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

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**FORM 10-K**

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**Annual Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2003**

**Commission file no. 0-14948**

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**FISERV, INC.**

(Exact name of registrant as specified in its charter)

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**WISCONSIN**

(State or other jurisdiction of  
incorporation or organization)

**39-1506125**

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

**255 FISERV DRIVE, BROOKFIELD, WISCONSIN**

(Address of principal executive offices)

**53045**

(Zip code)

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

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

**NONE**

(Title of Class)

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:**

**Common Stock, \$0.01 Par Value**

(Title of Class)

**Preferred Stock Purchase Rights**

(Title of Class)

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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 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 the 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 an accelerated filer (as defined in Rule 12b-2 of the Act). Yes  No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 30, 2003: \$6,600,000,000.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of January 31, 2004: 194,605,104

**DOCUMENTS INCORPORATED BY REFERENCE:**

2003 Annual Report to Shareholders - Parts I, II, IV

Proxy Statement for April 6, 2004 Annual Meeting of Shareholders - Part III

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**Form 10-K**

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**PART I**

**Special Note Regarding Forward-Looking Statements**

Certain matters discussed in this Annual Report on Form 10-K are “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as “believes,” “anticipates” or “expects,” or words of similar import. Similarly, statements that describe future plans, objectives or goals of Fiserv, Inc. (“Fiserv” or the “Company”) are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those currently anticipated. Factors that could affect results include, among others, economic, competitive, governmental, regulatory and technological factors affecting the Company’s operations, markets, services and related products, prices and other factors discussed in the Company’s prior filings with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Fiserv assumes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**Item 1. Business**

Fiserv provides integrated data processing and information management systems to more than 15,000 financial services providers, including banks, broker-dealers, credit unions, financial planners and investment advisers, insurance companies and agents, self-insured employers, leasing companies, mortgage lenders and savings institutions. The Company operates centers in the United States for full-service financial data processing, software system development, item processing and check imaging, technology support and related product businesses. The Company’s operations are principally domestic and in 2003 international operations constituted approximately 4% of total processing and services revenues through business support centers in Argentina, Australia, Canada, Colombia, Indonesia, the Philippines, Puerto Rico, Poland, Singapore and the United Kingdom.

The Company was formed in 1984 through the combination of two major regional data processing firms that began as the data processing operations of their parent financial institutions. Historically, these firms expanded operations by developing a range of services for their parent organizations, as well as other financial institutions. Since its organization, Fiserv has grown by developing highly specialized services and product enhancements, adding new clients and acquiring firms complementing the Fiserv organization.

**Business Strategy**

The market for products and services offered by financial institutions continues to undergo change. The financial industry introduces and implements new alternative lending and investment products with great frequency. The distinctions among financial services traditionally offered by banking and thrift organizations as well as by securities and insurance firms continue to narrow, as traditionally different entities compete for the same ultimate customers with competitive services. Financial institutions diversify and consolidate on an ongoing basis in response to market pressures, as well as under the auspices of regulatory agencies.

Although such market changes have led to consolidations that have reduced the number of financial institutions in the United States, consolidation has not resulted in a material reduction of the number of customers or financial accounts serviced by the financial industry as a whole. New organizations entering the once limited financial services industry have opened new markets for Fiserv services.

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To stay competitive in this changing marketplace, financial institutions are providing their customers a broad variety of new products and services that are typically transaction-oriented and fee-based. The growing volume and types of transactions and accounts have increased the data processing requirements of these institutions. As a consequence, Fiserv believes that the financial services industry is one of the largest users of data processing products and services.

Moreover, Fiserv expects that the financial industry will continue to require significant commitments of capital and human resources to the information systems requirements, to require application of more specialized systems and to require development, maintenance and enhancement of applications software. Fiserv believes that economies of scale in data processing operations are essential to justify the required level of expenditures and commitment of human resources.

In response to these market dynamics, financial institutions obtain data processing services by different means than in the past. Many smaller, local and regional third-party data processors are leaving the business or consolidating with larger providers. A number of large financial institutions previously providing third-party processing services for other institutions have withdrawn from the business to concentrate on their primary, core businesses. Similarly, an increasing number of financial institutions that previously developed their own software systems and maintained their own data processing operations have outsourced their data processing requirements by licensing their software from a third party or by contracting with third-party processors to reduce costs and enhance their products and services. Outsourcing can involve the licensing of software, which eliminates the costly technical expertise within a financial institution, or the utilization of service bureaus, facilities management or resource management capabilities. Fiserv provides all of these options to the financial industry.

To capitalize on these industry trends, Fiserv has implemented a strategy of continuing to develop new products, improving the cost effectiveness of services provided to clients, aggressively soliciting new clients, and making both opportunistic and strategic acquisitions. In 2001, Fiserv acquired 12 businesses, adding combined annual revenues of more than \$380 million and approximately 4,000 new employees. In 2002, Fiserv acquired five businesses, with combined annual revenues of more than \$210 million and approximately 1,100 employees. In 2003, Fiserv acquired 12 businesses, with combined annual revenues of more than \$610 million and approximately 3,200 employees. The following is a summary of acquisitions made by Fiserv since its organization.

### Acquisition History

<u>Formed</u>	<u>Acquired</u>	<u>Company</u>	<u>Service</u>
1964	July	1984 First Data Processing, Milwaukee, WI	Data processing
1971	July	1984 Sunshine State Systems, Tampa, FL	Data processing
1966	Nov.	1984 San Antonio, Inc., San Antonio, TX	Data processing
1982	Oct.	1985 Sendero Corporation, Scottsdale, AZ	Asset/liability management
1962	Oct.	1985 First Trust Corporation, Denver, CO	Retirement plans
1962	Oct.	1985 First Retirement Marketing, Denver, CO	Retirement plan marketing
1973	Jan.	1986 On-Line, Inc., Seattle, WA	Data processing, forms
1966	May	1986 First City Financial Systems, Inc., Beaumont, TX	Data processing
1962	Feb.	1987 Pamico, Inc., Milwaukee, WI	Specialized forms
1975	Apr.	1987 Midwest Commerce Data Corp., Elkhart, IN	Data processing
1969	Apr.	1987 Fidelity Financial Services, Inc., Spokane, WA	Data processing
1965	Oct.	1987 Capbanc Computer Corp., Baton Rouge, LA (sold 1991)	Data processing

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<u>Formed</u>	<u>Acquired</u>	<u>Company</u>	<u>Service</u>
1971	Feb. 1988	Minnesota On-Line Inc., Minneapolis, MN	Data processing
1965	May 1988	Citizens Financial Corporation, Cleveland, OH	Data processing
1980	May 1988	ZFC Electronic Data Services, Inc., Bowling Green, KY	Data processing
1969	June 1988	GESCO Corporation, Fresno, CA	Data processing
1967	Nov. 1988	Valley Federal Data Services, Los Angeles, CA	Data processing
1984	Dec. 1988	Northeast Savings Data Services, Hartford, CT	Data processing
1982	May 1989	Triad Software Network, Ltd., Chicago, IL (sold 1996)	Data processing
1969	Aug. 1989	Northeast Datacom, Inc., New Haven, CT	Data processing
1978	Feb. 1990	Financial Accounting Services Inc., Pittsburgh, PA	Data processing
1974	June 1990	Accurate Data On Line, Inc., Titusville, FL	Data processing
1982	June 1990	GTE EFT Services Money Network, Fresno, CA	EFT networks
1968	July 1990	First Interstate Management, Milwaukee, WI	Data processing
1982	Oct. 1990	GTE ATM Networks, Fresno, CA	EFT networks
1867	Nov. 1990	Boston Safe Deposit & Trust Co. IP services, MA	Item processing
1968	Dec. 1990	First Bank, N.A. IP services, Milwaukee, WI	Item processing
1979	Apr. 1991	Citicorp Information Resources, Inc., Stamford, CT	Data processing
1980	Apr. 1991	BMS Processing, Inc., Randolph, MA	Item processing
1979	May 1991	FHLB of Dallas IP services, Dallas, TX	Item processing
1980	Nov. 1991	FHLB of Chicago IP services, Chicago, IL	Item processing
1977	Feb. 1992	Data Holdings, Inc., Indianapolis, IN	Automated card services
1980	Feb. 1992	BMS On-Line Services, Inc. (assets), Randolph, MA	Data processing
1982	Mar. 1992	First American Information Services, St. Paul, MN	Data processing
1981	July 1992	Cadre, Inc., Avon, CT (sold 1996)	Disaster recovery
1992	July 1992	Performance Analysis, Inc., Cincinnati, OH	Asset/liability management
1986	Oct. 1992	Chase Manhattan Bank, REALM Software, NY	Asset/liability management
1984	Dec. 1992	Dakota Data Processing, Inc., Fargo, ND	Data processing
1983	Dec. 1992	Banking Group Services, Inc., Somerville, MA	Item processing
1968	Feb. 1993	Basis Information Technologies, Atlanta, GA	Data processing, EFT
1986	Mar. 1993	IPC Service Corporation (assets), Denver, CO	Item processing
1973	May 1993	EDS' FHLB Seattle (assets), Seattle, WA	Item processing
1982	June 1993	Datatronix Financial Services, San Diego, CA	Item processing
1966	July 1993	Data Line Service, Covina, CA	Data processing
1978	Nov. 1993	Financial Processors, Inc., Miami, FL	Data processing
1974	Nov. 1993	Financial Data Systems, Jacksonville, FL	Item processing
1961	Nov. 1993	Financial Institutions Outsourcing, Pittsburgh, PA	Data processing
1972	Nov. 1993	Data-Link Systems, South Bend, IN	Mortgage banking services
1985	Apr. 1994	National Embossing Company, Inc., Houston, TX	Automated card services
1962	May 1994	Boatmen's Information Systems of Iowa, Des Moines, IA	Data processing
1981	Aug. 1994	FHLB of Atlanta IP services, Atlanta, GA	Item processing
1989	Nov. 1994	CBIS Imaging Technology Banking Unit, Maitland, FL	Imaging technology
1987	Dec. 1994	RECOM Associates, Inc., Tampa, FL (sold 1998)	Network integration

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Formed	Acquired	Company	Service
1970	Jan.	1995 Integrated Business Systems, Glendale, CA	Specialized forms
1977	Feb.	1995 BankLink, Inc., New York, NY	Cash management
1976	May	1995 Information Technology, Inc., Lincoln, NE	Software and services
1957	Aug.	1995 Lincoln Holdings, Inc., Denver, CO	DP for retirement planning
1993	Sept.	1995 SRS, Inc., Austin, TX	Data processing
1992	Sept.	1995 ALLTEL's Document Management Services, CA, NJ	Item processing
1978	Nov.	1995 Financial Information Trust, Des Moines, IA	Data processing
1983	Jan.	1996 UniFi, Inc., Fort Lauderdale, FL	Software and services
1982	Nov.	1996 Bankers Pension Services, Inc., Tustin, CA	DP for retirement planning
1992	Apr.	1997 AdminaStar Communications, Indianapolis, IN	Laser print/ mailing services
1982	May	1997 Interactive Planning Systems, Atlanta, GA	PC-based financial systems
1983	May	1997 BHC Financial, Inc., Philadelphia, PA	Securities services
1968	Sept.	1997 FIS, Inc., Orlando, FL, and Baton Rouge, LA	Data processing
n/a	Sept.	1997 Stephens Inc. clearing business, Little Rock, AR	Securities services
1986	Oct.	1997 Emerald Publications, San Diego, CA	Financial seminars and training
1968	Oct.	1997 Central Service Corp., Greensboro, NC	Data and item processing
1993	Oct.	1997 Savoy Discount Brokerage, Seattle, WA	Securities services
1990	Dec.	1997 Hanifen, Imhoff Holdings, Inc., Denver, CO	Securities services
1980	Jan.	1998 Automated Financial Technology, Inc., Malvern, PA	Data processing
1981	Feb.	1998 The LeMans Group, King of Prussia, PA	Automobile leasing software
n/a	Feb.	1998 PSI Group, Seattle, WA	Laser printing
1956	Apr.	1998 Network Data Processing Corporation, Cedar Rapids, IA	Insurance data processing
1977	Apr.	1998 CUSA Technologies, Inc., Salt Lake City, UT	Software and services
1982	May	1998 Specialty Insurance Service, Orange, CA	Insurance data processing
1985	Aug.	1998 Deluxe Card Services, St. Paul, MN	Automated card services
1981	Oct.	1998 FHLB of Topeka IP services, Topeka, KS	Item processing
n/a	Oct.	1998 FiCATS, Norristown, PA	Item processing
1984	Oct.	1998 Life Instructors, Inc., New Providence, NJ	Insurance/securities training
1994	Nov.	1998 ASI Financial, Inc., New Jersey and New York	PC-based financial systems
1986	Dec.	1998 The FREEDOM Group, Inc., Cedar Rapids, IA	Insurance data processing
1994	Jan.	1999 QuestPoint, Philadelphia, PA	Item processing
1981	Feb.	1999 Eldridge & Associates, Lafayette, CA	PC-based financial systems
1984	Feb.	1999 RF/Spectrum Decision Science Corporation, Oakland, CA	Software and services
1978	Mar.	1999 FIPSCO, Inc., Des Plaines, IL	Insurance marketing systems
1987	Apr.	1999 Progressive Data Solutions, Inc./Infinity Software Systems, Inc., Orlando, FL	Insurance software systems
1973	June	1999 JWGenesis Clearing Corporation, Boca Raton, FL	Securities services
1987	June	1999 Alliance ADS, Redwood Shores, CA	Imaging technology
1962	Aug.	1999 Envision Financial Technologies, Inc., Chicago, IL	Data processing
1995	Oct.	1999 Pinehurst Analytics, Inc., Chapel Hill, NC (sold 2003)	PC-based financial systems
1982	Dec.	1999 Humanic Design Corporation, Mahwah, NJ (sold 2001)	Software and services
1983	Jan.	2000 Patterson Press, Inc., Nashville, TN	Card services
1982	May	2000 Resources Trust Company, Denver, CO	DP for retirement planning
1986	Sept.	2000 National Flood Services, Inc., Kalispell, MT	Insurance data processing

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<u>Formed</u>	<u>Acquired</u>	<u>Company</u>	<u>Service</u>	
1982	Jan.	2001	Benefit Planners, Boerne, TX	Health plan management
n/a	Feb.	2001	Marshall & Ilsley IP services, IA, MN, MO	Item processing
1972	Mar.	2001	Facilities and Services Corp., Agoura Hills, Novato, CA	Insurance software systems
1991	Mar.	2001	Remarketing Services of America, Inc., Amherst, NY	Automobile leasing services
1982	July	2001	EPSIIA Corporation, Austin, TX	Data processing
1996	July	2001	Catapult Technology Limited, London, England	Software and services
1985	Sept.	2001	FHLB of Pittsburgh IP services, Pittsburgh, PA	Item processing
1959	Nov.	2001	NCR bank processing operations, Dayton, OH	Data and item processing
1972	Nov.	2001	NCSI, Rockville, MD	Insurance data processing
1940	Nov.	2001	Integrated Loan Services, Rocky Hill, CT	Lending services
1954	Nov.	2001	Trewit Inc., Minneapolis, MN	Health plan management
n/a	Nov.	2001	FACT 400 credit card solution, Bogotá, Colombia	Software and services
1991	May	2002	Case Shiller Weiss, Inc., Cambridge, MA	Lending services
1974	Aug.	2002	Investec Ernst & Company's clearing operations, NY	Securities clearing services
n/a	Nov.	2002	Willis Group's TPA operations, Nashville, TN, Wichita, KS	Health plan management
1989	Dec.	2002	EDS Corporation's Consumer Network Services business, Morris Plains, NJ	EFT data processing
1979	Dec.	2002	Lenders Financial Services, Agoura Hills, CA	Lending services
1989	Jan.	2003	AVIDYN, Inc., Dallas, TX	Health plan management
1982	Mar.	2003	Precision Computer Systems, Inc., Souix Falls, ND	Software and services
1998	Apr.	2003	ReliaQuote, Inc., Falls Church, VA	Insurance services
2002	May	2003	WBI Holdings Corporation, Wausau, WI	Health plan management
1994	July	2003	Electronic Data Systems Corporation's Credit Union Industry Group business, Plano, TX	Data processing
1986	July	2003	Chase Credit Systems, Inc. and Chase Credit Research, Inc, North Hollywood, CA	Lending services
1996	Sept.	2003	Unisure, Inc., Cincinnati, OH	Insurance data processing
1996	Sept.	2003	Insurance Management Solutions Group, Inc., St. Petersburg, FL	Insurance data processing
1998	Sept.	2003	GAC Holdings Corporation, Pittsburgh, PA	Lending services
1932	Oct.	2003	Federal Home Loan Bank of Indianapolis IP services, Indianapolis, IN	Item processing
1987	Nov.	2003	MI-Assistant Software, Inc., Eleva, WI	Insurance software systems
1999	Dec.	2003	MedPay Corporation, Memphis, TN	Health plan management
1993	Jan.	2004	RegEd.com, Inc., Morrisville, NC	Insurance/securities training

## Principal Products and Services

The Company provides an extensive portfolio of products and services to enable banking, lending, insurance, financial planners and securities providers to deliver anywhere, anytime financial services to their customer base.

The Company's operations have been classified into three primary business segments. The financial institution outsourcing, systems and services business segment provides account and transaction processing systems and services to financial institutions and other financial intermediaries; the health plan management services segment provides services to employers who self-fund their health plan, including services such as handling payments to healthcare providers, assisting with cost controls, plan

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design services, medical provider administration and other related services; and the securities processing and trust services business segment provides securities processing products and services and retirement plan administration services to brokerage firms, investment advisers and financial institutions.

Fiserv also provides plastic card issuance, design, personalization and mailing services, and document management products.

**Financial Institution Outsourcing, Systems and Services.** Fiserv provides financial services and products that are focused on technology needs to more than 9,400 financial institutions, including banks, credit unions, leasing and finance companies, mortgage lenders and savings institutions.

*“Core” Products.* Fiserv delivers “core” products that integrate account servicing and management information functions for its financial institution clients, as well as ancillary value-added products and services that complement the “core” products. “Core” products include systems to process various customer deposit and loan accounts, a financial institution’s general ledgers, central information files and other financial information and include the extensive security, report generation and other features required by a financial institution to process transactions for its depositors and other customers, as well as to meet its regulatory compliance requirements and its own management information needs. “Core” products are offered through on-line data transmission connections to Fiserv data processing centers, often called “service bureaus”, or as stand-alone, in-house, licensed software for installation on client-owned computer systems.

While many clients contract to obtain all or a majority of their data processing requirements from Fiserv, the modular design of many of the Company’s service bureau and software products allows a client to start with one application, such as a deposit system, and gradually add applications and features as needed. Fiserv supports a broad range of terminals and other client-owned peripheral devices manufactured by many different vendors. This support capability reduces the client’s initial conversion expenses, enhances an existing client’s ability to change equipment and broadens the Company’s market.

*Bank and Thrift “Core” Products.* The Company’s principal service bureau products used by banks, thrifts and savings institutions include Fiserv VISION®, Comprehensive Banking System (“CBS”) outsourcing, Information Technology, Inc. (“ITT”) Premier II outsourcing, and Source One.

Fiserv also offers in-house licensed software products to its banking clients, including ITI Premier II, Precision Computer Systems Vision® and CBS. CBS is available both domestically and internationally through its International Comprehensive Banking System (“ICBS”).

*Credit Union “Core” Products.* The principal “core” products offered to credit unions include the Summit Spectrum system, the GALAXY Plus Credit Union System, the Users DataSafe product, the Integrasys Premier product, and several CUSA Technologies systems. Each of these products is offered via a service bureau or as an in-house licensed software system. In addition to these products, Fiserv offers the AFTECH Advantage® and XP Systems XP2® licensed software products that are designed to operate in-house on the clients’ systems.

*Insurance “Core” Products.* The insurance industry, like other financial industries, has requirements for basic administration services and information processing systems. Fiserv provides comprehensive insurance processing services and products to the insurance and related industries. Fiserv insurance products and services include the Freedom suite of administration systems, such as Claims Workstation, TRACKER Unclaimed Property System, Regulatory Series Annual Statement 2000 and Freedom Reinsurance system; the Fiserv Life Insurance Solutions ID3 system for life, annuity and health requirements; the Fiserv SIS property and casualty systems; and claim processing services for flood and workers compensation insurance companies. Emerald Learning Solutions and RegEd sell computer-based training for insurance and securities professionals.

*Complementary or Add-On Products.* In addition to the “core” products, Fiserv offers complementary products and back-office products and services. These products and services allow financial institutions to offer additional services to their clients such as home banking, automated teller machine access and other treasury and related services of varying complexity and sophistication, such as asset-liability modeling and cash management.

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Specifically, Fiserv offers products to its financial institution clients that allow them in turn to offer sophisticated banking services to their individual customers such as electronic funds transfer services offered by Fiserv EFT/CNS that include the ACCEL network and related ATM access services, as well as Internet banking products offered through Fiserv eSolutions that allow individual bank customers to bank from home.

Fiserv also offers its financial institution clients complementary or add-on products that amplify the “core” products such as item processing and imaging systems for the item processing needs of clients, treasury and investment management systems including a series of treasury management products sold under the BANKLINK® name and the CBS Worldwide MetaBank Portfolio Management and Investment Portfolio Accounting systems as well as a suite of EPSIIA and Imagesoft electronic document management systems.

Finally, Fiserv has many other complementary product offerings that allow its financial institution clients to improve the management and efficiency of their businesses. Such products include IPS-Sendero decision support and performance measurement systems, including ASAP/Spectrum, DecisionServ and the VISION family of integrated software and support services that enhance a financial institution’s asset/liability management and profitability measurement capabilities; the CCS suite of products includes call center systems and the InformEnt data warehouse utilized for data warehousing and data mining; loan origination and tracking systems, including Fiserv Lending Solutions’ products such as *easyLENDER*® and UnFi PRO Mortgage offerings, MortgageServ, Integrated Loan Services including ILS Quickclose and Lenders Financial Services; real estate settlement services offered by Integrated Loan Services and General American Corp; credit reporting services and systems through Chase Credit; the Fiserv LeMans auto leasing software products and the Remarketing Services of America lease maturity systems and other products offered with regard to the termination of auto leases; and credit services offered by CBS Worldwide with its FACT 400 product and by Fiserv Credit Processing Services with The *PLUS* System.

Fiserv offers these products and services through multiple delivery channels primarily in the United States.

**Health Plan Management Services.** Fiserv, through its five health plan management operating units, Benefit Planners, Benesight, Fiserv Health, Harrington Benefit Services, and Wausau Benefits, provides a variety of services for the administration of health plans to customers nationwide. These services include claim adjudication and payment, customer service, and other related services. The Company provides these services to more than 1,000 employers that self-fund their health plans. In addition, Fiserv provides these services to other health plan sponsors such as insurance companies and HMO’s.

*Complementary and Other Products.* Fiserv also offers additional complementary services to its health plan administration customers and others. Fiserv offers care management services ranging from traditional services, such as utilization management and case management, to newer disease management, population health and prevention programs. Through 2003, these services were offered through the Company’s Benefit Planners, Wausau Benefits and Value Check units. Beginning in 2004, Fiserv combined these services into a single operation, Avidyn Health, in an effort to offer a single source of integrated services. Through its Innoviant business, the Company offers health plans prescription benefit management services. The Company also offers health plan sponsors services for risk management. Through its Third Party Solutions and Direct Comp RX businesses, Fiserv assists employers, insurers and retail pharmacies with the management and processing of workers compensation prescriptions. Fiserv’s PPO One business provides technology services to Preferred Provider Organizations for data management and claim repricing.

**Securities Processing and Trust Services.** Fiserv offers high-quality, integrated securities clearing, execution, margin lending, stock lending, mutual fund processing, customer account processing and facilitation of traditional and Internet brokerage services through advanced technology that makes executing trades faster, easier and more economical, focused customer service and economies of scale.

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Through TradeStar Investments, Inc. (“TradeStar”), a registered brokerage firm headquartered in Houston, Texas and a wholly-owned subsidiary of Fiserv Securities, Inc., Fiserv’s clearing business, Fiserv also offers retail brokerage services at discount commission rates. TradeStar also markets Fiserv Securities’ processing and support services throughout the United States. The Company’s clients include more than 500 broker-dealers and financial institutions, including full-service and discount broker-dealers (sometimes called “correspondents”), registered investment advisers, municipal bond dealers, underwriters, retail brokerage operations of financial institutions, insurance firms and mutual fund companies.

Fiserv also provides a variety of administrative, custodial and processing services to individual investors, third party retirement plan and pension administrators, investment advisors and financial planners and financial intermediaries. The specific products offered include self-directed retirement plan administration services and mutual fund custody trading services. First Trust Corporation, Fiserv’s principal trust company subsidiary, is the largest independent trust company in the United States.

Specific product offerings to financial advisors, individual and business holders of IRAs, Roth IRAs and other self-directed retirement investment vehicles include DATAlynx, providing trust and asset custody and back office services to investment advisers and other financial professionals; iFlex, a suite of 401(k) products for companies ranging in size up to 100 employees; OptionsPlus, a self-directed investment window for participants in a retirement plan that is sold to large institutional insurance companies that offer record keeping services and investment options to individuals; TRUSTlynx custody and electronic trading support services for daily valuation of retirement plan assets; and trust and custodial services that support the administration of self-directed retirement plans.

Financial information concerning the Company’s industry segments is included in Note 8 to the Consolidated Financial Statements contained in the Company’s Annual Report to Shareholders included in this Annual Report on Form 10-K as Exhibit 13 and such information is incorporated herein by reference.

### **Servicing the Market**

The market for Fiserv account and transaction processing services and products has specific needs and requirements, with strong emphasis placed by clients on software flexibility, product quality, service reliability, comprehensiveness and integration of product lines, timely introduction of new products and features, cost effectiveness and service excellence. Through its multiple product offerings, the Company believes it successfully services these market needs and requirements for clients ranging in size from start-ups to some of the largest financial services providers.

Fiserv believes that the position it holds as an independent, growth-oriented company dedicated to its business is an advantage to its clients as compared to many of its competitors that are regional or local cooperatively owned organizations, data processing subsidiaries or affiliates of financial institutions or hardware vendors. Due to the economies of scale gained through its broad market presence, Fiserv offers clients a selection of information management and data processing products and services designed to meet the specific needs of the ever-changing financial services industry. The Company believes this independence and primary focus on the financial services industry helps its business development, client service and product support teams remain responsive to the technology needs of its market.

“The Client Comes First” is one of the Company’s founding principles. It is a belief backed by a dedication to providing ongoing client service and support —no matter the client size.

The Company believes its commitment of substantial resources to training and technical support helps it retain clients. Fiserv conducts the majority of its new and ongoing client training in its technology centers, where the Company maintains fully equipped demonstration and training facilities containing equipment used in the delivery of Fiserv services. Fiserv also provides local and on-site training services to its clients.

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### **Product Development**

To meet the changing technology needs of the clients Fiserv serves, the Company continually develops, maintains and enhances its systems. In 2003, product development expenses represented approximately 7% of the Company's processing and services revenues.

The Fiserv network of development and financial information technology centers applies the shared expertise of multiple Fiserv teams to design, develop and maintain specialized processing systems around its multiple technology platforms. The applications of its account processing systems meet the preferences and diverse requirements of the various international, national, regional or local market specific financial service environments of the Company's many clients.

Although multiple Fiserv development and financial technology centers share the Company's variety of nationally developed and supported software, each center has specialized capabilities that enable it to offer system application features and functions specialized to its client base. If the client's requirements warrant, Fiserv purchases software programs from third parties that are interfaced with existing Fiserv systems. In developing its products, Fiserv stresses interaction with and responsiveness to the needs of its clients.

Fiserv provides a dedicated solution that is designed, developed, maintained and enhanced according to each client's goals for service quality, business development, asset and liability mix, local market positioning and other user-defined parameters.

### **Intellectual Property**

Fiserv regards its software as proprietary and utilizes a combination of trade secrecy laws, internal security practices and employee non-disclosure agreements for protection. The Company believes that legal protection of its software, while important, is less significant than the knowledge and experience of the Company's management and personnel and their ability to develop, enhance and market new products and services. The Company believes that it holds all proprietary rights necessary for the conduct of its business.

### **Competition**

*Financial Institution Outsourcing, Systems and Services.* The market for information technology products and services within the financial industry is highly competitive. The Company's principal competitors include internal data processing departments, data processing affiliates of large companies or large computer hardware manufacturers, independent computer service firms and processing centers owned and operated as user cooperatives. Some of these competitors possess substantially greater financial, sales and marketing resources than the Company. Competition for in-house data processing and software departments is intensified by the efforts of computer hardware vendors who encourage the growth of internal data centers.

Competitive factors for processing services include product quality, service reliability, product line comprehensiveness and integration, timely introduction of new products and features, and price. The Company believes that it competes favorably in each of these categories. In addition, the Company believes that its position as an independent vendor, rather than as a cooperative, an affiliate of a larger corporation or a hardware vendor, is a competitive advantage.

We compete with vendors that offer similar transaction processing products and services to financial institutions and other financial intermediaries, including Aurum Technologies, Inc., The Bisys Group, Inc., Fidelity Information Services, Inc., Jack Henry and Associates, Inc. and Metavante Corporation. There has been significant consolidation among providers of information technology products and services to financial institutions, and we believe this consolidation will continue in the future.

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*Health Plan Management Services.* The market for the Company's administrative services is highly competitive. The major competition for the Company's services comes from national and regional health insurance companies selling administrative services only. Many of the Company's competitors serve a larger number of customers, have greater financial resources and proprietary products. In addition, the self-funded health plan market is typically broker-controlled, highly price sensitive and frequently placed out for competitive bid. Significant competitors of the Company include Blue Cross organizations, United Health Group, Cigna and Aetna.

*Securities Processing and Trust Services.* The Company competes with several larger companies in the securities clearing business. Specifically, the Bank of New York, FleetBoston Financial Corporation, Fidelity Investments, Bear Stearns & Co. and others provide competitive services to those of the Company. Many of these competitors are engaged as well in the retail brokerage business and thus have a captive supply of clearing business that the Company does not have.

In the trust services area, several trust companies, the most notable of which is Delaware Charter, compete with the Company in custody services for self-directed retirement accounts. In the provision of services to financial advisors and the mutual fund trading area, Charles Schwab & Co., which handles a much larger volume of such trades, is the Company's most significant competitor.

### **Government Regulation**

The Company's data processing subsidiaries are 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, the Company's data processing operations are examined on a regular basis by the Federal Deposit Insurance Corporation, the National Credit Union Association, the Office of Thrift Supervision, the Office of the Comptroller of the Currency and various state regulatory authorities. In addition, independent auditors annually review several of the Company's operations to provide internal control evaluations for its clients' auditors and regulators.

As trust companies under Colorado law, First Trust Corporation, Lincoln Trust Company and Trust Industrial Bank, subsidiaries of the Company, are subject to the regulations of the Colorado Division of Banking. In 1991, First Trust Corporation received approval of its application for Federal Deposit Insurance Corporation coverage of its customer deposits.

The Company's securities processing business, Fiserv Securities, Inc., is subject to extensive regulatory oversight principally by the New York Stock Exchange, Inc. ("NYSE") and also by the Securities and Exchange Commission ("SEC"), the National Association of Securities Dealers, Inc., other stock exchanges of which it is a member and state agencies. From time to time, the NYSE and the SEC review, audit or investigate the Company's securities processing business' procedures and policies and sometimes require changes to those procedures resulting in higher costs or reduced flexibility in operating the Company's business and, in some instances, the payment of fines.

The Company's securities clearing and trust businesses are involved with the mutual fund industry and the SEC has sought information from the affected businesses and the businesses have been cooperating fully with the SEC. At the current time, the Company does not anticipate any material adverse impact as a result of such inquiries.

The Company's subsidiaries operating as part of the Company's health plan management services group are subject to extensive regulatory oversight at both the federal and state levels. This regulatory scheme extends from annual reporting and licensing requirements imposed by most of the states in which these companies operate and continues on to extensive regulatory compliance requirements regarding day to day operating policies and procedures for the various operating units. In addition, various customers require periodic audits of their health plan administrators to confirm compliance with standards of performance and these subsidiaries may be required to forfeit a portion of their fees if they fail to meet the required performance levels.

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### **Employees**

Fiserv employs approximately 21,700 specialists in its information management centers and related product and service companies. 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, credit unions, insurance companies and agencies, mortgage firms, savings and other financial services business environments.

Fiserv employees provide expertise in sales and marketing; account management and client services; computer operations, network control and technical support; programming, software development, modification and maintenance; conversions and client training; and financial planning and related support services.

In supporting international markets, Fiserv works closely with its clients to help ensure their continued success. Fiserv employees speak the same language as their clients and also understand the differences in the style of doing business, as well as the financial products requirements and regulations unique to each client and its specific market.

Fiserv employees are not represented by a union, and there have been no work stoppages, strikes or organizational attempts. The service nature of the Fiserv business makes its employees an important corporate asset, and while the market for qualified personnel is competitive, the Company does not experience significant difficulty with hiring or retaining its staff of top industry professionals. In assessing companies to acquire, the quality and stability of the prospective company's staff are emphasized.

Fiserv attributes its ability to attract and keep quality employees to, among other things, the Company's growth and dedication to state-of-the-art software development tools and hardware technologies.

### **Available Information**

The Company maintains a Website with the address [www.fiserv.com](http://www.fiserv.com). The Company is not including the information contained on the Company's Website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. The Company makes available free of charge (other than an investor's own Internet access charges) through its Website its Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after the Company electronically files such material with, or furnishes such material to, the Securities and Exchange Commission.

### **Item 2. Properties**

Fiserv currently operates full-service data centers, software system development centers, and item processing and back-office support centers in over 150 cities. The Company owns 14 facilities; all other buildings in which centers are located are subject to leases expiring through 2004 and beyond. In addition, the Company maintains its own national data communication network consisting of communications processors and leased lines.

Fiserv believes its facilities and equipment are generally well maintained and are in good operating condition. The Company believes that the computer equipment it owns and its various facilities are adequate for its present and foreseeable business. Fiserv periodically upgrades its mainframe capability as needed. Fiserv contracts with multiple sites to provide processing back-up in the event of a disaster and maintains duplicate tapes of data collected and software used in its business in locations away from the Company's facilities.

### Item 3. Legal Proceedings

In the normal course of business, the Company and its subsidiaries are named as defendants in various lawsuits in which claims are asserted against the Company. The Company expects that the liabilities, if any, which may ultimately result from such lawsuits will not have a material adverse effect on the consolidated financial statements of the Company.

### Item 4. Submission of Matters to a Vote of Security Holders

During the fourth quarter of the fiscal year covered by this report, no matter was submitted to a vote of security holders of the Company.

### Executive Officers of the Registrant

The executive officers of the Company as of February 27, 2004, together with their ages, positions and business experience are described below:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Leslie M. Muma	59	President and Chief Executive Officer
Kenneth R. Jensen	60	Senior Executive Vice President, Chief Financial Officer and Treasurer
Norman J. Balthasar	57	Senior Executive Vice President and Chief Operating Officer
Robert H. Beriault	52	Group President, Securities & Trust Services
James W. Cox	40	Group President, Health Solutions
Douglas J. Craft	50	Executive Vice President, Operating Group Chief Financial Officer
Mark J. Damico	35	Group President, Item Processing
Patrick C. Foy	49	Group President, Bank Servicing
Thomas A. Neill	55	Group President, Credit Union & Industry Products
Rodney D. Poskochil	51	Group President, Bank Systems & eProducts
James C. Puzniak	57	Group President, Lending Systems & Services
Dean C. Schmelzer	53	Group President, Marketing & Sales
Charles W. Sprague	54	Executive Vice President, General Counsel, Chief Administrative Officer and Secretary
Terence R. Wade	44	Group President, Insurance Solutions

Mr. Muma has been a Director of the Company since it was established in 1984. He served as President and Chief Operating Officer of the Company from 1984 to 1999, when he was named President and Chief Executive Officer.

Mr. Jensen has been Executive Vice President, Chief Financial Officer, Treasurer, Assistant Secretary and a Director of the Company since it was established in 1984. He was named Senior Executive Vice President in 1986.

Mr. Balthasar was named Senior Executive Vice President and Chief Operating Officer of the Company in October 2002. He was President and Chief Operating Officer of the Fiserv Financial Institution Group from 2000 to 2002. He served as Corporate Executive Vice President and President of the Savings and Community Bank Group from 1996 to 1999, when he was named President and Chief Operating Officer of the Fiserv Financial Institution Outsourcing Group. Mr. Balthasar has been with Fiserv and its predecessor company since 1974.

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Mr. Beriault was named President of the Fiserv Securities and Trust Services Group in April 2002. He was President and Chief Operating Officer of the Fiserv Securities Group from 1999 to 2002. He served as Corporate Executive Vice President and President–Securities Processing Group from 1998 to 1999. From 1986 to 1998, Mr. Beriault was President of Lincoln Trust Company, which was acquired by the Company in 1995.

Mr. Cox was named President of the Health Solutions Group of the Company in April 2003. He joined Fiserv in November 2001 with the acquisition of Trewit, Inc., where he was President. Prior to joining Trewit, Cox was partner in Lund Koehler Cox & Arkema, a public accounting and consulting firm.

Mr. Craft was named Executive Vice President and Operating Group Chief Financial Officer of the Company in October 2002. He was Senior Vice President of Finance of the Fiserv Financial Institution Group from 2000 to 2002. He served as Senior Vice President of Finance of the Savings and Community Bank Group from 1996 to 1999. Mr. Craft has been with Fiserv since 1985.

Mr. Damico was named President of the Item Processing Group of the Company in May 2003. He has held executive roles at Intria Items, Inc., a subsidiary of Fiserv, since 1996, when he joined Intria as Senior Vice President and Chief Technology Officer. Prior to joining Intria, Damico was Senior Vice President of Strategic Initiatives for the Fiserv item processing business in the United States.

Mr. Foy was named President of the Bank Servicing Group of the Company in October 2002. He joined Fiserv in 2001 as President of the Direct Banking Division. Previously he was founder and CEO of Login & Learn, Inc. From 1978 to 1999, he was with M&I Data Services (Metavante) in a number of management positions, serving as President of the Outsourcing Business Group from 1995 to 1999.

Mr. Neill was named President of the Credit Union and Industry Products Group of the Company in October 2000. He was President of the Products and Services Division and Group President of the Industry Products and Services Group of the Company from 1993 to 2000.

Mr. Poskochil was named President of the Bank Systems and eProducts Group of the Company in October 2002. He served as President of the Bank Systems and eProducts Division from 1999 to 2002. He joined ITI in 1978 and served in a number of capacities. In 1998 he was named President and Chief Executive Officer of ITI, which had been acquired by Fiserv in 1995.

Mr. Puzniak was named President of the Lending Systems and Services Group of the Company in October 2002. He served as President of the Bank Servicing Division II of the Company from 1995 to 2002, and as Senior Vice President of CBS Development from 1993 to 1995. Prior to joining Fiserv he held senior management positions at Citicorp Information Resources, Geac Computer and Financial Data Systems.

Mr. Schmelzer was named Group President, Marketing and Sales in February 2002. He served as Corporate Executive Vice President, Marketing and Sales for the Company from 1992 to 2002. Prior to joining Fiserv, he was Director of Commercial Analysis for IBM.

Mr. Sprague has been Corporate Executive Vice President, General Counsel and Secretary since 1994, and Chief Administrative Officer of the Company since 1999. He has been involved with the Company's corporate and legal concerns since it was formed in 1984.

Mr. Wade was named President of the Insurance Solutions Group of the Company in April 2003. Prior to joining Fiserv, he was Senior Vice President and a Vice President of Finance with Policy Management Systems Corporation from 1996 to 2001. Earlier in his career, he held executive positions at several firms, including Conita Technologies, Inc. and First Image Management Company.

**PART II**

**Item 5. Market for Registrant’s Common Equity and Related Shareholder Matters**

The information required by this item is incorporated by reference to the information pertaining thereto set forth under the captions “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Market Price Information” in the Company’s 2003 Annual Report to Shareholders (the “Annual Report”).

**Item 6. Selected Financial Data**

The information required by this item is incorporated by reference to the information set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Selected Financial Data” in the Annual Report.

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The information required by this item is incorporated by reference to the information set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Annual Report.

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

The information required by this item is incorporated by reference to the information set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Market Risk” in the Annual Report.

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

The information required by this item is incorporated by reference to the information set forth under the captions “Consolidated Statements of Income,” “Consolidated Balance Sheets,” “Consolidated Statements of Shareholders’ Equity,” “Consolidated Statements of Cash Flows,” “Notes to Consolidated Financial Statements,” “Quarterly Financial Information” and “Independent Auditors’ Report” in the Annual Report.

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

Not applicable.

**Item 9A. Controls and Procedures**

*Evaluation of disclosure controls and procedures.* In accordance with Rule 13a-15(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), the Company’s management evaluated, with the participation of the Company’s President and Chief Executive Officer and the Company’s Senior Executive Vice President and Chief Financial Officer, the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as defined in Rule 13a-14(c) and 15d-14(c) under the Exchange Act) as of December 31, 2003. Based upon their evaluation of these disclosure controls and procedures, the President and Chief Executive Officer and the Senior Executive Vice President and Chief

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Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2003 to ensure that material information relating to the Company, including its consolidated subsidiaries, was made known to them by others within those entities, particularly during the period in which this Annual Report on Form 10-K was being prepared.

*Changes in internal controls over financial reporting.* There was no change in the Company's internal control over financial reporting that occurred during the quarter ended December 31, 2003 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

### **PART III**

#### **Item 10. Directors and Executive Officers of the Registrant**

The information required by this item with respect to directors is incorporated by reference to the information set forth under the captions "Matter 1. Election of Directors," "Information with Respect to Continuing Directors," "Meetings of the Board of Directors and Committees of the Board of Directors," "Nominations of Directors" and "Communications with Board of Directors" in the definitive Proxy Statement for the Company's 2004 annual meeting of shareholders (the "Proxy Statement"). The information required by this item with respect to executive officers appears at the end of Part I of this Form 10-K. The information required by this item with respect to compliance with Section 16(a) of the Securities Exchange Act of 1934 by directors and officers is incorporated by reference to the information set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement.

The Company has adopted a Code of Conduct that applies to all of the Company's employees, including the Company's Chief Executive Officer, Chief Financial Officer, Controller and other persons performing similar functions. The Company has posted a copy of the Code of Conduct on the "Company/Board of Directors" section of its website at [www.fiserv.com](http://www.fiserv.com). The Company intends to satisfy the disclosure requirements under Item 10 of Form 8-K regarding amendments to, or waivers from, the Code of Conduct by posting such information on the "Company/Board of Directors" section of its website at [www.fiserv.com](http://www.fiserv.com). The Company is not including the information contained on its website as part of, or incorporating it by reference into, this report.

#### **Item 11. Executive Compensation**

The information required by this item is incorporated herein by reference to the information set forth under the captions "Compensation of Directors," "Compensation of Executive Officers," "Agreements with Executive Officers" and "Stock Price Performance Graph" in the Proxy Statement.

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

The information required by this item is incorporated herein by reference to the information set forth under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Matter 3. Approval of Stock Option and Restricted Stock Plan, as Amended and Restated – Equity Compensation Plan Information" in the Proxy Statement.

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**Item 13. Certain Relationships and Related Transactions**

Not applicable.

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

The information required by this item is incorporated herein by reference to the information set forth under the caption "Matter 2. The Ratification of the Selection of Deloitte & Touche LLP as Independent Auditors of the Company for 2004" in the Proxy Statement.

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K**

*(a) (1) Financial Statements:*

The consolidated financial statements of the Company as of December 31, 2003 and 2002 and for each of the three years in the period ended December 31, 2003, together with the report thereon of Deloitte & Touche LLP, dated January 30, 2004, appear on pages 17 through 45 of the Company's Annual Report to Shareholders and Exhibit 13 to this Annual Report on Form 10-K, and are incorporated herein by reference.

*(a) (2) Financial Statement Schedule:*

The following financial statement schedule of the Company and related independent auditors' report are included in this Annual Report on Form 10-K:

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All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

*(b) Reports on Form 8-K:*

The Company filed a report on Form 8-K under Items 7 and 12, dated October 21, 2003, reporting the announcement of the Company's earnings for the third quarter of 2003.

The Company filed a report on Form 8-K under Items 7 and 12, dated January 27, 2004, reporting the announcement of the Company's earnings for the quarter and year ended December 31, 2003.

*(c) 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 27, 2004.

FISERV, INC.

By           /s/ Leslie M. Muma

Leslie M. Muma  
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 person on behalf of the registrant and in the capacities indicated on February 27, 2004.

<u>Signature</u>	<u>Capacity</u>
<u>/s/ Donald F. Dillon</u> Donald F. Dillon	Chairman of the Board
<u>/s/ Leslie M. Muma</u> Leslie M. Muma	Director, President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Kenneth R. Jensen</u> Kenneth R. Jensen	Director, Senior Executive Vice President, Chief Financial Officer, Treasurer (Principal Financial and Accounting Officer)
<u>/s/ Bruce K. Anderson</u> Bruce K. Anderson	Director
<u>/s/ Daniel P. Kearney</u> Daniel P. Kearney	Director
<u>/s/ Gerald J. Levy</u> Gerald J. Levy	Director
<u>/s/ Glenn M. Renwick</u> Glenn M. Renwick	Director
<u>/s/ Kim M. Robak</u> Kim M. Robak	Director
<u>/s/ L. William Seidman</u> L. William Seidman	Director
<u>/s/ Thekla R. Shackelford</u> Thekla R. Shackelford	Director
<u>/s/ Thomas C. Wertheimer</u> Thomas C. Wertheimer	Director

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the consolidated financial statements of Fiserv, Inc. and subsidiaries as of December 31, 2003 and 2002, and for each of the three years in the period ended December 31, 2003, and have issued our report thereon dated January 30, 2004, which report expresses an unqualified opinion and includes an explanatory paragraph as to the adoption in 2002 of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets;" such consolidated financial statements and report are included in your 2003 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Fiserv, Inc., listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP

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Deloitte & Touche LLP  
Milwaukee, Wisconsin  
January 30, 2004

**SCHEDULE II**  
**Valuation and Qualifying Accounts**

**Allowance for Doubtful Accounts**

<u>Year Ended December 31,</u>	<u>Beginning Balance</u>	<u>Charged to Expense</u>	<u>Write-offs</u>	<u>Acquired Allowance</u>	<u>Balance</u>
2003	\$ 13,168,000	\$ 5,089,000	\$ (4,479,000)	\$ 12,106,000	\$ 25,884,000
2002	14,703,000	2,527,000	(4,248,000)	186,000	13,168,000
2001	16,001,000	963,000	(3,311,000)	1,050,000	14,703,000

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
3.1	Restated Articles of Incorporation, as amended (filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K dated February 28, 2000, and incorporated herein by reference (File No. 0-14948)).
3.2	By-laws, as amended and restated.
4.1	Shareholder Rights Agreement (filed as Exhibit 4 to the Company's Current Report on Form 8-K dated February 23, 1998, and incorporated herein by reference (File No. 0-14948)).
4.2	First Amendment to the Shareholder Rights Agreement (filed as Exhibit 4.3 to the Company's Form S-8 dated April 7, 2000, and incorporated herein by reference (File No. 333-34310)).
4.3	Second Amendment to the Shareholder Rights Agreement (filed as Exhibit 4.6 to the Company's Form 10-K dated February 27, 2001, and incorporated herein by reference (File No. 0-14948)).
	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 (filed as Exhibit A to the Company's Proxy Statement for the 2004 Annual Meeting of Shareholders and incorporated herein by reference (File No. 0-14948)).
10.2	Fiserv, Inc. Executive Incentive Compensation Plan (filed as Exhibit A to the Company's Proxy Statement for the 2001 Annual Meeting of Shareholders and incorporated herein by reference (File No. 0-14948)).
10.3	Form of Key Executive Employment and Severance Agreement, between Fiserv, Inc. and each of Leslie M. Muma, Kenneth R. Jensen and Norman J. Balthasar (filed as Exhibit 10.3 to the Company's Form 10-K dated February 27, 2002, and incorporated herein by reference (File No. 0-14948)).
10.4	Form of Key Executive Employment and Severance Agreement, between Fiserv, Inc. and each of Robert H. Beriault, James W. Cox, Douglas J. Craft, Mark J. Damico, Patrick C. Foy, Thomas A. Neill, Rodney D. Poskochil, James C. Puzniak, Dean C. Schmelzer, Charles W. Sprague and Terence R. Wade (filed as Exhibit 10.4 to the Company's Form 10-K dated February 27, 2002, and incorporated herein by reference (File No. 0-14948)).
13	2003 Annual Report to Shareholders (to the extent incorporated by reference herein).
21	List of Subsidiaries of the Registrant.
23	Independent Auditors' Consent.
31.1	Certification of the Chief Executive Officer, dated February 27, 2004.
31.2	Certification of the Chief Financial Officer, dated February 27, 2004.

**EXHIBIT INDEX (continued)**

<u>Exhibit Number</u>	<u>Exhibit Description</u>
32.1	Written Statement of the Chief Executive Officer, dated February 27, 2004.
32.2	Written Statement of the Chief Financial Officer, dated February 27, 2004.

BY-LAWS  
OF  
FISERV, INC.

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Incorporated under the Laws of the  
State of Wisconsin

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Adopted as of December 31, 1992  
Amended and Restated as of March 25, 1999  
Amended as of February 16, 2000  
Amended on September 17, 2003  
Amended and Restated as of February 18, 2004

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BY-LAWS  
OF  
FISERV, INC.  
(a Wisconsin Corporation)

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ARTICLE I

OFFICES

The registered office of the Corporation in the State of Wisconsin shall be located in the City of Brookfield, County of Waukesha. The Corporation may establish or discontinue, from time to time, such other offices within or without the State of Wisconsin as may be deemed proper for the conduct of the Corporation's business.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. Place of Meetings. All meetings of shareholders shall be held at such place or places, within or without the State of Wisconsin, as may from time to time be fixed by the Board of Directors or the Chairman of the Board, or as shall be specified in the respective notices, or waivers of notice, thereof. Any meeting may be postponed or adjourned pursuant to Section 8 of this Article II to reconvene at any place designated by vote of the Board of Directors or by the Chairman of the Board.

Section 2. Annual Meeting. The annual meeting of shareholders (the "Annual Meeting") shall be held on such date and at such place as may be fixed by the Board of Directors. In fixing a meeting date for any Annual Meeting, the Board of Directors may consider such factors as it deems relevant within the good faith exercise of its business judgment. At each Annual Meeting, the shareholders shall elect individuals to the Board of Directors in accordance with the Articles of Incorporation and By-Laws of the Corporation. At any such Annual Meeting, only other business properly brought before the Annual Meeting in accordance with Section 5 of this Article II may be transacted.

Section 3. Special Meetings.

(a) A special meeting of the shareholders (a "Special Meeting") may be called only by (i) a majority of the Board of Directors, (ii) the Chairman of the Board or (iii) the President. The President shall call a Special Meeting upon the demand, in accordance with this Section 3, of the holders of record representing at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the Special Meeting.

(b) To enable the Corporation to determine the shareholders entitled to demand a Special Meeting, the Board of Directors may fix a record date to determine the shareholders entitled to make such a demand (the "Demand Record Date"). The Demand Record Date shall not precede the date on which the Board of Directors adopts the resolution fixing the Demand Record Date and shall not be more than ten days after the date on which the resolution fixing the Demand Record Date is adopted by the Board of Directors. Any shareholder of record entitled to demand a Special Meeting who is seeking to have shareholders demand a Special Meeting shall, by sending written notice to the Secretary at the principal offices of the Corporation, by hand or by certified or registered mail, return receipt requested, request the Board of Directors to fix a Demand Record Date. The Board of Directors shall promptly, but in all events within ten days after the date on which a valid request to fix a Demand Record Date is received and verified, adopt a resolution fixing the Demand Record Date and shall make a public announcement of such Demand Record Date. If no Demand Record Date has been fixed by the Board of Directors within ten days after the date on which such request is received and verified by the Secretary at the principal offices of the Corporation, then the Demand Record Date shall be the tenth day after the first date on which a valid written request to set a Demand Record Date is received and verified by the Secretary at the principal offices of the Corporation. To be valid, such written request shall set forth the purpose or purposes for which the Special Meeting is to be held, shall be signed by one or more shareholders of record and by the beneficial owner or owners, if any, on whose behalf the request is made, shall bear the date of signature of each such shareholder and any such beneficial owner and shall set forth all information about each such shareholder and any such beneficial owner that would be required to be set forth in a shareholder's notice described in Section 5(a)(ii) of this Article II as if the notice related to an Annual Meeting.

(c) For a shareholder or shareholders to demand a Special Meeting, a written demand or demands for a Special Meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the Special Meeting, calculated as if the Demand Record Date were the record date for the Special Meeting, must be delivered to the Secretary at the principal offices of the Corporation. To be valid, each written demand by a shareholder for a Special Meeting shall set forth the specific purpose or purposes for which the Special Meeting is to be held (which purpose or purposes shall be limited to the purpose or purposes set forth in the written request to set a Demand

Record Date received by the Corporation pursuant to the foregoing Section 3(b)), shall be signed by one or more persons who as of the Demand Record Date are shareholders of record and by the beneficial owners, if any, on whose behalf the demand is made, shall bear the date of signature of each such shareholder and any such beneficial owner, shall set forth the name and address of each such shareholder (as they appear in the Corporation's books) and any such beneficial owner signing such demand and the class and number of shares of the Corporation that are owned of record and/or beneficially by each such shareholder and any such beneficial owner, shall be sent to the Secretary at the principal offices of the Corporation, by hand or by certified or registered mail, return receipt requested, and shall be received by the Secretary at the principal offices of the Corporation within seventy days after the Demand Record Date.

(d) The Corporation shall not be required to call a Special Meeting upon shareholder demand unless, in addition to the documents required by the foregoing Section 3(c), the Secretary receives a written agreement, which may require furnishing of a bond, signed by each Soliciting Shareholder (as defined below) pursuant to which each Soliciting Shareholder, jointly and severally, agrees to pay the Corporation's costs of holding the Special Meeting, including the costs of preparing and mailing proxy materials for the Corporation's own solicitation, provided that if each of the resolutions introduced by any Soliciting Shareholder at such meeting is adopted, and each of the individuals nominated by or on behalf of any Soliciting Shareholder for election as a director at such meeting is elected, then the Soliciting Shareholders shall not be required to pay such costs. For purposes of these By-Laws, the following terms shall have the respective meanings set forth below:

(i) "Affiliate" of any Person (as defined herein) shall mean any Person controlling, controlled by or under common control with such first Person.

(ii) "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Wisconsin are authorized or obligated by law or executive order to close.

(iii) "Participant" shall have the meaning assigned to such term in Rule 14a-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iv) "Person" shall mean any individual, firm, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(v) "Proxy" shall have the meaning assigned to such term in Rule 14a-1 promulgated under the Exchange Act.

(vi) "Solicitation" shall have the meaning assigned to such term in Rule 14a-1 promulgated under the Exchange Act.

(vi) "Soliciting Shareholder" shall mean, with respect to any Special Meeting demanded by a shareholder or shareholders, each of the following Persons:

(A) if the number of shareholders signing the demand or demands of meeting delivered to the Secretary at the principal offices of the Corporation pursuant to the foregoing Section 3(c) is ten or fewer, each Person signing any such demand; or

(B) if the number of shareholders signing the demand or demands of meeting delivered to the Corporation pursuant to the foregoing Section 3(c) is more than ten, each Person who either (I) was a Participant in any Solicitation of such demand or demands or (II) at the time of the delivery to the Secretary at the principal offices of the Corporation of the documents described in the foregoing Section 3(c) had engaged or intends to engage in any Solicitation of Proxies for use at such Special Meeting (other than a Solicitation of Proxies on behalf of the Corporation).

A "Soliciting Shareholder" shall also mean each Affiliate of a Soliciting Shareholder described in clause (A) or (B) above who is a member of such Soliciting Shareholder's "group" for purposes of Rule 13d-5(b) under the Exchange Act, and any other Affiliate of such a Soliciting Shareholder, if a majority of the directors then in office determines, reasonably and in good faith, that such Affiliate should be required to sign the written notice described in the foregoing Section 3(c) and/or the written agreement described in this Section 3(d) to prevent the purposes of this Section 3 from being evaded.

(e) Except as provided in the following sentence, any Special Meeting shall be held at such date and hour as may be designated by whichever of the Board of Directors or the Chairman of the Board shall have called such meeting. In the case of any Special Meeting called by the Chairman of the Board upon the demand of shareholders (a "Demand Special Meeting"), such meeting shall be held at such date and hour as may be designated by the Board of Directors; provided, however, that the date of any Demand Special Meeting shall be not more than seventy days after the Meeting Record Date (as defined in Section 6(a) of this Article II); and provided further that in the event that the directors then in office fail to designate a date and hour for a Demand Special Meeting within ten days after the date that valid written demands for such meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the Special Meeting, calculated as if the Demand Record Date were the record date for the Special Meeting, are delivered to the Corporation (the "Delivery

Date”), then such meeting shall be held at 10:00 A.M., local time, on the 100th day after the Delivery Date or, if such 100th day is not a Business Day, on the first preceding Business Day. In fixing a meeting date for any Special Meeting, the Board of Directors or the Chairman of the Board may consider such factors as it, he or she deems relevant within the good faith exercise of its, his or her business judgment, including, without limitation, the nature of the action proposed to be taken, the facts and circumstances surrounding any demand for such meeting and any plan of the Board of Directors or the Chairman of the Board to call an Annual Meeting or Special Meeting for the conduct of related business.

(f) The Corporation may engage regionally or nationally recognized independent inspectors of elections to act as an agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported written demand or demands for a Special Meeting received by the Secretary. For the purpose of permitting the inspectors to perform such review, no purported demand shall be deemed to have been delivered to the Corporation until the earlier of (i) five Business Days following receipt by the Secretary of such purported demand and (ii) such date as the independent inspectors certify to the Corporation that the valid demands received by the Secretary represent at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the Special Meeting, calculated as if the Demand Record Date were the record date for the Special Meeting. Nothing contained in this Section 3(f) shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any demand, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto).

Section 4. Notice of Meetings.

(a) Written notice stating the place, day and hour of an Annual Meeting or Special Meeting shall be delivered not less than ten days nor more than seventy days before the date of the meeting (unless a different date is required by law or the Articles of Incorporation), by or at the direction of the Chairman of the Board or the Secretary, to each shareholder of record entitled to vote at such meeting and to such other persons as are required by the Wisconsin Business Corporation Law. In the event of any Demand Special Meeting, such notice of meeting shall be sent prior to the later of (x) the two days after the Meeting Record Date for such Demand Special Meeting and (y) thirty days after the Delivery Date. For purposes of this Section 4, notice by “electronic transmission” (as defined in the Wisconsin Business Corporation Law) is written notice. Written notice pursuant to this Section 4 shall be deemed to be effective (a) when mailed, if mailed postpaid and addressed to the shareholder’s address shown in the Corporation’s current record of shareholders or (b) when electronically transmitted to the shareholder in a manner authorized by the shareholder.

(b) In the case of any Special Meeting, (i) the notice of meeting shall describe any business that the Board of Directors shall have theretofore determined to bring before the meeting and (ii) in the case of a Demand Special Meeting, the notice of meeting (A) shall describe any business set forth in the statement of purpose of the demands received by the Corporation in accordance with Section 3 of this Article II, (B) shall contain all of the information required in the notice received by the Corporation in accordance with Section 5(b) of this Article II and (C) shall describe any business that the Board of Directors shall have theretofore determined to bring before the Demand Special Meeting. Except as otherwise provided in these By-Laws, in the Articles of Incorporation or in the Wisconsin Business Corporation Law, the notice of an Annual Meeting need not include a description of the purpose or purposes for which the meeting is called.

(c) If any Annual Meeting or Special Meeting is adjourned to a different date, time or place, then the Corporation shall not be required to give notice of the new date, time or place if the new date, time or place is announced at the meeting before adjournment; provided, however, that if a new Meeting Record Date for an adjourned meeting is or must be fixed, then the Corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new Meeting Record Date.

Section 5. Notice of Shareholder Business and Nomination of Directors.

(a) Annual Meetings.

(i) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the shareholders may be made at an Annual Meeting (A) pursuant to the Corporation's notice of meeting, (B) by or at the direction of the Board of Directors or (C) by any shareholder of the Corporation who (1) is a shareholder of record at the time of giving of notice provided for in this Section 5, (2) is entitled to vote with respect to such nomination or other business at the meeting under the Articles of Incorporation and (3) complies with the notice procedures set forth in this Section 5.

(ii) For nominations or other business to be properly brought before an Annual Meeting by a shareholder pursuant to the foregoing Section 5(a)(i)(C), the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice shall be received by the Secretary at the principal offices of the Corporation not less than forty-five days nor more than seventy days prior to the first annual anniversary of the date set forth in the Corporation's proxy statement for the immediately preceding Annual Meeting as the date on which the Corporation first mailed or intended to mail definitive proxy materials for the immediately preceding Annual Meeting (the "Anniversary Date"); provided, however, that if the date for which the Annual Meeting is called more than thirty days before or more than thirty days after the

first annual anniversary of the immediately preceding Annual Meeting, then notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 100<sup>th</sup> day prior to the date of such Annual Meeting and not later than the later of (A) the 75<sup>th</sup> day prior to the date of such Annual Meeting or (B) the 10<sup>th</sup> day following the day on which public announcement of the date of such Annual Meeting is first made. In no event shall the announcement of an adjournment of an Annual Meeting commence a new time period for the giving of a shareholder notice as described above. Such shareholder's notice shall be signed by the shareholder of record who intends to make the nomination or introduce the other business and by the beneficial owner or owners, if any, on whose behalf the shareholder is acting, shall bear the date of signature of such shareholder and any such beneficial owner and shall set forth: (I) the name and address of such shareholder (as they appear on the Corporation's books) and any such beneficial owner; (II) the class and number of shares of the Corporation that are owned of record and/or beneficially by such shareholder and any such beneficial owner; (III) a representation that such shareholder is a holder of record of shares of the Corporation entitled to vote under the Articles of Incorporation at such meeting with respect to such nomination or other business and intends to appear in person or by proxy at the meeting to make such nomination or introduce such other business; (IV) in the case of any proposed nomination for election or re-election as a director, (1) the name and residence address of the person or persons to be nominated, (2) a description of all arrangements or understandings between such shareholder and any such beneficial owner and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by such shareholder and any such beneficial owner, (3) such other information regarding each nominee proposed by such shareholder and any such beneficial owner as would be required to be disclosed in solicitations of proxies for elections of directors, or would be otherwise required to be disclosed, in each case pursuant to Regulation 14A under the Exchange Act, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had the nominee been nominated by the Board of Directors and (4) the written consent of each nominee to be named in a proxy statement and to serve as a director of the Corporation if so elected; (V) in the case of any proposed removal of a director, (1) the names of the directors to be removed and (2) the reasons of such shareholder and any such beneficial owner for asserting that such directors should be removed; and (VI) in the case of any other business that such shareholder and any such beneficial owner propose to bring before the meeting, (1) a brief description of the business desired to be brought before the meeting and, if such business includes a proposal to amend these By-Laws, the language of the proposed amendment, (2) the reasons of such shareholder and any such beneficial owner for conducting such business at the meeting and (3) any material interest in such business of such shareholder and any such beneficial owner.

(iii) Notwithstanding anything in the second sentence of the foregoing Section 5(a)(ii) to the contrary, if the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least forty-five days prior to the Anniversary Date, then a shareholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) **Special Meetings.** Only such business shall be conducted at a Special Meeting as shall have been described in the notice of meeting sent to shareholders pursuant to the foregoing Section 4. Nominations of persons for election to the Board of Directors may be made at a Special Meeting at which directors are to be elected pursuant to such notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the Corporation who (A) is a shareholder of record at the time of giving of such notice of meeting, (B) is entitled to vote with respect to such nominations at the meeting under the Articles of Incorporation and (C) complies with the notice procedures set forth in this Section 5. Any shareholder permitted to nominate persons for election to the Board of Directors pursuant to clause (ii) of the preceding sentence who desires to nominate persons for election to the Board of Directors at such a Special Meeting shall cause a written notice to be received by the Secretary at the principal offices of the Corporation not earlier than ninety days prior to such Special Meeting and not later than the close of business on the later of (I) the 60th day prior to such Special Meeting and (II) the 10th day following the day on which public announcement is first made of the date of such Special Meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. Such written notice shall be signed by the shareholder of record who intends to make the nomination and by the beneficial owner or owners, if any, on whose behalf the shareholder is acting, shall bear the date of signature of such shareholder and any such beneficial owner and shall set forth: (1) the name and address of such shareholder (as they appear in the Corporation's books) and any such beneficial owner; (2) the class and number of shares of the Corporation that are owned of record and/or beneficially by such shareholder and any such beneficial owner; (3) a representation that such shareholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make the nomination specified in the notice; (4) the name and residence address of the person or persons to be nominated; (5) a description of all arrangements or understandings between such shareholder and any such beneficial owner and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by such shareholder and any such beneficial owner; (6) such other information regarding each nominee proposed by such shareholder and any such beneficial owner as would be required to be disclosed in solicitations of proxies for elections of directors, or would be

otherwise required to be disclosed, in each case pursuant to Regulation 14A under the Exchange Act, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had the nominee been nominated by the Board of Directors; and (7) the written consent of each nominee to be named in a proxy statement and to serve as a director of the Corporation if so elected.

(c) General.

(i) Only persons who are nominated in accordance with the procedures set forth in this Section 5 shall be eligible to be elected as directors at an Annual Meeting or Special Meeting. Only such business shall be conducted at an Annual Meeting or Special Meeting as shall have been brought before such meeting in accordance with the procedures set forth in this Section 5. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 5 and, if any proposed nomination or business is not in compliance with this Section 5, to declare that such defective proposal shall be disregarded.

(ii) For purposes of this Section 5, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 5, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 5. Nothing in this Section 5 shall be deemed to limit the Corporation’s obligation to include shareholder proposals in its proxy statement if such inclusion is required by Rule 14a-8 under the Exchange Act

Section 6. Fixing of Record Date.

(a) The Board of Directors may fix in advance a date not less than ten days and not more than seventy days prior to the date of an Annual Meeting or Special Meeting as the record date for the determination of shareholders entitled to notice of, or to vote at, such meeting (the “Meeting Record Date”). In the case of any Demand Special Meeting, (i) the Meeting Record Date shall be not later than the 30<sup>th</sup> day after the Delivery Date and (ii) if the Board of Directors fails to fix the Meeting Record Date within thirty days after the Delivery Date, then the close of business on such 30<sup>th</sup> day shall be the Meeting Record Date. The shareholders of record on the Meeting Record Date shall be the shareholders entitled to notice of and to vote at the Annual Meeting or Special Meeting. When a determination of shareholders entitled to notice of or to vote at the Annual Meeting or Special Meeting has been made as provided in this section,

such determination shall be applied to any adjournment thereof unless the Board of Directors fixes a new Meeting Record Date and except as otherwise required by law. A new Meeting Record Date must be set if a meeting is adjourned to a date more than one hundred twenty days after the date fixed for the original meeting.

(b) The Board of Directors may also fix in advance a date as the record date for the purpose of determining shareholders entitled to take any other action or determining shareholders for any other purpose other than those set forth in Section 3(a) of this Article II and the foregoing Section 6(a). Such record date shall not be more than seventy days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the Board of Directors does not fix a record date for the determination of shareholders entitled to receive a share dividend or distribution (other than a distribution involving a purchase, redemption or other acquisition of the Corporation's shares), then the close of business on the date on which the resolution of the Board of Directors is adopted declaring the dividend or distribution shall be the record date.

(c) In order that the Corporation may determine the shareholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date to determine the shareholders entitled to express consent to corporate action in writing without a meeting (the "Consent Record Date"). The Consent Record Date shall not precede the date upon which the resolution fixing the Consent Record Date is adopted by the Board of Directors, and such date shall not be more than ten days after the date upon which the resolution fixing the Consent Record Date is adopted by the Board of Directors. Any shareholder of record seeking to have the shareholders express consent to corporate action in writing without a meeting shall, by sending written notice to the Secretary of the Corporation by hand or by certified registered mail, return receipt requested, request the Board of Directors to fix a Consent Record Date. The Board of Directors shall promptly, but in all events within ten days after the date on which such a valid request is received and verified, adopt a resolution fixing the Consent Record Date and shall make a public announcement of such Consent Record Date. If no Consent Record Date has been fixed by the Board of Directors within ten days after the date on which such a request is received and verified by the Secretary, then the Consent Record Date shall be the 10<sup>th</sup> day after the first date on which a valid written request to set a Consent Record Date is received and verified by the Secretary. To be valid, such written request shall comply with each of the following:

(i) Such written request shall be signed by one or more shareholders of record and by the beneficial owners or owners, if any, on whose behalf the shareholder or shareholders are acting, shall bear the date of signature of each such shareholder and any such beneficial owner and shall set forth: (A) the name and address, as they appear on this Corporation's books, of each such shareholder and any such beneficial owner who seeks to have the shareholders express consent to corporate action in writing without a meeting;

(B) the class and number of shares of the Corporation which are owned of record and/or beneficially by each such shareholder and any such beneficial owner; (C) a representation that each such shareholder is a holder of record of shares of the Corporation entitled to vote at a meeting of shareholders; (D) the manner in which each such shareholder and any such beneficial owner intend to comply with Regulation 14A under the Exchange Act in seeking to have the shareholders express consent to corporate action in writing without a meeting; (E) in the case of any such shareholder and any such beneficial owner seeking to elect or re-elect a director by the shareholders expressing consent to corporate action in writing without a meeting, (1) the name and residence address of the person or persons each such shareholder and any such beneficial owner are seeking to elect or re-elect as a director, (2) a description of all arrangements or understandings between each such shareholder and any such beneficial owner and each person such shareholder and any such beneficial owner are seeking to elect or re-elect as a director and any other person or persons (naming such person or persons) pursuant to which such shareholder and any such beneficial owner are seeking to elect or re-elect as a director as would be required to be disclosed in solicitations of proxies for elections of directors, or would be otherwise required to be disclosed, in each case pursuant to Regulation 14A under the Exchange Act, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had such person been nominated by the Board of Directors and (4) the written consent of each such person to serve as a director of the Corporation if so elected; (F) in the case of any such shareholder and any such beneficial owner seeking to remove a director by the shareholders expressing consent to corporate action in writing without a meeting, (1) the names of the director(s) each such shareholder and any such beneficial owner are seeking to remove and (2) the reasons of each such shareholder and any such beneficial owner for asserting that such director(s) may be removed for cause; and (G) in the case of any such shareholder and any such beneficial owner seeking to authorize or take any other corporate action by the shareholders expressing consent to corporate action in writing without a meeting, (1) a brief description of the corporate action desired to be authorized or taken and, if such corporate action includes an amendment to these By-Laws, the language of the proposed amendment, (2) the reasons of each such shareholder and any such beneficial owner for authorizing or taking such corporate action and (3) any material interest in such corporate action of each such shareholder and any such beneficial owner.

(ii) Such written request shall be accompanied by a written agreement, which may require furnishing of a bond, signed by each Consent Soliciting Shareholder (as defined below) pursuant to which each Consent Soliciting Shareholder, jointly and severally, agrees to pay the Corporation's costs relating to such Consent Soliciting Shareholder seeking to have the

shareholders express consent to corporate action in writing without a meeting, including the costs of preparing and mailing proxy materials for the Corporation's own solicitation, provided that if the Consent Soliciting Shareholder obtains the requisite number of shares subject to valid and unrevoked Consents (as defined in Section 11(b) of this Article II) to express the corporate action referred to therein in accordance with these By-Laws, then the Consent Soliciting Shareholders shall not be required to pay such costs. For purposes of these By-Laws, "Consent Soliciting Shareholder" shall mean each of the following Persons:

(A) if the number of shareholders signing the Consent or Consents is ten or fewer, each Person signing any such Consents; or

(B) if the number of shareholders signing the Consent or Consents is more than ten, each Person who either (1) was a Participant in any Solicitation of such consent or consents or (2) at the time of the delivery to the Corporation of the documents described in this Section 6(c) had engaged or intends to engage in any Solicitation of Consents and/or Proxies for expressing consent to corporate action in writing without a meeting (other than a Solicitation of Consents and/or Proxies on behalf of the Corporation).

A "Consent Soliciting Shareholder" shall also mean each Affiliate of a Consent Soliciting Shareholder described in clause (A) or (B) above who is a member of such Consent Soliciting Shareholder's "group" for purposes of Rule 13d-5(b) under the Exchange Act, and any other Affiliate of such a Consent Soliciting Shareholder, if a majority of the directors then in office determine, reasonably and in good faith, that such Affiliate should be required to sign the written notice described in the foregoing Section 6(c)(i) and/or the written agreements described in this Section 6(c)(ii) and the following Section 6(c)(iii) to prevent the purposes of this Section 6(c) and Section 11 of this Article II from being evaded.

(iii) Such written request shall be accompanied by a written agreement signed by each Consent Soliciting Shareholder pursuant to which each Consent Soliciting Shareholder agrees to deliver to any inspectors of election engaged by the Corporation pursuant to Section 11(d) of this Article II within two Business Days after receipt all Consents and revocations thereof received by such Consent Soliciting Shareholder or such Consent Soliciting Shareholder's proxy solicitor or other designated agent in connection with such Consent Soliciting Shareholder seeking to have the shareholders express written consent to corporate action without a meeting.

Section 7. List of Shareholders. It shall be the duty of the Secretary or other officer of the Corporation who shall have charge of the stock ledger to prepare and make, at least ten days before every meeting of the shareholders, a complete list of

the shareholders entitled to vote thereat, arranged in alphabetical order, and showing the address of each shareholder and the number of shares registered in his name. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period beginning two Business Days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall be kept and produced at the time and place of the meeting during the whole time thereof and subject to the inspection of any shareholders who may be present. The original or duplicate ledger shall be the only evidence as to who are the shareholders entitled to examine such list or the books of the Corporation or to vote in person or by proxy at such meeting.

Section 8. Quorum; Postponement; Adjournments.

(a) Shares entitled to vote as a separate voting group may take action on a matter at an Annual Meeting or Special Meeting only if a quorum of those shares exists with respect to that matter. Except as otherwise provided in the Articles of Incorporation, these By-Laws or in the Wisconsin Business Corporation Law, a majority of the votes entitled to be cast on a matter by the voting group shall constitute a quorum of that voting group for action on that matter. Once a share is represented for any purpose at an Annual Meeting or Special Meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of the meeting unless a new Meeting Record Date is or must be set for the adjourned meeting.

(b) The Board of Directors acting by resolution may postpone and reschedule any previously scheduled Annual Meeting or Special Meeting; provided, however, that a Demand Special Meeting shall not be postponed beyond the 100<sup>th</sup> day following the Delivery Date. Any Annual Meeting or Special Meeting may be adjourned from time to time, whether or not there is a quorum, (i) at any time, upon a resolution by shareholders if the votes cast in favor of such resolution by the holders of shares of each voting group entitled to vote on any matter theretofore properly brought before the meeting exceed the number of votes cast against such resolution by the holders of shares of each such voting group or (ii) at any time prior to the transaction of any business at such meeting, by the Chairman of the Board or pursuant to a resolution of the Board of Directors; provided, however, that a Demand Special Meeting adjourned pursuant to clause (ii) must be reconvened on or before the 100<sup>th</sup> day following the Delivery Date. No notice of the time and place of adjourned meetings need be given except as required by the Wisconsin Business Corporation Law. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

Section 9. Voting. Every shareholder of record who is entitled to vote

shall at every meeting of the shareholders be entitled to one vote for each share of stock held by him on the record date; except, however, that shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the Corporation, shall neither be entitled to vote nor counted for quorum purposes. Nothing in this Section shall be construed as limiting the right of the Corporation to vote its own stock held by it in a fiduciary capacity. If a quorum exists, then action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation, these By-Laws or the Wisconsin Business Corporation Law requires a greater number of affirmative votes. Unless otherwise provided in the Articles of Incorporation, each director shall be elected by a plurality of the votes cast by the shares entitled to vote in the election of directors at a meeting at which a quorum is present. Unless demanded by a shareholder of the Corporation present in person or by proxy at any meeting of the shareholders and entitled to vote thereat or so directed by the chairman of the meeting or required by law, the vote thereat on any question need not be by written ballot. On a vote by written ballot, each ballot shall be signed by the shareholder voting, or in his name by his proxy, if there be such proxy, and shall state the number of shares voted by him and the number of votes to which each share is entitled.

**Section 10. Proxies.** At any Annual Meeting or Special Meeting, a shareholder entitled to vote may vote in person or by proxy. A shareholder entitled to vote at any Annual Meeting or Special Meeting, or to express consent or dissent in writing to any corporate action without a meeting, may authorize another person to act for the shareholder by appointing the person as a proxy. The means by which a shareholder or the shareholder's authorized officer, director, employee, agent or attorney-in-fact may authorize another person to act for the shareholder by appointing the person as proxy include:

(a) Appointment of a proxy in writing by signing or causing the shareholder's signature to be affixed to an appointment form by any reasonable means, including, without limitation, by facsimile signature.

(b) Appointment of a proxy by transmitting or authorizing the transmission of an electronic transmission of the appointment to the person who will be appointed as proxy or to a proxy solicitation firm, proxy support service organization or like agent authorized to receive the transmission by the person who will be appointed as proxy. Every electronic transmission shall contain, or be accompanied by, information that can be used to reasonably determine that the shareholder transmitted or authorized the transmission of the electronic transmission. Any person charged with determining whether a shareholder transmitted or authorized the transmission of the electronic transmission shall specify the information upon which the determination is made.

An appointment of a proxy is effective when a signed appointment form or an electronic transmission of the appointment is received by the inspector of election or the officer or agent of the Corporation authorized to tabulate votes. Unless the appointment form or electronic transmission states that the proxy is irrevocable and the appointment is coupled with an interest, a proxy may be revoked at any time before it is voted, either by written notice filed with the Secretary or the secretary of the meeting or by oral notice given by the shareholder to the presiding officer during the meeting. The presence of a shareholder who has made an effective proxy appointment shall not of itself constitute a revocation. A proxy appointment is valid for eleven months unless a different period is expressly provided in the appointment. The Board of Directors, the Chairman of the Board and the President each shall have the power and authority to make rules as to the validity and sufficiency of proxies.

Section 11. Action without a Meeting.

(a) Any action required to be taken at any Annual Meeting or Special Meeting or any action which may be taken at any Annual Meeting or Special Meeting may be taken without a meeting, without prior notice and without a vote, if a consent in writing setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those shareholders who have not consented in writing.

(b) To be valid, each expression of consent to corporate action in writing (a "Consent") shall be in writing; shall set forth the specific corporate action to be taken (which corporate action or actions shall be limited to the action or actions set forth in the written request to set a Consent Record Date received by the Corporation pursuant to Section 6(c) of this Article II); shall be signed by one or more persons who as of the Consent Record Date are shareholders of record (or their duly authorized proxies); shall bear the date of signature of each such shareholder (or their duly authorized proxies); shall set forth the name and address, as they appear in the Corporation's books, of each shareholder signing such Consent and the class and number of shares of the Corporation that are owned of record by each such shareholder; in the case of a Person who is not a shareholder of record, shall be accompanied by a proxy or proxies evidencing each such Person's appointment as a proxy for the applicable shareholder of record; and shall be sent to the inspectors of elections engaged by the Corporation pursuant to the following Section 11(d) in accordance with the provisions of the following Section 11(e). Without limiting the foregoing, no Consent shall be valid unless, within seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II, Consents representing the requisite number of shares subject to valid and unrevoked Consents to express such corporate action are delivered to the Corporation pursuant to this Section 11; provided, however, that if the Corporation or a Consent Soliciting

Shareholder (whichever is soliciting Consents) has requested a Preliminary Consent Report that is pending on such 70<sup>th</sup> day pursuant to the following Section 11(f), then such Consents shall be valid if Consents representing the requisite number of shares subject to valid and unrevoked Consents to express such corporate action are delivered to the Corporation pursuant to this Section 11 at such time as such inspectors issue the Final Consent Report relating to the pending Preliminary Consent Report pursuant to the following Section 11(g) or Section 11(h). The Board of Directors shall have the power and authority to make rules that are not inconsistent with the Wisconsin Business Corporation Law as to the validity of Consents and revocations thereof.

(c) Consents may be revoked at any time prior to the earlier of (i) such time as the inspectors of elections issue a Final Consent Report pursuant to the following Section 11(g) or Section 11(h) or (ii) seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II by written notice delivered to (A) the Secretary, (B) any Consent Soliciting Shareholder, (C) to a proxy solicitor or other agent designated by the Corporation or any Consent Soliciting Shareholder and/or (D) the inspectors of elections engaged by the Corporation pursuant to the following Section 11(d).

(d) Within three Business Days after a Consent Record Date fixed pursuant to Section 6(c) of this Article II, the Corporation shall (i) engage regionally or nationally recognized independent inspectors of elections to act as agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of Consents and revocations thereof and (ii) provide notice to each Consent Soliciting Shareholder of the identity of such inspectors and the manner in which such Consent Soliciting Shareholder may deliver Consents and revocations thereof to such inspectors pursuant to the following Section 11(e). Except as provided in Section 6(c)(ii) of this Article II, the cost of retaining inspectors of election shall be borne by the Corporation.

(e) The Corporation, the Consent Soliciting Shareholders and their respective proxy solicitors or other designated agents shall deliver Consents and revocations thereof to the inspectors within two Business Days after receipt. As soon as the inspectors receive Consents and/or revocations thereof, the inspectors shall review the Consents and revocations thereof and shall maintain a count of the number of shares subject to valid and unrevoked Consents. The inspectors shall keep such count confidential and shall not reveal the count to any Person; provided, however, that, as soon as practicable after a written request therefor by the Corporation or a Consent Soliciting Shareholder, the inspectors shall issue a report (a "Consent Report") to the Corporation and the Consent Soliciting Shareholders stating: (i) the number of shares subject to valid Consents; (ii) the number of shares subject to valid revocations of Consents; (iii) the number of shares subject to valid and unrevoked Consents; (iv) the number of shares subject to invalid Consents; (v) the number of shares subject to invalid revocations of Consents; (vi) whether, based on their count, the requisite number of shares subject to valid and unrevoked Consents has been obtained to express the corporate action specified in the Consents; and (vii) the latest date the inspectors received Consents and revocations thereof that the inspectors reflected in such report (the "Report Date").

(f) As soon as practicable after a written request therefor by the Corporation or a Consent Soliciting Shareholder (whichever is soliciting Consents), notice of which request shall be given to the Corporation and any parties opposing the solicitation of Consents, if any, which request shall state that the Corporation or the Consent Soliciting Shareholders, as the case may be, have a good faith belief that the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents has been received in accordance with the Articles of Incorporation and these By-Laws, the inspectors shall issue and deliver to the Corporation and the Consent Soliciting Shareholders a preliminary Consent Report (the "Preliminary Consent Report"); provided, however, that neither the Corporation nor the Consent Soliciting Shareholders may request a Preliminary Consent Report after the 70<sup>th</sup> day after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II. Unless the Corporation and the Consent Soliciting Shareholders shall agree to a shorter or longer period, the Corporation and the Consent Soliciting Shareholders shall have two Business Days after receipt of the Preliminary Consent Report to review the Consents and revocations thereof and to advise the inspectors and the opposing parties in writing as to whether they intend to challenge the Preliminary Consent Report.

(g) If no written notice of an intention to challenge a Preliminary Consent Report is received within two Business Days after receipt of the Preliminary Consent Report by the Corporation and the Consent Soliciting Shareholders and either (i) the date that is two Business Days after such receipt of such Preliminary Consent Report (the "Cut-Off Date") is more than seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II or (ii) the Cut-Off Date is not more than seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II and the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was obtained, then the inspectors shall as promptly as practicable issue to the Corporation and the Consent Soliciting Shareholders their final Consent Report (a "Final Consent Report"), which shall contain the information included in the Preliminary Consent Report, plus all changes in the vote totals as a result of Consents and revocations thereof received after the Preliminary Consent Report Report Date to the time of issuance of the Final Consent Report, if such Consents and revocations thereof are received within seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II, and a certification as to whether the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was obtained. If the Cut-Off Date is not more than seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II and the requisite number or shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was not obtained, then the inspectors shall as promptly as practicable issue a Consent Report to the Corporation and the Consent Soliciting Shareholders and a certification that the requisite number of

shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was not obtained, and the Corporation or the Consent Soliciting Shareholders (whichever is soliciting Consents) shall have the right to request again a Preliminary Consent Report in accordance with the provisions of the foregoing Section 11(f).

(h) If the Corporation or the Consent Soliciting Shareholders issue written notice to the inspectors and the Corporation or the Consent Soliciting Shareholders, as the case may be, of an intention to challenge a Preliminary Consent Report within two Business Days after receipt of the Preliminary Consent Report by the Corporation and the Consent Soliciting Shareholders, then a challenge session shall be scheduled by the inspectors as promptly as practicable, at which the Corporation and the Consent Soliciting Shareholders shall have the right to object to the validity of Consents and revocations thereof. A transcript of the challenge session shall be recorded by a certified court reporter. Following completion of the challenge session, if either (i) the date on which the challenge session is completed (the "Completion Date") is more than seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II or (ii) the Completion Date is not more than seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II and the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was obtained, then the inspectors shall as promptly as practicable issue to the Corporation and the Consent Soliciting Shareholders a Final Consent Report, which shall contain the information included in the Preliminary Consent Report, plus all changes in the vote totals as a result of the challenge and, if such Consents and revocations thereof are received within seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II, Consents and revocations thereof received after the Preliminary Consent Report Report Date to the time of issuance of the Final Report, and a certification as to whether the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was obtained. If the Completion Date is not more than seventy days after the applicable Consent Record Date fixed pursuant to Section 6(c) of this Article II and the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was not obtained, then the inspectors shall as promptly as practicable issue a Consent Report to the Corporation and the Consent Soliciting Shareholders and a certification that the requisite number of shares subject to valid and unrevoked Consents to express the corporate action specified in the Consents was not obtained, and the Corporation or the Consent Soliciting Shareholders (whichever is soliciting Consents) shall have the right to request again a Preliminary Consent Report in accordance with the provisions of the foregoing Section 11(f).

(j) Simultaneously with the delivery of any Final Consent Report to the Corporation pursuant to the foregoing Section 11(g) or Section 11(4), the inspectors shall deliver all valid and unrevoked Consents to the Corporation, which shall constitute delivery of such Consents to the Corporation for purposes of Section 180.0704 of the

Wisconsin Business Corporation Law and the Articles of Incorporation. A copy of any Final Consent Report shall be included in the book in which the proceedings of meetings of shareholders are recorded.

(k) As to any Consent, if, prior to the issuance of a Final Consent Report and delivery of Consents to the Corporation, all Consent Soliciting Shareholders notify the Corporation and the inspectors in writing that such Consent Soliciting Shareholders no longer desire to express consent to the corporate actions specified in the Consents, then the Consents shall be deemed abandoned, and the inspectors shall not issue a Final Consent Report or deliver such Consents to the Corporation.

Section 12. Acceptance of Instruments Showing Shareholder Action. If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the Corporation, acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder, the Corporation, acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the Corporation requests, evidence of fiduciary status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the Corporation requests, evidence of this status acceptable to the Corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the Corporation requests, evidence acceptable to the Corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two or more persons are the shareholders as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

The Corporation may reject a vote, consent, waiver or proxy appointment if the

Secretary or other officer or agent of the Corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

Section 13. Conduct of Meetings. The Chairman of the Board or, in his or her absence, the President or, in the President's absence, a Vice President designated by the Board of Directors, shall call any Annual Meeting or Special Meeting to order and shall act as chairman of the meeting, and the Secretary shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting. The Board of Directors may, to the extent not prohibited by law, adopt by resolution such rules and regulations for the conduct of an Annual Meeting or Special Meeting as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations or procedures and to do such acts as, in the judgment of the chairman of the meeting, are appropriate for the proper conduct of an Annual Meeting or Special Meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may to the extent not prohibited by law include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to shareholders of record of the Corporation, their duly authorized and constituted proxies (which shall be reasonable in number) or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time allotted to questions or comments by participants; (f) rules and procedures regarding the execution of election ballots before or after the time fixed for the commencement of the meeting; (g) the appointment of an inspector of election or an officer or agent of the Corporation authorized to tabulate votes; and (h) rules and procedures to facilitate the conduct of, and participation in, the meeting by electronic means.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

Section 2. Election and Term. The Board of Directors shall be divided into three groups, which are hereby designated as Group One, Group Two and Group Three. The term of office of the initial Group One Directors shall expire at the next annual meeting of shareholders; the term of office of the initial Group Two Directors shall expire at the second succeeding annual meeting of shareholders; and the term of

office of the initial Group Three Directors shall expire at the third succeeding annual meeting of shareholders. At each annual shareholders meeting held thereafter, Directors to replace those whose terms expire at such annual meeting shall be elected to hold office until the third succeeding annual meeting and until their successors are elected and qualify, or until they sooner die, resign or are removed. At each annual meeting of shareholders at which a quorum is present, the persons receiving a plurality of the votes cast shall be the Directors. Acceptance of the office of Director may be expressed orally or in writing, and attendance at the organization meeting shall constitute such acceptance.

Section 3. Number. The number of Directors shall be such number as shall be determined from time to time by the Board of Directors but shall not be less than three nor more than eleven.

Section 4. Tenure and Qualifications. Each Director shall hold office until the next annual meeting of shareholders in the year in which such Director's term expires and until his successor shall have been elected, or until his prior death, resignation or removal for cause only. A Director may be removed from office for cause only by affirmative vote of eighty percent (80%) of the outstanding shares entitled to vote for the election of such Director, taken at an annual meeting or a special meeting of shareholders called for that purpose, and any vacancy so created may be filled by the affirmative vote of eighty percent (80%) of such shares. Directors need not be residents of the State of Wisconsin or shareholders of the Corporation.

Section 5. Nominations for Election to the Board of Directors. Nominations for elections to the Board of Directors may be made by the Board of Directors or by any shareholder of any outstanding class of capital stock of the Corporation entitled to vote for election of Directors at a meeting of shareholders in accordance with Section 5 of Article II.

Section 6. Quorum and Manner of Acting. Unless otherwise provided by law, the presence of fifty-one percent (51%) of the whole Board of Directors shall be necessary to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. At all meetings of Directors, a quorum being present, all matters shall be decided by the affirmative vote of the majority of the Directors present, except as otherwise required by law. The Board of Directors may hold its meetings at such place or places within or without the State of Wisconsin as the Board of Directors may from time to time determine or as shall be specified in the respective notices, or waivers of notice, thereof.

Section 7. Organization Meeting. Immediately after each annual meeting of shareholders for the election of Directors the Board of Directors shall meet at the place of the annual meeting of shareholders for the purpose of organization, the election

of officers and the transaction of other business. Notice of such meeting need not be given. If such meeting is held at any other time or place, notice thereof must be given as hereinafter provided for special meetings of the Board of Directors, subject to a waiver of such notice, in the manner set forth in Section 180.0823 of the Wisconsin Business Corporation Law, by all Directors who may not have received such notice.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place, within or without the State of Wisconsin, as shall from time to time be determined by the Board of Directors. After there has been such determination, and notice thereof has been once given to each member of the Board of Directors as hereinafter provided for special meetings, regular meetings may be held without further notice being given.

Section 9. Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, if any, the President or by a majority of the Directors. Notice of each such meeting shall be mailed to each Director, addressed to him at his residence or usual place of business, at least five days before the date on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, radio or wireless, or be delivered personally or by telephone, not later than the day before the day on which such meeting is to be held. Each such notice shall state the time and place of the meeting and, as may be required, the purposes thereof. Notice of any meeting of the Board of Directors need not be given to any Director if he shall sign a written waiver thereof either before or after the time stated therein for such meeting, or if he shall be present at the meeting. Unless limited by law, the Articles of Incorporation, these By-laws or the terms of the notice thereof, any and all business may be transacted at any meeting without the notice thereof having specifically identified the matters to be acted upon.

Section 10. Resignations. Any Director of the Corporation may resign at any time by giving written notice to the Chairman of the Board, if any, the President or the Secretary of the Corporation. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 11. Vacancies. Any newly created directorships and vacancies occurring in the Board by reason of death, resignation, retirement or disqualification may be filled by (a) a majority of the Directors then in office or (b) the action of the holders of record of the majority of the issued and outstanding stock of the Corporation (i) present in person or by proxy at a meeting of holders of such stock and entitled to vote thereon or (ii) by a consent in writing in the manner contemplated in Section 11 of Article II. The Director so chosen, whether selected to fill a vacancy or elected to a new directorship, shall hold office until the next meeting of shareholders at which the election of directors is in the regular order of business, and until his successor has been elected and qualifies, or until he sooner dies, resigns or is removed.

Section 12. Committees. There may be an Executive Committee. There shall be an Audit Committee composed of independent directors. There shall be a Compensation Committee composed of independent directors. The Board of Directors by resolution adopted by the affirmative vote of a majority of the number of directors then in office may create one or more additional committees. Each committee shall have two or more members who shall, unless otherwise provided by the Board of Directors, serve at the pleasure of the Board of Directors. Except as otherwise provided by law, each committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise such power and authority as the Board of Directors shall specify.

Section 13. Compensation of Directors. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a specific sum fixed by the Board plus expenses may be allowed for attendance at each regular or special meeting of the Board; provided, however, that nothing herein contained shall be construed to preclude any Director from serving the Corporation or any parent or subsidiary corporation thereof in any other capacity and receiving compensation therefor.

Section 14. Action without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent thereto is signed by all members of the Board, and such written consent is filed with the minutes or proceedings of the Board.

Section 15. Telephonic Participation in Meetings. Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in persons at such meeting.

#### ARTICLE IV

##### OFFICERS

Section 1. Principal Officers. The Board of Directors shall elect a President, a Secretary and a Treasurer, and may in addition elect a Chairman of the Board, one or more Vice Presidents and such other officers as it deems fit; the President, the Secretary, the Treasurer, the Chairman of the Board, if any, and the Vice Presidents, if any, being the principal officers of the Corporation. One person may hold, and perform the duties of, any two or more of said offices.

Section 2. Election and Term of Office. The principal officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting thereof. Each such officer shall hold office until his successor shall have been elected and shall qualify, or until his earlier death, resignation or removal.

Section 3. Other Officers. In addition, the Board may elect, or the Chairman of the Board, if any, or the President may appoint, such other officers as they deem fit. Any such other officers so chosen shall be subordinate officers and shall hold office for such period, have such authority and perform such duties as the Board of Directors, the Chairman of the Board, if any, or the President may from time to time determine.

Section 4. Removal. Any officer may be removed, either with or without cause, at any time, by resolution adopted by the Board of Directors at any regular meeting of the Board, or at any special meeting of the Board called for that purpose, at which a quorum is present.

Section 5. Resignations. Any officer may resign at any time by giving written notice to the Chairman of the Board, if any, the President, the Secretary or the Board of Directors. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled for the unexpired portion of the term in the manner prescribed in these By-laws for election or appointment to such office for such term.

Section 7. Chairman of the Board. The Chairman of the Board of Directors, if one be elected, shall preside, if present, at all meetings of the shareholders and the Board of Directors, and shall have and perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 8. President. The President shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation. In the absence or non-election of the Chairman of the Board of Directors, if present thereat, he shall preside at all meetings of the shareholders and at all meetings of the Board of Directors. Except as the Board of Directors shall authorize the execution thereof in some other manner, he shall execute bonds, mortgages, and other contracts on behalf of the Corporation, and shall cause the seal to be affixed to any instrument requiring it and when so affixed the seal shall be attested by the signature of the Secretary or the Treasurer.

Section 9. Vice President. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the directors.

Section 10. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Corporation. He shall exhibit at all

reasonable times his books of account and records to any of the Directors of the Corporation upon application during business hours at the office of the Corporation where such books and records shall be kept; when requested by the Board of Directors, he shall render a statement of the condition of the finances of the Corporation at any meeting of the Board or at the annual meeting of shareholders; he shall receive, and give receipt for, moneys due and payable to the Corporation from any source whatsoever; in general, he shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chairman of the Board of Directors, the President or the Board of Directors. The Treasurer shall give such bond, if any, for the faithful discharge of his duties as the Board of Directors may require.

Section 11. Secretary. The Secretary, if present, shall act as secretary at all meetings of the Board of Directors and of the shareholders and keep the minutes thereof in a book or books to be provide for that purpose; he shall see that all notices required to be given by the Corporation are duly given and served; he shall have charge of the stock records of the Corporation; he shall see that all reports, statements and other documents required by law are properly kept and filed; and in general he shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman of the Board of Directors, the President or the Board of Directors.

Section 12. Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors, and the salaries of any other officers may be fixed by the Chairman of the Board of Directors or, if no Chairman of the Board shall have been elected, the President.

## ARTICLE V

### INDEMNIFICATION

The Corporation shall to the fullest extent permitted or required by the Wisconsin Business Corporation Law, including any amendments thereto (but in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than prior to such amendment), indemnify its Directors and officers against any and all liabilities, and advance any and all reasonable expenses, incurred thereby in any proceedings to which any such Director or officer is a Party because he or she is or was a Director or officer of the Corporation. The Corporation shall also indemnify an employee who is not a Director or officer to the same extent as provided by the Corporation to its Directors and officers. The rights to indemnification granted hereunder shall not be deemed exclusive of any other rights to indemnification against liabilities or the advancement of expenses which a Director, officer or employee may be entitled to under any written agreement, Board of Directors resolution, vote of shareholders, the Wisconsin Business

Corporation Law or otherwise. All capitalized terms used in this Article V and not otherwise defined shall have the meaning set forth in Section 180.0850 of the Wisconsin Business Corporation Law.

## ARTICLE VI

### SHARES AND THEIR TRANSFER

Section 1. Certificate for Stock. Every shareholder of the Corporation shall be entitled to a certificate or certificates, to be in such form as the Board of Directors shall prescribe, certifying the number of shares of the capital stock of the Corporation owned by him. No certificate shall be issued for partly paid shares.

Section 2. Stock Certificate Signature. The certificates for such stock shall be numbered in the order in which they shall be issued and shall be signed by the Chairman of the Board, if any, or the President and the Secretary or Treasurer of the Corporation and its seal shall be affixed thereto. If such certificate is countersigned (1) by a transfer agent other than the Corporation or its employee, or (2) by a registrar other than the Corporation or its employee, the signatures of such officers of the Corporation may be facsimiles. In case any officer of the Corporation who has signed, or whose facsimile signature has been placed upon, any such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of issue.

Section 3. Stock Ledger. A record shall be kept by the Secretary or by any other officer, employee or agent designated by the Board of Directors of the name of each person, firm or corporation holding capital stock of the Corporation, the number of shares represented by, and the respective dates of, each certificate for such capital stock, and in case of cancellation of any such certificate, the respective dates of cancellation.

Section 4. Cancellation. Every certificate surrendered to the Corporation for exchange or registration of transfer shall be cancelled, and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so cancelled, except, subject to Section 7 of this Article VI, in cases provided for by applicable law.

Section 5. Registrations of Transfers of Stock. Registrations of transfers of shares of the capital stock of the Corporation shall be made on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation or with a transfer clerk or a transfer agent appointed as in Section 6 of this Article VI provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

Section 6. Regulations. The Board of Directors may make such rules and regulations as it may deem expedient, not inconsistent with the Articles of Incorporation or these By-laws, concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. It may appoint, or authorize any principal officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

Section 7. Lost, Stolen, Destroyed or Mutilated Certificates. Before any certificates for stock of the Corporation shall be issued in exchange for certificates which shall become mutilated or shall be lost, stolen or destroyed, proper evidence of such loss, theft, mutilation or destruction shall be procured for the Board of Directors, if it so requires.

Section 8. Record Dates. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a date as a record date for any such determination of shareholders. Such record date shall not be more than sixty or less than ten days before the date of such meeting, or more than sixty days prior to any other action.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

Section 1. Corporate Seal. The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation and words and figures showing that it was incorporated in the State of Wisconsin in the year 1992. The Secretary shall be the custodian of the seal. The Board of Directors may authorize a duplicate seal to be kept and used by any other officer.

Section 2. Voting of Stocks Owned by the Corporation. The Board of Directors may authorize any person on behalf of the Corporation to attend, vote and grant proxies to be used at any meeting of shareholders of any corporation (except the Corporation) in which the Corporation may hold stock.

Section 3. Dividends. Subject to the provisions of the Wisconsin Business Corporation Law and the Articles of Incorporation, the Board of Directors may,

out of funds legally available therefor, at any regular or special meeting declare dividends upon the capital stock of the Corporation as and when they deem expedient. Before declaring any dividend there may be set apart out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time in their discretion deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the Board of Directors shall deem conducive to the interests of the Corporation.

#### ARTICLE VIII

##### AMENDMENTS

These By-laws of the Corporation may be altered, amended or repealed by the Board of Directors at any regular or special meeting of the Board of Directors or by the affirmative vote of the holders of record of eighty percent (80%) of the issued and outstanding stock of the Corporation (a) present in person or by proxy at a meeting of holders of such stock and entitled to vote thereon or (b) by a consent in writing in the manner contemplated in Section 11 of Article II, provided, however, that notice of the proposed alteration, amendment or repeal is contained in the notice of such meeting. By-laws, whether made or altered by the shareholders or by the Board of Directors, shall be subject to alteration or repeal by the shareholders as in this Article VIII.

2003 ANNUAL REPORT  
FISERV, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF INCOME**

*(In thousands, except per share data)*  
*Years ended December 31,*

	2003	2002	2001
<b>REVENUES:</b>			
Processing and services	\$2,699,609	\$2,205,734	\$1,905,531
Customer reimbursements	334,061	291,245	262,151
<b>TOTAL REVENUES</b>	<b>3,033,670</b>	<b>2,496,979</b>	<b>2,167,682</b>
<b>COST OF REVENUES:</b>			
Salaries, commissions and payroll related costs	1,262,209	1,090,315	936,233
Customer reimbursement expenses	334,061	291,245	262,151
Data processing costs and equipment rentals	217,201	165,283	148,469
Other operating expenses	516,440	363,563	314,032
Depreciation and amortization	171,791	141,114	147,696
<b>TOTAL COST OF REVENUES</b>	<b>2,501,702</b>	<b>2,051,520</b>	<b>1,808,581</b>
<b>OPERATING INCOME</b>	<b>531,968</b>	<b>445,459</b>	<b>359,101</b>
Interest expense	(22,895)	(17,758)	(20,159)
Interest income	7,340	8,589	8,086
<b>INCOME BEFORE INCOME TAXES</b>	<b>516,413</b>	<b>436,290</b>	<b>347,028</b>
Income tax provision	201,401	170,153	138,811
<b>NET INCOME</b>	<b>\$ 315,012</b>	<b>\$ 266,137</b>	<b>\$ 208,217</b>
<b>NET INCOME PER SHARE:</b>			
Basic	\$ 1.63	\$ 1.39	\$ 1.11
Diluted	\$ 1.61	\$ 1.37	\$ 1.09
<b>SHARES USED IN COMPUTING NET INCOME PER SHARE:</b>			
Basic	193,240	191,386	186,929
Diluted	195,937	194,951	191,584

See notes to consolidated financial statements.

**CONSOLIDATED BALANCE SHEETS***(Dollars in thousands)  
December 31,*

	2003	2002
<b>ASSETS</b>		
Cash and cash equivalents	\$ 202,768	\$ 227,239
Accounts receivable, less allowance for doubtful accounts	417,521	339,737
Securities processing receivables	1,940,414	1,740,512
Prepaid expenses and other assets	120,168	119,882
Investments	1,904,161	2,115,778
Property and equipment	206,076	223,070
Intangible assets	557,822	342,614
Goodwill	1,865,245	1,329,873
<b>TOTAL</b>	<b>\$ 7,214,175</b>	<b>\$ 6,438,705</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	\$ 179,184	\$ 122,266
Securities processing payables	1,786,763	1,666,863
Short-term borrowings	139,000	100,000
Accrued expenses	303,765	280,614
Accrued income taxes	23,313	23,711
Deferred revenues	208,996	181,173
Customer funds held and retirement account deposits	1,582,698	1,707,458
Deferred income taxes	91,532	46,127
Long-term debt	699,116	482,824
<b>TOTAL LIABILITIES</b>	<b>5,014,367</b>	<b>4,611,036</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, no par value:		
25,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value:		
450,000,000 shares authorized;		
194,260,000 and 192,450,000 shares issued	1,943	1,924
Additional paid-in capital	637,623	599,700
Accumulated other comprehensive income	17,345	23,882
Accumulated earnings	1,542,897	1,227,885
Treasury stock, at cost, 804,775 shares at December 31, 2002	—	(25,722)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,199,808</b>	<b>1,827,669</b>
<b>TOTAL</b>	<b>\$ 7,214,175</b>	<b>\$ 6,438,705</b>

*See notes to consolidated financial statements.*

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

<i>(In thousands)</i>	Common Stock		Additional Paid-In Capital	Comprehensive Income	Accumulated Other Comprehensive Income	Accumulated Earnings	Treasury Stock
	Shares	Amount					
Balance at December 31, 2000	125,388	\$ 1,254	\$ 455,444		\$ 78,869	\$ 753,531	\$ (37,026)
Net income				\$ 208,217		208,217	
Foreign currency translation				(881)	(881)		
Change in unrealized gains on available- for-sale investments-net of tax				9,710	9,710		
Reclassification adjustment for realized investment gains included in net income				(3,513)	(3,513)		
Fair market value adjustment on cash flow hedges-net of tax				(5,272)	(5,272)		
Other					(2,697)		
Comprehensive income				\$ 208,261			
Shares issued under stock plans including income tax benefits	248	2	9,442				20,655
Shares issued for acquired companies	1,955	20	100,700				16,371
Three-for-two stock split	62,690	627	(627)				
Balance at December 31, 2001	190,281	1,903	564,959		76,216	961,748	—
Net income				\$ 266,137		266,137	
Foreign currency translation				1,166	1,166		
Change in unrealized gains on available- for-sale investments-net of tax				(45,184)	(45,184)		
Reclassification adjustment for realized investment gains included in net income				(1,573)	(1,573)		
Fair market value adjustment on cash flow hedges-net of tax				(6,743)	(6,743)		
Comprehensive income				\$ 213,803			
Shares issued under stock plans including income tax benefits	2,169	21	34,741				7,856
Purchase of treasury stock							(33,578)
Balance at December 31, 2002	192,450	1,924	599,700		23,882	1,227,885	(25,722)
Net income				\$ 315,012		315,012	
Foreign currency translation				1,078	1,078		
Change in unrealized gains on available- for-sale investments-net of tax				(927)	(927)		
Reclassification adjustment for realized investment gains included in net income				(10,264)	(10,264)		
Fair market value adjustment on cash flow hedges-net of tax				3,576	3,576		
Comprehensive income				\$ 308,475			
Shares issued under stock plans including income tax benefits	1,265	13	20,411				11,761
Shares issued for acquired companies	545	6	17,512				13,961
Balance at December 31, 2003	194,260	\$ 1,943	\$ 637,623		\$ 17,345	\$ 1,542,897	\$ —

See notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)  
Years ended December 31,

	2003	2002	2001
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 315,012	\$ 266,137	\$ 208,217
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	24,897	30,805	11,700
Depreciation and amortization	171,791	141,114	147,696
Changes in assets and liabilities, net of effects from acquisitions of businesses:			
Accounts receivable	17,268	6,022	(1,656)
Prepaid expenses and other assets	7,540	(7,899)	(10,694)
Accounts payable and accrued expenses	19,298	30,302	(7,669)
Deferred revenues	9,420	10,072	6,422
Accrued income taxes	32,877	38,762	15,127
Securities processing receivables and payables - net	(80,002)	63,923	78,396
Net cash provided by operating activities	<u>518,101</u>	<u>579,238</u>	<u>447,539</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capital expenditures, including capitalization of software costs for external customers	(143,242)	(141,880)	(104,609)
Payment for acquisitions of businesses, net of cash acquired	(735,917)	(406,578)	(224,842)
Investments	187,968	(305,642)	(77,975)
Net cash used in investing activities	<u>(691,191)</u>	<u>(854,100)</u>	<u>(407,426)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from (repayments of) short-term borrowings-net	39,000	(12,286)	93,075
Proceeds from long-term debt	248,268	156,481	1,800
Repayments of long-term debt	(32,474)	(16,908)	(8,113)
Issuance of common stock and treasury stock	18,585	11,420	15,053
Purchases of treasury stock	—	(33,578)	—
Customer funds held and retirement account deposits	(124,760)	260,884	(104,696)
Net cash provided by (used in) financing activities	<u>148,619</u>	<u>366,013</u>	<u>(2,881)</u>
Change in cash and cash equivalents	(24,471)	91,151	37,232
Beginning balance	227,239	136,088	98,856
Ending balance	<u>\$ 202,768</u>	<u>\$ 227,239</u>	<u>\$ 136,088</u>

See notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2003, 2002 and 2001

### 1. Summary of Significant Accounting Policies

#### DESCRIPTION OF THE BUSINESS

Fiserv, Inc. and subsidiaries (the "Company") is an independent provider of data processing systems and related information management services and products to financial institutions and other financial intermediaries. The Company's operations are primarily in the United States and consist of four business segments based on the services provided by each: Financial institution outsourcing, systems and services; Health plan management services; Securities processing and trust services; and All other and corporate. The Financial institution outsourcing, systems and services segment provides account and transaction processing products and services to financial institutions and other financial intermediaries. The Health plan management services segment provides services to employers who self-fund their health plan, including services such as handling payments to healthcare providers, assisting with cost controls, plan design services, medical provider administration, prescription benefit management and other related services. The Securities processing and trust services segment provides securities processing services and retirement plan administration services to brokerage firms, financial planners and financial institutions. The All other and corporate segment provides plastic card and document services and includes general corporate expenses. The plastic card and document services businesses provide plastic card issuance services, card design, personalization and mailing, along with electronic document delivery and print-related services.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Fiserv, Inc. and all majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

#### RECLASSIFICATIONS

Certain amounts reported in prior periods have been reclassified to conform to the 2003 presentation. The reclassifications did not impact the Company's net income or net income per share.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### FAIR VALUES

The fair values of cash equivalents, accounts receivable, accounts payable, securities processing receivables and payables, customer funds held and retirement account deposits, short-term borrowings and accrued expenses approximate the carrying values due to the short period of time to maturity. The fair value of investments is determined based on quoted market prices. The fair value of long-term debt is estimated using discounted cash flows based on the Company's current incremental borrowing rates and the fair value of derivative instruments is determined based on dealer quotes (see Note 3).

#### DERIVATIVE INSTRUMENTS

The Company uses interest rate swaps to hedge its exposure to interest rate changes. The Company's accounting method for cash flow interest rate swaps is based upon the designation of such instruments as cash flow hedges under accounting principles generally accepted in the United States of America and changes in the fair value are recognized in other comprehensive income until the hedged item is recognized in net income (see Note 3). It is the policy of the Company to execute such instruments with credit-worthy banks and not to enter into derivative financial instruments for speculative purposes.

#### REVENUE RECOGNITION

Revenues from the sale of data processing services, plastic card services, document solutions, consulting and administration fees on trust accounts are recognized as the related services are provided or when the product is shipped. Revenues from the sale of securities processing services are recognized as securities transactions are processed on a trade-date basis. Revenues from securities processing and trust services include net investment income of \$86.9 million, \$95.4 million and \$101.6 million, net of direct credits to customer accounts of \$13.5 million, \$20.0 million and \$45.2 million in 2003, 2002 and 2001, respectively. Revenues from software license fees (representing approximately 5%, 6% and 8% of 2003, 2002 and 2001 processing and services revenues, respectively) are recognized when written contracts are signed, delivery of the product has occurred, the fee is fixed or determinable and collection is probable. Maintenance fee revenues are recognized ratably over the term of the related support period, generally 12 months. Deferred revenues consist primarily of advance billings for services and are recognized as revenues when the services are provided.

Revenues from sales of prescription drugs to members of our clients are recognized when the prescriptions are dispensed. Our responsibilities under our client contract to adjudicate member claims properly, our separate contractual pricing relationships and responsibilities to the pharmacies in our networks, and our interaction with members, among other factors, qualify us as the principal under the indicators set forth in Emerging Issues Task Force No. 99-19 "Reporting Gross Revenues as a Principal vs. Net as an Agent" in the majority of our transactions with customers. Revenues from our pharmacy network contracts where we are the principal are recognized on a gross basis, at the prescription price (ingredient cost plus dispensing fee) negotiated with our clients, excluding the portion of the price to be settled directly by the member (co-payment), plus our administrative fees.

#### 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 specifically analyzes accounts receivable and historical bad debts, customer credit-worthiness, current economic trends, and changes in our customer payment terms and collection trends when evaluating the adequacy of its allowance for doubtful accounts. Any change in the assumptions used in analyzing a specific account receivable may result in additional allowance for doubtful accounts being recognized in the period in which the change occurs. The allowance for doubtful accounts increased by \$12.7 million in 2003 from \$13.2 million at December 31, 2002 to \$25.9 million at December 31, 2003 primarily due to the acquisition of certain businesses.

## SECURITIES PROCESSING RECEIVABLES AND PAYABLES

The Company's securities processing subsidiaries had receivables from and payables to brokers or dealers and clearing organizations related to the following at December 31:

<i>(In thousands)</i>	2003	2002
<b>RECEIVABLES:</b>		
Securities failed to deliver	\$ 65,660	\$ 90,965
Securities borrowed	934,816	904,045
Receivables from customers	899,574	683,854
Other	40,364	61,648
<b>TOTAL</b>	<b>\$ 1,940,414</b>	<b>\$ 1,740,512</b>
<b>PAYABLES:</b>		
Securities failed to receive	\$ 39,919	\$ 79,259
Securities loaned	1,004,208	824,369
Payables to customers	615,441	624,099
Other	127,195	139,136
<b>TOTAL</b>	<b>\$ 1,786,763</b>	<b>\$ 1,666,863</b>

Securities failed to deliver and failed to receive represent the contract value of securities that have not been delivered or received as of the settlement date. Securities borrowed and loaned represent deposits made to or received from other broker-dealers. Receivables from and payables to customers represent amounts due or payable on cash and margin transactions.

## INVESTMENTS

The following summarizes the Company's investments at December 31:

<i>(In thousands)</i>	2003				
	Amortized/ Historical Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Carrying Value
Mortgage-backed obligations and U.S. Government obligations	\$ 1,633,133	\$ 11,052	\$ (28,732)	\$ 1,615,453	\$ 1,633,133
Corporate debt obligations	30,527	4,401	—	34,928	30,527
Private mortgage-backed securities	9,468	242	—	9,710	9,468
Other fixed income obligations	3,847	108	—	3,955	3,847
<b>Total held-to-maturity investments</b>	<b>1,676,975</b>	<b>15,803</b>	<b>(28,732)</b>	<b>1,664,046</b>	<b>1,676,975</b>
Available-for-sale investments	8,503	45,185	—	53,688	53,688
Money market mutual funds	98,002	—	—	98,002	98,002
Repurchase agreements	55,030	—	—	55,030	55,030
Other investments	20,466	—	—	20,466	20,466
<b>TOTAL</b>	<b>\$ 1,858,976</b>	<b>\$ 60,988</b>	<b>\$ (28,732)</b>	<b>\$ 1,891,232</b>	<b>\$ 1,904,161</b>
	2002				
<i>(In thousands)</i>	Amortized/ Historical Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Carrying Value
Mortgage-backed obligations and U.S. Government obligations	\$ 1,493,668	\$ 25,750	\$ (1,632)	\$ 1,517,786	\$ 1,493,668
Corporate debt obligations	45,121	5,044	(146)	50,019	45,121
Private mortgage-backed securities	174,579	5,049	(1)	179,627	174,579
Other fixed income obligations	4,420	219	—	4,639	4,420
<b>Total held-to-maturity investments</b>	<b>1,717,788</b>	<b>36,062</b>	<b>(1,779)</b>	<b>1,752,071</b>	<b>1,717,788</b>
Available-for-sale investments	34,547	61,413	(237)	95,723	95,723
Money market mutual funds	283,636	—	(14)	283,622	283,636
Other investments	18,631	—	—	18,631	18,631
<b>TOTAL</b>	<b>\$ 2,054,602</b>	<b>\$ 97,475</b>	<b>\$ (2,030)</b>	<b>\$ 2,150,047</b>	<b>\$ 2,115,778</b>

The Company's trust administration subsidiaries accept money market deposits from trust customers and invest the funds in securities. Such amounts due trust depositors represent the primary source of funds for the Company's investment securities and amounted to \$1.5 billion and \$1.7 billion as of December 31, 2003 and 2002, respectively. The Company's mortgage-backed obligations and U.S. Government obligations consist primarily of GNMA, FNMA and FHLMC mortgage-backed pass-through securities and collateralized mortgage obligations rated AAA by Standard and Poor's. Mortgage-backed obligations may contain prepayment risk and the Company has never experienced a default on these types of securities. Substantially all of the trust administration subsidiary's investments are rated AAA or equivalent except for certain corporate debt obligations which are classified as investment grade. Investments in mortgage-backed obligations and certain fixed income obligations had an average duration of approximately 2 years and 4 months at December 31, 2003. These investments are accounted for as held-to-maturity and are carried at amortized cost as the Company has the ability and intent to hold these investments to maturity.

Available-for-sale investments are carried at market, based upon quoted market prices. Unrealized gains or losses on available-for-sale investments are accumulated in shareholders' equity as accumulated other comprehensive income, net of related deferred income taxes. Realized gains or losses are computed based on specific identification of the investments sold, based on the trade date.

## PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are computed primarily using the straight-line method over the estimated useful lives of the assets. Property and equipment consist of the following at December 31:

<i>(In thousands)</i>	Estimated Useful Lives	2003	2002
Data processing equipment	3 to 5 years	<b>\$ 319,383</b>	\$ 299,263
Buildings and leasehold improvements	5 to 40 years	<b>122,169</b>	123,553
Furniture and equipment	3 to 10 years	<b>146,290</b>	127,860
		<b>587,842</b>	550,676
Less accumulated depreciation and amortization		<b>381,766</b>	327,606
<b>TOTAL</b>		<b>\$ 206,076</b>	\$ 223,070

## INTANGIBLE ASSETS

Intangible assets consist of the following at December 31:

<i>2003 (In thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Software development costs for external customers	<b>\$ 450,346</b>	<b>\$ 295,793</b>	<b>\$ 154,553</b>
Purchased software	<b>188,484</b>	<b>112,103</b>	<b>76,381</b>
Customer base	<b>339,824</b>	<b>72,286</b>	<b>267,538</b>
Trade names	<b>56,911</b>	<b>—</b>	<b>56,911</b>
Other	<b>4,846</b>	<b>2,407</b>	<b>2,439</b>
<b>TOTAL</b>	<b>\$ 1,040,411</b>	<b>\$ 482,589</b>	<b>\$ 557,822</b>

<i>2002 (In thousands)</i>	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Software development costs for external customers	\$ 362,558	\$ 245,981	\$ 116,577
Purchased software	145,486	90,333	55,153
Customer base	211,738	63,954	147,784
Trade names	20,111	—	20,111
Other	4,412	1,423	2,989
<b>TOTAL</b>	<b>\$ 744,305</b>	<b>\$ 401,691</b>	<b>\$ 342,614</b>

Software development costs for external customers include internally generated computer software for external customers and software acquired in conjunction with acquisitions of businesses. The Company capitalizes certain costs incurred to develop new software or enhance existing software which is marketed externally or utilized by the Company to process customer transactions in accordance with Statement of Financial Accounting Standards ("SFAS") No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed." Costs are capitalized commencing when the technological feasibility of the software has been established. Routine maintenance of software products, design costs and development costs incurred prior to establishment of a product's technological feasibility are expensed as incurred. Amortization of all software is computed on a straight-line basis over the expected useful life of the product, generally three to five years.

Gross software development costs for external customers capitalized for new products and enhancements to existing products totaled \$52.4 million, \$44.9 million and \$36.6 million in 2003, 2002 and 2001, respectively. Amortization of previously capitalized development costs, included in depreciation and amortization, was \$47.8 million, \$38.3 million and \$35.5 million in 2003, 2002 and 2001, respectively, resulting in net capitalized development costs of \$4.6 million, \$6.6 million and \$1.1 million in 2003, 2002 and 2001, respectively.

Customer base intangible assets represent customer contracts and relationships obtained as part of acquired businesses and are amortized using the straight-line method over their estimated useful lives, ranging from five to 20 years. Trade names have been determined to have indefinite lives and therefore are not amortized in accordance with the provisions of SFAS No. 142 "Goodwill and Other Intangible Assets." Other intangible assets consist primarily of non-compete agreements, which are generally amortized over their estimated useful lives.

Amortization expense for intangible assets was \$90.8 million, \$74.8 million and \$58.0 million for the years ended December 31, 2003, 2002 and 2001, respectively. Aggregate amortization expense with respect to existing intangible assets with finite lives resulting from acquisitions of businesses, excluding software amortization, should approximate \$21 million annually.

## GOODWILL

On January 1, 2002, the Company adopted SFAS No. 142, which requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. Accordingly, effective January 1, 2002, the Company discontinued the amortization of goodwill and intangible assets with indefinite lives. The Company completed its annual impairment test for goodwill and intangible assets with indefinite lives and determined that no impairment exists. Pro forma net income and net income per share for the year ended December 31, 2001, adjusted to eliminate historical amortization of goodwill and related tax effects, is as follows:

<i>(In thousands, except per share data)</i>	2001
Reported net income	\$ 208,217
Add: goodwill amortization, net of tax	18,439
Pro forma net income	<u>\$ 226,656</u>
Reported net income per share:	
Basic	\$ 1.11
Diluted	1.09
Pro forma net income per share:	
Basic	\$ 1.21
Diluted	1.18

The excess of the purchase price over the estimated fair value of tangible and identifiable intangible assets acquired is recorded as goodwill. The changes in the carrying amount of goodwill by business segment during the years ended December 31, 2003 and 2002 are as follows:

<i>(In thousands)</i>	Financial Institution Outsourcing, Systems and Services	Health Plan Management Services	Securities Processing and Trust Services	All Other and Corporate	Total
Balance, December 31, 2001	\$ 735,955	\$ 148,462	\$ 107,887	\$ 29,830	\$ 1,022,134
Goodwill additions	244,745	22,628	37,629	2,737	307,739
Balance, December 31, 2002	980,700	171,090	145,516	32,567	1,329,873
Goodwill additions	319,256	216,116	—	—	535,372
Balance, December 31, 2003	<u>\$ 1,299,956</u>	<u>\$ 387,206</u>	<u>\$ 145,516</u>	<u>\$ 32,567</u>	<u>\$ 1,865,245</u>

## IMPAIRMENT OF LONG-LIVED ASSETS

The Company periodically assesses the likelihood of recovering the cost of long-lived assets based on current and projected operating results and cash flows of the related business operations using undiscounted cash flow analyses. These factors, along with management's plans with respect to the operations, are considered in assessing the recoverability of property and equipment and intangible assets subject to amortization. Measurement of any impairment loss is based on discounted operating cash flows.

## SHORT-TERM BORROWINGS

The Company's securities and trust processing subsidiaries had short-term borrowings of \$139.0 million and \$100.0 million as of December 31, 2003 and 2002, respectively, with an average interest rate of 1.5% and 1.9% as of December 31, 2003 and 2002, respectively, and were collateralized by investments and customers' margin account securities valued at \$148.6 million and \$102.0 million at December 31, 2003 and 2002, respectively. The Company's securities and trust processing subsidiaries had uncommitted lines of credit of \$271.0 million as of December 31, 2003.

## INCOME TAXES

Deferred income taxes are provided for temporary differences between the Company's income for accounting and tax purposes.

## NET INCOME PER SHARE

Basic net income per share is computed using the weighted-average number of common shares outstanding during the periods. Diluted net income per share is computed using the weighted-average number of common and dilutive common equivalent shares outstanding during the periods. Common equivalent shares consist of stock options and are computed using the treasury stock method. During the years ended December 31, 2003, 2002 and 2001, the Company excluded 3.4 million, 1.3 million and 1.9 million weighted-average shares under stock options from the calculation of common equivalent shares as the impact was anti-dilutive.

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

<u>(In thousands)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Weighted-average common shares outstanding used for calculation of net income per share- basic	193,240	191,386	186,929
Employee stock options	2,697	3,565	4,655
<b>Total shares used for calculation of net income per share - diluted</b>	<b>195,937</b>	<b>194,951</b>	<b>191,584</b>

## STOCK BASED COMPENSATION

The Company accounts for its stock based compensation plans in accordance with the intrinsic value provisions of Accounting Principles Board Opinion (“APB”) No. 25, “Accounting for Stock Issued to Employees.” Stock options are generally granted at prices equal to the fair market value of the Company’s common stock on the grant dates (see Note 5). Accordingly, the Company did not record any compensation expense in the accompanying consolidated financial statements for its stock-based compensation plans. Had compensation expense been recognized consistent with the fair value provisions of SFAS No.123, “Accounting for Stock-Based Compensation,” the Company’s net income and net income per share - basic and diluted would have been changed to the pro forma amounts indicated below for the years ended December 31:

<u>(In thousands, except per share data)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Net income:</b>			
As reported	\$315,012	\$266,137	\$208,217
Less: stock compensation expense - net of tax	(17,000)	(18,200)	(13,400)
<b>Pro forma</b>	<b>\$298,012</b>	<b>\$247,937</b>	<b>\$194,817</b>
<b>Reported net income per share:</b>			
Basic	\$ 1.63	\$ 1.39	\$ 1.11
Diluted	1.61	1.37	1.09
<b>Pro forma net income per share:</b>			
Basic	\$ 1.54	\$ 1.30	\$ 1.04
Diluted	1.52	1.27	1.02

The fair value of each stock option granted in 2003, 2002 and 2001 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Expected life (in years)	5.0	5.0	5.0
Risk-free interest rate	3.0%	4.4%	4.6%
Volatility	52.3%	50.0%	49.8%
Dividend yield	0.0%	0.0%	0.0%

The weighted-average estimated fair value of stock options granted during the years ended December 31, 2003, 2002 and 2001 was \$15.14, \$20.24 and \$18.02 per share, respectively.

## SHAREHOLDER RIGHTS PLAN

The Company has a shareholder rights plan. Under this plan, each shareholder holds one preferred stock purchase right for each outstanding share of the Company’s common stock held. The stock purchase rights are not exercisable until certain events occur.

## ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income consists of the following at December 31:

<u>(In thousands)</u>	<u>2003</u>	<u>2002</u>
Unrealized gains on investments, net of tax	\$ 28,832	\$ 40,023
Unrealized losses on cash flow hedges, net of tax	(11,136)	(14,712)
Foreign currency translation adjustments	(351)	(1,429)
<b>TOTAL</b>	<b>\$ 17,345</b>	<b>\$ 23,882</b>

## SUPPLEMENTAL CASH FLOW INFORMATION

<u>(In thousands)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Interest paid	\$ 22,164	\$17,724	\$ 19,469
Income taxes paid	144,130	97,808	117,443
Liabilities assumed in acquisitions of businesses	85,072	29,033	68,833

## 2. Acquisitions

During 2003, 2002 and 2001 the Company completed the following acquisitions of businesses. The results of operations of all of these acquired businesses have been included in the accompanying consolidated statements of income from the dates of acquisition.

Company	Month Acquired	Service	Consideration
<b>2003:</b>			
AVIDYN, Inc.	Jan.	Health plan management	Stock for stock
Precision Computer Systems, Inc.	Mar.	Software and services	Cash for stock
ReliaQuote, Inc.	Apr.	Insurance services	Cash for stock
WBI Holdings Corporation	May	Health plan management	Cash for stock
Electronic Data Systems Corporation's Credit Union Industry Group business	July	Credit union data processing	Cash for assets
Chase Credit Systems Inc. & Chase Credit Research Inc.	July	Lending services	Cash for stock
Unisure, Inc.	Sept.	Insurance data processing	Cash for assets
Insurance Management Solutions Group, Inc.	Sept.	Insurance data processing	Cash for stock
GAC Holdings Corporation	Sept.	Lending services	Cash for stock
Federal Home Loan Bank of Indianapolis IP services	Oct.	Item processing	Cash for assets
MI-Assistant Software, Inc.	Nov.	Insurance software systems	Cash for assets
MedPay Corporation	Dec.	Health plan management	Cash for stock
<b>2002:</b>			
Case, Shiller, Weiss, Inc.	May	Lending services	Cash for stock
Investec Ernst & Company's clearing operations	Aug.	Securities clearing services	Cash for assets
Willis Group's TPA operations	Nov.	Health plan management	Cash for assets
Electronic Data Systems Corporation's Consumer Network Services business	Dec.	EFT data processing	Cash for assets
Lenders Financial Services	Dec.	Lending services	Cash for stock
<b>2001:</b>			
Benefit Planners	Jan.	Health plan management	Cash and stock for stock
Marshall & Ilsley IP services	Feb.	Item processing	Cash for assets
Facilities and Services Corp.	Mar.	Insurance software systems	Cash for stock
Remarketing Services of America, Inc.	Mar.	Automobile leasing services	Cash for stock
EPSIIA Corporation	July	Data processing	Cash for stock
Catapult Technology Limited	July	Software and services	Cash for stock
Federal Home Loan Bank of Pittsburgh IP services	Sept.	Item processing	Cash for assets
NCR bank processing operations	Nov.	Data and item processing	Cash for assets
NCSI	Nov.	Insurance data processing	Cash for stock
Integrated Loan Services	Nov.	Lending services	Cash for assets
Trewit Inc.	Nov.	Health plan management	Cash and stock for stock
FACT 400 credit card solution	Nov.	Software and services	Cash for assets

During 2003, the Company completed 12 acquisitions accounted for as purchases. Net cash paid for these acquisitions was \$702.8 million, subject to certain adjustments. In addition to cash consideration, the Company issued, in conjunction with one of the acquisitions, approximately 310,000 shares of its common stock, valued at \$10.9 million. Goodwill recorded in conjunction with these acquisitions was \$476.1 million. The following unaudited pro forma combined information, assuming the 2003 acquisitions and the 2002 acquisition of Electronic Data Systems ("EDS") Corporation's Consumer Network Services business were all completed on January 1, 2002, is provided for illustrative purposes only and should not be relied upon as necessarily being indicative of the historical results that would have been obtained if these acquisitions had actually occurred during those periods, or the results that may be obtained in the future.

(In thousands, except per share data)	2003	2002
Processing and services revenues	<b>\$3,137,280</b>	\$2,873,066
Net income	<b>337,993</b>	294,784
Reported net income per share:		
Basic	<b>\$ 1.63</b>	\$ 1.39
Diluted	<b>1.61</b>	1.37
Pro forma net income per share:		
Basic	<b>\$ 1.75</b>	\$ 1.54
Diluted	<b>1.73</b>	1.51

During 2002, the Company completed five acquisitions accounted for as purchases. Net cash paid for these acquisitions was \$366.9 million, subject to certain adjustments. Goodwill recorded in conjunction with all of these acquisitions was \$290.6 million.

During 2001, the Company completed 12 acquisitions accounted for as purchases. Net cash paid for these acquisitions was \$224.8 million, subject to certain adjustments. In addition to cash consideration, the Company issued, in conjunction with two of the acquisitions, approximately 3.1 million shares of its common stock, valued at approximately \$117.0 million. Goodwill recorded in conjunction with the 2001 acquisitions was \$285.7 million.

The Company may be required to pay additional cash consideration for acquisitions up to maximum payments of \$230.1 million through 2007, if certain of the acquired entities achieve specific escalating operating income targets. During 2003, as a result of previously acquired entities achieving their operating income targets, the Company paid additional cash consideration of \$33.1 million and issued approximately 678,000 shares of its common stock valued at \$20.6 million. The additional consideration was treated as additional purchase price.

### 3. Long-term debt

The Company has available a \$510.0 million unsecured line of credit and commercial paper facility with a group of banks, of which \$395.6 million was in use at December 31, 2003, with a weighted average variable interest rate of 1.8% and 2.0% at December 31, 2003 and 2002, respectively. The credit facilities, which expire in May 2004, consist of a \$250.0 million five-year revolving credit facility and a \$260.0 million 364-day revolving credit facility. The Company expects to renew its debt facility agreements prior to expiration in the second quarter of 2004. There were no significant commitment fees or compensating balance requirements under these facilities. The Company must, among other requirements, maintain a minimum net worth of \$976.1 million as of December 31, 2003, maintain a fixed charge coverage ratio of 1.35 to one, and limit its total debt to no more than three and one-half times the Company's earnings before interest, taxes, depreciation and amortization. The Company was in compliance with all debt covenants throughout 2003. As of December 31, 2003, the Company has available \$10.0 million in additional unsecured lines of credit, of which none was in use.

As of December 31, 2003, the Company had cash flow interest rate swap agreements to fix the interest rates on certain floating-rate debt at an average rate approximating 6.8% (based on current bank fees and spreads) for a principal amount of \$200.0 million until 2005. During the second quarter of 2003, the Company entered into additional cash flow interest rate swap agreements to fix the interest rates on certain floating-rate debt at an average rate approximating 5.0% (based on current bank fees and spreads) for a principal amount of \$150.0 million from 2005 to 2008. The estimated fair value of the cash flow interest rate swap agreements of \$18.5 million and \$24.1 million as of December 31, 2003 and 2002, respectively, is included on the accompanying consolidated balance sheets in accrued expenses.

During the second quarter of 2003, the Company had two note offerings totaling \$250.0 million of five-year notes due in 2008. The first note offering was for \$150.0 million at a 4.0% fixed interest rate. The Company entered into fixed to floating interest rate swap agreements on the \$150.0 million notes until April 2008 with a weighted-average variable interest rate of 2.0% at December 31, 2003. The second offering of five-year notes was for \$100.0 million at a 3.0% fixed interest rate.

The carrying value and estimated fair values of the Company's long-term debt are as follows at December 31:

<i>(In thousands)</i>	2003		2002	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bank notes and commercial paper, at short-term rates	\$ 395,600	\$ 395,600	\$ 393,347	\$ 393,347
3.0% senior notes payable, due 2008	99,900	96,921	—	—
4.0% senior notes payable, due 2008	149,897	151,540	—	—
8.0% senior notes payable, due 2004-2005	25,714	27,230	38,571	42,068
Other	28,005	28,005	50,906	50,906
<b>Total long-term debt</b>	<b>\$ 699,116</b>	<b>\$ 699,296</b>	<b>\$ 482,824</b>	<b>\$ 486,321</b>

Annual principal payments required under the terms of the long-term debt agreements are as follows at December 31, 2003:

<i>(In thousands)</i> Years ending December 31,	
2004	\$ 434,290
2005	14,317
2006	491
2007	473
2008	249,545
<b>TOTAL</b>	<b>\$ 699,116</b>

### 4. Income taxes

A reconciliation of recorded income tax expense with income tax computed at the statutory federal tax rates is as follows for the three years ended December 31:

<i>(In thousands)</i>	2003	2002	2001
Statutory federal tax rate	35%	35%	35%
Tax computed at statutory rate	\$ 180,745	\$ 152,702	\$ 121,460
State income taxes, net of federal effect	18,514	15,712	12,033
Non-deductible amortization expense	—	—	4,219
Other - net	2,142	1,739	1,099
<b>TOTAL</b>	<b>\$ 201,401</b>	<b>\$ 170,153</b>	<b>\$ 138,811</b>

The provision for income taxes consisted of the following at December 31:

<i>(In thousands)</i>	2003	2002	2001
<b>Current:</b>			
Federal	\$ 144,413	\$ 116,021	\$ 105,081
State	27,651	21,564	18,118
Foreign	4,440	1,763	3,912
	<u>176,504</u>	<u>139,348</u>	<u>127,111</u>
<b>Deferred:</b>			
Federal	25,983	29,386	11,067
State	1,747	2,226	948
Foreign	(2,833)	(807)	(315)
	<u>24,897</u>	<u>30,805</u>	<u>11,700</u>
<b>TOTAL</b>	<b>\$ 201,401</b>	<b>\$ 170,153</b>	<b>\$ 138,811</b>

Significant components of the Company's deferred tax assets and liabilities consist of the following at December 31:

<i>(In thousands)</i>	2003	2002
Purchased incomplete software technology	\$ 26,672	\$ 32,980
Accrued expenses not currently deductible	39,375	28,721
Deferred revenues	14,203	12,218
Unrealized losses on cash flow hedges	7,003	9,405
Net operating loss carryforwards	4,487	6,034
Other	14,323	5,202
<b>Total deferred tax assets</b>	<b>106,063</b>	<b>94,560</b>
Software development costs for external customers	(43,281)	(36,095)
Excess of tax over book depreciation	(21,651)	(11,127)
Excess of tax over book amortization	(92,921)	(49,538)
Unrealized gains on investments	(16,341)	(25,573)
Other	(23,401)	(18,354)
<b>Total deferred tax liabilities</b>	<b>(197,595)</b>	<b>(140,687)</b>
<b>TOTAL</b>	<b>\$ (91,532)</b>	<b>\$ (46,127)</b>

Tax benefits associated with the exercise of non-qualified employee stock options were credited directly to additional paid-in capital and amounted to \$13.2 million, \$31.2 million and \$15.0 million in 2003, 2002 and 2001, respectively.

At December 31, 2003, the Company has state net operating loss carryforwards of \$71.8 million, with expiration dates ranging from 2004 through 2023.

## 5. Employee Benefit Plans

### STOCK OPTION PLAN

The Company's Stock Option Plan (the "Plan") provides for the granting to its employees and directors of either incentive or non-qualified options to purchase shares of the Company's common stock for a price not less than 100% of the fair value of the shares at the date of grant. Stock options are typically granted in the first quarter of the year, generally vest 20% on the date of grant and 20% each year thereafter and expire 10 years from the date of the award.

Changes in stock options outstanding are as follows:

	Number of Shares (In thousands)	Weighted Average Exercise Price
Outstanding, December 31, 2000	12,458	\$ 12.76
Granted	2,277	36.99
Forfeited	(387)	18.18
Exercised	(1,345)	8.68
Outstanding, December 31, 2001	13,003	17.18
Granted	1,519	41.21
Forfeited	(116)	24.49
Exercised	(2,796)	10.70
Outstanding, December 31, 2002	11,610	21.77
Granted	1,719	30.96
Forfeited	(326)	36.90
Exercised	(1,414)	9.37



The number of shares under option that were exercisable at December 31, 2003, 2002 and 2001 were 8.2 million, 8.1 million, and 9.0 million, at weighted average exercise prices of \$20.19, \$16.69 and \$12.80, respectively. The following summarizes information about the Company's stock options outstanding and exercisable at December 31, 2003:

Range of Exercise Prices	Options Outstanding			Options Outstanding and Exercisable	
	Number of Shares (In thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Number of Shares (In thousands)	Weighted-Average Exercise Price
\$3.01 - \$9.04	1,482	\$ 7.30	1.6	1,482	\$ 7.30
9.33 - 16.00	2,473	13.86	3.7	2,441	13.86
17.00 - 21.33	2,510	20.54	5.5	2,200	20.51
21.67 - 36.97	1,891	30.61	8.8	418	29.36
37.04 - 45.99	3,233	38.97	7.5	1,640	38.51
<b>\$3.01 - \$45.99</b>	<b>11,589</b>	<b>\$ 24.21</b>	<b>5.7</b>	<b>8,181</b>	<b>\$ 20.19</b>

At December 31, 2003, options to purchase 7.1 million shares were available for grant under the Plan.

#### EMPLOYEE STOCK PURCHASE PLAN

The Company's employee stock purchase plan provides that eligible employees may purchase a limited number of shares of common stock each quarter through payroll deductions, at a purchase price equal to 85% of the closing price of the Company's common stock on the last business day of each calendar quarter. During the year ended December 31, 2003, 0.6 million shares were issued under the employee stock purchase plan. As of January 1, 2004, there were 1.0 million shares available for grant under this plan.

#### EMPLOYEE SAVINGS PLAN

The Company and its subsidiaries have defined contribution savings plans covering substantially all employees, under which 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 certain profit goals. Company contributions vest ratably at 20% for each year of service. Company contributions charged to operations under these plans approximated \$44.3 million, \$41.5 million and \$35.3 million in 2003, 2002 and 2001, respectively.

#### 6. Restructuring and Other Charges

During 2001, the Company recorded \$12.3 million of pre-tax charges consisting of severance and related termination benefits, future lease and other contractual obligations, and the disposal and write-down of assets. These charges related to management's plan to improve overall business efficiencies by consolidating the Company's securities processing operations and eliminating duplicate operational functions. At December 31, 2003 and 2002, approximately \$1.9 million and \$3.4 million, respectively, of future lease and other obligations were yet to be incurred.

#### 7. Leases, other commitments and contingencies

##### LEASES

The Company leases certain office facilities and equipment under operating leases. Future minimum rental payments on operating leases with initial noncancellable lease terms in excess of one year were due as follows as of December 31, 2003:

<i>(In thousands)</i> <i>Years Ending December 31,</i>	
2004	\$ 98,359
2005	83,360
2006	64,595
2007	49,234
2008	39,786
Thereafter	96,203
<b>TOTAL</b>	<b>\$431,537</b>

Rent expense applicable to all operating leases was approximately \$118.1 million, \$99.7 million and \$87.1 million during the years ended December 31, 2003, 2002 and 2001, respectively.

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**OTHER COMMITMENTS AND CONTINGENCIES**

The Company's trust administration subsidiaries had fiduciary responsibility for the administration of approximately \$29.8 billion in trust funds as of December 31, 2003. The Company's securities processing subsidiaries are subject to the Uniform Net Capital Rule of the Securities and Exchange Commission. At December 31, 2003, the aggregate net capital of such subsidiaries was \$125.1 million, exceeding the net capital requirement by \$103.3 million.

In the normal course of business, the Company and its subsidiaries are named as defendants in various 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 adverse effect on the consolidated financial statements of the Company.

## 8. Business Segment Information

Due to the recent growth of the health plan management services of the Company, the Company changed its reportable business segments in 2003 to add the Health Plan Management Services segment. All amounts previously presented have been reclassified to conform with the current presentation. The following table excludes the revenues and expenses associated with customer reimbursements because management believes that it is not appropriate to include the customer reimbursements in analyzing the current performance of the Company as these balances offset in revenues and expenses with no impact on operating income and these amounts are not an indicator of current or future business trends. Summarized financial information by business segment is as follows for each of the three years ended December 31:

<i>(In thousands)</i>	<b>Financial Institution Outsourcing, Systems and Services</b>	<b>Health Plan Management Services</b>	<b>Securities Processing and Trust Services</b>	<b>All Other and Corporate</b>	<b>Total</b>
<b>2003</b>					
Processing and services revenues	\$ 1,974,406	\$ 399,066	\$ 224,405	\$ 101,732	\$ 2,699,609
Operating income	458,883	49,674	27,778	(4,367)	531,968
Identifiable assets	2,370,324	598,163	4,118,418	127,270	7,214,175
Capital expenditures, including capitalization of software development costs for external customers	123,695	10,141	8,212	1,194	143,242
Depreciation and amortization expense	131,569	11,852	21,793	6,577	171,791
<b>2002</b>					
Processing and services revenues	\$ 1,665,976	\$ 216,145	\$ 230,621	\$ 92,992	\$ 2,205,734
Operating income	384,760	34,064	31,259	(4,624)	445,459
Identifiable assets	1,864,252	257,339	4,136,980	180,134	6,438,705
Capital expenditures, including capitalization of software development costs for external customers	118,057	7,580	12,306	3,937	141,880
Depreciation and amortization expense	106,287	7,371	22,127	5,329	141,114
<b>2001</b>					
Processing and services revenues	\$ 1,498,703	\$ 55,610	\$ 264,841	\$ 86,377	\$ 1,905,531
Operating income	311,369	10,704	40,197	(3,169)	359,101
Identifiable assets	1,456,136	209,739	3,560,483	95,884	5,322,242
Capital expenditures, including capitalization of software development costs for external customers	87,461	3,573	10,092	3,483	104,609
Depreciation and amortization expense	113,026	2,803	25,004	6,863	147,696

The Company's domestic operations comprised approximately 96%, 95% and 92% of processing and services revenues for the years ended December 31, 2003, 2002 and 2001, respectively. No single customer accounted for more than 3% of consolidated processing and services revenues during the years ended December 31, 2003, 2002 and 2001.

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

### SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain matters discussed herein are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as "believes," "anticipates," or "expects," or words of similar import. Similarly, statements that describe future plans, objectives or goals of the Company are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those currently anticipated. Factors that could affect results include, among others, economic, competitive, governmental, regulatory and technological factors affecting the Company's operations, markets, services and related products, prices and other factors discussed in the Company's prior filings with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The Company assumes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

### CRITICAL ACCOUNTING POLICIES

The Company's consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company's management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Company continually evaluates the accounting policies and estimates it uses to prepare the consolidated financial statements. The Company bases its estimates on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from these estimates made by management.

The majority of the Company's revenues are generated from monthly account and transaction-based fees in which revenue is recognized when the related services have been rendered. The revenues are recognized under service agreements having stipulated terms and conditions which are long term in nature, generally three to five years, and do not require management to make significant judgments or assumptions. Given the nature of the Company's business and the applicable rules guiding revenue recognition, the Company's revenue recognition practices do not contain significant estimates that materially affect its results of operations.

The Company has reviewed the carrying value of goodwill and other intangible assets by comparing such amounts to their fair values and has determined that the carrying amounts of goodwill and other intangible assets do not exceed their respective fair values. The Company is required to perform this comparison at least annually or more frequently if circumstances indicate possible impairment. When determining fair value, the Company uses various assumptions, including projections of future cash flows. Given the significance of goodwill and other intangible asset balances, an adverse change to the fair value could result in an impairment charge, which could be material to the Company's financial statements.

The Company does not participate in, nor has it created, any off-balance sheet variable interest entities or other off-balance sheet financing, other than operating leases. In addition, the Company does not enter into any derivative financial instruments for speculative purposes and uses derivative financial instruments primarily for managing its exposure to changes in interest rates and managing its ratio of fixed to floating-rate long-term debt.

### MARKET RISK

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, indices, correlations or other market factors, such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. The Company is exposed primarily to interest rate risk and market price risk on investments and borrowings. The Company actively monitors these risks through a variety of control procedures involving senior management.

The Company's trust administration subsidiaries accept money market account deposits from trust customers and invest those funds in marketable securities. Substantially all of the investments are rated within the highest investment grade categories for securities. The Company's trust administration subsidiaries utilize simulation models for measuring and monitoring interest rate risk and market value of portfolio equities. A formal Asset Liability Committee of the Company meets quarterly to review interest rate risks, capital ratios, liquidity levels, portfolio diversification, credit risk ratings and adherence to investment policies and guidelines. Substantially all of the investments at December 31, 2003 have contractual maturities of one year or less except for mortgage-backed obligations and U.S. Government obligations, which have an average duration of approximately 2 years and 4 months. The Company does not believe any significant changes in interest rates would have a material impact on the consolidated financial statements.

The Company manages its debt structure and interest rate risk through the use of fixed and floating-rate debt and through the use of interest rate swaps. The Company uses interest rate swaps to partially hedge its exposure to interest rate changes, and to control its financing costs. Generally, under these swaps, the Company agrees with a counter party to exchange the difference between fixed-rate and floating-rate interest amounts based on an agreed principal amount. While changes in interest rates could decrease the Company's interest income or increase its interest expense, the Company does not believe that it has a material exposure to changes in interest rates, primarily due to approximately 45% of the Company's long-term debt having fixed interest rates as of December 31, 2003. Based on the Company's long-term debt with variable interest rates as of December 31, 2003, a 1% increase in the Company's borrowing rate would increase annual interest expense by \$3.7 million. Based on the controls in place, management believes the risks associated with financial instruments at December 31, 2003, will not have a material effect on the Company's consolidated financial position or results of operations.

## RESULTS OF OPERATIONS

The Company is an 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 four business segments: Financial institution outsourcing, systems and services ("FIS"); Health plan management services ("Health"); Securities processing and trust services ("Securities and Trust"); and All other and corporate.

The following table presents, for the period indicated, certain amounts included in the Company's consolidated statements of income, the relative percentage that those amounts represent to processing and services revenues, and the percentage change in those amounts from year to year. This information should be read along with the consolidated financial statements and notes thereto. This table and the following discussion exclude the revenues and expenses associated with customer reimbursements because management believes that it is not appropriate to include the customer reimbursements in analyzing the current performance of the Company as these balances offset in revenues and expenses with no impact on operating income and these amounts are not an indicator of current or future business trends. Customer reimbursements, which primarily consist of pass-through expenses such as postage and data communication costs, were \$334.1 million, \$291.2 million and \$262.2 million for the years ended December 31, 2003, 2002 and 2001, respectively.

	Year ended December 31, (In millions)			Percent of processing revenue Year ended December 31,			Percent Increase (Decrease)	
	2003	2002	2001	2003	2002	2001	2003 vs. 2002	2002 vs. 2001
<b>Processing and services revenues:</b>								
Financial institution outsourcing, systems and services	\$1,974.4	\$1,666.0	\$1,498.7	73%	76%	79%	19%	11%
Health plan management services	399.1	216.1	55.6	15%	10%	3%	85%	289%
Securities processing and trust services	224.4	230.6	264.8	8%	10%	14%	(3)%	(13)%
All other and corporate	101.7	93.0	86.4	4%	4%	5%	9%	8%
<b>TOTAL</b>	<b>\$2,699.6</b>	<b>\$2,205.7</b>	<b>\$1,905.5</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>22%</b>	<b>16%</b>
<b>Cost of revenues:</b>								
Salaries, commissions and payroll related costs	\$1,262.2	\$1,090.3	\$ 936.2	47%	49%	49%	16%	16%
Data processing costs and equipment rentals	217.2	165.3	148.5	8%	7%	8%	31%	11%
Other operating expenses	516.4	363.6	314.0	19%	16%	16%	42%	16%
Depreciation and amortization	171.8	141.1	147.7	6%	6%	8%	22%	(4)%
<b>TOTAL</b>	<b>\$2,167.6</b>	<b>\$1,760.3</b>	<b>\$1,546.4</b>	<b>80%</b>	<b>80%</b>	<b>81%</b>	<b>23%</b>	<b>14%</b>
<b>Operating income:</b>								
Financial institution outsourcing, systems and services								
(1)	\$ 458.9	\$ 384.8	\$ 311.4	23%	23%	21%	19%	24%
Health plan management services (1)	49.7	34.1	10.7	12%	16%	19%	46%	218%
Securities processing and trust services (1)	27.8	31.3	40.2	12%	14%	15%	(11)%	(22)%
All other and corporate (2)	(4.4)	(4.6)	(3.2)					
<b>TOTAL</b>	<b>\$ 532.0</b>	<b>\$ 445.5</b>	<b>\$ 359.1</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>	<b>24%</b>

(1) Percent of segment revenues is calculated as a percent of FIS, Health, and Securities and Trust revenues.

(2) Percents not meaningful, amounts include corporate expenses.

## INTERNAL REVENUE GROWTH

Internal revenue growth percentages are measured as the increase or decrease in total processing and services revenues for the current period less “acquired revenue from acquisitions” divided by total processing and services revenues from the prior year period plus “acquired revenue from acquisitions.” “Acquired revenue from acquisitions” represents pre-acquisition normalized revenue of acquired companies for the comparable prior year periods. Internal revenue growth percentage is a non-GAAP financial measure that the Company believes is useful to investors because it provides an alternative to measure revenue growth excluding the impact of acquired revenues. The following table sets forth the calculation of internal revenue growth percentages:

	Year ended December 31, (In millions)			2003 Internal Growth %	Year ended December 31, (In millions)			2002 Internal Growth %
	2003	2002	Increase (Decrease)		2002	2001	Increase (Decrease)	
<b>Total Company</b>								
Processing and services revenue	\$ 2,699.6	\$ 2,205.7	\$ 493.9		\$ 2,205.7	\$ 1,905.5	\$ 300.2	
Acquired revenue from acquisitions		373.5	(373.5)			243.1	(243.1)	
Adjusted revenues	\$ 2,699.6	\$ 2,579.2	\$ 120.4	5%	\$ 2,205.7	\$ 2,148.6	\$ 57.1	3%
<b>By Segment:</b>								
<b>Financial institution outsourcing, systems and services</b>								
Processing and services revenue	\$ 1,974.4	\$ 1,666.0	\$ 308.4		\$ 1,666.0	\$ 1,498.7	\$ 167.3	
Acquired revenue from acquisitions		270.8	(270.8)			106.9	(106.9)	
Adjusted revenues	\$ 1,974.4	\$ 1,936.8	\$ 37.6	2%	\$ 1,666.0	\$ 1,605.6	\$ 60.4	4%
<b>Health plan management services</b>								
Processing and services revenue	\$ 399.1	\$ 216.1	\$ 182.9		\$ 216.1	\$ 55.6	\$ 160.5	
Acquired revenue from acquisitions		88.5	(88.5)			128.7	(128.7)	
Adjusted revenues	\$ 399.1	\$ 304.6	\$ 94.4	31%	\$ 216.1	\$ 184.3	\$ 31.8	17%
<b>Securities processing and trust services</b>								
Processing and services revenue	\$ 224.4	\$ 230.6	\$ (6.2)		\$ 230.6	\$ 264.8	\$ (34.2)	
Acquired revenue from acquisitions		14.2	(14.2)			7.5	(7.5)	
Adjusted revenues	\$ 224.4	\$ 244.8	\$ (20.4)	(8)%	\$ 230.6	\$ 272.3	\$ (41.7)	(15)%
<b>All other and corporate</b>								
Processing and services revenue	\$ 101.7	\$ 93.0	\$ 8.7	9%	\$ 93.0	\$ 86.4	\$ 6.6	8%

## PROCESSING AND SERVICES REVENUES

Total processing and services revenues increased \$493.9 million, or 22%, in 2003 compared to 2002 and \$300.2 million, or 16%, in 2002 compared to 2001. Internal revenue growth was 5% in 2003 and 3% in 2002 with the remaining growth resulting from acquisitions. Internal revenue growth was derived from sales to new clients, cross-sales to existing clients, increases in transaction volumes from existing clients and price increases.

The FIS segment had positive revenue growth of \$308.4 million, or 19%, in 2003 compared to 2002 and \$167.3 million, or 11%, in 2002 compared to 2001. Internal revenue growth in our FIS segment was 2% in 2003 and 4% in 2002 with the remaining growth resulting from acquisitions.

The Health segment had positive revenue growth of \$182.9 million, or 85%, in 2003 compared to 2002 and \$160.5 million, or 289%, in 2002 compared to 2001. Internal revenue growth in our Health segment was 31% in 2003 (18% related to the prescription benefit management business that generates operating margins in the low single digits and 13% related to the remaining businesses in the segment) and 17% in 2002 with the remaining growth resulting from acquisitions.

Revenue in the Securities and Trust segment decreased by \$6.2 million, or 3%, in 2003 compared to 2002 and \$34.2 million, or 13%, in 2002 compared to 2001. The internal revenue growth percentage decrease in our Securities and Trust segment was 8% in 2003 and 15% in 2002, offset by growth related to one acquisition. The Securities and Trust segment’s revenue in 2003 continued to be impacted by the weak, but improving U.S. retail securities financial market trading environment which impacts the Securities division and lower interest rates which negatively impact both our Securities and Trust divisions. During 2003, the Securities and Trust segment recognized an increase in revenues of \$15.8 million from the sale of available-for-sale investment securities and incurred a decrease in revenues of \$17.0 million that resulted from an apparently fraudulent trading scheme at one of its broker-dealer clients. The Company has insurance that may cover part or all of this loss; however, no recovery amount is being recorded pending resolution of a claim. The Company also intends to pursue all recovery methods from the broker-dealer and its principals.

## COST OF REVENUES

Total cost of revenues increased \$407.4 million, or 23%, in 2003 compared to 2002 and \$213.9 million, or 14%, in 2002 compared to 2001. As a percent of processing and services revenues, cost of revenues were 80% in 2003, 80% in 2002, and 81% in 2001. The make up of cost of revenues each year has been affected by business acquisitions and changes in the mix of the Company's business.

As a percent of processing and services revenues, salaries, commissions and payroll related costs were 47% in 2003, 49% in 2002, and 49% in 2001, and data processing costs and equipment rentals were 8% in 2003, 7% in 2002, and 8% in 2001, respectively. The Company completed the acquisitions of EDS Corporation's Consumer Network Services in December 2002 and EDS Corporation's Credit Union Industry Group in July 2003, which both have higher data processing costs and equipment rentals and lower salary costs. These acquisitions have contributed to an increase in data processing costs and equipment rentals and a decrease in salary costs as a percentage of revenues in 2003 compared to 2002.

As a percent of processing and services revenues, other operating expenses were 19% in 2003, 16% in 2002, and 16% in 2001. The increase in other operating expenses as a percentage of revenues in 2003 compared to 2002 was primarily due to the growth in the Health segment's prescription benefit management ("PBM") business. The PBM business has a very high proportion of costs included in other operating expenses due to the nature of its business (see Note 1).

Depreciation and amortization expense increased \$30.7 million in 2003 compared to 2002 and decreased \$6.6 million in 2002 compared to 2001. The decrease in 2002 was primarily attributable to the adoption of SFAS No. 142 that resulted in a reduction of goodwill amortization expense of approximately \$24.0 million in 2002 compared to 2001, offset primarily by incremental depreciation and amortization expense from capital expenditures and other intangible assets subject to amortization.

## OPERATING INCOME

Operating income increased \$86.5 million, or 19%, in 2003 compared to 2002 and \$86.4 million, or 24%, in 2002 compared to 2001. The operating income increase in 2003 compared to 2002 was primarily derived from the FIS segment which increased \$74.1 million in 2003 compared to 2002 and \$73.4 million in 2002 compared to 2001 and the Health segment which increased \$15.6 million in 2003 compared to 2002 and \$23.4 million in 2002 compared to 2001. The increase in operating income in 2003 compared to 2002 in the FIS segment was due to a number of factors, including continued strong operating margins of 23% and revenue growth. Operating margins in the Health segment were 12% in 2003, 16% in 2002 and 19% in 2001. The decrease in operating margins in the Health segment in 2003 compared to 2002 was due primarily to the low single digit operating margins in the PBM business. Operating income in the Securities and Trust segment decreased \$3.5 million in 2003 and \$8.9 million in 2002, primarily due to continued weakness in the United States retail securities financial markets and the lower interest rate environment.

## INCOME TAX PROVISION

The effective income tax rate was 39% in 2003 and 2002 and 40% in 2001. The income tax rate for 2004 is expected to remain at 39%.

## NET INCOME PER SHARE – DILUTED

Net income per share-diluted for 2003 was \$1.61 compared to \$1.37 in 2002 and \$1.09 in 2001. The impact of adopting SFAS No. 142 would have increased 2001 net income per share-diluted by approximately \$0.09 per share due to the elimination of goodwill amortization.

The Company's growth has been accomplished, to a significant degree, through the acquisition of businesses which are complementary to its operations. Management believes that a number of acquisition candidates are available which would further enhance the Company's competitive position and plans to pursue them vigorously. Management is engaged in an ongoing program to reduce expenses related to acquisitions by eliminating operating redundancies. The Company's approach has been to move slowly in achieving this goal in order to minimize the amount of disruption experienced by its clients and the potential loss of clients due to this program.

## LIQUIDITY AND CAPITAL RESOURCES

Free cash flow is measured as net cash provided by operating activities before changes in securities processing receivables and payables less capital expenditures including capitalization of software costs for external customers, as reported in the Company's consolidated statements of cash flows. As the changes in securities processing receivables and payables are generally offset by changes in short-term borrowings and investments, which are included in financing and investing activities, management believes it is more meaningful to analyze changes in operating cash flows before the changes in securities processing receivables and payables. Free cash flow is a non-GAAP financial measure that the Company believes is useful to investors because it provides another measure of available cash flow after the Company has satisfied the capital requirements of its operations. The following table summarizes free cash flow for the Company during the years ended December 31:

<i>(In millions)</i>	2003	2002	2001
Net cash provided by operating activities	\$ 518.1	\$ 579.2	\$ 447.5
Changes in securities processing receivables and payables-net	80.0	(63.9)	(78.4)
Net cash provided by operating activities before changes in securities processing receivables and payables-net	598.1	515.3	369.1
Capital expenditures, including capitalization of software costs for external customers	(143.2)	(141.9)	(104.6)
Free cash flow	\$ 454.9	\$ 373.4	\$ 264.5

Free cash flow increased by \$81.5 million, or 22%, in 2003 compared to 2002. In 2003, the Company primarily used its free cash flow of \$454.9 million and net proceeds from long-term borrowings of \$215.8 million to fund the 12 acquisitions closed in 2003 totaling \$702.8 million. At December 31, 2003, the Company had \$699.1 million of long-term debt, while shareholders' equity was \$2.2 billion.

Long-term debt includes \$395.6 million borrowed under the Company's \$510.0 million credit and commercial paper facility which is payable in May 2004 or earlier at the Company's option. The Company expects to renew its debt facility agreements prior to expiration in the second quarter of 2004. The Company has \$93.6 million available under its credit facility at December 31, 2003. The Company must, among other requirements, maintain a minimum net worth of \$976.1 million as of December 31, 2003, maintain a fixed charge coverage ratio of 1.35 to one, and limit its total debt to no more than three and one-half times the Company's earnings before interest, taxes, depreciation and amortization. The Company was in compliance with all debt covenants throughout 2003.

During the second quarter of 2003, the Company had two note offerings totaling \$250.0 million of five-year notes due in 2008. The first note offering was for \$150.0 million at a 4% fixed interest rate. The Company entered into fixed to floating interest rate swap agreements on the \$150.0 million notes to manage its total ratio of fixed to floating rate long-term debt over the period of these notes. The second offering of five-year notes was for \$100.0 million at a 3% fixed interest rate. The Company used the net proceeds from the offerings primarily to repay existing credit facilities and for general corporate purposes including the funding of acquisitions.

At December 31, 2003, the Company has operating lease commitments for office facilities and equipment aggregating \$431.5 million, of which \$98.3 million will be incurred in 2004. The Company believes that its cash flow from operations together with other available sources of funds will be adequate to meet its operating requirements, debt repayments, contingent payments in connection with business acquisitions and ordinary capital spending needs. At December 31, 2003, the Company had \$103.6 million available for borrowing and \$202.8 million in cash and cash equivalents. In the event that the Company makes significant future acquisitions, however, it may raise funds through additional borrowings or the issuance of securities.

The Company's current policy is to retain earnings to support future business opportunities, rather than to pay dividends. During 1999, the Company's Board of Directors authorized the repurchase of up to 4.9 million shares of the Company's common stock. Shares purchased under the authorization will be made through open market transactions that may occur from time to time as market conditions warrant. Shares acquired will be held for issuance in connection with acquisitions and employee stock option and purchase plans. As of December 31, 2003, approximately 1.7 million shares remained available under the repurchase authorization.

#### OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company does not have any material off-balance sheet arrangements. The following table details certain of the Company's contractual cash obligations at December 31, 2003.

<i>(In millions)</i>	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
Long-term debt	\$ 699.1	\$ 434.3	\$ 14.8	\$ 250.0	\$ —
Minimum operating lease payments	431.5	98.3	148.0	89.0	96.2
Short-term debt	139.0	139.0	—	—	—
Purchase obligations	7.5	2.6	4.1	0.8	—
<b>Total</b>	<b>\$ 1,277.1</b>	<b>\$ 674.2</b>	<b>\$ 166.9</b>	<b>\$ 339.8</b>	<b>\$ 96.2</b>

## SELECTED FINANCIAL DATA

The following data, which has been affected by acquisitions, should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this Annual Report.

(In thousands, except per share data)  
Years ended December 31,

	2003	2002	2001	2000	1999
Processing and services revenues	\$2,699,609	\$2,205,734	\$1,905,531	\$1,681,871	\$1,407,545
Income before income taxes	516,413	436,290	347,028	300,035	233,675
Income tax provision	201,401	170,153	138,811	123,014	95,807
Net income	315,012	266,137	208,217	177,021	137,868
Net income per share:					
Basic	1.63	1.39	1.11	0.96	0.75
Diluted	1.61	1.37	1.09	0.93	0.73
Total assets	\$7,214,175	\$6,438,705	\$5,322,242	\$5,586,320	\$5,307,710
Long-term debt	699,116	482,824	343,093	334,958	472,824
Shareholders' equity	2,199,808	1,827,669	1,604,826	1,252,072	1,091,016

Note: The above information excludes the revenues and expenses associated with customer reimbursements recorded in accordance with EITF No. 01-14. Processing and services revenues and cost of revenues were reclassified in the first nine months of 2003 and for the full years 2002, 2001 and 2000 to reflect the preferred industry methods of accounting for flood insurance processing and prescription benefit management revenues. The reclassifications attributable to flood insurance processing reduced processing and services revenues and cost of revenues by \$78 million in the first nine months of 2003, \$74 million in 2002, \$27 million in 2001 and \$4 million in 2000. The reclassification attributable to prescription benefit management services increased processing and services revenues and cost of revenues by \$32 million in the first nine months of 2003. These reclassifications did not impact the Company's financial position, operating income or net income.

## MARKET PRICE INFORMATION

The following information relates to the closing price of the Company's common stock, which is traded on the Nasdaq Stock Market under the symbol FISV.

Quarter Ended	2003		2002	
	High	Low	High	Low
March 31	\$35.85	\$27.57	\$46.60	\$39.88
June 30	37.05	28.77	46.08	35.16
September 30	40.20	35.93	39.25	28.08
December 31	40.00	33.81	35.04	22.60

At December 31, 2003, the Company's common stock was held by 10,513 shareholders of record. It is estimated that an additional 45,000 shareholders own the Company's stock through nominee or street name accounts with brokers. The closing sale price for the Company's stock on January 23, 2004, was \$37.71 per share.

**QUARTERLY FINANCIAL INFORMATION (Unaudited)**

(In thousands, except per share data)	Quarters				Total
	First	Second	Third	Fourth	
<b>2003</b>					
Processing and services revenues	\$ 604,262	\$ 643,888	\$ 701,956	\$ 749,503	\$ 2,699,609
Cost of revenues	479,665	511,829	565,661	610,486	2,167,641
Operating income	124,597	132,059	136,295	139,017	531,968
Interest expense - net	(2,977)	(3,474)	(4,472)	(4,632)	(15,555)
Income before income taxes	121,620	128,585	131,823	134,385	516,413
Income tax provision	47,432	50,148	51,411	52,410	201,401
Net income	\$ 74,188	\$ 78,437	\$ 80,412	\$ 81,975	\$ 315,012
<b>Net income per share:</b>					
Basic	\$ 0.39	\$ 0.41	\$ 0.42	\$ 0.42	\$ 1.63
Diluted	\$ 0.38	\$ 0.40	\$ 0.41	\$ 0.42	\$ 1.61
<b>2002</b>					
Processing and services revenues	\$ 543,204	\$ 543,858	\$ 543,406	\$ 575,266	\$ 2,205,734
Cost of revenues	433,775	432,426	433,157	460,917	1,760,275
Operating income	109,429	111,432	110,249	114,349	445,459
Interest expense - net	(2,687)	(2,178)	(1,804)	(2,500)	(9,169)
Income before income taxes	106,742	109,254	108,445	111,849	436,290
Income tax provision	41,629	42,609	42,294	43,621	170,153
Net income	\$ 65,113	\$ 66,645	\$ 66,151	\$ 68,228	\$ 266,137
<b>Net income per share:</b>					
Basic	\$ 0.34	\$ 0.35	\$ 0.34	\$ 0.36	\$ 1.39
Diluted	\$ 0.33	\$ 0.34	\$ 0.34	\$ 0.35	\$ 1.37

Note: The above information excludes the revenues and expenses associated with customer reimbursements recorded in accordance with EITF No. 01-14.

## MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The management of Fiserv, Inc. assumes responsibility for the integrity and objectivity of the information appearing in the 2003 Annual Report. This information was prepared in conformity with accounting principles generally accepted in the United States of America and necessarily reflects the best estimates and judgment of management.

To provide reasonable assurance that transactions authorized by management are recorded and reported properly and that assets are safeguarded, the Company maintains a system of internal controls. The concept of reasonable assurance implies that the cost of such a system is weighed against the benefits to be derived therefrom.

The control environment is complemented by the Company's internal audit function, which evaluates the adequacy of the controls, policies and procedures in place, as well as adherence to them, and recommends improvements for implementation when applicable. In addition, Deloitte & Touche LLP, certified public accountants, audits the consolidated financial statements of the Company in accordance with auditing standards generally accepted in the United States of America. Improvements are made to the system based upon recommendations proposed as a result of observations made during the course of their audit.

The Audit Committee ensures that management and the independent auditors are properly discharging their financial reporting responsibilities. In performing this function, the Committee meets with management and the independent auditors throughout the year. Additional access to the Committee is provided to Deloitte & Touche LLP on an unrestricted basis, allowing discussion of audit results and opinions on the adequacy of internal accounting controls and the quality of financial reporting.

/s/ LESLIE M. MUMA

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LESLIE M. MUMA, President and Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

Shareholders and Directors of Fiserv, Inc.

We have audited the accompanying consolidated balance sheets of Fiserv, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2003. 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 auditing standards generally accepted in the United States of America. 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 at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the consolidated financial statements, on January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

/s/ Deloitte & Touche LLP

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**Deloitte & Touche LLP**

Milwaukee, Wisconsin

January 30, 2004

## SUBSIDIARIES OF THE REGISTRANT

Name under which Subsidiary does Business	State (Country) of Incorporation
The Affinity Group, Inc.	Colorado
AgenciesOnline, Inc.	Delaware
Agio Insurance Agency, Inc.	Montana
Aspen Investment Alliance, Inc.	Colorado
AVIDYN, Inc.	Delaware
AVIDYN Holdings, Inc.	Delaware
Benefit Control Management, LLC	Texas
Benefit Planners Limited, L.L.P.	Texas
Benesight Insurance Agency of Massachusetts, Inc.	Delaware
Benesight, Inc.	Delaware
Benesight.com, Incorporated	Delaware
BHC Investments, Inc.	Delaware
BHCM Insurance Agency, Inc.	Delaware
BP, Inc.	Delaware
Chase Credit Research of Arizona, LLC	Arizona
Colonial Claims Corporation	Florida
Cusick Enterprises Limited, L.L.P.	Texas
Cusick Management, LLC	Texas
Data-Chain Solutions, Inc.	Delaware
Data-Link Systems, LLC	Wisconsin
DirectComp Rx, Inc.	Delaware
Employee Benefit Services, Inc.	Louisiana
EPSIIA Corporation	Texas
Fidelity Fullfillment Center, LLC	Delaware
First Trust Corporation	Colorado
Fiserv (ASPAC) Pte. Ltd.	Singapore
Fiserv (Europe) Ltd.	England
Fiserv Argentina S.R.L.	Argentina
Fiserv Australia Pty. Limited	New South Wales
Fiserv BP, Inc.	Wisconsin
Fiserv BPI, Inc.	Texas
Fiserv CIR, Inc.	Delaware
Fiserv Clearing, Inc.	Delaware
Fiserv Colombia Limitada	Colombia
Fiserv Connecticut Sub, Inc.	Connecticut
Fiserv CSW, Inc.	Massachusetts
Fiserv DC, Inc.	Wisconsin
Fiserv Execution Services, Inc.	Delaware
Fiserv FSC, Inc.	California
Fiserv Federal Systems, Inc.	Delaware
FIserv Fresno, Inc.	California
Fiserv Health, Inc.	Delaware
Fiserv Insurance Agency of Alabama, Inc.	Alabama
Fiserv Investor Services, Inc.	Delaware
Fiserv International (Barbados) Limited	Barbados

## SUBSIDIARIES OF THE REGISTRANT

Name under which Subsidiary does Business	State (Country) of Incorporation
Fiserv LeMans, Inc.	Delaware
Fiserv Mercosur, Inc.	Delaware
Fiserv NCSI, Inc.	Maryland
Fiserv PAR, Inc.	Wisconsin
Fiserv Polska Sp. z.o.o.	Poland
Fiserv San Juan, Inc.	Puerto Rico
Fiserv Securities, Inc.	Delaware
Fiserv Solutions of Canada Inc.	Ontario
Fiserv Solutions, Inc.	Wisconsin
GAC Holdings Corporation	Delaware
General American Corporation	Arizona
General American Corporation	Nevada
General American Corporation	Pennsylvania
General American Corporation of Alabama, L.L.C.	Alabama
General American Corporation of Maryland, Inc.	Maryland
General American Corporation South, Inc.	Florida
General American Corporation Title Agency, Inc.	Ohio
The Freedom Group, Inc.	Iowa
Harrington Benefit Services, Inc.	Delaware
HEC Newbridge Insurance Services, Inc.	Texas
ILS Title Agency, LLC	Delaware
ILS Title Agency of Alabama, LLC	Alabama
ILS Services, LLC	Delaware
IMS Direct, Inc.	Florida
Information Technology, Inc.	Nebraska
Innoviant, Inc.	Delaware
Insurance Management Solutions, Inc.	Florida
Insurance Management Solutions Group, Inc.	Florida
Intria Items Inc.	Ontario
ITI of Nebraska, Inc.	Nebraska
J.O. One, Ltd.	Texas
Lenders Financial Services, LLC	California
LFS Realty, Inc.	California
Lincoln Trust Company	Colorado
National Flood Services, Inc.	Montana
North Star Real Estate Services, Inc.	Minnesota
North Star Title, Inc.	Minnesota
ppoOne, Inc.	Delaware
Precision Computer Systems, Inc.	South Dakota
Precision Direct, Inc.	Washington
Preferred Health Arrangement Limited, LLP	Texas
PT Fiserv Indonesia	Indonesia
ReliaQuote, Inc.	Virginia
Remarketing Services of America, Inc.	Delaware
REH Agency, Inc.	Ohio

## SUBSIDIARIES OF THE REGISTRANT

<u>Name under which Subsidiary does Business</u>	<u>State (Country) of Incorporation</u>
RemitStream Solutions, LLC	Delaware
RL Reserve, Inc.	Colorado
Select Advisory Services, LLC	Texas
Sheridan RE	Cayman Islands
Specialty Insurance Service	California
Third Party Solutions, Inc.	Delaware
TradeStar Insurance Agency, Inc.	Texas
TradeStar Investments, Inc.	Delaware
Trust Industrial Bank	Colorado
USERS Incorporated	Maryland
ValueCHECK, Inc.	Delaware
Wausau Benefits, Inc.	Delaware
XP Systems Corporation	Minnesota

**INDEPENDENT AUDITORS' CONSENT**

We consent to the incorporation by reference in Registration Statement Nos. 333-64353, 333-04417, 333-28121, 333-34310 and 333-34396 on Form S-8; Registration Statement No. 333-44935 on Form S-4, and Registration Statement No. 333-104270 on Form S-3 of Fiserv, Inc. of our reports dated January 30, 2004 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption in 2002 of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets"), appearing in and incorporated by reference in this Annual Report on Form 10-K of Fiserv, Inc. for the year ended December 31, 2003.

/s/ Deloitte & Touche LLP

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Deloitte & Touche LLP  
Milwaukee, Wisconsin  
February 27, 2004

**CERTIFICATIONS**

I, Leslie M. Muma, 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)) 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. 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
  - c. 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 27, 2004

By: /s/ Leslie M. Muma

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Leslie M. Muma  
President and Chief Executive Officer

**CERTIFICATIONS**

I, Kenneth R. Jensen, 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)) 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. 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
  - c. 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 27, 2004

By: /s/ Kenneth R. Jensen

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Kenneth R. Jensen  
Senior Executive Vice President, Chief Financial Officer, Treasurer and  
Assistant Secretary

**WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned President and Chief Executive Officer of Fiserv, Inc. (the "Company"), hereby certify that the Annual Report on Form 10-K of the Company for the year ended December 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2004

By: /s/ Leslie M. Muma

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Leslie M. Muma  
President and Chief Executive Officer

**WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Senior Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of Fiserv, Inc. (the "Company"), hereby certify that the Annual Report on Form 10-K of the Company for the year ended December 31, 2003 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2004

By: /s/ Kenneth R. Jensen

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Kenneth R. Jensen  
Senior Executive Vice President, Chief Financial Officer, Treasurer and  
Assistant Secretary