

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended September 30, 1996

Commission file number 0-14948

FISERV, INC.

(Exact name of Registrant as specified in its charter)

WISCONSIN

39-1506125

(State or other jurisdiction of
incorporation or organization)

(I. R. S. Employer
Identification No.)

255 FISERV DRIVE, BROOKFIELD, WI.

53045

(Address of principal executive office)

(Zip Code)

Registrant's telephone number, including area code: (414) 879 5000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ()

At September 30, 1996, 45,233,000 shares of common stock of the Registrant were outstanding.

Exhibit Index appears at page 8.

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PART I. FINANCIAL INFORMATION

<TABLE>

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

for the Three and Nine-Month Periods Ended September 30, 1996 and 1995

<CAPTION>

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1996	1995	1996	1995
	(In thousands except per share amounts)			
<S>	<C>	<C>	<C>	<C>
Revenues	\$196,585	\$176,922	\$587,759	\$507,571
Cost of revenues:				
Salaries, commissions and payroll related costs	92,604	84,069	274,280	240,144
Data processing expenses, rentals and telecommunication costs	20,938	22,829	69,735	69,506
Other operating expenses	36,459	28,731	106,115	89,379
Depreciation and amortization of property and equipment	10,703	9,731	31,317	28,525
Amortization of intangible assets	5,214	4,805	15,771	11,156
Capitalization of internally generated computer software-net	(285)	(1,879)	(1,768)	(5,411)
Total cost of revenues	165,633	148,286	495,450	433,299
Operating income	30,952	28,636	92,309	74,272
Interest expense - net	4,294	6,413	15,025	12,687
Income before income taxes	26,658	22,223	77,284	61,585
Income tax provision	10,929	9,111	31,686	25,250

Net income	\$15,729	\$13,112	\$45,598	\$36,335
Net income per common and common equivalent share	\$0.34	\$0.29	\$0.99	\$0.84
Shares used in computing net income per share	46,265	45,864	46,094	43,395

</TABLE>

See notes to consolidated financial statements.

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FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 1996	December 31, 1995
	-----	-----
	(In thousands)	
ASSETS		
Cash and cash equivalents	\$69,036	\$59,743
Accounts receivable	159,620	154,628
Prepaid expenses and other assets	53,075	63,893
Due on sale of securities		97,446
Trust account investments	911,338	834,286
Other investments	28,792	55,748
Deferred income taxes	33,098	39,527
Property and equipment-net	145,230	148,343
Internally generated computer software-net	76,368	73,863
Identifiable intangible assets relating to acquisitions-net	53,113	57,270
Goodwill-net	295,198	300,552
	=====	=====
Total	\$1,824,868	\$1,885,299
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$42,504	\$43,948
Accrued expenses	59,427	59,614
Accrued income taxes	5,553	6,116
Deferred revenues	48,852	40,754
Trust account deposits	892,511	917,189
Long-term debt	289,864	381,361
Other long-term obligations	1,501	2,055
	-----	-----
Total liabilities	1,340,212	1,451,037
	-----	-----
Stockholders' equity:		
Common stock outstanding, 45,233,000 and 44,887,000 shares, respectively	452	449
Additional paid-in capital	320,631	315,800
Unrealized gain on investments	15,279	15,268
Accumulated earnings	148,294	102,745
	-----	-----
Total stockholders' equity	484,656	434,262
	=====	=====
Total	\$1,824,868	\$1,885,299
	=====	=====

See notes to consolidated financial statements.

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<TABLE>

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the Nine-Month Periods Ended September 30, 1996 and 1995

<CAPTION>

	Nine Months Ended	
	September 30,	
	1996	1995
	-----	-----
	(In thousands)	
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$45,598	\$36,335
Adjustments to reconcile income to net cash provided by operating activities:		
Deferred income taxes	6,429	13,638
Depreciation and amortization of property and equipment	31,317	28,525
Amortization of intangible assets	15,771	11,156
Capitalization of internally generated computer software-net	(1,768)	(5,411)
	-----	-----

Cash provided (used) by changes in assets and liabilities, net of effects from acquisitions of businesses:	97,347	84,243
Accounts receivable	(5,117)	(1,818)
Prepaid expenses and other assets	10,332	(8,877)
Accounts payable and accrued expenses	(1,385)	(14,045)
Deferred revenue	8,009	2,225
Income taxes payable	(983)	1,012
Net cash provided by operating activities	108,203	62,740
Cash flows from investing activities:		
Capital expenditures	(26,144)	(33,563)
Investments and other assets	26,956	19,432
Payment for acquisition of businesses	(7,860)	(253,082)
Trust account investments	20,464	20,973
Net cash provided (used) by investing activities	13,416	(246,240)
Cash flows from financing activities:		
Borrowings and other long-term obligations-net	(92,459)	225,135
Issuance of common stock	4,834	1,083
Trust account deposits	(24,701)	10,253
Net cash provided (used) by financing activities	(112,326)	236,471
Change in cash	9,293	52,971
Beginning balance	59,743	29,683
Ending balance	\$69,036	\$82,654

</TABLE>

See notes to consolidated financial statements.

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FISERV, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

1. Principles of Consolidation

The consolidated balance sheet as of September 30, 1996 and the related consolidated statements of income and cash flows for the three and nine-month periods ended September 30, 1996 and 1995 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such financial statements have been included. Such adjustments consisted only of normal recurring items. Interim results are not necessarily indicative of results for a full year. The financial statements and notes are presented as permitted by Form 10-Q, and do not contain certain information included in the annual financial statements and notes of Fiserv, Inc. and subsidiaries (the Company or the Registrant).

2. Shares Used in Computing Net Income per Share

	Three Months Ended September 30, 1996		Nine Months Ended September 30, 1995	
	1996	1995	1996	1995
	----- (In thousands)			
Weighted average number of common shares outstanding	45,197	44,844	44,765	42,450
Shares issuable upon exercise of options reduced by the number of shares which could have been purchased with the proceeds of such exercise	1,068	1,020	1,329	945
Shares used	46,265	45,864	46,094	43,395
	=====			

Income per common and common equivalent share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the periods.

3. Accounting for Income Taxes

Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) operating and tax credit carryforwards. Significant components of the Company's net deferred tax asset as of September 30, 1996 and December 31, 1995 are as follows:

September 30,	December 31,
1996	1995

	(In thousands)	
Allowance for doubtful accounts	\$1,719	\$2,319
Accrued expenses not currently deductible .	5,576	7,769
Deferred revenue	9,201	9,122
Other	1,301	1,728
Net operating loss and credit carryforwards	5,544	6,739
Purchased incomplete software technology ..	62,654	66,305
Deferred costs	(6,332)	(9,143)
Internally generated capitalized software .	(31,311)	(30,283)
Excess of tax over book depreciation and amortization	(4,635)	(4,419)
Unrealized gain on investments	(10,619)	(10,610)
	-----	-----
Total deferred income taxes	\$33,098	\$39,527
	=====	=====

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4. Supplemental Cash Flow Information

	Nine Months Ended September 30,	
	1996	1995

	(In thousands)	
Income taxes paid	\$25,820	\$8,424
Interest paid	14,960	10,914
Liabilities assumed in acquisitions of businesses -		
Trust account deposits		225,893
Other	1,236	48,784
Value of common shares issued in acquisitions of businesses		135,947

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

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The following table sets forth, for the periods indicated, the relative percentage which certain items in the Company's consolidated statements of income bear to revenues.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995

	(Percent of Revenues)			
Revenues	100.00%	100.00%	100.00%	100.00%

Salaries and related costs	47.11	47.51	46.67	47.32
Data processing costs	10.65	12.90	11.86	13.69
Other operating expenses	18.55	16.24	18.05	17.61
Depreciation and amortization ...	5.44	5.50	5.33	5.62
Amortization of intangible assets	2.65	2.72	2.68	2.20
Capitalization of software-net ..	(0.14)	(1.06)	(0.30)	(1.07)

Total cost of revenues	84.26	83.81	84.29	85.37

Operating income	15.74	16.19	15.71	14.63
	=====			

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Revenues

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Revenues increased 11.1% from \$176.9 million in the third quarter of 1995 to \$196.6 million in the current third quarter and 15.8% from \$507.6 million in the first nine months of 1995 to \$587.8 million in the comparable current period. Approximately 65% of the year-to-date growth in revenue resulted from the inclusion of revenues from the date of purchase of acquired companies and the remainder from increases in revenue from the addition of new clients, growth in the transaction volume experienced by existing clients and price increases.

Cost of Revenues

- - - - -

Cost of revenues increased 11.7% from \$148.3 million in the third quarter of 1995 to \$165.6 million in the current third quarter, and 14.3% from \$433.3 million in the first nine months of 1995 to \$495.5 million in the first nine months of 1996. Year to date, these increases are slightly less than the increase in revenue for the periods due to improved operating margins.

Operating Income

- - - - -

Operating income increased 8.1% from \$28.6 million in the third quarter of 1995 to \$31.0 million in the current third quarter, and 24.3% from \$74.3 million in

the first nine months of 1995 to \$92.3 million in the first nine months of 1996. As a percentage of revenues, operating margins were slightly lower during the current third quarter and improved slightly during the first nine months of 1996 when compared to the comparable prior year periods. The decrease in the current quarter resulted from charges related to the disposition of a business and the year to date increase was primarily due to changes in the mix of business, including the impact of acquisitions.

Interest Expense - Net
- -----

As a result of substantial debt reductions and slightly lower effective rates, interest expense decreased \$2.1 million in the third quarter of 1996 and \$2.3 million for the first nine months of 1996 when compared to amounts incurred for the comparable 1995 periods.

Income Tax Provision
- -----

Income taxes were computed at 41% in both 1996 and 1995. The 41% rate is expected to apply throughout the current year.

Net Income
- -----

Net income grew 20.0% from \$13.1 million in the third quarter of 1995 to \$15.7 million in the comparable 1996 quarter and 25.5% from \$36.3 million in the first nine months of 1995 to \$45.6 million in the comparable current period. Net income per share increased \$.05 from \$.29 in the third quarter of 1995 to \$.34 in the current third quarter and \$.15 from \$.84 in the first nine months of 1995 to \$.99 in the first nine months of 1996. The increase in net income per share over 1995 was consistent with management expectations and historical growth rates.

Liquidity and Capital Resources
- -----

During the nine months ended September 30, 1996, cash increased \$9.3 million comprising primarily \$108.2 million net cash provided by operating activities, \$22.8 million decrease in investments and \$4.8 million from issuance of common stock, which was partially offset by \$7.9 million for the acquisition of businesses, \$92.5 million net repayment of long-term debt and \$26.1 million for capital expenditures. Long-term obligations amounted to \$291.4 million at September 30, 1996. The majority of this debt comprises \$112.9 million of senior notes due 1997 to 2001 and \$158.3 million advanced under a \$225 million unsecured line of credit and commercial paper facility which reduces \$15 million in May 1998, \$60 million in May 1999 and expires in May 2000. A facility fee of 0.10% to 0.20% per annum is required on the line.

The Company has historically applied a significant portion of its cash flow from operating activities and proceeds of its common stock offerings to acquisitions and the reduction of long-term debt and invests the remainder in short-term obligations until it is needed for further acquisitions or operating purposes.

The Company believes that its cash flow from operating activities together with other available sources of funds will be adequate to meet its funding requirements. However, in the event that the Company makes significant future acquisitions, it may raise funds through additional borrowings or issuance of securities.

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PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.
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(a) Exhibits

Index to exhibits

(11) Statement regarding computation of per share earnings (included on page 5, Part 1).

(b) Reports on Form 8-K

During the quarter ended September 30, 1996, the Registrant filed a report on Form 8-K, dated July 25, 1996, relating to a proposal to perform item processing services for Canadian Imperial Bank of Canada.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Fiserv, Inc.

(Registrant)

Date: October 22, 1996

by /S/ EDWARD P. ALBERTS

EDWARD P. ALBERTS
Senior Vice President, Finance
and Controller

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This schedule contains summary financial information extracted from the September 1996 10-Q and is qualified in its entirety by reference to such information.

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