

Fiserv moves *more* than money.

2024
ANNUAL
REPORT

fiserv.

Fiserv is a global technology leader enabling money movement for financial institutions, businesses and consumers.



- Business in more than 100 countries
- Reaching nearly 100% of U.S. households and over 6 million small businesses
- Achieved our 39th consecutive year of double-digit adjusted EPS growth

#1
in Merchant Acquiring

#1
in CORE
Account Processing

#1
in Digital Banking

#1
Zelle® Enabler

#1
in Issuer Processing

#1
Bill Payment Provider

#1
in Account-to-Account
Transfers



Doyle R. Simons
Lead Independent Director

Dear Fellow Shareholders,

As we close out another successful year at Fiserv, where we once again delivered strong financial and strategic results, I am enthusiastic about what the future holds for our company. With an unrivaled set of assets, a world-class client portfolio, a dedicated leadership team – which now includes Mike Lyons, our future CEO – and associates who are committed to our clients, we are well-positioned to continue to deliver superior results and create meaningful value for our clients, associates and shareholders.

CEO transition

In early December, President Trump nominated Frank Bisignano, our Chief Executive Officer and Chairman of the Board, to serve as the Commissioner of the Social Security Administration. We consider this a reflection of Frank's strength as a leader and Fiserv's position of commercial importance and expertise, which will remain to serve our clients for years to come. This development, while unexpected, presented the board of directors with an opportunity to engage a leader to guide Fiserv into the next chapter of unrivaled innovation and service to merchants, financial institutions and communities around the world. Executing on the board's succession plan, we commenced a rigorous process to select a new chief executive officer and, seven weeks later, we appointed Mike Lyons as President and CEO-Elect. We are confident that Mike has the right blend of industry depth, client focus, and strategic vision. He brings a proven track record of delivering superior results, operational excellence, innovation and shareholder value, and he is already off to a strong start.

Board refreshment

Your board of directors is committed to continuously enhancing its composition and operation. Since 2024, we have added three new directors who will complement the mix of skills and expertise of our more-tenured members, fostering a well-functioning and successful board. We have also enhanced our onboarding process, extended our robust director education program and made changes to board committees to ensure that directors continue to be best positioned to provide effective oversight and deliver value to our shareholders.



Shareholder engagement

Engagement with clients, employees, shareholders and other stakeholders is essential to understanding whether we, as a company, are exceeding expectations. A highlight of client engagement in 2024 was our annual client conference, Fiserv Forum, where we hosted 3,000 clients and prospects and, for the first time, investors and analysts. We had the opportunity to showcase innovative solutions across our businesses and, importantly, hear directly from our clients about how we can help them achieve success. With respect to our associates, I was pleased to see that 94% of them participated in our annual global engagement survey, and that associates rated Fiserv highly in operational excellence and manager effectiveness. I also had the opportunity to participate in conversations directly with shareholders as part of our annual shareholder engagement program. The feedback received in these meetings has helped inform enhancements to our governance, executive compensation, and corporate responsibility programs and disclosures.



Board transition

As I prepare to step into the role of Chairman of the Board, I'm reminded of the many proud milestones that our company has accomplished over the last four years under Frank's leadership. In his time at Fiserv, Frank has forever changed the financial technology ecosystem with his endless drive, operational muscle and strategic vision. I believe that I speak for us all when I say we are better off for having worked with him. Thank you, Frank.

On behalf of our board of directors, I thank you for your continued support and investment in Fiserv.

Doyle R. Simons
Lead Independent Director



Mike Lyons
President and CEO-Elect

Dear Fellow Shareholders,

As I write this letter, I am just over two months into my role as President and incoming CEO of Fiserv, but my preparation for this job has been over 20 years in the making. That's how long I have worked with Fiserv and many of its Management Committee members as an investor, banker and client. Over this time, I have watched Fiserv grow to become the #1 financial technology company globally.

Today, no financial technology company can match Fiserv's comprehensive and powerful set of assets – including our size and scale, technology resources, breadth of product, global reach, diversified distribution, free cash flow generation and, most importantly, our talented team.

The breadth and scale of the franchise cannot be overstated:

- We do business in more than 100 countries
- We support more than 6 million merchant locations, authorizing more than 90 billion transactions per year
- We serve nearly 10,000 financial institution clients
- We manage over 1.7 billion accounts
- Our services touch nearly 100% of U.S. households

Fiserv's ascent has been remarkable, though perhaps not surprising. The recipe was just right:

- Start with two industry leaders – a scale player in merchant payments and a top provider of financial institutions technology – with highly complementary business models
- Merge the companies and capture significant synergies
- Reinvest these synergies into platform modernization and value-added, software-led solutions

- Deploy these assets through an unparalleled distribution network
- Cultivate a world-class team, including more than 13,000 technologists
- Continue to invest and repeat the virtuous cycle of sustainable revenue growth and operating-margin expansion
- Deploy the strong and growing free cash flow to ensure resiliency and stability, fortify the balance sheet, continuously innovate for our clients and reward our shareholders

Honor and gratitude

It was this unique model that attracted me to Fiserv. I would like to thank the board of directors for the opportunity to lead this great company – it is a tremendous honor. I'd also like to thank all my Fiserv teammates for their warm welcome and their dedication and commitment to excellence, which is evident every day in Fiserv's strong positioning and results.

I especially want to thank Frank Bisignano for handing me the reins in a way that only Frank could – with a sharp focus on speed of execution, a sense of urgency and a commitment to operational excellence. His tireless efforts to ensure a smooth transition for our employees and clients have been extraordinary to witness. I can assure you that Frank's operational approach and strategic vision will remain an integral part of everything we do at Fiserv.

Frank will undoubtedly be recognized as one of the great CEOs in our industry. On behalf of us all, I also want to thank him for his decision to serve our country as the next Commissioner of the Social Security Administration.

Boundless opportunity

The two questions I have been asked most frequently since joining Fiserv are:

What's your new plan and vision for the company?

This has been clear from the start – there will be no change to Fiserv's plan or vision. Our #1 focus is executing on the blueprint that was laid out at our 2023 Investor Conference, including the financial goals that carry through to 2026. It's a compelling plan that drives client success and produces strong financial results for shareholders.

What has surprised you the most?

The scope and scale of the opportunities we have in front of us are more than I could have imagined. The growth we can generate from new solutions, new markets and new businesses is tremendous. Here are just a few of the many initiatives that we have underway:

- **Value-added solutions (VAS) growth** – We are focused on expanding our portfolio of VAS and driving greater client penetration. This deepens client relationships and drives value-based versus price-based conversations. In 2024, we introduced multiple new vertical software solutions on **Clover®** as well as **CashFlow CentralSM**, which is our new accounts payable/accounts receivable B2B offering. Our new partnership with **ADP®** offers both a new VAS for us to sell on Clover and, with ADP reselling Clover and CashFlow Central, deepens our VAS penetration.
- **Bank partnerships for small- to medium-sized business (SMB) solutions** – We have long been the leader in bank partnerships for merchant acquiring and are now generating accelerated growth as bank partners are increasingly seeing Clover as a way to win in the SMB space against fintech challengers.

Our SMB Integrated Suite provides a full solution in this attractive growth market and offers revenue potential to financial institutions as resellers. The SMB Integrated Suite is now fully embedded in our new digital banking offering, **Experience Digital (XD)**, forming a single platform for SMB customers to access their bank accounts, Clover, CashFlow Central, SpendTrack expense management and the other tools that we enable for our financial institution clients, including Zelle® for Business.

- **Modernizing our processing platform** – We continue to invest in our core account processing systems, including DNA®, which today are used by over 3,200 financial institutions. Our newest “core,” **Finxact**, is a cloud-native system that has emerged as the most widely adopted modern core platform, according to a prominent global consulting firm. We are also investing to extend our lead in card issuing with the new OptisSM (in the U.S.) and FirstVisionTM (international) platforms.
- **Driving data and intelligence** – Capturing and managing data is a core competency of Fiserv that is made possible by our millions of merchants, card files and bank accounts, and the fact that we process hundreds of millions of transactions across these accounts daily. The Fiserv Small Business Index® is a great example of the scale and analytical value that our data solutions can provide. With the help of our AI engines, this proprietary data yields insights that help us and our clients optimize how we run our businesses. We are using it today to reduce fraud, improve authorization rates, generate sales leads and help clients make decisions based on real-time customer behavior.

Fiserv’s approach to artificial intelligence can be described as “AI Inside,” meaning our focus is on integrating AI into our products and processes, and engaging dedicated technology providers along the way.

Our strategic focus areas for AI integration are:

- Client servicing
- Fraud and security
- Advanced client insights
- Lead generation and marketing
- Pricing and billing optimization
- Developer productivity

Second, I did not fully appreciate the benefits that come from having the Financial Institutions and Merchant businesses under one roof. This proximity puts Fiserv at the intersection of commerce and banking, which allows us to discover new ways for these client segments to work together and creates long-term growth opportunities for all parties. Examples include:

- Merchants bundling financial products and services – things like smart debit network routing, Pay by Bank, buy now, pay later, and other point-of-sale lending
- Financial institutions growing wallet share with small businesses through our SMB Integrated Suite
- Merchants offering embedded finance to enhance workflows and grow client relationships – customers like Walmart use multiple solutions that span our Merchant and Financial Institutions offerings. We are excited about the growth prospects we have in embedded finance, and recently closed the Payfare acquisition, which enhances our capabilities here.

Finally, I have been surprised by the incredible growth opportunity that we have internationally.

- While we have long operated globally – with established franchises in EMEA, Latin America, and Asia-Pacific – international revenues today represent only 15% of total company revenues. Our presence in over 100 countries enables us to offer clients around the world Clover, FirstVision, our enhanced cloud-based issuing platform, and Finxact. Clover is rolling out to Brazil, Mexico and Australia today and is still ramping in Germany, the Netherlands and Argentina. Our pipeline is building for FirstVision in all three regions, and Finxact won its first client outside the U.S. in December.

A strong and enduring track record

In 2024, we met or exceeded our expectations, achieving our 39th consecutive year of double-digit adjusted EPS growth and our fourth consecutive year of double-digit organic revenue growth. Organic revenue grew 16%, while adjusted earnings per share advanced 17%.

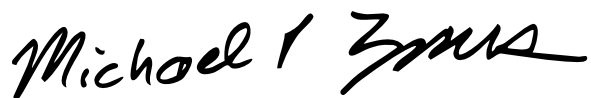
We continued to invest meaningfully and prudently in the franchise, with over \$1.5 billion in capital expenditures. Importantly, we also continued to be good stewards of capital by returning \$5.5 billion to our shareholders through the repurchase of 33.9 million shares at an average price per share of \$162.

Fiserv has a long history of making and delivering on commitments to its shareholders. We delivered on the merger-related promises from 2019 and our commitments laid out at the December 2020 Investor Conference, and are on track to meet the targets set forth at our 2023 Investor Conference. Executing to meet our goals is our #1 priority!

Thank you

I want to thank all of Fiserv's employees for their incredible work, which is essential to our clients' businesses and drives Fiserv's ongoing success.

To our stockholders, clients and partners, thank you for your continued support.

A handwritten signature in black ink that reads "Michael Lyons". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Lyons".

Mike Lyons
President and CEO-Elect

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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-38962

Fiserv, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Wisconsin
(State or Other Jurisdiction of
Incorporation or Organization)

39-1506125
(I. R. S. Employer
Identification No.)

600 N. Vel R. Phillips Avenue, Milwaukee, WI 53203

(Address of Principal Executive Offices and zip code)

(262) 879-5000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	FI	The New York Stock Exchange
1.125% Senior Notes due 2027	FI27	The New York Stock Exchange
1.625% Senior Notes due 2030	FI30	The New York Stock Exchange
2.250% Senior Notes due 2025	FI25	The New York Stock Exchange
3.000% Senior Notes due 2031	FI31	The New York Stock Exchange
4.500% Senior Notes due 2031	FI31A	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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 whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the common stock of the registrant held by non-affiliates as of June 28, 2024 (the last trading day of the second fiscal quarter) was \$85,486,940,134 based on the closing price of the registrant's common stock on the New York Stock Exchange on that date. The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding at February 14, 2025 was 561,288,944.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates information by reference to the registrant's proxy statement for its 2025 annual meeting of shareholders, which proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2024.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development, outlook, or similar expression, and can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should,” “confident,” “likely,” “plan,” or words of similar meaning. Statements that describe our future plans, objectives or goals are also forward-looking statements.

The forward-looking statements in this report involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others, the following: our ability to compete effectively against new and existing competitors and to continue to introduce competitive new products and services on a timely, cost-effective basis; changes in customer demand for our products and services; the ability of our technology to keep pace with a rapidly evolving marketplace; the success of our merchant alliances, some of which we do not control; the impact of a security breach or operational failure on our business, including disruptions caused by other participants in the global financial system; losses due to chargebacks, refunds or returns as a result of fraud or the failure of our vendors and merchants to satisfy their obligations; changes in local, regional, national and international economic or political conditions, including those resulting from heightened inflation, rising interest rates, taxes, trade policies and tariffs, a recession, bank failures, or intensified international hostilities, and the impact they may have on us and our employees, clients, vendors, supply chain, operations and sales; the effect of proposed and enacted legislative and regulatory actions affecting us or the financial services industry as a whole; our ability to comply with government regulations and applicable card association and network rules; the protection and validity of intellectual property rights; the outcome of pending and future litigation and governmental proceedings; our ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of our growth strategies; our ability to attract and retain key personnel; adverse impacts from currency exchange rates or currency controls; changes in corporate tax and interest rates; and other factors identified in this Annual Report on Form 10-K for the year ended December 31, 2024 and in other documents that we file with the Securities and Exchange Commission, which are available at <http://www.sec.gov>. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report. We are not including the information provided on the websites referenced herein as part of, or incorporating such information by reference into, this Annual Report on Form 10-K.

PART I

In this report, all references to “we,” “us,” “our” and “Fiserv” refer to Fiserv, Inc. (“Fiserv”), and, unless the context otherwise requires, its consolidated subsidiaries.

Item 1. Business

Overview

Fiserv, Inc. is a leading global provider of payments and financial services technology solutions. We are publicly traded on the New York Stock Exchange and part of the S&P 500 Index. We serve clients around the globe, including merchants, banks, credit unions, other financial institutions, corporate and public sector clients. We help clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover[®] cloud-based point-of-sale (“POS”) and business management platform. Most of the products and services we provide are necessary for our clients to operate their businesses and are therefore non-discretionary in nature. We serve our global client base by working among our geographic teams across various regions, including the United States of America (“U.S.”) and Canada; Europe, Middle East and Africa; Latin America; and Asia Pacific.

In 2024, we had \$20.5 billion in total revenue, \$5.9 billion in operating income and \$6.6 billion of net cash provided by operating activities. Processing and services revenue, which in 2024 represented 81% of our total revenue, is primarily generated from account- and transaction-based fees under multi-year contracts that generally have high renewal rates. We have operations and offices located both within the U.S. and Canada, and internationally, which as a percentage of total revenue were as follows:

(In millions)	Year Ended December 31,		
	2024	2023	2022
Total revenue	\$ 20,456	\$ 19,093	\$ 17,737
U.S. and Canada	85 %	85 %	86 %
International ⁽¹⁾	15 %	15 %	14 %

⁽¹⁾ Represents revenue in the following international regions: EMEA (Europe, Middle East and Africa), LATAM (Latin America) and APAC (Asia-Pacific).

We have grown our business through acquisitions and organically by signing new clients, expanding the products and services we provide to existing clients, offering new and enhanced products and services developed through innovation and acquisition, and extending our capabilities geographically, all of which have enabled us to deliver a wide range of products and services and created new opportunities for growth.

Our headquarters are located at 600 N. Vel R. Phillips Avenue, Milwaukee, Wisconsin 53203, and our telephone number is (262) 879-5000.

Effective in the first quarter of 2024, we realigned our reportable segments to correspond with changes in our business designed to further enhance operational performance in the delivery of our integrated portfolio of products and solutions to our financial institution clients (the “Segment Realignment”). Our new reportable segments are the Merchant Solutions (“Merchant”) segment and the Financial Solutions (“Financial”) segment.

Merchant Solutions

The businesses in our Merchant segment provide commerce-enabling products and services to companies of all sizes around the world. These products and services include merchant acquiring and digital commerce services; mobile payment services; security and fraud protection solutions; stored-value solutions; software-as-a-service (“SaaS”); POS devices; and pay-by-bank solutions. The business lines aggregated within the Merchant segment consist of the following:

- *Small Business* – provides products and services to small businesses and independent software vendors (“ISVs”), including Clover[®], our POS and business management platform for small business clients
- *Enterprise* – provides products and services to large businesses, including our integrated omnichannel operating system for enterprise clients

- *Processing* – provides products and services to financial institutions, joint ventures, and other third party resellers which have direct relationships with merchants

We distribute the products and services in the Merchant segment businesses through a variety of channels, including direct sales teams, strategic partnerships with agent sales forces, ISVs, independent sales organizations (“ISOs”), financial institutions and other strategic partners in the form of merchant alliances, revenue sharing alliances and referral agreements.

Small Business

We offer merchant acquiring solutions to enable small businesses to securely accept payment transactions online or in-person. Payment transactions include credit, debit, gift card and loyalty payments online or through a physical POS or mobile device, such as a smartphone or tablet.

Our global point-of-sale and business management platform, Clover[®], includes hardware and software technology necessary to enable small business merchants to accept payments; take orders; schedule pick-up and delivery services; and provide vertical specific business management tools. By integrating next-generation hardware and SaaS capabilities, along with value-added services, Clover has become a leader in enabling omnichannel commerce solutions for small businesses. We also offer small business owners advance access to capital through our Clover Capital cash advance and, within our international operations, merchant anticipation programs.

Enterprise

We provide products and services to large businesses that are designed to enable clients to engage in commerce through various channels including online and mobile, drive value and savings through transactions, and engage more customers. Our integrated omnichannel operating system allows enterprise clients to orchestrate payments and create consistent customer commerce experiences, delivered how and when their customers want. These solutions help clients maximize approval rates, reduce declines, lower fraud and chargebacks, reduce costs and improve the customer experience. Through this integrated platform, a variety of payment and commerce solutions can be accessed, including payment acceptance, payments optimization, fraud mitigation, online electronic benefits transfers, pay-by-bank and digital payouts. We also offer a single platform for payment facilitators, marketplaces, software companies, and acquiring banks to compliantly manage boarding, credit and risk, and money movement for sub-merchants. Clients can access our enterprise services through Commerce Hub[™], our next generation gateway and orchestration layer that provides full-function e-commerce, omnichannel and multi-acquirer solutions that ease development effort and maintenance.

Our Enterprise business also provides end-to-end, omnichannel solutions to securely implement and manage stored value programs such as gift cards and loyalty, which help clients drive revenue and customer engagement. These solutions include physical and digital gift card fulfillment, program management, e-commerce gift card storefronts, security and fraud protection, transaction processing services, incentive and rebate cards as well as reloadable and non-reloadable prepaid cards that may be used with a variety of mobile applications. We help our clients consolidate their forms of stored value in a single digital wallet that is enabled in-store for true omnichannel customer engagement. Additionally, we provide payment services to companies, such as utilities, telephone and cable companies, lending institutions and insurance providers. These services enable our clients to reduce costs, collect payments faster through multiple channels and increase customer satisfaction, providing customers flexible, easy-to-use ways to view and pay their bills.

Processing

We provide products and services to financial institutions, joint ventures, and other third-party resellers such as ISOs, which have direct relationships with merchants. We provide these distribution partners with integrated merchant technology solutions to help them grow their businesses and manage their portfolios. Partner technology tools enable real-time access to portfolio activity and pricing management. These strategic alliances combine our commerce-enabling technology, processing capabilities and management expertise with the distribution capabilities, footprint and customer relationships of our partners.

Financial Solutions

The businesses in our Financial segment provide products and services to financial institution, corporate and public sector clients across the world, enabling the processing of customer loan and deposit accounts, digital payments and card transactions. The business lines aggregated within the Financial segment consist of the following:

- *Digital Payments* – provides debit card processing services; debit network services; security and fraud protection products; bill payment; person-to-person payments; and account-to-account transfers

- *Issuing* – provides credit card processing services; prepaid card processing services; card production services; print services; government payment processing; and student loan processing
- *Banking* – provides customer loan and deposit account processing; digital banking; financial and risk management; professional services and consulting; and check processing

Digital Payments

We are a leading enabler of digital payment capabilities to financial institutions of all sizes, including solutions that help clients enable debit card processing services, peer-to-peer payments, account-to-account transfers, bill payment capabilities, and Automated Clearing House (“ACH”) and real-time payments.

We provide debit card processing services, which include tokenization, loyalty and reward programs; customized authorization processing; gateway processing to payment networks; ATM managed services and cash and logistics management; and risk management products. We also provide security, risk and fraud management solutions, which incorporate machine-learning-based predictive technology, that help financial institutions securely operate and grow their business by preventing fraud. CardHub provides our clients’ customers with mobile, customizable card management and alert tools that drive engagement and revenue for card issuers. We also own and operate the Accel[®], STAR[®] and MoneyPass[®] networks, which provide access to funds for debit card purchases through any physical and online channel. These networks are available to all issuers and merchants in the U.S.

Our person-to-person payment and account-to-account transfer services allow consumers a convenient way to send and receive money while offering financial institutions the opportunity to generate new transaction-based revenue, attract new accounts and increase loyalty among existing customers. We offer a turnkey implementation of Zelle[®] real-time person-to-person payments service. Our electronic bill payment and presentment product for financial and other institutions, CheckFree[®] RXP[®], allows our clients’ customers to manage household bills via an easy-to-use, online tool; view billing and payment information; pay and manage their bills in one place; and complete same-day or next-day bill payments to a wide range of billers and others. In addition, CashFlow CentralSM, an integrated digital payment and cash flow management product, enables financial institutions to better meet the payments needs of small businesses.

Additionally, we offer products and services which enable operating efficiencies and management insight by providing financial institutions with the infrastructure they need to process, route and settle non-card-based electronic payments, including ACH, wire and instant payments, and to efficiently manage associated information flows. These products and services provide multiple payment capabilities, including domestic and international wire transfers and real time payments connection to the FedNow Service and RTP Network. PEP+ is an enterprise payment solution that allows financial institutions to automatically receive and originate electronic payments through the ACH network in a straight-through processing manner. Clients may use our payment platform applications on a licensed or hosted basis, and as an add-on to existing legacy technology or as a stand-alone comprehensive modern payments platform.

Issuing

We provide credit card processing services; card production services; print services; prepaid card processing services; government payment processing; and student loan processing.

Our credit card processing services provide solutions to financial institutions and other issuers of credit, such as group service providers, retailers and consumer finance companies, to enable them to process credit card transactions on behalf of their customers. Depending on the needs of our client, we deliver these solutions through our proprietary processing platforms, software application licenses, or SaaS hosted in the cloud. Our solutions in North America primarily use our OptisSM platform to provide transaction authorization and posting, account maintenance and settlement. Our FirstVisionTM and VisionPLUS[®] products are used globally to provide transaction processing services or are licensed to enable clients to process transactions on their own. We also provide financial institutions with solutions that support the lifecycle of a cardholder, including acquisition, fraud detection, credit risk management, servicing, collections and professional services.

We provide business statement and card products and services to clients across a wide variety of industries, including financial services, healthcare, retail, utilities, telecommunications, insurance and travel and entertainment. Our products and services include electronic document management through our electronic document delivery products and services; card manufacturing, personalization and mailing; statement production and mailing; and design and fulfillment of direct mail services.

Our prepaid card processing services include stored value cards offered by our Money Network[®] businesses. The Money Network service simplifies payment distribution for organizations while reducing or eliminating expenses associated with issuing traditional paper checks. This service also provides consumers without bank accounts with fast, digital access to their

money, including wages. Money Network solutions include Electronic Payroll Delivery, government disbursements, digital disbursements and corporate incentives as well as single-load and reloadable prepaid account options.

Our government payment and student loan processing services generally relate to the processing of consumer payment activity. We provide entitlement payments for state entities, unemployment, and disability debit card payments, as well as technology that enables our clients to provide student loan support services.

Banking

We provide customer loan and deposit account processing; digital banking; financial and risk management; professional services and consulting; and check processing. The lines between merchant acquiring, payment processing and banking are increasingly interconnected, as more banking and payment transactions are initiated at different touchpoints within merchant engagement.

Account processing solutions enable a financial institution to operate systems that process customer deposit and loan accounts, an institution's general ledger, central information files and other financial information. These solutions also include security, reporting and other features that financial institutions need to process transactions for their customers. Although many of our clients obtain a majority of their processing requirements from us, our software design allows clients to start with one application and, as needed, add applications and features developed by us or by third parties. We support a broad range of client-owned peripheral devices manufactured by a variety of vendors, which reduce a new client's initial conversion expenses, enhance existing clients' ability to change technology and broaden our market opportunity. The principal account processing solutions used by our depository institution clients are Cleartouch[®], DNA[®], Finxact, Portico[®], Precision[®], Premier[®] and Signature[®]. All of these systems are available in the U.S., and the DNA, Finxact and Signature platforms are also available globally. Account processing solutions are offered primarily as an outsourced service or can be installed on client-owned computer systems or those hosted by third parties.

Our principal consumer and business digital banking platform, Experience Digital ("XD"), builds on our Configure[™], Architect[™], Corillian Online[®], Mobiliti[™] and Create[™] products. XD is a cloud-based platform that enables customers to perform balance inquiries, view their transaction history and access electronic bill payments, person-to-person digital payments, card services, account and loan originations, funds transfer and personal financial management tools. XD can be highly customized and integrated to multiple products and services, allowing clients to deploy new services quickly and efficiently to increase customer acquisition, engagement and insights.

Additionally, our embedded finance solutions enable merchants and others to deliver personalized financial experiences to their customers through a combination of Fiserv solutions including Finxact, Carat, plastics, and card processing, as well as third-party services, including banking services.

We also offer consulting services, business operations services and related software products that enable the transition of check capture from branch and teller channels to digital self-service deposit channels, including mobile, merchant and ATM. Through the Fiserv[®] Clearing Network, we provide check clearing and image exchange services. Other products and services include image archive with online retrieval, in-clearings, exceptions and returns, statements, and fraud detection.

Our Strategy

We are focused on operating businesses where we have: deep industry expertise that enables us to serve the market with high effectiveness; a strong competitive position, currently or via a clear path in the foreseeable future; long-term, trusted client relationships that are based on recurring services and transactions; differentiated solutions that deliver value to our clients through integration and innovation; and strong management to execute strategies in a disciplined manner. Consistent with this focus, we continue to operate our business in accordance with the following strategic framework:

- *Client Relationship Value.* We plan to increase the number and breadth of our client relationships by, among other actions: continuing to integrate our products and services; introducing new products and services that are aligned with market needs; combining products and services to deliver enhanced, integrated value propositions; and delivering quality service and support for our clients.
- *Innovation.* We seek to be an innovation leader, utilizing our assets and capabilities to be at the forefront of our industry and enable our clients to deliver best-in-class results.
- *Operational Effectiveness.* We believe we can further improve the quality of our client delivery while reducing our costs by using the opportunities created by our size and scale.

- *Portfolio Management.* We expect to acquire businesses when we identify: a compelling strategic need, such as a product, service or technology that helps meet client demand; an opportunity to change industry dynamics; a way to achieve business scale that enables competition and operational efficiency; or similar considerations. We expect to divest businesses that are not in line with our market, product or financial strategies.
- *Capital Discipline.* We intend to make capital allocation decisions that offer the best prospects for our long-term growth and profitability, which may include, among other matters: internal investment; repayment of debt; repurchases of our own shares; or acquisitions.

Servicing the Market

The financial technology industry is highly dynamic, with new innovations entering the market and driving the expectations of our clients globally. The markets for our solutions have specific needs and requirements, with strong emphasis placed by clients on quality, security, service reliability, timely introduction of new capabilities and features, flexibility and value. This requires us to continue our focus on product and service delivery, integration and innovation to meet and exceed the specific needs of our clients. We believe that our financial strength and specialized market knowledge enable us to support our clients to meet their changing preferences. In addition, we believe that our focus on quality, innovation, client service and our commitment of substantial resources to training and technical support helps us to identify and fulfill the needs of our clients.

Product Development

To meet the changing technology needs of our clients, we continually develop, maintain and enhance our products and systems. Our development and technology operations apply the expertise of multiple teams to design, develop and maintain specialized products and processing systems. Our products and solutions are designed to meet the preferences and diverse requirements of the international, national, regional or local market-specific merchant and financial services environments of our clients. In developing our products, we use current software development principles, such as service-oriented architecture, to create efficiencies, and we stress interaction with and responsiveness to the needs of our clients. In addition, we use our data and artificial intelligence (“AI”) responsibly to help us create new products and services and to enhance existing ones. We currently use AI in a variety of ways, including to enable higher quality customer service experiences, platform analytics, and fraud mitigation across a number of solutions.

Resources

Our business depends on a variety of resources to operate including products and services provided to us by third parties. For example, we rely on our human capital resources for product development (including product design and coding), sales, operations (including customer service, technology support, security and compliance) and management; access to financial and telecommunication networks; computers, servers, mainframes, microchips and other computer equipment; and Clover and other POS devices. We periodically review our resource requirements and sources, as well as our relationships with key vendors, to best meet the needs of our business including global sourcing efforts and alternate supplier resourcing. We believe we have access to the resources necessary for our current business needs. More information regarding supply chain risks can be found under the heading “Competitive and Business Risks” in the Risk Factors section of this report and our human capital resources can be found below under the heading “Human Capital.”

Intellectual Property

We regard our hardware, software, transaction processing services and related products as proprietary, and we use a combination of patent, copyright, trademark and trade secret laws, internal security practices, employee confidentiality and assignment agreements, and third-party non-disclosure agreements to protect our intellectual property assets. Our patents cover innovations relating to numerous financial software and hardware products and services, and we continue, where appropriate, to seek and secure patents with respect to our ongoing innovations. We believe that we possess all proprietary rights necessary to conduct our business.

Competition

The market for technology products and services is fragmented, highly competitive, and served by a multitude of large and small businesses. Our principal competitors include other large, integrated providers of financial services technology and payment systems, data processing affiliates of large companies, processing centers owned or operated as user cooperatives, financial institutions, merchant acquirers, ISOs, ISVs, payments companies and payment network operators. Our competitors also include global and local IT product and services companies and payment service providers and processors. We expect competition to continue to increase as new companies enter our markets and existing competitors expand or consolidate their product lines and services. Some of these competitors possess substantial financial, sales and marketing resources and can compete with us in various ways, including through the use of integrated product offerings and through pricing and long-standing relationships. Depending on the product or service, competitive factors may include quality, security, innovation, breadth or novelty of features and functionality, client satisfaction, market opportunity, integration, reliability, agility, global reach, multiple distribution channels, service reliability and performance standards, timely introduction of new products and features, platform scalability and flexibility, and value. We believe that we compete favorably in each of these categories. Additional information about competition in our segments is provided below.

Merchant

The products and services in our Merchant segment compete with merchant acquirers and financial institutions that provide acquiring and processing services to businesses on their own. In many cases, our alliance and commercial partners, such as ISOs and ISVs, compete against each other. We also compete with merchant services providers and, in a number of countries outside of the U.S., our Merchant segment competes with a growing number of local and regional providers. In addition, payment networks and large technology, media and other integrated payments software providers are increasingly offering products and services that compete with our suite of merchant acquiring solutions.

Financial

The products and services in our Financial segment compete with large, diversified software and service companies, independent suppliers of software products, businesses that offer consumer payment solutions and a number of payment and card issuer processors. In addition to traditional payments competitors, large technology, media and other emerging financial technology providers are increasingly seeking to provide alternative payment and financing solutions. Existing and potential financial institution and other corporate clients could also develop and use their own in-house systems or custom-designed solutions instead of our products and services. In addition, we compete with vendors that offer similar transaction processing products and services to financial institutions.

Government Regulation

Our operations, and the products and services that we offer, are subject to various U.S. federal, state and local regulations, as well as regulations outside the U.S. We are also subject to non-government-issued rules and requirements, such as those promulgated by various payment networks. Failure to comply with these rules and regulations may result in the suspension or revocation of licenses or registrations, the limitation, suspension or termination of service and the imposition of civil and criminal penalties, including fines. We may also be required, among other things, to make significant additional investments to comply with rules and regulations, to modify our products or services or the manner in which they are provided, or to limit or change the amount or types of revenue we are able to generate.

Financial Institution Regulations. Because a number of our businesses provide services to regulated financial institutions, we are considered to be a significant service provider under the Bank Service Company Act and, as a result, we are subject to examination by the U.S. Federal Banking Agencies, which are comprised of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. We are regulated based on the uniform principles, standards, and guidance created by the Federal Financial Institutions Examination Council (“FFIEC”). The FFIEC is a formal interagency body empowered to standardize and promote uniformity in supervision of financial institutions. The member agencies of the FFIEC include the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, and the Consumer Financial Protection Bureau (“CFPB”), which are empowered to conduct rule-making and supervision related to, and enforcement of, federal consumer financial laws, some of which apply to products and services offered by our clients.

In the U.S., we are also subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which, among other things, and in conjunction with the Federal Reserve Board’s Regulation II, caps debit interchange rates for certain debit and prepaid card issuers; prohibits card issuers and payment networks from restricting the ability of merchants to direct the routing of debit card transactions; requires all debit card issuers in the U.S. to participate in at least two unaffiliated debit payment card networks; prohibits payment card networks from restricting debit and prepaid card issuers from contracting with other payment

card networks; and generally prohibits network exclusivity arrangements for debit card and prepaid card issuers. These regulations impact our card processing businesses and our clients' ability to generate revenue.

Certain of our subsidiaries hold payment institution or electronic money licenses. These subsidiaries are subject to regulation and oversight in the jurisdictions in which they operate, and may be required to meet minimum capital maintenance requirements or other obligations. In addition, we are subject to regulation by the Georgia Department of Banking and Finance in connection with our subsidiary's Merchant Acquirer Limited Purpose Bank charter in Georgia. In addition, several of our subsidiaries outside of the U.S. provide services such as merchant terminal leasing, debit processing, acquiring, issuing, factoring and settlement that make them subject to regulation by financial services supervisory agencies, including the Financial Conduct Authority ("FCA") and Payment Systems Regulator in the United Kingdom ("U.K."), the Federal Financial Supervision Agency in Germany, the National Bank of Poland, the Central Bank of the Netherlands, the Central Bank of Ireland, the Reserve Bank of Australia, the Central Bank of Brazil, the Central Bank of Uruguay, the Monetary Authority of Singapore, Bank Negara Malaysia (BNM) and Australian Transaction Reports and Analysis Centre.

Association and Network Rules. We are subject to the rules of various payment networks, such as Visa and Mastercard. In order to provide processing services, a number of our subsidiaries are registered with Visa and/or Mastercard as service providers for member institutions. A number of our subsidiaries outside the U.S. are direct members or associate members of Visa and Mastercard for purposes of conducting merchant acquiring. Various subsidiaries are also processor level members of other debit and electronic benefits transaction networks or are otherwise subject to various network rules in connection with processing services and other services we provide. As such, we are subject to applicable card association, network and national scheme rules that could subject us to fines or penalties. We are subject to network operating rules promulgated by Nacha relating to payment transactions processed by us using the ACH network and to various federal and state laws regarding such operations, including laws pertaining to electronic benefits transactions.

Privacy and Cybersecurity Regulations. We provide services that involve the collection and processing of significant amounts of data, including personal data financial data and other sensitive data which subject our offerings to various federal, state, local and foreign privacy and cybersecurity laws and regulations, as well as association and network privacy and cybersecurity rules, which govern, among other things, the collection, processing, storage, deletion, use and disclosure of personal information. These laws and rules contain a variety of obligations including the safeguarding of personal information, the provision of notices and use and disclosure rights. The regulations and rules are complex and evolving and can provide for significant penalties or the suspension or termination of our registrations or certifications for non-compliance, furthermore many of these regulations and rules are still evolving and could be interpreted in ways that could impact our business.

In the U.S., we are subject to various federal and state privacy and cybersecurity laws and regulations. The U.S. Gramm-Leach-Bliley Act ("GLBA") requires financial institutions to explain their information sharing practices to their customers and to safeguard customer data. In some circumstances, we are subject to GLBA and we have privacy and information security obligations to our clients who are regulated by the GLBA. In certain circumstances, we are subject to the U.S. Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which governs the use and disclosure of protected health information in healthcare treatment, payment and operations by covered entities and their business associates. We are also subject to the Federal Trade Commission Act which empowers the U.S. Federal Trade Commission ("FTC") to prohibit unfair and deceptive practices, including those related to privacy and cybersecurity. In addition to the Federal Trade Commission Act, the FTC, along with the CFPB, is responsible for overseeing and enforcing the privacy and information security provisions over certain aspects of GLBA and the Fair Credit Reporting Act ("FCRA"), each of which is applicable to our businesses in certain circumstances. We also have obligations under various state privacy and cybersecurity laws, such as the California Consumer Privacy Act, which, among other things, give consumers more control over the personal information businesses hold about them.

In the European Union ("E.U.") and the U.K., we are subject to the General Data Protection Regulation ("GDPR"), which impose a comprehensive approach to personal data protection and include penalties for non-compliance of up to the greater of 20 million Euro (or 17.5 million British Pound) or four percent of a company's consolidated global revenue. There are numerous additional privacy laws and regulations that apply to our businesses around the world which also provide for significant penalties. Some of these data protection laws, including in the E.U., Brazil, India, United Arab Emirates and China, impose requirements regarding data rights and security and either prohibit the international transfer of personal data or restrict such transfers absent lawfully recognized transfer mechanisms. There are also additional obligations that apply to us by virtue of the fact that we provide services in the financial services industry or are considered to be providing critical infrastructure to our clients including the SOCI Act in Australia, the EBA Outsourcing Requirements and the Digital Operational Resilience Act in the E.U. and the CERT-In obligations in India.

Additional information about privacy and cybersecurity regulation applicable to our business can be found in the Risk Factors section of this report under the heading "Regulatory and Compliance Risks".

Money Transmission and Payment Instrument Licensing and Regulations. We are subject to various U.S. federal, state and foreign laws and regulations governing money transmission and the issuance and sale of payment instruments, including some of our prepaid products. In the U.S., most states license money transmitters and issuers of payment instruments. Many states exercise authority over the operations of our services related to money transmission and payment instruments and, as part of this authority, subject us to periodic examinations. Many states require money transmitters, issuers of payment instruments and their agents to comply with federal and state anti-money laundering laws and regulations and often require the licensee to maintain certain levels of net worth.

Credit Reporting and Debt Collections Regulations. TeleCheck, our check acceptance business, is subject to FCRA and various similar state laws. The collection business within our subsidiary TRS Recovery Services, Inc. (“TRS”) is subject to the U.S. federal Fair Debt Collection Practices Act and various similar state laws. TRS maintains licenses in a number of states in order to engage in collection in those states. TeleCheck and TRS are also subject to regulation, supervision and examination from the CFPB. In addition, several of our subsidiaries are subject to comparable local laws regarding collection activities and obtaining credit reports and our U.K. branch described above also holds FCA permissions for debt collection activities.

Unfair Trade Practice Regulations. We and our clients are subject to various federal, state and foreign laws prohibiting unfair or deceptive trade practices. Various regulatory enforcement agencies, including the FTC and state attorneys general, have authority to take action against parties that engage in unfair or deceptive trade practices or violate other laws, rules and regulations. If we process payments for a merchant or other client in violation of laws, rules and regulations, we could be subject to enforcement actions and incur losses and liabilities that may impact our business.

Anti-Money Laundering and Sanctions Regulations. We are subject to anti-money laundering laws and regulations, including the U.S. Bank Secrecy Act (“BSA”). Among other things, the BSA requires money services businesses, such as money transmitters, issuers of money orders and official checks, and providers of prepaid access, to develop and implement anti-money laundering programs. Our acquiring businesses outside the U.S. are subject to anti-money laundering laws and regulations in the countries where they operate. Our Money Network Financial, LLC subsidiary provides prepaid access for various open loop prepaid programs for which it is the program manager and therefore must meet the requirements of the Financial Crimes Enforcement Network.

We are also subject to certain economic and trade sanctions programs that are administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”), which prohibit or restrict transactions to or from, or dealings with, specified countries, governments, individuals and entities that are specially designated nationals of those countries, including narcotics traffickers and terrorists or terrorist organizations. Other group entities may be subject to additional local sanctions requirements in other relevant jurisdictions.

Similar anti-money laundering, counter terrorist financing and proceeds of crime laws apply to movements of currency and payments through electronic transactions and to dealings with persons specified in lists maintained by the country equivalents to OFAC lists in several other countries and require specific data retention obligations to be observed by intermediaries in the payment process. Our businesses in those jurisdictions are subject to those data retention obligations.

Communications Laws. We are subject to various federal and state laws that govern telephone calls and the issuance of text messages to clients and consumers in the U.S. as well as to regulations that impose requirements on marketing emails sent to U.S. residents. Our international subsidiaries are subject to equivalent laws in applicable jurisdictions.

Indirect Regulatory Requirements. A number of our clients are subject to various regulations and compliance obligations that do not apply directly to us but impact the services that we provide to our clients. To remain competitive, we have invested, and expect to continue to invest, significant resources to develop and update our products and services to assist our clients to meet various compliance obligations. In addition, independent auditors annually review many of our operations to provide internal control evaluations for our clients and their auditors.

Human Capital

The Talent and Compensation Committee of our Board of Directors assists the Board of Directors in establishing our compensation philosophy and strategy and overseeing our human capital management strategy which includes maintaining a culture committed to attracting, developing and retaining top talent, fostering innovation, and promoting employee engagement, safety and well-being. As of December 31, 2024, we had over 38,000 employees worldwide.

Development and Retention

We are committed to creating a high-performance culture that consistently delivers excellence for our clients and long-term value for our shareholders while providing a workplace experience for our employees that values collaboration, innovation and

diversity. Career development and internal mobility are important aspects of our value proposition for employees. We provide employees with numerous training and development opportunities, including through an e-learning platform specifically geared toward global technology associates; our Leading Women program, designed to accelerate the professional growth of female top talent across each of our global regions; our Leading Fiserv program, designed to develop critical leadership skills for frontline managers; our Vision to Results leadership program, focused on driving enterprise goals; and an online platform that provides global access to over 10,000 learning opportunities. Internal mobility is generally our preferred approach for filling open positions and fostering career advancement for our employees. To encourage internal mobility, we maintain a sustainable internal talent pipeline, increasing associate retention, job satisfaction and personal and professional growth opportunities.

We have adopted a pay-for-performance philosophy that is designed to recognize performance and reward achievement of our strategic business objectives and financial results. Total compensation consists of a competitive base pay and annual incentive opportunity typically delivered in a mix of cash and equity that is designed to promote retention and reward the attainment of defined performance goals. We are committed to providing fair pay to our employees regardless of gender, race, ethnicity or any other protected characteristic, and we conduct pay audits to track, measure and evaluate employee compensation. In addition, throughout the year, we celebrate employee contributions and achievements through a peer-based global recognition program that enables recognition and financial rewards.

Employee Engagement

We value employee engagement and feedback. Throughout the year, we engage with our employees through events such as lunch-and-learns, quarterly all-hands meetings, town halls, leadership meetings and other forums. We encourage managers to meet regularly with their teams and encourage skip-level discussions.

To assess employee engagement, we periodically collect employee feedback through employee engagement surveys, including annual enterprise-wide surveys and issue-specific surveys. These surveys cover a variety of topics, such as engagement, well-being, client experience, communication, teamwork, manager effectiveness, trust and inclusion. In addition to assessing engagement, the survey results enable us to gain insight into employee perspectives and issues which we use to enhance processes, set priorities and respond to associate concerns.

In 2024, 94% of our associates participated in our engagement survey. The categories in which we were ranked highest were “operational excellence” and “manager effectiveness”.

Safety and Well-Being

We are committed to the safety of our workforce and maintain a global safety program that is designed to protect the safety and well-being of our employees in the workplace, minimize injury and accident frequency and severity, minimize loss to property, equipment and operational disruption, and enable greater associate satisfaction and productivity.

We are also committed to providing comprehensive and competitive benefits to our associates that are responsive to their physical, financial, social and emotional needs. Our benefit offerings include a variety of medical and dental plan choices, mental health and counseling programs, caregiver support programs, enhanced family forming and planning resources, and paid time off. We control the cost of health care benefits for our employees despite the increased cost of such benefits to the company. Investing in our associates in this way helps us retain top talent and demonstrates our commitment to our employees, our most important asset.

Available Information

Our website address is www.fiserv.com. We are not including the information provided on our website as a part of, or incorporating it by reference into, this Annual Report on Form 10-K. We make available free of charge (other than an investor's own internet access charges) through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission.

Item 1A. Risk Factors

You should carefully consider each of the risks described below, together with all of the other information contained in this Annual Report on Form 10-K, before making an investment decision with respect to our securities. If any of the following risks develop into actual events, our business, results of operations or financial condition could be materially and adversely affected, and you may lose all or part of your investment.

Competitive and Business Risks

We operate in a competitive business environment and may not be able to compete effectively.

The markets for our products and services are highly competitive from new and existing competitors. Our principal competitors include other vendors and providers of financial services technology and payment systems, data processing affiliates of large companies, processing centers owned or operated as user cooperatives, financial institutions, independent sales organizations (“ISOs”), independent software vendors, payments companies and payment network operators. Our competitors vary in size and in the scope and breadth of the services they offer. Many of our larger existing and potential clients have historically developed their key applications in-house. As a result, we may compete against our existing or potential clients’ in-house capabilities. In addition, we expect that the markets in which we compete will continue to attract new technologies and well-funded competitors, including large technology, telecommunication, media and other companies not historically in the financial services and payments industries, start-ups and international providers of products and services similar to ours. In addition, participants in the financial services, payments and technology industries may merge, create joint ventures or engage in other business combinations, alliances and consolidations that may strengthen their existing products and services or create new products and services that compete with ours. We cannot provide any assurance that we will be able to compete successfully against current or future competitors or that competitive pressures faced by us in the markets in which we operate will not materially and adversely affect our business, results of operations and financial condition.

If we fail to keep pace with technological change, including as a result of artificial intelligence, we could lose clients or have trouble attracting new clients, and our ability to grow may be limited.

The markets for our products and services are characterized by constant and rapid technological change, evolving industry standards, frequent introduction of new products and services, and increasing client expectations. Our ability to respond timely to these changes, including by enhancing our current products and services and developing and introducing new products and services, will significantly affect our future success. In addition, the success of certain of our products and services rely, in part, on financial institutions, business partners and other third parties promoting the use of or distributing our products and services. If we are unsuccessful in developing, marketing and selling products or services that gain market acceptance, or if third parties insufficiently promote or distribute our products and services, it would likely have a material adverse effect on our ability to retain existing clients, to attract new ones and to grow profitably.

We believe that data, and the insights enabled by data, can be used to create or enhance the products and services that we offer to our clients. As a result, we are using, and expect to continue to expand our use of, artificial intelligence and machine learning in our product development processes, services and operations. Our use of artificial intelligence technologies carries inherent risks, and there can be no assurance that our use of artificial intelligence will enhance our products or services or achieve any improvements in innovation or efficiency. In addition, we could be exposed to liability as a result of any misuse of artificial intelligence and machine learning-technology by our personnel while carrying out company responsibilities. In addition, our competitors and other third parties may incorporate artificial intelligence into their products and offerings more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. If the content, analyses or recommendations that artificial intelligence applications assist in producing are or are alleged to be inaccurate, deficient or biased, our business, financial condition and results of operations may be adversely affected. Furthermore, the integration of third-party artificial intelligence models with our services relies on certain safeguards implemented by the third-party developers of the underlying artificial intelligence models, including those related to the accuracy, bias and other variables of the data, and these safeguards may be insufficient. Legislation and regulations governing the development or use of artificial intelligence have been implemented or are under consideration in the U.S. at the state and local level, as well as internationally. Such legislation and regulations may impose obligations related to our development, offering, and use of artificial intelligence and expose us to increased risk of regulatory enforcement and litigation. As a result, the ability to use artificial intelligence and machine learning may be constrained by current or future laws, regulatory or self-regulatory requirements.

If we are unable to renew contracts on favorable terms or if contracts are terminated prematurely, we could lose clients and our results of operations and financial condition may be adversely affected.

Failure to achieve favorable renewals of client contracts could negatively impact our business. At the end of the contract term, clients have the opportunity to renegotiate their contracts with us or to consider whether to engage one or more of our competitors to provide products and services or to perform the services in-house. Some of our competitors may offer more attractive prices, features or other services that we do not offer, and some clients may desire to perform the services themselves. Larger clients may be able to seek lower prices from us when they renew or extend a contract or the client’s business has significant volume changes. In addition, larger clients may reduce the services we provide if they decide to move services in-

house. Further, our small merchant business clients may seek reduced fees due to pricing competition, their own financial condition or pressure from their customers.

We also have contracts with U.S. federal, state and local governments. The contracts with these clients may contain terms that are not typical for non-government clients, such as the right to terminate for convenience, the right to unilaterally modify or reduce work to be provided under the contract, significant or unlimited indemnification obligations and being subject to appropriation of funds for the government contract program. In addition, if any of our government contracts were to be terminated for default, we could be suspended or debarred from contracting with that entity in the future, which could also provide other government clients the right to terminate.

These factors could result in lower revenue from a client than we had anticipated based on our agreement with that client. If we are not successful in achieving high contract renewal rates and favorable contract terms, if contracts are terminated, or if we are prevented from performing work for these clients in the future, our results of operations and financial condition may be materially and adversely affected.

Changes in card association and debit network fees or products could increase costs or otherwise limit our operations.

From time to time, card associations and debit networks, including the card networks which we own and operate, increase the processing and other fees (including what is commonly called “interchange fees”) that they charge. It is possible that competitive and other pressures will result in us absorbing a portion of such increases in the future, or not being able to increase our own fees, which would increase our operating costs, reduce our profit margin, limit our growth, and adversely affect our business, results of operations and financial condition. In addition, the various card associations and networks prescribe certain capital requirements. Any increase in the capital level required would further limit our use of capital for other purposes.

Our business depends, in part, on our merchant relationships and alliances, and if we are unable to maintain these relationships and alliances, our business may be adversely affected.

Under our alliance program, a bank or other institution forms an alliance with us, generally on an exclusive basis, either contractually or through a separate legal entity. Merchant contracts may be contributed to the alliance by us and/or the bank or institution. The banks and other institutions generally provide card association sponsorship, clearing and settlement services and typically act as a merchant referral source when the institution has an existing banking or other relationship with such merchant. We provide transaction processing and related functions to the alliance. Both we and our alliance partners may also provide management, sales, marketing and other administrative services. The alliance structure allows us to be the processor for multiple financial institutions, any one of which may be selected by the merchant as its bank partner. Our merchant acquiring business depends, in part, on our merchant relationships, alliances and other distribution channels. There can be no guarantee that we will achieve growth in our merchant relationships, alliances or other distribution channels. In addition, our contractual arrangements with merchants and merchant alliance partners are for fixed terms and may allow for early termination upon the occurrence of certain events. There can be no assurance that we will be able to renew our contractual arrangements with these merchants or merchant alliance partners on similar terms or at all. The loss of merchant relationships or alliance partners could negatively impact our business and have a material adverse effect on our results of operations and financial condition.

Consolidations in the banking and financial services industry could adversely affect our revenue by eliminating existing or potential clients and making us more dependent on fewer clients.

Mergers, consolidations and failures of financial institutions reduce the number of our clients and potential clients, which could adversely affect our revenue. If our clients merge with or are acquired by other entities that are not our clients, or that use fewer of our services, they may discontinue or reduce their use of our services. Our alliance strategy could also be negatively affected by consolidations, especially where the financial institutions involved are committed to their internal merchant processing businesses that compete with us. It is also possible that the larger financial institutions that result from mergers or consolidations could have an increased ability to negotiate terms with us or could decide to perform in-house some or all of the services which we currently provide or could provide. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

Operational and Security Risks

Security incidents or other technological risks involving our systems and data, or those of our clients, partners or vendors, could expose us to liability or damage our reputation.

Our operations depend on receiving, storing, processing and transmitting sensitive information pertaining to our business, our employees, our clients and their customers. Under the card network rules, various federal, state and international laws, and client contracts, we are responsible for information provided to us by financial institutions, merchants, ISOs, third-party service

providers and others. Preserving the confidentiality of sensitive business and personal information is critical to our business. Any unauthorized access, intrusion, infiltration, network disruption, ransom, denial of service or similar incident could disrupt the integrity, continuity, security and trust of our systems or data, or the systems or data of our clients, partners, vendors or service providers. These incidents are often difficult to detect and are constantly evolving. We expect that unauthorized parties will continue to attempt to gain access to our systems or facilities, and those of our clients, partners, vendors and service providers, through various means and with increasing sophistication, particularly as cybercriminals attempt to profit from increased online banking, e-commerce and other online activity. State-sponsored cybersecurity attacks on the U.S. financial system or U.S. financial service providers could also adversely affect our business. These events could create costly litigation, significant financial liability, increased regulatory scrutiny, financial sanctions and a loss of confidence in our ability to serve clients and cause current or potential clients to choose another service provider, all of which could have a material adverse impact on our business. In addition, we have invested and expect to continue to invest significant resources to maintain and enhance our information security and controls or to investigate and mitigate security vulnerabilities. Although we believe that we maintain a robust program of information security and controls and that none of the events that we have encountered to date have materially affected us, we cannot be certain that the security measures and procedures we have in place to detect security incidents and protect sensitive data, will be successful or sufficient to counter all current and emerging risks and threats. While we maintain cybersecurity insurance, our insurance may be insufficient or may not cover all liabilities incurred by such attacks. The impact of a material event involving our systems and data, or those of our clients, partners, vendors or service providers, could have a material adverse effect on our business, results of operations and financial condition.

Operational failures and resulting interruptions in the availability of our products or services could harm our business and reputation.

Our business depends heavily on the reliability of our systems. An operational failure that results in an interruption in the availability of our products and services could harm our business or cause us to lose clients. An operational failure could involve the hardware, software, data, networks or systems upon which we rely to deliver our services and could be caused by our actions, the actions of third parties or events over which we may have limited or no control. Events that could cause operational failures include, but are not limited to, hardware and software defects or malfunctions, ransomware, denial-of-service and other cyberattacks, human error, earthquakes, hurricanes, floods, fires, natural disasters, pandemics, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses or other malware, or other events. In the event of operational failures or damage or disruption to our business due to these occurrences, we may not be able to successfully or quickly recover all of our critical business functions, assets and data through our business continuity program. Implementation delays, interruptions of service or hardware device defects could damage our relationship with clients and could cause us to incur substantial expenses, including those related to the payment of service credits, product recalls or other liabilities. A prolonged interruption of our services or network could cause us to experience data loss or a reduction in revenue, and significantly impact our clients' businesses and the customers they serve. In addition, a significant interruption of service or product recall could have a negative impact on our reputation and could cause our current and potential clients to choose another service provider. As a provider of payments solutions and other financial services, clients, regulators and others may require enhanced business continuity and disaster recovery plans including frequent testing of such plans. Meeting these various requirements may require a significant investment of time and money. Any of these developments could have a material adverse impact on our business, results of operations and financial condition.

Disruptions of operations of other participants in the global financial system could prevent us from delivering our products and services.

The operations and systems of many participants in the global financial system are interconnected. Many of the transactions involving our products and services rely on multiple participants in the global financial system to move funds and communicate information to the next participant in the transaction chain. A disruption for any reason of the operations of a participant in the global financial system could impact our ability to obtain or provide information or cause funds to be moved in a manner to successfully deliver our products and services. Although we work with other participants to avoid any disruptions, there is no assurance that such efforts will be effective. Such a disruption could lead to our inability to deliver products and services, reputational damage, lost clients and revenue, loss of clients' and their customers' confidence, as well as additional costs, all of which could have a material adverse effect on our business, results of operations and financial condition.

We rely on third parties to provide products and services and if we are unable to obtain such products or services in the future or if these third parties fail to perform these services adequately, our business may be materially and adversely affected.

We rely on third parties we do not control to provide us with products and services, including payment card networks, acquiring processors, payment card issuers, financial institutions and the Automated Clearing House ("ACH") network which transmit transaction data, process chargebacks and refunds, and perform clearing services in connection with our settlement activities. If,

for example, such third parties stop providing clearing services or limit our volumes, we would need to find other financial institutions to provide those services. In the event these third parties fail to provide these services adequately or in a timely manner, including as a result of errors in their systems or events beyond their control, or refuse to provide these services on terms acceptable to us or at all, and we are not able to find timely suitable alternatives, we may no longer be able to provide certain services to customers, which could expose us and our clients to information security, financial, compliance and reputational risks. We may be negatively impacted by a disruption to our supply chain or third-party delivery service providers, including if the factories that manufacture our point-of-sale devices, payment cards or computer chips for payment cards, or paper stock are temporarily closed or experience workforce shortages; shipping services are interrupted or delayed; there are increased lead times, shortages or higher costs for certain materials and components; or there are workforce shortages at our third-party customer support, software development or technology hosting facilities. If we are unable to renew our existing contracts with key vendors and service providers, we might not be able to replace the related product or service at all or at the same cost. Any of these risks could have a material adverse effect on our business, results of operations and financial condition.

We may experience software defects, development delays or installation difficulties, which would harm our business and reputation and expose us to potential liability.

Our services are based on sophisticated software and computer systems and we may encounter delays when developing new applications and services. Further, the software underlying our services may contain undetected errors or defects when first introduced or when new versions are released. We may also experience difficulties in installing or integrating our technology on systems or with other programs used by our clients. Defects in our software, errors or delays in the processing of electronic transactions or other difficulties could result in interruption of business operations, delay in market acceptance, additional development and remediation costs, diversion of technical and other resources, loss of clients or client data, negative publicity or exposure to liability claims. Although we attempt to limit our potential liability through disclaimers and limitation of liability provisions in our license and client agreements, we cannot be certain that these measures will successfully limit our liability.

Global Market Risks

Our business may be adversely affected by geopolitical and other risks associated with operations outside of the U.S. and, as we continue to expand internationally, we may incur higher than anticipated costs and may become more susceptible to these risks.

We offer merchant acquiring, processing and issuing services outside of the U.S., including in the U.K., Germany, Mexico, Uruguay, Argentina, India and Brazil. Our facilities outside of the U.S., and those of our suppliers and vendors, including manufacturing, customer support, software development and technology hosting facilities, are subject to risks, including natural disasters, public health crises, political crises, terrorism, war, political instability and other events outside of our or our suppliers' control. As we continue to expand internationally and grow our client base outside of the U.S., we may face challenges due to the presence of more established competitors and our relative lack of experience in such non-U.S. markets, and we may incur higher than anticipated costs. If we are unable to successfully manage the risks associated with the international operation and expansion of our business, our results of operations and financial condition could be negatively impacted.

Our business is impacted by U.S. and global market and economic conditions.

For the foreseeable future, we expect to continue to derive revenue primarily from products and services we provide to the financial services industry and from our merchant acquiring business. Given this focus, we are exposed to global economic conditions and adverse economic trends may accelerate the timing, or increase the impact of, risks to our financial performance. Such trends may include, but are not limited to, the following:

- inflation, trade policy and tariffs, taxes, foreign currency fluctuations, declining economies, social unrest, natural disasters, public health crises, including the occurrence of a contagious disease or illness, and the pace of economic recovery can change consumer spending behaviors, on which a significant portion of our revenues are dependent;
- low levels of consumer and business confidence typically associated with recessionary environments and those markets experiencing relatively high inflation and/or unemployment, may cause decreased spending by cardholders;
- budgetary concerns in the U.S. and other countries around the world could affect the U.S. and other specific sovereign credit ratings, impact consumer confidence and spending, and increase the risks of operating in those countries;
- emerging market economies tend to be more volatile than the more established markets we serve in the U.S. and Europe, and adverse economic trends, including high rates of inflation, may be more pronounced in such emerging markets;

- financial institutions may restrict credit lines to cardholders or limit the issuance of new cards to mitigate cardholder defaults;
- uncertainty and volatility in the performance of our clients' businesses may make estimates of our revenues, rebates, incentives, and realization of prepaid assets less predictable;
- our clients may decrease spending for value-added services; and
- government intervention, including the effect of laws, regulations, treaties and/or government investments in our clients, may have potential negative effects on our business, operations and our relationships with our clients or otherwise alter their strategic direction away from our products.

A weakening in the economy or competition from other retailers could force some retailers to close, resulting in exposure to potential credit losses and declines in transactions, and reduced earnings on transactions due to a potential shift to large discount merchants. Additionally, credit card issuers may reduce credit limits and become more selective in their card issuance practices.

A prolonged poor economic environment, including a potential recession in the U.S. or other economies in which our business operates, could result in significant decreases in demand by current and potential clients for our products and services and in the number and dollar amount of transactions we process or accounts we service, which could have a material adverse effect on our business, results of operations and financial condition.

Potential tariffs or trade wars could increase the cost of our products, which could adversely impact the competitiveness of our products and our financial results.

The U.S. has imposed tariffs, and may impose new or increased tariffs, on certain imports from other countries, which may lead to retaliatory tariffs imposed by other governments. If the U.S. administration or other countries impose new or increased tariffs, trade restrictions or restrictions on the cross-border flow of data, our manufacturing of hardware devices, supply of raw materials and access to certain markets, could be impacted. Although it is difficult to predict how current or future tariffs on items imported from other countries will impact our business, the cost of our products manufactured in other countries and imported into the U.S. or elsewhere could increase, which could adversely affect the demand for these products and have a material adverse effect on our business and results of operations.

Regulatory and Compliance Risks

If we or third parties with whom we partner or contract fail to comply with applicable laws and regulations, we could be subject to liability and our business could be harmed.

Our businesses are subject to state, federal, and foreign laws and regulations, including payment, cybersecurity, consumer protection, money transmission, data privacy, anti-money laundering, anti-bribery, economic and trade sanctions, payment institution, electronic money licensing, credit reporting and debt collection laws and regulations. Our clients are also subject to numerous laws and regulations applicable to banks, financial institutions and card issuers in the U.S. and abroad, and, consequently, we are at times affected by these federal, state, local and foreign laws and regulations. These laws and regulations are subject to change, and new laws, regulations and interpretations are regularly adopted.

The volume and complexity of the regulations that impact our business, directly or indirectly, will continue to increase our cost of doing business. If we or third parties with whom we partner or contract fail to comply with applicable laws and regulations, we could be exposed to litigation or regulatory proceedings, our client relationships and reputation could be harmed, our ability to obtain new clients could be inhibited, we could be required to change the manner in which we conduct our business or suspend or terminate certain services, and we could incur significant fines, penalties, or losses, all of which could have a material adverse impact on our business, results of operations and financial condition.

If we fail to comply with the applicable requirements of the payment card networks and Nacha, they could seek to fine us, suspend us or terminate our registrations, which could adversely affect our business.

In order to provide our transaction processing services, several of our subsidiaries are registered with Visa and Mastercard and other networks as members or service providers for member institutions. A number of our subsidiaries outside the U.S. are direct members or associate members of Visa and Mastercard for purposes of conducting merchant acquiring, and various subsidiaries are also processor level members of numerous debit and electronic benefits transaction networks. As such, we are subject to card association and network rules that could subject us or our clients to a variety of fines or penalties that may be levied by the card associations or networks for certain acts or omissions by us, acquiring clients, processing clients or merchants. In addition, we are subject to Nacha rules relating to payment transactions processed by us using the ACH network and to various federal and state laws regarding such operations, including laws pertaining to electronic fund transfer and

electronic benefits transactions, as well as the Payment Card Industry Data Security Standard enforced by the major card brands. The rules of Nacha and the card networks are set by their respective boards, some of which are our competitors, and the card network rules may be influenced by card issuers, some of which offer competing transaction processing services.

If we fail to comply with these rules, we could be fined and our member registrations or certifications could be suspended or terminated. The suspension or termination of our member registrations or certifications, or any changes to the association and network rules, that we do not successfully address, or any other action by the card networks to restrict our ability to process transactions over such networks, could limit our ability to provide transaction processing services to clients and result in a reduction of revenue or increased costs of operation, which, in either case, could have a material adverse effect on our business and results of operations.

A heightened regulatory environment in the financial services industry may have an adverse impact on our clients and our business.

Since the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, a number of substantial regulations affecting the supervision and operation of the financial services industry within the U.S. have been adopted, including those that establish the Consumer Financial Protection Bureau (“CFPB”). The CFPB has issued regulations and guidance under U.S. consumer financial protection laws that apply to, and conducts direct examinations of, “supervised banks and nonbanks” as well as “supervised service providers” like us. CFPB rules, examinations and enforcement actions may require us to adjust our activities and may increase our compliance costs. Changes to applicable financial services laws or regulations could adversely impact our debit network business and other businesses. In addition, certain of our alliance partners are subject to regulation by federal and state authorities and, as a result, could pass through some of those compliance obligations to us.

Additional regulation, examination or oversight of our business could require us to modify the manner in which we contract with or provide products and services to our clients; directly or indirectly limit how much we can charge for our services; require us to invest additional time and resources to comply with such oversight and regulations, including in respect of audits, investigations or enforcement actions related to us or third parties; or limit our ability to update our existing products and services, or require us to develop new ones. If this oversight or regulation negatively impacts the business, operations or financial condition of our clients, our business and results of operations could be materially and adversely affected because, among other matters, our clients could have less capacity to purchase products and services from us, could decide to avoid or abandon certain lines of business, or could seek to pass on increased costs to us by negotiating price reductions. Any of these events, if realized, could have a material adverse effect on our business, results of operations and financial condition.

Legislative or regulatory initiatives on cybersecurity and data privacy could adversely impact our business and financial results.

Cybersecurity and data privacy risks have received heightened legislative and regulatory attention. In Europe and the U.K., their respective General Data Protection Regulations (collectively, “GDPR”) extends the scope of their data protection laws to all companies processing data of individuals within the E.U. and the U.K., regardless of the company’s location, subject to certain limitations. The law requires companies to meet stringent requirements regarding the handling of personal data. E.U. and U.K. data protection law continuously develops and requires significant changes to our policies and procedures. GDPR imposes strict rules on the transfer of personal data out of the E.U. or U.K. to a “third country,” including the United States, unless particular transfer mechanisms are implemented. The mechanisms that we and many other companies rely upon for such data transfers are the subject of legal challenge, regulatory interpretation, and judicial decisions. In the E.U., U.K. and other markets, potential new rules and restrictions on the flow of data across borders could increase the cost and complexity of doing business in those regions. Additionally, we are subject to the E.U. Regulation known as the Digital Operational Resilience Act (“DORA”). DORA is intended to strengthen the information technology systems of covered financial entities to mitigate risks associated with operational disruptions. Our efforts to comply with E.U., U.K. and other cybersecurity, privacy and data protection laws around the world that apply to our businesses could involve substantial expenses, divert resources from other initiatives and projects and limit the services we are able to offer. There is also increased focus on data localization requirements around the world in countries such as the United Arab Emirates, China and India which could impact our business model with respect to our storage and transfer of personal data.

In addition, U.S. regulators, including the U.S. Federal Banking Agencies and the U.S. Federal Trade Commission (“FTC”) have adopted or proposed enhanced cyber and privacy security standards that apply to us and our financial institution clients and address privacy requirements for processing data of individuals, cyber risk governance and management, management of internal and external dependencies, and incident response, cyber resilience and situational awareness. The FTC and many state attorneys general are also interpreting federal and state consumer protection laws as imposing standards for the collection, use, dissemination, and security of data. Additionally, over a third of U.S. states have proposed or enacted comprehensive consumer privacy laws (such as the California Consumer Privacy Act) that have taken effect or will take effect in coming years. We

cannot fully predict the impact of recently proposed or enacted laws or regulations on our business or operations, but compliance may require us to modify our data processing practices and policies incurring costs and expense. Legislation and regulations on cybersecurity, data privacy and data localization may compel us to enhance or modify our systems, invest in new systems or alter our business practices or our policies on how we process personal information, data governance and privacy. If any of these outcomes were to occur, our operational costs could increase significantly. Failure to comply with applicable laws in this area could also result in significant fines, penalties and reputational damage.

Failure to comply with state and federal antitrust requirements could adversely affect our business.

Through our merchant alliances, we hold an ownership interest in and have commercial relationships with competing merchant acquiring businesses while serving as an electronic processor for those businesses. In order to satisfy state and federal antitrust requirements, we actively maintain an antitrust compliance program. Notwithstanding our compliance program, it is possible that perceived or actual violations of state or federal antitrust requirements could give rise to regulatory enforcement investigations or actions. Regulatory scrutiny of, or regulatory enforcement action in connection with, compliance with state and federal antitrust requirements could have a material adverse effect on our reputation and business.

We may be sued for infringing the intellectual property rights of others.

Third parties may claim that we are infringing their intellectual property rights. We expose ourselves to additional liability when we agree to defend or indemnify our clients against third-party infringement claims. If the owner of intellectual property establishes that we are, or a client which we are obligated to indemnify is, infringing its intellectual property rights, we may be forced to change our products or services, and such changes may be expensive or impractical, or we may need to seek royalty or license agreements from the owner of such rights. If we are unable to agree on acceptable terms, we may be required to discontinue the sale of key products or halt other aspects of our operations. We may also be liable for financial damages for a violation of intellectual property rights, and we may incur expenses in connection with indemnifying our clients against losses suffered by them. Any adverse result related to violation of third-party intellectual property rights could materially and adversely harm our business, results of operations and financial condition. Even if intellectual property claims brought against us are without merit, they may result in costly and time-consuming litigation and may require significant attention from our management and key personnel.

Misappropriation of our intellectual property and proprietary rights could impair our competitive position.

Our ability to compete depends upon proprietary systems and technology. We actively seek to protect our intellectual property and proprietary rights. Nevertheless, unauthorized parties may attempt to copy aspects of our services or to obtain and use information that we regard as proprietary. In addition, use of artificial intelligence tools may result in the release of confidential or proprietary information which could limit our ability to protect, or prevent us from protecting, our intellectual property rights. The steps we have taken may not prevent misappropriation of technology. Agreements entered into for that purpose may not be enforceable or provide us with an adequate remedy. It is also possible that others will independently develop the same or similar technology. Further, we use open source software in connection with our solutions. Companies that incorporate open source software into their solutions have, from time to time, faced claims challenging the ownership of solutions developed using open source software. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Some of our solutions integrate licensed software, including open source software, and any failure to comply with the terms of one or more of the licenses could adversely affect our business. Effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which our applications and services are made available. The laws of certain non-U.S. countries where we do business or contemplate doing business in the future may not recognize intellectual property rights or protect them to the same extent as do the laws of the U.S. Misappropriation of our intellectual property or potential litigation concerning such matters could have a material adverse effect on our business, the results of which could affect our operations and financial condition.

Changes in tax laws and regulations could adversely affect our results of operations and cash flows from operations.

Our operations are subject to tax by federal, state, local, and international taxing jurisdictions. Changes in tax laws or their interpretations in our significant tax jurisdictions could materially increase the amount of taxes we owe, thereby negatively impacting our results of operations as well as our cash flows from operations. Additionally, future tax laws, regulations or guidance from the Internal Revenue Service, the Securities and Exchange Commission or the Financial Accounting Standards Board could cause us to adjust current estimates in future periods, which could impact our earnings and have an adverse effect on our results of operations and cash flow.

The U.S. Congress, the Organization for Economic Co-operation and Development (the “OECD”) and other government agencies in jurisdictions in which we do business remain focused on the taxation of multinational corporations. The OECD, which represents a coalition of member countries, including the U.S., is contemplating changes to numerous longstanding tax

principles, including ensuring all companies pay a global minimum tax and expanding taxing rights of market countries. Because the timing of implementation and the specific measures adopted will vary among participating countries, significant uncertainty remains regarding the impact of these initiatives and their implementation could adversely affect our business or financial results.

Furthermore, our implementation of new practices and processes designed to comply with changing tax laws and regulations could require us to make substantial changes to our business practices, allocate additional resources, and increase our costs, which could negatively affect our business, results of operations and financial condition.

Unfavorable resolution of tax contingencies could adversely affect our results of operations and cash flows from operations

Our tax returns and positions are subject to review and audit by federal, state, local and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively impacting our results of operations as well as our cash flows from operations. We have established contingency reserves for known tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item. These reserves reflect what we believe to be reasonable assumptions as to the likely final resolution of each issue if raised by a taxing authority. While we believe that the reserves are adequate to cover reasonably expected tax risks, there is no assurance that, in all instances, an issue raised by a tax authority will be finally resolved at a financial cost not in excess of any related reserve. An unfavorable resolution, therefore, could negatively impact our effective tax rate, financial position, results of operations, and cash flows in the current and/or future periods.

Organizational and Financial Risks

The failure to attract and retain key personnel could have a material adverse effect on our business.

We depend on the experience, skill and contributions of our senior management and other key employees. If we fail to attract, motivate and retain highly qualified management, technical, compliance and sales personnel, our future success could be harmed. Our senior management provides strategic direction for our company, and if we lose members of our leadership team, our management resources may have to be diverted from other priorities to address this loss. Our products and services require sophisticated knowledge of the financial services industry, applicable regulatory and industry requirements, computer systems, and software applications, and if we cannot hire or retain the necessary skilled personnel, we could suffer delays in new product development, experience difficulty complying with applicable requirements or otherwise fail to satisfy our clients' demands.

Losses due to chargebacks, refunds or returns could have a material adverse effect on our business, results of operations and financial condition.

We may be liable if our merchants or other parties that have obligations to deliver goods or services to cardholders fail to satisfy their obligations. For example, we and our merchant acquiring alliances may be subject to contingent liability for transactions originally acquired by us that are disputed by the cardholder and charged back to the merchants or other parties. These disputes could arise from fraud, misuse, unintentional use, settlement delay or failure, insufficiency of funds, returns, a failure to perform a service, or other reasons. If we or the alliance is unable to collect this amount from the merchant or other party because of the merchant's or other party's insolvency or other reasons, we or the alliance will bear the loss for the amount of the refund paid to the cardholder. Although we have an active program to manage our credit risk, and often mitigate our risk by obtaining collateral, a default on such obligations by one or more of our merchants or others could have a material adverse effect on our business, and results of operations and financial condition.

Additionally, we may be subject to potential liability for fraudulent transactions, including electronic payment and card transactions or credits initiated by merchants or others. Examples of merchant fraud include when a merchant or other party knowingly uses a stolen or counterfeit credit, debit or prepaid card, card number or other credentials to record a false sales transaction, processes an invalid card or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting and fraud. We also rely on ISOs to sell our merchant processing services, which they may do by contracting with their own sub-ISOs. We rely on these ISOs and sub-ISOs to exercise appropriate controls to avoid fraudulent transactions. It is possible that incidents of fraud could increase in the future. Failure to effectively manage risk and prevent fraud, or otherwise effectively administer our chargeback responsibilities, would increase our chargeback liability and expose us to fines or other liabilities. Increases in chargebacks, fines or other liabilities could have a material adverse effect on our business, results of operations and financial condition.

Acquisitions subject us to risks, including assumption of unforeseen liabilities and difficulties in integrating operations.

A major contributor to our growth in revenue and earnings since our inception has been our ability to identify, acquire and integrate complementary businesses. We anticipate that we will continue to seek to acquire complementary businesses, products and services. We may not be able to identify suitable acquisition candidates or complete acquisitions in the future, which could adversely affect our future growth; or businesses that we acquire may not perform as well as expected or may be more difficult or expensive to integrate and manage than expected, which could adversely affect our business and results of operations. We may not be able to integrate all aspects of acquired businesses successfully or realize the potential benefits of bringing them together. In addition, the process of integrating these acquisitions may disrupt our business and divert our resources.

In addition, acquisitions outside of the U.S. often involve additional or increased risks including, for example:

- managing geographically separated organizations, systems and facilities;
- integrating personnel with diverse business backgrounds and organizational cultures;
- complying with non-U.S. regulatory requirements;
- fluctuations in currency exchange rates;
- enforcement of intellectual property rights in some non-U.S. countries;
- difficulty entering new non-U.S. markets due to, among other things, consumer acceptance and business knowledge of these new markets; and
- general economic and political conditions.

These risks may arise for a number of reasons: we may not be able to find suitable businesses to acquire at affordable valuations or on other acceptable terms; we may face competition for acquisitions from other potential acquirers; we may need to borrow money or sell equity or debt securities to the public to finance acquisitions and the terms of these financings may be adverse to us; changes in accounting, tax, securities or other regulations could increase the difficulty or cost for us to complete acquisitions; we may discover liabilities, deficiencies, or other claims associated with the companies or assets we acquire that were not identified in advance, which may result in significant unanticipated costs; the effectiveness of our due diligence review and our ability to evaluate the results of such due diligence are dependent upon the accuracy and completeness of statements and disclosures made or actions taken by the companies we acquire or their representatives, as well as the limited amount of time in which acquisitions are executed. In addition, we may fail to accurately forecast the financial impact of an acquisition or other strategic transaction, including tax and accounting charges; we may incur unforeseen obligations or liabilities in connection with acquisitions; we may need to devote unanticipated financial and management resources to an acquired business; we may not realize expected operating efficiencies or product integration benefits from an acquisition; we could enter markets where we have minimal prior experience; and we may experience decreases in earnings as a result of non-cash impairment charges.

We may be obligated to indemnify the purchasers of businesses pursuant to the terms of the relevant purchase and sale agreements.

We have in the past and may in the future sell businesses. In connection with sales of businesses, we may make representations and warranties about the businesses and their financial affairs and agree to retain certain liabilities associated with our operation of the businesses prior to their sale. Our obligation to indemnify the purchasers and agreement to retain liabilities could have a material adverse effect on our business, results of operations and financial condition.

Our balance sheet includes significant amounts of goodwill and intangible assets. The impairment of a significant portion of these assets would negatively affect our results of operations.

Our balance sheet includes goodwill and intangible assets that represent 60% of our total assets at December 31, 2024. These assets consist primarily of goodwill and identified intangible assets associated with our acquisitions. On at least an annual basis, we assess whether there have been impairments in the carrying value of goodwill. In addition, we review intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If the carrying value of the asset is determined to be impaired, then it is written down to fair value by a non-cash charge to operating earnings. An impairment of a significant portion of goodwill or intangible assets could have a material negative effect on our results of operations.

Existing or future leverage may harm our financial condition and results of operations.

At December 31, 2024, we had approximately \$25 billion of debt. We and our subsidiaries may incur additional indebtedness in the future. Our indebtedness could: decrease our ability to obtain additional financing for working capital, capital expenditures, general corporate or other purposes; limit our flexibility to make acquisitions; increase our cash requirements to support the payment of interest; limit our flexibility in planning for, or reacting to, changes in our business and our industry; and increase our vulnerability to adverse changes in general economic and industry conditions. Our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which will be subject to general economic conditions and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. In addition, if certain of our outstanding senior notes or commercial paper notes are downgraded to below investment grade, we may incur additional interest expense. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other cash requirements, including due to deterioration in economic and market conditions, we may be required, among other things: to seek additional financing in the debt or equity markets; to refinance or restructure all or a portion of our indebtedness; or to reduce or delay planned capital or operating expenditures. Such measures might not be sufficient to enable us to service our debt and meet our other cash requirements. In addition, any such financing, refinancing or sale of assets might not be available at all or on economically favorable terms.

An increase in interest rates may negatively impact our operating results and financial condition.

Certain of our borrowings, including borrowings under our revolving credit facility, foreign lines of credit and commercial paper programs, are at variable rates of interest. Beginning in 2022, and continuing through mid-2023, interest rates increased significantly and interest rates may continue to increase or remain at higher than recent historical levels in the future. An increase in interest rates would have a negative impact on our results of operations by causing an increase in interest expense. At December 31, 2024, we had approximately \$2.4 billion in variable rate debt, which includes \$899 million drawn on our revolving credit facility and foreign lines of credit, and an aggregate amount of \$1.5 billion outstanding under our U.S. dollar and Euro commercial paper programs. Based on outstanding debt balances and interest rates at December 31, 2024, a 1% increase in variable interest rates would result in an increase to annual interest expense of \$24 million.

Our results of operations may be adversely affected by changes in foreign currency exchange rates.

We are subject to risks related to changes in currency rates as a result of our investments in foreign operations and from revenues generated in currencies other than the U.S. dollar. Revenues and profit generated by such international operations will increase or decrease compared to prior periods as a result of changes in foreign currency exchange rates. From time to time, we utilize foreign currency forward contracts and other hedging instruments to mitigate the market value risks associated with foreign currency-denominated transactions and investments. These hedging strategies may not, however, eliminate all of the risks related to foreign currency translation, and we may forgo the benefits we would otherwise experience if currency exchange rates were to change in our favor. In addition, we may incur material foreign currency exchange losses due to the remeasurement of monetary assets and liabilities in highly inflationary economies. We have also issued foreign currency-denominated senior notes and commercial paper notes for which payments of interest and principal are to be made in foreign currency, and fluctuations in foreign currency exchange rates could cause the expense associated with such payments to increase. In addition, we may become subject to exchange control regulations that restrict or prohibit the conversion of our foreign revenue currencies into U.S. dollars. Any of these factors could decrease the value of revenues and earnings we derive from our international operations and have a material adverse effect on our business.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity**Enterprise Risk Management**

At the core of our business, we host, collect, process, use and retain significant amounts of financial, personal and other sensitive data across our own technology environment and the third-party information systems of our vendors, service providers and partners. In order to keep this data secure, we maintain an enterprise risk management (“ERM”) program designed to systematically identify and manage risk including risk from cybersecurity threats. The risk committee of the board of directors oversees our ERM program and it is reviewed annually by both the risk and audit committees of the board of directors. The risk committee also monitors and reports to the board regarding issues arising with respect to the risk governance structure and performance of the risk management function. The board, as a whole and through its committees, regularly engages with the Chief Risk Officer, management and outside advisors to identify, assess and manage risks of the company and to ensure the risk management function has the appropriate resources and authority to fulfill its responsibilities. An executive risk committee,

comprised of senior leaders of our lines of business and corporate functions, provides executive level accountability for the ERM program.

On an ongoing basis, we identify, categorize, assess, monitor and respond to business risks. We consider the various ways in which risks may affect our business by measuring the impact of those risks against a consistent set of criteria, which include the potential impact to our operations, financial performance, clients, technology, reputation, business strategy and regulatory environment. The risk committee of the board of directors reviews and approves a list of top enterprise risks and the risk appetite relating to such risks. Among the top risks included in our ERM program is cybersecurity risk. Response plans are developed, tracked and implemented for residual risks that are above the acceptable tolerance level.

Cybersecurity Risk

Management's Role in Cybersecurity

Our global cybersecurity services team is responsible for assessing our technology environment, identifying emerging cybersecurity threats and evolving cybersecurity threat capabilities, and implementing business processes and technical defenses to safeguard our technology environment and services. Our management has established a cybersecurity and technology risk committee focused on managing cybersecurity and technology risk and implementing cybersecurity and technology plans, strategies and objectives. The committee is chaired by the Deputy Chief Information Security Officer, who reports to the Chief Operating Officer through our Chief Information Security Officer ("CISO"), and is comprised of senior business, cybersecurity, and technology leaders responsible for delivering our products and services. Our cybersecurity program is designed to enable us to detect and respond to cybersecurity incidents, continually improve the effectiveness of our cybersecurity controls, and dynamically respond to the evolving threat landscape.

Our cybersecurity operation center monitors our environment to detect cybersecurity incidents, identifies suspicious activities or unusual behaviors, and responds with the objective of minimizing potential impact to operations. We use various security technologies and controls and modern analytics designed to detect, prevent and respond to cybersecurity threats. Our global cybersecurity services team collects intelligence from the private and public sector related to cybersecurity threats, emerging adversarial campaigns and vulnerabilities. The global cybersecurity services team uses this information, along with internal intelligence and analytics, to evaluate the potential cybersecurity threats and develop security strategies to reduce risk and improve response.

We maintain a global cybersecurity policy that incorporates recognized industry standards and best practices from the National Institute of Standards and Technology as well as various security certifications.

Our employees play a vital role in protecting our and our clients' data. We provide regular, mandatory training for our employees regarding cybersecurity threats to equip our employees with effective tools to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices. We also maintain a third-party risk management program to identify, assess, mitigate and monitor risks associated with third parties' software and services that we utilize.

Our CISO has served in various senior roles in information technology and information security, in both the public and private sector, for over two decades and maintains a Certified Chief Information Security Officer professional certification. Similarly, the other members of our global cybersecurity services team have a broad range of cybersecurity training and experience in both the public, including military and law enforcement, and private sectors and maintain various certifications in relevant subjects.

Board Oversight

The board of directors maintains primary oversight of the company's strategic, operational and financial risks, including cybersecurity risks. The risk committee of the board of directors assists the board in its oversight of such risks and is primarily responsible for oversight of cybersecurity risks. The risk committee regularly reviews and discusses with management the current cybersecurity threat landscape, emerging trends and developments, and the company's guidelines, policies and processes for monitoring, managing, and mitigating cybersecurity risks.

The board and the risk committee receive regular presentations and reports from management as well as outside experts on cybersecurity risks, which address a wide range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technology trends and information security considerations arising with respect to our peers and third parties. On an annual basis, the board and the risk committee discuss our approach to cybersecurity risk management with our Chief Risk Officer, Chief Compliance Officer and Chief Information Officer, among others. At each regular board meeting, the risk committee reviews and reports to the board on key cybersecurity

risks. The board and the risk committee receive prompt and timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding any such incident until it has been addressed.

Impact of Cybersecurity Threats

Our results of operations and financial condition have not been materially affected by cybersecurity threats or incidents to date. However, to assess, identify, and manage material risks from cybersecurity threats, including as a result of previous cybersecurity incidents, we have invested and expect to continue to invest significant resources, including maintaining cybersecurity insurance coverage, to sustain and enhance our information security and controls or to investigate and mitigate security vulnerabilities. As a result, cybersecurity threats and other technological risks involving our systems have materially affected our business strategy and processes. Although we believe that we maintain a robust program of information security and controls and that none of the cybersecurity incidents that we have encountered to date have materially affected us, we cannot be certain that the security measures and procedures we have in place to detect security incidents and protect sensitive data will be successful or sufficient to counter all current and emerging risks and threats. The impact of a material cybersecurity incident involving our systems and data, or those of our clients, partners or vendors, could have a material adverse effect on our business strategy, results of operations and financial condition.

Additional information on the impact of cybersecurity threats applicable to our business can be found in the Risk Factors section of this report under the heading “Operational and Security Risks”.

Item 2. Properties

At December 31, 2024, we owned 17 and leased 108 properties globally. Our real estate strategy includes developing centralized campus environments in strategic locations, including in Florida, Georgia, Nebraska, New Jersey, Wisconsin and Dublin, Ireland. These locations are used for operational, data center, sales, management and administrative purposes. As a normal part of our business operations, including in connection with the integration of companies that we acquire, we regularly review our real estate portfolio. We may choose to acquire or dispose of properties in order to maintain a real estate footprint designed to maximize collaboration, innovation and communication in ways that enable us to best serve our clients and to create more opportunities for professional growth and development for our associates.

Item 3. Legal Proceedings

In the normal course of business, we or our subsidiaries are named as defendants in lawsuits in which claims are asserted against us. 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 our consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The names of our executive officers as of February 20, 2025, together with their ages, positions and business experience are described below:

<u>Name</u>	<u>Age</u>	<u>Title</u>
Frank J. Bisignano	65	Chairman and Chief Executive Officer
Guy Chiarello	65	Chief Operating Officer
John Gibbons	65	Head of Financial Institutions Group
Robert W. Hau	59	Chief Financial Officer
Jennifer LaClair	53	Head of Merchant Solutions
Michael P. Lyons	54	President and CEO-Elect
Adam L. Rosman	59	Chief Administrative Officer and Chief Legal Officer

Mr. Bisignano has served as Chairman of the Board since 2022, Chief Executive Officer since 2020 and a director since 2019. He served as President from 2019 to January 2025 and Chief Operating Officer from 2019 to 2020. Mr. Bisignano joined Fiserv as part of the acquisition of First Data Corporation in 2019, where he served as chief executive officer since 2013 and chairman since 2014. From 2005 to 2013, he held various executive positions with JPMorgan Chase & Co., a global financial services firm, including co-chief operating officer, chief executive officer of mortgage banking and chief administrative officer. From 2002 to 2005, Mr. Bisignano served as chief executive officer for Citigroup's Global Transactions Services business and a member of Citigroup's Management Committee.

Mr. Chiarello has served as Chief Operating Officer since 2021 and previously served as Chief Administrative Officer from 2019 to 2021. Mr. Chiarello joined Fiserv as part of the acquisition of First Data Corporation in 2019, where he served as president since 2013. From 2007 to 2013, he served as chief information officer of JPMorgan Chase & Co., a global financial services firm. From 1985 to 2007, Mr. Chiarello served in various technology and leadership roles including chief information officer at Morgan Stanley, a global financial services firm.

Mr. Gibbons has served as Head of the Financial Institutions Group since October 2023, and previously served as Co-Head of the Financial Institutions Group since March 2023 and Head of the Europe, Middle East, and Africa (EMEA) region since joining Fiserv in 2019 as a part of the acquisition of First Data Corporation, where he served as Head of the EMEA region since 2018. Before joining First Data Corporation, Mr. Gibbons led global transaction banking at Deutsche Bank, a global financial services firm, from 2016 to 2018, and served in various leadership roles at JPMorgan Chase & Co., a global financial services firm, from 2011 to 2016, including as regional executive for EMEA and global head of banks and broker dealers for treasury services.

Mr. Hau has served as Chief Financial Officer since 2016. Before joining Fiserv, Mr. Hau served as executive vice president and chief financial officer at TE Connectivity Ltd., a global technology and manufacturing company, from 2012 to 2016. From 2009 to 2012, he served as executive vice president and chief financial officer at Lennox International Inc., a provider of products and services in the heating, air conditioning, and refrigeration markets; and from 2006 to 2009, he served as vice president and chief financial officer for the aerospace business group of Honeywell International, Inc., a technology and manufacturing company.

Ms. LaClair has served as Head of Merchant Solutions since January 2024 and previously served as Chief Revenue Officer since July 2023. Before joining Fiserv, Ms. LaClair served as chief financial officer of Ally Financial, a digital-only bank and national retail auto lender, from 2017 to 2022. From 2007 to 2017, Ms. LaClair held multiple leadership roles at PNC Financial Services, including chief financial officer for all businesses spanning consumer, commercial and corporate banking, mortgage, and asset management, and head of PNC's business bank, including merchant services. Prior to that, from 2001 to 2007, Ms. LaClair worked at McKinsey & Company, where she was a strategy consultant and practice manager for the North America operations practice.

Mr. Lyons has served as President and CEO-Elect since January 2025. Before joining Fiserv, Mr. Lyons served as President of The PNC Financial Services Group, Inc. and its wholly owned subsidiary, PNC Bank, National Association, since February 2024. Prior to that role, he served as Executive Vice President and Head of Corporate and Institutional Banking at PNC from 2011 to February 2024. Prior to joining PNC, from 2010 until 2011, Mr. Lyons served as Head of Corporate Development and Strategic Planning for Bank of America.

Mr. Rosman has served as Chief Administrative Officer and Chief Legal Officer since 2021. Before joining Fiserv, Mr. Rosman was general counsel of OneMain Financial, a consumer lender, from 2020 to 2021. Previously, he served as general counsel of

First Data Corporation from 2014 to 2019. Before joining First Data Corporation, Mr. Rosman was group general counsel of Willis Group Holdings plc, a multinational risk advisor, insurance brokerage, and reinsurance brokerage company, from 2012 to 2014, and deputy general counsel from 2009 to 2012. Mr. Rosman also previously served as an assistant U.S. attorney and as deputy assistant to the president and deputy staff secretary for President William J. Clinton.

Effective January 27, 2025, Michael P. Lyons was appointed President and CEO-elect of Fiserv. Mr. Lyons reports to Chief Executive Officer Frank J. Bisignano, who will continue in his current roles as Chairman and Chief Executive Officer until the earlier of Mr. Bisignano's confirmation by the U.S. Senate as the Commissioner of Social Security Administration and June 30, 2025. Upon Mr. Bisignano's departure, Mr. Lyons will become Chief Executive Officer of Fiserv and a member of the Fiserv Board of Directors.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Price Information

Our common stock is traded on the New York Stock Exchange (“NYSE”) under the symbol “FI.” At December 31, 2024, our common stock was held by 1,479 shareholders of record and by a significantly greater number of shareholders who hold shares in nominee or street name accounts with brokers. We have never paid dividends on our common stock and we do not anticipate paying dividends in the foreseeable future. For additional information regarding our expected use of capital, refer to the discussion in this report under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources.”

Issuer Purchases of Equity Securities

The table below sets forth information with respect to purchases made by or on behalf of us or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934) of shares of our common stock during the three months ended December 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
October 1-31, 2024	2,155,547	\$ 192.86	2,155,547	22,002,078
November 1-30, 2024	1,810,500	214.25	1,810,500	20,191,578
December 1-31, 2024	2,156,806	206.95	2,156,806	18,034,772
Total	<u>6,122,853</u>		<u>6,122,853</u>	

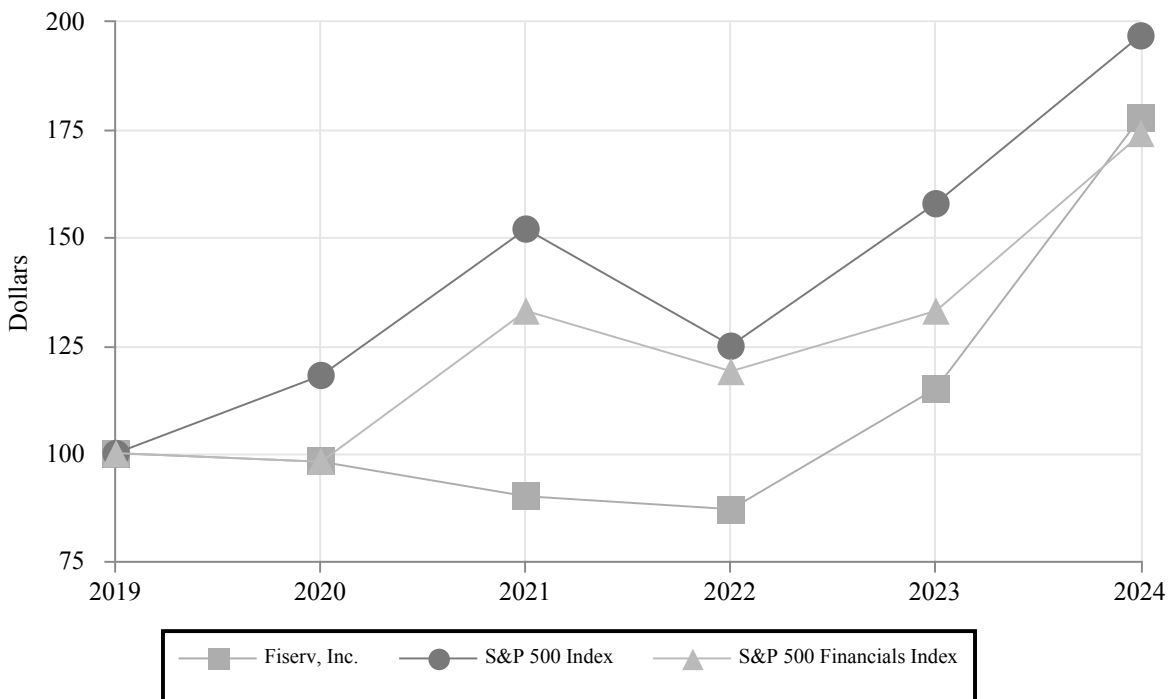
- ⁽¹⁾ On February 19, 2025 and February 22, 2023, our board of directors authorized the purchase of up to 60.0 million and 75.0 million shares of our common stock, respectively. These authorizations do not expire.

Stock Performance Graph

The stock performance graph and related information presented below is not deemed to be “soliciting material” or to be “filed” with the Securities and Exchange Commission or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934 and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into such a filing.

The following graph compares the cumulative total shareholder return on our common stock for the five years ended December 31, 2024 with the S&P 500 Index and the S&P 500 Financials Index. The graph assumes that \$100 was invested on December 31, 2019 in our common stock and each index and that all dividends were reinvested. No cash dividends have been declared on our common stock. The comparisons in the graph are required by the Securities and Exchange Commission and are not intended to forecast or be indicative of possible future performance of our common stock.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN AMONG FISERV, INC., S&P 500 INDEX, AND S&P 500 FINANCIALS INDEX
(ASSUMES INITIAL INVESTMENT OF \$100 AND REINVESTMENT OF DIVIDENDS)



	December 31,					
	2019	2020	2021	2022	2023	2024
Fiserv, Inc.	\$ 100	\$ 98	\$ 90	\$ 87	\$ 115	\$ 178
S&P 500 Index	100	118	152	125	158	197
S&P 500 Financials Index	100	98	133	119	133	174

Item 6. [Reserved]

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

Management’s discussion and analysis of financial condition and results of operations is provided as a supplement to our consolidated financial statements and accompanying notes to help provide an understanding of our financial condition, the changes in our financial condition and our results of operations. Effective in the first quarter of 2024, we realigned our reportable segments to correspond with changes in our business designed to further enhance operational performance in the delivery of our integrated portfolio of products and solutions to our financial institution clients (the “Segment Realignment”). Our new reportable segments are the Merchant Solutions (“Merchant”) segment and the Financial Solutions (“Financial”) segment. Segment results for the years ended December 31, 2023 and 2022 have been recast to reflect the Segment Realignment.

This section generally discusses information and results pertaining to the years ended December 31, 2024 and 2023. Information and discussion of results pertaining to the year ended December 31, 2022 not included herein can be found in Part II, “Item 7. *Management’s Discussion and Analysis of Financial Condition and Results of Operations*” of our Annual Report on Form 10-K for fiscal year 2023, filed with the Securities and Exchange Commission on February 22, 2024. Our discussion is organized as follows:

- **Overview.** This section contains background information on our company and the products and services that we provide, acquisitions and dispositions, our enterprise priorities, and the trends affecting our industry in order to provide context for management’s discussion and analysis of our financial condition and results of operations.

- *Critical accounting policies and estimates.* This section contains a discussion of the accounting policies that we believe are important to our financial condition and results of operations and that require judgment and estimates on the part of management in their application. Our critical accounting policies are also summarized in Note 1 to the accompanying consolidated financial statements.
- *Results of operations.* This section contains an analysis of our results of operations presented in the accompanying consolidated statements of income by comparing the consolidated and segment results for the year ended December 31, 2024 to the consolidated and segment results for the year ended December 31, 2023. Due to the Segment Realignment, this section also compares segment results for the year ended December 31, 2023 to the segment results for the year ended December 31, 2022.
- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our outstanding debt and commitments at December 31, 2024.

Overview

Company Background

We are a leading global provider of payments and financial services technology solutions. We serve clients around the globe, including merchants, banks, credit unions, other financial institutions, corporate and public sector clients. We help clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover[®] cloud-based point-of-sale (“POS”) and business management platform. Most of the products and services we provide are necessary for our clients to operate their businesses and are therefore non-discretionary in nature. We serve our global client base by working among our geographic teams across various regions, including the United States of America (“U.S.”) and Canada; Europe, Middle East and Africa; Latin America; and Asia Pacific.

The businesses in our Merchant segment provide commerce-enabling products and services to companies of all sizes around the world. These products and services include merchant acquiring and digital commerce services; mobile payment services; security and fraud protection solutions; stored-value solutions; software-as-a-service; POS devices; and pay-by-bank solutions. The business lines aggregated within the Merchant segment consist of the following:

- *Small Business* – provides products and services to small businesses and independent software vendors (“ISV”), including Clover[®], our POS and business management platform for small business clients
- *Enterprise* – provides products and services to large businesses, including our integrated omnichannel operating system for enterprise clients
- *Processing* – provides products and services to financial institutions, joint ventures, and other third party resellers which have direct relationships with merchants

We distribute the products and services in our Merchant segment businesses through a variety of channels, including direct sales teams, strategic partnerships with agent sales forces, ISV’s, financial institutions and other strategic partners in the form of joint venture alliances, revenue sharing alliances and referral agreements.

The businesses in our Financial segment provide products and services to financial institution, corporate and public sector clients across the world, enabling the processing of customer loan and deposit accounts, digital payments and card transactions. The business lines aggregated within the Financial segment consist of the following:

- *Digital Payments* – provides debit card processing services; debit network services; security and fraud protection products; bill payment; person-to-person payments; and account-to-account transfers
- *Issuing* – provides credit card processing services; prepaid card processing services; card production services; print services; government payment processing; and student loan processing
- *Banking* – provides customer loan and deposit account processing; digital banking; financial and risk management; professional services and consulting; and check processing

Corporate and Other supports the reportable segments described above, and consists of amortization of acquisition-related intangible assets, unallocated corporate expenses and other activities that are not considered when we evaluate segment performance, such as gains or losses on sales of businesses, certain assets or investments; costs associated with acquisition and divestiture activity; certain services revenue associated with various dispositions; and postage reimbursements.

Acquisitions and Dispositions

We frequently review our businesses to ensure we have the necessary assets to execute our strategy. We expect to acquire businesses when we identify: a compelling strategic need, such as a product, service or technology that helps meet client demand; a way to achieve business scale that enables competition and operational efficiency; or similar considerations. We expect to divest businesses that are not in line with our market, product or financial strategies. The results of operations for the following acquired and divested businesses are included in our consolidated results from the respective dates of acquisition and through the respective dates of disposition.

Acquisitions of Businesses

On October 9, 2023, we acquired Skytef Soluções em Captura de Transações Ltda (“Skytef”), a distributor for ISV partners and merchants of our Electronic Funds Transfer payments software. Skytef is included within the Merchant segment and expands our distribution network and POS applications. On November 1, 2023, we acquired Sled S.A. (“Sled”), a provider of instant payment solutions. Sled is included within the Merchant segment and expands our direct payment service capabilities. We acquired these businesses in Latin America for an aggregate purchase price, including hold-backs, of \$17 million.

Pending Acquisitions

In 2024, we entered into definitive agreements to acquire CCV Group B.V. (“CCV”) and Payfare Inc. (“Payfare”). CCV is a supplier of POS payment solutions. Upon the closing of this acquisition, which is subject to regulatory approval and customary closing conditions, CCV will be included within the Merchant segment and is expected to expand our network of payment solutions. Payfare is a provider of program management solutions powering instant access to earnings and banking solutions for workforces. Upon the closing of this acquisition, which is subject to shareholder and court approvals and customary closing conditions, Payfare will be included within the Financial segment and is expected to expand our embedded finance capabilities. We expect these acquisitions, for an aggregate purchase price of approximately \$360 million, to close in the first quarter of 2025.

Dispositions of Businesses

On July 25, 2023, we sold our financial reconciliation business, which was reported within the Financial segment, for cash proceeds of \$235 million. We recognized a pre-tax gain of \$172 million on the sale during the year ended December 31, 2023.

Other Transactions

In the third quarter of 2024, Wells Fargo Bank, National Association (“Wells Fargo”) provided us with a notice of non-renewal for the Wells Fargo Merchant Services merchant alliance (“WFMS”), which is accounted for as an equity method investment. With the joint venture expected to expire on April 1, 2025, we expect to receive a cash payment equal to the fair value of our 40% ownership interest of WFMS as determined in accordance with an agreed upon contractual valuation and separation process. During the year ended December 31, 2024, we recorded a \$595 million non-cash impairment as a result of an other-than-temporary decline in the fair value of our equity method investment in WFMS. In connection with the expiration of WFMS, we entered into a multi-year agreement with Wells Fargo to provide processing for current and future merchant clients as well as other services to Wells Fargo’s merchant business.

On September 25, 2023, we acquired the remaining 49% ownership interest in European Merchant Services B.V., a Netherlands-based merchant acceptance business, for \$56 million. We previously held a majority controlling financial interest in this subsidiary, which continues to be consolidated and reported within the Merchant segment.

Enterprise Priorities

We aspire to move money and information in a way that moves the world. Our purpose is to deliver superior value for our clients through leading technology, targeted innovation and excellence in everything we do. We are focused on driving growth and creating value by assembling a high-performing and diverse team; integrating our solutions; delivering operational excellence; allocating capital in a disciplined manner, including share repurchase and merger and acquisition activity; and investing for organic growth through innovation. Our long-term focus is to meet our financial commitments; continue to build high-quality revenue; deepen client relationships with an emphasis on digital solutions and value-added services; deliver innovation and integration enabling differentiated value for our clients; and generate integration value, including cost and revenue synergies from acquisitions.

Industry Trends

The global payments landscape continues to evolve, with rapidly advancing technologies and a steady expansion of digital payments, e-commerce and real-time payments infrastructure. Because of this growth, competition also continues to intensify. Business and consumer expectations continue to rise, with a focus on speed, convenience, choice and security. To meet these expectations, payments companies are focused on modernizing their technology, expanding the use of data and enhancing the customer experience.

Merchants

The rapid growth in and globalization of mobile and e-commerce, driven by consumers' desire for simpler, more efficient shopping experiences, has created an opportunity for merchants to reach consumers nearly anywhere, through any device, which often requires a merchant acquiring provider to enable and optimize the acceptance of payments. Merchants are demanding simpler, integrated and flexible systems to enable them to serve customers and help manage cash flow and everyday business operations. When combined with the ever-increasing ways a consumer can pay for goods and services, merchants have sought modern end-to-end solutions throughout their growth lifecycle to streamline the complexity. Furthermore, merchants can now search, discover, compare, purchase and even install a new system through direct, digital-only experiences. This direct, digital-only channel is a source of new merchant acquisition opportunities, especially with respect to smaller merchants.

Additionally, there are numerous software-as-a-service solution providers in the industry, many of which have chosen to integrate merchant acquiring into their software as a way to generate revenue from existing client relationships. Such providers are independent software vendors, typically referred to as ISVs, and we believe there are numerous potential distribution partnership opportunities to cross-sell multiple value-added solutions available to us.

We believe that our merchant acquiring products and solutions create compelling value propositions for merchant clients of all sizes, from small and mid-sized businesses to medium-sized regional businesses to global enterprise merchants. The depth and breadth of our omnichannel solutions, and flexibility to serve clients across various channels and geographies, drives higher product attach rates with new and existing clients across all verticals. Furthermore, we believe that our strength in distribution, our progress growing software and services, and our value-based pricing as we continue to invest in our operating systems, gives us a solid foundation for growth.

Financial Institutions

Financial services providers regularly introduce and implement new payment, deposit, risk management, lending and investment products, and the distinctions among the products and services traditionally offered by different types of financial institutions continue to narrow as they seek to serve the same customers. At the same time, the evolving global regulatory and cybersecurity landscape has continued to create a challenging operating environment for financial institutions. These conditions are driving heightened interest in solutions that help financial institutions win and retain customers, generate revenue, comply with regulations and enhance operating efficiency. In addition, the focus on the customer experience, including through mobile and online engagement, by both financial institutions and their customers, as well as the growing volume and types of payment transactions in the marketplace, continues to elevate the data and transaction processing needs of financial institutions.

Financial institutions must be able to serve their customers with tailored solutions, delivered how and when those customers want. In addition, financial institutions are striving for this single, integrated view of a customer's activity. This requires financial institutions to not only process customer transactions, but to integrate financial institutions' products and services to give customers easy access to integrated solutions. We believe that the integration of our products and services creates a compelling value proposition for our clients by providing, among other things, new sources of revenue and opportunities to reduce their costs. We have invested in integrating our platforms and value-added solutions to make it easy for a client to buy across our full product suite.

We expect that financial institutions will continue to invest significant capital to process transactions, manage information, maintain regulatory compliance and offer innovative new services to their customers in this rapidly evolving and competitive environmental shift from traditional to digital banking. We believe that economies of scale in developing and maintaining the infrastructure, technology, products, services and networks necessary to be competitive in such an environment are essential to justify these investments, and we anticipate that demand for products that facilitate customer interaction with financial institutions, including a unified, seamless customer experience across mobile and online channels, will continue to increase, which we expect to create revenue opportunities for us.

Our focus on long-term client relationships and recurring, transaction-oriented products and services has reduced the impact that consolidation in the financial services industry has had on us. Rather than reducing the overall market, these consolidations transfer accounts among financial institutions. If a client loss occurs due to merger or acquisition, we typically receive a

contract termination fee based on the size of the client and how early in the contract term the contract is terminated. We believe that our sizable and diverse client base, combined with our value-added software and services-led model, and our position as a leading provider of non-discretionary, recurring revenue-based products and services, gives us a solid foundation for growth.

Recent Market Conditions

Global macroeconomic conditions, including changing interest rates, inflation, disruptions in the global supply chain, changes in consumer spending, the effects of international hostilities, political conditions, and regulations restricting trade or impacting our ability to offer products or services, could have a material adverse effect on our business, results of operations and financial condition. Personal consumption and consumer savings growth in the U.S. may also negatively impact our business and financial results. We actively monitor and manage our business in response to these unpredictable geopolitical and market conditions, as they may adversely impact our operations and financial results.

In addition, our operating results in certain foreign countries in which we operate may be adversely impacted by fluctuations in exchange rates for currencies other than the U.S. dollar, including the Euro, British Pound Sterling, Indian Rupee, Brazilian Real and Argentine Peso. The strengthening of the U.S. dollar against certain foreign currencies in countries in which we operate would negatively impact our revenue and earnings. We also have exposure to risks related to currency devaluation in certain countries, which may negatively impact our international operating results if there is a prolonged devaluation of local currencies relative to the U.S. dollar or if the economic conditions in these countries decline. While the majority of our revenue is earned in the U.S., we actively monitor the foreign exchange rate environment and may enter into derivative instruments and utilize other non-derivative hedging instruments with creditworthy institutions in an effort to manage these risks.

The operations of our Argentina subsidiary have experienced higher interest rates and inflation relative to historical averages. The potential benefits of higher transitory revenue from above-average interest and inflation may be offset in whole or in part by, or may be less than, foreign currency exchange losses related to a significant devaluation of the Argentine Peso.

For discussion of risks and potential challenges applicable to our business, results of operations and financial condition, see “Part I. Item 1A. Risk Factors.” For management’s assessment of market risks, including interest rate and foreign currency risks, see “Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk.”

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the U.S., which require management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, revenue and expenses. We continually evaluate the accounting policies and estimates that we use to prepare our consolidated financial statements, including for recently adopted accounting pronouncements, and base our estimates on historical experience and assumptions that we believe are reasonable in light of current circumstances. Actual amounts and results could differ materially from these estimates.

Acquisitions

From time to time, we make strategic acquisitions that may have a material impact on our consolidated results of operations or financial position. We allocate the purchase price of acquired businesses to the assets acquired and liabilities assumed in the transaction at their estimated fair values. The estimates used to determine the fair value of long-lived assets, such as intangible assets, can be complex and require significant judgments. We use information available to us to make fair value determinations and engage independent valuation specialists, when necessary, to assist in the fair value determination of significant acquired long-lived assets. The determination of fair value requires estimates about discount rates, growth and retention rates, royalty rates, expected future cash flows and other future events that are judgmental in nature. While we use our best estimates and assumptions as a part of the purchase price allocation process, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of income. We are also required to estimate the useful lives of intangible assets to determine the amount of acquisition-related intangible asset amortization expense to record in future periods. We periodically review the estimated useful lives assigned to our intangible assets to determine whether such estimated useful lives continue to be appropriate. Additional information regarding our acquisitions of businesses is included in Note 4 to the consolidated financial statements.

Goodwill and Intangible Assets

We review the carrying value of goodwill for impairment annually, or more frequently if events or circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment at a reporting unit level, which is one level below our operating segments. When reviewing goodwill for impairment, we consider the prior test's amount of excess fair value over the carrying value of each reporting unit, the period of time since a reporting unit's last quantitative test, the extent a reorganization or disposition changes the composition of one or more of our reporting units, and other factors to determine whether or not to first perform a qualitative test. When performing a qualitative test, we assess numerous factors to determine whether it is more likely than not that the fair value of our reporting units are less than their respective carrying values. Examples of qualitative factors that we assess include our share price, our financial performance, market and competitive factors in our industry and other events specific to our reporting units. If we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we perform a quantitative impairment test.

The quantitative impairment test compares the estimated fair value of the reporting unit to its carrying value, and recognizes an impairment loss for the amount by which a reporting unit's carrying amount exceeds its fair value, without exceeding the total amount of goodwill allocated to that reporting unit. We determine the fair value of a reporting unit using both a discounted cash flow analysis and a market approach. Determining the fair value of a reporting unit involves judgment and the use of significant estimates and assumptions, which include assumptions regarding the revenue growth rates and operating margins used to calculate estimated future cash flows, risk-adjusted discount rates and future economic and market conditions.

In connection with the Segment Realignment, certain of our reporting units changed in composition as a result of which goodwill was allocated to such reporting units using a relative fair value approach. Our most recent annual impairment assessment of our reporting units in the fourth quarter of 2024 determined that our goodwill of \$36.6 billion was not impaired as the estimated fair values of each of the respective reporting units exceeded their carrying values. The excess of the estimated fair value over carrying value for our lowest reporting unit, which maintains a goodwill balance of \$1.3 billion, was 29%. The fair value for each of our other reporting units exceeds their respective carrying value by at least 40%. However, if future operating performance is below our expectations or there are material changes to forecasted revenue growth rates or operating margins, risk-adjusted discount rates, foreign currency exchange rates, effective income tax rates, or some combination thereof, a decline in the fair value of the reporting units could result in, and we may be required to record, a goodwill impairment charge. It is also reasonably possible that future developments related to the interest rate environment, a shift in strategic initiatives, or significant changes in the composition of certain of our reporting units could have a future material impact on one or more of the estimates and assumptions used to evaluate goodwill impairment. We have no accumulated goodwill impairment through December 31, 2024. Additional information regarding our goodwill is included in Note 7 to the consolidated financial statements.

We review intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. We review capitalized software development costs for impairment at each reporting date. Recoverability of intangible assets is assessed by comparing the carrying amount of the asset to either the undiscounted future cash flows expected to be generated by the asset or the net realizable value of the asset, depending on the type of asset. Determining future cash flows and net realizable values involves judgment and the use of significant estimates and assumptions regarding future economic and market conditions. Measurement of any impairment loss is based on estimated fair value. Additional information regarding our intangible assets is included in Note 6 to the consolidated financial statements. Given the significance of our goodwill and intangible asset balances, an adverse change in fair value could result in an impairment charge, which could be material to our consolidated financial statements.

Revenue Recognition

Revenue is measured based on consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. As a practical expedient, we do not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less. Contracts with customers are evaluated on a contract-by-contract basis as contracts may include multiple types of goods and services as described below.

Processing and Services

Processing and services revenue is generated from account- and transaction-based fees for data processing, merchant transaction processing and acquiring, electronic billing and payment services, electronic funds transfer and debit/credit processing services; consulting and professional services; and software maintenance for ongoing client support.

We recognize processing and services revenue in the period in which the specific service is performed unless they are not deemed distinct from other goods or services, which revenue would then be recognized as control is transferred of the combined goods and services. Our arrangements for processing and services typically consist of an obligation to provide specific services to our customers on a when- and if-needed basis (a stand-ready performance obligation) and revenue is recognized from the satisfaction of the performance obligations in the amount billable to the customer. These services are typically provided under a fixed or declining (tier-based) price per unit based on volume of service; however, pricing for services may also be based on fixed or monthly minimum processing fees. Fees for our processing and services arrangements are typically billed and paid on a monthly basis.

Product

Product revenue is generated from print and card production sales, as well as software license and hardware (primarily POS devices) sales. For software license agreements that are distinct, we recognize software license revenue upon delivery, assuming a contract is deemed to exist. Revenue for arrangements with customers that include significant customization, modification or production of software such that the software is not distinct is typically recognized over time based upon efforts expended, such as labor hours, to measure progress towards completion. For arrangements involving hosted licensed software for the customer, a software element is considered present to the extent the customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty and it is feasible for the customer to either operate the software on their own hardware or contract with another vendor to host the software. We sell or lease hardware (POS devices) and other peripherals as part of our contracts with customers. Hardware typically consists of terminals or Clover devices. We do not manufacture hardware, rather we purchase hardware from third-party vendors and hold such hardware in inventory until purchased by a customer. We account for the sale of distinct hardware as a separate performance obligation and recognize the revenue at the standalone selling price when the customer obtains control of the hardware.

Significant Judgments

We use the following methods, inputs and assumptions in determining amounts of revenue to recognize. For multi-element arrangements, we account for individual goods or services as a separate performance obligation if they are distinct, if the good or service is separately identifiable from other items in the arrangement, and if a customer can benefit from the good or service on its own or with other resources that are readily available to the customer. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation. Determining whether goods or services are distinct performance obligations that should be accounted for separately may require significant judgment.

Technology or service components from third parties are frequently embedded in or combined with our applications or service offerings. Whether we recognize revenue based on the gross amount billed to a customer or the net amount retained involves judgment that depends on the relevant facts and circumstances, including the level of contractual responsibilities and obligations for delivering solutions to end customers, to determine whether we obtain control of goods and services prior to their transfer to a customer.

The transaction price is determined based on the consideration to which we will be entitled in exchange for transferring products or services to the customer. We include any fixed charges within our contracts as part of the total transaction price. To the extent that variable consideration is not constrained, we include an estimate of the variable amount, as appropriate, within the total transaction price and update our assumptions over the duration of the contract. We may constrain the estimated transaction price in the event of a high degree of uncertainty as to the final consideration amount owed. The transaction price (including any discounts or rebates) is allocated between distinct goods and services in a multi-element arrangement based on their relative standalone selling prices. For items that are not sold separately, we estimate the standalone selling prices using available information such as market conditions and internally approved pricing guidelines. Judgment may be required to determine standalone selling prices for each performance obligation and whether it depicts the amount we expect to receive in exchange for the related good or service.

Contract modifications occur when we and our customers agree to modify existing customer contracts to change the scope or price (or both) of the contract, or when a customer terminates some, or all, of the existing services provided by us. When a contract modification occurs, it requires us to exercise judgment to determine if the modification should be accounted for as (i) a separate contract, (ii) the termination of the original contract and creation of a new contract, or (iii) a cumulative catch up adjustment to the original contract. Further, contract modifications require the identification and evaluation of the performance obligations of the modified contract, including the allocation of consideration to the remaining performance obligations and the period of recognition for each identified performance obligation. Additional information regarding our revenue recognition policies is included in Note 3 to the consolidated financial statements.

Income Taxes

The determination of our provision for income taxes requires management's judgment in the use of estimates and the interpretation and application of complex tax laws, including certain complexities attributed to our global footprint. Judgment is also required in assessing the timing and amounts of deductible and taxable items. We establish a liability for known tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item. In establishing a liability for known tax exposures, assumptions are made in determining whether, and the extent to which, a tax position will be sustained. A tax benefit with respect to a tax position is recognized only when it is more likely than not to be sustained upon examination by the relevant taxing authority, based on its technical merits, considering the facts and circumstances available as of the reporting date. The amount of tax benefit recognized reflects the largest benefit that we believe is more likely than not to be realized on settlement with the relevant taxing authority. As additional information becomes available, we evaluate our tax positions and appropriately adjust our liability for known tax exposures.

We maintain net operating loss carryforwards in various taxing jurisdictions, resulting in the establishment of deferred tax assets. We establish a valuation allowance against our deferred tax assets when, based upon the weight of all available evidence, we believe it is more likely than not that some portion or all of the deferred tax assets will not be realized. In making this determination, we have considered the relative impact of all of the available positive and negative evidence regarding future sources of taxable income and available tax planning strategies. However, there could be a significant impact to our effective income tax rate in the event there is a significant change in our judgment. To the extent our judgment changes, the valuation allowances are then adjusted as appropriate, generally through the provision for income taxes, in the period in which the change in facts and circumstances occurs. Additional information regarding our income taxes is included in Note 17 to the consolidated financial statements.

Results of Operations

Components of Revenue and Expenses

The following summary describes the components of revenue and expenses as presented in our consolidated statements of income.

Processing and Services

Processing and services revenue, which comprised 81% of our total revenue in 2024, is primarily generated from account- and transaction-based fees under multi-year contracts. Processing and services revenue is most reflective of our business performance as a significant amount of our total operating profit is generated from these services. Cost of processing and services consists of costs directly associated with providing services to clients and includes the following: personnel; equipment and data processing; facility costs, including costs to maintain software applications; client support; certain depreciation and amortization; and other operating expenses.

Product

Product revenue, which comprised 19% of our total revenue in 2024, is derived from print and card production sales, as well as software license and hardware (primarily POS devices) sales. Cost of product consists of costs directly associated with the products sold and includes the following: costs of materials and postage; hardware costs (primarily POS devices); personnel; facility costs; certain depreciation and amortization; and other costs directly associated with product revenue.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of: salaries, wages, commissions and related expenses paid to sales personnel, administrative employees and management; third-party commissions and payments to distribution partners; marketing costs; certain depreciation and amortization; and other selling and administrative expenses.

Financial Results

The following table presents certain amounts included in our consolidated statements of income, the relative percentage that those amounts represent to revenue and the change in those amounts from year to year. This information should be read together with the consolidated financial statements and accompanying notes. The financial results presented below have been affected by acquisitions, dispositions, non-cash impairment charges, and foreign currency fluctuations. Segment results for the years ended December 31, 2023 and 2022 have been recast to reflect the Segment Realignment.

(In millions)	Year Ended December 31,					
			Percentage of Revenue ⁽¹⁾		Increase (Decrease)	
	2024	2023	2024	2023	\$	%
Revenue:						
Processing and services	\$ 16,637	\$ 15,630	81.3 %	81.9 %	\$ 1,007	6 %
Product	3,819	3,463	18.7 %	18.1 %	356	10 %
Total revenue	20,456	19,093	100.0 %	100.0 %	1,363	7 %
Expenses:						
Cost of processing and services	5,363	5,332	32.2 %	34.1 %	31	1 %
Cost of product	2,650	2,338	69.4 %	67.5 %	312	13 %
Sub-total	8,013	7,670	39.2 %	40.2 %	343	4 %
Selling, general and administrative	6,564	6,576	32.1 %	34.4 %	(12)	n/m
Net gain on sale of businesses and other assets	—	(167)	— %	(0.9)%	(167)	n/m
Total expenses	14,577	14,079	71.3 %	73.7 %	498	4 %
Operating income	5,879	5,014	28.7 %	26.3 %	865	17 %
Interest expense, net	(1,195)	(976)	(5.8)%	(5.1)%	219	22 %
Other expense, net	(178)	(140)	(0.9)%	(0.7)%	38	27 %
Income before income taxes and loss from investments in unconsolidated affiliates	4,506	3,898	22.0 %	20.4 %	608	16 %
Income tax provision	(641)	(754)	(3.1)%	(3.9)%	(113)	(15)%
Loss from investments in unconsolidated affiliates	(685)	(15)	(3.3)%	(0.1)%	(670)	n/m
Net income	3,180	3,129	15.5 %	16.4 %	51	2 %
Less: net income attributable to noncontrolling interests and redeemable noncontrolling interests	49	61	0.2 %	0.3 %	(12)	(20)%
Net income attributable to Fiserv, Inc.	\$ 3,131	\$ 3,068	15.3 %	16.1 %	\$ 63	2 %

⁽¹⁾ Percentage of revenue is calculated as the relevant revenue, expense, or income amount divided by total revenue, except for cost of processing and services and cost of product amounts, which are divided by the related component of revenue.

(In millions)	Year Ended December 31,					
			Percentage of Revenue ⁽¹⁾		Increase (Decrease)	
	2023	2022	2023	2022	\$	%
Revenue:						
Processing and services	\$ 15,630	\$ 14,460	81.9 %	81.5 %	\$ 1,170	8 %
Product	3,463	3,277	18.1 %	18.5 %	186	6 %
Total revenue	19,093	17,737	100.0 %	100.0 %	1,356	8 %
Expenses:						
Cost of processing and services	5,332	5,771	34.1 %	39.9 %	(439)	(8)%
Cost of product	2,338	2,221	67.5 %	67.8 %	117	5 %
Sub-total	7,670	7,992	40.2 %	45.1 %	(322)	(4)%
Selling, general and administrative	6,576	6,059	34.4 %	34.2 %	517	9 %
Net gain on sale of businesses and other assets	(167)	(54)	(0.9)%	(0.3)%	113	n/m
Total expenses	14,079	13,997	73.7 %	78.9 %	82	1 %
Operating income	5,014	3,740	26.3 %	21.1 %	1,274	34 %
Interest expense, net	(976)	(733)	(5.1)%	(4.1)%	243	33 %
Other expense, net	(140)	(94)	(0.7)%	(0.5)%	46	49 %
Income before income taxes and (loss) income from investments in unconsolidated affiliates	3,898	2,913	20.4 %	16.4 %	985	34 %
Income tax provision	(754)	(551)	(3.9)%	(3.1)%	203	37 %
(Loss) income from investments in unconsolidated affiliates	(15)	220	(0.1)%	1.2 %	(235)	n/m
Net income	3,129	2,582	16.4 %	14.6 %	547	21 %
Less: net income attributable to noncontrolling interests and redeemable noncontrolling interests	61	52	0.3 %	0.3 %	9	17 %
Net income attributable to Fiserv, Inc.	\$ 3,068	\$ 2,530	16.1 %	14.3 %	\$ 538	21 %

(1) Percentage of revenue is calculated as the relevant revenue, expense, or income amount divided by total revenue, except for cost of processing and services and cost of product amounts, which are divided by the related component of revenue.

(In millions)	Year Ended December 31,				
	Merchant	Financial	Corporate and Other	Total	
Total revenue:					
2024	\$ 9,631	\$ 9,477	\$ 1,348	\$ 20,456	
2023	8,722	9,101	1,270	19,093	
Revenue growth	\$ 909	\$ 376	\$ 78	\$ 1,363	
Revenue growth percentage	10 %	4 %	6 %	7 %	
Operating income (loss):					
2024	\$ 3,561	\$ 4,485	\$ (2,167)	\$ 5,879	
2023	2,974	4,178	(2,138)	5,014	
Operating income growth	\$ 587	\$ 307	\$ (29)	\$ 865	
Operating income growth percentage	20 %	7 %		17 %	
Operating margin:					
2024	37.0 %	47.3 %		28.7 %	
2023	34.1 %	45.9 %		26.3 %	
Operating margin growth ⁽¹⁾	290 bps	140 bps		240 bps	

(1) Represents the basis point growth in operating margin.

(In millions)	Year Ended December 31,			
	Merchant	Financial	Corporate and Other	Total
Total revenue:				
2023	\$ 8,722	\$ 9,101	\$ 1,270	\$ 19,093
2022	7,883	8,681	1,173	17,737
Revenue growth	\$ 839	\$ 420	\$ 97	\$ 1,356
Revenue growth percentage	11 %	5 %	8 %	8 %
Operating income (loss):				
2023	\$ 2,974	\$ 4,178	\$ (2,138)	\$ 5,014
2022	2,441	3,806	(2,507)	3,740
Operating income growth	\$ 533	\$ 372	\$ 369	\$ 1,274
Operating income growth percentage	22 %	10 %		34 %
Operating margin:				
2023	34.1 %	45.9 %		26.3 %
2022	31.0 %	43.8 %		21.1 %
Operating margin growth ⁽¹⁾	310 bps	210 bps		520 bps

⁽¹⁾ Represents the basis point growth in operating margin.

Operating margin percentages are calculated using actual, unrounded amounts.

Total Revenue

Total revenue increased \$1,363 million, or 7%, in 2024 compared to 2023. The revenue increase in 2024 was primarily driven by higher global processing revenue across our businesses, partially offset by a 8% decrease due to foreign currency exchange rate fluctuations.

Revenue in our Merchant segment increased \$909 million, or 10%, in 2024 compared to 2023 and increased \$839 million, or 11%, in 2023 compared to 2022. Small Business contributed 8% and 9% to Merchant segment revenue growth in 2024 and 2023, respectively, driven by an increase in payment volumes in both 2024 and 2023, partially offset by foreign currency exchange rate fluctuations. Small Business revenue growth also included payment volume growth and increased hardware offerings from our Clover POS and business management platform, and the expansion of our merchant relationships through value-added services. Additionally, Enterprise contributed 3% and 2% to Merchant segment revenue growth in 2024 and 2023, respectively, primarily driven by transaction growth in both 2024 and 2023, as well as new clients wins in 2024. Processing partially offset Merchant segment revenue growth in 2024.

Revenue in our Financial segment increased \$376 million, or 4%, in 2024 compared to 2023 and increased \$420 million, or 5%, in 2023 compared to 2022. Digital Payments contributed 2% and 3% to Financial segment revenue growth in 2024 and 2023, respectively, driven by an increase in transaction volume, including growth in Zelle[®] transactions, in both years. Digital Payments revenue growth in 2024 also benefited from transaction growth on our network routing services. Issuing contributed 1% and 2% to Financial segment growth in 2024 and 2023, respectively, primarily driven by an increase in active accounts in both years. Banking contributed 1% to Financial segment revenue growth in 2024.

Revenue at Corporate and Other increased \$78 million, or 6%, in 2024 compared to 2023 and increased \$97 million, or 8%, in 2023 compared to 2022 due to increased postage revenue in both 2024 and 2023.

Total Expenses

Total expenses increased \$498 million, or 4%, in 2024 compared to 2023 and total expenses as a percentage of total revenue decreased 240 basis points to 71.3% in 2024 compared to 2023. Total expenses as a percentage of total revenue were favorably impacted in 2024 by operating leverage across our various businesses, as well as a reduction in amortization of acquisition-related intangible assets of approximately 100 basis points. Total expenses as a percentage of total revenue were favorably impacted in 2023 by a \$172 million pre-tax gain on the sale of our financial reconciliation business.

Cost of processing and services as a percentage of processing and services revenue decreased to 32.2% in 2024 compared to 34.1% in 2023. Cost of processing and services as a percentage of processing and services revenue was favorably impacted in 2024 by strong operating leverage accompanying scalable revenue growth.

Cost of product as a percentage of product revenue increased to 69.4% in 2024 compared to 67.5% in 2023. Cost of product as a percentage of product revenue in 2024 was impacted by revenue mix, including an increase in postage revenue.

Selling, general and administrative expenses as a percentage of total revenue decreased to 32.1% in 2024 compared to 34.4% in 2023. Selling, general and administrative expenses as a percentage of total revenue in 2024 was favorably impacted by a reduction in amortization of acquisition-related intangible assets of approximately 80 basis points, as well as expense management initiatives.

Operating Income and Operating Margin

Total operating income increased \$865 million, or 17%, in 2024 compared to 2023 and total operating margin increased 240 basis points to 28.7%. Total operating income and total operating margin in 2024 benefited from scalable revenue growth and productivity. Total operating margin in 2023 was favorably impacted by a \$172 million pre-tax gain on the sale of our financial reconciliation business.

Operating income in our Merchant segment increased \$587 million, or 20%, in 2024 compared to 2023 and increased \$533 million, or 22%, in 2023 compared to 2022. Operating margin increased 290 basis points to 37.0% in 2024 compared to 2023 and increased 310 basis points to 34.1% in 2023 compared to 2022. Operating income and operating margin growth in our Merchant segment were primarily due to operating leverage and productivity in both 2024 and 2023.

Operating income in our Financial segment increased \$307 million, or 7%, in 2024 compared to 2023 and increased \$372 million, or 10%, in 2023 compared to 2022. Operating margin increased 140 basis points to 47.3% in 2024 compared to 2023 and increased 210 basis points to 45.9% in 2023 compared to 2022. Operating income and operating margin growth in our Financial segment were primarily due to operating leverage and scalable revenue growth in both 2024 and 2023, as well as favorable vendor spend in 2024.

The operating loss in Corporate and Other increased \$29 million in 2024 compared to 2023 and decreased \$369 million in 2023 compared to 2022. The operating loss in 2023 was favorably impacted by a reduction of \$191 million and \$135 million in amortization of acquisition related intangible assets and severance costs, respectively, compared to 2022. The operating loss in 2023 also included a \$172 million pre-tax gain on the sale of our financial reconciliation business.

Interest Expense, Net

Interest expense, net increased \$219 million, or 22%, in 2024 compared to 2023 due to higher fixed rate outstanding borrowings associated with our public offering and issuance of \$2.0 billion and \$1.75 billion of senior notes in March 2024 and August 2024, respectively.

Other Expense, Net

Other expense, net increased \$38 million in 2024 compared to 2023. Other expense, net includes the remeasurement of monetary assets and liabilities for subsidiaries located in highly inflationary economies, gains or losses from a sale or change in fair value of investments in certain equity securities, and amounts related to debt guarantee arrangements of certain joint ventures. Other expense, net in 2024 also included a \$147 million non-cash settlement charge associated with the terminations of certain defined benefit pension plans, as well as \$29 million related to gains on the sale and remeasurement of certain equity securities. The remeasurement of monetary assets and liabilities for subsidiaries located in highly inflationary economies, including Argentina, resulted in foreign currency exchange losses of \$98 million and \$164 million during the years ended December 31, 2024 and 2023, respectively.

Income Tax Provision

The income tax provision as a percentage of income before income taxes and loss from investments in unconsolidated affiliates was 14.2% and 19.3% in 2024 and 2023, respectively. The effective income tax rate as a percentage of income before income taxes and loss from investments in unconsolidated affiliates in 2024 included a deferred tax benefit recorded within the income tax provision associated with a non-cash impairment of certain equity method investments, primarily related to WFMS, recorded within loss from investments in unconsolidated affiliates. The effective income tax rate as a percentage of income before income taxes and loss from investments in unconsolidated affiliates in 2024 also included benefits associated with transferable federal tax credits, resulting in a lower effective income tax rate.

Loss from Investments in Unconsolidated Affiliates

Our share of net loss from unconsolidated affiliates accounted for using the equity method is reported as loss from investments in unconsolidated affiliates, and the related tax benefit is reported within the income tax provision in the consolidated

statements of income. Loss from investments in unconsolidated affiliates, including acquired intangible asset amortization from valuations in purchase accounting, was \$685 million and \$15 million in 2024 and 2023, respectively. Loss from investments in unconsolidated affiliates in 2024 included a \$595 million non-cash impairment related to the Wells Fargo Merchant Services merchant alliance.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests and redeemable noncontrolling interests relates to the minority partners' share of the net income in our consolidated subsidiaries. Net income attributable to noncontrolling interests, including acquired intangible asset amortization from valuations in purchase accounting, was \$49 million and \$61 million in 2024 and 2023, respectively.

Net Income Per Share - Diluted

Net income attributable to Fiserv, Inc. per share-diluted was \$5.38 and \$4.98 in 2024 and 2023, respectively. In addition to the impacts to net income attributable to Fiserv, Inc. described above, our diluted weighted average outstanding shares were reduced by 5% in 2024 compared to 2023, due to our share repurchase program.

Liquidity and Capital Resources

General

Our primary liquidity needs in the ordinary course of business are to: (i) fund normal operating expenses; (ii) meet the interest and principal requirements of our outstanding indebtedness, including finance leases; and (iii) fund capital expenditures and operating lease payments. We believe these needs will be satisfied in both the short and long term using cash flow generated by our operations, along with our cash and cash equivalents of \$1.2 billion, proceeds from the issuance of U.S. dollar and Euro commercial paper, and available capacity under our revolving credit facility of \$2.8 billion (net of outstanding revolver borrowings and \$3.2 billion of capacity designated for outstanding borrowings under our commercial paper programs, senior notes due in the next twelve months and letters of credit) at December 31, 2024.

The following table summarizes our net cash provided by operating activities, or operating cash flow, and capital expenditures:

(In millions)	Year Ended December 31,		Increase (Decrease)	
	2024	2023	\$	%
Net income	\$ 3,180	\$ 3,129	\$ 51	
Depreciation and amortization	3,138	3,162	(24)	
Share-based compensation	367	342	25	
Deferred income taxes	(662)	(511)	(151)	
Net gain on sale of businesses and other assets	—	(167)	167	
Loss from investments in unconsolidated affiliates	685	15	670	
Distributions from unconsolidated affiliates	39	55	(16)	
Non-cash settlement charge for terminated pension plans	147	—	147	
Net changes in working capital and other	(263)	(863)	600	
Net cash provided by operating activities	<u>\$ 6,631</u>	<u>\$ 5,162</u>	<u>\$ 1,469</u>	<u>28 %</u>
Capital expenditures, including capitalized software and other intangibles	<u>\$ 1,569</u>	<u>\$ 1,388</u>	<u>\$ 181</u>	<u>13 %</u>

Our operating cash flow was \$6.6 billion in 2024, an increase of 28% compared with \$5.2 billion in 2023. This increase was primarily attributable to increased profitability (excluding the non-cash settlement charge for terminated pension plans and non-cash impairments included within loss from investments in unconsolidated affiliates), and corresponding cash flows, along with working capital improvements associated with receivables and payables.

Our current policy is to use our operating cash flow primarily to fund capital expenditures, merchant cash advances, share repurchases, acquisitions and to repay debt rather than to pay dividends. Net merchant cash advances, primarily associated with our operations in Latin America, were \$801 million during 2024. These cash advances are funded through a combination of local operating cash and various short-term lines of credit. Our capital expenditures were approximately 8% and 7% of our total revenue in 2024 and 2023, respectively.

Cash Requirements

The following table details our future cash requirements under certain contractual obligations at December 31, 2024:

(In millions)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt, including interest ^{(1) (2)}	\$ 30,812	\$ 2,025	\$ 9,165	\$ 6,738	\$ 12,884
Minimum finance lease payments ⁽¹⁾	699	238	339	101	21
Minimum operating lease payments ⁽¹⁾	933	133	265	167	368
Purchase obligations ^{(1) (3)}	2,181	872	880	275	154
Unrecognized income tax obligations	85	7	8	22	48
Total	\$ 34,710	\$ 3,275	\$ 10,657	\$ 7,303	\$ 13,475

⁽¹⁾ Interest, finance lease, operating lease and purchase obligations are reported on a pre-tax basis.

⁽²⁾ The calculations assume that only mandatory debt repayments are made, no additional refinancing or lending occurs, except for our 3.850% senior notes due in June 2025 and 2.250% senior notes due in July 2025, and U.S. dollar and Euro commercial paper notes programs as we have the intent to refinance this debt on a long-term basis through the issuance of new commercial paper notes upon maturity, and we have the ability to do so under our revolving credit facility maturing in June 2027. The variable rate on the revolving credit facility is priced at the rate in effect at December 31, 2024.

⁽³⁾ Represents enforceable and legally binding agreements to purchase goods or services based on signed contracts as of December 31, 2024.

Share Repurchases

We repurchased \$5.5 billion of our common stock during the year ended December 31, 2024. In August 2023, we repurchased 4.1 million shares of our common stock for \$121.98 per share in a privately negotiated transaction with ValueAct Capital Master Fund, L.P. for an aggregate purchase price of \$500 million. Including this transaction, we repurchased \$4.7 billion of our common stock in 2023.

On February 19, 2025 and February 22, 2023, our board of directors authorized the purchase of up to 60.0 million and 75.0 million shares of our common stock, respectively. As of December 31, 2024, we had approximately 18.0 million shares remaining under our existing repurchase authorization. Shares repurchased are generally held for issuance in connection with our equity plans.

Acquisitions and Dispositions

Acquisitions of Businesses

We acquired Skytef in October 2023 and Sled in November 2023 for an aggregate purchase price, including hold-backs, of \$17 million. We funded these acquisitions by utilizing available cash. The results of operations for these acquired businesses are included in our consolidated results from the respective dates of acquisition.

In 2024, we entered into definitive agreements to acquire CCV and Payfare, which are expected to close in the first quarter of 2025, for an estimated aggregate purchase price of \$360 million.

Dispositions of Businesses

We sold our financial reconciliation business in July 2023 for cash proceeds of \$235 million. Net proceeds from the sale were primarily used to pay down indebtedness and repurchase shares of our common stock.

Other Transactions

In the third quarter of 2024, Wells Fargo provided us with a notice of non-renewal for WFMS. With the joint venture expected to expire on April 1, 2025, we expect to receive a cash payment equal to the fair value of our 40% ownership interest of WFMS as determined in accordance with an agreed upon contractual valuation and separation process.

In September 2023, we acquired the remaining 49% ownership interest in European Merchant Services B.V., in which we previously held a majority controlling financial interest in this consolidated subsidiary, for \$56 million. We funded this transaction by utilizing a combination of available cash and proceeds from the issuance of commercial paper.

Indebtedness

Our debt consisted of the following at:

(In millions)	December 31,	
	2024	2023
Short-term and current maturities of long-term debt:		
Foreign lines of credit	\$ 784	\$ 442
Finance lease and other financing obligations	326	313
Total short-term and current maturities of long-term debt	<u>\$ 1,110</u>	<u>\$ 755</u>
Long-term debt:		
2.750% senior notes due July 2024	\$ —	\$ 2,000
3.850% senior notes due June 2025	900	900
2.250% senior notes due July 2025 (British Pound-denominated)	661	672
3.200% senior notes due July 2026	2,000	2,000
5.150% senior notes due March 2027	750	—
2.250% senior notes due June 2027	1,000	1,000
1.125% senior notes due July 2027 (Euro-denominated)	521	555
5.450% senior notes due March 2028	900	900
5.375% senior notes due August 2028	700	700
4.200% senior notes due October 2028	1,000	1,000
3.500% senior notes due July 2029	3,000	3,000
4.750% senior notes due March 2030	850	—
2.650% senior notes due June 2030	1,000	1,000
1.625% senior notes due July 2030 (Euro-denominated)	521	555
5.350% senior notes due March 2031	500	—
4.500% senior notes due May 2031 (Euro-denominated)	835	889
3.000% senior notes due July 2031 (British Pound-denominated)	661	672
5.600% senior notes due March 2033	900	900
5.625% senior notes due August 2033	1,300	1,300
5.450% senior notes due March 2034	750	—
5.150% senior notes due August 2034	900	—
4.400% senior notes due July 2049	2,000	2,000
U.S. dollar commercial paper notes	221	418
Euro commercial paper notes	1,239	1,321
Revolving credit facility	115	74
Unamortized discount and deferred financing costs	(150)	(145)
Finance lease and other financing obligations	656	652
Total long-term debt	<u>\$ 23,730</u>	<u>\$ 22,363</u>

In August 2024, we completed the public offering and issuance of \$1.75 billion of senior notes, comprised of \$850 million aggregate principal amount of 4.750% senior notes due in March 2030 and \$900 million aggregate principal amount of 5.150% senior notes due in August 2034. We used the net proceeds from this senior notes offering for general corporate purposes, including the repayment of a portion of our commercial paper notes and for share repurchases.

In March 2024, we completed the public offering and issuance of \$2.0 billion of senior notes, comprised of \$750 million aggregate principal amount of 5.150% senior notes due in March 2027, \$500 million aggregate principal amount of 5.350% senior notes due in March 2031 and \$750 million aggregate principal amount of 5.450% senior notes due in March 2034. We used the net proceeds from this senior notes offering for general corporate purposes, including the repayment of a portion of our commercial paper notes and for share repurchases, and in July 2024, the repayment of a portion of our 2.750% senior notes.

In August 2023, we completed the public offering and issuance of \$2.0 billion of senior notes, comprised of \$700 million aggregate principal amount of 5.375% senior notes due in August 2028 and \$1.3 billion aggregate principal amount of 5.625% senior notes due in August 2033. In May 2023, we completed the public offering and issuance of 800 million Euros aggregate principal amount of 4.500% senior notes due in May 2031. In March 2023, we completed the public offering and issuance of \$1.8 billion of senior notes, comprised of \$900 million aggregate principal amount of 5.450% senior notes due in March 2028 and \$900 million aggregate principal amount of 5.600% senior notes due in March 2033. We used the net proceeds from these senior notes offerings for general corporate purposes, including the repayment of U.S. dollar commercial paper notes, share repurchases, the repayment of the 0.375% Euro-denominated senior notes in July 2023 and the repayment of the 3.800% senior notes in October 2023.

At December 31, 2024, our debt consisted primarily of \$21.6 billion of fixed-rate senior notes and \$1.5 billion of outstanding borrowings under our commercial paper programs. Interest on our U.S. dollar-denominated senior notes is paid semi-annually, while interest on our Euro and British Pound-denominated senior notes is paid annually. Interest on our revolving credit facility and commercial paper notes is generally paid weekly, or more frequently on occasion.

At December 31, 2024, the 3.850% senior notes due in June 2025 and 2.250% senior notes due in July 2025 were classified in the consolidated balance sheet as long-term, as we have the intent to refinance this debt on a long-term basis, and the ability to do so under our revolving credit facility. Outstanding borrowings under the commercial paper programs are also classified in the consolidated balance sheet as long-term, as we have the intent to refinance this commercial paper on a long-term basis through the continued issuance of new commercial paper upon maturity, and also have the ability to refinance such commercial paper under our revolving credit facility.

Variable Rate Debt

Our variable rate debt consisted of the following at December 31, 2024:

(In millions)	Maturity	Weighted-Average Interest Rate	Outstanding Borrowings
Foreign lines of credit	various	31.695%	\$ 784
U.S. dollar commercial paper notes	various	4.534%	221
Euro commercial paper notes	various	3.115%	1,239
Revolving credit facility	June 2027	5.440%	115
Total variable rate debt		12.856%	<u>\$ 2,359</u>

We maintain various short-term lines of credit and other borrowing arrangements with foreign banks and alliance partners primarily to fund merchant settlement advances associated with operations in Latin America. The following table provides a summary of the outstanding borrowings and weighted average interest rates of our foreign lines of credit and other borrowing arrangements by country at December 31, 2024:

	Outstanding Borrowings (in millions)	Weighted-Average Interest Rate
Argentina	\$ 597	38.470 %
Brazil	94	12.976 %
Uruguay	49	9.766 %
Other	44	3.984 %
Total	<u>\$ 784</u>	<u>31.695 %</u>

We offer advanced funding of settlement activity associated with operations in Latin America by utilizing local operating cash and various short-term lines of credit. Net merchant cash advances during 2024 were \$801 million. As we collect a portion of the corresponding receivables from card issuers over several months, in the event we are unable to continue to borrow in the Argentina overnight market, we may fund future advances with our consolidated cash and cash equivalents and available capacity under our revolving credit facility.

We maintain unsecured U.S. dollar and Euro commercial paper programs with various maturities generally ranging from one day to four months. Outstanding borrowings under our commercial paper programs bear interest based on the prevailing rates at the time of issuance.

We also maintain a senior unsecured multicurrency revolving credit facility, which matures in June 2027 and provides for a maximum aggregate principal amount of availability of \$6.0 billion. Borrowings under the credit facility bear interest at a variable base rate, determined by the term and currency of the borrowing, plus a specified margin based on our long-term debt rating. Outstanding borrowings under the revolving credit facility were \$115 million at December 31, 2024. We are required to pay a facility fee based on the aggregate commitments in effect under the credit agreement from time to time.

Debt Covenants and Compliance

The indentures governing our senior notes contain covenants that, among other matters, limit (i) our ability to consolidate or merge with or into, or convey, transfer or lease all or substantially all of our properties and assets to, another person, (ii) our and certain of our subsidiaries' ability to create or assume liens, and (iii) our and certain of our subsidiaries' ability to engage in sale and leaseback transactions. We may, at our option, redeem the senior notes, in whole or in part, at any time and from time to time, at the applicable redemption price.

The revolving credit facility contains various restrictions and covenants that require us to, among other things, limit our consolidated indebtedness as of the end of each fiscal quarter to no more than 3.75 times our consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and expenses and certain other adjustments during the period of four fiscal quarters then ended, subject to certain exceptions.

During the year ended December 31, 2024, we were in compliance with all financial debt covenants. Our ability to meet future debt covenant requirements will depend on our continued ability to generate earnings and cash flows. We expect to remain in compliance with all terms and conditions associated with our outstanding debt, including financial debt covenants.

Debt Guarantees

We maintain noncontrolling ownership interests in Sagent M&C, LLC and defi SOLUTIONS Group, LLC (collectively, the "Lending Joint Ventures"). The Lending Joint Ventures maintain variable-rate term loan facilities with aggregate outstanding borrowings of \$421 million in senior unsecured debt at December 31, 2024 and variable-rate revolving credit facilities with an aggregate borrowing capacity of \$83 million with a syndicate of banks, which mature in April 2027. There were \$35 million of outstanding borrowings on the revolving credit facilities at December 31, 2024. We have guaranteed the debt of the Lending Joint Ventures. We maintained a liability of \$21 million at December 31, 2024 for the estimated fair value of our non-contingent obligations to stand ready to perform over the term of the guarantee arrangements. Such guarantees will be amortized in future periods over the contractual term of the debt. In addition, we maintained a contingent liability of \$15 million at December 31, 2024, representing the current expected credit losses to which we are exposed. This contingent liability is estimated based on certain financial metrics of the Lending Joint Ventures and historical industry data, which is used to develop assumptions of the likelihood the guaranteed parties will default and the level of credit losses in the event a default occurs. We have not made any payments under the guarantees, nor have we been called upon to do so, and do not anticipate that the Lending Joint Ventures will fail to fulfill their debt obligations.

Other

Access to capital markets impacts our cost of capital and our ability to refinance maturing debt and fund future acquisitions. Our ability to access capital on favorable terms depends on a number of factors, including general market conditions, interest rates, credit ratings on our debt securities, perception of our potential future earnings and the market price of our common stock. As of December 31, 2024, we had a corporate credit rating of Baa2 with a stable outlook from Moody's Investors Service, Inc. ("Moody's") and BBB with a stable outlook from Standard & Poor's Ratings Services ("S&P") on our senior unsecured debt securities. As of December 31, 2024, we had a commercial paper credit rating of P-2 from Moody's and A-2 from S&P.

The interest rates payable on certain of our senior notes and commercial paper notes programs are subject to adjustment from time to time if Moody's or S&P changes the debt rating applicable to the notes. If the ratings from Moody's or S&P decrease

below investment grade, the per annum interest rates on certain senior notes are subject to increase by up to two percent. In no event will the total increase in the per annum interest rates exceed two percent above the original interest rates, nor will the per annum interest rate be reduced below the original interest rate applicable to the senior notes.

Cash and Cash Equivalents

Investments, exclusive of settlement assets, with original maturities of 90 days or less that are readily convertible to cash are considered to be cash equivalents as reflected within our consolidated balance sheets.

The table below details our cash and cash equivalents held at:

(In millions)	December 31,	
	2024	2023
Available	\$ 665	\$ 450
Unavailable ⁽¹⁾	571	754
Total	<u>\$ 1,236</u>	<u>\$ 1,204</u>

⁽¹⁾ Represents cash held by our joint ventures that is not available to fund operations outside of those entities unless the board of directors of the relevant entity declares a dividend, as well as cash held by other entities that are subject to foreign exchange controls in certain countries or regulatory capital requirements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk refers to the risk that a change in the level of one or more market prices, interest rates, inflation, currency exchange rates, indices, correlations or other market factors, such as liquidity, will result in losses for a certain financial instrument or group of financial instruments. Our senior management actively monitors certain market risks to which we are exposed, primarily from fluctuations in interest rates and foreign currency exchange rates. In order to limit our exposure to these risks, we may enter into derivative instruments with creditworthy institutions to hedge against changing interest rates and foreign currency rate fluctuations. We currently utilize forward exchange contracts, fixed-to-fixed cross-currency rate swap contracts and other non-derivative hedging instruments to manage risk.

Interest Rate Risk

In addition to existing cash and cash equivalents balances and cash provided by operating activities, we use a combination of fixed- and variable-rate debt instruments to finance our operations. We are exposed to interest rate risk on certain of these debt obligations. We had fixed- and variable-rate debt, excluding finance leases and other financing obligations, with varying maturities for an aggregate carrying amount of \$21.6 billion and \$2.4 billion, respectively, at December 31, 2024. Our fixed-rate debt at December 31, 2024 primarily consisted of fixed-rate senior notes with a fair value of \$20.8 billion, based on matrix pricing which considers readily observable inputs of comparable securities. The potential change in fair value of our fixed-rate senior notes from a hypothetical 1% change in market interest rates would not alone impact any decisions to repurchase our outstanding fixed-rate debt instruments before their maturity. Our variable-rate debt at December 31, 2024 primarily consisted of outstanding U.S. dollar and Euro commercial paper and borrowings on our variable rate foreign lines of credit. Based on our outstanding debt balances and interest rates at December 31, 2024, a hypothetical 1% increase in market interest rates related to our variable-rate debt would increase annual interest expense by approximately \$24 million. This sensitivity analysis assumes the outstanding debt balances at December 31, 2024 and the change in market interest rates is applicable for an entire year.

In connection with processing electronic payments transactions, funds received from subscribers are invested into short-term, highly liquid investments from the time we collect the funds until payments are made to the applicable recipients. Fluctuations in market interest rates affect the interest-related income that we earn on these investments. We also earn interest on intermediary settlement cash balances received from agents, payment networks, bank partners, merchants or direct consumers that we hold on behalf of merchants until the funding becomes due to the merchants or payees. Subscriber funds and intermediary settlement cash balances earning interest averaged \$3.0 billion during the year ended December 31, 2024. The interest earned on subscriber funds and intermediary settlement cash is recorded as a component of total revenue in the consolidated statements of income. During the year ended December 31, 2024, a hypothetical 1% decrease in market interest rates would decrease the annual interest-related income by approximately \$30 million. This sensitivity analysis uses the average subscriber fund and intermediary settlement cash balances during the year ended December 31, 2024 and assumes the change in market interest rates is applicable for an entire year.

Our risk with regard to interest rate fluctuations is largely mitigated by the offsetting impacts associated with our variable-rate debt and interest earning liquid investments associated with subscriber funds and intermediary settlement cash.

Foreign Currency Risk

We conduct business globally and are exposed to foreign currency risk from changes in the value of underlying assets and liabilities of our non-U.S. dollar-denominated foreign investments and foreign currency transactions. We manage the exposure to these risks through the use of foreign currency forward exchange contracts, fixed-to-fixed cross-currency rate swap contracts and non-derivative net investment hedges. Translation gains and losses from non-U.S. subsidiaries are generally reflected as a component of accumulated other comprehensive loss within shareholders' equity on the consolidated balance sheets. For subsidiaries located in highly inflationary economies, primarily Argentina, the financial statements are remeasured into U.S. dollars, and the foreign currency gains and losses from the remeasurement of monetary assets and liabilities are reflected in the consolidated statements of income, rather than in shareholders' equity. The remeasurement of monetary assets and liabilities of our Argentina subsidiary resulted in pre-tax foreign currency exchange losses, included within other expense, net in the consolidated statements of income, of \$98 million and \$164 million during the years ended December 31, 2024 and 2023, respectively. Gains and losses from foreign currency transactions, included within operating expenses in the consolidated statements of income, were not significant during the years ended December 31, 2024 and 2023. We also have exposure to risks related to currency devaluation in certain countries, including Argentina, which may negatively impact our international operating results if there is a prolonged devaluation of local currencies relative to the U.S. dollar or if the economic conditions in these countries decline.

Our exposure to foreign currency exchange risks generally arise from our international operations to the extent they are conducted in local currency. Approximately 15% of our total revenue was generated internationally in 2024. The major currencies to which our revenues are exposed are the Argentine Peso, Brazilian Real, British Pound, Euro and Indian Rupee.

A strengthening or weakening of the U.S. dollar, relative to the currencies in which our income is denominated, by 10% would not have a material impact on our reported pre-tax income for the years ended December 31, 2024 and 2023.

We maintain foreign currency forward exchange contracts, designated as cash flow hedges, to hedge foreign currency exposure to the Indian Rupee. At December 31, 2024, the notional amount of these derivatives was \$481 million, with a fair value of \$(8) million. In addition, we maintain fixed-to-fixed cross-currency rate swap contracts to hedge a portion of our net investment in certain subsidiaries whose functional currencies are in the Euro, Singapore Dollar and Canadian Dollar. At December 31, 2024, aggregate notional fixed-to-fixed cross-currency rate swaps of 600 million Euros, 841 million Singapore Dollars and 259 million Canadian Dollars were designated as net investment hedges. We also designated certain of our Euro- and British Pound-denominated senior notes and Euro commercial paper notes as net investment hedges to hedge a portion of our net investment in certain subsidiaries whose functional currencies are the Euro and British Pound. Additionally, we maintain a fixed-to-fixed cross-currency swap contract, designated as a fair value hedge, to mitigate the spot foreign exchange rate risk on the principal amount of certain foreign currency denominated debt and previously maintained fixed-to-fixed cross-currency rate swap contracts on the principal amount of a Euro-denominated intercompany note which was repaid in 2024.

Item 8. Financial Statements and Supplementary Data

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Fiserv, Inc.
Consolidated Statements of Income
(In millions, except per share data)

	Year Ended December 31,		
	2024	2023	2022
Revenue:			
Processing and services ⁽¹⁾	\$ 16,637	\$ 15,630	\$ 14,460
Product	3,819	3,463	3,277
Total revenue	<u>20,456</u>	<u>19,093</u>	<u>17,737</u>
Expenses:			
Cost of processing and services	5,363	5,332	5,771
Cost of product	2,650	2,338	2,221
Selling, general and administrative	6,564	6,576	6,059
Net gain on sale of businesses and other assets	—	(167)	(54)
Total expenses	<u>14,577</u>	<u>14,079</u>	<u>13,997</u>
Operating income	5,879	5,014	3,740
Interest expense, net	(1,195)	(976)	(733)
Other expense, net	(178)	(140)	(94)
Income before income taxes and (loss) income from investments in unconsolidated affiliates	4,506	3,898	2,913
Income tax provision	(641)	(754)	(551)
(Loss) income from investments in unconsolidated affiliates	(685)	(15)	220
Net income	3,180	3,129	2,582
Less: net income attributable to noncontrolling interests and redeemable noncontrolling interests	49	61	52
Net income attributable to Fiserv, Inc.	<u>\$ 3,131</u>	<u>\$ 3,068</u>	<u>\$ 2,530</u>
Net income attributable to Fiserv, Inc. per share:			
Basic	\$ 5.41	\$ 5.02	\$ 3.94
Diluted	\$ 5.38	\$ 4.98	\$ 3.91
Shares used in computing net income attributable to Fiserv, Inc. per share:			
Basic	578.7	611.7	642.3
Diluted	582.1	615.9	647.9

⁽¹⁾ Includes processing and other fees charged to related party investments accounted for under the equity method of \$137 million, \$178 million and \$201 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 19).

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Comprehensive Income
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Net income	\$ 3,180	\$ 3,129	\$ 2,582
Other comprehensive (loss) income:			
Fair market value adjustment on derivatives	(13)	14	(15)
Reclassification adjustment for net realized (gains) losses on cash flow hedges included in cost of processing and services	(3)	4	2
Reclassification adjustment for net realized losses on cash flow hedges included in net interest expense	14	15	19
Tax impacts of derivatives	1	(8)	(2)
Unrealized (loss) gain on defined benefit pension plans	(117)	7	(78)
Realized loss due to settlement of terminated defined benefit pension plans (see Notes 14 and 15)	132	—	—
Tax impacts of defined benefit pension plans	(5)	(2)	18
Foreign currency translation	(607)	288	(421)
Reclassification adjustment for accumulated foreign currency translation impacts from the sale of foreign entities included in net gain on sale of businesses and other assets	—	10	56
Tax impacts of foreign currency translation	(66)	68	(73)
Total other comprehensive (loss) income	(664)	396	(494)
Comprehensive income	\$ 2,516	\$ 3,525	\$ 2,088
Less: net income attributable to noncontrolling interests and redeemable noncontrolling interests	49	61	52
Less: other comprehensive loss attributable to noncontrolling interests	(34)	(10)	(50)
Comprehensive income attributable to Fiserv, Inc.	<u>\$ 2,501</u>	<u>\$ 3,474</u>	<u>\$ 2,086</u>

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Balance Sheets
(In millions)

	December 31,	
	2024	2023
Assets		
Cash and cash equivalents	\$ 1,236	\$ 1,204
Trade accounts receivable, less allowance for doubtful accounts	3,725	3,582
Prepaid expenses and other current assets	3,087	2,344
Settlement assets	15,429	27,681
Total current assets	23,477	34,811
Property and equipment, net	2,374	2,161
Customer relationships, net	5,868	7,075
Other intangible assets, net	4,072	4,135
Goodwill	36,584	37,205
Contract costs, net	996	968
Investments in unconsolidated affiliates	1,506	2,262
Other long-term assets	2,299	2,273
Total assets	<u>\$ 77,176</u>	<u>\$ 90,890</u>
Liabilities and Equity		
Accounts payable and other current liabilities	\$ 4,799	\$ 4,355
Short-term and current maturities of long-term debt	1,110	755
Contract liabilities	819	761
Settlement obligations	15,429	27,681
Total current liabilities	22,157	33,552
Long-term debt	23,730	22,363
Deferred income taxes	2,477	3,078
Long-term contract liabilities	263	250
Other long-term liabilities	863	978
Total liabilities	49,490	60,221
Commitments and Contingencies (see Note 18)		
Redeemable Noncontrolling Interest	—	161
Fiserv, Inc. Shareholders' Equity:		
Preferred stock, no par value: 25 million shares authorized; none issued	—	—
Common stock, \$0.01 par value: 1,800 million shares authorized; 784 million shares issued	8	8
Additional paid-in capital	23,080	23,103
Accumulated other comprehensive loss	(1,413)	(783)
Retained earnings	23,575	20,444
Treasury stock, at cost, 220 million and 190 million shares, respectively	(18,182)	(12,915)
Total Fiserv, Inc. shareholders' equity	27,068	29,857
Noncontrolling interests	618	651
Total equity	27,686	30,508
Total liabilities and equity	<u>\$ 77,176</u>	<u>\$ 90,890</u>

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Equity
(In millions)

Fiserv, Inc. Shareholders' Equity									
	Number of Shares		Amount						
	Common Shares	Treasury Shares	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Noncontrolling Interests	Total Equity
Balance at January 1, 2022	784	134	\$ 8	\$ 22,983	\$ (745)	\$ 14,846	\$ (6,140)	\$ 720	\$ 31,672
Net income ⁽¹⁾						2,530		24	2,554
Distributions paid to noncontrolling interests ⁽²⁾								(8)	(8)
Other comprehensive loss					(444)			(50)	(494)
Share-based compensation				323					323
Shares issued under stock plans		(5)		(295)			262		(33)
Purchases of treasury stock		25					(2,500)		(2,500)
Capital contribution from noncontrolling interest								13	13
Balance at December 31, 2022	784	154	8	23,011	(1,189)	17,376	(8,378)	699	31,527
Net income ⁽¹⁾						3,068		35	3,103
Distributions paid to noncontrolling interests ⁽²⁾								(8)	(8)
Acquisition of noncontrolling interest of consolidated subsidiary ⁽³⁾				6				(65)	(59)
Other comprehensive income (loss)					406			(10)	396
Share-based compensation				342					342
Shares issued under stock plans		(4)		(256)			207		(49)
Purchases of treasury stock		40					(4,744)		(4,744)
Balance at December 31, 2023	784	190	8	23,103	(783)	20,444	(12,915)	651	30,508
Net income ⁽¹⁾						3,131		36	3,167
Distributions paid to noncontrolling interests ⁽²⁾								(35)	(35)
Change in estimated redemption value of redeemable noncontrolling interest (see Note 13)				66					66
Other comprehensive loss					(630)			(34)	(664)
Share-based compensation				367					367
Shares issued under stock plans		(4)		(456)			282		(174)
Purchases of treasury stock		34					(5,549)		(5,549)
Balance at December 31, 2024	784	220	\$ 8	\$ 23,080	\$ (1,413)	\$ 23,575	\$ (18,182)	\$ 618	\$ 27,686

- ⁽¹⁾ The total net income presented in the consolidated statements of equity for the years ended December 31, 2024, 2023 and 2022 is different than the amount presented in the consolidated statements of income due to the net income attributable to redeemable noncontrolling interests of \$13 million, \$26 million and \$28 million, respectively, not included in equity.
- ⁽²⁾ The total distributions presented in the consolidated statements of equity for the years ended December 31, 2024, 2023 and 2022 exclude \$13 million, \$26 million and \$34 million, respectively, in distributions paid to redeemable noncontrolling interests not included in equity.
- ⁽³⁾ The Company acquired the remaining 49% ownership interest in European Merchant Services B.V., a Netherlands-based merchant acceptance business, during the year ended December 31, 2023. The Company previously held a majority controlling financial interest in this consolidated subsidiary.

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Cash Flows
(In millions)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 3,180	\$ 3,129	\$ 2,582
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and other amortization	1,672	1,479	1,320
Amortization of acquisition-related intangible assets	1,423	1,642	1,849
Amortization of financing costs and debt discounts	43	41	43
Share-based compensation	367	342	323
Deferred income taxes	(662)	(511)	(558)
Net gain on sale of businesses and other assets	—	(167)	(54)
Loss (income) from investments in unconsolidated affiliates	685	15	(220)
Distributions from unconsolidated affiliates	39	55	73
Non-cash settlement charge for terminated pension plans	147	—	—
Non-cash foreign currency exchange loss	92	76	—
Other operating activities	(17)	(27)	4
Changes in assets and liabilities, net of effects from acquisitions and dispositions:			
Trade accounts receivable	(169)	23	(770)
Prepaid expenses and other assets	(398)	(790)	(253)
Contract costs	(267)	(246)	(290)
Accounts payable and other liabilities	426	(54)	511
Contract liabilities	70	155	58
Net cash provided by operating activities	<u>6,631</u>	<u>5,162</u>	<u>4,618</u>
Cash flows from investing activities:			
Capital expenditures, including capitalized software and other intangibles	(1,569)	(1,388)	(1,479)
Net proceeds from sale of businesses and other assets	—	234	246
Merchant cash advances, net	(801)	—	—
Payments for acquisition of businesses, net of cash acquired	—	(13)	(988)
Distributions from unconsolidated affiliates	60	136	138
Purchases of investments	(155)	(39)	(52)
Proceeds from sale of investments	61	5	23
Other investing activities	—	(3)	—
Net cash used in investing activities	<u>(2,404)</u>	<u>(1,068)</u>	<u>(2,112)</u>
Cash flows from financing activities:			
Debt proceeds	6,783	5,567	1,624
Debt repayments	(5,396)	(3,015)	(3,315)
Net borrowings from (repayments of) commercial paper and short-term borrowings	278	(1,456)	1,837
Payments of debt financing costs	(28)	(38)	(10)
Proceeds from issuance of treasury stock	97	101	149
Purchases of treasury stock, including employee shares withheld for tax obligations	(5,837)	(4,827)	(2,677)
Settlement activity, net	—	(527)	(78)
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(55)	(34)	(42)
Payment to acquire noncontrolling interest of consolidated subsidiary	—	(56)	—
Payments of acquisition-related contingent consideration	(3)	(35)	(2)
Other financing activities	(4)	(36)	36
Net cash used in financing activities	<u>(4,165)</u>	<u>(4,356)</u>	<u>(2,478)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(32)</u>	<u>33</u>	<u>(41)</u>
Net change in cash and cash equivalents	30	(229)	(13)
Cash and cash equivalents, beginning balance	2,963	3,192	3,205
Cash and cash equivalents, ending balance	<u>\$ 2,993</u>	<u>\$ 2,963</u>	<u>\$ 3,192</u>

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Description of the Business

Fiserv, Inc. and its subsidiaries (collectively, the “Company”) is a leading global provider of payments and financial services technology solutions, serving clients that include merchants, banks, credit unions, other financial institutions, corporate and public sector clients. The Company provides account processing and digital banking solutions; card issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover[®] cloud-based point-of-sale (“POS”) and business management platform.

Effective in the first quarter of 2024, the Company realigned its reportable segments to correspond with changes in its business designed to further enhance operational performance in the delivery of its integrated portfolio of products and solutions to its financial institution clients (the “Segment Realignment”). The Company’s new reportable segments are the Merchant Solutions (“Merchant”) segment and the Financial Solutions (“Financial”) segment. Segment results for the years ended December 31, 2023 and 2022 have been recast to reflect the Segment Realignment. Additional information regarding the Company’s reportable segments is included in Note 20 to the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Fiserv, Inc. and its subsidiaries in which the Company holds a majority controlling financial interest. All intercompany transactions and balances between the Company and its subsidiaries have been eliminated in consolidation. Control is typically established when ownership and voting interests in an entity are greater than 50%. Investments in which the Company has significant influence but not control are accounted for using the equity method of accounting, for which the Company’s share of net income or loss is reported within income (loss) from investments in unconsolidated affiliates, and the related tax expense or benefit is reported within the income tax provision in the consolidated statements of income. Significant influence over an affiliate’s operations generally coincides with an ownership interest of between 20% and 50%; for partnerships and limited liability companies, an ownership interest of between 3% and 50%; or board of director representation may also constitute significant influence.

The Company maintains a majority controlling financial interest in certain entities, mostly related to consolidated merchant alliances (see Note 19). Noncontrolling interests represent the minority shareholders’ share of the net income or loss and equity in consolidated subsidiaries. The Company’s noncontrolling interests presented in the consolidated statements of income include net income attributable to noncontrolling interests and redeemable noncontrolling interests. Noncontrolling interests are presented as a component of equity in the consolidated balance sheets. Noncontrolling interests that are redeemable upon the occurrence of an event that is not solely within the Company’s control are presented outside of equity and are carried at their estimated redemption value if it exceeds the initial carrying value of the redeemable interest. Additional information regarding the Company’s redeemable noncontrolling interests is included in Note 13 to the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S.”) 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 revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

Revenue Recognition

The Company generates revenue from the delivery of processing, service and product solutions. Revenue is measured based on consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer which may be at a point in time or over time. Additional information regarding the Company’s revenue recognition policies is included in Note 3 to the consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments with original maturities of 90 days or less and are stated at cost in the consolidated balance sheets, which approximates market value. Cash and cash equivalents that are restricted from use due to regulatory or other requirements are included in other long-term assets in the consolidated balance sheets. Cash and cash equivalents held on behalf of merchants and other payees are included in settlement assets in the consolidated balance sheets.

The changes in settlement cash and cash equivalents are included in settlement activity, net within cash flows from financing activities in the consolidated statements of cash flows.

The following table provides a reconciliation between cash and cash equivalents on the consolidated balance sheets and the consolidated statements of cash flows:

(In millions)	December 31,		
	2024	2023	2022
Cash and cash equivalents on the consolidated balance sheets	\$ 1,236	\$ 1,204	\$ 902
Cash and cash equivalents included in settlement assets (see Note 5)	1,756	1,756	2,283
Other restricted cash	1	3	7
Total cash and cash equivalents on the consolidated statements of cash flows	<u>\$ 2,993</u>	<u>\$ 2,963</u>	<u>\$ 3,192</u>

Allowance for Doubtful Accounts

The Company analyzes the collectability of trade accounts receivable by considering historical bad debts and issued client credits, client creditworthiness, current economic trends, changes in client payment terms and collection trends when evaluating the adequacy of the allowance for doubtful accounts. Any change in the assumptions used in analyzing a specific account receivable may result in an additional allowance for doubtful accounts being recognized in the period in which the change occurs. The allowance for doubtful accounts was \$71 million and \$86 million at December 31, 2024 and 2023, respectively.

Leases

Leases are classified as operating or finance leases based on factors such as the lease term, lease payments, and the economic life, fair value and estimated residual value of the asset. Right-of-use (“ROU”) assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. As a practical expedient, lease agreements with lease and non-lease components are accounted for as a single lease component for all asset classes. Leases with a term of 12 months or less are not recorded on the consolidated balance sheets; instead, lease payments are recognized as lease expense on a straight-line basis over the lease term.

The Company maintains certain leasing receivables associated with its POS terminal leasing businesses. Leasing receivables are included in prepaid expenses and other current assets (current portion) and other long-term assets (noncurrent portion) in the consolidated balance sheets. Interest income on the Company’s leasing receivables is recognized using the effective interest method, and is included within product revenue in the consolidated statements of income. Initial direct costs incurred to obtain operating leases are deferred and recognized over the lease term. Initial direct costs to obtain a sales-type lease are expensed as incurred if the fair value of the underlying asset is different from its carrying amount at the lease commencement date. Additional information regarding the Company’s lease policies is included in Note 11 to the consolidated financial statements.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

(In millions)	December 31,	
	2024	2023
Prepaid maintenance, postage and insurance	\$ 216	\$ 187
Other prepaid expenses	188	236
Total prepaid expenses ⁽¹⁾	404	423
Income tax receivables ⁽²⁾	501	534
Clover Capital cash advances, net	381	269
Settlement advance cash payments	1,101	381
Other current assets	700	737
Total other current assets	2,683	1,921
Total prepaid expenses and other current assets	<u>\$ 3,087</u>	<u>\$ 2,344</u>

- (1) Prepaid expenses represent advance payments for goods and services to be consumed in the future.
- (2) Includes receivables associated with transferable federal tax credits (see Note 17).

The Company offers merchants advance access to capital through its Clover Capital program. Under this program, merchants sell fixed amounts of their future credit card receivables to the Company in exchange for an up-front purchase price payment. Future credit card receivables purchased by the Company under the Clover Capital program were \$397 million and \$281 million at December 31, 2024 and 2023, respectively. The Company maintained a reserve of \$16 million and \$12 million at December 31, 2024 and 2023, respectively, based on an estimate of uncollectible amounts.

The Company also offers merchants within its international operations advance access to capital by providing them the opportunity to receive settlement cash payments in advance in exchange for their receivables from card issuers, including when the cardholders have elected to pay over time in installments. The Company maintains various short-term lines of credit with foreign banks and alliance partners, in addition to the utilization of local operating cash, to fund such anticipated settlement activity (see Note 12). These local currency denominated arrangements are primarily associated with the Company's operations in Latin America, the most significant of which are denominated in Argentine Peso and Brazilian Real.

Settlement Assets and Obligations

Settlement assets and obligations represent intermediary balances arising from the settlement process, which involves the transfer of funds among card issuers, payment networks, processors, merchants and consumers, and collateral amounts held to manage merchant credit risk, primarily associated with the Company's merchant acquiring services. As a processor, the Company facilitates the clearing and settlement activity for the merchant and records settlement assets and obligations upon processing a payment transaction. Settlement assets represent cash received or amounts receivable from agents, payment networks, bank partners, merchants or direct consumers. Settlement obligations represent amounts payable to merchants and payees.

Certain merchant settlement assets (included within settlement receivables) that relate to settlement obligations are held by partner banks to which the Company does not have legal ownership, but which the Company has the right to use, to satisfy the related settlement obligations. The Company records settlement obligations for amounts payable to merchants and for outstanding payment instruments issued to payees that have not yet been presented for settlement. Additional information regarding the Company's settlement assets and obligations is included in Note 5 to the consolidated financial statements.

Allowance for Merchant Credit Losses

With respect to the Company's merchant acquiring business, the Company's merchant customers have the legal obligation to refund any charges properly reversed by the cardholder. However, in the event the Company is not able to collect the refunded amounts from the merchants, the Company may be liable for the reversed charges. The Company's risk in this area primarily relates to situations where a cardholder has purchased goods or services to be delivered in the future. The Company requires cash deposits, guarantees, letters of credit or other types of collateral from certain merchants to mitigate this risk. Collateral held by the Company, or held by partner banks for the Company's benefit, is classified within settlement assets, and the obligation to repay the collateral is classified within settlement obligations in the consolidated balance sheets. The Company also utilizes a number of systems and procedures to manage merchant credit risk. Despite these efforts, the Company experiences losses due to merchant defaults. The aggregate merchant credit loss expense, recognized by the Company within cost of processing and services in the consolidated statements of income, was \$108 million, \$80 million and \$62 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The Company maintains an allowance for merchant credit losses that are expected to exceed the amount of merchant collateral. The amount of merchant collateral available to the Company was \$598 million and \$690 million at December 31, 2024 and 2023, respectively. The allowance includes estimated losses from anticipated chargebacks and fraud events that have been incurred on merchants' payment transactions that have been processed but not yet reported to the Company, which is recorded within accounts payable and other current liabilities in the consolidated balance sheets, as well as estimated losses on refunded amounts to cardholders that have not yet been collected from the merchants, which is recorded within prepaid expenses and other current assets in the consolidated balance sheets. The allowance is based primarily on the Company's historical experience of credit losses and other factors such as changes in economic conditions or increases in merchant fraud. The aggregate merchant credit loss allowance was \$40 million and \$36 million at December 31, 2024 and 2023, respectively.

Property and Equipment

Property and equipment is reported at cost. Depreciation of property and equipment is computed primarily using the straight-line method over the shorter of the estimated useful life of the asset or the leasehold period, if applicable.

Property and equipment consisted of the following:

(In millions)	Estimated Useful Lives	December 31,	
		2024	2023
Land	—	\$ 44	\$ 48
Data processing equipment	3 to 5 years	3,789	3,630
Buildings and leasehold improvements	5 to 40 years	845	801
Furniture and equipment	5 to 8 years	394	365
		5,072	4,844
Less: Accumulated depreciation		(2,698)	(2,683)
Total		\$ 2,374	\$ 2,161

Depreciation expense for all property and equipment totaled \$589 million, \$566 million and \$555 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Intangible Assets

Customer related intangible assets represent customer contracts and relationships obtained as part of acquired businesses and are amortized using an accelerated amortization method which corresponds with the customer attrition rates used in the initial valuation of the intangibles over their estimated useful lives, generally ten to twenty years. Acquired software and technology represents software and technology intangible assets obtained as part of acquired businesses and is amortized using the straight-line method over their estimated useful lives, generally four to ten years. Trade names are amortized using the straight-line method over their estimated useful lives, generally eight to twenty years. Non-compete agreements are amortized using the straight-line method over their estimated useful lives, generally four to five years.

Purchased software represents software licenses purchased from third parties and is amortized using the straight-line method over their estimated useful lives, generally five years.

The Company continually develops, maintains and enhances its products and systems. Product development expenditures represented approximately 6% of the Company's total revenue for the year ended December 31, 2024 and approximately 7% of the Company's total revenue for the years ended December 31, 2023 and 2022. Research and development costs incurred prior to the establishment of technological feasibility are expensed as incurred. Routine maintenance of software products, design costs and other development costs incurred prior to the establishment of a product's technological feasibility are also expensed as incurred. Costs are capitalized commencing when the technological feasibility of the software has been established.

Capitalized software development costs represent the capitalization of certain costs incurred to develop new software or to enhance existing software which is marketed externally or utilized by the Company to process client transactions. Capitalized software development costs are amortized using the straight-line method over their estimated useful lives, generally five years.

The Company may, at its discretion, negotiate to pay an independent sales organization ("ISO") an agreed-upon up-front amount in exchange for the ISO's surrender of its right to receive commission payments from the Company related to future transactions of merchants referred by the ISO ("residual buyout"). The amount that the Company pays for these residual buyouts is capitalized and subsequently amortized using the straight-line method over the expected life of the merchant portfolios, generally five to nine years. The Company may also obtain residual buyouts as part of acquired businesses. Additional information regarding the Company's identifiable intangible assets is included in Note 6 to the consolidated financial statements.

Goodwill

Goodwill represents the excess of purchase price over the fair value of identifiable assets acquired and liabilities assumed in a business combination. The Company evaluates goodwill for impairment on an annual basis, or more frequently if circumstances indicate possible impairment. Goodwill is tested for impairment at a reporting unit level, which is one level below the Company's operating segments. When assessing goodwill for impairment, the Company considers (i) the prior year's amount of excess fair value over the carrying value of each reporting unit, (ii) the period of time since a reporting unit's last quantitative test, (iii) the extent a reorganization or disposition changes the composition of one or more of the reporting units and (iv) other factors to determine whether or not to first perform a qualitative test. When performing a qualitative test, the Company assesses numerous factors to determine whether it is more likely than not that the fair value of its reporting units is less than their respective carrying values. Examples of qualitative factors that the Company assesses include its share price, its financial

performance, market and competitive factors in its industry and other events specific to its reporting units. If the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company performs a quantitative impairment test by comparing reporting unit carrying values to estimated fair values.

In connection with the Segment Realignment described above, certain of the Company's reporting units changed in composition as a result of which goodwill was allocated to such reporting units using a relative fair value approach. The Company's most recent annual impairment assessment of its reporting units in the fourth quarter of 2024 determined that its goodwill was not impaired as the estimated fair values exceeded the carrying values for each of the Company's reporting units. However, it is reasonably possible that future developments related to the interest or currency exchange rate environments; a shift in strategic initiatives; a deterioration in financial performance within a particular reporting unit; or significant changes in the composition of, or assumptions used in, the quantitative test for certain of the Company's reporting units (such as an increase in risk-adjusted discount rates) could have a future material impact on one or more of the estimates and assumptions used to evaluate goodwill impairment. There is no accumulated goodwill impairment for the Company through December 31, 2024. Additional information regarding the Company's goodwill is included in Note 7 to the consolidated financial statements.

Asset Impairment

The Company reviews property and equipment, ROU assets, intangible assets and its investments in unconsolidated affiliates for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company reviews capitalized software development costs for impairment at each reporting date. Recoverability of property and equipment, lease ROU assets, capitalized software development costs and other intangible assets is assessed by comparing the carrying amount of the asset to either the undiscounted future cash flows expected to be generated by the asset or the net realizable value of the asset, depending on the type of asset. The Company assesses lease ROU assets that are exited in advance of the non-cancellable lease terms by comparing the carrying values of the lease ROU assets to the discounted cash flows from estimated sublease payments. The Company's investments in unconsolidated affiliates are assessed by comparing the carrying amount of the investments to their estimated fair values and are impaired if any decline in fair value is determined to be other-than-temporary. Measurement of any impairment loss is based on estimated fair value. The estimated fair values of the Company's investments in unconsolidated merchant alliances assume a continuation beyond the existing contractual term; however, a renewal of certain of the merchant alliance agreements beyond the current contractual term is not solely within the Company's control. Additional information regarding the Company's investments in unconsolidated affiliates is included in Note 8 to the consolidated financial statements.

Fair Value Measurements

The Company applies fair value accounting for all assets and liabilities that are recognized or disclosed at fair value in its consolidated financial statements on a recurring basis. Fair value represents the amount that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, the Company uses the hierarchy prescribed in Accounting Standards Codification ("ASC") 820, *Fair Value Measurements* ("ASC Topic 820"), and considers the principal or most advantageous market and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability. The three levels in the hierarchy are as follows:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible as of the measurement date.
- Level 2 – Inputs other than quoted prices within Level 1 that are observable either directly or indirectly, including but not limited to quoted prices in markets that are not active, quoted prices in active markets for similar assets or liabilities and observable inputs other than quoted prices such as interest rates or yield curves.
- Level 3 – Unobservable inputs reflecting management's judgments about the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Additional information regarding the Company's fair value measurements is included in Note 10 to the consolidated financial statements.

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities consisted of the following:

(In millions)	December 31,	
	2024	2023
Trade accounts payable	\$ 511	\$ 449
Client deposits	985	931
Transferable federal tax credits (see Note 17)	866	804
Accrued compensation and benefits	296	344
Accrued taxes	261	203
Accrued interest	335	298
Accrued payment network fees	253	232
Operating lease liabilities	116	118
Accrued professional fees	102	96
Obligation to purchase redeemable noncontrolling interest (see Note 13)	95	—
Other accrued expenses	979	880
Total	<u>\$ 4,799</u>	<u>\$ 4,355</u>

Foreign Currency

The U.S. dollar is the functional currency of the Company's U.S.-based and certain foreign-based businesses. Where the functional currency differs from the U.S. dollar, assets and liabilities are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Revenue and expenses are translated at the average exchange rates during the reporting period. Gains and losses from foreign currency translation are recorded as a separate component of accumulated other comprehensive loss. Gains and losses from foreign currency transactions are included in determining net income for the reporting period.

Financial statements of subsidiaries located in highly inflationary economies outside of the U.S. are remeasured into U.S. dollars, and the foreign currency gains and losses from the remeasurement of monetary assets and liabilities are reflected in the consolidated statements of income, rather than as foreign currency translation within accumulated other comprehensive loss in the consolidated balance sheets. The remeasurement of monetary assets and liabilities in highly inflationary economies, including Argentina, resulted in foreign currency exchange losses of \$98 million, \$164 million and \$52 million during the years ended December 31, 2024, 2023 and 2022, respectively, which is included within other expense, net in the consolidated statements of income.

To reduce exposure to changes in the value of the Company's net investments in certain of its foreign currency-denominated subsidiaries due to changes in foreign currency exchange rates, the Company uses fixed-to-fixed cross-currency rate swap contracts and foreign currency-denominated debt as economic hedges of its net investments in such foreign currency-denominated subsidiaries. Foreign currency transaction gains or losses on the qualifying net investment hedge instruments are recorded as foreign currency translation, net of tax, within other comprehensive income (loss) in the consolidated statements of comprehensive income and will remain in accumulated other comprehensive loss within the consolidated balance sheets until the sale or complete liquidation of the underlying foreign currency-denominated subsidiaries.

Derivatives

Derivatives are entered into for periods consistent with related underlying exposures and are recorded in the consolidated balance sheets as either an asset or liability measured at fair value. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded as a component of accumulated other comprehensive loss and recognized in the consolidated statements of income when the hedged item affects earnings. If the derivative is designated as a net investment hedge, changes in the fair value of the derivative, net of tax, are recorded in the foreign currency translation component of other comprehensive income (loss) until the sale or complete liquidation of the underlying net investment. If the derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the same line item as the changes in the fair value of the hedged item and recognized in the consolidated statements of income. To the extent a derivative is not designated as a hedge, changes in fair value are recognized in the consolidated statements of income. The Company's policy is to enter into derivatives with creditworthy institutions and not to enter into such derivatives for speculative purposes. Additional information regarding the Company's derivatives and hedging instruments is included in Note 9 to the consolidated financial statements.

Cost of Processing, Services and Product

Cost of processing and services consists of costs directly associated with providing services to clients and includes the following: personnel; equipment and data processing; facility costs, including costs to maintain software applications; client support; certain depreciation and amortization; and other operating expenses.

Cost of product consists of costs directly associated with the products sold and includes the following: costs of materials and postage; hardware costs (primarily POS devices); personnel; facility costs; certain depreciation and amortization; and other costs directly associated with product revenue.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of: salaries, wages, commissions and related expenses paid to sales personnel, administrative employees and management; third-party commissions and payments to distribution partners; marketing costs; certain depreciation and amortization; and other selling and administrative expenses.

Interest Expense, Net

Interest expense, net consists of interest expense primarily associated with the Company's outstanding borrowings and finance lease obligations, as well as interest income primarily associated with the Company's investment securities. Interest expense, net consisted of the following:

(In millions)	Year Ended December 31,		
	2024	2023	2022
Interest expense	\$ (1,238)	\$ (1,004)	\$ (746)
Interest income	43	28	13
Interest expense, net	<u>\$ (1,195)</u>	<u>\$ (976)</u>	<u>\$ (733)</u>

Income Taxes

Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and net operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which such temporary differences are expected to be recovered or settled. A valuation allowance is recorded against deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Liabilities are established for unrecognized tax benefits, attributable to differences between a tax position taken or expected to be taken in a tax return and the benefit recognized in the financial statements. In establishing a liability for an unrecognized tax benefit, assumptions are made in determining whether, and the extent to which, a tax position will be sustained. A tax position is recognized only when it is more likely than not to be sustained upon examination by the relevant taxing authority, based on its technical merits. The amount of tax benefit recognized reflects the largest benefit the Company believes is more likely than not to be realized upon ultimate settlement. As additional information becomes available, the liability for unrecognized tax benefits is reevaluated and adjusted, as appropriate. Tax benefits ultimately realized can differ from amounts previously recognized due to uncertainties, with any such differences generally impacting the provision for income tax. Additional information regarding the Company's income taxes is included in Note 17 to the consolidated financial statements.

Net Income Per Share

Net income per share attributable to Fiserv, Inc. in each year is calculated using actual, unrounded amounts. Basic net income per share is computed by dividing net income attributable to Fiserv, Inc. by the weighted-average number of common shares outstanding during the year. Diluted net income per share is computed by dividing net income attributable to Fiserv, Inc. by the weighted-average number of common shares and common stock equivalents outstanding during the year. Common stock equivalents consist of unvested restricted stock units, unvested restricted stock awards and outstanding stock options, and are computed using the treasury stock method. The Company excluded 0.3 million and 1.7 million weighted-average shares from the calculations of common stock equivalents for anti-dilutive stock options in 2023 and 2022, respectively. Weighted-average shares excluded from the calculation of common stock equivalents for anti-dilutive stock options in 2024 were not significant.

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

<u>(In millions)</u>	Year Ended December 31,		
	2024	2023	2022
Weighted-average common shares outstanding used for the calculation of net income attributable to Fiserv, Inc. per share – basic	578.7	611.7	642.3
Common stock equivalents	3.4	4.2	5.6
Weighted-average common shares outstanding used for the calculation of net income attributable to Fiserv, Inc. per share – diluted	582.1	615.9	647.9

Supplemental Cash Flow Information

Supplemental cash flow information consisted of the following:

<u>(In millions)</u>	Year Ended December 31,		
	2024	2023	2022
Interest paid	\$ 1,153	\$ 879	\$ 703
Net income taxes paid	1,169	1,219	709
Treasury stock purchases settled after the balance sheet date	—	29	6
Software obtained under financing arrangements	151	188	104

2. Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, *Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures* (“ASU 2023-07”), which enhances and expands the current annual and interim requirements on segment information disclosures. Under the new disclosure requirements, entities are required to disclose, on an annual and interim basis: significant segment expense categories and amounts for each reportable segment that are included in the reported measure of segment profit or loss and regularly provided to the chief operating decision maker (“CODM”); an aggregate amount and qualitative description of other segment items included in each reported measure of segment profit or loss for each reportable segment; measures of a segment’s profit or loss that are used by the CODM to assess segment performance and decide how to allocate resources; and disclosure of the title and position of the individual or the name of the group identified as the CODM. For public entities, the provisions within ASU 2023-07 are to be applied retrospectively for all comparative periods and are effective for fiscal years beginning after December 15, 2023, and for interim periods of fiscal years beginning after December 15, 2024. The Company adopted ASU 2023-07 effective for the year ended December 31, 2024, with retrospective application of the additional segment information for the years ended December 31, 2023 and 2022. Additional information regarding the Company’s reportable segments is included in Note 20 to the consolidated financial statements.

In 2022, the FASB issued ASU No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* (“ASU 2022-03”), which clarifies the guidance in ASC Topic 820, *Fair Value Measurement*, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security and introduces new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with ASC Topic 820. For public entities, ASU 2022-03 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The provisions within ASU 2022-03 are to be applied prospectively with any adjustments from the adoption recognized in earnings and disclosed on the date of adoption. The Company adopted ASU 2022-03 effective January 1, 2024, and the adoption did not have a material impact on the Company’s consolidated financial statements for the year ended December 31, 2024.

Recently Issued Accounting Pronouncements

In 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740) - Improvement to Income Tax Disclosures* (“ASU 2023-09”), which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. ASU 2023-09 requires entities to consistently categorize and provide greater disaggregation of information within the income tax reconciliation to enable users of financial statements to understand the nature and magnitude of factors contributing to the difference between the effective and statutory tax rates. For public entities, the provisions within ASU

2023-09 are effective for fiscal years beginning after December 15, 2024, and for interim periods of fiscal years beginning after December 15, 2025. The Company is currently assessing the impact the adoption of ASU 2023-09 will have on its consolidated financial statement disclosures.

In 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. Under ASU 2024-03, entities will be required to disaggregate information, in tabular format, about specific natural expense categories underlying certain income statement expense line items that are considered 'relevant', such as purchases of inventory, employee compensation, depreciation, and intangible asset amortization. Additionally, ASU 2024-03 requires the disclosure of selling expenses, along with how an entity defines such expenses. For public entities, the provisions within ASU 2024-03 (as further clarified through ASU No. 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*) are effective for the first annual reporting period beginning after December 15, 2026, and for interim reporting periods within annual reporting periods beginning after December 15, 2027. The provisions within ASU 2024-03 are required to be applied prospectively; however, they may be applied retrospectively for all comparative periods following the effective date. The Company is currently assessing the impact the adoption of ASU 2024-03 will have on its consolidated financial statement disclosures.

3. Revenue Recognition

Significant Accounting Policy

ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers. The core principle, involving a five-step process, of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured based on consideration specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue. Shipping and handling activities associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment activity and recognized as revenue at the point in time at which control of the goods transfers to the customer. As a practical expedient, the Company does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less.

Nature of Goods and Services

The Company's operations are comprised of the Merchant and the Financial reportable segments (see Note 20). The following is a description of principal activities from which the Company generates its revenue. Contracts with customers are evaluated on a contract-by-contract basis as contracts may include multiple types of goods and services as described below.

Processing and Services

Processing and services revenue is generated from account- and transaction-based fees for merchant transaction processing and acquiring, electronic billing and payment services, electronic funds transfer and debit/credit processing services; consulting and professional services; merchant cash advances; and software maintenance for ongoing client support.

The Company recognizes processing and services revenue in the period in which the specific service is performed unless they are not deemed distinct from other goods or services in which revenue would then be recognized as control is transferred of the combined goods and services. The Company's arrangements for processing and services typically consist of an obligation to provide specific services to its customers on a when and if needed basis (a stand-ready performance obligation) and revenue is recognized from the satisfaction of the performance obligations in the amount billable to the customer. These services are typically provided under a fixed or declining (tier-based) price per unit based on volume of service; however, pricing for services may also be based on fixed or monthly minimum processing fees. Fees for the Company's processing and services arrangements are typically billed and paid on a monthly basis.

Product

Product revenue is generated from print and card production, software license, and hardware (primarily POS device) sales.

For software license agreements that are distinct, the Company recognizes software license revenue upon delivery, assuming a contract is deemed to exist. Revenue for arrangements with customers that include significant customization, modification or production of software such that the software is not distinct is typically recognized over time based upon efforts expended, such as labor hours, to measure progress towards completion. For arrangements involving hosted licensed software for the customer, a software element is considered present to the extent the customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty and it is feasible for the customer to either operate the software on their own hardware or contract with another vendor to host the software. In certain instances, the Company may offer extended payment terms beyond one year. To the extent a significant financing component exists, it is calculated as the difference between the promised consideration and the present value of the software license fees utilizing a discount rate reflective of a separate financing transaction, and is recognized as interest income over the extended payment period. The cash selling price of the software license fee is recognized as revenue at the point in time when the software is transferred to the customer.

The Company sells or leases hardware (POS devices) and other peripherals as part of its contracts with customers. Hardware typically consists of POS terminals or Clover[®] devices. The Company does not manufacture hardware; rather, it purchases hardware from third-party vendors and holds such hardware in inventory until purchased by a customer. The Company accounts for sales of distinct hardware as a separate performance obligation and recognizes the revenue at its standalone selling price when the customer obtains control of the hardware.

Significant Judgments in Application of the Guidance

The Company uses the following methods, inputs and assumptions in determining amounts of revenue to recognize:

Identification of Performance Obligations

To identify its performance obligations, the Company considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. For multi-element arrangements, the Company accounts for individual goods or services as a separate performance obligation if they are distinct, the good or service is separately identifiable from other items in the arrangement and if a customer can benefit from it on its own or with other resources that are readily available to the customer. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation. Determining whether goods or services are distinct performance obligations that should be accounted for separately may require significant judgment.

Technology or service components from third parties are frequently embedded in or combined with the Company's applications or service offerings. Whether the Company recognizes revenue based on the gross amount billed to a customer or the net amount retained involves judgment that depends on the relevant facts and circumstances, including the level of contractual responsibilities and obligations for delivering solutions to end customers, to determine whether control of goods and services is obtained prior to their transfer to a customer.

Determination of Transaction Price

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring products or services to the customer. The Company includes any fixed charges within its contracts as part of the total transaction price. To the extent that variable consideration is not constrained, the Company includes an estimate of the variable amount, as appropriate, within the total transaction price and updates its assumptions over the duration of the contract.

Assessment of Estimates of Variable Consideration

Many of the Company's contracts with customers contain some component of variable consideration; however, the constraint will generally not result in a reduction in the estimated transaction price for most forms of variable consideration. The Company may constrain the estimated transaction price in the event of a high degree of uncertainty as to the final consideration amount owed.

Allocation of Transaction Price

The transaction price (including any discounts or rebates) is allocated between distinct goods and services in a multi-element arrangement based on their relative standalone selling prices. The standalone selling prices are determined based on the prices at which the Company separately sells each good or service. For items that are not sold separately, the Company estimates the standalone selling prices using available information such as market conditions and internally approved pricing guidelines. Judgment may be required to determine standalone selling prices for each performance obligation and whether it depicts the amount the Company expects to receive in exchange for the related good or service.

Contract Modifications

Contract modifications occur when the Company and its customers agree to modify existing customer contracts to change the scope or price (or both) of the contract or when a customer terminates some, or all, of the existing services provided by the Company. When a contract modification occurs, it requires the Company to exercise judgment to determine if the modification should be accounted for as (i) a separate contract, (ii) the termination of the original contract and creation of a new contract, or (iii) a cumulative catch up adjustment to the original contract. Further, contract modifications require the identification and evaluation of the performance obligations of the modified contract, including the allocation of consideration to the remaining performance obligations and the period of revenue recognition for each identified performance obligation.

Disaggregation of Revenue

The table below presents the Company's revenue disaggregated by business line, including a reconciliation with its reportable segments. The Company's disaggregation of revenue for the years ended December 31, 2023 and 2022 have been recast to reflect the Segment Realignment. The Company serves its global client base by working among its geographic teams across various regions, including the U.S. and Canada; Europe, Middle East and Africa ("EMEA"); Latin America ("LATAM"); and Asia Pacific ("APAC"). The majority of the Company's revenue is earned domestically, with revenue generated within its EMEA, LATAM and APAC regions comprising approximately 15% of total revenue for each of the years ended December 31, 2024 and 2023, and comprising approximately 14% of total revenue for the year ended December 31, 2022.

(In millions)	Year Ended December 31,		
	2024	2023	2022
Revenue by Business Line			
Small Business	\$ 6,357	\$ 5,664	\$ 4,920
Enterprise	2,163	1,933	1,811
Processing	1,111	1,125	1,152
Total Merchant segment revenue	<u>\$ 9,631</u>	<u>\$ 8,722</u>	<u>\$ 7,883</u>
Digital Payments	\$ 3,869	\$ 3,655	\$ 3,370
Issuing	3,112	3,011	2,801
Banking	2,496	2,435	2,510
Total Financial segment revenue	<u>\$ 9,477</u>	<u>\$ 9,101</u>	<u>\$ 8,681</u>
Corporate and Other	<u>\$ 1,348</u>	<u>\$ 1,270</u>	<u>\$ 1,173</u>
Total Revenue	<u><u>\$ 20,456</u></u>	<u><u>\$ 19,093</u></u>	<u><u>\$ 17,737</u></u>

Contract Balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

(In millions)	December 31,		
	2024	2023	2022
Contract assets	\$ 832	\$ 754	\$ 551
Contract liabilities	1,082	1,011	860

Contract assets, reported within other long-term assets in the consolidated balance sheets, primarily relate to customer discounts (contract incentives) where revenue is recognized and payment of consideration under the contract is contingent upon the transfer of services to a customer over the contractual period. Contract liabilities primarily relate to advance consideration received from customers (deferred revenue) for which transfer of control occurs, and therefore revenue is recognized, as services are provided. Contract balances are reported in a net contract asset or liability position on a contract-by-contract basis at the end of each reporting period.

During the years ended December 31, 2024 and 2023, contract assets and contract liabilities increased primarily due to customer discounts (contract incentives), customer prepaid maintenance and deferred conversion revenue associated with long-term contracts obtained during the respective year. The Company recognized \$761 million and \$625 million of revenue during the years ended December 31, 2024 and 2023, respectively, that was included in the contract liabilities balance at the beginning of the year.

Transaction Price Allocated to Remaining Performance Obligations

The following table includes estimated processing and services revenue expected to be recognized in the future related to performance obligations that were unsatisfied (or partially unsatisfied) at December 31, 2024:

(In millions)

Year Ending December 31,

2025	\$	2,462
2026		1,887
2027		1,366
2028		847
Thereafter		714

The Company applies the optional exemption under ASC 606 and does not disclose information about remaining performance obligations for account- and transaction-based processing fees that qualify for recognition under the as-invoiced practical expedient. These multi-year contracts contain variable consideration for stand-ready performance obligations for which the exact quantity and mix of transactions to be processed are contingent upon the customer's request. The Company also applies the optional exemptions under ASC 606 and does not disclose information for variable consideration that is a sales-based or usage-based royalty promised in exchange for a license of intellectual property or that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service in a series. The amounts disclosed above as remaining performance obligations consist primarily of fixed or monthly minimum processing fees and maintenance fees under contracts with an original expected duration of greater than one year.

Contract Costs

The Company incurs incremental costs to obtain a contract as well as costs to fulfill contracts with customers that are expected to be recovered. These costs consist of sales commissions incurred only if a contract is obtained, and customer conversion or implementation related costs. Capitalized sales commissions and conversion or implementation costs were as follows:

(In millions)	December 31,	
	2024	2023
Capitalized sales commissions	\$ 483	\$ 496
Capitalized conversion or implementation costs	513	472

Capitalized contract costs are amortized based on the transfer of goods or services to which the asset relates. The amortization period also considers expected customer lives and whether the asset relates to goods or services transferred under a specific anticipated contract. The amortization of capitalized sales commissions is included in selling, general and administrative expenses and amortization of capitalized conversion or implementation costs within cost of processing and services. Amortization totaled \$221 million, \$195 million and \$173 million during the years ended December 31, 2024, 2023 and 2022, respectively. Impairment losses recognized during the years ended December 31, 2024, 2023 and 2022 related to capitalized contract costs were not significant.

4. Acquisitions and Dispositions

Acquisitions were accounted for as business combinations using the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*. Purchase price was allocated to the respective identifiable assets acquired and liabilities assumed based on the estimated fair values at the date of acquisitions. The results of operations for the following acquired and divested businesses are included in the consolidated results of the Company from the respective dates of acquisition and through the respective dates of disposition. Pro forma information for these acquired businesses is not provided because they did not have a material effect, individually or in the aggregate, on the Company's consolidated results of operations.

Acquisitions

Acquisition of Merchant One

On December 20, 2022, the Company acquired Merchant One, Inc. (“Merchant One”), an independent sales organization focused on acquiring merchants in the restaurant, retail and e-commerce industries using an innovative mix of direct and digital marketing strategies, for \$302 million, net of \$1 million of acquired cash. Merchant One is included within the Merchant segment and enhances the Company’s merchant distribution and sales force channels.

During the year ended December 31, 2023, the Company identified and recorded measurement period adjustments to the preliminary Merchant One purchase price allocation, including refinements to valuations of acquired intangible assets, which were the result of additional analysis performed and information identified based on facts and circumstances that existed as of the acquisition date. These measurement period adjustments resulted in an increase to goodwill of \$61 million and a corresponding decrease in identifiable intangible assets, including customer relationships. Such measurement period adjustments did not have a material impact on the Company’s consolidated statement of income. The allocation of the purchase price was finalized in the second quarter of 2023 and resulted in the recognition of identifiable intangible assets of \$118 million, goodwill of \$179 million and other net assets of \$6 million. Goodwill, which is deductible for tax purposes, is primarily attributed to the anticipated value created by expanding the reach of the Clover® cloud-based POS and business management platform, and select value-added services that enable the Company to deliver new and innovative capabilities to Merchant One’s clients.

The amounts allocated to identifiable intangible assets are as follows:

(In millions)	Gross Carrying Amount	Weighted-Average Useful Life
Residual buyouts	\$ 83	9 years
Customer relationships	35	10 years
Total	<u>\$ 118</u>	9 years

Acquisition of Finxact

On April 1, 2022, the Company acquired a remaining ownership interest in Finxact, Inc. (“Finxact”), a developer of cloud-native banking solutions powering digital transformation throughout the financial services sector, for \$645 million, net of \$27 million of acquired cash. The Company previously held a noncontrolling equity interest in Finxact, which was accounted for under the equity method. The remeasurement of the Company’s previously held equity interest to its acquisition-date fair value resulted in the recognition of a pre-tax gain of \$110 million, included within income from investments in unconsolidated affiliates in the consolidated statement of income during the year ended December 31, 2022. Finxact is included within the Financial segment and advances the Company’s digital banking strategy, expanding its account processing, digital, and payments solutions.

The allocation of purchase price recorded for Finxact was finalized in the fourth quarter of 2022 as follows:

(In millions)	
Cash	\$ 27
Other net assets	1
Intangible assets	105
Goodwill	670
Total consideration	<u>\$ 803</u>
Less: Fair value of previously held equity interest	<u>(131)</u>
Total purchase price	<u>\$ 672</u>

Goodwill, which is not deductible for tax purposes, is primarily attributed to the anticipated value created by the combined scale, core platform modernization, and accelerated delivery of enhanced digital banking solutions offered to financial institutions of all sizes. The amounts allocated to identifiable intangible assets were as follows:

(In millions)	Gross Carrying Amount	Weighted-Average Useful Life
Acquired software and technology	\$ 90	6 years
Trade name	9	5 years
Customer relationships	6	8 years
Total	<u>\$ 105</u>	6 years

Other Acquisitions

On October 9, 2023, the Company acquired Skytef Soluções em Captura de Transações Ltda (“Skytef”), a distributor for independent software vendor partners and merchants of the Company’s Electronic Funds Transfer payments software. Skytef is included within the Merchant segment and expands the Company’s distribution network and POS applications. On November 1, 2023, the Company acquired Sled S.A. (“Sled”), a provider of instant payment solutions. Sled is included within the Merchant segment and expands the Company’s direct payment service capabilities. The Company acquired these businesses in Latin America for an aggregate purchase price, including hold-backs, of \$17 million. The purchase price allocations for the Skytef and Sled acquisitions were finalized in the first quarter of 2024, and measurement period adjustments did not have a material impact on the Company’s consolidated statement of income.

On December 29, 2022, the Company acquired OrangeData S.A. (“Yacaré”), an Argentina-based payment service provider that enables customers to transact at merchant locations using QR codes. Yacaré is included within the Merchant segment and enhances the Company’s instant payment transaction capabilities. On September 1, 2022, the Company acquired NexTable, Inc. (“NexTable”), a provider of cloud-based reservation and table management solutions for restaurants. NexTable is included within the Merchant segment and expands the Company’s end-to-end restaurant solutions. On June 1, 2022, the Company acquired The LR2 Group, LLC (“City POS”), an independent sales organization that promotes payment processing services and facilitates the sale of POS equipment for merchants. City POS is included within the Merchant segment and expands the Company’s merchant services business. The Company acquired these businesses for an aggregate purchase price of \$44 million, including earn-out provisions estimated at a fair value of \$6 million. The allocation of purchase price for these acquisitions resulted in the recognition of identifiable intangible assets of \$23 million, goodwill of \$22 million and other net assumed liabilities of \$1 million. The purchase price allocations for the CityPOS and NexTable acquisitions were finalized in the third and fourth quarters of 2022, respectively. The purchase price allocation for the Yacaré acquisition was finalized in the second quarter of 2023. Measurement period adjustments did not have a material impact on the Company’s consolidated statements of income. Goodwill for these acquisitions, of which \$17 million is deductible for tax purposes, is primarily attributed to the value created by expanding the reach of the Company’s payment solutions and enhancing omnichannel capabilities.

The amounts allocated to identifiable intangible assets for other acquisitions acquired in 2022 were as follows:

(In millions)	Gross Carrying Amount	Weighted-Average Useful Life
Acquired software and technology	\$ 12	7 years
Customer relationships	11	10 years
Total	<u>\$ 23</u>	9 years

Pending Acquisitions

In 2024, the Company entered into definitive agreements to acquire CCV Group B.V. (“CCV”) and Payfare Inc. (“Payfare”). CCV is a supplier of POS payment solutions. Upon the closing of this acquisition, which is subject to regulatory approval and customary closing conditions, CCV will be included within the Merchant segment and is expected to expand the Company’s network of payment solutions. Payfare is a provider of program management solutions powering instant access to earnings and banking solutions for workforces. Upon the closing of this acquisition, which is subject to shareholder and court approvals and customary closing conditions, Payfare will be included within the Financial segment and is expected to expand the Company’s embedded finance capabilities. The Company expects these acquisitions, for an aggregate purchase price of approximately \$360 million, to close in the first quarter of 2025.

Dispositions

Disposition of Financial Reconciliation Business

On July 25, 2023, the Company sold its financial reconciliation business, which was reported within the Financial segment, for cash proceeds of \$235 million. The Company recognized a pre-tax gain of \$172 million on the sale, recorded within net gain on sale of businesses and other assets, with a related tax expense of \$48 million recorded within the income tax provision, in the consolidated statement of income for the year ended December 31, 2023. The pre-tax gain was comprised of the difference between the consideration received and the net carrying amount of the business, including \$38 million of allocated goodwill, \$15 million of other net assets, primarily consisting of trade accounts receivable and capitalized software, and \$10 million of accumulated foreign currency translation losses which were reclassified from accumulated other comprehensive loss.

Disposition of Fiserv Costa Rica and Systems Integration Services

On October 17, 2022, the Company sold Fiserv Costa Rica, S.A. and its Systems Integration Services (“SIS”) operations, which provides information technology engineering services in the U.S. and India, to a single buyer, for an aggregate sales price of \$49 million. The Company recognized a pre-tax gain of \$44 million on the sales, recorded within net gain on sale of businesses and other assets, with a related tax expense of \$8 million recorded within the income tax provision, in the consolidated statement of income for the year ended December 31, 2022. The Company recognized a pre-tax loss of \$3 million, recorded within net gain on sale of businesses and other assets during the year ended December 31, 2023, associated with final working capital adjustments related to the disposition of Fiserv Costa Rica, S.A. Both Fiserv Costa Rica, S.A. and SIS were reported primarily within the Financial segment.

Disposition of Korea Operations

On September 30, 2022, the Company sold its Korea operations, which were reported within the Merchant segment, for total consideration of \$50 million, consisting of \$43 million in net cash and an equity interest in the buyer of \$7 million. The Company recognized a pre-tax loss of \$127 million on the sale, recorded within net gain on sale of businesses and other assets in the consolidated statement of income for the year ended December 31, 2022. The pre-tax loss was comprised of the difference between the consideration received and the net carrying amount of the business, including \$40 million of allocated goodwill, \$48 million of customer relationship net intangible assets and \$56 million of accumulated foreign currency translation losses, which were reclassified from accumulated other comprehensive loss.

5. Settlement Assets and Obligations

Settlement assets and obligations represent intermediary balances arising from the settlement process, which involves the transfer of funds between card issuers, payment networks, processors, merchants and consumers, and collateral amounts held to manage merchant credit risk, primarily associated with the Company’s merchant acquiring services. The Company records settlement assets and obligations upon processing a payment transaction. Settlement assets represent amounts receivable from agents, payment networks, bank partners, merchants or direct consumers for submitted merchant transactions, and funds received by the Company in advance of paying to merchants or payees. Settlement obligations represent the unpaid amounts that are due to merchants and payees for their payment transactions and collateral deposits.

The principal components of the Company’s settlement assets were as follows:

(In millions)	December 31,	
	2024	2023
Settlement assets		
Cash and cash equivalents	\$ 1,756	\$ 1,756
Receivables	13,673	25,925
Total settlement assets	<u>\$ 15,429</u>	<u>\$ 27,681</u>

6. Intangible Assets

Identifiable intangible assets consisted of the following:

<u>(In millions)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
December 31, 2024			
Customer relationships	\$ 14,488	\$ 8,620	\$ 5,868
Acquired software and technology	1,935	1,159	776
Trade names	635	410	225
Purchased software	1,019	517	502
Capitalized software and other intangibles	3,974	1,405	2,569
Total	<u>\$ 22,051</u>	<u>\$ 12,111</u>	<u>\$ 9,940</u>
December 31, 2023			
Customer relationships	\$ 14,669	\$ 7,594	\$ 7,075
Acquired software and technology	2,148	1,148	1,000
Trade names	641	356	285
Purchased software	1,087	520	567
Capitalized software and other intangibles	3,356	1,073	2,283
Total	<u>\$ 21,901</u>	<u>\$ 10,691</u>	<u>\$ 11,210</u>

Gross software development costs capitalized for new products and enhancements to existing products totaled \$942 million, \$870 million and \$807 million for the years ended December 31, 2024, 2023 and 2022, respectively. Amortization expense associated with the above identifiable intangible assets was \$2.3 billion for the year ended December 31, 2024 and \$2.4 billion for each of the years ended December 31, 2023 and 2022.

The Company estimates that annual amortization expense with respect to intangible assets recorded at December 31, 2024 will be as follows:

<u>(In millions)</u>	
Year Ending December 31,	
2025	\$ 2,202
2026	1,900
2027	1,611
2028	1,221
2029	833
Thereafter	2,173
Total	<u>\$ 9,940</u>

7. Goodwill

The following table presents changes in goodwill during the years ended December 31, 2024 and 2023.

(In millions)	Reportable Segments					
	Acceptance	Fintech	Payments	Merchant	Financial	Total
Goodwill - December 31, 2022	\$ 21,200	\$ 2,702	\$ 12,909	\$ —	\$ —	\$ 36,811
Acquisitions and valuation adjustments	66	—	—	—	—	66
Dispositions	—	(38)	—	—	—	(38)
Foreign currency translation	302	2	62	—	—	366
Goodwill - December 31, 2023	21,568	2,666	12,971	—	—	37,205
Reallocation due to Segment Realignment ⁽¹⁾	(21,568)	(2,666)	(12,971)	22,850	14,355	—
Foreign currency translation	—	—	—	(509)	(112)	(621)
Goodwill - December 31, 2024	\$ —	\$ —	\$ —	\$ 22,341	\$ 14,243	\$ 36,584

⁽¹⁾ Represents the reallocation of goodwill as a result of the Company's Segment Realignment in the first quarter of 2024 (see Note 1).

8. Investments in Unconsolidated Affiliates

The Company maintains investments in various affiliates that are accounted for as equity method investments, the most significant of which are related to the Company's merchant alliances. The Company's share of net income or loss from these investments is reported within income (loss) from investments in unconsolidated affiliates and the related tax expense or benefit is reported within the income tax provision in the consolidated statements of income. The Company reviews its equity method investments each reporting period for indications of an other-than-temporary decline in value, including significant changes in business relationships with merchant alliances. A decline in value of an equity method investment determined to be other-than-temporary is recorded as a current-period impairment charge within income (loss) from investments in unconsolidated affiliates in the consolidated statements of income.

Merchant Alliances

The Company maintains ownership interests in various merchant alliances. A merchant alliance is an agreement between the Company and a financial institution that combines the processing capabilities and management expertise of the Company with the visibility and distribution channel of the financial institution. A merchant alliance acquires credit and debit card transactions from merchants. The Company provides processing and other services to the alliance and charges fees to the alliance based on contractual pricing (see Note 19). The Company's investments in its merchant alliances was \$1.2 billion and \$1.9 billion at December 31, 2024 and 2023, respectively, and is reported within investments in unconsolidated affiliates in the consolidated balance sheets.

The Company maintains a 40% ownership interest in the Wells Fargo Merchant Services merchant alliance ("WFMS"), which is accounted for as an equity method investment. The Company acquired its ownership, at fair value, in WFMS through its 2019 acquisition of First Data Corporation. In the third quarter of 2024, Wells Fargo Bank, National Association ("Wells Fargo") provided the Company a notice of non-renewal for WFMS. With the joint venture expected to expire on April 1, 2025, the Company expects to receive a cash payment equal to the fair value of its share of WFMS as determined in accordance with an agreed upon contractual valuation and separation process.

During the year ended December 31, 2024, the Company recorded a \$595 million non-cash impairment as a result of an other-than-temporary decline in the fair value of its equity method investment in WFMS within income (loss) from investments in unconsolidated affiliates, with the related tax benefit of \$129 million recorded through the income tax provision, in the consolidated statement of income. The Company recorded an initial pre-tax impairment charge of \$570 million in the third quarter of 2024 based upon the Company's estimate of the fair value of its portion of WFMS. An additional \$25 million pre-tax impairment charge was recorded in the fourth quarter of 2024 based on the expected cash payment, as determined in accordance with an agreed upon contractual valuation and separation process.

Other Equity Method Investments

The Company maintains noncontrolling ownership interests in Sagent M&C, LLC ("Sagent") and defi SOLUTIONS Group, LLC (collectively the "Lending Joint Ventures"), which are accounted for under the equity method. In March 2022, Sagent

completed a transaction with a third party for the contribution from and the sale by such third party to Sagent of certain intangible and tangible personal property rights, resulting in a dilution of the Company's ownership interest in Sagent. As a result of the transaction, the Company recognized a net pre-tax gain of \$80 million within income (loss) from investments in unconsolidated affiliates, with related tax expense of \$19 million recorded through the income tax provision, in the consolidated statement of income for the year ended December 31, 2022. The Company's remaining noncontrolling ownership interest in Sagent continues to be accounted for as an equity method investment. The Company's net investment in the Lending Joint Ventures was \$49 million and \$55 million at December 31, 2024 and 2023, respectively, and is reported within investments in unconsolidated affiliates in the consolidated balance sheets. In addition, the Company maintains other strategic investments accounted for under the equity method. The Company's aggregate investment in such entities was \$218 million and \$254 million at December 31, 2024 and 2023, respectively, and is reported within investments in unconsolidated affiliates in the consolidated balance sheets.

The Lending Joint Ventures maintain, as amended in April 2022, variable-rate term loan facilities with aggregate outstanding borrowings of \$421 million in senior unsecured debt at December 31, 2024 and variable-rate revolving credit facilities with an aggregate borrowing capacity of \$83 million with a syndicate of banks, which mature in April 2027. There were \$35 million of aggregate outstanding borrowings on the revolving credit facilities at December 31, 2024. The Company has guaranteed the debt of the Lending Joint Ventures and does not anticipate that the Lending Joint Ventures will fail to fulfill their debt obligations (see Note 10).

The Company classifies distributions from its investments accounted for using the equity method in the consolidated statements of cash flows using the cumulative earnings approach. Under this approach, distributions received from unconsolidated affiliates are classified as cash flows from operating activities to the extent that the cumulative distributions do not exceed the cumulative earnings on the investment. To the extent the current period distribution exceeds the cumulative earnings on the investment, the distribution is considered a return of investment and is classified as cash flows from investing activities. The Company received cash distributions from unconsolidated affiliates of \$99 million, \$191 million and \$211 million, of which \$60 million, \$136 million and \$138 million were recorded as cash flows from investing activities in the Company's consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022, respectively.

Other Equity Investments

The Company also maintains investments, over which it does not have significant influence, in various equity securities without a readily determinable fair value. Such investments totaled \$250 million and \$156 million at December 31, 2024 and 2023, respectively, and are primarily included within other long-term assets in the consolidated balance sheets. The Company reviews these investments each reporting period to determine whether an impairment or observable price change for the investment has occurred. To the extent such events or changes occur, the Company evaluates the fair value compared to its cost basis in the investment. Gains or losses from a sale of these investments or a change in fair value are included within other expense, net in the consolidated statements of income for the period. Adjustments made to the values recorded for certain equity securities and net gains from sales of equity securities were \$29 million during the year ended December 31, 2024, and were not significant during the years ended December 31, 2023 and 2022.

9. Derivatives and Hedging Instruments

In order to limit exposure to risk, the Company maintains derivative instruments with creditworthy institutions to hedge against changing interest rates and foreign currency rate fluctuations. The Company utilizes forward exchange contracts, fixed-to-fixed cross-currency rate swap contracts and other non-derivative hedging instruments to manage such risk. The Company has designated these instruments as cash flow hedges, net investment hedges, or fair value hedges, as further described below. Derivative instruments maintained by the Company are measured on a recurring basis and are recorded at fair value either as an asset or liability in the consolidated balance sheets (see Note 10).

Cash Flow Hedges

The Company maintains forward exchange contracts, designated as cash flow hedges, to hedge foreign currency exposure to the Indian Rupee. The notional amount of these derivatives was \$481 million and \$443 million at December 31, 2024 and 2023, respectively. Based on the amounts recorded in accumulated other comprehensive loss at December 31, 2024, the Company estimates that it will recognize losses of approximately \$6 million in cost of processing and services during the next twelve months as foreign exchange forward contracts settle.

The Company previously entered into treasury lock agreements ("Treasury Locks"), designated as cash flow hedges to manage exposure to fluctuations in benchmark interest rates in anticipation of the issuance of fixed rate debt in connection with the acquisition and refinancing of certain indebtedness of First Data Corporation and its subsidiaries. In 2019, concurrent with the issuance of U.S. dollar-denominated senior notes, the Treasury Locks were settled resulting in a loss, net of income taxes, and

recorded in accumulated other comprehensive loss that is being amortized to earnings over the terms of the originally forecast interest payments. The unamortized balance recorded in accumulated other comprehensive loss related to the Treasury Locks was \$101 million and \$116 million at December 31, 2024 and 2023, respectively. Based on the amounts recorded in accumulated other comprehensive loss at December 31, 2024, the Company estimates that it will recognize approximately \$13 million in net interest expense during the next twelve months related to settled interest rate hedge contracts.

Net Investment Hedges

To reduce exposure to changes in the value of the Company's net investments in certain of its foreign currency-denominated subsidiaries due to changes in foreign currency exchange rates, the Company uses fixed-to-fixed cross-currency rate swap contracts and foreign currency-denominated debt as economic hedges of its net investments in such foreign currency-denominated subsidiaries.

The aggregate notional amount of the fixed-to-fixed cross-currency rate swap contracts were as follows:

(In millions)	December 31,	
	2024	2023
Currency		
Euros	600	400
Singapore Dollars	841	751
Canadian Dollars	259	—

These fixed-to-fixed cross-currency rate swaps have been designated as net investment hedges to hedge a portion of the Company's net investment in certain subsidiaries whose functional currencies are the Euro, Singapore Dollar, and Canadian Dollar. The Company has also designated certain of its Euro- and British Pound-denominated senior notes and Euro commercial paper notes as net investment hedges to hedge a portion of its net investment in certain subsidiaries whose functional currencies are the Euro and the British Pound.

Foreign currency transaction gains or losses on the qualifying net investment hedge instruments are recorded as foreign currency translation within other comprehensive income (loss) in the consolidated statements of comprehensive income and will remain in accumulated other comprehensive loss in the consolidated balance sheets until the sale or complete liquidation of the underlying foreign subsidiaries.

Foreign currency transaction gains (losses), net of income tax, related to net investment hedges that were recorded as foreign currency translation within other comprehensive income (loss) in the consolidated statements of comprehensive income were as follows:

(In millions)	Year Ended December 31,		
	2024	2023	2022
Cross-currency rate swap contracts	\$ 32	\$ (29)	\$ (17)
Foreign currency-denominated debt	166	(177)	236

The Company recorded income tax impacts of \$(66) million, \$68 million and \$(73) million for the years ended December 31, 2024, 2023 and 2022, respectively, in other comprehensive income (loss) from the translation of foreign currency-denominated senior notes, Euro commercial paper notes and cross-currency rate swap contracts.

Fair Value Hedges

The Company maintains a fixed-to-fixed cross-currency rate swap contract, designated as a fair value hedge, to mitigate the spot foreign exchange rate risk on the principal amount of its British Pound-denominated 2.250% senior notes due in July 2025, and previously maintained fixed-to-fixed cross-currency rate swap contracts on the principal amount of a Euro-denominated intercompany note which was repaid in 2024.

The aggregate notional amount of the fixed-to-fixed cross-currency rate swap contracts were as follows:

(In millions)	December 31,	
	2024	2023
Currency		
British Pounds	525	525
Euros	—	157

Net changes in the fair value of the cross-currency rate swaps (\$8 million and \$6 million loss for the years ended December 31, 2024 and 2023, respectively), along with the offsetting change in the fair value of the hedged notes, attributable to fluctuations in the respective foreign currency spot rates are recognized in other expense, net within the consolidated statements of income.

10. Fair Value Measurements

The fair values of cash equivalents, trade accounts receivable, other current assets, settlement assets and obligations, accounts payable, and client deposits approximate their respective carrying values due to the short period of time to maturity. Derivative instruments maintained by the Company (see Note 9) are measured on a recurring basis based on foreign currency spot rates and forwards quoted by banks and foreign currency dealers and are marked to market each period. Contingent consideration related to certain of the Company's acquisitions is estimated using the present value of a probability-weighted assessment approach based on the likelihood of achieving the earn-out criteria. The Company's obligation to purchase a redeemable noncontrolling interest in one of its merchant alliance joint ventures (see Note 13) is measured at the estimated fair value of the minority interest. Such obligation will be settled at a future date through the distribution of certain merchant contracts to the minority partner. The fair value of the Company's contingent liability for current expected credit losses associated with its debt guarantees, as further described below, is estimated based on assumptions of future risk of default and the corresponding level of credit losses at the time of default.

Assets and liabilities measured at fair value on a recurring basis consisted of the following:

(In millions)	Classification	Fair Value Hierarchy	Fair Value at December 31,	
			2024	2023
Assets				
Forward exchange contracts designated as cash flow hedges	Prepaid expenses and other current assets	Level 2	\$ —	\$ 2
Cross-currency rate swap contract designated as net investment hedge	Prepaid expenses and other current assets	Level 2	2	—
Cross-currency rate swap contract designated as fair value hedge	Other long-term assets	Level 2	—	3
Cross-currency rate swap contracts designated as net investment hedges	Other long-term assets	Level 2	6	—
Liabilities				
Forward exchange contracts designated as cash flow hedges	Accounts payable and other current liabilities	Level 2	\$ 6	\$ —
Cross-currency rate swap contract designated as fair value hedge	Accounts payable and other current liabilities	Level 2	12	—
Cross-currency rate swap contracts designated as net investment hedges	Accounts payable and other current liabilities	Level 2	9	—
Forward exchange contracts designated as cash flow hedges	Other long-term liabilities	Level 2	2	—
Cross-currency rate swap contracts designated as fair value hedges	Other long-term liabilities	Level 2	—	1
Cross-currency rate swap contracts designated as net investment hedges	Other long-term liabilities	Level 2	17	61
Contingent consideration	Accounts payable and other current liabilities	Level 3	—	2
Obligation to purchase redeemable noncontrolling interest	Accounts payable and other current liabilities	Level 3	95	—
Contingent debt guarantee	Other long-term liabilities	Level 3	15	23

Debt

The Company's senior notes are recorded at amortized cost but measured at fair value for disclosure purposes. The estimated fair value of senior notes was based on matrix pricing which considers readily observable inputs of comparable securities (Level 2 of the fair value hierarchy). The carrying value of the Company's foreign lines of credit, commercial paper notes and revolving credit facility borrowings approximates fair value as these instruments have variable interest rates and the Company has not experienced any change to its credit ratings (Level 2 of the fair value hierarchy). The estimated fair value of total debt, excluding finance leases and other financing obligations, was \$23.2 billion and \$21.6 billion at December 31, 2024 and 2023, respectively, and the carrying value was \$23.9 billion and \$22.2 billion at December 31, 2024 and 2023, respectively.

Debt Guarantee Arrangements

The Company maintains liabilities for its obligations to perform over the term of its debt guarantee arrangements with the Lending Joint Ventures (see Note 8), which are reported within other long-term liabilities in the consolidated balance sheets. In April 2022, the Lending Joint Ventures amended their respective term loans and revolving credit facilities, increasing aggregate borrowing capacity by \$75 million and extending the maturity to April 2027. The Company elected to guarantee this incremental indebtedness, resulting in a pre-tax expense of \$48 million related to such debt guarantee obligations, recorded within other expense, net in the consolidated statement of income and within other operating activities in the consolidated statement of cash flows, during the year ended December 31, 2022. The Company has provided aggregate guarantees of

\$504 million associated with the debt of the Lending Joint Ventures and is entitled to receive a defined fee in exchange for its guarantee of this indebtedness. The Company has not made any payments under the guarantees, nor has it been called upon to do so, and does not anticipate that the Lending Joint Ventures will fail to fulfill their debt obligations.

The non-contingent component of the Company's debt guarantee arrangements is recorded at amortized cost, but measured at fair value for disclosure purposes. The carrying value of the Company's non-contingent liability of \$21 million and \$31 million approximates the fair value at December 31, 2024 and 2023, respectively (Level 3 of the fair value hierarchy). Such guarantees will be amortized in future periods over the contractual term of the debt. The contingent component of the Company's debt guarantee arrangements represents the current expected credit losses to which the Company is exposed. The amount of the liability, as reflected within the table above, is estimated based on certain financial metrics of the Lending Joint Ventures and historical industry data, which is used to develop assumptions of the likelihood the guaranteed parties will default and the level of credit losses in the event a default occurs. The Company recognized \$18 million, \$7 million and \$12 million during the years ended December 31, 2024, 2023 and 2022, respectively, within other expense, net in its consolidated statements of income related to its release from risk under the non-contingent guarantees as well as a change in the provision of estimated credit losses associated with the indebtedness of the Lending Joint Ventures.

Other Non-Financial Assets

Certain of the Company's non-financial assets are measured at fair value on a non-recurring basis, including property and equipment, lease ROU assets, equity securities without a readily determinable fair value, goodwill and other intangible assets, and are subject to fair value adjustment in certain circumstances. Additional information about fair value adjustments recorded on a non-recurring basis during the years ended December 31, 2024, 2023 and 2022 is included in Note 8.

11. Leases

Company as Lessee

The Company primarily leases office space, data centers and equipment from third parties. The Company determines if a contract is a lease at inception. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term begins on the commencement date, which is the date the Company takes possession or obtains control of the asset, and may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Many of the Company's leases contain renewal options for varying periods, which can be exercised at the Company's sole discretion. Leases are classified as operating or finance leases based on factors such as the lease term, lease payments, and the economic life, fair value and estimated residual value of the asset. Certain leases include options to purchase the leased asset at the end of the lease term, which is assessed as a part of the Company's lease classification determination. The Company's leases have remaining lease terms ranging from one month to 19 years.

The Company uses the right-of-use model to account for its leases. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. ROU assets are based on the lease liability and are increased by prepaid lease payments and decreased by lease incentives received. For leases where the Company is reasonably certain to exercise a renewal option, such option periods have been included in the determination of the Company's ROU assets and lease liabilities. Certain leases require the Company to pay taxes, insurance, maintenance and other operating expenses associated with the leased asset. Such amounts are not included in the measurement of the ROU assets and lease liabilities to the extent they are variable in nature. These variable lease costs are recognized as variable lease expenses when incurred. As a practical expedient, lease agreements with lease and non-lease components are accounted for as a single lease component for all asset classes. The Company estimates contingent lease incentives when it is probable that the Company is entitled to the incentive at lease commencement. The Company elected the short-term lease recognition exemption for all leases that qualify. Therefore, leases with a term of 12 months or less are not recorded on the consolidated balance sheets; instead, lease payments are recognized as lease expense on a straight-line basis over the lease term. The depreciable life of the ROU assets and leasehold improvements are limited by the expected lease term unless the Company is reasonably certain of a transfer of title or purchase option. The Company uses its incremental borrowing rate to discount future lease payments in the calculation of the lease liability and ROU asset based on the information available on the commencement date for each lease. The Company's leases typically do not provide an implicit rate. The determination of the incremental borrowing rate requires judgment and is determined using the Company's current unsecured borrowing rate, adjusted for various factors such as collateralization, currency and term to align with the terms of the lease.

Lease Balances

(In millions)	December 31,	
	2024	2023
Assets		
Operating lease assets ⁽¹⁾	\$ 595	\$ 628
Finance lease assets ⁽²⁾	611	623
Total lease assets	<u>\$ 1,206</u>	<u>\$ 1,251</u>
Liabilities		
Current:		
Operating lease liabilities ⁽¹⁾	\$ 116	\$ 118
Finance lease liabilities ⁽²⁾	209	187
Noncurrent:		
Operating lease liabilities ⁽¹⁾	654	665
Finance lease liabilities ⁽²⁾	417	430
Total lease liabilities	<u>\$ 1,396</u>	<u>\$ 1,400</u>

⁽¹⁾ Operating lease assets are included within other long-term assets, and operating lease liabilities are included within accounts payable and other current liabilities (current portion) and other long-term liabilities (noncurrent portion) in the consolidated balance sheets.

⁽²⁾ Finance lease assets are included within property and equipment, net and finance lease liabilities are included within short-term and current maturities of long-term debt (current portion) and long-term debt (noncurrent portion) in the consolidated balance sheets.

Components of Lease Cost

(In millions)	Year Ended December 31,		
	2024	2023	2022
Operating lease cost ⁽¹⁾	\$ 193	\$ 185	\$ 186
Finance lease cost: ⁽²⁾			
Amortization of right-of-use assets	210	189	169
Interest on lease liabilities	39	31	17
Total lease cost	<u>\$ 442</u>	<u>\$ 405</u>	<u>\$ 372</u>

⁽¹⁾ Operating lease expense is included within cost of processing and services, cost of product and selling, general and administrative expense, dependent upon the nature and use of the ROU asset, in the consolidated statements of income. Operating lease expense includes approximately \$51 million, \$41 million and \$38 million of variable lease costs during the years ended December 31, 2024, 2023 and 2022, respectively.

⁽²⁾ Finance lease expense is recorded as depreciation and amortization expense within cost of processing and services, cost of product and selling, general and administrative expense, dependent upon the nature and use of the ROU asset, and interest expense, net in the consolidated statements of income.

Supplemental Cash Flow Information

(In millions)	Year Ended December 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows - operating leases	\$ 124	\$ 134	\$ 131
Operating cash flows - finance leases	39	31	17
Financing cash flows - finance leases	264	207	183
Right-of-use assets obtained in exchange for lease liabilities:			
Operating leases	\$ 105	\$ 76	\$ 109
Finance leases	221	279	234

Lease Term and Discount Rate

	December 31,	
	2024	2023
Weighted-average remaining lease term:		
Operating leases	10 years	10 years
Finance leases	4 years	4 years
Weighted-average discount rate:		
Operating leases	3.1 %	2.8 %
Finance leases	5.3 %	4.8 %

Maturity of Lease Liabilities

Future minimum rental payments on leases with initial non-cancellable lease terms in excess of one year were due as follows at December 31, 2024:

(In millions)		
Year Ending December 31,	Operating Leases ^{(1) (2)}	Finance Leases ⁽³⁾
2025	\$ 133	\$ 238
2026	137	202
2027	128	137
2028	97	72
2029	70	29
Thereafter	368	21
Total lease payments	933	699
Less: Interest	(163)	(73)
Present value of lease liabilities	\$ 770	\$ 626

- (1) Operating lease payments include \$42 million related to options to extend lease terms that are reasonably certain of being exercised.
- (2) Operating lease payments exclude \$26 million of legally binding minimum lease payments for leases signed but not yet commenced. Operating leases that have been signed but not yet commenced are for real estate and will commence in 2025 with lease terms of up to 11 years.
- (3) Finance lease payments exclude \$226 million of legally binding minimum lease payments for leases signed but not yet commenced. Finance leases that have been signed but not yet commenced are for equipment and will commence in 2025 with lease terms of up to 7 years.

Company as Lessor

The Company owns certain POS terminal equipment which it leases to merchants. Leases are classified as operating or sales-type leases based on factors such as the lease term, lease payments, and the economic life, fair value and estimated residual value of the asset. The terms of the leases typically range from one month to four years. For operating leases, the minimum lease payments received are recognized as lease income on a straight-line basis over the lease term and the leased asset is included in property and equipment, net in the consolidated balance sheets and depreciated over its estimated useful life. For sales-type leases, selling profit is recognized at the commencement date of the lease to the extent the fair value of the underlying asset is different from its carrying amount. Selling profit is directly impacted by the Company's estimate of the amount to be derived from the residual value of the asset at the end of the lease term. The residual value of the asset is computed using various assumptions, including the expected value of the underlying asset at the end of the lease term. Unearned income is recognized as interest income within product revenue over the lease term. For sales-type leases, the Company derecognizes the carrying amount of the underlying leased asset and recognizes a net investment in the leased asset in the consolidated balance sheets. The net investment in a leased asset is computed based on the present value of the minimum lease payments not yet received, along with the present value of the residual value of the asset less unearned interest income.

Components of Lease Income

<u>(In millions)</u>	Year Ended December 31,		
	2024	2023	2022
Sales-type leases:			
Selling profit ⁽¹⁾	\$ 74	\$ 56	\$ 55
Interest income ⁽¹⁾	87	81	99
Operating lease income ⁽²⁾	243	259	279

⁽¹⁾ Selling profit includes \$213 million, \$160 million and \$147 million recorded within product revenue with a corresponding charge of \$139 million, \$104 million and \$92 million recorded within cost of product in the consolidated statements of income for the years ended December 31, 2024, 2023 and 2022, respectively. Interest income is included within product revenue in the consolidated statements of income.

⁽²⁾ Operating lease income includes a nominal amount of variable lease income and is included within product revenue in the consolidated statements of income for each of the years ended December 31, 2024, 2023 and 2022.

Components of Net Investment in Sales-Type Leases

<u>(In millions)</u>	December 31,	
	2024	2023
Minimum lease payments	\$ 520	\$ 465
Residual values	22	20
Less: Unearned interest income	(185)	(177)
Net investment in leases ⁽¹⁾	<u>\$ 357</u>	<u>\$ 308</u>

⁽¹⁾ Net investments in leased assets are included within prepaid expenses and other current assets (current portion) and other long-term assets (noncurrent portion) in the consolidated balance sheets.

Maturities of Future Minimum Lease Payment Receivables

Future minimum lease payments receivable on sales-type leases were as follows at December 31, 2024:

(In millions)

Year Ending December 31,	Sales-Type Leases
2025	\$ 196
2026	164
2027	110
2028	47
2029	3
Thereafter	—
Total minimum lease payments	<u>\$ 520</u>

Lease Payment Receivables Portfolio

The Company accounts for lease payment receivables in connection with POS terminal equipment as a single portfolio. The Company recognizes an allowance for expected credit losses on lease payment receivables at the commencement date of the lease by considering the term, geography and internal credit risk ratings of such lease. The internal credit risk ratings are established based on lessee specific risk factors, such as FICO score, number of years the lessee has been in business and the nature of the lessee's industry, which are considered indicators of the likelihood a lessee may default in the future. The allowance for estimated credit losses on lease payment receivables was \$50 million at each of December 31, 2024 and 2023.

The Company determines delinquency status on lease payment receivables based on the number of calendar days past due. The Company considers lease payments that are 90 days or less past due as performing. Lease payments that are greater than 90 days past due are placed on non-accrual status in which interest income within product revenue is no longer recognized. Lease payment receivables are fully written off in the period they become delinquent greater than 180 days past due. Lease payment receivables that were determined to be on non-accrual status were nominal at each of December 31, 2024 and 2023.

12. Debt

The Company's debt consisted of the following:

(In millions)

Short-term and current maturities of long-term debt:

Foreign lines of credit	
Finance lease and other financing obligations	
Total short-term and current maturities of long-term debt	

December 31,	
2024	2023
\$ 784	\$ 442
326	313
<u>\$ 1,110</u>	<u>\$ 755</u>

Long-term debt:

2.750% senior notes due July 2024	\$ —	\$ 2,000
3.850% senior notes due June 2025	900	900
2.250% senior notes due July 2025 (British Pound-denominated)	661	672
3.200% senior notes due July 2026	2,000	2,000
5.150% senior notes due March 2027	750	—
2.250% senior notes due June 2027	1,000	1,000
1.125% senior notes due July 2027 (Euro-denominated)	521	555
5.450% senior notes due March 2028	900	900
5.375% senior notes due August 2028	700	700
4.200% senior notes due October 2028	1,000	1,000
3.500% senior notes due July 2029	3,000	3,000
4.750% senior notes due March 2030	850	—
2.650% senior notes due June 2030	1,000	1,000
1.625% senior notes due July 2030 (Euro-denominated)	521	555
5.350% senior notes due March 2031	500	—
4.500% senior notes due May 2031 (Euro-denominated)	835	889
3.000% senior notes due July 2031 (British Pound-denominated)	661	672
5.600% senior notes due March 2033	900	900
5.625% senior notes due August 2033	1,300	1,300
5.450% senior notes due March 2034	750	—
5.150% senior notes due August 2034	900	—
4.400% senior notes due July 2049	2,000	2,000
U.S. dollar commercial paper notes	221	418
Euro commercial paper notes	1,239	1,321
Revolving credit facility	115	74
Unamortized discount and deferred financing costs	(150)	(145)
Finance lease and other financing obligations	656	652
Total long-term debt	<u>\$ 23,730</u>	<u>\$ 22,363</u>

Annual maturities of the Company's total debt were as follows at December 31, 2024:

(In millions)

Year Ending December 31,

2025	\$	1,110
2026		2,268
2027		5,606
2028		2,711
2029		3,046
Thereafter		10,249
Total principal payments		24,990
Unamortized discount and deferred financing costs		(150)
Total debt	\$	24,840

The Company was in compliance with all financial debt covenants during the year ended December 31, 2024.

Senior Notes

The Company has outstanding \$21.6 billion of various fixed-rate senior notes, as described above. The indentures governing the Company's senior notes contain covenants that, among other matters, limit (i) the Company's ability to consolidate or merge with or into, or convey, transfer or lease all or substantially all of its properties and assets to, another person, (ii) the Company's and certain of its subsidiaries' ability to create or assume liens, and (iii) the Company's and certain of its subsidiaries' ability to engage in sale and leaseback transactions. The Company may, at its option, redeem the senior notes, in whole or in part, at any time and from time to time, at the applicable redemption price. Interest on the Company's U.S. dollar-denominated senior notes is paid semi-annually, while interest on its Euro- and British Pound-denominated senior notes is paid annually. The interest rate applicable to certain of the senior notes is subject to an increase of up to two percent in the event that the credit rating assigned to such notes is downgraded below investment grade.

On August 12, 2024, the Company completed the public offering and issuance of \$1.75 billion of senior notes, comprised of \$850 million aggregate principal amount of 4.750% senior notes due in March 2030 and \$900 million aggregate principal amount of 5.150% senior notes due in August 2034. Interest on these senior notes is paid semi-annually. The Company used the net proceeds from this senior notes offering for general corporate purposes, including the repayment of a portion of the Company's commercial paper notes and for share repurchases.

On March 4, 2024, the Company completed the public offering and issuance of \$2.0 billion of senior notes, comprised of \$750 million aggregate principal amount of 5.150% senior notes due in March 2027, \$500 million aggregate principal amount of 5.350% senior notes due in March 2031 and \$750 million aggregate principal amount of 5.450% senior notes due in March 2034. Interest on these senior notes is paid semi-annually. The Company used the net proceeds from this senior notes offering for general corporate purposes, including the repayment of a portion of the Company's commercial paper notes and for share repurchases, and in July 2024, the repayment of a portion of its 2.750% senior notes.

At December 31, 2024, the 3.850% senior notes due in June 2025 and 2.250% senior notes due in July 2025 were classified in the consolidated balance sheet as long-term, as the Company has the intent to refinance this debt on a long-term basis, and the ability to do so under its revolving credit facility.

Commercial Paper

The Company maintains unsecured U.S. dollar and Euro commercial paper programs. From time to time, the Company may issue under these programs U.S. dollar commercial paper with maturities of up to 397 days from the date of issuance and Euro commercial paper with maturities of up to 183 days from the date of issuance. Outstanding borrowings under the U.S. dollar program were \$221 million and \$418 million at December 31, 2024 and 2023, respectively, with weighted average interest rates of 4.534% and 5.454%, respectively. Outstanding borrowings under the Euro program were \$1.2 billion and \$1.3 billion at December 31, 2024 and 2023, respectively, with weighted average interest rates of 3.115% and 4.029%, respectively. The Company intends to maintain available capacity under its revolving credit facility, as described below, in an amount at least equal to the aggregate outstanding borrowings under its commercial paper programs. Outstanding borrowings under the commercial paper programs are classified in the consolidated balance sheets as long-term as the Company has the intent to refinance this commercial paper on a long-term basis through the continued issuance of new commercial paper upon maturity, and the Company also has the ability to refinance such commercial paper under its revolving credit facility.

Revolving Credit Facility

The Company maintains a senior unsecured multicurrency revolving credit facility, which matures in June 2027 and provides for a maximum aggregate principal amount of availability of \$6.0 billion. Borrowings under the credit facility bear interest at a variable base rate, determined by the term and currency of the borrowing, plus a specified margin based on the Company's long-term debt rating. Outstanding borrowings under the revolving credit facility were \$115 million and \$74 million at December 31, 2024 and 2023, respectively, with corresponding interest rates of 5.440% and 6.450%, respectively. The credit facility also requires the Company to pay a facility fee based on the aggregate commitments in effect under the agreement from time to time. The credit facility contains various restrictions and covenants that require the Company to, among other things, limit its consolidated indebtedness as of the end of each fiscal quarter to no more than 3.75 times the Company's consolidated net income before interest, taxes, depreciation, amortization, non-cash charges and expenses and certain other adjustments during the period of four fiscal quarters then ended, subject to certain exceptions.

Foreign Lines of Credit

The Company maintains various short-term lines of credit and other borrowing arrangements with foreign banks and alliance partners primarily to fund merchant settlement advances associated with operations in Latin America. The following table provides a summary of the outstanding borrowings and weighted average interest rates of the Company's foreign lines of credit and other borrowing arrangements by country at December 31:

	Outstanding Borrowings (in millions)		Weighted-Average Interest Rate	
	2024	2023	2024	2023
Argentina	\$ 597	\$ 208	38.470 %	121.581 %
Brazil	94	123	12.976 %	13.500 %
Uruguay	49	55	9.766 %	11.125 %
Other	44	56	3.984 %	4.912 %
Total	<u>\$ 784</u>	<u>\$ 442</u>	31.695 %	63.060 %

Deferred Financing Costs

Deferred financing costs are amortized as a component of interest expense, net over the term of the underlying debt using the effective interest method. Deferred financing costs, primarily related to the Company's senior notes, totaled \$103 million and \$94 million at December 31, 2024 and 2023, respectively, and are reported as a direct reduction of the related debt instrument in the consolidated balance sheets. Deferred financing costs related to the Company's revolving credit facility are reported in other long-term assets in the consolidated balance sheets and totaled \$5 million and \$7 million at December 31, 2024 and 2023, respectively.

13. Redeemable Noncontrolling Interests

The minority partner in one of the Company's merchant alliance joint ventures maintained a redeemable noncontrolling 1% interest which was presented outside of equity and carried at its estimated redemption value. The minority partner was entitled to a contractually determined share of the entity's income, and the joint venture agreement contained redemption features whereby the interest held by the minority partner was redeemable either (i) at the option of the holder or (ii) upon the occurrence of an event that is not solely within the Company's control.

Effective June 2024, the Company and the merchant alliance joint venture minority partner mutually agreed to terminate the joint venture agreement on September 1, 2024. Under the provisions of the separation agreement, the Company redeemed the minority partner's membership interest in exchange for a future distribution of certain merchant contracts. The redeemable noncontrolling interest was adjusted to reflect the estimated redemption value, with a corresponding adjustment recorded to additional paid-in capital within the consolidated statement of equity. Additionally, as the redeemable noncontrolling interest is now mandatorily redeemable, the Company's obligation to satisfy the purchase of the interest has been reclassified as a current liability in the consolidated balance sheet (see Notes 1 and 10). The Company maintains an ongoing relationship with the former minority partner to provide processing and other support services following the termination of the joint venture agreement.

The following table presents a summary of the redeemable noncontrolling interest activity during the years ended December 31:

(In millions)	2024	2023
Balance at beginning of year	\$ 161	\$ 161
Distributions paid to redeemable noncontrolling interest	(13)	(26)
Share of income	13	26
Adjustment to estimated redemption value of redeemable noncontrolling interest	(66)	—
Reclassification to current liability	(95)	—
Balance at end of year	<u>\$ —</u>	<u>\$ 161</u>

14. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component, net of income taxes, consisted of the following:

(In millions)	Derivatives	Foreign Currency Translation	Pension Plans	Total
Year Ended December 31, 2024				
Balance at December 31, 2023	\$ (78)	\$ (688)	\$ (17)	\$ (783)
Other comprehensive loss before reclassifications	(10)	(639)	(88)	(737)
Amounts reclassified from accumulated other comprehensive loss	9	—	98	107
Net current-period other comprehensive (loss) income	(1)	(639)	10	(630)
Balance at December 31, 2024	<u>\$ (79)</u>	<u>\$ (1,327)</u>	<u>\$ (7)</u>	<u>\$ (1,413)</u>
Year Ended December 31, 2023				
Balance at December 31, 2022	\$ (103)	\$ (1,064)	\$ (22)	\$ (1,189)
Other comprehensive income before reclassifications	11	366	5	382
Amounts reclassified from accumulated other comprehensive loss	14	10	—	24
Net current-period other comprehensive income	25	376	5	406
Balance at December 31, 2023	<u>\$ (78)</u>	<u>\$ (688)</u>	<u>\$ (17)</u>	<u>\$ (783)</u>

15. Employee Benefit Plans

Defined Contribution Plans

The Company and its subsidiaries maintain defined contribution savings plans covering the majority of its employees. Under the plans, eligible participants may elect to contribute a specified percentage of their salaries and the Company makes matching contributions, each subject to certain limitations. The plans provide tax-deferred amounts for each participant, consisting of employee elective contributions, company matching and discretionary company contributions. Company matching contributions are 100% on the first 1% contributed and 50% on the next 4% contributed for eligible participants. Expenses for company contributions under these plans totaled \$81 million, \$78 million, and \$79 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Defined Benefit Plans

The Company maintains frozen noncontributory defined benefit pension plans (collectively, the “Plans”) covering certain of its employees in the United Kingdom (“U.K.”), U.S., Germany and Austria, which provide benefits to eligible employees based on an employee’s average final compensation and years of service.

Effective September 30, 2023, the Company terminated its U.K. and U.S. defined benefit pension plans. In March 2024, the Company entered into a group annuity insurance contract to provide for the administration of future payments to eligible plan participants of the terminated U.K. plan. In connection with the buy-in of this insurance policy, the plan’s projected benefit

obligation was remeasured to the value of the group annuity insurance contract, resulting in an unrecognized loss, net of tax, of approximately \$63 million recorded in accumulated other comprehensive loss within the consolidated balance sheet.

Upon the settlement of the terminated plans, which was completed in the fourth quarter of 2024, the Company funded a plan termination liability shortfall for the U.S. defined benefit pension plans of \$20 million and recognized a non-cash pre-tax pension settlement charge for the U.K. and U.S. terminated defined benefit pension plans of \$147 million. The settlement charge, which includes \$15 million of surplus excise tax and other administrative costs, was recorded within other expense, net in the consolidated statement of income. Qualifying participants of the terminated plans were provided with election options as to how and when to receive their accrued benefits, such as an immediate one-time lump sum payment or monthly annuity. The amount of accrued vested benefits to be received by participants was not impacted by the terminations of the plans.

Funded Status

The following table provides a reconciliation of benefit obligations, plan assets and the funded status of the Plans as of and for the years ended December 31:

(In millions)	U.K. Plan		U.S. and Other Plans	
	2024	2023	2024	2023
Change in projected benefit obligations:				
Balance at beginning of year	\$ (445)	\$ (418)	\$ (164)	\$ (169)
Interest cost	(21)	(21)	(8)	(8)
Actuarial loss	(25)	(5)	(1)	(1)
Benefits paid	25	26	12	14
Foreign currency translation	2	(27)	—	—
Settlement of terminated plans	464	—	147	—
Balance at end of year	<u>\$ —</u>	<u>\$ (445)</u>	<u>\$ (14)</u>	<u>\$ (164)</u>
Change in fair value of plan assets:				
Balance at beginning of year	\$ 589	\$ 570	\$ 124	\$ 130
Actual return on plan assets	(44)	8	7	8
Company contribution	—	—	28	—
Benefits paid	(25)	(26)	(12)	(14)
Foreign currency translation	(3)	37	—	—
Settlement of terminated plans	(464)	—	(147)	—
Balance at end of year	<u>\$ 53</u>	<u>\$ 589</u>	<u>\$ —</u>	<u>\$ 124</u>
Funded status of the plans ⁽¹⁾	<u><u>\$ 53</u></u>	<u><u>\$ 144</u></u>	<u><u>\$ (14)</u></u>	<u><u>\$ (40)</u></u>

⁽¹⁾ The Company expects to receive an approximate \$40 million refund (net of excise tax) of residual surplus in the first quarter of 2025 related the terminated U.K. defined benefit pension plan.

Projected Benefit Obligations

The Company records amounts relating to Plan obligations and their associated expenses based on calculations which include actuarial assumptions, including the discount rate and the expected rate of return on plan assets. Changes in any of the assumptions and the amortization of differences between the assumptions and actual experience affect the amount of pension expense in future periods. The Company reviewed its actuarial assumptions at least annually and modified the assumptions based on then-current rates and trends, as appropriate. The effects of modifications were recognized immediately within the consolidated balance sheets, and were generally amortized to operating income over future periods, with the deferred amount recorded in accumulated other comprehensive loss within the consolidated balance sheets. The Company's funding policy was to contribute quarterly an amount as recommended by the Plans' independent actuaries. The Company employed a building block approach in determining the expected long-term rate of return for plan assets with proper consideration of diversification and re-balancing. Historical markets were studied and long-term historical relationships between equities and fixed-income securities were preserved consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors such as inflation and interest rates were evaluated before long-term

capital market assumptions were determined. Peer data and historical returns were reviewed to check for reasonableness and appropriateness.

The weighted-average rate assumptions used in the measurement of the Company's projected benefit obligations and net periodic benefit expense as of and for the years ended December 31 were as follows:

	Projected Benefit Obligations		Net Periodic Benefit Expense	
	2024	2023	2024	2023
Discount rate	3.31 %	4.81 %	4.81 %	5.01 %
Expected long-term return on plan assets	n/a	n/a	4.10 %	4.74 %

Plan Assets

Prior to its termination, the Company's investment strategy for the U.K. plan was to allocate the assets into two pools: (i) liability-hedging assets whereby the focus was risk management, protection and insurance relative to the liability target invested in, but not limited to, money market funds, debt, U.K. government bonds and U.K. government index-linked bonds; and (ii) return-seeking assets whereby the focus was on return generation and taking risk in a controlled manner. Such assets included equities, government bonds, high-yield bonds, property, commodities or hedge funds. Prior to their termination, the Company's investment strategy for the U.S. plans employed a total return investment approach whereby a diversified blend of equities and fixed-income investments were used to maximize the long-term return of plan assets for a prudent level of risk. The Company set an allocation mix necessary to support the underlying plan liabilities as influenced significantly by the demographics of the participants and the frozen nature of the plans.

Upon termination of these defined benefit pension plans, a modified investment allocation strategy was adopted for purposes of protecting the funded status of the respective plan assets subsequent to such terminations. The assets of the respective plans were invested exclusively in liability-hedging assets. Investment risk was measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset and liability studies.

The residual surplus assets carried and measured at fair value within the terminated U.K. plan at December 31, 2024 included \$53 million of cash and cash equivalents (Level 1). The following table sets forth assets carried and measured at fair value on a recurring basis for the Plans at December 31, 2023:

(In millions)	Level 1	Level 2	Level 3
Cash and cash equivalents ⁽¹⁾	\$ 27	\$ —	\$ —
Equity securities ⁽²⁾	—	—	—
Fixed income securities ⁽³⁾	312	—	—
Other investments ⁽⁴⁾	269	6	—
Total investments at fair value	<u>\$ 608</u>	<u>\$ 6</u>	<u>\$ —</u>

⁽¹⁾ Cash and cash equivalents include highly liquid investments in money market funds.

⁽²⁾ Equity securities primarily consist of domestic, international and global equity pooled funds.

⁽³⁾ Fixed income securities primarily consist of debt securities issued by U.S. and foreign government agencies and debt obligations issued by a variety of private and public corporations.

⁽⁴⁾ Other investments primarily consist of index-linked government bonds, derivatives and other investments.

In addition to the investments presented within the fair value hierarchy table above, the Plans' assets included investments in various collective trusts that were measured at fair value using the net asset value per share (or its equivalent) practical expedient. Such investments totaled \$99 million at December 31, 2023.

Net Periodic Benefit Cost

The components of net periodic benefit cost (income) were as follows:

(In millions)	Year Ended December 31,		
	2024	2023	2022
Interest cost	\$ 29	\$ 29	\$ 17
Expected return on plan assets	(24)	(26)	(18)
Net periodic benefit expense (income)	<u>\$ 5</u>	<u>\$ 3</u>	<u>\$ (1)</u>

16. Share-Based Compensation

The Company recognizes the fair value of share-based compensation awards granted to employees in cost of processing and services, cost of product, and selling, general and administrative expense in its consolidated statements of income.

The Company's share-based compensation awards are typically granted in the first quarter of the year; however, grants may also occur throughout the year, and primarily consist of the following:

- *Restricted Stock Units and Awards* – The Company grants restricted stock units and awards to employees and non-employee directors. Time-based restricted stock units and award grants generally vest over a three- or four-year period. The Company recognizes compensation expense for restricted stock units and awards based on the market price of its common stock on the grant date over the period during which the units and awards vest.
- *Performance Share Units* – The Company grants performance share units to employees. The number of shares issued at the end of the performance period is determined by the level of achievement of predefined performance goals, including earnings, revenue growth, integration attainment, and shareholder return. The Company recognizes compensation expense on performance share units ratably over the requisite performance period of the award, generally two to five years, to the extent management views the performance goals as probable of attainment. The Company recognizes compensation expense for the fair value of the shareholder return component over the requisite service period of the award.
- *Stock Options* – The Company may grant stock options to employees and non-employee directors at exercise prices equal to the fair market value of the Company's stock on the dates of grant. Stock option grants generally vest over a three- or four-year period. All stock options expire ten years from the date of the award. The Company recognizes compensation expense for the fair value of the stock options over the requisite service period of the stock option award.
- *Employee Stock Purchase Plan* – The Company maintains an employee stock purchase plan that allows eligible employees to purchase a limited number of shares of common stock each quarter through payroll deductions at a discount of the closing price of the Company's common stock on the last business day of each calendar quarter. The employee discount of 5% under the employee stock purchase plan is considered non-compensatory and therefore does not give rise to recognizable compensation cost.

The Company recognized \$367 million, \$342 million and \$323 million of share-based compensation expense during the years ended December 31, 2024, 2023 and 2022, respectively. At December 31, 2024, the total remaining unrecognized compensation cost for restricted stock units and awards and performance share units, net of estimated forfeitures, of \$341 million is expected to be recognized over a weighted-average period of 1.8 years. During the years ended December 31, 2024, 2023 and 2022, stock options to purchase 2.3 million, 2.4 million and 3.7 million shares, respectively, were exercised.

Share-Based Compensation Activity

A summary of restricted stock unit, restricted stock award and performance share unit activity is as follows:

	Restricted Stock Units and Awards		Performance Share Units	
	Shares (In thousands)	Weighted-Average Grant Date Fair Value	Shares (In thousands)	Weighted-Average Grant Date Fair Value
Units and awards - December 31, 2023	5,419	\$ 103.11	3,219	\$ 104.09
Granted	2,333	151.53	359	175.17
Forfeited	(409)	121.20	(560)	102.36
Vested	(2,627)	103.76	(1,052)	102.06
Units and awards - December 31, 2024	4,716	\$ 124.78	1,966	\$ 116.62

In conjunction with certain acquisitions, the Company granted restricted stock units with performance vesting provisions to be measured over two and five years, which are presented as performance share units within the table above.

No stock option awards were granted during the years ended December 31, 2024, 2023 and 2022. A summary of stock option activity is as follows:

	Shares (In thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In millions)
Stock options outstanding - December 31, 2023	3,865	\$ 72.36		
Granted	—	—		
Forfeited	(10)	108.15		
Exercised	(2,269)	60.10		
Stock options outstanding - December 31, 2024	1,586	\$ 89.65	4.07	\$ 184
Stock options exercisable - December 31, 2024	1,586	\$ 89.65	4.07	\$ 184

The table below presents additional information related to stock option and restricted stock unit activity:

(In millions)	2024	2023	2022
Total intrinsic value of stock options exercised	\$ 212	\$ 177	\$ 226
Fair value of restricted stock units and awards vested	554	267	335
Income tax benefit from stock options exercised and restricted stock units and awards vested	175	101	109
Cash received from stock options exercised	56	62	105

At December 31, 2024, 18.0 million share-based awards were available for grant under the Amended and Restated Fiserv, Inc. 2007 Omnibus Incentive Plan. Under its employee stock purchase plan, the Company issued 0.3 million, 0.4 million and 0.5 million shares during the years ended December 31, 2024, 2023 and 2022, respectively. At December 31, 2024, there were 22.7 million shares available for issuance under the employee stock purchase plan.

17. Income Taxes

The provision for income taxes is based on income before income taxes and income (loss) from investments in unconsolidated affiliates, as follows:

(In millions)	Year Ended December 31,		
	2024	2023	2022
United States	\$ 3,683	\$ 3,342	\$ 2,752
Foreign	823	556	161
Total	<u>\$ 4,506</u>	<u>\$ 3,898</u>	<u>\$ 2,913</u>

The income tax provision was as follows:

(In millions)	Year Ended December 31,		
	2024	2023	2022
Components of income tax provision (benefit):			
Current:			
Federal	\$ 831	\$ 913	\$ 802
State	242	148	175
Foreign	230	204	132
	<u>1,303</u>	<u>1,265</u>	<u>1,109</u>
Deferred:			
Federal	(407)	(380)	(339)
State	(112)	(12)	(84)
Foreign	(143)	(119)	(135)
	<u>(662)</u>	<u>(511)</u>	<u>(558)</u>
Income tax provision	<u>\$ 641</u>	<u>\$ 754</u>	<u>\$ 551</u>

A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal effect	2.6 %	2.8 %	2.5 %
Foreign derived intangibles income deduction	— %	(0.4)%	(0.9)%
Excess tax benefit from share-based awards	(1.3)%	(0.8)%	(0.8)%
Sale of businesses and subsidiary restructuring	(0.2)%	(1.3)%	(2.2)%
Unrecognized tax benefits	— %	(0.2)%	(0.5)%
Nondeductible executive compensation	0.3 %	0.2 %	0.4 %
Transferable federal tax credits ⁽¹⁾	(2.3)%	(1.4)%	— %
Non-cash impairment charge (see Note 8)	(2.9)%	— %	— %
Valuation allowance	(1.0)%	(0.6)%	(0.5)%
Other, net	(2.0)%	— %	(0.1)%
Effective income tax rate	<u>14.2 %</u>	<u>19.3 %</u>	<u>18.9 %</u>

⁽¹⁾ Pursuant to provisions under the Inflation Reduction Act, the Company purchased transferable federal tax credits during 2024 and 2023 from various counterparties. Such federal tax credits were purchased at negotiated discounts, resulting in an income tax benefit recorded during the years ended December 31, 2024 and 2023. Receivables associated with transferable federal tax credits are recorded within prepaid expenses and other current assets, and amounts owed to counterparties for the purchased credits are recorded within accounts payable and other current liabilities within the consolidated balance sheets at December 31, 2024 and 2023.

Significant components of deferred tax assets and liabilities consisted of the following:

(In millions)	December 31,	
	2024	2023
Accrued expenses	\$ 167	\$ 193
Share-based compensation	93	122
Net operating loss and credit carry-forwards	586	642
Leasing liabilities	258	183
Other	215	252
Subtotal	1,319	1,392
Valuation allowance	(404)	(467)
Total deferred tax assets	915	925
Capitalized software development costs	(219)	(331)
Intangible assets	(1,728)	(2,047)
Property and equipment	(278)	(341)
Capitalized commissions	(108)	(112)
Investments in joint ventures	(392)	(562)
Leasing right-of-use assets	(220)	(144)
Other	(371)	(386)
Total deferred tax liabilities	(3,316)	(3,923)
Total	\$ (2,401)	\$ (2,998)

The Company maintained a valuation allowance of \$404 million and \$467 million at December 31, 2024 and 2023, respectively, against its deferred tax assets. Substantially all of the valuation allowance relates to certain foreign and state net operating loss carryforwards.

Deferred tax assets and liabilities are reported in the consolidated balance sheets as follows:

(In millions)	December 31,	
	2024	2023
Noncurrent assets	\$ 76	\$ 80
Noncurrent liabilities	(2,477)	(3,078)
Total	\$ (2,401)	\$ (2,998)

Noncurrent deferred tax assets are included in other long-term assets in the consolidated balance sheets at December 31, 2024 and 2023.

The following table presents the amounts of federal, state and foreign net operating loss carryforwards and foreign tax credit carryforwards:

(In millions)	December 31,	
	2024	2023
Net operating loss carryforwards: ⁽¹⁾		
Federal	\$ 28	\$ 86
State	2,829	3,074
Foreign	1,597	1,880
Foreign tax credit carryforwards	43	16

⁽¹⁾ At December 31, 2024, the Company had federal net operating loss carryforwards of \$28 million, most of which do not expire, state net operating loss carryforwards of \$2.8 billion, most of which expire in 2025 through 2044, and foreign net operating loss carryforwards of \$1.6 billion, of which \$65 million expire in 2025 through 2044, and the remainder of which do not expire.

The Company asserts that its investment in its foreign subsidiaries is intended to be indefinitely reinvested. Undistributed historical and future earnings of its foreign subsidiaries are not considered to be indefinitely reinvested. Should these earnings be distributed in the future in the form of dividends or otherwise, the Company may be subject to foreign or U.S. taxes. The Company has the ability and intent to limit distributions so as to not make a distribution in excess of its investment in those subsidiaries. The Company will continue to monitor its global cash requirements and the need to recognize a deferred tax liability.

Unrecognized tax benefits were as follows:

(In millions)	December 31,		
	2024	2023	2022
Unrecognized tax benefits - Beginning of year	\$ 84	\$ 96	\$ 124
Increases for tax positions taken during the current year	2	2	3
Increases for tax positions taken in prior years	4	8	—
Decreases for tax positions taken in prior years	—	(10)	(18)
Decreases for settlements	—	(3)	(2)
Lapse of the statute of limitations	(5)	(9)	(11)
Unrecognized tax benefits - End of year	<u>\$ 85</u>	<u>\$ 84</u>	<u>\$ 96</u>

At December 31, 2024, unrecognized tax benefits of \$50 million, net of federal and state benefits, would affect the effective income tax rate if recognized. The Company believes it is reasonably possible that the liability for unrecognized tax benefits may decrease by up to \$7 million over the next twelve months as a result of possible closure of federal tax audits, potential settlements with certain states and foreign countries, and the lapse of the statute of limitations in various state and foreign jurisdictions.

The Company classifies interest expense and penalties related to income taxes as components of its income tax provision. The income tax provision included interest expense and penalties on unrecognized tax benefits of \$1 million in 2024, \$2 million in 2023 and less than \$1 million in 2022. Accrued interest expense and penalties related to unrecognized tax benefits totaled \$16 million and \$15 million at December 31, 2024 and 2023, respectively.

The Company's U.S. federal income tax returns for 2023 and 2024, and tax returns in certain states and foreign jurisdictions for 2017 through 2024, remain subject to examination by taxing authorities.

18. Commitments and Contingencies

Litigation Matters

In the normal course of business, the Company or its subsidiaries are named as defendants in lawsuits in which claims are asserted against the Company. The Company maintained an accrual of \$43 million and \$32 million at December 31, 2024 and 2023, respectively, related to its various legal proceedings. The Company's estimate of the possible range of exposure for various legal proceedings in excess of amounts accrued is \$0 million to approximately \$120 million. In the opinion of management, the liabilities, if any, which may ultimately result from such legal proceedings are not expected to have a material adverse effect on the Company's consolidated financial statements.

Electronic Payments Transactions

In connection with the Company's processing of electronic payments transactions, which are separate and distinct from the settlement payment transactions described in Note 5, funds received from subscribers are invested from the time the Company collects the funds until payments are made to the applicable recipients. These subscriber funds are invested in short-term, highly liquid investments. Subscriber funds, which are not included in the Company's consolidated balance sheets, can fluctuate significantly based on consumer bill payment and debit card activity and totaled \$1.3 billion and \$3.5 billion at December 31, 2024 and 2023, respectively.

Indemnifications and Warranties

The Company may indemnify its clients from certain costs resulting from claims of patent, copyright or trademark infringement associated with its clients' use of the Company's products or services. The Company may also warrant to clients that its products and services will operate in accordance with identified specifications. From time to time, in connection with sales of businesses, the Company agrees to indemnify the buyers of such businesses for liabilities associated with the businesses that are

sold. Payments, net of recoveries, under such indemnification or warranty provisions were not material to the Company's consolidated financial statements.

19. Related Party Transactions

Merchant Alliances

A portion of the Company's business is conducted through merchant alliances between the Company and certain financial institutions (see Note 8). A merchant alliance is an agreement between the Company and a financial institution that combines the processing capabilities and management expertise of the Company with the visibility and distribution channel of the financial institution. A merchant alliance acquires credit and debit card transactions from merchants. The Company provides processing and other services to the alliance and charges fees to the alliance based on contractual pricing.

To the extent the Company maintains a controlling financial interest in an alliance, the alliance's financial statements are consolidated with those of the Company and the related processing fees are treated as an intercompany transaction and eliminated in consolidation. To the extent the Company has significant influence in, but not control of, an alliance, the Company uses the equity method to account for its investment in the alliance. As a result, the processing and other service fees charged to merchant alliances accounted for under the equity method are recognized in the Company's consolidated statements of income primarily as processing and services revenue. Such fees totaled \$140 million, \$177 million and \$187 million during the years ended December 31, 2024, 2023 and 2022, respectively. No directors or officers of the Company have ownership interests in any of the alliances. The formation of each of these alliances generally involves the Company and the financial institution contributing contracts with merchants to the alliance and a cash payment from one owner to the other to achieve the desired ownership percentage for each. The Company and the financial institution enter into a long-term processing service agreement, which governs the Company's provision of transaction processing services to the alliance. The Company had approximately \$21 million and \$38 million of amounts due from unconsolidated merchant alliances included within trade accounts receivable, net in the Company's consolidated balance sheets at December 31, 2024 and 2023, respectively.

Share Repurchase

On August 7, 2023, the Company entered into a stock purchase agreement with ValueAct Capital Master Fund, L.P., an affiliate of which employed a member of the Company's board of directors, to repurchase 4.1 million shares of the Company's common stock for \$121.98 per share in a privately negotiated transaction for an aggregate purchase price of \$500 million. The repurchase was effected pursuant to an existing repurchase authorization for up to 75.0 million shares of the Company's common stock approved by the Company's board of directors on February 22, 2023. The share repurchase was completed on August 8, 2023, and the fair value of the repurchased shares of Company common stock was recorded to treasury stock during the year ended December 31, 2023.

20. Business Segment Information

Following the Segment Realignment (see Note 1), the Company's operations are comprised of two reportable segments, the Merchant segment and the Financial segment. The businesses in the Merchant segment provide commerce-enabling products and services to companies of all sizes around the world. These products and services include merchant acquiring and digital commerce services; mobile payment services; security and fraud protection solutions; stored-value solutions; and pay-by-bank solutions. The business lines (operating segments) aggregated within the Merchant segment consist of the following:

- *Small Business* – provides products and services to small businesses and independent software vendors, including Clover®, the Company's point-of-sale and business management platform for small business clients
- *Enterprise* – provides products and services to large businesses, including the Company's integrated omnichannel operating system for enterprise clients
- *Processing* – provides products and services to financial institutions, joint ventures, and other third party resellers which have direct relationships with merchants

The Company distributes the products and services in the Merchant segment businesses through a variety of channels, including direct sales teams, strategic partnerships with agent sales forces, independent software vendors, financial institutions and other strategic partners in the form of joint venture alliances, revenue sharing alliances and referral agreements.

The businesses in the Financial segment provide products and services to financial institution, corporate and public sector clients across the world, enabling the processing of customer loan and deposit accounts, digital payments and card transactions. The business lines (operating segments) aggregated within the Financial segment consist of the following:

- *Digital Payments* – provides debit card processing services; debit network services; security and fraud protection products; bill payment; person-to-person payments; and account-to-account transfers
- *Issuing* – provides credit card processing services; prepaid card processing services; card production services; print services; government payment processing; and student loan processing
- *Banking* – provides customer loan and deposit account processing; digital banking; financial and risk management; professional services and consulting; and check processing

Corporate and Other supports the reportable segments described above, and consists of amortization of acquisition-related intangible assets, unallocated corporate expenses and other activities that are not considered when management evaluates segment performance, such as gains or losses on sales of businesses, certain assets or investments; costs associated with acquisition and divestiture activity; certain services revenue associated with various dispositions; and postage reimbursements.

The Company's Chief Executive Officer ("CEO"), who is also the Company's CODM, assesses segment performance and makes strategic decisions on the allocation of resources. Additionally, the Company's CEO provides oversight on business leadership and corporate strategy to the executive leadership team, who manages the day to day operations of the various business lines.

The CODM uses reportable segment operating income to evaluate segment performance and allocate resources, primarily during the annual budget and forecasting processes. The CODM regularly reviews variances between forecasted and actual results in assessing earnings, operational efficiency and growth performance, and allocating resources including personnel and capital allocations, to each reportable segment. There are no intersegment revenues contained within the respective reportable segment revenues.

Operating results for each reportable segment were as follows:

(In millions)	Reportable Segments		Total
	Merchant	Financial	
Year Ended December 31, 2024			
Revenues:			
Processing and services revenue	\$ 8,557	\$ 8,065	
Product revenue	1,074	1,412	
Reportable segment revenue	\$ 9,631	\$ 9,477	\$ 19,108
Corporate and Other revenue ⁽¹⁾			1,348
Total Company revenue			\$ 20,456
Expenses:			
Personnel expenses ⁽²⁾	1,298	1,949	
Direct costs ⁽³⁾	3,164	748	
Depreciation and amortization expense	367	465	
Other operating expense ⁽⁴⁾	592	367	
Allocations from Corporate and Other ⁽⁵⁾	649	1,463	
Reportable segment operating income	\$ 3,561	\$ 4,485	\$ 8,046
Corporate and Other operating loss ⁽⁶⁾			(2,167)
Interest expense, net			(1,195)
Other expense, net ⁽⁷⁾			(178)
Income before income taxes and (loss) income from investments in unconsolidated affiliates			\$ 4,506

(In millions)	Reportable Segments		Total
	Merchant	Financial	
Year Ended December 31, 2023			
Revenues:			
Processing and services revenue	\$ 7,637	\$ 7,970	
Product revenue	1,085	1,131	
Reportable segment revenue	\$ 8,722	\$ 9,101	\$ 17,823
Corporate and Other revenue ⁽¹⁾			1,270
Total Company revenue			\$ 19,093
Expenses:			
Personnel expenses ⁽²⁾	1,321	2,010	
Direct costs ⁽³⁾	2,906	780	
Depreciation and amortization expense	328	404	
Other operating expense ⁽⁴⁾	564	315	
Allocations from Corporate and Other ⁽⁵⁾	629	1,414	
Reportable segment operating income	\$ 2,974	\$ 4,178	\$ 7,152
Corporate and Other operating loss ⁽⁶⁾			(2,138)
Interest expense, net			(976)
Other expense, net ⁽⁷⁾			(140)
Income before income taxes and (loss) income from investments in unconsolidated affiliates			\$ 3,898

Year Ended December 31, 2022

Revenues:			
Processing and services revenue	\$ 6,815	\$ 7,621	
Product revenue	1,068	1,060	
Reportable segment revenue	\$ 7,883	\$ 8,681	\$ 16,564
Corporate and Other revenue ⁽¹⁾			1,173
Total Company revenue			<u>\$ 17,737</u>
Expenses:			
Personnel expenses ⁽²⁾	1,278	2,051	
Direct costs ⁽³⁾	2,637	712	
Depreciation and amortization expense	271	346	
Other operating expense ⁽⁴⁾	647	432	
Allocations from Corporate and Other ⁽⁵⁾	609	1,334	
Reportable segment operating income	\$ 2,441	\$ 3,806	\$ 6,247
Corporate and Other operating loss ⁽⁶⁾			(2,507)
Interest expense, net			(733)
Other expense, net ⁽⁷⁾			(94)
Income before income taxes and (loss) income from investments in unconsolidated affiliates			<u>\$ 2,913</u>

⁽¹⁾ Primarily includes postage reimbursements.

⁽²⁾ Includes compensation and benefit costs of Company employees, as well as expenses paid to third parties for consulting and temporary help, net of capitalized software costs.

⁽³⁾ Includes cost of goods sold, payments to distribution partners and other reselling costs.

⁽⁴⁾ Includes data processing, facility, and marketing costs that are directly charged to the reportable segments.

⁽⁵⁾ Represents centrally-managed costs, including sales, technology and administrative expenses, that are allocated to the reportable segments from Corporate and Other and are considered in the CODM's evaluation of segment performance.

⁽⁶⁾ Includes amortization of acquisition-related intangible assets; costs associated with acquisition and divestiture activity; unallocated

- corporate expenses; and gains or losses on sales of businesses.
- (7) Includes foreign currency transaction gains and losses, gains or losses from a sale or change in fair value of investments in certain equity securities, amounts related to debt guarantee arrangements of certain equity method investments, and non-cash pension plan settlement charges.

Other significant items include:

(In millions)	Year Ended December 31,		
	2024	2023	2022
Depreciation and amortization:			
Merchant ⁽¹⁾	\$ 429	\$ 366	\$ 297
Financial ⁽¹⁾	628	560	495
Corporate and Other ⁽²⁾	2,081	2,236	2,420
Total Company	<u>\$ 3,138</u>	<u>\$ 3,162</u>	<u>\$ 3,212</u>
Capital expenditures, including capitalized software and other intangibles:			
Merchant	\$ 552	\$ 498	\$ 500
Financial	614	525	509
Corporate and Other	403	365	470
Total Company	<u>\$ 1,569</u>	<u>\$ 1,388</u>	<u>\$ 1,479</u>

(1) Includes amortization associated with commissions, residual buyouts and deferred conversion costs included within personnel expenses, direct costs and other operating expenses, respectively, in the segment operating results tables above.

(2) Primarily includes amortization of acquisition-related intangible assets, such as customer relationships, software/technology and trade names.

The Company does not evaluate the performance or allocate resources to its reportable segments using asset data. Long-lived assets, excluding goodwill and other intangibles, within the Company's international regions comprised approximately 19% and 26% of total consolidated long-lived assets, excluding goodwill and other intangible assets, at December 31, 2024 and 2023, respectively.

Fiserv, Inc.
Schedule II — Valuation and Qualifying Accounts
(In millions)

Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts		
Year ended December 31, 2024					
Deferred tax asset valuation allowance	\$ 467	15	(20)	(58)	\$ 404
Year ended December 31, 2023					
Deferred tax asset valuation allowance	\$ 620	2	(125) ⁽¹⁾	(30)	\$ 467
Year ended December 31, 2022					
Deferred tax asset valuation allowance	\$ 697	33	(41)	(69)	\$ 620

⁽¹⁾ The decrease in the deferred tax asset valuation allowance is primarily due to subsidiary restructurings.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Fiserv, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Fiserv, Inc. and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 8 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2025, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue – Refer to Note 1 and Note 3 to the consolidated financial statements

Critical Audit Matter Description

The Company generates revenue from the delivery of processing, service and product solutions. Revenue is measured based on consideration specified in a contract with a customer, and the Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer, which may be at a point in time or over time. The Company’s revenue consists of a significant volume of transactions sourced from multiple systems and applications. The processing of such transactions and recording of the majority of revenue is system-driven and based on contractual terms with customers. In addition, contract modifications occur when the Company and its customers agree to modify existing customer contracts to change the scope or price (or both) of the contract. Contract modifications also occur when a customer terminates some, or all, of the existing services provided by the Company, which may result in the customer paying a termination fee to the Company based upon the terms in the initial contract. When a contract modification occurs, it requires the Company to exercise judgment to determine if the modification should be accounted for as: (i) a separate contract, (ii) the termination of the original contract and creation of a new contract, or (iii) a cumulative catch-up adjustment to the original contract. Further, contract modifications require the identification and evaluation of the performance obligations of the modified contract,

including the allocation of consideration to the remaining performance obligations and the period of recognition for each identified performance obligation.

We identified the complexity of revenue processing and revenue recognition, including customer contract modifications, as a critical audit matter because of the increased extent of effort and involvement of professionals in our firm having expertise in information technology (IT) to identify, test, and evaluate the Company's systems and automated controls and the management judgments necessary to determine the appropriate accounting. This required an increased extent of effort and a high degree of auditor judgment when performing audit procedures to evaluate whether revenue transactions were recognized appropriately.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to revenue recognition included the following, among others:

- We evaluated management's significant accounting policies.
- We tested internal controls within the relevant revenue business processes, including those in place to reconcile the various reports extracted from the IT systems to the Company's general ledger and those related to the Company's accounting for contract modifications.
- With the assistance of professionals in our firm having expertise in IT, we:
 - Identified the relevant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls.
 - Tested system interface controls and automated controls within the relevant revenue streams, as well as the controls designed to assess the accuracy and completeness of revenue.
- We developed expectations of revenue at a disaggregated level based on historical transaction prices and current year volumes. We compared those estimates to revenue recognized by the Company.
- For a sample of revenue transactions, we tested selected transactions by agreeing the amounts of revenue recognized to source documents and testing the mathematical accuracy of the recorded revenue.
- We selected a sample of significant customer contract modifications and performed the following procedures:
 - Obtained and read the customer contracts.
 - Evaluated whether the contract represented a new contract or a contract modification and, if applicable, assessed the accounting treatment of any modification in scope or price.
 - Tested management's identification of new or remaining performance obligations.
 - Recalculated the transaction price and assessed the appropriateness of the allocation of consideration to each performance obligation.
 - Assessed the pattern of delivery for each distinct performance obligation.

Goodwill — Annual impairment test for one reporting unit — Refer to Note 1 and Note 7 to the consolidated financial statements

Critical Audit Matter Description

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The Company determines the fair value of its reporting units using both a discounted cash flow model and a market approach. The determination of fair value using the discounted cash flow model requires management to make significant estimates and assumptions, which include assumptions related to revenue growth, margin growth, and discount rates. The goodwill balance was \$36,584 million as of December 31, 2024. For all reporting units, the fair values exceeded the carrying values and therefore, no impairment was recognized.

The one reporting unit we identified as a critical audit matter, which maintains a recorded goodwill balance of \$1.3 billion, has a fair value exceeding its carrying value as of the annual assessment of 29%. Revenue growth, margin growth, and discount rates for this reporting unit are sensitive to significant and long-term deterioration in the macroeconomic environment, industry or market conditions.

We identified goodwill for this reporting unit as a critical audit matter because of the significant estimates and assumptions management makes to estimate the fair value of this reporting unit and the sensitivity of operations to changes in the macroeconomic environment, industry or market conditions. This required a high degree of auditor judgment and an increased

extent of effort, including the need to involve professionals in our firm having expertise in valuation, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to revenue growth, margin growth, and selection of the discount rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the revenue growth, margin growth, and the selection of discount rates for this reporting unit included the following, among others:

- We tested the effectiveness of controls over management's goodwill impairment evaluation, including those over the determination of the fair value of this reporting unit, specifically controls related to management's forecasts and selection of the discount rates.
- We evaluated management's ability to accurately forecast by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's forecasts by comparing the forecasts to (1) historical results, (2) industry reports containing analyses of the Company's and its competitors' products and (3) forecasted information included in Company press releases as well as in analyst and industry reports of the Company and companies in its peer group.
- With the assistance of professionals in our firm having expertise in valuation, we evaluated the discount rates including testing the underlying source information and the mathematical accuracy of the calculations and developing a range of independent estimates and comparing those to the discount rates selected by management.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin
February 20, 2025

We have served as the Company's auditor since 1985.

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

Not applicable.

Item 9A. Controls and Procedures

(a) Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2024.

(b) Management Report on Internal Control Over Financial Reporting

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (2013)*. Based on management’s assessment, our management believes that, as of December 31, 2024, our internal control over financial reporting was effective based on those criteria.

Our independent registered public accounting firm has issued their attestation report on our internal control over financial reporting. The report is included below under the heading “Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting.”

(c) Changes in Internal Control Over Financial Reporting

There was no change in internal control over financial reporting that occurred during the three months ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(d) Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Our independent registered public accounting firm, Deloitte & Touche LLP, assessed the effectiveness of our internal control over financial reporting and has issued their report as set forth below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Fiserv, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Fiserv, Inc. and subsidiaries (the “Company”) as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 20, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Annual Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin
February 20, 2025

Item 9B. Other Information

(b) Except as set forth below, during the three months ended December 31, 2024, none of the Company's directors or Section 16 officers adopted or terminated a Rule 10b5-1 Trading Plan or "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

On November 11, 2024, Adam Rosman, Chief Administrative Officer and Chief Legal Officer of the Company, adopted a trading arrangement for the sale of the Company's common stock (a "Rule 10b5-1 Trading Plan") that is intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c). Mr. Rosman's Rule 10b5-1 Trading Plan provides for the sale of up to 17,906 shares of common stock pursuant to one or more limit orders until February 27, 2027.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

Except for information concerning our executive officers included in Part I of this Form 10-K under the caption "Information About Our Executive Officers," which is incorporated by reference herein, and the information regarding our Code of Conduct below, the information required by Item 10 is incorporated by reference to the information set forth under the captions "Our Board of Directors – Who We Are," "Our Board of Directors – How We Are Selected, Elected and Evaluated," "Our Board of Directors – How We Are Organized – Our Committees – Audit Committee," and "Compensation Discussion and Analysis – Additional Compensation Policies – Securities Trading Policy" in our definitive proxy statement for our 2025 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2024.

Our board of directors has adopted a Code of Conduct and Business Ethics ("Code of Conduct") that applies to all of our directors and employees, including our chief executive officer, chief financial officer, chief accounting officer and other persons performing similar functions as well as our other executive officers. We have posted a copy of our Code of Conduct on the "About – Investor Relations – Corporate Governance – Governance Documents" section of our website at www.fiserv.com. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, the Code of Conduct by posting such information on the "About – Investor Relations" section of our website at www.fiserv.com. We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

Item 11. Executive Compensation

The information required by Item 11 is incorporated by reference to the information set forth under the captions "Our Board of Directors – How We Are Paid," "Compensation Discussion and Analysis," "Compensation Committee Report," "Compensation Committee Interlocks and Insider Participation," "Executive Compensation," and "Pay Ratio" in our definitive proxy statement for our 2025 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2024.

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

The information set forth under the caption "Our Shareholders – Common Stock Ownership" in our definitive proxy statement for our 2025 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days the close of the fiscal year ended December 31, 2024, is incorporated by reference herein.

Equity Compensation Plan Information

The table below sets forth information with respect to compensation plans under which equity securities are authorized for issuance as of December 31, 2024.

	(a)	(b)	(c)
Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by our shareholders ⁽¹⁾	3,583,029 ⁽²⁾	94.15 ⁽³⁾	18,013,195 ⁽⁴⁾
Equity compensation plans not approved by our shareholders	N/A	N/A	N/A
Total ⁽⁵⁾	3,583,029 ⁽²⁾	94.15 ⁽³⁾	18,013,195 ⁽⁴⁾

- ⁽¹⁾ Columns (a) and (c) of the table above do not include 4,540,827 unvested restricted stock units outstanding under the Amended and Restated Fiserv, Inc. 2007 Omnibus Incentive Plan (the “Incentive Plan”) or 22,679,972 shares authorized for issuance under the Fiserv, Inc. Amended and Restated Employee Stock Purchase Plan.
- ⁽²⁾ Consists of options outstanding under the Incentive Plan; 1,966,382 shares subject to performance share units at the target award level under the Incentive Plan; and 173,778 shares subject to non-employee director deferred compensation notional units under the Incentive Plan.
- ⁽³⁾ Represents the weighted-average exercise price of outstanding options under the Incentive Plan and does not take into account outstanding performance share units or non-employee director deferred compensation notional units under the Incentive Plan.
- ⁽⁴⁾ Reflects the number of shares available for future issuance under the Incentive Plan.
- ⁽⁵⁾ This table does not include 142,950 options outstanding under the 2007 Stock Incentive Plan for Key Employees of First Data Corporation and its Affiliates (the “2007 First Data Plan”) and the First Data Corporation 2015 Omnibus Incentive Plan (the “2015 First Data Plan”) and together with the 2007 First Data Plan, the “First Data Plans”) as of December 31, 2024 at a weighted-average exercise price of \$44.27. We assumed the First Data Plans in connection with our acquisition of First Data Corporation on July 29, 2019 and converted certain outstanding First Data equity awards into corresponding equity awards relating to common stock of Fiserv, Inc. in accordance with an exchange ratio in the merger agreement. This table also does not include 1,318 shares of restricted stock and restricted stock units outstanding under the 2015 First Data Plan, as of December 31, 2024. No additional equity awards will be made under the First Data Plans.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is incorporated by reference to the information set forth under the captions “Our Board of Directors – How We Are Organized – Our Independence,” and “Our Board of Directors – How We Govern – Review, Approval or Ratification of Transactions with Related Persons,” in our definitive proxy statement for our 2025 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2024.

Item 14. Principal Accounting Fees and Services

The information required by Item 14 is incorporated by reference to the information set forth under the captions “Independent Registered Public Accounting Firm and Fees” and “Audit Committee Pre-Approval Policy” in our definitive proxy statement for our 2025 annual meeting of shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days after the close of the fiscal year ended December 31, 2024.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Financial Statement Schedules

Financial statement schedules have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or accompanying notes.

Exhibits

The exhibits listed in the accompanying exhibit index are filed as part of this Annual Report on Form 10-K.

EXHIBIT INDEX

Exhibit Number	Exhibit Description
3.1	Restated Articles of Incorporation (1)
3.2	Amended and Restated By-laws (2)
4.1	Description of Securities of the Registrant (3)
4.2	Indenture, dated as of November 20, 2007, by and among Fiserv, Inc., the guarantors named therein and U.S. Bank National Association (5)
4.3	Thirteenth Supplemental Indenture, dated as of May 22, 2015, between Fiserv, Inc. and U.S. Bank National Association (6)
4.4	Fifteenth Supplemental Indenture, dated as of September 25, 2018, between Fiserv, Inc. and U.S. Bank National Association (7)
4.5	Seventeenth Supplemental Indenture, dated as of June 24, 2019, between Fiserv, Inc. and U.S. Bank National Association (8)
4.6	Eighteenth Supplemental Indenture, dated as of June 24, 2019, between Fiserv, Inc. and U.S. Bank National Association (8)
4.7	Nineteenth Supplemental Indenture, dated as of June 24, 2019, between Fiserv, Inc. and U.S. Bank National Association (8)
4.8	Twenty-First Supplemental Indenture, dated as of July 1, 2019, between Fiserv, Inc. and U.S. Bank National Association (9)
4.9	Twenty-Second Supplemental Indenture, dated as of July 1, 2019, between Fiserv, Inc. and U.S. Bank National Association (9)
4.10	Twenty-Third Supplemental Indenture, dated as of July 1, 2019, between Fiserv, Inc. and U.S. Bank National Association (9)
4.11	Twenty-Fourth Supplemental Indenture, dated as of July 1, 2019, between Fiserv, Inc. and U.S. Bank National Association (9)
4.12	Twenty-Fifth Supplemental Indenture, dated as of May 13, 2020, between Fiserv, Inc. and U.S. Bank National Association (10)
4.13	Twenty-Sixth Supplemental Indenture, dated as of May 13, 2020, between Fiserv, Inc. and U.S. Bank National Association (10)
4.14	Twenty-Seventh Supplemental Indenture, dated as of March 2, 2023, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (11)
4.15	Twenty-Eighth Supplemental Indenture, dated as of March 2, 2023, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (11)
4.16	Twenty-Ninth Supplemental Indenture, dated as of May 24, 2023, between Fiserv, Inc. and U.S. Bank and Trust Company, National Association (12)
4.17	Thirtieth Supplemental Indenture, dated as of August 21, 2023, between Fiserv, Inc. and U.S. Bank and Trust Company, National Association (13)
4.18	Thirty-First Supplemental Indenture, dated as of August 21, 2023, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (13)
4.19	Thirty-Second Supplemental Indenture, dated as of March 4, 2024, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (14)

4.20	Thirty-Third Supplemental Indenture, dated as of March 4, 2024, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (14)
4.21	Thirty-Fourth Supplemental Indenture, dated as of March 4, 2024, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (14)
4.22	Thirty-Fifth Supplemental Indenture, dated as of August 12, 2024, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (15)
4.23	Thirty-Sixth Supplemental Indenture, dated as of August 12, 2024, between Fiserv, Inc. and U.S. Bank Trust Company, National Association (15)
4.24	Agency Agreement, dated as of July 1, 2019, by and among Fiserv, Inc., Elavon Financial Services DAC, UK Branch, and U.S. Bank National Association (9)
4.25	Agency Agreement, dated as of May 24, 2023, by and among Fiserv, Inc., Elavon Financial Services DAC, UK Branch, and U.S. Bank Trust Company, National Association (12)
	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	Amended and Restated Fiserv, Inc. 2007 Omnibus Incentive Plan (16)*
	Amended and Restated Fiserv, Inc. 2007 Omnibus Incentive Plan Forms of Award Agreements
10.2	- Form of Restricted Stock Unit Agreement (Non-Employee Director) (17)*
10.3	- Form of Restricted Stock Unit Agreement (Employee-SO)*
10.4	- Form of Restricted Stock Unit Agreement (Employee-ST)*
10.5	- Form of Restricted Stock Unit Agreement (Employee-N) (18)*
10.6	- Form of Non-Qualified Stock Option Agreement (Non-Employee Director-LE) (17)*
10.7	- Form of First Amendment to Non-Qualified Stock Option Agreement (Non-Employee Director - LE) (19)*
10.8	- Form of Non-Qualified Stock Option Agreement (Non-Employee Director - EE) (19)*
10.9	- Form of Second Amendment to Non-Qualified Stock Option Agreement (Non-Employee Director - LE/EE) (20)*
10.10	- Form of Stock Option Agreement (Employee-F) (21)*
10.11	- Form of Amendment to Stock Option Agreement (Employee-F) (22)*
10.12	- Form of Stock Option Agreement (Employee-E) (21)*
10.13	- Form of Stock Option Agreement (Employee-SO) (18)*
10.14	- Form of Stock Option Agreement (Employee-ST) (18)*
10.15	- Form of Performance Share Unit Agreement (Employee-SO)*
10.16	- Form of Performance Share Unit Agreement (Employee-ST) (18)*
10.17	2007 Stock Incentive Plan for Key Employees of First Data Corporation and its Affiliates (23)*
	2007 Stock Incentive Plan for Key Employees of First Data Corporation and its Affiliates Forms of Award Agreements
10.18	- Form of Stock Option Agreement for Executive Committee Members (24)*
10.19	- Form of Stock Option Agreement for U.S. Employees effective for grants in or after January 2014 (24)*
10.20	First Data Corporation 2015 Omnibus Incentive Plan (23)*
	First Data Corporation 2015 Omnibus Incentive Plan Forms of Award Agreements
10.21	- Form of Option Agreement for Management Committee and Directors (24)*
10.22	- Form of Option Grant Notice and Option Grant Agreement (24)*
10.23	Fiserv, Inc. Executive Severance and Change of Control Policy, effective August 10, 2021 (25)*
10.24	Fiserv, Inc. Executive Officer Cash Severance Policy (2)*
10.25	Employment Agreement, dated December 21, 2022, between Fiserv, Inc. and Frank J. Bisignano (26)*
10.26	Offer Letter, dated January 22, 2025, between Fiserv, Inc. and Michael P. Lyons (27)*
10.27	Fiserv, Inc. Amended and Restated Non-Qualified Deferred Compensation Plan (4)*
10.28	Form of Non-Employee Director Indemnity Agreement (28)
10.29	Fiserv, Inc. Non-Employee Director Deferred Compensation Plan (20)*

10.30	Non-Employee Director Compensation Schedule (29)*
10.31	Credit Agreement, dated as of June 16, 2022, among Fiserv, Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the financial institutions party thereto (30)*
19.1	Fiserv, Inc. Securities Trading Policy
21.1	Significant Subsidiaries of Fiserv, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	Fiserv, Inc. Compensation Recoupment Policy (3)
101.INS**	Inline XBRL Instance Document - The XBRL Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* This exhibit is a management contract or compensatory plan or arrangement.

** Filed with this Annual Report on Form 10-K are the following documents formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Statements of Income for the years ended December 31, 2024, 2023 and 2022, (ii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022, (iii) the Consolidated Balance Sheets at December 31, 2024 and 2023, (iv) the Consolidated Statements of Equity for the years ended December 31, 2024, 2023 and 2022, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022, (vi) Notes to Consolidated Financial Statements, and (vii) the information included in Part I, Item 1C and Part II, Item 9B(b).

- (1) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on February 27, 2018, and incorporated herein by reference.
- (2) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on November 21, 2022, and incorporated herein by reference.
- (3) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 22, 2024, and incorporated herein by reference.
- (4) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 27, 2020, and incorporated herein by reference.
- (5) Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (File No. 333-147309) filed on November 13, 2007, and incorporated herein by reference.
- (6) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 22, 2015, and incorporated herein by reference.
- (7) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on September 25, 2018, and incorporated herein by reference.
- (8) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on June 24, 2019, and incorporated herein by reference.
- (9) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on July 1, 2019, and incorporated herein by reference.

- (10) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 13, 2020, and incorporated herein by reference.
- (11) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on March 2, 2023, and incorporated herein by reference.
- (12) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on May 24, 2023, and incorporated herein by reference.
- (13) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on August 21, 2023, and incorporated herein by reference.
- (14) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on March 4, 2024, and incorporated herein by reference.
- (15) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on August 12, 2024, and incorporated herein by reference.
- (16) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on May 2, 2018, and incorporated herein by reference.
- (17) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 24, 2012, and incorporated herein by reference.
- (18) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 23, 2023, and incorporated herein by reference.
- (19) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on August 2, 2017, and incorporated herein by reference.
- (20) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on December 1, 2017, and incorporated herein by reference.
- (21) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 23, 2017, and incorporated herein by reference.
- (22) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 20, 2015, and incorporated herein by reference.
- (23) Previously filed as an exhibit to the Company's Post-Effective Amendment No. 1 on Form S-8 to the Form S-4 Registration Statement of Fiserv, Inc. filed July 29, 2019, and incorporated herein by reference.
- (24) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on November 7, 2019, and incorporated herein by reference.
- (25) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on August 12, 2021, and incorporated herein by reference.
- (26) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on December 22, 2022, and incorporated herein by reference.
- (27) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on January 23, 2025, and incorporated herein by reference.
- (28) Previously filed as an exhibit to the Company's Annual Report on Form 10-K filed on February 28, 2008, and incorporated herein by reference.
- (29) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q filed on July 25, 2024, and incorporated herein by reference.
- (30) Previously filed as an exhibit to the Company's Current Report on Form 8-K filed on June 21, 2022, and incorporated herein by reference.

Item 16. Form 10-K Summary

None.

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 20, 2025.

FISERV, INC.

By: /s/ Frank J. Bisignano

Frank J. Bisignano

Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 20, 2025.

<u>Name</u>	<u>Capacity</u>
<u>/s/ Frank J. Bisignano</u> Frank J. Bisignano	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Robert W. Hau</u> Robert W. Hau	Chief Financial Officer (Principal Financial Officer)
<u>/s/ Kenneth F. Best</u> Kenneth F. Best	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Henrique De Castro</u> Henrique De Castro	Director
<u>/s/ Harry F. DiSimone</u> Harry F. DiSimone	Director
<u>/s/ Lance M. Fritz</u> Lance M. Fritz	Director
<u>/s/ Ajei Gopal</u> Ajei Gopal	Director
<u>/s/ Wafaa Mamilli</u> Wafaa Mamilli	Director
<u>/s/ Heidi G. Miller</u> Heidi G. Miller	Director
<u>/s/ Doyle R. Simons</u> Doyle R. Simons	Director
<u>/s/ Kevin M. Warren</u> Kevin M. Warren	Director
<u>/s/ Charlotte Yarkoni</u> Charlotte Yarkoni	Director

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Frank J. Bisignano, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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 the 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 20, 2025

By: /s/ Frank J. Bisignano
Frank J. Bisignano
Chairman and Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert W. Hau, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. 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
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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 the 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 20, 2025

By: /s/ Robert W. Hau

Robert W. Hau

Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Fiserv, Inc. (the “Company”) for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Frank J. Bisignano, as Chairman and Chief Executive Officer of the Company, and Robert W. Hau, as Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

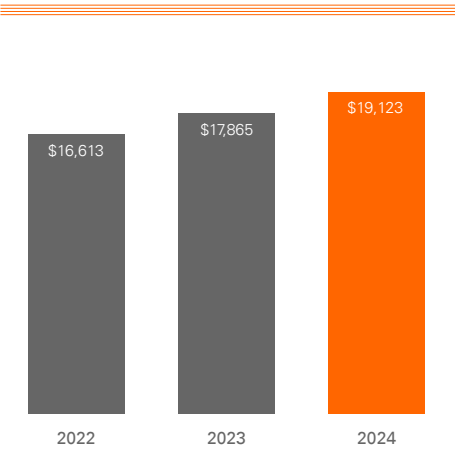
By: /s/ Frank J. Bisignano
Frank J. Bisignano
Chairman and Chief Executive Officer
February 20, 2025

By: /s/ Robert W. Hau
Robert W. Hau
Chief Financial Officer
February 20, 2025

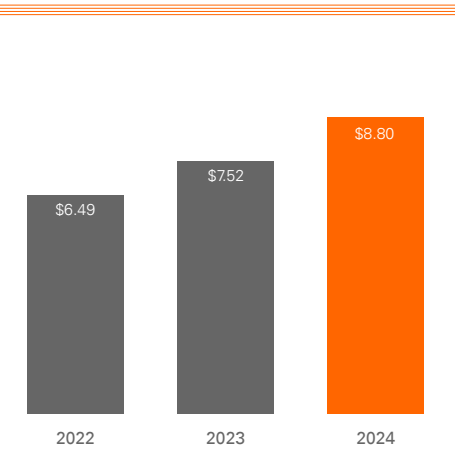


Financial Highlights

Adjusted Revenue



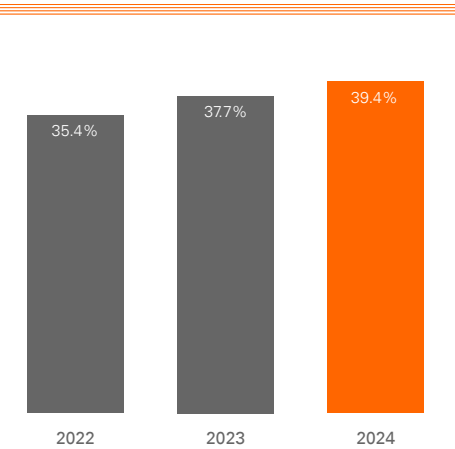
Adjusted Earnings Per Share



Free Cash Flow



Adjusted Operating Margin



\$ in millions, except per share amounts.
See appendix for information regarding non-GAAP financial measures.

Non-GAAP Financial Measures

In this document, the company supplements its reporting of information determined in accordance with generally accepted accounting principles ("GAAP"), such as revenue, operating income, operating margin, net income attributable to Fiserv, diluted earnings per share and net cash provided by operating activities, with "adjusted revenue," "adjusted revenue growth," "organic revenue," "organic revenue growth," "adjusted operating income," "adjusted operating margin," "adjusted net income," "adjusted earnings per share," "adjusted earnings per share growth" and "free cash flow." Management believes that adjustments for certain non-cash or other items, and the exclusion of certain pass-through revenue and expenses, should enhance shareholders' ability to evaluate the company's performance, as such measures provide additional insights into the factors and trends affecting its business. Therefore, the company excludes these items from its GAAP financial measures to calculate these unaudited non-GAAP measures. Reconciliations of these unaudited non-GAAP financial measures to the most comparable GAAP measures are included in this document, except for forward-looking measures where a reconciliation to the corresponding GAAP measures is not available due to the variability, complexity and limited visibility of these items that are excluded from the non-GAAP outlook measures.

Forward-looking statements

This document contains forward-looking statements, including statements that describe the company's future plans, outlook, objectives or goals. Please refer to the "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2024 for a description of the assumptions, risks and uncertainties that may cause actual results to differ materially from those contemplated by such forward looking statements.

Adjusted Net Income and Adjusted Earnings Per Share

	2022	2023	2024
GAAP net income attributable to Fiserv	\$2,530	\$3,068	\$3,131
Adjustments:			
Merger and integration costs ¹	173	158	81
Severance costs	209	74	157
Amortization of acquisition-related intangible assets ²	1,814	1,623	1,420
Non wholly-owned entity activities ³	9	133	100
Impairment of equity method investments ⁴	—	—	635
Non-cash settlement charge for terminated pension plans ⁵	—	—	147
Net gain on sale of businesses and other assets ⁶	(54)	(167)	—
Canadian tax law change ⁷	—	27	—
Tax impact of adjustments ⁸	(476)	(355)	(548)
Argentine Peso devaluation ⁹	—	71	—
Adjusted net income	<u>\$4,205</u>	<u>\$4,632</u>	<u>\$5,123</u>
Diluted shares used in computing earnings per share attributable to Fiserv	647.9	615.9	582.1
GAAP earnings per share attributable to Fiserv - diluted	\$3.91	\$4.98	\$5.38
Adjustments - net of income taxes:			
Merger and integration costs ¹	0.21	0.21	0.11
Severance costs	0.25	0.10	0.22
Amortization of acquisition-related intangible assets ²	2.21	2.11	1.95
Non wholly-owned entity activities ³	(0.02)	0.17	0.14
Impairment of equity method investments ⁴	—	—	0.85
Non-cash settlement charge for terminated pension plans ⁵	—	—	0.16
Net gain on sale of businesses and other assets ⁶	(0.06)	(0.19)	—
Canadian tax law change ⁷	—	0.04	—
Argentine Peso devaluation ⁹	—	0.12	—
Adjusted earnings per share	<u>\$6.49</u>	<u>\$7.52</u>	<u>\$8.80</u>
2024 GAAP earnings per share attributable to Fiserv growth			8%
2024 adjusted earnings per share growth			17%

\$ in millions, except per share amounts. Earnings per share is calculated using actual, unrounded amounts.

Adjusted Revenue, Adjusted Operating Income and Adjusted Operating Margin

	2022	2023	2024
Revenue	\$17,737	\$19,093	\$20,456
Adjustments:			
Postage reimbursements	(1,149)	(1,247)	(1,333)
Deferred revenue purchase accounting adjustments	25	19	–
Adjusted revenue	<u>\$16,613</u>	<u>\$17,865</u>	<u>\$19,123</u>
Operating income	\$3,740	\$5,014	\$5,879
Adjustments:			
Merger and integration costs ¹	173	158	81
Severance costs	209	74	157
Amortization of acquisition-related intangible assets ²	1,814	1,623	1,420
Net gain on sale of businesses and other assets ⁶	(54)	(167)	–
Canadian tax law change ⁷	–	27	–
Adjusted operating income	<u>\$5,882</u>	<u>\$6,729</u>	<u>\$7,537</u>
Operating margin	21.1%	26.3%	28.7%
Adjusted operating margin	35.4%	37.7%	39.4%

\$ in millions. Operating margin percentages are calculated using actual, unrounded amounts.

Organic Revenue Growth

	FY 24	
	2024	2023
Adjusted revenue	\$19,123	\$17,865
Currency impact ¹⁰	1,621	–
Acquisition adjustments	(10)	–
Divestiture adjustments	(15)	(46)
Organic revenue	<u>\$20,719</u>	<u>\$17,819</u>
Organic revenue growth ¹¹	16%	

Organic revenue growth is calculated using actual, unrounded amounts.

Free Cash Flow

	2022	2023	2024
Net cash provided by operating activities	\$4,618	\$5,162	\$6,631
Capital expenditures	(1,479)	(1,388)	(1,569)
Adjustments:			
Distributions paid to noncontrolling interests and redeemable noncontrolling interests	(42)	(34)	(55)
Distributions from unconsolidated affiliates included in cash flows from investing activities	138	136	60
Severance, merger and integration payments	306	169	179
Tax payments on adjustments	(64)	(34)	(36)
Tax payments on gain on sale of assets and investments in unconsolidated affiliates	49	–	–
Other	(11)	5	23
Free cash flow	<u>\$3,515</u>	<u>\$4,016</u>	<u>\$5,233</u>

\$ in millions.

- 1 Represents acquisition and related integration costs incurred in connection with acquisitions. Merger and integration costs associated with integration activities in 2024 primarily include \$23 million of third-party professional service fees, \$22 million of share-based compensation, and \$14 million related to a legal settlement. Merger and integration costs associated with integration activities in 2023 and 2022 primarily include \$35 million and \$75 million of share-based compensation and \$70 million and \$38 million of third-party professional service fees, respectively.
- 2 Represents amortization of intangible assets acquired through acquisition, including customer relationships, software/technology and trade names. This adjustment does not exclude the amortization of other intangible assets such as contract costs (sales commissions and deferred conversion costs), capitalized and purchased software, financing costs and debt discounts.
- 3 Represents the company's share of amortization of acquisition-related intangible assets at its unconsolidated affiliates, as well as the minority interest share of amortization of acquisition-related intangible assets at its subsidiaries in which the company holds a controlling financial interest. This adjustment also includes pre-tax gains totaling \$201 million related to certain equity investment transactions and other net expense of \$43 million associated with joint venture debt guarantees in 2022.
- 4 Represents a non-cash impairment of certain equity method investments during 2024, primarily related to the company's Wells Fargo Merchant Services joint venture.
- 5 Represents a non-cash settlement charge associated with the terminations of the company's defined benefit pension plans in the United Kingdom and United States. Settlements of the terminated plans were completed in 2024.
- 6 Represents a net gain primarily associated with the sale of the company's financial reconciliation business in 2023. This adjustment also includes an aggregate net gain on the sale of Fiserv Costa Rica, S.A., the company's Systems Integration Services operations, the company's Korea operations and certain merchant contracts in conjunction with the mutual termination of one of the company's merchant alliance joint ventures in 2022.
- 7 Represents the impact of a multiyear retroactive Canadian tax law change, enacted in June 2023, related to the Goods and Services Tax / Harmonized Sales Tax (GST/HST) treatment of payment card services.
- 8 The tax impact of adjustments is calculated using a tax rate of 20% for both 2024 and 2023, and 21% for 2022, which approximates the company's annual effective tax rates, exclusive of actual tax impacts of an aggregate \$196 million benefit associated with the impairment of certain equity method investments and the settlement charge for terminated pension plans during 2024, a \$48 million provision associated with the net gain on sale of businesses during 2023, and a \$16 million provision associated with the net gain on sales of businesses, other assets and certain equity investment transactions during 2022.
- 9 On December 12, 2023, the Argentina government announced economic reforms, including a significant devaluation of the Argentine Peso. This adjustment represents the corresponding one-day foreign currency exchange loss from the remeasurement of the company's Argentina subsidiary's monetary assets and liabilities in Argentina's highly inflationary economy.
- 10 Currency impact is measured as the increase or decrease in adjusted revenue for the current period by applying prior-period foreign currency exchange rates to present a constant currency comparison to prior periods.
- 11 Organic revenue growth is measured as the change in adjusted revenue for the current period, excluding the impact of foreign currency fluctuations and revenue attributable to acquisitions and dispositions, divided by adjusted revenue from the prior period excluding revenue attributable to dispositions.

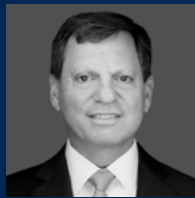
Fiserv has a
long history
of making and
delivering
on commitments

Leadership

Board of Directors

Stephanie E. Cohen
Henrique de Castro
Harry F. DiSimone
Lance M. Fritz
Ajei S. Gopal
Wafaa Mamilli
Heidi G. Miller
Doyle R. Simons
Kevin M. Warren
Charlotte B. Yarkoni

Executive Leadership



Frank J. Bisignano
Chairman of the Board
and CEO



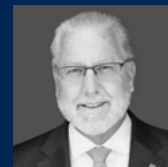
Michael P. Lyons
President and
CEO-Elect



Guy Chiarello
Chief Operating
Officer



Ivo Distelbrink
Head of APAC
Region



Christopher M.
Foskett
Vice Chairman



Andrew Gelb
Head of Issuer
Solutions



Takis Georgakopoulos
Executive Vice
President



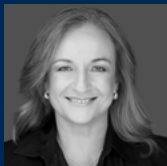
John Gibbons
Head of the Financial
Institutions Group



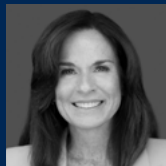
Robert W. Hau
Chief Financial Officer



Tom Higgins
Head of General
Services



Katia Karpova
Head of EMEA
Region



Jennifer LaClair
Head of Merchant
Solutions



Jennifer M.
Manchester
Chief Human
Resources Officer



Gustavo Marin
Head of LATAM
Region



Adam Rosman
Chief Administrative
Officer and Chief Legal
Officer



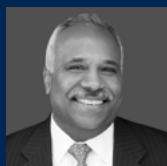
Joanne Sebby
Chief Risk Officer



Rick Singh
Chief Growth Officer



Shannon Watkins
Chief Marketing
Officer



Neil H. Wilcox
Head of Corporate
Social Responsibility



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