

Fiserv, Inc.
Consolidated Statements of Income

In millions, except per share data

| Year ended December 31, | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|
| Revenue: | | | |
| Processing and services | \$ 4,625 | \$ 4,411 | \$ 4,219 |
| Product | 880 | 843 | 847 |
| Total revenue | 5,505 | 5,254 | 5,066 |
| Expenses: | | | |
| Cost of processing and services | 2,212 | 2,178 | 2,164 |
| Cost of product | 747 | 731 | 717 |
| Selling, general and administrative | 1,101 | 1,034 | 975 |
| Total expenses | 4,060 | 3,943 | 3,856 |
| Operating income | 1,445 | 1,311 | 1,210 |
| Interest expense | (163) | (170) | (164) |
| Interest and investment (loss) income, net | (7) | 1 | 1 |
| Loss on early debt extinguishment | — | (85) | — |
| Income from continuing operations before income taxes and income from investment in unconsolidated affiliate | 1,275 | 1,057 | 1,047 |
| Income tax provision | (492) | (377) | (384) |
| Income from investment in unconsolidated affiliate | 147 | 32 | 91 |
| Income from continuing operations | 930 | 712 | 754 |
| Income (loss) from discontinued operations, net of income taxes | — | — | — |
| Net income | \$ 930 | \$ 712 | \$ 754 |
| Net income per share - basic: | | | |
| Continuing operations | \$ 4.22 | \$ 3.04 | \$ 3.04 |
| Discontinued operations | — | — | — |
| Total | \$ 4.22 | \$ 3.04 | \$ 3.03 |
| Net income per share - diluted: | | | |
| Continuing operations | \$ 4.15 | \$ 2.99 | \$ 2.99 |
| Discontinued operations | — | — | — |
| Total | \$ 4.15 | \$ 2.99 | \$ 2.98 |
| Shares used in computing net income per share: | | | |
| Basic | 220.3 | 233.9 | 248.6 |
| Diluted | 223.9 | 238.0 | 252.7 |

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Balance Sheets

| In millions December 31, | 2016 | 2015 |
|--|----------|----------|
| Assets | | |
| Cash and cash equivalents | \$ 300 | \$ 275 |
| Trade accounts receivable, less allowance for doubtful accounts | 902 | 802 |
| Prepaid expenses and other current assets | 526 | 429 |
| Total current assets | 1,728 | 1,506 |
| Property and equipment, net | 405 | 396 |
| Intangible assets, net | 1,833 | 1,872 |
| Goodwill | 5,373 | 5,200 |
| Other long-term assets | 404 | 366 |
| Total assets | \$ 9,743 | \$ 9,340 |
| Liabilities and Shareholders' Equity | | |
| Accounts payable and accrued expenses | \$ 1,242 | \$ 1,024 |
| Current maturities of long-term debt | 95 | 5 |
| Deferred revenue | 483 | 473 |
| Total current liabilities | 1,820 | 1,502 |
| Long-term debt | 4,467 | 4,288 |
| Deferred income taxes | 762 | 726 |
| Other long-term liabilities | 153 | 164 |
| Total liabilities | 7,202 | 6,680 |
| Commitments and Contingencies | | |
| Shareholders' Equity | | |
| Preferred stock, no par value: 25.0 million shares authorized; none issued | — | — |
| Common stock, \$0.01 par value: 900.0 million shares authorized; 395.7 million shares issued | 4 | 4 |
| Additional paid-in capital | 1,020 | 952 |
| Accumulated other comprehensive loss | (76) | (74) |
| Retained earnings | 8,994 | 8,064 |
| Treasury stock, at cost, 180.2 million and 170.4 million shares | (7,401) | (6,286) |
| Total shareholders' equity | 2,541 | 2,660 |
| Total liabilities and shareholders' equity | \$ 9,743 | \$ 9,340 |

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Cash Flows

| In millions Year ended December 31, | 2016 | 2015 | 2014 |
|--|---------|---------|---------|
| Cash flows from operating activities: | | | |
| Net income | \$ 930 | \$ 712 | \$ 754 |
| Adjustments to reconcile net income to net cash provided by operating activities from continuing operations: | | | |
| Depreciation and other amortization | 253 | 223 | 200 |
| Amortization of acquisition-related intangible assets | 158 | 194 | 204 |
| Share-based compensation | 68 | 65 | 49 |
| Excess tax benefits from share-based awards | (51) | (38) | (18) |
| Deferred income taxes | 21 | 20 | 3 |
| Income from investment in unconsolidated affiliate | (147) | (32) | (91) |
| Dividends from unconsolidated affiliate | 151 | 36 | 110 |
| Non-cash impairment charges | 17 | 6 | — |
| Loss on early debt extinguishment | — | 85 | — |
| Other operating activities | (2) | (1) | — |
| Changes in assets and liabilities, net of effects from acquisitions: | | | |
| Trade accounts receivable | (88) | (2) | (42) |
| Prepaid expenses and other assets | (68) | (66) | (39) |
| Accounts payable and other liabilities | 178 | 148 | 168 |
| Deferred revenue | 11 | (4) | 9 |
| Net cash provided by operating activities from continuing operations | 1,431 | 1,346 | 1,307 |
| Cash flows from investing activities: | | | |
| Capital expenditures, including capitalization of software costs | (290) | (359) | (292) |
| Payments for acquisitions of businesses | (265) | — | — |
| Net (purchases of) proceeds from investments | (1) | 1 | 7 |
| Other investing activities | 2 | (2) | (1) |
| Net cash used in investing activities from continuing operations | (554) | (360) | (286) |
| Cash flows from financing activities: | | | |
| Debt proceeds | 2,126 | 3,121 | 604 |
| Debt repayments, including redemption and other costs | (1,863) | (2,707) | (653) |
| Proceeds from issuance of treasury stock | 79 | 71 | 53 |
| Purchases of treasury stock, including employee shares withheld for tax obligations | (1,245) | (1,522) | (1,148) |
| Excess tax benefits from share-based awards | 51 | 38 | 18 |
| Other financing activities | — | (6) | — |
| Net cash used in financing activities from continuing operations | (852) | (1,005) | (1,126) |
| Net change in cash and cash equivalents from continuing operations | 25 | (19) | (105) |
| Net cash flows to discontinued operations | — | — | (1) |
| Cash and cash equivalents, beginning balance | 275 | 294 | 400 |
| Cash and cash equivalents, ending balance | \$ 300 | \$ 275 | \$ 294 |

See accompanying notes to consolidated financial statements.