

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES AND EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1994
COMMISSION FILE NO. 0-14948

FISERV, INC.

(Exact name of Registrant as specified in its charter)

WISCONSIN

39-1506125

(State or other jurisdiction of
incorporation or organization)

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

255 FISERV DRIVE, BROOKFIELD, WISCONSIN

53045

(Address of principal executive offices)

(Zip code)

Registrant's telephone number, including area code: (414) 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, \$.01 PAR VALUE

(Title of Class)

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

State the aggregate market value of the voting stock held by non-affiliates of the registrant as of January 31, 1995: \$842,257,834

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of January 31, 1995: 39,174,783

DOCUMENTS INCORPORATED BY REFERENCE: List the following documents if incorporated by reference and the part of the Form 10-K into which the document is incorporated: (1) Any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933.

1994 Annual Report to Shareholders - Parts II, IV
Proxy Statement for March 30, 1995 Meeting - Part III

FISERV, INC. AND SUBSIDIARIES
FORM 10-K
DECEMBER 31, 1994

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PART I

ITEM 1. BUSINESS

FIserv was formed on July 31, 1984, through the combination of two major regional data processing firms located in Milwaukee, Wis., and Tampa, Fla. These firms-- FIserv Milwaukee and FIserv Tampa--began their operations in 1964 and 1971, respectively, as the data processing operations of their parent financial institutions. Historically, operations were expanded by developing a range of services for their parent organizations as well as other financial institutions.

Since its organization in 1984, the Company has grown through the continuing development of highly-specialized services and product enhancements, the addition of new clients and the acquisition of firms complementing the FIserv organization.

BUSINESS RESOURCES

FIserv operates centers nationwide for full-service financial data processing, software system development, item processing and check imaging, multiple technology support and related product businesses. In addition, the Company has business support centers in London, England, and Singapore. The FIserv organization, headquartered in Brookfield, Wis., is aligned to meet the variety of information technology and related product and service needs of the financial industry.

The SAVINGS & COMMUNITY BANK GROUP provides service bureau processing for savings institutions and community bank clients, and item processing services for all FIserv clients nationwide. Business units within the Savings & Community Bank Group are aligned by regional markets as follows:

Western Region locations: Phoenix, Ariz.; Fullerton, Los Angeles, San Diego and San Francisco, Calif.; Seattle, Wash.

Southwest Region locations: Little Rock, Ark.; Denver, Colo.; Bowling Green, Ky.; New Orleans, La.; Beaumont, Dallas, Houston and San Antonio, Texas.

Midwest Region locations: Minneapolis and St. Paul, Minn.; Fargo, N.D.; Sioux Falls, S.D.

Central Region locations: Chicago, Marion and Pontiac, Ill.; Davenport and Des Moines, Iowa; Brookfield and Milwaukee, Wis.

Eastern Region locations: Jacksonville, Miami and Tampa, Fla.; Atlanta and Macon, Ga.; Pittsburgh, Pa.; Memphis and Nashville, Tenn.

Northeast Region locations: New Haven, Conn.; Boston and Somerville, Mass.; New York, N.Y.; Cleveland, Ohio.

The BANK & CREDIT UNION GROUP includes FIserv sectors and business units that provide service bureau processing, in-house software systems and strategic outsourcing for national and international bank, mortgage bank and credit union clients. The Bank & Credit Union Group includes the following:

Bank Services Sector with business units in Covina and Fresno, Calif.; Orlando, Fla.; Honolulu, Hawaii; Pittsburgh, Pa.; Spokane, Wash.; and international business locations in London, England, and Singapore.

Computer Services Sector with business units in Arlington Heights, Ill.; Oklahoma City, Okla.; and a major computer utility in Philadelphia, Pa.

Credit Union Sector with business units in Titusville, Fla.; Chicago, Ill.; Flint and Troy, Mich.; Minneapolis, Minn.; and Corvallis, Ore.

Additional business units within the Bank & Credit Union Group include Data-Link Systems, serving mortgage banks; Government Services & Specialized Outsourcing; and FIServ EFT (electronic funds transfer services).

The INDUSTRY PRODUCTS & SERVICES GROUP includes all FIServ products and service company businesses marketing to clients within the FIServ Corporate Groups, as well as marketing direct to clients within the financial, healthcare, insurance, retail, telecommunications and related industries.

The Industry Products & Services Group includes Cadre, Inc. disaster recovery services (Hartford, Conn.); Communications Design marketing services (Sacramento, Calif.); DataPro Card Services (Indianapolis, Ind.); FIServ Forms & Graphics (Seattle, Wash.); FIServ Human Resource Information Services (Melville, N.Y.); FIServ Image Integration Technology (Maitland, Fla.); National Embossing Company card services (Houston, Texas); RECOM Associates, Inc. network consulting (Tampa, Fla.); and Sendero Corporation asset/liability management and decision support systems (Scottsdale, Ariz.).

FIRST TRUST CORPORATION, a FIServ subsidiary company based in Denver, Colo., provides specialized account processing, administration and trusteeship of self-directed IRAs, business retirement plans and custodial accounts. Founded in 1962, the First Trust organization administers more than 290,000 self-directed retirement plans, with an asset value of over \$12.56 billion.

BUSINESS STRATEGY

The market for products and services offered by financial institutions continues to undergo change. New alternative lending and investment products are being introduced and implemented by the industry; the distinctions among financial services traditionally offered by savings and loan associations, banks and credit unions are narrowing; and financial institutions continue to diversify and to consolidate, some under the auspices of the Resolution Trust Corporation (RTC), the Federal Deposit Insurance Corporation (FDIC) and the Credit Union National Association (CUNA).

Management believes that although federally-mandated consolidations have reduced the number of financial institutions in the United States, such consolidations have not resulted in a material reduction of the number of customer accounts serviced by the financial industry as a whole. Additionally, there are new entrants to the once limited financial services industry, which open new markets for FIServ services.

To stay competitive in this changing marketplace, financial institutions are finding they must meet the growing needs of their customers for a broad variety of new products and services that are typically transaction-oriented and fee-based. The growing volume of transactions and types of accounts has increased the data processing requirements of these institutions. As a consequence, FIServ management believes that the financial services industry has become one of the largest users of data processing products and services within the United States.

Moreover, FIServ expects that the industry will continue to require significant commitments of capital and human resources to the data processing function, to require application of more specialized computer 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, the means by which financial institutions obtain data processing services has changed. 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 maintained their own data processing ability have outsourced their data processing requirements by contracting with third-party processors, such as FIServ, to reduce costs and enhance their products and services. Outsourcing can involve the utilization of service bureaus, facilities management or resource management.

To capitalize on these industry trends and to become the premier national provider of data processing products and services, 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 strategic acquisitions.

ACQUISITION HISTORY

Founded	Acquired	Business	Service
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1964	July 1984	First Data Processing, Milwaukee, Wis.	Data processing
1971	July 1984	Sunshine State Systems, Tampa, Fla.	Data processing
1966	Nov. 1984	Central Processing Corp., San Antonio, Texas	Data processing
1982	Oct. 1985	Sendero Corporation, Scottsdale, Ariz.	Asset/liability management
1962	Oct. 1985	First Trust Corporation, Denver, Colo.	DP for retirement planning
1962	Oct. 1985	First Retirement Marketing, Denver	Retirement planning services
1973	Jan. 1986	On-Line, Inc., Seattle, Wash.	Data processing, forms
1966	May 1986	First City Financial Systems, Inc., Beaumont, Texas	Data processing
1962	Feb. 1987	Pamico, Inc., Milwaukee, Wis.	Specialized forms
1975	Apr. 1987	Midwest Commerce Data Corp., Elkhart, Ind.	Data processing
1969	Apr. 1987	Fidelity Financial Services, Inc., Spokane, Wash.	Data processing
1965	Oct. 1987	Capbanc Computer Corporation, Baton Rouge, La.	Data processing
1971	Feb. 1988	Minnesota On-Line Inc., Minneapolis, Minn.	Data processing
1965	May 1988	Citizens Financial Corporation, Cleveland, Ohio	Data processing
1980	May 1988	ZFC Electronic Data Services, Inc., Bowling Green, Ky.	Data processing
1969	June 1988	GESCO Corporation, Fresno, Calif.	Data processing
1967	Nov. 1988	Valley Federal Data Services, Los Angeles, Calif.	Data processing
1982	May 1989	Triad Software Network, Ltd., Chicago, Ill.	Data processing
1969	Aug. 1989	Northeast Datacom, Inc., New Haven, Conn.	Data processing
1978	Feb. 1990	Financial Accounting Services Inc., Pittsburgh, Pa.	Data processing
1974	June 1990	Accurate Data On Line, Inc., Titusville, Fla.	Data processing
1982	June 1990	GTE EFT Services Money Network, Fresno, Calif.	EFT networks
1968	July 1990	First Interstate Management, Milwaukee, Wis.	Data processing
1982	Oct. 1990	GTE ATM Networks, Fresno, Calif.	EFT networks
1867	Nov. 1990	Boston Safe Deposit & Trust Co. IP Services, Boston	Item processing
1968	Dec. 1990	First Bank, N.A. IP Services, Milwaukee, Wis.	Item processing

1979	Apr. 1991	Citicorp Information Resources, Inc., Stamford, Conn.	Data processing
1980	Apr. 1991	BMS Processing, Inc., Randolph, Mass.	Item processing
1979	May 1991	FHLB of Dallas IP Services, Dallas, Texas	Item processing
1980	Nov. 1991	FHLB of Chicago IP Services, Chicago, Ill.	Item processing
1977	Feb. 1992	Data Holdings, Inc., Indianapolis, Ind.	Automated card services
1980	Feb. 1992	BMS On-Line Services, Inc. (assets), Randolph, Mass.	Data processing
1982	Mar. 1992	First American Information Services, St. Paul, Minn.	Data processing
1981	July 1992	Cadre, Inc., Avon, Conn.	Disaster recovery
1992	July 1992	Performance Analysis, Inc., Cincinnati, Ohio	Asset/liability management
1986	Oct. 1992	Chase Manhattan Bank, REALM Software, New York	Asset/liability management
1984	Dec. 1992	Dakota Data Processing, Inc., Fargo, N.D.	Data processing
1983	Dec. 1992	Banking Group Services, Inc., Somerville, Mass.	Item processing
1968	Feb. 1993	Basis Information Technologies, Atlanta, Ga.	Data processing, EFT
1986	Mar. 1993	IPC Services Corporation (assets), Denver, Colo.	Item processing
1973	May 1993	EDS Item Processing Contracts, Seattle, Wash.	Item processing
1982	June 1993	Datatronix Financial Services, San Diego, Calif.	Item processing
1966	July 1993	Data Line Service, Covina, Calif.	Data processing
1978	Nov. 1993	Financial Processors, Inc., Miami, Fla.	Data processing
1974	Nov. 1993	Financial Data Systems, Jacksonville, Fla.	Item processing
1961	Nov. 1993	Financial Institutions Outsourcing, Pittsburgh, Penn.	Data processing
1972	Nov. 1993	Data-Link Systems, South Bend, Ind.	Data processing
1985	Apr. 1994	National Embossing Company, Inc., Houston, Texas	Automated card services
1962	May 1994	Boatmen's Information Systems of Iowa, Des Moines	Data processing
1981	Aug. 1994	FHLB of Atlanta IP Services, Atlanta, Ga.	Item processing
1989	Nov. 1994	CBIS Imaging Technology Banking Unit, Maitland, Fla.	Imaging technology
1987	Dec. 1994	RECOM Associates, Inc., Tampa, Fla.	Network integration

DATA PROCESSING SERVICES

FIserv provides clients with the opportunity to select among integrated software systems for account, item and financial transaction processing and record keeping as a service bureau, an in-house solution or a resource/facilities management alternative. These systems include: management, customer and regulatory reporting; integrated executive information systems and related data base management products for business operations, analysis, marketing and accounting; specialized item processing; and electronic funds transfer services.

FIserv provides clients with a variety of additional industry-related products and services through its subsidiary organizations. These include account processing, administration and trusteeship of self-directed individual and business retirement plans; educational services and micro computer solutions for measuring and managing interest rate risks; marketing communications and graphic design services; design, inventory and delivery of a wide range of industry specific business forms; plastic card products and services; and disaster recovery services.

The Company's ongoing data processing support products and services for client institutions include:

Relationship Banking Capabilities	Customized Database Extracts and Reports
Loan and Deposit Products	Remote Printing and Optical Disk System
Multi-branch and Multi-company	ATM, Point of Sale and ACH Financial
Financial Accounting	Accounting
Transaction Processing	Item Processing and Image Integration
Management Information System	Installation Services
Platform and Teller Automation	Ongoing Client Services
Customer Profitability	Research and Development
Mortgage Banking	Disaster Recovery Services and
Accounts Payable	Contingency Planning
Asset/Liability Management	Regulatory Compliance
Investment Accounting and Analysis	Multiple Terminal Support
Safe Deposit Box Accounting	Plastic Card Products and Services

FIserv data processing services are designed specifically for the various international, national, regional or local business and marketing environments of banks, credit unions, savings institutions and other financial intermediaries.

COMPREHENSIVE SERVICE DIMENSION

FIserv focuses on providing financial data processing systems and related information management services and products to banks, credit unions, mortgage firms, savings institutions and other financial intermediaries. This emphasis allows the Company to concentrate its advanced technology, industry experience, research and development on creating and supporting solutions uniquely designed for financial institutions and other clients. Based on 1993 market surveys of total clients served, FIServ is the nation's leading independent data processing provider for banks, savings institutions and credit unions with assets over \$25 million.

FIserv data processing solutions are delivered based on the client's preferred operating environment: data center service bureau systems and support; in-house software systems development and support; facilities and resource management services; and strategic alliances with specialized technology providers.

Complementary products and services offered include: item processing and imaging technology services; backroom automation software systems; electronic funds transfer services; plastic cards and related card management services; rate risk management systems; self-directed retirement plan processing; network installation and integration services; human resource outsourcing; disaster recovery; design and production of business forms and marketing literature; and delivery and support of leading third-party software and hardware products.

FIserv provides traditional service bureau capabilities on multiple hardware platforms, offering clients the flexibility of online systems compatible with their preferred equipment and hardware. Through cooperative regional and national R&D efforts among FIServ centers, the Company continually enhances its existing products and offers innovative new services to help clients respond to the unique requirements of their customers.

For those clients desiring an in-house solution, FIServ has multiple, advanced in-house software systems. The proprietary software is easy to use, and gives institutions the flexibility to design and implement their own products, services and reporting systems--depending on their specific needs.

Additional full-service solutions include facilities management (managing all data processing functions with FIServ personnel at the client's site), resource management (operating a client's data processing software at a FIServ data center) and government services (specialized joint ventures and servicing operations for the Resolution Trust Corporation and other government agencies). Worldwide, FIServ offers a comprehensive software system designed for both international and domestic financial institutions. This fully integrated, in-house retail banking system features multi-currency and multi-lingual capabilities.

FIServ is a leading provider of data processing services for mortgage banks, ranking second in the industry. These mortgage software systems offer online, real-time loan origination servicing and secondary marketing solutions that can be tailored to meet an organization's specific goals.

FIServ is a leading provider of item processing services and check imaging technology, with the nation's largest check processing client base. The Company offers a full line of item processing services, including inclearing, bulk filing, account reconciliation, transit and lockbox services. For institutions seeking check imaging services, FIServ offers image and document management systems that provide business solutions for the acquisition, management, storage and presentation of check and document images.

FIServ offers financial institutions PC-based productivity tools that deliver software, service and support to meet their backroom automation and customer service needs. These systems are designed to streamline backroom operations by reducing time, keystrokes and labor.

FIServ is among the nation's leading third-party providers of electronic funds transfer (EFT) services. The Company offers transaction authorization, automated teller machine (ATM) driving, ATM and point-of-sale (POS) network gateway access.

In conjunction with these EFT services, FIServ supports a full line of ATM, POS, debit and credit card programs. Included are design, embossing and encoding of plastic cards and forms, card personalization, data processing for file creation and maintenance, and card/forms processing.

A leader in asset/liability management, FIServ is a worldwide provider of integrated decision-support systems for financial managers. These solutions include software for data management, profitability measurement, funds transfer pricing and executive information. Consulting services further enhance and expedite the total financial management process.

FIServ also provides office automation and communications network integration services to the financial industry and other clients. These services include hardware and software installation, maintenance, on-site education and support for financial institution clients, as well as clients of other leading information technology providers.

FIServ offers a full range of human resource, payroll and benefit services to the financial industry and large national and international organizations.

Through a specialized computer facility in Connecticut, FIServ provides a complete range of business back-up and disaster recovery services.

FIServ offers business forms design, production and distribution services, combining expertise in business forms, printing and print design with an in-depth knowledge of the financial industry's requirements. Other services include print communications needs analysis and concept development, design, project management and print production for annual reports, company literature and other business communications.

First Trust Corporation, a specialized provider of account processing, administration and trusteeship of self-directed individual and business retirement plans, is the largest provider of its kind in the nation. Based in Denver, Colo., this FIServ company specifically assists financial representatives and other financial service intermediaries in managing information through its proprietary data base technology.

SERVICING THE MARKET

The market for FIServ data processing services and products has specific needs and requirements, with strong emphasis placed by clients on software flexibility, product quality, reliability of service, comprehensiveness and integration of product line, timely introduction of new products and features, and cost value. Through its multiple product offerings, the Company successfully services these market needs for clients ranging in size from start-up to some of the largest institutions worldwide.

FIServ believes that the position it holds as an independent, growth-oriented company dedicated to its business is an advantage to its clients. The Company differs from many of the data processing resources currently available since it isn't a regional or local cooperatively-owned organization, nor a data processing subsidiary, an affiliate of a financial institution or a hardware vendor. Due to the economies of scale gained through its broad market presence, FIServ offers clients a selection of data processing solutions designed to meet the specific needs of financial institutions.

The Company believes this independence and primary focus on the financial industry helps its business development and related Client Service and Product Support teams remain responsive to the data processing needs of its market, now and for the future.

"The Client Comes First" is one of the Company's founding principles. It's a belief backed by a dedication to providing ongoing client service and support - - - - no matter the institution size. The FIServ Client Support and Account Management staff is responsible for the day-to-day interface with the operations of clients.

The Company's commitment of substantial resources to training and technical support helps keep FIServ clients first. FIServ conducts the majority of its new and ongoing client training in its data 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.

PRODUCT DEVELOPMENT

In order to meet the changing data processing needs of the financial institutions served by FIServ, the Company continually develops, maintains and enhances its systems. Resources applied to product development and maintenance are believed to be approximately 10% of company revenues, about half of which is dedicated to software development.

Unique to FIServ, its network of development and data processing centers applies the shared expertise of multiple FIServ teams to design, develop and maintain specialized processing systems around the leading 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.

Though all FIServ centers rely on the Company's nationally developed and supported software, each center has specialized capabilities that enable them to offer system application features and functions unique to their client base. Where the client's requirements warrant, FIServ purchases software programs from third parties which are interfaced with existing FIServ systems. In developing its products, FIServ stresses responsiveness to the needs of its clients through close client contact.

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

COMPETITION

The market for data processing services to banks, credit unions and savings institutions is highly competitive. The Company's principal competitors include internal data processing departments, data processing affiliates of financial institutions or large computer hardware manufacturers, independent computer service firms and processing centers owned and operated as user cooperatives. FIserv competitors include EDS, M&I, AT&T Global Information Solutions, ISSC (IBM) and various regional firms. Certain of these competitors possess substantially greater financial, sales and marketing resources than the Company. Competition from 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 data processing services include product quality, reliability of service, comprehensiveness and integration of product line, 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 financial institution or a hardware vendor, is a competitive advantage.

First Trust competes with a number of large and small providers of retirement plan administration services.

GOVERNMENT REGULATION

The Company's data processing subsidiaries are not themselves directly subject to federal or state regulations specifically applicable to financial institutions such as banks, thrifts and credit unions. As a provider of services to these entities, however, the data processing operations are observed from time to time 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. These regulators make certain recommendations to the Company regarding various aspects of its data processing operations. Such recommendations are generally implemented by the Company. In addition, the Company's operations are reviewed annually by an independent auditor to provide required internal control evaluations for its clients' auditors and regulators.

As a trust company under Colorado law, First Trust is subject to the regulations of the Colorado Division of Banking. First Trust historically has complied with such regulations and, although no assurance can be given, the Company believes First Trust will continue to be able to comply with such regulations. Commencing in 1991, First Trust received approval of its application for Federal Deposit Insurance Corporation coverage of its customer deposits.

EMPLOYEES

FIserv employs 6,195 specialists throughout the United States and worldwide 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 direct experience in banks, credit unions, mortgage firms, savings and other financial institution 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 related support services.

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 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.

Management 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.

ITEM 2. PROPERTIES

FIserv currently operates full-service data centers, software system development centers, and item processing and back-office support centers in 62 cities: Phoenix and Scottsdale, Arizona; Little Rock, Arkansas; Concord, Covina, Fresno, Fullerton, Los Angeles, Sacramento, San Diego and San Francisco, California; Denver, Colorado; Stamford, Hartford and New Haven, Connecticut; Jacksonville, Orlando, Maitland, Miami, Tampa and Titusville, Florida; Atlanta and Macon, Georgia; Honolulu, Hawaii; Arlington Heights, Chicago, Marion and Pontiac, Illinois; Indianapolis and South Bend, Indiana; Davenport and Des Moines, Iowa; Bowling Green, Kentucky; New Orleans, Louisiana; Boston and Somerville, Massachusetts; Flint and Troy, Michigan; Minneapolis and St. Paul, Minnesota; Melville and New York, New York; Fargo, North Dakota; Cleveland, Ohio; Oklahoma City, Oklahoma; Corvallis and Portland, Oregon; Philadelphia and Pittsburgh, Pennsylvania; Sioux Falls, South Dakota; Memphis and Nashville, Tennessee; Beaumont, Dallas, Houston and San Antonio, Texas; Seattle and Spokane, Washington; Brookfield and Milwaukee, Wisconsin. International business centers are located in London, England, and Singapore. The Company owns facilities in Fresno, Hartford, Brookfield, Spokane and Titusville; all other buildings in which centers are located are subject to leases expiring through 1998 and beyond. The Company owns or leases 123 mainframe computers (Data General, Digital, Hewlett Packard, IBM, NCR and Unisys). 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 backup 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.

FIserv regards its software as proprietary and utilizes a combination of trade secrecy law, internal security practices and employee non-disclosure agreements for protection. The Company has not patented or registered the copyrights on its software. 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.

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. 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 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.

PART II

Pursuant to Instruction G(2) for Form 10-K, the information required in ITEMS 5 THROUGH 8 is incorporated by reference from the Company's annual report to shareholders, included in this Form 10-K - Annual Report as Exhibit 13.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Pursuant to Instruction G(3) to Form 10-K, the information required in ITEMS 10 THROUGH 13 is incorporated by reference from the Company's definitive proxy statement which is expected to be filed pursuant to Regulation 14A on or before February 28, 1995, and included in this Form 10-K Annual Report as Exhibit 28.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) Financial Statements:

The consolidated financial statements of the companies as of December 31, 1994 and 1993 and for each of the three years in the period ending December 31, 1994, together with the report thereon of Deloitte & Touche LLP, dated January 30, 1995, appear on pages 26 through 38 of the Company's annual report to shareholders, Exhibit 13 to this Form 10-K - Annual Report, and are incorporated herein by reference.

(a) (2) Financial Statement Schedules

All financial statement schedules are omitted for the reason that they are either not applicable or not required or because the information required is contained in the consolidated financial statements or notes thereto.

(b) Reports on Form 8-K:

During 1994, the Company did not file any reports on Form 8-K.

(c) Exhibits:

- 3.1 Articles of Incorporation, as amended (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-4, File No. 33-62870, and incorporated herein by reference).
- 3.2 By-laws, (filed as Exhibit 3.2 to the Company's Registration Statement on Form S-4, File No. 33-62870, and incorporated herein by reference).
- 4.1 Credit Agreement dated as of September 30, 1994, by and among FIServ, Inc., the Lenders Party Hereto, First Bank National Association, as Co-Agent and The Bank of New York, as Agent. (Not being filed herewith, but will be provided to the Commission upon its request, pursuant to Item 601(b) (4) (iii) (A) of Regulation S-K.)
- 4.2 Note Purchase Agreement dated as of March 15, 1991, as amended, among FIServ, Inc., Aid Association for Lutherans, Northwestern National Life Insurance Company, Northern Life Insurance Company and The North Atlantic Life Insurance Company of America. (Not being filed herewith, but will be provided to the Commission upon its request, pursuant to Item 601(b) (4) (iii) (A) of Regulation S-K.)
- 4.3 Note Purchase Agreement dated as of April 30, 1990, as amended, among FIServ, Inc. and Teachers Insurance and Annuity Association of America. (Not being filed herewith, but will be provided to the Commission upon its request, pursuant to Item 601(b) (4) (iii) (A) of Regulation S-K.)
10. Material contracts.
 - 10.1 Stock Purchase Agreement, dated as of December 31, 1992, by and between FIServ, Inc. and First Financial Management Corporation, as amended by Amendment dated as of February 10, 1993, included in the Company's Current Report on Form 8-K, dated February 10, 1993, and incorporated herein by reference.
 - 10.2 Stock and Asset Purchase Agreement, dated as of July 30, 1993, as amended, by and between Mellon Bank Corporation, Mellon Bank, N.A., Mellon Financial Services Corporation #1 and Vertical Technologies, Inc., as Sellers, and FIServ, Inc., as Purchaser.
11. Computation of Shares Used in Computing Earnings per Share.
13. The 1994 Annual Report to Shareholders.
21. List of Subsidiaries of the Registrant.
23. Manually signed Auditors' Report and Consent of Independent Auditors.
28. The Company's definitive proxy statement for the 1995 annual meeting of shareholders to be held on March 30, 1995, to be filed pursuant to Regulation 14A under the Securities and Exchange Act of 1934.

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.

Dated: February 28, 1995
FISERV, INC.

/S/ GEORGE D. DALTON

By -----
George D. Dalton
(Chairman of the Board)

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 28, 1995.

SIGNATURE	CAPACITY
/S/ GEORGE D. DALTON ----- George D. Dalton	Chairman of the Board Chief Executive Officer
/S/ LESLIE M. MUMA ----- Leslie M. Muma	President and Director Chief Operating Officer
/S/ KENNETH R. JENSEN ----- Kenneth R. Jensen	Senior Executive Vice President Chief Financial Officer Treasurer and Director
/S/ BRUCE K. ANDERSON ----- Bruce K. Anderson	Director
/S/ GERALD J. LEVY ----- Gerald J. Levy	Director
/S/ L. WILLIAM SEIDMAN ----- L. William Seidman	Director
/S/ THEKLA R. SHACKELFORD ----- Thekla R. Shackelford	Director
/S/ ROLAND D. SULLIVAN ----- Roland D. Sullivan	Director

COMPUTATION OF SHARES USED IN COMPUTING EARNINGS PER SHARE

	Year Ended December 31,		
	1994	1993	1992
Primary:			
Weighted Average Shares Outstanding	39,073,000	37,707,000	33,768,000
Common Stock Equivalents	781,000	867,000	771,000
Shares Used	39,854,000	38,574,000	34,539,000

Fully diluted earnings per share are essentially the same as primary earnings per share for all periods presented.

FISERV, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

YEAR ENDED DECEMBER 31,	1994	1993	1992
REVENUES	\$563,590,000	\$454,692,000	\$332,090,000
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COST OF REVENUES:			
Salaries, commissions and payroll related costs	275,382,000	217,831,000	166,269,000
Data processing expenses, rentals and telecommunication costs	80,533,000	71,851,000	44,383,000
Other operating expenses	107,234,000	87,813,000	66,288,000
Depreciation and amortization of property and equipment	29,987,000	21,542,000	16,081,000
Amortization of intangible assets	10,846,000	9,098,000	6,589,000
Capitalization of internally generated computer software-net	(9,599,000)	(7,185,000)	(6,757,000)
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Total	494,383,000	400,950,000	292,853,000
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OPERATING INCOME	69,207,000	53,742,000	39,237,000
Interest expense - net	6,433,000	3,716,000	2,158,000
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INCOME BEFORE INCOME TAXES	62,774,000	50,026,000	37,079,000
Income tax provision Note 4	25,110,000	19,333,000	14,090,000
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NET INCOME	\$37,664,000	\$30,693,000	\$22,989,000
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Net income per common and common equivalent share	\$0.95	\$0.80	\$0.67
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Shares used in computing net income per share Note 1	39,854,000	38,574,000	34,539,000
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See notes to consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

DECEMBER 31, ASSETS	1994	1993
Cash and cash equivalents Note 1	\$28,294,000	\$35,934,000
Accounts receivable	120,033,000	104,730,000
Prepaid expenses and other assets Note 1	34,391,000	29,838,000
Investment securities Note 1	807,819,000	661,309,000
Other investments	64,777,000	34,831,000
Property and equipment-Net Note 1	113,448,000	96,645,000
Internally generated computer software-Net Note 1	67,820,000	58,020,000
Identifiable intangible assets relating to acquisitions-Net Note 1	34,090,000	33,291,000
Goodwill-Net	147,686,000	127,845,000
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TOTAL	\$1,418,358,000	\$1,182,443,000
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$21,440,000	\$20,671,000
Accrued expenses	59,126,000	1,468,000
Accrued income taxes	1,851,000	909,000
Deferred revenues	10,836,000	9,466,000
Trust account deposits	809,324,000	663,426,000
Long-term debt Note 3	139,864,000	111,099,000
Other obligations Note 3	2,314,000	2,308,000
Deferred income taxes Note 4	22,800,000	15,400,000
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TOTAL LIABILITIES	1,067,555,000	874,747,000
COMMITMENTS AND CONTINGENCIES NOTE 6		
SHAREHOLDERS' EQUITY:		
Common stock outstanding, 39,157,000 and 38,780,000 shares, respectively	392,000	388,000
Additional paid-in capital	184,574,000	181,049,000
Unrealized gain on investments	11,054,000	9,230,000
Accumulated earnings	154,783,000	117,029,000
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TOTAL SHAREHOLDERS' EQUITY	350,803,000	307,696,000
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TOTAL	\$1,418,358,000	\$1,182,443,000
	=====	=====

See notes to consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31,	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$37,664,000	\$30,693,000	\$22,989,000
Adjustments to reconcile income to net cash provided by operating activities:			
Deferred income taxes	12,373,000	11,793,000	5,400,000
Depreciation and amortization of property and equipment	29,987,000	21,542,000	16,081,000
Amortization of intangible assets	10,846,000	9,098,000	6,589,000
Capitalization of internally generated computer software - net	(9,599,000)	(7,185,000)	(6,757,000)
	81,271,000	65,941,000	44,302,000
Cash provided (used) by changes in assets and liabilities, net of effects from acquisitions of businesses:			
Accounts receivable	(11,686,000)	(13,377,000)	(4,693,000)
Prepaid expenses and other assets	(3,999,000)	(8,316,000)	(3,159,000)
Accounts payable and accrued expenses	(4,046,000)	(6,599,000)	2,428,000
Deferred revenue	(123,000)	(54,000)	(2,352,000)
Accrued income taxes	1,626,000	1,009,000	(476,000)
Net cash provided by operating activities	63,043,000	38,604,000	36,050,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(52,797,000)	(28,544,000)	(19,130,000)
Investments and other assets	(26,545,000)	(2,002,000)	20,757,000
Payment for acquisition of businesses, net of cash acquired	(20,545,000)	(113,268,000)	(6,162,000)
Investment securities	(146,635,000)	(71,607,000)	(126,634,000)
Net cash used by investing activities	(246,522,000)	(215,421,000)	(131,169,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings and other long-term obligations	39,165,000	59,100,000	1,308,000
Repayment of borrowings and other long-term obligations	(11,142,000)	(1,667,000)	(2,513,000)
Issuance of common stock	1,918,000	24,036,000	2,807,000
Trust account deposits	145,898,000	73,648,000	126,710,000
Net cash provided by financing activities	175,839,000	155,117,000	128,312,000
Change in cash and cash equivalents	(7,640,000)	(21,700,000)	33,193,000
Beginning balance	35,934,000	57,634,000	24,441,000
Ending balance	\$28,294,000	\$35,934,000	\$57,634,000

See notes to consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY

YEAR ENDED DECEMBER 31,	1994	1993	1992
SHARES ISSUED - 75,000,000 AUTHORIZED:			
Balance at beginning of year	38,779,770	22,621,946	15,010,304
Sale of common stock		1,403,911	
Shares issued under stock plans-net	238,838	201,706	101,862
Shares issued for acquired companies	138,276	2,354,540	
Stock split - 3-for-2		12,197,667	7,509,780
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Balance at end of year	39,156,884	38,779,770	22,621,946
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COMMON STOCK - PAR VALUE \$.01 PER SHARE:			
Balance at beginning of year	\$388,000	\$226,000	\$150,000
Sale of common stock		14,000	
Shares issued under stock plans-net	3,000	2,000	1,000
Shares issued for acquired companies	1,000	24,000	
Stock split -- 3-for-2		122,000	75,000
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Balance at end of year	392,000	388,000	226,000
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CAPITAL IN EXCESS OF PAR VALUE:			
Balance at beginning of year	181,049,000	105,842,000	103,288,000
Sale of common stock		23,712,000	
Shares issued under stock plans-net	2,660,000	324,000	929,000
Income tax reduction arising from the exercise of employee stock options	800,000	1,300,000	1,700,000
Shares issued for acquired companies	65,000	49,993,000	
Stock split -- 3-for-2		(122,000)	(75,000)
	-----	-----	-----
Balance at end of year	184,574,000	181,049,000	105,842,000
	-----	-----	-----
UNREALIZED GAIN ON INVESTMENTS	11,054,000	9,230,000	
	-----	-----	-----
ACCUMULATED EARNINGS:			
Balance at beginning of year	117,029,000	86,405,000	63,648,000
Net income	37,664,000	30,693,000	22,989,000
Cumulative translation adjustment	90,000	(69,000)	(232,000)
	-----	-----	-----
Balance at end of year	154,783,000	117,029,000	86,405,000
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TOTAL SHAREHOLDERS' EQUITY	\$350,803,000	\$307,696,000	\$192,473,000
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See notes to consolidated financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and investments with original maturities of 90 days or less and includes approximately \$13,500,000 held by a consolidated subsidiary pursuant to regulatory requirements.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets at December 31, 1994 and 1993 include \$7,723,000 and \$4,597,000, respectively, relating to long-term contracts, the profit from which is being recognized ratably over the periods to be benefited.

TRUST ACCOUNT DEPOSITS AND INVESTMENT SECURITIES

The Company's trust administration subsidiary accepts money market deposits from its trust customers and invests the funds in securities. Such amounts due trust depositors represent the primary source of funds for the Company's investment securities and amounted to \$809,324,000 and \$663,426,000 in 1994 and 1993, respectively. The related investment securities comprised the following at December 31, 1994 and 1993:

	Principal Amount	Carrying Value	Market Value

1994			
U. S. Government and government agency obligations	\$478,711,000	\$478,572,000	\$460,452,000
Corporate bonds	51,840,000	51,836,000	51,373,000
Repurchase agreements	226,581,000	226,581,000	226,581,000
Other fixed income obligations	53,050,000	50,830,000	50,590,000

Total	\$810,182,000	\$807,819,000	\$788,996,000
	=====		
1993			
U. S. Government and government agency obligations	\$357,975,000	\$363,406,000	\$364,778,000
Corporate bonds	36,975,000	37,390,000	37,253,000
Repurchase agreements	179,942,000	179,942,000	179,942,000
Other fixed income obligations	116,225,000	116,118,000	116,420,000
Premium amortization, etc.		(863,000)	33,000

Total	\$691,117,000	695,993,000	\$698,426,000
	=====		
Included in: Cash and cash equivalents		20,904,000	
Other investments		13,780,000	

Trust account investments		\$661,309,000	
		=====	

Substantially all of the investments have contractual maturities of one year or less except for government agency obligations which generally contain provisions for interest rate resets.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation and amortization are computed using primarily the straight-line method over the estimated useful lives of the assets, ranging from 3 to 40 years:

	December 31,	
	1994	1993

Data processing equipment	\$119,197,000	\$92,266,000
Purchased software	31,522,000	20,509,000
Buildings and leasehold improvements	35,326,000	32,635,000
Furniture and equipment	30,494,000	23,357,000

	216,539,000	168,767,000
Less accumulated depreciation and amortization	103,091,000	72,122,000

Total	\$113,448,000	\$96,645,000
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INTERNALLY GENERATED COMPUTER SOFTWARE

Certain costs incurred to develop new software and enhance existing software are capitalized and amortized over the expected useful life of the product, generally five years. At December 31, 1994 and 1993, the unamortized portion of internally generated computer software costs amounted to \$67,820,000 and \$58,020,000, respectively; amortization of such costs charged to expense amounted to \$16,655,000, \$13,995,000, and \$10,487,000 in 1994, 1993 and 1992, respectively. Routine maintenance of software products, design costs and development costs incurred prior to establishment of a product's technological feasibility are expensed as incurred.

INTANGIBLE ASSETS

Intangible assets relate to acquisitions and consist of the following at December 31:

	1994	1993
	-----	-----
Computer software acquired	\$5,565,000	\$5,561,000
Non-competition agreements	19,370,000	25,841,000
Contract rights and other	30,150,000	22,880,000
	-----	-----
	55,085,000	54,282,000
Less accumulated amortization	20,995,000	20,991,000
	-----	-----
	\$34,090,000	\$33,291,000
	=====	=====
Goodwill	\$157,830,000	\$133,963,000
Less accumulated amortization	10,144,000	6,118,000
	-----	-----
	\$147,686,000	\$127,845,000
	=====	=====

The cost allocated to computer software acquired in corporate acquisitions is being amortized on a straight-line basis over its expected useful life (generally five years or less). In connection with certain acquisitions, the Company has entered into non-competition agreements with the sellers. The values assigned are being amortized on the straight-line method over the periods covered by the agreements (generally five years or less). Costs allocated to various customer data processing contracts at the dates of acquisition are being amortized on a straight-line basis over the remaining terms of the contracts (generally six years or less). The excess of the purchase price over the estimated fair value of tangible and identifiable intangible assets acquired has been recorded as goodwill and is being amortized over its estimated useful life of 40 years.

INCOME TAXES

The consolidated financial statements are prepared on the accrual method of accounting. Deferred income taxes are provided for temporary differences between the Company's income for accounting and tax purposes.

REVENUE RECOGNITION

Revenues result primarily from the sale of data processing services to financial institutions, software sales, and administration of self-directed retirement plans. Such revenues are recognized as the related services are provided. Revenues include investment income of \$21,216,000, \$12,286,000, and \$10,308,000, net of direct credits to depositors accounts of \$17,446,000, \$13,216,000, and \$16,576,000 in 1994, 1993 and 1992, respectively. Deferred revenues consist primarily of advance billings for services and are recognized as revenue when the services are provided.

INCOME PER SHARE

Income per common and common equivalent share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the periods, after giving effect to stock splits.

SUPPLEMENTAL CASH FLOW INFORMATION

	1994	1993	1992
Interest paid	\$ 8,387,000	\$ 5,412,000	\$ 5,003,000
Income taxes paid	10,073,000	6,544,000	7,466,000
Liabilities assumed in acquisitions of businesses	3,416,000	47,000,000	2,243,000

NOTE 2. ACQUISITIONS AND CAPITAL TRANSACTIONS

ACQUISITIONS

During 1994, 1993 and 1992 the Company completed the following acquisitions:

Company	Date Acquired	Type of Business	Consideration
1994:			
National Embossing Company, Inc.	Apr. 19	Automated card services	Cash for stock
Boatmen's Information Systems data processing business	May 2	Data processing	Cash for assets
Federal Home Loan Bank of Atlanta item processing contracts	Aug. 19	Item processing	Cash for assets
Cincinnati Bell Information Systems banking business	Nov. 30	Image and document management services	Cash for assets
RECOM Associates, Inc.	Dec. 30	Network integration services	Stock for stock

1993:			
Tomahawk Holding, Inc. and its wholly-owned subsidiary Basis Information Technologies, Inc.	Feb. 10	Data processing for banks, thrifts and credit unions	Cash and stock for stock
IPC Service Corporation	Mar. 2	Item processing	Cash for assets
EDS item processing contracts	May 17	Item processing	Cash for assets
Datatronix Financial Services	Jun. 25	Item processing	Stock for stock
Data Line Service Company	Jul. 13	Data processing for thrifts	Cash for stock
Financial Processors, Inc. and Financial Data Systems	Nov. 8	Data processing for banks	Cash for stock
		Item processing	Cash for assets
Financial Institution Outsourcing and Data-Link Systems, Inc.	Nov. 30	Data processing for banks	Cash for assets
		Mortgage banking services	Cash for stock
1992:			
Data Holdings, Inc.	Feb. 10	Automated card services	Cash for stock
BMS On-Line Services, Inc., selected assets	Feb. 28	Data processing	Cash for assets
First American Information Services, Inc.	Mar. 2	Data processing and item processing	Cash for stock
Cadre, Inc.	Jul. 1	Disaster recovery services	Cash for stock
Performance Analysis, Inc.	Jul. 1	Software for banks	Cash for stock
Chase Manhattan Bank, REALM Software	Oct. 22	Software for banks	Cash for assets
Dakota Data Processing, Inc.	Dec. 1	Data processing	Cash for stock
Banking Group Services, Inc.	Dec. 31	Item processing	Stock for stock

Generally, the acquisitions were accounted for as purchases and, accordingly, the operations of the acquired companies are included in the consolidated financial statements since their respective dates of acquisition as set forth above. Certain of the acquisition agreements provide for additional cash payments contingent upon the attainment of specified revenue goals.

STOCK PURCHASE AND STOCK OPTION PLANS

The Company has a Restricted Stock Purchase Plan, a qualified Incentive Stock Option Plan and a Non-Qualified Stock Option Plan, each of which provide for grants of common stock to employees for a price not less than 100% of the fair value of the shares at the date of grant. There has been no recent activity in the Restricted Stock Purchase Plan. In general, 20% of the option shares awarded under the Incentive and Non-Qualified Stock Option Plans may be purchased annually and expire, generally, five to ten years from the date of the award. Plan activity during 1992, 1993 and 1994, adjusted for 3-for-2 splits effective in May 1993 and June 1992, is summarized as follows:

	Shares		Price Range
	Incentive	Non- Qualified	
Outstanding, December 31, 1991		1,750,887	5.04-12.45
Granted		751,747	15.22-16.00
Forfeited		(85,392)	
Exercised		(537,126)	5.04-10.37
Outstanding, December 31, 1992		1,880,116	5.56-16.00
Granted		589,850	18.50-20.17
Assumed from Datatronix	76,895	66,415	1.63-7.10
Forfeited		(32,550)	
Exercised	(23,590)	(277,027)	1.63-15.56
Outstanding, December 31, 1993	53,305	2,226,804	1.63-20.17
Granted		559,497	20.00-22.50
Forfeited	(3,380)	(102,945)	
Exercised	(19,505)	(211,529)	1.63-18.50
Outstanding, December 31, 1994	30,420	2,471,827	1.63-22.50
Shares exercisable, December 31, 1994	6,253	1,184,876	

Options outstanding include 76,370 and 188,918 shares granted in 1993 and 1994 at \$20.17 and \$20.00 a share, respectively, under a stock purchase plan requiring exercise within 30 days after a two-year period beginning on the date of grant.

NOTE 3. LONG-TERM DEBT AND OTHER OBLIGATIONS

The Company has available a \$125,000,000 unsecured line of credit and commercial paper facility with a group of banks maturing in 1999 of which \$85,568,000 was in use at December 31, 1994 at an average rate of 6.17%. The loan agreements covering the Company's long-term borrowings contain certain restrictive covenants including, among other things, the maintenance of minimum net worth and various operating ratios with which the Company was in compliance at December 31, 1994. A facility fee ranging from .175% to .325% per annum is required on the entire bank line regardless of usage. The facility is reduced to \$112,500,000 on September 30, 1997 and to \$100,000,000 on September 30, 1998.

Long-term debt and other obligations outstanding at the respective year-ends comprised the following:

	December 31,	
	1994	1993
9.45% senior notes payable, due 1995-2000	\$25,714,000	\$30,000,000
9.75% senior notes payable, due 1995-2001	17,500,000	20,000,000
Bank notes and commercial paper	96,650,000	61,099,000
Other obligations	2,314,000	2,308,000
	\$142,178,000	\$113,407,000

Other obligations relate to balances due under capital leases. Annual principal payments required under the terms of the long-term agreements were as follows at December 31, 1994:

Year	
1995	\$10,671,000
1996	9,992,000
1997	8,916,000
1998	7,302,000
1999	95,878,000
Thereafter	9,419,000

	\$142,178,000
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Interest expense with respect to long-term debt and other obligations amounted to \$8,710,000, \$5,737,000 and \$5,018,000 in 1994, 1993 and 1992, respectively.

NOTE 4. INCOME TAXES

A reconciliation of recorded income tax expense with income tax computed at the statutory federal tax rates follows:

	1994	1993	1992
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Statutory federal tax rate	35%	35%	34%
Tax computed at statutory rate	\$21,971,000	\$17,509,000	\$12,607,000
State income taxes net of federal effect	2,600,000	2,489,000	1,483,000
Tax exempt income	(470,000)	(326,000)	(311,000)
Other	1,009,000	(339,000)	311,000
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Recorded income tax expense	\$25,110,000	\$19,333,000	\$14,090,000
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The provision for income taxes consisted of the following:

	1994	1993	1992
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Currently payable	\$11,937,000	\$6,240,000	\$6,990,000
Tax reduction credited to capital in excess of par value	800,000	1,300,000	1,700,000
Deferred	12,373,000	11,793,000	5,400,000
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Total	\$25,110,000	\$19,333,000	\$14,090,000
	=====	=====	=====

The approximate tax effects of temporary differences at December 31, 1994 and 1993 were as follows:

	1994	1993
Allowance for doubtful accounts	\$ 1,571,000	\$ 595,000
Accrued expenses not currently deductible	11,392,000	10,362,000
Other	1,931,000	2,958,000
Net operating loss and tax credit carryforwards	5,901,000	4,597,000
Deferred costs	(4,911,000)	(2,762,000)
Internally generated capitalized software	(27,120,000)	(22,064,000)
Excess of tax over book depreciation and amortization	(4,069,000)	(2,933,000)
Unrealized gain on investments	(7,495,000)	(6,153,000)
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Total	\$ (22,800,000)	\$ (15,400,000)
	=====	=====

The net operating loss and tax credit carryforwards have expiration dates ranging from 1995 through 2009.

NOTE 5. EMPLOYEE BENEFIT PROGRAMS

The Company and its subsidiaries have contributory 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 also makes discretionary contributions based upon the attainment of certain profit goals. Company contributions vest at the rate of 20% for each year of service. Contributions charged to operations under these plans approximated \$8,900,000, \$6,346,000 and \$5,381,000 in 1994, 1993 and 1992, respectively.

NOTE 6. LEASES, OTHER COMMITMENTS AND CONTINGENCIES

LEASES

Future minimum rental payments, as of December 31, 1994, on various operating leases for office facilities and equipment were due as follows:

1995	\$34,779,000
1996	29,138,000
1997	22,351,000
1998	17,402,000
1999	11,043,000
Thereafter	14,990,000

Total minimum payments	\$129,703,000
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Rent expense applicable to all operating leases was approximately \$42,586,000, \$45,224,000 and \$33,859,000 in 1994, 1993 and 1992, respectively.

OTHER COMMITMENTS AND CONTINGENCIES

The Company's trust administration subsidiary had fiduciary responsibility for the administration of approximately \$12.6 billion in trust funds as of December 31, 1994. With the exception of the trust account investments discussed in Note 1, such amounts are not included in the accompanying balance sheets.

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 financial statements of the Company.

RESULTS OF OPERATIONS

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

	Percentage of Revenues			Period to Period Percentage	
	Year Ended December 31, 1994	1993	1992	1994 VS. 1993	1993 vs. 1992
Revenues	100.0%	100.0%	100.0%	23.9%	36.9%
Cost of revenues:					
Salaries, commissions and payroll related costs	48.9	47.9	50.0	26.4	31.0
Data processing expenses, rentals and telecommunications costs	14.3	15.8	13.4	12.1	61.9
Other operating expenses	19.0	19.3	20.0	22.1	32.5
Depreciation and amortization of property and equipment	5.3	4.8	4.8	39.2	34.0
Amortization of intangible assets	1.9	2.0	2.0	19.2	38.1
Capitalization of internally generated computer software - net	(1.7)	(1.6)	(2.0)	33.6	6.3
Total cost of revenues	87.7	88.2	88.2	23.3	36.9
Operating income	12.3%	11.8%	11.8%	28.8	37.0
Income before income taxes	11.1%	11.0%	11.2%	25.5	34.9
Net income	6.7%	6.8%	6.9%	22.7	33.5

Revenues increased \$108,898,000 in 1994 and \$122,602,000 in 1993. Approximately 80% of the 1994 growth and 90% of the 1993 growth resulted from the inclusion of revenues from the date of purchase of acquired businesses as set forth in Note 2 to the financial statements and the balance in each year from the addition of new clients, growth in the transaction volume experienced by existing clients and price increases.

As a percentage of revenues, cost of revenues decreased .5% from 1993 to 1994 and remained relatively constant in 1993. The make up of cost of revenues has been significantly affected in both years by business acquisitions and by changes in the mix of the Company's business as item processing and electronic funds transfer operations have enjoyed an increasing percentage of total revenues.

A significant portion of the purchase price of the Company's acquisitions has been allocated to intangible assets, such as client contracts, computer software, non-competition agreements and goodwill, which are being amortized over time, generally three to forty years. Amortization of these costs increased \$1,748,000 from 1993 to 1994 and \$2,509,000 from 1992 to 1993. As a percentage of revenues, these costs have remained relatively constant from 1992 to 1994.

Capitalization of internally generated computer software is stated net of amortization and increased in amount in both 1993 and 1994 but decreased as a percentage of revenues in 1993 and increased slightly in 1994. The 1994 increase resulted from special software development projects which are expected to be substantially completed by mid-1995.

Operating income increased \$15,465,000 in 1994 and \$14,505,000 in 1993. As a percentage of revenues, operating income increased .5% in 1994 and remained constant in 1993.

The effective income tax rate was 40% in 1994, 39% in 1993 and 38% in 1992. The trend to higher income tax rates results from net increases in non-deductible permanent differences and an increase in 1993 in the federal income tax rate. The effective income tax rate for 1995 is expected to be 41%.

The Company's growth has been largely accomplished through the acquisition of entities engaged in businesses which are complementary to its operations. Management believes that a number of acquisition candidates are available which

would further enhance its competitive position and plans to pursue them vigorously. Management is engaged in an ongoing program to reduce expenses 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, while reducing the potential loss of clients due to this program.

LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes (in thousands of dollars) the Company's primary sources of funds:

	Year Ended December 31,		
	1994	1993	1992
Cash provided by operating activities	\$ 63,043	\$38,604	\$36,050
Issuance of common stock-net	1,918	24,036	2,807
Decrease (increase) in other investments	(26,545)	(2,002)	20,757
Increase (decrease) in net borrowings	28,023	57,433	(1,205)
	\$ 66,439	\$118,071	\$58,409

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

The 1994 increase in capital expenditures was abnormally high because of the need to provide a new facility and equipment for Financial Institution Outsourcing, acquired in November 1993.

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

SELECTED FINANCIAL DATA

The following data (in thousands, except per share data), which has been materially affected by acquisitions, should be read in conjunction with the financial statements and related notes thereto included elsewhere in this Annual Report.

Year Ended December 31,	1994	1993	1992	1991	1990
Total assets	\$1,418,358	\$1,182,443	\$898,230	\$740,107	\$565,191
Long-term debt and other long-term obligations	142,178	113,407	53,240	53,114	37,974
Revenues	563,590	454,692	332,090	281,333	183,180
Operating income	69,207	53,742	39,237	31,651	23,402
Income before income taxes	62,774	50,026	37,079	28,651	21,491
Income taxes	25,110	19,333	14,090	10,314	7,737
Net income	37,664	30,693	22,989	18,337	13,754
Net income per share - Note	\$0.95	\$0.80	\$0.67	\$0.56	\$0.47

Note: Net income per share has been restated to recognize 3-for-2 stock splits effective in May 1993, June 1992 and July 1991.

QUARTERLY FINANCIAL INFORMATION (UNAUDITED)
(Amounts in thousands, except per share data)

1994	Quarters				Total
	First	Second	Third	Fourth	
REVENUES	\$135,896	\$135,793	\$139,431	\$152,470	\$563,590
COST OF REVENUES	119,970	118,676	121,845	133,892	494,383
OPERATING INCOME	15,926	17,117	17,586	18,578	69,207
INCOME BEFORE INCOME TAXES	14,480	15,615	15,903	16,776	62,774
INCOME TAXES	5,792	6,246	6,361	6,711	25,110
NET INCOME	\$8,688	\$9,369	\$9,542	\$10,065	\$37,664
NET INCOME PER SHARE	\$0.22	\$0.24	\$0.24	\$0.25	\$0.95

1993					
Revenues	\$99,723	\$111,180	\$116,439	\$127,350	\$454,692
Cost of revenues	88,232	97,848	102,364	112,506	400,950
Operating income	11,491	13,332	14,075	14,844	53,742
Income before income taxes	10,624	12,356	13,230	13,816	50,026
Income taxes	3,834	4,695	5,292	5,512	19,333
Net income	\$6,790	\$7,661	\$7,938	\$8,304	\$30,693
Net income per share	\$0.19	\$0.20	\$0.20	\$0.21	\$0.80

MARKET PRICE INFORMATION

The following information relates to the closing price of the Company's \$.01 par value common stock, which is traded on the over-the-counter market and is quoted on the NASDAQ National Market System under the symbol FISV.

Quarter Ended	1994		1993	
	HIGH	LOW	High	Low
March 31	23 1/2	18 1/2	21 3/8	17 5/8
June 30	22 1/4	20	20 1/8	17 3/8
September 30	22 3/4	18 3/4	21 3/4	19
December 31	23 1/2	19 1/4	23 3/4	19 1/4

At December 31, 1994, the Company's common stock was held by approximately 12,000 shareholders of record or through nominee or street name accounts with brokers. The closing sale price for the Company's stock on January 27, 1995 was \$21.75 per share.

The Company's present policy is to retain earnings to support future business opportunities, rather than to pay dividends.

MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The management of FIServ, Inc. assumes responsibility for the integrity and objectivity of the information appearing in the 1994 Annual Report. This information was prepared in conformity with generally accepted accounting principles 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.

Deloitte & Touche LLP, certified public accountants, audit the financial statements of the Company in accordance with generally accepted auditing standards. Their audit includes a review of the internal control system, and improvements are made to the system based upon their recommendations.

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.

GEORGE D. DALTON
Chairman and Chief Executive Officer

EXHIBIT 21 SUBSIDIARIES OF THE REGISTRANT

NAME UNDER WHICH SUBSIDIARY DOES BUSINESS	STATE OF INCORPORATION
Accurate Data On-line Corp.	Florida
Aspen Investment Alliance, Inc.	Colorado
Cadre, Inc.	Connecticut
Data Link Systems, Inc.	Indiana
FIserv Atlanta, Inc.	Georgia
FIserv Basis, Inc.	Georgia
FIserv Boston, Inc.	Massachusetts
FIserv CIR, Inc.	Delaware
Citizens Financial Corporation d/b/a FIserv Cleveland, Inc.	Ohio
FIserv Data Pro Card Services, Inc.	Indiana
FIserv Dayton, Inc.	Delaware
FIserv Des Moines, Inc.	Iowa
American Data Services, Inc. d/b/a FIserv EFT, Inc.	Oregon
FIserv Financial Systems, Inc.	Texas
FIserv Financial Systems of Florida, Inc.	Florida
FIserv Fresno, Inc.	California
FIserv Government Services, Inc.	Delaware
FIserv Joint Venture, Inc.	Delaware
FIserv Minneapolis, Inc.	Minnesota
FIserv New Haven, Inc.	Connecticut
FIserv Pittsburgh, Inc.	Pennsylvania
FIserv St. Paul, Inc.	Minnesota
FIserv San Diego, Inc.	California
FIserv Seattle, Inc.	Washington
FIserv Spokane, Inc.	Washington
FIserv Tampa, Inc.	Florida
FIserv (UK), Ltd.	United Kingdom
FIserv (ASPAC) Pte., Ltd.	Singapore
First Retirement Marketing, Inc.	Colorado
First Trust Corporation	Colorado
Performance Analysis, Inc.	Ohio
National Embossing Company	Texas
Sendero Corporation	Arizona
Sendero (ASPAC) Pte., Ltd.	Singapore
Summit Information Systems Corp.	Oregon
The Affinity Group, Inc.	Colorado

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, 1994 and 1993 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1994. 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 generally accepted auditing standards. 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, 1994 and 1993 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
Milwaukee, Wisconsin
January 30, 1995

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 33-61342 and No. 33-62870 of Fiserv, Inc. on Forms S-8 of our report dated January 30, 1995, incorporated by reference in the Annual Report on Form 10-K of Fiserv, Inc. and subsidiaries for the year ended December 31, 1994.

DELOITTE & TOUCHE LLP
Milwaukee, Wisconsin

February 28, 1995

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1994 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR	DEC-31-1994	DEC-31-1994
		28,294
	807,819	
	120,033	
	0	
	0	
	990,537	
		216,539
	103,091	
	1,418,358	
	902,577	
		0
		392
	0	
		0
		350,411
1,418,358		
		0
	563,590	
		0
	493,136	
	1,247	
	0	
	6,433	
	62,774	
	25,110	
	37,664	
		0
		0
		0
	37,664	
	.95	
	.95	