines and a takeoff weight of 553,000 pounds and overhead crew rest, has a new price range of \$149.40 to \$150.85 million. Similarly, for the ERJ 175 LRs we are aware of some deliveries that suggest the discount is usually 40 percent. We concluded your ERJ 175 LRs have a current new value of \$27.5 million, escalating to \$27.9 million by year-end.

**Assumptions & Disclaimer**

It should be understood that BK Associates has neither inspected the Aircraft nor the related maintenance records, but has relied upon the information provided by you and in the BK Associates database. The assumptions have been made that all Airworthiness Directives have been complied with; accident damage has not been incurred that would affect market values; and maintenance has been accomplished in accordance with a civil airworthiness authority's approved maintenance program and accepted industry standards. Further, we have assumed unless otherwise stated, that each Aircraft is in typical configuration for the type and has accumulated an average number of hours and cycles. Deviations from these assumptions can change significantly our opinion regarding the values.

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United Airlines, Inc.

March 20, 2014

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BK Associates, Inc. has no present or contemplated future interest in the Aircraft, nor any interest that would preclude our making a fair and unbiased estimate. This appraisal represents the opinion of BK Associates, Inc. and reflects our best judgment based on the information available to us at the time of preparation and the time and budget constraints imposed by the client. It is not given as a recommendation, or as an inducement, for any financial transaction and further, BK Associates, Inc. assumes no responsibility or legal liability for any action taken or not taken by the addressee, or any other party, with regard to the appraised equipment. By accepting this appraisal, the addressee agrees that BK Associates, Inc. shall bear no such responsibility or legal liability. This appraisal is prepared for the use of the addressee and shall not be provided to other parties without the express consent of the addressee.

Sincerely,

BK ASSOCIATES, INC.

David Griffin  
Associate

DG/kf  
Attachment

John F. Keitz  
President  
ISTAT Senior Certified Appraiser

And Appraiser Fellow

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Figure 1

**UNITED AIRLINES, INC.****2014-1 EETC****PORTFOLIO****February 2014**

		<b>Registration</b>	<b>Mfgr.</b>			<b>Engine</b>	<b>US \$ (Mil)</b>
	<b>Airframe</b>	<b>No.</b>	<b>Date</b>	<b>MTOW</b>		<b>Type</b>	<b>BV</b>
<b>Type</b>	<b>Serial #</b>						
1	737-924ER	44581	N67827	Jun-14	187,700	CFM56-7B27	53.35
2	737-924ER	44580	N66828	Jun-14	187,700	CFM56-7B27	53.35
3	737-924ER	44561	N69829	Jun-14	187,700	CFM56-7B27	53.35
4	737-924ER	44560	N69830	Jul-14	187,700	CFM56-7B27	53.35
5	737-924ER	44562	N66831	Aug-14	187,700	CFM56-7B27	53.35
6	737-924ER	44563	N65832	Aug-14	187,700	CFM56-7B27	53.35
7	737-924ER	44564	N69833	Sep-14	187,700	CFM56-7B27	53.35
8	737-924ER	44565	N68834	Sep-14	187,700	CFM56-7B27	53.35
9	737-924ER	60087	N69835	Oct-14	187,700	CFM56-7B27	53.70
10	737-924ER	60088	N68836	Oct-14	187,700	CFM56-7B27	53.70
11	737-924ER	60121	N66837	Nov-14	187,700	CFM56-7B27	53.70
12	737-924ER	60122	N69838	Nov-14	187,700	CFM56-7B27	53.70
13	737-924ER	60316	N69839	Dec-14	187,700	CFM56-7B27	53.70
14	737-924ER	42181	N66841	Jan-15	187,700	CFM56-7B27	53.85
15	737-924ER	42182	N68842	Jan-15	187,700	CFM56-7B27	53.85
16	737-924ER	42183	N68843	Jan-15	187,700	CFM56-7B27	53.85
17	737-924ER	42184	N64844	Feb-15	187,700	CFM56-7B27	53.85
18	737-924ER	42185	N67845	Feb-15	187,700	CFM56-7B27	53.85
19	737-924ER	42186	N67846	Feb-15	187,700	CFM56-7B27	53.85
20	737-924ER	60317	N69840	Feb-15	187,700	CFM56-7B27	53.85
21	737-924ER	42187	N69847	Mar-15	187,700	CFM56-7B27	53.85
22	737-924ER	42188	N66848	Mar-15	187,700	CFM56-7B27	53.85
1	787-8	34828	N49911	May-14	502,500	GEnx-1B70	134.30
2	787-8	35879	N28912	Oct-14	502,500	GEnx-1B70	135.85
3	787-9	36402	N19951	Sep-14	553,000	GEnx-1B74/75	149.40
4	787-9	36403	N26952	Jan-15	553,000	GEnx-1B74/75	150.85
5	787-9	36404	N35953	Mar-15	553,000	GEnx-1B74/75	150.85
6	787-9	36405	N13954	Mar-15	553,000	GEnx-1B74/75	150.85

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Figure 2

**UNITED AIRLINES, INC.****2014-1 EETC****PORTFOLIO****February 2014**

	<b>Mfgr.</b>	<b>Registration</b>	<b>Mfgr.</b>		<b>Engine</b>	<b>US \$ (Mil)</b>	
<b>Type</b>	<b>Serial #</b>	<b>No.</b>	<b>Date</b>	<b>MTOW</b>	<b>Type</b>	<b>BV</b>	
1	ERJ 175 LR	TBD	N88301	Mar-14	85,517	CF34-8E5	27.50
2	ERJ 175 LR	TBD	N87302	Apr-14	85,517	CF34-8E5	27.60
3	ERJ 175 LR	TBD	N87303	Apr-14	85,517	CF34-8E5	27.60
4	ERJ 175 LR	TBD	N89304	Jun-14	85,517	CF34-8E5	27.60
5	ERJ 175 LR	TBD	N93305	Jul-14	85,517	CF34-8E5	27.70
6	ERJ 175 LR	TBD	N87306	Jul-14	85,517	CF34-8E5	27.70
7	ERJ 175 LR	TBD	N84307	Aug-14	85,517	CF34-8E5	27.70
8	ERJ 175 LR	TBD	N89308	Sep-14	85,517	CF34-8E5	27.70
9	ERJ 175 LR	TBD	N86309	Oct-14	85,517	CF34-8E5	27.80
10	ERJ 175 LR	TBD	N88310	Oct-14	85,517	CF34-8E5	27.80
11	ERJ 175 LR	TBD	N86311	Oct-14	85,517	CF34-8E5	27.80
12	ERJ 175 LR	TBD	N86312	Nov-14	85,517	CF34-8E5	27.80
13	ERJ 175 LR	TBD	N89313	Nov-14	85,517	CF34-8E5	27.80
14	ERJ 175 LR	TBD	N82314	Nov-14	85,517	CF34-8E5	27.80
15	ERJ 175 LR	TBD	N89315	Dec-14	85,517	CF34-8E5	27.80
16	ERJ 175 LR	TBD	N86316	Dec-14	85,517	CF34-8E5	27.80
17	ERJ 175 LR	TBD	N89317	Dec-14	85,517	CF34-8E5	27.80
18	ERJ 175 LR	TBD	N87318	Feb-15	85,517	CF34-8E5	27.90
19	ERJ 175 LR	TBD	N87319	Feb-15	85,517	CF34-8E5	27.90
20	ERJ 175 LR	TBD	N85320	Mar-15	85,517	CF34-8E5	27.90
21	ERJ 175 LR	TBD	N89321	Mar-15	85,517	CF34-8E5	27.90

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**aviation consulting**

**Desktop Appraisal of:**

Forty-Nine (49) Various Aircraft BV Only

**Client:**

United Airlines, Inc.

**Date:**

March 10, 2014

**Washington D.C.**

2101 Wilson Boulevard  
Suite 1001  
Arlington, Virginia 22201  
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V.	<u>Covenants</u>	Page	25

**Morten Beyer & Agnew** ( mba ) has been retained by United Airlines, Inc. (the Client ), to provide a Desktop Appraisal to determine the Base Value, at delivery, of twenty-two (22) new 737-924ER aircraft, two (2) 787-8 aircraft and four (4) 787-9 aircraft and twenty-one (21) ERJ 175 LR aircraft, as of March 2014. These aircraft are fully identified in Section IV of this report.

In performing this appraisal, mba relied on industry knowledge and intelligence, confidentially obtained data points, its market expertise and current analysis of market trends and conditions, along with information from its semiannual publication mba **Future Aircraft Values ( FAV ) Jet Transport Plus, January 2014**.

Based on the information set forth in this report, it is our opinion that the Base Value of the aircraft in this portfolio are as follows and as set forth in Section IV.

	<b>Base Value (\$USD)</b>
<b>49 Aircraft (Portfolio Total)</b>	<b>\$2,545,310,000</b>

Section II of this report presents definitions of various terms, such as Current Base Value as promulgated by the Appraisal Program of the International Society of Transport Aircraft Trading ( ISTAT ). ISTAT is a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, brokers, and others who have a vested interest in the commercial aviation industry and who have established a technical and ethical certification program for expert appraisers.

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**II. Definitions**

***Desktop Appraisal***

A desktop appraisal is one which does not include any inspection of the aircraft or review of its maintenance records. It is based upon assumed aircraft condition and maintenance status or information provided to the appraiser or from the appraiser's own database. A desktop appraisal would normally provide a value for a mid-time, mid-life aircraft (ISTAT Handbook).

***Base Value***

ISTAT defines Base Value ( BV ) as the Appraiser's opinion of the underlying economic value of an aircraft, engine, or inventory of aircraft parts/equipment (hereinafter referred to as the asset ), in an open, unrestricted, stable market environment with a reasonable balance of supply and demand. Full consideration is assumed of its highest and best use . An asset's Base Value is founded in the historical trend of values and in the projection of value trends and presumes an arm's-length, cash transaction between willing, able, and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. In most cases, the Base Value of an asset assumes the physical condition is average for an asset of its type and age. It further assumes the maintenance time/life status is at mid-time, mid-life (or benefiting from an above-average maintenance status if it is new or nearly new, as the case may be). Since Base Value pertains to a somewhat idealized asset and market combination it may not necessarily reflect the actual current value of the asset in question, but is a nominal starting value to which adjustments may be applied to determine an actual value. Because it is related to long-term market trends, the Base Value definition is commonly applied to analyses of historical values and projections of residual values.

**Qualifications**

mba is a recognized provider of aircraft and aviation-related asset appraisals and inspections. mba and its principals have been providing appraisal services to the aviation industry for over 20 years; and its employees adhere to the rules and ethics set forth by the International Society of Transport Aircraft Trading ( ISTAT ). mba employs three ISTAT Certified Appraisers, one of the largest certified staff in the industry. mba's clients include most of the world's major airlines, lessors, financial institutions, and manufacturers and suppliers. mba maintains offices in Washington, Frankfurt, and Singapore.

mba publishes the semiannual *Future Aircraft Values* ( FAV ), a two-volume compendium of current and projected aircraft values for the next 20 years for over 150 types of jet, turboprop, and cargo aircraft.

mba also provides consulting services to the industry relating to operations, marketing, and management with emphasis on financial/operational analysis, airline safety audits and certification, utilizing hands-on solutions to current situations. mba also provides expert testimony and witness support on cases involving collateral/asset disputes, bankruptcies, financial operations, safety, regulatory and maintenance concerns.

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**III. Current Market Conditions**

***General Market Observation 1<sup>st</sup> Quarter 2014***

After 100 years, the global aviation industry now carries more than 8 million passengers on more than 80,000 departures every day and supports 57 million jobs (IATA). The importance of the global aviation industry to the global economy continues to grow every year and the world-wide performance in 2013 and forecasts for 2014 show no signs of abatement of this record.

An essential consideration in any appraisal is market condition at the time the valuation is rendered. In this section we describe market conditions associated with the valuation. The first part of this section provides a general market commentary which highlights current factors influencing aircraft values. The second part of this section contains the mba view of the current market situation for each aircraft type valued in this analysis.

Passenger demand and jet fuel prices are two of the most significant factors influencing commercial transport aircraft values. Increases in passenger demand have a positive impact while increases in fuel prices have a different impact depending on the technology level of the asset. There are many other considerations that drive values of a specific aircraft type and model including: age, number of operators, regional distribution, total number in use, production status, and order backlog, among others.

Passenger demand has been shown over the years to have a strong correlation with Gross Domestic Product ( GDP ). As shown in the following table, this correlation also extends to orders for new aircraft.

**Source: ACAS; iata.org; worldbank.org as of November 2013**

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Underlying all of this is the historical and future predicted passenger growth on the order of 5.0% per year by manufacturers and government agencies alike. Passenger growth has been short of the 5.0% predictions in the recent years but now is coming back to the average. The International Air Transport Association ( IATA ) reports that as of October 2013, year-to-date passenger growth reached 5.2%, a percentage point higher than the rate of growth in 2<sup>nd</sup> quarter of 2013.

According to IATA, international air traffic Year-To-Date ( YTD ) rose 5.3% year-over-year as of the end of November 2013, with airlines in all world regions seeing growth. Middle Eastern carriers experienced the strongest rate of increase, up 12.0%. Asia Pacific airlines had a solid performance with a 5.7% rise in international Revenue Passenger Kilometers ( RPKs ). The Asia Pacific economic growth and positive outlook have improved in part due to better performance of major advanced and developing economies, but there has also been resilience in domestic demand in economies like Korea and Malaysia. In Europe, modest economic improvements during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2013, along with increasing consumer and business confidence, provided a stronger demand base for international air travel, which rose 3.7% year-over-year as of November 2013, as reported by IATA. The Eurozone stopped contracting in the 2<sup>nd</sup> quarter of 2013 and has maintained the modest economic recovery in the 2<sup>nd</sup> half of 2013. Growth was also strong in Latin America, up 8.2% YTD year-over-year, buoyed by solid trade growth and business related travel. Economies such as Colombia, Peru, and Chile are expanding strongly and supporting demand for international air travel. In North America, the rise in international air traffic year-over-year was 2.8% as of November 2013. IATA reported growth for the entire YTD rate of 5.3% for international RPKs, 4.7% for domestic RPKs, and 5.1% for the total market are encouraging.

In another encouraging report on Asia Pacific airlines, CAPA Centre for Aviation concludes that 2014 will see a record level of start-up activity, as about ten new Low-Cost Carriers ( LCC ) are launched in the region. Currently, the 47 LCCs in the region are operating a total of nearly 1,000 aircraft with over 1,500 orders in place for new aircraft. Most of the existing LCCs added capacity at a double-digit clip in 2013.

Air freight continues to be a concern amid small gains in growth, which is volatile across all regions. In its November 2013 report, IATA released figures showing a 6.1% growth in demand for airfreight in November 2013 over the same month in 2012. This is an improvement on the 4.4% year-over-year expansion recorded in October 2013 and continues an improvement in the air cargo markets which has been developing over the past year with all regions reporting growth except for Latin America and Africa. Increased demand coupled with slower expansion in capacity helped to improve the average load factor to 49.2%, which is 0.7% above one year ago.

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Jet fuel prices continued to be volatile during the year 2013. According to U.S. Energy Information Administration ( EIA ) data, U.S. jet fuel inventories fell in mid-August 2013 to their lowest level since October 2008, as demand remained near five-year highs. Despite the increased demand, U.S. airlines spent less on fuel in November 2013 (USD\$3.59 billion) than in any month since February 2011 (USD\$3.30 billion), a good indicator of their adaptation since the record fuel prices in the last decade. Although fuel prices spiked in December 2013, most forecasts for 2014 are predicting a decline in average price to the range of USD\$107.00 USD\$112.00 per barrel.

Source: eia.gov

The manufacturers' order books and delivery reports are remarkably healthy with all-time records for the year's deliveries for both Airbus and Boeing totaling 1,274 aircraft. For the year 2013, Airbus had a net total of 1,503 aircraft orders. For the same year, Airbus delivered 626 aircraft and has an eight-year backlog of 5,559. Boeing booked a net total of 1,355 orders during 2013, the second highest in company history. Boeing delivered a total of 648 aircraft during the year, leaving a backlog of 5,080 aircraft. This increased activity has resulted in both manufacturers giving signs of increased production rates in the 2017 time frame.

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### **Boeing 737-900ER Current Market**

The Boeing 737-900 entered into service in 2001 with Alaska Airlines and ended production four years later, in 2005. In 2007, the 737-900ER was introduced in place of the 737-900 non-ER and entered into service with Lion Air as the newest member of the 737 NG family.

The 737-900ER features an additional pair of exit doors as well as a flat rear pressure bulkhead to increase interior accommodation to 180 passengers in a typical two class configuration or up to 215 passengers in a single class. The aircraft has the same external dimensions as the 737-900 but features an increased Maximum Take-Off Weight ( MTOW ) of 187,700 pounds, a 13,500 pound increase, strengthened landing gear and wing structures, up to two optional auxiliary fuel tanks and optional winglets. These improvements allow for a range of 3,265 nautical miles carrying 180 passengers with the installation of the two auxiliary fuel tanks and winglets.

### ***Overview***

#### **Positive**

Sole source engines ease remarketing to secondary operators.

Commonality with other 737NG variants may increase potential operator base when remarketing.

No aircraft of existing fleet currently parked.

Robust backlog.

#### **Neutral**

Introduction of 737MAX variant delays clean sheet replacement, but will likely affect values of only the youngest 737-900ER aircraft produced.

#### **Negative**

Backlog going forward likely to fade in favor of 737MAX, due to enter service in 2017.

Fleet concentration in hands of limited operators may have negative impact in future when the fleet moves on to second tier operators.

Program has not been as popular as that of its competitor, the A321-200.

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There are currently 220 active 737-900ERs with 15 operators.

<i>Fleet Status 737-900ER</i>	
Ordered	613
Cancelled/Transferred	77
Net Orders	536
Backlog	316
Delivered	220
Destroyed/Retired	0
Not in Service/Parked	0
Active Aircraft	220
Number of Operators	15
Average Daily Utilization (Hrs)	8.28
Average Fleet Age (Yrs)	2.58

Source: ACAS January 2014

The 737-900ER fleet has grown steadily since its introduction in 2007. The chart below depicts 737-900ER fleet development by year, as of January 1 of each year (2007 is not included as no aircraft were active as of January 1, 2007).

**Source: ACAS 2014**

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**Table of Contents*****Recent Developments***

In January 2014, Alaska Airlines purchased two additional 737-900ER aircraft (AviTrader).

In October 2013, El Al increased its order of 737-900ERs by two, bringing the total ordered by the operator to eight. The order came two weeks after El Al took delivery of its first of the type (Flightglobal).

At the Paris Airshow in June 2013, Oman Air announced an order for five 737-900ERs, becoming the first Gulf carrier of the type (AviTrader).

In June 2013, Aviation Partners Boeing secured a launch order from United Airlines for Split-Scimitar Winglets on the Client's 737-900ER aircraft, with type certification anticipated for February 2014. Split-Scimitar Winglets, standard on the upcoming 737MAX family, could potentially offer up to a 3.0% increase in fuel efficiency for the 737NG family (Speednews, AVN).

***Demographics & Availability***

United Airlines operates the largest fleet of 737-900ERs, accounting for 35.0% of the type. Indonesia's Lion Air is the second largest operator with 30.9%.

*Boeing 737-900ER Passenger Aircraft**Current Fleet by Operator*

<b>Operator</b>	<b>In Service</b>	<b>Parked</b>	<b>Total</b>	<b>Total %</b>
United Airlines	77		77	35.0%
Lion Air	68		68	30.9%
Delta Air Lines	14		14	6.4%
Alaska Airlines	14		14	6.4%
Turkish Airlines (THY)	10		10	4.5%
SpiceJet	6		6	2.7%
Batik Air	6		6	2.7%
Korean Air	6		6	2.7%
Malindo Air	6		6	2.7%
Ukraine International Airlines	3		3	1.4%
JetKonnnect	3		3	1.4%
Somon Air	2		2	0.9%
El Al	2		2	0.9%
Thai Lion Air	2		2	0.9%
Jet Airways	1		1	0.5%
<b>Grand Total</b>	<b>220</b>	<b>0</b>	<b>220</b>	<b>100.0%</b>

Source: ACAS January 2014

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North America is the most popular region with 47.7% of the 737-900ER world fleet. The Pacific Rim follows with 40.0% of the total fleet.

<i>Boeing 737-900ER Passenger Aircraft</i>				
<i>Current Fleet by Region</i>				
<b>Region</b>	<b>In Service</b>	<b>Parked</b>	<b>Total</b>	<b>Total %</b>
North America	105		105	47.7%
Pacific Rim	88		88	40.0%
Europe	15		15	6.8%
Asia	10		10	4.5%
Middle East	2		2	0.9%
<b>Grand Total</b>	<b>220</b>	<b>0</b>	<b>220</b>	<b>100.0%</b>

Source: ACAS January 2014

According to Airfax, as of March 2014, there are no Boeing 737-900ER aircraft available for sale or lease.

	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
737-900ER	2	2	2	2	2	0	0	0	0	0	0	0	0

Source: Airfax March 2013 March 2014

**Outlook**

The short- to mid-term outlook for the 737-900ER is favorable, even prior to the entry into service of the 737MAX variants. The aircraft has seen increased interest as operators move towards larger equipment, although the A321-200 still sees more success at this time. Particularly as the 757-200s are phased out of the fleets of their current operators, the 737-900ER will begin to fill the role of these aircraft. The long term outlook will be shaped by the presumed success of the 737MAX. While not a true clean sheet replacement, the modified variant represents a break in production and the last 737-900ERs manufactured will suffer the most from a value perspective. However, no technical obsolescence is expected for the foreseeable future as a result of the 737MAX entry into service.

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### **Boeing 787-8 Current Market**

The 787-8 was originally scheduled to perform its first flight in the second half of 2007 but it did not take place until late 2009. After many well publicized delays the aircraft was certified by both the US Federal Aviation Administration ( FAA ) and the European Aviation Safety Agency ( EASA ) in August 2011 with the first aircraft being delivered to All Nippon Airways ( ANA ) in September of the same year. On January 17, 2013, a year and a half after the first delivery, the FAA and subsequently EASA issued an emergency Airworthiness Directive ( AD ) which grounded all 787-8 aircraft due to a battery issue experienced during both ANA and Japan Airlines ( JAL ) flights. At the end of April 2013, the 787 was cleared to fly again by the FAA and EASA through the success of a number of battery tests.

#### *Overview*

#### **Positive**

Aircraft has become popular, receiving positive feedback from both current operators and passengers.

Production is now taking place in two facilities, increasing the output to meet demand.

Will accelerate the replacement of the 767 aircraft in the market.

Strong backlog and order book.

Offers leading technology, including a single composite material fuselage and wings, health-monitoring systems allowing the airplane to self-monitor and report maintenance requirements to ground crew, and new GE and Rolls-Royce fuel efficient engines.

Composite fuselage is expected to mitigate the maintenance costs and corrosion issues over the span of the aircraft's life.

#### **Neutral**

Engine choice positive for initial sales campaigns, but can limit remarketing opportunities downstream; this effect is mitigated by the sheer number of aircraft in fleet.

#### **Negative**

Great deal of work being performed on early production models (all aircraft built prior to line number 66 require re-work). Delays and specification issues have plagued the program.



Demand for the 787-8 has decreased as more operators move towards the 787-9.

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As of January 2014, there are 116 active 787-8s with 19 operators. The 5 parked aircraft are currently being held by The Boeing Company.

<i>Fleet Status</i>	787-8
Ordered	852
Cancelled/Transferred	379
Net Orders	473
Backlog	357
Delivered	116
Destroyed/Retired	0
Not in Service/Parked	5
Active Aircraft	116
Number of Operators	19
Average Daily Utilization (Hrs)	3.04
Average Fleet Age	0.99

Source: ACAS January 2014

***Recent Developments***

As of February 2014, there have been no new orders for the 787-8 since October 2013 when TUI Travel placed an additional order for two of the type (boeing.com).

In December 2013, Jetairfly, a TUI Travel subsidiary, received its first 787-8 aircraft (AviTrader).

In November 2013, the FAA issued an AD for GENx-1B powered 787 aircraft due to numerous reports of loss of thrust at high altitudes after icing inside the engines occurred. The AD advises operators to avoid flying high altitudes with possible ice crystal formation, such as in tropical climates with convective weather and also to have the engines inspected should the pilot accidentally fly through icing conditions (Flightglobal).

In October 2013, Jetstar received its first 787-8 aircraft. The airline has 13 additional 787s on order, with deliveries anticipated through 2015 (Boeing.com).

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**Table of Contents****Demographics & Availability**

ANA is currently the largest operator of active 787-8s with 19.8% of the active fleet.

<i>Boeing 787 Passenger Aircraft</i>				
<i>Current Fleet by Operator</i>				
<b>Customer Name</b>	<b>In Service</b>	<b>Parked</b>	<b>Total</b>	<b>Total %</b>
ANA All Nippon Airways	24		24	19.8%
Japan Airlines	13		13	10.7%
Air India	11		11	9.1%
Qatar Airways	9		9	7.4%
United Airlines	8		8	6.6%
China Southern Airlines	8		8	6.6%
The Boeing Company	1	5*	6	5.0%
Hainan Airlines	6		6	5.0%
Ethiopian Airlines	5		5	4.1%
LOT Polish Airlines	5		5	4.1%
LAN Airlines	5		5	4.1%
British Airways	4		4	3.3%
Thomson Airways	4		4	3.3%
Norwegian Long Haul	3		3	2.5%
Jetstar Airways	3		3	2.5%
Aeromexico	3		3	2.5%
Royal Brunei Airlines	2		2	1.7%
Abu Dhabi Presidential Flight	1		1	0.8%
Jetairfly	1		1	0.8%
<b>Grand Total</b>	<b>116</b>	<b>5</b>	<b>121</b>	<b>100.0%</b>

Source: ACAS January 2014

\*Aircraft are currently not suitable for sale

Currently, the Pacific Rim has the largest percentage of the 787 fleet in the world, with 46.3% in the region's possession. This can be largely attributed to the initial delivery to ANA and JAL at the beginning of production, but is expected to be more evenly distributed as Boeing increases production rates and more 787s enter the market.

<i>Boeing 787 Passenger Aircraft</i>				
<i>Current Fleet by World Region</i>				
<b>Customer Name</b>	<b>In Service</b>	<b>Parked</b>	<b>Total</b>	<b>Total %</b>
Pacific Rim	56		56	46.3%
Europe	17		17	14.0%

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North America	9	5	14	11.6%
Asia	11		11	9.1%
Middle East	10		10	8.3%
South America	8		8	6.6%
Africa	5		5	4.1%
<b>Grand Total</b>	<b>116</b>	<b>5</b>	<b>121</b>	<b>100.0%</b>

Source: ACAS January 2014

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There are currently no available 787-8s on the market due to the recent initial delivery dates and large backlog of aircraft.

***Outlook***

The newness of the 787 aircraft has affected the reliability and economic benefits alleged by Boeing as the aircraft is still undergoing upgrades and changes to meet operator's expectations. Values of the first built models remain under scrutiny as significant changes in the aircraft have increased the aircraft's current value. The production rate of the 787 is currently seven aircraft per month, recently increased from two and a half per month, and will take a number of years before the market is saturated enough to level the price impact. Values of aircraft off the production line after number 66 are expected to remain stable in the short to medium term. The recent grounding has led to some cancellations but the value of the aircraft is not anticipated to be heavily impacted by the disruption to service or the modification to their lithium-ion battery.

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**Table of Contents****Boeing 787-9 Current Market**

The 787-9 is the second variant of the 787 family. Due to delays with the 787-8, the 787-9's original delivery date was pushed back by four years, from 2010 to 2014. The 787-9 is presently undergoing flight tests, with three test aircraft currently flying. The first delivery for the 787-9 is anticipated for mid-2014 with launch customer Air New Zealand, who has 10 of the type on order. The 787-9 is 6 meters longer than the 787-8 and can carry 280 passengers in a typical three-class seating. The aircraft also has a MTOW of 553,000lbs, a 50,000lbs increase over the 787-8, providing the variant additional range.

***Overview*****Positive**

Strong order book, with many orders converted from the 787-8 to the larger 787-9, showing operator enthusiasm for the mid-size variant of the family.

As with the 787-8, the 787-9 offers leading technology, including a single composite material fuselage and wings, health-monitoring systems allowing the airplane to self-monitor and report maintenance requirements to the ground crew, and new GE and Rolls-Royce fuel efficient engines.

Composite fuselage is expected to mitigate the maintenance costs and corrosion issues over the span of the aircraft's life.

**Neutral**

Delays and groundings of the 787-8 may initially cause passenger hesitation toward flying on the 787-9. As of January 2014, there were 404 aircraft on order from 48 customers.

<i>Fleet Status</i>	787-9
Ordered	542
Cancelled/Transferred	138
Net Orders	404
Backlog	404
Delivered	0
Destroyed/Retired	0
Not in Service/Parked	0
Active Aircraft	0
Number of Customers	48

Source: ACAS & Boeing January 2014

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Based on the current backlog of all orders, 41.6% have chosen the GENx-1B engines, 22.5% have chosen the Rolls-Royce s Trent 1064 engines and 35.9% of the orders are undecided on engine type. mba expects the GE engines to remain the popular engine choice; however, mba assigns no value difference between the two engine types at this time.

<i>Boeing 787-9 Aircraft</i>		
<i>Current Fleet on Order by Engine Manufacturer</i>		
<b>Engine Type</b>	<b>Ordered</b>	<b>Concentration</b>
GENx-1B	168	41.6%
Trent 1064	91	22.5%
Undecided	145	35.9%
<b>Total</b>	<b>404</b>	<b>100.0%</b>

**Recent Developments**

In January 2014, Boeing flew the 787-9 to Auckland before continuing on to Australia for further testing. Air New Zealand will be the launch customer for the type, with first delivery anticipated for mid-2014 (Boeing.com).

In September 2013, Boeing completed the first flight test on the 787-9, with a total flying time of just over 5 hours, and announced it is still on track to deliver the type in 2014 (Boeing.com).

**Outlook**

After the delays and complications associated with the 787-8, the outlook for the 787-9 was uncertain. However, with positive feedback from the flight testing and continuous orders from customers, the 787-9 is on its way to becoming the workhorse of the family. Many 787-8 orders have been converted to the larger 787-9 and with the additional seating capacity, range, fuel efficiencies and growing order book, it is clear the type will be a success. mba s outlook for the 787-9 is positive with the expectation that values for the type will escalate as the aircraft continues to prove itself in the market.

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**Embraer 175 Current Market**

The ERJ 175 is the larger variant in the E-170/175 family. The ERJ 175 directly competes with the Bombardier CRJ-900. It also seeks to replace the market segment occupied by earlier competing designs such as the BAe 146 and Fokker 70. The 170 and 175 are powered with GE CF34-8E engines of 14,200 pounds (62.28 kN) thrust each.

The Embraer 170 was the first version produced. The prototype was rolled out on 29 October 2001, with first flight 119 days later on February 19. The aircraft was displayed to the public in May 2002 at the Regional Airline Association convention. After a positive response from the airline community, Embraer launched the ERJ 175. First flight of the stretched ERJ 175 was on June 2003. The first ERJ 175 was delivered to Air Canada and entered service in July 2005.

Embraer has developed several subsequent variants to the initial Embraer 175 with higher MTOW 175LR and 175AR models. While the Embraer 170 garnered more initial orders, after cancellations the Embraer 175 ended up with the larger net order book to date.

*Overview*

**Positive**

Very low percentage of existing fleet currently parked.

Sole source engines ease remarketing to secondary operators.

Versatile aircraft that can be utilized in a number of applications including regional, main line and low cost models.

Types have been replacing older, less fuel efficient models such as the Fokker 70/100 and BAe 146 & Avro series.

**Negative**

Backlog fading in favor of the Embraer 190 and the potential re-engined E Jets.

Demand for 70 seat market is declining.

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According to ACAS, as of January 2014 there were 183 active ERJ 175s with 15 operators.

**Fleet Status All Variants,**

<b>Passenger Aircraft</b>	<b>Embraer 175</b>
Ordered	473
Cancelled/Transferred	4
Net Orders	469
Backlog	286
Delivered	183
Destroyed/Retired	0
Not in Service/Parked	0
Active Aircraft	183
Number of Operators	15
Average Daily Utilization (Hrs)	6.90
Average Fleet Age (Yrs)	4.67

Source: ACAS January 2014

***Recent Developments***

In February 2014, Republic Airlines, currently the largest operator of ERJ 175 aircraft, stated it is not planning on growing its ERJ 175 fleet any further to accommodate American Airlines due to a pilot shortage (CAPA).

In January 2014, operator Envoy, formerly known as American Eagle Airlines, and the Airline Pilots Association reached an agreement that will allow Envoy to place an order for 60 ERJ 175 aircraft (CAPA).

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**Table of Contents***Demographics & Availability*

The largest operator of ERJ 175 aircraft is currently Republic Airlines with 57 active aircraft or 31.1% of the total fleet. Compass Airlines is the next largest operator with 19.7% of the fleet. With less than half of the ordered fleet delivered so far, the

*Embraer 175 Passenger Aircraft**Current In Service Fleet by Operator*

<b>Operator</b>	<b>Active</b>	<b>Parked</b>	<b>Total</b>	<b>Total %</b>
Republic Airlines	57		57	31.1%
Compass Airlines	36		36	19.7%
Shuttle America	16		16	8.7%
Sky Regional Airlines	15		15	8.2%
Alitalia Cityliner	14		14	7.7%
LOT Polish Airlines	12		12	6.6%
Flybe	11		11	6.0%
Oman Air	4		4	2.2%
TRIP	4		4	2.2%
Fuji Dream Airlines	4		4	2.2%
Royal Jordanian	3		3	1.6%
Aeromexico Connect	3		3	1.6%
Belavia	2		2	1.1%
Azul	1		1	0.5%
Air Lituanica	1		1	0.5%
<b>Grand Total</b>	<b>183</b>		<b>183</b>	<b>100.0%</b>

Source: ACAS January 2014

The North American region is by far the most significant for the type, with approximately 67.8% of the ERJ 175 aircraft fleet based there. Europe is a distant second, with 21.9% of the fleet operating in the region.

*Embraer 175 Passenger Aircraft**Current In Service Fleet by Region*

<b>Region</b>	<b>Active</b>	<b>Parked</b>	<b>Total</b>	<b>Total %</b>
North America	124		124	67.8%
Europe	40		40	21.9%
South America	8		8	4.4%
Middle East	7		7	3.8%
Pacific Rim	4		4	2.2%

<b>Grand Total</b>	<b>183</b>	<b>183</b>	<b>100.0%</b>
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Source: ACAS January 2014

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According to Airfax, as of March 2014 there are two Embraer 175 aircraft advertised as available for sale or lease.

**Source: Airfax March 2013 March 2014**

***Outlook***

The short term outlook for the Embraer 175 is favorable as it has a strong backlog and is the more popular of the smaller E-Jet variants. Embraer is also in the process of adding further improvements to the variant with complete implementation starting in April 2014. Enhancements include new wingtips, a redesigned tail cone, reduced horizontal tail gaps and additional airframe aerodynamic improvements, which overall will add up to an estimated 5.2% in fuel burn savings according to Embraer. mba believes that values will remain stable in the short to medium term as the aircraft's market presence will more than double in the coming years.

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**IV. Valuation**

In developing the values of the aircraft in this portfolio, mba did not inspect the aircraft or the records and documentation associated with the aircraft, but relied on partial information supplied by the Client. This information was not independently verified by mba. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of aircraft when more detailed information is not available.

The principal assumptions for the aircraft in this portfolio are as follows:

1. The aircraft is in good overall condition;
2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of mid-time/mid-life, or new, unless otherwise stated;
3. The historical maintenance documentation has been maintained to acceptable international standards;
4. The specifications of the aircraft are those most common for an aircraft of its type and vintage;
5. The aircraft is in a standard airline configuration;
6. Its modification status is comparable to that most common for an aircraft of its type and vintage;
7. Its utilization is comparable to industry averages;
8. There is no history of accident or incident damage; and
9. All future delivery aircraft are valued as new.

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No.	Aircraft Type	Aircraft Portfolio					Engine Type	Operator
		Serial Number	Registration	Manufacture Date	MTOW (lbs)			
1	737-924ER	44581	N67827	Jun-14	187,700	CFM56-7B27	United Airlines	
2	737-924ER	44580	N66828	Jun-14	187,700	CFM56-7B27	United Airlines	
3	737-924ER	44561	N69829	Jun-14	187,700	CFM56-7B27	United Airlines	
4	737-924ER	44560	N69830	Jul-14	187,700	CFM56-7B27	United Airlines	
5	737-924ER	44562	N66831	Aug-14	187,700	CFM56-7B27	United Airlines	
6	737-924ER	44563	N65832	Aug-14	187,700	CFM56-7B27	United Airlines	
7	737-924ER	44564	N69833	Sep-14	187,700	CFM56-7B27	United Airlines	
8	737-924ER	44565	N68834	Sep-14	187,700	CFM56-7B27	United Airlines	
9	737-924ER	60087	N69835	Oct-14	187,700	CFM56-7B27	United Airlines	
10	737-924ER	60088	N68836	Oct-14	187,700	CFM56-7B27	United Airlines	
11	737-924ER	60121	N66837	Nov-14	187,700	CFM56-7B27	United Airlines	
12	737-924ER	60122	N69838	Nov-14	187,700	CFM56-7B27	United Airlines	
13	737-924ER	60316	N69839	Dec-14	187,700	CFM56-7B27	United Airlines	
14	737-924ER	42181	N66841	Jan-15	187,700	CFM56-7B27	United Airlines	
15	737-924ER	42182	N68842	Jan-15	187,700	CFM56-7B27	United Airlines	
16	737-924ER	42183	N68843	Jan-15	187,700	CFM56-7B27	United Airlines	
17	737-924ER	60317	N69840	Feb-15	187,700	CFM56-7B27	United Airlines	
18	737-924ER	42184	N64844	Feb-15	187,700	CFM56-7B27	United Airlines	
19	737-924ER	42185	N67845	Feb-15	187,700	CFM56-7B27	United Airlines	
20	737-924ER	42186	N67846	Feb-15	187,700	CFM56-7B27	United Airlines	
21	737-924ER	42187	N69847	Mar-15	187,700	CFM56-7B27	United Airlines	
22	737-924ER	42188	N66848	Mar-15	187,700	CFM56-7B27	United Airlines	
23	787-8	34828	N49911	May-14	502,500	GENx-1B70	United Airlines	
24	787-8	35879	N28912	Oct-14	502,500	GENx-1B70	United Airlines	
25	787-9	36402	N19951	Sep-14	553,000	GENx-1B74/75	United Airlines	
26	787-9	36403	N26952	Jan-15	553,000	GENx-1B74/75	United Airlines	
27	787-9	36404	N35953	Mar-15	553,000	GENx-1B74/75	United Airlines	
28	787-9	36405	N13954	Mar-15	553,000	GENx-1B74/75	United Airlines	
29	ERJ 175 LR	TBA	N88301	Mar-14	85,517	CF34-8E5	United Airlines	
30	ERJ 175 LR	TBA	N87302	Apr-14	85,517	CF34-8E5	United Airlines	
31	ERJ 175 LR	TBA	N87303	Apr-14	85,517	CF34-8E5	United Airlines	
32	ERJ 175 LR	TBA	N89304	Jun-14	85,517	CF34-8E5	United Airlines	
33	ERJ 175 LR	TBA	N93305	Jul-14	85,517	CF34-8E5	United Airlines	
34	ERJ 175 LR	TBA	N87306	Jul-14	85,517	CF34-8E5	United Airlines	
35	ERJ 175 LR	TBA	N84307	Aug-14	85,517	CF34-8E5	United Airlines	
36	ERJ 175 LR	TBA	N89308	Sep-14	85,517	CF34-8E5	United Airlines	
37	ERJ 175 LR	TBA	N86309	Oct-14	85,517	CF34-8E5	United Airlines	
38	ERJ 175 LR	TBA	N88310	Oct-14	85,517	CF34-8E5	United Airlines	

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<b>No.</b>	<b>Aircraft Type</b>	<b>Serial Number</b>	<b>Registration</b>	<b>Manufacture Date</b>	<b>MTOW (lbs)</b>	<b>Engine Type</b>	<b>Operator</b>
39	ERJ 175 LR	TBA	N86311	Oct-14	85,517	CF34-8E5	United Airlines
40	ERJ 175 LR	TBA	N86312	Nov-14	85,517	CF34-8E5	United Airlines
41	ERJ 175 LR	TBA	N89313	Nov-14	85,517	CF34-8E5	United Airlines
42	ERJ 175 LR	TBA	N82314	Nov-14	85,517	CF34-8E5	United Airlines
43	ERJ 175 LR	TBA	N89315	Dec-14	85,517	CF34-8E5	United Airlines
44	ERJ 175 LR	TBA	N86316	Dec-14	85,517	CF34-8E5	United Airlines
45	ERJ 175 LR	TBA	N89317	Dec-14	85,517	CF34-8E5	United Airlines
46	ERJ 175 LR	TBA	N87318	Feb-15	85,517	CF34-8E5	United Airlines
47	ERJ 175 LR	TBA	N87319	Feb-15	85,517	CF34-8E5	United Airlines
48	ERJ 175 LR	TBA	N85320	Mar-15	85,517	CF34-8E5	United Airlines
49	ERJ 175 LR	TBA	N89321	Mar-15	85,517	CF34-8E5	United Airlines

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**Table of Contents****Portfolio Valuations**

(\$USD Million)

No.	Aircraft Type	Serial Number	Registration	Manufacture Date	BV w/Newness	MTOW		Engine	
						Adj.	Adj.	BV New Aircraft	
1	737-924ER	44581	N67827	Jun-14	\$51.40	\$0.74	\$0.20	\$52.34	
2	737-924ER	44580	N66828	Jun-14	\$51.40	\$0.74	\$0.20	\$52.34	
3	737-924ER	44561	N69829	Jun-14	\$51.40	\$0.74	\$0.20	\$52.34	
4	737-924ER	44560	N69830	Jul-14	\$51.45	\$0.74	\$0.20	\$52.39	
5	737-924ER	44562	N66831	Aug-14	\$51.49	\$0.74	\$0.20	\$52.43	
6	737-924ER	44563	N65832	Aug-14	\$51.49	\$0.74	\$0.20	\$52.43	
7	737-924ER	44564	N69833	Sep-14	\$51.53	\$0.74	\$0.20	\$52.47	
8	737-924ER	44565	N68834	Sep-14	\$51.53	\$0.74	\$0.20	\$52.47	
9	737-924ER	60087	N69835	Oct-14	\$51.57	\$0.74	\$0.20	\$52.51	
10	737-924ER	60088	N68836	Oct-14	\$51.57	\$0.74	\$0.20	\$52.51	
11	737-924ER	60121	N66837	Nov-14	\$51.62	\$0.74	\$0.20	\$52.56	
12	737-924ER	60122	N69838	Nov-14	\$51.62	\$0.74	\$0.20	\$52.56	
13	737-924ER	60316	N69839	Dec-14	\$51.66	\$0.74	\$0.20	\$52.60	
14	737-924ER	42181	N66841	Jan-15	\$51.70	\$0.74	\$0.20	\$52.64	
15	737-924ER	42182	N68842	Jan-15	\$51.70	\$0.74	\$0.20	\$52.64	
16	737-924ER	42183	N68843	Jan-15	\$51.70	\$0.74	\$0.20	\$52.64	
17	737-924ER	60317	N69840	Feb-15	\$51.74	\$0.74	\$0.20	\$52.68	
18	737-924ER	42184	N64844	Feb-15	\$51.74	\$0.74	\$0.20	\$52.68	
19	737-924ER	42185	N67845	Feb-15	\$51.74	\$0.74	\$0.20	\$52.68	
20	737-924ER	42186	N67846	Feb-15	\$51.74	\$0.74	\$0.20	\$52.68	
21	737-924ER	42187	N69847	Mar-15	\$51.79	\$0.74	\$0.20	\$52.73	
22	737-924ER	42188	N66848	Mar-15	\$51.79	\$0.74	\$0.20	\$52.73	
23	787-8	34828	N49911	May-14	\$117.89	\$0.00	\$0.00	\$117.89	
24	787-8	35879	N28912	Oct-14	\$118.39	\$0.00	\$0.00	\$118.39	
25	787-9	36402	N19951	Sep-14	\$133.18	\$0.00	\$0.00	\$133.18	
26	787-9	36403	N26952	Jan-15	\$133.62	\$0.00	\$0.00	\$133.62	
27	787-9	36404	N35953	Mar-15	\$133.84	\$0.00	\$0.00	\$133.84	
28	787-9	36405	N13954	Mar-15	\$133.84	\$0.00	\$0.00	\$133.84	
29	ERJ 175 LR	TBA	N88301	Mar-14	\$29.15	\$0.14	\$0.00	\$29.29	
30	ERJ 175 LR	TBA	N87302	Apr-14	\$29.17	\$0.14	\$0.00	\$29.31	
31	ERJ 175 LR	TBA	N87303	Apr-14	\$29.17	\$0.14	\$0.00	\$29.31	
32	ERJ 175 LR	TBA	N89304	Jun-14	\$29.22	\$0.14	\$0.00	\$29.36	
33	ERJ 175 LR	TBA	N93305	Jul-14	\$29.25	\$0.14	\$0.00	\$29.39	
34	ERJ 175 LR	TBA	N87306	Jul-14	\$29.25	\$0.14	\$0.00	\$29.39	
35	ERJ 175 LR	TBA	N84307	Aug-14	\$29.27	\$0.14	\$0.00	\$29.41	
36	ERJ 175 LR	TBA	N89308	Sep-14	\$29.29	\$0.14	\$0.00	\$29.43	
37	ERJ 175 LR	TBA	N86309	Oct-14	\$29.32	\$0.14	\$0.00	\$29.46	
38	ERJ 175 LR	TBA	N88310	Oct-14	\$29.32	\$0.14	\$0.00	\$29.46	
39	ERJ 175 LR	TBA	N86311	Oct-14	\$29.32	\$0.14	\$0.00	\$29.46	

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No.	Aircraft Type	Serial Number	Registration	Manufacture Date	BV w/Newness	MTOW Adj.	Engine Adj.	BV New Aircraft
40	ERJ 175 LR	TBA	N86312	Nov-14	\$29.34	\$0.14	\$0.00	\$29.48
41	ERJ 175 LR	TBA	N89313	Nov-14	\$29.34	\$0.14	\$0.00	\$29.48
42	ERJ 175 LR	TBA	N82314	Nov-14	\$29.34	\$0.14	\$0.00	\$29.48
43	ERJ 175 LR	TBA	N89315	Dec-14	\$29.37	\$0.14	\$0.00	\$29.51
44	ERJ 175 LR	TBA	N86316	Dec-14	\$29.37	\$0.14	\$0.00	\$29.51
45	ERJ 175 LR	TBA	N89317	Dec-14	\$29.37	\$0.14	\$0.00	\$29.51
46	ERJ 175 LR	TBA	N87318	Feb-15	\$29.41	\$0.14	\$0.00	\$29.55
47	ERJ 175 LR	TBA	N87319	Feb-15	\$29.41	\$0.14	\$0.00	\$29.55
48	ERJ 175 LR	TBA	N85320	Mar-15	\$29.44	\$0.14	\$0.00	\$29.58
49	ERJ 175 LR	TBA	N89321	Mar-15	\$29.44	\$0.14	\$0.00	\$29.58
<b>Total</b>					<b>\$2,521.69</b>	<b>\$19.22</b>	<b>\$4.40</b>	<b>\$2,545.31</b>

**Legend For Portfolio Valuation**

BVw/Newness	Base Value Adjusted for Month of Build
MTOW Adj	Maximum Take Off Weight Adjustment
Engine Adj	Adjustment for Engine Type
BV New Aircraft	Base Value for New Aircraft, Adjusted for MTOW and Newness

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**V. Covenants**

This report has been prepared for the exclusive use of United Airlines, Inc. and shall not be provided to other parties by mba without the express consent of United Airlines, Inc. mba certifies that this report has been independently prepared and that it fully and accurately reflects mba's opinion as to the Base Value, as requested and outlined in Section IV. mba further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft and engine.

This report represents the opinion of mba as to the Base Value, at delivery, of the subject aircraft as requested and is intended to be advisory only, in nature. Therefore, mba assumes no responsibility or legal liability for any actions taken, or not taken, by United Airlines, Inc. or any other party with regard to the subject aircraft and engine. By accepting this report, all parties agree that mba shall bear no such responsibility or legal liability.

PREPARED BY:

Lindsey Mohr

Valuations Analyst

Morten Beyer & Agnew

March 10, 2014

REVIEWED BY:

Thomas E. Burke

Managing Director- Valuations

Morten Beyer & Agnew

ISTAT Certified Appraiser

United Airlines, Inc.

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**Table of Contents****APPENDIX III LOAN TO VALUE RATIO TABLES**

The following tables set forth loan to Aircraft value ratios for the Equipment Notes that may be issued in respect of each of the 25 aircraft that may be financed pursuant to this Offering (assuming that United selects from the aircraft of each model eligible to be financed pursuant to this Offering the aircraft of such model with the earliest scheduled delivery dates from the manufacturer), as of initial issuance and the Regular Distribution Dates thereafter. The loan to value ratio was obtained by dividing (i) the outstanding balance (assuming no payment default) of such Equipment Notes plus, in the case of the Series B Equipment Notes, the outstanding balance (assuming no payment default) of the Series A Equipment Notes, determined immediately after giving effect to the payments scheduled to be made on each such Regular Distribution Date by (ii) the appraised value of the Aircraft securing such Equipment Notes (see

Description of the Aircraft and the Appraisals The Appraisals ), subject to the Depreciation Assumption . The Depreciation Assumption contemplates that the value of each Aircraft at issuance of the Equipment Notes included in each table depreciates by approximately 3% of the initial appraised value per year after the year of delivery of such Aircraft, in each case prior to the final expected Regular Distribution Date. Other rates or methods of depreciation may result in materially different loan to Aircraft value ratios, and no assurance can be given (i) that the depreciation rates and method assumed for the purposes of the tables are the ones most likely to occur or (ii) as to the actual future value of any Aircraft. Thus, the tables should not be considered a forecast or prediction of expected or likely loan to Aircraft value ratios, but simply a mathematical calculation based on one set of assumptions. In addition, if United elects to finance under this Offering any of the last nine scheduled deliveries of the 22 Boeing 737-924ER aircraft, any of the last three scheduled deliveries of the four Boeing 787-9 aircraft or any of the last 12 scheduled deliveries of the 21 Embraer ERJ 175 LR aircraft eligible for such financing, the amortization schedule of the Equipment Notes for such aircraft will be the same as one of the aircraft of the same model listed below that has not been and will not be financed under this Offering. And, because the appraised values of these aircraft with later scheduled deliveries are not less than the earlier scheduled deliveries of the same model, the loan to value ratios for these aircraft with later scheduled deliveries will not be higher than the earlier scheduled deliveries of the same model set forth below.

**A. Boeing 737-924ER**

Date	N67827			Loan to Value Ratio	
	Assumed Aircraft Value	Outstanding Balance		Series	
		Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
April 11, 2015	51,749,500.00	28,809,000.00	8,323,000.00	55.7	71.8
October 11, 2015	50,949,250.00	27,749,622.03	7,866,401.88	54.5	69.9
April 11, 2016	50,149,000.00	27,000,004.20	7,499,742.32	53.8	68.8
October 11, 2016	49,348,750.00	26,250,499.17	7,133,170.17	53.2	67.6
April 11, 2017	48,548,500.00	25,501,112.47	6,766,689.69	52.5	66.5
October 11, 2017	47,748,250.00	24,751,849.97	6,400,305.45	51.8	65.2
April 11, 2018	46,948,000.00	24,002,717.94	6,034,022.30	51.1	64.0
October 11, 2018	46,147,750.00	23,253,723.11	5,667,845.44	50.4	62.7
April 11, 2019	45,347,500.00	22,504,872.63	5,301,780.44	49.6	61.3
October 11, 2019	44,547,250.00	21,756,174.19	4,935,833.23	48.8	59.9
April 11, 2020	43,747,000.00	21,007,636.03	4,570,010.22	48.0	58.5

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October 11, 2020	42,946,750.00	20,259,267.00	4,204,318.24	47.2	57.0
April 11, 2021	42,146,500.00	19,511,076.59	3,838,764.66	46.3	55.4
October 11, 2021	41,346,250.00	18,763,075.05	3,473,357.42	45.4	53.8
April 11, 2022	40,546,000.00	18,015,273.40	0.00	44.4	0.0
October 11, 2022	39,745,750.00	17,267,683.55	0.00	43.4	0.0
April 11, 2023	38,945,500.00	16,520,318.37	0.00	42.4	0.0
October 11, 2023	38,145,250.00	15,773,191.79	0.00	41.4	0.0
April 11, 2024	37,345,000.00	15,026,318.92	0.00	40.2	0.0
October 11, 2024	36,544,750.00	14,279,716.19	0.00	39.1	0.0
April 11, 2025	35,744,500.00	13,533,401.44	0.00	37.9	0.0
October 11, 2025	34,944,250.00	12,787,394.16	0.00	36.6	0.0
April 11, 2026	34,144,000.00	0.00	0.00	0.0	0.0

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Date	N66828			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
April 11, 2015	51,749,500.00	28,809,000.00	8,323,000.00	55.7	71.8
October 11, 2015	50,949,250.00	27,749,622.03	7,866,401.88	54.5	69.9
April 11, 2016	50,149,000.00	27,000,004.20	7,499,742.32	53.8	68.8
October 11, 2016	49,348,750.00	26,250,499.17	7,133,170.17	53.2	67.6
April 11, 2017	48,548,500.00	25,501,112.47	6,766,689.69	52.5	66.5
October 11, 2017	47,748,250.00	24,751,849.97	6,400,305.45	51.8	65.2
April 11, 2018	46,948,000.00	24,002,717.94	6,034,022.30	51.1	64.0
October 11, 2018	46,147,750.00	23,253,723.11	5,667,845.44	50.4	62.7
April 11, 2019	45,347,500.00	22,504,872.63	5,301,780.44	49.6	61.3
October 11, 2019	44,547,250.00	21,756,174.19	4,935,833.23	48.8	59.9
April 11, 2020	43,747,000.00	21,007,636.03	4,570,010.22	48.0	58.5
October 11, 2020	42,946,750.00	20,259,267.00	4,204,318.24	47.2	57.0
April 11, 2021	42,146,500.00	19,511,076.59	3,838,764.66	46.3	55.4
October 11, 2021	41,346,250.00	18,763,075.05	3,473,357.42	45.4	53.8
April 11, 2022	40,546,000.00	18,015,273.40	0.00	44.4	0.0
October 11, 2022	39,745,750.00	17,267,683.55	0.00	43.4	0.0
April 11, 2023	38,945,500.00	16,520,318.37	0.00	42.4	0.0
October 11, 2023	38,145,250.00	15,773,191.79	0.00	41.4	0.0
April 11, 2024	37,345,000.00	15,026,318.92	0.00	40.2	0.0
October 11, 2024	36,544,750.00	14,279,716.19	0.00	39.1	0.0
April 11, 2025	35,744,500.00	13,533,401.44	0.00	37.9	0.0
October 11, 2025	34,944,250.00	12,787,394.16	0.00	36.6	0.0
April 11, 2026	34,144,000.00	0.00	0.00	0.0	0.0

Date	N69829			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
April 11, 2015	51,749,500.00	28,809,000.00	8,323,000.00	55.7	71.8
October 11, 2015	50,949,250.00	27,749,622.03	7,866,401.88	54.5	69.9
April 11, 2016	50,149,000.00	27,000,004.20	7,499,742.32	53.8	68.8
October 11, 2016	49,348,750.00	26,250,499.17	7,133,170.17	53.2	67.6
April 11, 2017	48,548,500.00	25,501,112.47	6,766,689.69	52.5	66.5
October 11, 2017	47,748,250.00	24,751,849.97	6,400,305.45	51.8	65.2
April 11, 2018	46,948,000.00	24,002,717.94	6,034,022.30	51.1	64.0
October 11, 2018	46,147,750.00	23,253,723.11	5,667,845.44	50.4	62.7
April 11, 2019	45,347,500.00	22,504,872.63	5,301,780.44	49.6	61.3

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October 11, 2019	44,547,250.00	21,756,174.19	4,935,833.23	48.8	59.9
April 11, 2020	43,747,000.00	21,007,636.03	4,570,010.22	48.0	58.5
October 11, 2020	42,946,750.00	20,259,267.00	4,204,318.24	47.2	57.0
April 11, 2021	42,146,500.00	19,511,076.59	3,838,764.66	46.3	55.4
October 11, 2021	41,346,250.00	18,763,075.05	3,473,357.42	45.4	53.8
April 11, 2022	40,546,000.00	18,015,273.40	0.00	44.4	0.0
October 11, 2022	39,745,750.00	17,267,683.55	0.00	43.4	0.0
April 11, 2023	38,945,500.00	16,520,318.37	0.00	42.4	0.0
October 11, 2023	38,145,250.00	15,773,191.79	0.00	41.4	0.0
April 11, 2024	37,345,000.00	15,026,318.92	0.00	40.2	0.0
October 11, 2024	36,544,750.00	14,279,716.19	0.00	39.1	0.0
April 11, 2025	35,744,500.00	13,533,401.44	0.00	37.9	0.0
October 11, 2025	34,944,250.00	12,787,394.16	0.00	36.6	0.0
April 11, 2026	34,144,000.00	0.00	0.00	0.0	0.0

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Date	N69830			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	53,350,000.00	28,809,000.00	8,323,000.00	54.0	69.6
April 11, 2015	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
October 11, 2015	51,749,500.00	28,185,479.97	7,989,957.93	54.5	69.9
April 11, 2016	50,949,250.00	27,430,855.33	7,619,419.06	53.8	68.8
October 11, 2016	50,149,000.00	26,676,182.94	7,248,843.20	53.2	67.6
April 11, 2017	49,348,750.00	25,921,460.47	6,878,228.53	52.5	66.5
October 11, 2017	48,548,500.00	25,166,685.44	6,507,573.14	51.8	65.2
April 11, 2018	47,748,250.00	24,411,855.18	6,136,874.95	51.1	64.0
October 11, 2018	46,948,000.00	23,656,966.86	5,766,131.78	50.4	62.7
April 11, 2019	46,147,750.00	22,902,017.44	5,395,341.27	49.6	61.3
October 11, 2019	45,347,500.00	22,147,003.67	5,024,500.90	48.8	59.9
April 11, 2020	44,547,250.00	21,391,922.06	4,653,607.97	48.0	58.5
October 11, 2020	43,747,000.00	20,636,768.87	4,282,659.57	47.2	57.0
April 11, 2021	42,946,750.00	19,881,540.07	3,911,652.60	46.3	55.4
October 11, 2021	42,146,500.00	19,126,231.34	3,540,583.69	45.4	53.8
April 11, 2022	41,346,250.00	18,370,838.01	0.00	44.4	0.0
October 11, 2022	40,546,000.00	17,615,355.03	0.00	43.4	0.0
April 11, 2023	39,745,750.00	16,859,776.96	0.00	42.4	0.0
October 11, 2023	38,945,500.00	16,104,097.91	0.00	41.4	0.0
April 11, 2024	38,145,250.00	15,348,311.47	0.00	40.2	0.0
October 11, 2024	37,345,000.00	14,592,410.70	0.00	39.1	0.0
April 11, 2025	36,544,750.00	13,836,388.04	0.00	37.9	0.0
October 11, 2025	35,744,500.00	13,080,235.25	0.00	36.6	0.0
April 11, 2026	34,944,250.00	0.00	0.00	0.0	0.0

Date	N66831			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	53,350,000.00	28,809,000.00	8,323,000.00	54.0	69.6
April 11, 2015	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
October 11, 2015	51,749,500.00	28,185,479.97	7,989,957.93	54.5	69.9
April 11, 2016	50,949,250.00	27,430,855.33	7,619,419.06	53.8	68.8
October 11, 2016	50,149,000.00	26,676,182.94	7,248,843.20	53.2	67.6
April 11, 2017	49,348,750.00	25,921,460.47	6,878,228.53	52.5	66.5
October 11, 2017	48,548,500.00	25,166,685.44	6,507,573.14	51.8	65.2
April 11, 2018	47,748,250.00	24,411,855.18	6,136,874.95	51.1	64.0
October 11, 2018	46,948,000.00	23,656,966.86	5,766,131.78	50.4	62.7

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April 11, 2019	46,147,750.00	22,902,017.44	5,395,341.27	49.6	61.3
October 11, 2019	45,347,500.00	22,147,003.67	5,024,500.90	48.8	59.9
April 11, 2020	44,547,250.00	21,391,922.06	4,653,607.97	48.0	58.5
October 11, 2020	43,747,000.00	20,636,768.87	4,282,659.57	47.2	57.0
April 11, 2021	42,946,750.00	19,881,540.07	3,911,652.60	46.3	55.4
October 11, 2021	42,146,500.00	19,126,231.34	3,540,583.69	45.4	53.8
April 11, 2022	41,346,250.00	18,370,838.01	0.00	44.4	0.0
October 11, 2022	40,546,000.00	17,615,355.03	0.00	43.4	0.0
April 11, 2023	39,745,750.00	16,859,776.96	0.00	42.4	0.0
October 11, 2023	38,945,500.00	16,104,097.91	0.00	41.4	0.0
April 11, 2024	38,145,250.00	15,348,311.47	0.00	40.2	0.0
October 11, 2024	37,345,000.00	14,592,410.70	0.00	39.1	0.0
April 11, 2025	36,544,750.00	13,836,388.04	0.00	37.9	0.0
October 11, 2025	35,744,500.00	13,080,235.25	0.00	36.6	0.0
April 11, 2026	34,944,250.00	0.00	0.00	0.0	0.0

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Date	N65832			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	53,350,000.00	28,809,000.00	8,323,000.00	54.0	69.6
April 11, 2015	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
October 11, 2015	51,749,500.00	28,185,479.97	7,989,957.93	54.5	69.9
April 11, 2016	50,949,250.00	27,430,855.33	7,619,419.06	53.8	68.8
October 11, 2016	50,149,000.00	26,676,182.94	7,248,843.20	53.2	67.6
April 11, 2017	49,348,750.00	25,921,460.47	6,878,228.53	52.5	66.5
October 11, 2017	48,548,500.00	25,166,685.44	6,507,573.14	51.8	65.2
April 11, 2018	47,748,250.00	24,411,855.18	6,136,874.95	51.1	64.0
October 11, 2018	46,948,000.00	23,656,966.86	5,766,131.78	50.4	62.7
April 11, 2019	46,147,750.00	22,902,017.44	5,395,341.27	49.6	61.3
October 11, 2019	45,347,500.00	22,147,003.67	5,024,500.90	48.8	59.9
April 11, 2020	44,547,250.00	21,391,922.06	4,653,607.97	48.0	58.5
October 11, 2020	43,747,000.00	20,636,768.87	4,282,659.57	47.2	57.0
April 11, 2021	42,946,750.00	19,881,540.07	3,911,652.60	46.3	55.4
October 11, 2021	42,146,500.00	19,126,231.34	3,540,583.69	45.4	53.8
April 11, 2022	41,346,250.00	18,370,838.01	0.00	44.4	0.0
October 11, 2022	40,546,000.00	17,615,355.03	0.00	43.4	0.0
April 11, 2023	39,745,750.00	16,859,776.96	0.00	42.4	0.0
October 11, 2023	38,945,500.00	16,104,097.91	0.00	41.4	0.0
April 11, 2024	38,145,250.00	15,348,311.47	0.00	40.2	0.0
October 11, 2024	37,345,000.00	14,592,410.70	0.00	39.1	0.0
April 11, 2025	36,544,750.00	13,836,388.04	0.00	37.9	0.0
October 11, 2025	35,744,500.00	13,080,235.25	0.00	36.6	0.0
April 11, 2026	34,944,250.00	0.00	0.00	0.0	0.0

Date	N69833			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	53,350,000.00	28,809,000.00	8,323,000.00	54.0	69.6
April 11, 2015	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
October 11, 2015	51,749,500.00	28,185,479.97	7,989,957.93	54.5	69.9
April 11, 2016	50,949,250.00	27,430,855.33	7,619,419.06	53.8	68.8
October 11, 2016	50,149,000.00	26,676,182.94	7,248,843.20	53.2	67.6
April 11, 2017	49,348,750.00	25,921,460.47	6,878,228.53	52.5	66.5
October 11, 2017	48,548,500.00	25,166,685.44	6,507,573.14	51.8	65.2
April 11, 2018	47,748,250.00	24,411,855.18	6,136,874.95	51.1	64.0
October 11, 2018	46,948,000.00	23,656,966.86	5,766,131.78	50.4	62.7
April 11, 2019	46,147,750.00	22,902,017.44	5,395,341.27	49.6	61.3

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October 11, 2019	45,347,500.00	22,147,003.67	5,024,500.90	48.8	59.9
April 11, 2020	44,547,250.00	21,391,922.06	4,653,607.97	48.0	58.5
October 11, 2020	43,747,000.00	20,636,768.87	4,282,659.57	47.2	57.0
April 11, 2021	42,946,750.00	19,881,540.07	3,911,652.60	46.3	55.4
October 11, 2021	42,146,500.00	19,126,231.34	3,540,583.69	45.4	53.8
April 11, 2022	41,346,250.00	18,370,838.01	0.00	44.4	0.0
October 11, 2022	40,546,000.00	17,615,355.03	0.00	43.4	0.0
April 11, 2023	39,745,750.00	16,859,776.96	0.00	42.4	0.0
October 11, 2023	38,945,500.00	16,104,097.91	0.00	41.4	0.0
April 11, 2024	38,145,250.00	15,348,311.47	0.00	40.2	0.0
October 11, 2024	37,345,000.00	14,592,410.70	0.00	39.1	0.0
April 11, 2025	36,544,750.00	13,836,388.04	0.00	37.9	0.0
October 11, 2025	35,744,500.00	13,080,235.25	0.00	36.6	0.0
April 11, 2026	34,944,250.00	0.00	0.00	0.0	0.0

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Date	N68834			Loan to Value Ratio	
	Assumed Aircraft Value	Outstanding Balance		Series	
		Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,350,000.00	\$ 28,809,000.00	\$ 8,323,000.00	54.0%	69.6%
October 11, 2014	53,350,000.00	28,809,000.00	8,323,000.00	54.0	69.6
April 11, 2015	52,549,750.00	28,809,000.00	8,323,000.00	54.8	70.7
October 11, 2015	51,749,500.00	28,185,479.97	7,989,957.93	54.5	69.9
April 11, 2016	50,949,250.00	27,430,855.33	7,619,419.06	53.8	68.8
October 11, 2016	50,149,000.00	26,676,182.94	7,248,843.20	53.2	67.6
April 11, 2017	49,348,750.00	25,921,460.47	6,878,228.53	52.5	66.5
October 11, 2017	48,548,500.00	25,166,685.44	6,507,573.14	51.8	65.2
April 11, 2018	47,748,250.00	24,411,855.18	6,136,874.95	51.1	64.0
October 11, 2018	46,948,000.00	23,656,966.86	5,766,131.78	50.4	62.7
April 11, 2019	46,147,750.00	22,902,017.44	5,395,341.27	49.6	61.3
October 11, 2019	45,347,500.00	22,147,003.67	5,024,500.90	48.8	59.9
April 11, 2020	44,547,250.00	21,391,922.06	4,653,607.97	48.0	58.5
October 11, 2020	43,747,000.00	20,636,768.87	4,282,659.57	47.2	57.0
April 11, 2021	42,946,750.00	19,881,540.07	3,911,652.60	46.3	55.4
October 11, 2021	42,146,500.00	19,126,231.34	3,540,583.69	45.4	53.8
April 11, 2022	41,346,250.00	18,370,838.01	0.00	44.4	0.0
October 11, 2022	40,546,000.00	17,615,355.03	0.00	43.4	0.0
April 11, 2023	39,745,750.00	16,859,776.96	0.00	42.4	0.0
October 11, 2023	38,945,500.00	16,104,097.91	0.00	41.4	0.0
April 11, 2024	38,145,250.00	15,348,311.47	0.00	40.2	0.0
October 11, 2024	37,345,000.00	14,592,410.70	0.00	39.1	0.0
April 11, 2025	36,544,750.00	13,836,388.04	0.00	37.9	0.0
October 11, 2025	35,744,500.00	13,080,235.25	0.00	36.6	0.0
April 11, 2026	34,944,250.00	0.00	0.00	0.0	0.0

Date	N69835			Loan to Value Ratio	
	Assumed Aircraft Value	Outstanding Balance		Series	
		Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,700,000.00	\$ 28,998,000.00	\$ 8,377,000.00	54.0%	69.6%
October 11, 2014	53,700,000.00	28,998,000.00	8,377,000.00	54.0	69.6
April 11, 2015	52,894,500.00	28,998,000.00	8,377,000.00	54.8	70.7
October 11, 2015	52,089,000.00	28,370,389.40	8,042,375.65	54.5	69.9
April 11, 2016	51,283,500.00	27,610,814.08	7,669,405.88	53.8	68.8
October 11, 2016	50,478,000.00	26,851,190.70	7,296,398.87	53.2	67.6
April 11, 2017	49,672,500.00	26,091,516.92	6,923,352.81	52.5	66.5
October 11, 2017	48,867,000.00	25,331,790.22	6,550,265.74	51.8	65.2
April 11, 2018	48,061,500.00	24,572,007.93	6,177,135.61	51.1	64.0
October 11, 2018	47,256,000.00	23,812,167.20	5,803,960.20	50.4	62.7
April 11, 2019	46,450,500.00	23,052,264.97	5,430,737.13	49.6	61.3

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October 11, 2019	45,645,000.00	22,292,297.97	5,057,463.88	48.8	59.9
April 11, 2020	44,839,500.00	21,532,262.69	4,684,137.73	48.0	58.5
October 11, 2020	44,034,000.00	20,772,155.35	4,310,755.75	47.2	57.0
April 11, 2021	43,228,500.00	20,011,971.92	3,937,314.80	46.3	55.4
October 11, 2021	42,423,000.00	19,251,708.02	3,563,811.51	45.4	53.8
April 11, 2022	41,617,500.00	18,491,358.97	0.00	44.4	0.0
October 11, 2022	40,812,000.00	17,730,919.68	0.00	43.4	0.0
April 11, 2023	40,006,500.00	16,970,384.69	0.00	42.4	0.0
October 11, 2023	39,201,000.00	16,209,748.04	0.00	41.4	0.0
April 11, 2024	38,395,500.00	15,449,003.30	0.00	40.2	0.0
October 11, 2024	37,590,000.00	14,688,143.48	0.00	39.1	0.0
April 11, 2025	36,784,500.00	13,927,160.97	0.00	37.9	0.0
October 11, 2025	35,979,000.00	13,166,047.48	0.00	36.6	0.0
April 11, 2026	35,173,500.00	0.00	0.00	0.0	0.0

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<b>N68836</b>					
<b>Date</b>	<b>Outstanding Balance</b>			<b>Loan to Value Ratio</b>	
	<b>Assumed</b>	<b>Series A</b>	<b>Series B</b>	<b>Series</b>	<b>Series B</b>
	<b>Aircraft Value</b>	<b>Equipment Notes</b>	<b>Equipment Notes</b>	<b>A</b>	<b>Equipment Notes</b>
At Issuance	\$ 53,700,000.00	\$ 28,998,000.00	\$ 8,377,000.00	54.0%	69.6%
October 11, 2014	53,700,000.00	28,998,000.00	8,377,000.00	54.0	69.6
April 11, 2015	52,894,500.00	28,998,000.00	8,377,000.00	54.8	70.7
October 11, 2015	52,089,000.00	28,370,389.40	8,042,375.65	54.5	69.9
April 11, 2016	51,283,500.00	27,610,814.08	7,669,405.88	53.8	68.8
October 11, 2016	50,478,000.00	26,851,190.70	7,296,398.87	53.2	67.6
April 11, 2017	49,672,500.00	26,091,516.92	6,923,352.81	52.5	66.5
October 11, 2017	48,867,000.00	25,331,790.22	6,550,265.74	51.8	65.2
April 11, 2018	48,061,500.00	24,572,007.93	6,177,135.61	51.1	64.0
October 11, 2018	47,256,000.00	23,812,167.20	5,803,960.20	50.4	62.7
April 11, 2019	46,450,500.00	23,052,264.97	5,430,737.13	49.6	61.3
October 11, 2019	45,645,000.00	22,292,297.97	5,057,463.88	48.8	59.9
April 11, 2020	44,839,500.00	21,532,262.69	4,684,137.73	48.0	58.5
October 11, 2020	44,034,000.00	20,772,155.35	4,310,755.75	47.2	57.0
April 11, 2021	43,228,500.00	20,011,971.92	3,937,314.80	46.3	55.4
October 11, 2021	42,423,000.00	19,251,708.02	3,563,811.51	45.4	53.8
April 11, 2022	41,617,500.00	18,491,358.97	0.00	44.4	0.0
October 11, 2022	40,812,000.00	17,730,919.68	0.00	43.4	0.0
April 11, 2023	40,006,500.00	16,970,384.69	0.00	42.4	0.0
October 11, 2023	39,201,000.00	16,209,748.04	0.00	41.4	0.0
April 11, 2024	38,395,500.00	15,449,003.30	0.00	40.2	0.0
October 11, 2024	37,590,000.00	14,688,143.48	0.00	39.1	0.0
April 11, 2025	36,784,500.00	13,927,160.97	0.00	37.9	0.0
October 11, 2025	35,979,000.00	13,166,047.48	0.00	36.6	0.0
April 11, 2026	35,173,500.00	0.00	0.00	0.0	0.0

<b>N66837</b>					
<b>Date</b>	<b>Outstanding Balance</b>			<b>Loan to Value Ratio</b>	
	<b>Assumed</b>	<b>Series A</b>	<b>Series B</b>	<b>Series</b>	<b>Series B</b>
	<b>Aircraft Value</b>	<b>Equipment Notes</b>	<b>Equipment Notes</b>	<b>A</b>	<b>Equipment Notes</b>
At Issuance	\$ 53,700,000.00	\$ 28,998,000.00	\$ 8,377,000.00	54.0%	69.6%
October 11, 2014	53,700,000.00	28,998,000.00	8,377,000.00	54.0	69.6
April 11, 2015	52,894,500.00	28,998,000.00	8,377,000.00	54.8	70.7
October 11, 2015	52,089,000.00	28,370,389.40	8,042,375.65	54.5	69.9
April 11, 2016	51,283,500.00	27,610,814.08	7,669,405.88	53.8	68.8
October 11, 2016	50,478,000.00	26,851,190.70	7,296,398.87	53.2	67.6
April 11, 2017	49,672,500.00	26,091,516.92	6,923,352.81	52.5	66.5
October 11, 2017	48,867,000.00	25,331,790.22	6,550,265.74	51.8	65.2
April 11, 2018	48,061,500.00	24,572,007.93	6,177,135.61	51.1	64.0
October 11, 2018	47,256,000.00	23,812,167.20	5,803,960.20	50.4	62.7
April 11, 2019	46,450,500.00	23,052,264.97	5,430,737.13	49.6	61.3
October 11, 2019	45,645,000.00	22,292,297.97	5,057,463.88	48.8	59.9

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April 11, 2020	44,839,500.00	21,532,262.69	4,684,137.73	48.0	58.5
October 11, 2020	44,034,000.00	20,772,155.35	4,310,755.75	47.2	57.0
April 11, 2021	43,228,500.00	20,011,971.92	3,937,314.80	46.3	55.4
October 11, 2021	42,423,000.00	19,251,708.02	3,563,811.51	45.4	53.8
April 11, 2022	41,617,500.00	18,491,358.97	0.00	44.4	0.0
October 11, 2022	40,812,000.00	17,730,919.68	0.00	43.4	0.0
April 11, 2023	40,006,500.00	16,970,384.69	0.00	42.4	0.0
October 11, 2023	39,201,000.00	16,209,748.04	0.00	41.4	0.0
April 11, 2024	38,395,500.00	15,449,003.30	0.00	40.2	0.0
October 11, 2024	37,590,000.00	14,688,143.48	0.00	39.1	0.0
April 11, 2025	36,784,500.00	13,927,160.97	0.00	37.9	0.0
October 11, 2025	35,979,000.00	13,166,047.48	0.00	36.6	0.0
April 11, 2026	35,173,500.00	0.00	0.00	0.0	0.0

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Date	N69838			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,700,000.00	\$ 28,998,000.00	\$ 8,377,000.00	54.0%	69.6%
October 11, 2014	53,700,000.00	28,998,000.00	8,377,000.00	54.0	69.6
April 11, 2015	52,894,500.00	28,998,000.00	8,377,000.00	54.8	70.7
October 11, 2015	52,089,000.00	28,370,389.40	8,042,375.65	54.5	69.9
April 11, 2016	51,283,500.00	27,610,814.08	7,669,405.88	53.8	68.8
October 11, 2016	50,478,000.00	26,851,190.70	7,296,398.87	53.2	67.6
April 11, 2017	49,672,500.00	26,091,516.92	6,923,352.81	52.5	66.5
October 11, 2017	48,867,000.00	25,331,790.22	6,550,265.74	51.8	65.2
April 11, 2018	48,061,500.00	24,572,007.93	6,177,135.61	51.1	64.0
October 11, 2018	47,256,000.00	23,812,167.20	5,803,960.20	50.4	62.7
April 11, 2019	46,450,500.00	23,052,264.97	5,430,737.13	49.6	61.3
October 11, 2019	45,645,000.00	22,292,297.97	5,057,463.88	48.8	59.9
April 11, 2020	44,839,500.00	21,532,262.69	4,684,137.73	48.0	58.5
October 11, 2020	44,034,000.00	20,772,155.35	4,310,755.75	47.2	57.0
April 11, 2021	43,228,500.00	20,011,971.92	3,937,314.80	46.3	55.4
October 11, 2021	42,423,000.00	19,251,708.02	3,563,811.51	45.4	53.8
April 11, 2022	41,617,500.00	18,491,358.97	0.00	44.4	0.0
October 11, 2022	40,812,000.00	17,730,919.68	0.00	43.4	0.0
April 11, 2023	40,006,500.00	16,970,384.69	0.00	42.4	0.0
October 11, 2023	39,201,000.00	16,209,748.04	0.00	41.4	0.0
April 11, 2024	38,395,500.00	15,449,003.30	0.00	40.2	0.0
October 11, 2024	37,590,000.00	14,688,143.48	0.00	39.1	0.0
April 11, 2025	36,784,500.00	13,927,160.97	0.00	37.9	0.0
October 11, 2025	35,979,000.00	13,166,047.48	0.00	36.6	0.0
April 11, 2026	35,173,500.00	0.00	0.00	0.0	0.0

Date	N69839			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 53,700,000.00	\$ 28,998,000.00	\$ 8,377,000.00	54.0%	69.6%
October 11, 2014	53,700,000.00	28,998,000.00	8,377,000.00	54.0	69.6
April 11, 2015	52,894,500.00	28,998,000.00	8,377,000.00	54.8	70.7
October 11, 2015	52,089,000.00	28,370,389.40	8,042,375.65	54.5	69.9
April 11, 2016	51,283,500.00	27,610,814.08	7,669,405.88	53.8	68.8
October 11, 2016	50,478,000.00	26,851,190.70	7,296,398.87	53.2	67.6
April 11, 2017	49,672,500.00	26,091,516.92	6,923,352.81	52.5	66.5
October 11, 2017	48,867,000.00	25,331,790.22	6,550,265.74	51.8	65.2
April 11, 2018	48,061,500.00	24,572,007.93	6,177,135.61	51.1	64.0
October 11, 2018	47,256,000.00	23,812,167.20	5,803,960.20	50.4	62.7
April 11, 2019	46,450,500.00	23,052,264.97	5,430,737.13	49.6	61.3

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October 11, 2019	45,645,000.00	22,292,297.97	5,057,463.88	48.8	59.9
April 11, 2020	44,839,500.00	21,532,262.69	4,684,137.73	48.0	58.5
October 11, 2020	44,034,000.00	20,772,155.35	4,310,755.75	47.2	57.0
April 11, 2021	43,228,500.00	20,011,971.92	3,937,314.80	46.3	55.4
October 11, 2021	42,423,000.00	19,251,708.02	3,563,811.51	45.4	53.8
April 11, 2022	41,617,500.00	18,491,358.97	0.00	44.4	0.0
October 11, 2022	40,812,000.00	17,730,919.68	0.00	43.4	0.0
April 11, 2023	40,006,500.00	16,970,384.69	0.00	42.4	0.0
October 11, 2023	39,201,000.00	16,209,748.04	0.00	41.4	0.0
April 11, 2024	38,395,500.00	15,449,003.30	0.00	40.2	0.0
October 11, 2024	37,590,000.00	14,688,143.48	0.00	39.1	0.0
April 11, 2025	36,784,500.00	13,927,160.97	0.00	37.9	0.0
October 11, 2025	35,979,000.00	13,166,047.48	0.00	36.6	0.0
April 11, 2026	35,173,500.00	0.00	0.00	0.0	0.0

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**Table of Contents****B. Boeing 787-8**

Date	N49911			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 128,356,666.67	\$ 69,313,000.00	\$ 20,024,000.00	54.0%	69.6%
October 11, 2014	126,431,316.67	69,313,000.00	20,024,000.00	54.8	70.7
April 11, 2015	124,505,966.67	69,313,000.00	20,024,000.00	55.7	71.8
October 11, 2015	122,580,616.67	66,763,804.78	18,926,056.68	54.5	69.9
April 11, 2016	120,655,266.67	64,960,272.52	18,043,897.38	53.8	68.8
October 11, 2016	118,729,916.67	63,157,011.66	17,161,948.37	53.2	67.6
April 11, 2017	116,804,566.67	61,354,035.47	16,280,219.93	52.5	66.5
October 11, 2017	114,879,216.67	59,551,358.12	15,398,723.02	51.8	65.2
April 11, 2018	112,953,866.67	57,748,994.68	14,517,469.33	51.1	64.0
October 11, 2018	111,028,516.67	55,946,961.30	13,636,471.38	50.4	62.7
April 11, 2019	109,103,166.67	54,145,275.24	12,755,742.54	49.6	61.3
October 11, 2019	107,177,816.67	52,343,954.98	11,875,297.12	48.8	59.9
April 11, 2020	105,252,466.67	50,543,020.35	10,995,150.48	48.0	58.5
October 11, 2020	103,327,116.67	48,742,492.61	10,115,319.11	47.2	57.0
April 11, 2021	101,401,766.67	46,942,394.65	9,235,820.74	46.3	55.4
October 11, 2021	99,476,416.67	45,142,751.07	8,356,674.42	45.4	53.8
April 11, 2022	97,551,066.67	43,343,588.43	0.00	44.4	0.0
October 11, 2022	95,625,716.67	41,544,935.36	0.00	43.4	0.0
April 11, 2023	93,700,366.67	39,746,822.83	0.00	42.4	0.0
October 11, 2023	91,775,016.67	37,949,284.36	0.00	41.4	0.0
April 11, 2024	89,849,666.67	36,152,356.31	0.00	40.2	0.0
October 11, 2024	87,924,316.67	34,356,078.18	0.00	39.1	0.0
April 11, 2025	85,998,966.67	32,560,492.93	0.00	37.9	0.0
October 11, 2025	84,073,616.67	30,765,647.43	0.00	36.6	0.0
April 11, 2026	82,148,266.67	0.00	0.00	0.0	0.0

Date	N28912			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 129,410,000.00	\$ 69,881,000.00	\$ 20,188,000.00	54.0%	69.6%
October 11, 2014	129,410,000.00	69,881,000.00	20,188,000.00	54.0	69.6
April 11, 2015	127,468,850.00	69,881,000.00	20,188,000.00	54.8	70.7
October 11, 2015	125,527,700.00	68,368,940.26	19,381,076.96	54.5	69.9
April 11, 2016	123,586,550.00	66,538,462.76	18,482,268.43	53.8	68.8
October 11, 2016	121,645,400.00	64,707,869.44	17,583,370.16	53.2	67.6
April 11, 2017	119,704,250.00	62,877,154.64	16,684,377.78	52.5	66.5

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October 11, 2017	117,763,100.00	61,046,312.33	15,785,286.59	51.8	65.2
April 11, 2018	115,821,950.00	59,215,336.06	14,886,091.61	51.1	64.0
October 11, 2018	113,880,800.00	57,384,218.95	13,986,787.51	50.4	62.7
April 11, 2019	111,939,650.00	55,552,953.64	13,087,368.58	49.6	61.3
October 11, 2019	109,998,500.00	53,721,532.23	12,187,828.70	48.8	59.9
April 11, 2020	108,057,350.00	51,889,946.27	11,288,161.33	48.0	58.5
October 11, 2020	106,116,200.00	50,058,186.67	10,388,359.42	47.2	57.0
April 11, 2021	104,175,050.00	48,226,243.68	9,488,415.42	46.3	55.4
October 11, 2021	102,233,900.00	46,394,106.80	8,588,321.19	45.4	53.8
April 11, 2022	100,292,750.00	44,561,764.69	0.00	44.4	0.0
October 11, 2022	98,351,600.00	42,729,205.14	0.00	43.4	0.0
April 11, 2023	96,410,450.00	40,896,414.94	0.00	42.4	0.0
October 11, 2023	94,469,300.00	39,063,379.77	0.00	41.4	0.0
April 11, 2024	92,528,150.00	37,230,084.12	0.00	40.2	0.0
October 11, 2024	90,587,000.00	35,396,511.14	0.00	39.1	0.0
April 11, 2025	88,645,850.00	33,562,642.49	0.00	37.9	0.0
October 11, 2025	86,704,700.00	31,728,458.18	0.00	36.6	0.0
April 11, 2026	84,763,550.00	0.00	0.00	0.0	0.0

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Date	N19951			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 146,750,000.00	\$ 79,245,000.00	\$ 22,893,000.00	54.0%	69.6%
October 11, 2014	146,750,000.00	79,245,000.00	22,893,000.00	54.0	69.6
April 11, 2015	144,548,750.00	79,245,000.00	22,893,000.00	54.8	70.7
October 11, 2015	142,347,500.00	77,529,881.64	21,978,000.49	54.5	69.9
April 11, 2016	140,146,250.00	75,454,133.45	20,958,758.15	53.8	68.8
October 11, 2016	137,945,000.00	73,378,253.92	19,939,414.04	53.2	67.6
April 11, 2017	135,743,750.00	71,302,236.64	18,919,963.21	52.5	66.5
October 11, 2017	133,542,500.00	69,226,074.76	17,900,400.33	51.8	65.2
April 11, 2018	131,341,250.00	67,149,760.97	16,880,719.76	51.1	64.0
October 11, 2018	129,140,000.00	65,073,287.47	15,860,915.44	50.4	62.7
April 11, 2019	126,938,750.00	62,996,645.90	14,840,980.90	49.6	61.3
October 11, 2019	124,737,500.00	60,919,827.33	13,820,909.22	48.8	59.9
April 11, 2020	122,536,250.00	58,842,822.15	12,800,692.95	48.0	58.5
October 11, 2020	120,335,000.00	56,765,620.08	11,780,324.13	47.2	57.0
April 11, 2021	118,133,750.00	54,688,210.04	10,759,794.17	46.3	55.4
October 11, 2021	115,932,500.00	52,610,580.12	9,739,093.85	45.4	53.8
April 11, 2022	113,731,250.00	50,532,717.48	0.00	44.4	0.0
October 11, 2022	111,530,000.00	48,454,608.26	0.00	43.4	0.0
April 11, 2023	109,328,750.00	46,376,237.48	0.00	42.4	0.0
October 11, 2023	107,127,500.00	44,297,588.91	0.00	41.4	0.0
April 11, 2024	104,926,250.00	42,218,644.96	0.00	40.2	0.0
October 11, 2024	102,725,000.00	40,139,386.52	0.00	39.1	0.0
April 11, 2025	100,523,750.00	38,059,792.79	0.00	37.9	0.0
October 11, 2025	98,322,500.00	35,979,841.11	0.00	36.6	0.0
April 11, 2026	96,121,250.00	0.00	0.00	0.0	0.0

**D. Embraer ERJ 175 LR**

Date	N88301			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,290,000.00	\$ 15,817,000.00	\$ 4,569,000.00	54.0%	69.6%
October 11, 2014	28,850,650.00	15,817,000.00	4,569,000.00	54.8	70.7
April 11, 2015	28,411,300.00	15,817,000.00	4,569,000.00	55.7	71.8
October 11, 2015	27,971,950.00	14,876,045.19	4,217,028.60	53.2	68.3
April 11, 2016	27,532,600.00	14,350,344.21	3,986,069.15	52.1	66.6

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October 11, 2016	27,093,250.00	13,827,674.35	3,757,458.23	51.0	64.9
April 11, 2017	26,653,900.00	13,308,183.78	3,531,310.65	49.9	63.2
October 11, 2017	26,214,550.00	12,792,030.49	3,307,748.81	48.8	61.4
April 11, 2018	25,775,200.00	12,279,383.12	3,086,903.40	47.6	59.6
October 11, 2018	25,335,850.00	11,770,421.88	2,868,914.01	46.5	57.8
April 11, 2019	24,896,500.00	11,265,339.49	2,653,930.00	45.2	55.9
October 11, 2019	24,457,150.00	10,764,342.41	2,442,111.31	44.0	54.0
April 11, 2020	24,017,800.00	10,267,651.99	2,233,629.45	42.8	52.1
October 11, 2020	23,578,450.00	9,775,505.84	2,028,668.54	41.5	50.1
April 11, 2021	23,139,100.00	9,288,159.44	1,827,426.49	40.1	48.0
October 11, 2021	22,699,750.00	8,805,887.73	1,630,116.35	38.8	46.0
April 11, 2022	22,260,400.00	8,328,987.06	0.00	37.4	0.0
October 11, 2022	21,821,050.00	7,857,777.34	0.00	36.0	0.0
April 11, 2023	21,381,700.00	7,392,604.39	0.00	34.6	0.0
October 11, 2023	20,942,350.00	6,933,842.64	0.00	33.1	0.0
April 11, 2024	20,503,000.00	6,481,898.11	0.00	31.6	0.0
October 11, 2024	20,063,650.00	6,037,211.86	0.00	30.1	0.0
April 11, 2025	19,624,300.00	5,600,263.84	0.00	28.5	0.0
October 11, 2025	19,184,950.00	5,171,577.27	0.00	27.0	0.0
April 11, 2026	18,745,600.00	0.00	0.00	0.0	0.0



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Date	N87302 Outstanding Balance			Loan to Value Ratio	
	Assumed	Series A	Series B	Series A	Series B
	Aircraft Value	Equipment Notes	Equipment Notes	Equipment Notes	Equipment Notes
At Issuance	\$ 29,310,000.00	\$ 15,827,000.00	\$ 4,572,000.00	54.0%	69.6%
October 11, 2014	28,870,350.00	15,827,000.00	4,572,000.00	54.8	70.7
April 11, 2015	28,430,700.00	15,827,000.00	4,572,000.00	55.7	71.7
October 11, 2015	27,991,050.00	14,886,202.95	4,219,908.10	53.2	68.3
April 11, 2016	27,551,400.00	14,360,143.01	3,988,790.95	52.1	66.6
October 11, 2016	27,111,750.00	13,837,116.26	3,760,023.92	51.0	64.9
April 11, 2017	26,672,100.00	13,317,270.97	3,533,721.93	49.9	63.2
October 11, 2017	26,232,450.00	12,800,765.23	3,310,007.44	48.8	61.4
April 11, 2018	25,792,800.00	12,287,767.82	3,089,011.22	47.6	59.6
October 11, 2018	25,353,150.00	11,778,459.03	2,870,872.98	46.5	57.8
April 11, 2019	24,913,500.00	11,273,031.76	2,655,742.17	45.2	55.9
October 11, 2019	24,473,850.00	10,771,692.59	2,443,778.85	44.0	54.0
April 11, 2020	24,034,200.00	10,274,663.01	2,235,154.63	42.8	52.1
October 11, 2020	23,594,550.00	9,782,180.82	2,030,053.76	41.5	50.1
April 11, 2021	23,154,900.00	9,294,501.65	1,828,674.31	40.1	48.0
October 11, 2021	22,715,250.00	8,811,900.62	1,631,229.44	38.8	46.0
April 11, 2022	22,275,600.00	8,334,674.31	0.00	37.4	0.0
October 11, 2022	21,835,950.00	7,863,142.83	0.00	36.0	0.0
April 11, 2023	21,396,300.00	7,397,652.26	0.00	34.6	0.0
October 11, 2023	20,956,650.00	6,938,577.25	0.00	33.1	0.0
April 11, 2024	20,517,000.00	6,486,324.12	0.00	31.6	0.0
October 11, 2024	20,077,350.00	6,041,334.23	0.00	30.1	0.0
April 11, 2025	19,637,700.00	5,604,087.85	0.00	28.5	0.0
October 11, 2025	19,198,050.00	5,175,108.56	0.00	27.0	0.0
April 11, 2026	18,758,400.00	0.00	0.00	0.0	0.0

Date	N87303 Outstanding Balance			Loan to Value Ratio	
	Assumed	Series A	Series B	Series A	Series B
	Aircraft Value	Equipment Notes	Equipment Notes	Equipment Notes	Equipment Notes
At Issuance	\$ 29,310,000.00	\$ 15,827,000.00	\$ 4,572,000.00	54.0%	69.6%
October 11, 2014	28,870,350.00	15,827,000.00	4,572,000.00	54.8	70.7
April 11, 2015	28,430,700.00	15,827,000.00	4,572,000.00	55.7	71.7
October 11, 2015	27,991,050.00	14,886,202.95	4,219,908.10	53.2	68.3
April 11, 2016	27,551,400.00	14,360,143.01	3,988,790.95	52.1	66.6
October 11, 2016	27,111,750.00	13,837,116.26	3,760,023.92	51.0	64.9
April 11, 2017	26,672,100.00	13,317,270.97	3,533,721.93	49.9	63.2
October 11, 2017	26,232,450.00	12,800,765.23	3,310,007.44	48.8	61.4
April 11, 2018	25,792,800.00	12,287,767.82	3,089,011.22	47.6	59.6
October 11, 2018	25,353,150.00	11,778,459.03	2,870,872.98	46.5	57.8
April 11, 2019	24,913,500.00	11,273,031.76	2,655,742.17	45.2	55.9
October 11, 2019	24,473,850.00	10,771,692.59	2,443,778.85	44.0	54.0

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April 11, 2020	24,034,200.00	10,274,663.01	2,235,154.63	42.8	52.1
October 11, 2020	23,594,550.00	9,782,180.82	2,030,053.76	41.5	50.1
April 11, 2021	23,154,900.00	9,294,501.65	1,828,674.31	40.1	48.0
October 11, 2021	22,715,250.00	8,811,900.62	1,631,229.44	38.8	46.0
April 11, 2022	22,275,600.00	8,334,674.31	0.00	37.4	0.0
October 11, 2022	21,835,950.00	7,863,142.83	0.00	36.0	0.0
April 11, 2023	21,396,300.00	7,397,652.26	0.00	34.6	0.0
October 11, 2023	20,956,650.00	6,938,577.25	0.00	33.1	0.0
April 11, 2024	20,517,000.00	6,486,324.12	0.00	31.6	0.0
October 11, 2024	20,077,350.00	6,041,334.23	0.00	30.1	0.0
April 11, 2025	19,637,700.00	5,604,087.85	0.00	28.5	0.0
October 11, 2025	19,198,050.00	5,175,108.56	0.00	27.0	0.0
April 11, 2026	18,758,400.00	0.00	0.00	0.0	0.0

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Date	N89304			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,360,000.00	\$ 15,854,000.00	\$ 4,580,000.00	54.0%	69.6%
October 11, 2014	28,919,600.00	15,854,000.00	4,580,000.00	54.8	70.7
April 11, 2015	28,479,200.00	15,854,000.00	4,580,000.00	55.7	71.8
October 11, 2015	28,038,800.00	14,911,597.36	4,227,106.85	53.2	68.3
April 11, 2016	27,598,400.00	14,384,640.02	3,995,595.43	52.1	66.6
October 11, 2016	27,158,000.00	13,860,721.03	3,766,438.16	51.0	64.9
April 11, 2017	26,717,600.00	13,339,988.94	3,539,750.11	49.9	63.2
October 11, 2017	26,277,200.00	12,822,602.09	3,315,653.99	48.8	61.4
April 11, 2018	25,836,800.00	12,308,729.55	3,094,280.77	47.6	59.6
October 11, 2018	25,396,400.00	11,798,551.93	2,875,770.41	46.5	57.8
April 11, 2019	24,956,000.00	11,292,262.46	2,660,272.60	45.2	55.9
October 11, 2019	24,515,600.00	10,790,068.05	2,447,947.69	44.0	54.0
April 11, 2020	24,075,200.00	10,292,190.58	2,238,967.59	42.8	52.1
October 11, 2020	23,634,800.00	9,798,868.27	2,033,516.84	41.5	50.1
April 11, 2021	23,194,400.00	9,310,357.16	1,831,793.85	40.1	48.0
October 11, 2021	22,754,000.00	8,826,932.86	1,634,012.16	38.8	46.0
April 11, 2022	22,313,600.00	8,348,892.45	0.00	37.4	0.0
October 11, 2022	21,873,200.00	7,876,556.59	0.00	36.0	0.0
April 11, 2023	21,432,800.00	7,410,271.94	0.00	34.6	0.0
October 11, 2023	20,992,400.00	6,950,413.79	0.00	33.1	0.0
April 11, 2024	20,552,000.00	6,497,389.16	0.00	31.6	0.0
October 11, 2024	20,111,600.00	6,051,640.15	0.00	30.1	0.0
April 11, 2025	19,671,200.00	5,613,647.87	0.00	28.5	0.0
October 11, 2025	19,230,800.00	5,183,936.79	0.00	27.0	0.0
April 11, 2026	18,790,400.00	0.00	0.00	0.0	0.0

Date	N93305			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,390,000.00	\$ 15,870,000.00	\$ 4,585,000.00	54.0%	69.6%
October 11, 2014	29,390,000.00	15,870,000.00	4,585,000.00	54.0	69.6
April 11, 2015	28,949,150.00	15,870,000.00	4,585,000.00	54.8	70.7
October 11, 2015	28,508,300.00	15,286,998.91	4,333,524.86	53.6	68.8
April 11, 2016	28,067,450.00	14,755,365.81	4,098,571.27	52.6	67.2
October 11, 2016	27,626,600.00	14,226,641.51	3,865,871.43	51.5	65.5
April 11, 2017	27,185,750.00	13,700,968.20	3,635,535.53	50.4	63.8
October 11, 2017	26,744,900.00	13,178,497.49	3,407,681.02	49.3	62.0
April 11, 2018	26,304,050.00	12,659,391.22	3,182,433.30	48.1	60.2
October 11, 2018	25,863,200.00	12,143,822.31	2,959,926.35	47.0	58.4
April 11, 2019	25,422,350.00	11,631,975.74	2,740,303.50	45.8	56.5

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October 11, 2019	24,981,500.00	11,124,049.60	2,523,718.24	44.5	54.6
April 11, 2020	24,540,650.00	10,620,256.32	2,310,335.15	43.3	52.7
October 11, 2020	24,099,800.00	10,120,823.94	2,100,330.91	42.0	50.7
April 11, 2021	23,658,950.00	9,625,997.60	1,893,895.47	40.7	48.7
October 11, 2021	23,218,100.00	9,136,041.15	1,691,233.25	39.3	46.6
April 11, 2022	22,777,250.00	8,651,239.00	0.00	38.0	0.0
October 11, 2022	22,336,400.00	8,171,898.14	0.00	36.6	0.0
April 11, 2023	21,895,550.00	7,698,350.44	0.00	35.2	0.0
October 11, 2023	21,454,700.00	7,230,955.19	0.00	33.7	0.0
April 11, 2024	21,013,850.00	6,770,102.06	0.00	32.2	0.0
October 11, 2024	20,573,000.00	6,316,214.29	0.00	30.7	0.0
April 11, 2025	20,132,150.00	5,869,752.48	0.00	29.2	0.0
October 11, 2025	19,691,300.00	5,431,218.72	0.00	27.6	0.0
April 11, 2026	19,250,450.00	0.00	0.00	0.0	0.0

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Date	N87306			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,390,000.00	\$ 15,870,000.00	\$ 4,585,000.00	54.0%	69.6%
October 11, 2014	29,390,000.00	15,870,000.00	4,585,000.00	54.0	69.6
April 11, 2015	28,949,150.00	15,870,000.00	4,585,000.00	54.8	70.7
October 11, 2015	28,508,300.00	15,286,998.91	4,333,524.86	53.6	68.8
April 11, 2016	28,067,450.00	14,755,365.81	4,098,571.27	52.6	67.2
October 11, 2016	27,626,600.00	14,226,641.51	3,865,871.43	51.5	65.5
April 11, 2017	27,185,750.00	13,700,968.20	3,635,535.53	50.4	63.8
October 11, 2017	26,744,900.00	13,178,497.49	3,407,681.02	49.3	62.0
April 11, 2018	26,304,050.00	12,659,391.22	3,182,433.30	48.1	60.2
October 11, 2018	25,863,200.00	12,143,822.31	2,959,926.35	47.0	58.4
April 11, 2019	25,422,350.00	11,631,975.74	2,740,303.50	45.8	56.5
October 11, 2019	24,981,500.00	11,124,049.60	2,523,718.24	44.5	54.6
April 11, 2020	24,540,650.00	10,620,256.32	2,310,335.15	43.3	52.7
October 11, 2020	24,099,800.00	10,120,823.94	2,100,330.91	42.0	50.7
April 11, 2021	23,658,950.00	9,625,997.60	1,893,895.47	40.7	48.7
October 11, 2021	23,218,100.00	9,136,041.15	1,691,233.25	39.3	46.6
April 11, 2022	22,777,250.00	8,651,239.00	0.00	38.0	0.0
October 11, 2022	22,336,400.00	8,171,898.14	0.00	36.6	0.0
April 11, 2023	21,895,550.00	7,698,350.44	0.00	35.2	0.0
October 11, 2023	21,454,700.00	7,230,955.19	0.00	33.7	0.0
April 11, 2024	21,013,850.00	6,770,102.06	0.00	32.2	0.0
October 11, 2024	20,573,000.00	6,316,214.29	0.00	30.7	0.0
April 11, 2025	20,132,150.00	5,869,752.48	0.00	29.2	0.0
October 11, 2025	19,691,300.00	5,431,218.72	0.00	27.6	0.0
April 11, 2026	19,250,450.00	0.00	0.00	0.0	0.0

Date	N84307			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,410,000.00	\$ 15,881,000.00	\$ 4,588,000.00	54.0%	69.6%
October 11, 2014	29,410,000.00	15,881,000.00	4,588,000.00	54.0	69.6
April 11, 2015	28,968,850.00	15,881,000.00	4,588,000.00	54.8	70.7
October 11, 2015	28,527,700.00	15,297,401.76	4,336,473.84	53.6	68.8
April 11, 2016	28,086,550.00	14,765,406.89	4,101,360.36	52.6	67.2
October 11, 2016	27,645,400.00	14,236,322.79	3,868,502.17	51.5	65.5
April 11, 2017	27,204,250.00	13,710,291.76	3,638,009.52	50.4	63.8
October 11, 2017	26,763,100.00	13,187,465.51	3,409,999.96	49.3	62.0
April 11, 2018	26,321,950.00	12,668,005.98	3,184,598.96	48.1	60.2
October 11, 2018	25,880,800.00	12,152,086.23	2,961,940.60	47.0	58.4

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April 11, 2019	25,439,650.00	11,639,891.34	2,742,168.29	45.8	56.5
October 11, 2019	24,998,500.00	11,131,619.55	2,525,435.64	44.5	54.6
April 11, 2020	24,557,350.00	10,627,483.44	2,311,907.34	43.3	52.7
October 11, 2020	24,116,200.00	10,127,711.20	2,101,760.19	42.0	50.7
April 11, 2021	23,675,050.00	9,632,548.12	1,895,184.27	40.7	48.7
October 11, 2021	23,233,900.00	9,142,258.26	1,692,384.13	39.3	46.6
April 11, 2022	22,792,750.00	8,657,126.20	0.00	38.0	0.0
October 11, 2022	22,351,600.00	8,177,459.15	0.00	36.6	0.0
April 11, 2023	21,910,450.00	7,703,589.19	0.00	35.2	0.0
October 11, 2023	21,469,300.00	7,235,875.88	0.00	33.7	0.0
April 11, 2024	21,028,150.00	6,774,709.14	0.00	32.2	0.0
October 11, 2024	20,587,000.00	6,320,512.50	0.00	30.7	0.0
April 11, 2025	20,145,850.00	5,873,746.87	0.00	29.2	0.0
October 11, 2025	19,704,700.00	5,434,914.69	0.00	27.6	0.0
April 11, 2026	19,263,550.00	0.00	0.00	0.0	0.0

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Date	N89308			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,430,000.00	\$ 15,892,000.00	\$ 4,591,000.00	54.0%	69.6%
October 11, 2014	29,430,000.00	15,892,000.00	4,591,000.00	54.0	69.6
April 11, 2015	28,988,550.00	15,892,000.00	4,591,000.00	54.8	70.7
October 11, 2015	28,547,100.00	15,307,804.62	4,339,422.82	53.6	68.8
April 11, 2016	28,105,650.00	14,775,447.97	4,104,149.46	52.6	67.2
October 11, 2016	27,664,200.00	14,246,004.07	3,871,132.91	51.5	65.5
April 11, 2017	27,222,750.00	13,719,615.31	3,640,483.51	50.4	63.8
October 11, 2017	26,781,300.00	13,196,433.53	3,412,318.90	49.3	62.0
April 11, 2018	26,339,850.00	12,676,620.75	3,186,764.62	48.1	60.2
October 11, 2018	25,898,400.00	12,160,350.14	2,963,954.84	47.0	58.4
April 11, 2019	25,456,950.00	11,647,806.93	2,744,033.08	45.8	56.5
October 11, 2019	25,015,500.00	11,139,189.51	2,527,153.04	44.5	54.6
April 11, 2020	24,574,050.00	10,634,710.57	2,313,479.53	43.3	52.7
October 11, 2020	24,132,600.00	10,134,598.46	2,103,189.48	42.0	50.7
April 11, 2021	23,691,150.00	9,639,098.65	1,896,473.07	40.7	48.7
October 11, 2021	23,249,700.00	9,148,475.37	1,693,535.03	39.3	46.6
April 11, 2022	22,808,250.00	8,663,013.39	0.00	38.0	0.0
October 11, 2022	22,366,800.00	8,183,020.15	0.00	36.6	0.0
April 11, 2023	21,925,350.00	7,708,827.94	0.00	35.2	0.0
October 11, 2023	21,483,900.00	7,240,796.57	0.00	33.7	0.0
April 11, 2024	21,042,450.00	6,779,316.22	0.00	32.2	0.0
October 11, 2024	20,601,000.00	6,324,810.71	0.00	30.7	0.0
April 11, 2025	20,159,550.00	5,877,741.26	0.00	29.2	0.0
October 11, 2025	19,718,100.00	5,438,610.65	0.00	27.6	0.0
April 11, 2026	19,276,650.00	0.00	0.00	0.0	0.0

Date	N86309			Loan to Value Ratio	
	Outstanding Balance			Series	
	Assumed Aircraft Value	Series A Equipment Notes	Series B Equipment Notes	Series A Equipment Notes	Series B Equipment Notes
At Issuance	\$ 29,460,000.00	\$ 15,908,000.00	\$ 4,596,000.00	54.0%	69.6%
October 11, 2014	29,460,000.00	15,908,000.00	4,596,000.00	54.0	69.6
April 11, 2015	29,018,100.00	15,908,000.00	4,596,000.00	54.8	70.7
October 11, 2015	28,576,200.00	15,323,408.90	4,343,846.29	53.6	68.8
April 11, 2016	28,134,300.00	14,790,509.58	4,108,333.09	52.6	67.2
October 11, 2016	27,692,400.00	14,260,525.99	3,875,079.02	51.5	65.5
April 11, 2017	27,250,500.00	13,733,600.65	3,644,194.51	50.4	63.8
October 11, 2017	26,808,600.00	13,209,885.54	3,415,797.30	49.3	62.0
April 11, 2018	26,366,700.00	12,689,542.89	3,190,013.10	48.1	60.2
October 11, 2018	25,924,800.00	12,172,746.02	2,966,976.20	47.0	58.4
April 11, 2019	25,482,900.00	11,659,680.34	2,746,830.26	45.8	56.5

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October 11, 2019	25,041,000.00	11,150,544.44	2,529,729.14	44.5	54.6
April 11, 2020	24,599,100.00	10,645,551.25	2,315,837.82	43.3	52.7
October 11, 2020	24,157,200.00	10,144,929.34	2,105,333.40	42.0	50.7
April 11, 2021	23,715,300.00	9,648,924.44	1,898,406.27	40.7	48.7
October 11, 2021	23,273,400.00	9,157,801.03	1,695,261.36	39.3	46.6
April 11, 2022	22,831,500.00	8,671,844.19	0.00	38.0	0.0
October 11, 2022	22,389,600.00	8,191,361.66	0.00	36.6	0.0
April 11, 2023	21,947,700.00	7,716,686.07	0.00	35.2	0.0
October 11, 2023	21,505,800.00	7,248,177.61	0.00	33.7	0.0
April 11, 2024	21,063,900.00	6,786,226.83	0.00	32.2	0.0
October 11, 2024	20,622,000.00	6,331,258.02	0.00	30.7	0.0
April 11, 2025	20,180,100.00	5,883,732.84	0.00	29.2	0.0
October 11, 2025	19,738,200.00	5,444,154.60	0.00	27.6	0.0
April 11, 2026	19,296,300.00	0.00	0.00	0.0	0.0

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**PROSPECTUS**

**United Air Lines, Inc.**

**Pass Through Certificates**

**Continental Airlines, Inc.**

**Pass Through Certificates**

This prospectus relates to pass through certificates to be issued by one or more trusts that United Air Lines, Inc. or Continental Airlines, Inc. will form, as creator of each pass through trust, with a national or state bank or trust company, as trustee. The trustee will hold all property owned by a trust for the benefit of holders of pass through certificates issued by that trust. Each pass through certificate issued by a trust will represent a beneficial interest in all property held by that trust. United Continental Holdings, Inc., the holding company of United and Continental, may provide a guarantee of certain obligations of United or Continental relating to property owned by such a trust, and United or Continental may provide a guarantee of certain obligations of the other relating to property owned by such a trust.

We will describe the specific terms of any offering of pass through certificates in a prospectus supplement to this prospectus. You should carefully read this prospectus and the applicable prospectus supplement, together with the documents we incorporate by reference, before you invest in any pass through certificates.

This prospectus may not be used to offer or sell any pass through certificates unless accompanied by a prospectus supplement.

**Investing in our pass through certificates involves risks. See Risk Factors beginning on page 2 of this prospectus.**

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

**The date of this prospectus is April 27, 2012.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using the shelf registration process. Under the shelf registration process, we may sell the pass through certificates described in this prospectus in one or more offerings from time to time. Each time we sell pass through certificates, we will provide a prospectus supplement that will contain specific information about the terms of that offering.

This prospectus contains summaries of certain provisions contained in some of the documents described herein. Please refer to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of the documents referred to herein have been filed, or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under **Where You Can Find More Information**.

In this prospectus, unless the context otherwise requires, the terms **we**, **our**, **us** and the **Company** refer to United Continental Holdings, Inc. and its subsidiaries, including United Air Lines, Inc. and Continental Airlines, Inc.

You should rely only on the information contained in this prospectus or in a prospectus supplement accompanying this prospectus or information incorporated by reference therein. We have not authorized anyone to provide you with different information. The distribution of this prospectus and sale of these pass through certificates in certain jurisdictions may be restricted by law. Persons in possession of this prospectus are required to inform themselves about and observe any such restrictions. We are not making an offer to sell these pass through certificates in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

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**RISK FACTORS**

An investment in our pass through certificates involves risk. Before you invest in our pass through certificates, you should carefully consider the risks involved. Accordingly, you should carefully consider:

the information contained in or incorporated by reference into this prospectus;

the information contained in or incorporated by reference into any prospectus supplement relating to specific offerings of securities;

the risks described in the Annual Report on Form 10-K of United Continental Holdings, Inc., United Air Lines, Inc. and Continental Airlines, Inc. for our most recent fiscal year and in any Quarterly Report on Form 10-Q which we have filed since our most recent Annual Report on Form 10-K, each of which is incorporated by reference into this prospectus; and

other risks and other information that may be contained in, or incorporated by reference from, other filings we make with the SEC, including in any prospectus supplement relating to specific offerings of pass through certificates.

The discussion of risks related to our business contained in or incorporated by reference into this prospectus or into any prospectus supplement comprises material risks of which we are aware. If any of the events or developments described actually occurs, our business, financial condition or results of operations would likely suffer.

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

Certain statements contained in or incorporated by reference in this prospectus or any prospectus supplement delivered with this prospectus are forward-looking and thus reflect our current expectations and beliefs with respect to certain current and future events and financial performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to our operations, financial condition and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as expects, will, plans, anticipates, indicates, believes, forecast, guidance, out expressions are intended to identify forward-looking statements.

Additionally, forward-looking statements include statements which do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements contained in or incorporated by reference in this prospectus or any prospectus supplement delivered with this prospectus are based upon information available to us on the date such statements are made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law.

Our actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: our ability to comply with the terms of our various financing arrangements; the costs

and availability of financing; our ability to maintain adequate liquidity; our ability to execute our operational plans; our ability to control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; our ability to utilize our net operating losses; our ability to attract and retain customers; demand for transportation in the markets in which we operate; an outbreak of a disease that affects travel demand or travel behavior; demand for travel and the impact that global economic conditions have on customer travel patterns; excessive taxation and the inability to offset future taxable income; general economic conditions (including interest rates, foreign currency exchange rates,

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investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); our ability to cost-effectively hedge against increases in the price of aircraft fuel; any potential realized or unrealized gains or losses related to fuel or currency hedging programs; the effects of any hostilities, act of war or terrorist attack; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; the costs and availability of aviation and other insurance; the costs associated with security measures and practices; industry consolidation or changes in airline alliances; competitive pressures on pricing and demand; our capacity decisions and the capacity decisions of our competitors; U.S. or foreign governmental legislation, regulation and other actions (including open skies agreements and environmental regulations); labor costs; our ability to maintain satisfactory labor relations and the results of the collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; weather conditions; the possibility that expected synergies relating to the Merger described under **The Company** in this prospectus will not be realized or will not be realized within the expected time period; and other risks and uncertainties, including those stated in the SEC reports incorporated by reference in this prospectus or any prospectus supplement delivered with this prospectus or as stated in any such prospectus supplement under **Risk Factors** . Consequently, the forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized.

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**THE COMPANY**

United Continental Holdings, Inc. ( UAL ) is a holding company, and its principal subsidiaries are United Air Lines, Inc. ( United ) and Continental Airlines, Inc. ( Continental ). United and Continental are commercial airlines operating a single passenger service system under the United name. We expect that United and Continental will be combined as a single legal entity subsequent to the date of this prospectus.

On May 2, 2010, UAL Corporation, Continental, and JT Merger Sub Inc., a wholly-owned subsidiary of UAL Corporation, entered into an Agreement and Plan of Merger providing for a merger of equals business combination. On October 1, 2010, JT Merger Sub Inc. merged with and into Continental, with Continental surviving as a wholly-owned subsidiary of UAL Corporation (the Merger ). Upon closing of the Merger, UAL Corporation became the parent company of both Continental and United and UAL Corporation s name was changed to United Continental Holdings, Inc.

Each of UAL, United and Continental is a Delaware corporation. The principal executive offices of UAL and United are located at 77 W. Wacker Drive, Chicago, Illinois 60601, telephone (312) 997-8000. The principal executive offices of Continental are located at 1600 Smith Street, Houston, Texas 77002, telephone (713) 324-2950.

UAL s website is [www.unitedcontinentalholdings.com](http://www.unitedcontinentalholdings.com), and United s and Continental s website is [www.united.com](http://www.united.com). The information contained on or connected to these websites is not incorporated by reference into this prospectus and should not be considered part of this prospectus.

**USE OF PROCEEDS**

Unless otherwise indicated in an accompanying prospectus supplement, we intend to use the proceeds from the sale of the securities to finance or refinance aircraft or for general corporate purposes, which may include repayment of indebtedness, the funding of a portion of our pension liabilities, and our working capital requirements.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth UAL's consolidated ratio of earnings to fixed charges for the periods indicated (1):

	<b>Three Months</b>					
	<b>Ended</b>					
	<b>March 31,</b>	<b>Year Ended December 31,</b>				
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Ratio of earnings to fixed charges	(a)	1.40	1.19	(b)	(c)	1.67

- (a) Earnings were inadequate to cover fixed charge requirements by \$454 million for the three months ended March 31, 2012.
- (b) Earnings were inadequate to cover fixed charge requirements by \$677 million for the year ended December 31, 2009.
- (c) Earnings were inadequate to cover fixed charges by \$5.4 billion for the year ended December 31, 2008.

The following table sets forth United's consolidated ratio of earnings to fixed charges for the periods indicated (1):

	<b>Three Months</b>			<b>Year Ended December 31,</b>		
	<b>Ended March 31,</b>					
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Ratio of earnings to fixed charges	(d)	1.31	1.38	(e)	(f)	1.67

- (d) Earnings were inadequate to cover fixed charges requirements by \$423 million for the three months ended March 31, 2012.
- (e) Earnings were inadequate to cover fixed charges requirements by \$653 million for the year ended December 31, 2009.
- (f) Earnings were inadequate to cover fixed charges requirements by \$5.4 billion for the year ended December 31, 2008.

The following table contains Continental's consolidated ratio of earnings to fixed charges for the periods indicated (2):

	<b>Continental Successor</b>			<b>Continental Predecessor</b>			
	<b>Three Months</b>		<b>Three Months</b>	<b>Nine</b>	<b>Year Ended</b>		
	<b>Ended</b>	<b>Year Ended</b>	<b>Ended</b>	<b>Months</b>	<b>December 31,</b>		
	<b>March 31, 2012</b>	<b>December 31, 2011</b>	<b>December 31, 2010</b>	<b>Ended</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Ratio of earnings to fixed charges	(g)	1.49	(g)	1.47	(g)	(g)	1.42



- (g) Earnings were inadequate to cover fixed charges requirements by \$14 million and \$103 million for the three months ended March 31, 2012 and December 31, 2010, respectively, and by \$436 million and \$702 million for the years ended December 31, 2009 and 2008, respectively.
- (1) For purposes of calculating this ratio, earnings consist of income before income taxes and cumulative effect of changes in accounting principles adjusted for distributed earnings of affiliates in which UAL/United has a minority equity interest plus interest expense (net of capitalized interest), the portion of rental expense representative of interest expense and amortization of previously capitalized interest. Fixed charges consist of interest expense, the portion of rental expense representative of interest expense, the amount amortized for debt discount, premium and issuance expense and interest previously capitalized.
- (2) For purposes of calculating this ratio, earnings consist of income before income taxes and cumulative effect of changes in accounting principles adjusted for undistributed income of companies in which Continental

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has a minority equity interest plus interest expense (net of capitalized interest), the portion of rental expense representative of interest expense and amortization of previously capitalized interest. Fixed charges consist of interest expense, the portion of rental expense representative of interest expense, the amount amortized for debt discount, premium and issuance expense and interest previously capitalized.

As a result of the application of the acquisition method of accounting, Continental's financial statements prior to October 1, 2010 are not comparable with the financial statements for periods on or after October 1, 2010. References to Continental Successor refer to Continental on or after October 1, 2010, after giving effect to the application of acquisition accounting. References to Continental Predecessor refer to Continental prior to October 1, 2010. Amounts for 2008 were adjusted to reflect the change in classification of certain revenues and expenses in Continental's statements of consolidated operations.

**WHERE YOU CAN FIND MORE INFORMATION**

UAL, United and Continental file annual, quarterly and current reports and other information, and UAL files proxy statements with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act). You may read and copy this information at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330.

The SEC also maintains an internet website that contains reports, proxy statements and other information about issuers, like us, who file reports electronically with the SEC. The address of that site is <http://www.sec.gov>.

We have filed with the SEC a registration statement on Form S-3, which registers the securities that we may offer under this prospectus. The registration statement, including the exhibits and schedules thereto, contains additional relevant information about us and the securities offered.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by subsequent incorporated documents or by information that is included directly in this prospectus or any prospectus supplement.

This prospectus incorporates by reference the documents listed below that we previously have filed with the SEC (excluding any information that has been furnished but not filed for purposes of the Exchange Act) and that are not delivered with this prospectus. They contain important information about us and our financial condition.

**Combined Filings by UAL, United and Continental**

	<b>Date Filed</b>
Annual Report on Form 10-K for the year ended December 31, 2011	February 22, 2012
Quarterly Report on Form 10-Q for the quarter ended March 31, 2012	April 26, 2012
Current Report on Form 8-K	January 10, 2012
Current Report on Form 8-K	February 8, 2012
Current Report on Form 8-K	March 8, 2012
Current Report on Form 8-K	April 10, 2012



**Table of Contents****Filings by UAL**

	<b>Date Filed</b>
Registration Statement on Form 8-A, description of UAL's Common Stock, par value \$0.01 per share	September 30, 2010, including any amendments or reports filed to update such description
Current Report on Form 8-K	January 27, 2012
Amendment to Current Report on Form 8-K/A	February 3, 2012
Current Report on Form 8-K	April 17, 2012

**Filings by Continental**

	<b>Date Filed</b>
Current Report on Form 8-K	March 8, 2012
Current Report on Form 8-K	March 22, 2012
Current Report on Form 8-K	March 28, 2012

The SEC file number is 1-6033 for UAL, 1-11355 for United and 1-10323 for Continental.

We incorporate by reference additional documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information that has been furnished but not filed for purposes of the Exchange Act) between the date of this prospectus and the termination of the offering of securities under this prospectus. These documents include our periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as our proxy statements.

You may obtain any of these incorporated documents from us without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference in such document. You may obtain documents incorporated by reference in this prospectus by requesting them from us in writing or by telephone at the following address:

United Continental Holdings, Inc. United Air Lines, Inc. Continental Airlines, Inc. 77 W. Wacker Drive Chicago, Illinois 60601 (312) 997-8000 Attention: Secretary

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**LEGAL MATTERS**

Unless otherwise indicated in the applicable prospectus supplement, our counsel Hughes Hubbard & Reed LLP, New York, New York, will pass upon the validity of the certificates being offered by such prospectus supplement.

**EXPERTS**

The consolidated financial statements of UAL at December 31, 2011 and December 31, 2010, and for each of the two years in the period ended December 31, 2011, and the related financial statement schedule appearing in UAL's Annual Report on Form 10-K for the year ended December 31, 2011 have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon, which is incorporated by reference herein. UAL's financial statements are incorporated by reference in this prospectus in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of UAL for the year ended December 31, 2009, and the related financial statement schedule, incorporated by reference in this prospectus from UAL's Annual Report on Form 10-K for the year ended December 31, 2011 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph relating to retrospective reclassifications of revenue and expenses in UAL's statements of consolidated operations and an explanatory paragraph relating to a change in reportable segments), which is incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of United at December 31, 2011 and December 31, 2010, and for each of the two years in the period ended December 31, 2011, and the related financial statement schedule appearing in United's Annual Report on Form 10-K for the year ended December 31, 2011 have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon, which is incorporated by reference herein. United's financial statements are incorporated by reference in this prospectus in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of United for the year ended December 31, 2009, and the related financial statement schedule, incorporated by reference in this prospectus from United's Annual Report on Form 10-K for the year ended December 31, 2011 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph relating to retrospective reclassifications of revenue and expenses in United's statements of consolidated operations and an explanatory paragraph relating to a change in reportable segments), which is incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Continental appearing in Continental's Annual Report on Form 10-K for the year ended December 31, 2011 and the related financial statement schedule have been audited by Ernst & Young LLP, an independent registered public accounting firm, as set forth in their report thereon, which is incorporated by reference herein. Continental's financial statements are incorporated by reference in this prospectus in reliance upon such reports given on the authority of Ernst & Young LLP as experts in accounting and auditing.

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