
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

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

For the quarterly period ended June 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 0-14948

FISERV, INC.

(Exact Name of Registrant as Specified in Its Charter)

WISCONSIN
(State or Other Jurisdiction of
Incorporation or Organization)

255 FISERV DRIVE, BROOKFIELD, WI
(Address of Principal Executive Offices)

39-1506125
(I. R. S. Employer
Identification No.)

53045
(Zip Code)

(262) 879-5000
(Registrant's Telephone Number, Including Area Code)

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

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 ☒

As of July 23, 2015, there were 234,577,658 shares of common stock, \$.01 par value, of the registrant outstanding.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Fiserv, Inc.
Consolidated Statements of Income
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue:				
Processing and services	\$ 1,109	\$ 1,051	\$2,176	\$2,078
Product	189	202	397	409
Total revenue	<u>1,298</u>	<u>1,253</u>	<u>2,573</u>	<u>2,487</u>
Expenses:				
Cost of processing and services	542	532	1,084	1,073
Cost of product	168	171	349	351
Selling, general and administrative	262	243	500	485
Total expenses	<u>972</u>	<u>946</u>	<u>1,933</u>	<u>1,909</u>
Operating income	326	307	640	578
Interest expense	(49)	(41)	(90)	(82)
Interest and investment income	—	1	1	1
Loss on early debt extinguishment	<u>(85)</u>	<u>—</u>	<u>(85)</u>	<u>—</u>
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	192	267	466	497
Income tax provision	(66)	(101)	(162)	(167)
Income from investment in unconsolidated affiliate	<u>1</u>	<u>—</u>	<u>1</u>	<u>4</u>
Income from continuing operations	127	166	305	334
Income (loss) from discontinued operations, net of income taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net income	<u>\$ 127</u>	<u>\$ 166</u>	<u>\$ 305</u>	<u>\$ 334</u>
Net income per share – basic:				
Continuing operations	\$ 0.54	\$ 0.66	\$ 1.28	\$ 1.33
Discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 0.54</u>	<u>\$ 0.66</u>	<u>\$ 1.28</u>	<u>\$ 1.33</u>
Net income per share – diluted:				
Continuing operations	\$ 0.53	\$ 0.65	\$ 1.26	\$ 1.31
Discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 0.53</u>	<u>\$ 0.65</u>	<u>\$ 1.26</u>	<u>\$ 1.30</u>
Shares used in computing net income per share:				
Basic	236.5	249.3	237.6	251.9
Diluted	240.4	253.4	241.7	256.0

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	\$ 127	\$ 166	\$ 305	\$ 334
Other comprehensive income (loss):				
Fair market value adjustment on cash flow hedges, net of income tax provision of \$1 million	—	—	—	2
Reclassification adjustment for net realized losses on cash flow hedges included in interest expense, net of income tax provision of \$3 million, \$1 million, \$4 million and \$2 million	5	2	7	4
Foreign currency translation	—	3	(10)	5
Total other comprehensive income (loss)	5	5	(3)	11
Comprehensive income	<u>\$ 132</u>	<u>\$ 171</u>	<u>\$ 302</u>	<u>\$ 345</u>

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Balance Sheets
(In millions)
(Unaudited)

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$ 530	\$ 294
Trade accounts receivable, net	746	798
Deferred income taxes	40	42
Prepaid expenses and other current assets	398	352
Total current assets	1,714	1,486
Property and equipment, net	382	317
Intangible assets, net	1,940	2,003
Goodwill	5,204	5,209
Other long-term assets	348	322
Total assets	<u>\$ 9,588</u>	<u>\$ 9,337</u>
Liabilities and Shareholders' Equity		
Accounts payable and accrued expenses	\$ 898	\$ 905
Current maturities of long-term debt	5	92
Deferred revenue	433	489
Total current liabilities	1,336	1,486
Long-term debt	4,231	3,711
Deferred income taxes	712	716
Other long-term liabilities	166	129
Total liabilities	<u>6,445</u>	<u>6,042</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value: 25.0 million shares authorized; none issued	—	—
Common stock, \$0.01 par value: 900.0 million shares authorized; 395.7 million shares issued	4	4
Additional paid-in capital	920	897
Accumulated other comprehensive loss	(66)	(63)
Retained earnings	7,657	7,352
Treasury stock, at cost, 160.5 million and 155.4 million shares	<u>(5,372)</u>	<u>(4,895)</u>
Total shareholders' equity	<u>3,143</u>	<u>3,295</u>
Total liabilities and shareholders' equity	<u>\$ 9,588</u>	<u>\$ 9,337</u>

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 305	\$ 334
Adjustment for discontinued operations	—	—
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:		
Depreciation and other amortization	107	96
Amortization of acquisition-related intangible assets	99	103
Share-based compensation	36	27
Excess tax benefits from share-based awards	(29)	(12)
Deferred income taxes	(9)	(27)
Income from investment in unconsolidated affiliate	(1)	(4)
Loss on early debt extinguishment	85	—
Dividends from unconsolidated affiliate	—	45
Other operating activities	1	—
Changes in assets and liabilities:		
Trade accounts receivable	53	25
Prepaid expenses and other assets	(40)	(24)
Accounts payable and other liabilities	38	46
Deferred revenue	(45)	(40)
Net cash provided by operating activities from continuing operations	<u>600</u>	<u>569</u>
Cash flows from investing activities:		
Capital expenditures, including capitalization of software costs	(203)	(150)
Other investing activities	—	1
Net cash used in investing activities from continuing operations	<u>(203)</u>	<u>(149)</u>
Cash flows from financing activities:		
Debt proceeds	2,392	544
Debt repayments, including redemption and other costs	(2,055)	(544)
Proceeds from issuance of treasury stock	47	26
Purchases of treasury stock, including employee shares withheld for tax obligations	(574)	(528)
Excess tax benefits from share-based awards	29	12
Other financing activities	—	(1)
Net cash used in financing activities from continuing operations	<u>(161)</u>	<u>(491)</u>
Net change in cash and cash equivalents from continuing operations	236	(71)
Net cash flows from (to) discontinued operations	—	—
Beginning balance	<u>294</u>	<u>400</u>
Ending balance	<u><u>\$ 530</u></u>	<u><u>\$ 329</u></u>

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The consolidated financial statements for the three-month and six-month periods ended June 30, 2015 and 2014 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial statements have been included. Such adjustments consisted of normal recurring items. Interim results are not necessarily indicative of results for a full year. The consolidated financial statements and accompanying notes are presented as permitted by Form 10-Q and do not contain certain information included in the annual consolidated financial statements and accompanying notes of Fiserv, Inc. (the “Company”). These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

Principles of Consolidation

The consolidated financial statements include the accounts of Fiserv, Inc. and all 100% owned subsidiaries. Investments in less than 50% owned affiliates in which the Company has significant influence but not control are accounted for using the equity method of accounting. All intercompany transactions and balances have been eliminated in consolidation.

2. Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (“ASU 2015-03”). ASU 2015-03 requires that all costs incurred to issue debt be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability rather than as an asset. The standard does not affect the recognition and measurement of debt issuance costs; therefore, the amortization of such costs shall continue to be reported as interest expense. ASU 2015-03 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permissible for financial statements that have not been previously issued. The new guidance is to be applied on a retrospective basis to all prior periods. The Company does not expect the adoption of ASU 2015-03 to have a material impact on its consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis* (“ASU 2015-02”), which changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. ASU 2015-02 clarifies how to determine whether equity holders as a group have power to direct the activities that most significantly affect the legal entity’s economic performance and could affect whether it is a variable interest entity. ASU 2015-02 will be effective for annual periods beginning after December 15, 2015; early adoption is allowed, including in any interim period. The Company is currently assessing the impact that the adoption of ASU 2015-02 will have on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), to clarify the principles of recognizing revenue and to create common revenue recognition guidance between U.S. generally accepted accounting principles and International Financial Reporting Standards. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This model involves a five-step process for achieving that core principle, along with comprehensive disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB deferred the effective date of the new revenue standard for one year and will permit early adoption as of the original effective date in ASU 2014-09. For public entities, the standard will be effective for annual and interim periods beginning after December 15, 2017. Entities have the option of using either a full retrospective or a modified approach to adopt this new guidance. The Company is currently assessing the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements.

3. Fair Value Measurements

The Company applies fair value accounting for all assets and liabilities that are recognized or disclosed at fair value in its consolidated financial statements on a recurring basis. Fair value represents the amount that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, the Company considers the principal or most advantageous market and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability.

The fair values of cash equivalents, trade accounts receivable, settlement assets and obligations, and accounts payable approximate their respective carrying values due to the short period of time to maturity. The estimated fair value of total debt was \$4.3 billion at June 30, 2015 and \$3.9 billion at December 31, 2014 and was estimated using quoted prices in inactive markets (level 2 of the fair value hierarchy) or using discounted cash flows based on the Company's current incremental borrowing rates (level 3 of the fair value hierarchy).

4. Investment in Unconsolidated Affiliate

The Company owns a 49% interest in StoneRiver Group, L.P. ("StoneRiver"), which is accounted for as an equity method investment, and reports its share of StoneRiver's net income as income from investment in unconsolidated affiliate. The Company's investment in StoneRiver was \$22 million and \$21 million at June 30, 2015 and December 31, 2014, respectively, and was reported within other long-term assets in the consolidated balance sheets. To the extent that the Company's cost basis is different than the basis reflected at the unconsolidated affiliate level, the basis difference is generally amortized over the lives of the related assets and included in the Company's share of equity in earnings of the unconsolidated affiliate. During the second quarter of 2014, the Company received a \$45 million cash dividend from StoneRiver, funded from a capital transaction. The entire dividend represented a return on the Company's investment and was reported as cash flows from operating activities.

5. Share-Based Compensation

The Company recognized \$18 million and \$36 million of share-based compensation expense during the three and six months ended June 30, 2015, respectively, and \$12 million and \$27 million of share-based compensation expense during the three and six months ended June 30, 2014, respectively. The Company's annual grant of share-based awards generally occurs in the first quarter. During the six months ended June 30, 2015, the Company granted 1.1 million stock options and 0.3 million restricted stock units at weighted-average estimated fair values of \$25.43 and \$79.06, respectively. During the six months ended June 30, 2014, the Company granted 1.3 million stock options and 0.5 million restricted stock units at weighted-average estimated fair values of \$18.80 and \$57.08, respectively. During the six months ended June 30, 2015 and 2014, stock options to purchase 1.7 million and 0.8 million shares, respectively, were exercised.

6. Shares Used in Computing Net Income Per Share

The computation of shares used in calculating basic and diluted net income per common share is as follows:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Weighted-average common shares outstanding used for the calculation of net income per share – basic	236.5	249.3	237.6	251.9
Common stock equivalents	3.9	4.1	4.1	4.1
Weighted-average common shares outstanding used for the calculation of net income per share – diluted	<u>240.4</u>	<u>253.4</u>	<u>241.7</u>	<u>256.0</u>

For the three months ended June 30, 2015 and 2014, stock options for 1.1 million and 1.4 million shares, respectively, were excluded from the calculation of diluted weighted-average outstanding shares because their impact was anti-dilutive. For the six months ended June 30, 2015 and 2014, stock options for 0.8 million and 1.1 million shares, respectively, were excluded from the calculation of diluted weighted-average outstanding shares because their impact was anti-dilutive.

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7. Intangible Assets

Intangible assets consisted of the following:

(In millions) June 30, 2015	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer related intangible assets	\$ 2,155	\$ 860	\$ 1,295
Acquired software and technology	493	388	105
Trade names	120	50	70
Capitalized software development costs	557	199	358
Purchased software	259	147	112
Total	<u>\$ 3,584</u>	<u>\$ 1,644</u>	<u>\$ 1,940</u>

(In millions) December 31, 2014	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer related intangible assets	\$ 2,155	\$ 797	\$ 1,358
Acquired software and technology	493	356	137
Trade names	120	46	74
Capitalized software development costs	574	240	334
Purchased software	234	134	100
Total	<u>\$ 3,576</u>	<u>\$ 1,573</u>	<u>\$ 2,003</u>

The Company estimates that annual amortization expense with respect to acquired intangible assets, which include customer related intangible assets, acquired software and technology, and trade names, will be approximately \$190 million in 2015, \$150 million in 2016, \$140 million in each of 2017 and 2018, and \$130 million in 2019. Annual amortization expense in 2015 with respect to capitalized and purchased software is estimated to approximate \$115 million.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

(In millions)	June 30, 2015	December 31, 2014
Trade accounts payable	\$ 77	\$ 61
Client deposits	302	261
Settlement obligations	191	176
Accrued compensation and benefits	133	192
Other accrued expenses	195	215
Total	<u>\$ 898</u>	<u>\$ 905</u>

9. Long-Term Debt

In April 2015, the Company entered into an amended and restated revolving credit agreement that restated its existing \$2.0 billion revolving credit agreement with a syndicate of banks and extended its maturity from October 2018 to April 2020. The amended and restated credit agreement also provided that the Company's subsidiaries that were guaranteeing its obligations under the revolving credit facility were released from their respective guarantees. Borrowings under the amended revolving credit facility continue to bear interest at a variable rate based on LIBOR or on a base rate, plus a specified margin based on the Company's long-term debt rating in effect from time to time. There are no significant commitment fees and no compensating balance requirements. The amended revolving credit facility contains various restrictions and covenants that are substantially similar to those under the Company's previously existing credit agreement. In April 2015, the Company also entered into an amendment to its term loan facility to conform certain of its terms to those in the amended and restated credit agreement, including providing that its subsidiaries that were guaranteeing its obligations under the term loan facility were released from their respective guarantees. In addition, in April 2015, the Company provided notice to the trustee under the indenture and supplemental indentures governing its outstanding senior notes that the subsidiary guarantors of the outstanding senior notes were automatically released from all of their obligations under the supplemental indentures and their respective guarantees.

In May 2015, the Company completed an offering of \$1.75 billion of senior notes comprised of \$850 million aggregate principal amount of 2.7% senior notes due in June 2020 and \$900 million aggregate principal amount of 3.85% senior notes due in June 2025. The notes pay interest semi-annually on June 1 and December 1, commencing on December 1, 2015. The interest rate applicable to these notes is subject to an increase of up to two percent in the event that the Company's credit rating is downgraded below investment grade. The indentures governing the senior notes contain covenants that, among other matters, limit (i) the Company's ability to consolidate or merge into, or convey, transfer or lease all or substantially all of its properties and assets to, another person, (ii) the Company's and certain of its subsidiaries' ability to create or assume liens, and (iii) the Company's and certain of its subsidiaries' ability to engage in sale and leaseback transactions. The Company used the net proceeds from this offering to redeem its \$600 million aggregate principal amount of 3.125% senior notes due in June 2016 and \$500 million aggregate principal amount of 6.8% senior notes due in November 2017. The Company recorded a pre-tax loss on early debt extinguishment of \$85 million related to make-whole payments and other costs associated with this redemption. In addition, the Company paid scheduled December 2015 and December 2016 principal payments on the term loan totaling \$180 million and repaid outstanding borrowings under the amended and restated revolving credit facility.

At June 30, 2015 and December 31, 2014, the Company's \$300 million aggregate principal amount of 3.125% senior notes due in October 2015 were classified in the consolidated balance sheets as long-term as the Company has the intent to refinance this debt on a long-term basis and the ability to do so under its amended and restated revolving credit facility.

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10. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component, net of income taxes, consisted of the following:

(In millions)	Cash Flow Hedges	Foreign Currency Translation	Other	Total
Balance at December 31, 2014	\$ (41)	\$ (20)	\$ (2)	\$(63)
Other comprehensive loss before reclassifications	—	(10)	—	(10)
Amounts reclassified from accumulated other comprehensive loss	7	—	—	7
Net current-period other comprehensive (loss) income	7	(10)	—	(3)
Balance at June 30, 2015	<u>\$ (34)</u>	<u>\$ (30)</u>	<u>\$ (2)</u>	<u>\$(66)</u>

(In millions)	Cash Flow Hedges	Foreign Currency Translation	Other	Total
Balance at December 31, 2013	\$ (49)	\$ (9)	\$ (2)	\$(60)
Other comprehensive income before reclassifications	2	5	—	7
Amounts reclassified from accumulated other comprehensive loss	4	—	—	4
Net current-period other comprehensive income	6	5	—	11
Balance at June 30, 2014	<u>\$ (43)</u>	<u>\$ (4)</u>	<u>\$ (2)</u>	<u>\$(49)</u>

Based on the amounts recorded in accumulated other comprehensive loss at June 30, 2015, the Company estimates that it will recognize approximately \$12 million in interest expense during the next twelve months related to settled interest rate hedge contracts.

The Company has entered into foreign currency forward exchange contracts, which have been designated as cash flow hedges, to hedge foreign currency exposure to the Indian Rupee. As of June 30, 2015, the notional amount of these derivatives was approximately \$57 million, and the fair value was nominal. As of December 31, 2014, the notional amount of these derivatives was approximately \$73 million, and the fair value totaling approximately \$1 million was recorded within current accrued expenses in the consolidated balance sheet.

11. Cash Flow Information

Supplemental cash flow information was as follows:

(In millions)	Six Months Ended June 30,	
	2015	2014
Interest paid	\$ 75	\$ 72
Income taxes paid from continuing operations	150	137
Treasury stock purchases settled after the balance sheet date	15	—

12. Business Segment Information

The Company's operations are comprised of the Payments and Industry Products ("Payments") segment and the Financial Institution Services ("Financial") segment. The Payments segment primarily provides debit, credit and prepaid card processing and services, electronic bill payment and presentment services, internet and mobile banking software and services, person-to-person payment services, and other electronic payments software and services. The businesses in this segment also provide card and print personalization services, investment account processing services for separately managed accounts, and fraud and risk management products and services. The Financial segment provides banks, thrifts, credit unions, and leasing and finance companies with account processing services, item processing and source capture services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. The Corporate and Other segment primarily consists of unallocated corporate expenses, amortization of acquisition-related intangible assets, intercompany eliminations and other costs that are not considered when management evaluates segment performance.

<u>(In millions)</u>	<u>Payments</u>	<u>Financial</u>	<u>Corporate and Other</u>	<u>Total</u>
Three Months Ended June 30, 2015				
Processing and services revenue	\$ 540	\$ 570	\$ (1)	\$1,109
Product revenue	161	38	(10)	189
Total revenue	<u>\$ 701</u>	<u>\$ 608</u>	<u>\$ (11)</u>	<u>\$1,298</u>
Operating income	<u>\$ 208</u>	<u>\$ 209</u>	<u>\$ (91)</u>	<u>\$ 326</u>
Three Months Ended June 30, 2014				
Processing and services revenue	\$ 501	\$ 551	\$ (1)	\$1,051
Product revenue	168	44	(10)	202
Total revenue	<u>\$ 669</u>	<u>\$ 595</u>	<u>\$ (11)</u>	<u>\$1,253</u>
Operating income	<u>\$ 185</u>	<u>\$ 203</u>	<u>\$ (81)</u>	<u>\$ 307</u>
Six Months Ended June 30, 2015				
Processing and services revenue	\$ 1,056	\$ 1,122	\$ (2)	\$2,176
Product revenue	341	79	(23)	397
Total revenue	<u>\$ 1,397</u>	<u>\$ 1,201</u>	<u>\$ (25)</u>	<u>\$2,573</u>
Operating income	<u>\$ 399</u>	<u>\$ 413</u>	<u>\$ (172)</u>	<u>\$ 640</u>
Six Months Ended June 30, 2014				
Processing and services revenue	\$ 992	\$ 1,090	\$ (4)	\$2,078
Product revenue	350	80	(21)	409
Total revenue	<u>\$ 1,342</u>	<u>\$ 1,170</u>	<u>\$ (25)</u>	<u>\$2,487</u>
Operating income	<u>\$ 365</u>	<u>\$ 388</u>	<u>\$ (175)</u>	<u>\$ 578</u>

As of both June 30, 2015 and December 31, 2014, goodwill was \$3.4 billion and \$1.8 billion in the Payments and Financial segments, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This quarterly report contains "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as "believes," "anticipates," "expects," "could," "should" or words of similar meaning. Statements that describe our future plans, objectives or goals are also forward-looking statements. The forward-looking statements in this report involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: pricing and other actions by competitors; the capacity of our technology to keep pace with a rapidly evolving marketplace; the impact of market and economic conditions on the financial services industry; the impact of a security breach or operational failure on our business; the effect of legislative and regulatory actions in the United States and internationally; our ability to comply with government regulations; our ability to successfully identify, complete and integrate acquisitions; the impact of our strategic initiatives; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2014 and in other documents that we file with the Securities and Exchange Commission. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report.

Management's discussion and analysis of financial condition and results of operations is provided as a supplement to our unaudited consolidated financial statements and accompanying notes to help provide an understanding of our financial condition, the changes in our financial condition and our results of operations. Our discussion is organized as follows:

- *Overview.* This section contains background information on our company and the services and products that we provide, our enterprise priorities and the trends affecting our industry in order to provide context for management's discussion and analysis of our financial condition and results of operations.
- *Results of operations.* This section contains an analysis of our results of operations presented in the accompanying unaudited consolidated statements of income by comparing the results for the three and six months ended June 30, 2015 to the comparable period in 2014.
- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our outstanding debt as of June 30, 2015.

Overview

Company Background

We are a leading global provider of financial services technology. We provide account processing systems, electronic payments processing products and services, internet and mobile banking systems, and related services. We serve approximately 13,000 clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, and merchants. The majority of our revenue is generated from recurring account- and transaction-based fees under contracts that generally have terms of three to five years and high renewal rates. Most of the services we provide are necessary for our clients to operate their businesses and are, therefore, non-discretionary in nature.

Our operations are principally located in the United States and are comprised of the Payments and Industry Products ("Payments") segment and the Financial Institution Services ("Financial") segment. The Payments segment primarily provides debit, credit and prepaid card processing and services, electronic bill payment and presentment services, internet and mobile banking software and services, person-to-person payment services, and other electronic payments software and services. Our businesses in this segment also provide card and print personalization services, investment account processing services for separately managed accounts, and fraud and risk management products and services. The Financial segment provides banks, thrifts, credit unions, and leasing and finance companies with account processing services, item processing and source capture services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. The Corporate and Other segment primarily consists of unallocated corporate expenses, amortization of acquisition-related intangible assets, intercompany eliminations and other costs that are not considered when management evaluates segment performance.

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Enterprise Priorities

We continue to implement a series of strategic initiatives to help accomplish our mission of providing integrated technology and services solutions that enable best-in-class results for our clients. These strategic initiatives include active portfolio management of our various businesses, enhancing the overall value of our existing client relationships, improving operational effectiveness, being disciplined in our allocation of capital, and differentiating our products and services through innovation. Our key enterprise priorities for 2015 are: (i) to continue to build high-quality revenue while meeting our earnings goals; (ii) to build and extend client relationships with an increased emphasis on payment and channel solutions; and (iii) to deliver innovation and integration which enables differentiation and value for our clients.

Industry Trends

The market for products and services offered by financial institutions continues to evolve rapidly. The financial industry regularly introduces and implements new payment, deposit, lending, investment and risk management products, and the distinctions among the products and services traditionally offered by different types of financial institutions continue to narrow as they seek to serve the same customers. At the same time, regulatory conditions have continued to create a difficult operating environment for financial institutions. In particular, legislation such as the Dodd-Frank Wall Street Reform and Consumer Protection Act has generated, and will continue to generate, numerous new regulations that will impact the financial industry. These conditions, along with mild economic improvement, have created heightened interest in solutions that help financial institutions win and retain customers, generate incremental revenue, comply with regulations and enhance operating efficiency. Examples of these solutions include our electronic payments solutions and channels such as internet, mobile and tablet banking, sometimes referred to as “digital channels.”

This increased focus on digital channels by both financial institutions and their customers, as well as the growing volume and types of payment transactions in the marketplace, have increased the data and transaction processing needs of financial institutions. We expect that financial institutions will continue to invest significant capital and human resources to process transactions, manage information and offer innovative new services to their customers in this rapidly evolving and competitive environment. We anticipate that we will benefit over the long term from the trend of financial institutions moving from in-house technology to outsourced solutions as they seek to remain current on technology changes amidst an evolving marketplace. We believe that economies of scale in developing and maintaining the infrastructure, technology, products, services and networks necessary to be competitive in such an environment are essential to justify these investments, and we anticipate that demand for products that facilitate customer interaction with financial institutions, including electronic transactions through digital channels, will continue to increase, which we expect to create revenue opportunities for us. Based on these market conditions, we believe that our sizable and diverse client base, combined with our position as a leading provider of non-discretionary, recurring revenue-based products and services, gives us a solid foundation for growth. Furthermore, we believe that the integration of our products and services creates a compelling value proposition for our clients.

In addition to the trends described above, the financial institutions marketplace has experienced change in composition as well. During the past 25 years, the number of financial institutions in the United States has declined at a relatively steady rate of approximately 3% per year, primarily as a result of voluntary mergers and acquisitions. Rather than reducing the overall market, these consolidations have transferred accounts among financial institutions. An acquisition benefits us when a newly combined institution is processed on our system, or elects to move to one of our systems, and negatively impacts us when a competing system is selected. Financial institution acquisitions also impact our financial results due to early contract termination fees in our multi-year client contracts, which are primarily generated when an existing client with a multi-year contract is acquired by another financial institution. These fees can vary from period to period based on the number and size of clients that are acquired and how early in the contract term the contract is terminated. Our revenue is diversified, and our focus on long-term client relationships and recurring, transaction-oriented products and services has reduced the impact that consolidation in the financial services industry has had on us. We have clients that span the entire range of financial institutions in terms of asset size and business model, and our 50 largest financial institution clients represent less than 25% of our annual revenue. In addition, we believe that our products and services can assist financial institutions with the regulatory and market challenges that they currently face by providing, among other things, new sources of revenue and opportunities to reduce their costs.

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Results of Operations

The following table presents certain amounts included in our consolidated statements of income, the relative percentage that those amounts represent to revenue and the change in those amounts from year to year. This information should be read together with the consolidated financial statements and accompanying notes.

(In millions)	Three Months Ended June 30,					
			Percentage of Revenue (1)		Increase (Decrease)	
	2015	2014	2015	2014	\$	%
Revenue:						
Processing and services	\$1,109	\$1,051	85.4%	83.9%	\$ 58	6%
Product	189	202	14.6%	16.1%	(13)	(6%)
Total revenue	<u>1,298</u>	<u>1,253</u>	<u>100.0%</u>	<u>100.0%</u>	<u>45</u>	<u>4%</u>
Expenses:						
Cost of processing and services	542	532	48.9%	50.6%	10	2%
Cost of product	168	171	88.9%	84.7%	(3)	(2%)
Sub-total	710	703	54.7%	56.1%	7	1%
Selling, general and administrative	262	243	20.2%	19.4%	19	8%
Total expenses	<u>972</u>	<u>946</u>	<u>74.9%</u>	<u>75.5%</u>	<u>26</u>	<u>3%</u>
Operating income	326	307	25.1%	24.5%	19	6%
Interest expense	(49)	(41)	(3.8%)	(3.3%)	8	20%
Interest and investment income	—	1	—	0.1%	(1)	(100%)
Loss on early debt extinguishment	(85)	—	(6.5%)	—	85	—
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	<u>\$ 192</u>	<u>\$ 267</u>	<u>14.8%</u>	<u>21.3%</u>	<u>\$ (75)</u>	<u>(28%)</u>
(In millions)	Six Months Ended June 30,					
			Percentage of Revenue (1)		Increase (Decrease)	
	2015	2014	2015	2014	\$	%
Revenue:						
Processing and services	\$2,176	\$2,078	84.6%	83.6%	\$ 98	5%
Product	397	409	15.4%	16.4%	(12)	(3%)
Total revenue	<u>2,573</u>	<u>2,487</u>	<u>100.0%</u>	<u>100.0%</u>	<u>86</u>	<u>3%</u>
Expenses:						
Cost of processing and services	1,084	1,073	49.8%	51.6%	11	1%
Cost of product	349	351	87.9%	85.8%	(2)	(1%)
Sub-total	1,433	1,424	55.7%	57.3%	9	1%
Selling, general and administrative	500	485	19.4%	19.5%	15	3%
Total expenses	<u>1,933</u>	<u>1,909</u>	<u>75.1%</u>	<u>76.8%</u>	<u>24</u>	<u>1%</u>
Operating income	640	578	24.9%	23.2%	62	11%
Interest expense	(90)	(82)	(3.5%)	(3.3%)	8	10%
Interest and investment income	1	1	—	—	—	—
Loss on early debt extinguishment	(85)	—	(3.3%)	—	85	—
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	<u>\$ 466</u>	<u>\$ 497</u>	<u>18.1%</u>	<u>20.0%</u>	<u>\$ (31)</u>	<u>(6%)</u>

(1) Percentage of revenue is calculated as the relevant revenue, expense, income or loss amount divided by total revenue, except for cost of processing and services and cost of product amounts which are divided by the related component of revenue.

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(In millions)	Three Months Ended June 30,			
	Payments	Financial	Corporate and Other	Total
Total revenue:				
2015	\$ 701	\$ 608	\$ (11)	\$ 1,298
2014	669	595	(11)	1,253
Revenue growth	\$ 32	\$ 13	\$ —	\$ 45
Revenue growth percentage	5%	2%		4%
Operating income:				
2015	\$ 208	\$ 209	\$ (91)	\$ 326
2014	185	203	(81)	307
Operating income growth	\$ 23	\$ 6	\$ (10)	\$ 19
Operating income growth percentage	12%	3%		6%
Operating margin:				
2015	29.7%	34.5%		25.1%
2014	27.7%	34.1%		24.5%
Operating margin growth (1)	200 bps	40 bps		60 bps

(In millions)	Six Months Ended June 30,			
	Payments	Financial	Corporate and Other	Total
Total revenue:				
2015	\$ 1,397	\$ 1,201	\$ (25)	\$ 2,573
2014	1,342	1,170	(25)	2,487
Revenue growth	\$ 55	\$ 31	\$ —	\$ 86
Revenue growth percentage	4%	3%		3%
Operating income:				
2015	\$ 399	\$ 413	\$ (172)	\$ 640
2014	365	388	(175)	578
Operating income growth	\$ 34	\$ 25	\$ 3	\$ 62
Operating income growth percentage	9%	6%		11%
Operating margin:				
2015	28.6%	34.4%		24.9%
2014	27.2%	33.1%		23.2%
Operating margin growth (1)	140 bps	130 bps		170 bps

(1) Represents the basis point growth or decline in operating margin.

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Total Revenue

Total revenue increased \$45 million, or 4%, in the second quarter of 2015 compared to 2014 and increased \$86 million, or 3%, in the first six months of 2015 compared to 2014, driven by both our Payments and Financial segments. Foreign currency fluctuations negatively impacted overall revenue growth by approximately 50 basis points in both the second quarter and first six months of 2015.

Revenue in our Payments segment increased \$32 million, or 5%, and \$55 million, or 4%, during the second quarter and first six months of 2015, respectively, compared to 2014. Payments segment revenue growth was driven by our recurring revenue businesses as processing and services revenue increased \$39 million, or 8%, and \$64 million, or 6%, in the second quarter and first six months of 2015, respectively, over the prior year periods. This growth was primarily due to new clients and increased transaction volumes from existing clients in our card services, biller solutions and bill payment businesses, as well as in our digital channels business, which includes our online and mobile banking solutions.

Revenue in our Financial segment increased \$13 million, or 2%, and \$31 million, or 3%, during the second quarter and first six months of 2015, respectively, compared to 2014. Increased processing and services revenue in our account processing and lending businesses favorably impacted segment revenue growth in both the second quarter and first six months of 2015.

Total Expenses

Total expenses increased \$26 million, or 3%, in the second quarter of 2015 and increased \$24 million, or 1%, in the first six months of 2015 compared to the prior year periods. Total expenses as a percentage of total revenue decreased 60 basis points from 75.5% in the second quarter of 2014 to 74.9% in the second quarter of 2015 and decreased 170 basis points from 76.8% in the first six months of 2014 to 75.1% in the first six months of 2015.

Cost of processing and services as a percentage of processing and services revenue decreased to 48.9% in the second quarter of 2015 compared to 50.6% in the second quarter of 2014 and to 49.8% in the first six months of 2015 as compared to 51.6% in the first six months of 2014. Cost of processing and services as a percentage of processing and services revenue was favorably impacted by increased operating leverage in our recurring revenue businesses, as well as by operating efficiency initiatives across the company that have lowered our overall cost structure.

Cost of product as a percentage of product revenue in the second quarter of 2015 increased to 88.9% from 84.7% in the second quarter of 2014 and to 87.9% in the first six months of 2015 from 85.8% in the first six months of 2014. Cost of product as a percentage of product revenue was negatively impacted in 2015 by increased expenses associated with additional investments in our output solutions business, along with a slight decline in higher-margin software license revenue during the second quarter, as compared to the prior year periods.

Selling, general and administrative expenses as a percentage of total revenue increased to 20.2% in the second quarter of 2015 compared to 19.4% in the second quarter of 2014, largely due to increased share-based compensation and incremental costs associated with data center and real estate consolidation activities. Selling, general and administrative expenses as a percentage of total revenue was generally consistent for the first six months of 2015 at 19.4% compared to 19.5% in 2014.

Operating Income and Operating Margin

Total operating income increased \$19 million, or 6%, and \$62 million, or 11%, during the second quarter and first six months of 2015, respectively, compared to 2014. Total operating margin increased 60 basis points to 25.1% in the second quarter of 2015 and 170 basis points to 24.9% in the first six months of 2015 compared to the same periods in 2014. Operating income and operating margin improvements in 2015 were driven by scale efficiencies and operational effectiveness initiatives.

Operating income in our Payments segment increased \$23 million, or 12%, and \$34 million, or 9%, in the second quarter and first six months of 2015, respectively, compared to 2014. Operating margin increased 200 basis points to 29.7% in the second quarter of 2015 and 140 basis points to 28.6% in the first six months of 2015, as compared to the prior year periods. The increases in operating income and margin in 2015 were primarily due to revenue growth and scale efficiencies in a number of our businesses, including card services, partially offset by increased expenses associated with additional investments in our biller and output solutions businesses.

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Operating income in our Financial segment increased \$6 million, or 3%, and \$25 million, or 6%, in the second quarter and first six months of 2015, respectively, compared to 2014. Operating margin increased 40 basis points to 34.5% in the second quarter of 2015 and 130 basis points to 34.4% in the first six months of 2015, as compared to the prior year periods. Operating income and operating margin in 2015 were positively impacted by revenue growth and scale efficiencies in our account processing and lending businesses, along with operational effectiveness initiatives.

The operating loss in the Corporate and Other segment increased \$10 million in the second quarter of 2015 as compared to the second quarter of 2014 primarily due to increased severance expenses. For the first six months of 2015 and 2014, the operating loss in the Corporate and Other segment was relatively consistent, decreasing by \$3 million.

Interest Expense

Interest expense increased \$8 million in the second quarter and first six months of 2015, or 20% and 10%, respectively, compared to the same periods in 2014. The increase in 2015 was primarily due to the reclassification of unamortized losses on settled cash flow hedges to interest expense related to the early extinguishment of debt during the second quarter.

Loss on Early Debt Extinguishment

In May 2015, we redeemed our \$600 million aggregate principal amount of 3.125% senior notes due in 2016 and \$500 million aggregate principal amount of 6.8% senior notes due in 2017, which resulted in a pre-tax loss on early debt extinguishment of \$85 million related to make-whole payments and other costs associated with the redemption.

Income Tax Provision

Our effective income tax rates for continuing operations were 34.4% and 34.8% in the second quarter and first six months of 2015, respectively, and were 37.7% and 33.5% in the second quarter and first six months of 2014, respectively. The lower effective tax rate in the first six months of 2014 was primarily attributed to the favorable resolution of certain tax matters.

Income from Investment in Unconsolidated Affiliate

Our share of the income of StoneRiver Group, L.P. ("StoneRiver"), a joint venture in which we own a 49% interest, decreased by \$3 million in the first six months of 2015 compared to 2014. The 2015 decrease in income was primarily due to our share of a gain on the sale of a subsidiary business at StoneRiver in the first quarter of 2014. Additionally, the income contribution from StoneRiver has declined as StoneRiver continues to monetize its business portfolio.

Net Income Per Share – Diluted from Continuing Operations

Net income per share-diluted from continuing operations was \$0.53 and \$0.65 in the second quarter of 2015 and 2014, respectively, and was \$1.26 and \$1.31 in the first six months of 2015 and 2014, respectively. Amortization of acquisition-related intangible assets reduced net income per share-diluted from continuing operations by \$0.13 per share in both the second quarter of 2015 and 2014, and \$0.26 per share in both the first six months of 2015 and 2014. In addition, net income per share-diluted was negatively impacted by debt extinguishment and refinancing costs of \$0.25 per share in both the second quarter and first six months of 2015.

Liquidity and Capital Resources

General

Our primary liquidity needs are: (i) to fund normal operating expenses; (ii) to meet the interest and principal requirements of our outstanding indebtedness; and (iii) to fund capital expenditures and operating lease payments. We believe these needs will be satisfied using cash flow generated by our operations, our cash and cash equivalents of \$530 million at June 30, 2015 and available borrowings under our revolving credit facility. The following table presents our operating cash flow and capital expenditure amounts for the six months ended June 30, 2015 and 2014, respectively.

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(In millions)	Six Months Ended June 30,		Increase (Decrease)	
	2015	2014	\$	%
Net income from continuing operations	\$ 305	\$ 334	\$ (29)	
Depreciation and amortization	206	199	7	
Share-based compensation	36	27	9	
Excess tax benefits from share-based awards	(29)	(12)	(17)	
Deferred income taxes	(9)	(27)	18	
Income from investment in unconsolidated affiliate	(1)	(4)	3	
Loss on early debt extinguishment	85	—	85	
Dividends from unconsolidated affiliate	—	45	(45)	
Net changes in working capital and other	7	7	—	
Operating cash flow	<u>\$ 600</u>	<u>\$ 569</u>	<u>\$ 31</u>	<u>5%</u>
Capital expenditures	<u>\$ 203</u>	<u>\$ 150</u>	<u>\$ 53</u>	<u>35%</u>

Our net cash provided by operating activities, or operating cash flow, was \$600 million in the first six months of 2015, an increase of 5% compared with \$569 million in 2014, which included a cash dividend of \$45 million received from our StoneRiver joint venture, representing a return on our investment.

Our current policy is to use our operating cash flow primarily to repay debt and fund capital expenditures, acquisitions and share repurchases, rather than to pay dividends. Our capital expenditures were approximately 8% and 6% of our total revenue in the first six months of 2015 and 2014, respectively. Capital expenditures in 2015 include \$43 million, consisting primarily of leasehold improvements associated with the construction of a new building related to our Atlanta facility consolidation, of which \$24 million is offset by landlord reimbursements included in net changes in working capital and other.

During the first six months of 2015, we purchased \$535 million of our common stock. As of June 30, 2015, we had approximately 12.9 million shares remaining under our current share repurchase authorization. Shares repurchased are generally held for issuance in connection with our equity plans.

Indebtedness

(In millions)	June 30, 2015	December 31, 2014
Term loan	\$ 630	\$ 810
Revolving credit facility	—	42
3.125% senior notes due 2015	300	300
3.125% senior notes due 2016	—	600
6.8% senior notes due 2017	—	500
2.7% senior notes due 2020	849	—
4.625% senior notes due 2020	449	449
4.75% senior notes due 2021	399	399
3.5% senior notes due 2022	698	697
3.85% senior notes due 2025	899	—
Other borrowings	12	6
Total debt (including current maturities)	<u>\$4,236</u>	<u>\$ 3,803</u>

At June 30, 2015, our debt consisted primarily of \$3.6 billion of senior notes and \$630 million of term loan borrowings. Interest on our senior notes is paid semi-annually. During the first six months of 2015, we were in compliance with all financial debt covenants.

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Revolving Credit Facility

In April 2015, we entered into an amended and restated revolving credit agreement that restated our existing \$2.0 billion revolving credit agreement with a syndicate of banks and extended its maturity from October 2018 to April 2020. The amended and restated credit agreement also provided that our subsidiaries that were guaranteeing our obligations under the revolving credit facility were released from their respective guarantees. Borrowings under the amended revolving credit facility continue to bear interest at a variable rate based on LIBOR or on a base rate, plus a specified margin based on our long-term debt rating in effect from time to time. There are no significant commitment fees and no compensating balance requirements. The amended revolving credit facility contains various restrictions and covenants that are substantially similar to those under our previously existing credit agreement and require us, among other things, to: (i) limit our consolidated indebtedness as of the end of each fiscal quarter to no more than three and one-half times consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments during the period of four fiscal quarters then ended, and (ii) maintain consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments of at least three times consolidated interest expense as of the end of each fiscal quarter for the period of four fiscal quarters then ended. As of June 30, 2015, there were no outstanding borrowings on the revolving credit facility.

Term Loan

We maintain a term loan with a syndicate of banks that matures in October 2018 and bears interest at a variable rate based on LIBOR or on a base rate, plus a specified margin based on our long-term debt rating in effect from time to time. The variable interest rate on the term loan borrowings was 1.44% as of June 30, 2015. A remaining scheduled principal payment of \$90 million is due on December 31, 2017, with the outstanding principal balance of \$540 million due at maturity. The term loan facility contains various restrictions and covenants substantially similar to those contained in the revolving credit facility described above. In April 2015, we entered into an amendment to our term loan facility to conform certain of its terms to those in the amended and restated credit agreement, including providing that our subsidiaries that were guaranteeing our obligations under the term loan facility were released from their respective guarantees.

Senior Notes

In April 2015, we provided notice to the trustee under the indenture and supplemental indentures governing our outstanding senior notes that the subsidiary guarantors of the outstanding senior notes were automatically released from all of their obligations under the supplemental indentures and their respective guarantees.

In May 2015, we completed an offering of \$1.75 billion of senior notes comprised of \$850 million aggregate principal amount of 2.7% senior notes due in June 2020 and \$900 million aggregate principal amount of 3.85% senior notes due in June 2025. The notes pay interest semi-annually on June 1 and December 1, commencing on December 1, 2015. The interest rate applicable to these notes is subject to an increase of up to two percent in the event that our credit rating is downgraded below investment grade. The indentures governing the senior notes contain covenants that, among other matters, limit (i) our ability to consolidate or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, another person, (ii) our and certain of our subsidiaries' ability to create or assume liens, and (iii) our and certain of our subsidiaries' ability to engage in sale and leaseback transactions. We used the net proceeds from this offering to redeem our \$600 million aggregated principal amount of 3.125% senior notes due in June 2016 and \$500 million aggregate principal amount of 6.8% senior notes due in November 2017. We recorded a pre-tax loss on early debt extinguishment of \$85 million related to make-whole payments and other costs associated with this redemption. In addition, we paid scheduled December 2015 and December 2016 principal payments on the term loan totaling \$180 million and repaid outstanding borrowings under the amended and restated revolving credit facility. The remaining net proceeds from the offering are available for general corporate purposes.

At June 30, 2015 and December 31, 2014, our \$300 million aggregate principal amount of 3.125% senior notes due in October 2015 were classified in the consolidated balance sheets as long-term as we have the intent to refinance this debt on a long-term basis and the ability to do so under our amended and restated revolving credit facility.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The quantitative and qualitative disclosures about market risk required by this item are incorporated by reference to Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2014 and have not materially changed since December 31, 2014.

ITEM 4. CONTROLS AND PROCEDURES*Evaluation of disclosure controls and procedures*

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the “Exchange Act”), our management, with the participation of our chief executive officer and chief financial officer, evaluated the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2015.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

In the normal course of business, we and our subsidiaries are named as defendants in lawsuits in which claims are asserted against us. In the opinion of management, the liabilities, if any, which may ultimately result from such lawsuits are not expected to have a material adverse effect on our consolidated financial statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth information with respect to purchases made by or on behalf of the company or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) of shares of our common stock during the quarter ended June 30, 2015:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
April 1-30, 2015	1,080,000	\$ 78.95	1,080,000	14,887,000
May 1-31, 2015	735,000	79.84	735,000	14,152,000
June 1-30, 2015	1,242,000	81.59	1,242,000	12,910,000
Total	<u>3,057,000</u>		<u>3,057,000</u>	

- (1) On November 19, 2014, our board of directors authorized the purchase of up to 20.0 million shares of our common stock. This authorization does not expire.

ITEM 6. EXHIBITS

The exhibits listed in the accompanying exhibit index are filed as part of this Quarterly Report on Form 10-Q.

SIGNATURES

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

FISERV, INC.

Date: July 30, 2015

By: /s/ Thomas J. Hirsch

Thomas J. Hirsch
Chief Financial Officer,
Treasurer and Assistant Secretary

Exhibit Index

<u>Exhibit Number</u>	<u>Exhibit Description</u>
4.1	Second Amended and Restated Credit Agreement, dated as of April 30, 2015, among Fiserv, Inc. and the financial institutions party thereto. (1)
4.2	Amendment No. 1 to Loan Agreement, dated as of April 30, 2015, among Fiserv, Inc. and the financial institutions party thereto. (1)
4.3	Twelfth Supplemental Indenture, dated as of May 22, 2015, between Fiserv, Inc. and U.S. Bank National Association. (2)
4.4	Thirteenth Supplemental Indenture, dated as of May 22, 2015, between Fiserv, Inc. and U.S. Bank National Association. (2)
10.1	Non-Employee Director Compensation Schedule
10.2	Form of Restricted Stock Unit Agreement
10.3	Form of Stock Option Agreement
31.1	Certification of the Chief Executive Officer, dated July 30, 2015
31.2	Certification of the Chief Financial Officer, dated July 30, 2015
32	Certification of the Chief Executive Officer and Chief Financial Officer, dated July 30, 2015
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
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* Filed with this quarterly report on Form 10-Q are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income for the three and six months ended June 30, 2015 and 2014, (ii) the Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2015 and 2014, (iii) the Consolidated Balance Sheets at June 30, 2015 and December 31, 2014, (iv) the Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014, and (v) Notes to Consolidated Financial Statements.	
(1)	Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 5, 2015 and incorporated herein by reference.
(2)	Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 22, 2015 and incorporated herein by reference.

NON-EMPLOYEE DIRECTOR COMPENSATION SCHEDULE

Overview

A summary of our annual non-employee director compensation is provided below:

Equity	
Stock Options	\$ 86,000 (1)
Restricted Stock Units	\$ 86,000 (2)
Board Retainer	\$ 78,000
Chairman Retainer	\$145,000 (3)
Committee Retainer	
Audit	\$ 15,000
Compensation	\$ 15,000
Nominating and Corporate Governance	\$ 15,000
Committee Chair Retainer	
Audit	\$ 10,000
Compensation	\$ 10,000
Nominating and Corporate Governance	\$ 10,000

- (1) Upon being elected or re-elected as a director, each non-employee director will receive such number of restricted stock units as is determined by dividing \$86,000 by the closing price of our common stock on the grant date.
- (2) Upon being elected or re-elected as a director, each non-employee director will receive a stock option having \$86,000 in value. The number of shares for which the option may be exercised will be determined by dividing \$86,000 by a binomial valuation of an option of one share of our common stock on the grant date.
- (3) The chairman retainer is in addition to the standard board retainer.

Vesting

Stock options and restricted stock units will vest 100% on the earlier of (i) the first anniversary of the grant date or (ii) immediately prior to the first annual meeting of shareholders following the grant date.

Deferred Compensation Plan

We have a non-employee director deferred compensation plan. This plan allows directors to defer all or a part of their cash retainers until their service on the board ends. Based on the deferral election, the director is credited with a number of share units which are equivalent to shares of our common stock with no voting rights. Upon cessation of service on the board, the director receives a share of common stock for each share unit in a lump sum distribution.

Restricted stock units are hypothetical shares of our common stock that are settled in shares of common stock on a one-for-one basis upon vesting. Under the deferred compensation plan, directors may defer receipt of shares issuable pursuant to the restricted stock units until their service on the board ends.

**FISERV, INC. 2007 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD MEMORANDUM
EMPLOYEE**

Employee: [FIRST NAME] [LAST NAME]

Grant Date: [GRANT DATE]

Number of Shares Subject to Award: [NUMBER OF SHARES]

Date Vested:

1/3 of Shares Subject to Award

1/3 of Shares Subject to Award

1/3 of Shares Subject to Award

2nd anniversary of Grant Date

3rd anniversary of Grant Date

4th anniversary of Grant Date

Additional terms and conditions of your Award are included in the Employee Restricted Stock Unit Agreement. As a condition to your receipt of Shares, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 120 calendar days of your Award Grant Date. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award will be forfeited and immediately terminate.

Note: Section 4(c) of the Employee Restricted Stock Unit Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

RESTRICTED STOCK UNIT AGREEMENT

Pursuant to the Fiserv, Inc. 2007 Omnibus Incentive Plan (the "Plan"), Fiserv, Inc., a Wisconsin corporation (the "Company"), has granted you Restricted Stock Units (the "Award") entitling you to receive such number of shares of Company common stock (the "Shares") as set forth in the Award Memorandum on the terms and conditions set forth in this agreement (this "Agreement"), the Award Memorandum and the terms of the Plan. Capitalized terms used in this Agreement and not defined herein shall have the meanings set forth in the Plan.

In the event of a conflict between the terms of this Agreement or the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

1. **Grant Date.** The Award is granted to you on the Grant Date set forth in the Award Memorandum.
2. **Vesting.** Provided that you are an employee as of the applicable date, this Award will vest as indicated in the Award Memorandum, and, subject to any deferral election then in effect, the Shares subject to this Award will be issued as indicated in this Agreement.
3. **Termination of Award.** Your Award shall terminate in all events on the earlier of (a) the date upon which vesting is no longer permitted pursuant to Section 5 of this Agreement or (b) your failure to accept the terms of this Agreement, the Award Memorandum and the Plan within the time period and in the manner specified in this Agreement.
4. **Confidential Information; Non-Competition; Related Covenants.**
 - (a) Definitions.
 - (i) "Fiserv" means the Company, its direct and indirect subsidiaries, affiliated entities, successors, and assigns.
 - (ii) "Confidential Information" means all trade secrets, Innovations (as defined below), confidential or proprietary business information and data, computer software, and database technologies or technological information, formulae, templates, algorithms, designs, process and systems information, processes, intellectual property rights, marketing plans, client lists and specifications, pricing and cost information and any other confidential information of Fiserv or its clients, vendors or subcontractors that relates to the business of Fiserv or to the business of any client, vendor or subcontractor of Fiserv or any other party with whom Fiserv agrees to hold information in confidence, whether patentable, copyrightable or protectable as a trade secret or not, except: (A) information that is, at the time of disclosure, in the public domain or that is subsequently published or otherwise becomes part of the public domain through no fault of yours; or (B) information that is disclosed by you under order of law or governmental regulation; provided, however, that you agree to notify the General Counsel of Fiserv upon receipt of any request for disclosure as soon as possible prior to any such disclosure so that appropriate safeguards may be maintained.

- (iii) “Competing Product or Service” means any product or service that is sold in competition with, or is being developed and that will compete with, a product or service developed, manufactured, or sold by Fiserv. For purposes of this Section 4, Competing Products or Services as to you are limited to products and/or services with respect to which you participated in the development, planning, testing, sale, marketing or evaluation on behalf of Fiserv during any part of your employment with Fiserv, or after the termination of your employment, during any part of the 24 months preceding the termination of your employment with Fiserv, or for which you supervised one or more Fiserv employees, units, divisions or departments in doing so.
 - (iv) “Competitor” means an individual, business or any other entity or enterprise engaged or having publicly announced its intent to engage in the sale or marketing of any Competing Product or Service.
 - (v) “Innovations” means all developments, improvements, designs, original works of authorship, formulas, processes, software programs, databases, and trade secrets, whether or not patentable, copyrightable or protectable as trade secrets, that you, either by yourself or jointly with others, create, modify, develop, or implement during the period of your employment with Fiserv that relate in any way to Fiserv’s business.
 - (vi) “Moral Rights” means any rights to claim authorship of a work of authorship, to object to or prevent the modification of any such work of authorship, or to withdraw from circulation or control the publication or distribution of any such work of authorship.
 - (vii) “Client” means any person, association or entity: (A) for which you directly performed services or for which you supervised others in performing services with Fiserv, during any part of your employment with Fiserv, or after the termination of your employment, during any part of the 24 months preceding the termination of your employment with Fiserv; or (B) about which you have Confidential Information as a result of your employment with Fiserv.
 - (viii) “Prospective Client” means any client: (A) with which Fiserv was in active business discussions or negotiations at any time during any part of your employment with Fiserv, or after the termination of your employment, during any part of the 24 months preceding the termination of your employment with Fiserv, in which you participated or for which you directly performed services or for which you supervised others in performing services with Fiserv; or (B) about which you have Confidential Information as a result of your employment with Fiserv.
- (b) During your employment, Fiserv will provide you with Confidential Information relating to Fiserv, its business and clients, the disclosure or misuse of which would cause severe and irreparable harm to Fiserv. You agree that all Confidential Information is and shall remain the sole and absolute property of Fiserv. Upon the termination of your employment for any reason, you shall immediately return to Fiserv all documents and materials that contain or constitute Confidential Information, in any form whatsoever, including but not limited to, all copies, abstracts, electronic versions, and summaries thereof. You further agree that, without the written consent of the Chief Executive Officer of the Company or, in the case of the Chief Executive Officer of the Company, without the written approval of the Board of Directors of the Company:
- (i) You will not disclose, use, copy or duplicate, or otherwise permit the use, disclosure, copying or duplication of any Confidential Information of Fiserv, other than in connection with the authorized activities conducted in the course of your employment with Fiserv. You agree to take all reasonable steps and precautions to prevent any unauthorized disclosure, use, copying or duplication of Confidential Information.

- (ii) All Innovations are and shall remain the sole and absolute property of Fiserv. You will provide all assistance requested by Fiserv, at its expense, in the preservation of its interest in any Innovations in any country, and hereby assign and agree to assign to Fiserv all rights, title and interest in and to all worldwide patents, patent applications, copyrights, trade secrets and other intellectual property rights in any Innovation. You also assign and agree to assign to Fiserv, or, where applicable, to waive, which waiver shall inure to the benefit of Fiserv and its assigns, all Moral Rights in any Innovation.
- (c) You agree that, without the written consent of the Chief Executive Officer of the Company or, in the case of the Chief Executive Officer of the Company, without the written approval of the Board of Directors of the Company, you shall not engage in any of the conduct described in subsections (i) or (ii), below, either directly or indirectly, or as an employee, contractor, consultant, partner, officer, director or stockholder, other than a stockholder of less than 5% of the equities of a publicly traded corporation, or in any other capacity for any person, firm, partnership or corporation:
 - (i) During the time of your employment with Fiserv, you will not: (A) perform duties as or for a Competitor, Client or Prospective Client of Fiserv (except to the extent required by your employment with Fiserv); or (B) participate in the inducement of or otherwise encourage Fiserv employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Fiserv.
 - (ii) For a period of 12 months following the termination of your employment with Fiserv, you will not: (A) perform duties as or for a Competitor, Client or Prospective Client of Fiserv that are the same as or similar to the duties performed by you for Fiserv at any time during any part of the 24 month period preceding the termination of your employment with Fiserv; (B) participate in the inducement of or otherwise encourage Fiserv employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Fiserv during any part of the 24 month period preceding the termination of your employment with Fiserv; or (C) participate voluntarily or provide assistance or information to any person or entity either negotiating with Fiserv involving a Competing Product or Service, or concerning a potential or existing business or legal dispute with Fiserv, including, but not limited to, litigation, except as may be required by law.

No provision of these subsections (i) and (ii) shall apply to restrict your conduct, or trigger any reimbursement obligations under this Agreement, in any jurisdiction where such provision is, on its face, unenforceable and/or void as against public policy, unless the provision may be construed or deemed amended to be enforceable and compliant with public policy, in which case the provision will apply as construed or deemed amended.

- (d) You acknowledge and agree that compliance with this Section 4 is necessary to protect the Company, and that a breach of any of this Section 4 will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. In the event of a breach of this Section 4, or any part thereof, the Company, and its successors and assigns, shall be entitled to injunctive relief and to such other and further relief as is proper under the circumstances. The Company shall institute and prosecute proceedings in any Court of competent jurisdiction either in law or in equity to obtain damages for any such breach of this Section 4, or to enjoin you from performing services in breach of Section 4(c) during the term of employment and for a period of 12 months following the termination of employment. You hereby agree to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement.
- (e) You further agree that, in the event of your breach of this Section 4, the Company shall also be entitled to recover the value of any amounts previously paid or payable or any shares (or the value of any shares) delivered or deliverable to you pursuant to any Fiserv bonus program, this Agreement, and any other Fiserv plan or arrangement.
- (f) You agree that the terms of this Agreement shall survive the termination of your employment with the Company.
- (g) YOU HAVE READ THIS SECTION 4 AND AGREE THAT THE CONSIDERATION PROVIDED BY THE COMPANY IS FAIR AND REASONABLE AND FURTHER AGREE THAT GIVEN THE IMPORTANCE TO THE COMPANY OF ITS CONFIDENTIAL AND PROPRIETARY INFORMATION, THE POST-EMPLOYMENT RESTRICTIONS ON YOUR ACTIVITIES ARE LIKEWISE FAIR AND REASONABLE.

5. **Termination of Employment.**

- (a) **Vesting.** If you cease to be an employee of the Company or any subsidiary of the Company for any reason (a "**Termination Event**"), the unvested portion of the Award shall terminate on the date on which such Termination Event occurs; provided that, if the reason for your Termination Event is death or Disability, then the number of Shares issuable under this Award as of the date of your death or Disability, subject to any deferral election then in effect, shall be calculated as follows: (i) the total number of Shares subject to this Award divided by four times (ii) the number of Grant Date anniversaries that have occurred since the Grant Date minus (iii) the number of Shares already issued to you or deferred pursuant to the Award. If you are regularly scheduled to work less than 20 hours per calendar week for the Company or any subsidiary of the Company, you will be deemed to have experienced a Termination Event.
- (b) **Change of Control.** If a Change of Control of the Company occurs, the provisions of Section 17(c) of the Plan shall apply to this Award. If the successor or purchaser in the Change of Control has assumed the Company's obligations with respect to this Award or provided a substitute award as contemplated by Section 17(c)(i) of the Plan and, within 12 months following the occurrence of the Change of Control, you are terminated without Cause or you terminate your employment for Good Reason (as hereinafter defined), this Award or such substitute award shall become fully vested, and the provisions of Section 4 shall immediately cease to apply.

“**Good Reason**” means your suffering any of the following events without your consent: (x) significant or material lessening of your responsibilities; (y) a reduction in your annual base salary or a material reduction in the level of incentive compensation for which you have been eligible during the two years immediately prior to the occurrence of the Change of Control and/or a material adverse change in the conditions governing receipt of such incentive compensation from those that prevailed prior to the occurrence of the Change of Control; or (z) the Company requiring you to be based anywhere other than within 50 miles of your place of employment at the time of the occurrence of the Change of Control, except for reasonably required travel to an extent substantially consistent with your business travel obligations.

- (c) **Service as Director**. For purposes of this Agreement, an employee of the Company, if also serving as a director, will not be deemed to have terminated employment for purposes of this Agreement until his or her service as a director ends, and his or her years of service will be deemed to include years of service as a director.
- (d) **No Further Obligation**. The Company will have no further obligations to you under this Award if the Award terminates as provided herein.
- 6. **Deferral of Restricted Stock Units**. If you are eligible to, and properly elect to, defer delivery of all or part of the Shares otherwise issuable under this Award, such deferral will be governed by the Restricted Stock Unit Deferral Election Form executed by you separately from this Agreement.
- 7. **Issuance of Shares**. The Company, or its transfer agent, will issue and deliver the Shares to you as soon as practicable after the Award vests (pursuant to the terms hereof) with respect to such Shares, or, if a deferral election was made, at the time specified in the Deferral Election Form. If you die before the Company has distributed any portion of the vested Shares, the Company will issue the Shares to your estate or in accordance with applicable laws of descent and distribution. The Shares will be issued and delivered in book entry form, and the Company will not be liable for damages relating to any delays in making an appropriate book entry or any mistakes or errors in the making of the book entry; provided that the Company shall correct any errors caused by it. Any such book entry will be subject to such stop transfer orders and other restrictions as the Company may deem advisable under (a) the Plan and any agreement between you and the Company with respect to this Award or the Shares, (b) any applicable federal or state laws and (c) the rules, regulations and other requirements of the Securities and Exchange Commission (“SEC”) or any stock exchange upon which the Shares are listed. The Company may cause an appropriate book entry notation to be made with respect to the Shares to reference any of the foregoing restrictions.
- 8. **Non-Transferability of Award**. Except as provided in the Plan, this Agreement and the Award Memorandum, until the Shares have been issued under this Award, this Award and the Shares issuable hereunder and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise). Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Award, or of any right or privilege conferred hereby, contrary to the provisions of the Plan or of this Agreement, or upon any attempted sale under any execution, attachment or similar process upon the rights and privileges conferred hereby, this Award and the rights and privileges conferred hereby shall immediately become null and void.
- 9. **Conditions to Issuance of Shares**. The Shares issued to you hereunder may be either previously authorized but unissued shares or issued shares which have been reacquired by the Company. The

Company shall not be required to issue any Shares hereunder prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such class of stock is then listed; (b) the completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the SEC or any other governmental regulatory body, which the compensation committee of the Board of Directors (the "Compensation Committee") shall, in its discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency, which the Compensation Committee shall, in its discretion, determine to be necessary or advisable; (d) the lapse of such reasonable period of time following the date of vesting of the Award or the payment event specified in a deferral election as the Compensation Committee may establish from time to time for reasons of administrative convenience (provided that any such period shall be in compliance with Code Section 409A); and (e) your acceptance of the terms and conditions of this Agreement, the Award Memorandum and the Plan within the time period and in the manner specified in this Agreement.

10. **Dividends; No Rights as Shareholder.** If the Company declares a cash dividend and the dividend record date occurs prior to the date the Award vests, you will be credited with an additional number of Restricted Stock Units on the date the cash dividends are paid to the Company shareholders equal to (a) the amount of cash dividends payable with respect to a number of shares of stock equal to your Restricted Stock Units divided by (b) the Fair Market Value of a Share on the date the dividend is paid. These additional Restricted Stock Units will be subject to the same terms and conditions as the Restricted Stock Units with respect to which the dividend equivalents were credited. Until this Award vests and the Shares are issued to you, you shall have no rights as a shareholder of the Company with respect to the Shares. Specifically, you understand and agree that you do not have voting rights or, except as provided in this Section 10, the right to receive dividends or any other distributions paid with respect to shares of Company common stock by virtue of this Award or the Shares subject hereto.
11. **Addresses for Notices.** Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company as follows: Corporate Secretary, Fiserv, Inc., 255 Fiserv Drive, Brookfield, WI 53045, or at such other address as the Company may hereafter designate in writing. Any notice to be given to you shall be addressed to you at the address set forth in the Company's records from time to time.
12. **Captions; Agreement Severable.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.
13. **Securities and Tax Representations.**
 - (a) You acknowledge receipt of the prospectus under the Registration Statement on Form S-8 with respect to the Plan filed by the Company with the SEC. You represent and agree that you will comply with all applicable laws and Company policies relating to the Plan, this Agreement and any disposition of Shares and that upon the acquisition of any Shares subject to this Award, you will make or enter into such written representations, warranties and agreements as the Company may reasonably request to comply with applicable securities laws or this Agreement.

- (b) You represent and warrant that you understand the federal, state and local income and employment tax consequences associated with the granting of the Award, the vesting of the Award, the deferral of all or a portion of the Shares otherwise issuable upon vesting of the Award, and the subsequent sale or other disposition of any Shares. You understand and agree that when this Award vests and Shares are issued, and you thereby realize gross income (if any) taxable as compensation in respect of such vesting or issuance, the Company will be required to withhold federal, state and local taxes on the full amount of the compensation income realized by you and may also be required to withhold other amounts as a result of such vesting. You hereby agree to provide the Company with cash funds or Shares equal in value to the federal, state and local payroll and income taxes and other amounts required to be withheld by the Company or its subsidiary in respect of any compensation income or wages in relation to the Award or make other arrangements satisfactory to the Company regarding such amounts, which may include deduction of such taxes from other wages owed to you by the Company or its subsidiaries. All matters with respect to the total amount to be withheld shall be determined by the Company in its sole discretion.
14. **Market Stand-Off.** The Company reserves the right to impose restrictions on dispositions in connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended. Upon receipt of written notice from the Company of a trading restriction, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Award without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.
15. **General Provisions.**
- (a) None of the Plan, this Agreement or the Award Memorandum confers upon you any right to continue to be employed by the Company or any subsidiary of the Company or limits in any respect any right of the Company or any subsidiary of the Company to terminate your employment at any time, without liability.
- (b) This Agreement, the Award Memorandum, the Plan and the Restricted Stock Unit Deferral Election Form, if any, contain the entire agreement between the Company and you relating to the Award and the Shares and supersede all prior agreements or understandings relating thereto.
- (c) This Agreement and the Award Memorandum may only be modified, amended or cancelled as provided in the Plan.
- (d) If any one or more provisions of this Agreement or the Award Memorandum is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

- (e) Any remedies available to the Company under the Plan or this Agreement are cumulative and are in addition to, and are not affected by, the other rights and remedies available to the Company under the Plan, this Agreement, by law or otherwise.
- (f) This Agreement and the Award Memorandum shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to conflict of law provisions.
- (g) The Company agrees, and you agree, to be subject to and bound by all of the terms and conditions of the Plan. The Prospectus for the Plan is accessible on the Company's administrative agent's website (www.netbenefits.fidelity.com) in the "forms library" and a paper copy is available upon request.
- (h) This Agreement and the Award Memorandum shall be binding upon and inure to the benefit of any successor or assign of the Company and to any heir, distributee, executor, administrator or legal representative entitled by law to your rights hereunder.
- (i) You understand that, under the terms of the Plan, this Agreement and the Award Memorandum, the Company may cancel or rescind this Award and/or the Shares in certain circumstances.

By selecting the "I accept" box on the website of our administrative agent, you acknowledge your acceptance of, and agreement to be bound by, this Agreement, the Award Memorandum and the Plan.

Your acceptance of the terms of this Agreement, the Award Memorandum and the Plan through our administrative agent's website is a condition to your receipt of Shares. You must log on to our administrative agent's website and accept the terms and conditions of this Agreement, the Award Memorandum and the Plan within 120 calendar days of your Award Grant Date. If you do not accept the terms and conditions of this Agreement, the Award Memorandum and the Plan within such time, this Award will be forfeited and immediately terminate.

**FISERV, INC. 2007 OMNIBUS INCENTIVE PLAN
STOCK OPTION AWARD MEMORANDUM
EMPLOYEE**

Employee: *[FIRST NAME] [LAST NAME]*

Grant Date: *[GRANT DATE]*

Number of Shares Subject to Option: *[NUMBER OF SHARES]*

Exercise Price per Option Share: *[EXERCISE PRICE]*

Type of Option:

Vesting Schedule:

Number of Option Shares

1/3 of Option Shares

1/3 of Option Shares

1/3 of Option Shares

Date Exercisable

1st anniversary of Grant Date

2nd anniversary of Grant Date

3rd anniversary of Grant Date

Expiration Date: 10 years after the Grant Date

Additional terms and conditions of your Award are included in the Employee Stock Option Agreement. As a condition to your ability to exercise your Option, you must log on to Fidelity's website at www.netbenefits.fidelity.com and accept the terms and conditions of this Award within 120 calendar days of your Award Grant Date. If you do not accept the terms and conditions of this Award within such time at www.netbenefits.fidelity.com, this Award will be forfeited and immediately terminate.

Note: Section 5(c) of the Employee Stock Option Agreement contains provisions that restrict your activities. These provisions apply to you and, by accepting this Award, you agree to be bound by these restrictions.

STOCK OPTION AGREEMENT

Pursuant to the Fiserv, Inc. 2007 Omnibus Incentive Plan (the “Plan”), Fiserv, Inc., a Wisconsin corporation (the “Company”), has granted you an Option to purchase such number of shares of Company common stock (the “Option Shares”) as set forth in the Award Memorandum on the terms and conditions set forth in this agreement (this “Agreement”), the Award Memorandum and the terms of the Plan. Capitalized terms used in this Agreement and not defined herein shall have the meanings set forth in the Plan.

In the event of a conflict between the terms of this Agreement or the Award Memorandum and the terms of the Plan, the terms of the Plan shall govern. In the event of a conflict between the terms of this Agreement and the Award Memorandum, the terms of this Agreement shall govern.

1. **Grant Date; Type of Option.** The Option is granted to you on the Grant Date set forth in the Award Memorandum. If the Option is designated as a “non-qualified stock option” in the Award Memorandum, then the Option will not be treated by you or the Company as an incentive stock option as defined in Section 422 of the Code. If the Option is designated as an “incentive stock option” in the Award Memorandum, then the Option is intended to satisfy the requirements of Section 422 of the Code.
2. **Termination of Option.** Your right to exercise the Option and to purchase the Option Shares shall expire and terminate in all events on the earliest of (a) the Expiration Date set forth in the Award Memorandum or (b) the date upon which exercise is no longer permitted pursuant to Section 7 of this Agreement or (c) your failure to accept the terms of this Agreement, the Award Memorandum and the Plan within the time period and in the manner specified in this Agreement.
3. **Exercise Price.** The purchase price to be paid upon the exercise of the Option will be the Exercise Price Per Option Share set forth in the Award Memorandum.
4. **Vesting; Provisions Relating to Exercise.** Once you become entitled to exercise any part of the Option (and to purchase Option Shares) pursuant to the vesting schedule set forth in the Award Memorandum, that right will continue until the date on which the Option expires and terminates. The right to purchase Option Shares under the Option is cumulative, so that if the full number of Option Shares is not purchased in a single transaction, the balance may be purchased at any time or from time to time thereafter during the term of the Option. The Administrator, in its sole discretion, may at any time accelerate the time at which the Option becomes exercisable by you with respect to any Option Shares. The Company may cancel, rescind, suspend, withhold or otherwise limit or restrict any unexpired, unpaid or deferred part of the Option at any time if you are not in compliance with all applicable provisions of this Agreement, the Award Memorandum and the Plan.
5. **Confidential Information, Non-Competition, and Related Covenants.**
 - (a) Definitions.
 - (i) “Fiserv” means the Company, its direct and indirect subsidiaries, affiliated entities, successors, and assigns.

- (ii) “Confidential Information” means all trade secrets, Innovations (as defined below), confidential or proprietary business information and data, computer software, and database technologies or technological information, formulae, templates, algorithms, designs, process and systems information, processes, intellectual property rights, marketing plans, client lists and specifications, pricing and cost information and any other confidential information of Fiserv or its clients, vendors or subcontractors that relates to the business of Fiserv or to the business of any client, vendor or subcontractor of Fiserv or any other party with whom Fiserv agrees to hold information in confidence, whether patentable, copyrightable or protectable as a trade secret or not, except: (A) information that is, at the time of disclosure, in the public domain or that is subsequently published or otherwise becomes part of the public domain through no fault of yours; or (B) information that is disclosed by you under order of law or governmental regulation; provided, however, that you agree to notify the General Counsel of Fiserv upon receipt of any request for disclosure as soon as possible prior to any such disclosure so that appropriate safeguards may be maintained.
- (iii) “Competing Product or Service” means any product or service that is sold in competition with, or is being developed and that will compete with, a product or service developed, manufactured, or sold by Fiserv. For purposes of this Section 5, Competing Products or Services as to you are limited to products and/or services with respect to which you participated in the development, planning, testing, sale, marketing or evaluation on behalf of Fiserv during any part of your employment with Fiserv, or after the termination of your employment, during any part of the 24 months preceding the termination of your employment with Fiserv, or for which you supervised one or more Fiserv employees, units, divisions or departments in doing so.
- (iv) “Competitor” means an individual, business or any other entity or enterprise engaged or having publicly announced its intent to engage in the sale or marketing of any Competing Product or Service.
- (v) “Innovations” means all developments, improvements, designs, original works of authorship, formulas, processes, software programs, databases, and trade secrets, whether or not patentable, copyrightable or protectable as trade secrets, that you, either by yourself or jointly with others, create, modify, develop, or implement during the period of your employment with Fiserv that relate in any way to Fiserv’s business.
- (vi) “Moral Rights” means any rights to claim authorship of a work of authorship, to object to or prevent the modification of any such work of authorship, or to withdraw from circulation or control the publication or distribution of any such work of authorship.
- (vii) “Client” means any person, association or entity: (A) for which you directly performed services or for which you supervised others in performing services with Fiserv, during any part of your employment with Fiserv, or after the termination of your employment, during any part of the 24 months preceding the termination of your employment with Fiserv; or (B) about which you have Confidential Information as a result of your employment with Fiserv.
- (viii) “Prospective Client” means any client: (A) with which Fiserv was in active business discussions or negotiations at any time during any part of your employment with Fiserv, or after the termination of your employment, during any part of the 24 months preceding the termination of your employment with Fiserv, in which you participated or for which you directly performed services or for which you supervised others in performing services with Fiserv; or (B) about which you have Confidential Information as a result of your employment with Fiserv.

- (b) During your employment, Fiserv will provide you with Confidential Information relating to Fiserv, its business and clients, the disclosure or misuse of which would cause severe and irreparable harm to Fiserv. You agree that all Confidential Information is and shall remain the sole and absolute property of Fiserv. Upon the termination of your employment for any reason, you shall immediately return to Fiserv all documents and materials that contain or constitute Confidential Information, in any form whatsoever, including but not limited to, all copies, abstracts, electronic versions, and summaries thereof. You further agree that, without the written consent of the Chief Executive Officer of the Company or, in the case of the Chief Executive Officer of the Company, without the written approval of the Board of Directors of the Company:
- (i) You will not disclose, use, copy or duplicate, or otherwise permit the use, disclosure, copying or duplication of any Confidential Information of Fiserv, other than in connection with the authorized activities conducted in the course of your employment with Fiserv. You agree to take all reasonable steps and precautions to prevent any unauthorized disclosure, use, copying or duplication of Confidential Information.
 - (ii) All Innovations are and shall remain the sole and absolute property of Fiserv. You will provide all assistance requested by Fiserv, at its expense, in the preservation of its interest in any Innovations in any country, and hereby assign and agree to assign to Fiserv all rights, title and interest in and to all worldwide patents, patent applications, copyrights, trade secrets and other intellectual property rights in any Innovation. You also assign and agree to assign to Fiserv, or where applicable, to waive, which waiver shall inure to the benefit of Fiserv and its assigns, all Moral Rights in any Innovation.
- (c) You agree that, without the written consent of the Chief Executive Officer of the Company or, in the case of the Chief Executive Officer of the Company, without the written approval of the Board of Directors of the Company, you shall not engage in any of the conduct described in subsections (i) or (ii), below, either directly or indirectly, or as an employee, contractor, consultant, partner, officer, director or stockholder, other than a stockholder of less than 5% of the equities of a publicly traded corporation, or in any other capacity for any person, firm, partnership or corporation:
- (i) During the time of your employment with Fiserv, you will not: (A) perform duties as or for a Competitor, Client or Prospective Client of Fiserv (except to the extent required by your employment with Fiserv); or (B) participate in the inducement of or otherwise encourage Fiserv employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Fiserv.

- (ii) For a period of 12 months following the termination of your employment with Fiserv, you will not: (A) perform duties as or for a Competitor, Client or Prospective Client of Fiserv that are the same as or similar to the duties performed by you for Fiserv at any time during any part of the 24 month period preceding the termination of your employment with Fiserv; (B) participate in the inducement of or otherwise encourage Fiserv employees, clients, or vendors to currently and/or prospectively breach, modify, or terminate any agreement or relationship they have or had with Fiserv during any part of the 24 month period preceding the termination of your employment with Fiserv; or (C) participate voluntarily or provide assistance or information to any person or entity either negotiating with Fiserv involving a Competing Product or Service, or concerning a potential or existing business or legal dispute with Fiserv, including, but not limited to, litigation, except as may be required by law.

No provision of these subsections (i) and (ii) shall apply to restrict your conduct, or trigger any reimbursement obligations under this Agreement, in any jurisdiction where such provision is, on its face, unenforceable and/or void as against public policy, unless the provision may be construed or deemed amended to be enforceable and compliant with public policy, in which case the provision will apply as construed or deemed amended.

- (d) You acknowledge and agree that compliance with this Section 5 is necessary to protect the Company, and that a breach of any of this Section 5 will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. In the event of a breach of this Section 5, or any part thereof, the Company, and its successors and assigns, shall be entitled to injunctive relief and to such other and further relief as is proper under the circumstances. The Company shall institute and prosecute proceedings in any Court of competent jurisdiction either in law or in equity to obtain damages for any such breach of this Section 5, or to enjoin you from performing services in breach of Section 5(c) during the term of employment and for a period of 12 months following the termination of employment. You hereby agree to submit to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement.
- (e) You further agree that, in the event of your breach of this Section 5, the Company shall also be entitled to recover the value of any amounts previously paid or payable or any shares (or the value of any shares) delivered or deliverable to you pursuant to any Fiserv bonus program, this Agreement, and any other Fiserv plan or arrangement.
- (f) You agree that the terms of this Agreement shall survive the termination of your employment with the Company.
- (g) YOU HAVE READ THIS SECTION 5 AND AGREE THAT THE CONSIDERATION PROVIDED BY THE COMPANY IS FAIR AND REASONABLE AND FURTHER AGREE THAT GIVEN THE IMPORTANCE TO THE COMPANY OF ITS CONFIDENTIAL AND PROPRIETARY INFORMATION, THE POST-EMPLOYMENT RESTRICTIONS ON YOUR ACTIVITIES ARE LIKEWISE FAIR AND REASONABLE.

6. **Exercise of Option.** To exercise the Option, you must complete the transaction through our administrative agent's website at www.netbenefits.fidelity.com or call its toll free number at (800) 544-9354, specifying the number of Option Shares being purchased as a result of such exercise, and make payment of the full Exercise Price for the Option Shares being purchased. In no event may a fraction of a share be exercised or acquired. You must also pay any taxes or other amounts required to be withheld as provided in Section 9 of this Agreement.

7. **Termination of Employment.**

- (a) *Vesting.* If you cease to be an employee of the Company or any subsidiary of the Company for any reason other than Cause (a "Termination Event"), the Option may be exercised to the same extent that you were entitled to exercise the Option on the date of the Termination Event and had not previously done so. The remaining Option Shares that are not vested on such date shall become exercisable as follows:

<u>Reason for Termination Event</u>	<u>Unvested Option Shares that Become Exercisable</u>
Death or Disability	100%
Any other reason	0%

- (b) *Deadline for Exercise.*

- (i) If your Termination Event is by reason of death or Disability, then you are (or in the event of your death or Disability resulting in judicial appointment of a guardian ad litem, administrator or other legal representative, the executor or administrator of your estate, any person who shall have acquired the Option through bequest or inheritance or such guardian ad litem, administrator or other legal representative is) entitled to exercise the Option per the terms contained herein within one year after you experience said Termination Event.
- (ii) Subject to Section 7(d), if your Termination Event is for a reason other than death or Disability, you are entitled to exercise the Option per the terms contained herein within 90 days after you experience said Termination Event.
- (iii) If you die within the exercise periods described in subsections (i) or (ii) above, your executor, the administrator of your estate, or your beneficiary may exercise the Option within one year after your death.
- (c) *Expiration.* Notwithstanding any provision contained in this Section 7 to the contrary, in no event may the Option be exercised to any extent by anyone after the Expiration Date set forth in the Award Memorandum.
- (d) *For Cause Termination Event.* If your employment is terminated for Cause (a "For Cause Termination Event"), the Option, whether or not vested, shall terminate immediately. For the sake of clarity, in the event that you experience a For Cause Termination Event, there shall be no accelerated vesting under Section 7(a).
- (e) *Change of Control.* If a Change of Control of the Company occurs, the provisions of Section 17(c) of the Plan shall apply to the Option. If the successor or purchaser in the

Change of Control has assumed the Company's obligations with respect to the Option or provided a substitute award as contemplated by Section 17(c)(i) of the Plan and, within 12 months following the occurrence of the Change of Control, you are terminated without Cause or you terminate your employment for Good Reason (as hereinafter defined), the Option or such substitute award shall become fully vested and exercisable with respect to all Option Shares covered by the Option as of the time immediately prior to such termination of employment and, notwithstanding any other provision hereof, the Option shall become exercisable by you for 90 days following such termination (or such longer period as is otherwise specified in Section 7(b)), and the provisions of Section 5 shall immediately cease to apply.

"Good Reason" means your suffering any of the following events without your consent: (x) a significant or material lessening of your responsibilities; (y) a reduction in your annual base salary or a material reduction in the level of incentive compensation for which you have been eligible during the two years immediately prior to the occurrence of the Change of Control and/or a material adverse change in the conditions governing receipt of such incentive compensation from those that prevailed prior to the occurrence of the Change of Control; or (z) the Company requiring you to be based anywhere other than within 50 miles of your place of employment at the time of the occurrence of the Change of Control, except for reasonably required travel to an extent substantially consistent with your business travel obligations.

- (f) *Service as Director.* For purposes of this Agreement, an employee of the Company, if also serving as a director, will not be deemed to have terminated employment for purposes of this Agreement until his or her service as a director ends, and his or her years of service will be deemed to include years of service as a director.
- (g) *No Further Obligation.* The Company will have no further obligations to you under this Agreement if the Option ceases to become exercisable as provided herein.

- 8. **Issuance of Shares.** The Company, or its transfer agent, will issue and deliver the Option Shares to you as soon as practicable after you exercise any part of the Option and pay the Exercise Price Per Option Share and all related withholding taxes. If you die before the Company has distributed any portion of the Option Shares purchased upon exercise, the Company will issue the Option Shares to your estate or in accordance with applicable laws of descent and distribution. The Option Shares will be issued in book entry form, and the Company will not be liable for damages relating to any delays in making an appropriate book entry or any mistakes or errors in the making of the book entry; provided that the Company shall correct any errors caused by it. Any such book entry will be subject to such stop transfer orders and other restrictions as the Company may deem advisable under (a) the Plan and any agreement between you and the Company with respect to the Option Shares, (b) any applicable federal or state laws, and/or (c) the rules, regulations and other requirements of the Securities and Exchange Commission ("SEC") or any stock exchange upon which the Option Shares are listed. The Company may cause an appropriate book entry notation to be made with respect to the Option Shares to reference any of the foregoing restrictions.
- 9. **Non-Transferability of Award.** Except as provided in the Plan, this Agreement and the Award Memorandum, until the Option Shares have been purchased upon exercise of any part of this Option, this Option and the Option Shares issuable upon exercise hereunder and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise

alienated or hypothecated (by operation of law or otherwise). Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this Option, or of any right or privilege conferred hereby, contrary to the provisions of the Plan or of this Agreement, or upon any attempted sale under any execution, attachment or similar process upon the rights and privileges conferred hereby, this Option and the rights and privileges conferred hereby shall immediately become null and void.

10. **Conditions to Issuance of Shares.** The Option Shares issued to you hereunder upon exercise and purchase may be either previously authorized but unissued shares or issued shares which have been reacquired by the Company. The Company shall not be required to issue any Option Shares hereunder prior to fulfillment of all of the following conditions: (a) the admission of such Option Shares to listing on all stock exchanges on which such class of stock is then listed; (b) the completion of any registration or other qualification of such Option Shares under any state or federal law or under the rulings or regulations of the SEC or any other governmental regulatory body, which the compensation committee of the Board of Directors (the "**Compensation Committee**") shall, in its discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency, which the Compensation Committee shall, in its discretion, determine to be necessary or advisable; (d) the lapse of such reasonable period of time following the exercise of the Option as the Compensation Committee may establish from time to time for reasons of administrative convenience; and (e) your acceptance of the terms and conditions of this Agreement, the Award Memorandum and the Plan within the time period and in the manner specified in this Agreement.
11. **No Rights as Shareholder.** Until you exercise any part of this Option, purchase Option Shares and the Option Shares are issued to you, you shall have no rights as a shareholder of the Company with respect to the Option Shares. Specifically, you understand and agree that you do not have voting rights or the right to receive dividends or any other distributions paid with respect to shares of Company common stock by virtue of this Option or the Option Shares subject hereto.
12. **Addresses for Notices.** Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company as follows: Corporate Secretary, Fiserv, Inc., 255 Fiserv Drive, Brookfield, WI 53045, or at such other address as the Company may hereafter designate in writing. Any notice to be given to you shall be addressed to you at the address set forth in the Company's records from time to time.
13. **Captions; Agreement Severable.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. In the event that any provision in this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.
14. **Securities and Tax Representations.**
 - (a) You acknowledge receipt of the prospectus under the Registration Statement on Form S-8 with respect to the Plan filed by the Company with the SEC. You represent and agree that you will comply with all applicable laws and Company policies relating to the Plan, this Agreement, the exercise of the Option and any disposition of the Option Shares, and that upon the acquisition of any Option Shares, you will make or enter into such written representations, warranties and agreements as the Company may reasonably request to comply with applicable securities laws or this Agreement.

- (b) You represent and warrant that you understand the federal, state and local income and employment tax consequences of the granting of the Option, the exercise of the Option, the purchase of Option Shares, and the subsequent sale or other disposition of any Option Shares. You understand and agree that when you exercise the Option, and thereby realize gross income (if any) taxable as compensation in respect of such exercise, the Company will be required to withhold federal, state and local taxes on the full amount of the compensation income realized by you and may also be required to withhold other amounts as a result of such exercise unless the Option is an incentive stock option. Accordingly, at or prior to the time that you exercise the Option, you hereby agree to provide the Company with cash funds or Option Shares equal in value to the total federal, state and local taxes and other amounts required to be withheld by the Company or its subsidiary in respect of any compensation income in relation to the Option Shares or make other arrangements satisfactory to the Company regarding such amounts. All matters with respect to the total amount to be withheld as a result of the exercise of the Option shall be determined by the Company in its sole discretion.
15. **Market Stand-Off.** The Company reserves the right to impose restrictions on dispositions in connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended. Upon receipt of written notice from the Company of a trading restriction, you agree that you shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer or agree to engage in any of the foregoing transactions with respect to, any Option Shares acquired under this Option without the prior written consent of the Company. Such restriction shall be in effect for such period of time following the date of the final prospectus for the offering as may be determined by the Company. In no event, however, shall such period exceed one hundred eighty (180) days.
16. **General Provisions.**
- (a) None of the Plan, this Agreement or the Award Memorandum confers upon you any right to continue to be employed by the Company or any subsidiary of the Company or limits in any respect any right of the Company or any subsidiary of the Company to terminate your employment at any time, without liability.
- (b) This Agreement, the Award Memorandum and the Plan contain the entire agreement between the Company and you relating to the Option and supersede all prior agreements or understandings relating thereto.
- (c) This Agreement and the Award Memorandum may only be modified, amended or cancelled as provided in the Plan.
- (d) If any one or more provisions of this Agreement or the Award Memorandum is found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
- (e) Any remedies available to the Company under the Plan or this Agreement are cumulative and are in addition to, and are not affected by, the other rights and remedies available to the Company under the Plan, this Agreement, by law or otherwise.

- (f) This Agreement and the Award Memorandum shall be governed by and construed in accordance with the laws of the State of Wisconsin, without regard to conflict of law provisions.
- (g) The Company agrees, and you agree, to be subject to and bound by all of the terms and conditions of the Plan. The Prospectus for the Plan is accessible on the administrative agent's website (www.netbenefits.fidelity.com) in the "forms library" and a paper copy is available upon request.
- (h) During your lifetime, the Option may only be exercised by you or your legal representatives.
- (i) This Agreement and the Award Memorandum shall be binding upon and inure to the benefit of any successor or assign of the Company and to any heir, distributee, executor, administrator or legal representative entitled by law to your rights hereunder.
- (j) You understand that, under the terms of the Plan, this Agreement and the Award Memorandum, the Company may cancel or rescind the Option and/or the Option Shares in certain circumstances.

By selecting the "I accept" box on the website of our administrative agent, you acknowledge your acceptance of, and agreement to be bound by, this Agreement, the Award Memorandum and the Plan.

Your acceptance of the terms of this Agreement, the Award Memorandum and the Plan through our administrative agent's website is a condition to your ability to exercise your Option. You must log on to our administrative agent's website and accept the terms and conditions of this Agreement, the Award Memorandum and the Plan within 120 calendar days of your Award Grant Date. If you do not accept the terms and conditions of this Agreement, the Award Memorandum and the Plan within such time, this Award will be forfeited and immediately terminate.

CERTIFICATIONS

I, Jeffery W. Yabuki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fiserv, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2015

By: /s/ Jeffery W. Yabuki

Jeffery W. Yabuki

President and Chief Executive Officer

CERTIFICATIONS

I, Thomas J. Hirsch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fiserv, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2015

By: /s/ Thomas J. Hirsch

Thomas J. Hirsch
Chief Financial Officer,
Treasurer and Assistant Secretary

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

In connection with the Quarterly Report on Form 10-Q of Fiserv, Inc. (the "Company") for the quarter ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jeffery W. Yabuki, as President and Chief Executive Officer of the Company, and Thomas J. Hirsch, as Chief Financial Officer, Treasurer and Assistant Secretary of the Company, each hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

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

By: /s/ Jeffery W. Yabuki
Jeffery W. Yabuki
July 30, 2015

By: /s/ Thomas J. Hirsch
Thomas J. Hirsch
July 30, 2015