fiserv.

Fiserv Reports Record Earnings During Second Quarter of 2001; Announces 3-for-2 Common Stock Split

July 23, 2001

Fiserv Reports Record Earnings During Second Quarter of 2001; Announces 3-for-2 Common Stock Split BROOKFIELD, Wis., Jul 23, 2001 (BUSINESS WIRE) -- Fiserv, Inc. (Nasdaq: FISV) announced today record earnings for the second quarter of 2001 and a 3-for-2 Common Stock split among shareholders of record as of August 10, 2001.

For the three-month period ended June 30, 2001, Fiserv revenues were $472.6 million, a 13.5% increase over the $416.4 million reported for the second quarter of 2000. Net income per share-diluted (excluding realized gains from sale of investment) for the second quarter of 2001 was $0.40 per share, compared to $0.34 per share for the second quarter of 2000.

For the six-month period ended June 30, 2001, Fiserv revenues were $926.6 million, a 14.0% increase over the $812.8 million reported for the first six months of 2000. Net income per share-diluted (excluding realized gains from sale of investment) for the first six months of 2001 was $0.79 per share, compared to $0.68 per share for the first six months of 2000.

"During the first half of 2001, Fiserv reported strong earnings results as we continue to build on our successful history of consistent growth," said Leslie M. Muma, President and CEO of Fiserv, Inc. "Most of our business units continued to perform at or above our expectations during the first six months, both in terms of internal revenue growth from existing clients and new sales contracts. We saw very strong growth 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 $1.60 to $1.61, excluding any realized gains from sale of investment. This is consistent with our historical EPS growth targets of 18% - 20% per year.

"Sales of our traditional products remained strong with the year-to-date signing of 193 new clients and 670 cross-sell agreements, and our pipeline continues to be robust as we move into the second half of the year. Revenues associated with new contracts signed in 2001 are up more than 30% over the prior year due largely to an increase in average contract size," Muma added.

"We serve a dynamic market, where our clients are facing evolving customer needs and technology demands on a daily basis. Using our extensive resources, industry-specific expertise and advanced product suite, clients gain in Fiserv a partner who will help successfully manage the many challenges of an evolving business environment," Muma concluded.

Fiserv announced during the second quarter that it will provide the technology to support CIGNA Bank & Trust, the new federally chartered, full-service thrift formed by CIGNA Corporation. CIGNA Corporation's subsidiaries are leading providers of employee benefits. In June, Fiserv and Northern Trust announced the formation of a joint venture to provide receivables management services, commonly known as lockbox. The venture will provide receivables management services to Northern Trust for its clients, with plans to sell services to additional financial institutions. As part of the joint venture, Northern Trust also signed a long-term servicing agreement.

Subsequent to quarter end, Fiserv announced that it had acquired Austin, Texas-based EPSIIA Corporation, a provider of large-scale electronic archival, retrieval and presentment solutions. Fiserv currently provides solutions for paper-based systems, including laser printing, mailing and fulfillment of statements and other documents. As the industry continues to move toward electronic presentment and delivery, there has been a growing demand for these types of delivery options. EPSIIA provides a real-world, proven solution for Fiserv clients who are looking to complement, or possibly replace, their current paper-based systems through electronic document management services.

Fiserv announced today a 3-for-2 split in its outstanding shares of Common Stock among shareholders of record as of August 10, 2001. Distribution of new shares will be mailed on or about August 31, 2001, by the Company's transfer agent, EquiServe Trust Company, N.A. This stock split will be the Company's sixth since it went public in September 1986. Fiserv previously carried out 3-for-2 splits in April 1999, May 1998, May 1993, June 1992 and July 1991.

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.

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 June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Revenues	$472,646	$416,434	$926,558	$812,836
Cost of revenues:				
Salaries, commissions and payroll related costs	227,194	198,029	445,889	387,601
Data processing expenses, rentals and telecommunication costs	30,948	28,457	60,553	56,569
Other operating expenses	97,898	78,371	190,290	153,598
Depreciation and amortization of property and equipment	18,758	17,419	37,063	34,168
Amortization of intangible assets	8,877	15,626	17,669	22,802
Amortization (capitalization) of internally generated computer software-net	592	(856)	110	(244)
Total cost of revenues	384,267	337,046	751,574	654,494
Operating income	88,379	79,388	174,984	158,342
Interest expense - net	(3,237)	(6,000)	(7,054)	(11,806)
Realized gain from sale of investment	1,506	2,928	3,327	2,928
Income before income taxes	86,648	76,316	171,257	149,464
Income tax provision	34,659	31,289	68,503	61,280

Net income	$ 51,989	$ 45,027	$102,754	$ 88,184
Net income per share:				
Basic	$0.42	$0.37	$0.83	$0.72
Diluted	$0.41	$0.36	$0.81	$0.70
Excluding realized gain from sale of investment:				
Diluted	$0.40	$0.34	$0.79	$0.68
Diluted (excluding goodwill amortization)	$0.44	$0.38	$0.87	$0.75
Shares used in computing net income per share:				
Basic	124,372	122,991	124,240	122,807
Diluted	127,501	126,401	127,367	125,972

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Revenues:				
Financial institution outsourcing, systems and services	$374,618	$313,092	$734,980	$606,180
Securities processing and trust services(1)	81,627	87,727	157,649	174,174
All other and corporate	16,401	15,615	33,929	32,482
Total	$472,646	$416,434	$926,558	$812,836
Operating income:				
Financial institution outsourcing, systems and services	$78,548	$60,519	$158,144	$109,855
Securities processing and trust services(1) (2)	12,103	20,449	20,491	50,396
All other and corporate	(2,272)	(1,580)	(3,651)	(1,909)
Total	$88,379	$79,388	$174,984	$158,342

(1) Includes a $12.0 million termination fee received by the Company in the second quarter of 2001 from a broker-dealer customer recently acquired by a third party.

(2) Includes a $12.3 million charge recorded in the second quarter of 2001 related to the planned consolidation of the Company's securities processing businesses.