



July 22, 2002

## **Fiserv Reports Record Earnings During Second Quarter of 2002**

BROOKFIELD, Wis., Jul 22, 2002 (BUSINESS WIRE) -- Fiserv, Inc. (Nasdaq: FISV) announced today record earnings for the second quarter of 2002.

For the three-month period ended June 30, 2002, Fiserv revenues (excluding customer reimbursements) were \$563.0 million, a 17% increase over the \$481.4 million for the second quarter of 2001. Net income per share-diluted (excluding realized gains from sale of investment) for the second quarter of 2002 was \$0.34 per share, compared to \$0.27 per share for the second quarter of 2001.

For the six-month period ended June 30, 2002, Fiserv revenues (excluding customer reimbursements) were \$1,122.9 million, a 19% increase over the \$943.5 million for the first six months of 2001. Net income per share-diluted (excluding realized gains from sale of investment) for the first six months of 2002 was \$0.67 per share, compared to \$0.53 per share for the first six months of 2001.

Effective January 1, 2002, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires that intangible assets with definite lives be amortized over their useful lives and that goodwill and other intangible assets with indefinite lives not be amortized but evaluated for impairment. The effect of adopting SFAS No. 142 would have increased 2001 diluted net income per share (excluding realized gains from sale of investment) by approximately \$0.02 per share in the second quarter and \$0.04 on a year-to-date basis, due to the elimination of goodwill amortization.

"Fiserv management is pleased to report record earnings for the second quarter of 2002," said Leslie M. Muma, President and CEO of Fiserv, Inc. "We are seeing a continuation of consistent growth within our various lines of business, with most of our business units performing at or above our expectations in both internal revenue growth from existing clients and new sales contracts.

"Our Financial Institution Outsourcing, Systems and Services Segment, which accounts for approximately 85% to 90% of our total revenue, once again reported strong growth. Our sales efforts for the second quarter generated a record number of new banking, lending, securities and insurance relationships company-wide.

"Our estimate for full-year earnings per share for 2002 (excluding realized gains from sale of investment) continues to be \$1.35 to \$1.37 per share," Muma concluded.

Fiserv continued to see new sales growth across all of its business lines during the second quarter, including the following major agreements: GMAC Mortgage, one of the top residential mortgage lenders and servicers in the country, selected the Fiserv mortgage loan servicing solution to be its single platform for the servicing of both residential and consumer loan products. Fiserv also will provide a comprehensive range of technology services, including account and check processing, for Community Bank, a \$1.3 billion banking company in Pasadena, California. Fiserv was successful in expanding its relationship with Isuzu Motors Acceptance Corporation to include proactively managing all sport-utility vehicle remarketing in the vehicle manufacturer's portfolio. Regions Bank, Birmingham, Alabama, chose Fiserv for a full suite of automotive lease services, including complete account management and collections. United Trust Group of Springfield, Illinois, signed a license agreement for the Fiserv life, annuity and health insurance administration system to provide business process outsourcing services. The State of Nevada selected Fiserv as third-party administrator for the 31,000 employees covered by its Public Employees' Benefits Program. Also during the quarter, Fiserv significantly expanded its relationship with WR Hambrecht + Company, LLC, a San Francisco investment firm, to include execution and clearing services for Hambrecht's large-volume institutional account business.

In the second quarter, Fiserv announced the acquisition of Case Shiller Weiss, Inc. (CSW), the nationally recognized provider of automated home valuation services and collateral risk management products. Based in Cambridge, Massachusetts, and founded in 1991, CSW serves mortgage banks, consumer home loan companies, mortgage insurers, mortgage servicers, investment banks and bond-rating agencies.

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 13,000 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 estimates of future earnings, earnings and revenue 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		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Revenues(1)				
Processing and services	\$ 563,032	\$ 481,355	\$1,122,856	\$ 943,518
Customer reimbursements	69,394	62,269	141,498	127,757
Total Revenues	632,426	543,624	1,264,354	1,071,275
Cost of revenues(1)				
Salaries, commissions and payroll related costs	267,606	230,638	539,238	452,851
Customer reimbursement expenses	69,394	62,269	141,498	127,757
Data processing costs and equipment rentals	41,665	36,213	80,773	70,551
Other operating expenses	117,676	98,490	234,026	190,400
Depreciation and amortization	25,220	27,635	49,440	54,732
Total cost of revenues	521,561	455,245	1,044,975	896,291
Operating income	110,865	88,379	219,379	174,984
Interest expense - net	(2,178)	(3,237)	(4,865)	(7,054)
Realized gain from sale of investment	567	1,506	1,482	3,327
Income before income taxes	109,254	86,648	215,996	171,257
Income tax provision	42,609	34,659	84,238	68,503
Net income	\$ 66,645	\$ 51,989	\$ 131,758	\$ 102,754
Net income per share:				
Basic	\$0.35	\$0.28	\$0.69	\$0.55
Diluted	\$0.34	\$0.27	\$0.67	\$0.54
Excluding realized gain from sale of investment:				
Diluted	\$0.34	\$0.27	\$0.67	\$0.53
Diluted (excluding goodwill)				

amortization)	\$0.34	\$0.29	\$0.67	\$0.57
Shares used in computing net income per share:				
Basic	191,420	186,558	191,044	186,360
Diluted	195,474	191,252	195,313	191,051

(1) Effective January 1, 2002, the Company adopted Emerging Issues Task Force Issue No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out of Pocket' Expenses Incurred," which requires that customer reimbursements received for direct costs paid to third parties and related expenses be characterized as revenue. Comparative financial statements for 2001 have been reclassified to provide consistent presentation. For the six months ended June 30, 2002 and 2001, the Company has presented customer reimbursement revenue and expenses of \$141.5 million and \$127.8 million, respectively, in accordance with Issue No. 01-14. Customer reimbursements represent direct costs paid to third parties primarily for postage and data communication costs. In addition, processing and services revenues and salaries / data processing costs were increased by \$18.7 million and \$17.0 million for the six months ended June 30, 2002 and 2001, respectively. The adoption of Issue No. 01-14 did not impact the Company's financial position, operating income or net income.

FISERV, INC. AND SUBSIDIARIES  
SELECTED SEGMENT INFORMATION

(In thousands)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Processing and services revenues:				
Financial institution outsourcing, systems and services	\$ 487,061	\$ 383,461	\$ 968,764	\$ 752,184
Securities processing and trust services	54,513	78,049	109,276	150,443
All other and corporate	21,458	19,845	44,816	40,891
Total	\$ 563,032	\$ 481,355	\$1,122,856	\$ 943,518
Operating income:				
Financial institution outsourcing, systems and services	\$ 107,667	\$ 78,848	\$ 209,456	\$ 158,710
Securities processing and trust services	5,924(a)	11,803	13,490(a)	19,925
All other and corporate	(2,726)	(2,272)	(3,567)	(3,651)
Total	\$ 110,865	\$ 88,379	\$ 219,379	\$ 174,984

(a) Includes a \$3.2 million net charge related to the write-down of WorldCom, Inc. debt securities to market value. These debt securities were acquired by Fiserv through its acquisition of Resources Trust Company in May of 2000.