

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 MARCH 31, 1999

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 March 31, 1999, 82,239,000 shares of common stock of the Registrant were outstanding.

Exhibit Index appears at page 9.

1

PART I. FINANCIAL INFORMATION

FISERV, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME
 for the Three-Month Periods Ended March 31, 1999 and 1998

<TABLE>
 <CAPTION>

	Three-Months Ended March 31,	
	1999	1998

	(In thousands except per share amounts)	
<S>	<C>	<C>
REVENUES	\$337,129	\$273,829

COST OF REVENUES:		
Salaries, commissions and payroll related costs	159,546	128,183
Data processing expenses, rentals and telecommunication costs	30,620	27,396
Other operating expenses	63,973	52,373
Depreciation and amortization of property and equipment	14,768	14,198
Amortization of intangible assets	4,548	3,464
Amortization (capitalization) of internally generated computer software - net	3,051	(1,169)

Total cost of revenues	276,506	224,445

OPERATING INCOME	60,623	49,384
Interest expense-net	3,985	3,367
	-----	-----
INCOME BEFORE INCOME TAXES	56,638	46,017
Income tax provision	23,222	18,867
	-----	-----
NET INCOME	\$33,416	\$27,150
	=====	=====
NET INCOME PER SHARE:		
Basic	\$0.41	\$0.34
	=====	=====
Diluted	\$0.39	\$0.33
	=====	=====
SHARES USED IN COMPUTING NET INCOME PER SHARE:		
Basic	82,153	80,573
	=====	=====
Diluted	85,253	83,198
	=====	=====

</TABLE>

See notes to consolidated financial statements.

2

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31, 1999	December 31, 1998

	(In thousands)	
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$81,476	\$71,558
Accounts receivable	248,771	246,851
Securities processing receivables	1,690,231	1,402,650
Prepaid expenses and other assets	86,540	83,453
Trust account investments	1,189,078	1,098,773
Other investments	273,461	180,099
Deferred income taxes	-	14,545
Property and equipment-net	184,915	179,434
Internally generated computer software-net	82,794	85,821
Intangible assets-net	608,723	595,154
	-----	-----
TOTAL	\$4,445,989	\$3,958,338
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$59,453	\$65,385
Securities processing payables	1,452,322	1,207,838
Short-term borrowings	139,657	38,350
Accrued expenses	159,446	150,519
Accrued income taxes	19,611	14,768
Deferred revenues	119,902	107,286
Trust account deposits	1,184,523	1,098,773
Deferred income taxes	9,483	-
Long-term debt	355,132	389,622
	-----	-----
TOTAL LIABILITIES	3,499,529	3,072,541
	-----	-----
SHAREHOLDERS' EQUITY:		
Common stock issued, 83,439,000 and 83,253,000 shares, respectively	834	833
Additional paid-in capital	452,130	448,877
Accumulated other comprehensive income	63,868	39,875
Accumulated earnings	472,058	438,642
Treasury stock, at cost (1,200,000 shares)	(42,430)	(42,430)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	946,460	885,797
	-----	-----

TOTAL	\$4,445,989	\$3,958,338
=====		

</TABLE>

See notes to consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the Three-Month Periods Ended March 31, 1999 and 1998

<TABLE>
<CAPTION>

	Three-Months Ended March 31,	
	1999	1998
	(In thousands)	
	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$33,416	\$27,150
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	7,138	1,252
Depreciation and amortization of property and equipment	14,768	14,198
Amortization of intangible assets	4,548	3,464
Amortization (capitalization) of internally generated computer software-net	3,051	(1,169)
	62,921	44,895
Cash provided (used) by changes in assets and liabilities, net of effects from acquisitions of businesses:		
Accounts receivable	(1,964)	(16,123)
Prepaid expenses and other assets	(200)	2,180
Accounts payable and accrued expenses	2,521	(5,788)
Deferred revenue	11,736	14,471
Income taxes payable	4,974	10,009
Securities processing receivables and payables-net	(43,097)	33,169
	36,891	82,813
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(19,736)	(14,822)
Other investments	(50,569)	2,723
Payment for acquisition of businesses	(19,888)	(86,227)
Trust account investments	(92,244)	45,263
	(182,437)	(53,063)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in short-term obligations-net	100,450	(41,275)
Increase (decrease) in long-term obligations-net	(33,990)	91,520
Issuance (purchases) of common stock-net	3,254	(36,518)
Trust account deposits	85,750	(49,722)
	155,464	(35,995)
Change in cash	9,918	(6,245)
Beginning balance	71,558	89,377
Ending balance	\$81,476	\$83,132

</TABLE>

See notes to consolidated financial statements.

4
FISERV, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

1. PRINCIPLES OF CONSOLIDATION

The consolidated balance sheet as of March 31, 1999, and the related consolidated statements of income and cash flows for the three-month periods ended March 31, 1999 and 1998 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).

2. SHARES USED IN COMPUTING NET INCOME PER SHARE

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	1999	1998
	(In thousands)	
<S>	<C>	<C>
Weighted average number of common shares outstanding	82,153	80,573
Shares issuable upon exercise of options reduced by the number of shares which could have been purchased with the proceeds of such exercise	3,100	2,625
Shares used in computing diluted-net income per share	85,253	83,198

</TABLE>

Basic income per share is computed using the weighted average number of common shares outstanding during the periods. Diluted income per 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 (liability) asset as of March 31, 1999 and December 31, 1998 are as follows:

<TABLE>
<CAPTION>

	MARCH 31, 1999	December 31, 1998
	(In thousands)	
<S>	<C>	<C>
Purchased incomplete software technology	\$51,122	\$52,276
Accrued expenses not currently deductible	26,948	25,329
Deferred revenues	14,391	14,558
Other	(12,609)	(5,512)
Internally generated capitalized software	(33,946)	(35,188)
Excess of tax over book depreciation and amortization	(10,803)	(9,167)
Unrealized gain on investments	(44,586)	(27,751)
TOTAL	(\$9,483)	\$14,545

</TABLE>

4. SUPPLEMENTAL CASH FLOW INFORMATION

<TABLE>
<CAPTION>

	Quarter Ended March 31,	
	1999	1998

	(In thousands)	
<S>	<C>	<C>
Income taxes paid	\$12,344	\$8,793
Interest paid	3,968	2,433
Liabilities assumed in acquisitions of businesses	1,455	9,682

</TABLE>

5. SHAREHOLDERS' EQUITY

The Company declared a 3-for-2 common stock split to shareholders of record as of April 16, 1999, payable on April 30, 1999. No effect has been given to this action in the accompanying financial statements.

Total comprehensive income for the three months ended March 31, 1999 and 1998 was \$57.4 million and \$27.2 million, respectively. The increase in comprehensive income during the quarter ended March 31, 1999 is primarily due to unrealized gains on investments since December 31, 1998. The Company owns 1,702,465 shares of common stock of Knight/Trimark Group, Inc. and 900,000 shares of common stock of The BISYS Group, Inc. Common stock of both companies trade on the NASDAQ National Market System. The Company has valued its investment in Knight/Trimark Group, Inc. at a discount from market value as a result of sale restrictions.

6. BUSINESS SEGMENT INFORMATION

The Company is a leading independent provider of financial data processing systems and related information management services and products to financial institutions and other financial intermediaries. The Company's operations have been classified into three business segments: financial institution data processing and software services, securities processing and trust services and other (including corporate). Summarized financial information by business segment for the three-months ended March 31, 1999 and 1998 is as follows:

<TABLE>
<CAPTION>

	1999	1998

	(In thousands)	
<S>	<C>	<C>
REVENUES:		
Financial institution data processing and software services	\$260,386	\$209,088
Securities processing and trust services	61,262	54,136
Other	15,481	10,605
	-----	-----
Total	\$337,129	\$273,829
	-----	-----
OPERATING INCOME:		
Financial institution data processing and software services	\$44,271	\$35,291
Securities processing and trust services	17,376	16,741
Other	(1,024)	(2,648)
	-----	-----
Total	\$60,623	\$49,384
	-----	-----

</TABLE>

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

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, the results of operations as a percentage of revenues represented by certain income and expense items and the percentage change in those items.

<TABLE>
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	Three-Months Ended March 31,		Percentage Increase (Decrease)
	1999	1998	
<S>	<C>	<C>	<C>
Revenues	100.0	100.0	23.1
Salaries and related costs	47.3	46.8	24.5
Data processing costs	9.1	10.0	11.8
Other operating expenses	19.0	19.1	22.1
Depreciation and amortization	4.4	5.2	4.0
Amortization of intangible assets	1.3	1.3	31.3
Amortization (capitalization) of software-net	0.9	(0.4)	-
Total cost of revenues	82.0	82.0	23.2
Operating income	18.0	18.0	22.8

</TABLE>

REVENUES

Revenues increased 23.1% from \$273.8 million in the first quarter of 1998 to \$337.1 million in the current first quarter. Approximately 45% of this growth resulted from the inclusion of revenues from the date of purchase of acquired companies and approximately 55% 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 23.2% from \$224.4 million in the first quarter of 1998 to \$276.5 million in the current first quarter. The make up of cost of revenues has been affected by changes in the mix of the Company's business as sales of software and related support activities have enjoyed an increasing percentage of total revenues. In addition, amortization of internally generated computer software increased as a percentage of revenues due to the write down of certain ancillary software products to net realizable value.

OPERATING INCOME

Operating income increased 22.8% from \$49.4 million in the first quarter of 1998 to \$60.6 million in the current first quarter.

INCOME TAX PROVISION

Income taxes were computed at 41% in both 1999 and 1998, which rate is expected to apply throughout the current year.

NET INCOME

Net income grew 23.1% from \$27.2 million in the first quarter of 1998 to \$33.4 million in the current first quarter. Net income per share-diluted increased \$.06 from \$0.33 in the first quarter of 1998 to \$0.39 in the current first quarter. The increase in net income per share-diluted over 1998 was consistent with management expectations and historical growth rates.

YEAR 2000 SYSTEMS EVALUATION

The Company provides data processing and other related services to financial institutions of all kinds. The Company has substantially completed the Year 2000 renovation, testing and implementation of its mission critical proprietary systems used in providing service to its clients. Testing and implementation of the remaining non-mission critical systems, which are not material to the Company's business, are expected to be completed by mid-1999.

The Company has received Year 2000 disclosures prepared by its principal vendors indicating that they will be Year 2000 compliant in all material respects. The Company's contingency plans include actions required should any vendor experience Year 2000-related problems. In addition, the Company has no reason to believe that its clients will not be Year 2000 compliant in all material

respects, and in many cases has assisted its clients in their Year 2000 efforts.

The Company believes that it has and will continue to meet its Year 2000 compliance commitments using existing resources, without incurring significant incremental expenses. Although the Company does not maintain accounting records that separately identify all of the costs associated with its Year 2000 activities, it has estimated that commencing with 1996 such costs have approximated \$15 million a year. Estimated cost for the year 1999 when the entire project is scheduled for completion is approximately \$10 to \$12 million.

The disclosure set forth above contains forward-looking statements. Specifically, such statements are contained in sentences including the words "will" or "expect" or "anticipate" or "could" or "should". Such forward-looking statements are subject to inherent risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward-looking statements. The factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include the failure by third parties to adequately remediate Year 2000 issues and the inability of the Company to test and implement remaining non-mission critical systems. Failure by the Company in making its proprietary systems Year 2000 compliant would have a material adverse effect on its business. However, the Company expects that its Year 2000 compliance efforts will be successful without any material adverse effects on its business.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's primary sources of funds for the three months ended March 31, 1999 and 1998:

<TABLE>
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	1999	1998
	(In thousands)	
<S>	<C>	<C>
Cash provided by operating activities before changes in securities processing receivables and payables-net	\$79,988	\$49,644
Securities processing receivables and payables-net	(43,097)	33,169
Cash provided by operating activities	36,891	82,813
Issuance (purchases) of common stock-net	3,254	(36,518)
(Increase) decrease in investments	(57,063)	(1,736)
Increase (decrease) in net borrowings	66,460	50,245
TOTAL	\$49,542	\$94,804

</TABLE>

Long-term obligations amounted to \$355.1 million at March 31, 1999. The majority of this debt comprises \$106.1 million of senior notes due 1999 to 2005 and \$184.7 million advanced under a \$330.0 million unsecured line of credit and commercial paper facility which is reduced to \$150.0 million on May 17, 1999 and expires on May 17, 2000. A facility fee of .1% to .2% per annum is payable on the \$330.0 million committed amount. The Company plans to refinance the entire facility on or before May 17, 1999.

The Company has historically applied a significant portion of its cash flow from operating activities and long-term borrowings to acquisitions. 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.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(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 March 31, 1999, the Registrant filed one report on Form 8-K dated March 25, 1999. The Form 8-K disclosed an increase in the number of authorized shares of common stock from 150.0 million to 300.0 million, a 3-for-2 stock split and the appointment of Leslie M. Muma as Chief Executive Officer, succeeding George D. Dalton who remains Chairman of the Company's Board of Directors.

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 April 20, 1999

by: \s\ Charles W. Sprague

CHARLES W. SPRAGUE
Executive Vice President,
General Counsel and
Secretary

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE MARCH 1999 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH INFORMATION.

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