UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2014

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)**	**39-1506125** **(I. R. S. Employer Identification No.)**
255 FISERV DRIVE, BROOKFIELD, WI **(Address of Principal Executive Offices)**	**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 x 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 x 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	x	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 x

As of July 24, 2014, there were 249,219,225 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,	
	2014	2013	2014	2013
Revenue:				
Processing and services	$ 1,051	$ 1,015	$ 2,078	$ 1,981
Product	202	183	409	369
Total revenue	1,253	1,198	2,487	2,350
Expenses:				
Cost of processing and services	532	523	1,073	1,045
Cost of product	171	157	351	347
Selling, general and administrative	243	245	485	474
Total expenses	946	925	1,909	1,866
Operating income	307	273	578	484
Interest expense	(41)	(41)	(82)	(82)
Interest and investment income	1	—	1	—
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	267	232	497	402
Income tax provision	(101)	(81)	(167)	(139)
Income from investment in unconsolidated affiliate	—	1	4	6
Income from continuing operations	166	152	334	269
Loss from discontinued operations, net of income taxes	—	(1)	—	(1)
Net income	$ 166	$ 151	$ 334	$ 268
Net income (loss) per share - basic:				
Continuing operations	$ 0.66	$ 0.57	$ 1.33	$ 1.01
Discontinued operations	—	—	—	—
Total	$ 0.66	$ 0.57	$ 1.33	$ 1.01
Net income (loss) per share - diluted:				
Continuing operations	$ 0.65	$ 0.57	$ 1.31	$ 1.00
Discontinued operations	—	—	—	—
Total	$ 0.65	$ 0.56	$ 1.30	$ 1.00
Shares used in computing net income (loss) per share:				
Basic	249.3	265.1	251.9	265.9
Diluted	253.4	268.6	256.0	269.4

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Net income	$ 166	$ 151	$ 334	$ 268
Other comprehensive income (loss):				
Fair market value adjustment on cash flow hedges, net of income tax provision (benefit) of $(1) million, $1 million, and $(1) million	—	(2)	2	(2)
Reclassification adjustment for net realized losses on cash flow hedges included in interest expense, net of income tax provision of $1 million, $1 million, $2 million and $3 million	2	2	4	5
Foreign currency translation	3	(5)	5	(10)
Total other comprehensive income (loss)	5	(5)	11	(7)
Comprehensive income	$ 171	$ 146	$ 345	$ 261

See accompanying notes to consolidated financial statements.

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

	June 30, 2014	December 31, 2013
Assets		
Cash and cash equivalents	$ 329	$ 400
Trade accounts receivable, net	730	751
Deferred income taxes	45	55
Prepaid expenses and other current assets	421	366
Total current assets	1,525	1,572
Property and equipment, net	300	266
Intangible assets, net	2,070	2,142
Goodwill	5,217	5,216
Other long-term assets	291	317
Total assets	$ 9,403	$ 9,513
Liabilities and Shareholders' Equity		
Accounts payable and accrued expenses	$ 834	$ 756
Current maturities of long-term debt	92	92
Deferred revenue	442	484
Total current liabilities	1,368	1,332
Long-term debt	3,756	3,756
Deferred income taxes	680	713
Other long-term liabilities	124	127
Total liabilities	5,928	5,928
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	866	844
Accumulated other comprehensive loss	(49)	(60)
Retained earnings	6,932	6,598
Treasury stock, at cost, 146.6 million and 139.0 million shares	(4,278)	(3,801)
Total shareholders' equity	3,475	3,585
Total liabilities and shareholders' equity	$ 9,403	$ 9,513

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Cash flows from operating activities:		
Net income	$ 334	$ 268
Adjustment for discontinued operations	—	1
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:		
Depreciation and other amortization	96	97
Amortization of acquisition-related intangible assets	103	103
Share-based compensation	27	26
Deferred income taxes	(27)	(26)
Income from investment in unconsolidated affiliate	(4)	(6)
Dividends from unconsolidated affiliate	45	6
Non-cash impairment charge	—	30
Other non-cash items	(12)	(6)
Changes in assets and liabilities, net of effects from acquisitions:		
Trade accounts receivable	25	13
Prepaid expenses and other assets	(24)	(45)
Accounts payable and other liabilities	46	(40)
Deferred revenue	(40)	(24)
Net cash provided by operating activities from continuing operations	569	397
Cash flows from investing activities:		
Capital expenditures, including capitalization of software costs	(150)	(110)
Payment for acquisition of business, net of cash acquired	—	(16)
Dividends from unconsolidated affiliate	—	116
Other investing activities	1	—
Net cash used in investing activities from continuing operations	(149)	(10)
Cash flows from financing activities:		
Debt proceeds	544	1,210
Debt repayments	(544)	(1,444)
Issuance of treasury stock	26	24
Purchases of treasury stock	(528)	(254)
Other financing activities	11	7
Net cash used in financing activities from continuing operations	(491)	(457)
Net change in cash and cash equivalents from continuing operations	(71)	(70)
Net cash flows from discontinued operations	—	32
Beginning balance	400	358
Ending balance	$ 329	$ 320
Discontinued operations cash flow information:		
Net cash used in operating activities	$ —	$ (3)
Net cash provided by investing activities	—	35
Net change in cash and cash equivalents from discontinued operations	—	32
Net cash flows to continuing operations	—	(32)
Beginning balance - discontinued operations	—	—
Ending balance - discontinued operations	$ —	$ —

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, 2014 and 2013 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, 2013.

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.

Stock Split

On November 20, 2013, the Company's Board of Directors declared a two-for-one stock split of the Company's common stock and a proportionate increase in the number of its authorized shares of common stock. The additional shares were distributed on December 16, 2013 to shareholders of record at the close of business on December 2, 2013. The Company's common stock began trading at the split-adjusted price on December 17, 2013. All share and per share amounts are retroactively presented on a split-adjusted basis.

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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. ASU 2014-09 will be effective for annual and interim periods after December 15, 2016; early application is not permitted. 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.

In April 2014, the FASB issued ASU No. 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* ("ASU 2014-08"). ASU 2014-08 changes the criteria for determining which disposals can be presented as discontinued operations and modifies the related disclosure requirements. Under the amendments in ASU 2014-08, only those disposals that represent a strategic shift that has (or will have) a major effect on the Company's operations and financial results will be reported as discontinued operations in the financial statements. ASU 2014-08 will be effective prospectively for annual and interim periods after December 15, 2014, with early adoption permitted.

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 $4.0 billion at June 30, 2014 and $3.9 billion at December 31, 2013 and was estimated using discounted cash flows based on quoted prices in active markets (level 2 of the fair value hierarchy) or the Company's current incremental borrowing rates (level 3 of the fair value hierarchy).

4. Acquisition

On January 14, 2013, the Company acquired Open Solutions Inc. ("Open Solutions"), a provider of account processing technology for financial institutions, for a cash purchase price of $55 million and the assumption of approximately $960 million of debt. This acquisition, included within the Financial Institution Services ("Financial") segment, advanced the Company's go-to-market strategies by adding a number of products and services and by expanding the number of account processing clients to which the Company can provide its broad array of add-on products and services.

The cash purchase price and repayment of assumed debt were funded utilizing a combination of available cash and existing availability under the Company's revolving credit facility. During 2013, the Company finalized the purchase price allocation for Open Solutions, resulting in customer related intangible assets of $460 million, acquired software and technology of $105 million, goodwill of $517 million, long-term debt of $958 million, and various other identifiable assets and liabilities. As a result of the acquisition, the Company has incurred merger and integration costs, including a $30 million non-cash impairment charge in the first quarter of 2013 related to the Company's decision to replace its Acumen® account processing system with DNA™, an Open Solutions account processing system.

5. 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 $39 million at December 31, 2013 and was reported within other long-term assets in the consolidated balance sheet. In the second quarter of 2014, the Company received from StoneRiver a $45 million cash dividend, funded from a recent capital transaction. The dividend exceeded the Company's investment carrying amount, resulting in the reduction of its investment balance to zero, with the excess cash dividend of $3 million recorded within other long-term liabilities in the consolidated balance sheet at June 30, 2014. Although the Company does not maintain a legal obligation to fund any of the liabilities or potential operating deficits of StoneRiver, it intends to provide future financial support, based upon its continuing assessment of various factors, should the need arise. The entire dividend represents a return on the Company's investment and was reported as cash flows from operating activities. During the second quarter of 2013, the Company received a $122 million cash dividend from StoneRiver. A portion of the dividend, $6 million, represented a return on the Company's investment and was reported in cash flows from operating activities.

6. Share-Based Compensation

The Company recognized $12 million and $27 million of share-based compensation expense during the three and six months ended June 30, 2014, respectively, and $12 million and $26 million of share-based compensation expense during the three and six months ended June 30, 2013, respectively. The Company's annual grant of share-based awards generally occurs in the first quarter. 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, 2013, the Company granted 1.9 million stock options and 0.9 million restricted stock units at weighted-average estimated fair values of $12.66 and $40.62, respectively. During the six months ended June 30, 2014 and 2013, stock options to purchase 0.8 million shares and 0.7 million shares, respectively, were exercised.

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7. Shares Used in Computing Net Income Per Share

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

(In millions)	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Weighted-average shares outstanding used for the calculation of net income per share - basic	249.3	265.1	251.9	265.9
Common stock equivalents	4.1	3.5	4.1	3.5
Total shares used for the calculation of net income per share - diluted	253.4	268.6	256.0	269.4

For the three months ended June 30, 2014 and 2013, stock options for 1.4 million and 1.8 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, 2014 and 2013, 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.

8. Intangible Assets

Intangible assets consisted of the following:

(In millions)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
June 30, 2014			
Customer related intangible assets	$ 2,155	$ 733	$ 1,422
Acquired software and technology	493	322	171
Trade names	120	43	77
Capitalized software development costs	619	302	317
Purchased software	238	155	83
Total	$ 3,625	$ 1,555	$ 2,070

(In millions)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
December 31, 2013			
Customer related intangible assets	$ 2,155	$ 667	$ 1,488
Acquired software and technology	493	289	204
Trade names	120	39	81
Capitalized software development costs	635	348	287
Purchased software	277	195	82
Total	$ 3,680	$ 1,538	$ 2,142

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 $200 million in 2014, $190 million in 2015, $150 million in 2016 and $140 million in each of 2017 and 2018. Annual amortization expense in 2014 with respect to capitalized and purchased software is estimated to approximate $110 million.

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9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

(In millions)	June 30, 2014	December 31, 2013
Trade accounts payable	$ 55	$ 67
Settlement obligations	248	184
Client deposits	214	190
Accrued compensation and benefits	127	165
Other accrued expenses	190	150
Total	$ 834	$ 756

10. Income Taxes

The Company’s effective income tax rates for continuing operations were 37.7% and 33.5% during the three and six months ended June 30, 2014, respectively, and were 35.0% and 34.6% during the three and six months ended June 30, 2013, respectively. The lower effective tax rate for the six months ended June 30, 2014 was primarily attributed to the favorable resolution of tax matters in the first quarter. The resolution of these tax matters decreased the Company’s unrecognized tax benefits from $60 million at December 31, 2013 to $43 million at June 30, 2014. At June 30, 2014, unrecognized tax benefits of $32 million, net of federal and state benefits, would affect the effective income tax rate from continuing operations if recognized.

11. 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, 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	$ (43)	$ (4)	$ (2)	$ (49)

(In millions)	Cash Flow Hedges	Foreign Currency Translation	Other	Total
Balance at December 31, 2012	$ (57)	$ (1)	$ (2)	$ (60)
Other comprehensive loss before reclassifications	(2)	(10)	—	(12)
Amounts reclassified from accumulated other comprehensive loss	5	—	—	5
Net current-period other comprehensive (loss) income	3	(10)	—	(7)
Balance at June 30, 2013	$ (54)	$ (11)	$ (2)	$ (67)

Based on the amounts recorded in accumulated other comprehensive loss at June 30, 2014, the Company estimates that it will recognize approximately $14 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, 2014 and December 31, 2013, the notional amount of these derivatives was approximately $53 million, and the fair value totaling approximately $3 million and $(1) million, respectively, was recorded in the consolidated balance sheets in current assets at June 30, 2014 and in current liabilities at December 31, 2013.

12. Cash Flow Information

Supplemental cash flow information was as follows:

(In millions)	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Interest paid, including on assumed debt	$ 72	$ 91
Income taxes paid from continuing operations	137	135
Treasury stock purchases settled after the balance sheet date	—	17
Liabilities assumed in acquisition of business	—	1,186

On March 14, 2013, the Company sold its club solutions business ("Club Solutions") for approximately $35 million in cash. The proceeds from the sale and cash flows of Club Solutions have been reported as discontinued operations in the accompanying consolidated statement of cash flows for the six months ended June 30, 2013.

13. Business Segment Information

The Company's operations are comprised of the Payments and Industry Products ("Payments") segment and the Financial segment. The Payments segment primarily provides electronic bill payment and presentment services, debit and other card-based payment products and services, internet and mobile banking software and services, and other electronic payments software and services, including account-to-account transfers and person-to-person payments. The businesses in this segment also provide investment account processing services for separately managed accounts, card and print personalization services, and fraud and risk management products and services. The Financial segment provides banks, thrifts and credit unions 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.

(In millions)	Payments	Financial	Corporate and Other	Total
Three Months Ended June 30, 2014				
Processing and services revenue	$ 501	$ 551	$ (1)	$1,051
Product revenue	168	44	(10)	202
Total revenue	$ 669	$ 595	$ (11)	$1,253
Operating income	$ 185	$ 203	$ (81)	$ 307
Three Months Ended June 30, 2013				
Processing and services revenue	$ 477	$ 541	$ (3)	$1,015
Product revenue	149	43	(9)	183
Total revenue	$ 626	$ 584	$ (12)	$1,198
Operating income	$ 179	$ 186	$ (92)	$ 273
Six Months Ended June 30, 2014				
Processing and services revenue	$ 992	$ 1,090	$ (4)	$2,078
Product revenue	350	80	(21)	409
Total revenue	$ 1,342	$ 1,170	$ (25)	$2,487
Operating income	$ 365	$ 388	$ (175)	$ 578
Six Months Ended June 30, 2013				
Processing and services revenue	$ 930	$ 1,057	$ (6)	$1,981
Product revenue	313	76	(20)	369
Total revenue	$ 1,243	$ 1,133	$ (26)	$2,350
Operating income	$ 345	$ 347	$ (208)	$ 484

Goodwill in the Payments and Financial segments was $3.4 billion and $1.8 billion, respectively, as of June 30, 2014 and December 31, 2013.

14. Subsidiary Guarantors of Long-Term Debt

Certain of the Company’s 100% owned domestic subsidiaries (“Guarantor Subsidiaries”) jointly and severally, and fully and unconditionally, guarantee the Company’s indebtedness under its revolving credit facility, senior notes and term loan. Under the indentures governing the senior notes, a guarantee of a Guarantor Subsidiary will terminate upon the following customary circumstances: the sale of such Guarantor Subsidiary if such sale complies with the indenture; if such Guarantor Subsidiary no longer guarantees certain other indebtedness of the Company, including as a result of the release of the Guarantor Subsidiaries if Standard & Poor’s Ratings Services and Moody’s Investors Service, Inc. increase the Company’s credit rating to A- and A3, respectively; or the defeasance or discharge of the indenture. The following condensed consolidating financial information is presented on the equity method and reflects summarized financial information for: (a) the Company; (b) the Guarantor Subsidiaries on a combined basis; and (c) the Company’s non-guarantor subsidiaries on a combined basis. Certain intercompany amounts reported in the prior periods within the condensed consolidating balance sheet and condensed consolidating statement of cash flows have been reclassified to conform to the current period presentation and are not considered to be material by the Company.

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Condensed Consolidating Statement of Income and Comprehensive Income
Three Months Ended June 30, 2014

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue:					
Processing and services	$ —	$ 768	$ 326	$ (43)	$ 1,051
Product	—	191	28	(17)	202
Total revenue	—	959	354	(60)	1,253
Expenses:					
Cost of processing and services	—	387	188	(43)	532
Cost of product	—	163	25	(17)	171
Selling, general and administrative	29	162	52	—	243
Total expenses	29	712	265	(60)	946
Operating income (loss)	(29)	247	89	—	307
Interest expense, net	(32)	(6)	(2)	—	(40)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(61)	241	87	—	267
Income tax (provision) benefit	23	(92)	(32)	—	(101)
Income from investment in unconsolidated affiliate	—	—	—	—	—
Equity in earnings of consolidated affiliates	204	—	—	(204)	—
Income from continuing operations	166	149	55	(204)	166
Income (loss) from discontinued operations, net of income taxes	—	—	—	—	—
Net income	$ 166	$ 149	$ 55	$ (204)	$ 166
Comprehensive income	$ 171	$ 149	$ 58	$ (207)	$ 171

Condensed Consolidating Statement of Income and Comprehensive Income
Three Months Ended June 30, 2013

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue:					
Processing and services	$ —	$ 724	$ 332	$ (41)	$ 1,015
Product	—	170	29	(16)	183
Total revenue	—	894	361	(57)	1,198
Expenses:					
Cost of processing and services	—	356	208	(41)	523
Cost of product	—	152	21	(16)	157
Selling, general and administrative	31	160	54	—	245
Total expenses	31	668	283	(57)	925
Operating income (loss)	(31)	226	78	—	273
Interest expense, net	(32)	(5)	(4)	—	(41)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(63)	221	74	—	232
Income tax (provision) benefit	26	(82)	(25)	—	(81)
Income from investment in unconsolidated affiliate	—	1	—	—	1
Equity in earnings of consolidated affiliates	189	—	—	(189)	—
Income from continuing operations	152	140	49	(189)	152
Loss from discontinued operations, net of income taxes	(1)	—	—	—	(1)
Net income	$ 151	$ 140	$ 49	$ (189)	$ 151
Comprehensive income	$ 146	$ 140	$ 44	$ (184)	$ 146

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Condensed Consolidating Statement of Income and Comprehensive Income
Six Months Ended June 30, 2014

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue:					
Processing and services	$ —	$ 1,523	$ 641	$ (86)	$ 2,078
Product	—	396	49	(36)	409
Total revenue	—	1,919	690	(122)	2,487
Expenses:					
Cost of processing and services	—	783	376	(86)	1,073
Cost of product	—	337	50	(36)	351
Selling, general and administrative	49	327	109	—	485
Total expenses	49	1,447	535	(122)	1,909
Operating income (loss)	(49)	472	155	—	578
Interest expense, net	(64)	(13)	(4)	—	(81)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(113)	459	151	—	497
Income tax (provision) benefit	60	(172)	(55)	—	(167)
Income from investment in unconsolidated affiliate	—	4	—	—	4
Equity in earnings of consolidated affiliates	387	—	—	(387)	—
Income from continuing operations	334	291	96	(387)	334
Income (loss) from discontinued operations, net of income taxes	—	—	—	—	—
Net income	$ 334	$ 291	$ 96	$ (387)	$ 334
Comprehensive income	$ 345	$ 291	$ 101	$ (392)	$ 345

Condensed Consolidating Statement of Income and Comprehensive Income
Six Months Ended June 30, 2013

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue:					
Processing and services	$ —	$ 1,437	$ 625	$ (81)	$ 1,981
Product	—	352	51	(34)	369
Total revenue	—	1,789	676	(115)	2,350
Expenses:					
Cost of processing and services	—	740	386	(81)	1,045
Cost of product	—	339	42	(34)	347
Selling, general and administrative	59	304	111	—	474
Total expenses	59	1,383	539	(115)	1,866
Operating income (loss)	(59)	406	137	—	484
Interest expense, net	(64)	(11)	(7)	—	(82)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(123)	395	130	—	402
Income tax (provision) benefit	52	(144)	(47)	—	(139)
Income from investment in unconsolidated affiliate	—	6	—	—	6
Equity in earnings of consolidated affiliates	340	—	—	(340)	—
Income from continuing operations	269	257	83	(340)	269
Loss from discontinued operations, net of income taxes	(1)	—	—	—	(1)
Net income	$ 268	$ 257	$ 83	$ (340)	$ 268
Comprehensive income	$ 261	$ 257	$ 73	$ (330)	$ 261

Condensed Consolidating Balance Sheet
June 30, 2014

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 36	$ 61	$ 232	$ —	$ 329
Trade accounts receivable, net	—	475	255	—	730
Prepaid expenses and other current assets	49	250	167	—	466
Total current assets	85	786	654	—	1,525
Due from consolidated affiliates	—	1,974	509	(2,483)	—
Investments in consolidated affiliates	10,504	—	—	(10,504)	—
Intangible assets, net	22	1,797	251	—	2,070
Goodwill	—	4,154	1,063	—	5,217
Other long-term assets	39	446	106	—	591
Total assets	$ 10,650	$ 9,157	$ 2,583	$ (12,987)	$ 9,403
Liabilities and Shareholders' Equity					
Accounts payable and accrued expenses	$ 116	$ 508	$ 210	$ —	$ 834
Current maturities of long-term debt	90	2	—	—	92
Deferred revenue	—	275	167	—	442
Total current liabilities	206	785	377	—	1,368
Long-term debt	3,755	1	—	—	3,756
Due to consolidated affiliates	2,483	—	—	(2,483)	—
Other long-term liabilities	731	30	43	—	804
Total liabilities	7,175	816	420	(2,483)	5,928
Total shareholders' equity	3,475	8,341	2,163	(10,504)	3,475
Total liabilities and shareholders' equity	$ 10,650	$ 9,157	$ 2,583	$ (12,987)	$ 9,403

Condensed Consolidating Balance Sheet
December 31, 2013

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 139	$ 76	$ 185	$ —	$ 400
Trade accounts receivable, net	—	465	286	—	751
Prepaid expenses and other current assets	81	195	145	—	421
Total current assets	220	736	616	—	1,572
Due from consolidated affiliates	—	1,683	425	(2,108)	—
Investments in consolidated affiliates	10,122	—	—	(10,122)	—
Intangible assets, net	22	1,866	254	—	2,142
Goodwill	—	4,150	1,066	—	5,216
Other long-term assets	33	448	102	—	583
Total assets	$ 10,397	$ 8,883	$ 2,463	$ (12,230)	$ 9,513
Liabilities and Shareholders’ Equity					
Accounts payable and accrued expenses	$ 87	$ 463	$ 206	$ —	$ 756
Current maturities of long-term debt	90	2	—	—	92
Deferred revenue	—	292	192	—	484
Total current liabilities	177	757	398	—	1,332
Long-term debt	3,754	2	—	—	3,756
Due to consolidated affiliates	2,108	—	—	(2,108)	—
Other long-term liabilities	773	25	42	—	840
Total liabilities	6,812	784	440	(2,108)	5,928
Total shareholders’ equity	3,585	8,099	2,023	(10,122)	3,585
Total liabilities and shareholders’ equity	$ 10,397	$ 8,883	$ 2,463	$ (12,230)	$ 9,513

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Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2014

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities from continuing operations	$ (4)	$ 436	$ 137	$ —	$ 569
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs	(2)	(104)	(44)	—	(150)
Other investing activities	—	(346)	(46)	393	1
Net cash used in investing activities from continuing operations	(2)	(450)	(90)	393	(149)
Cash flows from financing activities:					
Debt proceeds	544	—	—	—	544
Debt repayments	(544)	—	—	—	(544)
Issuance of treasury stock	26	—	—	—	26
Purchases of treasury stock	(528)	—	—	—	(528)
Other financing activities	405	(1)	—	(393)	11
Net cash used in financing activities from continuing operations	(97)	(1)	—	(393)	(491)
Net change in cash and cash equivalents from continuing operations	(103)	(15)	47	—	(71)
Net cash flows from (to) discontinued operations	—	—	—	—	—
Beginning balance	139	76	185	—	400
Ending balance	$ 36	$ 61	$ 232	$ —	$ 329

Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2013

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities from continuing operations	$ (42)	$ 324	$ 115	$ —	$ 397
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs	(2)	(79)	(29)	—	(110)
Payment for acquisition of business, net of cash acquired	(55)	39	—	—	(16)
Dividend from unconsolidated affiliate	—	116	—	—	116
Other investing activities	(1)	(433)	(75)	509	—
Net cash used in investing activities from continuing operations	(58)	(357)	(104)	509	(10)
Cash flows from financing activities:					
Debt proceeds	1,210	—	—	—	1,210
Debt repayments	(1,444)	—	—	—	(1,444)
Issuance of treasury stock	24	—	—	—	24
Purchases of treasury stock	(254)	—	—	—	(254)
Other financing activities	515	(1)	2	(509)	7
Net cash (used in) provided by financing activities from continuing operations	51	(1)	2	(509)	(457)
Net change in cash and cash equivalents from continuing operations	(49)	(34)	13	—	(70)
Net cash flows from (to) discontinued operations	(4)	36	—	—	32
Beginning balance	85	66	207	—	358
Ending balance	$ 32	$ 68	$ 220	$ —	$ 320

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, that could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: the impact of market and economic conditions on the financial services industry; the capacity of our technology to keep pace with a rapidly evolving marketplace; pricing and other actions by competitors; the effect of legislative and regulatory actions in the United States and internationally; our ability to comply with government regulations; the impact of a security breach or operational failure on our business; our ability to successfully integrate acquisitions into our operations; the impact of our strategic initiatives; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2013 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 and business developments 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, 2014 to the comparable periods in 2013.
- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our outstanding debt as of June 30, 2014.

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 14,500 clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, merchants and government agencies. 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. We also have had high contract renewal rates with our clients. The majority of the services we provide are necessary for our clients to operate their businesses and are, therefore, non-discretionary in nature.

Our operations are primarily 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 electronic bill payment and presentment services, debit and other card-based payment products and services, internet and mobile banking software and services, and other electronic payments software and services, including account-to-account transfers and person-to-person payments. Our businesses in this segment also provide investment account processing services for separately managed accounts, card and print personalization services, and fraud and risk management products and services. The Financial segment provides banks, thrifts and credit unions 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.

On November 20, 2013, our Board of Directors declared a two-for-one stock split of our common stock and a proportionate increase in the number of our authorized shares of common stock. The additional shares were distributed on December 16, 2013 to shareholders of record at the close of business on December 2, 2013. Our common stock began trading at the split-adjusted price on December 17, 2013. All share and per share amounts are retroactively presented on a split-adjusted basis.

On January 14, 2013, we acquired Open Solutions Inc. ("Open Solutions"), a provider of account processing technology for financial institutions, for a cash purchase price of $55 million and the assumption of approximately $960 million of debt. With this acquisition, we added DNA™, a real-time, open architecture account processing system, along with 3,300 existing Open Solutions clients. This acquisition advanced our go-to-market strategies by adding a number of products and services and by expanding the number of account processing clients to which we can provide our broad array of add-on products and services.

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 2014 are: (i) to continue to build high-quality revenue growth while meeting our earnings goals; (ii) to extend market momentum to deepen client relationships with a larger share of our strategic solutions; and (iii) to deliver innovation and integration which enhances results for our clients.

Industry Trends

Market and regulatory conditions have continued to create a difficult operating environment for financial institutions and other businesses in the United States and internationally. 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. Financial institutions have generally remained cautious in their information technology spending as a result. These conditions have, however, created interest in solutions that help financial institutions win and retain customers, generate incremental revenue and enhance operating efficiency. Examples of these solutions include our digital channels and electronic payments solutions, including mobile banking and person-to-person payments. Despite the difficult environment, our financial results have continued to improve with increases in revenue, net income per share from continuing operations and net cash provided by operating activities in the first six months of 2014 as compared to the same period of 2013 and for the full year 2013 compared to 2012. We believe these financial results demonstrate the resilience of our recurring, fee-based revenue model, the largely non-discretionary nature of our products and services, and mild improvement in the general condition of the financial industry. We anticipate that we will benefit over the long term from the trend of financial institutions moving from in-house technology solutions to outsourced solutions.

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. 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. Contract termination fees 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.

Business Developments

We continue to invest in the development of new and strategic products in categories such as payments, including Popmoney® for person-to-person payments; Mobiliti™ for mobile banking and payments services; and others that we believe will increase value to our clients and enhance the capabilities of our existing solutions. In January 2013, we acquired Open Solutions and its DNA account processing system. We believe our wide range of market-leading solutions along with the investments we are making in new and differentiated products will favorably position us and our clients to capitalize on opportunities in the marketplace.

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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)	
	2014	2013	2014	2013	$	%
Revenue:						
Processing and services	$1,051	$1,015	83.9%	84.7%	$ 36	4%
Product	202	183	16.1%	15.3%	19	10%
Total revenue	1,253	1,198	100.0%	100.0%	55	5%
Expenses:						
Cost of processing and services	532	523	50.6%	51.5%	9	2%
Cost of product	171	157	84.7%	85.8%	14	9%
Sub-total	703	680	56.1%	56.8%	23	3%
Selling, general and administrative	243	245	19.4%	20.5%	(2)	(1%)
Total expenses	946	925	75.5%	77.2%	21	2%
Operating income	307	273	24.5%	22.8%	34	12%
Interest expense	(41)	(41)	(3.3%)	(3.4%)	—	—
Interest and investment income	1	—	0.1%	—	1	—
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	$ 267	$ 232	21.3%	19.4%	$ 35	15%

(In millions)	Six Months Ended June 30,					
			Percentage of Revenue (1)		Increase (Decrease)	
	2014	2013	2014	2013	$	%
Revenue:						
Processing and services	$2,078	$1,981	83.6%	84.3%	$ 97	5%
Product	409	369	16.4%	15.7%	40	11%
Total revenue	2,487	2,350	100.0%	100.0%	137	6%
Expenses:						
Cost of processing and services	1,073	1,045	51.6%	52.8%	28	3%
Cost of product	351	347	85.8%	94.0%	4	1%
Sub-total	1,424	1,392	57.3%	59.2%	32	2%
Selling, general and administrative	485	474	19.5%	20.2%	11	2%
Total expenses	1,909	1,866	76.8%	79.4%	43	2%
Operating income	578	484	23.2%	20.6%	94	19%
Interest expense	(82)	(82)	(3.3%)	(3.5%)	—	—
Interest and investment income	1	—	—	—	1	—
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	$ 497	$ 402	20.0%	17.1%	$ 95	24%

(1) Percentage of revenue is calculated as the relevant revenue, expense or income 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:				
2014	$ 669	$ 595	$ (11)	$1,253
2013	626	584	(12)	1,198
Revenue growth	$ 43	$ 11	$ 1	$ 55
Revenue growth percentage	7%	2%		5%
Operating income:				
2014	$ 185	$ 203	$ (81)	$ 307
2013	179	186	(92)	273
Operating income growth	$ 6	$ 17	$ 11	$ 34
Operating income growth percentage	3%	9%		12%
Operating margin:				
2014	27.7%	34.1%		24.5%
2013	28.7%	31.9%		22.8%
Operating margin growth (1)	(1.0%)	2.2%		1.7%

(In millions)	Six Months Ended June 30, Payments	Financial	Corporate and Other	Total
Total revenue:				
2014	$ 1,342	$ 1,170	$ (25)	$2,487
2013	1,243	1,133	(26)	2,350
Revenue growth	$ 99	$ 37	$ 1	$ 137
Revenue growth percentage	8%	3%		6%
Operating income:				
2014	$ 365	$ 388	$ (175)	$ 578
2013	345	347	(208)	484
Operating income growth	$ 20	$ 41	$ 33	$ 94
Operating income growth percentage	6%	12%		19%
Operating margin:				
2014	27.2%	33.1%		23.2%
2013	27.8%	30.6%		20.6%
Operating margin growth (1)	(0.6%)	2.5%		2.6%

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

Total Revenue

Total revenue increased $55 million, or 5%, in the second quarter of 2014 compared to 2013 and increased $137 million, or 6%, in the first six months of 2014 compared to 2013, driven by both our Payments and Financial segments.

Revenue in our Payments segment increased $43 million, or 7%, and $99 million, or 8%, during the second quarter and first six months of 2014, respectively, compared to 2013. Payments segment revenue growth was primarily driven by our recurring revenue businesses as processing and services revenue increased $24 million, or 5%, and $62 million, or 7%, in the second quarter and first six months of 2014, respectively, over the prior year periods. This growth was due to new clients and increased transaction volumes from existing clients in our card services and bill payment businesses, as well as in our digital channels business, which includes our online and mobile banking solutions. Higher product revenue from increased volumes in our output solutions business, a portion of which is postage pass-through revenue that is included in both product revenue and cost of product, also contributed to overall segment revenue growth during the second quarter and first six months of 2014.

Revenue in our Financial segment increased $11 million, or 2%, and $37 million, or 3% during the second quarter and first six months of 2014, respectively, compared to 2013. Increased processing and services revenue in our account processing and lending businesses, including higher contract termination fee revenue, favorably impacted segment revenue growth in both the second quarter and first six months of 2014. This growth was partially offset by a revenue decline in our international business due to the completion of several client implementations in the first six months of 2013.

Total Expenses

Total expenses increased $21 million and $43 million, respectively, or 2%, in each of the second quarter and first six months of 2014 compared to 2013. Total expenses as a percentage of total revenue decreased 170 basis points from 77.2% in the second quarter of 2013 to 75.5% in the second quarter of 2014 and decreased 260 basis points from 79.4% in the first six months of 2013 to 76.8% in the first six months of 2014. The decrease in total expenses as a percentage of revenue in 2014 was primarily due to higher merger and integration expenses incurred in 2013 resulting from the Open Solutions acquisition, which negatively impacted our operating margins by approximately 100 basis points and 200 basis points in the second quarter and first six months of 2013, respectively.

Cost of processing and services as a percentage of processing and services revenue decreased to 50.6% in the second quarter of 2014 as compared to 51.5% in the second quarter of 2013 and to 51.6% in the first six months of 2014 as compared to 52.8% in the first six months of 2013. Cost of processing and services as a percentage of revenue was positively impacted primarily by increased operating leverage in our recurring revenue businesses.

Cost of product as a percentage of product revenue in the second quarter of 2014 decreased to 84.7% from 85.8% in the second quarter of 2013. Cost of product as a percentage of product revenue for the first six months of 2014 was 85.8% as compared to 94.0% in the first six months of 2013. The decrease in cost of product as a percentage of product revenue in 2014 was primarily due to a $30 million non-cash impairment charge in the first quarter of 2013 related to the replacement of our Acumen® account processing system with DNA, an Open Solutions account processing system.

Selling, general and administrative expenses as a percentage of total revenue was 19.4% in the second quarter of 2014 compared to 20.5% in the second quarter of 2013 and was 19.5% in the first six months of 2014 compared to 20.2% in the first six months of 2013. The decrease in selling, general and administrative expense as a percentage of total revenue in both the second quarter and first six months of 2014 was primarily due to higher merger and integration expenses in 2013 attributed to our acquisition of Open Solutions.

Operating Income and Operating Margin

Total operating income increased $34 million, or 12%, in the second quarter of 2014 compared to the second quarter of 2013, and increased $94 million, or 19%, in the first six months of 2014 compared to 2013. Our total operating margin increased 170 basis points to 24.5% in the second quarter of 2014 compared to the second quarter of 2013 and increased 260 basis points to 23.2% in the first six months of 2014 compared to the same period in 2013. Operating income and operating margin were positively impacted in 2014 primarily by scale efficiencies and lower merger and integration expenses in our Corporate and Other segment associated with the Open Solutions acquisition.

Operating income in our Payments segment increased $6 million, or 3%, and $20 million, or 6%, in the second quarter and first six months of 2014, respectively, as compared to 2013. Operating margin decreased 100 basis points to 27.7% in the second quarter of 2014 and 60 basis points to 27.2% in the first six months of 2014, as compared to the 2013 respective periods. Payments segment operating margin in 2014 was negatively impacted by product mix and increased expenses associated with investments and client acquisition in our biller solutions business, partially offset by revenue growth and scale efficiencies in our card services business. In addition, operating margins in both the second quarter and first six months of 2014 were negatively impacted by increased postage pass-through costs in our output solutions business, which are included in both revenue and expenses.

Operating income in our Financial segment increased $17 million, or 9%, and operating margin increased 220 basis points to 34.1% in the second quarter of 2014 as compared to 2013. In the first six months of 2014 compared to 2013, operating income in the Financial segment increased $41 million, or 12%, and operating margin increased 250 basis points to 33.1% as compared to the first six months of 2013. The increases in operating income and operating margin in 2014 were primarily due to scale efficiencies, operational effectiveness initiatives, including Open Solutions synergies, and higher contract termination fee revenue in our account processing businesses.

Interest Expense

Interest expense was consistent in both the second quarter and first six months of 2014 as compared to the respective periods in 2013. A decline in average outstanding debt in 2014 was offset by slightly higher variable interest rates as compared to 2013.

Income Tax Provision

Our effective income tax rates for continuing operations were 37.7% and 33.5% in the second quarter and first six months of 2014, respectively, and were 35.0% and 34.6% in the second quarter and first six months of 2013, respectively. The lower effective tax rate for the first six months of 2014 compared to 2013 was primarily attributed to the favorable resolution of tax matters in the first quarter.

Net Income Per Share – Diluted from Continuing Operations

Net income per share-diluted from continuing operations was $0.65 and $0.57 in the second quarter of 2014 and 2013, respectively, and was $1.31 and $1.00 in the first six months of 2014 and 2013, 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 2014 and 2013, and $0.26 per share and $0.25 per share in the first six months of 2014 and 2013, respectively. In addition, net income per share-diluted was negatively impacted by merger and integration costs in the second quarter and first six months of 2013 by $0.04 per share and $0.13 per share, respectively, due to the acquisition of Open Solutions.

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 $329 million at June 30, 2014 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, 2014 and 2013, respectively.

	Six Months Ended June 30,		Increase (Decrease)	
(In millions)	**2014**	**2013**	**$**	**%**
Income from continuing operations	$ 334	$ 269	$ 65	
Depreciation and amortization	199	200	(1)	
Share-based compensation	27	26	1	
Deferred income taxes	(27)	(26)	(1)	
Income from investment in unconsolidated affiliate	(4)	(6)	2	
Dividends from unconsolidated affiliate	45	6	39	
Non-cash impairment charge	—	30	(30)	
Net changes in working capital and other	(5)	(102)	97	
Operating cash flow	$ 569	$ 397	$ 172	43%
Capital expenditures	$ 150	$ 110	$ 40	36%

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Our net cash provided by operating activities, or operating cash flow, was $569 million in the first six months of 2014, an increase of 43% compared with $397 million in 2013. This increase in the first six months of 2014 was primarily due to increased earnings, favorable working capital changes and a cash dividend received from our StoneRiver joint venture, representing a return on our investment. Working capital was negatively impacted in 2013 by payments related to merger and integration costs and assumed liabilities resulting from the acquisition of Open Solutions. 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 6% and 5% of our total revenue in the first six months of 2014 and 2013, respectively.

In the second quarter of 2014 and 2013, we received cash dividends of $45 million and $122 million, respectively, from our StoneRiver joint venture. The portions of these dividends that represented returns on our investment, $45 million in 2014 and $6 million in 2013, are reported in cash flows from operating activities. Additionally, we purchased $528 million and $254 million of our common stock during the first six months of 2014 and 2013, respectively. As of June 30, 2014, we had approximately 9.4 million shares remaining under our current share authorization. Shares repurchased are generally held for issuance in connection with our equity plans.

Indebtedness

(In millions)	June 30, 2014	December 31, 2013
Term loan	$ 900	$ 900
3.125% senior notes due 2015	300	300
3.125% senior notes due 2016	600	600
6.8% senior notes due 2017	500	500
4.625% senior notes due 2020	449	449
4.75% senior notes due 2021	399	399
3.5% senior notes due 2022	697	697
Revolving credit facility	—	—
Other borrowings	3	3
Total debt (including current maturities)	$ 3,848	$ 3,848

At June 30, 2014, our debt consisted primarily of $2.95 billion of senior notes and $900 million of term loan borrowings. Interest on our senior notes is paid semi-annually. During the first six months of 2014, we were in compliance with all financial debt covenants.

Variable Rate Debt

We maintain a $900 million term loan and a $2.0 billion revolving credit agreement with a syndicate of banks. Both the term loan and outstanding borrowings under the revolving credit facility bear interest at a variable rate based on LIBOR or the bank's base rate, plus a specified margin based on our long-term debt rating in effect from time to time. Scheduled principal payments on the term loan of $90 million are due on the last business day of December of each year, commencing on December 31, 2014, with the remaining principal balance of $540 million due at maturity in October 2018. There are no significant commitment fees and no compensating balance requirements on the revolving credit facility, which expires on October 25, 2018. The term loan and revolving credit facility contain various, substantially similar restrictions and covenants that 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, 2014, there were no borrowings outstanding under the revolving credit facility, and the weighted average variable interest rate on the term loan borrowings was 1.4%.

Other

Access to capital markets impacts our cost of capital, our ability to refinance maturing debt and our ability to fund future acquisitions. Our ability to access capital on favorable terms depends on a number of factors, including general market conditions, interest rates, credit ratings on our debt securities, perception of our potential future earnings and the market price of our common stock. As of June 30, 2014, we had a corporate credit rating of Baa2 with a stable outlook from Moody's Investors Service, Inc. and BBB with a stable outlook from Standard & Poor's Ratings Services on our senior unsecured debt securities.

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, 2013 and have not materially changed since December 31, 2013.

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, 2014.

Changes in internal control over financial reporting

During the quarter ended June 30, 2014, we continued to implement a billing module within our SAP enterprise resource planning ("ERP") system, which we expect to further integrate our systems and improve the overall efficiency of our billing and collection processes. We expect the implementation of this module to continue in phases over the remainder of the year, which we believe will reduce implementation risk. The design and documentation of our internal control processes and procedures related to billing will be appropriately modified to supplement existing internal controls over financial reporting. As with any new technology, this module, and the internal controls over financial reporting included in the related processes, will be tested for effectiveness prior to and concurrent with the implementation. We believe the implementation of the billing module within our ERP system will further strengthen the related internal controls due to enhanced automation and integration of processes. There were no other changes in internal control over financial reporting that occurred during the quarter ended June 30, 2014 that have materially affected, or are 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 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, 2014:

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, 2014	2,869,000	$ 56.82	2,869,000	9,517,000
May 1-31, 2014	76,000	60.92	76,000	9,441,000
June 1-30, 2014	—		—	9,441,000
Total	2,945,000		2,945,000	

(1) On August 5, 2013, 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, 2014	By:	/s/ Thomas J. Hirsch
		Thomas J. Hirsch Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary

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Exhibit Index

Exhibit Number	Exhibit Description
10.1	Employment Agreement, dated May 21, 2014, between Fiserv, Inc. and Kevin P. Gregoire.
10.2	Key Executive Employment and Severance Agreement, dated May 21, 2014, between Fiserv, Inc. and Kevin P. Gregoire(1)
31.1	Certification of the Chief Executive Officer, dated July 30, 2014
31.2	Certification of the Chief Financial Officer, dated July 30, 2014
32	Certification of the Chief Executive Officer and Chief Financial Officer, dated July 30, 2014
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

* 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, 2014 and 2013, (ii) the Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2014 and 2013, (iii) the Consolidated Balance Sheets at June 30, 2014 and December 31, 2013, (iv) the Consolidated Statements of Cash Flows for the six months ended June 30, 2014 and 2013, and (v) Notes to Consolidated Financial Statements.

(1) Form of agreement previously filed as an exhibit to the Company’s Current Report on Form 8-K filed on December 23, 2008 (File No. 0-14948) and incorporated herein by reference.

EMPLOYMENT AGREEMENT

This Agreement is made this 21st day of May, 2014, by and between Fiserv, Inc., on behalf of itself and its subsidiaries and affiliates ("**Company**"), and Kevin Gregoire, an individual ("**Employee**").

WHEREAS, the Company wishes to assure itself of the services of Employee for the period provided for in this Agreement;

WHEREAS the Employee desires to enter into an agreement to provide for his employment with the Company upon the terms provided in this Agreement;

WHEREAS the Company's information, including but not limited to its technology, products, intellectual property, customer lists, customer information, and its methods of doing business have been developed by the Company at considerable expense over a number of years, and are of considerable economic value to the Company;

WHEREAS Company wishes to assure itself that Employee will keep in confidence and not disclose any information disclosed to him by the Company during the term that he is employed by Company;

WHEREAS Company further wishes to assure itself that Employee will not compete with the Company during or for a reasonable period of time after the termination of his employment; and

WHEREAS Employee is willing to agree not to so compete with Company;

NOW, THEREFORE, in consideration of the premises set forth herein and intending to be legally bound, the parties hereto agree as follows:

1. The Company agrees to employ Employee, and Employee agrees to be employed by the Company. During his employment, Employee agrees to serve as Group President, Financial Institutions Group with such further responsibilities and duties commensurate with such position as contemplated by the Company's by-laws and reasonably implemented by the Board of Directors and Employee's Direct Supervisor (as hereinafter defined) subject to the further terms and conditions of this Agreement.

2. Employee agrees to accumulate stock ownership in the Company at a minimum level of four times the value of his salary, no later than the fifth anniversary of the date hereof and meet annual minimums as disclosed in the company executive stock ownership requirements.

3. The term of this Agreement shall begin on the date first written above and shall continue until 12 months after termination of Employee's employment (the "**Term**"). Employee's employment shall continue until terminated by either party upon written notice to the other party (the "**Employment Term**").

4. Employee hereby represents that he is free and able to enter into this Agreement with Company and that there is no reason, known or unknown, which will prevent his performance of the terms and conditions contained in this Agreement.

5. During the Employment Term, Employee shall devote his full business time, best efforts and business judgment, faithfully, conscientiously and to the best of his ability to the advancement of the interests of the Company and to the discharge of the responsibilities and offices held by him. Employee shall not engage in any other business activity, whether or not pursued for pecuniary advantage, except as may be approved in advance by the Company, provided, however, that the foregoing shall not prohibit or limit Employee from participating in civic, charitable or other not-for-profit activities or to manage personal passive investments, provided that such activities do not materially interfere with Employee's services required under this Agreement and do not violate the Code of Conduct or other corporate policies of Fiserv. Employee hereby acknowledges that he has read Fiserv's Code of Conduct in effect as of the date hereof, and agrees that he will comply with such Code of Conduct and other Fiserv corporate policies regarding activities in the workplace, as they may be amended from time to time, in all material respects.

6. For all services to be rendered by Employee in any capacity during the Employment Term, the Company shall pay or cause to be paid to Employee and shall provide or cause to be provided to him the following:

(a) An annual base salary at a minimum rate of $400,000 per year, commencing on the date on which Employee begins in the position of Group President, Financial Institutions Group (the "**Employment Date**"), payable in accordance with the normal payroll practices and schedule of the Company. Upon the expiration of the Term and thereafter, the Employee's direct supervisor ("**Direct Supervisor**") will determine Employee's annual base salary, it being understood by Employee that adjustments to annual base salary will be for unusual events and will not typically be made each year. To that end, beginning in February 2015, Employee's Direct Supervisor will review annually the performance of Employee. The term "annual base salary" shall not include any payment or other benefit that is denominated as or is in the nature of a bonus, incentive payment, commission, profit-sharing payment, retirement or pension accrual, insurance benefit, other fringe benefit or expense allowance, whether or not taxable to Employee as income.

(b) In addition to the salary provided above, as of the Employment Date and thereafter, Employee shall be entitled to participate in the Annual Cash Incentive Plan ("**ACIP**") or other incentive compensation program, as offered by the Company from time to time for senior executives of the Company. For calendar year 2014, Employee will have a target bonus of 100% of annual base salary as of the effective date of this Agreement ($400,000) with an opportunity to achieve a maximum bonus of 200% of such annual base salary ($800,000). For calendar year 2014, the bonus payout will be paid no later than March 15, 2015, according to the Company's usual practice.

(c) The Employee has received and shall receive equity in the Company (each a '**Stock Program**"). As of the Employment Date, Employee shall thereafter be eligible to participate annually during the Employment Term in the Fiserv Senior Managers and Senior Professionals Stock Option and Restricted Stock Program with an annual target of 100% of base compensation, but will vary from year to year. Nevertheless, options and restricted stock granted thereunder may be subject to participation levels and vesting schedules not commensurate with Employee's position and may be determined in connection with Employee's annual performance evaluation. If Employee shall not be employed by the Company on the date of grant of any options or restricted stock hereunder, Employee shall not be entitled to any portion of any such options or restricted stock award. Notwithstanding anything to the contrary, all awards of options or restricted stock are subject to the approval of the Company's Board of Directors or its designated committee and vesting of such equity awards will follow normal guidelines for similarly situated executives of the Company, established by the Board of Directors of the Company at the time.

All stock options or restricted stock granted or issued hereafter will be subject to the terms of the Stock Option and Restricted Stock Plan as it may be amended from time to time and of the specific stock option or restricted stock agreement pursuant to which any such stock options or restricted stock may be granted or issued from time to time. The terms of the specific stock option or restricted stock agreement pursuant to which stock options or restricted stock may be granted or issued hereunder shall govern treatment of such stock options or restricted stock in the event of the death or disability (as defined in any such agreement) of Employee. Such options will also have vesting and other terms as specified in the agreement covering such stock options or restricted stock, which may be different than other employees of the Company.

(d) In addition to the salary and incentive compensation provided above, Employee shall be entitled to participate in any employee benefit plans, welfare benefit plans, retirement plans, and other fringe benefit plans from time to time in effect for senior executives of the Company generally; provided, however, that such right of participation in any such plans and the degree or amount thereof shall be subject to the terms of the applicable plan documents, generally applicable Fiserv policies and to action by the Board of Directors of Fiserv or any administrative or other committee provided in or contemplated by such plan, it being mutually agreed that this Agreement is not intended to impair the right of any committee or other group or person concerned with the administration of such plans to exercise in good faith the full discretion reposed in them by such plans.

(e) All compensation or other benefits payable or owing to Employee hereunder shall be subject to withholding taxes and other legally required deductions pursuant to federal, state or local law.

7. During the Term, Employee's employment hereunder shall terminate under the following circumstances:

(a) In the event Employee dies, this Agreement and the Company's obligations under this Agreement shall terminate as of the end of the month during which his death occurs.

(b) If Employee, due to physical or mental illness, becomes unable to perform his duties as to qualify for disability benefits sponsored by the Company, according to the benefit plans and policies of the Company, and such qualification continues through the expiration of the effect elimination period then in effect for qualification for long term disability benefits, this Agreement and the Company's obligations under this Agreement shall terminate on the date immediately after the expiration of such elimination period, whether or not Employee qualifies for or actually receives long term disability benefits.

(c) Employee's employment may be terminated for cause, effective immediately upon written notice to Employee by the Company that shall set forth the specific nature of the reasons for termination. Only the following acts or omissions by Employee shall constitute "cause" for termination:

(i) dishonesty or similar serious misconduct, directly related to the performance of Employee's duties and responsibilities hereunder, which results from a willful act or omission and which is injurious to the operations, financial condition or business reputation of the Company;

(ii) Employee is convicted of a crime;

(iii) Employee's drug use in violation of any Company policy or alcohol use which materially impairs the performance of his duties and responsibilities as set forth herein;

(iv) substantial, continuing willful and unreasonable inattention to, neglect of or refusal by Employee to perform Employee's duties or responsibilities under this Agreement;

(v) willful and intentional violation of a material provision of the Fiserv Code of Conduct, as it may be amended from time to time, or other Fiserv corporate policies regarding activities in the workplace in effect at the time; or

(vi) any other willful or intentional breach or breaches of this Agreement by Employee, which breaches are, singularly or in the aggregate, not cured within 30 days of written notice of such breach or breaches to Employee from the Company.

(d) Employee's employment may be terminated by the Employee by written notice to the Company and Employee's Direct Supervisor for Good Reason. For purposes of this Agreement "Good Reason" shall mean the occurrence at any time of any of the following without the Employee's prior written consent:

(i) any breach by the Company of any of the provisions of this Agreement, other than an insubstantial and inadvertent failure not occurring in bad faith that the Company remedies promptly after receipt of notice thereof given by the Employee;

(ii) a good faith determination by the Employee that there has been a material adverse change, without the Employee's written consent, in the Employee's working conditions or status with the Company, including but not limited to a significant change in the nature or scope of the Employee's authority, powers, functions, duties or responsibilities for a reason other than as contemplated by Section 8;

(iii) the failure by the Company to obtain an agreement from any successor to the Company to assume this Agreement;

provided, however, that the Company shall have been given notice at least 30 days in advance of the anticipated termination date and an opportunity to cure any such event of Good Reason. In the event of termination pursuant to this subsection (d), Employee shall be entitled to receive termination benefits in accordance with subsection (f) below. If Employee terminates his employment for reasons other than those enumerated in this subsection (d), he shall not be entitled to termination benefits described in subsection (f) below.

(e) Employee's employment may be terminated at the election of the Company upon written notice to Employee by the Company at any time for the convenience of the Company.

(f) If Employee's employment is terminated by the Company for any reason other than as specified in subsection (a), (b) or (c) above or if terminated by Employee pursuant to subsection (d) above, subject to execution by Employee, within 45 days of termination of employment, of a general release in favor of the Company (and failure to revoke such release), Employee shall be entitled to receive a sum equal to two times the then current annual base salary. Any payment under this subsection (f) shall be paid in a cash equivalent lump sum on the first day of the seventh month following the month in which the Employee's Separation from Service occurs, without interest thereon; provided that, if on the date of Employee's Separation from Service, neither the Company nor any other entity that is considered a "service recipient" with respect to Employee within the meaning of Code Section 409A has any stock which is publicly traded on an established securities market (within the meaning of the Treasury Regulation Section 1.897-1(m)) or otherwise, then such payment shall be paid to Employee in a cash equivalent lump sum within ten business days of the date on which the Employee signs and does not revoke a general release in favor of the Company. For purposes hereof, the term "**Separation from Service**" shall have the same meaning as ascribed to such term in Employee's Key Executive Employment and Severance Agreement with the Company. All other incentive compensation and benefits being received by Employee shall cease upon termination of employment, subject to applicable law.

8.

(a) The Company may immediately, upon written notice to Employee, suspend or restrict some or all of the duties of the Employee for a necessary period of time ("**Suspension**"), in the sole discretion of the Company for the following reasons:

(i) Employee is named as a defendant in any criminal proceedings, and as a result of being named as a defendant, the operations, financial condition or reputation of the Company are injured;

(ii) Employee becomes the subject of an internal investigation according to the Code of Conduct, during which the performance some or all of the duties of the Employee would disrupt the investigation or cause reputational harm to the Company;

(iii) Employee, or the Company as a result of the actions or inaction of the Employee, is subject to an investigation by the Securities Exchange Commission; Department of Justice or other agency of government or law enforcement; or

(iv) Employee's personal conduct, the results of which are damaging to the operations, financial condition or reputation of the Company.

(b) During the Suspension period, Employee shall remain an employee of the company and entitled to participate in the benefits of employment, provided, however, that the Company may elect to suspend or reduce its obligations to Employee, pursuant to sections 6 (a), (b), and (c), above, in proportion to the reduction or suspension of the duties performed. Upon conclusion of the Suspension, the Company may,

(i) For cause, according to section 7(c), terminate employment;

(ii) Elect to terminate employment for the convenience of the Company according to section 7(e); or

(iii) Reinstate Employee to his full duties and responsibilities under this Agreement. Upon the election to so reinstate, the Company will compensate Employee for the difference between any reduced compensation earned during the Suspension according to section 8(b), and the amounts that would have been earned pursuant to sections 6(a), (b), and (c), had the Suspension not occurred.

9. The Employee Confidential Information and Development Agreement of the Company, attached hereto as Exhibit A, is hereby incorporated herein by reference. Employee hereby confirms that he is bound by its terms. Such confidential information is understood to include, without limitation, products, technology, intellectual property, customer lists, prospect lists and price lists, or any part of such items, and any information relating to Company's method and technique used in servicing its customers.

10. Employee acknowledges and agrees that the copyright and any other intellectual property right in designs, computer programs and related documentations, and works of authorship created within the scope of his employment belong to the Company by operation of law. Employee hereby assigns to the Company his entire right, title, and interest in any ideas, inventions, formulas, concepts, code, techniques, processes, systems, schematics, flow charts, brand names, trade names, compilations, documents, data, notes, designs, drawings, technical data and training materials, whether or not patentable, and whether or not such items are subject to copyright or trade secret protection, which are conceived, developed or reduced to practice by Employee or by another associate working with Employee or under the direction of the Employee, during the Employment Term ("**Developments**") In connection with any of Developments so assigned, Employee will promptly: (a) disclose completely all facts regarding them to the Company; and (b) at the request of the Company, execute a specific assignment of title to the Company, and do anything else reasonably necessary to enable the Company to protect its interest in the Development.

11.

(a) For purposes of this Section 11, the following definitions apply:

(i) "**Customer**" means any person, association or entity: (1) for which Employee has directly performed services, (2) for which Employee has supervised others in performing services, or (3) about which Employee has special knowledge as a result of his employment with the Company, during all or any part of the 24-month period ending on the date of the termination of his employment with the Company.

(ii) “**Competing Product or Service**” means any product or service which is sold in competition with, or is being developed and which will compete with, a product or service developed, manufactured, or sold by the Company. For purposes of this Agreement, “Competing Products or Services” are limited to products and/or services for which Employee participated in the development, planning, testing, sale, marketing or evaluation of on behalf of the Company in or during any part of the last 24 months of his employment with the Company, or for which Employee supervised one or more Company employees, units, divisions or departments in doing so.

(iii) “**Special Knowledge**” means material, non-public information about a person, association or entity that Employee learned as a result of his employment with the Company and/or the Company’s client development or marketing efforts during all or any part of the last 24 months of his employment with the Company.

(b) Employee agrees that the Company’s customer contacts and relations are established and maintained at great expense. Employee further agrees that, as an employee of the Company, he will have unique and extensive exposure to and contact with the Company’s customers and employees, and that he will have had the opportunity to establish unique relationships that would enable him to compete unfairly against the Company. Moreover, Employee acknowledges that he will have had unique and extensive knowledge of the Company’s trade secret and confidential information, and that such information, if used by him or others, would allow him or others to compete unfairly against the Company. Therefore, in consideration of the compensation and benefits paid to him pursuant to this Agreement, Employee agrees that, for a period of 12 months after the date of the termination of his employment, Employee will not, either on his own behalf or on behalf of any other person, association or entity:

(i) Contact any Customer for the purpose of soliciting or inducing such client to purchase a Competing Product or Service;

(ii) Solicit an employee of the Company to terminate his employment with the Company;

(iii) Become financially interested in, be employed by or have any connection with, directly or indirectly, either individually or as owner, partner, agent, employee, consultant, creditor or otherwise, except for the account of or on behalf of the Company, or its affiliates, in any business or activity listed on Exhibit B, or any affiliate, successor or assign of such business or activity or any other business enterprise that engages in substantial competition with the Company or any of its subsidiaries in the business of providing management solutions to the financial industry; provided, however, that nothing in this Agreement shall prohibit Employee from owning publicly traded stock or other securities of a competitor amounting to less than one percent of such outstanding class of securities of such competitor; or

(iv) Become an owner, partner, director or officer of a company that develops, sells or markets a Competing Product or Service.

(c) Notwithstanding any other provision of this Agreement, this Section 11:

(i) Shall not bar Employee from all employment. Employee warrants and agrees that there are ample employment opportunities that he could fill following his employment with the Company, in his field of experience, without violating this Agreement;

(ii) Shall not bar Employee from performing clerical, menial or manual labor;

(iii) Subject to Section 11(b)(iii), including the proviso thereof, shall not prohibit Employee from investing as a passive investor in the capital stock or other securities of a publicly traded corporation listed on a national security exchange.

12. Employee acknowledges and agrees that compliance with Section 11 hereof is necessary to protect the Company, and that a breach of Section 11 hereof will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. Employee hereby agrees that in the event of any such breach of Section 11 hereof, 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. Employee further agrees that, in the event of his breach of Section 11 hereof, the Company shall be entitled to recover the value of any amounts previously paid or payable to Employee pursuant to Section 6(d) hereof and of any Stock Program. Employee understands and agrees that the losses incurred by the Company as a result of such breach of this Agreement would be difficult or impossible to calculate, as they are based on, among other things, the value of the knowledge and information gained by the Employee at the expense of the Company, but that the actual value exceeds the amounts paid or payable to Employee pursuant to Section 6(d) and any Stock Program. Accordingly, the amount paid or payable to Employee pursuant to Section 6(d) and any Stock Program herein represents the Employee's agreement to pay and the Company's agreement to accept as liquidated damages, and not as a penalty, such amount for any such Employee breach. Employee and the Company hereby agree to submit themselves to the jurisdiction of any Court of competent jurisdiction in any disputes that arise under this Agreement.

13. Employee agrees that the terms of this Agreement shall survive the termination of his employment with the Company.

14. This Agreement shall be governed by and construed in accordance with the laws in the State of Wisconsin, without reference to conflict of law principles thereof.

15. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

16. THE EMPLOYEE HAS READ THIS AGREEMENT AND AGREES THAT THE CONSIDERATION PROVIDED BY THE COMPANY IS FAIR AND REASONABLE AND FURTHER AGREES THAT GIVEN THE IMPORTANCE TO THE COMPANY OF ITS CONFIDENTIAL AND PROPRIETARY INFORMATION, THE POST-EMPLOYMENT RESTRICTIONS ON THE EMPLOYEE’S ACTIVITIES ARE LIKEWISE FAIR AND REASONABLE.

17. If any provision of this Agreement shall be declared illegal or unenforceable by a final judgment of a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each remaining provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

18. No term or condition of this Agreement shall be deemed to have been waived, nor shall thereby create any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition for the future or as to any act other than that specifically waived.

19. No term or provision or the duration of this Agreement shall be altered, varied or contradicted except by a writing to that effect, executed by authorized officers of the Company and the Company and by Employee, and in compliance with Internal Revenue Code Section 409A.

20. All notices to be sent under this Agreement shall be sufficient when delivered in hand or mailed by registered or certified mail to the Company at 255 Fiserv Drive, Brookfield, Wisconsin, Attention: Secretary or such other address as it shall designate in writing to Employee; or to Employee at the home address, as reflected in the records of the Company as provided by Employee, or such other address as Employee shall designate in writing to Fiserv.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands.

EMPLOYEE:	FISERV, INC.:
/s/ Kevin P. Gregoire	By /s/ Jeffery W. Yabuki
Signature	Jeffery W. Yabuki
Kevin P. Gregoire	President and Chief Executive Officer
Printed Name	Title

EXHIBIT 31.1

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 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, 2014

By: /s/ Jeffery W. Yabuki
Jeffery W. Yabuki
President and Chief Executive Officer

EXHIBIT 31.2

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 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, 2014

By: /s/ Thomas J. Hirsch
Thomas J. Hirsch
Executive Vice President,
Chief Financial Officer,
Treasurer and Assistant Secretary

EXHIBIT 32

**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, 2014 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 Executive Vice President, 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, 2014

By: /s/ Thomas J. Hirsch
Thomas J. Hirsch
July 30, 2014