



## **Fiserv Reports Record Earnings During Third Quarter of 2001**

October 22, 2001

Fiserv Reports Record Earnings During Third Quarter of 2001 BROOKFIELD, Wis.--(BUSINESS WIRE)--Oct. 22, 2001--Fiserv, Inc. (Nasdaq: FISV) announced today record earnings for the third quarter of 2001.

For the three-month period ended September 30, 2001, Fiserv revenues were \$467 million, a 15% increase over the \$406 million reported for the third quarter of 2000. Net income per share-diluted (excluding realized gains from sale of investment) for the third quarter of 2001 was \$0.27 per share, compared to \$0.22 per share for the third quarter of 2000.

For the nine-month period ended September 30, 2001, Fiserv revenues were \$1,394 million, a 14% increase over the \$1,219 million reported for the first nine months of 2000. Net income per share-diluted (excluding realized gains from sale of investment) for the first nine months of 2001 was \$0.80 per share, compared to \$0.68 per share for the first nine months of 2000.

Net income per share for all periods has been retroactively adjusted to reflect a 3-for-2 stock split effective in August 2001.

"Fiserv continues to see strong growth in earnings despite recent events affecting our economy as a whole. Our stable client base, comprehensive financial solution offerings and focus on advanced technology continue to be the foundation that supports our future growth," said Leslie M. Muma, President and CEO of Fiserv, Inc. "As in the first half of the year, Fiserv reported record earnings in the third quarter of 2001. We experienced continuing strength in our Financial Institution Outsourcing, Systems and Services Segment, which accounts for approximately 80% of our total revenue. This was partially offset by the decline in our Securities Processing and Trust Services Segment that had been anticipated. Our target for full-year diluted earnings per share (EPS) for 2001 continues to be \$1.07 (split-adjusted), excluding any realized gains from sale of investment. This is consistent with our historical EPS growth targets of 18% - 20% per year.

Among significant new client relationships during the third quarter, Fiserv Securities, Inc. signed a multi-million-dollar, multi-year agreement to provide clearing and execution services for Sands Brothers & Co., Ltd., an investment firm with more than \$2 billion in assets. KeyCorp, one of the nation's largest multi-line financial services companies, selected Remarketing Services of America, Inc. (RSA) to proactively manage a portion of lease maturities in the bank's vehicle portfolio. Fiserv Advanced Insurance Solutions gained two major new clients--W.R. Berkley Corporation and Enterprise Rent-A-Car--for its Claims Workstation system. W.R. Berkley also licensed the Fiserv AIS Policy STAR(TM) system.

Fiserv announced several acquisitions during the third quarter: EPSIIA Corporation, Catapult Technology Limited and the item processing operations of the Federal Home Loan Bank of Pittsburgh.

EPSIIA Corporation (formerly PSI Technologies) is a provider of large-scale electronic archival, retrieval and presentment solutions. Based in Austin, Texas, with additional operations in Columbus, Georgia, as well as the United Kingdom, Canada, Argentina, Chile and Brazil, the company has more than 100 employees and serves approximately 300 clients within the financial services, insurance, retail, telecommunications, utilities and manufacturing industries. Catapult Technology Limited is a London-based provider of private banking, treasury management and international banking technology solutions and services. The company has a strong reputation in the European market, and brings a suite of solutions that complements the offerings of the Fiserv CBS Worldwide division. The item processing operations of FHLB Pittsburgh are located in Pittsburgh and Philadelphia. These operations provide a full range of check and document services to approximately 120 financial institutions throughout Pennsylvania, Delaware and West Virginia, and currently process approximately 120 million items annually.

Fiserv, Inc. (Nasdaq: FISV) is an independent, full-service provider of integrated data processing and information management systems to the financial industry. As a leading technology resource, Fiserv serves more than 10,000 financial services providers worldwide, including banks, broker-dealers, credit unions, financial planners and investment advisers, insurance companies and agents, mortgage banks and savings institutions. Headquartered in Brookfield, Wisconsin, Fiserv also can be found on the Internet at [www.fiserv.com](http://www.fiserv.com).

The disclosure set forth above contains forward-looking statements, specifically Mr. Muma's statements regarding future earnings, earnings targets and business prospects. Such forward-looking statements are subject to inherent risks and uncertainties that may

cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, changes in customers' demand for the Corporation's products, pricing and other actions by competitors, and general changes in economic conditions or U.S. financial markets. These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements.

FISERV, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except per share amounts)  
(Unaudited)

|   | Three Months Ended |           | Nine Months Ended |             |
|---|--------------------|-----------|-------------------|-------------|
|   | September 30,      |           | September 30,     |             |
|   | 2001               | 2000      | 2001              | 2000        |
|   | -----              | -----     | -----             | -----       |
| Revenues  | \$467,173          | \$406,189 | \$1,393,731       | \$1,219,025 |
| Cost of revenues:   |                    |           |                   |             |
| Salaries, commissions and payroll related costs                             | 227,949            | 198,617   | 673,838           | 586,218     |
| Data processing expenses, rentals and telecommunication costs               | 32,530             | 27,405    | 93,083            | 83,974      |
| Other operating expenses  | 89,368             | 74,290    | 279,658           | 227,888     |
| Depreciation and amortization of property and equipment                     | 19,544             | 18,249    | 56,607            | 52,417      |
| Amortization of intangible assets   | 8,893              | 8,357     | 26,562            | 31,159      |
| Amortization (capitalization) of internally generated computer software-net | (326)              | 1,048     | (216)             | 804         |
| Total cost of revenues  | 377,958            | 327,966   | 1,129,532         | 982,460     |
| Operating income  | 89,215             | 78,223    | 264,199           | 236,565     |
| Interest expense - net  | (2,501)            | (5,295)   | (9,555)           | (17,101)    |
| Realized gain from sale of investment                                       | 1,000              | 2,907     | 4,327             | 5,835       |
| Income before income taxes  | 87,714             | 75,835    | 258,971           | 225,299     |
| Income tax provision  | 35,085             | 31,093    | 103,588           | 92,373      |

|            |           |           |           |            |
|------------|-----------|-----------|-----------|------------|
| Net income | \$ 52,629 | \$ 44,742 | \$155,383 | \$ 132,926 |
|------------|-----------|-----------|-----------|------------|

|                       |        |        |        |        |
|-----------------------|--------|--------|--------|--------|
| Net income per share: |        |        |        |        |
| Basic                 | \$0.28 | \$0.24 | \$0.83 | \$0.72 |
| Diluted               | \$0.27 | \$0.23 | \$0.81 | \$0.70 |

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| Excluding realized gain from sale of investment: |        |        |        |        |
| Diluted  | \$0.27 | \$0.22 | \$0.80 | \$0.68 |
| Diluted (excluding goodwill amortization)        | \$0.30 | \$0.25 | \$0.87 | \$0.75 |

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| Shares used in computing net income per share: |         |         |         |         |
| Basic  | 186,944 | 185,151 | 186,555 | 184,524 |
| Diluted  | 191,541 | 190,568 | 191,214 | 189,495 |

FISERV, INC. AND SUBSIDIARIES  
 SELECTED SEGMENT INFORMATION  
 (In thousands)  
 (Unaudited)

|  |                    |      |                   |      |
|--|--------------------|------|-------------------|------|
|  | Three Months Ended |      | Nine Months Ended |      |
|  | September 30,      |      | September 30,     |      |
|  | 2001               | 2000 | 2001              | 2000 |

|   |           |           |             |             |
|---|-----------|-----------|-------------|-------------|
| Revenues:   |           |           |             |             |
| Financial institution outsourcing, systems and services | \$393,599 | \$307,135 | \$1,128,579 | \$913,315   |
| Securities processing and trust services                | 56,963    | 82,672    | 214,612     | 256,846     |
| All other and corporate                                 | 16,611    | 16,382    | 50,540      | 48,864      |
| Total   | \$467,173 | \$406,189 | \$1,393,731 | \$1,219,025 |

|   |          |          |           |           |
|---|----------|----------|-----------|-----------|
| Operating income:                                       |          |          |           |           |
| Financial institution outsourcing, systems and services | \$83,631 | \$56,893 | \$241,775 | \$166,748 |
| Securities processing and trust services                | 7,539    | 22,383   | 28,030    | 72,779    |
| All other and   |          |          |           |           |

|           |          |          |           |           |
|-----------|----------|----------|-----------|-----------|
| corporate | (1,955)  | (1,053)  | (5,606)   | (2,962)   |
|           | -----    | -----    | -----     | -----     |
| Total     | \$89,215 | \$78,223 | \$264,199 | \$236,565 |
|           | =====    | =====    | =====     | =====     |