



October 21, 2002

## **Fiserv Reports Continued Strong Earnings During Third Quarter of 2002**

BROOKFIELD, Wis., Oct 21, 2002 (BUSINESS WIRE) -- Fiserv, Inc. (Nasdaq: FISV) announced today continued strong earnings for the third quarter of 2002.

For the three-month period ended September 30, 2002, Fiserv revenues (excluding customer reimbursements) were \$563.7 million, an 18% increase over the \$476.1 million for the third quarter of 2001. Net income per share-diluted (excluding realized gains from sale of investment) for the third quarter of 2002 was \$0.34 per share, compared to \$0.27 per share for the third quarter of 2001.

For the nine-month period ended September 30, 2002, Fiserv revenues (excluding customer reimbursements) were \$1,686.5 million, a 19% increase over the \$1,419.6 million for the first nine months of 2001. Net income per share-diluted (excluding realized gains from sale of investment) for the first nine months of 2002 was \$1.01 per share, compared to \$0.80 per share for the first nine 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 \$0.03 per share in the third quarter and \$0.07 per share on a year-to-date basis, due to the elimination of goodwill amortization.

"Fiserv continued its solid performance in the third quarter of 2002, and we're pleased to report strong earnings growth for the quarter," said Leslie M. Muma, President and CEO of Fiserv, Inc. "Most of our business units continue to perform at or above our expectations in both internal revenue growth from existing clients and new sales contracts. Our year-to-date sales efforts have generated new contracted revenues exceeding the prior year and our pipelines for new client growth, cross sales and acquisitions continue to be robust.

"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," concluded Muma.

Major new clients for the third quarter include the following: Fifth Third Bank, a \$75 billion diversified financial services company headquartered in Cincinnati, Ohio, selected the Fiserv UniFi<sup>®</sup> PRO Mortgage loan origination and processing solution to automate its mortgage unit. In addition, EMC Mortgage, a subsidiary of The Bear Stearns Companies, Inc. (NYSE: BSC), will use the Fiserv UniFi PRO system to expand into a new line of business. New Century Mortgage Corporation, one of the nation's fastest growing mortgage loan originators and a subsidiary of New Century Financial Corporation (Nasdaq: NCEN), has just re-entered the loan servicing business with the Fiserv MortgageServ loan servicing system. Liberty Savings Bank added MortgageServ, item processing, EasyLender and imaging solutions to its current suite of Fiserv products, which include core processing and ATM services. Fiserv will provide an integrated suite of account processing services from its Information Technology, Inc. unit to North Valley Bancorp, a \$600 million, multi-bank holding company based in Redding, California. Amica Life Insurance Company, a subsidiary of Amica Mutual Insurance Company, expanded its relationship with Fiserv by licensing the Fiserv Life Portraits(TM) life insurance marketing solution to support Amica's telemarketing efforts.

In August, Fiserv acquired the correspondent clearing business of Investec Ernst & Company, a division of international banking group Investec. This acquisition enhanced the servicing capabilities and securities processing volumes of Fiserv Securities, and expanded the base of retail and institutional broker-dealer clients serviced by Fiserv. Based in New York, Investec Ernst has more than 80 correspondent clearing relationships.

"In September, we announced the promotion of Norm Balthasar to the newly created position of Senior Executive Vice President and Chief Operating Officer," said Muma. "At the same time, we created four new operating groups from our former Financial Institution Group and promoted division presidents to lead those operations. These moves help to set the stage for the future; Norm has demonstrated outstanding skills in leading our largest group through some significant growth and is uniquely qualified to be our Chief Operating Officer," Muma concluded.

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

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001
Revenues(1)				
Processing and services	\$563,663	\$476,102	\$1,686,519	\$1,419,620
Customer reimbursements	72,009	63,129	213,507	190,886
Total Revenues	635,672	539,231	1,900,026	1,610,506
Cost of revenues(1)				
Salaries, commissions and payroll related costs	269,239	231,341	808,477	684,192
Customer reimbursement expenses	72,009	63,129	213,507	190,886
Data processing costs and equipment rentals	39,275	38,067	120,048	108,618
Other operating expenses	119,171	89,042	353,197	279,442
Depreciation and amortization	26,155	28,437	75,595	83,169
Total cost of revenues	525,849	450,016	1,570,824	1,346,307
Operating income	109,823	89,215	329,202	264,199
Interest expense - net	(1,804)	(2,501)	(6,669)	(9,555)
Realized gain from sale of investment	426	1,000	1,908	4,327
Income before income taxes	108,445	87,714	324,441	258,971
Income tax provision	42,294	35,085	126,532	103,588
Net income	\$66,151	\$52,629	\$197,909	\$155,383
Net income per share:				
Basic	\$0.34	\$0.28	\$1.03	\$0.83
Diluted	\$0.34	\$0.27	\$1.01	\$0.81
Excluding realized gain from sale of investment:				
Diluted	\$0.34	\$0.27	\$1.01	\$0.80
Diluted (excluding goodwill amortization)	\$0.34	\$0.30	\$1.01	\$0.87
Shares used in computing net income per share:				
Basic	192,048	186,944	191,379	186,555

Diluted 195,025 191,541 195,217 191,214

(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 nine months ended September 30, 2002 and 2001, the Company has presented customer reimbursement revenue and expenses of \$213.5 million and \$190.9 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 \$28.4 million and \$25.9 million for the nine months ended September 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		Nine Months Ended	
	September 30,		September 30,	
	2002	2001	2002	2001

Processing and services  
revenues:

Financial institution  
outsourcing, systems  
and services

	\$482,145	\$402,678	\$1,450,909	\$1,154,862
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Securities processing and  
trust services

	58,773	53,421	168,049	203,864
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All other and corporate

	22,745	20,003	67,561	60,894
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Total

	\$563,663	\$476,102	\$1,686,519	\$1,419,620
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Operating income:

Financial institution  
outsourcing, systems  
and services

	\$103,950	\$83,800	\$313,406	\$242,510
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Securities processing and  
trust services

	7,922	7,370	21,412	27,295
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All other and corporate

	(2,049)	(1,955)	(5,616)	(5,606)
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Total

	\$109,823	\$89,215	\$329,202	\$264,199
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