

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended: December 31, 2013

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 Dr., Brookfield, WI 53045  
(Address of Principal Executive Offices, Including Zip Code)

Registrant's telephone number, including area code: (262) 879-5000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

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  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  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, anon-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  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

The aggregate market value of the common stock of the registrant held by non-affiliates as of June 28, 2013 (the last trading day of the second fiscal quarter) was \$11,248,610,213 based on the closing price of the registrant's common stock on the NASDAQ Global Select Market on that date. The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding at February 14, 2014 was 254,486,523.

**DOCUMENTS INCORPORATED BY REFERENCE**

Part III of this report incorporates information by reference to the registrant's proxy statement for its 2014 annual meeting of shareholders, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2013.

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## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 on our business of the current state of the economy, including the risk of reduction in revenue resulting from decreased spending on the products and services we offer; legislative and regulatory actions in the United States and internationally, including the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations; our ability to successfully integrate acquisitions, including Open Solutions, into our operations; changes in client demand for our products or services; pricing or other actions by competitors; the impact of our strategic initiatives; our ability to comply with government regulations, including privacy regulations; and other factors discussed in this report under the heading “Risk Factors.” 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. We are not including the information provided on the websites referenced herein as part of, or incorporating such information by reference into, this Annual Report on Form 10-K.

### PART I

In this report, all references to “we,” “us” and “our” refer to Fiserv, Inc. (“Fiserv”), a Wisconsin corporation, and, unless the context otherwise requires, its consolidated subsidiaries.

#### Item 1. Business

##### Overview

Fiserv, Inc. is a leading global provider of financial services technology. We are publicly traded on the NASDAQ Global Select Market and part of the S&P 500 Index. We serve approximately 14,500 clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, merchants and government agencies. We provide account processing systems; electronic payments processing products and services, such as electronic bill payment and presentment, card-based transaction processing and network services, ACH transaction processing, account-to-account transfer products, and person-to-person payments; internet and mobile banking systems; and related services including document and payment card production and distribution, check processing and imaging, source capture systems, and lending and risk management products and services. The majority of the services we provide are necessary for our clients to operate their business and are, therefore, non-discretionary in nature. Our operations are principally located in the United States where we operate data and transaction processing centers, provide technology support, develop software and payment solutions, and offer consulting services. We also own a 49% interest in StoneRiver Group, L.P. (“StoneRiver”), which is comprised of our former insurance services businesses.

In 2013, we had \$4.8 billion in total revenue, \$1.1 billion in operating income and net cash provided by operating activities from continuing operations of \$1.0 billion. Processing and services revenue, which in 2013 represented 84% of our consolidated revenue, is primarily generated from 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. Our international operations contributed approximately 7% of total revenue in each of 2013, 2012 and 2011.

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We have grown our business by developing highly specialized services and product enhancements, adding new clients, and acquiring businesses that complement ours, including leading providers of electronic bill payment processing and presentment services, internet and mobile banking solutions, and person-to-person payments, which has enabled us to deliver a wide range of integrated products and services and has created new opportunities for growth.

We originally incorporated in Delaware in 1984 and reincorporated as a Wisconsin corporation in 1992. Our headquarters are located at 255 Fiserv Drive, Brookfield, Wisconsin 53045, and our telephone number is (262) 879-5000.

### **The Markets We Serve**

#### ***General***

The market for products and services offered by financial institutions is experiencing continuous change. The financial industry regularly introduces and implements new payment, deposit, lending, investment and risk management products, and the distinctions among the products and services traditionally offered by different types of financial institutions continue to narrow as they seek to serve the same customers.

The growing volume and types of payment transactions and the increased focus on new channels such as internet, mobile and tablet banking have increased the data and transaction processing needs of financial institutions. We expect that financial institutions will continue to invest significant capital and human resources to process transactions, manage information and offer innovative new services to their customers in this rapidly evolving and competitive environment. We believe that economies of scale in developing and maintaining the infrastructure, technology, products, services and networks necessary to be competitive in such an environment are essential to justify these investments.

Our revenue is diversified, and our focus on long-term client relationships and recurring, transaction-oriented products and services has reduced the impact that consolidation in the financial services industry has had on us. We have clients that span the entire range of financial institutions in terms of asset size and business model, and our 50 largest financial institution clients represent less than 25% of our annual revenue. In addition, we believe that our products and services can assist financial institutions with the regulatory and economic challenges that they currently face by providing, among other things, opportunities to reduce their costs and new sources of revenue.

We anticipate that demand for products that facilitate customer interaction with financial institutions, including electronic transactions through the internet, mobile or tablet devices, sometimes referred to as “digital channels,” will continue to increase, which we expect to create revenue opportunities for us. As a result, we believe that our sizable and diverse client base, combined with our position as a leading provider of non-discretionary, recurring revenue-based products and services, gives us a solid foundation for growth. In addition, we believe that the integration of our products and services creates a compelling value proposition for our clients.

Our operations are reported in the Payments and Industry Products (“Payments”) and Financial Institution Services (“Financial”) business segments.

#### ***Payments***

The businesses in our Payments segment provide financial institutions and other companies with the products and services required to process electronic payment transactions and to offer their customers access to financial services through digital channels. Financial institutions and other companies have increasingly relied on third-party providers for those products and services, either on a licensed software or outsourced basis, as an increasing number of payment transactions are completed electronically and as our clients’ customers seek the convenience of 24-hour digital access to their financial accounts. Within the Payments segment, we primarily

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provide 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.

### ***Financial***

The businesses in our Financial segment provide financial institutions with the products and services they need to run their operations. Many financial institutions that previously developed their own software systems and maintained their own data processing operations now license software from third parties or outsource their data processing requirements by contracting with third-party processors. This has allowed them to reduce costs and enhance their products, services, capacity and capabilities. The licensing of software reduces the need for costly technical expertise within a financial institution, and outsourcing data processing operations reduces the infrastructure and other costs required to operate systems internally. Within the Financial segment, we provide 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.

### **Our Strategy**

Our vision is to be a global leader in transaction-based technology solutions. Our mission is to provide integrated technology and services solutions that enable best-in-class results for our clients. We are focused on operating businesses where we have: deep industry expertise that enables us to serve the market with high effectiveness; a strong competitive position, currently or via a clear path in the foreseeable future; long-term, trusted client relationships which are based on recurring services and transactions; differentiated solutions that deliver value to our clients through integration and innovation; and strong management to execute strategies in a disciplined manner. Consistent with this focus, we continue to operate our business in accordance with the following strategic framework:

- *Portfolio Management.* We expect to acquire businesses when we identify: a compelling strategic need, such as a product, service or technology that helps meet client demand; an opportunity to change industry dynamics; a way to achieve business scale; or similar considerations. We expect to divest businesses that are not in line with our market, product or financial strategies.
- *Client Relationship Value.* We plan to increase the number and breadth of our client relationships by, among other actions: continuing to integrate our products, services and sales groups; combining products and services to deliver enhanced, integrated value propositions; and improving the quality of our client service and support.
- *Operational Effectiveness.* We believe we can improve the quality of our client delivery while reducing our costs by using the opportunities created by our size and scale. For example, we are using our consolidated buying power and shared utility structures to create cost savings.
- *Capital Discipline.* We intend to make capital allocation decisions that offer the best prospects for our long-term growth and profitability, which may include, among other matters, internal investment, repayment of debt, repurchases of our own shares or acquisitions.
- *Innovation.* Finally, we seek to be an innovation leader, utilizing our assets and capabilities to be at the forefront of our industry.

### **Principal Solutions and Services**

Financial information regarding our business segments is included in Note 10 to the consolidated financial statements on page 56.

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### ***Payments***

#### ***Electronic Banking***

Our electronic banking business is comprised of electronic bill payment and presentment services, biller services, digital channel services, and other electronic payments services such as person-to-person payments and account-to-account transfers.

##### **Electronic bill payment and presentment**

Our principal electronic bill payment and presentment product, CheckFree® RXP®, allows our clients' customers: to manage household bills via an easy-to-use, online tool; to view billing and payment information; to pay and manage all of their bills in one place; to experience the speed of payment they might have at a biller's site; and to make convenient next-day payments to many of the companies with which they do business. We use our systems to process the vast majority of the payment transactions that we handle, which enables us to improve our economies of scale. Once a consumer has accessed the system through a financial institution, he or she can elect to pay an electronic bill delivered by us or can instruct the system to pay any individual or company within the U.S.

##### **Biller**

Our biller business provides electronic billing and payment services to companies that deliver bills to their customer base, such as utilities, telephone and cable companies, consumer lending, and insurance providers, enabling our biller clients to reduce costs, collect payments faster, and provide customers flexible, easy-to-use ways to view and pay their bills. We believe that consumers will continue to shift their financial transactions from traditional, paper-based methods to electronic methods if they have easy-to-access, easy-to-use, secure and cost-effective methods of receiving and paying their bills electronically. Consumers use our electronic billing and payment systems by viewing or paying a bill through a financial institution's bill pay application, use of a biller's website, mobile application or automated phone system, www.mycheckfree.com, or by paying in person at one of our 26,000 nationwide walk-in payment locations at retail stores operated by our partners. These diverse services allow our clients' customers to view and pay bills wherever, whenever and however they feel most comfortable. Furthermore, because our biller clients are able to receive all of these services from us, we can eliminate the operational complexity and expense of supporting multiple vendor systems or in-house developed systems.

##### **Digital channels**

Our principal online consumer and business banking products for larger financial institutions are Corillian Online® and Corillian® Business Online. Corillian Online and Corillian Business Online support multiple lines of banking businesses and have been designed to be highly scalable to meet the evolving needs of our clients. This structure enables our clients to deploy new services by adding and integrating applications, such as electronic bill payment, person-to-person payments and personal financial management tools, to any internet connected point-of-presence. We also provide the advanced capabilities of Corillian Online in a hosted environment.

Our Mobiliti™ product provides a variety of mobile banking and payments services through a mobile or tablet device to our clients and their customers, including balance inquiry, transaction history, bill payment, person-to-person payments and transfers. It enables financial institutions to reach more consumers than via other technologies because it supports all three mobile access modes: mobile browser, downloaded application for smart phones and tablets, and text message. We provide a hosted version of Mobiliti as well as a highly customizable licensed version. In the first quarter of 2011, we acquired M-Com, an international mobile banking and payments provider, which has enhanced our mobile and payment capabilities.

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### **Person-to-person payments and other electronic transactions**

In the third quarter of 2011, we acquired CashEdge, a leading provider of consumer and business payments solutions such as account-to-account transfer, account opening and funding, data aggregation, small business invoicing and payments, and person-to-person payments. CashEdge's person-to-person payments solution, Popmoney®, allows consumers a convenient way to send and receive money while offering financial institutions the opportunity to generate new transaction-based revenue, attract new accounts and increase loyalty among existing customers. Popmoney can be accessed through a Fiserv website, [www.popmoney.com](http://www.popmoney.com), through Fiserv's mobile applications for iPhone® and Android™, or through the websites and mobile banking applications of participating financial institutions. In the second quarter of 2013, we introduced Popmoney Instant Payments, which extends the functionality of the Popmoney person-to-person payments service by enabling real-time exchange of funds within a secure environment. As of December 31, 2013, more than 2,100 financial institutions have agreed to offer our person-to-person payments services.

#### *Card Services*

Our card services business is a leader in electronic funds transfer and provides a total payments solution through a variety of products and services. We offer ATM and point of sale PIN-based debit transaction processing, signature debit processing, ATM driving and monitoring, private label and bankcard credit card processing, electronic benefits transfer switching, prepaid program management and processing, and national and regional network access. We own the Accel™ network and drive approximately 20,000 ATMs. Comprehensive integration with our account processing products and services allows us to reduce costs and increase efficiencies for our clients through enterprise offerings in areas such as risk management and loyalty rewards. Our card services business has more than 4,300 clients, including banks and credit unions of all asset sizes, resellers, finance companies, independent sales organizations and merchant acquirers across the U.S. In 2013, we processed more than 12 billion debit and credit transactions, making us one of the largest financial transaction processors in the nation.

#### *Output Solutions*

Our output solutions business provides business communication solutions to clients across a wide variety of industries, such as financial services, healthcare, billing, retail, utilities, and travel and entertainment, among others. Our products and services include: electronic document management through our electronic document delivery products and services; card manufacturing, personalization and mailing; statement and coupon book production and mailing; design and fulfillment of direct mail solutions; forms distribution; laser printing and mailing; branded merchandise; and office supplies.

#### *Investment Services*

We provide financial planning, portfolio management and trading, models management, performance measurement, and reporting products and services to over 300 financial service organizations, including broker dealers, registered investment advisors, banks and insurance companies that deliver financial advice and managed account products to U.S. retail investors. Our investment services business also supports global institutional asset managers with portfolio accounting, performance analytics, fee billing and revenue management, and post-trade processing technology.

Our fee-based wealth management clients are typically sponsors or managers that create or offer a variety of managed account programs to U.S. retail investors, including mutual fund advisory, separately managed accounts and unified managed accounts. Our primary product, the Unified Wealth Platform, is a real-time portfolio management, trading and reporting system used by the largest brokerage firms, based on assets under management, and the largest asset managers in the U.S. offering managed accounts. Our industry-leading platform supports more than 4.0 million accounts as of December 31, 2013.

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### *Risk Management*

Our risk management business provides a variety of financial crime, compliance, anti-money laundering, fraud prevention, market surveillance and employee fraud detection products and services. Our offerings include Fraud Risk Manager™, Fraud Detection System<sup>SM</sup>, FraudLink® and FraudGuard®. We also provide solutions that align the measurements, processes and systems for institutions to execute on business plans, decisions and budgets, in addition to solutions that promote business efficiency through transaction matching, account reconciliation and exception management.

### *Financial*

We provide products and services to meet the financial technology needs of banks, credit unions, thrifts and leasing and finance companies. Many of the products and services that we provide are sold as an integrated system to our clients and include account, item and lending processing as well as solutions from our Payments segment such as electronic bill payment and presentment, internet and mobile banking, debit processing and network services, and person-to-person payments.

### *Account Processing*

We provide account servicing and management capabilities to our bank, thrift and credit union clients, as well as a complete range of integrated, value-added banking products and services. Account processing solutions are the principal systems that enable a financial institution to operate and include systems that process customer deposit and loan accounts, an institution's general ledger, central information files and other financial information. These solutions also include extensive security, report generation and other features that financial institutions need to process transactions for their customers, as well as to comply with applicable regulations. Account processing solutions are offered as an outsourced service, as stand-alone, licensed software for installation on client-owned computer systems, or via some combination of these options. More than one in every three financial institutions in the U.S. uses a Fiserv account processing system.

Although many of our clients contract to obtain all or a majority of their data processing requirements from us, our modular software design allows clients to start with one application and, as needed, add applications and features developed by us or by third parties. We support a broad range of client-owned peripheral devices manufactured by a variety of vendors, which reduces a new client's initial conversion expenses, enhances existing clients' ability to change equipment, and broadens our market. The principal account processing solutions used by our bank and thrift clients are Cleartouch®, DNA™, Precision®, Premier®, Signature® and TotalPlus®. The Signature system is available both domestically and internationally. The principal account processing solutions primarily used by our credit union clients are Advantage™, Charlotte<sup>SM</sup>, CubicsPlus®, CUnify™, CUSA®, DataSafe®, DNA, Galaxy®, OnCU®, Portico®, Reliance®, Spectrum® and XP2®.

In the first quarter of 2013, we acquired Open Solutions Inc. ("Open Solutions"), a provider of account processing technology for financial institutions. Open Solutions primary account processing product, DNA, is designed to enable financial institutions to easily add and customize ancillary solutions using its applications feature. This acquisition advanced Fiserv's 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 a broad array of our add-on solutions.

### *Item Processing*

Our item processing business offers products and services to financial institutions and intermediaries. Through the Fiserv Clearing Network, we provide complete check clearing and image exchange services. Other solutions include image archive with online retrieval, in-clearings, exceptions and returns, statements and fraud detection. We also provide consulting services, business operations services and related software products that facilitate the transformation of our clients' payments environments from paper-based to electronic.



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### *Lending and Global Payment Solutions*

Our lending business offers products and services to financial institutions and intermediaries, including: loan originations, servicing and default systems for auto, consumer, real estate and business lending; along with a full complement of services such as customization, business process outsourcing, education, and consulting and implementation services. Our global payment solutions business provides solutions for ACH, treasury management, case management and resolution, source capture optimization, and enterprise cash and content management to the financial services industry. Our offerings include PEP+®, Integrated Currency Manager™, Device Manager™, CorPoint®, LoanComplete™, Titan™, Director®, and our remote deposit capture solutions are branded as Source Capture Solutions®.

### **Servicing the Market**

The markets for our account and transaction processing services have specific needs and requirements, with strong emphasis placed by clients on flexibility, quality, comprehensiveness and integration of product lines, service reliability, timely introduction of new products and features and cost effectiveness. We believe that our financial strength and primary focus on the financial services industry enhances our ability to meet these needs and service our clients. In addition, we believe that our dedication to providing excellent client service and support no matter the size of the client and our commitment of substantial resources to training and technical support helps us to retain clients. For example, we conduct client training in technology centers where we maintain fully equipped demonstration and training facilities that contain equipment used in the delivery of our services. We also provide on-site training services and online education to clients.

### **Product Development**

To meet the changing technology needs of our clients, we continually develop, maintain and enhance our products and systems. In each of 2013, 2012 and 2011, product development expenditures represented approximately 9% of our total revenue. Our network of development and technology centers apply the expertise of multiple teams to design, develop and maintain specialized processing systems. Our account processing systems are designed to meet the preferences and diverse requirements of the international, national, regional or local market-specific financial service environments of our clients. In developing our products, we use current software development principles, such as service-oriented architecture, to create efficiencies, and we stress interaction with and responsiveness to the needs of our clients.

### **Intellectual Property**

We regard our software, transaction processing services and related products as proprietary, and we utilize a combination of patent, copyright, trademark and trade secret laws, internal security practices and employee and third party non-disclosure agreements to protect our intellectual property assets. The majority of our patents cover various electronic billing and payment innovations, other financial software products or services, or aspects of our separately managed accounts services. We continue, where appropriate, to seek and secure patents with respect to our technology. We believe that we possess all proprietary rights necessary to conduct our business.

### **Competition**

The market for technology products and services in the financial industry is highly competitive. Our principal competitors include other vendors of financial services technology, data processing affiliates of large companies, large computer hardware manufacturers and processing centers owned and operated as user cooperatives. In addition, certain existing and potential financial institution clients may have the ability to create their own in-house systems. Some of these competitors possess substantially greater financial, sales and marketing resources than we do and have substantial flexibility in competing with us, including through the use of integrated product offerings and through pricing. Competitive factors for our business include product quality, security, service

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reliability, product line comprehensiveness and integration, timely introduction of new products and features, and price. We believe that we compete favorably in each of these categories. We expect competition to continue to increase as new companies enter our markets and existing competitors expand their product lines and services. Additional information about competition in our segments is provided below.

### ***Payments***

We compete with a number of competitors in our bill payment, biller solutions and card services businesses, including ACI Worldwide, Fidelity National Information Services, Inc. ("FIS"), First Data Corporation, Jack Henry and Associates, Inc. ("Jack Henry"), MasterCard Incorporated, Total System Services, Inc., Visa, Inc. and Western Union. Certain existing and potential financial institution and biller clients also have the ability to develop and use their own in-house systems instead of our products and services. In addition, many companies that provide outsourced internet finance solutions are consolidating, creating larger competitors with greater resources and broader product lines. Our investment services business competes primarily with providers of portfolio accounting software and outsourced services and with in-house solutions developed by large financial institutions.

### ***Financial***

Our products and services in the Financial segment compete in several different market segments and geographies, including with large, diversified software and service companies and independent suppliers of software products. This competition is intensified by the efforts of vendors and consultants who encourage clients to establish client-operated data centers and the design and implementation of customized software solutions. We also compete with vendors that offer similar transaction processing products and services to financial institutions, including FIS, Jack Henry and Harland Financial Solutions, Inc.

### **Government Regulation**

Fiserv and its subsidiaries are generally not directly subject to federal or state regulations specifically applicable to financial institutions such as banks, thrifts and credit unions. However, as a provider of services to these financial institutions, our operations are examined on a regular basis by state regulatory authorities and representatives of the Federal Financial Institutions Examination Council, which is a formal interagency body empowered to prescribe uniform principles, standards and report forms for the federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of financial institutions. Also, state and federal regulations require our financial institution clients to include certain provisions in their contracts with service providers like us. Because we use the Federal Reserve's ACH network to process many of our transactions, we are subject to the Federal Reserve Board's rules with respect to its ACH network. In addition, independent auditors annually review many of our operations to provide internal control evaluations for our clients, auditors and regulators.

In conducting our direct-to-consumer electronic commerce business, including our walk-in bill payment, prepaid card services, online bill payment and Popmoney person-to-person payment services, we are directly subject to various federal and state laws and regulations relating to the electronic movement of money. In order to comply with our obligations under applicable laws, we are required, among other matters, to comply with licensing and reporting requirements, to implement operating policies and procedures to comply with anti-money laundering laws and protect the privacy and security of our clients' information, and to undergo periodic audits and examinations.

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted. The Dodd-Frank Act introduced substantial reforms to the supervision and operation of the financial services industry, including introducing changes that: affect the oversight and supervision of financial institutions; provide for a new resolution procedure for large financial companies; introduce more stringent regulatory capital

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requirements; implement changes to corporate governance and executive compensation practices; and require significant rule-making. The Dodd-Frank Act also established a new federal interagency council called the Financial Stability Oversight Council (“FSOC”) and a new federal bureau called the Consumer Financial Protection Bureau (“CFPB”). The FSOC monitors and assesses “systemic risk” to the safety of the U.S. financial system and coordinates the actions of the various regulatory agencies on those issues. The CFPB is empowered to conduct rule-making and supervision related to, and enforcement of, federal consumer financial protection laws. The CFPB has issued guidance that applies to “supervised service providers” which the CFPB has defined to include service providers, like us, to CFPB supervised banks and nonbanks. The Dodd-Frank Act has generated, and will continue to generate, numerous new regulations that will impact the financial industry. It is difficult to predict the extent to which the Dodd-Frank Act, the FSOC, the CFPB or the resulting regulations will impact our business or the businesses of our current and potential clients over the long term.

### **Employees**

We have approximately 21,000 employees globally, many of whom are specialists in our information management centers and related product and service businesses. This service support network includes employees with backgrounds in computer science and the financial industry, often complemented by management and other employees with direct experience in banks, thrifts, credit unions and other financial services environments. Our employees provide expertise in: programming, software development, modification and maintenance; computer operations, network control and technical support; client services and training; business process outsourcing; item and mortgage processing; system conversions; sales and marketing; and account management.

None of our employees in the U.S. are represented by a union, and there have been no work stoppages, strikes or, to our knowledge, attempts to organize. The service nature of our business makes our employees an important corporate asset. Although the market for qualified personnel is competitive, we have not experienced significant difficulty with hiring or retaining our staff of top industry professionals. In assessing a potential acquisition candidate, we emphasize the quality and stability of its employees.

### **Available Information**

Our website address is [www.fiserv.com](http://www.fiserv.com). We are not including the information provided on our website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. We make available free of charge (other than an investor’s own internet access charges) through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission.

### **Item 1A. Risk Factors**

You should carefully consider each of the risks described below, together with all of the other information contained in this Annual Report on Form 10-K, before making an investment decision with respect to our securities. If any of the following risks develop into actual events, our business, financial condition or results of operations could be materially and adversely affected and you may lose all or part of your investment.

#### **Our business may be adversely impacted by U.S. and global market and economic conditions.**

For the foreseeable future, we expect to continue to derive most of our revenue from products and services we provide to the financial services industry. Given this concentration, we are exposed to the current global economic conditions in the financial services industry. A prolonged poor economic environment could result in significant decreases in demand by current and potential clients for our products and services and in the number and dollar amount of transactions we process, which could have a material adverse effect on our business, results of operations and financial condition.

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### **We operate in a competitive business environment and may not be able to compete effectively.**

The market for our services is competitive. Our competitors vary in size and in the scope and breadth of the services they offer. Some of our competitors have substantial resources. Many of our larger existing and potential clients have historically developed their key applications in-house. As a result, we often compete against our existing or potential clients' in-house capabilities. In addition, we expect that the markets in which we compete will continue to attract new competitors and new technologies, including international providers of similar products and services to ours, having a lower cost structure. We cannot provide any assurance that we will be able to compete successfully against current or future competitors or that competitive pressures faced by us in the markets in which we operate will not materially and adversely affect our business, results of operations and financial condition.

### **If we fail to adapt our products and services to changes in technology or in the marketplace, or if our ongoing efforts to upgrade our technology are not successful, we could lose clients or have trouble attracting new clients.**

The markets for our products and services are characterized by constant technological changes, frequent introductions of new products and services and evolving industry standards. Our ability to enhance our current products and services and to develop and introduce innovative products and services that address the increasingly sophisticated needs of our clients and their customers will significantly affect our future success. We may not be successful in developing, marketing or selling new products and services that meet these changing demands. In addition, we may experience difficulties that could delay or prevent the successful development, introduction or marketing of these services, or our new services and enhancements may not adequately meet the demands of the marketplace or achieve market acceptance. We continually engage in significant efforts to upgrade our products and services. If we are unsuccessful in completing or gaining market acceptance of new technology, it would likely have a material adverse effect on our ability to retain existing clients or attract new ones.

### **The market for our electronic transaction services continues to evolve and may not continue to develop or grow rapidly enough to sustain profitability.**

If the number of electronic transactions does not continue to grow, or if consumers or businesses do not continue to adopt our services, it could have a material adverse effect on our business, financial condition and results of operations. We believe future growth in the electronic transactions market will be driven by the cost, ease-of-use, security and quality of products and services offered to consumers and businesses. In order to consistently increase and maintain our profitability, consumers and businesses must continue to adopt our services. The success of our electronic commerce business also relies in part on contracts with financial institutions, billers and other third parties to market our services to their customers. These contracts are important to the growth in demand for our electronic commerce products. If any of these third parties abandons, curtails or insufficiently increases its marketing efforts, it could have a material adverse effect on our business, financial condition and results of operations.

### **If we are unable to renew client contracts at favorable terms, we could lose clients, and our results of operations and financial condition may be adversely affected.**

Failure to achieve favorable renewals of client contracts could negatively impact our business. Our contracts with clients generally run for a period of three to five years. At the end of the contract term, clients have the opportunity to renegotiate their contracts with us or to consider whether to engage one of our competitors to provide products and services. If we are not successful in achieving high renewal rates and favorable contract terms, our results of operations and financial condition may be adversely affected.

### **Consolidations in the banking and financial services industry could adversely affect our revenue by eliminating existing or potential clients and making us more dependent on fewer clients.**

Failures, mergers and consolidations of financial institutions reduce the number of our clients and potential clients, which could adversely affect our revenue. Further, if our clients fail or merge with or are acquired by other entities that are not our clients, or that use fewer of our services, they may discontinue or reduce their use

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of our services. It is also possible that the larger financial institutions that result from mergers or consolidations could have greater leverage in negotiating terms with us or could decide to perform in-house some or all of the services which we currently provide or could provide. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

### **Security breaches, computer malware or other “cyber attacks” could harm our business by disrupting our delivery of services and damaging our reputation.**

Our operations routinely involve receiving, storing, processing and transmitting sensitive information pertaining to our business, our associates, our clients and their customers. Any unauthorized intrusion, malicious software infiltration, network disruption, denial of service, or similar act by a malevolent party could disrupt the integrity, continuity, security and trust of our systems or the systems of our clients or vendors. These events could create financial liability, regulatory sanction, or a loss of confidence in our ability to serve clients or cause current or potential clients to choose another service provider. In addition, as these threats continue to evolve, we may be required to invest significant additional resources to modify and enhance our information security and controls or to investigate and remediate any security vulnerabilities. Although we believe that we maintain a robust program of information security and controls and none of the threats that we have encountered to date have materially impacted us, the impact of a material event could have a material adverse effect on our business, results of operations and financial condition.

### **Operational failures could harm our business and reputation.**

An operational failure in our transaction processing businesses, including our business continuity and disaster recovery capabilities, could harm our business or cause us to lose clients. Such operational failure could be due to the failure of third party networks and systems we rely on to deliver our services and over which we have limited or no control. Interruptions of service could damage our relationship with clients and could cause us to incur substantial expenses, including those related to the payment of service credits or other liabilities. A prolonged interruption of our services or network could cause us to experience data loss or a reduction in revenue. In addition, a significant interruption of service could have a negative impact on our reputation and could cause our current and potential clients to choose another service provider. Any of these developments could materially and adversely impact our business, results of operations and financial condition.

### **We may experience software defects, development delays or installation difficulties, which would harm our business and reputation and expose us to potential liability.**

Our services are based on sophisticated software and computing systems, and we may encounter delays when developing new applications and services. Further, the software underlying our services has occasionally contained and may in the future contain undetected errors or defects when first introduced or when new versions are released. In addition, we may experience difficulties in installing or integrating our technology on systems used by our clients. Defects in our software, errors or delays in the processing of electronic transactions or other difficulties could result in interruption of business operations, delay in market acceptance, additional development and remediation costs, diversion of technical and other resources, loss of clients, negative publicity or exposure to liability claims. Although we attempt to limit our potential liability through disclaimers and limitation of liability provisions in our license and client agreements, we cannot be certain that these measures will successfully limit our liability.

### **The implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations may have an adverse impact on our clients and our business.**

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) was signed into law. The Dodd-Frank Act represented a comprehensive overhaul of the financial services industry within the United States and established a new federal interagency council called the Financial Stability Oversight Council (“FSOC”) and a new federal bureau called the Consumer Financial Protection Bureau

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("CFPB"). The Dodd-Frank Act requires the CFPB and other federal agencies to implement numerous new regulations, and the CFPB has issued guidance that applies to "supervised service providers" which the CFPB has defined to include service providers, like us, to CFPB supervised banks and nonbanks. The FSOC is empowered to designate certain financial institutions as well as non-bank financial companies as systemically important financial institutions subject to heightened federal oversight, and the CFPB's rule-making, supervisory and enforcement power related to consumer financial protection laws may extend to service providers for large insured depository institutions or credit unions. It is difficult to predict the extent to which the Dodd-Frank Act, the FSOC, the CFPB or the resulting regulations will impact our business or the businesses of our current and potential clients over the long term. If the FSOC designates our company or any of our subsidiaries as a systemically important financial institution, or the CFPB adopts additional rules and exercises supervisory authority over service providers like us, we could be subject to a greater degree of direct federal oversight than in the past which could slow our ability to adapt to a rapidly changing industry. To the extent the regulations adopted pursuant to the Dodd-Frank Act negatively impact the business, operations or financial condition of our clients, our business and results of operations could be materially and adversely affected because, among other matters, our clients could have less capacity to purchase products and services from us, could decide to avoid or abandon certain lines of business, or could seek to pass on increased costs to us by negotiating price reductions. We could be required to invest a significant amount of time and resources to comply with additional regulations or oversight or to modify the manner in which we provide products and services to our clients; and such regulations could directly or indirectly limit how much we can charge for our services. We may not be able to update our existing products and services, or develop new ones, to satisfy our clients' needs. Any of these events, if realized, could have a material adverse effect on our business, results of operations and financial condition.

### **If we fail to comply with applicable regulations our businesses could be harmed.**

We are generally not directly subject to federal or state regulations specifically applicable to financial institutions such as banks, thrifts and credit unions. However, as a provider of services to these financial institutions, we are subject to contractual requirements imposed by the financial institutions with respect to a number of state and federal regulations, including privacy laws, and our operations are examined on a regular basis by various state and federal regulatory authorities. Also, regulators such as the CFPB are increasingly signaling an intent to enforce regulations directly against service providers to financial institutions, and any such direct enforcement could result in increased operating costs for us and additional restrictions on our business processes. If we fail to comply with any applicable regulations, we could be exposed to suits for breach of contract or to governmental proceedings, our client relationships and reputation could be harmed and we could be inhibited in our ability to obtain new clients. In addition, the future enactment of more restrictive laws or rules on the federal or state level, or, with respect to our international operations, in foreign jurisdictions on the national, provincial, state or other level, could have an adverse impact on our business, results of operations and financial condition.

### **Our failure to comply with a series of complex regulations in our payments businesses could subject us to liability.**

Certain Fiserv subsidiaries are licensed as money transmitters in those states where such licensure is required. These licenses require us to demonstrate and maintain certain levels of net worth and liquidity and also require us to file periodic reports. In addition, our direct-to-consumer payments business, comprised of our walk-in bill payment, prepaid card services, online bill payment and Popmoney person-to-person payment services, is subject to federal regulation in the United States, including anti-money laundering regulations and certain restrictions on transactions to or from certain individuals or entities. The complexity of these regulations will continue to increase our cost of doing business. In addition, any violations of law may result in civil or criminal penalties against us and our officers, or the prohibition against us providing money transmitter services in particular jurisdictions.

### **We may be sued for infringing the intellectual property rights of others.**

Third parties may claim that we are infringing their intellectual property rights. We may expose ourselves to additional liability if we agree to indemnify our clients against third party infringement claims. If the owner of

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intellectual property establishes that we are, or a client which we are obligated to indemnify is, infringing its intellectual property rights, or that our intellectual property rights are invalid, we may be forced to change our products or services, and such changes may be expensive or impractical. We may then be forced to seek royalty or license agreements from the owner of such rights. If we are unable to agree on acceptable terms, we may be required to discontinue the sale of key products or halt other aspects of our operations. We may also be liable for financial damages for a violation of intellectual property rights, and we may incur expenses in connection with indemnifying our clients against losses suffered by them. Any adverse result related to violation of third party intellectual property rights could materially and adversely harm our business, financial condition and results of operations. Even if intellectual property claims brought against us are without merit, they may result in costly and time consuming litigation and may divert our management and key personnel from operating our business.

### **Misappropriation of our intellectual property and proprietary rights could impair our competitive position.**

Our ability to compete depends upon proprietary systems and technology. We actively seek to protect our proprietary rights. Nevertheless, unauthorized parties may attempt to copy aspects of our services or to obtain and use information that we regard as proprietary. The steps we have taken may not prevent misappropriation of technology. Agreements entered into for that purpose may not be enforceable or provide us with an adequate remedy. Effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which our applications and services are made available. Misappropriation of our intellectual property or potential litigation concerning such matters could have a material adverse effect on our business, results of operations and financial condition.

### **Acquisitions subject us to risks, including increased debt, assumption of unforeseen liabilities and difficulties in integrating operations.**

A major contributor to our growth in revenue and earnings since our inception has been our ability to identify, acquire and integrate complementary businesses. We anticipate that we will continue to seek to acquire complementary businesses, products and services. We may not be able to identify suitable acquisition candidates in the future, which could adversely affect our future growth, or businesses that we acquire may not perform as well as expected or may be more difficult to integrate and manage than expected, which could adversely affect our business and results of operations. We may not be able to fully integrate all aspects of acquired businesses successfully or fully realize the potential benefits of bringing them together. In addition, the process of integrating these acquisitions may disrupt our business and divert our resources.

These risks may arise for a number of reasons: we may not be able to find suitable businesses to acquire at affordable valuations or on other acceptable terms; we face competition for acquisitions from other potential acquirers; we may need to borrow money or sell equity or debt securities to the public to finance future acquisitions and the terms of these financings may be adverse to us; changes in accounting, tax, securities or other regulations could increase the difficulty or cost for us to complete acquisitions; we may incur unforeseen obligations or liabilities in connection with acquisitions; we may need to devote unanticipated financial and management resources to an acquired business; we may not realize expected operating efficiencies or product integration benefits from an acquisition; we could enter markets where we have minimal prior experience; and we may experience decreases in earnings as a result of non-cash impairment charges.

### **We may be obligated to indemnify the purchasers of businesses pursuant to the terms of the relevant purchase and sale agreements.**

In the past several years, we sold several significant businesses. In connection with these sales, we made representations and warranties about the businesses and their financial affairs and agreed to retain certain liabilities associated with our operation of the businesses prior to their sale. Our obligation to indemnify the purchasers and agreement to retain liabilities could have a material adverse effect on our business, results of operations and financial condition.

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### **The failure to attract and retain key personnel could have a material adverse effect on our business.**

We depend on the experience, skill and contributions of our senior management and other key employees. If we fail to attract, motivate and retain highly qualified management, technical and compliance personnel, our future success could be harmed. Our senior management provides strategic direction for our company, and if we lose members of our leadership team, our management resources may have to be diverted from other priorities to address this loss. Our products and services require sophisticated knowledge of the financial services industry, applicable regulatory and industry requirements, computer systems and software applications, and if we cannot hire or retain the necessary skilled personnel, we could suffer delays in new product development, experience difficulty complying with applicable requirements or otherwise fail to satisfy our clients' demands.

### **If we fail to comply with the applicable requirements of the payment card networks, they could seek to fine us, suspend us or terminate our registrations which could adversely affect our business.**

We are subject to card association and network rules governing Visa, MasterCard, American Express, Discover or other similar organizations. The rules of the card networks are set by their boards which may be influenced by card issues, and some of those issuers are our competitors with respect to transaction processing services. If we fail to comply with these rules, we could be fined, our certifications could be suspended, or our certifications could be terminated. The suspension or termination of our certifications, or any changes to the card association and network rules, could limit our ability to provide transaction processing services to clients and result in a reduction of revenue or increased costs of operation, which, in either case, could have a material adverse effect on our business and results of operations.

### **Our balance sheet includes significant amounts of goodwill and intangible assets. The impairment of a significant portion of these assets would negatively affect our results of operations.**

Our balance sheet includes goodwill and intangible assets that represent 77% of our total assets at December 31, 2013. These assets consist primarily of goodwill and identified intangible assets associated with our acquisitions. On at least an annual basis, we assess whether there have been impairments in the carrying value of goodwill and intangible assets. If the carrying value of the asset is determined to be impaired, then it is written down to fair value by a charge to operating earnings. An impairment of a significant portion of goodwill or intangible assets could have a material negative effect on our results of operations.

### **Increased leverage may harm our financial condition and results of operations.**

As of December 31, 2013, we had approximately \$3.8 billion of long-term debt, including current maturities. We and our subsidiaries may incur additional indebtedness in the future. Our current level of indebtedness and any future increase in our level of indebtedness could: decrease our ability to obtain additional financing for working capital, capital expenditures, general corporate or other purposes; limit our flexibility to make acquisitions; increase our cash requirements to support the payment of interest; limit our flexibility in planning for, or reacting to, changes in our business and our industry; and increase our vulnerability to adverse changes in general economic and industry conditions. Our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which will be subject to general economic conditions and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. In addition, if our outstanding senior notes are downgraded to below investment grade, we may incur additional interest expense. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other cash requirements, we may be required, among other things: to seek additional financing in the debt or equity markets; to refinance or restructure all or a portion of our indebtedness; or to reduce or delay planned capital or operating expenditures. Such measures might not be sufficient to enable us to service our debt and meet our other cash requirements. In addition, any such financing, refinancing or sale of assets might not be available at all or on economically favorable terms, particularly given current and anticipated economic and credit market conditions.



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**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

As of December 31, 2013, we operated data, development, item processing and support centers in 129 cities. We owned eight buildings, and the remaining 158 locations where we operated our businesses are subject to leases expiring in 2014 and beyond. In addition, we maintain our own national data communication network consisting of communications processors and leased lines. We believe our facilities and equipment are well maintained and are in good operating condition. We believe that the computer equipment that we own and our various facilities are adequate for our present and foreseeable business needs. We maintain our own, and contract with multiple service providers to provide, processing back-up in the event of a disaster. We also maintain copies of data and software used in our business in locations that are separate from our facilities.

**Item 3. 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 consolidated financial statements.

**Item 4. Mine Safety Disclosures**

Not applicable.

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**EXECUTIVE OFFICERS OF THE REGISTRANT**

The names of our executive officers as of February 14, 2014, together with their ages, positions and business experience are described below:

<u>Name</u>	<u>Age</u>	<u>Title</u>
Jeffery W. Yabuki	53	President, Chief Executive Officer and Director
Mark A. Ernst	55	Executive Vice President and Chief Operating Officer
Rahul Gupta	54	Executive Vice President and Group President, Digital Payments
Thomas J. Hirsch	50	Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary
Lynn S. McCreary	54	Executive Vice President, General Counsel and Secretary
Steven Tait	54	Executive Vice President and Group President, International
Byron C. Vielehr	50	Executive Vice President and Group President, Depository Institution Services

*Mr. Yabuki* has been a director and our President and Chief Executive Officer since 2005. Before joining Fiserv, Mr. Yabuki served as executive vice president and chief operating officer of H&R Block, Inc., a financial services firm, from 2002 to 2005. From 2001 to 2002, he served as executive vice president of H&R Block and from 1999 to 2001, he served as the president of H&R Block International. From 1987 to 1999, Mr. Yabuki held various executive positions with the American Express Company, a financial services firm, including president and chief executive officer of American Express Tax and Business Services, Inc.

*Mr. Ernst* has served as Executive Vice President and Chief Operating Officer since 2011. Prior to joining Fiserv, he served as deputy commissioner for operations support for the Internal Revenue Service from 2009 to 2010, where he was responsible for technology, operations, shared services, human resources and the chief financial officer. From 2008 to 2009, he was chief executive officer of Bellevue Capital LLC, a private investment firm; from 2001 to 2007, he served as chairman, president and chief executive officer of H&R Block, Inc., a financial services firm; and from 1998 to 2000, he served as its chief operating officer. His experience, which includes executive positions with the American Express Company, a financial services firm, spans more than 25 years in the financial services industry.

*Mr. Gupta* has served as Executive Vice President and Group President, Digital Payments since 2011. He joined Fiserv in 2006 as President of our Payments and Industry Products Group and, from 2009 to 2011, served as President of our Card Services business. Prior to joining Fiserv, Mr. Gupta served as president of U.S. operations at eFunds Corporation, a leading payments and risk management solutions provider, and held executive and senior management positions with i2 Technologies, Financial Settlement Matrix, Fidelity Investments and Price Waterhouse Consulting.

*Mr. Hirsch* has served as Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary since 2006. Mr. Hirsch joined Fiserv in 1994 as a divisional assistant controller, became assistant corporate controller in 1996, corporate vice president in 1997, corporate controller in 1999 and senior vice president and controller in 2002. Prior to joining Fiserv, Mr. Hirsch was an audit manager with Deloitte & Touche LLP.

*Ms. McCreary* has served as Executive Vice President and General Counsel since July 2013 and Secretary since December 2013. Ms. McCreary joined Fiserv in 2010 as senior vice president and deputy general counsel. Prior to joining Fiserv, Ms. McCreary was an attorney with the law firm of Bryan Cave LLP from 1996 to 2010, including serving as managing partner of its San Francisco, California office from its opening in 2008 to 2010.

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*Mr. Tait* has served as Executive Vice President and Group President, International since 2012. He joined Fiserv in 2009 as an Executive Vice President and served as Group President, Depository Institution Services from 2010 to 2011. Prior to joining Fiserv, Mr. Tait served as president of RSM McGladrey, a subsidiary of H&R Block Inc., from 2003 to 2009, and executive vice president, sales and client operations of Gartner, Inc. from 2001 to 2003.

*Mr. Vielehr* has served as Executive Vice President and Group President, Depository Institution Services since December 2013. Prior to joining Fiserv, Mr. Vielehr served in a succession of senior executive positions with The Dun & Bradstreet Corporation, a provider of commercial information and business insight solutions, from 2005 to 2013, most recently as president of international and global operations, and as president and chief operating officer of Northstar Systems International, Inc., a developer of wealth management software and now part of SEI, from 2004 to 2005.

**PART II****Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

All share and per share amounts are presented on a split-adjusted basis to retroactively reflect the two-for-one stock split that was completed in the fourth quarter of 2013.

**Market Price Information**

Our common stock is traded on the NASDAQ Global Select Market under the symbol "FISV." Set forth below is the high and low sales price of our common stock during the periods presented.

<u>Quarter Ended</u>	<u>2013</u>		<u>2012</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
March 31	\$43.96	\$39.52	\$35.00	\$28.76
June 30	45.58	42.19	36.15	32.24
September 30	51.60	43.14	37.18	33.98
December 31	59.28	48.95	40.63	36.10

At December 31, 2013, our common stock was held by 2,263 shareholders of record and by a significantly greater number of shareholders who hold shares in nominee or street name accounts with brokers. The closing price of our common stock on February 14, 2014 was \$56.12 per share. We have never paid dividends on our common stock, and we do not anticipate paying dividends in the foreseeable future. For additional information regarding our expected use of capital, refer to the discussion in this report under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

**Issuer Purchases of Equity Securities**

The table below sets forth information with respect to purchases made by or on behalf of us or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934) of shares of our common stock during the three months ended December 31, 2013:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup></u>	<u>Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup></u>
October 1-31, 2013	777,000	\$ 50.86	777,000	20,017,000
November 1-30, 2013	450,000	54.69	450,000	19,567,000
December 1-31, 2013	1,050,000	56.69	1,050,000	18,517,000
Total	2,277,000		2,277,000	

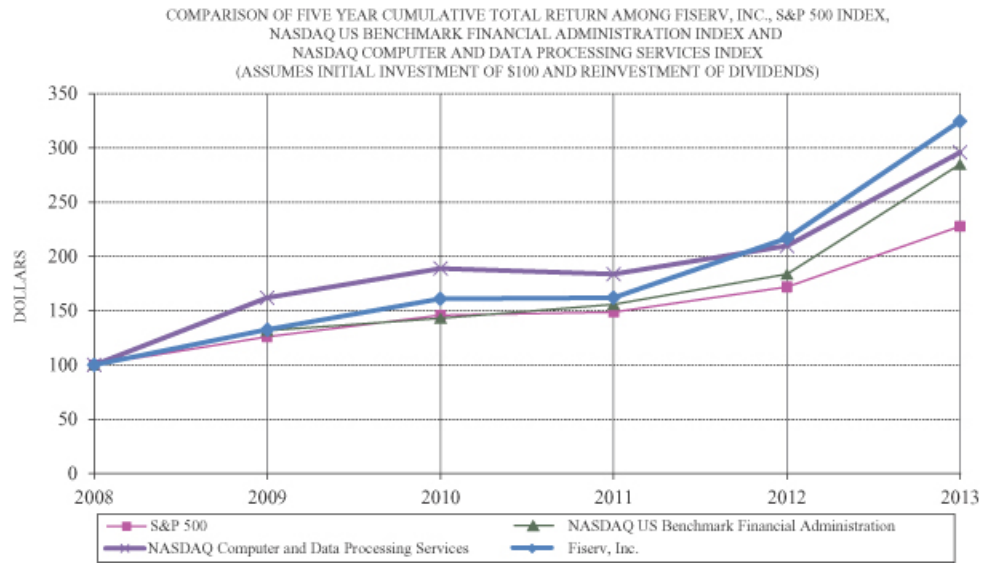
- (1) On each of February 22, 2012 and August 5, 2013, our board of directors authorized the purchase of up to 20.0 million shares of our common stock. These authorizations do not expire.

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**Stock Performance Graph**

The stock performance graph and related information presented below is not deemed to be “soliciting material” or to be “filed” with the Securities and Exchange Commission or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934 and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into such a filing.

The following graph compares the cumulative total shareholder return on our common stock for the five years ended December 31, 2013 with the S&P 500 Index, the NASDAQ Computer and Data Processing Services Index and the NASDAQ US Benchmark Financial Administration Index. The total return data for the NASDAQ Computer and Data Processing Services Index is no longer available through our historical data provider. Accordingly, we are using the NASDAQ US Benchmark Financial Administration Index instead of the NASDAQ Computer and Data Processing Services Index. We believe that the NASDAQ US Benchmark Financial Administration Index is an appropriate published industry index for comparison purposes because the index contains a number of our peers. The graph assumes that \$100 was invested on December 31, 2008 in our common stock and each index and that all dividends were reinvested. No cash dividends have been declared on our common stock. The comparisons in the graph are required by the Securities and Exchange Commission and are not intended to forecast or be indicative of possible future performance of our common stock.



	<b>December 31,</b>					
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Fiserv, Inc.	\$100	\$133	\$161	\$162	\$217	\$325
S&P 500 Index	100	126	146	149	172	228
NASDAQ US Benchmark Financial Administration Index	100	132	143	156	184	285
NASDAQ Computer and Data Processing Services Index	100	162	189	184	210	296

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### Item 6. Selected Financial Data

The following data, which has been affected by acquisitions and dispositions, should be read in conjunction with the consolidated financial statements and accompanying notes included elsewhere in this Annual Report on Form 10-K. All per share amounts are presented on a split-adjusted basis to retroactively reflect the two-for-one stock split that was completed in the fourth quarter of 2013.

<u>(In millions, except per share data)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total revenue	\$4,814	\$4,436	\$4,289	\$4,088	\$4,032
Income from continuing operations	\$ 650	\$ 592	\$ 487	\$ 502	\$ 467
(Loss) income from discontinued operations	(2)	19	(15)	(6)	9
Net income	<u>\$ 648</u>	<u>\$ 611</u>	<u>\$ 472</u>	<u>\$ 496</u>	<u>\$ 476</u>
Net income (loss) per share - basic:					
Continuing operations	\$ 2.48	\$ 2.18	\$ 1.71	\$ 1.67	\$ 1.51
Discontinued operations	(0.01)	0.07	(0.05)	(0.02)	0.03
Total	<u>\$ 2.47</u>	<u>\$ 2.25</u>	<u>\$ 1.66</u>	<u>\$ 1.65</u>	<u>\$ 1.54</u>
Net income (loss) per share - diluted:					
Continuing operations	\$ 2.44	\$ 2.15	\$ 1.69	\$ 1.65	\$ 1.50
Discontinued operations	(0.01)	0.07	(0.05)	(0.02)	0.03
Total	<u>\$ 2.44</u>	<u>\$ 2.22</u>	<u>\$ 1.64</u>	<u>\$ 1.63</u>	<u>\$ 1.53</u>
Total assets	\$9,513	\$8,497	\$8,548	\$8,281	\$8,378
Long-term debt (including current maturities)	3,848	3,230	3,395	3,356	3,641
Shareholders' equity	3,585	3,417	3,258	3,229	3,026

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations is provided as a supplement to our 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.
- *Critical accounting policies and estimates.* This section contains a discussion of the accounting policies that we believe are important to our financial condition and results of operations and that require judgment and estimates on the part of management in their application. In addition, all of our significant accounting policies, including critical accounting policies, are summarized in Note 1 to the accompanying consolidated financial statements.
- *Results of operations.* This section contains an analysis of our results of operations presented in the accompanying consolidated statements of income by comparing the results for the year ended December 31, 2013 to the results for the year ended December 31, 2012 and by comparing the results for the year ended December 31, 2012 to the results for the year ended December 31, 2011.
- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our outstanding debt and commitments at December 31, 2013.

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### 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 business 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.

In the fourth quarter of 2013, StoneRiver Group, L.P., a joint venture in which we own a 49% interest and account for under the equity method, completed a partial divestiture of a subsidiary business, resulting in a gain. Our share of the gain on the transaction was \$71 million, with related income tax expense of \$17 million.

In the first quarter of 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 Fiserv’s 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 solutions.

In the third quarter of 2011, we acquired CashEdge Inc. (“CashEdge”), a leading provider of consumer and business payments solutions such as account-to-account transfer, account opening and funding, data aggregation, small business invoicing and payments, and person-to-person payments, for approximately \$460 million, net of cash acquired. The acquisition of CashEdge has advanced our digital payments strategies. In the first quarter of 2011, we acquired Mobile Commerce Ltd. (“M-Com”), an international mobile banking and payments provider, and two other companies for an aggregate purchase price of approximately \$50 million, net of cash acquired. M-Com has enhanced our mobile and payments capabilities, and the other acquired companies have added to or enhanced specific products or services that we already provide.

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### ***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 deeper into 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 over the past several years, our revenue increased 9% to \$4.8 billion in 2013 as compared to 2012, our net income per share from continuing operations increased to \$2.44 in 2013 as compared to \$2.15 in 2012 and net cash provided by operating activities from continuing operations was \$1.0 billion in 2013 compared to \$826 million in 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 industry-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.

### ***Critical Accounting Policies and Estimates***

Our consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States, which require management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, revenue and expenses. We continually evaluate the accounting policies and estimates that we use to prepare our consolidated financial



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statements and base our estimates on historical experience and assumptions that we believe are reasonable in light of current circumstances. Actual amounts and results could differ materially from these estimates.

### ***Acquisitions***

We allocate the purchase price of acquired businesses to the assets acquired and liabilities assumed in the transaction at their estimated fair values. The estimates used to determine the fair value of long-lived assets, such as intangible assets, can be complex and require significant judgments. We use information available to us to make fair value determinations and engage independent valuation specialists, when necessary, to assist in the fair value determination of significant acquired long-lived assets. While we use our best estimates and assumptions as a part of the purchase price allocation process, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of income. We are also required to estimate the useful lives of intangible assets to determine the amount of acquisition-related intangible asset amortization expense to record in future periods. We periodically review the estimated useful lives assigned to our intangible assets to determine whether such estimated useful lives continue to be appropriate.

### ***Goodwill and Acquired Intangible Assets***

We review the carrying value of goodwill for impairment annually, or more frequently if events or circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment at a reporting unit level, determined to be at an operating segment level or one level below. When reviewing goodwill for impairment, we consider the amount of excess fair value over the carrying value of each reporting unit, the period of time since a reporting unit's last quantitative test, the extent a reorganization or disposition changes the composition of one or more of our reporting units, and other factors to determine whether or not to first perform a qualitative test. When performing a qualitative test, we assess numerous factors to determine whether it is more likely than not that the fair value of our reporting units are less than their respective carrying values. Examples of qualitative factors that we assess include our share price, our financial performance, market and competitive factors in our industry and other events specific to our reporting units. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we perform a two-step quantitative impairment test.

The first step in the quantitative test is to compare the fair value of the reporting unit to its carrying value. We determine the fair value of a reporting unit based primarily on the present value of estimated future cash flows. If the fair value of the reporting unit exceeds the carrying value of the unit's net assets, goodwill of that reporting unit is not impaired and further testing is not required. If the carrying value of the reporting unit's net assets exceeds the fair value of the unit, then we perform the second step of the quantitative test to determine the implied fair value of the reporting unit's goodwill and any impairment charge. Determining the fair value of a reporting unit involves judgment and the use of significant estimates and assumptions, which include assumptions regarding the revenue growth rates and operating margins used to calculate estimated future cash flows, risk-adjusted discount rates and future economic and market conditions.

Our most recent impairment assessment in the fourth quarter of 2013 determined that our goodwill was not impaired as the estimated fair values of the respective reporting units substantially exceeded the carrying values.

We review acquired intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Recoverability is assessed by comparing the carrying amount of the asset to the undiscounted future cash flows expected to be generated by the asset. Measurement of any impairment loss is based on estimated fair value. Given the significance of our goodwill and intangible asset balances, an adverse change in fair value could result in an impairment charge, which could be material to our consolidated financial statements. Based on our impairment assessments in 2013, we determined that our acquired intangible assets were not impaired.

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### ***Revenue Recognition***

The majority of our revenue is generated from monthly account- and transaction-based fees. Revenue is recognized as services are provided and is primarily recognized under service agreements that are long-term in nature, generally three to five years, and that do not require management to make significant judgments or assumptions. Additionally, given the nature of our business and the rules governing revenue recognition, our revenue recognition practices generally do not involve significant estimates that materially affect our results of operations. Additional information about our revenue recognition policies is included in Note 1 to the consolidated financial statements.

### **Results of Operations**

#### ***Components of Revenue and Expenses***

The following summary describes the components of revenue and expenses as presented in our consolidated statements of income.

#### *Processing and Services*

Processing and services revenue, which in 2013 represented 84% of our consolidated revenue, is primarily generated from account- and transaction-based fees under contracts that generally have terms of three to five years. Revenue is recognized when the related transactions are processed and services have been performed. Processing and services revenue is most reflective of our business performance because a significant amount of our total operating profit is generated by these services. Cost of processing and services includes costs directly associated with providing services to clients and includes the following: personnel; equipment and data communication; infrastructure costs, including costs to maintain software applications; client support; depreciation and amortization; and other operating expenses.

#### *Product*

Product revenue, which in 2013 represented 16% of our consolidated revenue, is derived from integrated print and card production (13%) and software licenses (3%). Cost of product includes costs directly associated with the products sold and includes the following: costs of materials and software development; personnel; infrastructure costs; depreciation and amortization; and other costs directly associated with product revenue.

#### *Selling, General and Administrative Expenses*

Selling, general and administrative expenses primarily consist of: salaries, wages and related expenses paid to sales personnel, administrative employees and management; advertising and promotional costs; depreciation and amortization; and other selling and administrative expenses.

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**Financial Results**

On March 14, 2013, the Company sold its club solutions business (“Club Solutions”). The results of operations and cash flows of Club Solutions, which were previously included within the Payments segment, have been reported as discontinued operations for all periods presented.

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) Year ended December 31,	2013	2012	2011	Percentage of Revenue <sup>(1)</sup>			Increase (Decrease)			
				2013	2012	2011	2013 vs. 2012		2012 vs. 2011	
<b>Revenue:</b>										
Processing and services	\$4,035	\$3,663	\$3,495	83.8%	82.6%	81.5%	\$ 372	10%	\$ 168	5%
Product	779	773	794	16.2%	17.4%	18.5%	6	1%	(21)	(3%)
Total revenue	4,814	4,436	4,289	100.0%	100.0%	100.0%	378	9%	147	3%
<b>Expenses:</b>										
Cost of processing and services	2,081	1,936	1,903	51.6%	52.9%	54.4%	145	7%	33	2%
Cost of product	695	628	601	89.2%	81.2%	75.7%	67	11%	27	4%
Sub-total	2,776	2,564	2,504	57.7%	57.8%	58.4%	212	8%	60	2%
Selling, general and administrative	977	824	795	20.3%	18.6%	18.5%	153	19%	29	4%
Total expenses	3,753	3,388	3,299	78.0%	76.4%	76.9%	365	11%	89	3%
Operating income	1,061	1,048	990	22.0%	23.6%	23.1%	13	1%	58	6%
Interest expense	(164)	(174)	(188)	(3.4%)	(3.9%)	(4.4%)	(10)	(6%)	(14)	(7%)
Interest and investment income	1	7	6	0.0%	0.2%	0.1%	(6)	(86%)	1	17%
Loss on early debt extinguishment	-	-	(85)	-	-	(2.0%)	-	-	(85)	(100%)
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	\$ 898	\$ 881	\$ 723	18.7%	19.9%	16.9%	\$ 17	2%	\$ 158	22%

(1) Percentage of revenue is calculated as the relevant revenue, expense, income or loss 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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<b>(In millions)</b> <b>Year ended December 31,</b>	<b>Payments</b>	<b>Financial</b>	<b>Corporate and Other</b>	<b>Total</b>
<b>Total revenue:</b>				
2013	\$ 2,552	\$ 2,309	\$ (47)	\$4,814
2012	2,443	2,040	(47)	4,436
2011	2,333	2,004	(48)	4,289
<b>Revenue growth:</b>				
2013	\$ 109	\$ 269	\$ -	\$ 378
2013 percentage	4%	13%		9%
2012	\$ 110	\$ 36	\$ 1	\$ 147
2012 percentage	5%	2%		3%
<b>Operating income:</b>				
2013	\$ 702	\$ 745	\$ (386)	\$1,061
2012	657	652	(261)	1,048
2011	648	613	(271)	990
<b>Operating income growth:</b>				
2013	\$ 45	\$ 93	\$ (125)	\$ 13
2013 percentage	7%	14%		1%
2012	\$ 9	\$ 39	\$ 10	\$ 58
2012 percentage	1%	6%		6%
<b>Operating margin:</b>				
2013	27.5%	32.2%		22.0%
2012	26.9%	32.0%		23.6%
2011	27.8%	30.6%		23.1%
<b>Operating margin growth: <sup>(1)</sup></b>				
2013	0.6%	0.2%		(1.6%)
2012	(0.9%)	1.4%		0.5%

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

*Total Revenue*

Total revenue increased \$378 million, or 9%, in 2013 and increased \$147 million, or 3%, in 2012 compared to the prior years. The increase in total revenue during 2013 was attributable to 13% revenue growth in our Financial segment due primarily to the acquisition of Open Solutions and 4% revenue growth in our Payments segment, in each case, as compared to 2012. The increase in total revenue during 2012 was primarily due to 5% revenue growth in our Payments segment and 2% revenue growth in our Financial segment, in each case, as compared to 2011. Revenue from acquired companies contributed \$270 million and \$43 million to revenue in 2013 and 2012, respectively.

Revenue in our Payments segment increased \$109 million, or 4%, in 2013 and increased \$110 million, or 5%, in 2012 compared to the prior years. Payments segment revenue growth during 2013 and 2012 was primarily driven by our recurring revenue businesses as processing and services revenue increased \$114 million and \$100 million in 2013 and 2012, respectively, or 6% each year. The growth in both years was primarily due to new clients and increased transaction volumes from existing clients in our card services business and digital channels business, which includes our online and mobile banking solutions, as well as our biller solutions and bill payment businesses in 2013. In 2012, revenue from acquired companies totaling \$40 million and higher postage pass-through revenue, which is included in both product revenue and cost of product in our output solutions business, positively impacted revenue growth by approximately three percentage points as compared to 2011. The positive

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revenue growth in both 2013 and 2012 was partially offset by lower software license revenue, along with a discount on the renewal of a bill payment contract in 2013 and the loss of a client that was acquired by another financial institution in 2012.

Revenue in our Financial segment increased \$269 million, or 13%, in 2013 and increased \$36 million, or 2%, in 2012 compared to the prior years. Financial segment revenue growth in 2013 was driven by the acquisition of Open Solutions, which contributed \$270 million in revenue. Excluding the Open Solutions acquisition, revenue growth in 2013 was flat compared to the prior year, primarily due to the migration of an account processing client from our system to its parent company's account processing system. In 2012, revenue growth in our Financial segment was favorably impacted by an increase of \$67 million, or 4%, in processing and services revenue primarily attributed to increased revenue in our account processing and lending businesses, partially offset by volume declines in our check processing business. In addition, Financial segment growth was negatively impacted by approximately two percentage points in 2012 primarily due to lower software license revenue as compared to 2011.

### *Total Expenses*

Total expenses increased \$365 million, or 11%, in 2013 compared to 2012 and increased \$89 million, or 3%, in 2012 compared to 2011. Total expenses as a percentage of total revenue were 78.0%, 76.4% and 76.9% in 2013, 2012 and 2011, respectively. The increase in total expenses and as a percentage of total revenue in 2013 is due primarily to the acquisition of Open Solutions.

Cost of processing and services as a percentage of processing and services revenue decreased to 51.6% in 2013 compared to 52.9% in 2012 and 54.4% in 2011. Cost of processing and services as a percentage of processing and services revenue was favorably impacted in both 2013 and 2012 by increased operating leverage in our recurring revenue businesses and by operating efficiency initiatives across the company that lowered our cost structure.

Cost of product as a percentage of product revenue was 89.2% in 2013 compared to 81.2% in 2012 and 75.7% in 2011. The increase in cost of product as a percentage of product revenue in 2013 was primarily attributable to merger and integration costs resulting from the Open Solutions acquisition, including a \$30 million non-cash impairment charge related to the replacement of our Acumen® account processing system with DNA, an Open Solutions account processing system. The increase in cost of product as a percentage of product revenue in 2012 was primarily due to a decrease in high-margin software license sales, as well as an increase in postage pass-through revenue and expenses in our output solutions business, as compared to 2011.

Selling, general and administrative expenses increased \$153 million, or 19%, and \$29 million, or 4%, in 2013 and 2012, respectively, compared to the prior years. Selling, general and administrative expense as a percentage of total revenue was 20.3%, 18.6% and 18.5% in 2013, 2012 and 2011, respectively. The increase in selling, general and administrative expenses as a percentage of total revenue in 2013 was primarily due to higher acquired intangible amortization and merger and integration costs of \$53 million attributable to our acquisition of Open Solutions.

### *Operating Income and Operating Margin*

Total operating income increased \$13 million, or 1%, in 2013 and \$58 million, or 6%, in 2012 compared to the prior years. Operating margin decreased to 22.0% in 2013 from 23.6% in 2012 and increased in 2012 from 23.1% in 2011. The operating margin decline of 160 basis points in 2013 was due to increased operating losses of \$125 million in our Corporate and Other segment, which negatively impacted our operating margin by 260 basis points due primarily to acquired intangible amortization and merger and integration costs of \$115 million associated with the acquisition of Open Solutions. This negative impact was partially offset by positive margin increases in our Payments and Financial segments in 2013. The operating margin improvement of 50 basis points in 2012 was due in part to increased operating leverage in our recurring revenue businesses and operational effectiveness activities that lowered our cost structure.

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Operating income in our Payments segment increased \$45 million, or 7%, and \$9 million, or 1%, in 2013 and 2012, respectively, compared to the prior years. Operating margins were 27.5%, 26.9% and 27.8% in 2013, 2012 and 2011, respectively, and increased 60 basis points in 2013 and decreased 90 basis points in 2012. The increases in operating income were primarily due to revenue growth and scale efficiencies in our card services business in 2013 and 2012, as well as our digital channels business in 2013. Payments segment operating margins were negatively impacted by a decrease in higher-margin software license revenue in both years, along with a discount on the renewal of a bill payment contract in 2013 and the loss of a client that was acquired by another financial institution in 2012. Operating margin in 2012 was also negatively impacted by increased expenses associated with the development, support and integration of new products and services, including Popmoney for person-to-person payments and Mobiliti for mobile banking and payment services.

Operating income in our Financial segment increased \$93 million, or 14%, and \$39 million, or 6%, in 2013 and 2012, respectively, compared to the prior years. Operating margin in 2013 improved slightly to 32.2% as compared to 2012, which improved to 32.0% from 30.6% in 2011. These improvements in operating income and margin in 2013 and 2012 were primarily due to scale efficiencies and operational effectiveness benefits, partially offset by the migration of an account processing client to its parent company's account processing system in 2013 and a decrease in higher-margin software license revenue in 2012 as compared to 2011.

The operating loss in the Corporate and Other segment increased \$125 million in 2013 and decreased \$10 million in 2012 compared to the prior years. The increase in operating loss in 2013 was primarily attributable to merger and integration costs of \$65 million resulting from the Open Solutions acquisition, including a \$30 million non-cash impairment charge related to the replacement of our Acumen account processing system with DNA, an Open Solutions account processing system. In addition, amortization expenses increased by \$50 million in 2013, primarily related to Open Solutions acquired intangible assets. The decrease in operating loss in 2012 was primarily due to reduced employee severance and merger and integration costs as compared to 2011.

### *Interest Expense*

Interest expense decreased \$10 million, or 6%, and \$14 million, or 7%, in 2013 and 2012, respectively, compared to the prior years. These decreases were primarily due to lower average interest rates in 2013 and 2012 as compared to the prior years as a result of our debt refinancing activities. The interest expense decrease in 2013 was partially offset by additional debt assumed in connection with the acquisition of Open Solutions. In 2012, interest expense was negatively impacted by \$4 million of expense associated with hedge ineffectiveness recognized upon the settlement of our forward-starting interest rate swap agreements ("Forward-Starting Swaps") in September of 2012.

### *Interest and Investment Income*

Interest and investment income decreased \$6 million in 2013 as compared to 2012 due to a gain recognized on a sale of an investment in the prior year period.

### *Loss on Early Debt Extinguishment*

In 2011, we issued \$1.0 billion principal amount of senior notes in a public debt offering and used the proceeds to repay our senior notes which matured in November 2012. The premium paid on the early retirement of debt and other costs associated with the transaction resulted in pre-tax charges of \$85 million in 2011.

### *Income Tax Provision*

Our effective income tax rate for continuing operations was 36.5% in 2013, 34.0% in 2012 and 35.1% in 2011. The increase in the effective tax rate from 2012 to 2013 was primarily due to the income tax expense associated with our share of a gain on a partial divestiture of a subsidiary business by our unconsolidated affiliate, StoneRiver Group, L.P. ("StoneRiver"). The lower effective tax rate in 2012 compared to 2011 was primarily due to increased deductions resulting from federal tax planning initiatives, including the associated discrete tax benefits.

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### *Income from Investment in Unconsolidated Affiliate*

Our share of the income of StoneRiver, a joint venture in which we own a 49% interest, was \$80 million, \$11 million and \$18 million in 2013, 2012 and 2011, respectively. The 2013 increase in income was due to our \$71 million share of a gain on a partial divestiture of a subsidiary business by StoneRiver.

### *(Loss) Income from Discontinued Operations*

(Loss) income from discontinued operations related to Club Solutions and prior dispositions totaled \$(2) million, \$19 million and \$(15) million in 2013, 2012 and 2011, respectively, and included income tax (expense) benefits of \$(4) million, \$(13) million and \$11 million, respectively.

### *Net Income Per Share - Diluted from Continuing Operations*

Net income per share-diluted from continuing operations was \$2.44 in 2013 compared to \$2.15 in 2012 and \$1.69 in 2011. Net income per share-diluted from continuing operations in 2013 was favorably impacted by \$0.20 per share from our share of a gain on a partial divestiture of a subsidiary business by StoneRiver, offset by merger and integration costs of \$0.20 per share incurred due to the acquisition of Open Solutions. Net income per share-diluted from continuing operations was negatively impacted by a loss on early debt extinguishment of \$0.18 per share in 2011. The amortization of acquisition-related intangible assets also reduced net income per share-diluted from continuing operations by \$0.51, \$0.37 and \$0.34 in 2013, 2012 and 2011, respectively.

## **Liquidity and Capital Resources**

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 \$400 million at December 31, 2013 and available borrowings under our revolving credit facility. The following table presents our operating cash flow and capital expenditure amounts for the years ended December 31, 2013 and 2012, respectively.

<u>(In millions)</u>	<u>Year Ended</u> <u>December 31,</u>		<u>Increase (Decrease)</u>	
	<u>2013</u>	<u>2012</u>	<u>\$</u>	<u>%</u>
Income from continuing operations	\$ 650	\$592	\$ 58	
Depreciation and amortization	403	350	53	
Share-based compensation	46	44	2	
Deferred income taxes	(9)	5	(14)	
Income from investment in unconsolidated affiliate	(80)	(11)	(69)	
Non-cash impairment charge	30	-	30	
Dividends from unconsolidated affiliate	6	23	(17)	
Settlement of interest rate hedge contracts	-	(88)	88	
Net changes in working capital and other	(7)	(89)	82	
Operating cash flow	<u>\$1,039</u>	<u>\$826</u>	<u>\$ 213</u>	<u>26%</u>
Capital expenditures	<u>\$ 236</u>	<u>\$193</u>	<u>\$ 43</u>	<u>22%</u>

Our net cash provided by operating activities, or operating cash flow, was \$1,039 million in 2013, an increase of 26% compared with \$826 million in 2012. This increase was primarily due to increased earnings, favorable working capital changes and a payment of \$88 million for the settlement of Forward-Starting Swaps in 2012. In 2013, our working capital was positively impacted by timing of various cash payments and receipts and overall

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lower income tax payments compared to 2012. In addition, working capital was negatively impacted in 2012 by an increase in payments for discretionary and incentive-based employee compensation, including company 401(k) profit sharing contributions. Our current policy is to use our operating cash flow primarily to repay debt and to fund capital expenditures, acquisitions and share repurchases, rather than to pay dividends. Our capital expenditures in 2013 increased by \$43 million compared to 2012 and were less than 5% of our total revenue in each year.

In the first quarter of 2013, we acquired Open Solutions for a cash purchase price of \$16 million, net of cash acquired, and sold Club Solutions for \$35 million in cash. In 2013 and 2012, we received cash dividends of \$122 million and \$55 million, respectively, from StoneRiver. The portions of these dividends that represented returns on our investment, \$6 million in 2013 and \$23 million in 2012, are reported in cash flows from operating activities.

### *Share Repurchases*

We purchased \$578 million and \$634 million of our common stock in 2013 and 2012, respectively. On each of February 22, 2012 and August 5, 2013, our board of directors authorized the purchase of up to 20.0 million shares of our common stock. As of December 31, 2013, we had approximately 18.5 million shares remaining under this authorization. Shares repurchased are generally held for issuance in connection with our equity plans.

### *Indebtedness*

<b>(In millions)</b>	<b>December 31,</b>	
	<b>2013</b>	<b>2012</b>
Term loan	\$ 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	-	280
Other borrowings	3	5
Long-term debt (including current maturities)	<u>\$3,848</u>	<u>\$3,230</u>

The acquisition of Open Solutions in January 2013 for a cash purchase price of \$55 million and repayment of assumed debt of \$960 million was funded utilizing a combination of available cash and existing availability under our revolving credit facility. In October 2013, we obtained a \$900 million term loan under a new loan agreement with a syndicate of banks and used the net proceeds from the term loan to repay outstanding borrowings under our revolving credit facility. At December 31, 2013, our long-term debt consisted primarily of \$2.95 billion of senior notes and \$900 million of term loan borrowings. We were in compliance with all financial debt covenants in 2013.

### *Term Loan*

On October 25, 2013, we obtained a \$900 million term loan under a new loan agreement with a syndicate of banks. This term loan bears 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, and matures in October 2018. The weighted average variable interest rate on the term loan borrowings was 1.4% at December 31, 2013. Scheduled principal payments of \$90 million are due on the last business day of December of each year, commencing on



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December 31, 2014, with the remaining principal balance of \$540 million due in October 2018. The term loan facility contains various restrictions and covenants substantially similar to those contained in the revolving credit facility described below.

### *Revolving Credit Facility*

In connection with the term loan financing described above, on October 25, 2013, we entered into an amendment to our existing \$2.0 billion revolving credit agreement with a syndicate of banks that conformed certain of its provisions to those in the new term loan agreement and extended its maturity to October 25, 2018. The revolving credit facility was previously scheduled to expire on August 1, 2017. Borrowings under the amended 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. There are no significant commitment fees and no compensating balance requirements. As of December 31, 2013, there were no borrowings outstanding under the facility. The revolving credit facility contains various 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.

### *Senior Notes*

In September 2012, we issued \$700 million aggregate principal amount of 3.5% senior notes due in October 2022, which pay interest semi-annually on April 1 and October 1 of each year. In June 2011, we issued \$1.0 billion of senior notes comprised of \$600 million of 3.125% senior notes due in June 2016 and \$400 million of 4.75% senior notes due in June 2021, which pay interest semi-annually on June 15 and December 15 of each year. Our 3.125% senior notes due in October 2015 and our 4.625% senior notes due in October 2020 pay interest at the stated rate on April 1 and October 1 of each year. Our 6.8% senior notes due in November 2017 pay interest at the stated rate on May 20 and November 20 of each year. The interest rates applicable to the senior notes are subject to an increase of up to two percent in the event that our credit rating is downgraded below investment grade. The indenture governing the senior notes contains covenants that, among other matters, limit (i) our ability to consolidate or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, another person, (ii) our and certain of our subsidiaries' ability to create or assume liens, and (iii) our and certain of our subsidiaries' ability to engage in sale and leaseback transactions.

### *Interest Rate Hedge Contracts*

To manage exposure to fluctuations in interest rates, we maintained Forward-Starting Swaps, designated as cash flow hedges, with a total notional value of \$550 million to hedge against changes in interest rates applicable to forecasted five-year and ten-year fixed rate borrowings. Upon the issuance of senior notes in September 2012, we paid \$88 million, included in cash flows from operating activities, to settle the Forward-Starting Swaps and recognized approximately \$4 million of interest expense due to hedge ineffectiveness. The remaining \$84 million was recorded in accumulated other comprehensive loss, net of income taxes of \$33 million, and is being recognized as interest expense over the terms of the originally forecasted interest payments. In addition, we maintained interest rate swap agreements ("Swaps") that expired in September of 2012, designated as cash flow hedges, with a total notional value of \$1.0 billion to hedge against changes in interest rates on floating rate term loan borrowings. There were no Forward-Starting Swaps or Swaps outstanding as of December 31, 2013.

### *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 December 31, 2013, we had a credit

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rating of Baa2 with a stable outlook from Moody's Investors Service, Inc. ("Moody's") and BBB- with a stable outlook from Standard & Poor's Ratings Services ("S&P") on our senior unsecured debt securities.

The interest rates payable on our senior notes, term loan and revolving credit facility are subject to adjustment from time to time if Moody's or S&P changes the debt rating applicable to the notes. If the ratings from Moody's or S&P decrease below investment grade, the per annum interest rates are subject to increase by up to two percent. In no event will the total increase in the per annum interest rates exceed two percent above the original interest rates, nor will the per annum interest rate be reduced below the original interest rate applicable to the senior notes.

### Off-Balance Sheet Arrangements and Contractual Obligations

We do not participate in, nor have we created, any off-balance sheet variable interest entities or other off-balance sheet financing, other than letters of credit. The following table details our contractual cash obligations at December 31, 2013:

(In millions)	Total	Less than			More than
		1 year	1-3 years	3-5 years	
Long-term debt including interest <sup>(1)(2)</sup>	\$4,588	\$ 231	\$ 1,334	\$ 1,304	\$ 1,719
Minimum operating lease payments <sup>(1)</sup>	333	83	132	70	48
Purchase obligations <sup>(1)</sup>	251	112	107	24	8
Income tax obligations	60	16	24	15	5
Total	<u>\$5,232</u>	<u>\$ 442</u>	<u>\$ 1,597</u>	<u>\$ 1,413</u>	<u>\$ 1,780</u>

(1) Interest, operating lease and purchase obligations are reported on a pre-tax basis.

(2) The calculations assume that only mandatory debt repayments are made, no refinancing occurs and the variable rate on the term loan is priced at the rate in effect as of December 31, 2013.

### Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, currency exchange rates, indices, correlations or other market factors, such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. We are exposed primarily to interest rate risk and market price risk on outstanding debt, investments of subscriber funds and foreign currency. Our senior management actively monitors these risks.

In connection with processing electronic payments transactions, the funds we receive from subscribers are invested from the time we collect the funds until payments are made to the applicable recipients. These subscriber funds are invested in short-term, highly liquid investments. Subscriber funds are not included in our consolidated balance sheets and can fluctuate significantly based on consumer bill payment and debit card activity. Based on daily average subscriber funds balances during 2013 of approximately \$1.0 billion, a 1% increase in applicable interest rates would increase our annual pre-tax income by approximately \$10 million, and if applicable interest rates decreased to zero, our annual pre-tax income would decrease by less than \$5 million.

We manage our debt structure and interest rate risk through the use of fixed- and floating-rate debt. We have also used interest rate hedge contracts. We previously maintained interest rate swap agreements with total notional values of \$1.0 billion and forward-starting swaps with a total notional value of \$550 million to partially hedge our exposure to interest rate changes and to control financing costs. All interest rate hedge contracts were settled or expired in September 2012. Based on our outstanding debt with variable interest rates at December 31, 2013, a 1% increase in our borrowing rate would increase annual interest expense in 2014 by approximately \$9 million.

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We conduct business in the United States and in foreign countries and are exposed to foreign currency risk from changes in the value of underlying assets and liabilities of our non-U.S. dollar denominated foreign investments and foreign currency transactions. We have entered into foreign currency forward exchange contracts with total notional values of approximately \$53 million to hedge foreign currency exposure to the Indian Rupee. In 2013, approximately 7% of our total revenue was from clients in foreign countries. Risk can be estimated by measuring the impact of a near-term adverse movement of 10% in foreign currency rates against the U.S. dollar. If these rates were 10% higher or lower at December 31, 2013, there would not have been a material adverse impact on our annual income from continuing operations or financial position.

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**Item 8. Financial Statements and Supplementary Data**

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**Fiserv, Inc.**  
**Consolidated Statements of Income**

**In millions, except per share data**  
**Year ended December 31,**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenue:			
Processing and services	\$4,035	\$3,663	\$3,495
Product	779	773	794
Total revenue	<u>4,814</u>	<u>4,436</u>	<u>4,289</u>
Expenses:			
Cost of processing and services	2,081	1,936	1,903
Cost of product	695	628	601
Selling, general and administrative	977	824	795
Total expenses	<u>3,753</u>	<u>3,388</u>	<u>3,299</u>
Operating income	1,061	1,048	990
Interest expense	(164)	(174)	(188)
Interest and investment income	1	7	6
Loss on early debt extinguishment	-	-	(85)
Income from continuing operations before income taxes and income from investment in unconsolidated affiliate	898	881	723
Income tax provision	(328)	(300)	(254)
Income from investment in unconsolidated affiliate	80	11	18
Income from continuing operations	650	592	487
(Loss) income from discontinued operations, net of income taxes	(2)	19	(15)
Net income	<u>\$ 648</u>	<u>\$ 611</u>	<u>\$ 472</u>
Net income (loss) per share - basic:			
Continuing operations	\$ 2.48	\$ 2.18	\$ 1.71
Discontinued operations	(0.01)	0.07	(0.05)
Total	<u>\$ 2.47</u>	<u>\$ 2.25</u>	<u>\$ 1.66</u>
Net income (loss) per share - diluted:			
Continuing operations	\$ 2.44	\$ 2.15	\$ 1.69
Discontinued operations	(0.01)	0.07	(0.05)
Total	<u>\$ 2.44</u>	<u>\$ 2.22</u>	<u>\$ 1.64</u>
Shares used in computing net income (loss) per share:			
Basic	262.4	271.6	285.1
Diluted	266.1	275.0	288.4

See accompanying notes to consolidated financial statements.

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**Fiserv, Inc.**  
**Consolidated Statements of Comprehensive Income**

<b>In millions</b>			
<b>Year ended December 31,</b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Net income	\$648	\$611	\$472
Other comprehensive income (loss):			
Fair market value adjustment on cash flow hedges, net of income taxes of \$1 million, \$8 million and \$34 million	(1)	(12)	(51)
Reclassification adjustment for net realized losses on cash flow hedges included in interest expense, net of income taxes of \$6 million, \$17 million and \$21 million	9	26	31
Foreign currency translation	<u>(8)</u>	<u>4</u>	<u>(8)</u>
Total other comprehensive income (loss)	-	18	(28)
Comprehensive income	<u>\$648</u>	<u>\$629</u>	<u>\$444</u>

See accompanying notes to consolidated financial statements.

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**Fiserv, Inc.**  
**Consolidated Balance Sheets**

<b>In millions</b>		<b>2013</b>	<b>2012</b>
<b>December 31,</b>			
<b>Assets</b>			
Cash and cash equivalents		\$ 400	\$ 358
Trade accounts receivable, less allowance for doubtful accounts		751	661
Deferred income taxes		55	42
Prepaid expenses and other current assets		366	349
Assets of discontinued operations		-	33
Total current assets		<u>1,572</u>	<u>1,443</u>
Property and equipment, net		266	248
Intangible assets, net		2,142	1,744
Goodwill		5,216	4,705
Other long-term assets		317	357
Total assets		<u>\$ 9,513</u>	<u>\$ 8,497</u>
<b>Liabilities and Shareholders' Equity</b>			
Accounts payable and accrued expenses		\$ 756	\$ 721
Current maturities of long-term debt		92	2
Deferred revenue		484	379
Liabilities of discontinued operations		-	3
Total current liabilities		<u>1,332</u>	<u>1,105</u>
Long-term debt		3,756	3,228
Deferred income taxes		713	638
Other long-term liabilities		127	109
Total liabilities		<u>5,928</u>	<u>5,080</u>
<b>Commitments and Contingencies</b>			
<b>Shareholders' Equity</b>			
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		844	802
Accumulated other comprehensive loss		(60)	(60)
Retained earnings		6,598	5,950
Treasury stock, at cost, 139.0 million and 128.8 million shares		<u>(3,801)</u>	<u>(3,279)</u>
Total shareholders' equity		<u>3,585</u>	<u>3,417</u>
Total liabilities and shareholders' equity		<u>\$ 9,513</u>	<u>\$ 8,497</u>

See accompanying notes to consolidated financial statements.

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**Fiserv, Inc.**  
**Consolidated Statements of Shareholders' Equity**

<b>In millions</b>	<b>Common Stock</b>		<b>Additional Paid-In Capital</b>	<b>Accumulated Other Comprehensive Loss</b>	<b>Retained Earnings</b>	<b>Treasury Stock</b>	
	<b>Shares</b>	<b>Amount</b>				<b>Shares</b>	<b>Amount</b>
Balance at January 1, 2011	396	\$ 4	\$ 748	\$ (50)	\$ 4,867	102	\$ (2,340)
Net income					472		
Other comprehensive loss				(28)			
Share-based compensation			39				
Shares issued under stock plans including income tax benefits			(12)			(4)	91
Purchases of treasury stock						18	(533)
Balance at December 31, 2011	396	4	775	(78)	5,339	116	(2,782)
Net income					611		
Other comprehensive income				18			
Share-based compensation			44				
Shares issued under stock plans including income tax benefits			(17)			(5)	128
Purchases of treasury stock						18	(625)
Balance at December 31, 2012	396	4	802	(60)	5,950	129	(3,279)
Net income					648		
Share-based compensation			46				
Shares issued under stock plans including income tax benefits			(4)			(3)	65
Purchases of treasury stock						13	(587)
Balance at December 31, 2013	396	\$ 4	\$ 844	\$ (60)	\$ 6,598	139	\$ (3,801)

See accompanying notes to consolidated financial statements.



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**Fiserv, Inc.**  
**Consolidated Statements of Cash Flows**

<b>In millions</b>			
<b>Year ended December 31,</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities:</b>			
Net income	\$ 648	\$ 611	\$ 472
Adjustment for discontinued operations	2	(19)	15
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:			
Depreciation and other amortization	193	190	190
Amortization of acquisition-related intangible assets	210	160	155
Share-based compensation	46	44	39
Deferred income taxes	(9)	5	29
Income from investment in unconsolidated affiliate	(80)	(11)	(18)
Non-cash impairment charge	30	-	-
Dividends from unconsolidated affiliate	6	23	12
Settlement of interest rate hedge contracts	-	(88)	(6)
Loss on early debt extinguishment	-	-	85
Other non-cash items	(11)	(11)	(8)
Changes in assets and liabilities, net of effects from acquisitions:			
Trade accounts receivable	(47)	(12)	(83)
Prepaid expenses and other assets	(48)	(85)	(26)
Accounts payable and other liabilities	37	-	79
Deferred revenue	62	19	10
Net cash provided by operating activities from continuing operations	<u>1,039</u>	<u>826</u>	<u>945</u>
<b>Cash flows from investing activities:</b>			
Capital expenditures, including capitalization of software costs	(236)	(193)	(190)
Payments for acquisitions of businesses, net of cash acquired	(30)	-	(511)
Dividends from unconsolidated affiliate	116	32	42
Net proceeds from sale (purchases) of investments	4	28	(4)
Other investing activities	(2)	(3)	-
Net cash used in investing activities from continuing operations	<u>(148)</u>	<u>(136)</u>	<u>(663)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	2,252	1,469	1,189
Repayments of long-term debt, including premium and costs	(2,590)	(1,642)	(1,226)
Issuance of treasury stock	49	96	73
Purchases of treasury stock	(578)	(634)	(533)
Other financing activities	(6)	5	(1)
Net cash used in financing activities from continuing operations	<u>(873)</u>	<u>(706)</u>	<u>(498)</u>
Net change in cash and cash equivalents from continuing operations	18	(16)	(216)
Net cash flows from (to) discontinued operations	24	37	(10)
Beginning balance	358	337	563
Ending balance	<u>\$ 400</u>	<u>\$ 358</u>	<u>\$ 337</u>
<b>Discontinued operations cash flow information:</b>			
Net cash (used in) provided by operating activities	\$ (11)	\$ 39	\$ (9)
Net cash provided by (used in) investing activities	<u>35</u>	<u>(2)</u>	<u>(1)</u>
Net change in cash and cash equivalents from discontinued operations	24	37	(10)
Net cash flows (to) from continuing operations	(24)	(37)	10
Beginning balance - discontinued operations	-	-	-
Ending balance - discontinued operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

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### **1. Summary of Significant Accounting Policies**

#### **Description of the Business**

Fiserv, Inc. and its subsidiaries (collectively, the “Company”) provide financial services technology to clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, merchants and government agencies. The Company provides account processing systems, electronic payments processing products and services, internet and mobile banking systems, and related services. The Company is principally located in the United States where it operates data and transaction processing centers, provides technology support, develops software and payment solutions, and offers consulting services.

The Company’s operations 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. 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.

#### **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. The impact on the consolidated balance sheets of the stock split was an increase of \$2 million to common stock and an offsetting reduction in additional paid-in capital, which has been retroactively restated.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

#### **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

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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 debt is described in Note 5 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).

### **Derivatives**

Derivatives are recorded on the consolidated balance sheets as either an asset or liability measured at fair value. If the derivative is designated as a cash flow hedge, the effective portions of the changes in the fair value of the derivative are recorded as a component of accumulated other comprehensive loss and recognized in the consolidated statements of income when the hedged item affects earnings. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative are recognized in earnings. To the extent the fair value hedge is effective, there is an offsetting adjustment to the basis of the item being hedged. Ineffective portions of changes in the fair value of hedges are recognized in earnings. The Company's policy is to enter into derivatives with creditworthy institutions and not to enter into such derivatives for speculative purposes.

### **Foreign Currency**

Foreign currency denominated assets and liabilities, where the functional currency is the local currency, are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Revenue and expenses are translated at the average exchange rates during the period. Gains and losses from foreign currency translation are recorded as a separate component of accumulated other comprehensive loss.

### **Revenue Recognition**

Processing and services revenue is recognized as services are provided and is primarily derived from account- and transaction-based fees for data processing, transaction processing, electronic billing and payment services, electronic funds transfer and debit processing services, consulting services and software maintenance fees. Software maintenance fee revenue for ongoing client support is recognized ratably over the term of the applicable support period, which is generally 12 months. Deferred revenue consists primarily of advance billings for services and is recognized as revenue when the services are provided.

Product revenue is primarily derived from software license sales, which represent less than 5% of total revenue, and integrated print and card production sales. For software license agreements that do not require significant customization or modification, the Company recognizes software license revenue upon delivery, assuming persuasive evidence of an arrangement exists, the license fee is fixed or determinable, and collection is reasonably assured. Arrangements with customers that include significant customization, modification or production of software are accounted for under contract accounting, with the revenue being recognized using the percentage-of-completion method.

The Company includes reimbursements from clients, such as postage and telecommunication costs, in processing and services revenue, product revenue, cost of processing and services, and cost of product.

### **Selling, General and Administrative Expenses**

Selling, general and administrative expenses primarily consist of: salaries, wages and related expenses paid to sales personnel, administrative employees and management; advertising and promotional costs; depreciation and amortization; and other selling and administrative expenses.

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### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and investments with original maturities of 90 days or less.

### **Allowance for Doubtful Accounts**

The Company analyzes the collectibility of trade accounts receivable by considering historical bad debts, client creditworthiness, current economic trends, changes in client payment terms and collection trends when evaluating the adequacy of the allowance for doubtful accounts. Any change in the assumptions used in analyzing a specific account receivable may result in an additional allowance for doubtful accounts being recognized in the period in which the change occurs. The allowance for doubtful accounts was \$15 million and \$9 million at December 31, 2013 and 2012, respectively.

### **Prepaid Expenses**

Prepaid expenses represent advance payments for goods and services to be consumed in the future, such as maintenance, postage and insurance, and totaled \$122 million and \$97 million at December 31, 2013 and 2012, respectively.

### **Settlement Assets and Obligations**

Settlement assets of \$189 million and \$222 million were included in prepaid expenses and other current assets at December 31, 2013 and 2012, respectively, and settlement obligations of \$184 million and \$216 million were included in accrued expenses at December 31, 2013 and 2012, respectively. Settlement assets and obligations result from timing differences between collection and fulfillment of payment transactions primarily associated with the Company's walk-in and expedited bill payment service businesses. Settlement assets represent cash received or amounts receivable from agents, payment networks or directly from consumers. Settlement obligations represent amounts payable to clients and payees.

### **Property and Equipment**

Property and equipment are reported at cost. Depreciation of property and equipment is computed primarily using the straight-line method over the shorter of the estimated useful life of the asset or the leasehold period, if applicable. Property and equipment consisted of the following at December 31:

<b>(In millions)</b>	<b>Estimated Useful Lives</b>	<b>2013</b>	<b>2012</b>
Land	-	\$ 23	\$ 23
Data processing equipment	3 to 7 years	587	539
Buildings and leasehold improvements	5 to 40 years	202	193
Furniture and equipment	3 to 10 years	140	138
		952	893
Less: accumulated depreciation		(686)	(645)
<b>Total</b>		<b>\$ 266</b>	<b>\$ 248</b>

Depreciation expense for all property and equipment totaled \$70 million, \$72 million and \$78 million in 2013, 2012 and 2011, respectively.

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### Intangible Assets

Intangible assets consisted of the following at December 31:

<b>(In millions)</b>	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
<b>2013</b>			
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	<u>\$ 3,680</u>	<u>\$ 1,538</u>	<u>\$ 2,142</u>

<b>(In millions)</b>	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
<b>2012</b>			
Customer related intangible assets	\$ 1,695	\$ 534	\$ 1,161
Acquired software and technology	378	222	156
Trade names	114	29	85
Capitalized software development costs	667	398	269
Purchased software	325	252	73
Total	<u>\$ 3,179</u>	<u>\$ 1,435</u>	<u>\$ 1,744</u>

Customer related intangible assets represent customer contracts and relationships obtained as part of acquired businesses and are amortized over their estimated useful lives, generally 10 to 20 years. Acquired software and technology represents software and technology intangible assets obtained as part of acquired businesses and are amortized over their estimated useful lives, generally four to eight years. Trade names are amortized over their estimated useful lives, generally 10 to 20 years. Amortization expense for acquired intangible assets, which include customer related intangible assets, acquired software and technology and trade names, totaled \$210 million, \$160 million and \$155 million in 2013, 2012 and 2011, respectively.

The Company continually develops, maintains and enhances its products and systems. In each of 2013, 2012 and 2011, product development expenditures represented approximately 9% of the Company's total revenue. Research and development costs incurred prior to the establishment of technological feasibility are expensed as incurred. Routine maintenance of software products, design costs and other development costs incurred prior to the establishment of a product's technological feasibility are also expensed as incurred. Costs are capitalized commencing when the technological feasibility of the software has been established.

Capitalized software development costs represent the capitalization of certain costs incurred to develop new software or to enhance existing software which is marketed externally or utilized by the Company to process client transactions. Capitalized software development costs are amortized over their estimated useful lives, generally five years. Gross software development costs capitalized for new products and enhancements to existing products totaled \$120 million, \$102 million and \$91 million in 2013, 2012 and 2011, respectively. Amortization of previously capitalized software development costs that have been placed into service was \$72 million, \$73 million and \$66 million in 2013, 2012 and 2011, respectively. During 2013, the Company incurred a \$30 million non-cash impairment charge to capitalized software development costs as a result of the acquisition of Open Solutions, Inc. ("Open Solutions"). See Note 2.

Purchased software represents software licenses purchased from third parties and is amortized over their estimated useful lives, generally three to five years. Amortization of purchased software totaled \$32 million, \$34 million and \$38 million in 2013, 2012 and 2011, respectively.

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The Company estimates that annual amortization expense with respect to acquired intangible assets recorded at December 31, 2013 will be approximately \$200 million in 2014, \$190 million in 2015, \$150 million in 2016 and \$140 million in 2017 and 2018. Annual amortization expense in 2014 with respect to capitalized and purchased software recorded at December 31, 2013 is estimated to approximate \$110 million.

### Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired and liabilities assumed in a business combination. The Company evaluates goodwill for impairment on an annual basis, or more frequently if circumstances indicate possible impairment. Goodwill is tested for impairment at a reporting unit level, determined to be at an operating segment level or one level below. When reviewing goodwill for impairment, the Company considers the amount of excess fair value over the carrying value of each reporting unit, the period of time since a reporting unit's last quantitative test, the extent a reorganization or disposition changes the composition of one or more of our reporting units, and other factors to determine whether or not to first perform a qualitative test. When performing a qualitative test, the Company assesses numerous factors to determine whether it is more likely than not that the fair value of its reporting units are less than their respective carrying values. If the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company performs a two-step quantitative impairment test by comparing reporting unit carrying values to estimated fair values. No impairment was identified in the Company's annual impairment assessment in the fourth quarter of 2013 as the estimated fair values of the respective reporting units substantially exceeded the carrying values. In addition, there is no accumulated impairment loss through December 31, 2013. The changes in goodwill during 2013 and 2012 were as follows:

<u>(In millions)</u>	<u>Payments</u>	<u>Financial</u>	<u>Total</u>
Goodwill - December 31, 2011	\$ 3,443	\$ 1,263	\$4,706
Purchase accounting adjustments	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Goodwill - December 31, 2012	3,442	1,263	4,705
Acquired goodwill	2	517	519
Foreign currency adjustments and other	<u>-</u>	<u>(8)</u>	<u>(8)</u>
Goodwill - December 31, 2013	<u>\$ 3,444</u>	<u>\$ 1,772</u>	<u>\$5,216</u>

### Asset Impairment

The Company reviews property and equipment, intangible assets and its investment in unconsolidated affiliate for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company reviews capitalized software development costs for impairment at each balance sheet date. Recoverability of property and equipment, capitalized software development costs, and intangible assets is assessed by comparing the carrying amount of the asset to the undiscounted future cash flows expected to be generated by the asset. The Company's investment in unconsolidated affiliate is assessed by comparing the carrying amount of the investment to its estimated fair value and is impaired if any decline in fair value is determined to be other than temporary. Measurement of any impairment loss is based on estimated fair value.

### Deferred Financing Costs

Deferred financing costs related to the Company's long-term debt totaled \$50 million and \$47 million at December 31, 2013 and 2012, respectively. Accumulated amortization was \$26 million and \$21 million at December 31, 2013 and 2012, respectively. Deferred financing costs are reported in other long-term assets in the consolidated balance sheets and are amortized over the term of the underlying debt using the interest method as a component of interest expense.

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### Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at December 31:

<u>(In millions)</u>	<u>2013</u>	<u>2012</u>
Trade accounts payable	\$ 67	\$ 97
Settlement obligations	184	216
Client deposits	190	147
Accrued compensation and benefits	165	144
Other accrued expenses	<u>150</u>	<u>117</u>
Total	<u>\$756</u>	<u>\$721</u>

### Income Taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis and net operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance, if necessary, is recorded against deferred tax assets for which utilization of the asset is not likely.

### Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component, net of income taxes, consisted of the following:

<u>(In millions)</u>	<u>Cash Flow Hedges</u>	<u>Foreign Currency Translation</u>	<u>Other</u>	<u>Total</u>
Balance at December 31, 2012	\$ (57)	\$ (1)	\$ (2)	\$ (60)
Other comprehensive loss before reclassifications	(1)	(8)	-	(9)
Amounts reclassified from accumulated other comprehensive loss	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
Net current-period other comprehensive income (loss)	<u>8</u>	<u>(8)</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2013	<u>\$ (49)</u>	<u>\$ (9)</u>	<u>\$ (2)</u>	<u>\$ (60)</u>

### Net Income Per Share

Basic net income per share is computed using the weighted-average number of common shares outstanding during the year. Diluted net income per share is computed using the weighted-average number of common shares and common stock equivalents outstanding during the year. Common stock equivalents consist of stock options and restricted stock units and are computed using the treasury stock method. In 2013, 2012 and 2011, the Company excluded 1.5 million, 1.7 million and 1.8 million weighted-average shares, respectively, from the calculations of common stock equivalents for anti-dilutive stock options.

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

<b>(In millions)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Weighted-average common shares outstanding used for the calculation of net income per share - basic	262.4	271.6	285.1
Common stock equivalents	3.7	3.4	3.3
Total shares used for the calculation of net income per share - diluted	<u>266.1</u>	<u>275.0</u>	<u>288.4</u>

### Supplemental Cash Flow Information

<b>(In millions)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Interest paid	\$ 165	\$158	\$183
Income taxes paid from continuing operations	299	321	195
Liabilities assumed in acquisitions of businesses	1,176	-	18
Treasury stock purchases settled the following year	9	-	9

## 2. Acquisitions

### Open Solutions

On January 14, 2013, the Company acquired 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 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 allocation of purchase price recorded for Open Solutions was as follows:

<b>(In millions)</b>	
Cash and cash equivalents	\$ 39
Trade accounts receivable	41
Deferred income tax assets	29
Prepaid expenses and other assets	30
Intangible assets	571
Goodwill	517
Accounts payable and other liabilities	(140)
Long-term debt	(958)
Deferred income tax liabilities	(74)
Total cash purchase price	<u>\$ 55</u>

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 based upon final valuations of intangible assets and identified tax assets. The final purchase price allocation did not materially change from the preliminary allocation. The purchase price allocation resulted in goodwill, included within the Financial segment, of approximately \$517 million, of which \$161 million is deductible for tax purposes. Such goodwill is primarily attributable to synergies with the products



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and services that Open Solutions provides and the anticipated value created by selling the Company's products and services to Open Solutions existing client base. The values allocated to intangible assets are as follows:

<u>(In millions)</u>	<u>Gross Carrying Amount</u>	<u>Weighted-Average Useful Life</u>
Customer related intangible assets	\$ 460	20 years
Acquired software and technology	105	7 years
Trade name	6	10 years
	<u>\$ 571</u>	

In 2013, the results of operations for Open Solutions, \$270 million of revenue and \$12 million of operating income, which includes purchase accounting adjustments such as deferred revenue measured at fair value and acquired intangible asset amortization, have been included within the Company's consolidated statement of income from the date of acquisition. As a result of the acquisition, the Company has incurred merger and integration costs, including a \$30 million non-cash impairment charge related to the Company's decision to replace its Acumen account processing system with DNA, an Open Solutions account processing system. The Acumen system costs were recorded as capitalized software development costs and included in the Financial segment assets. The related impairment charge was recorded in cost of product within the Corporate and Other segment in the first quarter of 2013. The acquired intangible asset amortization and non-cash impairment charge were recorded within the Corporate and Other segment as these charges are excluded from the Company's measure of the Financial segment's operating performance.

The following unaudited supplemental pro forma information presents the Company's results of operations as though the acquisition of Open Solutions had occurred on January 1, 2012. This information is presented for informational purposes and is not necessarily indicative of the Company's operating results which would have occurred had the acquisition been consummated as of that date. The pro forma information presented below does not include anticipated synergies, the impact of purchase accounting adjustments or certain other expected benefits of the acquisition and should not be used as a predictive measure of our future results of operations.

<u>(In millions, except per share data)</u>	<u>(Pro Forma Unaudited) 2012</u>
Total revenue	\$ 4,764
Income from continuing operations	\$ 602
Net income	\$ 621
Net income per share - basic	\$ 2.29
Net income per share - diluted	\$ 2.26

### *Other Acquisitions*

In the third quarter of 2011, the Company acquired CashEdge Inc. ("CashEdge"), a leading provider of consumer and business payments solutions such as account-to-account transfer, account opening and funding, data aggregation, small business invoicing and payments, and person-to-person payments, for approximately \$460 million, net of cash acquired. The acquisition of CashEdge has advanced the Company's digital payments strategies.

In the first quarter of 2011, the Company acquired Mobile Commerce Ltd. ("M-Com"), an international mobile banking and payments provider, and two other companies for an aggregate purchase price of approximately \$50 million, net of cash acquired. M-Com has enhanced the Company's mobile and payments capabilities, and the other acquired companies have added to or enhanced specific products or services that the Company already provides.

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### 3. Discontinued Operations

On March 14, 2013, the Company sold its club solutions business (“Club Solutions”) for approximately \$35 million in cash. The assets, liabilities, results of operations and cash flows of Club Solutions, which were previously included within the Payments segment, have been reported as discontinued operations in the accompanying consolidated financial statements for all periods presented. During 2013, Club Solutions revenue was \$10 million, and the Company recognized a \$4 million loss, net of income taxes, on the sale of the business. Club Solutions revenue was \$46 million and \$48 million in 2012 and 2011, respectively. The assets of discontinued operations at December 31, 2012 primarily consist of certain intangible assets, including software, customer related intangibles and goodwill.

### 4. 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 and \$78 million at December 31, 2013 and 2012, respectively, and was reported within other long-term assets in the consolidated balance sheets. In 2013, 2012 and 2011, the Company received cash dividends from StoneRiver of \$122 million, \$55 million, and \$54 million, respectively, which were recorded as reductions in the Company’s investment in StoneRiver. A portion of the dividends, \$6 million in 2013, \$23 million in 2012 and \$12 million in 2011, represented a return on the Company’s investment and were reported in cash flows from operating activities.

In the fourth quarter of 2013, StoneRiver completed a transaction which reduced its ownership interest in a subsidiary business, resulting in a significant gain associated with the deconsolidation. The Company’s share of the gain on the transaction of \$71 million was recorded within income from investment in unconsolidated affiliate, with the related income tax expense of \$17 million recorded through the income tax provision, in the accompanying consolidated statement of income. As a result of the transaction gain, the significance of income from the Company’s investment in unconsolidated affiliate increased. Accordingly, as required by Regulation S-X, Rule 4-08(g), summarized StoneRiver financial information is as follows:

<b>(In millions)</b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Statements of income for the years ended December 31,</b>			
Total revenue	\$732	\$806	\$826
Operating income	24	47	42
Income from continuing operations	243	18	16
Net income	243	16	23
<b>Balance sheet as of December 31,</b>			
Current assets	\$ 74	\$175	
Noncurrent assets	629	576	
Current liabilities	97	195	
Noncurrent liabilities	527	421	
Noncontrolling interest	-	17	

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### 5. Long-Term Debt

The Company's long-term debt consisted of the following at December 31:

<u>(In millions)</u>	<u>2013</u>	<u>2012</u>
Term loan	\$ 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	-	280
Other borrowings	3	5
Total debt	3,848	3,230
Less: current maturities	(92)	(2)
Long-term debt	<u>\$3,756</u>	<u>\$3,228</u>

The estimated fair value of total debt was \$3.9 billion and \$3.5 billion at December 31, 2013 and 2012, respectively. The Company was in compliance with all financial debt covenants in 2013. Annual maturities of the Company's total debt were as follows at December 31, 2013 (in millions):

#### Year ending December 31,

2014	\$ 92
2015	391
2016	690
2017	590
2018	540
Thereafter	1,545
Total	<u>\$ 3,848</u>

#### *Term Loan*

On October 25, 2013, the Company obtained a \$900 million term loan under a new loan agreement with a syndicate of banks. This term loan bears interest at a variable rate based on LIBOR or the bank's base rate, plus a specified margin based on the Company's long-term debt rating in effect from time to time, and matures in October 2018. The weighted average variable interest rate on the term loan borrowings was 1.4% at December 31, 2013. Scheduled principal payments 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 in October 2018. The term loan facility contains various restrictions and covenants substantially similar to those contained in the revolving credit facility described below. The Company used the net proceeds from the term loan to repay outstanding borrowings under the revolving credit facility.

#### *Revolving Credit Facility*

In connection with the term loan financing described above, on October 25, 2013, the Company entered into an amendment to its existing \$2.0 billion revolving credit agreement with a syndicate of banks that conformed certain of its provisions to those in the new term loan agreement and extended its maturity to October 25, 2018.

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The revolving credit facility was previously scheduled to expire on August 1, 2017. Borrowings under the amended revolving credit facility bear interest at a variable rate based on LIBOR or the bank's base rate, plus a specified margin based on the Company's long-term debt rating in effect from time to time. There are no significant commitment fees and no compensating balance requirements. As of December 31, 2013, there were no borrowings outstanding under the facility. The revolving credit facility contains various restrictions and covenants that require the Company, among other things, to (i) limit its 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.

### *Senior Notes*

In September 2012, the Company issued \$700 million aggregate principal amount of 3.5% senior notes due in October 2022, which pay interest semi-annually on April 1 and October 1 of each year. In June 2011, the Company issued \$1.0 billion of senior notes comprised of \$600 million of 3.125% senior notes due in June 2016 and \$400 million of 4.75% senior notes due in June 2021, which pay interest semi-annually on June 15 and December 15 of each year. The Company's 3.125% senior notes due in October 2015 and its 4.625% senior notes due in October 2020 pay interest at the stated rate on April 1 and October 1 of each year. The Company's 6.8% senior notes due in November 2017 pay interest at the stated rate on May 20 and November 20 of each year. The interest rates applicable to the senior notes are subject to an increase of up to two percent in the event that the Company's credit rating is downgraded below investment grade. The indenture governing the senior notes contains covenants that, among other matters, limit (i) the Company's ability to consolidate or merge into, or convey, transfer or lease all or substantially all of its properties and assets to, another person; (ii) the Company's and certain of its subsidiaries' ability to create or assume liens, and (iii) the Company's and certain of its subsidiaries' ability to engage in sale and leaseback transactions.

In June 2011, the Company purchased \$700 million aggregate principal amount of its 6.125% senior notes due in November 2012 in a tender offer for \$754 million, and in July 2011, the Company redeemed the remaining \$300 million aggregate principal amount of these notes for \$322 million. The Company recorded a pre-tax loss on early debt extinguishment for the premiums paid and other costs associated with these transactions of \$85 million in 2011.

### **6. Derivative Hedge Contracts**

The Company maintained forward-starting interest rate swap agreements ("Forward-Starting Swaps"), designated as cash flow hedges, with a total notional value of \$550 million to hedge against changes in interest rates applicable to forecasted five-year and ten-year fixed rate borrowings. Upon the issuance of senior notes in September 2012, the Company paid \$88 million, included in cash flows from operating activities, to settle the Forward-Starting Swaps and recognized approximately \$4 million of interest expense due to hedge ineffectiveness. The remaining \$84 million was recorded in accumulated other comprehensive loss, net of income taxes of \$33 million, and is being recognized as interest expense over the terms of the originally forecasted interest payments.

The Company also maintained interest rate swap agreements ("Swaps"), designated as cash flow hedges, with a total notional value of \$1.0 billion to hedge against changes in interest rates on floating rate term loan borrowings. The Swaps, which expired in September 2012, effectively fixed the interest rate on floating rate term loan borrowings. In 2012 and 2011, interest expense recognized due to hedge ineffectiveness on the Swaps was not significant, and no amounts were excluded from the assessment of hedge effectiveness. There were no Forward-Starting Swaps or Swaps outstanding as of December 31, 2013.

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The components of other comprehensive income pertaining to interest rate hedge contracts are presented in the consolidated statements of comprehensive income. Based on the amounts recorded in accumulated other comprehensive loss at December 31, 2013, 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.

In connection with its issuance of senior notes in 2011, the Company entered into a series of treasury lock agreements (“Treasury Locks”), which were designated as cash flow hedges, with total notional values of \$600 million to hedge against changes in interest rates. Upon issuance of these senior notes, the Company paid \$6 million to settle the Treasury Locks. This payment was included in cash flows from operating activities, was recorded in accumulated other comprehensive loss, net of income taxes of \$2 million, and is being recognized as interest expense over the terms of the senior notes.

The Company has entered into foreign currency forward exchange contracts to hedge foreign currency exposure to the Indian Rupee. As of December 31, 2013, the notional amount of these cash flow hedge derivatives was approximately \$53 million, and the fair value totaling approximately \$1 million was recorded in current liabilities and in accumulated other comprehensive loss, net of income taxes, in the consolidated balance sheet.

## 7. Income Taxes

A reconciliation of the statutory federal income tax rate to the Company’s effective income tax rate for continuing operations is as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal effect	2.5%	2.5%	2.2%
Unconsolidated affiliate tax	1.9%	-	-
Other, net	(2.9%)	(3.5%)	(2.1%)
Effective income tax rate	<u>36.5%</u>	<u>34.0%</u>	<u>35.1%</u>

The income tax provision for continuing operations was as follows:

<u>(In millions)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current:			
Federal	\$290	\$250	\$199
State	35	36	18
Foreign	<u>12</u>	<u>9</u>	<u>8</u>
	<u>337</u>	<u>295</u>	<u>225</u>
Deferred:			
Federal	(12)	3	21
State	1	-	5
Foreign	<u>2</u>	<u>2</u>	<u>3</u>
	<u>(9)</u>	<u>5</u>	<u>29</u>
Income tax provision	<u>\$328</u>	<u>\$300</u>	<u>\$254</u>

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Significant components of deferred tax assets and liabilities consisted of the following at December 31:

<b>(In millions)</b>	<b>2013</b>	<b>2012</b>
Accrued expenses	\$ 35	\$ 27
Interest rate hedge contracts	34	38
Share-based compensation	41	36
Net operating loss and credit carry-forwards	158	73
Deferred revenue	40	6
Other	16	23
Subtotal	324	203
Valuation allowance	(42)	(17)
Total deferred tax assets	282	186
Capital software development costs	(109)	(102)
Intangible assets	(763)	(609)
Property and equipment	(31)	(46)
Other	(37)	(25)
Total deferred tax liabilities	(940)	(782)
Total	<u><u>\$(658)</u></u>	<u><u>\$(596)</u></u>

Deferred tax assets and liabilities are reported in the consolidated balance sheets as follows at December 31:

<b>(In millions)</b>	<b>2013</b>	<b>2012</b>
Current assets	\$ 55	\$ 42
Noncurrent liabilities	(713)	(638)
Total	<u><u>\$(658)</u></u>	<u><u>\$(596)</u></u>

Unrecognized tax benefits were as follows:

<b>(In millions)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Unrecognized tax benefits - Beginning of year	\$ 56	\$ 27	\$ 41
Increases for tax positions taken during the current year	9	12	5
Increases for tax positions taken in prior years	6	19	2
Decreases for tax positions taken in prior years	(7)	-	(7)
Decreases for settlements	(2)	(1)	(5)
Lapse of the statute of limitations	(2)	(1)	(9)
Unrecognized tax benefits - End of year	<u><u>\$ 60</u></u>	<u><u>\$ 56</u></u>	<u><u>\$ 27</u></u>

At December 31, 2013 and 2012, unrecognized tax benefits of \$49 million and \$45 million, respectively, net of federal and state benefits, would affect the effective income tax rate from continuing operations if recognized. In 2014, reductions to unrecognized tax benefits for decreases in tax positions taken in prior years, settlements and the lapse of statutes of limitations are estimated to total approximately \$16 million. The Company classifies interest expense and penalties related to income taxes as components of its income tax provision. The income tax provision from continuing operations included interest expense and penalties on unrecognized tax benefits of less than \$1 million in each of 2013, 2012 and 2011. Accrued interest expense and penalties related to unrecognized tax benefits totaled \$4 million and \$6 million at December 31, 2013 and 2012, respectively.

The Company's federal tax returns for 2006 through 2013 and tax returns in certain states and foreign jurisdictions for 2006 through 2013 remain subject to examination by taxing authorities. At December 31, 2013,

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the Company had federal net operating loss carry-forwards of \$286 million, which expire in 2014 through 2031, state net operating loss carry-forwards of \$627 million, which expire in 2014 through 2033, and foreign net operating loss carry-forwards of \$70 million, \$46 million of which expire in 2017 through 2033 and the remainder of which do not expire.

### 8. Employee Stock and Savings Plans

#### Stock Plans

The Company recognizes the fair value of share-based compensation awards granted to employees in cost of processing and services, cost of product and selling, general and administrative expense in its consolidated statements of income.

The Company's share-based compensation primarily consists of the following:

*Stock Options* – The Company generally grants stock options to employees and non-employee directors at exercise prices equal to the fair market value of the Company's stock on the dates of grant, which are typically in the first quarter of the year. Stock options generally vest over a three-year period beginning on the first anniversary of the grant. All stock options expire ten years from the date of the award. The Company recognizes compensation expense for the fair value of the stock options over the requisite service period of the stock option award.

*Restricted Stock Units* – The Company awards restricted stock units to employees and non-employee directors. The Company recognizes compensation expense for restricted stock units based on the market price of the common stock on the date of award over the period during which the awards vest.

*Employee Stock Purchase Plan* – The Company maintains an employee stock purchase plan that allows eligible employees to purchase a limited number of shares of common stock each quarter through payroll deductions at 85% of the closing price of the Company's common stock on the last business day of each calendar quarter. The Company recognizes compensation expense related to the 15% discount on the purchase date.

Share-based compensation expense was \$46 million in 2013, \$44 million in 2012 and \$39 million in 2011. The income tax benefits related to share-based compensation totaled \$16 million, \$15 million and \$14 million in 2013, 2012 and 2011, respectively. At December 31, 2013, the total remaining unrecognized compensation cost for unvested stock options and restricted stock units, net of estimated forfeitures, of \$69 million is expected to be recognized over a weighted-average period of 2.5 years.

The weighted-average estimated fair value of stock options granted during 2013, 2012 and 2011 was \$13.00, \$10.86 and \$11.34 per share, respectively. The fair values of stock options granted were estimated on the date of grant using a binomial option-pricing model with the following assumptions:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expected life (in years)	6.4	6.5	6.6
Average risk-free interest rate	0.9%	1.3%	2.9%
Expected volatility	29.9%	31.1%	31.0%
Expected dividend yield	0%	0%	0%

The Company determined the expected life of stock options using historical data adjusted for known factors that would alter historical exercise behavior. The risk-free interest rate is based on the U.S. treasury yield curve in effect as of the grant date. Expected volatility is determined using weighted-average implied market volatility

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combined with historical volatility. The Company believes that a blend of historical volatility and implied volatility better reflects future market conditions and better indicates expected volatility than purely historical volatility.

A summary of stock option activity is as follows:

	Shares (In thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In millions)
Stock options outstanding - December 31, 2012	9,536	\$ 25.89		
Granted	2,049	41.46		
Forfeited	(208)	36.22		
Exercised	(1,297)	24.89		
Stock options outstanding - December 31, 2013	<u>10,080</u>	<u>\$ 28.97</u>	<u>6.1</u>	<u>\$ 303</u>
Stock options exercisable - December 31, 2013	<u>6,497</u>	<u>\$ 24.41</u>	<u>4.7</u>	<u>\$ 225</u>

A summary of restricted stock unit activity is as follows:

	Shares (In thousands)	Weighted- Average Grant Date Fair Value
Restricted stock units - December 31, 2012	2,120	\$ 28.17
Granted	977	41.90
Forfeited	(204)	31.44
Vested	(736)	25.30
Restricted stock units - December 31, 2013	<u>2,157</u>	<u>\$ 34.92</u>

The table below presents additional information related to stock option and restricted stock unit activity:

(In millions)	2013	2012	2011
Total intrinsic value of stock options exercised	\$ 27	\$ 51	\$ 26
Cash received from stock option exercises	32	80	54
Gross income tax benefit from stock option exercises	10	20	10
Fair value of restricted stock units upon vesting	31	29	18

As of December 31, 2013, 22.9 million share-based awards were available for grant under the Fiserv, Inc. 2007 Omnibus Incentive Plan. Under its employee stock purchase plan, the Company issued 0.7 million, 0.8 million and 0.9 million shares in 2013, 2012 and 2011, respectively. As of January 1, 2014, there were 7.0 million shares available for issuance under the employee stock purchase plan.

### Employee Savings Plans

The Company and its subsidiaries have defined contribution savings plans covering substantially all employees. Under the plans, eligible participants may elect to contribute a specified percentage of their salaries, subject to certain limitations. The Company makes matching contributions, subject to certain limitations, and makes discretionary contributions based upon the attainment of specified financial results. Expenses for company contributions under these plans totaled \$36 million, \$33 million and \$38 million in 2013, 2012 and 2011, respectively.



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### 9. Leases, Commitments and Contingencies

#### Leases

The Company leases certain facilities and equipment under operating leases. Most leases contain renewal options for varying periods. Future minimum rental payments on operating leases with initial non-cancellable lease terms in excess of one year were due as follows at December 31, 2013 (in millions):

#### Year ending December 31,

2014	\$ 83
2015	76
2016	56
2017	41
2018	29
Thereafter	48
Total	<u>\$333</u>

Rent expense for all operating leases was \$105 million, \$110 million and \$113 million during 2013, 2012 and 2011, respectively.

#### Commitments and Contingencies

##### *Litigation*

In the normal course of business, the Company and its subsidiaries are named as defendants in lawsuits in which claims are asserted against the Company. In the opinion of management, the liabilities, if any, which may ultimately result from such lawsuits are not expected to have a material effect on the Company's consolidated financial statements.

##### *Electronic Payments Transactions*

In connection with the Company's processing of electronic payments transactions, funds received from subscribers are invested from the time the Company collects the funds until payments are made to the applicable recipients. These subscriber funds are invested in short-term, highly liquid investments. Subscriber funds, which are not included in the Company's consolidated balance sheets, can fluctuate significantly based on consumer bill payment and debit card activity and totaled approximately \$1.7 billion at December 31, 2013.

##### *Indemnifications and Warranties*

Subject to limitations and exclusions, the Company generally indemnifies its clients from certain costs resulting from claims of patent, copyright or trademark infringement associated with its clients' use of the Company's products or services. The Company may also warrant to clients that its products and services will operate substantially in accordance with identified specifications. From time to time, in connection with sales of businesses, the Company agrees to indemnify the buyers for liabilities associated with the businesses that are sold. Payments, net of recoveries, under such indemnification or warranty provisions were not material to the Company's results of operations or financial position.

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### 10. Business Segment Information

The Company's operations are comprised of the 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.

<u>(In millions)</u>	<u>Payments</u>	<u>Financial</u>	<u>Corporate and Other</u>	<u>Total</u>
<b>2013</b>				
Processing and services revenue	\$ 1,902	\$ 2,143	\$ (10)	\$4,035
Product revenue	650	166	(37)	779
Total revenue	2,552	2,309	(47)	4,814
Operating income	702	745	(386)	1,061
Total assets	5,985	3,220	308	9,513
Capital expenditures	131	87	18	236
Depreciation and amortization expense	93	71	239	403
<b>2012</b>				
Processing and services revenue	\$ 1,788	\$ 1,887	\$ (12)	\$3,663
Product revenue	655	153	(35)	773
Total revenue	2,443	2,040	(47)	4,436
Operating income	657	652	(261)	1,048
Total assets	6,109	2,094	294	8,497
Capital expenditures	107	76	10	193
Depreciation and amortization expense	97	73	180	350
<b>2011</b>				
Processing and services revenue	\$ 1,688	\$ 1,820	\$ (13)	\$3,495
Product revenue	645	184	(35)	794
Total revenue	2,333	2,004	(48)	4,289
Operating income	648	613	(271)	990
Total assets	6,092	2,131	325	8,548
Capital expenditures	96	80	14	190
Depreciation and amortization expense	93	81	171	345

Revenue to clients outside the United States comprised approximately 7% of total revenue in each of 2013, 2012 and 2011.

**11. 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 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. The following condensed consolidating financial information reflects the reporting of Club Solutions as a discontinued operation for all periods presented.

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**Condensed Consolidating Statement of Income and Comprehensive Income**  
**Year ended December 31, 2013**

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Revenue:</b>					
Processing and services	\$ -	\$ 2,919	\$ 1,281	\$ (165)	\$ 4,035
Product	-	734	109	(64)	779
Total revenue	-	3,653	1,390	(229)	4,814
<b>Expenses:</b>					
Cost of processing and services	-	1,481	765	(165)	2,081
Cost of product	-	667	92	(64)	695
Selling, general and administrative	110	632	235	-	977
Total expenses	110	2,780	1,092	(229)	3,753
Operating income (loss)	(110)	873	298	-	1,061
Interest expense, net	(129)	(20)	(14)	-	(163)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(239)	853	284	-	898
Income tax (provision) benefit	102	(327)	(103)	-	(328)
Income from investment in unconsolidated affiliate	-	80	-	-	80
Equity in earnings of consolidated affiliates	787	-	-	(787)	-
Income from continuing operations	650	606	181	(787)	650
Loss from discontinued operations, net of income taxes	(2)	-	-	-	(2)
Net income	\$ 648	\$ 606	\$ 181	\$ (787)	\$ 648
Comprehensive income	\$ 648	\$ 606	\$ 173	\$ (779)	\$ 648

**Condensed Consolidating Statement of Income and Comprehensive Income**  
**Year ended December 31, 2012**

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Revenue:</b>					
Processing and services	\$ -	\$ 2,596	\$ 1,226	\$ (159)	\$ 3,663
Product	-	717	114	(58)	773
Total revenue	-	3,313	1,340	(217)	4,436
<b>Expenses:</b>					
Cost of processing and services	-	1,385	710	(159)	1,936
Cost of product	-	615	71	(58)	628
Selling, general and administrative	104	499	221	-	824
Total expenses	104	2,499	1,002	(217)	3,388
Operating income (loss)	(104)	814	338	-	1,048
Interest expense, net	(104)	(57)	(6)	-	(167)
Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate	(208)	757	332	-	881
Income tax (provision) benefit	103	(280)	(123)	-	(300)
Income from investment in unconsolidated affiliate	-	11	-	-	11
Equity in earnings of consolidated affiliates	697	-	-	(697)	-
Income from continuing operations	592	488	209	(697)	592
Income from discontinued operations, net of income taxes	19	5	-	(5)	19
Net income	\$ 611	\$ 493	\$ 209	\$ (702)	\$ 611
Comprehensive income	\$ 629	\$ 493	\$ 213	\$ (706)	\$ 629

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**Condensed Consolidating Statement of Income and Comprehensive Income**  
**Year ended December 31, 2011**

<b>(In millions)</b>	<b>Parent Company</b>	<b>Guarantor Subsidiaries</b>	<b>Non-Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenue:</b>					
Processing and services	\$ -	\$ 2,534	\$ 1,094	\$ (133)	\$ 3,495
Product	-	709	147	(62)	794
Total revenue	-	3,243	1,241	(195)	4,289
<b>Expenses:</b>					
Cost of processing and services	-	1,389	647	(133)	1,903
Cost of product	-	572	91	(62)	601
Selling, general and administrative	95	490	210	-	795
Total expenses	95	2,451	948	(195)	3,299
Operating income (loss)	(95)	792	293	-	990
Interest expense, net	(140)	(33)	(9)	-	(182)
Loss on early debt extinguishment	(85)	-	-	-	(85)
<b>Income (loss) from continuing operations before income taxes and income from investment in unconsolidated affiliate</b>					
Income tax (provision) benefit	133	(282)	(105)	-	(254)
Income from investment in unconsolidated affiliate	-	18	-	-	18
Equity in earnings of consolidated affiliates	681	-	-	(681)	-
Income from continuing operations	494	495	179	(681)	487
(Loss) income from discontinued operations, net of income taxes	(22)	4	3	-	(15)
Net income	\$ 472	\$ 499	\$ 182	\$ (681)	\$ 472
Comprehensive income	\$ 444	\$ 499	\$ 174	\$ (673)	\$ 444

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**Condensed Consolidating Balance Sheet**

**December 31, 2013**

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Assets</b>					
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
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	<u>\$ 10,397</u>	<u>\$ 7,200</u>	<u>\$ 2,038</u>	<u>\$ (10,122)</u>	<u>\$ 9,513</u>
<b>Liabilities and Shareholders' Equity</b>					
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 (from) consolidated affiliates	2,108	(1,683)	(425)	-	-
Other long-term liabilities	773	25	42	-	840
Total liabilities	6,812	(899)	15	-	5,928
Total shareholders' equity	3,585	8,099	2,023	(10,122)	3,585
Total liabilities and shareholders' equity	<u>\$ 10,397</u>	<u>\$ 7,200</u>	<u>\$ 2,038</u>	<u>\$ (10,122)</u>	<u>\$ 9,513</u>

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**Condensed Consolidating Balance Sheet**

**December 31, 2012**

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Assets</b>					
Cash and cash equivalents	\$ 85	\$ 66	\$ 207	\$ -	\$ 358
Trade accounts receivable, net	-	403	258	-	661
Prepaid expenses and other current assets	45	186	160	-	391
Assets of discontinued operations	-	33	-	-	33
Total current assets	130	688	625	-	1,443
Investments in consolidated affiliates	8,498	-	-	(8,498)	-
Intangible assets, net	22	1,479	243	-	1,744
Goodwill	-	3,695	1,010	-	4,705
Other long-term assets	55	445	105	-	605
Total assets	<u>\$ 8,705</u>	<u>\$ 6,307</u>	<u>\$ 1,983</u>	<u>\$ (8,498)</u>	<u>\$ 8,497</u>
<b>Liabilities and Shareholders' Equity</b>					
Accounts payable and accrued expenses	\$ 73	\$ 417	\$ 231	\$ -	\$ 721
Current maturities of long-term debt	-	2	-	-	2
Deferred revenue	-	213	166	-	379
Liabilities of discontinued operations	-	3	-	-	3
Total current liabilities	73	635	397	-	1,105
Long-term debt	3,223	4	1	-	3,228
Due to (from) consolidated affiliates	1,295	(988)	(307)	-	-
Other long-term liabilities	697	22	28	-	747
Total liabilities	5,288	(327)	119	-	5,080
Total shareholders' equity	3,417	6,634	1,864	(8,498)	3,417
Total liabilities and shareholders' equity	<u>\$ 8,705</u>	<u>\$ 6,307</u>	<u>\$ 1,983</u>	<u>\$ (8,498)</u>	<u>\$ 8,497</u>

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**Condensed Consolidating Statement of Cash Flows**  
**Year ended December 31, 2013**

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities from continuing operations	\$ (61)	\$ 842	\$ 258	\$ -	\$ 1,039
<b>Cash flows from investing activities:</b>					
Capital expenditures, including capitalization of software costs	(3)	(169)	(64)	-	(236)
Payments for acquisitions of businesses, net of cash acquired	(55)	25	-	-	(30)
Dividend from unconsolidated affiliate	-	116	-	-	116
Net proceeds from sale of investments	-	2	2	-	4
Other investing activities	1,041	3	(3)	(1,043)	(2)
Net cash (used in) provided by investing activities from continuing operations	983	(23)	(65)	(1,043)	(148)
<b>Cash flows from financing activities:</b>					
Proceeds from long-term debt	2,252	-	-	-	2,252
Repayments of long-term debt	(2,589)	(1)	-	-	(2,590)
Issuance of treasury stock	49	-	-	-	49
Purchases of treasury stock	(578)	-	-	-	(578)
Other financing activities	7	(841)	(215)	1,043	(6)
Net cash used in financing activities from continuing operations	(859)	(842)	(215)	1,043	(873)
Net change in cash and cash equivalents from continuing operations	63	(23)	(22)	-	18
Net cash flows from (to) discontinued operations	(9)	33	-	-	24
Beginning balance	85	66	207	-	358
Ending balance	<u>\$ 139</u>	<u>\$ 76</u>	<u>\$ 185</u>	<u>\$ -</u>	<u>\$ 400</u>

**Condensed Consolidating Statement of Cash Flows**  
**Year ended December 31, 2012**

(In millions)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities from continuing operations	\$ (168)	\$ 722	\$ 272	\$ -	\$ 826
<b>Cash flows from investing activities:</b>					
Capital expenditures, including capitalization of software costs	(4)	(142)	(47)	-	(193)
Dividend from unconsolidated affiliate	-	32	-	-	32
Net proceeds from sale of investments	-	2	26	-	28
Other investing activities	815	-	(1)	(817)	(3)
Net cash (used in) provided by investing activities from continuing operations	811	(108)	(22)	(817)	(136)
<b>Cash flows from financing activities:</b>					
Proceeds from long-term debt	1,469	-	-	-	1,469
Repayments of long-term debt	(1,592)	(6)	(44)	-	(1,642)
Issuance of treasury stock	96	-	-	-	96
Purchases of treasury stock	(634)	-	-	-	(634)
Other financing activities	-	(620)	(192)	817	5
Net cash used in financing activities from continuing operations	(661)	(626)	(236)	817	(706)
Net change in cash and cash equivalents from continuing operations	(18)	(12)	14	-	(16)
Net cash flows from discontinued operations	30	7	-	-	37
Beginning balance	73	71	193	-	337
Ending balance	<u>\$ 85</u>	<u>\$ 66</u>	<u>\$ 207</u>	<u>\$ -</u>	<u>\$ 358</u>



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**Condensed Consolidating Statement of Cash Flows**  
**Year ended December 31, 2011**

<b>(In millions)</b>	<b>Parent Company</b>	<b>Guarantor Subsidiaries</b>	<b>Non-Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities from continuing operations	\$ (10)	\$ 729	\$ 226	\$ -	\$ 945
<b>Cash flows from investing activities:</b>					
Capital expenditures, including capitalization of software costs	(13)	(142)	(35)	-	(190)
Payments for acquisitions of businesses, net of cash acquired	-	(473)	(38)	-	(511)
Dividend from unconsolidated affiliate	-	42	-	-	42
Net (purchases of) sale proceeds from investments	-	3	(7)	-	(4)
Other investing activities	311	-	-	(311)	-
Net cash (used in) provided by investing activities from continuing operations	298	(570)	(80)	(311)	(663)
<b>Cash flows from financing activities:</b>					
Proceeds from long-term debt	1,143	-	46	-	1,189
Repayments of long-term debt, including premium and costs	(1,223)	(3)	-	-	(1,226)
Issuance of treasury stock	73	-	-	-	73
Purchases of treasury stock	(533)	-	-	-	(533)
Other financing activities	(2)	(159)	(151)	311	(1)
Net cash used in financing activities from continuing operations	(542)	(162)	(105)	311	(498)
Net change in cash and cash equivalents from continuing operations	(254)	(3)	41	-	(216)
Net cash flows (to) from discontinued operations	(16)	6	-	-	(10)
Beginning balance	343	68	152	-	563
Ending balance	<u>\$ 73</u>	<u>\$ 71</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ 337</u>

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Quarterly financial data for 2013 and 2012 was as follows:

**(In millions, except per share data)**

	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year</b>
<b>2013</b>					
Total revenue	\$ 1,152	\$ 1,198	\$ 1,201	\$ 1,263	\$4,814
Cost of processing and services	522	523	520	516	2,081
Cost of product	190	157	164	184	695
Selling, general and administrative expenses	229	245	237	266	977
Total expenses	941	925	921	966	3,753
Operating income	211	273	280	297	1,061
Income from continuing operations	117	152	161	220	650
Net income	117	151	159	221	648
Comprehensive income	115	146	163	224	648
Net income per share - continuing operations:					
Basic	\$ 0.44	\$ 0.57	\$ 0.62	\$ 0.85	\$ 2.48
Diluted	\$ 0.43	\$ 0.57	\$ 0.61	\$ 0.84	\$ 2.44
<b>2012</b>					
Total revenue	\$ 1,097	\$ 1,087	\$ 1,107	\$ 1,145	\$4,436
Cost of processing and services	494	471	486	485	1,936
Cost of product	159	155	150	164	628
Selling, general and administrative expenses	205	204	206	209	824
Total expenses	858	830	842	858	3,388
Operating income	239	257	265	287	1,048
Income from continuing operations	132	162	140	158	592
Net income	132	161	139	179	611
Comprehensive income	148	150	151	180	629
Net income per share - continuing operations:					
Basic	\$ 0.47	\$ 0.59	\$ 0.52	\$ 0.59	\$ 2.18
Diluted	\$ 0.47	\$ 0.59	\$ 0.51	\$ 0.58	\$ 2.15

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Fiserv, Inc.:

We have audited the accompanying consolidated balance sheets of Fiserv, Inc. and subsidiaries (the “Company”) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Fiserv, Inc. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2014 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin  
February 20, 2014

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### **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Not applicable.

#### **Item 9A. Controls and Procedures**

##### *(a) Disclosure Controls and Procedures*

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 Securities Exchange Act of 1934). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2013.

##### *(b) Management Report On Internal Control Over Financial Reporting*

#### **Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (1992)*. Based on management's assessment, our management believes that, as of December 31, 2013, our internal control over financial reporting was effective based on those criteria.

Our independent registered public accounting firm has issued their attestation report on our internal control over financial reporting. The report is included below under the heading "Report of Independent Registered Public Accounting Firm On Internal Control Over Financial Reporting."

##### *(c) Changes in Internal Control Over Financial Reporting*

Our management has evaluated, with the participation of our chief executive officer and chief financial officer, whether any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2013 have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the quarter ended December 31, 2013, 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 next 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

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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.

Based on the evaluation we conducted, our management has concluded that there have not been any other changes in our internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(d) *Report of Independent Registered Public Accounting Firm On Internal Control Over Financial Reporting*

Our independent registered public accounting firm, Deloitte & Touche LLP, assessed the effectiveness of our internal control over financial reporting and has issued their report as set forth below.

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of Fiserv, Inc.:

We have audited the internal control over financial reporting of Fiserv, Inc. and subsidiaries (the “Company”) as of December 31, 2013, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel 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. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated February 20, 2014 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin  
February 20, 2014

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**Item 9B. Other Information**

None.

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

Except for information concerning our executive officers included in Part I of this Form 10-K under the caption “Executive Officers of the Registrant,” which is incorporated by reference herein, and the information regarding our Code of Conduct below, the information required by Item 10 is incorporated by reference to the information set forth under the captions “Our Board of Directors,” “Nominees for Election,” “Continuing Directors,” “Nominating and Corporate Governance Committee – Nominations of Directors,” “Audit Committee – Membership and Responsibilities,” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive proxy statement for our 2014 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2013.

Our board of directors has adopted a Code of Conduct that applies to all of our directors and employees, including our chief executive officer, chief financial officer, corporate controller and other persons performing similar functions. We have posted a copy of our Code of Conduct on the “About Fiserv – Governance – Governance Documents” section of our website at [www.fiserv.com](http://www.fiserv.com). We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, the Code of Conduct by posting such information on the “About Fiserv – Investors – Corporate Governance” section of our website at [www.fiserv.com](http://www.fiserv.com). We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

**Item 11. Executive Compensation**

The information required by Item 11 is incorporated by reference to the information set forth under the captions “Compensation Discussion and Analysis,” “Compensation Committee Interlocks and Insider Participation,” “Compensation Committee Report,” “Compensation of Executive Officers,” “Summary Compensation Table,” “Grants of Plan-Based Awards in 2013,” “Outstanding Equity Awards at December 31, 2013,” “Option Exercises and Stock Vested During 2013,” “Potential Payments Upon Termination or Change in Control,” and “Compensation of Directors” in our definitive proxy statement for our 2014 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2013.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information set forth under the caption “Security Ownership by Certain Beneficial Owners and Management” in our definitive proxy statement for our 2014 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2013, is incorporated by reference herein.

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**Equity Compensation Plan Information**

The table below sets forth information with respect to compensation plans under which equity securities are authorized for issuance as of December 31, 2013. All share and per share amounts are presented on a split-adjusted basis to retroactively reflect the two-for-one stock split that was completed in the fourth quarter of 2013.

	(a)	(b)	(c)
<b>Plan Category</b>	<b>Number of shares to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by our shareholders <sup>(1)</sup>	10,079,706 <sup>(2)</sup>	\$28.97	22,926,549 <sup>(3)</sup>
Equity compensation plans not approved by our shareholders	N/A	N/A	N/A
<b>Total</b>	<b>10,079,706</b>	<b>\$28.97</b>	<b>22,926,549</b>

- (1) Columns (a) and (c) of the table above do not include 2,157,249 unvested restricted stock units outstanding under the Fiserv, Inc. 2007 Omnibus Incentive Plan or 5,009,465 shares authorized for issuance under the Fiserv, Inc. Amended and Restated Employee Stock Purchase Plan. The number of shares remaining available for future issuance under the employee stock purchase plan is subject to an annual increase on the first day of each fiscal year equal to the lesser of (A) 2,000,000 shares, (B) 1% of the shares of our common stock outstanding on such date or (C) a lesser amount determined by our board of directors.
- (2) Consists of options outstanding under the Fiserv, Inc. 2007 Omnibus Incentive Plan and the Fiserv, Inc. Stock Option and Restricted Stock Plan.
- (3) Reflects the number of shares available for future issuance under the Fiserv, Inc. 2007 Omnibus Incentive Plan. No additional awards may be granted under the Fiserv, Inc. Stock Option and Restricted Stock Plan.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 is incorporated by reference to the information set forth under the captions “Corporate Governance – Director Independence,” and “Corporate Governance – Review, Approval or Ratification of Transactions with Related Persons,” in our definitive proxy statement for our 2014 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2013.

**Item 14. Principal Accounting Fees and Services**

The information required by Item 14 is incorporated by reference to the information set forth under the caption “Audit Fees” in our definitive proxy statement for our 2014 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2013.



**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

*Financial Statement Schedules*

Financial statement schedules have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or accompanying notes.

*Exhibits*

The exhibits listed in the accompanying exhibit index are filed as part of this Annual Report on Form 10-K.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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 on February 20, 2014.

FISERV, INC.

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 20, 2014.

<u>Name</u>	<u>Capacity</u>
<u>/s/ Donald F. Dillon</u> Donald F. Dillon	Chairman of the Board
<u>/s/ Jeffery W. Yabuki</u> Jeffery W. Yabuki	Director, President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Thomas J. Hirsch</u> Thomas J. Hirsch	Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary (Principal Financial and Accounting Officer)
<u>/s/ Christopher M. Flink</u> Christopher M. Flink	Director
<u>/s/ Daniel P. Kearney</u> Daniel P. Kearney	Director
<u>/s/ Dennis F. Lynch</u> Dennis F. Lynch	Director
<u>/s/ Denis J. O'Leary</u> Denis J. O'Leary	Director
<u>/s/ Glenn M. Renwick</u> Glenn M. Renwick	Director
<u>/s/ Kim M. Robak</u> Kim M. Robak	Director
<u>/s/ Doyle R. Simons</u> Doyle R. Simons	Director
<u>/s/ Thomas C. Wertheimer</u> Thomas C. Wertheimer	Director

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>
2.1	Agreement and Plan of Merger, dated as of January 14, 2013, by and among Fiserv, Inc., Orlando Merger Sub, Inc., Harpoon Acquisition Corporation and Harpoon Holder Representative, LLC (1)
3.1	Restated Articles of Incorporation (2)
3.2	Amended and Restated By-laws (3)
4.1	Amended and Restated Credit Agreement, dated as of August 1, 2012, among Fiserv, Inc. and the financial institutions parties thereto (4)
4.2	Amendment No. 1 to Amended and Restated Credit Agreement, dated as of October 25, 2013, among Fiserv, Inc. and the financial institutions party thereto (5)
4.3	Loan Agreement, dated as of October 25, 2013, among Fiserv, Inc. and the financial institutions party thereto (5)
4.4	Indenture, dated as of November 20, 2007, by and among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (6)
4.5	Second Supplemental Indenture, dated as of November 20, 2007, among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (7)
4.6	Fifth Supplemental Indenture, dated as of September 21, 2010, among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (8)
4.7	Sixth Supplemental Indenture, dated as of September 21, 2010, among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (8)
4.8	Seventh Supplemental Indenture, dated as of June 14, 2011, among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (9)
4.9	Eighth Supplemental Indenture, dated as of June 14, 2011, among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (9)
4.10	Tenth Supplemental Indenture, dated as of September 25, 2012, among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (10)
	Pursuant to Item 601(b)(4)(iii) of Regulation S-K, the Company agrees to furnish to the Securities and Exchange Commission, upon request, any instrument defining the rights of holders of long-term debt that is not filed as an exhibit to this Form 10-K.
10.1	Fiserv, Inc. Stock Option and Restricted Stock Plan, as amended and restated*
10.2	Fiserv, Inc. Amended and Restated 2007 Omnibus Incentive Plan*
	Fiserv, Inc. Stock Option and Restricted Stock Plan Forms of Award Agreements
10.3	– Form of Amendment to Stock Option Agreement (11)*
10.4	– Form of Director Restricted Stock Agreement (12)*
10.5	– Form of Non-Qualified Stock Option Agreement for Outside Directors (12)*
10.6	– Form of Employee Non-Qualified Stock Option Agreement for Employee Directors (12)*
10.7	– Form of Employee Non-Qualified Stock Option Agreement for Senior Management (13)*
	Fiserv, Inc. Amended and Restated 2007 Omnibus Incentive Plan Forms of Award Agreements
10.8	– Form of Restricted Stock Agreement (Non-Employee Director) (14)*

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<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.9	– Form of Restricted Stock Agreement (Employee) (14)*
10.10	– Form of Restricted Stock Unit Agreement (Non-Employee Director) (15) *
10.11	– Form of Restricted Stock Unit Agreement (Employee) (15) *
10.12	– Form of Non-Qualified Stock Option Agreement (Non-Employee Director) (15)*
10.13	– Form of Stock Option Agreement (Employee) (15) *
10.14	– Form of Non-Qualified Stock Option Agreement (Special Equity Award 2008) (16)*
10.15	Amended and Restated Employment Agreement, dated December 22, 2008, between Fiserv, Inc. and Jeffery W. Yabuki (17)*
10.16	Amendment No. 1 to Amended and Restated Employment Agreement, dated February 26, 2009, between Fiserv, Inc. and Jeffery W. Yabuki (18)*
10.17	Amendment No. 2 to Amended and Restated Employment Agreement, dated December 30, 2009, between Fiserv, Inc. and Jeffery W. Yabuki (19)*
10.18	Amended and Restated Key Executive Employment and Severance Agreement, dated December 22, 2008, between Fiserv, Inc. and Jeffery W. Yabuki (17)*
10.19	Employee Non-Qualified Stock Option Agreement, dated December 1, 2005, between Fiserv, Inc. and Jeffery W. Yabuki (20)*
10.20	Employee Non-Qualified Stock Option Agreement, dated December 1, 2005, between Fiserv, Inc. and Jeffery W. Yabuki (20)*
10.21	Form of Amended and Restated Key Executive Employment and Severance Agreement, between Fiserv, Inc. and each of Mark Ernst, Rahul Gupta, Thomas Hirsch, Lynn McCreary, Steven Tait and Byron Vielehr (17)*
10.22	Employment Agreement, dated January 3, 2011, between Fiserv, Inc. and Mark A. Ernst (21)*
10.23	Employment Agreement, dated December 22, 2008, between Fiserv, Inc. and Rahul Gupta (15)*
10.24	Employment Agreement, dated October 27, 2009, between Fiserv, Inc. and Steven Tait (22)*
10.25	Amendment No. 1 to Employment Agreement, dated December 11, 2009, between Fiserv, Inc. and Steven Tait (22)*
10.26	Employment Agreement, dated February 23, 2010, between Fiserv, Inc. and Lynn S. McCreary (23)*
10.27	Amendment No. 1 to Employment Agreement, dated July 1, 2013, between Fiserv, Inc. and Lynn S. McCreary (23)*
10.28	Employment Agreement, dated November 7, 2013, between Fiserv, Inc. and Byron Vielehr*
10.29	Form of Non-Employee Director Indemnity Agreement (16)
10.30	Fiserv, Inc. Non-Employee Director Deferred Compensation Plan (16)*
10.31	Non-Employee Director Compensation Schedule (24)*
21.1	Subsidiaries of Fiserv, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

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<u>Exhibit Number</u>	<u>Exhibit Description</u>
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
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

\* This exhibit is a management contract or compensatory plan or arrangement.

\*\* Filed with this Annual Report on Form 10-K are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income for the years ended December 31, 2013, 2012 and 2011, (ii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2013, 2012 and 2011, (iii) the Consolidated Balance Sheets at December 31, 2013 and 2012, (iv) the Consolidated Statements of Shareholders' Equity for the years ended December 31, 2013, 2012 and 2011, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2013, 2012 and 2011, and (vi) Notes to Consolidated Financial Statements.

- (1) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on January 14, 2013, and incorporated herein by reference.
- (2) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on December 3, 2013, and incorporated herein by reference.
- (3) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 24, 2012, and incorporated herein by reference.
- (4) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on August 2, 2012, and incorporated herein by reference.
- (5) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on October 29, 2013, and incorporated herein by reference.
- (6) Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (File No. 333-147309) filed on November 13, 2007, and incorporated herein by reference.
- (7) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on November 20, 2007, and incorporated herein by reference.
- (8) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on September 21, 2010, and incorporated herein by reference.
- (9) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on June 14, 2011, and incorporated herein by reference.

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- (10) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on September 25, 2012, and incorporated herein by reference.
- (11) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on November 24, 2008, and incorporated herein by reference.
- (12) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on October 22, 2004, and incorporated herein by reference.
- (13) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on March 15, 2006, and incorporated herein by reference.
- (14) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 23, 2007, and incorporated herein by reference.
- (15) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 24, 2012, and incorporated herein by reference.
- (16) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 28, 2008, and incorporated herein by reference.
- (17) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on December 23, 2008, and incorporated herein by reference.
- (18) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 27, 2009, and incorporated herein by reference.
- (19) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on December 30, 2009, and incorporated herein by reference.
- (20) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on November 7, 2005, and incorporated herein by reference.
- (21) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 27, 2011, and incorporated herein by reference.
- (22) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 26, 2010, and incorporated herein by reference.
- (23) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on October 30, 2013, and incorporated herein by reference.
- (24) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on July 31, 2013, and incorporated herein by reference.

**AMENDED AND RESTATED STOCK OPTION AND RESTRICTED STOCK PLAN**  
**(as amended and restated as of December 2, 2013)**

Section 1. Purpose; Termination; Amendment and Restatement. The purpose of the Amended and Restated Fiserv, Inc. Stock Option and Restricted Stock Plan (the "Plan") is to promote the interest of Fiserv, Inc. (the "Company") and its Subsidiaries (the Company and each such Subsidiary being herein each referred to as a "Fiserv Group Company") by (a) providing an incentive to employees, and to directors who are not employees, of the Fiserv Group Companies which will attract, retain and motivate persons who are able to make important contributions to the Company's growth, profitability and long-term success, and (b) furthering the identity of interests of the Participants with those of the Company's shareholders through stock ownership opportunities. The Plan terminated when the Company's shareholders approved the Fiserv, Inc. 2007 Omnibus Incentive Plan (the "2007 Plan") on May 23, 2007, and no new Awards were permitted to be granted under the Plan thereafter. All Awards that had been granted under the Plan that were outstanding as of the date of the approval of the 2007 Plan continued to be governed by the Plan. The Plan is amended and restated effective as of December 2, 2013 (the "Restatement Date") to reflect the adjustments required as a result of the two-for-one split of the Common Stock effective as of the close of business on the Restatement Date (the "Stock Split") and to incorporate an amendment to Section 6.7 that was adopted on November 18, 2008. All share numbers in the Plan have been adjusted to reflect the Stock Split.

Section 2. Definitions. For purposes of this Plan, the following terms used herein shall have the following meanings, unless a different meaning is clearly required by the context.

- 2.1 "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.
- 2.2 "Award" shall mean any Option or Restricted Stock.
- 2.3 "Beneficial Owner" shall mean a Person who owns any securities and meets the criteria in any one of the following paragraphs:

(i) which such Person or any of such Person's Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, (A) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase, or (B) securities issuable upon exercise of preferred stock purchase rights issued pursuant to any shareholder rights arrangement that the Company may authorize in the future at any time before the issuance of such securities;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Act), including pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security under this clause (ii) as a result of an agreement, arrangement or understanding to vote such security if the agreement, arrangement or understanding: (A) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Act and (B) is not also then reportable on Schedule 13D under the Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has had any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in clause (ii) above) or disposing of any voting securities of the Company.

2.4 "Board of Directors" shall mean the Board of Directors of the Company.

2.5 "Change in Control of the Company" shall be deemed to have occurred if an event set forth in any one of the following paragraphs shall have occurred:

(i) any Person (other than (A) a Fiserv Group Company, (B) a trustee or other fiduciary holding securities under any employee benefit plan of a Fiserv Group Company, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company ("Excluded Persons") or (E) unless otherwise determined by the Board of Directors or the Committee, a Person which has acquired Common Stock in the ordinary course of business for investment purposes only and not with the purpose or effect of changing or influencing the control of the Company, or in connection with or as a participant in any transaction having such purpose or effect ("Investment Intent"), as demonstrated by the filing by such Person of a statement on Schedule 13G (including amendments thereto) pursuant to Regulation 13D under the Exchange Act, as long as such Person continues to hold such Common Stock with an Investment Intent) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates pursuant to express authorization by the Board of Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities; or



(ii) the following individuals cease for any reason to constitute a majority of the number of directors of the Company then serving: (A) individuals who, on February 11, 2003 constituted the Board of Directors and (B) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on February 11, 2003, or whose appointment, election or nomination for election was previously so approved (collectively the "Continuing Directors"); *provided, however*, that individuals who are appointed to the Board of Directors pursuant to or in accordance with the terms of an agreement relating to a merger, consolidation, or share exchange involving the Company (or any direct or indirect Subsidiary of the Company) shall not be Continuing Directors for purposes of this Agreement until after such individuals are first nominated for election by a vote of at least two-thirds (2/3) of the then Continuing Directors and are thereafter elected as directors by shareholders of the Company at a meeting of shareholders held following consummation of such merger, consolidation, or share exchange; *and, provided further*, that in the event the failure of any such persons appointed to the Board of Directors to be Continuing Directors results in a Change in Control of the Company, the subsequent qualification of such persons as Continuing Directors shall not alter the fact that a Change in Control of the Company occurred; or

(iii) the shareholders of the Company approve a merger, consolidation or share exchange of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect Subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (A) a merger, consolidation or share exchange which would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates after February 11, 2003, pursuant to express authorization by the Board of

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Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Common Stock or the Company or the combined voting power of the Company's then outstanding voting securities; or

(iv) the shareholders of the Company approve of a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 75% of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control of the Company" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to own, directly or indirectly, in the same proportions as their ownership in the Company, an entity that owns all or substantially all of the assets or voting securities of the Company immediately following such transaction or series of transactions.

- 2.6 "Code" shall mean the Internal Revenue Code of 1986, as amended.
- 2.7 "Committee" shall mean the committee of the Board of Directors referred to in Section 5 hereof.
- 2.8 "Common Stock" shall mean the Common Stock, \$.01 par value, of the Company.
- 2.9 "Non-Employee Director" shall mean a non-employee director, as defined in Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act").
- 2.10 "Option" shall mean any option to purchase Common Stock granted to a Participant pursuant to this Plan.
- 2.11 "Parent" shall mean a "parent corporation" as defined in Section 424(e) of the Code.
- 2.12 "Participant" shall mean a person to whom an Option or shares of Restricted Stock are granted under this Plan.
- 2.13 "Performance Goals" shall mean the targeted amounts of, or a combination of one or more of, earnings per share, revenue, net operating profit, return on equity and return on assets, measured in each case for the Performance Period for the Company, for any one or more Subsidiaries, and/or for any other

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business unit or units of the Company or any Subsidiary, as designated by the Committee at the time of selection. In fixing performance goals, the Committee may exclude the impact of any item, including any gains or losses from discontinued operations, any extraordinary gains or losses and the effects of accounting changes. In the case of Awards that the Committee determines will not be “performance-based compensation” under Section 162(m) of the Code, the Committee may establish other Performance Goals not listed in this Plan.

- 2.14 “Performance Period” shall mean any period for which a Performance Goal or Goals have been established with respect to an Option or a share of Restricted Stock; provided, however, that such period shall not be less than one year.
- 2.15 “Person” shall mean any individual, firm, partnership, corporation or other entity, including any successor (by merger or otherwise) of such entity, or a group of any of the foregoing acting in concert.
- 2.16 “Restricted Stock” shall mean any shares of Common Stock that are subject to a risk of forfeiture and/or restrictions on transfer granted to a Participant pursuant to this Plan.
- 2.17 “Subsidiary” shall mean a “subsidiary corporation”, as defined in Section 424(f) of the Code, of the Company.

Section 3. Eligible Participants. Awards may be granted hereunder to any employee of any Fiserv Group Company and to any Non-Employee Director. The Committee shall have the sole authority to select employees and the Board of Directors will have the sole authority to select Non-Employee Directors to whom Awards are to be granted hereunder.

Section 4. Common Stock Subject to the Plan: Special Limitations

- 4.1 The total number of shares of Common Stock that may be issued under the Plan following the Restatement Date shall not exceed in the aggregate 1,999,454 shares of Common Stock, which represents the total number of shares subject to outstanding Options under the Plan as of the Restatement Date. No other Awards were outstanding under the Plan as of the Restatement Date. Notwithstanding the foregoing, if the outstanding shares of Common Stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities by reason of any recapitalization, reclassification, stock split, reverse stock split, combination of shares, exchange of shares, stock dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), or other increase or decrease in those shares such that an adjustment is determined by the Committee to be appropriate, then the Committee may adjust the number of shares of Common Stock subject to this Plan and which thereafter may be the subject of Awards under this Plan under this Section 4.1 and the number of shares of Common Stock subject to the individual participant limits in this Section 4.1.

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- 4.2 The shares of Common Stock that may be subject to Awards granted under this Plan may be either authorized and unissued shares or shares reacquired at any time and now or hereafter held as treasury stock as the Board of Directors may determine.

Section 5. Administration of the Plan.

- 5.1 The Plan shall be administered by the Compensation Committee of the Board of Directors (the "Committee") which shall consist of not less than two directors. All members of the Committee shall be both Non-Employee Directors and "outside directors" within the meaning of Section 162(m) of the Code. The Committee shall be appointed from time to time by, and shall serve at the pleasure of the Board of Directors. A majority of the members of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present and the acts approved in writing by all members without a meeting shall be the acts of the Committee.
- 5.2 The Committee (the Board of Directors with respect to grants to Non-Employee Directors) shall have the sole authority and discretion to grant Awards under this Plan and to determine the terms and conditions of any such Award, including, without limitation, the sole authority and discretion (i) to select the persons who are to be granted Awards hereunder, (ii) to determine the times when Awards shall be granted, (iii) to determine the types of awards that shall be granted, (iv) to determine whether an Option granted to an employee will be an "incentive stock option" ("ISO") as defined in Section 422 of the Code, or "non-qualified stock options" ("NQSO"), (v) to establish the number of shares of Common Stock that may be issued under each Option and to establish the option price therefor, (vi) to determine the term of each Option, (vii) to determine the time and the conditions subject to which Options may be exercised in whole or in part, (viii) to determine the form of consideration that may be used to purchase shares of Common Stock upon exercise of any Option (including the circumstances under which the Company's issued and outstanding shares of Common Stock may be used by a Participant to exercise an Option), (ix) to determine whether to restrict the sale or other disposition of the shares of Common Stock acquired upon the exercise of an Option (including the circumstances under which shares of Common Stock acquired upon exercise of any Option may be subject to repurchase by the Company) and, if so, whether to waive any such restriction, (x) to accelerate the time when outstanding Options may be exercised, (xi) to determine the amount, if any, necessary to satisfy any Fiserv Group Company's obligation to withhold taxes or other amounts, (xii) to determine the fair market value of a share of Common Stock, (xiii) with the consent of the Participant, to cancel or modify an Option, provided, however, that such

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Option as modified would be permitted to be granted on the date of such modification under the terms of the Plan, (xiv) to determine the number of shares of Common Stock to which an award of Restricted Stock relates, (xv) to determine the length and terms of the restrictions on the transfer of shares of Restricted Stock, (xvi) to impose additional restrictions on shares of Restricted Stock, (xvii) to waive or accelerate the termination of any restriction on shares of Restricted Stock, and (xviii) to establish any other terms and conditions applicable to any Award and to make all other determinations relating to the Plan and Awards not inconsistent with the provisions of this Plan.

- 5.3 The Committee shall be authorized to interpret the Plan and may, from time to time, adopt such rules and regulations, not inconsistent with the provisions of the Plan, as it may deem advisable to carry out the purpose of this Plan.
- 5.4 The interpretation and construction by the Committee of any provision of the Plan, any Award granted hereunder or any option or restricted stock agreement evidencing any such Award shall be final and conclusive upon all parties. Any controversy or claim arising out of or relating to the Plan or any Award shall be determined unilaterally by the Committee, whose determination shall be final and conclusive upon all parties.
- 5.5 Members of the Committee may vote on any matter affecting the administration of the Plan or any agreement or the granting of Awards under the Plan.
- 5.6 All expenses and liabilities incurred by the Board of Directors (or the Committee) in the administration of the Plan shall be borne by the Company. The Board of Directors (or the Committee) may employ attorneys, consultants, accountants or other persons in connection with the administration of the Plan. The Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. No member or former member of the Board of Directors (or the Committee) shall be liable for any action, determination or interpretation taken or made in good faith with respect to the Plan or any Award or agreement hereunder.

Section 6. Terms and Conditions of Options. Subject to the Plan, the terms and conditions of each Option granted under the Plan shall be specified by the Committee (the Board of Directors with respect to grants to Non-Employee Directors) and shall be set forth in an option agreement between the Company and the Participant in such form as the Committee shall approve. Options to be issued to employees under the Plan may be ISO or NQSOs, but the Company makes no representation or warranty as to the qualification of any Option as an ISO under the Code. The terms and conditions of any Option granted hereunder need not be identical to those of any other Option granted hereunder.

The terms and conditions of each Option shall include the following:

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- 6.1 The option price shall be fixed by the Committee, provided, however, that in the case of an ISO, the option price may not be less than the fair market value of the shares of Common Stock subject to the Option on the date the Option is granted, and provided, further, however, that if at the time an ISO is granted, the Participant owns (or is deemed to own under Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries or a Parent, the option price of such ISO shall not be less than 110% of the fair market value of the Common Stock subject to such ISO on the date of grant. In addition, with respect to at least 95% of the number of shares of Common Stock for which Options may be granted under this Plan as of February 14, 2000, the option price may not be less than the fair market value of the shares of Common Stock subject to the Option on the date the Option is granted.
  - 6.2 Options shall not be transferable otherwise than by will or the laws of descent and distributions, and during a Participant's lifetime, an option shall be exercisable only by the Participant or the Participant's legal guardian.
  - 6.3 The Committee shall fix the term of all Options granted pursuant to the Plan (including the date on which such Option shall expire and the conditions under which it terminates earlier), provided, however, that the term of an ISO may not exceed ten years from the date such Option is granted, and provided, further, however, that if at the time an ISO is granted, the Participant owns (or is deemed to own under Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries or a Parent, the term of such ISO may not exceed five years from the date of grant. Each Option shall be exercisable in such amount or amounts, under such conditions, and at such times or intervals or in such installments as shall be determined by the Committee. The Committee may, in its sole discretion, establish a vesting provision for any Option relating to the time or the circumstances when the Option may be exercised by the Participant. Without limiting the generality of the foregoing, the Committee may grant Options which are contingent on the achievement of one or more Performance Goals during a specified Performance Period. The Committee shall determine the Performance Period, the Performance Goal or Goals (and the performance level or levels related thereto) to be achieved during any Performance Period, the proportion of vesting, if any, to be made for performance between the minimum and full performance levels for any Performance Goal and, if applicable, the relative percentage weighting given to each of the selected Performance Goals.
  - 6.4 Payment of the option price of an Option may be made in cash, with shares of Common Stock held by the Participant for more than six months prior to payment or otherwise in accordance with law as the Committee may determine from time to time.
  - 6.5 The aggregate fair market value (determined at the time the Option is granted) of the shares of Common Stock for which an eligible employee may

be granted ISOs under the Plan or any other plan of the Company, any of its Subsidiaries or a Parent which are exercisable for the first time by such employee during any calendar year shall not exceed \$100,000. Such limitation shall be applied by taking ISOs into account in the order in which they were granted. Any Option (or portion thereof) granted in excess of such amount shall be treated as an NQSO.

- 6.6 In no case may a fraction of a share of Common Stock be acquired pursuant to an Option granted under the Plan.
- 6.7 Options issued under this Plan will not be repriced, replaced or regranted through cancellation or by lowering the option price of a previously granted option, except (a) as permitted by Section 9; or (b) with prior approval of the Company's shareholders, but only in connection with a transaction which is considered the grant of a new Option for purposes of Section 409A of the Code, and provided that the new option price is not less than the Fair Market Value of a Share on the new grant date.

Section 7. Terms and Conditions of Restricted Stock. Subject to the Plan, the terms and conditions of each award of Restricted Stock granted under the Plan shall be specified by the Committee (the Board of Directors with respect to grants to Non-Employee Directors) and shall be set forth in a restricted stock agreement between the Company and the Participant in such form as the Committee shall approve. The terms and conditions of any share of Restricted Stock awarded hereunder need not be identical to those of any other shares of Restricted Stock awarded hereunder.

The terms and conditions of each award of Restricted Stock shall include the following:

- 7.1 Shares of Restricted Stock shall not be transferable otherwise than by will or the laws of descent and distributions. Shares of Restricted Stock granted to Participants shall be subject to such additional restrictions as the Committee or the Board may impose (including, without limitation, any limitation on the right to vote a share of Restricted Stock or the right to receive any dividend or other right or property), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. Without limiting the generality of the foregoing, the Committee may grant shares of Restricted Stock which are contingent on the achievement of one or more Performance Goals during a specified Performance Period. The Committee shall determine the Performance Period, the Performance Goal or Goals (and the performance level or levels related thereto) to be achieved during any Performance Period, the proportion of forfeiture to be made for performance between the minimum and full performance levels for any Performance Goal and, if applicable, the relative percentage weighting given to each of the selected Performance Goals.
- 7.2 Any Restricted Stock granted under the Plan to a Participant may be evidenced in such manner as the Committee or the Board may deem

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appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of Restricted Stock granted under the Plan to a Participant, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend (as determined by the Committee) referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

- 7.3. At the end of the applicable restriction period relating to Restricted Stock granted to a Participant, one or more stock certificates for the appropriate number of shares of Common Stock, free of restrictions imposed under the Plan, shall be delivered to the Participant, or, if the Participant received stock certificates representing the Restricted Stock at the time of grant, the legends placed on such certificates shall be removed.
- 7.4. In no case may a fraction of a share of Restricted Stock be awarded pursuant to the Plan.

Section 8. Withholding. In the event that any Fiserv Group Company is required to withhold any Federal, state or local taxes or other amounts in respect of any income realized by the Participant in respect of an Award granted under this Plan, in respect of any shares acquired pursuant to the exercise of an Option or in respect of the disposition of an Award or any shares acquired pursuant to the exercise of an Option, the Company may deduct (or require the Fiserv Group Company to deduct) from any payments of any kind otherwise due to such Participant cash or with the consent of the Committee (in the stock option agreement, restricted stock agreement or otherwise) shares of Common Stock with a fair value equal to the aggregate amount of such Federal, state or local taxes and other amounts required to be so withheld. Alternatively, the Company may require such Participant to pay to the Company in cash, promptly on demand, or make other arrangements satisfactory to the Company regarding payment to the Company of, the aggregate amount of any such taxes and other amounts.

Section 9. Effect of Changes in Capitalization or Change of Control.

- 9.1 Changes in Stock. If the outstanding shares of Common Stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in those shares effected without receipt of consideration by the Company occurring after the date an Award is granted, a proportionate and appropriate adjustment will be made by the Company in the number and kind of shares subject to the Award, so that the proportionate interest of the Participant immediately following that, to the extent practicable, will be the same as immediately prior to that event. Any such adjustment to an Option will not change the total exercisable price with respect to shares subject to the unexercisable portion of the Option but will include a corresponding proportionate adjustment in the exercise price per share. In the event of any distribution to the Company's shareholders of securities of any other entity or



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other assets (other than dividends payable in cash or stock of the Company) without receipt of consideration by the Company, the Company, in the manner the Board of Directors or the Committee deems appropriate, (a) will adjust (i) the number and kind of shares subject to the Option and/or (ii) the exercise price of the Option to reflect that distribution and (b) provide that the holders of Restricted Stock receive their proportionate share of such distributed assets (provided that such assets may be subject to such restrictions as the Board of Directors or the Committee deem appropriate).

9.2 Reorganization in Which the Company is the Surviving Company. Subject to Subsection 9.3, if the Company is the surviving Company in any reorganization, merger, or consolidation of the Company with one or more other companies or other entities, each Award will pertain to and apply to the securities to which a holder of the number of shares of stock subject to the Award would have been entitled immediately following that reorganization, merger or consolidation; provided that there shall be a corresponding proportionate adjustment of each Option's exercise price per share so that the aggregate exercise price after that event will be the same as the aggregate exercise price of the shares remaining subject to the Option immediately before that reorganization, merger, or consolidation.

9.3 Change of Control. If a Change in Control of the Company occurs, the Board of Directors may, with respect to Options, (i) make provisions for the continuation of each Option, (ii) reach an agreement with the acquiring or surviving entity that the acquiring or surviving entity will assume the obligation of the Company under each Option, (iii) reach an agreement with the acquiring or surviving entity that the acquiring or surviving entity will convert each Option into an option of at least equal value, determined as of the date of the transaction, to purchase stock of the acquiring or surviving entity, (iv) terminate all Options outstanding under the Plan effective at the date of the applicable transaction and, within 60 days after the date of the applicable transaction, make a cash payment to each Participant equal to the difference between the exercise price of the Participant's Option and the fair market value, as of the date of the applicable transaction, of the shares subject to the Option (all of which shall be vested as of the date of the applicable transaction) or (v) vest all shares subject to the Options and allow them to be immediately exercisable at least 30 days immediately prior to the date of the applicable transaction. The Board of Directors must determine that any such modification in clause (i), (ii) or (iii) above does not have a substantial adverse economic impact on the Participant, as determined at the time of the transaction.

Further, if a Change in Control of the Company occurs, the Board of Directors may, with respect to shares of Restricted Stock, (i) make provisions for the continuation of each Award of Restricted Stock, (ii) reach an agreement with the acquiring or surviving entity that the acquiring or surviving entity will convert each share of Restricted Stock into shares, or fractions of a share, of stock of the acquiring or surviving entity (which

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shares may be subject to restrictions substantially similar to restrictions on the Restricted Stock) at least equal value (without deduction for any restrictions on such shares of Restricted Stock), determined as of the date of the transaction, or (iii) vest all Awards of shares of Restricted Stock and terminate any restrictions thereon at least 30 days immediately prior to the date of the applicable transaction. The Board of Directors must determine that any such modification in clause (i) or (ii) above does not have a substantial adverse economic impact on the Participant, as determined at the time of the transaction.

9.4 Adjustments. Adjustments required by this Section relating to the Common Stock will be made by the Board of Directors, whose determination in that respect will be final, binding and conclusive. No fractional shares of Common Stock will be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share.

Section 10. Effect of the Plan on Employment Relationship. Neither this Plan nor any Award granted hereunder shall be construed as conferring upon any Participant any right to continue in the employ of any Fiserv Group Company or limit in any respect any right of any Fiserv Group Company to terminate such Participant's employment at any time without liability, or to continue as a Non-Employee Director.

Section 11. Amendment of the Plan. The Board of Directors may amend or restate the Plan from time to time as it deems desirable, provided, however, that, without the approval of the Company's shareholders, the Board of Directors may not (a) increase the maximum number of shares of Common Stock that may be subject to Awards under this Plan (other than increases due to adjustment in accordance with Section 9 hereof), (b) materially increase the benefits accruing to participants under the Plan, (c) change the eligibility requirements to receive Awards hereunder or (d) make any change for which applicable law or rules of the Nasdaq Global Select Market require shareholder approval.

Section 12. Termination of the Plan. The Board of Directors may terminate the Plan at any time. No Award may be granted hereunder after termination of the Plan. No ISO may be granted under the Plan more than ten years after the date on which the Plan was adopted. The termination or amendment of the Plan shall not alter or impair any rights or obligations under any Award theretofore granted under the Plan, without the consent of the Participant.

Section 13. Effective Date of the Plan. This Plan, as amended and restated, will become effective on the date on which it is approved by the Board of Directors, subject to the approval by the Company's shareholders. No Award granted under this Plan, as amended and restated, may be exercised or may vest prior to such approval, provided, however, that the date of grant of any Award shall be determined as if the Plan had not been subject to such approval. Notwithstanding the foregoing, if this Plan, as amended and restated, is not approved by a vote of shareholders within 12 months after it is adopted by the Board of Directors, subject to the approval by the Company's shareholders, this Plan, as amended and restated, shall be null and void, the Plan as in effect prior to such amendment and restatement shall continue in full force and effect and any Awards granted pursuant to this Plan, as amended and restated, shall terminate.

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Section 14. Governing Law. This Plan, the Awards and all related matters shall be governed by, and construed in accordance with, the laws of the State of Wisconsin, without regard to choice of law provisions. Neither the Plan nor any agreement pursuant to the Plan shall be construed or interpreted with any presumption against any Fiserv Group Company by reason of the Fiserv Group Company having drafted or adopted the Plan or agreement. The invalidity, illegality or unenforceability of any provision in the Plan or in any agreement pursuant to the Plan shall not affect the validity, legality or enforceability of any other provision, all of which shall be valid, legal and enforceable to the fullest extent permitted by applicable law.

**FISERV, INC.**  
**AMENDED AND RESTATED 2007 OMNIBUS INCENTIVE PLAN**

**1. Purpose and Effective Date.**

(a) **Purpose.** The Fiserv, Inc. 2007 Omnibus Incentive Plan has two complementary purposes: (i) to attract and retain outstanding individuals to serve as officers, directors, employees and consultants; and (ii) to increase shareholder value. The Plan will provide participants incentives to increase shareholder value by offering the opportunity to acquire shares of the Company's common stock, receive monetary payments based on the value of such common stock, or receive other incentive compensation, on the potentially favorable terms that this Plan provides.

(b) **Effective Date.** This Plan became effective on May 23, 2007, the date that the Plan was initially approved by the Company's shareholders (the **Effective Date**). Upon approval of this Plan, the Fiserv, Inc. Stock Option and Restricted Stock Plan terminated on the Effective Date and the Fiserv, Inc. Executive Incentive Compensation Plan terminated on December 31, 2007, and no new awards may be granted under such plans after their respective termination dates; provided that each such plan shall continue to govern awards outstanding as of the date of such plan's termination and such awards shall continue in force and effect until terminated pursuant to their terms. This Plan was amended and restated effective on May 22, 2013, the date that the amendment and restatement of the Plan was approved by the Company's shareholders. The Plan was further amended and restated effective as of December 2, 2013 (the **Restatement Date**) to make the adjustments required by the Plan as a result of the two-for-one split of the Stock effective as of the close of business on the Restatement Date (the **Stock Split**). All Share numbers in the Plan have been adjusted to reflect the Stock Split.

**2. Definitions.** Capitalized terms used in this Plan have the following meanings:

(a) **Administrator** means the Committee with respect to employee Participants and the Board with respect to Director Participants.

(b) **Affiliate** and **Associate** shall have the respective meanings ascribed to such terms in Rule 12b-2 under the Exchange Act. Notwithstanding the foregoing, for purposes of determining those individuals to whom an Option or Stock Appreciation Right may be granted, the term **Affiliate** means any entity that, directly or through one or more intermediaries, is controlled by, controls, or is under common control with the Company within the meaning of Code Sections 414(b) or (c); provided that, in applying such provisions, the phrase "at least 20 percent" shall be used in place of "at least 80 percent" each place it appears therein.

(c) **Award** means a grant of Options, Stock Appreciation Rights, Performance Shares, Performance Units, Restricted Stock, Restricted Stock Units, Dividend Equivalent Units, an Annual Incentive Award, a Long-Term Incentive Award, or any other type of award permitted under the Plan.

(d) **Beneficial Owner** means a Person who owns any securities

(i) which such Person or any of such Person's Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, (A) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase, or (B) securities issuable upon exercise of preferred stock purchase rights issued pursuant to any stock purchase rights that the Company may authorize and issue in the future, at any time before the issuance of such securities; or

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security

under this clause (ii) as a result of an agreement, arrangement or understanding to vote such security if the agreement, arrangement or understanding: (A) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Act and (B) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has had any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in clause (ii) above) or disposing of any voting securities of the Company.

(e) **"Board"** means the Board of Directors of the Company.

(f) **"Cause"** means, except as otherwise determined by the Administrator and set forth in an Award agreement: (i) if a Participant is subject to an employment, retention or similar agreement with the Company or an Affiliate that includes a definition of "Cause," such definition; and (ii) for all other Participants, (A) conviction of a felony or a plea of no contest to a felony, (B) willful misconduct that is materially and demonstrably detrimental to the Company or an Affiliate, (C) willful refusal to perform duties consistent with a Participant's office, position or status with the Company or an Affiliate (other than as a result of physical or mental disability) after being requested to do so by a person or body with the authority to make such request, or (D) other conduct or inaction that the Administrator determines in its discretion constitutes Cause.

(g) **"Change of Control"** means the occurrence of any of the following events:

(i) any Person (other than (A) the Company or its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of the Company or its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company ("Excluded Persons") or (E) unless otherwise determined by the Board or the Committee, a Person which has acquired Stock in the ordinary course of business for investment purposes only and not with the purpose or effect of changing or influencing the control of the Company, or in connection with or as a participant in any transaction having such purpose or effect ("Investment Intent"), as demonstrated by the filing by such Person of a statement on Schedule 13G (including amendments thereto) pursuant to Regulation 13D under the Exchange Act, as long as such Person continues to hold such Stock with an Investment Intent) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates pursuant to express authorization by the Board of Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Stock of the Company or the combined voting power of the Company's then outstanding voting securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors of the Company then serving: (A) individuals who, on the Effective Date, constituted the Board of Directors; and (B) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved (collectively the "Continuing Directors"); provided, however, that individuals who are appointed to the Board of Directors pursuant to or in accordance with the terms of an agreement relating to a merger, consolidation, or share exchange involving the Company (or any direct or indirect Subsidiary of the Company) shall not be Continuing Directors for purposes of this Agreement until after such individuals are first nominated for election by a vote of at least two-thirds (2/3) of the then Continuing Directors and are thereafter elected as directors by shareholders of the Company at a meeting of shareholders held following consummation of such merger, consolidation, or share exchange; provided further, that in the event the failure of any such persons appointed to the Board of Directors to be Continuing Directors results in a Change in Control, the subsequent qualification of such persons as Continuing Directors shall not alter the fact that a Change in Control occurred; or

(iii) a merger, consolidation or share exchange of the Company with any other corporation is consummated or voting securities of the Company are issued in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (A) a merger, consolidation or share exchange which results in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after the Effective Date, pursuant to express authorization by the Board of Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Stock or the Company or the combined voting power of the Company's then outstanding voting securities; or

(iv) a plan of complete liquidation or dissolution of the Company is effected or there is a sale or disposition by the Company of all or substantially all of the Company's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 75% of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control of the Company" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the holders of the Stock of the Company immediately prior to such transaction or series of transactions continue to own, directly or indirectly, in the same proportions as their ownership in the Company, an entity that owns all or substantially all of the assets or voting securities of the Company immediately following such transaction or series of transactions.

If an Award is considered deferred compensation subject to the provisions of Code Section 409A, and if a payment under such Award is triggered upon a "Change of Control," then the foregoing definition shall be deemed amended as necessary to comply with Code Section 409A, and the Administrator may include such amended definition in the Award agreement issued with respect to such Award.

(h) "**Code**" means the Internal Revenue Code of 1986, as amended. Any reference to a specific provision of the Code includes any successor provision and the regulations promulgated under such provision.

(i) "**Committee**" means the Compensation Committee of the Board (or a successor committee with the same or similar authority).

(j) "**Company**" means Fiserv, Inc., a Wisconsin corporation, or any successor thereto.

(k) "**Director**" means a member of the Board, and "Non-Employee Director" means a Director who is not also an employee of the Company or its Subsidiaries.

(l) "**Disability**" has the meaning given in Code Section 22(e)(3), except as otherwise determined by the Administrator and set forth in an Award agreement. The Administrator shall make the determination of Disability and may request such evidence of disability as it reasonably determines.

(m) "**Dividend Equivalent Unit**" means the right to receive a payment, in cash or Shares, equal to the cash dividends or other distributions paid with respect to a Share.

(n) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended. Any reference to a specific provision of the Exchange Act includes any successor provision and the regulations and rules promulgated under such provision.

(o) “**Fair Market Value**” means, per Share on a particular date: (i) the last sales price on such date on the Nasdaq Global Select Market, as reported on www.nasdaq.com, or if no sales of Stock occur on the date in question, on the last preceding date on which there was a sale on such market; (ii) if the Shares are not listed on the Nasdaq Global Select Market, but are traded on another national securities exchange or in an over-the-counter market, the last sales price (or, if there is no last sales price reported, the average of the closing bid and asked prices) for the Shares on the particular date, or on the last preceding date on which there was a sale of Shares on that exchange or market; or (iii) if the Shares are neither listed on a national securities exchange nor traded in an over-the-counter market, the price determined by the Administrator.

(p) “**Incentive Award**” means the right to receive a cash payment to the extent Performance Goals are achieved, and shall include “Annual Incentive Awards” as described in Section 10 and “Long-Term Incentive Awards” as described in Section 11.

(q) “**Option**” means the right to purchase Shares at a stated price for a specified period of time.

(r) “**Participant**” means an individual selected by the Administrator to receive an Award.

(s) “**Performance Goals**” means any goals the Administrator establishes that relate to one or more of the following with respect to the Company or any one or more of its Subsidiaries, Affiliates or other business units: net sales; cost of sales; revenue; gross income; net income; operating income; income from continuing operations; earnings (including before taxes, and/or interest and/or depreciation and amortization); earnings per share (including diluted earnings per share); price per share; cash flow; net cash provided by operating activities; net cash provided by operating activities less net cash used in investing activities; net operating profit; ratio of debt to debt plus equity; return on shareholder equity; return on capital; return on assets; operating working capital; average accounts receivable; economic value added; customer satisfaction; operating margin; profit margin; sales performance; sales quota attainment; new sales; cross/integrated sales; client engagement; client acquisition; net promoter score; internal revenue growth; and client retention. As to each Performance Goal, the relevant measurement of performance shall be computed in accordance with generally accepted accounting principles, if applicable; provided that, the Administrator may, at the time of establishing the Performance Goal(s), exclude the effects of (i) extraordinary, unusual and/or non-recurring items of gain or loss, (ii) gains or losses on the disposition of a business, (iii) changes in tax or accounting regulations or laws, or (iv) the effect of a merger or acquisition. In the case of Awards that the Administrator determines will not be considered “performance based compensation” under Code Section 162(m), the Administrator may establish other Performance Goals not listed in this Plan. Where applicable, the Performance Goals may be expressed, without limitation, in terms of attaining a specified level of the particular criterion or the attainment of an increase or decrease (expressed as absolute numbers or a percentage) in the particular criterion or achievement in relation to a peer group or other index. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be paid (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur).

(t) “**Performance Shares**” means the right to receive Shares to the extent Performance Goals are achieved.

(u) “**Performance Unit**” means the right to receive a payment valued in relation to a unit that has a designated dollar value or the value of which is equal to the Fair Market Value of one or more Shares, to the extent Performance Goals are achieved.

(v) “**Person**” has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof.

(w) “**Plan**” means this Amended and Restated Fiserv, Inc. 2007 Omnibus Incentive Plan, as may be amended from time to time.

(x) “**Restricted Stock**” means a Share that is subject to a risk of forfeiture or restrictions on transfer, or both a risk of forfeiture and restrictions on transfer.

(y) “**Restricted Stock Unit**” means the right to receive a payment equal to the Fair Market Value of one Share.

(z) “**Retirement**” means, except as otherwise determined by the Administrator and set forth in an Award agreement, with respect to employee Participants, termination of employment from the Company and its Affiliates (for other than Cause): (i) on or after attainment of age fifty-five (55) and completion of twenty-five (25) years of service with the Company and its Affiliates; (ii) on or after attainment of age sixty-two (62) and completion of ten (10) years of service with the Company and its Affiliates; or (iii) on or after attainment of age sixty-five (65); provided that, with respect to Director Participants, “Retirement” means the Director’s resignation or failure to be re-elected on or after attainment of age sixty-two (62) and completion of six (6) years of service with the Company as a director.

(aa) “**Section 16 Participants**” means Participants who are subject to the provisions of Section 16 of the Exchange Act.

(bb) “**Share**” means a share of Stock.

(cc) “**Stock**” means the Common Stock of the Company, par value of \$0.01 per share.

(dd) “**Stock Appreciation Right**” or “**SAR**” means the right to receive a payment equal to the appreciation of the Fair Market Value of a Share during a specified period of time.

(ee) “**Subsidiary**” means any corporation, limited liability company or other limited liability entity in an unbroken chain of entities beginning with the Company if each of the entities (other than the last entities in the chain) owns the stock or equity interest possessing more than fifty percent (50%) of the total combined voting power of all classes of stock or other equity interests in one of the other entities in the chain.

### 3. Administration.

(a) **Administration.** In addition to the authority specifically granted to the Administrator in this Plan, the Administrator has full discretionary authority to administer this Plan, including but not limited to the authority to: (i) interpret the provisions of this Plan, (ii) prescribe, amend and rescind rules and regulations relating to this Plan, (iii) correct any defect, supply any omission, or reconcile any inconsistency in any Award or agreement covering an Award in the manner and to the extent it deems desirable to carry this Plan into effect, and (iv) make all other determinations necessary or advisable for the administration of this Plan. All Administrator determinations shall be made in the sole discretion of the Administrator and are final and binding on all interested parties.

(b) **Delegation to Other Committees or Officers.** To the extent applicable law permits, the Board may delegate to another committee of the Board, or the Committee may delegate to one or more officers of the Company, any or all of their respective authority and responsibility as an Administrator of the Plan; provided that no such delegation is permitted with respect to Stock-based Awards made to Section 16 Participants at the time any such delegated authority or responsibility is exercised unless the delegation is to another committee of the Board consisting entirely of Non-Employee Directors. If the Board or the Committee has made such a delegation, then all references to the Administrator in this Plan include such other committee or one or more officers to the extent of such delegation.

(c) **Indemnification.** The Company will indemnify and hold harmless each member of the Board and the Committee, and each officer or member of any other committee to whom a delegation under Section 3(b) has been made, as to any acts or omissions with respect to this Plan or any Award to the maximum extent that the law and the Company’s by-laws permit.

4. **Eligibility.** The Administrator may designate any of the following as a Participant from time to time, to the extent of the Administrator’s authority: any officer or other employee of the Company or its Affiliates; an individual that the Company or an Affiliate has engaged to become an officer or employee; a consultant



who provides services to the Company or its Affiliates; or a Director, including a Non-Employee Director. The Administrator's granting of an Award to a Participant will not require the Administrator to grant an Award to such individual at any future time. The Administrator's granting of a particular type of Award to a Participant will not require the Administrator to grant any other type of Award to such individual.

5. **Types of Awards.** Subject to the terms of this Plan, the Administrator may grant any type of Award to any Participant it selects, but only employees of the Company or a Subsidiary may receive grants of incentive stock options within the meaning of Code Section 422. Awards may be granted alone or in addition to, in tandem with, or in substitution for any other Award (or any other award granted under another plan of the Company or any Affiliate).

6. **Shares Reserved under this Plan.**

(a) **Plan Reserve.** Subject to adjustment as provided in Section 17, an aggregate of 33,406,738 Shares are reserved for issuance under this Plan after the Restatement Date, representing the number of Shares remaining available for future grants of Awards on the Restatement Date plus the number of Shares subject to outstanding Awards on the Restatement Date. The Shares reserved for issuance may be either authorized and unissued Shares or shares reacquired at any time and now or hereafter held as treasury stock.

(b) **Aggregate Award Limits.** Subject to adjustment as provided in Section 17, the Company may issue only an aggregate of 5,000,000 Shares upon the exercise of incentive stock options after the Restatement Date and may issue only an aggregate of 22,616,402 Shares pursuant to "full-value awards" after the Restatement Date. For this purpose, a full-value award includes Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units (valued in relation to a Share), Dividend Equivalent Units, and any other similar Award under which the value of the Award is measured as the full value of a Share, rather than the increase in the value of a Share.

(c) **Replenishment of Shares Under this Plan.** The aggregate number of Shares reserved under Section 6(a) shall be depleted by the number of Shares with respect to which an Award is granted. If, however, an Award lapses, expires, terminates or is cancelled without the issuance of Shares under the Award, or if Shares are forfeited under an Award, or if Shares are issued under any Award and the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares may again be used for new Awards under this Plan under Section 6(a) and Section 6(b), but such Shares may not be issued pursuant to incentive stock options.

(d) **Participant Limitations.** Subject to adjustment as provided in Section 17, no Participant may be granted Awards that could result in such Participant:

- (i) receiving Options for, and/or Stock Appreciation Rights with respect to, more than 1,000,000 Shares during any fiscal year of the Company;
- (ii) receiving Awards of Restricted Stock and/or Restricted Stock Units relating to more than 240,000 Shares during any fiscal year of the Company;
- (iii) receiving Awards of Performance Shares, and/or Awards of Performance Units the value of which is based on the Fair Market Value of Shares, for more than 240,000 Shares during any fiscal year of the Company;
- (iv) receiving Awards of Performance Units, the value of which is not based on the Fair Market Value of Shares, for more than \$3,000,000 during any fiscal year of the Company;
- (v) receiving other Stock-based Awards pursuant to Section 13 relating to more than 240,000 Shares during any fiscal year of the Company;
- (vi) receiving an Annual Incentive Award in any single fiscal year of the Company that would pay more than \$3,000,000; or

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(vii) receiving a Long-Term Incentive Award in any single fiscal year of the Company that would pay more than \$6,000,000.

In all cases, determinations under this Section 6(d) should be made in a manner that is consistent with the exemption for performance based compensation that Code Section 162(m) provides.

**7. Options.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each Option, including but not limited to: (i) whether the Option is an “incentive stock option” which meets the requirements of Code Section 422, or a “nonqualified stock option” which does not meet the requirements of Code Section 422; (ii) the number of Shares subject to the Option; (iii) the exercise price, which may not be less than the Fair Market Value of the Shares subject to the Option as determined on the date of grant; (iv) the terms and conditions of exercise; and (v) the term, except that an Option must terminate no later than ten (10) years after the date of grant. In all other respects, the terms of any incentive stock option should comply with the provisions of Code section 422 except to the extent the Administrator determines otherwise. If an Option that is intended to be an incentive stock option fails to meet the requirements thereof, the Option shall automatically be treated as a nonqualified stock option to the extent of such failure.

**8. Stock Appreciation Rights.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each SAR, including but not limited to: (a) whether the SAR is granted independently of an Option or relates to an Option; (b) the number of Shares to which the SAR relates; (c) the grant price, provided that the grant price shall not be less than the Fair Market Value of the Shares subject to the SAR as determined on the date of grant; (d) the terms and conditions of exercise or maturity; (e) the term, provided that an SAR must terminate no later than ten (10) years after the date of grant; and (f) whether the SAR will be settled in cash, Shares or a combination thereof. If an SAR is granted in relation to an Option, then unless otherwise determined by the Administrator, the SAR shall be exercisable or shall mature at the same time or times, on the same conditions and to the extent and in the proportion, that the related Option is exercisable and may be exercised or mature for all or part of the Shares subject to the related Option. Upon exercise of any number of SAR, the number of Shares subject to the related Option shall be reduced accordingly and such Option may not be exercised with respect to that number of Shares. The exercise of any number of Options that relate to an SAR shall likewise result in an equivalent reduction in the number of Shares covered by the related SAR.

**9. Performance and Stock Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units, including but not limited to: (a) the number of Shares and/or units to which such Award relates; (b) whether, as a condition for the Participant to realize all or a portion of the benefit provided under the Award, one or more Performance Goals must be achieved during such period as the Administrator specifies; (c) whether the restrictions imposed on Restricted Stock or Restricted Stock Units shall lapse, and all or a portion of the Performance Goals subject to an Award shall be deemed achieved, upon a Participant’s death, Disability or Retirement; (d) with respect to Performance Units, whether to measure the value of each unit in relation to a designated dollar value or the Fair Market Value of one or more Shares; and (e) with respect to Restricted Stock Units and Performance Units, whether to settle such Awards in cash, in Shares, or a combination thereof.

**10. Annual Incentive Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of an Annual Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, and the timing of payment, subject to the following: (a) the Administrator must require that payment of all or any portion of the amount subject to the Annual Incentive Award is contingent on the achievement of one or more Performance Goals during the period the Administrator specifies, although the Administrator may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved upon a Participant’s death, Disability or Retirement, or such other circumstances as the Administrator may specify; and (b) the performance period must relate to a period of one fiscal year of the Company except that, if the Award is made in the year this Plan becomes effective, at the time of commencement of employment with the Company or on the occasion of a promotion, then the Award may relate to a period shorter than one fiscal year.

11. **Long-Term Incentive Awards.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of a Long-Term Incentive Award, including but not limited to the Performance Goals, performance period, the potential amount payable, and the timing of payment, subject to the following: (a) the Administrator must require that payment of all or any portion of the amount subject to the Long-Term Incentive Award is contingent on the achievement of one or more Performance Goals during the period the Administrator specifies, although the Administrator may specify that all or a portion of the Performance Goals subject to an Award are deemed achieved upon a Participant's death, Disability or Retirement, or such other circumstances as the Administrator may specify; and (b) the performance period must relate to a period of more than one fiscal year of the Company.

12. **Dividend Equivalent Units.** Subject to the terms of this Plan, the Administrator will determine all terms and conditions of each award of Dividend Equivalent Units, including but not limited to whether: (a) such Award will be granted in tandem with another Award; (b) payment of the Award be made currently or credited to an account for the Participant which provides for the deferral of such amounts until a stated time; and (c) the Award will be settled in cash or Shares; provided that any Dividend Equivalent Units granted in connection with an Option, Stock Appreciation Right or other "stock right" within the meaning of Code Section 409A shall be set forth in a written arrangement that is separate from such Award, and to the extent the payment of such dividend equivalents is considered deferred compensation, such written arrangement shall comply with the provisions of Code Section 409A.

13. **Other Stock-Based Awards.** Subject to the terms of this Plan, the Administrator may grant to Participants other types of Awards, which may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, Shares, either alone or in addition to or in conjunction with other Awards, and payable in Stock or cash. Without limitation, such Award may include the issuance of shares of unrestricted Stock, which may be awarded in payment of director fees, in lieu of cash compensation, in exchange for cancellation of a compensation right, as a bonus, or upon the attainment of Performance Goals or otherwise, or rights to acquire Stock from the Company. The Administrator shall determine all terms and conditions of the Award, including but not limited to, the time or times at which such Awards shall be made, and the number of Shares to be granted pursuant to such Awards or to which such Award shall relate; provided that any Award that provides for purchase rights shall be priced at 100% of Fair Market Value on the date of the Award.

14. **Transferability.** Awards are not transferable other than by will or the laws of descent and distribution, unless and to the extent the Administrator allows a Participant to: (a) designate in writing a beneficiary to exercise the Award or receive payment under an Award after the Participant's death; or (b) transfer an Award for no consideration.

**15. Termination and Amendment of Plan; Amendment, Modification or Cancellation of Awards**

(a) **Term of Plan.** Unless the Board earlier terminates this Plan pursuant to Section 15(b), this Plan will terminate when all Shares reserved for issuance have been issued. If the term of this Plan extends beyond ten (10) years from the Effective Date, no incentive stock options may be granted after such time unless the shareholders of the Company have approved an extension of this Plan.

(b) **Termination and Amendment.** The Board or the Committee may amend, alter, suspend, discontinue or terminate this Plan at any time, subject to the following limitations:

(i) the Board must approve any amendment of this Plan to the extent the Company determines such approval is required by: (A) action of the Board, (B) applicable corporate law, or (C) any other applicable law;

(ii) shareholders must approve any amendment of this Plan to the extent the Company determines such approval is required by: (A) Section 16 of the Exchange Act, (B) the Code, (C) the listing requirements of any principal securities exchange or market on which the Shares are then traded, or (D) any other applicable law; and

(iii) shareholders must approve any of the following Plan amendments: (A) an amendment to materially increase any number of Shares specified in Section 6(a) or the limits set forth in Section 6(d) (except as permitted by Section 17), or (B) an amendment that would diminish the protections afforded by Section 15(e).

(c) **Amendment, Modification or Cancellation of Awards** Except as provided in Section 15(e) and subject to the requirements of this Plan, the Administrator may modify, amend or cancel any Award, or waive any restrictions or conditions applicable to any Award or the exercise of the Award; provided that any modification or amendment that materially diminishes the rights of the Participant, or the cancellation of the Award, shall be effective only if agreed to by the Participant or any other person(s) as may then have an interest in the Award, but the Administrator need not obtain Participant (or other interested party) consent for the adjustment or cancellation of an Award pursuant to the provisions of Section 17 or the modification of an Award to the extent deemed necessary to comply with any applicable law, the listing requirements of any principal securities exchange or market on which the Shares are then traded, or to preserve favorable accounting or tax treatment of any Award for the Company. Notwithstanding the foregoing, unless determined otherwise by the Administrator, any such amendment shall be made in a manner that will enable an Award intended to be exempt from Code Section 409A to continue to be so exempt, or to enable an Award intended to comply with Code Section 409A to continue to so comply.

(d) **Survival of Authority and Awards.** Notwithstanding the foregoing, the authority of the Board and the Administrator under this Section 15 and to otherwise administer the Plan will extend beyond the date of this Plan's termination. In addition, termination of this Plan will not affect the rights of Participants with respect to Awards previously granted to them, and all unexpired Awards will continue in force and effect after termination of this Plan except as they may lapse or be terminated by their own terms and conditions.

(e) **Repricing and Backdating Prohibited.** Notwithstanding anything in this Plan to the contrary, and except for the adjustments provided in Section 17, neither the Administrator nor any other person may decrease the exercise price for any outstanding Option or SAR after the date of grant nor allow a Participant to surrender an outstanding Option or SAR to the Company as consideration for the grant of a new Option or SAR with a lower exercise price. In addition, the Administrator may not make a grant of an Option or SAR with a grant date that is effective prior to the date the Administrator takes action to approve such Award.

(f) **Foreign Participation.** To assure the viability of Awards granted to Participants employed or residing in foreign countries, the Administrator may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Administrator approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country. In addition, all such supplements, amendments, restatements or alternative versions must comply with the provisions of Section 15(b)(ii).

(g) **Code Section 409A.** The provisions of Code Section 409A are incorporated herein by reference to the extent necessary for any Award that is subject to Code Section 409A to comply therewith.

## 16. Taxes.

(a) **Withholding.** In the event the Company or an Affiliate of the Company is required to withhold any Federal, state or local taxes or other amounts in respect of any income recognized by a Participant as a result of the grant, vesting, payment or settlement of an Award or disposition of any Shares acquired under an Award, the Company may deduct (or require an Affiliate to deduct) from any payments of any kind otherwise due the Participant cash, or with the consent of the Committee, Shares otherwise deliverable or vesting under an Award, to satisfy such tax obligations. Alternatively, the Company may require such Participant to pay to the Company, in cash, promptly on demand, or make other arrangements satisfactory to the Company regarding the payment to the Company of the aggregate amount of any such taxes and other amounts. If Shares are deliverable upon exercise or payment of an Award, the Committee may permit a Participant to satisfy all or a portion of the Federal, state and local withholding tax obligations arising in connection with such Award by electing to (a) have the Company withhold Shares otherwise issuable under the Award, (b) tender back Shares received in connection with such Award, or (c) deliver other previously

owned Shares; provided that the amount to be withheld may not exceed the total minimum federal, state and local tax withholding obligations associated with the transaction to the extent needed for the Company to avoid an accounting charge. If an election is provided, the election must be made on or before the date as of which the amount of tax to be withheld is determined and otherwise as the Committee requires. In any case, the Company may defer making payment or delivery under any Award if any such tax may be pending unless and until indemnified to its satisfaction.

(b) **No Guarantee of Tax Treatment.** Notwithstanding any provisions of the Plan, the Company does not guarantee to any Participant or any other Person with an interest in an Award that (i) any Award intended to be exempt from Code Section 409A shall be so exempt, (ii) any Award intended to comply with Code Section 409A or Code Section 422 shall so comply, (iii) any Award shall otherwise receive a specific tax treatment under any other applicable tax law, nor in any such case will the Company or any Affiliate indemnify, defend or hold harmless any individual with respect to the tax consequences of any Award.

#### **17. Adjustment Provisions; Change of Control.**

(a) **Adjustment of Shares.** If: (i) the Company shall at any time be involved in a merger or other transaction in which the Shares are changed or exchanged; (ii) the Company shall subdivide or combine the Shares or the Company shall declare a dividend payable in Shares, other securities (other than preferred stock purchase rights issued pursuant to the terms of the Company's Shareholder Rights Agreement, dated as of February 24, 1998, as amended from time to time, or any successor to such Rights Agreement, or any similar stock purchase rights that the Company may authorize and issue in the future) or other property; (iii) the Company shall effect a cash dividend the amount of which, on a per Share basis, exceeds ten percent (10%) of the Fair Market Value of a Share at the time the dividend is declared, or the Company shall effect any other dividend or other distribution on the Shares in the form of cash, or a repurchase of Shares, that the Board determines by resolution is special or extraordinary in nature or that is in connection with a transaction that the Company characterizes publicly as a recapitalization or reorganization involving the Shares; or (iv) any other event shall occur, which, in the case of this clause (iv), in the judgment of the Board or Committee necessitates an adjustment to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, then the Administrator shall, in such manner as it may deem equitable to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, adjust as applicable: (A) the number and type of Shares subject to this Plan (including the number and type of Shares described in Sections 6(a), (b) and (d)) and which may after the event be made the subject of Awards; (B) the number and type of Shares subject to outstanding Awards; (C) the grant, purchase, or exercise price with respect to any Award; and (D) to the extent such discretion does not cause an Award that is intended to qualify as performance-based compensation under Code Section 162(m) to lose its status as such, the Performance Goals of an Award. In each case, with respect to Awards of incentive stock options, no such adjustment may be authorized to the extent that such authority would cause this Plan to violate Code Section 422(b). Without limitation, in the event of any reorganization, merger, consolidation, combination or other similar corporate transaction or event, whether or not constituting a Change of Control (other than any such transaction in which the Company is the continuing corporation and in which the outstanding Stock is not being converted into or exchanged for different securities, cash or other property, or any combination thereof), the Administrator may substitute, on an equitable basis as the Administrator determines, for each Share then subject to an Award and the Shares subject to this Plan (if the Plan will continue in effect), the number and kind of shares of stock, other securities, cash or other property to which holders of Stock are or will be entitled in respect of each Share pursuant to the transaction. Notwithstanding the foregoing, in the case of a stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend) or subdivision or combination of the Shares (including a reverse stock split), if no action is taken by the Administrator, adjustments contemplated by this subsection that are proportionate shall nevertheless automatically be made as of the date of such stock dividend or subdivision or combination of the Shares.

(b) **Issuance or Assumption.** Notwithstanding any other provision of this Plan, and without affecting the number of Shares otherwise reserved or available under this Plan, in connection with any merger, consolidation, acquisition of property or stock, or reorganization, the Administrator may authorize the issuance or assumption of awards under this Plan upon such terms and conditions as it may deem appropriate.

(c) **Change of Control.** If the Participant has in effect an employment, retention, change of control, severance or similar agreement with the Company or any Affiliate that discusses the effect of a Change of Control on the Participant's Awards, then such agreement shall control. In all other cases, unless provided otherwise in an Award agreement, in the event of a Change of Control:

(i) The successor or purchaser in the Change of Control transaction may assume an Award or provide a substitute award with similar terms and conditions, and preserving the same benefits, as the Award it is replacing.

(ii) If the successor or purchaser in the Change of Control transaction does not assume the Awards or issue replacement awards as provided in clause (i), then unless otherwise determined by the Board prior to the date of the Change of Control, immediately prior to the date of the Change of Control:

(A) each Option or SAR that is then held by a Participant who is employed by or in the service of the Company or an Affiliate shall become immediately and fully vested, and all Options and SARs shall be cancelled on the date of the Change of Control in exchange for a cash payment equal to the excess of the Change of Control price of the Shares covered by the Option or SAR that is so cancelled over the purchase or grant price of such Shares under the Award;

(B) Restricted Stock and Restricted Stock Units that are not then vested shall vest;

(C) all Performance Shares and/or Performance Units that are earned but not yet paid shall be paid in cash in an amount equal to the value of the Performance Share and/or Performance Unit, and all Performance Shares and Performance Units for which the performance period has not expired shall be cancelled in exchange for a cash payment equal to the product of the value of the Performance Share and/or Performance Unit and a fraction, the numerator of which is the number of whole months that have elapsed from the beginning of the performance period to which the Award is subject to the date of the Change of Control and the denominator of which is the number of whole months in the performance period;

(D) all Annual and Long-Term Incentive Awards that are earned but not yet paid shall be paid, and all Annual and Long-Term Incentive Awards that are not yet earned shall be cancelled in exchange for a cash payment in an amount determined by taking the product of: (1) the amount that would have been due under such Award(s) if the Performance Goals (as measured at the time of the Change of Control) were to continue to be achieved at the same rate through the end of the performance period; and (2) a fraction, the numerator of which is the number of whole months that have elapsed from the beginning of the performance period to which the Award is subject to the date of the Change of Control and the denominator of which is the number of whole months in the performance period; and

(E) all Dividend Equivalent Units that are not vested shall vest and be paid in cash, and all other Awards that are not vested shall vest and if an amount is payable under such vested Award, such amount shall be paid in cash based on the value of the Award.

If the value of an Award is based on the Fair Market Value of a Share, Fair Market Value shall be deemed to mean the per share Change of Control price. The Administrator shall determine the per share Change of Control price paid or deemed paid in the Change of Control transaction.

Except as otherwise expressly provided in any agreement between a Participant and the Company or an Affiliate, if the receipt of any payment by a Participant under the circumstances described above would result in the payment by the Participant of any excise tax provided for in Section 280G and Section 4999 of the Code, then the amount of such payment shall be reduced to the extent required to prevent the imposition of such excise tax.

#### 18. Miscellaneous.

(a) **Other Terms and Conditions.** The grant of any Award may also be subject to other provisions (whether or not applicable to the Award granted to any other Participant) as the Administrator determines appropriate, including, without limitation, provisions for:

(i) the payment of the purchase price of Options by delivery of cash or other Shares or other securities of the Company (including by attestation) having a then Fair Market Value equal to the purchase price of such Shares, or by delivery (including by fax) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker dealer to sell or margin a sufficient portion of the Shares and deliver the sale or margin loan proceeds directly to the Company to pay for the exercise price;

(ii) restrictions on resale or other disposition of Shares; and

(iii) compliance with federal or state securities laws and stock exchange requirements.

**(b) Employment and Service.** The issuance of an Award shall not confer upon a Participant any right with respect to continued employment or service with the Company or any Affiliate, or the right to continue as a Director. Unless determined otherwise by the Administrator, for purposes of the Plan and all Awards, the following rules shall apply:

(i) a Participant who transfers employment between the Company and its Affiliates, or between Affiliates, will not be considered to have terminated employment;

(ii) a Participant who ceases to be a Non-Employee Director because he or she becomes an employee of the Company or an Affiliate shall not be considered to have ceased service as a Director with respect to any Award until such Participant's termination of employment with the Company and its Affiliates;

(iii) a Participant who ceases to be employed by the Company or an Affiliate and immediately thereafter becomes a Non-Employee Director, a non-employee director of an Affiliate, or a consultant to the Company or any Affiliate shall not be considered to have terminated employment until such Participant's service as a director of, or consultant to, the Company and its Affiliates has ceased; and

(iv) a Participant employed by an Affiliate will be considered to have terminated employment when such entity ceases to be an Affiliate.

Notwithstanding the foregoing, for purposes of an Award that is subject to Code Section 409A, if a Participant's termination of employment or service triggers the payment of compensation under such Award, then the Participant will be deemed to have terminated employment or service upon his or her "separation from service" within the meaning of Code Section 409A.

**(c) No Fractional Shares.** No fractional Shares or other securities may be issued or delivered pursuant to this Plan, and the Administrator may determine whether cash, other securities or other property will be paid or transferred in lieu of any fractional Shares or other securities, or whether such fractional Shares or other securities or any rights to fractional Shares or other securities will be canceled, terminated or otherwise eliminated.

**(d) Unfunded Plan.** This Plan is unfunded and does not create, and should not be construed to create, a trust or separate fund with respect to this Plan's benefits. This Plan does not establish any fiduciary relationship between the Company and any Participant or other person. To the extent any person holds any rights by virtue of an Award granted under this Plan, such rights are no greater than the rights of the Company's general unsecured creditors.

**(e) Requirements of Law and Securities Exchange.** The granting of Awards and the issuance of Shares in connection with an Award are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required. Notwithstanding any other provision of this Plan or any award agreement, the Company has no liability to deliver any Shares under this Plan or make any payment unless such delivery or payment would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity, and unless and until the Participant has taken all actions required by the Company in connection therewith. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or the requirements of any national securities exchanges.

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(f) **Governing Law.** This Plan, and all agreements under this Plan, will be construed in accordance with and governed by the laws of the State of Wisconsin, without reference to any conflict of law principles. Any legal action or proceeding with respect to this Plan, any Award or any award agreement, or for recognition and enforcement of any judgment in respect of this Plan, any Award or any award agreement, may only be heard in a “bench” trial, and any party to such action or proceeding shall agree to waive its right to a jury trial.

(g) **Limitations on Actions.** Any legal action or proceeding with respect to this Plan, any Award or any award agreement, must be brought within one year (365 days) after the day the complaining party first knew or should have known of the events giving rise to the complaint.

(h) **Construction.** Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used in the singular or plural, they shall be construed as though they were used in the plural or singular, as the case may be, in all cases where they would so apply. Title of sections are for general information only, and this Plan is not to be construed with reference to such titles.

(i) **Severability.** If any provision of this Plan or any award agreement or any Award (a) is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or (b) would disqualify this Plan, any award agreement or any Award under any law the Administrator deems applicable, then such provision should be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of this Plan, award agreement or Award, then such provision should be stricken as to such jurisdiction, person or Award, and the remainder of this Plan, such award agreement and such Award will remain in full force and effect.



**EMPLOYMENT AGREEMENT**

This Agreement is made as of November 7, 2013, by and between Fiserv, Inc., on behalf of itself and its subsidiaries and affiliates (the "**Company**"), and Byron C. Vielehr, an individual ("**Employee**").

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

WHEREAS, Employee desires to enter into an agreement to provide for his employment with the Company upon the terms set forth 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, the 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 the Company;

WHEREAS, the 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 the 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, Depository 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 (defined below) subject to the further terms and conditions of this Agreement.

2. Within 12 months of the commencement of the Employment Term, as defined below (the "**Relocation Date**"), Employee agrees to relocate to the Milwaukee, Wisconsin area and to work at the Company's offices in Brookfield, Wisconsin. Prior to the Relocation Date, Employee will conduct his duties at the Company's offices at Brookfield, Wisconsin, or any of its other locations, from time to time as needed at the Company's expense. The Company will pay reasonable and customary relocation expenses in accordance with its executive relocation reimbursement program.

3. Employee agrees to accumulate and maintain stock ownership in the Company at the level required by the Company's executive stock ownership policy, currently four times the value of Employee's annual base salary. Such ownership will be

attained no later than the fifth anniversary of the date hereof, with certain milestone minimums, all in accordance with the terms of the attached Company's executive stock ownership policy.

4. Employee's employment shall begin on December 1, 2013 and shall continue until terminated by either party upon written notice to the other party (the "**Employment Term**").

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

6. 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. Other than boards of directors on which Employee serves as of the date hereof, 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 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 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 policies regarding activities in the workplace, as they may be amended from time to time, in all material respects.

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

(a) An annual base salary of \$470,000 per year, commencing on the date on which Employee begins employment with the Company (the "**Employment Date**"), payable in accordance with the normal payroll practices and schedule of the Company. 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. The first review of Employee's annual base salary after his Employment Date will occur on or about March 2015. 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) Employee shall be entitled to participate in the Company's Annual Cash Incentive Plan (ACIP), or other incentive compensation programs 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 110% of his annual base salary (\$517,000) with an opportunity to achieve a maximum bonus of 220% of his annual base salary (\$1,034,000), to be paid no later than March 15, 2015 in accordance with the Company's usual practice.

(c) Employee will receive equity in the Company as follows:

(i) As of Employee's first day of employment, Fiserv shall grant to Employee, pursuant to the terms of the Fiserv, Inc. 2007 Omnibus Incentive Plan (the "**Incentive Plan**"):

(A) Stock options to purchase shares of common stock of the Company ("**Options**") having a grant date fair value of \$2,000,000. The exercise price of such Options shall be equal to the fair market value of the Company's common stock as of the grant date in accordance with the terms of the Incentive Plan. One-third of such Options shall vest on each of the second, third and fourth anniversaries of the grant date; and

(B) Restricted Stock Units ("**RSUs**") having a grant date fair value of \$2,000,000. One-half of such RSUs shall vest on each of the third and fourth anniversaries of the grant date.

(ii) Beginning in 2014, Employee shall be eligible to participate in the Company's Annual Equity Incentive Plan (AEIP), or other equity incentive compensation programs offered by the Company from time to time for senior executives of the company, with an annual target grant value equal to 200% of Employee's annual base salary, which amount will vary from year to year. Any equity granted hereunder would be granted beginning on or about March 2015. If Employee is not employed by the Company on the date that it grants equity to employees, Employee will not be entitled to receive an equity award. All equity incentive awards are subject to the approval of the Company's Board of Directors or its designated committee, and vesting of such equity awards will generally follow normal guidelines for similarly situated executives of the Company, although the exact amount of equity granted to Employee, and the vesting schedule thereof, may vary.

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

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(iv) Compensation provided to Employee pursuant to Section 7(b) and (c) hereof is collectively referred to herein as **Incentive Compensation**.

(d) Employee will receive a one-time cash payment in the amount of \$200,000, to be paid on or before March 15, 2014.

(e) 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.

(f) If the Company terminates Employee for cause, as defined in Section 8(c), or Employee voluntarily ceases his employment with the Company, in either case, on or before the first anniversary of his Employment Date, then Employee shall not be entitled to receive any further relocation assistance pursuant to Section 2 above, and shall repay the Company promptly an amount equal to all of the relocation expenses paid to him or on his behalf prior to the date of the termination of employment. If the Company terminates Employee for cause, as defined in Section 8(c), or Employee voluntarily ceases his employment with the Company, in either case, after the first anniversary of his Employment Date but on or before the second anniversary of his Employment Date, then Employee shall not be entitled to receive any further relocation assistance pursuant to Section 2 above, and shall repay the Company promptly an amount equal to one-half all of the relocation expenses paid to him or on his behalf prior to the date of the termination of employment. If Employee fails to repay the required amount to the Company by this last day of his employment, the Company shall have the right to offset the amount of such repayment from any other amounts the Company owes to the Executive.

(g) 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.

8. 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 and thus qualifies 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 effect 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) convicted of a felony or misdemeanor;

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

(iv) in the sole discretion of the chief executive officer of the Company, failure by Employee to relocate his residence to Wisconsin by the Relocation Date;

(v) substantial, continuing willful and unreasonable inattention to, neglect of or refusal by Employee to perform Employee's duties or responsibilities under this Agreement if not cured within 30 days of written notice from the Company of such failure to perform;

(vi) 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

(vii) 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 at the election of the Company upon written notice to Employee by the Company at any time for the convenience of the Company.

(e) If Employee's employment is terminated by the Company for any reason other than as specified in subsection (a), (b) or (c) 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:

(i) an amount in cash equal to one times his then current annual base salary. Any payment under this subsection (e) shall be paid in a cash equivalent lump sum on the first day of the seventh month following the month in which 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 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.

(ii) In addition, as of the date of termination, the Company will, in accordance with and subject to the terms of the Incentive Plan, accelerate the vesting of the equity granted to Employee pursuant to Section 7(c)(i) hereof. The number of Options which will receive accelerated vesting shall be determined as follows: (Total number of Options granted pursuant to Section 7(c)(i) divided by 2) minus (The number of such Options that have vested prior to the date of termination). The number of RSUs which will receive accelerated vesting shall be determined as follows: (Total number of RSUs granted pursuant to Section 7(c)(i) divided by 2) minus (The number of such RSUs that have vested prior to the date of termination).

9. Suspension.

(a) The Company may immediately, upon written notice to Employee, suspend or restrict some or all of the duties of 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 proceeding, and as a result of being named as a defendant, the operations, financial condition or reputation of the Company is or may be injured;

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

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

(iv) Because Employee’s personal conduct is harmful to the operations, financial condition or reputation of the Company.

(b) During the Suspension period, Employee shall remain an employee of the Company and be 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 7 (a), (b) and (c) in proportion to the reduction or suspension of the duties performed. Upon conclusion of the Suspension, the Company may:

(i) Terminate Employee’s employment for cause according to Section 8(c);

(ii) Terminate Employee’s employment for the convenience of the Company according to Section 8(d); or

(iii) Reinstatement Employee to his full duties and responsibilities under this Agreement. Upon reinstatement, the Company will compensate Employee for the difference between any reduced compensation earned during the Suspension according to Section 9(b), and the amounts that would have been earned pursuant to Sections 7(a), (b), and (c) had the Suspension not occurred.

10. 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 the Company's method and technique used in servicing its customers.

11. 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 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.

12. Covenants.

(a) For purposes of this Section 12, 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.



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(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 provided 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 listed on Exhibit B, or any affiliate (i.e., an entity that controls, is controlled by, or is under common control with the named entity), successor or assign of such business or any other business enterprise that engages in substantial competition with the Company or any of its subsidiaries in the business of providing technology products or services 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 12:

(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 12(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.

13. Violation of Covenants.

(a) Employee acknowledges and agrees that compliance with Section 12 hereof is necessary to protect the Company, and that a breach of Section 12 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 12 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.

(b) Without limiting Section 13(a), Employee further agrees that:

(i) In the event of his breach of Section 12(b)(iii) hereof by engaging in a prohibited activity with a company listed on Exhibit B hereof, or a breach of Section 12(b)(i) or (ii) by engaging in a prohibited activity for or on behalf of a company listed on Exhibit B hereof, the Company shall be entitled to recover Incentive Compensation previously paid or payable to Employee. 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 Employee at the expense of the Company, but that the actual value exceeds the Incentive Compensation paid or payable to Employee. Accordingly, the Incentive Compensation paid or payable to Employee represents 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.

(ii) Other than as specified in subparagraph (i) above, and without limiting the Company's rights in Section 13(a), in the event of his breach of Section 12, the parties agree that the matter will be resolved through arbitration. The arbitration shall be conducted by a panel of three arbitrators. Each party shall select an arbitrator within 10 days of commencement of the arbitration and the two designated arbitrators shall select a third arbitrator within 20 days of their selection. The arbitration shall be conducted in Milwaukee, WI under the commercial arbitration rules of the American Arbitration Association then existing. Judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.

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

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15. 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. Subject to Section 13(b)(ii), 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.

16. 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.

17. 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 EMPLOYEE'S ACTIVITIES ARE LIKEWISE FAIR AND REASONABLE.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

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IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the date first written above.

**EMPLOYEE:**

/s/ Byron C. Vielehr  
Byron C. Vielehr

**FISERV, INC.**

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

## SUBSIDIARIES OF FISERV, INC.

<u>Name under which Subsidiary does Business</u>	<u>State (Country) of Incorporation</u>
BillMatrix Corporation	Delaware
Carreker Corporation	Delaware
Corillian Corporation	Oregon
CheckFree Corporation	Delaware
CheckFree Services Corporation	Delaware
CheckFree Solutions Limited	United Kingdom
CheckFreePay Corporation	Connecticut
Fiserv Automotive Solutions, Inc.	Delaware
Fiserv CIR, LLC	Delaware
Fiserv (Europe) Limited	United Kingdom
Fiserv Global Services, Inc.	Delaware
Fiserv Investment Solutions, Inc.	Delaware
Fiserv PAR, Inc.	Wisconsin
Fiserv Solutions, Inc.	Wisconsin
Information Technology, Inc.	Nebraska
ITI of Nebraska, Inc.	Nebraska
Open Solutions, LLC	Delaware
XP Systems Corporation	Minnesota

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-64353, 333-04417, 333-28121, 333-34310, 333-145599, 333-143191, 333-147827, 333-163636 and 333-188795 on Form S-8 and Registration Statement Nos. 333-104270 and 033-58709 on Form S-3 of our reports dated February 20, 2014, relating to the consolidated financial statements of Fiserv, Inc. and subsidiaries, and the effectiveness of Fiserv, Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Fiserv, Inc. for the year ended December 31, 2013.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin  
February 20, 2014

CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffery W. Yabuki, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 fourth 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 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: February 20, 2014

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

CERTIFICATION PURSUANT TO SECTION 302  
OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. Hirsch, certify that:

1. I have reviewed this Annual Report on Form 10-K 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 fourth 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 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: February 20, 2014

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



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 Annual Report on Form 10-K of Fiserv, Inc. (the "Company") for the year ended December 31, 2013 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  
President and Chief Executive Officer  
February 20, 2014

By: /s/ Thomas J. Hirsch  
Thomas J. Hirsch  
Executive Vice President,  
Chief Financial Officer, Treasurer and Assistant Secretary  
February 20, 2014